

**BOARD OF EDUCATION**

Portland Public Schools  
**STUDY SESSION**  
December 2, 2014

**Board Auditorium**

Blanchard Education Service Center  
501 N. Dixon Street  
Portland, Oregon 97227

***Note:** Those wishing to speak before the School Board should sign the public comment sheet prior to the start of the meeting. No additional speakers will be accepted after the sign-in sheet is removed, but testifiers are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All those testifying must abide by the Board's Rules of Conduct for Board meetings.*

*Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time.*

*This meeting may be taped and televised by the media.*

**AGENDA**

1. **PUBLIC COMMENT** 6:00 pm
2. **DISCUSSION: ENROLLMENT AND TRANSFER** 6:20 pm
3. **PRESENTATION: COMPREHENSIVE ANNUAL FINANCIAL REPORT** 6:50 pm
4. **UPDATE: MULTIPLE PATHWAYS** 7:10 pm
5. **UPDATE: SCHOOL IMPROVEMENT PLANS** 8:10 pm
6. **FIRST READING: AMENDED CASH MANAGEMENT POLICY** 9:10 pm
7. **ADJOURN** 9:30 pm

**Portland Public Schools Nondiscrimination Statement**

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District is committed to equal opportunity and nondiscrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital status; familial status; economic status or source of income; mental or physical disability or perceived disability; or military service.



# Board of Education

## Staff Report to the Board

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**Board Meeting Date:** December 2, 2014      **Executive Committee Lead:** Jon Isaacs

**Department:** Enrollment and Transfer      **Presenter/Staff Lead:** Judy Brennan

**SUBJECT: Revisions to Student Enrollment and Transfer policy (4.10.051-P)**

### BACKGROUND

In March 2013, following Resolution #4718 on Jefferson K-8 cluster enrollment balancing, Superintendent Smith charged the Superintendent's Advisory Committee on Enrollment and Transfer (SACET) with recommending revisions to enrollment and transfer policies to improve alignment with Portland Public Schools' strategic framework and Racial Educational Equity policy. The committee released a preliminary report in June 2014 and a final set of recommendations in October 2014 at the culmination of eighteen months of deliberation, data-modeling and targeted listening sessions. The committee was trained to apply the PPS racial equity lens throughout their work.

Superintendent Smith will announce her plan to move forward with most SACET recommendations on November 25, 2014. Policy 4.01.051-P has been revised to reflect her directions. Revisions to Administrative Directive 4.10.054-AD will be available for review in early December.

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### RELATED POLICIES / BOARD GOALS AND PRIORITIES

All language in the policy was reviewed for compliance, and reflects current practice.

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### PROCESS / COMMUNITY ENGAGEMENT

SACET is a diverse volunteer body of stakeholders from across the district who have received considerable training in PPS enrollment and transfer policies and procedures, along with racial equity tools and goals. The committee conducted targeted listening sessions to inform their understanding, including hearing from neighborhood school and focus option principals, and dual-language and special education staff. They also conducted listening sessions with historically underrepresented groups in partnership with five community agencies: Asian Pacific American Network of Oregon (APANO), Self-Enhancement Inc (SEI), Portland African American Leadership Forum (PAALF), Native American Youth and Family Center (NAYA) and Latino Network.

Please see attached community engagement timeline.

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**Reviewed and Approved by  
Executive Committee Lead**

## **ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN**

Revising policy 4.10.051-P was one of multiple strategies SACET identified to bring enrollment and transfer practices in greater alignment with the Racial Educational Equity Policy. The recommended changes will help provide equitable access for historically underserved students both to strong, comparable programs at neighborhood schools as well as to unique focus option schools and programs.

To aid SACET in their work, training and coaching was offered in Courageous Conversations About Race protocols and in the application of the PPS racial equity lens. The training and support was included as priority strategy #17 in the district's equity plan.

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## **BUDGET / RESOURCE IMPLICATIONS**

An action plan describing budget/resource implications of the Superintendent's recommendations is attached here.

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## **NEXT STEPS / TIMELINE / COMMUNICATION PLAN**

Timeline for community input, board deliberation and decision making is attached. Approved policy changes will be communicated through an outreach plan involving schools, central departments and community partners including early education providers and culturally specific agencies.

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## **QUESTIONS FOR BOARD DISCUSSION**

What additional information would be helpful to support your deliberations and decision-making?

## **ATTACHMENTS**

Revised Policy 4.10.051-P  
Community engagement timeline  
Action Plan

## 4.10.051-P Student Enrollment and Transfers

### I. Policy Purpose

The purpose of this policy is to provide equal access to educational options for all resident students through an open, fair and accessible process and to promote equity and diversity in student transfers and admissions through alignment with the Educational Options Policy (6.10.022-P). The policy furthers the Student Achievement Policy (6.10.010-P), the district's ~~policy to eliminate barriers to educational attainment~~ Racial Educational Equity Policy (2.10.010-P), and other district policies and state and federal requirements.

### II. General Policy Statement

~~All Portland Public School students have the right to attend their neighborhood school.~~ All Portland Public School students ~~also~~ have the right to request a transfer to attend any grade- appropriate school or program in the district. The Board is committed to families and students ~~as the primary decision-makers for their choice of~~ having equitable access to a broad portfolio of educational options. The district has the responsibility, through its centralized coordination of information, outreach, and support services, to provide families and students with information and advice that will enable families and students to make informed decisions about their choice of educational options.

### III. Definitions

#### (1) School and student terms

- (a) Neighborhood school. A school serving a designated attendance area and as defined in 6.10.022-P .
- (b) Focus option. A separate school or program structured around a unique curriculum or particular theme and as defined in 6.10.022-P.
- (c) Transfer school. The school to which a student has transferred.
- (d) Transfer student. A district student attending a school other than his/her neighborhood school.
- (e) Resident student. A student who is a resident of the Portland Public School district.
- (f) Nonresident. A student from another district attending a PPS district school on inter-district transfer.

## 4.10.051-P Student Enrollment and Transfers

(g) Sibling. Children with the same parent or supervising adult living together at the same address.

### (2) Admission and transfer terms

(a) Transfer: A formal request by a district family for a student to attend a school other than their neighborhood school or to return to their neighborhood school. There are two types of transfers:

(A) ~~On-time Lottery~~ transfers: a request to transfer ~~by a designated deadline to a focus option school.~~ ~~On-time Lottery~~ transfers are based on space availability and preferences.

(B) Petition transfers: a request to transfer ~~after the designated deadline.~~ ~~Petition transfer requests require extraordinary circumstances to be granted to a different neighborhood school, or to a focus option school after the lottery transfer process has closed.~~

~~(b) Extraordinary circumstances: The documented basis for school reassignments after the transfer deadline.~~

(~~e~~b) Enrollment: The process for accounting for students in schools.

(~~e~~c) Feeder pattern: A designated path for students to advance from one school grade grouping to another.

### IV. Policy Scope

This policy does not apply to nonresident students, alternative education placements, pre-kindergarten admissions, or charter school admissions. In order to meet the educational needs of students with disabilities, those students may be assigned to specialized program services outside of their neighborhood school. -The district also shall be in compliance with all federal and state laws and regulations regarding student enrollment and transfers.

### V. Admission

(1) By area of residence. Students have a right to attend the neighborhood school where they reside with their parent or supervising adult, except as provided in Section IV. This right

## 4.10.051-P Student Enrollment and Transfers

extends to students returning to their neighborhood school with ~~an on-time~~ a petition transfer request and to families with students new to the district.

(2) By transfer. All students have the right to request a transfer to a school or program other than their own assigned neighborhood school.

(a) ~~Transfers to a different neighborhood school: requests to transfer to a different neighborhood school will be considered through the petition process. Petitions will be considered on an individual basis based on a standard set of criteria, taking into consideration available space at the requested school. A transfer request to a different neighborhood school is granted based on an on-time transfer request, space availability and preferences.~~

(b) ~~Transfers to a focus option school: requests to transfer to a focus option school shall be considered through a lottery process and a petition process after the lottery transfer process has closed.~~ A transfer request to a focus option is granted based on an on-time transfer request, space availability, admission criteria if any and preferences.

~~(c) Petition transfers are granted based on extraordinary circumstances.~~

(3) Admission criteria for focus option schools or programs

(a) Admission criteria to any District school or program shall be the same for neighborhood and transfer students.

(b) Admission criteria shall be clear, objective and directly related to the educational goals of the focus option and the district. A school or program may require the family and student to indicate an understanding of program expectations prior to enrollment.

(c) Middle and high school focus options may have admission criteria as specified in the operations plan required in 6.10.022-P.

(d) Elementary focus options shall have no admission criteria except for language criteria for dual language immersion and late entry for language immersion options.

## 4.10.051-P Student Enrollment and Transfers

### VI. Enrollment

- (1) Students shall remain in the same program or school in which they are enrolled for the school year, except in cases of extraordinary circumstances. Schools shall collaborate with families, students and staff to meet the needs of students for that school year.
- (2) Students enrolled in a transfer school do not have to reapply until completion of all grades in that school.
- (3) Upon completion of a school grade grouping, students are enrolled in their neighborhood feeder pattern school, except as provided in (4) and (5) below. Students who want to attend a school other than their neighborhood school shall follow the admission procedures in Section V.
- (4) Students admitted to a focus option that continues from one school grade grouping to another do not need to reapply for admission during these transitions except as provided in the focus option plan of operations.
- (5) Students enrolled in a curriculum that includes different school grade groupings may enroll in the school with the higher grade grouping after completion of the previous grade grouping.

### VII. Preferences

~~(1) Students who are residents of the district shall be given preference for admission to all district schools and programs.~~

~~(2) If For focus option schools, if lottery on-time~~ transfer requests exceed available spaces and the student meets admission criteria, if any, the following preferences determine priority placement in the following order:

- (a) ~~For neighborhood schools, neighborhood students. For focus options, students~~ Students continuing from their previous school grade grouping if required by the focus option plan of operations.
- (b) Students required by state or federal law or other district policy to receive priority.
- (c) Students who qualify to receive free and reduced-price meals, or qualify for enrollment in a Head Start Program in a proportion corresponding to a district-wide average.

## 4.10.051-P Student Enrollment and Transfers

(ed) A student whose sibling is enrolled at the same time in the student's first choice elementary, middle school or high school or program that includes other school grade groupings.

(de) Resident students who have submitted an on-time lottery transfer request.

~~(e) Nonresident students who have submitted an on-time transfer request, with those currently enrolled in Portland Public Schools having priority over students new to the District.~~

(3) A focus option may make special provision in its Board-approved plan of operations for admitting students from particular attendance areas.

## VIII. Student Transfer Process

(1) Student transfer decisions shall be facilitated by the administrator assigned to coordinate student transfers.

(2) The superintendent shall establish protocols and procedures, including deadlines and an appeals process, for on-time lottery and petition transfers and for inter district transfers.

(3) The superintendent shall establish a process for determining if space is available in a particular school or program.

(4) For focus options, ~~the~~ superintendent shall establish a process for admitting students by a centrally administered lottery for students who submit an on-time lottery transfer request and meet admission criteria, if any, and there are more applicants than available space.

(5) For transfers to a different neighborhood school, or for transfers to a focus option after the lottery has closed, the petition transfer process will provide review of applications on an individualized basis. The superintendent shall establish clear, flexible, culturally relevant protocols and standards to the petition transfer process. In addition, the superintendent shall establish a process to collect and monitor data from petition transfer requests to ensure equitable processes and decision-making and to identify areas of improvement in neighborhood schools.



## 4.10.051-P Student Enrollment and Transfers

(56) To support overall district goals and equal educational opportunities for all students, the ~~lottery-transfer~~ process also shall include factors as needed to promote equity and diversity in student admissions. The factors shall be based on the district's ~~policy to eliminate barriers to educational attainment~~ Racial Educational Equity Policy (2.10.010-P) and the Student Achievement Policy (6.10.010-P). The factors and process for how they shall be weighted in the lottery process shall be approved by the Board.

(67) The wait list established for a District-focus option school or program shall be randomly determined by the lottery, incorporating preferences and weighting as provided in this policy.

## IX. Non-Discrimination

(1) All schools and programs offered by the district shall be open to all students without discrimination based on any factors provided for by state and federal laws and regulations and as provided in 1.80.020-P.

## X. Policy Implementation and Effective Dates

(1) The superintendent shall develop administrative directives to implement this policy and a plan to transition to the new policy.

~~(2) The superintendent's transition plan shall include:~~

~~(a) allowing a preference for siblings of children of those families with children currently or formerly enrolled in a focus option that has had a written policy that explicitly provides for a preference for all past and present siblings. This exception to Section VII (2)(c) shall apply only to those families with a written commitment for this sibling preference prior to August 26, 2002 and shall end for admissions to said focus options for the 2008-2009 school year.~~

~~(b) allowing a one year transition for currently enrolled transfer students continuing to the next school grade grouping in their transfer feeder pattern for the 2004-05 school year, with full implementation of this policy for these students in school year 2005-06.~~

## 4.10.051-P Student Enrollment and Transfers

~~(32) With the exception of Section X (2)(a) and (b), this~~  
This policy shall be implemented for the school year ~~2004-05~~2015-16.

Legal References:

History: Approved 5/12/03 BA 2646; Amended 1/24/2005 BA 3197

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**DRAFT: Superintendent’s Action Plan for Enrollment & Transfer Changes**

Desired system outcome	Actions for 2015 implementation	Central office impacts	School-Based impacts
<p>1. Transfers between neighborhood schools limited to those with valid reasons 2. Information about transfer reasons used to improve school climate/ programming</p>	<p>1. Policy change to limit lottery to focus options 2. Adjust petition transfer process to ensure cultural competency; publish petition transfer FAQ, including list of most common valid reasons for transfer 3. Collect, analyze and disseminate at regular intervals petition transfer reasons &amp; results</p>	<p>Lead department: Enrollment &amp; Transfer 1. Provide training, coaching and support for staff on petition process adjustments. 2. Provide instructions on new process in multiple languages to parents through pamphlets, parent meetings, websites and other outreach methods 3. Adjust staff resources to provide new petition transfer data and analysis. 4. Modify School Choice information system to conform to new requirements. <i>Activities will require additional resource allocations for FY2014-15 and FY2015-16</i></p>	<p>1. Schools will assist with communication to families about transfer process changes 2. Principals, counselors and teachers will continue to provide input as part of petition transfer information-gathering 3. Any enrollment changes due to these transfer revisions will be considered as part of 2015-16 fall balancing</p>
<p>3. Purpose, operations and supports of focus options aligned with strategic framework and Racial Educational Equity Policy</p>	<p>1. Initiate focus option review in line with policy 6.10.022-P</p>	<p>Lead department: System Planning and Performance 1. Develop review procedures, benchmarks and timelines 2. Provide information to focus option school communities 3. Incorporate findings into District-wide Boundary Review <i>Activities will require additional resource allocations for FY2014-15 and FY2015-16</i></p>	<p>1. Focus option schools will participate in review process as well as district-wide boundary review.</p>
<p>4. Expand access to dual language immersion, particularly for historically</p>	<p>1. Decide on expansion plan for 2015-16 school year</p>	<p>Lead department: Dual Language Immersion 1. Complete dual language feasibility study for Superintendent/ School Board approval</p>	<p>1. Select schools will initiate/expand dual language programs 2. All schools will help identify and recruit students for</p>

underserved students		2. Implement approved plan 3. Modify School Choice information system to conform to new requirements.	dual language immersion
5. Focus options are equitably accessible and are representative of district or regional enrollment	1. Revise policy to increase preference for economically disadvantaged students 2. Expand outreach through culturally specific community organizations and other means	Lead department: Enrollment & Transfer 1. Provide training, coaching and support for staff on new transfer preference. 2. Develop culturally relevant outreach materials 3. Provide instructions on new process in multiple languages to parents through pamphlets, parent meetings, websites and other outreach methods 4. Modify School Choice information system to conform to new requirements. <i>Activities will require additional resource allocations for FY2014-15 and FY2015-16</i>	1. Focus options will increase culturally relevant outreach to historically underserved communities 2. Schools will assist with communication to families about transfer process changes 3. Any enrollment changes due to these transfer revisions will be considered as part of 2015-16 fall balancing
6. Enrollment stability for students receiving special education services	1. Revise policy language to reflect access to neighborhood and transfer schools for students receiving special education services 2. Implement procedures to ensure more students receiving special education services are assigned to schools in their home high school regions	Lead department: Special Education 1. Develop guidance and training for special education and other school-based staff regarding new assignment practices 2. Modify School Choice information system to conform to new requirements.	1. Schools with full-time special education focus classrooms will implement new procedures for students who change from focus to mainstream classrooms 2. All schools will assist parents and staff with understanding and supporting new procedures

Highlighted text are actions requiring School Board approval. Changes that require additional resources in 2015-16 will be addressed as part of the annual budget process.



# Board of Education Informational Report

## MEMORANDUM

**Date:** November 13, 2014

**To:** Members of the Board of Education

**From:** Superintendent Carole Smith

**Subject:** Timeline and flow chart for Enrollment & Transfer Recommendations & Board Action

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First, I want to express my gratitude for the thoughtful hard work done by the members of the Superintendent's Advisory Committee for Enrollment & Transfer (SACET) over the past 18 months.

This memo includes a timeline for the development and delivery of my recommendations to the board for changes to the PPS enrollment & transfer policies and system, and a flow chart of the necessary steps for approval and implementation. While the flow chart includes each component of the SACET recommendation, I am still considering which, if any, of these I will recommend to move forward for immediate action.

### Timeline for Recommended Changes to PPS Enrollment & Transfer System

1. November 25<sup>th</sup> PPS Board of Education Meeting: I will deliver my recommendations to the school board including which components require support in the 2015-16 budget process, and which require policy change by the Board.
2. December 2<sup>nd</sup> PPS Board of Education Meeting: I recommend the PPS Board hold an open hearing to provide members of the community an opportunity to give feedback on my recommendations.
3. December 9<sup>th</sup> PPS Board of Education Meeting: Final policy language and draft resolution will be delivered to the PPS Board for first reading. PPS Board will receive additional public comment. Public comment may, also be submitted in writing and through an online survey.

4. January 6th Board of Directors meeting: More opportunity for public comment on proposed changes.
5. January 13<sup>th</sup> PPS Board of Education Meeting: Second reading of final enrollment & transfer policy changes and board resolution for official board action. It is imperative to meet this deadline as this allows any changes that will be implemented for 2015 open enrollment to be operationalized.

### **SACET Recommendations Flow Chart**

PPS Enrollment Director Judy Brennan prepared this flow chart that shows the necessary steps to adopt and implement the SACET recommendations. In particular, it shows which recommendations would require me to make policy change recommendation to the PPS Board and which can be moved forward with appropriate organizational support.

<b>SACET RECOMMENDATION</b>	<b>Policy changes required?</b>	<b>Board approval required?</b>
1: End Lottery Transfers to Neighborhood Schools	Yes, policy changes to 4.10.051-P	Yes
2: Enhance Petition Transfer Process	No	No, but may be sought for future budget considerations
3: Conduct a Focus Option Review	No, already called for in policy 6.10.022-P	No, but may be sought for future budget considerations
4: Support Dual Language Expansion	No	Yes, if additional dual language programs are sited in the district. The DLI department will lead this work.
5: Focus Option Lottery Changes	Yes, portions of the recommendation require changes to policy 4.10.051-P	Yes, new policy language requires board approval. Proposals to improve outreach and supports do not require board approval.
6: Special Education changes	Yes, policy language in 4.10.051-P should be clarified.	Yes, new policy language requires board approval. Other changes will be led by the Special Education department.



## Board of Education Superintendent Recommendation to the Board

**Board Meeting Date:** December 2, 2014      **Executive Committee Lead:** Yousef Awwad, CFO

**Department:** Accounting & Payroll      **Presenter/Staff Lead:** Sharie Lewis, Director & TKW – External Auditor

**SUBJECT:**

**2013-14 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND SINGLE AUDIT**

### BACKGROUND

The District Auditor, Talbot, Korvola & Warwick, LLP, has issued an unmodified opinion on our financial reports for the year ended June 30, 2014 (see pages 1-3). An unmodified opinion is the technical term used to indicate a "clean audit" and is the highest level of opinion. It is the outcome that we expected.

### CAFR AND SINGLE (A-133) AUDIT HIGHLIGHTS

- ◆ During the year, the District implemented one new accounting standard: GASB Statement 70. The implementation of this standard resulted in additional disclosures regarding the District's participation in the Oregon School Bond Guaranty Program (ORS328.321 to 328.356, which guarantees payment on the 2013 GO Bond debt. This additional disclosure can be found on page 44 in the Notes to the Basic Financial Statements.
- ◆ Total net position, which is an indicator of economic condition for the year, increased by \$65.5 million as shown in the Analysis of Activities on page 7. The overall increase in net position is the result of a \$15.9 million increase in assets, which includes cash & investments, fixed assets net of depreciation and Unfunded Actuarial Liability (UAL) investment; a \$48.8 million decrease in liabilities, which includes accounts payable, accrued wages payable, claims and judgments payable, outstanding debt, and UAL liability; and an \$819 thousand decrease in deferred inflows of resources for the receipt of the final insurance payment on the Marysville School fire claim. The \$15.9 million increase in assets combined with the \$49.6 million decrease in liabilities and deferred inflows results in a \$65.5 million overall increase in net position. This increase represents a positive economic condition for the District. The increase in Total Assets is primarily a result of increases in capital assets, as described on page 11. The relatively large decrease in liabilities resulted mainly from the repayment of \$36.0 million of GO Bond debt and \$11.5 million of pension debt, also shown on page 11.
- ◆ Government-wide activities are summarized and analyzed on pages 7-9 and presented on page 17. These reports use a "full accrual" economic basis, e.g. depreciation is added, transfers between funds are eliminated, capital asset and debt principal payments are removed from expenses, and the change in unfunded PERS and post-employment benefits liabilities is added to expenses. Total District revenues, when compared to the prior year, increased \$84.1 million from \$542.9 million to \$627.0 million, while total District expenses increased \$22.7 million from \$538.8 million to \$561.5 million. These changes resulted in a fully-accrued net increase of \$61.4 million in total net position. Major changes in revenues were from a \$33.3 million increase in State School Fund revenues, and \$44.8 million in new GO Bond tax revenues, \$11.8 million increased General Fund property and local option taxes, offset by a \$9.7 million

**Reviewed and Approved by  
Superintendent**

decrease in grant revenues (primarily School Improvement/Priority Focus, and Title 1). Major increases in expenditures were from increases in General Fund instructional wages and benefits (\$11.8 million) and support services wages and benefits (\$8.7 million).

- ◆ The operational result for the General Fund was a net gain of \$14.2 million (page 18), which increased fund balance to \$51.7 million. The District's final supplemental budget had planned a net loss of \$4.2 million (excluding contingency), therefore the overall increase to the beginning fund balance in the General Fund for next year will be \$18.4 million more than planned.
- ◆ Capital Bond fund work touched 30 schools and expended \$19.0 million. Bond proceeds were spent on the 2013 to 2015 summer improvement projects, the Marshall swing site, and master planning for Roosevelt, Franklin, and Faubion. Unspent bond proceeds at June 30, 2014 were \$90.5 million.
- ◆ The District had no Financial Statement Significant Deficiencies, no questioned costs and no material weaknesses for the year ended June 30, 2014 (see Single Audit pages 16-17).

#### **WHERE THINGS ARE IN THIS YEAR'S CAFR**

Here are some of the major sections of the CAFR where your assessment of the report would be greatly appreciated:

- ◆ Transmittal Letter, pages i-viii. This communication from the Superintendent and Accounting & Payroll Services Director explains the 4 major sections of the CAFR, the District's profile, PPS's Service Efforts and Achievements, the state and local economies, and the District's long-range planning.
- ◆ Management's Discussion and Analysis, pages 4-13. District management provides an overview narrative of balances and activities at the District-wide level, changes from the prior year, analysis of the District's major funds, budgetary highlights, capital and debt administration, and economic factors and next year's budget.
- ◆ For financial reporting, the District is required to use two different accounting methods in the CAFR; one method is used for government-wide and "business" type activities, and another is used for governmental "fund type" activities:
  - Government-wide statements (found on pages 16-17), and proprietary fund statements (on pages 25-27 and page 101) must measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting (also known as full-accrual). The economic resources focus includes significant differences from fund financial accounting such as reporting historical capital asset costs and long-term debt.
  - Governmental fund statements found on pages 18-23, and the budgetary fund schedules on pages 58-100, uses the financial resources measurement focus and modified-accrual basis of accounting.
  - The differences between these two methods of accounting are reported in the CAFR reconciliations on pages 21 and 24.
- ◆ The footnotes on pages 28-54 disclose the summary of significant accounting policies of the District and provide additional details for items such as cash and investments, capital assets, debt, risk management, commitment and contingencies and subsequent events.
- ◆ Budget versus Actual Variance schedules on pages 58-101 are summarized at the budgetary appropriation level, and report how each fund has complied with the Board's budgetary appropriations. The reports show both the original budget and final budget.



- ◆ The Statistical Section is on pages 114-142. The four parts of the statistical section are intended to provide the reader with a more complete context for the financial information presented in the CAFR. The 16 schedules presented show financial trends, revenue and debt capacity analysis, demographic and economic information and District operations:
- ◆ The Independent Auditor's Report on pages 143-145 is provided by the auditors and presents audit comments and disclosures required by state regulations. In this report the auditors explain the District's compliance in specific areas, and they explain their consideration of internal controls and any District control deficiencies they have found.

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## **RELATED POLICIES / BOARD GOALS AND PRIORITIES**

This audit report is indicative of a high level of fiscal accountability by PPS Finance staff. A clean audit and one item to be raised in a management letter are evidence of excellent performance. Last year the Association of School Business Officials and the Government Finance Officers Association awarded PPS their certificates of excellence and achievement in financial reporting.

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## **PROCESS / COMMUNITY ENGAGEMENT**

The CAFR will be published on the district website, shared with the Citizens Budget Review Committee, and various interest parties, mainly financial institutions, are issued copies. These reports are also required to be reported to various Federal entities.

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## **ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN**

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## **BUDGET / RESOURCE IMPLICATIONS**

There is no direct fiscal / budget impact as a result of this audit. If the outcome had been less positive, it could have had a negative impact on PPS fiscal outlook including the District's ability to secure grant funding its ability to borrow funds and/or the cost of that debt would likely be impacted negatively. Additionally, in the case of adverse audit findings/issues, the State Office of the Department of Education has the authority to withhold State School Fund payments until audit findings and/or issues are resolved by the District.

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## **NEXT STEPS / TIMELINE / COMMUNICATION PLAN**

We recommend that the Board of Education accept and approve the Comprehensive Annual Financial Report, Reports to Management, and Report on Requirements of the Single Audit Act and OMB Circular A-133 of School District No. 1J, Multnomah County, Oregon for the fiscal year ended June 30, 2014 at the December 9, 2014 board meeting.

In order for PPS to meet the requirements of state and federal government the Board is asked to approve and accept these statements and reports. Finance staff will be happy to answer board members' questions; and any comments and suggestions for improvement are valuable to us.

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## **QUESTIONS FOR BOARD DISCUSSION**

Do you have any changes to the draft resolution?

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## ATTACHMENTS

- a. CAFR – draft
- b. A-133/Single Audit – draft
- c. Resolution - draft

**RESOLUTION No. \_\_\_\_\_**

Acceptance and Approval of the Comprehensive Annual Financial Report, Reports to Management and Report on Requirements of the Single Audit Act and OMB Circular A-133

**RECITALS**

- A. The Board of Education is committed to accountability for how Portland Public Schools spends its tax dollars and other resources, and recognizes that transparency, accuracy, and timeliness in financial reporting are important components of financial accountability.
- B. The District Auditor, Talbot, Korvola & Warwick, LLP, has completed their independent audit of the financial reporting for the year ended June 30, 2014, and provides assurance that the District's accounting and reporting is in compliance with generally accepted accounting principles.
- C. The District has received awards in Excellence in Financial Reporting for 34 consecutive years from both the Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO) and plans to submit the current financial reports for similar award consideration.

**RESOLUTION**

The Board of Education accepts and approves the Comprehensive Annual Financial Report, Reports to Management, and Report on Requirements of the Single Audit Act and OMB Circular A-133 of School District No. 1J, Multnomah County, Oregon for the fiscal year ended June 30, 2014, and authorizes the reports to be distributed to required state and federal agencies and filed for future reference.

*Y. Awwad*

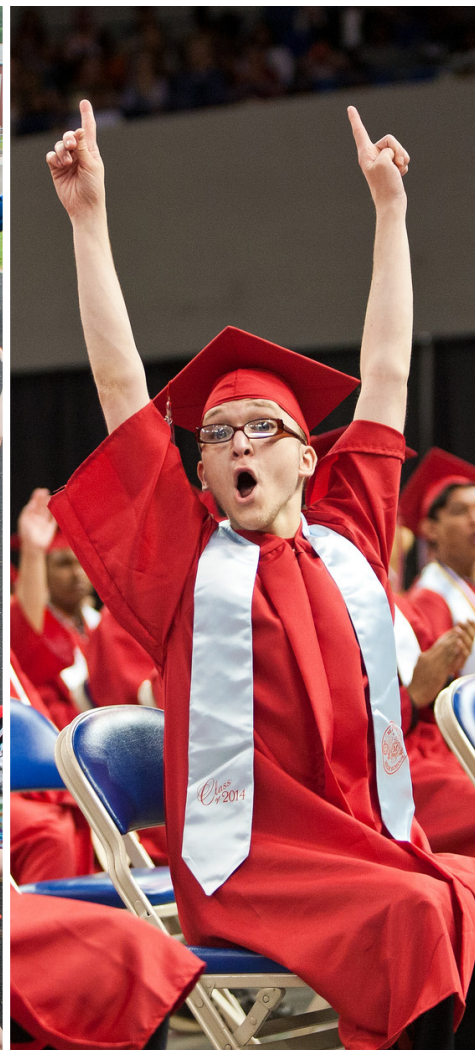
School District No. 1J, Multnomah County, Oregon

# PORTLAND PUBLIC SCHOOLS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2014



**Founded in 1851, Portland Public Schools** is the largest PK-12 school district in Oregon. PPS serves 48,745 students, an increase of more than 2,500 in the last six years. Superintendent Carole Smith, entering her seventh year at PPS, is among the longest serving urban superintendents nationally.

With highly trained teachers and staff; an engaged parent community; strong partnerships, and a focus on closing the racial educational opportunity gap, PPS is realizing consistent gains in its graduation rate and, thanks to the state Legislature, funding is also improving. In addition, PPS is modernizing its aging schools thanks to the School Building Improvement Bond approved by voters in 2012.



Photographs in the 2013-14 Comprehensive Annual Financial Report feature the increasing focus in Portland Public Schools in:

- Continued improvement in the high school graduation rate.
- Early literacy (including the PPS Third Grade Reading Campaign launched in 2013-14).
- Science Technology Engineering and Math (STEM).
- The Arts (the Portland Arts Tax put art teachers in every K-8 level school in 2013-14 for the first time in years).
- Career learning and Career Technical Education.
- Athletics as a way to build character and community. All Portland high schools reunited under the Portland Interscholastic League in 2013-14 at the 6A level. A new middle school sports program builds the PIL foundation.
- A broad range of partnerships including with such higher education institutions as Oregon State University (pictures with Beaver football players reading to students); University of Oregon; Portland State University, and Portland Community College to smooth the path from high school to college.

Learn more about Portland Public Schools at [www.pps.net](http://www.pps.net)

Portland Public Schools

**Comprehensive Annual Financial Report**

**For the year ended June 30, 2014**

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Accounting and Payroll Services Department



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
 Comprehensive Annual Financial Report  
 For the Year Ended June 30, 2014

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# SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON

## Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

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## PORTLAND PUBLIC SCHOOLS

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**OFFICE OF THE SUPERINTENDENT**

**Carole Smith**  
Superintendent

December 9, 2014

To the Citizens of School District No. 1J, Multnomah County, Oregon,  
and to the Members of the Board of Education:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS) for the fiscal year ended June 30, 2014, together with the audit opinions thereon of our auditors as required by Oregon Revised Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

To provide a reasonable basis for making these representations, District management has established and maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Our internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic evaluation by management. We believe our internal control structure adequately safeguards the assets and provides reasonable assurance of proper recording of all financial transactions. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Financial Report Presentation**

Designed to meet the needs of a broad spectrum of financial statement readers, this Comprehensive Annual Financial Report (CAFR) is divided into four major sections:

The **Introductory Section** includes the table of contents, this transmittal letter, the District's organizational chart, and copies of certificates awarded for Portland Public Schools' 2013 CAFR.

The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information (RSI), and supplementary information including the combining and individual fund financial statements.

The **Statistical Section** includes selected financial and demographic information, generally presented on a multi-year basis. These schedules are designed to improve the understandability and usefulness of the information presented in the financial section.

The **Audit Comments and Disclosures Section** includes disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the Independent Auditor’s Report.

## Profile of the District

Established in 1851, Portland Public Schools is the largest and oldest school district in the State of Oregon. The District covers an area over 145 square miles and had a population of 460,246 according to the 2010 Census, with 451,258 City of Portland residents (representing 77 percent of the City total), 2,413 Lake Oswego residents, 1,453 Beaverton residents, and 5,124 unincorporated area residents. The District maintains over 100 facilities with a total floor area of approximately 9.0 million square feet. Please see the Statistical Section, Schedule 16 for details of each building’s size, age, and enrollment.

Student enrollment in the fall of 2014 was 48,745. October enrollment counts are reported to the state in November of each year, allowing time for data entry and confirmation of student records. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

Program Type	Grade Ranges (1)	Enrollment	Distribution
Elementary Schools	K-5, K-8, PK-5, PK-8	27,075	55%
Middle Schools	6-8	5,680	12%
High Schools	9-12	10,859	22%
Subtotal - Regular Schools		<b>43,614</b>	<b>89%</b>
PPS Alternative Programs	PK, K-12, 1-8, 9-12, 10-12	1,824	4%
Subtotal - Schools and Alternative Programs		<b>45,438</b>	<b>93%</b>
Community-Based Programs	9-12,6-8, 6-12, 8-12	<b>1,059</b>	<b>2%</b>
Special Education Programs	K-12	<b>477</b>	<b>1%</b>
Public Charter Schools	K-1,K-3,K-5, K-8, K-12, 6-8, 9-12	<b>1,771</b>	<b>4%</b>
Grand Total		<b>48,745</b>	<b>100%</b>

(1) Definitions: PK-Pre-Kindergarten, K-Kindergarten  
Source: PPS Preliminary Enrollment Summaries, October 2014

After more than a decade of steady decline beginning in 1996-97, Portland Public Schools has seen increasing enrollment counts for the last six years since a nadir in October, 2008 with the early counts for 2014 continuing this trend. The decline prior to 2008 was primarily a result of lower birth rates and higher housing prices driving migration out of the district. The major factor in the recent enrollment increase since 2008 has been driven by enrollment growth in elementary grades. This growth in elementary grades has been the result of an increased share of potential Kindergarten students attending the District. PPS contracts with the Portland State University Population Research Center (PSUPRC) for forecasting and analysis of population and enrollment trends. PPS is running ahead of the most recent elementary, middle and high school medium growth forecast from PSUPRC, which predicts continued growth over the next five years, with 2,700 more students by 2019-20. Under this scenario, Elementary growth will be slow as incoming kindergarten classes remain close to or slightly below recent levels due to the local, state, and national birth downturn, and Middle and High grade enrollments will grow significantly reflecting larger cohorts attributable to the elementary growth that started in 2007.

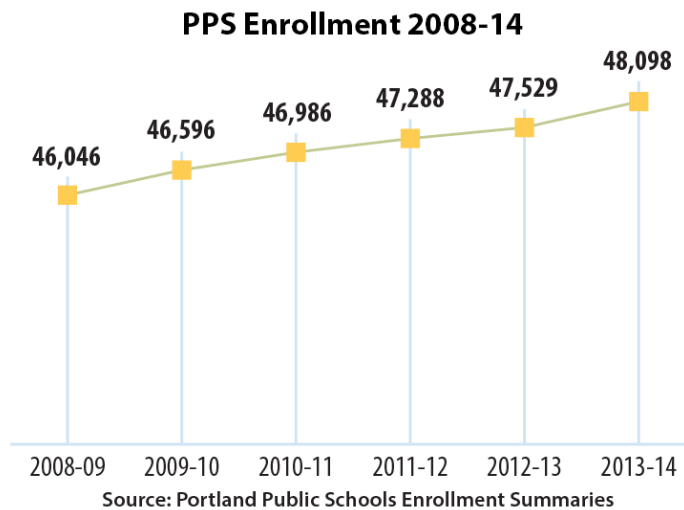
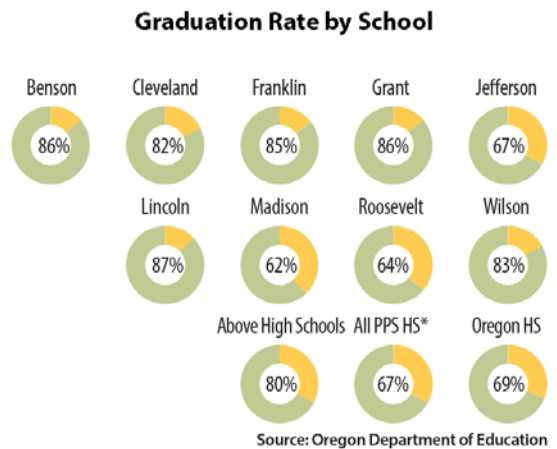
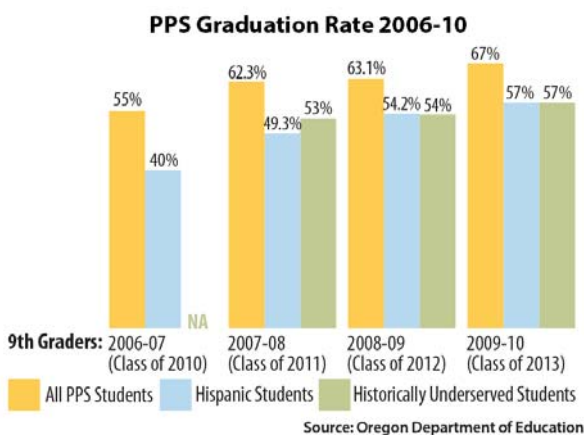
The District is governed by a seven-member Board of Education elected by the voters of the District for staggered four-year terms. The chief administrative officer of the District is the Superintendent, who is appointed by the Board. The Board is ultimately accountable for all fiscal matters that significantly influence operations.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District discharges this responsibility by building, operating, and maintaining school facilities, developing and maintaining approved educational programs and courses of study, including career/technical educational programs and programs for English language learners and special needs students, and providing for transportation and feeding of students in accordance with District, State, and Federal programs. This report includes all funds of the District.

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the 2011 Oregon Revised Statutes 297.405 to 297.555 and 297.990. The budget for each individual fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Education after certification by the Multnomah County Tax Supervising and Conservation Commission. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

## Service Efforts and Accomplishments

Portland Public Schools, founded in 1851, is an urban school district in Portland, Oregon. With more than 48,000 students in 81 schools, it is the largest school district in the Pacific Northwest. With highly trained teachers and staff; an engaged parent community; strong partnerships, and a focus on closing the racial educational opportunity gap, Portland Public Schools is realizing consistent gains in its graduation rate and enrollment.



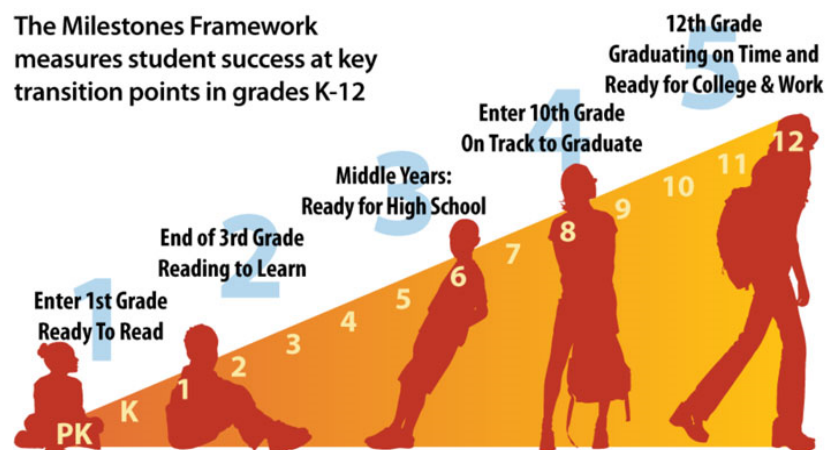


Carole Smith has served as superintendent of Portland Public Schools since October 2007. As one of the District's longest serving superintendents, Smith has led efforts to support more effective teaching in PPS classrooms and build stronger partnerships with higher education, community organizations, and other public and private partners.




Since 2007, PPS schools have produced significant gains in student achievement while narrowing the academic opportunity gap between white students and students of color, including gains in early literacy, middle grade math and reading, and the number of students who are on track to graduate in high school. PPS' graduation rate has also increased by 14 percentage points since 2008-09.

The goals for the District include ensuring that every student is reading at grade level by the end of third grade, accelerating improvement of the District's graduation rate, and reducing by 50 percent the out-of-school discipline rates overall and the disparity in discipline rates between students of color and white students. The first two are three-year goals. The third goal is to be reached in two years.

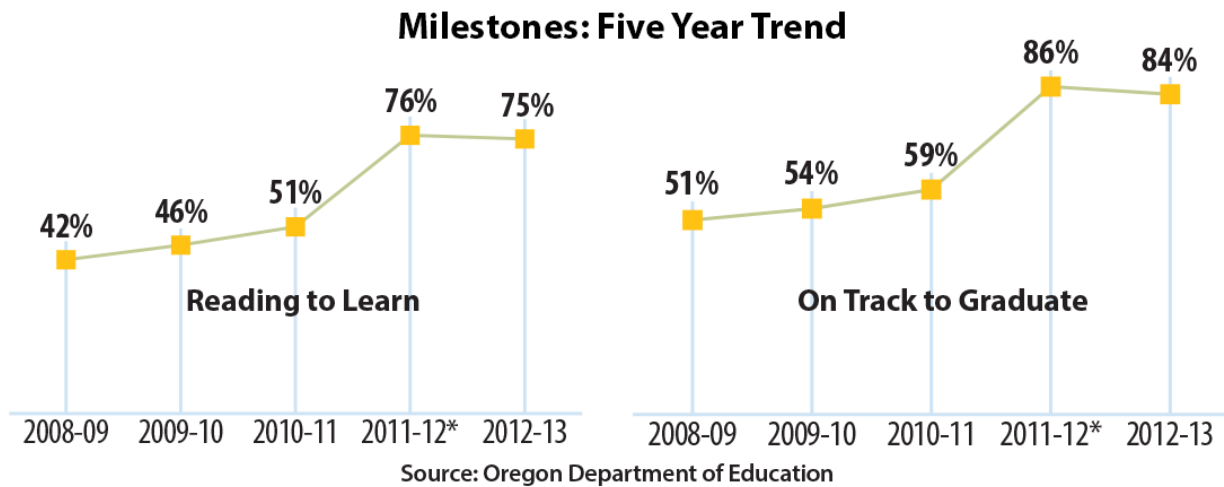
Portland Public Schools adopted the Milestones -- measures of achievement at key points in a student's education -- because these measures are predictive of long-term success. The Milestones also help us focus our limited resources and invest in the strategies that are gaining the best results. The chart below outlines the 2012-13 achievement (2013-14 final results are not available at this time):



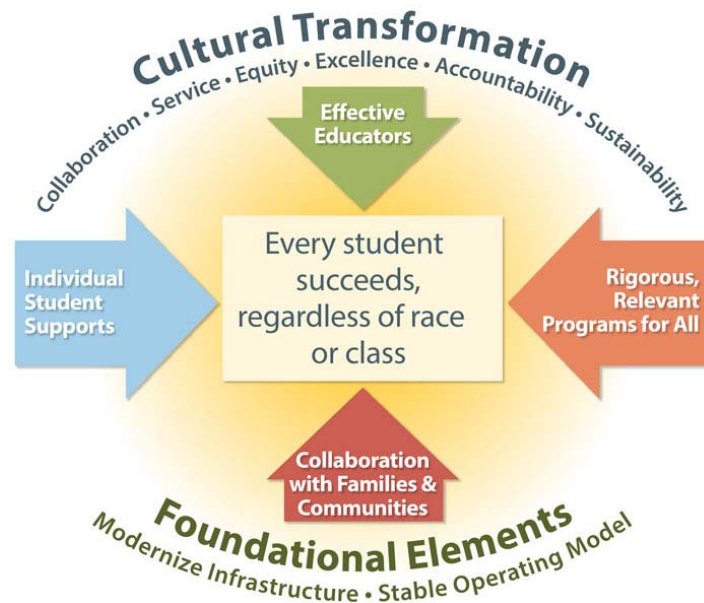
Focus is on a few critical measures

Milestone	Portland Public Schools			State
	2011-12 Actual	2012-13 Target	2012-13 Actual	2012-13
 <b>Reading to Learn</b> (Meet or exceed benchmark by the end of 3rd grade)	76%	<b>Keep up:</b> Raise rate by 5pts	Rate fell by 1pt <b>New rate = 75%</b>	Rate fell by 4pts <b>New rate = 66%</b>
	<b>Largest Gap:</b> 33pts Black vs. White	<b>Catch up:</b> Narrow gap by 5pts	Gap widened by 3 pts <b>New gap = 36pts</b>	Gap remained constant <b>Gap = 24pts</b>
 <b>On Track to Graduate</b> (Complete 9th grade with 6 credits and 90% attendance)	86%	<b>Keep up:</b> Raise rate by 5pts	Rate fell by 2pts <b>New rate = 84%</b>	NA
	<b>Largest Gap:</b> 15pts Pacific Islander vs. White	<b>Catch up:</b> Narrow gap by 5pts	Gap narrowed by 5pts <b>New gap = 10pts</b> ✓	NA
 <b>4-year Cohort Graduation Rate</b>	63%	<b>Keep up:</b> Raise rate by 5pts	Rate rose by 4pts <b>New rate = 67%</b>	Rate rose by 1pt <b>New rate = 69%</b>
	<b>Largest Gap:</b> 39pts Native American vs. White	<b>Catch up:</b> Narrow gap by 5pts	Gap narrowed by 11pts <b>New gap = 28pts</b> ✓	Gap narrowed by 1pt <b>New gap = 19pts</b>

 Met Target
  Near Target
  Missed Target



At Portland Public Schools, our goal is to increase student learning for every student. Racial equity is a critical component of our District’s strategies and school board policies for a basic and essential reason: To get better results in our schools, we need to close the persistent and unacceptable opportunity gap between white students and students of color. The Portland Public Schools strategic framework illustrated below reflects our dedication to transforming culture as we help every student achieve success.

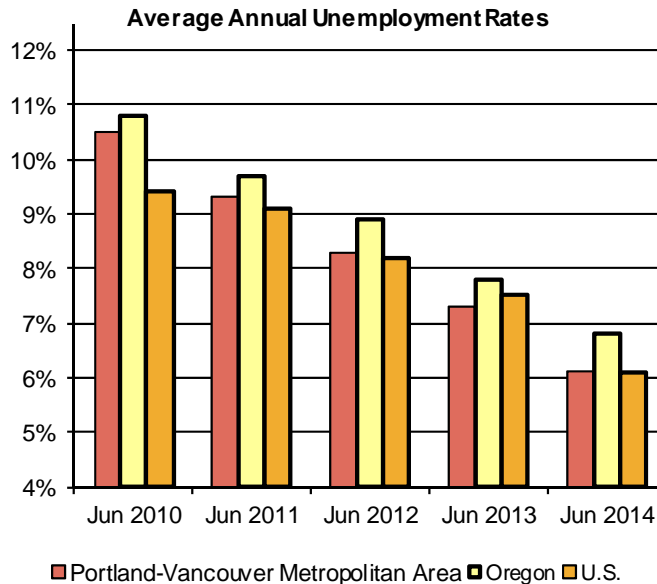


### Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Ever since the passage of Measure 5 more than twenty years ago school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund. Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. So the financial outlook for PPS is tied closely to the condition of the Oregon economy.

**State economy.** Oregon’s unemployment rate has declined from a June 2009 level of 11.6% to a June 2014 rate of 6.8%. Oregon’s unemployment rates have been higher than the U.S. average in the past few years, and this trend continues to persist. Portland metropolitan area levels have equalized with the U.S. average of 6.1%. The pace of employment has picked up over the last year and a half, with job growth at 2.5% to 3.0%. Housing starts and construction activity remain lower than pre-recession levels, however, the market has passed the peak of foreclosures and is now working through a backlog of distressed properties, and it is expected that these measures of economic health will improve in the next two to three years.



Oregon Employment by Industry (not seasonally adjusted)	June		Change from prior year
	2013	2014	
Trade, Transportation & Utilities	319.7	324.3	1.4%
Government	297.2	302.2	1.7%
Education & Health Services	239.6	247.0	3.1%
Professional & Business Services	201.6	216.6	7.4%
Leisure & Hospitality	183.9	189.2	2.9%
Manufacturing	176.0	180.1	2.3%
Financial Activities	91.0	90.6	-0.4%
Construction	74.9	79.6	6.3%
Information	33.0	33.2	0.6%
Mining & Logging	7.7	8.3	7.8%
Other Services	58.3	59.9	2.7%
Total non-farm workforce (in thousands)	<u>1,682.9</u>	<u>1,731.0</u>	
Workforce change from prior year	2.1%	2.9%	

Workforce growth over the past year was 2.9%, with growth in all sectors except financial activities. The leading industries in job growth were professional & business services, mining & logging, and construction. Expectations overall for the public sector are for job additions as revenue growth improves. Long-term U.S. and Oregon economic growth depend upon restoring international competitiveness through productivity enhancing investments in physical capital, human capital, and infrastructure.

As to the outlook for the state economy, The September 2014 Oregon Economic and Revenue Forecast forecasts a 10.8% growth in State General Fund revenues for the 2015-17 biennium. However, uncertainty still remains around federal fiscal and monetary policies, and the threat of events overseas impacting US and Oregon economic growth. Additionally, uncertainty remains around the budget

implications if Oregon's 2013 PERS statutory reforms are overturned when challenges are heard by the Oregon Supreme Court. Recent analysis by Oregon's Legislative Fiscal Office estimates the impact at 5.5% of payroll, which equates to a \$358 million impact to school districts across the state.

**Local economy.** The Portland metropolitan area has a diversified economy, with centralized, accessible schools, and excellent public transportation. The area is a major West Coast distribution point for wholesale trade and high tech exports. During the early part of recovery from the recent recession, the local Portland economy recovered faster than rural areas of the state, but over the past year the non-urban areas have joined the recovery and are catching up to Portland.

PPS has the authority to generate revenue locally through the local option levy and has, thanks to the generosity of PPS voters, been able to approve local levies. Most recently, PPS voters approved a five-year levy in May, 2011. Whereas the outlook for state revenue is dependent upon the impact of economic activity in income tax collections, the revenue available locally under the local option levy is a reflection of the impact of the economy on tax assessed values, and specifically the market values of taxable property within the PPS taxing district. The state of the local economy has an impact on this revenue source. Reduction in market values of residential property within the PPS area during 2008-2011 reduced the income of the school district. Local housing prices increased 9.1% in the past year, and are at 91% of June 2007 levels.

**Long-term financial planning.** As mentioned above, PPS improved the medium-term fiscal outlook with the passage of the five-year local option levy. PPS operates well over 100 buildings on its 81 school campuses. The average age of the school buildings in service is roughly 67 years, about 20 years older than the average for school buildings nationally. Through more than a decade of tight budgets and shortfalls, PPS has chosen to support core instructional services, and has not invested General Fund dollars in capital improvements to its buildings. In January 2012, PPS adopted a Capital Asset Renewal Plan to set up a fund to maintain schools replaced or renovated in the future. In May 2012, PPS adopted a Long Range Facility Plan to reduce an estimated \$1.6 billion in building deficiencies over the next 24 to 40 years. This long range plan includes funding through capital bonds, capital funding partnerships, Construction Excise Tax revenues, and Cool Schools Funds (House Bill 2960). In August 2012 PPS placed a \$482 million school construction bond (M26-144) on the November 2012 ballot. The bond measure passed and capital improvement work commenced during the previous year. This new measure focuses on earthquake reinforcements, roof repair and replacement, high school renovations, improved access to schools for people with disabilities, and science classroom upgrades.

**Labor negotiations.** During 2013-14 the District ratified new labor agreements with employees represented by the Portland Association of Teachers and by the Portland Federation of School Professionals.

### **Independent Audits**

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Talbot, Korvola & Warwick, LLP, have completed their audit of the basic financial statements and, accordingly, have included their unmodified Independent Auditor's Report in the financial section of this report.

The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require state and local governments that expend \$500,000 or more in federal assistance in a year have a special form of audit conducted for that year. Since 1989, Portland Public Schools has issued a separate report on these requirements and the requirements of the implementing circular, U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments*. Talbot, Korvola & Warwick, LLP have also provided various required reports. Contained in the separately issued Single Audit Report is the Schedule of Expenditures of Federal Awards, and the required reports on internal controls and compliance with laws and regulations.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 34<sup>th</sup> consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for this coveted Certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 34<sup>th</sup> consecutive year that the District earned this significant award. Receiving the Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that this 2014 CAFR, which will be submitted to ASBO for review, will also conform to these standards.

We wish to express our appreciation to the staff of Accounting and Payroll Services and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We further extend our appreciation to the members of the Board of Education, employees of the District, and the citizens of Portland whose continued cooperation, support, and assistance have contributed greatly to the achievements of Portland Public Schools.

Respectfully submitted,

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Carole Smith, Superintendent

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Sharie Lewis, CPA, Senior Director, Accounting and Payroll Services

**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**Principal Officials**  
**At June 30, 2014**

SCHOOL BOARD

<u>Member</u>	<u>Zone</u>	<u>Term Expires</u>	<u>Phone</u>	<u>Email</u>
Ruth Adkins	1	June 30, 2015	503-916-3741	<a href="mailto:radkins@pps.net">radkins@pps.net</a>
Matt Morton	2	June 30, 2015	503-916-3741	<a href="mailto:mmorton@pps.net">mmorton@pps.net</a>
Bobbie Regan	3	June 30, 2015	503-916-3741	<a href="mailto:bregan@pps.net">bregan@pps.net</a>
Steve Buel	4	June 30, 2017	503-916-3741	<a href="mailto:sbuel@pps.net">sbuel@pps.net</a>
Pam Knowles	5	June 30, 2017	503-916-3741	<a href="mailto:pknowles@pps.net">pknowles@pps.net</a>
Tom Koehler	6	June 30, 2017	503-916-3741	<a href="mailto:tkoehler@pps.net">tkoehler@pps.net</a>
Greg Belisle	7	June 30, 2015	503-916-3741	<a href="mailto:gbelisle@pps.net">gbelisle@pps.net</a>

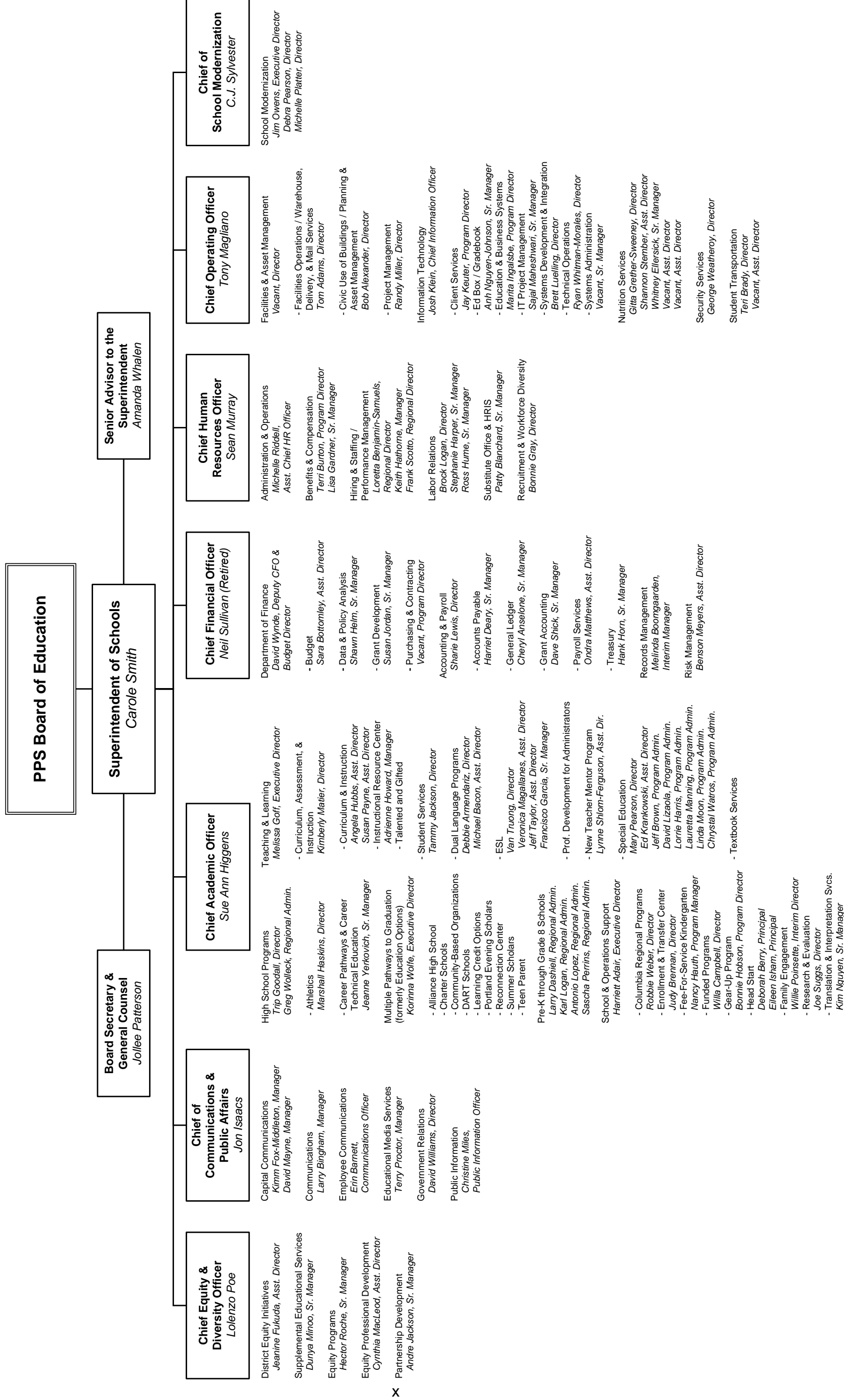
ADMINISTRATIVE STAFF

Carole Smith	Superintendent
Tony Magliano	Chief Operating Officer
Neil Sullivan, RSBO, CGFM	Chief Financial Officer (Retired May 30, 2014)
Sue Ann Higgins	Chief Academic Officer
Sean Murray	Chief Human Resources Officer
Lorenzo Poe	Chief Equity and Diversity Officer
Jon Isaacs	Chief of Communications and Public Affairs
C.J. Sylvester, MSSN	Chief of School Modernization
Jollee Patterson, J.D.	General Counsel



# Portland Public Schools

## 2013/14 Organizational Structure



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**School District No. 1J, Multnomah County, Oregon**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**School District No. 1J,  
Multnomah County, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO





## INDEPENDENT AUDITOR'S REPORT

Board of Education  
School District No. 1J, Multnomah County, Oregon  
Portland, Oregon

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**OTHER MATTERS**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post-Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund, Grant Fund, and PERS Rate Stabilization Reserve Fund, listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules, listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying Introductory and Statistical sections, as listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

Board of Education  
School District No. 1J, Multnomah County, Oregon  
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**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE], on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Other Reporting Required by Oregon Minimum Standards***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated [DATE], on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

By: \_\_\_\_\_  
Timothy R. Gillette, Partner

Lake Oswego, Oregon  
[DATE]

## **SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON Management's Discussion and Analysis**

As management of School District No.1J, Multnomah County, Oregon (Portland Public Schools or the District or PPS), we offer readers this narrative overview and analysis of the financial activities of the Portland Public Schools for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report.

All dollar amounts, unless otherwise indicated, are expressed in thousands.

### **FINANCIAL HIGHLIGHTS**

- In February 2014, after lengthy negotiations the District reached an agreement with the Portland Association of Teachers on a new 3-year contract, effective July 1, 2013. This new contract includes:
  - More instructional time for students- two days were added to the school year, and up to three additional days of teacher professional development were added.
  - Teacher pay increases- 2.3% pay increases each year for three years, plus step increases for time served in the District. The pay increases were paid retroactive to July 1, 2013.
  - Commitment to hire at least 150 new educators to reduce teacher workload (70 to PreK-8 schools, 50 to high schools, and 30 to special education).
  - Establishment and funding of a committee to address workload concerns.
  - The early retirement benefit will sunset in 2016.
  - The agreement allows the District to begin teacher recruitment and hiring sooner and faster, to improve the quality and diversity of new hires.
  - Competence and experience in subject area will be used in assigning teachers.
  
- In November 2012, District voters passed an eight-year, \$482 million capital bond measure. This bond is the first phase of a 20-30 year effort to modernize every school in the district. In May 2013, the District issued \$144.8 million in General Obligation bonds as the first in a planned series of two to three debt issuances totaling \$482 million. With these proceeds, the line of credit was paid in full and Rosa Parks School was purchased. Additionally, construction was completed in summer 2013 for roof repairs and replacements at five schools, seismic reinforcement at one school, science classroom upgrades at two schools, and improved disability access at one school. During the year ended June 30, 2014 master planning continued for Franklin, Roosevelt, and Faubion, and work was initiated for summer 2014 projects including:
  - Roof replacement and seismic upgrades at 16 schools.
  - Science classroom upgrades at 13 schools.
  - Improved disability access at 10 schools.

At June 30, 2014 there was a balance of \$90.5 million available for completion of the summer 2014 projects described above, for continued work towards the renovation of Franklin and Roosevelt High Schools and the replacement of Faubion PK-8 school, and a portfolio of roofing, seismic and accessibility improvements during future summer periods. The summer 2014 work was completed on time and on budget, in time for the start of the 2014-15 academic year.

Further discussion can be found on pages 10 and 13 of this Discussion and Analysis.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Portland Public Schools' basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial

statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 16-17 of this report.

**Fund Financial Statements** are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the Portland Public Schools can be divided into two categories: governmental funds and proprietary funds. Reports by fund and fund group are shown in the Financial Section of the report beginning on page 18.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Portland Public Schools designates four major governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Grant Fund, PERS Rate Stabilization Reserve Fund and GO Bonds Fund, all of which are considered to be major funds. Data from the other 16 governmental-type funds are combined into a single, aggregated presentation titled "Other Governmental Funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Portland Public Schools adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund individually in either required or supplementary information to demonstrate compliance with the fund level budgets. The basic governmental fund financial statements can be found on pages 18-24 of this report.

**Proprietary funds** are used to account for a government's business-type activities. The District maintains only one type of proprietary fund, which is an Internal Service Fund.

Internal service funds are accounting devices used to accumulate and allocate costs among various internal functions. The District uses an internal service fund to account for its Self-Insurance activities related to workers compensation. Because Portland Public Schools has no business-type functions, this service benefits governmental functions and has been included within the governmental activities in the government-wide financial statements.

Internal service funds provide the same type of information as the government-wide financial statements. The internal service fund financial statements provide separate information for the Self-Insurance Fund, which is considered to be a major fund of Portland Public Schools. The basic internal service fund financial statements can be found on pages 25-27 of this report.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found on pages 28-54 of this report.



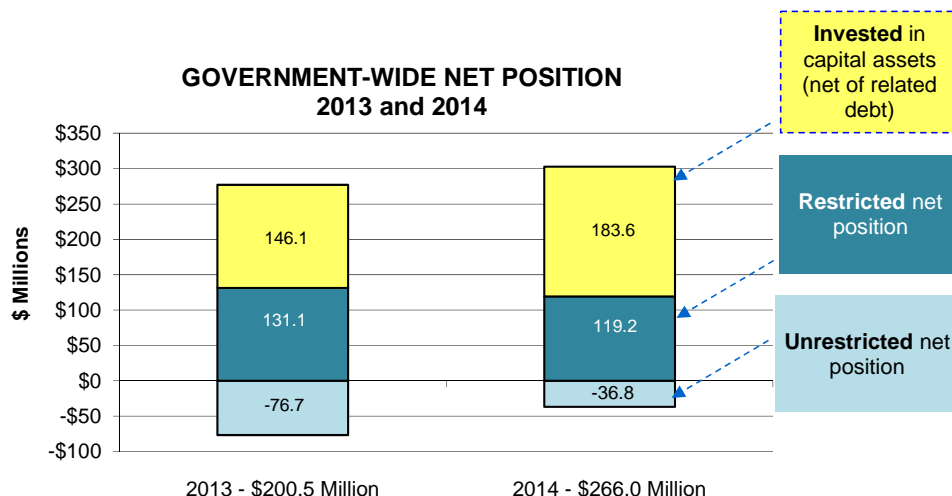
**Required Supplementary Information (RSI)** is located directly after the notes to the basic financial statements and represents the required comparison of the budget and actual results on the District's budgetary basis for the General Fund, Grant Fund and PERS Stabilization Reserve Fund. In addition the RSI discloses the actuarial estimate of funding progress of the District's other post-employment healthcare benefits obligations and related employer contributions. This information is on pages 55-62.

**Supplementary Information (SI)** presented on pages 63-101 includes combining statements for the nonmajor governmental funds, budgetary comparison schedules for nonmajor and other funds, and other financial schedules.

## Government-Wide Financial Analysis

**Analysis of Net Position.** The Statement of Net Position presents information on all of the District's assets, liabilities and deferred inflows. The difference between assets and liabilities/deferred inflows is reported as net position. Over time net position may serve as a useful indicator of the District's financial position. Other indicators that can be useful in reviewing the District's financial health include enrollment trends, debt capacity and the condition of facilities.

Net Position	Government-wide			
	2013	2014	Change	% change
<b>Assets</b>				
Current or other assets	\$ 712,653	\$ 709,216	\$ (3,437)	-0.5%
Net capital assets	213,944	233,265	19,321	9.0%
Total Assets	926,597	942,481	15,884	1.7%
<b>Liabilities</b>				
Long-term liabilities outstanding	583,992	524,995	(58,997)	-10.1%
Other liabilities	141,249	151,479	10,230	7.2%
Total Liabilities	725,241	676,474	(48,767)	-6.7%
<b>Deferred Inflows of Resources</b>	819	-	(819)	-100.0%
<b>Net Position</b>				
Net investment in capital assets	146,148	183,584	37,436	25.6%
Restricted	131,060	119,224	(11,836)	-9.0%
Unrestricted	(76,671)	(36,801)	39,870	-52.0%
Total Net Position	\$ 200,537	\$ 266,007	\$ 65,470	32.6%



### Net Position - 2014 compared to 2013.

*Net Position* is a primary indicator of financial position. The District's assets exceeded liabilities and deferred inflows by \$266.0 million at June 30, 2014. *Net Investment in Capital Assets* (\$183.6 million) is the largest component of District Net Position, and has increased by \$37.4 million this year, mainly due to expenditures for debt financed capital projects (\$30.8 million) plus the repayment of debt related to capital projects (\$18.1 million), offset by depreciation (\$11.5 million). *Restricted Net Position* (\$119.2 million) reports the unspent portions of capital projects funds, debt service funds and net assets restricted by grants and leases. *Restricted Net Position* decreased \$11.8 million this year, primarily due to expenditure of GO Bond debt proceeds (\$19.0 million), offset by a net increase in other capital projects funds (\$7.2 million). *Unrestricted Net Position* (negative \$36.8 million) is the balancing amount to bring Total Net Position to \$266.0 million. *Unrestricted Net Position* increased \$39.9 million primarily due to the changes in Net Position noted in the Analysis of Activities below.

**Analysis of Activities.** The Statement of Activities presents expenses and related revenues by program, showing how the District's net position changed during the most recent fiscal year. The statement reports revenues earned and expenses incurred under the accrual basis of accounting, where changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes, and earned but unused vacation leave).

### Statement of Activities

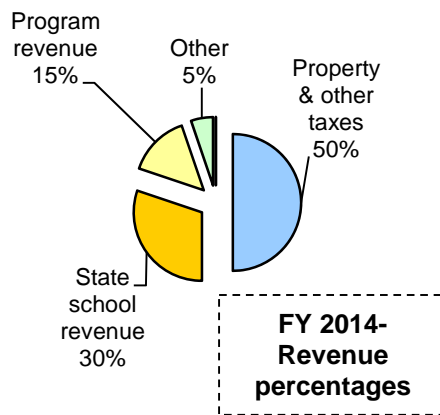
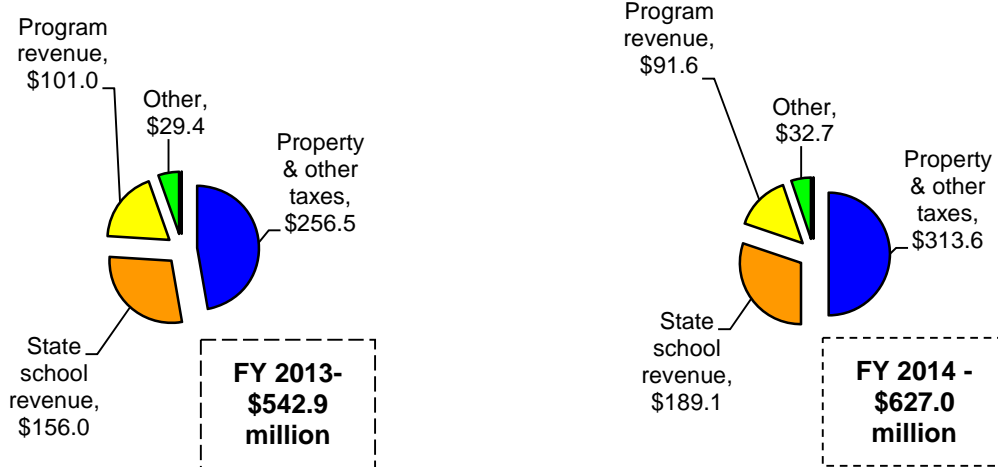
	Government-wide				
	2013	2014	% of total 2014	Change	% change
<b>Revenues</b>					
Program Revenues					
Charges for services	\$ 12,933	\$ 13,266	2.1%	\$ 333	2.6%
Operating grants & contributions	88,066	78,351	12.5%	(9,715)	-11.0%
Total Program Revenues	<u>100,999</u>	<u>91,617</u>	<u>14.6%</u>	<u>(9,382)</u>	<u>-9.3%</u>
<b>General Revenues</b>					
Property & other taxes	205,177	257,880	41.1%	52,703	25.7%
Local option taxes	51,357	55,709	8.9%	4,352	8.5%
County & intermediate sources	14,560	15,736	2.5%	1,176	8.1%
Construction excise tax	3,619	4,889	0.8%	1,270	35.1%
State School Fund	151,369	184,690	29.5%	33,321	22.0%
State Common School Fund	4,608	4,427	0.7%	(181)	-3.9%
Federal stimulus	6	-	0.0%	(6)	-100.0%
Investment earnings	644	774	0.1%	130	20.2%
Other	10,518	11,253	1.8%	735	7.0%
Total General Revenues	<u>441,858</u>	<u>535,358</u>	<u>85.4%</u>	<u>93,500</u>	<u>21.2%</u>
Total Revenues	<u>542,857</u>	<u>626,975</u>	<u>100.0%</u>	<u>84,118</u>	<u>15.5%</u>
<b>Expenses</b>					
Instruction	267,192	308,652	55.0%	41,460	15.5%
Support services	194,270	200,750	35.8%	6,480	3.3%
Enterprise & community services	18,923	19,164	3.4%	241	1.3%
Facilities services	31,635	1,470	0.2%	(30,165)	-95.4%
Interest & fees on long-term debt	26,813	31,469	5.6%	4,656	17.4%
Total Expenses	<u>538,833</u>	<u>561,505</u>	<u>100.0%</u>	<u>22,672</u>	<u>4.2%</u>
Change in net position	4,024	65,470	24.6%	61,446	1527.0%
Net position - beginning of year	196,513	200,537	75.4%	4,024	2.0%
Net position - end of year	\$ <u>200,537</u>	\$ <u>266,007</u>	<u>100.0%</u>	\$ <u>65,470</u>	<u>32.6%</u>

The Statement of Activities of the government-wide financial statements distinguishes functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Portland Public Schools currently does not have any business-type or enterprise fund activities. Additional detail regarding revenue and expense changes are presented below to provide a better understanding of the District's operations in 2014 compared to 2013.

**Revenues.** Because the District's mission is to provide a free and appropriate public education for K-12 students within its boundaries, the District may not charge for its core services. The District does charge for non-core services such as facilities rentals, activities fees, lunches and kindergarten programs beyond the mandatory half-day class. Therefore, general revenues provide most of the funding required for governmental programs, primarily property taxes and State School Funds.

**Revenues – 2014 compared to 2013.** Total 2014 revenues of \$627.0 million represented an \$84.1 million (or 15.5%) increase from prior year revenues of \$542.9 million. State school revenues increased \$33.1 million from the prior year due to a 575 student increase in enrollment and increased state funding rates. Grants and contributions decreased \$9.7 million, primarily due to funding decreases for School Improvement/Priority Focus, Special Education and Title I funding. Property and other taxes increased \$57.1 million due primarily to new tax collections for GO Bond debt service (\$44.8 million) and increases in assessed value of property in the local area and increased local construction activities.

## REVENUES



**Expenses.** Portland Public Schools program activities include Instruction, Support Services, Enterprise and Community Services, Facilities Services, and Interest and Fees on Long-term Debt. The District's activities mirror its chart of accounts which is mandated by the Oregon Department of Education for all Oregon public schools.

**Expenses by function – 2014 compared to 2013.** Current year total expenses of \$561.5 million increased 4.2% (\$22.7 million) from the prior year. Instruction costs increased \$41.5 million in the current year. Instructional expenses in the General Fund increased \$21.2 million over the prior year, primarily due to teacher wage increases resulting from the new PAT contract, the hiring of new arts teachers as a result of the Arts Tax revenue received, the hiring of new high school teachers, plus step increases and cost of living adjustments for classified and non-represented staff. Another component of the increase in instruction costs (\$25.1 million) was due to a reclassification used by the District to account for capital assets expenditures, which modified how expenditures are classified between expense functions on the Statement of Activities. This change had no impact on Net Position. Support services costs increased \$6.5 million in the current year due to General Fund increases in non-represented, classified, managerial, and administrative wages and overtime pay (\$5.5 million), benefits (\$3.3 million), which were partially offset by Grants Fund decreases in wages and benefits (\$4.0 million). Instruction and support services together accounted for 90.7% of the District's expenses in 2014, compared to 85.7%, in the prior year. Facilities services costs decreased \$30.1 million in the current year, primarily due to the reclassification mentioned above.

## **Financial Analysis of the District's Major Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**General Fund.** The General Fund is the major operating fund of the District. The year's activities saw the General Fund's ending fund balance increase by \$14.2 million to \$51.7 million. This increase was \$18.4 million better than the \$4.2 million decrease anticipated (excluding contingency) in the current year budget. Property and local option taxes were \$11.8 million higher than the prior year, due to increases in both assessed property values and local construction activities. State School Fund payments were \$33.3 million higher due to increases in both payment rates and numbers of students. Instructional costs increased \$21.2 million; instructional wages increased \$11.4 million primarily due to the PAT contract settlement and increased numbers of staff hired during the year. Instructional benefits increased \$7.7 million, primarily due to increases in PERS (\$3.8 million) and Health Insurance (\$2.5 million). Support Services costs increased \$14.1 million; the primary drivers of this increase were wages (\$5.4 million) and benefits (\$3.3 million). In addition, property services costs increased \$1.0 million, due primarily to a new vehicle maintenance agreement with the City of Portland and increased student transportation costs.

**Grant Fund.** Of the \$52.9 million in grant fund revenues, \$50.8 million is attributable to federal, federal stimulus and state grants. Title I funds, other federal and state Title programs and school improvement programs of \$18.9 million was targeted to provide additional services to students disadvantaged by poverty, to support migrant education and to support improving educational achievement in schools. Approximately \$18.1 million was received for Special Education, Early Vocabulary Intervention and Long-Term Care and Treatment grants, and Head Start funding totaled approximately \$7.5 million. Other public and private-entity awards and other federal and state sources accounted for \$6.3 million. Total Grant Fund revenues and expenditures decreased \$8.6 million from the prior year due to funding decreases across the board, but most significantly in the following areas: Title I and School Improvement/Priority Focus grants (\$4.0 million), Special Education and Long-Term Care and Treatment grants (\$4.2 million), and Head Start grants (\$749 thousand).

**PERS Rate Stabilization Reserve Fund.** The PERS Rate Stabilization Reserve Fund currently has a dedicated revenue stream in the form of property taxes that have been committed at a rate of 0.11%. Current year revenues from property taxes were \$227 thousand. The PERS Rate Stabilization Reserve Fund currently has an ending fund balance of \$15.8 million. The Board also established conditions under which the Fund may be used that are consistent with the Fund's original objectives: (1) upon PERS rate increases per specified limits, and (2) upon PERS UAL debt service increase, also per specified limits.

**GO Bonds Fund.** The GO Bonds Fund was established to account for the debt proceeds, revenues, and capital expenditures related to bond measures approved by voters. The GO Bonds Fund currently has an ending fund balance of \$90.5 million. Fund activity this year included investment earnings of \$300 thousand and capital expenditures of \$19.1 million as described on page 1 of this analysis.

## **Budgetary Highlights**

The 2013-14 General Fund budget was adjusted three times during the year. There was also one technical correction to clarify the 2014-15 budget appropriation and tax levy. The Board approved budget changes can be briefly summarized as follows:

- In January 2014, the Board increased General Fund budgetary beginning fund balance by \$16.3 million to \$37.5 million. In addition, General Fund resources were revised to reflect a \$5.2 million increase in anticipated Local Option Levy revenue, and elimination of a \$1.9 million transfer from the PERS Rate Stabilization Fund. Net General Fund increase in resources was \$19.6 million. General Fund requirements were also amended: Instructional costs were decreased \$2.2 million, due to a savings from lower than forecast PERS rate and lower average teacher salaries, offset by the addition of 45 FTE to fund teachers, educational assistants, and coaches. Support costs were increased \$4.1 million due to the addition of 44 FTE of instruction related personnel. Transfers were increased \$3.5 million to the IT Systems Project Fund to pay for the cost of completing the teacher tech bundles program. General Fund Contingency was increased \$14.0 million to maintain this increased staffing in future years. There were a number of adjustments to adjust beginning fund balances in other funds. There were other amendments to increase resources, most notably in the Dedicated Resource Fund (\$3.1 million) and the Construction Excise Tax Fund (\$1.4 million).
- In April 2014, the Board increased GO Bond Fund and Facilities Capital Fund expenditures by a combined \$150 thousand to allow for implementation of an Owner Controlled Insurance Program (OCIP) to cover capital construction work under the capital bond and other large capital projects.
- In June 2014, the Board reallocated \$1.7 million of expenditures within the General Fund budget and \$1.5 million within the Grants Fund budget. Transfers from the General Fund were increased to fund early repayment of debt from the IT Projects Debt Service Fund (\$490 thousand) and the SELP Debt Service Fund (\$116 thousand), plus as a \$1 million transfer to the GO Bond Debt Service Fund to cover possible shortfalls in property tax receipts used to pay GO Bond debt service. Additionally, resources were increased \$2.0 million in the Capital Asset Renewal Fund to account for the sale of property on the Washington High School site. The Board also made minor adjustments to revenues and expenditures in several other funds.

## Capital Assets and Debt Administration

**Capital Assets.** The District's investment in capital assets includes land, building and improvements, vehicles and equipment, and construction in progress. As of June 30, 2014, the District had invested \$233.3 million in capital assets, net of depreciation and amortization, as shown in the following table:

Capital assets	Government-wide			
	2013	2014	change	% change
Land	\$ 9,174	\$ 9,174	\$ -	0.0%
Buildings and site improvements	367,811	385,032	17,221	4.7%
Vehicles and equipment	47,095	47,975	880	1.9%
Construction in progress	18,595	31,339	12,744	68.5%
	442,675	473,520	30,845	7.0%
less accumulated depreciation	(228,731)	(240,255)	(11,524)	5.0%
Capital assets, net of depreciation	\$ 213,944	\$ 233,265	\$ 19,321	9.0%

District-wide, capital assets increased by \$30.8 million in FY2013-14, and \$11.5 million in depreciation and amortization was recorded. The impact of all events increased net capital assets by \$19.3 million. Significant additions for the current year included completed and in-progress work on GO Bond projects (\$24.6 million); Great Fields track and field replacements (\$1.9 million); projects for boiler conversion (\$3.0 million) and Recovery Zone energy efficiency work (\$1.1 million); Synergy Student Information System upgrades (\$1.0 million). Additional information on the District's capital assets can be found in Note 7 on page 40.

**Debt Administration.** At the end of the current fiscal year, the District had total debt outstanding of \$537.1 million (excluding premiums and discounts), which is comprised of limited tax pension and refunding bonds (\$407.5 million) and debt backed by the full faith and credit of the District (\$129.6 million). During the year the District reduced debt by making scheduled debt service payments of \$50.9 million. The District also retired \$0.6 million of SELP and IT Projects debt prior to maturity. These early debt retirements were financed with General Fund transfers. The result of all activities was an overall net decrease of \$51.5 million in outstanding debt, and a decrease in bond premium of \$3.1 million. Further explanation of debt is offered in Note 10 of the Financial Statements (pages 42-45).

Outstanding Debt	Government-wide				
	2013	Increases	Decreases	2014	% change
Limited tax pension and refunding bonds	\$ 419,034	\$ -	\$ (11,534)	\$ 407,500	-2.8%
Other debt	169,614	-	(39,967)	129,647	-23.6%
Total Long Term Debt	588,648	-	(51,501)	537,147	
Unamortized Bond Premium/(Discount)	13,145	-	(3,145)	10,000	-23.9%
Total Long Term Debt, net of Premium (Discount)	\$ 601,793	\$ -	\$ (54,646)	\$ 547,147	-9.1%

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the Real Market Value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95% of Real Market Value or \$5.8 billion. More information is available in Statistical Section Schedule 11 on page 128 of this report.

OPERS is Oregon's public pension system. Under the pension plan, the actuarial liability is the present value of the plan's current and expected benefits payments (plus administrative expenses). If the fund's actuarial liability exceeds its assets, then the fund has a shortfall that is known as an unfunded actuarial liability ("UAL"). OPERS requires that school districts pay (or "amortize") this UAL over a period of 20 years (Tier1/Tier2 portion) and (Retiree Health Insurance Account portion) for 10 years. Since interest rates had been at historic lows, an opportunity to benefit from lowered interest was created.

The District participated in the Oregon School Board Association (“OSBA”) sponsored pooled pension obligation bond program, in which the proceeds from bond issues were put into a PERS “side account” and used to offset a portion of the OPERS Unfunded Actuarial Liability (UAL). The reduced rate charged for the UAL that has resulted from the District’s decision to borrow, has saved an estimated \$19 million in the current year; savings that the District has used to provide more instruction and support services. Over time, this reduction in rates should dampen the effects of future increases in the District’s UAL. So long as OPERS’ investment returns exceed the costs of servicing the bonds, the benefits of this program will exceed the costs. The District’s UAL was reduced but was not eliminated by these borrowing transactions. Statutes, legislation, regulations, and rules regarding OPERS can change at any time.

During the 2013 Legislative Session, Senate Bill 822 was enacted, which created PERS savings by modifying the PERS cost of living calculation, eliminating tax remedy payments to out of state retirees, and directing the PERS board to recalculate and lower employer contribution rates in the short term (to be recovered in future periods). As a result, the District’s FY 2013-15 PERS contribution rates were lowered by 4.4% of payroll. Because of recent growth in the District’s side account, rates are expected to decrease even further in the 2015-17 biennium. The cost savings from these rate reductions will be available in future periods to offset scheduled increases in PERS UAL debt service payments, which will increase each year by \$1.5 to \$2.5 million.

## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

- The state’s economy continues to recover at a modest pace, with state General Fund revenues for fiscal year 2014 close to projections, and revenue growth expected to accelerate during fiscal year 2015. While the most likely scenario for the state’s economy going forward is for continued modest growth, there are still local, national, and international risks that could negatively impact revenue growth. As the baby boom population ages, works less, and spends less, there will be downward pressure on revenue growth from increases in individual and corporate income tax collections. In spite of the improving economy, fiscal pressures for K-12 education funding are likely to continue for the foreseeable future. The state legislature made progress toward stable and adequate funding with the passage of the 2013-2015 biennial budget, yet funding still remains below the state’s own Quality Education Model funding mark. Without the generous support of local voters and taxpayers the fiscal situation for PPS would be significantly more challenging and the ability to provide the education that our students deserve would be even more seriously compromised.
- The Oregon labor market is showing steady improvement, with 47,500 jobs being added in the last year, wages increasing, and unemployment rates dropping. Job growth in Oregon is now occurring at a 1% faster rate than in the nation as a whole. Portland-Vancouver unemployment continued to fall-seasonally adjusted local unemployment, a lagging indicator, dropped from 7.3% at June 2013 to 6.1% at June 2014. Expectations are that job recovery in the region will continue at a slow and steady pace for the next 2-3 years, and then demographic pressures may begin to exert some downward pressure on job growth.
- Based on the August 2014 enrollment forecast from Portland State University Population Research Center, District K-12 student enrollment is projected to increase from between 240 and 600 students annually over the next 15 years, reaching 51,000 to 56,000 by 2028-2029.
- In September 2014, the Clendon Regional Early Learning Academy was opened. This facility brings together several Head Start and culturally specific preschool programs and parent resources into one building, and is intended to be the first of several such centers across the District.
- In September 2014, the District was awarded a seven-year, \$8.5 million GEAR UP Mobilizing for College grant, which adds significant resources to achieve the District’s college and career readiness goals. The grant will provide wrap around services to approximately 1,500 6<sup>th</sup> and 7<sup>th</sup> grade students at 15 schools, following them from middle school through their first year of college.

- In September 2014 the District began participating in a new federal program called Community Eligibility Program (CEP). The CEP provides an alternative to household applications in the National School Lunch and Breakfast Programs, by using existing state program data to determine eligibility. The program is intended to increase student access to free meals in high poverty schools by reducing the application burden on families. The District implemented this program at 25 schools with the highest poverty rates. The budgetary impact of implementation of the CEP program at an “identified student percentage” of 62.5% is anticipated to be relatively budget-neutral.
- During the 2014-15 fiscal year, the District will proceed with the next issuance of General Obligation bonds as the second in a planned series of two to three capital bond debt issuances totaling \$482 million. Further discussion of this debt can be found on page 1 of this Discussion and Analysis.
- The District’s current local option levy was approved by voters in 2011 to provide funding for teaching positions over a 5 year period. In 2013, the Oregon Legislature passed legislation ending the diversion of a portion of local option levy revenues to urban renewal districts for levies passed after January 2013. The District placed Measure 26-161 on the November 2014 ballot to renew the local option levy prior to its scheduled expiration to take advantage of this legislative change, and the measure passed with over 70% voter approval. Renewal of the levy will add an estimated additional \$4 million in local option levy revenues starting in 2015, without increasing current tax rates from the current \$1.99 per thousand of assessed property value.
- The District’s Board of Education recently approved a plan to use a portion of increased resources for the 2014-15 fiscal year. The plan calls for use of additional resources for the following purposes:
  - Up to \$3.5 million to increase school staffing and support.
  - Up to \$4.0 million investment in the District’s three priorities:
    - To ensure that all students are reading at benchmark by the end of 3<sup>rd</sup> grade.
    - To improve high school graduation and completion rates.
    - To eliminate disproportionality in out of school discipline between white students and students of color and reduce out of school discipline for all students by 50%.
  - Up to \$5.5 million in one-time investments that support the improvement of outcomes for PPS students and effective operations.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Portland Public Schools’ finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Accounting and Payroll Services Department, Portland Public Schools, 501 N Dixon, Portland, OR, 97227. An electronic copy of this and other prior year financial reports are available at the District website: [www.pps.k12.or.us/departments/accounting/](http://www.pps.k12.or.us/departments/accounting/), site shortcut: **Financial Statements**.





## **BASIC FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**June 30, 2014**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents-unrestricted	\$ 93,941
Cash and cash equivalents-restricted	560
Cash and cash equivalents held by fiscal agents	4,451
Investments	161,160
Accounts and other receivables	25,650
Property taxes and other taxes receivable	18,041
Inventories	421
Noncurrent assets:	
Prepaid pension and other prepaid costs	404,992
Capital assets, not depreciated:	
Land	9,174
Construction in progress	31,339
Capital assets, net of accumulated depreciation:	
Buildings and capital improvements	183,681
Vehicles and equipment	9,071
Total assets	942,481
<b>LIABILITIES</b>	
Accounts payable	18,323
Accrued wages and benefits payable	65,435
Accrued bond interest payable	840
Unearned revenues	1,788
Claims payable	4,597
Non-current liabilities:	
Due within one year	
Accrued compensated absences	2,336
Bonds	58,160
Due in more than one year	
Accrued compensated absences	429
Bonds	488,987
Net other post employment benefit obligation	35,579
Total liabilities	676,474
<b>NET POSITION</b>	
Net investment in capital assets	183,584
Restricted for:	
Capital projects	111,919
Grants	6,944
Debt service	361
Unrestricted (deficit)	(36,801)
Total net position	\$ 266,007

The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Statement of Activities**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

<u>Functions/Programs</u>	<u>EXPENSES</u>		<u>PROGRAM REVENUES</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>			
<b>GOVERNMENTAL ACTIVITIES</b>								
Instruction	\$	308,652	\$	5,989	\$	58,418	\$	(244,245)
Support services		200,750		2,857		17,693		(180,200)
Enterprise and Community Services		19,164		4,420		2,240		(12,504)
Facilities Services		1,470		-		-		(1,470)
Interest and fees on long-term debt		31,469		-		-		(31,469)
Total governmental activities	<u>\$</u>	<u>561,505</u>	<u>\$</u>	<u>13,266</u>	<u>\$</u>	<u>78,351</u>		<u>(469,888)</u>

**GENERAL REVENUES**

Property taxes levied for general purposes	213,115
Property taxes levied for debt service	44,765
Construction excise tax	4,889
Local option taxes	55,709
State School Fund	184,690
State Common School Fund	4,427
County and intermediate sources	15,736
Investment earnings	774
Other	11,253
Total general revenues	<u>535,358</u>
Change in net position	65,470
Net position - beginning of year	200,537
Net position - end of year	<u>\$ 266,007</u>

The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**Governmental Funds**

**Balance Sheet**

**June 30, 2014**

**(amounts expressed in thousands)**

	<b>General Fund</b>	<b>Grant Fund</b>
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents-unrestricted	\$ 30,226	\$ -
Cash and cash equivalents-restricted	560	-
Cash and cash equivalents held by fiscal agents	4,268	-
Investments	71,945	-
Prepaid items	59	-
Accounts receivable	1,945	18,449
Property taxes and other taxes receivable	16,851	-
Due from other funds	10,605	-
Inventories	141	-
Total assets	<u>\$ 136,600</u>	<u>\$ 18,449</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 8,259	\$ 2,115
Accrued wages and benefits	60,095	3,941
Due to other funds	744	10,605
Unearned revenues	<u>-</u>	<u>1,788</u>
Total liabilities	<u>69,098</u>	<u>18,449</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property tax revenue	<u>15,828</u>	<u>-</u>
Total deferred inflows of resources	<u>15,828</u>	<u>-</u>
 <b>FUND BALANCES</b>		
Nonspendable	200	-
Restricted	560	-
Committed	-	-
Unassigned	<u>50,914</u>	<u>-</u>
Total fund balances	<u>51,674</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 136,600</u>	<u>\$ 18,449</u>

The notes to the basic financial statements are an integral part of this financial statement.

<b>PERS Rate Stabilization Reserve Fund</b>	<b>GO Bonds Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 15,757	\$ 1,962	\$ 39,613	\$ 87,558
-	-	-	560
-	-	183	4,451
-	89,215	-	161,160
-	2,069	21	2,149
-	168	5,068	25,630
-	-	1,190	18,041
-	-	744	11,349
-	-	280	421
<u>\$ 15,757</u>	<u>\$ 93,414</u>	<u>\$ 47,099</u>	<u>\$ 311,319</u>
\$ -	\$ 2,916	\$ 4,983	\$ 18,273
-	31	1,344	65,411
-	-	-	11,349
-	-	-	1,788
<u>-</u>	<u>2,947</u>	<u>6,327</u>	<u>96,821</u>
-	-	1,108	16,936
-	-	1,108	16,936
-	2,069	301	2,570
-	88,398	38,778	127,736
15,757	-	585	16,342
-	-	-	50,914
<u>15,757</u>	<u>90,467</u>	<u>39,664</u>	<u>197,562</u>
<u>\$ 15,757</u>	<u>\$ 93,414</u>	<u>\$ 47,099</u>	<u>\$ 311,319</u>

The notes to the basic financial statements are an integral part of this financial statement.



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**June 30, 2014**  
**(amounts expressed in thousands)**

Fund balances - total governmental funds (page 19)	\$	197,562
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and are not reported in governmental funds.		233,265
Long-term taxes receivable are not available to pay for current-period expenditures and therefore are a deferred inflow of resources in the governmental funds.		16,936
Assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		2,410
Bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		(547,147)
Prepaid pension costs are not reported in the governmental funds.		402,843
Accrued compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused vacation is reported as a liability		(2,765)
Accrued property and liability insurance claims incurred but not reported are not due and payable in the current period and therefore are not reported in the governmental funds.		(714)
Accrued interest payable is not recognized as a liability in the governmental funds.		(840)
Other post employment benefit liability obligation is not reported in governmental funds.		(35,543)
Net position of governmental activities (page 16)	<u>\$</u>	<u>266,007</u>

The notes to the basic financial statements are an integral part of this financial statement.



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>General Fund</u>	<u>Grant Fund</u>
<b>REVENUES</b>		
Property and other taxes	\$ 212,155	\$ -
State School Fund	184,690	-
State Common School Fund	4,427	-
Federal and state support	40	50,603
Federal stimulus	-	155
Local option taxes	56,013	-
County and intermediate sources	12,191	1,708
Charges for services	3,417	-
Extracurricular activities	-	-
Investment earnings	239	-
Other	6,003	441
Total revenues	<u>479,175</u>	<u>52,907</u>
<b>EXPENDITURES</b>		
Current:		
Instruction	271,984	32,975
Support services	182,354	17,692
Enterprise and community services	1,621	2,240
Facilities acquisition and construction	-	-
Debt Service:		
Principal	-	-
Interest	-	-
Total expenditures	<u>455,959</u>	<u>52,907</u>
Excess (deficit) of revenues over expenditures	<u>23,216</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Transfers out	(9,013)	-
Proceeds from the sale of capital assets	14	-
Total other financing sources (uses)	<u>(8,999)</u>	<u>-</u>
Net change in fund balances	14,217	-
Fund balances - beginning of year	37,457	-
Fund balances - end of year	<u>\$ 51,674</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this financial statement.

<b>PERS Rate Stabilization Reserve Fund</b>	<b>GO Bonds Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 227	\$ -	\$ 48,490	\$ 260,872
-	-	-	184,690
-	-	-	4,427
-	-	14,588	65,231
-	-	-	155
-	-	-	56,013
-	-	1,837	15,736
-	-	48,457	51,874
-	-	8,308	8,308
54	300	164	757
-	-	6,694	13,138
<u>281</u>	<u>300</u>	<u>128,538</u>	<u>661,201</u>
-	-	-	-
-	-	18,962	323,921
-	109	2,078	202,233
-	-	16,198	20,059
-	18,959	12,146	31,105
-	-	51,500	51,500
-	-	34,921	34,921
<u>-</u>	<u>19,068</u>	<u>135,805</u>	<u>663,739</u>
<u>281</u>	<u>(18,768)</u>	<u>(7,267)</u>	<u>(2,538)</u>
-	-	9,013	9,013
-	-	-	(9,013)
-	-	1,993	2,007
<u>-</u>	<u>-</u>	<u>11,006</u>	<u>2,007</u>
281	(18,768)	3,739	(531)
15,476	109,235	35,925	198,093
<u>\$ 15,757</u>	<u>\$ 90,467</u>	<u>\$ 39,664</u>	<u>\$ 197,562</u>

The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the Statement of Activities**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 23)	\$ (531)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report all capital outlay as expenditures. However, in the Statement of Activities the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period of \$32,309 exceeded depreciation and disposals of \$12,988.	19,321
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This is the change in deferred inflow of resources related to property taxes.	2,259
The Internal Service Fund is used to account for all costs incurred for claims arising from workers' compensation losses. The primary funding sources are charges to other funds. This amount is the change in net position for the year.	413
Accrued incurred but not reported property and liability insurance claims expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds	(38)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued. Premium amounts are deferred and amortized in the Statement of Activities.	54,646
Governmental funds reported the prepayment of the PERS unfunded actuarial liability as an other financing use in prior years. However, in the Statement of Activities the expense is the amortization of the prepaid asset.	(11,534)
Other post employment benefits expenses are reported in the Statement of Activities but they are not reported as expenditures in the governmental funds.	684
Change in compensated absences	(57)
Change in bond interest payable	307
Change in net position of governmental activities (page 17)	\$ 65,470

The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Net Position**  
**June 30, 2014**  
**(amounts expressed in thousands)**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 6,382
Accounts and other receivables	20
Total assets	6,402

**LIABILITIES**

Current Liabilities

Accounts payable	50
Accrued wages and benefits	22
Claims payable	3,884
Total current liabilities	3,956

Long-term Liability

Other post employment benefit obligation	36
Total liabilities	3,992

**NET POSITION**

Unrestricted	\$ 2,410
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The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

**OPERATING REVENUES**

Charges for services	\$ 3,044
Total operating revenues	3,044

**OPERATING EXPENSES**

Salaries and benefits	198
Materials and services	259
Claims expense	2,278
Total operating expenses	2,735

Operating income	309
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**NON-OPERATING REVENUES**

Federal and state support	87
Investment earnings	17
Total non-operating revenues	104

Change in net position	413
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Net position - beginning of year	1,997
Net position - end of year	\$ 2,410

The notes to the basic financial statements are an integral part of this financial statement.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Cash Flows**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from interfund services provided and used	\$	3,044
Cash payments for salaries and benefits		(195)
Cash payments for goods and services		(302)
Cash payments for claims		(2,278)
Net cash from operating activities		269

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash subsidy from state return to work reimbursements		87
Net cash from noncapital financing activities		87

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sales of investments		2,319
Investment earnings		17
Net cash from investing activities		2,336

Net increase in cash and cash equivalents 2,692

Cash and cash equivalents at beginning of year		3,690
Cash and cash equivalents at end of year	\$	6,382

**RECONCILIATION OF OPERATING INCOME TO  
CASH FROM OPERATING ACTIVITIES**

Operating income	\$	309
Adjustments to reconcile operating loss to net cash from operating activities:		
Increase in accounts and other receivables		(19)
Decrease in accounts and other payables		(42)
Increase in claims payable		19
Increase in accrued wages and benefits		2
Total adjustments		(40)
Net cash from operating activities	\$	269

The notes to the basic financial statements are an integral part of this financial statement.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2014  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

School District No. 1J, Multnomah County, Oregon, known as Portland Public Schools or the District, is governed by a seven-member elected board. The District is the special-purpose primary government exercising financial accountability for all public K-12 education within its boundaries. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present all significant activities and organizations of the District. The District reports no component units, nor is the District a component unit of any other entity, and specifically has no relationship or connection with Multnomah County, Oregon.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The District does not report any fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements except that interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain functional expenditures contain an element of indirect cost.

Separate financial statements are provided for Governmental Funds and the Self-Insurance Fund, which is an internal service fund (proprietary fund). The Self-Insurance Fund is included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the internal service fund, all revenues and expenses except interest earnings, transfers and insurance recoveries and costs, are considered to be related to operations.

***Measurement focus, basis of accounting, and financial statement presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2014  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**A. Government-wide and fund financial statements - Continued**

***Measurement focus, basis of accounting, and financial statement presentation – Continued***

However, debt service and expenditures related to compensated absences are recorded only when payment is due.

Property taxes and grant reimbursements are considered to be susceptible to accrual, if received in cash by the District or a county collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon thereafter.

The District reports the following major governmental funds:

**General Fund** – Accounts for the general operations of the District. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's resources are available to the District for any purpose provided they are expended or transferred according to a resolution or policy of the District and/or the laws of Oregon.

**Grant Fund** – Accounts for revenues and expenditures that are restricted for specific projects. Principal revenue sources are federal, state and local funding.

**PERS Rate Stabilization Reserve Fund** – Accounts for reserves that will be used to mitigate the budgetary impact of significant employer personnel benefit rates fluctuations when they occur in future OPERS or PERS UAL charges. Disbursements from this fund are made in accordance with resolution 2679 by the District's Board. Revenues are derived from an allocation of property taxes from the General Fund.

**GO Bond Fund** – Accounts for General Obligation bond proceeds and expenditures for specifically authorized projects funded by General Obligation Bonds.

Additionally, the District reports the following internal service fund:

**Self-Insurance Fund** – Accounts for all workers' compensation activities. The activity and balances of this fund are included in the governmental activities in the government-wide financial statements. The primary resources are charges to other funds, investment earnings and insurance recoveries. All revenues except for investment revenues and transfers in are considered operating revenue. Operating expenses include salaries, benefits, materials, premium costs, claims, and other related costs.

The District reports the following non-major governmental funds:

**Special Revenue Funds** – Accounts for certain revenues that are restricted to expenditures for designated purposes.

**Debt Service Funds** – Accounts for the accumulation of financial resources for the payment of long-term debt principal, interest, and related costs.

**Capital Projects Funds** – Accounts for financial resources to be used for the acquisition of property, technology, construction or renovation of facilities.



**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**B. Appropriations and Budgetary Controls**

The District prepares a budget for all funds in accordance with the modified accrual basis of accounting, with certain adjustments, and legal requirements set forth in Local Budget Law.

Consistent with Local Budget Law, expenditures are appropriated by fund for each legally adopted annual operating budget at the following levels of control, as appropriate:

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Debt Service
- Contingency
- Fund Transfers

Capital outlay expenditures are appropriated within the service levels for Instruction, Support Services, Enterprise and Community Services, and Facilities Acquisition and Construction. Debt service expenditures in the General Fund are generally appropriated within the Support Services level of control. For reporting purposes all other debt service expenditures are segregated from the supporting services budgetary control levels and are presented in the debt service expenditures category.

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriations transfer that alters estimated total expenditures by less than 10% of any individual fund may be adopted at the regular meeting of the Board of Education. For conditions that require either supplemental appropriations or an increase in expenditures greater than 10% of an individual fund, a supplemental budget must be adopted, requiring public hearings, publications in newspapers and approval by the Board of Education. Supplemental budgets are submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year. The District had three supplemental budgets during budget year 2014, and one resolution (4781) to clarify the resolution which adopted the original budget (4775).

**C. Encumbrances**

During the year encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed however, all encumbrances expire at year-end.

**D. Cash and Cash Equivalents and Investments**

For the purpose of the Statement of Cash Flows, the Statement of Net Position and the Balance Sheet, the District's monies in the Oregon Local Government Investment Pool, savings deposits, demand deposits and cash with county treasurer are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. Property Taxes**

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the Balance Sheet as receivables. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

**F. Inventories and Prepaid Items**

School operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at cost using the weighted average method. A portion of the inventory consists of commodities purchased from the United States Department of Agriculture (USDA). The commodities are recorded at wholesale market value as provided by the USDA. The District accounts for the inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures are recorded when inventory items are used. Donated foods consumed during the year are reported as revenues and expenditures. The amount of unused donated food at year-end is immaterial. Prepaid assets are recognized as expenses/expenditures based on the consumption method when their use benefits the District.

**G. Capital Assets**

Expenditures for capital assets, which include land, buildings and site improvements, construction in progress, and vehicles and equipment are reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance by function. The District defines capital assets as assets with an initial cost exceeding the threshold amounts shown in the schedule below, and an estimated useful life in excess of one year. District capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed, and depreciated or amortized, where appropriate, using the straight-line method. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are recorded as construction in progress and capitalized as projects are completed. When the District determines that an asset has been impaired as defined by GASB Statement No. 42 it adjusts the asset value. Under the pronouncements of GASB Statement No. 51 the District capitalizes intangible asset costs, such as costs relating to the internally developed computer software. The intangible asset costs are classified as equipment.

Major asset classifications, useful lives and capitalization thresholds are:

Asset	Capitalization threshold	Useful lives, years
Buildings	\$ 25	100
Site improvements	25	5 to 25
Equipment	5	5 to 15
Vehicles	5	5 to 8

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**H. Grant Accounting**

Unreimbursed expenditures due from grantor agencies are recorded in the financial statements as accounts receivable and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue on the Statement of Net Position and the Balance Sheet.

**I. Insurance**

The District operates the Self-Insurance Fund to account for the costs of workers' compensation related costs and resources. Charges to other funds are recognized as revenues and as expenditures in the fund incurring the charges. The District accounts for all other insurance related resources and costs, such as general liability claims, property and fire loss claims, and the payment of premiums through the General Fund.

The District recognizes the liabilities for estimated losses to be incurred from pending claims and for claims incurred but not reported (IBNR). The IBNR claims are estimates of claims that are incurred through the end of the fiscal year but have not yet been reported. These liabilities are based on actuarial valuations.

The District's insurance deductibles and policy limits are as follows:

	Deductibles	Excess Coverage per Occurrence
General and Automobile Claims	\$ 1,000	\$ 5,000
Property and Fire Claims	1,000	250,000
Earthquake Claims	250	50,000
Flood Claims	1,000	75,000
Workers' Compensation Claims	1,000	25,000

With the exception of the Marysville School fire, which occurred in November 2009, the District has not exceeded the claims limitation on its insurance policies for the last five years.

**J. Compensated Absences**

Depending on years of service and union membership, employees can earn annual vacation leave between 10 days and 22 days per year. Administrators earn 22 days of annual vacation leave. Effective January 1, 2012, employees are allowed to carry over twice their maximum yearly earned balances from one fiscal year to another. All outstanding vacation leave is payable upon resignation, retirement, or death. Compensated absences are recognized as liabilities in the District's proprietary fund. Compensated absences are not reported as liabilities in the governmental funds because they have not "matured," meaning they are not yet payable to the employee.

Sick leave accumulates each month without a limit on the total hours that can be accumulated. Accumulated sick leave does not vest and is forfeited at resignation, retirement or death. Sick leave is recorded as an expense/expenditure when leave is taken and no liability is recorded.

**K. Receivables and Payables**

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the fund financial statements. Other receivables, except certain grants, are offset by unearned revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded on the Statement of Net Position/Balance Sheet.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**K. Receivables and Payables - Continued**

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” in the fund financial statements, and are eliminated in the government-wide statements. **L. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations including accrued compensation and claims are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount. In accordance with GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are reported as outflows of resources (expenses) in the period incurred.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs as incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

**M. Retirement Plans**

Most District employees participate in Oregon's Public Employees Retirement System (OPERS). OPERS requires plan contributions on a current basis. Contributions are made on a current basis as required by the plan and are recorded as expense/expenditures.

The District provides tax-deferred annuity contracts established under Section 403(b) of the Internal Revenue Code. Participation in the program is voluntary. Contributions are made from salary deductions from participating employees within the limits specified in the Code.

**N. Early Retirement and Other Post-Employment Benefits**

Certificated employees who have met the requirements for age and years of service with the District are eligible for early retirement benefits. Early retirement benefits are further explained in Note 11 and other post-employment benefits are explained in Note 12.

The District is mandated to contribute to Retirement Health Insurance Accounts (RHIA) for eligible District employees who are members of OPERS, and were plan members before January 1, 2004. The plan was established by the Oregon Legislature.

A health and welfare program the District provides for retirees is accounted for under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). The OPEB obligation is actuarially determined, is reflected as a long-term liability in the government-wide financial statements, and reflects the present value of expected future payments. The net other post-employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year, and are reported on the pay-as-you-go basis.

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**O. Net Position**

Net position represents the difference between the District's total assets and total liabilities. District net position currently has three components:

*Net investment in capital assets* represents capital assets less accumulated depreciation and outstanding principal of capital asset related debt.

*Restricted net position* represents net position upon which constraints have been placed, either externally by creditors, grantors, contributors or others, or legally constrained by law.

*Unrestricted net position* represents net position that does not meet the definition of "restricted" or "net investment in capital assets".

**P. Management Estimates**

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Q. Fund Balance Definitions**

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance definitions, from most to least restrictive are:

1. *Non-spendable fund balances* – Amounts that are not in spendable form or due to legal or contractual requirements. Examples of resources in this category are prepaids, inventory or notes receivable.
2. *Restricted fund balances* – Amounts constrained to specific purposes by their providers (such as grantors or bond holders), through constitutional provisions or by enabling legislation. These are primarily amounts subject to externally enforceable legal restrictions.
3. *Committed fund balances* – Amounts constrained to specific purposes by resolution of the District's Board. The District's Board can modify or rescind a commitment at any time through passage of a new resolution. In order to commit fund balances the District must take formal action prior to the close of the fiscal year.
4. *Assigned fund balances* – Amounts the District intends to use for a specific purpose that are not restricted nor committed are reported as assigned fund balance. Intent can be expressed by the Board or delegated authority to an official. An example of assignment is when the District's Board adopts the annual budget which includes funds identified as reserved for a specific purpose.
5. *Unassigned fund balance* – Amounts not included in other classifications above. The amount represents spendable fund balance that is not restricted, committed or assigned in the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Q. Fund Balance Definitions - Continued**

The District's Board passed resolution number 4461 on June 13, 2011, titled: *Compliance with Governmental Accounting Standards Board Statement No. 54 (GASB 54): Fund Balance Reporting and Governmental Fund Type Definitions*. The resolution reads as follows:

- The Board affirms that it is the highest level decision authority for the District.
- The Board hereby delegates the authority to classify portions of ending fund balance as "Assigned" to the Superintendent.
- The Board adopts GASB 54 definitions for Non-spendable, Restricted, Committed, Assigned and Unassigned fund balances.
- In conjunction with the adoption of GASB 54 fund balance classifications, the Board declares its budgeting practices and budget allocations for restricted and unrestricted fund balance amounts will be consistent with the fund balance classification hierarchy.
- The Board hereby adopts GASB 54 definitions of fund types for the General Fund, special revenue funds, debt services funds, capital projects funds, and permanent funds.

**R. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District first applies the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District first applies the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances, before using unassigned fund balances.

**S. Fund Balance Policy**

The District's Board policy 8.10.025P mandates that the District budget a minimum of three percent of its General Fund revenue as contingency, and that a three percent fund balance be maintained.

**T. New Accounting Standard Implemented**

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (GASB 70), establishes accounting and disclosure requirements for state or local governments that either extend or receive financial guarantees. This statement requires recognition of a liability when it is more likely than not that a payment will need to be made by a guarantor in relation to the guarantee. The statement also requires disclosure of the terms of the guarantee. Additional disclosures have been added to the description of General Obligation Bonds (Note 10) to comply with this new standard.

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District reports financial position, results of operations, and changes in fund balance/Net Position on the basis of U. S. generally accepted accounting principles (GAAP). The budgetary statements provided as part of required or other supplementary information are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS**

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

The District's tax rates for the year ended June 30, 2014 were:

Permanent rate	\$ 5.2781 per \$1 thousand of assessed value
Local option rate	\$ 1.9900 per \$1 thousand of assessed value
GO Bond Levy amount	\$ 46,007,694

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Deposits with financial institutions include bank demand deposits, deposits in the Local Government Investment Pool, time certificates of deposit, and savings account deposits, as authorized by Oregon statutes.

Cash, cash equivalents and investments on June 30, 2014 are comprised of the following:

Oregon Local Government Investment Pool	\$ 33,595
Cash in demand deposits	60,902
Petty cash	<u>4</u>
Total cash and cash equivalents	94,501
Cash and cash equivalents held by fiscal agents	4,451
U.S Government agency securities	120,916
Corporate Paper	33,739
Municipal Bonds	<u>6,505</u>
Total investments	<u>161,160</u>
Total cash, cash equivalents and investments	<u><u>\$260,112</u></u>

The District has a restricted cash balance of \$560 in the General Fund to be used for major repairs and maintenance, in accordance with the lease agreement between the District and Multnomah County described in Footnote 14.

**A. Investments**

Accounting principles generally accepted in the United States of America require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments with maturities of less than one year are carried at amortized cost.

Investments in the Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. The LGIP does not report

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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued**

**A. Investments - Continued**

all investments at fair value in accordance with the provisions of GASB Statement No. 31. The LGIP is required by Oregon Revised Statutes (ORS) to compute the fair value of all investments maturing more than 270 days from the date the computation is made. If the fair value totals more than one percent of the balance of the LGIP in terms of unrealized gain or loss, the amount is required to be distributed to the pool participants. Fifty percent of the LGIP portfolio must mature within 93 days. Up to 25% of the LGIP portfolio may mature in over one year and no investment may mature in over three years.

The District requires all securities to be purchased in the District's name and held in third party safekeeping.

The Oregon Local Government Investment Pool is unrated. Other investments held at June 30, 2014 are categorized by Moody's and Standard and Poor's ratings as follows:

	U.S.				
	Government & Agency Obligations	Corporate Notes	Municipal Bonds		Total
Moody's Rating					
Aaa	\$ 97,633	\$ -	\$ -		\$ 97,633
Aa3	-	4,232	-		4,232
A1	-	27,469	-		27,469
A3	-	2,038	-		2,038
NR	23,283	-	6,505		29,788
	\$ 120,916	\$ 33,739	\$ 6,505		\$ 161,160
Weighted Average Maturity (Yrs)	0.69	0.23	0.50		

	U.S.				
	Government & Agency Obligations	Corporate Notes	Municipal Bonds		Total
S & P Rating					
AA+	\$ 97,633	\$ 3,060	\$ -		\$ 100,693
AA-	-	4,232	-		4,232
A+	-	21,392	-		21,392
A	-	5,055	-		5,055
NR	23,283	-	-		23,283
1+ (short term)	-	-	6,505		6,505
	\$ 120,916	\$ 33,739	\$ 6,505		\$ 161,160
Weighted Average Maturity (Yrs)	0.69	0.23	0.50		



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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued**

**A. Investments – Continued**

***Interest rate risk***

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio, so that securities mature to meet ongoing operations.

***Credit risk***

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon, Washington, Idaho, and California (subject to specific standards), and the LGIP, among others. The Board of Education has adopted a policy which complies with state statutes.

The District's investments in U.S. government securities are not required to be rated. Investments in U.S. government agency securities are rated Aaa by Moody's Investors Service.

Corporate notes are rated between Aa3 and A3 by Moody's and between AA+ and A by Standard and Poor's.

***Concentration of credit risk-investments***

In accordance with GASB 40, the District is required to report all individual non-federal investments, which exceed 5% of total invested funds. As of June 30, 2014 the District held the following:

	Value	Percentage of total investments
Wells Fargo - Corporate Obligations	\$ 15,508	9.6%

***Custodial risk-deposits***

The District's deposits with financial institutions are insured by the Federal Depository Insurance Corporation (FDIC); interest and non-interest bearing accounts are insured up to \$250 thousand. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At June 30, 2014, bank balances of \$1,022 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2014, the carrying amount of the District's balance was \$60,902 and the bank balance was \$63,880.

***Custodial credit risk-investments***

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-

**School District No. 1J, Multnomah County, Oregon**

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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued**

**Investments – Continued**

***Custodial credit risk-investments – Continued***

term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. Investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to LGIP investments.

**NOTE 5 – RECEIVABLES**

Receivables at year-end are summarized as follows:

	General Fund	Grant Fund	GO Bonds Fund	Govern- mental and other funds	Total
Accounts and other receivables:					
Interest	\$ 525	\$ -	\$ 168	\$ -	\$ 693
Accounts receivable	1,391	-	-	5,090	6,481
Federal, state and local grants	-	18,457	-	-	18,457
Advances to employees	29	(8)	-	(2)	19
Total accounts and other receivables	<u>1,945</u>	<u>18,449</u>	<u>168</u>	<u>5,088</u>	<u>25,650</u>
Property taxes and other taxes receivables	16,851	-	-	1,190	18,041
Total receivables	<u>\$18,796</u>	<u>\$18,449</u>	<u>\$ 168</u>	<u>\$ 6,278</u>	<u>\$43,691</u>

**NOTE 6 – PREPAID ASSETS**

A summary of changes in prepaid assets for the year ended June 30, 2014 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Prepaid Assets:				
Postage	\$ 29	\$ 205	\$ (175)	\$ 59
Insurance	-	2,200	(110)	2,090
Pension	414,377	-	(11,534)	402,843
Total Prepaid Assets:	<u>\$ 414,406</u>	<u>\$ 2,405</u>	<u>\$ (11,819)</u>	<u>\$ 404,992</u>

During the fiscal year ended June 30, 2014 the District purchased an Owner Controlled Insurance Program (OCIP), which provides liability coverage for major construction contracts. The OCIP will be amortized over the five year life of the contract.

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**NOTE 7 – CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2014 follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets not being depreciated or amortized</b>					
Land	\$ 9,174	\$ -	\$ -	\$ -	\$ 9,174
Construction in progress	18,595	31,406	(518)	(18,144)	31,339
Total capital assets not being depreciated or amortized	27,769	31,406	(518)	(18,144)	40,513
<b>Capital assets being depreciated or amortized</b>					
Buildings and site improvements	367,811	35	(958)	18,144	385,032
Vehicles and equipment	47,095	1,386	(506)	-	47,975
Total capital assets being depreciated or amortized	414,906	1,421	(1,464)	18,144	433,007
Total general capital assets	442,675	32,827	(1,982)	-	473,520
<b>Less accumulated depreciation and amortization</b>					
Buildings and site improvements	(191,950)	(10,359)	958	-	(201,351)
Vehicles and equipment	(36,781)	(2,577)	454	-	(38,904)
Total accumulated depreciation and amortization	(228,731)	(12,936)	1,412	-	(240,255)
Total capital assets, net of accumulated depreciation	<u>\$213,944</u>	<u>\$ 19,891</u>	<u>\$ (570)</u>	<u>\$ -</u>	<u>\$233,265</u>

Depreciation expense for governmental activities is charged to functions as follows:

Instruction	\$ 9,588
Supporting services	3,188
Food services	160
	<u>\$12,936</u>

As of June 30, 2014 the District has three schools that are closed and idle: Clarendon, Foster and Smith. As of June 30, 2014 the carrying value of these schools is \$1,715 and is included in the capital assets summary above.

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 8 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

Interfund balances represent cash owed by one fund to another. At June 30, 2014, the General Fund owed the Student Body Activity Fund \$744 and the Grants Fund was advanced \$10,605 by the General Fund to cover unbilled expenses.

Interfund receivables and payables on June 30, 2014 are comprised of the following:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 10,605	\$ 744
Non-major governmental funds	744	-
Grant Fund	-	10,605
	<u>\$ 11,349</u>	<u>\$ 11,349</u>

The District's General Fund made debt service transfers totaling \$4,832 to nonmajor debt funds. The District's General Fund also made transfers totaling \$4,181 to nonmajor capital projects funds.

The composition of interfund transfers as of June 30, 2014, is as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 9,013
Nonmajor Governmental Funds	9,013	-
	<u>\$ 9,013</u>	<u>\$ 9,013</u>

**NOTE 9 – ACCRUED COMPENSATED ABSENCES**

The General Fund and Grant Fund are the primary funds from which the compensated absences balance liability is liquidated.

The change in the balance of accrued compensated absences for the year was as follows:

<u>Outstanding July 1, 2013</u>	<u>Increases</u>	<u>Payments</u>	<u>Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
\$ 2,708	\$ 3,719	\$ (3,662)	\$ 2,765	\$ 2,336

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 10 – BONDED AND OTHER DEBT**

Changes in District long-term debt during fiscal year 2014 were as follows:

	Original Amount	Beginning Balance	Additions	Matured and Redeemed	Ending Balance	Due Within One Year
Pension debt:						
Limited tax pension bonds						
Series 2002	\$ 210,104	\$ 172,352	\$ -	\$ (3,941)	\$ 168,411	\$ 4,091
Series 2003	281,170	232,282	-	(7,593)	224,689	7,450
Series 2012	14,400	14,400	-	-	14,400	-
Total pension debt (Note 11)	<u>505,674</u>	<u>419,034</u>	-	<u>(11,534)</u>	<u>407,500</u>	<u>11,541</u>
Other Debt:						
Small scale energy loan programs	8,335	179	-	(179)	-	-
Full faith and credit bonds						
Series 2007A and 2007B	15,090	1,375	-	(1,375)	-	-
2009 Credit facility	15,000	13,393	-	(1,132)	12,261	2,291
Recovery Zone Economic						
Development Bonds	11,000	9,356	-	(860)	8,496	886
General Obligation Bonds						
Series 2013A	76,265	76,265	-	(35,950)	40,315	40,315
General Obligation Bonds						
Series 2013B	68,575	68,575	-	-	68,575	-
Multnomah ESD Note Payable	471	471	-	(471)	-	-
Total other debt	<u>194,736</u>	<u>169,614</u>	-	<u>(39,967)</u>	<u>129,647</u>	<u>43,492</u>
Total long-term debt	<u>\$ 700,410</u>	<u>588,648</u>	-	<u>(51,501)</u>	<u>537,147</u>	<u>55,033</u>
Unamortized bond premium						
(discount)		13,145	-	(3,145)	10,000	3,127
Total long-term debt, net of premiums (discounts)		<u>\$ 601,793</u>	<u>\$ -</u>	<u>\$ (54,646)</u>	<u>\$ 547,147</u>	<u>\$ 58,160</u>

**A. Limited Tax Pension Bonds**

In October 2002 Portland Public Schools participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds. The proceeds were used to finance a portion of the estimated unfunded actuarial liability of each participating school district with the Oregon Public Employees Retirement System (“OPERS”). The Oregon School Boards Association (“OSBA”) sponsored this pooled limited tax pension bond program. The OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district’s pension bonds or liabilities to OPERS. In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. The District recorded the proceeds of the debt to OPERS as prepaid pension costs and amortizes it as a pension expense over the life of the bonds. Payments of yearly principal and interest are recorded as financial statement expenditures in instruction and in support services. The District anticipates the total costs of financing the District’s actuarial obligation in this manner will result in a significant savings to the District when compared to paying for such costs as additional contribution rates to OPERS.

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**NOTE 10 – BONDED AND OTHER DEBT – Continued**

**A. Limited Tax Pension Bonds - Continued**

The District issued \$210,104 Limited Tax Pension Bonds, Series 2002 (Federally Taxable), of which \$53,524 are Series 2002A (deferred interest bonds) and \$156,580 are Series 2002B (current interest bonds). The 2002 series Limited Tax Pension Bonds were issued on October 31, 2002, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 5.36% to 6.10%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48% to 5.55%. The Series 2002A Bonds are not subject to optional prepayment prior to maturity. The Series 2002B Bonds maturing June 30, 2021, shall be subject to prepayment from pension prepayments on or after June 30, 2009, and those due June 30, 2028 are subject to mandatory prepayment prior to its stated maturity, in whole or part, on any June 30 on or after June 30, 2024. During 2012 \$14,200 of Series 2002 Pension Bonds were refinanced. See description of the new debt instrument (Limited Tax Pension Bonds, Series 2012) below.

The District issued \$281,170 Limited Tax Pension Bonds, Series 2003 (Federally Taxable), of which \$124,800 are Series 2003A (deferred interest bonds) and \$156,370 are Series 2003B (current interest bonds). The Series 2003 Limited Tax Pensions Bonds were issued on April 30, 2003, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 5.33% to 6.27%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.45% to 5.68%. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

On January 31, 2012 the District issued \$14,400 in Limited Tax Pension Refunding Bonds, Series 2012. The interest rate is fixed at 2.75% and interest payments on the bonds are payable semiannually in June and December. The bonds mature on June 30, 2021. The total amount of interest savings (economic gain) as a result of the refinancing is \$3,200 dollars. The present value of future cash savings as a result of the refinancing is \$2,800 dollars. The bond proceeds, \$14,200, were used to pay on the Limited Tax Pension Bonds, Series 2002. The Series 2012 bonds are subject to optional prepayment.

Under the terms of the borrowing agreements for the 2002, 2003 and 2012 Limited Tax Pension Bonds, the District is bound by an intercept agreement whereby Wells Fargo Bank Northwest NA, as the trustee, directly receives specified amounts that have been withheld from the District's State School Fund support payments that are deposited in trust with LGIP. Wells Fargo Bank Northwest NA then makes the scheduled semi-annual debt service payments from the LGIP trust account.

**B. Other Debt**

The District borrowed from the Oregon Department of Energy Small Scale Energy Loan Program (SELP) in several increments beginning in 1993 at various interest rates. The obligations were payable monthly by the SELP Debt Service Fund. The payment amounts were based on anticipated savings related to retrofitting and other energy conservation measures implemented with the proceeds of the loans. Such loans are not collateralized. At June 30, 2014 this debt was fully repaid.

In October 2007 the District issued Full Faith and Credit Bonds, Series 2007, pursuant to the terms and provisions of Oregon Revised Statutes 288.805 to 288.945, inclusive (Uniform Revenue Bond Act). \$10,010 were Series 2007A (Tax-Exempt) and \$5,080 were Series 2007B (Federally Taxable). The proceeds from the sale of the bonds were used to finance a settlement with custodial employees and to pay the costs of issuance. Interest was payable semi-annually at rates yielding from 3.50% to 5.36%. The bonds were not subject to redemption prior to their stated maturities. At June 30, 2014 this debt was fully repaid.

**School District No. 1J, Multnomah County, Oregon**  
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**NOTE 10 – BONDED AND OTHER DEBT – Continued**

**B. Other Debt - Continued**

In October 2009 the District borrowed \$15,000 from Bank of America, N.A. to finance capital asset projects related to information technology. Loan interest at 3.4% is payable semi-annually beginning December 1, 2009, and principal is payable annually beginning June 1, 2010. The installment loan is a full faith and credit obligation which matures June 1, 2019. It is authorized by ORS 271.390, which requires that the weighted average life of the projects (approximately 10.3 years) must exceed the weighted average life of the loan (approximately 6.7 years).

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the City of Portland was awarded \$13,500 in Recovery Zone Economic Development Bonds (RZEDBs). In July 2010, the City sub-awarded \$11,000 of the RZED bonds to Portland Public Schools, which are being used to complete energy and water conservation projects that will financially benefit the District in reduced energy and water costs and will yield on-going financial benefit once the bonds are paid off. The District makes semi-annual interest payments and annual principal payments, and the bonds will mature in December 2022. The bond's interest payments of 5.05% are 45% federally subsidized.

On May 1, 2013 the District issued \$76,265 in General Obligation Bonds, Series 2013A. The interest rate is fixed at 5% and interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The final maturity date of the bonds is June 15, 2015 with principal payments of \$35,950 and \$40,315 due on June 15, 2014 and June 15, 2015, respectively. The bonds were issued at a premium of \$5,947 which is being amortized over the life of the bonds.

On May 1, 2013 the District issued \$68,575 in General Obligation Bonds, Series 2013B. The interest rate is fixed at rates ranging from 1.5% to 5%. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The bonds mature on June 15, 2033 with principal payments due annually on June 15th. The bonds were issued at a premium of \$7,923 which is being amortized over the life of the bonds.

Article XI-K of the Oregon Constitution allows the state to guarantee the general obligation bonded indebtedness of school districts. For the Series 2013A and 2013B GO Bonds mentioned immediately above, the District participated in the Oregon School Bond Guaranty program (ORS 328.321 to 328.356), whereby the State of Oregon (State) guarantees all principal and interest payments until maturity will be made to bondholders when due. Should the District fail to make a payment of debt service on these bonds when due, the State will make the payment on behalf of the District, and then will seek recovery from the District. The State may recover funds by means of intercepting any source of operating moneys normally remitted from the State to the District. Since the inception of the bonds, the District has not used the guarantee, and there are no outstanding amounts due to the State of Oregon as of June 30, 2014.

On August 21, 2012 the District signed a contract with Multnomah Education Service District (MESD). The contract was for MESD to purchase the licensing of Edupoint software (Synergy) and conduct the implementation of the software on behalf of the District. The amount financed by the District with MESD was \$471 at a simple interest rate of 2%. The agreement was for three equal payments of principal and interest on July 1 of 2014, 2015 and 2016. The District opted to repay this debt in full as of June 30, 2014.

Federal arbitrage restrictions apply to substantially all debt. Any liabilities to the federal government are accrued and paid semi-annually. Long-term debt payments are made from the debt service funds.

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**NOTE 10 – BONDED AND OTHER DEBT – Continued**

The following is a summary of the future annual debt service requirements for the District:

Fiscal year	Limited tax pension bonds	Recovery zone bonds	Other full faith & credit	General Obligation Bonds	Total
<b>Principal</b>					
2015	\$ 11,542	\$ 885	\$ 2,291	\$ 40,315	\$ 55,033
2016	11,883	913	2,369	1,555	16,720
2017	11,825	941	2,449	1,705	16,920
2018	12,077	969	2,533	1,890	17,469
2019	11,949	999	2,619	2,080	17,647
2020-2024	131,938	3,789	-	14,410	150,137
2025-2029	216,286	-	-	22,240	238,526
2030-2034	-	-	-	24,695	24,695
Total principal	<u>407,500</u>	<u>8,496</u>	<u>12,261</u>	<u>108,890</u>	<u>537,147</u>
<b>Interest</b>					
2015	28,258	418	417	4,718	33,811
2016	30,431	373	339	2,703	33,846
2017	32,309	327	258	2,679	35,573
2018	34,797	278	176	2,628	37,879
2019	36,905	229	89	2,571	39,794
2020-2024	155,793	392	-	11,040	167,225
2025-2029	28,843	-	-	7,267	36,110
2030-2034	-	-	-	2,262	2,262
Total interest	<u>347,336</u>	<u>2,017</u>	<u>1,279</u>	<u>35,868</u>	<u>386,500</u>
Total debt service	<u>\$754,836</u>	<u>\$10,513</u>	<u>\$13,540</u>	<u>\$144,758</u>	<u>\$ 923,647</u>

**NOTE 11 – PENSION PLANS**

**A. Oregon Public Employees Retirement System (OPERS)**

***Plan Description***

The District contributes to two pension plans administered by the State of Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: (1) the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and (2) the program for inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all OPERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. OPERS members retain their existing OPERS accounts, but any future member contributions go to the member's IAP, not the member's OPERS account.



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**NOTE 11 – PENSION PLANS - Continued**

**A. Oregon Public Employees Retirement System (OPERS) - Continued**

***Plan Description - Continued***

Both OPERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. OPERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of OPERS. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to OPERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

***Funding Policy and Annual Pension Cost.***

Members of OPERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan.

In order to finance a portion of its unfunded actuarial OPERS liability, the District issued limited tax pension bonds in 2002-03 and placed the proceeds into an OPERS side account (Note 10). The District's contributions to OPERS are equal to the actuarially determined required contribution, but because funding in the OPERS side account has been sufficient to provide pension rate relief, there have been no contractually required pension contributions for the years ended June 30, 2012, 2013 and 2014. There have been required OPERS contributions for retiree healthcare over this same three-year time period (Note 12 B.), and it is anticipated contractually required pension contributions will be reinstated at the next actuarial determination.

For the year ended June 30, 2014, the District's annual debt service for the limited tax pension bonds included \$11.5 million of principal, and \$26.6 million of interest. Total debt service payments for the years 2012, 2013 and 2014 were \$48.6 million, \$35.8 million and \$38.1 million, respectively.

**B. Early Retirement Benefits**

***Plan Description.***

The District provides a single-employer defined benefit early retirement program for members of the Portland Association of Teachers (PAT), physical therapists, occupational therapists and licensed administrators. Certificated employees with 15 consecutive years of at least half time service with the District, and who are eligible to retire under PERS, and who retire before age 62 are eligible for the early retirement benefits. Eligible employees are entitled to a monthly benefit of \$425 dollars commencing on the first month after the retirement. Benefits are payable up to the earlier of attaining age 62 or receiving 60 monthly payments. All financial information relating to the early retirement benefits is reported in the General Fund. The District does not issue a stand-alone financial report for this plan.

***Funding Policy.***

The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis and compared to the actuarially determined annual OPEB cost and annual pension cost for disclosure purposes. Because of this policy, no liability has been recorded for early retirement benefits. During fiscal year 2014, expenses/expenditures of approximately \$2 million were recognized.

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS**

**A. District Plan**

***Plan Description***

The District provides a single-employer defined benefit post-retirement benefits program for employees who have retired from the District with a minimum of fifteen accumulated years of service and are eligible to retire from the Oregon PERS retirement system. There are 4,805 active and 851 retired members in the plan. Covered employees under the plan are eligible to receive full or part District-paid medical and pharmacy benefits for up to 60 months, or until reaching age 65, whichever comes first. The District also pays a portion of the spouse/domestic partner medical and pharmacy costs during the benefit period. The program was established under separate collective bargaining agreements with the certificated and classified employees and by precedent for all other District employees. The Portland Teachers Association (PAT) group has agreed to terminate this benefit after September 30, 2016. All other bargaining units and employee groups, except the District Council Unions (DCU), have agreed to terminate this benefit after June 30, 2014. The DCU has agreed to terminate this benefit after December 31, 2014. Under Oregon Revised Statute (ORS) 243.303 any OPERS qualifying public employee is allowed to pay the full cost for continued coverage under the District group health plans until they become Medicare eligible.

***Funding Policy***

The District pays for the benefits. The contributions are financed on a pay-as-you-go basis. During fiscal year 2014 the District recognized, on a budgetary basis, expenses/expenditures of approximately \$4.8 million for the post-employment healthcare benefits.

The General Fund and the Grant Fund are the primary funds from which the Other Post Employment Benefit liability is liquidated.

***Annual OPEB Cost and Net OPEB Obligation***

The District's annual other postemployment benefit (OPEB) cost (expense) is reflected on the Statement of Net Position on the accrual basis, and is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The District's most recent actuarial valuation date was April 1, 2014 and the following table shows the components of the District's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS - Continued**

**A. District Plan – Continued**

**Annual OPEB Cost and Net OPEB Obligation - Continued**

	Governmental Funds	Proprietary Fund	Total
Annual required contribution (ARC)	\$ 7,875	\$ 4	\$ 7,879
Interest on net OPEB obligation	1,087	1	1,088
Adjustment to annual required contribution	(1,795)	(1)	(1,796)
Annual OPEB cost	7,167	4	7,171
Contributions made	(7,851)	(4)	(7,855)
Increase in net OPEB obligation	(684)	-	(684)
Net OPEB obligation - beginning of year	36,227	36	36,263
Net OPEB obligation - end of year	<u>\$ 35,543</u>	<u>\$ 36</u>	<u>\$ 35,579</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the preceding years are as follows:

Fiscal year	Annual OPEB cost	% of annual OPEB cost contributed	Net OPEB obligation
2010	\$ 16,423	57.5%	\$ 24,741
2011	12,860	61.7%	29,667
2012	12,763	69.2%	33,595
2013	9,892	73.0%	36,263
2014	7,171	109.5%	35,579

**Actuarial methods and assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, claim cost, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

In the April 1, 2014, actuarial valuation the entry age normal method was used to determine the District's OPEB liability. In its application of this method: (1) Service was the basis for allocation, (2) Entry age was established with the hire date, (3) Liabilities were individually calculated at the participant level without aggregation, and (4) The 30 year amortization period used for the unfunded Actuarial Accrued Liability (AAL) was based on level dollars over open future periods. The actuarial assumptions included a 3% investment rate of return, a 2.5% inflation rate, and healthcare cost trend rates ranging from 5% to 8% depending on the employee group.

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued**

**A. District Plan – Continued**

***Actuarial methods and assumptions - Continued***

Under the Entry Age Normal Method, the AAL for active members is calculated as the portion of the Actuarial Present Value of projected benefits allocated to prior years. The cost allocated to the current plan year is called the Normal Cost. The AAL for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total AAL over the actuarial value of plan assets is called the unfunded AAL. Funding requirements are determined by adding the normal cost and an amortization of the unfunded AAL. All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In addition, all gains or losses are tracked and an unamortized gain or loss may be amortized each year. All amortization bases are spread as level dollar amounts over future open periods

In its most recent actuarial valuation expected retiree claims decreased. This decline was a result of modifications to labor agreements between the District and various employee bargaining units. The liability at June 30, 2014 is as shown:

Accrued actuarial liability (AAL) reported June 30, 2013	\$ 121,159
Accrued actuarial liability (AAL) reported June 30, 2014	<u>105,510</u>
Decrease in AAL	<u>\$ (15,649)</u>

***Funded Status and Funding Progress***

As of June 30, 2014 the actuarial accrued liability for benefits was \$105.5 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$105.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$245.3 million for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 43.0%. Using a 30-year amortization period, the Annual Required Contribution (ARC) for 2014 has been actuarially determined to be \$7.9 million, representing \$2.6 million for the normal cost and \$5.3 million for the UAAL.

A Schedule of Funding Progress and Employer Contributions for the District Other Post-Employment Benefits Plan immediately follows the Notes to the Basic Financial Statements on page 57. This schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time, and whether contributions made are increasing or decreasing relative to the annual required contribution over time.

**B. Retirement Health Insurance Account**

***Plan Description***

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS – Continued**

**B. Retirement Health Insurance Account - Continued**

***Plan Description – Continued***

statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

***Funding Policy***

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating school districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.59% of annual covered OPERF payroll and 0.49% of OPSRP payroll under a contractual requirement in effect until June 30, 2015. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2012, 2013 and 2014 were \$1.8 million, \$1.5 million and \$1.5 million, respectively, which equaled the required contributions each year.

***Actuarial Methods and Assumptions***

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. The assumed rate of return on investments is 7.75% compounded annually. The assumed consumer price inflation rate used is 2.75% per year.

**NOTE 13 - RISK MANAGEMENT**

The Internal Service (Self-Insurance) Fund charges other funds for the costs incurred for workers' compensation claims. Charges to other funds by the Self-Insurance Fund are recognized as revenues in the Self-Insurance Fund and as expenditures/expenses in the fund incurring the charges. The Self-Insurance Fund recognized approximately \$3.0 million of revenues from other governmental funds for the year ended June 30, 2014.

**School District No. 1J, Multnomah County, Oregon**

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**NOTE 13 - RISK MANAGEMENT - Continued**

The total claims payable at June 30, 2014 of \$4.6 million was made up of approximately \$3.9 million in worker's compensation claims (recorded in the Internal Service Fund) and \$700 thousand in property and general liability claims (accounted for in the General Fund and not accrued on the fund financial statements). Changes in the balances of claims liabilities during the years ended June 30, 2012, through June 30, 2014, were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>New Claims</u>	<u>Payments on Claims</u>	<u>Ending Balance</u>
2012	\$ 4,507	\$ 3,187	\$ (3,328)	\$ 4,366
2013	4,366	2,810	(2,636)	4,540
2014	4,540	2,925	(2,868)	4,597

**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES**

***Operating leases***

The District has operating leases for Pearl School and the Community Transition Program. Future minimum required payments under these operating leases are:

2015	\$ 326
2016	301
Total minimum payments	<u>\$ 627</u>

***Contracts***

Under Oregon Revised Statute No. 279, should funding not be available, the following contracts may be cancelled without penalty. Estimated future District service commitments in excess of \$2 million are listed as follows:

<u>Contractor</u>	<u>Estimated Commitments</u>
First Student	\$ 10,133
P&C Construction Co.	6,230
Dull Olson Weekes Architects	5,380
Bassetti Architects	4,804
2KG Contractors Inc.	3,656
Heery International Inc.	3,479
Payne Construction	3,386
CDW Government	2,354
Open Meadows	2,649
Portland Community College	2,595
SKANSKA	2,190
City of Portland	2,077
Portland Village School	2,000
Self Enhancement Inc.	2,000
	<u>\$ 52,933</u>

**School District No. 1J, Multnomah County, Oregon**  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2014  
(Dollar amounts, unless otherwise indicated, are expressed in thousands)

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**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES - Continued**

***Blanchard Educational Service Center (BESC)***

In June 2000, Multnomah County leased a portion of the BESC facility from the District for \$3.5 million under a 99-year agreement. In December 2008, Portland Public Schools reacquired a portion of that space for \$800 thousand, which was fully paid as of June 30, 2014. This lease agreement stipulates that a portion of the initial lease payment received from Multnomah County be set aside to be applied toward the County's share of major repairs. Any unused balance earns interest at the monthly interest rate earned from the Local Government Investment Pool. As of June 30, 2014 Multnomah County's reserve balance held in the General Fund was \$560.

***Pearl School***

In September 2009, the District committed to a commercial lease from Nurture 247 LP, for the Pearl School. The lease commenced in 2011 and is renewable in 2016 at the end of the five-year lease period. Initial payments of \$23 thousand per month in year 1, will increase annually to \$25 thousand per month in the fifth year.

***Community Transition Program***

In July 2010 the District leased commercial space for its Special Education Community Transition Program from Weigel Properties LLC. The space has approximately 2,700 square feet located on N.E. MLK Jr. Boulevard in Portland, Oregon. The lease is for a three-year period and has an option to extend for an additional two years. The lease has been extended through June 30, 2015.

***Pending Legal Actions***

The District is a defendant in certain pending legal actions. Although the outcome cannot be determined, the District believes that settlement of these matters will not have a material effect on the District's financial position and results of operations.

**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 15 – FUND BALANCES**

Fund balances by classification for the year ended June 30, 2014 are as follows:

	General Fund	Other Major Funds	Other Govern- mental Funds	Total Govern- mental Funds
<b>Nonspendable:</b>				
Prepaid items - General Fund	\$ 59	\$ -	\$ -	\$ 59
Prepaid items - GO Bonds Fund	-	2,069	-	2,069
Prepaid items - Facilities Capital Fund	-	-	21	21
Inventories - Warehouse	141	-	-	141
Inventories - Cafeteria Fund	-	-	280	280
	<u>200</u>	<u>2,069</u>	<u>301</u>	<u>2,570</u>
<b>Restricted:</b>				
General Fund:	560	-	-	560
Special Revenue Funds:	-	-	-	-
Student Body Activity Fund	-	-	3,882	3,882
Cafeteria Fund	-	-	4,630	4,630
Dedicated Resource Fund	-	-	6,944	6,944
Capital Projects Funds:				
Construction Excise Tax Fund	-	-	13,003	13,003
IT System Project Fund	-	-	3,987	3,987
Recovery Zone Energy and Water Conservation Fund	-	-	206	206
Energy Efficient Schools Fund	-	-	915	915
Facilities Capital Fund	-	-	2,138	2,138
Capital Asset Renewal Fund	-	-	2,712	2,712
Debt Service Funds:				
GO Bond Debt Service Fund	-	-	361	361
GO Bonds Fund	-	88,398	-	88,398
	<u>560</u>	<u>88,398</u>	<u>38,778</u>	<u>127,736</u>
<b>Committed:</b>				
PERS Rate Stabilization Fund	-	15,757	-	15,757
Debt Service Fund- PERS UAL	-	-	585	585
	<u>-</u>	<u>15,757</u>	<u>585</u>	<u>16,342</u>
<b>Unassigned</b>	50,914	-	-	50,914
Total fund balances	<u>\$ 51,674</u>	<u>\$ 106,224</u>	<u>\$ 39,664</u>	<u>\$ 197,562</u>



**School District No. 1J, Multnomah County, Oregon**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

(Dollar amounts, unless otherwise indicated, are expressed in thousands)

**NOTE 16 – RELATED ORGANIZATIONS**

The District includes eight charter schools that are legally separate, tax-exempt organizations. The most recent data available indicates charter school total students were 1,664 (representing 3.5% of the District's total enrollment); and that charter schools' Net Position was \$2.8 million (representing 1.1% of the District's Net Position). Because of their size relative to the District the charter schools do not fall under the component unit reporting requirements set forth by GASB Statement No. 39.

**NOTE 17 – ARTS TAX (reported in unrounded dollars)**

In November, 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement IGA/R 59656 with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students, including charter schools within the District. Receipts and expenditures for the year ended June 30, 2014 are as follows:

	Arts Tax Revenues (unrounded)	Arts Tax Expenditures (unrounded)	FTE Funded	Number of Schools Funded
Non-Charter Schools	\$ 4,408,990	4,057,359	46.25	59
Charter Schools	103,249	46,490	1.5	6
District Total	<u>\$ 4,512,239</u>	<u>\$ 4,103,849</u>	<u>47.75</u>	<u>65</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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The information in this section compares budget to actual for the District's General and major special revenue funds.

The budgetary basis of accounting for all funds is modified accrual, which is the same as that required by accounting principles generally accepted in the United States of America. Unless otherwise noted, a reconciliation of budgetary to generally accepted accounting principles activity is not required.

Under the provisions of GASB Statement No. 45, a Schedule of Funding Progress for the District's Other Post Employment Benefit Plan is included in the Required Supplementary Information.



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Funding Progress and Employer Contributions**  
**June 30, 2014**  
**(amounts expressed in thousands)**

**Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Normal Actuarial Accrued Liability (AAL) (b)				
07/01/2009	\$ -	\$ 177,180	\$ 177,180	0%	\$ 256,919	69.0%
07/01/2011	-	145,855	145,855	0%	267,981	54.4%
07/01/2013	-	121,159	121,159	0%	245,261	49.4%
04/01/2014	-	105,510	105,510	0%	245,261	43.0%

The above table presents the most recent actuarial valuations for the District's post-retirement health and welfare benefits plan and it provides information that approximates the funding progress of the plan.

**Employer Contributions**

Fiscal Year End	Annual Required Contribution	Contribution Made	Percentage Contributed
6/30/2011	\$ 13,343	\$ 7,934	59.5%
6/30/2012	13,343	8,835	66.2%
6/30/2013	10,548	7,224	68.5%
6/30/2014	7,879	7,855	99.7%

The above table presents trend information about the amounts contributed to the plan by the District in comparison to the Annual Required Contribution.

**Requests for Information:**

Copies of the District's most recent actuarial report of its Other Post Employment Benefit Plan are available. Please direct requests to the Accounting and Payroll Services Department; Portland Public Schools; 501 N. Dixon Street; Portland, OR 97227.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**General Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual**

**For the year ended June 30, 2014**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 201,685	\$ 202,485	\$ 212,155	\$ 9,670
State School Fund	185,080	185,080	184,690	(390)
Local option taxes	50,708	55,108	56,013	905
County and intermediate sources	12,457	12,457	12,191	(266)
Federal and state support	-	-	40	40
State Common School Fund	3,702	3,702	4,427	725
Charges for services	2,897	2,897	3,417	520
Investment earnings	600	600	239	(361)
Other	7,270	7,270	6,003	(1,267)
<b>Total revenues</b>	<b>464,399</b>	<b>469,599</b>	<b>479,175</b>	<b>9,576</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	193,272	191,540	189,726	1,814
Materials and services	7,497	8,027	5,964	2,063
<b>Total regular programs</b>	<b>200,769</b>	<b>199,567</b>	<b>195,690</b>	<b>3,877</b>
Special programs:				
Salaries and benefits	55,505	53,430	52,877	553
Materials and services	22,254	23,332	23,095	237
<b>Total special programs</b>	<b>77,759</b>	<b>76,762</b>	<b>75,972</b>	<b>790</b>
Summer school programs:				
Salaries and benefits	425	422	313	109
Materials and services	10	10	9	1
<b>Total summer school programs</b>	<b>435</b>	<b>432</b>	<b>322</b>	<b>110</b>
<b>Total instruction</b>	<b>278,963</b>	<b>276,761</b>	<b>271,984</b>	<b>4,777</b>
Support services:				
Students:				
Salaries and benefits	33,330	34,883	35,396	(513)
Materials and services	3,655	3,987	3,223	764
<b>Total students</b>	<b>36,985</b>	<b>38,870</b>	<b>38,619</b>	<b>251</b>
Instructional staff:				
Salaries and benefits	13,481	15,105	14,174	931
Materials and services	1,998	2,145	1,338	807
<b>Total instructional staff</b>	<b>15,479</b>	<b>17,250</b>	<b>15,512</b>	<b>1,738</b>
General administration:				
Salaries and benefits	4,301	3,522	3,741	(219)
Materials and services	1,537	1,398	2,151	(753)
<b>Total general administration</b>	<b>5,838</b>	<b>4,920</b>	<b>5,892</b>	<b>(972)</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Support services (continued):				
School administration:				
Salaries and benefits	\$ 30,472	\$ 31,221	\$ 30,637	\$ 584
Materials and services	701	399	240	159
Total school administration	<u>31,173</u>	<u>31,620</u>	<u>30,877</u>	<u>743</u>
Business:				
Salaries and benefits	39,206	39,199	37,251	1,948
Materials and services	35,390	34,916	35,964	(1,048)
Total business	<u>74,596</u>	<u>74,115</u>	<u>73,215</u>	<u>900</u>
Central:				
Salaries and benefits	12,549	13,095	11,879	1,216
Materials and services	5,247	5,447	6,360	(913)
Total central	<u>17,796</u>	<u>18,542</u>	<u>18,239</u>	<u>303</u>
<b>Total support services</b>	<b><u>181,867</u></b>	<b><u>185,317</u></b>	<b><u>182,354</u></b>	<b><u>2,963</u></b>
Enterprise and community services:				
Salaries and benefits	565	676	583	93
Materials and services	1,075	1,119	1,038	81
<b>Total enterprise and community services</b>	<b><u>1,640</u></b>	<b><u>1,795</u></b>	<b><u>1,621</u></b>	<b><u>174</u></b>
<b>Operating contingency</b>	<b><u>20,184</u></b>	<b><u>33,255</u></b>	<b><u>-</u></b>	<b><u>33,255</u></b>
Total expenditures	<u>482,654</u>	<u>497,128</u>	<u>455,959</u>	<u>41,169</u>
Excess (deficit) of revenues over expenditures	<u>(18,255)</u>	<u>(27,529)</u>	<u>23,216</u>	<u>50,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,900	-	-	-
<b>Transfers out</b>	<b>(4,907)</b>	<b>(10,028)</b>	<b>(9,013)</b>	<b>1,015</b>
Proceeds from the sale of capital assets	100	100	14	(86)
Total other financing sources and (uses)	<u>(2,907)</u>	<u>(9,928)</u>	<u>(8,999)</u>	<u>929</u>
Net change in fund balance	(21,162)	(37,457)	14,217	51,674
Fund balance - beginning of year	21,162	37,457	37,457	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,674</u>	<u>\$ 51,674</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal and state support	\$ 63,212	\$ 63,212	\$ 50,603	\$ (12,609)
Federal stimulus	-	-	155	155
County and intermediate sources	492	492	1,708	1,216
Other	1,392	1,392	441	(951)
<b>Total revenues</b>	<b>65,096</b>	<b>65,096</b>	<b>52,907</b>	<b>(12,189)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	12,702	12,418	12,412	6
Materials and services	3,161	3,625	3,086	539
<b>Total regular programs</b>	<b>15,863</b>	<b>16,043</b>	<b>15,498</b>	<b>545</b>
Special programs:				
Salaries and benefits	14,692	12,750	11,377	1,373
Materials and services	6,467	6,388	5,719	669
<b>Total special programs</b>	<b>21,159</b>	<b>19,138</b>	<b>17,096</b>	<b>2,042</b>
Summer school programs:				
Salaries and benefits	47	339	286	53
Materials and services	37	86	95	(9)
<b>Total summer school programs</b>	<b>84</b>	<b>425</b>	<b>381</b>	<b>44</b>
<b>Total instruction</b>	<b>37,106</b>	<b>35,606</b>	<b>32,975</b>	<b>2,631</b>
Support services:				
Students:				
Salaries and benefits	9,960	9,051	6,420	2,631
Materials and services	6,328	3,790	1,511	2,279
<b>Total students</b>	<b>16,288</b>	<b>12,841</b>	<b>7,931</b>	<b>4,910</b>
Instructional staff:				
Salaries and benefits	5,207	6,883	5,850	1,033
Materials and services	2,005	3,544	1,869	1,675
<b>Total instructional staff</b>	<b>7,212</b>	<b>10,427</b>	<b>7,719</b>	<b>2,708</b>
General administration:				
Salaries and benefits	-	15	13	2
Materials and services	-	1	1	-
<b>Total school administration</b>	<b>-</b>	<b>16</b>	<b>14</b>	<b>2</b>
School administration:				
Salaries and benefits	1,047	999	1,056	(57)
Materials and services	756	703	500	203
<b>Total school administration</b>	<b>1,803</b>	<b>1,702</b>	<b>1,556</b>	<b>146</b>
Business:				
Salaries and benefits	-	4	4	-
Materials and services	325	122	113	9
<b>Total business</b>	<b>325</b>	<b>126</b>	<b>117</b>	<b>9</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Support services (continued):				
Central:				
Salaries and benefits	\$ 54	\$ 309	\$ 100	\$ 209
Materials and services	325	585	255	330
Total central	<u>379</u>	<u>894</u>	<u>355</u>	<u>539</u>
<b>Total support services</b>	<b><u>26,007</u></b>	<b><u>26,006</u></b>	<b><u>17,692</u></b>	<b><u>8,314</u></b>
Enterprise and community services:				
Food services:				
Salaries and benefits	9	59	16	43
Materials and services	441	1,378	757	621
Total food services	<u>450</u>	<u>1,437</u>	<u>773</u>	<u>664</u>
Community services:				
Salaries and benefits	1,256	1,440	1,283	157
Materials and services	277	607	184	423
Total community services	<u>1,533</u>	<u>2,047</u>	<u>1,467</u>	<u>580</u>
<b>Total enterprise and community services</b>	<b><u>1,983</u></b>	<b><u>3,484</u></b>	<b><u>2,240</u></b>	<b><u>1,244</u></b>
 Total expenditures	 <u>65,096</u>	 <u>65,096</u>	 <u>52,907</u>	 <u>12,189</u>
 Excess (deficit) of revenues over expenditures	 -	 -	 -	 -
 Fund balance - beginning of year	 -	 -	 -	 -
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: Bolded lines indicate legally required appropriation budget levels of control



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**PERS Rate Stabilization Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 196	\$ 195	\$ 227	\$ 32
Investment earnings	-	60	54	(6)
Total revenues	196	255	281	26
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers out</b>	<b>(1,900)</b>	-	-	-
Total other financing sources (uses)	(1,900)	-	-	-
Net change in fund balance	(1,704)	255	281	26
Fund balance - beginning of year	13,574	15,476	15,476	-
Fund balance - end of year	\$ 11,870	\$ 15,731	\$ 15,757	\$ 26

Note: Bolded lines indicate legally required appropriation budget levels of control

## SUPPLEMENTARY INFORMATION

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# COMBINING STATEMENTS

## Nonmajor Governmental Funds

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### **SPECIAL REVENUE FUNDS**

Special revenue funds account for certain revenues that are restricted to expenditures for designated purposes.

#### **Student Body Activity Fund**

This fund has separate accounts for each school's student body activities. Principal revenue sources are donations, fund raisers, individual support from PTAs, booster clubs, student store sales and club dues.

#### **Cafeteria Fund**

The Cafeteria Fund accounts for revenues and expenditures of the District's food service programs. Principal revenue sources are cash sales and federal subsidies under the National School Lunch and Breakfast Programs, and the sales of food in the BESC Cafeteria.

#### **Dedicated Resource Fund**

The Dedicated Resource Fund (formerly called the Special Revenue Fund) accounts for specific project revenues and expenditures such as state grants, foundation grants, donations, and charges to participants.

### **DEBT SERVICE FUNDS**

Debt service funds account for the accumulation of financial resources to pay long-term debt principal, interest and related costs.

#### **Settlement Debt Service Fund**

This fund is used for debt service payments of 2007 series Full Faith and Credit Bonds that were issued to settle \$14.5 million in claims to 280 custodians that were laid off in 2002. The principal source of funding is transfers from the General Fund.

#### **IT Projects Debt Service Fund**

This fund is used for debt service payments of a \$15.0 million Full Faith and Credit bank loan that was executed on October 8, 2009.

#### **PERS UAL Debt Service Fund**

This fund was established to separately account for debt service payments related to series 2002 and 2003 Limited Tax Pension Obligation Bonds.

#### **SELP Debt Service Fund**

This fund was established to separately account for Energy Loan Program loans from the Oregon Department of Energy, which had previously been accounted for in the Dedicated Resource Fund.

#### **Recovery Zone Debt Service Fund**

This fund is used for debt service payments of \$11.0 million in ARRA Recovery Zone Economic Development Bonds that were sub-awarded to the District by the City of Portland in July, 2010.

#### **GO Bond Debt Service Fund**

This fund was established to account for debt service payments associated with capital improvements activities occurring in the GO Bonds Fund. The principal source of revenue is proceeds from property taxes.

## COMBINING STATEMENTS

### Nonmajor Governmental Funds (continued)

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#### **CAPITAL PROJECTS FUNDS**

Capital projects funds account for financial resources used to acquire technology or construction, or for major renovation of capital facilities.

##### **Construction Excise Tax Fund**

This fund accounts for facilities improvements and construction set forth in Oregon Senate Bill 1036, which authorizes school districts to impose a construction excise tax in order to fund real property improvements.

##### **School Modernization Fund**

This fund accounts for the resources and requirements for projects related to the District's school modernization efforts.

##### **IT System Project Fund**

This fund accounts for projects relating to teacher/classroom technology, information systems, and technical infrastructure.

##### **Recovery Zone Energy and Water Conservation Fund**

This fund accounts for energy and water conservation projects that will financially benefit the District in reduced energy and water costs.

##### **Energy Efficient Schools Fund**

This fund was established to separately account for resources and requirements of the Energy Efficient Schools Program receipts from the collections of the Public Purpose Charge funds by an electric company.

##### **Facilities Capital Fund**

This fund was established to separately account for resources and requirements resulting from capital improvements work conducted by the District. Primary sources of revenue are transfers from the General Fund and debt proceeds.

##### **Capital Asset Renewal Fund**

This fund was established to separately account for future resources and requirements that relate to life-cycle renewal of major building components. Primary sources of revenue are lease revenues, surplus property sales, athletic field rental income, and redirection of resources due to the retirement of Recovery Zone debt in 2019.

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet by Fund Types**  
**June 30, 2014**  
(amounts expressed in thousands)

	<b>Total Nonmajor</b>			<b>Total</b>
	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	
<b>ASSETS</b>				
Cash and cash equivalents-unrestricted	\$ 15,662	\$ 1,273	\$ 22,678	\$ 39,613
Cash and cash equivalents held by fiscal agents	-	183	-	183
Accounts and other receivables	1,794	-	3,274	5,068
Property taxes and other taxes receivable	-	1,190	-	1,190
Due from other funds	744	-	-	744
Prepaid Items	-	-	21	21
Inventories	280	-	-	280
Total assets	<u>\$ 18,480</u>	<u>\$ 2,646</u>	<u>\$ 25,973</u>	<u>\$ 47,099</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,404	\$ 592	\$ 2,987	\$ 4,983
Accrued wages and benefits	1,340	-	4	1,344
Total liabilities	<u>2,744</u>	<u>592</u>	<u>2,991</u>	<u>6,327</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property tax revenue	-	1,108	-	1,108
<b>FUND BALANCES</b>				
Nonspendable	280	-	21	301
Restricted	15,456	361	22,961	38,778
Committed	-	585	-	585
Total fund balances	<u>15,736</u>	<u>946</u>	<u>22,982</u>	<u>39,664</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,480</u>	<u>\$ 2,646</u>	<u>\$ 25,973</u>	<u>\$ 47,099</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2014**  
(amounts expressed in thousands)

	<b>Student Body Activity Fund</b>	<b>Cafeteria Fund</b>	<b>Dedicated Resource Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,806	\$ 4,353	\$ 7,503	\$ 15,662
Accounts and other receivables	145	701	948	1,794
Due from other funds	744	-	-	744
Inventories	-	280	-	280
Total assets	<u>\$ 4,695</u>	<u>\$ 5,334</u>	<u>\$ 8,451</u>	<u>\$ 18,480</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 813	\$ 298	\$ 293	\$ 1,404
Accrued wages and benefits	-	126	1,214	1,340
Total liabilities	<u>813</u>	<u>424</u>	<u>1,507</u>	<u>2,744</u>
<b>FUND BALANCES</b>				
Nonspendable	-	280	-	280
Restricted	3,882	4,630	6,944	15,456
Total fund balances	<u>3,882</u>	<u>4,910</u>	<u>6,944</u>	<u>15,736</u>
Total liabilities and fund balances	<u>\$ 4,695</u>	<u>\$ 5,334</u>	<u>\$ 8,451</u>	<u>\$ 18,480</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2014**  
(amounts expressed in thousands)

	<b>IT Projects Debt Service Fund</b>	<b>PERS UAL Debt Service Fund</b>	<b>SELP Debt Service Fund</b>	<b>GO Bond Debt Service Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 481	\$ 585	\$ 111	\$ 96	\$ 1,273
Cash and cash equivalents held by fiscal agents	-	-	-	183	183
Accounts and other receivables	-	-	-	1,190	1,190
Total assets	<u>\$ 481</u>	<u>\$ 585</u>	<u>\$ 111</u>	<u>\$ 1,469</u>	<u>\$ 2,646</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 481	\$ -	\$ 111	\$ -	\$ 592
Total liabilities	<u>481</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>592</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property tax revenue	-	-	-	1,108	1,108
<b>FUND BALANCES</b>					
Restricted	-	-	-	361	361
Committed	-	585	-	-	585
Total fund balances	<u>-</u>	<u>585</u>	<u>-</u>	<u>361</u>	<u>946</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 481</u>	<u>\$ 585</u>	<u>\$ 111</u>	<u>\$ 1,469</u>	<u>\$ 2,646</u>



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Construction Excise Tax Fund</b>	<b>School Modernization Fund</b>	<b>IT System Project Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,171	\$ 11	\$ 3,972
Accounts and other receivables	2,345	-	35
Property taxes and other taxes receivable	-	-	-
Total assets	<u>\$ 13,516</u>	<u>\$ 11</u>	<u>\$ 4,007</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 513	\$ 11	\$ 18
Accrued wages and benefits	-	-	2
Total liabilities	<u>513</u>	<u>11</u>	<u>20</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	13,003	-	3,987
Total fund balances	<u>13,003</u>	<u>-</u>	<u>3,987</u>
Total liabilities and fund balances	<u>\$ 13,516</u>	<u>\$ 11</u>	<u>\$ 4,007</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Capital Projects Funds (continued)**  
**Combining Balance Sheet**  
**June 30, 2014**  
(amounts expressed in thousands)

<b>Recovery Zone Energy &amp; Water Cons. Fund</b>	<b>Energy Efficient Schools Fund</b>	<b>Facilities Capital Fund</b>	<b>Capital Asset Renewal Fund</b>	<b>Total</b>
\$ 1,621	\$ 912	\$ 2,254	\$ 2,737	\$ 22,678
-	90	800	4	3,274
-	-	21	-	21
<u>\$ 1,621</u>	<u>\$ 1,002</u>	<u>\$ 3,075</u>	<u>\$ 2,741</u>	<u>\$ 25,973</u>
\$ 1,415	\$ 87	\$ 914	\$ 29	\$ 2,987
-	-	2	-	4
<u>1,415</u>	<u>87</u>	<u>916</u>	<u>29</u>	<u>2,991</u>
-	-	21	-	21
<u>206</u>	<u>915</u>	<u>2,138</u>	<u>2,712</u>	<u>22,961</u>
<u>206</u>	<u>915</u>	<u>2,159</u>	<u>2,712</u>	<u>22,982</u>
<u>\$ 1,621</u>	<u>\$ 1,002</u>	<u>\$ 3,075</u>	<u>\$ 2,741</u>	<u>\$ 25,973</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Fund Type**

**For the year ended June 30, 2014**

**(amounts expressed in thousands)**

	<b>Total Nonmajor</b>			<b>Total</b>
	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	
<b>REVENUES</b>				
Property and other taxes	\$ -	\$ 43,602	\$ 4,888	\$ 48,490
Federal and state support	13,069	193	1,326	14,588
County and intermediate sources	1,837	-	-	1,837
Charges for services	9,289	38,607	561	48,457
Extracurricular activities	8,308	-	-	8,308
Investment earnings	-	123	41	164
Other	3,583	-	3,111	6,694
<b>Total revenues</b>	<b>36,086</b>	<b>82,525</b>	<b>9,927</b>	<b>128,538</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	16,819	-	-	16,819
Special programs	2,139	-	-	2,139
Summer school programs	4	-	-	4
<b>Total instruction</b>	<b>18,962</b>	<b>-</b>	<b>-</b>	<b>18,962</b>
Support services:				
Students	281	-	-	281
Instructional staff	138	-	-	138
General administration	46	-	-	46
School administration	254	-	-	254
Business	270	-	1	271
Central	34	-	1,054	1,088
<b>Total support services</b>	<b>1,023</b>	<b>-</b>	<b>1,055</b>	<b>2,078</b>
Enterprise and community services:				
Food services	16,169	-	-	16,169
Community services	29	-	-	29
<b>Total enterprise and community services</b>	<b>16,198</b>	<b>-</b>	<b>-</b>	<b>16,198</b>
Facilities acquisition and construction:	23	-	12,123	12,146
Debt Service:				
Principal	-	51,500	-	51,500
Interest and fiscal charges	-	34,921	-	34,921
<b>Total debt service</b>	<b>-</b>	<b>86,421</b>	<b>-</b>	<b>86,421</b>
<b>Total expenditures</b>	<b>36,206</b>	<b>86,421</b>	<b>13,178</b>	<b>135,805</b>
Excess (deficit) of revenues over expenditures	(120)	(3,896)	(3,251)	(7,267)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	4,832	4,181	9,013
Proceeds from the sale of capital assets	-	-	1,993	1,993
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>4,832</b>	<b>6,174</b>	<b>11,006</b>
 Net change in fund balances	 (120)	 936	 2,923	 3,739
 Fund balances - beginning of year	 15,856	 10	 20,059	 35,925
<b>Fund balances - end of year</b>	<b>\$ 15,736</b>	<b>\$ 946</b>	<b>\$ 22,982</b>	<b>\$ 39,664</b>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Student Body Activity Fund</b>	<b>Cafeteria Fund</b>	<b>Dedicated Resource Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Federal and state support	\$ -	\$ 12,926	\$ 143	\$ 13,069
County and intermediate sources	-	-	1,837	1,837
Charges for services	-	3,580	5,709	9,289
Extracurricular activities	8,308	-	-	8,308
Other	-	50	3,533	3,583
Total revenues	<u>8,308</u>	<u>16,556</u>	<u>11,222</u>	<u>36,086</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	8,166	-	8,653	16,819
Special programs	-	-	2,139	2,139
Summer school programs	-	-	4	4
Total instruction	<u>8,166</u>	<u>-</u>	<u>10,796</u>	<u>18,962</u>
Support services:				
Students	-	-	281	281
Instructional staff	-	-	138	138
General administration	-	-	46	46
School administration	-	-	254	254
Business	-	-	270	270
Central	-	-	34	34
Total support services	<u>-</u>	<u>-</u>	<u>1,023</u>	<u>1,023</u>
Enterprise and community services:				
Food services	-	16,163	6	16,169
Community services	-	-	29	29
Total enterprise & community service	<u>-</u>	<u>16,163</u>	<u>35</u>	<u>16,198</u>
Facilities acquisition & construction:				
Total expenditures	<u>8,166</u>	<u>16,163</u>	<u>11,877</u>	<u>36,206</u>
Excess (deficit) of revenues over expenditures	<u>142</u>	<u>393</u>	<u>(655)</u>	<u>(120)</u>
Net change in fund balances	142	393	(655)	(120)
Fund balances - beginning of year	3,740	4,517	7,599	15,856
Fund balances - end of year	<u>\$ 3,882</u>	<u>\$ 4,910</u>	<u>\$ 6,944</u>	<u>\$ 15,736</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>Settlement Debt Service Fund</u>	<u>IT Projects Debt Service Fund</u>	<u>PERS UAL Debt Service Fund</u>
<b>REVENUES</b>			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	38,607
Investment earnings	-	-	102
Federal and state support	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>38,709</u>
<b>EXPENDITURES</b>			
Current:			
Debt Service:			
Principal	1,375	1,603	11,534
Interest and fiscal charges	74	465	26,600
Total expenditures	<u>1,449</u>	<u>2,068</u>	<u>38,134</u>
Excess (deficit) of revenues over expenditures	<u>(1,449)</u>	<u>(2,068)</u>	<u>575</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,449</u>	<u>2,068</u>	<u>-</u>
Total other financing sources (uses)	<u>1,449</u>	<u>2,068</u>	<u>-</u>
Net change in fund balances	-	-	575
Fund balances - beginning of year	-	-	10
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>SELP Debt Service Fund</b>	<b>Recovery Zone Debt Service Fund</b>	<b>GO Bond Debt Service Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Property and other taxes	\$ -	\$ -	\$ 43,602	\$ 43,602
Charges for services	-	-	-	38,607
Investment earnings	-	-	21	123
Federal and state support	-	193	-	193
Total revenues	<u>-</u>	<u>193</u>	<u>43,623</u>	<u>82,525</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal	179	859	35,950	51,500
Interest and fiscal charges	8	462	7,312	34,921
Total expenditures	<u>187</u>	<u>1,321</u>	<u>43,262</u>	<u>86,421</u>
Excess (deficit) of revenues over expenditures	<u>(187)</u>	<u>(1,128)</u>	<u>361</u>	<u>(3,896)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	187	1,128	-	4,832
Total other financing sources (uses)	<u>187</u>	<u>1,128</u>	<u>-</u>	<u>4,832</u>
Net change in fund balances	-	-	361	936
Fund balances - beginning of year	-	-	-	10
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 946</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Construction Excise Tax Fund</b>	<b>School Modernization Fund</b>	<b>IT System Project Fund</b>	<b>Recovery Zone Energy &amp; Water Cons. Fund</b>
<b>REVENUES</b>				
Property and other taxes	\$ 4,888	\$ -	\$ -	\$ -
Federal and state support	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	2	8	9	9
Other	819	-	563	-
Total revenues	<u>5,709</u>	<u>8</u>	<u>572</u>	<u>9</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Business	-	-	-	-
Central	-	-	1,054	-
Total support services	<u>-</u>	<u>-</u>	<u>1,054</u>	<u>-</u>
Facilities acquisition and construction:	<u>1,278</u>	<u>1,962</u>	<u>-</u>	<u>1,360</u>
Total expenditures	<u>1,278</u>	<u>1,962</u>	<u>1,054</u>	<u>1,360</u>
Excess (deficit) of revenues over expenditures	<u>4,431</u>	<u>(1,954)</u>	<u>(482)</u>	<u>(1,351)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	3,500	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>
Net change in fund balances	4,431	(1,954)	3,018	(1,351)
Fund balances - beginning of year	8,572	1,954	969	1,557
Fund balances - end of year	<u>\$ 13,003</u>	<u>\$ -</u>	<u>\$ 3,987</u>	<u>\$ 206</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Energy Efficient Schools Fund</b>	<b>Facilities Capital Fund</b>	<b>Capital Asset Renewal Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Property and other taxes	\$ -	\$ -	\$ -	\$ 4,888
Federal and state support	-	1,326	-	1,326
Charges for services	-	-	561	561
Investment earnings	-	13	-	41
Other	558	1,171	-	3,111
Total revenues	<u>558</u>	<u>2,510</u>	<u>561</u>	<u>9,927</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Business	-	1	-	1
Central	-	-	-	1,054
Total support services	<u>-</u>	<u>1</u>	<u>-</u>	<u>1,055</u>
Facilities acquisition and construction:	<u>534</u>	<u>6,940</u>	<u>49</u>	<u>12,123</u>
Total expenditures	<u>534</u>	<u>6,941</u>	<u>49</u>	<u>13,178</u>
Excess (deficit) of revenues over expenditures	<u>24</u>	<u>(4,431)</u>	<u>512</u>	<u>(3,251)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	681	-	4,181
Proceeds from the sale of capital assets	-	-	1,993	1,993
Total other financing sources (uses)	<u>-</u>	<u>681</u>	<u>1,993</u>	<u>6,174</u>
Net change in fund balances	24	(3,750)	2,505	2,923
Fund balances - beginning of year	891	5,909	207	20,059
Fund balances - end of year	<u>\$ 915</u>	<u>\$ 2,159</u>	<u>\$ 2,712</u>	<u>\$ 22,982</u>





**BUDGETARY COMPARISON SCHEDULES**  
**Nonmajor Governmental Funds**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Student Body Activity Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Extracurricular activities	\$ 8,819	\$ 8,819	\$ 8,308	\$ (511)
Total revenues	<u>8,819</u>	<u>8,819</u>	<u>8,308</u>	<u>(511)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs				
Materials and services	8,954	9,298	8,166	1,132
<b>Total instruction</b>	<b><u>8,954</u></b>	<b><u>9,298</u></b>	<b><u>8,166</u></b>	<b><u>1,132</u></b>
Total expenditures	<u>8,954</u>	<u>9,298</u>	<u>8,166</u>	<u>1,132</u>
Excess (deficit) of revenues over expenditures	<u>(135)</u>	<u>(479)</u>	<u>142</u>	<u>621</u>
Net change in fund balance	(135)	(479)	142	621
Fund balance - beginning of year	3,396	3,740	3,740	-
Fund balance - end of year	<u>\$ 3,261</u>	<u>\$ 3,261</u>	<u>\$ 3,882</u>	<u>\$ 621</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Cafeteria Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal and state support	\$ 13,479	\$ 13,682	\$ 12,926	\$ (756)
Charges for services	3,653	3,653	3,580	(73)
Other	10	52	50	(2)
Total revenues	<u>17,142</u>	<u>17,387</u>	<u>16,556</u>	<u>(831)</u>
<b>EXPENDITURES</b>				
Current:				
Enterprise and community services:				
Food services:				
Salaries and benefits	8,201	8,295	7,253	1,042
Materials and services	10,485	10,894	8,910	1,984
<b>Total enterprise and community services</b>	<b><u>18,686</u></b>	<b><u>19,189</u></b>	<b><u>16,163</u></b>	<b><u>3,026</u></b>
Total expenditures	<u>18,686</u>	<u>19,189</u>	<u>16,163</u>	<u>3,026</u>
Excess (deficit) of revenues over expenditures	<u>(1,544)</u>	<u>(1,802)</u>	<u>393</u>	<u>2,195</u>
Net change in fund balance	(1,544)	(1,802)	393	2,195
Fund balance - beginning of year	3,542	4,517	4,517	-
Fund balance - end of year	<u>\$ 1,998</u>	<u>\$ 2,715</u>	<u>\$ 4,910</u>	<u>\$ 2,195</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Dedicated Resource Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 6,656	\$ 6,656	\$ 5,709	\$ (947)
County and intermediate sources	1,581	1,581	1,837	256
Federal and state support	95	95	143	48
Other	5,146	5,146	3,533	(1,613)
<b>Total revenues</b>	<b>13,478</b>	<b>13,478</b>	<b>11,222</b>	<b>(2,256)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs:				
Salaries and benefits	8,636	10,605	8,052	2,553
Materials and services	1,547	1,842	601	1,241
<b>Total regular programs</b>	<b>10,183</b>	<b>12,447</b>	<b>8,653</b>	<b>3,794</b>
Special programs:				
Salaries and benefits	2,483	3,510	1,850	1,660
Materials and services	1,054	794	289	505
<b>Total special programs</b>	<b>3,537</b>	<b>4,304</b>	<b>2,139</b>	<b>2,165</b>
Summer school programs:				
Salaries and benefits	267	340	1	339
Materials and services	43	26	3	23
<b>Total summer school programs</b>	<b>310</b>	<b>366</b>	<b>4</b>	<b>362</b>
<b>Total instruction</b>	<b>14,030</b>	<b>17,117</b>	<b>10,796</b>	<b>6,321</b>
Support services:				
Students:				
Salaries and benefits	50	122	73	49
Materials and services	484	344	208	136
<b>Total students</b>	<b>534</b>	<b>466</b>	<b>281</b>	<b>185</b>
Instructional staff:				
Salaries and benefits	35	136	111	25
Materials and services	261	197	27	170
<b>Total instructional staff</b>	<b>296</b>	<b>333</b>	<b>138</b>	<b>195</b>
General administration:				
Materials and services	386	376	46	330
<b>Total general administration</b>	<b>386</b>	<b>376</b>	<b>46</b>	<b>330</b>
School administration:				
Salaries and benefits	426	409	251	158
Materials and services	6	2	3	(1)
<b>Total school administration</b>	<b>432</b>	<b>411</b>	<b>254</b>	<b>157</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Dedicated Resource Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (continued)**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Support services (continued):				
Business:				
Salaries and benefits	\$ 155	\$ 177	\$ 153	\$ 24
Materials and services	84	95	117	(22)
<b>Total business</b>	<b>239</b>	<b>272</b>	<b>270</b>	<b>2</b>
Central:				
Salaries and benefits	2	3	2	1
Materials and services	31	59	32	27
<b>Total central</b>	<b>33</b>	<b>62</b>	<b>34</b>	<b>28</b>
<b>Total support services</b>	<b>1,920</b>	<b>1,920</b>	<b>1,023</b>	<b>897</b>
Enterprise and community services:				
Food Services:				
Materials and services	17	21	6	15
<b>Total food services</b>	<b>17</b>	<b>21</b>	<b>6</b>	<b>15</b>
Community services:				
Salaries and benefits	35	31	22	9
Materials and services	14	14	7	7
<b>Total community services</b>	<b>49</b>	<b>45</b>	<b>29</b>	<b>16</b>
<b>Total enterprise and community services</b>	<b>66</b>	<b>66</b>	<b>35</b>	<b>31</b>
Facilities acquisition & construction:				
Materials and services	1,974	1,974	23	1,951
<b>Total facilities acquisition   and construction</b>	<b>1,974</b>	<b>1,974</b>	<b>23</b>	<b>1,951</b>
Total expenditures	17,990	21,077	11,877	9,200
Excess (deficit) of revenues over expenditures	(4,512)	(7,599)	(655)	6,944
Net change in fund balance	(4,512)	(7,599)	(655)	6,944
Fund balance - beginning of year	4,512	7,599	7,599	-
Fund balance - end of year	\$ -	\$ -	\$ 6,944	\$ 6,944

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Settlement Debt Service Fund**  
**Schedule of Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance from
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive/ (Negative)</u>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	\$ 1,375	\$ 1,375	\$ 1,375	\$ -
Interest and fiscal charges	74	74	74	-
<b>Total debt service</b>	<b>1,449</b>	<b>1,449</b>	<b>1,449</b>	<b>-</b>
Total expenditures	<u>1,449</u>	<u>1,449</u>	<u>1,449</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,449	1,449	1,449	-
Total other financing sources (uses)	<u>1,449</u>	<u>1,449</u>	<u>1,449</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**IT Projects Debt Service Fund**  
**Schedule of Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	\$ 1,132	\$ 1,603	\$ 1,603	\$ -
Interest and fiscal charges	455	474	465	(9)
<b>Total debt service</b>	<b>1,587</b>	<b>2,077</b>	<b>2,068</b>	<b>(9)</b>
Total expenditures	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
Total other financing sources (uses)	<u>1,587</u>	<u>2,077</u>	<u>2,068</u>	<u>(9)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Bolded lines indicate legally required appropriation budget levels of control



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**PERS UAL Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive/ (Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 38,034	\$ 38,024	\$ 38,607	\$ 583
Investment earnings	100	100	102	2
<b>Total revenues</b>	<b>38,134</b>	<b>38,124</b>	<b>38,709</b>	<b>585</b>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	11,534	11,534	11,534	-
Interest and fiscal charges	26,600	26,600	26,600	-
<b>Total debt service</b>	<b>38,134</b>	<b>38,134</b>	<b>38,134</b>	<b>-</b>
 Total expenditures	 38,134	 38,134	 38,134	 -
Excess (deficit) of revenues over expenditures	-	(10)	575	585
Net change in fund balance	-	(10)	575	585
Fund balance - beginning of year	-	10	10	-
Fund balance - end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 585</b>	<b>\$ 585</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**

**SELP Debt Service Fund**

**Schedule of Expenditures and  
Changes in Fund Balance - Budget and Actual**

**For the year ended June 30, 2014**

**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	\$ 68	\$ 179	\$ 179	\$ -
Interest and fiscal charges	8	13	8	5
<b>Total debt service</b>	<b>76</b>	<b>192</b>	<b>187</b>	<b>5</b>
Total expenditures	76	192	187	5
Excess (deficit) of revenues over expenditures	(76)	(192)	(187)	(5)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	76	192	187	(5)
Total other financing sources (uses)	76	192	187	(5)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Recovery Zone Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal and state support	\$ 208	\$ 193	\$ 193	\$ -
Total revenues	208	193	193	-
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	859	859	859	-
Interest and fiscal charges	462	462	462	-
<b>Total debt service</b>	<b>1,321</b>	<b>1,321</b>	<b>1,321</b>	<b>-</b>
Total expenditures	1,321	1,321	1,321	-
Excess (deficit) of revenues over expenditures	(1,113)	(1,128)	(1,128)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,113	1,128	1,128	-
Total other financing sources (uses)	1,113	1,128	1,128	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**GO Bond Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 43,247	\$ 42,247	\$ 43,602	\$ 1,355
Investment earnings	15	15	21	6
Total revenues	<u>43,262</u>	<u>42,262</u>	<u>43,623</u>	<u>1,361</u>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	35,950	35,950	35,950	-
Interest and fiscal charges	7,312	7,312	7,312	-
<b>Total debt service</b>	<b>43,262</b>	<b>43,262</b>	<b>43,262</b>	<b>-</b>
Total expenditures	<u>43,262</u>	<u>43,262</u>	<u>43,262</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>(1,000)</u>	<u>361</u>	<u>1,361</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,000	-	(1,000)
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	-	-	361	361
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 361</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Construction Excise Tax Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive/ (Negative)</b>
<b>REVENUES</b>				
Construction excise tax	\$ 1,601	\$ 3,001	\$ 4,888	\$ 1,887
Investment earnings	10	10	2	(8)
Other	-	819	819	-
Total revenues	<u>1,611</u>	<u>3,830</u>	<u>5,709</u>	<u>1,879</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Materials and services	9,083	12,402	1,278	11,124
<b>Total facilities acquisition &amp; construction</b>	<b><u>9,083</u></b>	<b><u>12,402</u></b>	<b><u>1,278</u></b>	<b><u>11,124</u></b>
Total expenditures	<u>9,083</u>	<u>12,402</u>	<u>1,278</u>	<u>11,124</u>
Excess (deficit) of revenues over expenditures	<u>(7,472)</u>	<u>(8,572)</u>	<u>4,431</u>	<u>13,003</u>
Net change in fund balance	(7,472)	(8,572)	4,431	13,003
Fund balance - beginning of year	7,472	8,572	8,572	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,003</u>	<u>\$ 13,003</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Modernization Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 12	\$ 12	\$ 8	\$ (4)
Total revenues	<u>12</u>	<u>12</u>	<u>8</u>	<u>(4)</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Salaries and benefits	-	-	2	(2)
Materials and services	2,434	1,966	1,960	6
<b>Total facilities acquisition &amp; construction</b>	<b><u>2,434</u></b>	<b><u>1,966</u></b>	<b><u>1,962</u></b>	<b><u>4</u></b>
Total expenditures	<u>2,434</u>	<u>1,966</u>	<u>1,962</u>	<u>4</u>
Excess (deficit) of revenues over expenditures	<u>(2,422)</u>	<u>(1,954)</u>	<u>(1,954)</u>	<u>-</u>
Net change in fund balance	(2,422)	(1,954)	(1,954)	-
Fund balance - beginning of year	2,422	1,954	1,954	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**IT System Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive/ (Negative)</b>
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 9	\$ 9
Other	-	563	563	-
Total revenues	<u>-</u>	<u>563</u>	<u>572</u>	<u>9</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Instructional staff:				
Salaries and benefits	-	52	-	52
Total instructional staff	<u>-</u>	<u>52</u>	<u>-</u>	<u>52</u>
Central:				
Salaries and benefits	308	408	405	3
Materials and services	352	4,296	649	3,647
Total central	<u>660</u>	<u>4,704</u>	<u>1,054</u>	<u>3,650</u>
<b>Total support services</b>	<b><u>660</u></b>	<b><u>4,756</u></b>	<b><u>1,054</u></b>	<b><u>3,702</u></b>
<b>Operating contingency</b>	<b><u>100</u></b>	<b><u>276</u></b>	<b><u>-</u></b>	<b><u>276</u></b>
Total expenditures	<u>760</u>	<u>5,032</u>	<u>1,054</u>	<u>3,978</u>
Excess (deficit) of revenues over expenditures	<u>(760)</u>	<u>(4,469)</u>	<u>(482)</u>	<u>3,987</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,500	3,500	-
Total other financing sources	<u>-</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Net change in fund balance	<u>(760)</u>	<u>(969)</u>	<u>3,018</u>	<u>3,987</u>
Fund balance - beginning of year	760	969	969	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,987</u>	<u>\$ 3,987</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Recovery Zone Energy and Water Conservation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 7	\$ 7	\$ 9	\$ 2
Total revenues	<u>7</u>	<u>7</u>	<u>9</u>	<u>2</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Salaries and benefits	-	-	19	(19)
Materials and services	607	1,564	1,341	223
<b>Total facilities acquisition &amp; construction</b>	<b><u>607</u></b>	<b><u>1,564</u></b>	<b><u>1,360</u></b>	<b><u>204</u></b>
Total expenditures	<u>607</u>	<u>1,564</u>	<u>1,360</u>	<u>204</u>
Excess (deficit) of revenues over expenditures	<u>(600)</u>	<u>(1,557)</u>	<u>(1,351)</u>	<u>206</u>
Net change in fund balance	(600)	(1,557)	(1,351)	206
Fund balance - beginning of year	600	1,557	1,557	-
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 206</u></u>	<u><u>\$ 206</u></u>

Note: Bolded lines indicate legally required appropriation budget levels of control



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Energy Efficient Schools Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 3	\$ 3	\$ -	\$ (3)
Other	853	707	558	(149)
Total revenues	<u>856</u>	<u>710</u>	<u>558</u>	<u>(152)</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Materials and services	1,434	1,601	534	1,067
<b>Total facilities acquisition &amp; construction</b>	<b><u>1,434</u></b>	<b><u>1,601</u></b>	<b><u>534</u></b>	<b><u>1,067</u></b>
Total expenditures	<u>1,434</u>	<u>1,601</u>	<u>534</u>	<u>1,067</u>
Excess (deficit) of revenues over expenditures	<u>(578)</u>	<u>(891)</u>	<u>24</u>	<u>915</u>
Net change in fund balance	(578)	(891)	24	915
Fund balance - beginning of year	578	891	891	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 915</u>	<u>\$ 915</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Facilities Capital Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal and state support	\$ 1,300	\$ 1,300	\$ 1,326	\$ 26
Investment earnings	3	3	13	10
Other	-	521	1,171	650
<b>Total revenues</b>	<b>1,303</b>	<b>1,824</b>	<b>2,510</b>	<b>686</b>
<b>EXPENDITURES</b>				
Current:				
Support Services:				
Business:				
Materials and services	-	2	1	1
<b>Total support services</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>1</b>
Facilities acquisition & construction:				
Salaries and benefits	-	101	74	27
Materials and services	5,883	8,311	6,866	1,445
<b>Total facilities acquisition &amp; construction</b>	<b>5,883</b>	<b>8,412</b>	<b>6,940</b>	<b>1,472</b>
<b>Total expenditures</b>	<b>5,883</b>	<b>8,414</b>	<b>6,941</b>	<b>1,473</b>
Excess (deficit) of revenues over expenditures	(4,580)	(6,590)	(4,431)	2,159
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	681	681	681	-
<b>Total other financing sources (uses)</b>	<b>681</b>	<b>681</b>	<b>681</b>	<b>-</b>
Net change in fund balance	(3,899)	(5,909)	(3,750)	2,159
Fund balance - beginning of year	3,899	5,909	5,909	-
Fund balance - end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,159</b>	<b>\$ 2,159</b>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Asset Renewal Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 52	\$ 52	\$ 561	\$ 509
Total revenues	<u>52</u>	<u>52</u>	<u>561</u>	<u>509</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Materials and services	169	2,252	49	2,203
<b>Total facilities acquisition &amp; construction</b>	<b>169</b>	<b>2,252</b>	<b>49</b>	<b>2,203</b>
Total expenditures	<u>169</u>	<u>2,252</u>	<u>49</u>	<u>2,203</u>
Excess (deficit) of revenues over expenditures	<u>(117)</u>	<u>(2,200)</u>	<u>512</u>	<u>2,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	-	<b>1,993</b>	<b>1,993</b>	-
Total other financing sources (uses)	<u>-</u>	<u>1,993</u>	<u>1,993</u>	<u>-</u>
Net change in fund balance	(117)	(207)	2,505	2,712
Fund balance - beginning of year	117	207	207	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,712</u>	<u>\$ 2,712</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Insurance Recoveries Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Insurance recoveries	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition & construction:				
Materials and services	100	100	-	100
<b>Total facilities acquisition &amp; construction</b>	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>-</u></b>	<b><u>100</u></b>
Total expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Bolded lines indicate legally required appropriation budget levels of control



**BUDGETARY COMPARISON SCHEDULES**  
**Other funds**

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**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**GO Bonds Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance from Final Budget Positive/ (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 28	\$ 248	\$ 300	\$ 52
Total revenues	<u>28</u>	<u>248</u>	<u>300</u>	<u>52</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Business:				
Materials and services	-	148	109	39
<b>Total support services</b>	<u>-</u>	<u>148</u>	<u>109</u>	<u>39</u>
Facilities acquisition & construction:				
Salaries and benefits	2,257	1,981	1,832	149
Materials and services	34,048	36,770	17,127	19,643
<b>Total facilities acquisition and construction</b>	<u>36,305</u>	<u>38,751</u>	<u>18,959</u>	<u>19,792</u>
<b>Operating contingency</b>	<u>67,315</u>	<u>70,584</u>	-	<u>70,584</u>
Total expenditures	<u>103,620</u>	<u>109,483</u>	<u>19,068</u>	<u>90,415</u>
Excess (deficit) of revenues over expenditures	<u>(103,592)</u>	<u>(109,235)</u>	<u>(18,768)</u>	<u>90,467</u>
Net change in fund balance	(103,592)	(109,235)	(18,768)	(90,467)
Fund balance - beginning of year	103,592	109,235	109,235	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,467</u>	<u>\$ (90,467)</u>

Note: Bolded lines indicate legally required appropriation budget levels of control

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Self-Insurance Fund**  
**Schedule of Revenues, Expenses, and**  
**Changes in Retained Earnings - Budget and Actual**  
**For the year ended June 30, 2014**  
**(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive/ (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,926	\$ 2,926	\$ 3,044	\$ 118
Total operating revenues	2,926	2,926	3,044	118
<b>OPERATING EXPENSES</b>				
Support services:				
Salaries and benefits	158	192	197	(5)
Materials and services	298	284	259	25
Claims expense	2,715	2,402	2,278	124
<b>Total support services</b>	<b>3,171</b>	<b>2,878</b>	<b>2,734</b>	<b>144</b>
<b>Operating contingency</b>	<b>2,727</b>	<b>2,300</b>	-	<b>2,300</b>
Total operating expenses	5,898	5,178	2,734	2,444
Operating income (loss)	(2,972)	(2,252)	310	2,562
<b>NON OPERATING REVENUES</b>				
Investment income	10	10	17	7
Federal and state support	196	196	87	(109)
Total non-operating revenues	206	206	104	(102)
Change in net position	(2,766)	(2,046)	414	2,460
Beginning net position - budgetary basis	2,766	2,046	2,046	-
Ending net position - budgetary basis	\$ -	\$ -	2,460	\$ 2,460
Reconciliation:				
Other post employment benefits obligation			(36)	
Accrued compensated absences			(14)	
Net position - GAAP basis			\$ 2,410	

Note: Bolded lines indicate legally required appropriation budget levels of control





**OTHER FINANCIAL SCHEDULES**

**SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON**  
**General Fund**  
**Schedule of Property Tax Transactions**  
**For the Year Ended June 30, 2014**  
(dollars in thousands)

DISTRICT LEVIES	Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes		
		Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014	
<b>Multnomah County:</b>											
General Tax:											
Current Year	2013-2014	\$ -		\$ 215,952	\$ (5,498)	\$ 84	\$ (553)	\$ (204,368)	\$ 5,617		
Prior Years	2012-2013	5,703		-	4	201	(213)	(2,621)	3,074		
	2011-2012	3,422		-	-	200	(57)	(1,100)	2,465		
	2010-2011	2,054		-	-	282	(21)	(1,082)	1,233		
	2009-2010	1,257		-	-	181	(17)	(613)	808		
	2008-2009	104		-	-	19	(10)	(51)	62		
	2007-2008	47		-	-	10	(4)	(24)	29		
	2006-2007	25		-	-	2	(2)	(4)	21		
	2005-2006	17		-	-	1	(1)	(2)	15		
	2004-2005	16		-	-	1	(1)	(3)	13		
	10+ yrs prior	95		-	-	19	(4)	(29)	81		
	<b>Total General Tax:</b>	<b>12,740</b>		<b>215,952</b>	<b>(5,494)</b>	<b>1,000</b>	<b>(883)</b>	<b>(209,897)</b>	<b>13,418</b>		
Local Option Taxes:											
Current Year	2013-2014	\$ -		\$ 57,162	\$ (1,455)	\$ 22	\$ (146)	\$ (54,096)	\$ 1,487		
Prior Years	2012-2013	1,443		-	1	51	(54)	(663)	778		
	2011-2012	928		-	-	54	(16)	(298)	668		
	2010-2011	409		-	-	57	(4)	(216)	246		
	2009-2010	257		-	-	37	(3)	(125)	166		
	2008-2009	22		-	-	4	(2)	(11)	13		
	2007-2008	10		-	-	2	(1)	(5)	6		
	2006-2007	-		-	-	-	-	-	-		
	2005-2006	-		-	-	-	-	-	-		
	2004-2005	2		-	-	-	(1)	-	1		
	10+ yrs prior	5		-	-	1	-	(2)	4		
	<b>Total Local Option Taxes:</b>	<b>3,076</b>		<b>57,162</b>	<b>(1,454)</b>	<b>228</b>	<b>(227)</b>	<b>(55,416)</b>	<b>3,369</b>		
Bond Tax:											
Current Year	2013-2014	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Prior Years	2012-2013	-		-	-	-	-	-	-		
	2011-2012	-		-	-	-	-	-	-		
	2010-2011	-		-	-	-	-	-	-		
	2009-2010	-		-	-	-	-	-	-		
	2008-2009	-		-	-	-	-	-	-		
	2007-2008	-		-	-	-	-	-	-		
	2006-2007	-		-	-	-	-	-	-		
	2005-2006	-		-	-	-	-	-	-		
	2004-2005	4		-	-	-	-	-	(1)	3	
	10+ yrs prior	15		-	-	2	-	(4)	13		
	<b>Total Bond Taxes:</b>	<b>19</b>		<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>(5)</b>	<b>16</b>		

**SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON**  
**General Fund**

**Schedule of Property Tax Transactions**  
**For the Year Ended June 30, 2014**

(dollars in thousands)

DISTRICT LEVIES Cancel/Omit:	Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes	
		Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014
Current Year	2013-2014	\$ -	\$ -	\$ 522	\$ (13)	\$ -	\$ (1)	\$ (494)	\$ -	\$ 14
Prior Years	2012-2013	7	-	-	-	-	-	(3)	-	4
	2011-2012	14	-	-	-	1	-	(5)	-	10
	2010-2011	3	-	-	-	1	-	(2)	-	2
	2009-2010	2	-	-	-	-	-	(1)	-	1
	2008-2009	-	-	-	-	-	-	-	-	-
	2007-2008	-	-	-	-	-	-	-	-	-
	2006-2007	-	-	-	-	-	-	-	-	-
	2005-2006	-	-	-	-	-	-	-	-	-
	2004-2005	-	-	-	-	-	-	-	-	-
	10+ yrs prior	-	-	-	-	-	-	-	-	-
Total Cancel/Omit Taxes:		26		522	(13)	2	(1)	(505)		31
<b>Total Multnomah County:</b>		15,861		273,636	(6,961)	1,232	(1,111)	(265,823)		16,834
<b>Washington County:</b>										
All Years <sup>1</sup>		-		1,805	-	-	-	(1,798)		-
<b>Clackamas County:</b>										
All Years <sup>1</sup>		-		224	-	-	-	(220)		-
<b>Total All Counties:</b>		<u>\$ 15,861</u>		<u>\$ 275,665</u>	<u>\$ (6,961)</u>	<u>\$ 1,232</u>	<u>\$ (1,111)</u>	<u>\$ (267,841)</u>		<u>\$ 16,834</u>

<sup>1</sup> The total collections from Washington and Clackamas Counties were less than one percent of the District's total property tax collections. The taxes receivable from the two counties at June 30, 2014 were considered immaterial.

Property Tax Transactions were recorded in the General Fund and the GO Bond Debt Service Fund for FY 2014.

**SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON**  
**General Fund**  
**Schedule of Property Tax Transactions**  
**For the Year Ended June 30, 2014**

Reconciliation to Financial Statements:	
Property tax collections for the year ended June 30, 2014	\$ 267,841
Non-levied tax revenue received for the year ended June 30, 2014	734
Uncollected property taxes at June 30, 2014	\$ 16,834
Uncollected property taxes susceptible to accrual at June 30, 2014	1,013 (1,005)
Non-levied tax revenue susceptible to accrual at June 30, 2014	1 (1)
Property taxes & non-levy rev susceptible to accrual at June 30, 2013, and collected during the year ended June 30, 2014	<u>(1,202)</u>
Total property taxes - General Fund	<u>\$ 268,387</u>
Total Unavailable Revenues - General Fund	<u>\$ 15,828</u>

**SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON**  
**Debt Service Funds**  
**Schedule of Property Tax Transactions**  
*For the Year Ended June 30, 2014*

Tax Year	Taxes		Levy as Extended by Assessor	Discounts Allowed	Interest	Cancellations and Adjustments	Property Tax Collections	Taxes	
	Uncollected June 30, 2013	Uncollected June 30, 2014						Uncollected June 30, 2013	Uncollected June 30, 2014
<b>DISTRICT LEVIES</b>									
<b>Multnomah County:</b>									
Bond Tax:									
Current Year	\$ -	\$ -	\$ 45,668	\$ (1,163)	\$ 18	\$ (117)	\$ (43,218)	\$ -	\$ 1,188
Prior Years	-	-	-	-	-	-	-	-	-
2011-2012	-	-	-	-	-	-	-	-	-
2010-2011	-	-	-	-	-	-	-	-	-
2009-2010	-	-	-	-	-	-	-	-	-
2008-2009	-	-	-	-	-	-	-	-	-
2007-2008	-	-	-	-	-	-	-	-	-
2006-2007	-	-	-	-	-	-	-	-	-
2005-2006	-	-	-	-	-	-	-	-	-
2004-2005	-	-	-	-	-	-	-	-	-
10+ yrs prior	-	-	-	-	-	-	-	-	-
<b>Total Multnomah County:</b>	-	-	<u>45,668</u>	<u>(1,163)</u>	<u>18</u>	<u>(117)</u>	<u>(43,218)</u>	-	<u>1,188</u>
<b>Washington County:</b>									
All Years <sup>1</sup>			322				(263)		
<b>Clackamas County:</b>									
All Years <sup>1</sup>			37				(32)		
<b>Total All Counties:</b>	\$ -	\$ -	<u>\$ 46,027</u>	<u>\$ (1,163)</u>	<u>\$ 18</u>	<u>\$ (117)</u>	<u>\$ (43,513)</u>	<u>\$ -</u>	<u>\$ 1,188</u>

<sup>1</sup> The total collections from Washington and Clackamas Counties were less than one percent of the District's total property tax collections. The taxes receivable from the two counties at June 30, 2014 were considered immaterial.

**SCHOOL DISTRICT NO.1, MULTNOMAH COUNTY OREGON**  
**Debt Service Funds**  
**Schedule of Property Tax Transactions**  
**For the Year Ended June 30, 2014**

Reconciliation to Financial Statements:	
Property tax collections for the year ended June 30, 2014	\$ 43,514
Non-levied tax revenue received for the year ended June 30, 2014	7
Uncollected property taxes at June 30, 2014	\$ 1,188
Uncollected property taxes susceptible to accrual at June 30, 2014	80 (80)
Non-levied tax revenue susceptible to accrual at June 30, 2014	-
Property taxes & non-levy rev susceptible to accrual at June 30, 2013, and collected during the year ended June 30, 2014	-
Total property taxes - Debt Service Funds	<u>\$ 43,601</u>
Total Unavailable Revenues - Debt Service Funds	<u>\$ 1,108</u>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**



**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source**  
**June 30, 2014**  
**(amounts expressed in thousands)**

Governmental funds in capital assets:

Land	\$ 9,174
Buildings and site improvements	385,032
Vehicles and equipment	47,975
Construction in progress	<u>31,339</u>
Total governmental funds in capital assets	<u><u>\$ 473,520</u></u>

Investments in governmental funds capital assets by source:

General fund	\$ 156,926
Special Revenue funds	9,133
Capital Projects funds	<u>307,461</u>
Total governmental funds in capital assets	<u><u>\$ 473,520</u></u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2014**  
**(amounts expressed in thousands)**

Function and Activity	Land	Buildings and Site Improvements	Vehicles and Equipment	Construction in Progress	Total
General government					
Instruction	\$ 7,166	\$ 352,509	\$ 5,070	\$ 28,655	\$ 393,400
Supporting services	2,008	32,513	40,678	2,684	77,883
Food services	-	10	2,227	-	2,237
Total governmental funds in capital assets	<u>\$ 9,174</u>	<u>\$ 385,032</u>	<u>\$ 47,975</u>	<u>\$ 31,339</u>	<u>\$ 473,520</u>

**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the fiscal year ended June 30, 2014**  
**(amounts expressed in thousands)**

Function and Activity	Governmental Funds Capital Assets June 30, 2013	Additions	Deductions	Transfers <sup>1</sup>	Governmental Funds Capital Assets June 30, 2014
General government					
Instruction	\$ 360,848	\$ 29,896	\$ (1,016)	\$ 3,672	\$ 393,400
Supporting services	79,635	2,314	(394)	(3,672)	77,883
Food services	2,192	99	(54)	-	2,237
Total governmental funds in capital assets	<u>\$ 442,675</u>	<u>\$ 32,309</u>	<u>\$ (1,464)</u>	<u>\$ -</u>	<u>\$ 473,520</u>

<sup>1</sup> Certain amounts from the prior year beginning balances have been reclassified to conform to the current year's presentation





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## Statistical Section

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This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b><i>Financial Trends (Schedules 1-4)</i></b>	114
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity (Schedules 5-8)</i></b>	122
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b><i>Debt Capacity (Schedules 9-11)</i></b>	126
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b><i>Demographic and Economic Information (Schedules 12-13)</i></b>	129
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b><i>Operating Information (Schedules 14-16)</i></b>	131
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Schedule 1**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(dollars in thousands)**

**Government-wide Activities**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Assets</b>				
Current and other assets	\$ 161,328	\$ 169,097	\$ 167,964	\$ 175,282
Prepaid pension costs	485,029	478,576	471,759	463,507
Net capital assets	<u>210,589</u>	<u>203,717</u>	<u>195,885</u>	<u>187,312</u>
Total assets	<u>856,946</u>	<u>851,390</u>	<u>835,608</u>	<u>826,101</u>
<b>Liabilities</b>				
Other current liabilities	75,082	78,829	95,818	88,936
Other long-term liabilities	37,907	32,876	24,271	22,377
Limited tax pension bonds payable	489,685	483,232	476,416	468,163
Other post employment benefits	-	-	-	8,852
Total liabilities	<u>602,674</u>	<u>594,937</u>	<u>596,505</u>	<u>588,328</u>
<b>Deferred Inflows of Resources</b>				
Insurance recovery				
<b>Net Assets</b>				
Invested in capital assets, net of related debt	183,482	183,157	180,034	177,198
Restricted	-	-	-	-
Unrestricted	<u>70,790</u>	<u>73,296</u>	<u>59,069</u>	<u>60,575</u>
Total Net Assets	<u>\$ 254,272</u>	<u>\$ 256,453</u>	<u>\$ 239,103</u>	<u>\$ 237,773</u>
<b>Net Position</b>				
Net investment in capital assets				
Restricted				
Unrestricted				
Total Net Position				

Note: The District Implemented GASB 65 beginning in 2013. As a result, Net Assets format is presented for years prior to 2013, and Net Position format is presented for 2013 and subsequent years.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 175,091	\$ 174,564	\$ 177,558	\$ 180,957	\$ 298,246	\$ 304,224
455,247	445,555	436,790	425,421	414,407	404,992
<u>185,571</u>	<u>194,725</u>	<u>200,731</u>	<u>199,058</u>	<u>213,944</u>	<u>233,265</u>
<u>815,909</u>	<u>814,844</u>	<u>815,079</u>	<u>805,436</u>	<u>926,597</u>	<u>942,481</u>
96,163	75,555	77,535	83,977	87,185	90,983
10,320	34,182	62,851	57,972	182,759	142,413
459,756	450,125	440,491	430,058	419,034	407,499
<u>17,762</u>	<u>24,741</u>	<u>29,667</u>	<u>33,595</u>	<u>36,263</u>	<u>35,579</u>
<u>584,001</u>	<u>584,603</u>	<u>610,544</u>	<u>605,602</u>	<u>725,241</u>	<u>676,474</u>
				<u>819</u>	<u>-</u>
181,442	186,783	164,033	157,209		
-	8,426	25,597	21,577		
<u>50,466</u>	<u>35,032</u>	<u>14,905</u>	<u>21,048</u>		
<u>\$ 231,908</u>	<u>\$ 230,241</u>	<u>\$ 204,535</u>	<u>\$ 199,834</u>		
				146,148	183,584
				131,060	119,224
				<u>(76,671)</u>	<u>(36,801)</u>
				<u>\$ 200,537</u>	<u>\$ 266,007</u>



**Schedule 2**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(dollars in thousands)**

**Government-wide Activities**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenditures</b>				
Instruction	\$ 278,166	\$ 272,831	\$ 281,308	\$ 311,474
Support services	167,789	178,014	198,721	192,598
Enterprise and community services	15,425	15,386	15,187	15,750
Facilities services	8,394	-	7,633	3,140
Interest and fees on long-term debt	3,919	1,816	1,535	1,815
Total expenditures	<u>473,693</u>	<u>468,047</u>	<u>504,384</u>	<u>524,777</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	3,672	4,447	4,100	4,151
Support services	1,855	1,712	2,157	2,879
Enterprise and community services	3,950	3,153	4,190	4,353
Operating grants and contributions:				
Instruction	43,992	44,131	51,915	68,180
Support services	23,582	23,566	29,163	27,793
Enterprise and community services	11,128	11,176	12,500	1,889
Total program revenues	<u>88,179</u>	<u>88,185</u>	<u>104,025</u>	<u>109,245</u>
<b>Net Expenditures</b>	<u>(385,514)</u>	<u>(379,862)</u>	<u>(400,359)</u>	<u>(415,532)</u>
<b>General Revenues:</b>				
Property taxes, levies for operations	138,699	144,543	165,536	174,926
Property taxes, levies for debt service	33,979	921	37	-
Local option taxes	31,751	466	200	35,887
Construction excise tax	-	-	-	69
State School Fund	148,013	157,061	166,813	168,438
State Common School Fund	3,784	4,135	4,316	4,864
County and intermediate sources	59,734	59,613	30,009	15,511
Federal Stimulus	-	-	-	-
Investment earnings	3,091	5,554	7,795	7,208
Other	14,278	9,750	8,303	7,299
Total general revenues	<u>433,329</u>	<u>382,043</u>	<u>383,009</u>	<u>414,202</u>
<b>Extraordinary items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	<u>\$ 47,815</u>	<u>\$ 2,181</u>	<u>\$ (17,350)</u>	<u>\$ (1,330)</u>

**Change in Net Position**

Note: The District Implemented GASB 65 beginning in 2013. As a result, Net Assets format is presented for years prior to 2013, and Net Position format is presented for 2013 and subsequent years.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	306,993	\$ 323,190	\$ 315,465	\$ 287,424	\$ 267,192	\$ 308,652
	196,857	183,267	204,613	206,856	194,270	200,750
	16,653	17,135	19,758	19,108	18,923	19,164
	6,899	14,177	11,649	10,697	31,635	1,470
	1,600	1,642	2,135	25,748	26,813	31,469
	<u>529,002</u>	<u>539,411</u>	<u>553,620</u>	<u>549,833</u>	<u>538,833</u>	<u>561,505</u>
	4,783	4,898	4,799	5,046	5,958	5,989
	3,075	2,883	2,348	2,109	2,852	2,857
	4,442	4,655	4,666	4,422	4,123	4,420
	72,121	71,538	75,981	71,319	62,006	58,418
	28,722	27,585	25,844	25,447	23,437	17,693
	2,620	2,548	3,915	2,863	2,623	2,240
	<u>115,763</u>	<u>114,107</u>	<u>117,553</u>	<u>111,206</u>	<u>100,999</u>	<u>91,617</u>
	<u>(413,239)</u>	<u>(425,304)</u>	<u>(436,067)</u>	<u>(438,627)</u>	<u>(437,834)</u>	<u>(469,888)</u>
	181,928	189,234	194,170	200,906	205,177	213,115
	-	-	-	-	-	44,765
	37,364	38,292	38,226	53,622	51,357	55,709
	1,962	1,192	1,361	2,108	3,619	4,889
	151,376	155,566	139,229	149,031	151,369	184,690
	3,717	4,544	4,461	4,138	4,608	4,427
	10,271	10,223	9,543	9,588	14,560	15,736
	8,816	12,182	14,349	595	6	-
	3,477	781	582	403	644	774
	8,463	9,905	8,440	13,535	10,518	11,253
	<u>407,374</u>	<u>421,919</u>	<u>410,361</u>	<u>433,926</u>	<u>441,858</u>	<u>535,358</u>
	-	1,718	-	-	-	-
\$	<u>(5,865)</u>	<u>(1,667)</u>	<u>(25,706)</u>	<u>(4,701)</u>		
					<u>\$ 4,024</u>	<u>\$ 65,470</u>

**Schedule 3**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(dollars in thousands)**

<b>Governmental Activities</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>				
Nonspendable	\$ 1,133	\$ 949	\$ 823	\$ 1,949
Restricted	-	-	-	-
Committed	-	-	-	2,000
Unassigned	<u>30,704</u>	<u>42,286</u>	<u>43,032</u>	<u>50,556</u>
Total general fund	<u>31,837</u>	<u>43,235</u>	<u>43,855</u>	<u>54,505</u>
<b>All Other</b>				
<b>Governmental Funds</b>				
Nonspendable	712	798	591	512
Restricted	15,801	8,590	8,913	7,267
Committed	20,800	18,800	16,800	16,800
Unassigned	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	37,091	28,188	26,304	24,579
<b>Total Governmental Fund Balances</b>	<u><u>\$ 68,928</u></u>	<u><u>\$ 71,423</u></u>	<u><u>\$ 70,159</u></u>	<u><u>\$ 79,084</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,881	\$ 1,587	\$ 795	\$ 452	\$ 139	\$ 200
-	-	-	-	-	560
2,000	2,000	1,289	1,583	-	-
<u>46,079</u>	<u>50,185</u>	<u>29,457</u>	<u>28,890</u>	<u>37,318</u>	<u>50,914</u>
<u>49,960</u>	<u>53,772</u>	<u>31,541</u>	<u>30,925</u>	<u>37,457</u>	<u>51,674</u>
635	446	522	390	473	2,370
11,039	21,648	25,137	27,471	144,677	127,176
16,800	16,800	26,899	20,461	15,486	16,342
<u>(2,467)</u>	<u>(14,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26,007	24,358	52,558	48,322	160,636	145,888
<u>\$ 75,967</u>	<u>\$ 78,130</u>	<u>\$ 84,099</u>	<u>\$ 79,247</u>	<u>\$ 198,093</u>	<u>\$ 197,562</u>

**Schedule 4**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(dollars in thousands)**

<b>Governmental Activities</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>				
Property and other taxes	\$ 173,147	\$ 147,352	\$ 166,522	\$ 174,568
State School Fund	148,013	157,062	164,182	168,438
Local option taxes	31,751	467	200	35,373
County and intermediate sources	59,734	59,613	30,009	15,511
Federal stimulus	-	-	-	-
State Common School Fund	3,784	4,135	4,316	4,864
Federal and state support	68,903	68,060	80,134	82,435
Charges for services	9,477	9,312	10,446	11,383
Extracurricular activities	6,872	7,123	7,178	7,963
Investment earnings	3,017	5,365	7,531	6,907
Other	10,996	12,352	13,674	14,068
<b>Total revenues</b>	<u>515,694</u>	<u>470,841</u>	<u>484,192</u>	<u>521,510</u>
<b>Expenditures</b>				
Current:				
Instruction	269,938	264,431	276,929	301,171
Support services	167,967	172,953	182,918	203,620
Enterprise and community services	15,558	15,448	15,077	15,467
Facilities acquisition and construction	5,274	6,491	7,633	3,141
Debt Service:				
Principal	42,053	7,721	8,039	6,966
Interest	3,987	1,736	1,412	1,546
<b>Total expenditures</b>	<u>504,777</u>	<u>468,780</u>	<u>492,008</u>	<u>531,911</u>
Excess (deficit) of revenues over expenditures	<u>10,917</u>	<u>2,061</u>	<u>(7,816)</u>	<u>(10,401)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	17,919	10,700	10,704	8,748
Transfers out	(17,919)	(10,700)	(10,704)	(8,748)
Issuance of debt	-	-	2,125	15,220
Issuance of refunding bonds	-	-	-	-
Proceeds from the sale of capital assets	8,717	434	1,796	1,616
<b>Total other financing sources (uses)</b>	<u>8,717</u>	<u>434</u>	<u>3,921</u>	<u>16,836</u>
<b>Net change in fund balances</b>	<u>\$ 19,634</u>	<u>\$ 2,495</u>	<u>\$ (3,895)</u>	<u>\$ 6,435</u>
Debt service as a percentage of noncapital expenditures	9.2%	2.0%	2.0%	1.6%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 181,847	\$ 190,105	\$ 196,044	\$ 200,716	\$ 208,434	\$ 260,872
151,376	155,566	139,229	149,031	151,369	184,690
37,042	38,470	38,603	53,099	51,720	56,013
10,271	10,224	9,544	9,588	14,560	15,736
10,206	26,972	28,991	4,591	1,920	155
3,717	4,544	4,461	4,138	4,608	4,427
89,014	74,055	79,034	84,704	71,942	65,231
12,300	12,436	11,814	45,953	48,674	51,874
7,524	7,423	7,563	7,355	7,867	8,308
3,310	1,037	649	579	632	757
<u>13,450</u>	<u>13,131</u>	<u>11,991</u>	<u>15,127</u>	<u>16,315</u>	<u>13,138</u>
<u>520,057</u>	<u>533,963</u>	<u>527,923</u>	<u>574,881</u>	<u>578,041</u>	<u>661,201</u>
301,457	310,846	314,597	305,238	303,360	323,921
192,384	199,983	205,869	207,691	193,375	202,233
16,386	17,106	20,001	19,782	19,710	20,059
6,899	14,166	11,546	10,613	31,575	31,105
7,291	5,901	8,082	56,963	62,443	51,500
<u>1,499</u>	<u>1,740</u>	<u>2,043</u>	<u>25,608</u>	<u>26,318</u>	<u>34,921</u>
<u>525,916</u>	<u>549,742</u>	<u>562,138</u>	<u>625,895</u>	<u>636,781</u>	<u>663,739</u>
<u>(5,859)</u>	<u>(15,779)</u>	<u>(34,215)</u>	<u>(51,014)</u>	<u>(58,740)</u>	<u>(2,538)</u>
9,913	7,550	9,939	14,090	55,786	9,013
(7,913)	(7,550)	(6,939)	(9,680)	(55,786)	(9,013)
-	15,000	36,750	27,250	176,931	-
-	-	-	14,400	-	-
<u>743</u>	<u>2,942</u>	<u>434</u>	<u>102</u>	<u>655</u>	<u>2,007</u>
<u>2,743</u>	<u>17,942</u>	<u>40,184</u>	<u>46,162</u>	<u>177,586</u>	<u>2,007</u>
<u>\$ (3,116)</u>	<u>\$ 2,163</u>	<u>\$ 5,969</u>	<u>\$ (4,852)</u>	<u>\$ 118,846</u>	<u>\$ (531)</u>
1.7%	1.4%	1.8%	13.4%	14.7%	13.7%

**Schedule 5**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Assessed Values of Taxable Property within School District No. 1J Boundaries**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)										Less: Reduction and Adjustments	Total Taxes Imposed (Net Levy)
	Real Property	Personal Property	Manufactured Structures	Public Utility	Total Assessed Value	Add: Non-Profit Housing	Less: Urban Renewal Excess	Total Net Assessed Value	Total Direct Tax Rate	Amount tax rate will raise		
2005	\$ 29,273,560	\$ 1,835,681	\$ 15,126	\$ 1,456,843	\$ 32,581,210	\$ 16,337	\$ 2,107,473	\$ 30,490,074	\$ 7.1792	\$ 218,894	\$ 7,689	\$ 211,205
2006	30,797,829	1,832,766	14,267	1,251,626	33,896,488	16,827	2,512,764	31,400,551	4.7743	149,916	475	149,441
2007	32,185,082	1,863,994	13,755	1,309,159	35,371,990	17,332	2,830,224	32,559,098	5.2781	171,850	1,963	169,887
2008	34,287,573	1,859,615	14,311	1,273,298	37,434,797	18,062	3,200,929	34,251,930	6.5281	223,600	7,940	215,660
2009	36,093,965	1,901,468	14,130	1,383,226	39,392,789	23,270	3,635,372	35,780,687	6.5281	233,580	8,151	225,429
2010	37,714,170	1,883,081	15,640	1,607,399	41,220,290	23,968	4,189,459	37,054,799	6.5281	241,897	8,996	232,901
2011	38,951,439	1,903,652	41,782	1,629,651	42,526,524	19,736	4,425,353	38,120,907	6.5281	248,857	9,390	239,467
2012	40,421,170	1,687,236	41,578	1,568,907	43,718,891	20,328	4,519,149	39,220,070	7.2681	285,055	24,051	261,004
2013	41,725,902	1,691,285	18,523	1,538,735	44,974,445	20,938	4,653,499	40,341,884	7.2681	293,209	29,814	263,395
2014	43,211,127	1,716,219	17,485	1,613,794	46,558,626	21,566	4,833,326	41,746,866	8.3571	348,883	27,190	321,693

**Notes:**

- Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.
- The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

**Source:**

FY 2005-2014: Oregon Property Tax Statistics Supplement for the appropriate fiscal year. Values are the combined total for the taxing district, "Portland 1J School", in Multnomah, Clackamas and Washington counties.

**Schedule 6**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

District Direct Rates						
Fiscal Year	General Tax Permanent Rate <sup>1</sup>	Local Option	General Obligation Debt Service Bonds	Total Direct Tax Rate		
2005	\$ 5.2781	\$ 0.7500	\$ 1.1511	\$ 7.1792		
2006	4.7743	-	-	4.7743		
2007	5.2781	-	-	5.2781		
2008	5.2781	1.2500	-	6.5281		
2009	5.2781	1.2500	-	6.5281		
2010	5.2781	1.2500	-	6.5281		
2011	5.2781	1.2500	-	6.5281		
2012	5.2781	1.9900	-	7.2681		
2013	5.2781	1.9900	-	7.2681		
2014	5.2781	1.9900	1.0890	8.3571		

Overlapping Total Property Tax Rates							
Fiscal Year	Multnomah County	Port of Portland	Metro	City of Portland	Portland Community College	Multnomah Education Service District	
2005	\$ 5.2785	\$ 0.0701	\$ 0.2838	\$ 7.9791	\$ 0.5099	\$ 0.4576	
2006	5.3065	0.0701	0.2841	7.9181	0.4950	0.4576	
2007	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2008	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2009	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2010	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2011	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2012	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2013	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	
2014	4.3434	0.0701	0.0966	4.5770	0.2828	0.4576	

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

<sup>1</sup> The District paid off its "GAP Bonds" in May, 2004. Under the provisions of Ballot Measure 50, the District's permanent tax rate is increased from \$4.7743 to \$5.2781 to include what had previously been levied for payment of the "Gap Bonds". Legislation passed in 2003 treats the increase the same as local option levies. The increase expired on June 30, 2005 so the District's permanent rate went back to \$4.7743 for the 2005-06 fiscal year.

Legislation passed in 2006 allowed for the annual reauthorization of the GAP bonds for three years beginning in 2006-2007, allowing the District's permanent rate to increase up to \$5.2781. The Oregon legislature made this increase permanent as of July 1, 2009.

Source: The Tax Supervising and Conservation Commission annual reports for the relevant fiscal year.



**Schedule 7**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Property Tax Payers for Multnomah County**  
**Prior Year and Nine Years Ago**  
**Taxing District - 311 Portland School District**  
**(dollars in thousands)**

Taxpayer	2013 <sup>1</sup>			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<b>Ten Largest Taxpayers</b>						
Pacifcorp (PP&L)	\$ 282,543	1	0.70 %	\$ 209,342	3	0.71%
Portland General Electric	280,838	2	0.70	210,796	2	0.71
Weston Investment Co., LLC	229,181	3	0.57	-	-	-
Comcast Corporation	225,285	4	0.56	-	-	-
Evraz Inc NA	218,521	5	0.54	-	-	-
Port of Portland	183,837	6	0.46	-	-	-
Capref Lloyd Center LLC	157,227	7	0.39	-	-	-
AT&T, INC	155,565	8	0.39	-	-	-
Centurylink	149,090	9	0.37	-	-	-
555 SW OAK LLC	138,509	10	0.34	-	-	-
LC Portland LLC	-	-	-	134,660	5	0.46
Qwest Corporation	-	-	-	478,185	1	1.62
Wacker Siltonic Corp	-	-	-	169,330	4	0.57
Oregon Steel Mills Inc	-	-	-	94,203	10	0.32
Oregon Arena Corporation	-	-	-	102,787	7	0.35
One Eleven Tower LLC	-	-	-	106,511	6	0.36
Northwest Natural Gas	-	-	-	98,624	8	0.33
Nabisco Inc	-	-	-	97,206	9	0.33
Subtotal of Ten Largest Taxpayers	2,020,596		5.02	1,701,644		5.76
All Other Taxpayers	38,321,288		94.98	27,871,074		94.24
Total All Taxpayers	<u>\$ 40,341,884</u>		<u>100.00 %</u>	<u>\$ 29,572,718</u>		<u>100.00 %</u>

**Notes:**

<sup>1</sup> 2014 information not available at time of distribution

Source:

Multnomah County, Division of Assessment and Taxation

**Schedule 8**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ending June 30	Net Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 211,205	\$ 198,861	94.16%	\$ 5,833	\$ 204,694	96.92%
2006	149,862	141,470	94.40	3,831	145,301	96.96
2007	169,887	160,813	94.66	4,285	165,098	97.18
2008	216,645	202,448	93.45	4,854	207,302	95.69
2009	226,206	211,232	93.38	5,157	216,389	95.66
2010	233,861	219,970	94.06	7,165	227,135	97.12
2011	239,467	225,418	94.13	7,422	232,840	97.23
2012	261,004	244,408	93.64	6,741	251,149	96.22
2013	263,395	248,807	94.46	7,400	256,207	97.27
2014	321,693	304,458	94.64	6,865	311,323	96.78

**Note:**

The net taxes levied are combined for Multnomah, Washington, and Clackamas counties. Responsibility for the collection of all property taxes rests within each County's Department of Assessment and Taxation. Current taxes are assessed as of July 1, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

<sup>1</sup> The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Schedule 5 and the Schedule of Property tax Collections (General Fund), in the Other Financial Section of the CAFR. Note that the Net Taxes Levied in Schedule 5 is based on the Assessed Value, while data for this schedule is based on the actual Net Taxes Levied.

<sup>2</sup> Collections in subsequent years includes current year revenue received for taxes levied in prior years.

Source: Multnomah, Washington and Clackamas Counties, Division of Assessment and Taxation.

**Schedule 9**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per student and per capita)**

Fiscal Year	General Bonded Debt											Total District <sup>3</sup>	Per Student <sup>2</sup>	Per Capita <sup>4</sup>				
	General Obligation Bonds	Less Amount Available for Repayment	Net Unamortized Premium (Discount)	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Student <sup>2</sup>	Net General Obligation Debt Per Capita <sup>4</sup>	Limited Tax Pension Bonds <sup>5</sup>	Certificates of Participation	Full Faith & Credit Obligations	Refunding Special Obligations				Small Scale Energy Loan Programs	Recovery Zone Bond	Other Debt	Unamortized Premium (Discount)
2005	\$ -	\$ -	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	4,967	\$ -	-	\$ -	(312)	\$ 527,280	\$ 11,071	\$ 784
2006	-	-	-	-	-	-	-	-	-	1,385	4,295	-	-	-	(301)	513,117	10,922	747
2007	-	-	-	-	-	-	-	-	-	-	3,596	-	-	2,125	(289)	500,398	10,803	716
2008	-	-	-	-	-	-	-	-	-	-	2,862	-	-	2,078	(167)	500,371	10,856	702
2009	-	-	-	-	-	-	-	-	-	-	2,092	-	-	2,035	(174)	484,665	10,529	667
2010	-	-	-	-	-	-	-	-	-	-	1,369	-	-	1,992	(181)	484,126	10,394	666
2011	-	-	-	-	-	-	-	-	-	-	676	11,000	-	-	(188)	503,154	10,754	673
2012	-	-	-	-	-	-	-	-	-	-	325	10,190	-	-	(195)	487,835	10,320	643
2013	144,840	-	13,347	158,187	0.39%	3,329	N/A	-	-	-	179	9,356	471	(202)	601,793	12,663	N/A	
2014	108,890	(361)	10,209	118,738	0.28%	2,469	N/A	-	-	-	-	8,496	-	(209)	546,786	11,368	N/A	

Other Governmental Activities Debt

Fiscal Year	Other Governmental Activities Debt											Total District <sup>3</sup>	Per Student <sup>2</sup>	Per Capita <sup>4</sup>
	Limited Tax Pension Bonds <sup>5</sup>	Certificates of Participation	Full Faith & Credit Obligations	Refunding Special Obligations	Small Scale Energy Loan Programs	Recovery Zone Bond	Other Debt	Unamortized Premium (Discount)						
2005	\$ 500,485	\$ 19,435	\$ -	\$ 2,705	\$ 4,967	\$ -	\$ -	(312)	\$ 527,280	\$ 11,071	\$ 784			
2006	492,858	14,880	-	1,385	4,295	-	-	(301)	513,117	10,922	747			
2007	484,836	10,130	-	-	3,596	-	-	(289)	500,398	10,803	716			
2008	475,333	5,175	15,090	-	2,862	-	2,078	(167)	500,371	10,856	702			
2009	465,622	-	15,090	-	2,092	-	2,035	(174)	484,665	10,529	667			
2010	454,630	-	26,316	-	1,369	-	1,992	(181)	484,126	10,394	666			
2011	443,571	-	48,095	-	676	11,000	-	(188)	503,154	10,754	673			
2012	431,638	-	45,877	-	325	10,190	-	(195)	487,835	10,320	643			
2013	419,034	-	14,768	-	179	9,356	471	(202)	601,793	12,663	N/A			
2014	407,500	-	12,261	-	-	8,496	-	(209)	546,786	11,368	N/A			

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See Schedule 5 for property value data. The total estimated actual value of taxable property cannot be reasonably estimated.

<sup>2</sup> Student enrollment data can be found in Schedule 16.

<sup>3</sup> Includes net general bonded debt and other governmental activities debt.

<sup>4</sup> Per capita is calculated using the estimated District population from the US Department of Commerce, Bureau of Economic Analysis as reported in Schedule 12.

Data for 2013 and 2014 not available at time of printing.

<sup>5</sup> Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

**Schedule 10**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2014**  
**(dollars in thousands)**

<u>Overlapping Issuer</u>	<u>Net Property-tax Backed Debt<sup>1</sup></u>	<u>Percent Overlapping</u>	<u>Overlapping Debt<sup>2</sup></u>
City of Portland	\$ 130,695	85.89 %	\$ 112,260
Portland Community College	167,875	47.78	80,207
Multnomah County	183,565	74.94	137,563
Portland Metro	222,955	38.15	85,066
City of Lake Oswego	28,742	5.54	1,591
Tualatin Hills Park & Recreation District	96,683	1.24	1,197
Tualatin Valley Fire & Rescue	42,600	1.94	824
Washington County	20,235	0.63	127
Clackamas County	103,805	0.11	118
Mt. Hood Community College	25,100	0.06	15
Clackamas Cty RFPD #1	910	0.23	2
Multnomah County Drainage District 1	95	100.00	95
Subtotal, overlapping debt			<u>419,065</u>
Direct District debt (PERS) <sup>3</sup>			407,290
Direct District debt (other) <sup>3</sup>			139,857
Subtotal, Direct debt			<u>547,147</u>
Total direct and overlapping debt			<u><u>\$ 966,212</u></u>

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>1</sup> Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less Self-supporting Unlimited-tax (GO) and Self-supporting Limited-tax GO debt.

<sup>2</sup> Overlapping Debt is calculated using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

<sup>3</sup> Direct District debt is net of unamortized premiums and discounts.

Source:

Oregon State Treasury, Debt Management Division

Schedule 11  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Legal Debt Margin Calculation for Fiscal Year 2014</b>											
Real Market Value								\$74,430,365			
Debt Limit (7.95%) <sup>1</sup>								5,917,214			
Amount of Debt Applicable to Debt Limit:											
General Obligation Bonded Debt								119,099			
Less: Amount Available in Debt Service Funds								(361)			
Amount of Debt Applicable to Debt Limit								<u>118,738</u>			
Legal Debt Margin								<u>\$ 5,798,476</u>			
Debt Limit		\$ 4,039,060	\$ 4,513,275	\$ 5,036,778	\$ 5,835,393	\$ 6,267,884	\$ 6,194,374	\$ 6,028,990	\$ 5,680,406	\$ 5,604,461	\$ 5,917,214
Total net debt applicable to limit		<u>32,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,187</u>	<u>118,738</u>
Legal debt margin		<u>\$ 4,006,641</u>	<u>\$ 4,513,275</u>	<u>\$ 5,036,778</u>	<u>\$ 5,835,393</u>	<u>\$ 6,267,884</u>	<u>\$ 6,194,374</u>	<u>\$ 6,028,990</u>	<u>\$ 5,680,406</u>	<u>\$ 5,446,274</u>	<u>\$ 5,798,476</u>
Total net debt applicable to the limit as a percentage of debt limit		0.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.82%	2.01%

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.  
<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055	4.95%
<sup>B</sup> Ninth through twelfth, 4 x .0075	<u>3.00%</u>
Allowable Percentage	<u><u>7.95%</u></u>

Source: Market value from Multnomah County, Tax Supervising and Conservation Commission

**Schedule 12**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Multnomah County**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2005	672,947	\$ 25,436,032	\$ 37,798	5.0% <sup>2</sup>
2006	687,373	26,483,785	38,529	4.6 <sup>2</sup>
2007	699,186	28,385,388	40,598	4.6 <sup>2</sup>
2008	712,539	29,372,019	41,222	5.6 <sup>2</sup>
2009	726,855	29,430,654	40,490	9.5 <sup>2</sup>
2010	737,476	29,458,183	39,945	9.4 <sup>2</sup>
2011	748,031	31,161,157	41,658	9.1 <sup>2</sup>
2012	759,256	32,715,802	43,089	8.2 <sup>2</sup>
2013	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
2014	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>

<sup>1</sup> Data for 2013 and 2014 not available at time of printing.

<sup>2</sup> As of October, 2014.

Sources:

Population, personal income and per capita information: US Department of Commerce, Bureau of Economic Analysis.

Unemployment rate information: US Department of Labor, Bureau of Labor Statistics.

**Schedule 13**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Principal Employers for the Portland Metro Area**  
**Current Year and Nine Years Ago**

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<b>Ten Largest Employers</b>						
Intel Corporation	16,700	1	1.56%	15,500	1	1.57%
Providence Health System	14,132	2	1.32	14,007	2	1.42
Oregon Health & Science University	14,106	3	1.32	11,400	4	1.15
U.S. Federal Government	13,900	4	1.30	-		0.00
Fred Meyer Stores	10,176	5	0.95	9,663	5	0.98
Kaiser Permanente Northwest	9,896	6	0.92	7,797	8	0.79
Legacy Health System	9,835	7	0.92	7,900	7	0.80
City of Portland	9,318	8	0.87	8,000	6	0.81
State of Oregon	7,559	9	0.71	6,700	9	0.68
Nike Inc.	7,000	10	0.65	6,100	10	0.62
Safeway Inc., Portland Division	-	-	-	13,453	3	1.36
Subtotal of Ten Largest Employers	112,622		8.98	100,520		8.63
All Other Employers	958,578		91.02	887,780		91.37
Total Portland MSA <sup>1</sup> Employment	<u>1,071,200</u> <sup>2</sup>		<u>100.00</u> %	<u>988,300</u>		<u>100.00</u> %

<sup>1</sup> Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

<sup>2</sup> As of June 2014, not seasonally adjusted.

Sources:

Portland Business Journal, Book of Lists published December 2005 & December 2014.

Oregon Employment Department, Workforce and Economic Research

**Schedule 14**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Full-time Equivalent District Employees by Assignment/Function**  
**Last Five Fiscal Years**

<u>Assignment/Function</u>	<b>Full-time Equivalent Employees for the Fiscal Year</b>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Teachers (1)	2,425.7	2,440.5	2,315.0	2,353.1	2,384.0
Educational Assistants	728.8	636.0	555.8	520.9	509.8
School Level Administration	141.0	140.6	142.9	144.2	142.3
District Level Administration	26.9	22.4	13.0	14.0	11.0
Other Staff (2)	<u>1,885.2</u>	<u>1,896.9</u>	<u>1,850.3</u>	<u>1,798.5</u>	<u>1,720.0</u>
<b>Total FTE</b>	<b><u>5,207.6</u></b>	<b><u>5,136.4</u></b>	<b><u>4,877.0</u></b>	<b><u>4,830.7</u></b>	<b><u>4,767.1</u></b>

**Note:**

- 1 In prior years, "Teachers" included Guidance Counselors- Non-SpEd and Library/Media Specialists. Beginning in 2009, ODE changed the classification of these employees to "Other Staff". The FTE data for years 2009-2011 have been revised to reflect this change.
- 2 In 2011, ODE modified its definition of FTE to include Extended Responsibility hours. "Other Staff" data of FY 2010-11 has been revised from 1,947.3 to 1,896.9 to reflect this change.

Source: PPS Data and Policy Analysis



Schedule 15  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**Meal and Transportation Services Provided**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009
<b>Nutrition Services</b>					
Number of Meals Served <sup>1</sup>					
Paid Meals	1,187,985	1,347,109	1,333,234	1,553,008	1,439,321
Reduced Meals	472,370	514,748	481,156	577,275	562,630
Free Meals	4,454,440	4,250,527	4,155,965	3,538,655	3,485,451
Total meals served	<u>6,114,795</u>	<u>6,112,384</u>	<u>5,970,355</u>	<u>5,668,938</u>	<u>5,487,402</u>
	19%	22%	22%	28%	26%
	8%	8%	8%	10%	10%
	73%	70%	70%	62%	64%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average Daily Breakfast Served	16,376	14,782	14,017	12,343	11,344
Average Daily Lunch Served	18,107	19,798	20,164	19,875	19,867
Student Participation	43.65%	50.17%	53.46%	52.45%	47.98%
<b>Transportation</b>					
Number of buses	245	234	241	240	239
Total miles traveled	2,985,868	2,635,510	2,848,220	3,006,996	2,914,877
Cost per mile	\$ 3.87	\$ 4.38	\$ 5.09	\$ 5.42	\$ 5.77
Area encompassed by District (sq mi)	160	160	160	160	160
<b>Nutrition Services</b>					
Number of Meals Served <sup>1</sup>					
Paid Meals	1,443,806	1,421,889	1,382,329	1,354,685	1,313,005
Reduced Meals	549,157	502,171	441,829	434,353	375,796
Free Meals	3,651,647	3,560,515	3,689,643	3,632,901	3,560,251
Total meals served	<u>5,644,610</u>	<u>5,484,575</u>	<u>5,513,801</u>	<u>5,421,939</u>	<u>5,249,052</u>
	25%	26%	25%	25%	25%
	10%	9%	8%	8%	7%
	65%	65%	67%	67%	68%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average Daily Breakfast Served	10,592	10,101	10,400	10,768	10,380
Average Daily Lunch Served	20,369	20,295	19,942	19,059	18,668
Student Participation	46.94%	46.96%	49.14%	47.00%	45.80%
<b>Transportation</b>					
Number of buses	252	258	257	263	254
Total miles traveled	3,317,636	3,265,683	3,019,548	3,392,622	3,156,795
Cost per mile	\$ 5.50	\$ 5.63	\$ 6.24	\$ 5.28	\$ 5.89
Area encompassed by District (sq mi)	160	160	160	160	160

<sup>1</sup> Number of meals served includes breakfast, lunch, snack, and supper.

<sup>2</sup> Student Participation percentage is calculated based on the average daily lunches served at elementary schools, middle schools, and high schools, over the average daily attendance (enrollment adjusted per industry factors) at the schools where nutrition services meals are served.

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years**

		Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Elementary Schools and Programs</b>												
<b>Abernethy (1925)</b>	(12)											
Gross Floor Area (sq ft): 50,358												
Elementary Enrollment			203	366	357	342	349	392	421	455	505	528
<b>Focus/Alt Prog (Environmental School)</b>	(13,8)		-	-	-	-	-	-	-	-	-	-
<b>Ainsworth w/Annex (1912)</b>												
Gross Floor Area (sq ft): 57,593												
Elementary Enrollment			499	492	509	493	520	528	551	568	569	576
<b>Alameda (1921)</b>												
Gross Floor Area (sq ft): 64,138												
Elementary Enrollment			630	669	678	697	717	744	774	782	769	773
<b>Arleta (1929)</b>	(6)											
Gross Floor Area (sq ft): 76,489												
Elementary Enrollment			332	313	370	387	420	420	428	422	462	476
<b>Astor (1948)</b>	(6)											
Gross Floor Area (sq ft): 47,360												
Elementary Enrollment			287	279	331	381	438	458	445	482	478	500
<b>Atkinson (1953)</b>												
Gross Floor Area (sq ft): 58,057												
Elementary Enrollment			553	558	549	524	535	491	484	447	440	441
<b>Beach (1928)</b>	(6)											
Gross Floor Area (sq ft): 70,404												
Elementary Enrollment			419	414	412	426	484	538	561	582	613	620
<b>Beverly Cleary (1959)</b>	(4)											
Gross Floor Area (sq ft): 90,664												
Elementary Enrollment			211	215	210	578	557	552	604	674	730	814
<b>Boise-Eliot/Humboldt (1926)</b>	(6,24)											
Gross Floor Area (sq ft): 61,369												
Elementary Enrollment			523	461	415	412	423	417	390	389	535	506
<b>Bridger (1951)</b>	(1,6,13,16,21)											
Gross Floor Area (sq ft): 45,142												
Elementary Enrollment			387	388	421	470	320	331	365	396	405	435
<b>Bridlemile (1958)</b>												
Gross Floor Area (sq ft): 59,037												
Elementary Enrollment			450	459	458	468	464	480	463	472	457	450
<b>Buckman (1921)</b>												
Gross Floor Area (sq ft): 82,023												
Elementary Enrollment			529	537	506	481	498	492	497	488	460	452
<b>Capitol Hill (1917)</b>	(12)											
Gross Floor Area (sq ft): 47,275												
Elementary Enrollment			255	335	341	354	321	357	351	371	403	405
<b>Cesar Chavez (1928)</b>	(4)											
Gross Floor Area (sq ft): 75,814												
Middle School Enrollment			339	325	401	587	499	484	477	453	473	483
<b>Chapman (1923)</b>	(13)											
Gross Floor Area (sq ft): 62,962												
Elementary Enrollment			414	453	478	476	532	544	522	562	592	646
<b>Chief Joseph/Ockley Green (1948)</b>	(10,12)											
Gross Floor Area (sq ft): 118,141												
Elementary Enrollment			234	393	359	361	370	377	408	481	459	642
<b>Creative Science School (1955)</b>	(1,6)											
Gross Floor Area (sq ft): 50,595												
Elementary Enrollment			-	-	-	-	260	301	305	356	388	425

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

	Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Creston w/ Annex (1948)</b>	(6,12)										
Gross Floor Area (sq ft): 80,940											
Elementary Enrollment		246	290	309	335	365	333	345	380	345	350
<b>Duniway (1926)</b>											
Gross Floor Area (sq ft): 67,492											
Elementary Enrollment		443	443	446	426	411	423	442	425	423	437
<b>Faubion (1951)</b>	(6)										
Gross Floor Area (sq ft): 57,846											
Elementary Enrollment		269	309	332	355	396	393	401	434	454	487
<b>Forest Park (1998)</b>											
Gross Floor Area (sq ft): 42,000											
Elementary Enrollment		456	517	508	502	512	501	507	491	502	490
<b>Glencoe (1923)</b>	(12)										
Gross Floor Area (sq ft): 64,378											
Elementary Enrollment		442	510	498	506	499	474	480	453	472	502
<b>Grout (1927)</b>	(16)										
Gross Floor Area (sq ft): 65,838											
Elementary Enrollment		320	310	333	349	339	346	361	359	371	377
<b>Harrison Park (1948)</b>	(1,18,21)										
Gross Floor Area (sq ft): 109,059											
Elementary Enrollment		499	500	508	507	719	732	751	751	757	742
<b>Hayhurst (1954)</b>	(13)										
Gross Floor Area (sq ft): 56,266											
Elementary Enrollment		353	358	345	329	351	385	396	420	412	415
<b>Humboldt (1959)</b>	(6,8,24)										
Gross Floor Area (sq ft): 46,865											
Elementary Enrollment		255	270	240	235	258	275	230	219	-	-
<b>Irvington (1932)</b>	(6)										
Gross Floor Area (sq ft): 65,285											
Elementary Enrollment		473	445	473	505	503	505	529	483	460	478
<b>James John (1929)</b>											
Gross Floor Area (sq ft): 63,697											
Elementary Enrollment		481	458	459	430	404	384	394	402	439	461
<b>Kelly w/ Kelly Center (1952)</b>	(21)										
Gross Floor Area (sq ft): 97,546											
Elementary Enrollment		478	484	439	464	468	467	509	570	626	622
<b>King (1927)</b>	(6)										
Gross Floor Area (sq ft): 88,957											
Elementary Enrollment		525	491	458	453	399	336	288	292	312	331
<b>Laurelhurst (1923)</b>	(6)										
Gross Floor Area (sq ft): 46,204											
Elementary Enrollment		558	581	561	536	606	708	704	684	665	673
<b>Lee (1953)</b>	(6)										
Gross Floor Area (sq ft): 73,276											
Elementary Enrollment		333	309	354	367	434	458	457	459	497	493
<b>Lent (1948)</b>	(6,21)										
Gross Floor Area (sq ft): 76,478											
Elementary Enrollment		355	366	400	475	528	549	561	577	573	604
<b>Lewis (1952)</b>											
Gross Floor Area (sq ft): 48,380											
Elementary Enrollment		271	301	293	310	349	374	396	393	400	414

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

		Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Llewellyn (1928)</b>												
Gross Floor Area (sq ft): 50,651												
Elementary Enrollment			298	301	309	341	396	434	485	543	583	570
<b>Maplewood (1948)</b>		(12)										
Gross Floor Area (sq ft): 35,022												
Elementary Enrollment			285	315	307	308	331	342	350	335	327	333
<b>Markham (1951)</b>		(12)										
Gross Floor Area (sq ft): 82,794												
Elementary Enrollment			301	398	359	349	360	376	376	384	383	393
Focus/Alt Prog Enrollment			-	-	-	-						
<b>Marysville (1921)</b>		(6,17,21)										
Gross Floor Area (sq ft): 53,490												
Elementary Enrollment			349	336	368	407	437	435	404	363	352	416
<b>Peninsula (1952)</b>		(6)										
Gross Floor Area (sq ft): 70,151												
Elementary Enrollment			271	254	299	326	370	375	361	358	368	376
<b>Rieke (1961)</b>												
Gross Floor Area (sq ft): 30,647												
Elementary Enrollment			266	267	280	322	348	371	356	416	388	388
<b>Rigler (1931)</b>		(3,6)										
Gross Floor Area (sq ft): 59,760												
Elementary Enrollment			466	442	538	562	525	596	588	524	449	463
<b>Rosa Parks (2006)</b>												
Gross Floor Area (sq ft): 45,147												
Elementary Enrollment			-	-	435	562	503	463	434	407	405	405
<b>Roseway Heights (1923)</b>		(4,23)										
Gross Floor Area (sq ft): 75,693												
Elementary Enrollment			433	429	406	660	565	578	551	589	616	606
<b>Sabin (1928)</b>		(2,6)										
Gross Floor Area (sq ft): 71,946												
Elementary Enrollment			413	422	432	451	363	348	362	392	420	485
<b>Scott (1949)</b>		(3)										
Gross Floor Area (sq ft): 62,681												
Elementary Enrollment			377	369	440	539	530	563	533	521	504	507
<b>Sitton (1948)</b>												
Gross Floor Area (sq ft): 58,762												
Elementary Enrollment			338	300	285	315	309	291	307	333	356	376
<b>Skyline (1963)</b>		(6)										
Gross Floor Area (sq ft): 37,245												
Elementary Enrollment			197	201	233	258	266	294	281	276	273	265
<b>Stephenson (1965)</b>												
Gross Floor Area (sq ft): 40,539												
Elementary Enrollment			348	325	310	320	327	335	324	335	329	320
<b>Sunnyside Environmental (1925)</b>		(13)										
Gross Floor Area (sq ft): 54,361												
Elementary Enrollment			459	443	501	542	565	585	580	608	605	587
<b>Vernon (1931)</b>		(3,6,16)										
Gross Floor Area (sq ft): 72,323												
Elementary Enrollment			386	384	404	453	394	397	376	500	440	394

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

Footnotes		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Vestal (1929)</b>	(6,16)										
Gross Floor Area (sq ft): 66,378											
Elementary Enrollment		322	294	343	389	428	433	451	420	395	402
<b>Whitman (1954)</b>	(21)										
Gross Floor Area (sq ft): 69,755											
Elementary Enrollment		421	404	384	370	369	372	347	361	351	349
<b>Winterhaven (1930)</b>	(16)										
Gross Floor Area (sq ft): 39,084											
Elementary Enrollment		296	339	344	335	345	345	352	346	352	356
<b>Woodlawn (1926)</b>	(12)										
Gross Floor Area (sq ft): 61,595											
Elementary Enrollment		409	531	450	424	462	449	478	443	439	449
<b>Woodmere (1954)</b>	(21)										
Gross Floor Area (sq ft): 59,293											
Elementary Enrollment		458	449	422	418	398	397	393	397	383	371
<b>Woodstock (1910)</b>											
Gross Floor Area (sq ft): 69,135											
Elementary Enrollment		343	338	384	407	443	433	466	491	508	505
<b>Middle Schools and Programs</b>											
<b>Beaumont (1926)</b>											
Gross Floor Area (sq ft): 94,431											
Middle School Enrollment		542	536	500	460	458	450	455	481	583	584
<b>George (1950)</b>											
Gross Floor Area (sq ft): 78,713											
Middle School Enrollment		473	403	383	328	375	388	364	360	385	373
<b>Gray (1952)</b>											
Gross Floor Area (sq ft): 60,624											
Middle School Enrollment		520	496	457	421	420	419	428	422	422	464
<b>Hosford (1925)</b>											
Gross Floor Area (sq ft): 77,050											
Middle School Enrollment		405	448	476	516	531	548	547	534	538	576
<b>Jackson (1966)</b>											
Gross Floor Area (sq ft): 247,779											
Middle School Enrollment		773	694	688	714	712	651	584	533	532	533
<b>Lane (1927)</b>											
Gross Floor Area (sq ft): 87,438											
Middle School Enrollment		592	553	527	489	419	397	398	441	486	505
<b>Mt. Tabor (1952)</b>											
Gross Floor Area (sq ft): 83,076											
Middle School Enrollment		696	676	633	588	555	559	579	593	606	628
<b>Sellwood (1925)</b>											
Gross Floor Area (sq ft): 86,823											
Middle School Enrollment		603	564	515	459	474	480	474	486	455	483
<b>West Sylvan (1954)</b>											
Gross Floor Area (sq ft): 104,009											
Middle School Enrollment		884	878	896	886	863	863	849	848	888	945

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

Footnotes		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>High Schools and Programs</b>											
<b>Benson (1916)</b>	(7)										
Gross Floor Area (sq ft): 410,910											
High School Enrollment		1,501	1,452	1,294	1,218	1,134	1,100	986	889	889	830
Focus/Alt Prog Enroll ( <b>Night Sch.</b> )	(8)	20	15	10	-	-	-	-	-	-	-
<b>Cleveland (1928)</b>	(21)										
Gross Floor Area (sq ft): 253,895											
High School Enrollment		1,332	1,449	1,472	1,528	1,516	1,553	1,570	1,520	1,532	1,523
<b>Franklin (1915)</b>	(5,21)										
Gross Floor Area (sq ft): 237,027											
High School Enrollment		1,547	1,404	1,283	1,233	1,007	1,032	1,036	1,480	1,469	1,460
<b>Grant (1923)</b>											
Gross Floor Area (sq ft): 275,173											
High School Enrollment		1,848	1,815	1,691	1,642	1,553	1,610	1,620	1,565	1,536	1,486
Focus/Alt Prog Enroll ( <b>Night Sch</b> )	(9,8)	76	91	-	-	-	-	-	-	-	-
<b>Jefferson (1909)</b>	(5,20)										
Gross Floor Area (sq ft): 360,911											
High School Enrollment		661	647	566	707	631	617	621	584	441	511
<b>Lincoln (1951)</b>											
Gross Floor Area (sq ft): 236,893											
High School Enrollment		1,444	1,485	1,498	1,404	1,335	1,395	1,410	1,476	1,513	1,565
<b>Madison (1955)</b>	(3,9)										
Gross Floor Area (sq ft): 370,112											
High School Enrollment		1,063	983	936	859	900	860	910	1,161	1,107	1,066
<b>Marshall (1960)</b>	(8,9,11,21)										
Gross Floor Area (sq ft): 271,427											
High School Enrollment		906	955	860	775	774	747	707	-	-	-
<b>Roosevelt w/ Auto Shop (1921)</b>											
Gross Floor Area (sq ft): 274,478											
High School Enrollment		850	778	794	730	703	681	683	748	828	914
Focus/Alt Prog Enrollment		-	-								
<b>Wilson (1954)</b>											
Gross Floor Area (sq ft): 326,062											
High School Enrollment		1,531	1,632	1,556	1,533	1,480	1,439	1,435	1,387	1,236	1,230

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Facilities with Focus/Alternative Programs</b>										
<b>daVinci (Monroe) (1928)</b>										
Gross Floor Area (sq ft): 99,219										
Focus/Alt Prog Enroll. ( <b>da Vinci</b> )	350	380	444	458	445	456	464	462	470	468
Focus/Alt Prog Enroll. ( <b>Monroe</b> ) (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enroll. ( <b>PIVOT</b> ) (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enroll. ( <b>Natv. Mont</b> ) (8)	23	22	9	22	20	-	-	-	-	-
<b>Meek (1953)</b> (16)										
Gross Floor Area (sq ft): 32,477										
Elementary Enrollment (8)	-	-	-	-	-	-	-	-	-	-
Focus/Alt Prog Enrollment (8)	146	117	-	-	-	-	-	-	-	-
<b>Metropolitan Learning Center (Couch) (1914)</b>										
Gross Floor Area (sq ft): 68,135										
Focus/Alt Prog Enrollment	439	447	439	444	424	443	440	447	455	440
<b>Richmond (1908)</b> (12)										
Gross Floor Area (sq ft): 77,070										
Elementary Enrollment	393	309	360	436	505	569	612	662	662	687
<b>Enrollment in other Focus/Alt. Programs</b>										
Focus/Alt Prog Enroll. ( <b>Alliance HS</b> ) (9)	-	-	366	292	288	267	223	233	222	183
Focus/Alt Prog Enroll. ( <b>Head Start</b> )	528	625	606	674	696	732	804	790	824	808
Focus/Alt Prog Enroll. ( <b>ACCESS</b> ) (2,23)	-	-	-	-	159	200	196	198	219	236
Focus/Portland International Scholars Academy (22)	-	-	-	-	-	-	-	-	-	10
Focus/Alt Prog Enroll. ( <b>Turnaround</b> ) (22)	-	-	-	-	-	-	-	21	19	22
Focus/Alt Prog Enroll. ( <b>ESL</b> ) (8)	-	-	-	-	-	-	-	-	-	-
<b>Inactive School and Other Facilities</b>										
<b>Applegate (1954)</b> (12,26)										
Gross Floor Area (sq ft): 26,101										
Elementary Enrollment	138	-	-	-	-	-	-	-	-	-
<b>Ball (1948) [sold in 2007]</b> (27)										
Gross Floor Area (sq ft): 0										
Elementary Enrollment	228	271	-	-	-	-	-	-	-	-
<b>BESC (1978)</b>										
Gross Floor Area (sq ft): 381,723										
<b>Binnsmead (1949)</b> (1)										
Middle School Enrollment	687	680	484	346	-	-	-	-	-	-
Gross Floor Area (sq ft): 0										
<b>Brooklyn (1930)</b> (16)										
Gross Floor Area (sq ft): 0										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-
<b>Child Service Center (1924)</b> (25,27)										
Gross Floor Area (sq ft): 0										
Focus/Alt Prog Enrollment	-	-	-	-	-	-	-	-	-	-
<b>Clarendon (1970)</b> (4,19)										
Gross Floor Area (sq ft): 42,958										
Elementary Enrollment	460	429	286	-	-	-	-	-	-	-
<b>Columbia Holding (1946)</b> (14,28)										
Gross Floor Area (sq ft): 37,746										
<b>Columbia Bus Barn Bldg (na)</b> (29)										
Gross Floor Area (sq ft): 9,600										
<b>Columbia Bus Parking (portable) (na)</b> (29)										
Gross Floor Area (sq ft): 960										
<b>Edwards (1961)</b> (12,28)										
Gross Floor Area (sq ft): 20,502										
Elementary Enrollment	199	-	-	-	-	-	-	-	-	-

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

	Footnotes	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Fernwood (1911)</b>	(4,19)										
Middle School Enrollment		582	466	347	-	-	-	-	-	-	-
Gross Floor Area (sq ft): 0											
<b>Foster (1962)</b>	(14,30)										
Gross Floor Area (sq ft): 12,462											
<b>Glenhaven Vocational Village (1913)</b>											
Gross Floor Area (sq ft): 63,714											
Focus/Alt Prog Enroll ( <b>Meek HS</b> )	(9)	-	-	-	-	-	-	-	-	-	-
<b>Green Thumb (1974)</b>											
Gross Floor Area (sq ft): 32,767											
<b>Gregory Heights (1923)</b>	(4,19)										
Gross Floor Area (sq ft): 95,438											
Middle School Enrollment		630	691	471	-	-	-	-	-	-	-
<b>Holladay Center w/ Annex (1961)</b>											
Gross Floor Area (sq ft): 61,457											
<b>Kellogg (1913)</b>	(5,31)										
Gross Floor Area (sq ft): 94,592											
Middle School Enrollment		591	482	269	-	-	-	-	-	-	-
<b>Kenton (1913)</b>	(12,28)										
Gross Floor Area (sq ft): 52,363											
Elementary Enrollment		166	-	-	-	-	-	-	-	-	-
<b>King Neighborhood Facility (1974)</b>	(28)										
Gross Floor Area (sq ft): 9,200											
<b>Mallory Site (portables) (na)</b>	(27)										
Gross Floor Area (sq ft): 0											
<b>Masonic Temple At Jefferson (na)</b>	(27)										
Gross Floor Area (sq ft): 0											
<b>Ockley Green (1925)</b>	(10)										
Gross Floor Area (sq ft): 0											
Elementary School Enrollment		385	318	442	389	337	299	310	269	243	-
<b>Rice (1956)</b>											
Gross Floor Area (sq ft): 16,990											
<b>Sacajawea (1953)</b>	(26)										
Gross Floor Area (sq ft): 18,751											
<b>Smith (1958)</b>	(12,30)										
Gross Floor Area (sq ft): 38,472											
Elementary Enrollment		219	-	-	-	-	-	-	-	-	-
<b>East Sylvan (1933) (Bldg used by W. Sylvan)</b>											
Gross Floor Area (sq ft): 24,986	(32)										
<b>Terwilliger (1917)</b>											
Gross Floor Area (sq ft): 24,646											
<b>Tubman w/ Annex (1952)</b>	(5)										
Gross Floor Area (sq ft): 96,860											
Middle School Enrollment		294	273	131	-	-	-	-	-	-	-
<b>Whitaker Lakeside Holding (1953)</b>	(12,19,27)										
Gross Floor Area (sq ft): 0											
Middle School Enrollment		289	-	-	-	-	-	-	-	-	-
<b>Wilcox (1959)</b>	(16)										
Gross Floor Area (sq ft): 19,102											
Elementary Enrollment		-	-	-	-	-	-	-	-	-	-
<b>Youngson (1955)</b>	(4,14,16)										
Gross Floor Area (sq ft): 32,824											
Elementary Enrollment		-	-	-	-	-	-	-	-	-	-



**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

Footnotes

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<b>Enrollment Summary:</b>										
Regular Programs										
Elementary Schools	22,169	22,142	22,671	23,817	24,625	25,145	25,397	25,992	26,577	27,051
Middle Schools	9,250	8,545	7,622	6,252	5,751	5,695	5,619	5,613	5,365	5,559
High Schools	12,683	12,600	11,950	11,629	11,033	11,034	10,978	10,810	10,551	10,585
Focus/Alternative Programs	1,370	1,317	1,430	1,432	1,587	1,642	1,663	1,689	1,739	1,699
Plus enrollment not normally within PPS facilities:										
Community Based Programs	1,171	1,308	1,303	1,342	1,282	1,206	1,275	1,150	1,207	1,055
Special Education Programs (7,13,14,15)	562	525	548	539	522	500	385	502	457	485
Public Charter Programs	<u>451</u>	<u>571</u>	<u>824</u>	<u>1,077</u>	<u>1,246</u>	<u>1,374</u>	<u>1,486</u>	<u>1,532</u>	<u>1,627</u>	<u>1,664</u>
Total Enrollment	<u>47,656</u>	<u>47,008</u>	<u>46,348</u>	<u>46,088</u>	<u>46,046</u>	<u>46,596</u>	<u>46,803</u>	<u>47,288</u>	<u>47,523</u>	<u>48,098</u>

**Gross Floor Area (sq ft) Summary:**

		<u>Oldest</u>	<u>Median</u>	<u>Newest</u>
Elementary Schools	3,534,380	102	72	8
Middle Schools	919,943	101	64	50
High Schools	3,016,888	105	88	55
Focus/Alternative Schools	276,901	106	93	61
Other Facilities	<u>1,253,298</u>	103	62	36
Total Gross Floor Area (sq ft)	<u>9,001,410</u>	106	67	8

Sources:

Gross Floor Area - PPS Facilities and Asset Management "Gross Floor Areas, Site Areas, and Year of Construction for Original Building on Site"; Rel. March 4, 2003. Gross area includes portables, fieldhouses, and tunnels; no unfinished attic space is included.

Office of Data and Policy - School Profiles and Enrollment Data, October 2012-2013. Enrollment counts are compiled on or about the first of October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated.

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

**Footnotes:**

Program type (i.e., elementary, middle, high, etc.) reflects the most recent administrative assignment. In recent years enrollment counts are compiled on or about the first of October. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once; the counts are unduplicated. Schools and programs that are no longer in operation are designated as 'closed'.

(1) For the 2008-09 school year, Binnsmead closed and Clark moved from the Clark site into the Binnsmead site. The Creative Science School Program (CSSP) expanded and moved from Bridger Elementary to the Clark site. Clark K-8 at Binnsmead was recently renamed Harrison Park K-8 school.

(2) The ACCESS Program is located at Sabin site but is a district-wide alternative education program drawing students district wide. Starting in 2008-09 the enrollment for ACCESS has been separated from Sabin elementary. Access was sharing Sabin location and on Sept. 2013 relocated to Rose City Park (note#23).

(3) For the 2008-09 school year, Scott and Rigler remained K-7 schools, and those students that matriculated from 7th to 8th grade attended the Madison 8th grade academy. For 2009-10, Scott and Rigler became K-8 Schools. For the 2011-12 school year, Rigler neighborhood 7th and 8th graders attended Vernon.

(4) For the 2007-08 school year, Clarendon ES and Portsmouth MS merged to form a KG-8 school. Enrollment counts for years prior to 2007-08 for Clarendon consist of grades KG-5 only. Enrollment counts for Portsmouth prior to 2007-08 are contained in the MS section of this report. Enrollment counts for the two schools should have been put into Portsmouth MS instead of Clarendon ES. FY 2009-10, enrollment for both schools is captured in the Portsmouth MS line in the elementary section of the report and Clarendon ES is moved to the inactive list. On July 17, 2010, Clarendon-Portsmouth was renamed Cesar Chavez. Similarly, Hollyrood ES and Fernwood MS merged to form a KG-8 school (renamed Beverly Cleary) as did Rose City Park ES and Gregory Heights MS (renamed Roseway Heights). Square Footage for Beverly Cleary @ Fernwood and Beverly Cleary @ Hollyrood is now under Beverly Cleary.

(5) For the 2007-08 school year, Kellogg MS was closed. Eighth grade students that would have been enrolled at Kellogg for the 2007-08 school year were enrolled at Franklin HS. Tubman MS was also closed and a new Young Women's Academy was opened on the Tubman campus as part of Jefferson High School. Effective 2011-12, students in the Jefferson cluster have the choice to attend either the new Jefferson Middle College program or a neighborhood comprehensive high school program at Roosevelt, Madison or Grant, depending on where they live within the Jefferson cluster boundaries. Young Women's Academy was closed in FY 11-12. BESS is using this space as a storage for furniture since it was vacant.

(6) Transitioning or recently transitioned to KG - 8.

(7) Day and Residential Treatment Programs (Long Term Care and Treatment) are located at Whiteshield, Nickerson, Johns Landing, Breakthrough and Hand in Hand sites. The administrative department is located at Benson High School.

(8) No students enrolled for current school year.

(9) For the 2006-07 school year, Meek Professional Technical HS, Portland Night HS at Grant, Marshall Night HS, and Madison Focus (shown in Madison enrollment in prior years) merged to form Alliance High School.

(10) For the 2006-07 school year, Ockley Green converted from a Middle School to a KG-8, and Kellogg and Portsmouth no longer received sixth grade students. Due to overcrowding at Ockley Green, the School was merged with Chief Joseph to form Chief Joseph/Ockely Green K-8.

(11) For the 2005-06 school year, two high schools located at the Marshall campus, Linus Pauling Academy and Portland Academy of International Studies, merged into one school renamed Pauling Academy of Integrated Sciences.

(12) Applegate, Edwards, Kenton, Richmond and Smith Elementary Schools were closed at the end of the 2004-05 school year. Whitaker Middle school was closed as well. Most elementary school-aged students residing in the Applegate neighborhood area went on to attend Woodlawn. Similarly, students residing in the Edwards neighborhood area went on to attend Abernethy, those at Kenton to Chief Joseph; those at Richmond to Abernethy, Creston or Glencoe; and those at Smith went on to Capitol Hill, Maplewood or Markham. Most middle school students residing in the Whitaker neighborhood area went on to attend Tubman. A new focus/option school was established at the Richmond ES site. Applegate is now used for Headstart. Edwards is now leased to Trillium Service. Kenton is leased to Delasalle North School.

(13) For the 2004-05 school year, the Environmental Middle School combined with Sunnyside Elementary and was renamed as Sunnyside Environmental School. In addition, the Odyssey program and its students (formerly at Chapman Elementary) moved to Hayhurst Elementary. The Family Cooperative program (formerly at Sunnyside) moved to Bridger Elementary.

(14) Pioneer Schools consist of elementary, middle and high school programs. It was formerly known as ES B Program at Youngson, MS B Program at Foster and HS B Program at Columbia.

**Schedule 16**  
**SCHOOL DISTRICT NO.1J, MULTNOMAH COUNTY, OREGON**  
**School Building and Student Enrollment Information**  
**Last Ten Fiscal Years (continued)**

**Footnotes (continued):**

(15) As of the 2003-04 school year, enrollment summaries no longer include the following programs: Hospital Programs (Emanuel, Oregon Health Science University, Shriners Hospitals); M.E.S.D. Functional Living Skills; Portland Early Intervention Program (PeiP) and Columbia Regional Programs (Autism, Deaf and Hard of Hearing, Orthopedic and Vision Oregon State and Oregon State and Services). Administration of the Hospital Programs, Functional Living Skills and PeiP was transferred to Multnomah Education Service District (M.E.S.D.). Historically, enrollments reported for Columbia Regional Programs represent non-District students served by PPS staff on a part-time basis. For purposes of State reporting, membership (i.e., enrollment) the Columbia Regional Program students are reported by the resident District.

(16) Brooklyn and Meek Elementary Schools were closed at the end of the 2002-03 school year. Most students residing in the Brooklyn neighborhood area went on to attend Grout Elementary, while those residing in the Meek neighborhood area attended Vernon Elementary. Similarly, Wilcox and Youngson Elementary Schools were closed at the end of the 2001-02 school year. Most students residing in the Wilcox neighborhood area went on to attend Vestal Elementary, while those residing in the Youngson neighborhood area attended Bridger Elementary. Winterhaven now operates in the Brooklyn Building. Square Footage which was at Brooklyn is now recorded at Winterhaven and Brooklyn square ft. is now zero. Youngson facility is now used for Special Education.

(17) On November 10, 2009, a portion of the Marysville K-8 school was destroyed as a result of a fire. Marysville K-8 school students and staff were moved into the Roseway Heights building temporarily until the school was renovated. Marysville moved out of Roseway Heights in December, 2012 and moved back to Marysville location in January, 2013.

(18) Clark K-8 @ Binnsmead was renamed Harrison Park K-8 school in July 2009.

(19) In FY 2009-10 Gregory Heights MS, Clarendon ES and Fernwood were moved to the inactive list. The Whitaker Lakeside site no longer has a building on it, but the District still owns the land. We have removed the square footage, but have kept the site on the inactive list. Whitaker Lakeside will be removed once there is no activity for the enrollment for the last ten years. Whitaker Lakeside will remain on the list for zero square footage until that time.

Whitaker Lakeside is no longer owned by PPS. It was sold out to NAYA on 10/28/2009. In FY 14-15 Clarendon facility was re-activated for Early Learning and Headstart.

(20) In FY 2009-10, at Jefferson High School, the Academy of Arts & Tech; Science & Tech; School of Champions; School of Pride and the Young Men's Academy programs within Jefferson High School were closed. The Young Men's Academy students returned to Jefferson.

(21) As of 7/1/2011, Marshall High School no longer operated as a high school. Students in the Harrison Park K-8 School area attend Madison High School. Students in the Kelly and Woodmere Elementary School areas, and the Bridger, Lent and Marysville K-8 areas, attend Franklin High School. Students in the Whitman Elementary School area attend Cleveland High School.

(22) For FY 2011-12, the Focus/Alt Program enrollment of 21 at Turnaround includes the Teen Parent Program (4) and Ramona Early Children (17). In FY 13-14 International Scholars Academy started at this site.

(23) In 2007 Rose City Park was consolidated with Gregory Heights. After the consolidation the building was named as Roseway Heights. Roseway Height location became inactive in December, 2012. On September, 2013 Access Academy relocated in Roseway Heights Building.

(24) Humboldt closed on June 30, 2012. Students from Humboldt now attend the Boise-Elliott location.

(25) The North parcel of the Children's Service Center(CSC)site, formerly Washington High School, was sold to private development. The South site parcel is under review for building demolition and resale pending City and DEQ regulation. It is now referred to as the DEQ site.

(26) Applegate and Sacajawea facility is now used for Headstart Program.

(27) Sold- Entity building sold in current and prior year, therefore Sq.ft. is removed from total. The schools remain on the list while students remain on the list, for 10 years.

(28) Leased- Edwards is leased to Trillium. Kenton is leased to Delasalle North School. King Neighborhood Facility is leased to N.E.C.N. Columbia Holding is leased to part of Bridger K-8.

(29) Columbia Bus Barn Bldg. and Columbia Bus Parking (portable) facility is now used for Transportation Services.

(30) Vacant/Inactive- Foster and Smith are now vacant and inactive.

(31) Kellogg - Vacant facility is now used by BESC for storage of furniture.

(32) East Sylvan facility is used by Eastand West Sylvan. East Sylvan has 6th grade and West Sylvan has 7th-8th grade.

All Student numbers are represented under West Sylvan data.





INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS

**DRAFT**

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

Board of Education  
School District No. 1J, Multnomah County  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon, (the District) as of and for the year ended June 30, 2014, and have issued our report thereon dated [DATE].

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.
- Public charter school requirements.

**COMPLIANCE (Continued)**

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

**State School Fund Factors and Calculation:**

- The District did not properly withdraw one student, from our sample of sixty students, who was absent for more than ten consecutive days.

**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Deficiencies in internal control, if any, were communicated separately.

**RESTRICTIONS ON USE**

This report is intended solely for the information and use of the Board of Directors, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

Lake Oswego, Oregon  
DATE



## Portland Public Schools Nondiscrimination Statement

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Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. It is the policy of the Portland Public School Board that there will be no discrimination or harassment of individuals or groups on the grounds of age, color, creed, disability, marital status, national origin, race, religion, sex or sexual orientation in any educational programs, activities or employment.

Board of Education Policy 1.80.020-P

### Contact Information for Civil Rights Matters

---

District Title VI and Title IX: Greg Wolleck  
District 504: Tammy Jackson  
American Disabilities Act: Human Resources

Phone: 503-916-3963  
Phone: 503-916-2000 x71004  
Phone: 503-916-3544

### 2013-14 CAFR Preparation

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Neil Sullivan, RSBO, CGFM, Chief Financial Officer (Retired)  
Sharie Lewis, CPA, Sr. Director, Accounting and Payroll Services  
David Wynde, Deputy Chief Financial Officer & Budget Director

#### Accounts Payable

Harriet Deary, CAPP, Sr. Mgr. Accounts Payable  
Tami Christenson, AP Accountant I  
Bethany DeMello, AP Clerk  
Jeannie Langston, AP Accountant I  
Shawn Martinez, AP Accountant I  
Gretta Robert, AP Accountant I

#### General Ledger/Financial Reporting

Cheryl Anselone, Sr. Manager General Ledger  
Darwin Dittmar, Sr. Bond Accountant  
Cynthia Duley, Student Body Funds  
General Ledger Accountant III  
Premila Kumar, General Ledger Accountant III  
Amoy Williamson, CPA, Student Body Funds  
Auditor

#### Grant Accounting

David Shick, CPA, Sr. Manager Grant Accounting  
Christie Christie, Sr. Financial Analyst  
Ruby Beecham, Grant Accountant III  
Sheri Lee, Grant Accountant III  
Chris Roe, Grant Accountant III

#### Payroll

Ondra Matthews, CPP, Sr. Manager Payroll  
Jeanette Riopelle, CPP, Payroll Functional Lead  
Elaine Budlong, Sr. Payroll Specialist  
Debbie Chan, FPC, Sr. Payroll Coordinator  
Shawna Geer, Payroll Clerk I  
Connie Preci, Payroll Specialist PERS  
Marina Vlasenko, FPC, Sr. Payroll Specialist  
Tori Hilbruner, Sr. Payroll Specialist

#### Treasury / Accounts Receivable

Barb Gibbs, Sr. Manager Treasury  
Jeanne Morgan, Sr. Mgr. Financial Systems  
Jill Bellone, Accounts Receivable Accountant II  
Kathleen Hiigel, Financial Systems Analyst  
Matthew Howe, Accounts Receivable Clerk  
Teresa Eckblad, Accounts Receivable Clerk

Special thanks to Sara Bottomley, Assistant Budget Director and the Budget Department staff

School District No. 1J, Multnomah County, Oregon

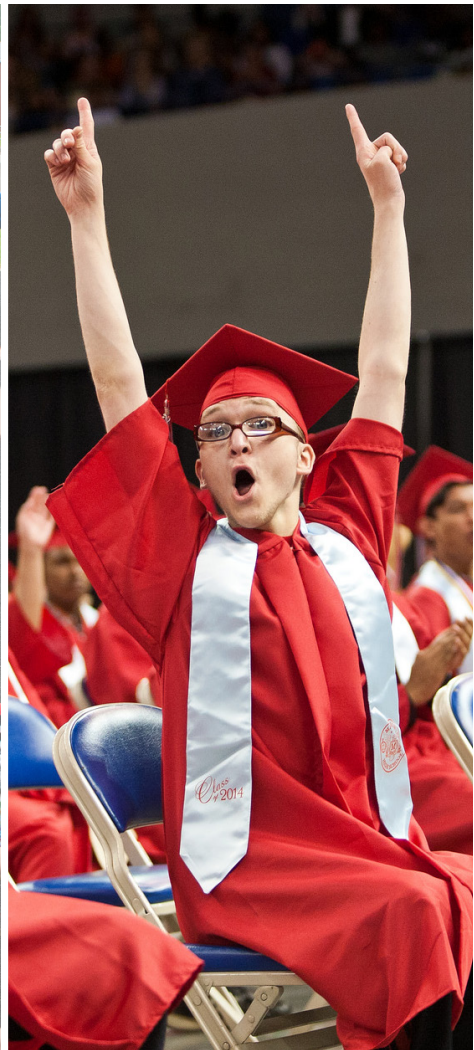
# PORTLAND PUBLIC SCHOOLS



DRAFT  
11/20/2014

## REPORT ON REQUIREMENTS OF THE SINGLE AUDIT ACT and OMB CIRCULAR A-133

For the year ended June 30, 2014



**Founded in 1851, Portland Public Schools** is the largest PK-12 school district in Oregon. PPS serves 48,745 students, an increase of more than 2,500 in the last six years. Superintendent Carole Smith, entering her seventh year at PPS, is among the longest serving urban superintendents nationally.

With highly trained teachers and staff; an engaged parent community; strong partnerships, and a focus on closing the racial educational opportunity gap, PPS is realizing consistent gains in its graduation rate and, thanks to the state Legislature, funding is also improving. In addition, PPS is modernizing its aging schools thanks to the School Building Improvement Bond approved by voters in 2012.



Photographs in the 2013-14 Report feature the increasing focus in Portland Public Schools in:

- Continued improvement in the high school graduation rate.
- Early literacy (including the PPS Third Grade Reading Campaign launched in 2013-14).
- Science Technology Engineering and Math (STEM).
- The Arts (the Portland Arts Tax put art teachers in every K-8 level school in 2013-14 for the first time in years).
- Career learning and Career Technical Education.
- Athletics as a way to build character and community. All Portland high schools reunited under the Portland Interscholastic League in 2013-14 at the 6A level. A new middle school sports program builds the PIL foundation.
- A broad range of partnerships including with such higher education institutions as Oregon State University (pictures with Beaver football players reading to students); University of Oregon; Portland State University, and Portland Community College to smooth the path from high school to college.

Learn more about Portland Public Schools at [www.pps.net](http://www.pps.net)

DRAFT  
11/20/2014

Portland Public Schools

**Report on Requirements of the Single Audit  
Act and OMB Circular A-133**

**For the year ended June 30, 2014**

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

Prepared by the Accounting and Payroll Services Department

**School District No. 1J,  
Multnomah County, Oregon  
Portland Public Schools**

DRAFT  
11/20/2014

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
School District No. 1J, Multnomah County, Oregon  
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [DATE].

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**REPORT ON THE INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (Continued)**

DRAFT  
11/20/2014

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

By: \_\_\_\_\_  
Timothy R. Gillette, Partner

Lake Oswego, Oregon

[DATE]



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
School District No. 1J, Multnomah County, Oregon  
Portland, Oregon

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited School District No. 1J, Multnomah County, Oregon (the District's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
OMB CIRCULAR A-133 (Continued)**

DRAFT  
11/20/2014

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
OMB CIRCULAR A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated [DATE], which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
OMB CIRCULAR A-133 (Continued)**

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
OMB CIRCULAR A-133 (Continued)**

statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lake Oswego, Oregon  
[DATE]



**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>DEPARTMENT OF AGRICULTURE</b>								
<b>Office of Food and Nutrition Service</b>								
<b>Child Nutrition Cluster</b>								
10.553	<b>School Breakfast Program (SBP)</b>							
	Donated Foods	202		7/1/2013	6/30/2014		243,311 <sup>1</sup>	
	School Breakfast Program	202	26-555-201	7/1/2013	6/30/2014	Pass-Through	2,701,212	
							2,944,523	
10.555	<b>National School Lunch Program (NSLP)</b>							
	Donated Foods	202		7/1/2013	6/30/2014		668,972 <sup>1</sup>	
	National School Lunch Program	202	26-555-201	7/1/2013	6/30/2014	Pass-Through	7,092,753	
							7,761,725	
10.559	<b>Summer Food Service Program for Children (SFSPC)</b>							
	Summer Food Service Program for Children	202	USDA Food Program Assistance	7/1/2013	6/30/2014	Pass-Through	555,510	
<b>Total Pass-Through Programs from Child Nutrition Cluster</b>							<b>11,261,758</b>	
10.558	<b>Child and Adult Care Food Program</b>							
	Donated Foods	202		7/1/2013	6/30/2014		108,842 <sup>1</sup>	
	Child Care Food Program - Head Start	G0339	USDA Food Program Assistance	7/1/2013	6/30/2014		435,469	
	Child and Adult Care Food Program	202	USDA Food Program Assistance	7/1/2013	6/30/2014	Pass-Through	799,300	
							1,343,611	
10.575	<b>Farm to School Grant Program</b>							
	Farm to School Implementation Grant	G1297	CN-F2S-IMPL-13-OR-01	12/1/2012	11/28/2014	Direct	53,573	
10.579	<b>Child and Adult Care Food Program</b>							
	CACFP Wellness Mini-grant	G1236	24618	2/8/2012	11/29/2013	Pass-Through	3,465	
10.582	<b>Fresh Fruit and Vegetable Program (FFVP)</b>							
	Fresh Fruit and Vegetable Grants	G1381	30156 - 30177	7/1/2013	6/30/2014	Pass-Through	462,682	

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11/20/2014

**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
10.665	<b>Office of Forest Service</b> <b>Forest Service Schools and Roads Cluster</b> <i>Schools and Roads - Grants to States</i>	101	USDA Schools and Roads	7/1/2013	6/30/2014	Pass-Through	29,300	
Total Pass-Through Programs from Forest Service Schools and Roads Cluster							29,300	
Total Direct							53,573	
Total Pass-Through Programs from Oregon Department of Education							12,636,047	
Total Pass-Through Oregon Nutrition Services							435,469	
Total Pass-Through Programs from Multnomah County							29,300	

**DEPARTMENT OF AGRICULTURE Total**

13,154,389

**DEPARTMENT OF DEFENSE**

**Office Of The Secretary of Defense**

*The Language Flagship Grants to Institutions of Higher Education*

12.550	Mandarin Chinese Flagship Grant	G1273	271420A	6/1/2012	5/31/2015		381,951	
Total Pass-Through Programs from University of Oregon							381,951	

**DEPARTMENT OF DEFENSE Total**

381,951

**DEPARTMENT OF EDUCATION**

**Office Of Vocational And Adult Education**

*Career and Technical Education - Basic Grants to States*

84.048	Carl Perkins - 12/13	G1255	24849	7/1/2012	9/30/2013		89,495	
	Carl Perkins - 13/14	G1328	27380	7/1/2013	9/30/2014	Pass-Through	270,306	
							359,801	

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11/20/2014

**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>Office Of Special Education and Rehabilitative Services</b>								
<b>Special Education Cluster (IDEA)</b>								
<b>Special Education - Grants to States</b>								
84.027	Columbia Regional	G1386	29704	7/1/2013	8/31/2014		1,631,312	
	Columbia Regional	G1342	IGA 59939	7/1/2013	6/30/2015		3,751,857	
	Extended Assessment - 13/14	G1339	27681	7/1/2013	6/30/2014		22,500	
	I.D.E.A.	G1258	26774	7/1/2012	9/30/2014		3,047,646	
	I.D.E.A.	G1331	28535	7/14/2013	9/30/2015		2,364,221	
	IDEA Enhancement Grant - 12/13	G1256	26557	10/1/2012	9/13/2013		12,252	
	Portland DART Schools	G1205	Contract 9147	7/1/2011	6/30/2013		76	
	Portland DART Schools	G1344	29675	7/1/2013	6/30/2015		115,610	
	Special Ed - SPR&I	G1334	27981	8/1/2013	6/30/2014		21,199	
	TBI Liaison - 13/14	G1350	28968	7/1/2013	6/30/2014	Pass-Through	10,000	
						Pass-Through	10,976,673	
84.173	<b>Special Education Preschool Grants</b>							
	IDEA Part B, 619 11/13	G1230	24272	7/1/2011	9/30/2013		14	
	Early Intervention Audiology	G1312	27704	7/1/2013	6/30/2014		69,971	
	IDEA Part B, 619 12/14	G1283	26343	7/1/2012	9/30/2014	Pass-Through	87,302	
						Pass-Through	157,287	
Total Pass-Through from Special Education Cluster (IDEA)							11,133,960	
84.326	<b>Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</b>							
	SWIFT Schools	G1383	29653	6/1/2013	8/31/2014	Pass-Through	23,545	
84.126	<b>Rehabilitation Services - Vocational Rehabilitation Grants to States</b>							
	Oregon Commission for the Blind	G1330	IGA 59920	7/1/2013	9/30/2014	Pass-Through	115,000	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.181	<b>Special Education - Grants for Infants and Families</b> Early Intervention Audiology	G1313	27704	7/1/2013	6/30/2014	Pass-Through	15,152	
84.305E	<b>Institute of Education Sciences</b> <i>Evaluation of State &amp; Local Education Programs and Policies</i> Effect of Dual-Language Immersion on Achievement	G1281	Sub Award 9920120119	7/24/2012	6/30/2014	Pass-Through	40,000	
84.324A	<b>Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities</b> My Life: Evaluation of Self Determination Early Vocab Instruction & Intervention in Kindergarten	G1159 G1299	R324A100166 R324A110135	6/1/2010 8/1/2012	5/31/2014 6/30/2014		19,954 2,996	
						Pass-Through	<u>22,950</u>	
84.010	<b>Office Of Elementary and Secondary Education</b> <b>Title I , Part A Cluster</b> <i>Title I Grants to Local Education Agencies</i> Priority & Focus 12/13 - Lane Priority & Focus 12/13 - Scott Priority & Focus 12/13 - Sitton Priority & Focus 12/13 - Vernon Priority & Focus 12/13 - Whitman Priority & Focus 12/13 - Woodmere Priority & Focus 12/13 - Caesar Chavez Priority & Focus 12/13 - Jefferson Priority & Focus 13/14 - Lane Priority & Focus 13/14 - Rigler Priority & Focus 13/14 - RosaPark Priority & Focus 13/14 - Scott Priority & Focus 13/14 - Sitton Priority & Focus 13/14 - Vernon	G1287 G1291 G1292 G1293 G1294 G1296 G1285 G1286 G1353 G1355 G1356 G1357 G1358 G1359	26923 26927 26928 26929 26930 26932 26921 26922 28343 28344 28345 28346 28347 28348	8/1/2012 8/1/2012 8/1/2012 8/1/2012 8/1/2012 8/1/2012 8/1/2012 8/1/2012 7/1/2013 7/1/2013 7/1/2013 7/1/2013 7/1/2013 7/1/2013	9/30/2013 9/30/2013 9/30/2013 9/30/2013 9/30/2013 9/30/2013 9/30/2013 9/30/2013 9/30/2014 9/30/2014 9/30/2014 9/30/2014 9/30/2014 9/30/2014		11,709 6,906 24,830 15,802 13,884 8,184 21,799 26,146 34,388 48,129 36,024 51,435 39,614 26,576	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>Title I Grants to Local Education Agencies - (Continued)</b>								
	Priority & Focus 13/14 - Whitman	G1360	28349	7/1/2013	9/30/2014		33,491	
	Priority & Focus 13/14 - Woodlawn	G1361	28350	7/1/2013	9/30/2014		46,338	
	Priority & Focus 13/14 - Woodmere	G1362	28351	7/1/2013	9/30/2014		29,249	
	Priority & Focus 13/14 - Caesar Chavez	G1351	28341	7/1/2013	9/30/2014		20,991	
	Priority & Focus 13/14 - Cheif Joseph	G1354	30666	7/1/2013	9/30/2014		31,423	
	Priority & Focus 13/14 - Jefferson	G1352	28342	7/1/2013	9/30/2014		20,749	
	Priority & Focus Improvement	G1278	25659	8/1/2012	9/30/2013		386	
	Title 1 - Central	G1248	25325	7/1/2012	9/30/2014		1,310,488	
	Title 1 - Central	G1321	28205	7/1/2013	9/30/2014		6,630,089	
	Title 1 - School Budgets	G1247	25325	7/1/2012	9/30/2014		78,722	
	Title 1 - School Budgets	G1320	28205	7/1/2013	9/30/2014		4,328,939	
	Title 1D	G1249	25187	7/1/2012	9/30/2013		6,514	
	Title 1D	G1322	28273	7/1/2013	9/30/2014		62,475	
	Title 1 - Priority/Focus	G1391	28205	7/1/2013	9/30/2014	Pass-Through	103,259	
						Pass-Through	13,068,539	
				Total Pass-Through from Title I, Part A Cluster			13,068,539	
84.011	<b>Migrant Education - State Grant Program</b>							
	Title IC - Migrant Education	G1250	25386	7/1/2012	9/30/2013		2,949	
	Title IC - Migrant Education	G1323	29966	7/1/2013	9/30/2014		124,174	
	Title IC - Migrant Summer	G1252	27291	4/15/2013	9/30/2013		29,042	
	Title IC - Migrant Summer	G1325	31065	4/15/2014	9/30/2014		8,845	
	Title IC - Migrant Education - Preschool	G1251	25405	7/1/2012	9/30/2013	Pass-Through	3,356	
						Pass-Through	168,366	
84.013	<b>Title I State Agency Program for Neglected and Delinquent Children and Youth</b>							
	Portland DART Schools	G1207	Contract 9147	7/1/2012	6/30/2013		113	
	Portland DART Schools	G1345	29645	7/1/2013	6/30/2014	Pass-Through	247,063	
						Pass-Through	247,176	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.060A	<b>Indian Education - Grants to Local Educational Agencies</b>							
	Indian Education	G1259	S060A120938	7/1/2012	7/30/2013		18,329	
	Indian Education	G1332	S060A130938	7/1/2013	6/30/2014	Direct	159,844	
							<u>178,173</u>	
84.196	<b>Education for Homeless Children and Youth</b>							
	McKinney-Vento Homeless Education	G1269	28801	7/1/2013	9/30/2014	Pass-Through	58,909	
84.330	<b>Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)</b>							
	Advanced Placement Fee Payment Program	G0972	Agreement	7/1/2009	6/30/2014	Pass-Through	77,360	
84.360A	<b>High School Graduation Initiative</b>							
	School Dropout Prevention Program	G1116	S360A100137	10/1/2010	9/30/2015	Direct	1,422,739	
84.365	<b>English Language Acquisition Grants</b>							
	Title III - Language Instruction	G1187	23004	7/1/2011	9/30/2013		192,203	
	Title III - Language Instruction	G1254	25156	7/1/2012	9/30/2014		456,806	
	Title III - Language Instruction	G1327	30042	7/1/2013	9/30/2014	Pass-Through	515,955	
							<u>1,164,964</u>	
84.367	<b>Improving Teacher Quality State Grants</b>							
	Title IIA - Teacher Quality	G1253	25556	7/1/2012	9/30/2014		314,354	
	Title IIA - Teacher Quality	G1326	28726	7/1/2013	9/30/2014		1,886,790	
	Title IIA - Private School Allocation	G1310	28726	7/1/2013	9/30/2014	Pass-Through	116,279	
							<u>2,317,423</u>	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>School Improvement Grants Cluster</b>								
<i>School Improvement Grants</i>								
84.377	School Improvement - Roosevelt	G1271	24905	6/1/2012	9/30/2014		155,157	
	School Improvement - Madison	G1274	24911	6/1/2012	9/30/2013		57,217	
	School Improvement - King	G1275	24910	6/1/2012	9/30/2013		144,443	
	Priority & Focus Improvement - Ockley Green	G1288	27176	8/1/2012	9/30/2013		(12,789) <sup>2</sup>	
	Priority & Focus Improvement - Rosa Parks	G1290	27177	8/1/2012	9/30/2013		13,533	
	Priority & Focus Improvement - Woodlawn	G1295	27178	8/1/2012	9/30/2013		12,844	
	Priority & Focus Improvement	G1300	25659	8/1/2012	9/30/2013		169	
	School Improvement - Madison	G1348	28057	7/1/2013	9/30/2015		1,009,805	
	School Improvement - King	G1349	28056	7/1/2013	9/30/2015		432,485	
	Priority & Focus Improvement - Woodlawn	G1459	31397	5/9/2014	9/30/2015		133	
						Pass-Through	1,812,997	
Total Pass-Through from School Improvement Grants Cluster							1,812,997	
<b>Twenty-First Century Community Learning Centers (CLCs)</b>								
84.287	21st Century CLCs - Cohort 2	G1197	23404	7/1/2011	9/30/2013		17,819	
	21st Century CLCs - Cohort 2	G1263	25044	7/1/2012	6/30/2014		90,770	
	21st Century CLCs - Cohort 1	G1264	25029	7/1/2012	6/30/2013		4,007	
	21st Century CLCs - STEM Opportunity Initiative	G1301	27199	2/5/2013	12/31/2013		6,733	
	21st Century CLCs - EL Opportunity Initiative - Cohort 2	G1302	27224	2/5/2013	12/31/2013		6,733	
	21st Century CLCs - EL Opportunity Initiative - Cohort 1	G1303	27223	2/5/2013	12/31/2013		46	
	21st Century CLCs - Cohort 2	G1335	28287	7/1/2013	6/30/2014		236,990	
	21st Century CLCs - Cohort 1	G1336	28310	7/1/2013	9/30/2015		123,960	
						Pass-Through	487,058	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>Office of English Language Acquisition</b>								
<i>Foreign Language Assistance</i>								
84-293A	Pathways to Proficiency in Russian	G0988	T293A100191	7/1/2010	6/30/2013		3,840	
84-293B	Foreign Language Assistance Project	G0938	T293B090123	9/1/2009	8/31/2013		14,082	
						Direct	<u>17,922</u>	
<b>Office of Innovation and Improvement</b>								
<i>Voluntary Public School Choice</i>								
84-361A	Voluntary Public School Choice	G0882	U361A070010	10/1/2007	9/30/2013	Direct	159,806	
<b>Office of Postsecondary Education</b>								
<i>Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)</i>								
84-334A	College Ahead Program- GEAR UP	G1188	P334A110243	9/26/2011	9/25/2018	Direct	1,197,494	
							<b>2,976,134</b>	
							<b>30,935,250</b>	
							<b>115,000</b>	
							<b>40,000</b>	
							<b>19,954</b>	
							<b>2,996</b>	

**DEPARTMENT OF EDUCATION Total**

**34,089,334**

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<b>Administration For Children And Families</b>								
<b>CCDF Cluster</b>								
93.575	<i>Child Care and Development Block Grant</i>							
	Teen Parent (Federal - Oregon Employment Department)	G1377	ODE No. 14-034, IGA 60136	7/1/2013	6/30/2014	Pass-Through	67,886	
Total Pass-Through Programs Child Care and Development Fund Cluster							67,886	
93.600	<b>Head Start</b>							
	Head Start	G1201	10CH0004/37	11/1/2011	10/31/2012		13,878	
	Head Start	G1266	10CH0004/38	11/1/2012	10/31/2013		245,833	
	Head Start	G1338	10CH0193/01	11/1/2013	10/31/2014		3,415,088	
Direct							3,674,799	
93.708	<b>Head Start, Recovery Act</b>							
	Kindergarten Assessment Project	G1311	27549	6/1/2013	8/31/2013	Pass-Through	1,500	
93.658	<b>Foster Care - Title IV-E, Recovery Act</b>							
	Foster Care Transportation	G1234	IGA 58988	9/1/2011	8/31/2016	Pass-Through	73,062	
<b>Centers for Medicare and Medicaid Services</b>								
<b>Medicaid Cluster</b>								
<b>Medical Assistance Program</b>								
93.778	Regional Durable Medical Equipment	S0027	Medicaid Revenue	7/1/2013	6/30/2014		3,588	
	Third Party Medical - Dedicated Healthcare	S0085	Medicaid Revenue	7/1/2013	6/30/2014		30,311	
	Third Party Medical - Early Childhood	S0268	Medicaid Revenue	7/1/2013	6/30/2014		1,506	
	Third Party Medical - Pioneer	S0278	Medicaid Revenue	7/1/2013	6/30/2014		3,000	
	Third Party Medical - Speech Pathology	S0279	Medicaid Revenue	7/1/2013	6/30/2014		31,826	
Total Pass-Through Programs from Medicaid Cluster							70,231	

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**School District No. 1J, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2014**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
93.767	<i>Children's Health Insurance Program</i> Oregon Healthy Kids	G1174	135489/IGAR58340	5/15/2011	6/30/2013	Pass-Through	(44) <sup>2</sup>	
93.243	<i>Substance Abuse And Mental Health Services Administration</i> <i>Substance Abuse And Mental Health Services - Projects of Regional and National Significance</i> Proactive Classroom Management	G1149	5U79SM060302-02	9/30/2010	9/29/2015	Direct	106,069	
							3,780,868	
							67,886	
							73,018	
							71,731	
							3,993,503	
							51,619,177	

Total Direct Programs	3,780,868
Total Pass-Through Programs from OR Department of Education Child Care Division	67,886
Total Pass-Through Programs from Oregon Department of Human Services	73,018
Total Pass-Through Programs from Oregon Department of Education	71,731

**DEPARTMENT OF HEALTH AND HUMAN SERVICES Total**

**GRAND TOTAL**

This schedule is prepared on the modified accrual basis of accounting.

<sup>1</sup> Donated food is valued at estimated fair value. Donated food was allocated between 10.553, 10.555 and 10.558.

<sup>2</sup> Refunds/credits due to final reporting issues.

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**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2014**

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**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	None reported

**Federal Awards:**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of <i>Circular A-133</i> ?	No

Identification of major programs:

<b>CFDA NUMBER(S)</b>	<b>NAME OF FEDERAL PROGRAM OR CLUSTER</b>
12.550	The Language Flagship Grant to Institutions of Higher Education
84.010	Title I , Part A
84.060	Indian Education - Grants to Local Educational Agencies
84.365	English Language Acquisition Grants
93.600	Head Start



**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

DRAFT

**YEAR ENDED JUNE 30, 2014**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS (Continued)**

Dollar threshold used to distinguish between type A and B programs:	\$ 1,548,575
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Reported

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Reported.



**SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2014**

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**Finding 2013-01, 2013-02, 2013-03, 2013-04**

Condition: The District has not properly designed and implemented a process for all purchasing card (PCard) transactions resulting in the transactions not being subjected to a proper control environment (reviewed and approved at the appropriate level).

Corrective Action: Beginning in May 2014 the District implemented new P-Card software with more built in controls than the prior system in use. The District also pulled 100% of PCard transactions for the year and audited them to assure proper review had occurred.

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## Portland Public Schools Nondiscrimination Statement

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Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. It is the policy of the Portland Public School Board that there will be no discrimination or harassment of individuals or groups on the grounds of age, color, creed, disability, marital status, national origin, race, religion, sex or sexual orientation in any educational programs, activities or employment.

Board of Education Policy 1.80.020-P

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### Contact Information for Civil Rights Matters

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District Title VI and Title IX:

Greg Wolleck

Phone: 503-916-3963

District 504:

Tammy Jackson

Phone: 503-916-2000 x71004

American Disabilities Act:

Human Resources Department

Phone: 503-916-3544

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### 2012-13 Single Audit Act and OMB Circular A-133 Preparation

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Chief Financial Officer

Senior Director of Accounting and Payroll

Neil Sullivan, RSBO, CGFM (Retired)

Sharie Lewis, CPA

#### Grant Accounting

Sr. Manager of Grant Accounting

Sr. Financial Analyst

Grant Accountant III

Grant Accountant III

Grant Accountant III

David Shick, CPA

Christie Christie

Chris Roe

Sheri Lee

Ruby Beecham

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# Board of Education Informational Report

## MEMORANDUM

**Date:** December 2, 2014  
**To:** Members of the Board of Education  
**From:** Korinna Wolfe, Senior Director, Multiple Pathways to Graduation  
**Subject:** Multiple Pathways to Graduation Update

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This memorandum provides a brief update on the schools and programs within the Multiple Pathways to Graduation Department.

The Multiple Pathways to Graduation Department services consist of a continuum of educational options designed to support the following student populations:

- students who have dropped out of school and/or who are significantly off-track from graduation
- students who are credit deficient and in need of credit recovery options
- students who are enrolled in a charter school
- students who have been unsuccessful in previous school environments
- students who are pregnant and parenting
- students who are struggling with significant mental health issues
- students who are in day and residential treatment facilities

Most recent updates for 2014-2015:

- Reconnection Services data revealed that 486 students did not re-enroll in school in 2014-2015. After initial outreach efforts, 182 households received personal visits through the door-knocking campaign in September 2014. As a result of the 2014-2015 door-knocking campaign 114 students re-enrolled in school.
- Reconnection Services has provided outreach services for over 4,102 middle and high school students who have been at risk of being unenrolled or who have dropped out over the past five years. Of these students, the Reconnection Center has served 1027 students and 2,526 students have been re-engaged and enrolled in PPS schools district-wide.
- Teen Parent Services provides wrap around services to students in more than 20 schools annually district wide. District-provided child care increases graduation rates for teen parents by more than 35%.
- Charter schools serve more than 1,600 students in grades K-12 annually. In 2013-2014, 8 charter schools enrolled 1,664 students. In the current 2014-2015 school year, our nine charter schools have 1,764 students enrolled.
- Alliance Alternative High School is located on two campuses. New this year, Alliance High School on the Meek campus is implementing a social-emotional learning and CTE curriculum to raise student achievement by creating a safe and caring school culture to promote both the academic and intrapersonal

needs of students.

- Alliance Alternative High School on the Benson Campus offers a robust individual proficiency-based program in cooperation with the Reconnection Center.
- Seven Day and Residential Treatment (DART) Schools serve students placed in Mental Health treatment by the Department of Human Services or the Oregon Youth Authority in facilities within the Portland Public School district boundaries.
- Contracted Community Based Alternative Schools (CBOs) serve over 2,200 students, ages 12-21, annually needing alternative school placement in middle and high school.

#### Next Steps:

- Implement recommendations from the segmentation analysis via a 'Request For Proposal' for contracted alternative programs in 2015-2016 in order to situate options in the geographic areas with the highest demand for services.
- Align the Alternative High School Accountability Framework Report card with other metrics of performance.
- Work with the Office of College and Career Readiness within the Office of School Performance to collaborate with workforce and postsecondary partners to enhance and expand Reconnection Services to students who have not re-engaged in education.
- Support Alliance in making shifts required by Advanced Accreditation Process requiring CTE enhancements and increased student retention and achievement.
- State legislative advocacy for continued funding for students needing to receive education services while enrolled in an Oregon Department of Education Long Term Care and Treatment facility as defined by the state.

#### Attachments:

- PPS High School Segmentation Analysis
- Alternative High School Accountability Report 2012-13 Pilot
- Districtwide Alternative and community-based programs and charter schools brochure
- Teen Parent Services Data Sheet 2009-2010 through 2013-2014
- Teen Parent Services Students Neighborhood High School by zip code 2009-2010 through 2013-2014
- Multiple Pathways Enrollment trends by Program Type 2007-08 through 2013-2014
- Multiple Pathways Learning and Credit Options Enrollment Trends by Program Type 2007-2008 through 2013-2014
- Graduation Rates for PPS Teen Parent Seniors 2009-2010 through 2013-2014
- PPS Districtwide Four Year Graduation Rate by Number of Disciplinary Exclusions by Incidents
- Multiple Pathways Current Programs 2014-2015 Students Average Exclusion History by Incidents
- Multiple Pathways Current Learning and Credit Options 2014-2015 Students Average Exclusion History by Incidents
- Special Education Representation in Multiple Pathways compared to Districtwide
- ESL Representation in Multiple Pathways compared to Districtwide
- Male representation in Multiple Pathways compared to Districtwide
- Learning and Credit Options-Credits Earned



# PPS Alternative Schools

501 N Dixon Street, Portland, OR 97227 | Program Director: Carla Gay | Students: 2628 | Grade Levels: 9-12

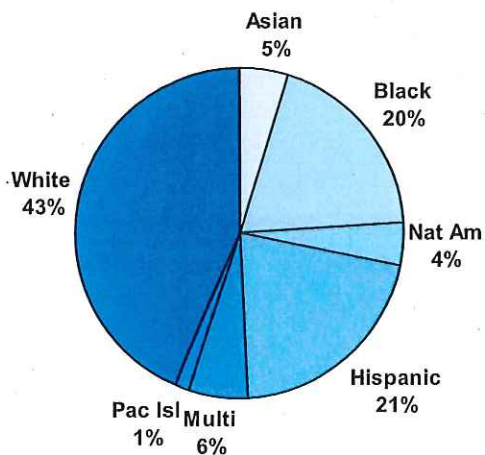
## Program Description

The Multiple Pathways to Graduation Mission is to provide educational options for all youth that empower, engage, and prepare them for college, work training, and citizenship while serving as a vanguard for systemic educational change. Portland Public Schools' Alternative Education Options has contracted with approximately 15 community-based education agencies or organizations in the Portland area to serve students who have dropped out or are at risk of dropping out of PPS schools.

## Student Demographics 2012-13

	Total Students	Students of Color	Male	Mean Age at Entry	Age Range	Pregnant/Parenting	Special Education	Homeless	ELL
Alt Ed (Gr 9-12)	2,628	56.4% (n=1481)	56.0% (n=1472)	17.3	13-21	7.3% (n=191)	22.0% (n=579)	9.8% (n=257)	6.5% (n=171)
PPS District (Gr 9-12)	14,424	45.9% (n=6617)	51.5% (n=7428)	15.9	13-21	1.7% (n=249)	16.6% (n=2388)	3.5% (n=503)	5.0% (n=723)

## Race/Ethnic Distribution 2012-13



## Student History



4

• Average number of PPS schools attended prior to enrollment



12

• Average number of weeks out of PPS schools prior to enrollment



Fr - 1

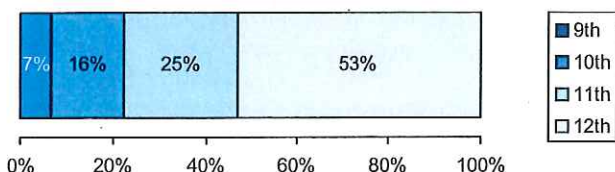
So - 4

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• Average number of credits upon entry by grade level

## Grade Levels Served 2012-13







# Alternative High School Accountability Report — 2012-13 Pilot



## Data Metrics 2012-13

Academic Progress	<p><b>*SKILL GROWTH (READING):</b> Percent of students who meet or exceed growth targets</p> <p>56% CASAS (N=160)</p> <p>53% MAP (N=190)</p>
	<p><b>*SKILL GROWTH (MATH):</b> Percent of students who meet or exceed growth targets</p> <p>56% CASAS (N=281)</p> <p>45% MAP (N=309)</p>
	<p><b>Credit attainment:</b> Percent of students who meet targets for the number of credits earned for length of enrollment or earn their maximum required credits while in school</p> <p>26% (N=1757)</p>
Successful Completion	<p><b>One-year graduation rate:</b> Percent of students eligible for graduation who graduate within one year</p> <p>35% (N=583)</p>
	<p><b>College-ready GED attainment rate:</b> Percent of students who meet/exceed GED target composite score</p> <p>38% (N=357)</p>
	<p><b>*POSTSECONDARY READINESS:</b> Postsecondary readiness measured by performance on COMPASS or ACT</p> <p>NO DATA AVAILABLE</p>
School Connection	<p><b>Average daily attendance:</b> Percent of students who attended 85% or more school days</p> <p>51% (N=1364)</p>
	<p><b>Growth in attendance:</b> Percent of students that show growth in their individual daily attendance rates compared to their individual attendance rate in the previous school year</p> <p>50% (N=1479)</p>
	<p><b>*ANNUAL RETENTION RATE:</b> Percent of students enrolled who were retained through the end of the school year or who completed</p> <p>71% (N=2448)</p>
School Climate	TO BE DETERMINED

\*Highlighted metrics are considered more critical in the accountability framework.

### Data Points 2012-13

Overall Completion Rate: 593 students  
 Exit Survey Completion: 1193 students  
 Average Hourly Attendance: 127.6 hours (N=1431)

### Scale

Insufficient	Needs Improvement	Growing	Proficient	Exemplary
≤20%	21-40%	41-60%	61-80%	≥81%

**ALTERNATIVE ACCOUNTABILITY METRIC DEFINITIONS**

<b>Metric</b>	<b>Description</b>	<b>Inclusion Criteria</b>	<b>Target</b>
<b>Skill Growth in Reading and Math on either MAP or CASAS</b>	Percent of Students who meet or exceed growth targets	Students who have: -45 Days/75 Hours of Enrollment -Pre and Post Scores -Just Reading: Below 10th Grade Reading	MAP: 3 point gains  CASAS: 5 point gains
<b>Credit Attainment</b>	Percent of students who meet targets for the number of credits earned for length of enrollment or earn their maximum required credits while in school	Students who have: -45 Days/75 Hours of Enrollment	-1.5+ credits for 45-85.9 days OR -3+ credits for 86-128.9 days OR -4.5+ credits for 129-171.9 days OR -6+ credits for 172+ days
<b>One Year HS Graduation Rate</b>	Percent of students eligible for graduation who graduate within one year	Students with -16 credits or more at the beginning of the year OR -19 credits or more at the beginning of semester 2 OR -21 credits or more at the beginning of summer term	Earn a HS Diploma
<b>College Ready GED attainment rate</b>	Percent of students who meet/exceed GED target composite score	Students who earned a GED by passing all 5 tests by July 1, 2013.	540 Composite Score
<b>Postsecondary Readiness</b>	Percent of students who meet/exceed target college readiness scores on COMPASS or ACT	Students who take the COMPASS at PCC or ACT through PPS.	COMPASS: 88 Reading 56 Algebra  ACT: 18 English 22 Math
<b>Average Daily Attendance</b>	Percent of days attended by students enrolled at the school	Students who have daily attendance data	85%
<b>Growth in Attendance</b>	Percent of students that show growth in their individual daily attendance rates compared to their individual daily attendance rate in the previous school year	All students who attended a school for whom PPS has prior year average daily attendance rates and who attend the school for 45 days or more.	Increase attendance from prior year OR Maintain 85% attendance or greater.
<b>Annual Retention Rate</b>	Percent of students enrolled at an alternative school and retained from the point of enrollment to the end of the year	Students who attended during the school year and did not transfer outside of the district prior to the end of the school year.	-complete with HSD or GED -remain enrolled
<b>School Climate</b>	TBD	TBE	TBD

Highlighted metrics are considered more critical in the accountability framework

## Alternative High School Exit Survey 2012-13 District Results

Total Surveys: 1,193

Q1. What school do you attend now?

School	Percent	N
Alliance Benson	4%	46
Alliance Meek	7%	81
DePaul	9%	108
Helensview	7%	89
Mt Scott HS	9%	111
NAYA	4%	47
New Avenues	3%	39
Open Meadow HS	9%	113
Outside In	1%	12

School	Percent	N
Pathfinder	1%	16
PCC Gateway to College	8%	94
PCC MAP	4%	48
PCC YES	5%	63
POIC/Rosemary Anderson HS	13%	157
Portland Youth Builders	6%	67
SE Works	2%	24
Youth Employment Institute	5%	57
Youth Progress Association	0%	3

Q2. On average, how many hours do you work at a job each week outside the home?

None	1 - 10	11 - 15	16 - 20	21 or more	Total N
815	163	60	68	82	1188
69%	14%	5%	6%	7%	

Q3. How many schools have you attended since Kindergarten?

1	2	3	4	5	>= 5	Total N
37	37	144	221	218	535	1192
3%	3%	12%	19%	18%	45%	

Q4. Prior to the 9th grade were you ever retained (held back a grade) in school?

Yes	No	Total N
145	1045	1190
12%	88%	

Q5. Which of the following have you participated in during this school year?

	Percent	N
School-sponsored sports	19%	223
An Internship or job shadow program	12%	148
Tutoring or homework help	26%	307
School-sponsored clubs, activities, or after school programs	21%	251
Community activities or clubs	18%	209
A community service group or project	25%	297
Some other type of activities	4%	50
None of the above	36%	428

## Alternative High School Exit Survey 2012-13 District Results

Q6. How much do you agree or disagree with the following statements as they apply to your current school and your experience there?

	Strongly Agree	Agree Somewhat	Disagree Somewhat	Strongly Disagree	Total N
I can be myself at this school.	69%	26%	4%	2%	1190
I feel like I belong at this school.	53%	33%	9%	4%	1189
I have friends at this school.	55%	32%	8%	4%	1188
I am comfortable talking to teachers at this school about problems.	55%	32%	9%	4%	1189
I feel safe at school.	65%	29%	4%	3%	1189
Other students at school care about me.	32%	45%	16%	7%	1189
My family/guardian(s) are there for me when I need them.	61%	26%	9%	4%	1190
Overall adults at my school treat students fairly.	54%	36%	6%	3%	1190
Students at my school are there for me when I need them.	34%	40%	19%	7%	1188
When I have problems at school my family/guardians are willing to help me.	54%	32%	10%	4%	1190
Adults at my school listen to the students.	54%	37%	7%	3%	1189
Other students here like me the way I am.	47%	40%	9%	3%	1188
At my school, teachers care about students.	64%	31%	3%	2%	1188
Students here respect what I have to say.	40%	44%	12%	4%	1189
Most teachers at my school are interested in me as a person, not just as a student.	50%	38%	9%	3%	1188
When something good happens at school, my family/guardian(s) want to know about it.	51%	32%	12%	6%	1190
My teachers are there for me when I need them.	56%	35%	7%	2%	1190
My family/guardian(s) want me to keep trying when things are tough at school.	68%	26%	4%	2%	1188
I enjoy talking to the students here.	48%	36%	12%	5%	1190
I have some friends at school.	54%	35%	8%	4%	1188
The school rules are fair.	49%	36%	10%	5%	1189
Overall, my teachers are open and honest with me.	57%	35%	6%	2%	1190
I enjoy talking to the teachers here.	54%	36%	7%	2%	1190

Q7. How much do you agree or disagree with each of the following statements?

	Strongly Agree	Agree Somewhat	Disagree Somewhat	Strongly Disagree	Total N
I want to do well at this school.	89%	9%	1%	1%	1192
I pay attention in class.	53%	41%	5%	1%	1192
I take school seriously.	63%	32%	4%	1%	1192
I give my best effort at school.	56%	35%	7%	2%	938
I am able to succeed in school.	73%	22%	3%	1%	1192
I am able to succeed in a job.	70%	25%	4%	1%	1193

## Alternative High School Exit Survey 2012-13 District Results

Q8. Immediately after obtaining your high school diploma or GED, what are your plans?

	Percent	N
Enroll in a four-year college/university	18%	214
Enroll in a community college	36%	427
Enroll in a technical/trade school	3%	31
Join the military	4%	47
Enter an apprenticeship program	3%	30
No immediate plans at this time	15%	176
Take a year off, then continue school	11%	133
Other	7%	83
None of the above	4%	46

Q10. What is the HIGHEST level of education you plan to complete?

	Percent	N
Graduate degree beyond four-year college degree	27%	327
Four-year college degree - BA/BS	27%	327
Two-year college degree - AA	17%	205
Technical/Vocational school certificate	3%	32
Achieve journey worker certificate in a trade	2%	23
High school diploma	14%	167
GED	9%	106

Q9. Immediately after obtaining your high school diploma or GED, do you plan to enter the workforce?

Yes	No	Not Sure	Total N
679	136	376	1191
57%	11%	32%	

Q11. How sure are you that you will earn your high school diploma?

	Percent	N
Very sure I'll earn my diploma	62%	744
I'll probably earn my diploma	24%	286
I probably won't earn my diploma	6%	71
Very sure I won't earn my diploma	7%	87

Q12. How much do you agree or disagree with each of the following statements?

	Strongly Agree	Agree Somewhat	Disagree Somewhat	Strongly Disagree	Total N
I will need to support myself financially after I graduate from high school.	59%	33%	7%	2%	1192
I will support my family financially after I graduate from high school.	42%	36%	14%	8%	1190
I can afford to go to postsecondary education (PSE).	17%	38%	29%	16%	1183
I need to go to postsecondary education to get the job I want.	35%	34%	21%	9%	1182
I think I can be successful in postsecondary education.	41%	43%	11%	5%	1186
I have enough information about my postsecondary options.	29%	45%	19%	7%	1188

Q13. Have you?

	Yes	No	Not Sure	Total N
Filled out an application to enroll in PSE	14%	70%	16%	1179
Submitted an application to enroll in PSE	13%	71%	16%	1177
Been accepted to PSE	11%	72%	18%	1171
Taken the community college placement test	19%	70%	11%	1176
Taken the SAT and/or ACT exam	17%	69%	14%	1173
Earned any college credit while in high school	17%	68%	15%	1175
Filled out a financial aid form such as the FAFSA	26%	62%	12%	1176
Submitted a financial aid form such as the FAFSA	22%	65%	12%	1171



# PORTLAND PUBLIC SCHOOLS

## Districtwide alternative and community-based programs, and charter schools



Students whose needs are not met effectively in traditional school settings have options in Portland Public Schools. Here is an overview of district-operated alternative programs, community-based programs and charter schools.

### DISTRICTWIDE ALTERNATIVE SCHOOLS

Learn more: [www.pps.k12.or.us/departments/education-options](http://www.pps.k12.or.us/departments/education-options), click on District-Operated Programs  
For information on enrolling in these programs, contact Portland Public Schools Direction Services, 503-916-3956 or [reconnect@pps.net](mailto:reconnect@pps.net)

#### Alliance High School

- **Alliance @ Benson:** Addresses needs of students who have not been successful in a traditional school environment, day and night classes and individualized instruction offer flexible scheduling, 546 N.E. 12th Ave., 503-916-6486, contact: Jennifer Coomes, Counselor, Drake Shelton, Vice Principal 503-916-2000 x77118
- **Alliance @ Meek Professional Technical:** Personalized environment focused on professional technical education, social-emotional skills, and high school graduation, 4039 N.E. Alberta Court, 503-916-5747, contact: Christina Rilatt, Secretary, Luke Saporito, Counselor, Lorna Fast Buffalo Horse, Principal

#### ACCESS @ Sabin (1-8)

Rigorous academic program that provides curriculum acceleration and enrichment for students who perform at the 99th percentile in one or more academic or intellectual area and who meet other alternative education criteria. In addition ACCESS focuses on the social emotional developments of our students while fostering their thirst for knowledge. 4013 NE 18th Ave., 503-916-6482, contact: David Wood, Administrator.

#### Metropolitan Learning Center (K-12)

Unique academic program, rich with tradition and adaptive to the changing needs of students and their families, and focused on experiential learning, character development, service to its community and the pleasures of life and learning. 2033 N.W. Glisan St., Portland, 503-916-5737, [www.pps.k12.or.us/schools/mlc](http://www.pps.k12.or.us/schools/mlc), contact: Shannon McClure, Assistant Principal.

**Learning and Credit Options:** Programs that offer credit for proficiency, credit by exam, credit for work/work volunteer experiences, online and blended options to recover credit and face-to-face programs to earn or recover credit. 503-916-6130 x 71730, contact: Diane Berthoin-Hernández, Assistant Director

- **Credit by Exam:** Credit for proficiency, credit by exam, credit for work/volunteer experiences, 503-916-6130 x71730, contact: Diane Berthoin-Hernández, Assistant Director
- **Portland Evening Scholars @ Benson:** Tuition-based program for students wanting to earn or recover credit, or improve a grade, 546 N.E. 12th Ave., 503-916-2000 x77112, contact: Ginger Taylor, Vice Principal, [gtaylor1@pps.net](mailto:gtaylor1@pps.net)
- **Portland Summer Scholars:** Tuition-based summer program for students wanting to earn or recover credit, or improve a grade, 503-916-5439, contact: Ginger Taylor, Vice Principal, [gtaylor1@pps.net](mailto:gtaylor1@pps.net)
- **Portland Virtual Scholars Program:** Online and blended learning options to earn initial credit or recover credit, 503-916-6130 x71730 contact: Diane Berthoin-Hernández, Assistant Director

## Other Alternative Programs

- **Teen Parent Services**, provides academic and personal support to pregnant and parenting students, 4039 N.E. Alberta Court, 503-916-5858, contact: Cheryl James, Program Director, 503-916-2000 ext. 71522
- **Reconnection Services**, Intervention, outreach, reengagement and placement services for disconnected youth, grades 6-12. This includes the High School Graduation Initiative (HSGI) Grant. 503-916-3956 [reconnect@pps.net](mailto:reconnect@pps.net), contact: Jocelyn Bigay-Salter, Program Director
- **Reconnection Center**, short-term transition program for high school students who have left school and want to re-enter, 503-916-3821, [cgay@pps.net](mailto:cgay@pps.net), contact: Carla Gay, Program Administrator

## COMMUNITY-BASED PROGRAMS

Learn more: [www.pps.k12.or.us/departments/education-options](http://www.pps.k12.or.us/departments/education-options), click on 'Community-Based Programs.'

For information on enrolling in these programs, contact Portland Public Schools Direction Services, 503-916-3956 or [reconnect@pps.net](mailto:reconnect@pps.net).

Program Director, Community-Based Programs: TBA, 503-916-3812

**Middle School Programs** are designed to provide high structure and support for students who have academic or behavioral challenges in a traditional middle school setting.

- **Mt. Scott Learning Center (Gr 6-8)**, 6148 S.E. Holgate Blvd., 503-771-8880, contact: Laura Thompson, Office Manager, [enrollment@mtscott.org](mailto:enrollment@mtscott.org)
- **Open Meadow Middle School (Gr 6-8)**, 7602 N. Emerald, 503-978-0809, [www.openmeadow.org](http://www.openmeadow.org), contact: Michael Navarro, [michael@openmeadow.org](mailto:michael@openmeadow.org)

**High School Programs** are designed to develop academic and social skills while students earn high school credit toward a diploma. Once students earn a diploma (or a GED for old and far students) they receive support in transitioning to a post-secondary education

**High School To Post-Secondary Education:** Enrolls youth ages 14-20 who have struggled academically and or behaviorally in a traditional school setting.

- **Helensview**, 8678 N.E. Sumner, 503-262-4150, [www.mesd.k12.or.us/ae/Helensview](http://www.mesd.k12.or.us/ae/Helensview), contact: Nanette Cooper [ncooper@mesd.k12.or.us](mailto:ncooper@mesd.k12.or.us)
- **Mt. Scott Learning Center**, 6148 S.E. Holgate Blvd., 503-771-8880, [www.mtscottlearningcenters.org](http://www.mtscottlearningcenters.org), contact: Laura Thompson, Office Manager, [enrollment@mtscott.org](mailto:enrollment@mtscott.org)
- **NAYA Early College Academy**, 5135 N.E. Columbia Blvd., 503-972-2461, [www.nayapdx.org](http://www.nayapdx.org), contact: Tamara Henderson [tamarah@nayapdx.org](mailto:tamarah@nayapdx.org)
- **Open Meadow Senior Success Program**, 7633 N. Wabash, 503-285-0508, [www.openmeadow.org](http://www.openmeadow.org), contact: Sarah Head, [sarah@openmeadow.org](mailto:sarah@openmeadow.org)
- **Rosemary Anderson High School/Portland Opportunities Industrialization Center (RAHS/POIC)**, 717 N. Killingsworth Court, 503-797-7222, [www.portlandoic.org](http://www.portlandoic.org), contact: Bob Brandts [bbrandts@portlandoic.org](mailto:bbrandts@portlandoic.org)  
Provides ELL services, teen parent services, GED preparation and employment training

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**Post Secondary Transition For Older Students:** Enrolls youth ages 17-20 who are too over-age and under-credit to attain a high school diploma before turning 21.

- **New Avenues for Youth**, 314 S.W. 9th Ave., 503-517-3918, [www.newavenues.org](http://www.newavenues.org), contact: Adah Rodriguez, [arodriguez@newavenues.org](mailto:arodriguez@newavenues.org). Serves homeless youth; provides pregnancy and parenting, drug/alcohol, mental health, employment and transitional housing services
- **Outside In**, 1132 S.W. 13th Ave. (school address: 1195 S.W. 11th Ave.), 503-445-0973, [www.outsidein.org](http://www.outsidein.org), contact: Amanda Monahan, [amandam@outsidein.org](mailto:amandam@outsidein.org). Serves homeless and low-income youth.
- **Portland Youth Builders**, 4816 S.E. 92nd Ave., 503-286-9350, [www.pybpdx.org](http://www.pybpdx.org), contact: Elise Huggins, [elise.huggins@pybpdx.org](mailto:elise.huggins@pybpdx.org). Education, leadership development, vocational training in construction or computer technology, and postsecondary support.

## COMMUNITY-BASED PROGRAMS CONTINUED

**SE Works**, 7916 S.E. Foster Road, Suite 104, 503-772-2300, [www.seworks.org](http://www.seworks.org), contact: Gary Myers, Director, [gmyers@seworks.org](mailto:gmyers@seworks.org)

**Portland Community College Links Alternative Programs:** Enrolls youth ages 16-20 who have struggled academically and/or behaviorally; or who are too over-age and under-credit to attain a high school diploma before turning 21..

[www.pcc.edu/pccprep](http://www.pcc.edu/pccprep)

- **YES to College:** GED and ESOL preparation for entry into college coursework and career pathway programs.  
For GED information: @ Cascade Campus: Tracie Memmott, 971-722-5372; @ Rock Creek Campus: Mathilda Lee, 971-722-7129; @ Southeast Campus: Chris Hamreus, 971-722-6294; @ Sylvania Campus: Marlo Urbina, 971-722-4751  
For ESOL information @ any campus: Spanish: Vanessa Hernandez, 971-722-2915; Russian: Emma Zwaschka, 971-722-6029; Chinese: Mathilda Lee, 971-722-6110. Other languages contact Emma or Mathilda.
- **Gateway to College:** High school completion program. Students earn HS diploma and college credits. Info line: 971-722-6225. Contact: [pccprep@pcc.edu](mailto:pccprep@pcc.edu). Phone: 971-722-6213

**Residential Programs:** Enrolls students ages 10-20 who are referred from the state for residential treatment.

- **DePaul Alternative High School**, 4310 NE Killingsworth St., Portland, OR 97218, (503) 535-1150x1104, [jackiem@depaul.org](mailto:jackiem@depaul.org) contact: Jackie Motzer. Provides residential drug and alcohol treatment.
- **Youth Progress**, 2020 SE Powell Blvd., Portland, OR 97202, (503) 233-6121, Contact: Nathan Abbott, Program Manager [nabbott@youthprogress.org](mailto:nabbott@youthprogress.org)

## CHARTER SCHOOLS

**Program Director, Charter Schools: Kristen Miles, 503-916-3359, [kmiles@pps.net](mailto:kmiles@pps.net). Families should contact schools directly to find out about application deadlines. Learn more: [www.pps.k12.or.us/departments/education-options](http://www.pps.k12.or.us/departments/education-options), click on Charter Schools**

Charter schools provide innovative programs with specific educational philosophies and/or delivery models that offer additional options for students and families within the Portland Public Schools system.

### Portland Arthur Academy (K-5)

7507 SE Yamhill St., 97215 503-257-3936, [www.arthuracademy.org](http://www.arthuracademy.org)

Contact: Susan McCool, [smccool@arthuracademy.org](mailto:smccool@arthuracademy.org)

Portland Arthur Academy Public Charter School seeks to accelerate achievement and learning for all students. The program achieves success through a highly organized incremental mastery program. Using a highly researched direct instruction program gives teachers the best tools possible to clearly communicate the academic message. This entails the students mastering their tasks daily before moving on to the next skill. Through positive structured expectations, Portland Arthur Academy creates a safe, thriving learning environment for all students.

### Emerson Public Charter School (K-5)

105 N.W. Park, 97209 503-525-6124, [www.emersonschool.org](http://www.emersonschool.org)

Contact: Tara O'Neil, [info@emersonschool.org](mailto:info@emersonschool.org)

Parents play a key role in the Emerson Public Charter School community. Families come from all quadrants of the city, creating a school culture that honors and celebrates individual and community diversity. The integrated, project-based curriculum continually builds on students' previous learning and experiences. Real-world problem solving, purposeful field studies and student interest are combined with direct instruction in reading, writing, and math to create a strong and comprehensive curriculum. The Emerson School is a national model for Positive Discipline.

### KairosPDX Learning Academy Public Charter School (K-1, Growing to K-5)

3635 N. Williams, 97227 503-567-9820, [www.kairospdx.org](http://www.kairospdx.org)

Contact: Zalika Gardner, [charter@kairospdx.org](mailto:charter@kairospdx.org)

KairosPDX is a K-5 public charter school focused on delivering excellent, equitable education to underserved children, their families, and their communities. Through innovative instruction, community collaboration, and family partnership we are focused on closing Portland's achievement gap in measurable and sustainable ways. We are focused on engaging and empowering children and families and redefining what is possible for low income children and children of color. Our curriculum involves children in culturally relevant, inquiry based instruction rooted in multicultural education, STEM instruction, and service learning. We strive to help kids become better thinkers, problem solvers and ultimately change makers.



## CHARTER SCHOOLS CONTINUED

### **Le Monde French Immersion Public Charter School (K-3, Growing to K-8)**

1010 SW 13<sup>th</sup> Ave., 97205, 503-467-7529, [www.lemondeimmersion.org](http://www.lemondeimmersion.org)

Contact: Chantal Dufour-Martel, [info@lemondeimmersion.org](mailto:info@lemondeimmersion.org)

Le Monde French Immersion's mission is to educate children in a full immersion environment in the French language that honors the best international academic traditions and develops students who are inquisitive, reflective, communicative, and caring. Le Monde currently is growing and adding grades each year, with the eventual plan of being a K through 8<sup>th</sup> grade school. Please visit our website for current information.

### **Opal Public Charter School (K-5)**

4015 S.W. Canyon Road, 97221 503-471-9902, [www.portlandcm.org](http://www.portlandcm.org),

Contact: Karen Belsey, Director [educationoffice@portlandcm.org](mailto:educationoffice@portlandcm.org)

Opal School believes that the purpose of education is to provide opportunities for all children to participate fully in creating and shaping their own lives, and to contribute to the quality of life around them. Opal supports children in developing their own voices by providing access to the many forms of communication found in the languages of the arts and sciences. Instructional approaches are shaped and influenced by the work of early childhood educators in Reggio Emilia, Italy, research in neuroscience, and the constructivist research and practices of educators in the U.S. and beyond.

### **Portland Village Public Charter School (K-8)**

7654 N. Delaware Ave., 97217 503-445-0056, [www.portlandvillageschool.org](http://www.portlandvillageschool.org)

Contact: Paul Berg, [info@portlandvillageschool.org](mailto:info@portlandvillageschool.org)

Portland Village School teaches to the whole child by teaching to the "head, heart, and hands" — nurturing students' intellectual, physical, and emotional growth. Core academic material is enlivened by music and singing, art, drama, second language, life skills and handwork. This comprehensive curriculum prepares students to meet the challenges of school and of life as productive and integrated human beings. Portland Village School is pleased to offer Portland's diverse range of children and families this proven, holistic Waldorf-based educational alternative.

### **Self Enhancement Inc. Academy Public Charter School (6-8)**

3920 N. Kerby Ave., 97227 503-249-1721, x327, [www.selfenhancement.org/sei\\_academy.html](http://www.selfenhancement.org/sei_academy.html)

Contact: Linda Harris [Lindah@selfenhancement.org](mailto:Lindah@selfenhancement.org)

The SEI Academy is a grade 6-8 public charter school dedicated to helping all students realize their full academic and personal potential. SEI's goal is for its graduates to be well prepared for high school and college by achieving high academic standards. The program prepares students to be successful young people who will lead healthy lives and who will make worthwhile contributions to their communities.

### **Trillium Public Charter School (K-12)**

5420 N. Interstate Ave., 97217 503-285-3833, [www.trilliumcharterschool.org](http://www.trilliumcharterschool.org)

Contact: Kieran Connolly, [info@trilliumcharterschool.org](mailto:info@trilliumcharterschool.org)

Trillium's goal is to educate the whole child with an integrated curriculum that instills a desire for lifelong learning. The curriculum includes community, urban, and global studies. Trillium emphasizes independent, project-based learning within a small class and a small school environment. As part of a commitment to build a true community of learners, Trillium employs mixed-age classes building courses around interests and abilities rather than age or grade level. Trillium offers different learning styles and uses democratic processes to help students grow fully as human beings and contribute to and enhance the world.

### **Leadership and Entrepreneurship Public Charter High School (9-12)**

2044 E. Burnside, 97214 503-254-2537, [www.lephigh.org](http://www.lephigh.org)

Contact: Jeff Cogen, [jeff.cogen@lephigh.org](mailto:jeff.cogen@lephigh.org)

The Leadership and Entrepreneurship High School (LEP) focuses on engaging students in their learning experience and making school an exciting place to learn. Through the study of leadership and entrepreneurship, students develop a strong sense of self-efficacy, social responsibility and an entrepreneurial spirit. The school design also provides a rigorous college prep curriculum. Teachers use project-based, interdisciplinary learning, and students gain real world experience through internships and service learning with businesses and community organizations.

# TEEN PARENT SERVICES

## Teen Parent Student Data

[Korinna Wolfe, Executive Director MPG](mailto:kwolfe@pps.net) [kwolfe@pps.net](mailto:kwolfe@pps.net)  
[Cheryl James, Program Director TPS](mailto:cjames@pps.net) [cjames@pps.net](mailto:cjames@pps.net)

Students in Program					
	2009-10	2010-11	2011-12	2012-13	2013-14
Served in Comprehensive High Schools and Alliance Day and Night Programs	170	143	69	71	54
CBOs (served by TPS Counselor)	22	26	52	52	19
Unenrolled/moved out of program (served by TPS Counselor)	9	5	38	18	43
<b>Total students served by TPS team</b>	<b>201</b>	<b>174</b>	<b>161</b>	<b>141</b>	<b>116</b>

CBOs with TPS contracts Intakes rec'd

	160	176	171	142	102
<b>Total Pregnant and Parenting Students Served:</b>	<b>361</b>	<b>350</b>	<b>332</b>	<b>283</b>	<b>218</b>
Number of PPS childcare slots	24	28	28	28	28
Number of students who received Home Instruction at some point that year:	22	33	17	19	17

Pregnant and Parenting Students By Race					
	2009-10	2010-11	2011-12	2012-13	2013-14
American Indian or Native Alaskan	6%	10%	1%	2%	4%
Asian or Pacific Islander	3%	1%	4%	3%	5%
African American	35%	34%	31%	24%	25%
Hispanic / Latino	30%	28%	28%	35%	38%
White	26%	20%	22%	20%	17%
Multi-racial	0	7%	14%	16%	11%
<b>Total Percentage of Students Of Color</b>	<b>74%</b>	<b>80%</b>	<b>78%</b>	<b>80%</b>	<b>83%</b>

Parenting Students By Gender					
	2009-10	2010-11	2011-12	2012-13	2013-14
Female	76%	82%	74%	75%	72%
Male	24%	18%	26%	25%	28%

Graduation Rate for all TPS Seniors

	48.7%	55.0%	35.0%	35.8%	34.3%
<b>Graduation Rate for Seniors for whom child care was provided by PPS Teen Parent Services Program</b>	<b>77%</b>	<b>100%</b>	<b>92%</b>	<b>91%</b>	<b>77%</b>

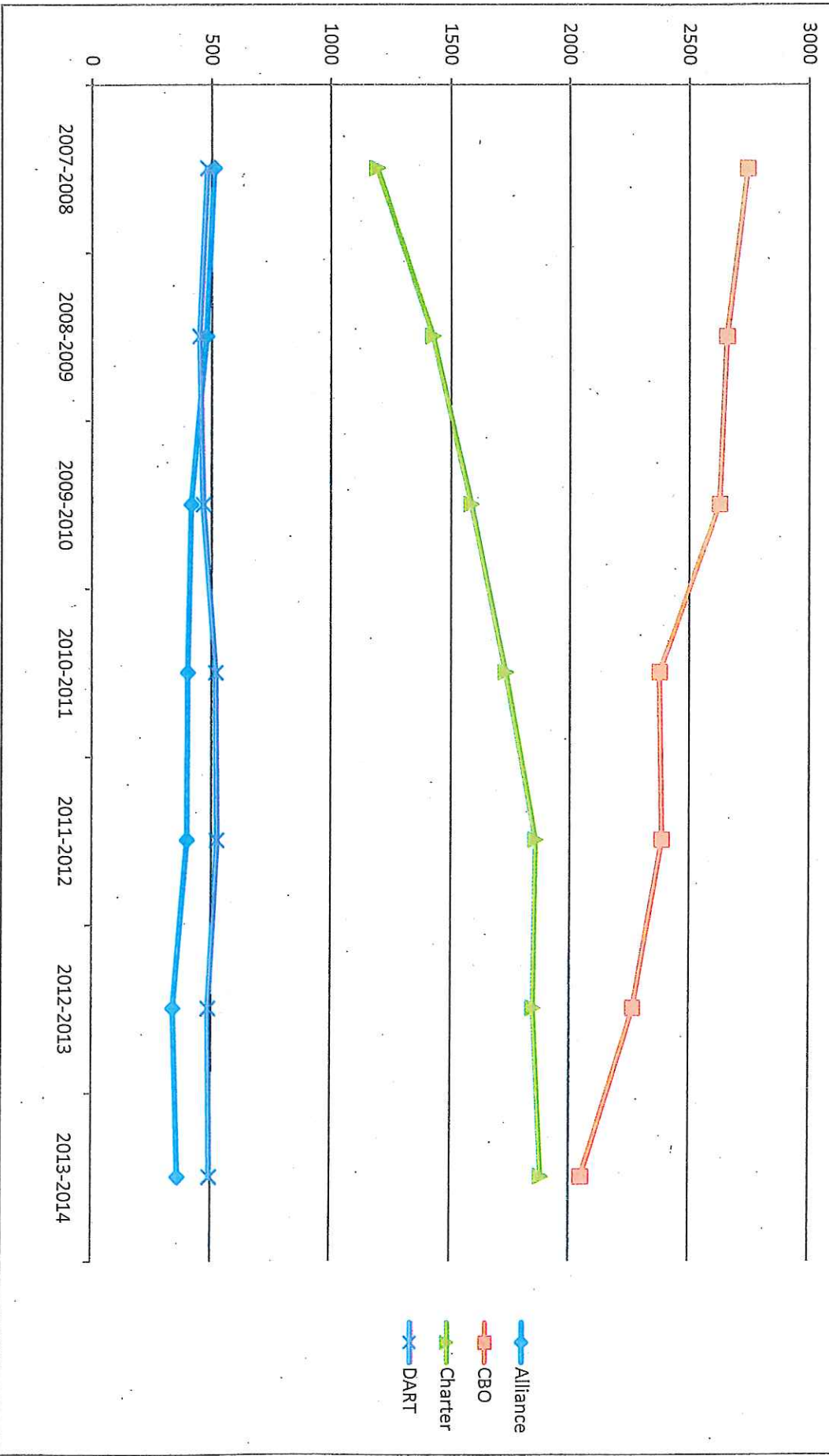
## Neighborhood High School of PPS Teen Parents by Zip Code

Cluster	2013-14	2012-13	2011-12	2010-11	2009-10
Cleveland	8	19	19	6	21
Franklin	31	42	40	16	21
Grant	5	20	29	12	12
Jefferson		0	0	43	39
Jefferson / Grant	13	14	17	3	5
Jefferson / Madison	6	9	10	5	4
Jefferson / Roosevelt	27	20	29	6	5
Lincoln	14	8	19	17	17
Madison	35	48	55	40	39
Marshall		0	0	34	35
Roosevelt	57	55	60	84	73
Wilson	5	6	5	4	3
Out of District	9	7	3	13	20
No Catchment Information	8	17	35	32	24
<b>Total</b>	<b>218</b>	<b>265</b>	<b>321</b>	<b>315</b>	<b>318</b>

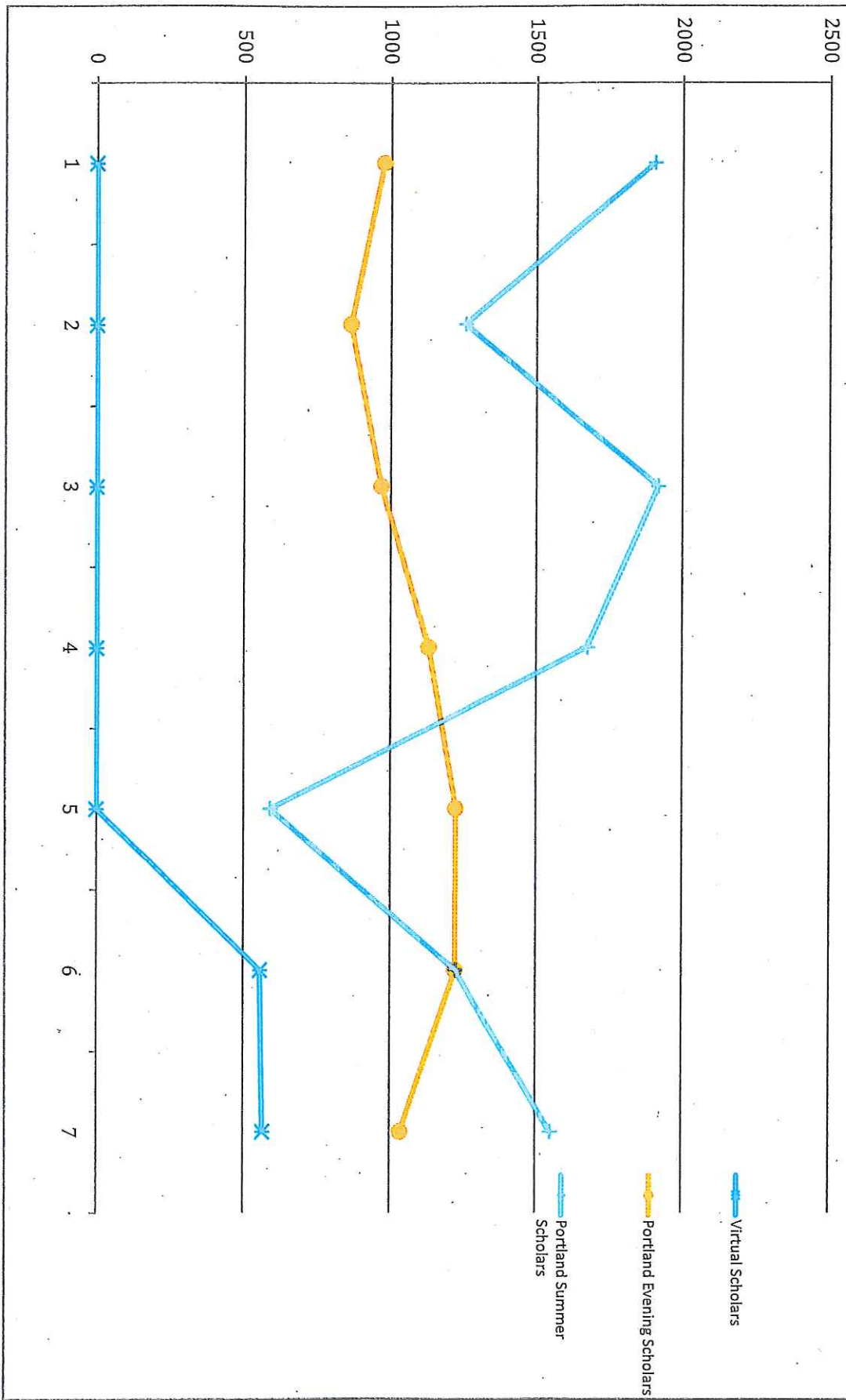
Benson High School	2	4	7	7	5
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Alliance HS Totals	18	23	23	23	33
Alliance at Benson	9	13	10	10	15
Alliance at Meek	9	10	13	13	18

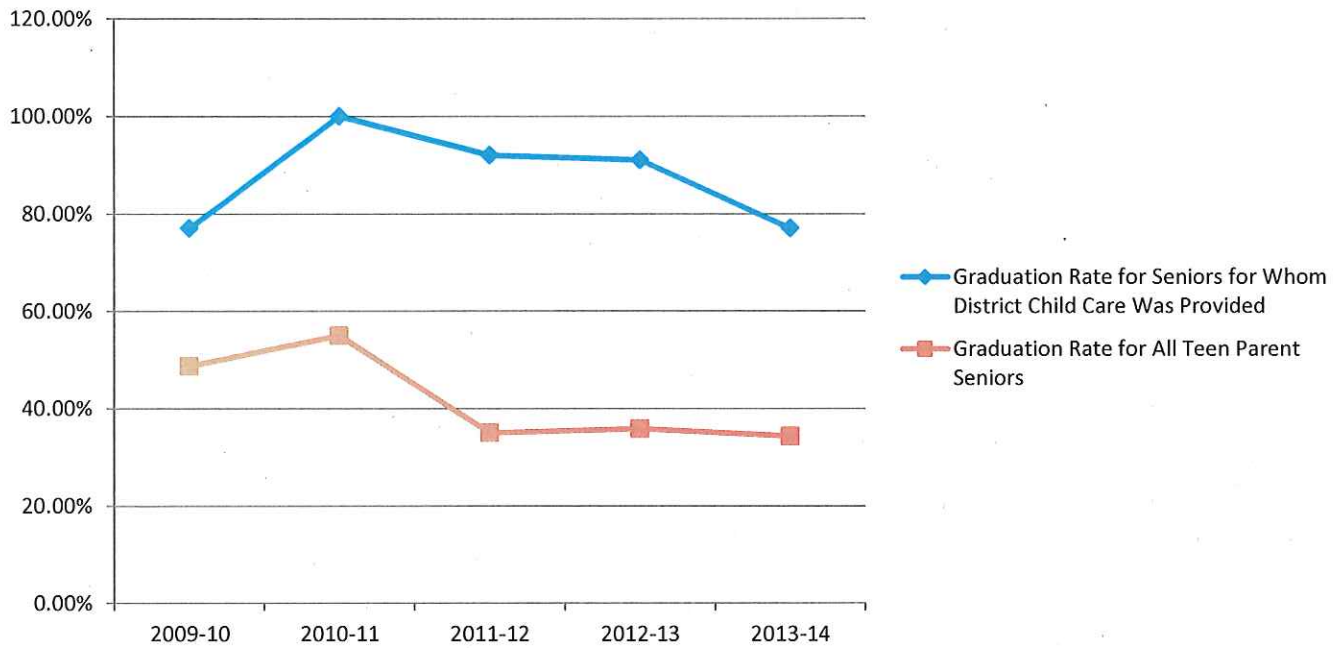
Multiple Pathways Enrollment Trends by Program Type 2007-08 through 2013-14



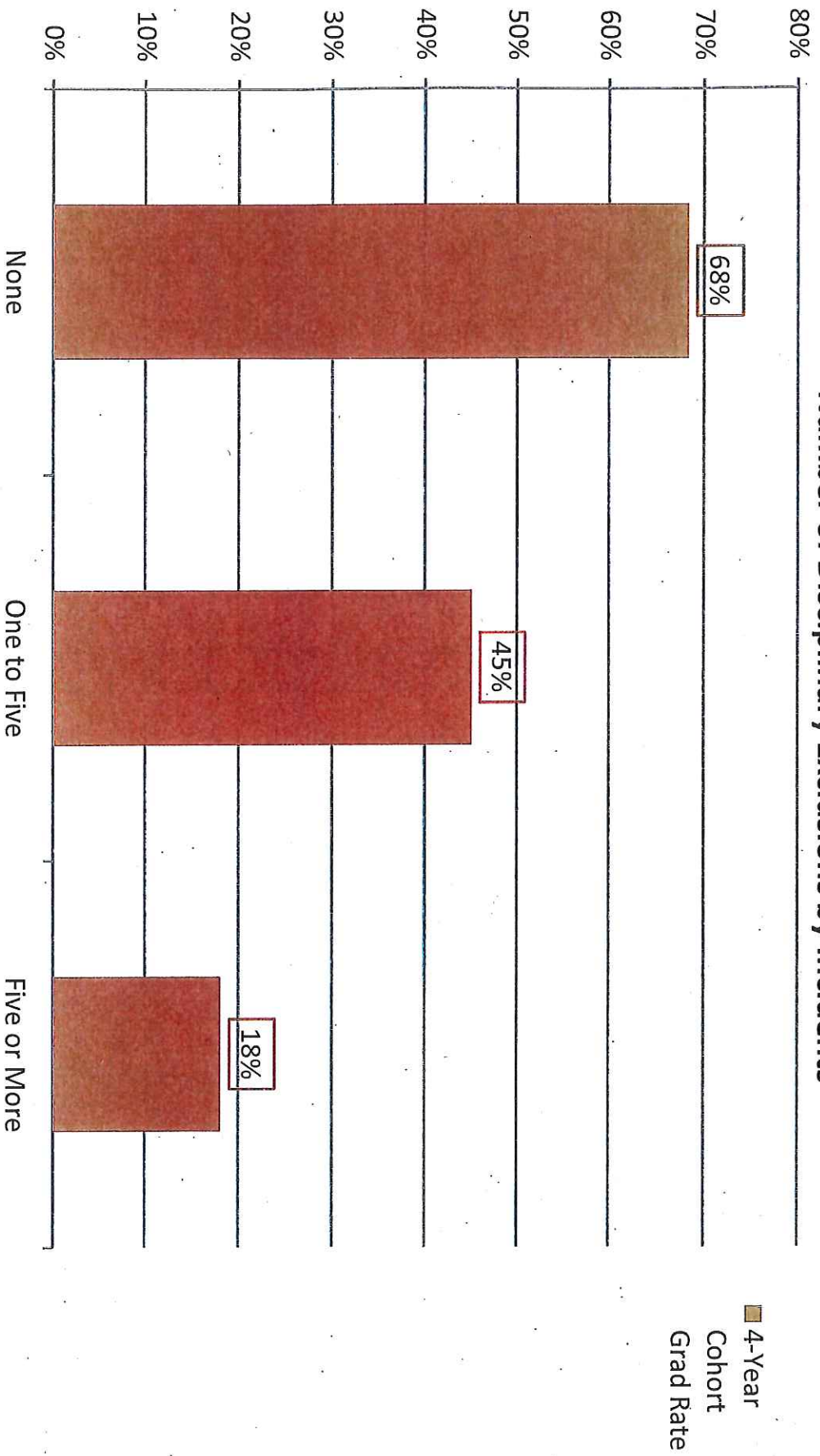
## Multiple Pathways Learning & Credit Options Enrollment Trends 2007-08 through 2013-14



### Graduation Rates for PPS Teen Parent Seniors

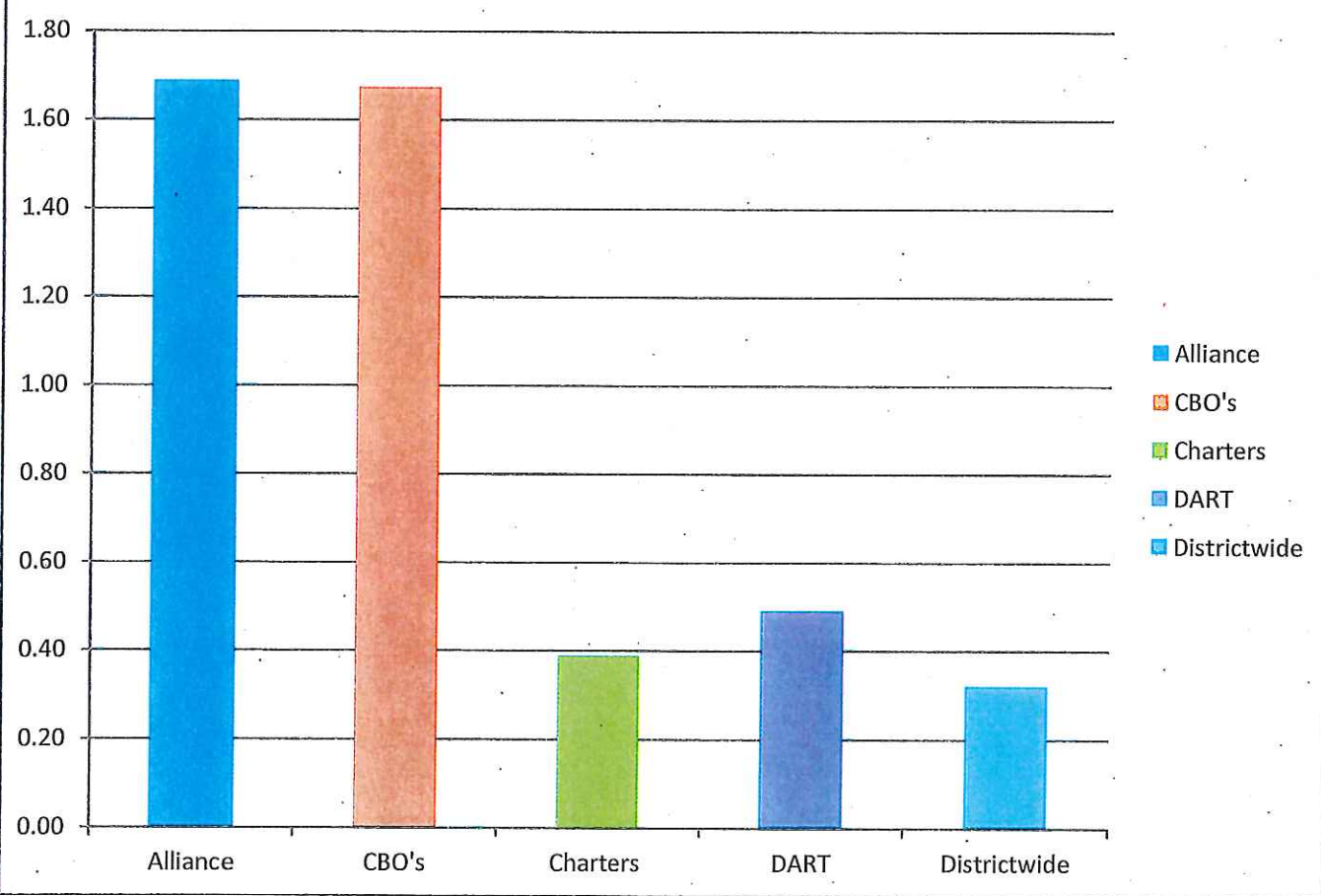


### PPS District Wide 4-Year Cohort Grad Rate by Number of Disciplinary Exclusions by Incidents



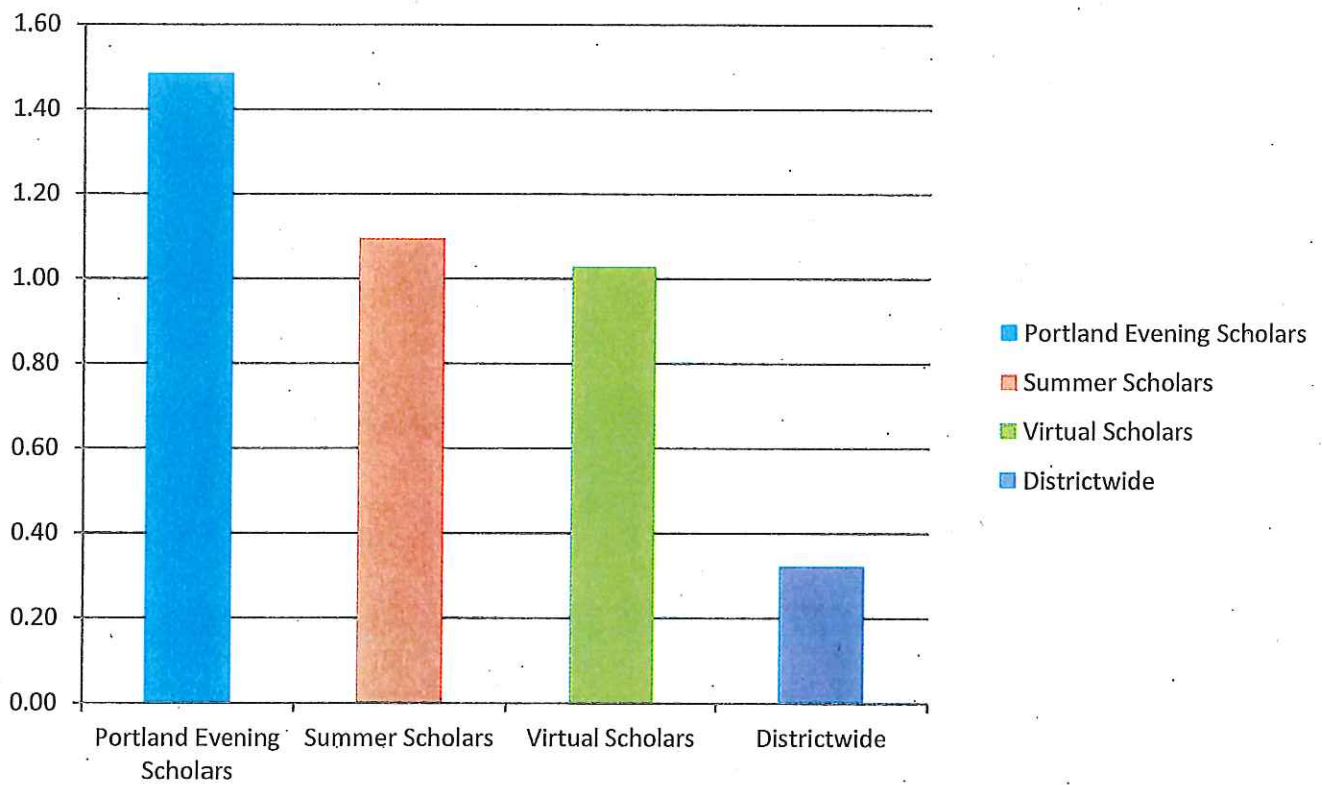
2012-13, 2011-12 and 2010-11 graduation cohorts combined: All students included

**Multiple Pathways Current Programs 2014-15 Students  
Average Exclusion History by Incidents**

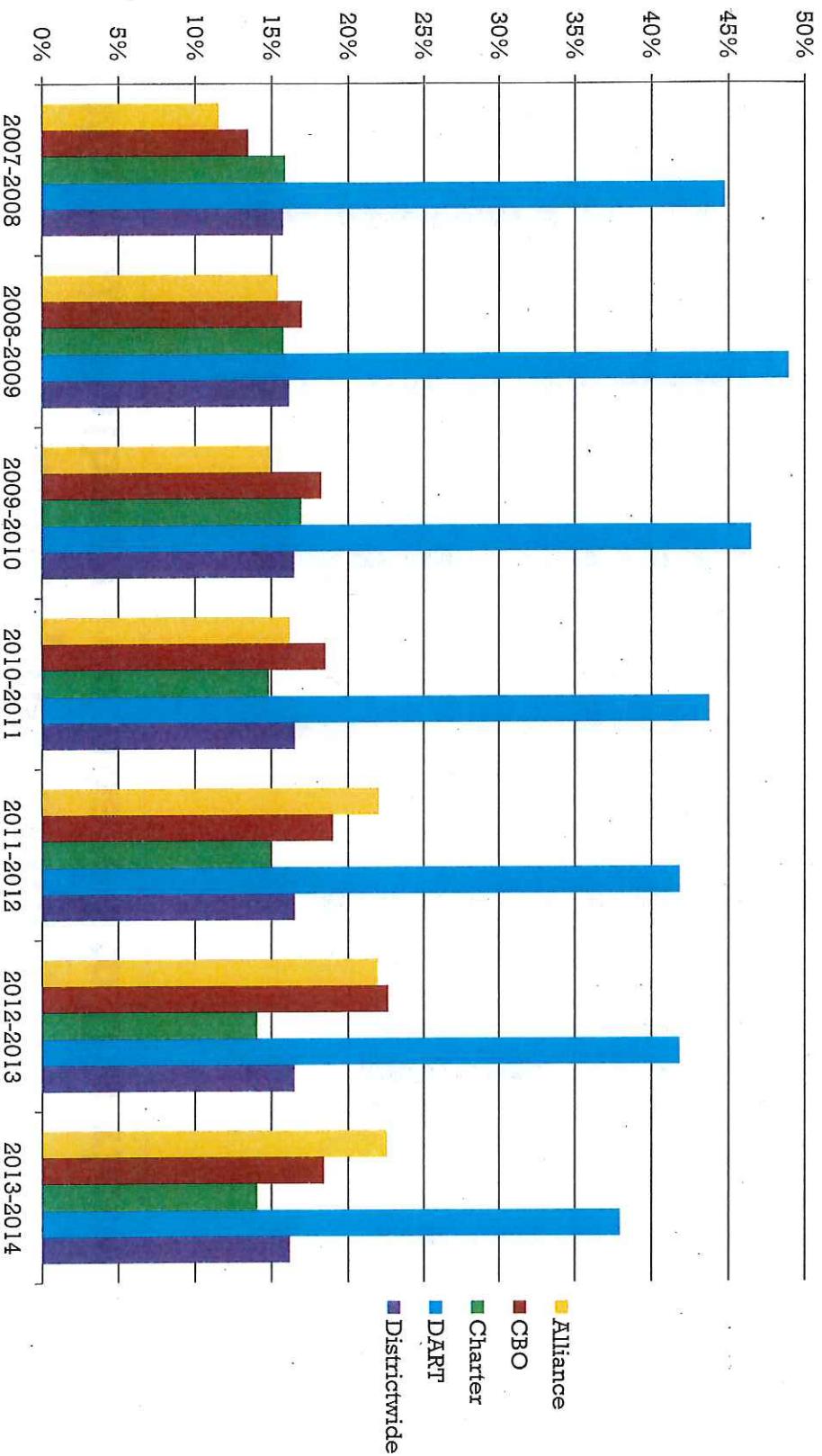




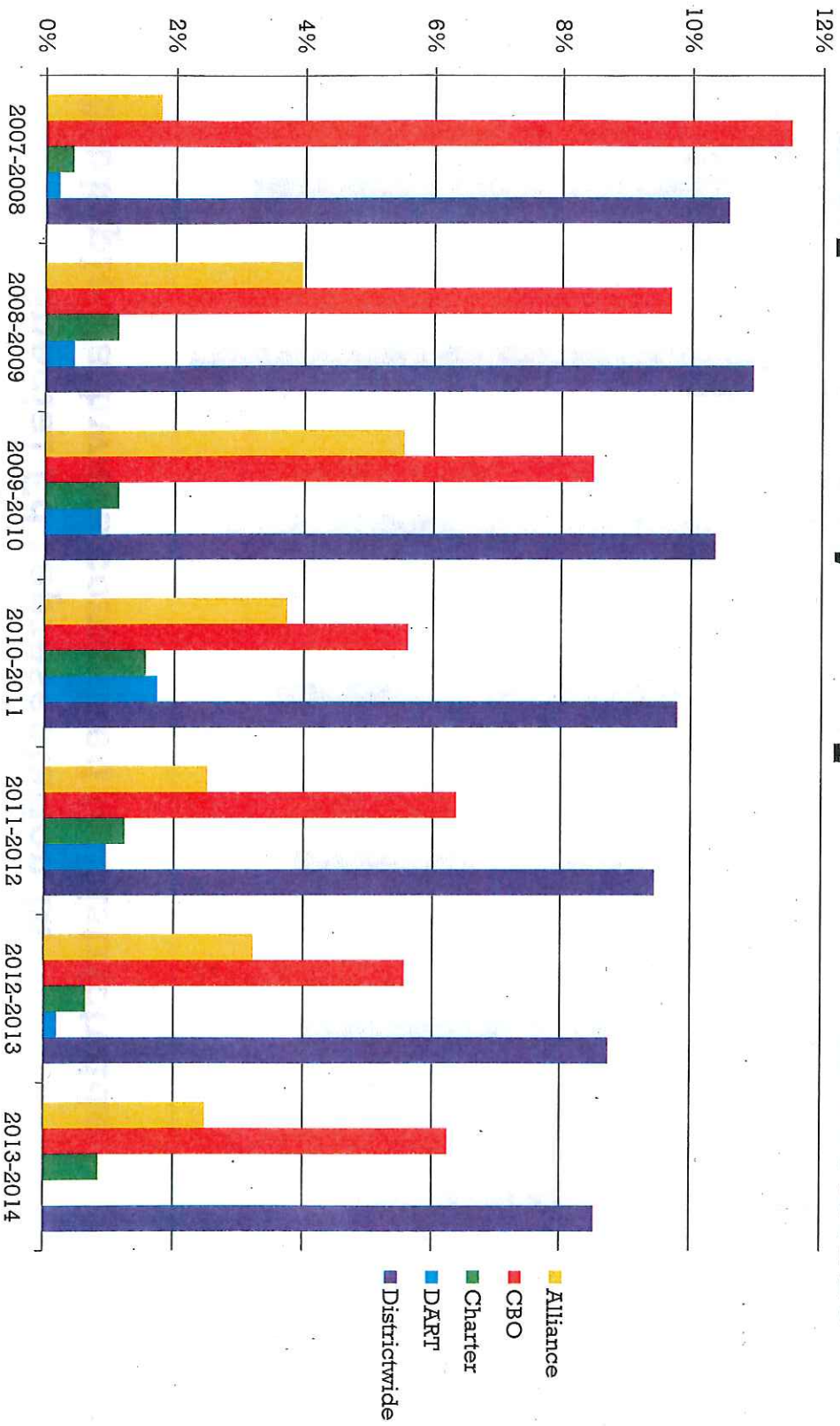
**Multiple Pathways Current Learning & Credit Options 2014-15 Students  
Average Exclusion History by Incidents**



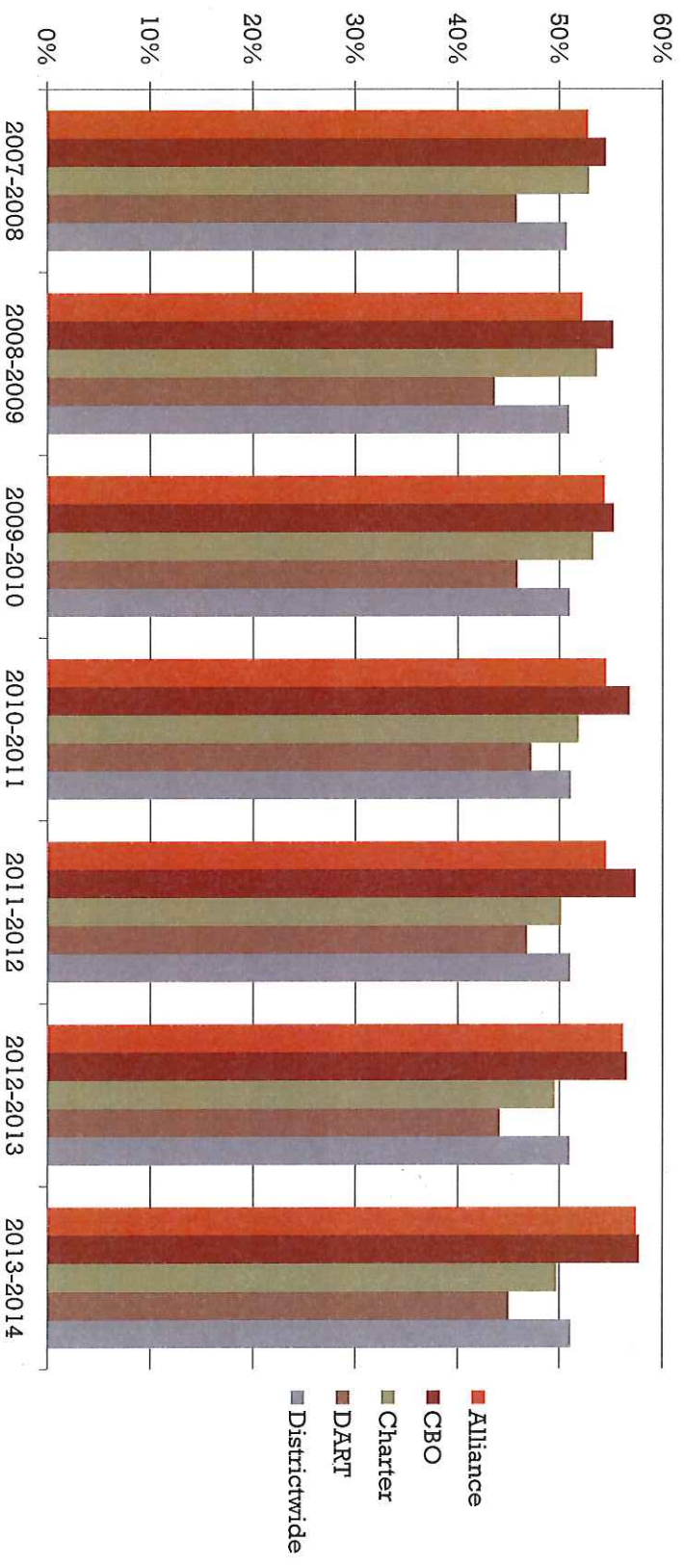
# Special Ed representation in Multiple Pathways compared to Districtwide



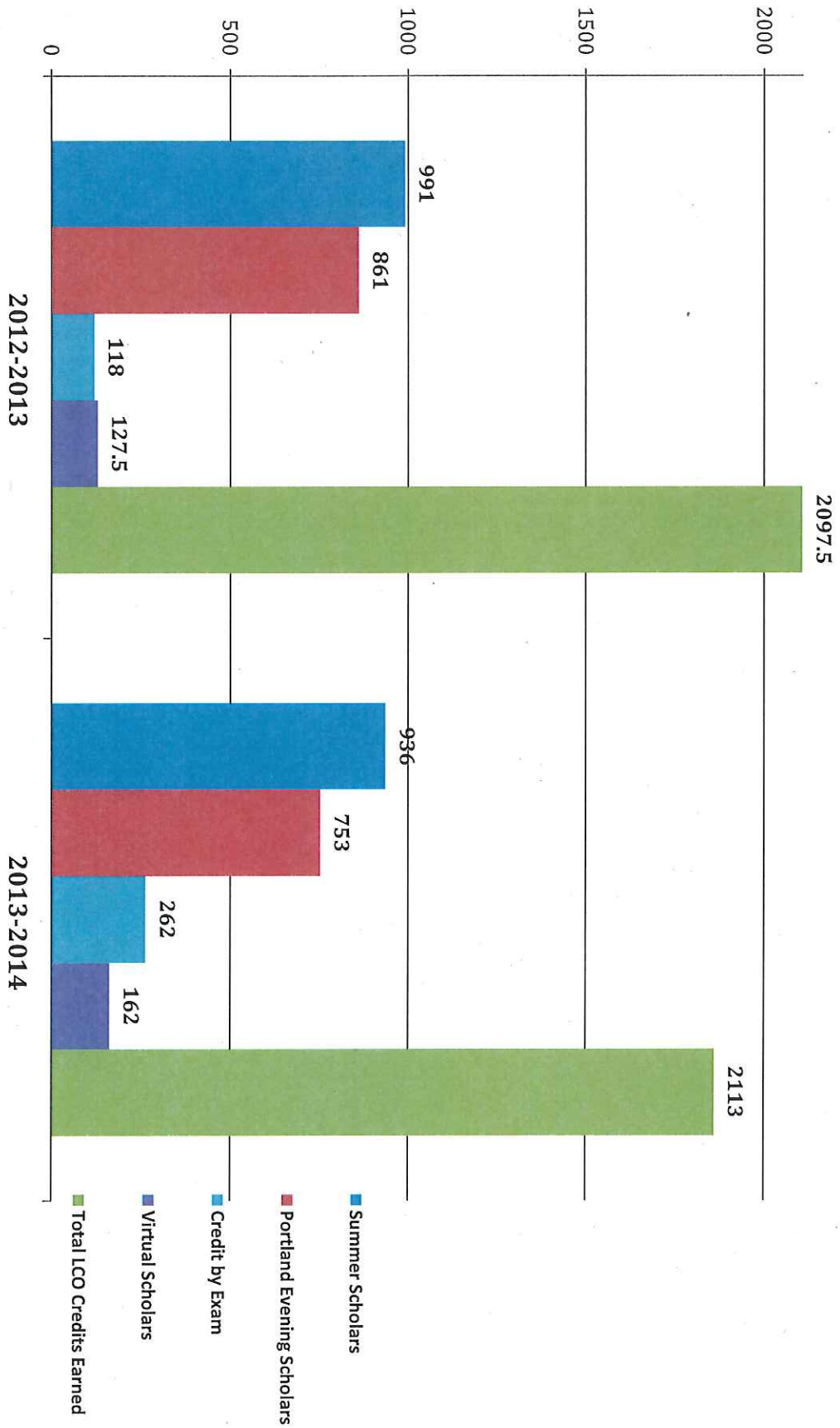
# ESL representation Multiple Pathways compared to Districtwide



### Male representation in Multiple Pathways compared to Districtwide



## Learning and Credit Options- CREDITS EARNED



# **A Segmented Analysis of High School Students in the Portland Public Schools**

December 4, 2013

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**REVISED and UPDATED**

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## **Questions?**

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## **Acknowledgements**

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This analysis was drafted by Benjamin Chambers of Darn Write!, with significant guidance and contributions from Elise Christiansen, Robb Cowie, Carla Gay, Trip Goodall, Sue Ann Higgins, Sue Hiscox, Joe Suggs, and Korinna Wolfe. Tiel Jackson created the charts in Appendix K.

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# Executive Summary

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## Context and Rationale

Since 2008, the Portland Public School District (PPS) has been engaged in a comprehensive process to redesign its high school system to reduce dropouts, improve graduation rates, and improve post-graduate success.

Since PPS embarked on its high school redesign, its four-year graduation rate has increased 10 percent. According to the December 2012 report on the progress of Portland's high school redesign, [\*Portland's High School System: Update on High School System Design Implementation: Next Steps to Accelerate Progress\*](#), even though PPS's four-year rate is still lower than many districts around the state, the rates at which PPS students complete or continue are higher than the rest of Oregon. PPS also has a lower dropout rate.

That said, the graduation rate is still too low. As a result, PPS launched an analysis of its high school students, by segment, to evaluate the range of student needs in the high school system, and to determine whether its high school programs are (a) aligned with student needs and (b) located to serve them effectively. This report represents the first phase of that analysis.

## Goals

To help PPS lower the dropout rate and ensure that youth are served equitably across the system, several key strategic questions will need to be answered:

1. Which students are served, in which schools, and in what part of the district?
2. Are there gaps in the services provided to students?
3. If there are gaps, how can the school district address them?
4. If the district cannot address all gaps, how should the district set priorities for the greatest impact for its students?

This report begins to address the first two questions, and includes recommendations to address the remainder, along with the key decisions required to move forward.

## Methodology & Key Findings

The analysis used a different method to analyze the PPS student population than the four-year graduation cohort method used in the December 2012 report. The segmentation analysis draws primarily (though not exclusively) on a data snapshot of Portland students in grades 6-12 enrolled in Portland schools on October 1, 2011 for the 2011-2012 school year. Students were divided into segments based on age, grade level, and credit status.

Generally speaking, students who were fewer than six credits behind were categorized as “near,” and students who were a year or more behind in credits were “far.”<sup>1</sup> Since student age was a factor, they were also divided into “young” and “old” groups. (See the “Method of Analysis” in the full report on p. 21, for the criteria used to group students into segments.) The result was the following five segments:

Students, Grades 9-12 – Oct. 1, 2011				
Segment	Total #	% of Total	Dropouts in 2011-12	Dropout Rate
On Track	8,246	68.5%	159	1.9%
Off Track: Young and Near	2,261	18.8%	93	4.1%
Off Track: Old and Near	671	5.6%	88	13.1%
Off Track: Old and Far	549	4.6%	202	36.8%
Off Track: Young and Far	307	2.6%	60	19.5%
<b>Subtotal (Off Track)</b>	<b>3,788</b>	<b>31.5%</b>	<b>443</b>	<b>11.7%</b>
<b>Total</b>	<b>12,034</b>		<b>602</b>	<b>5.0%</b>

### A Note on Methodology: the Snapshot vs. Annual Enrollment

By its nature, a data snapshot taken at the beginning of the school year cannot capture changes in student enrollment as new students enter the district, old students are re-engaged, or students leave the district (to change schools, move away, or drop out). The count of students in grades 9-12 enrolled at any time in the 2011-2012 school year swelled from 12,034 students to 14,386 students—an increase of almost 20 percent. (Of course, since students enter and leave the district all year, not all were enrolled at the same time.) In addition, the relative size of the segments defined in the snapshot also changed—a fact that was likely due, at least in part, to the success

<sup>1</sup> Since most ninth-graders had not earned credits by October 1, 2011, when the data snapshot was taken, “Academic Priority” status was used as a proxy for identifying ninth-graders at-risk of dropout.

PPS and CBO alternative schools had at re-engaging off-track students. This may have implications for service planning as the district gets better at retaining or re-engaging students.

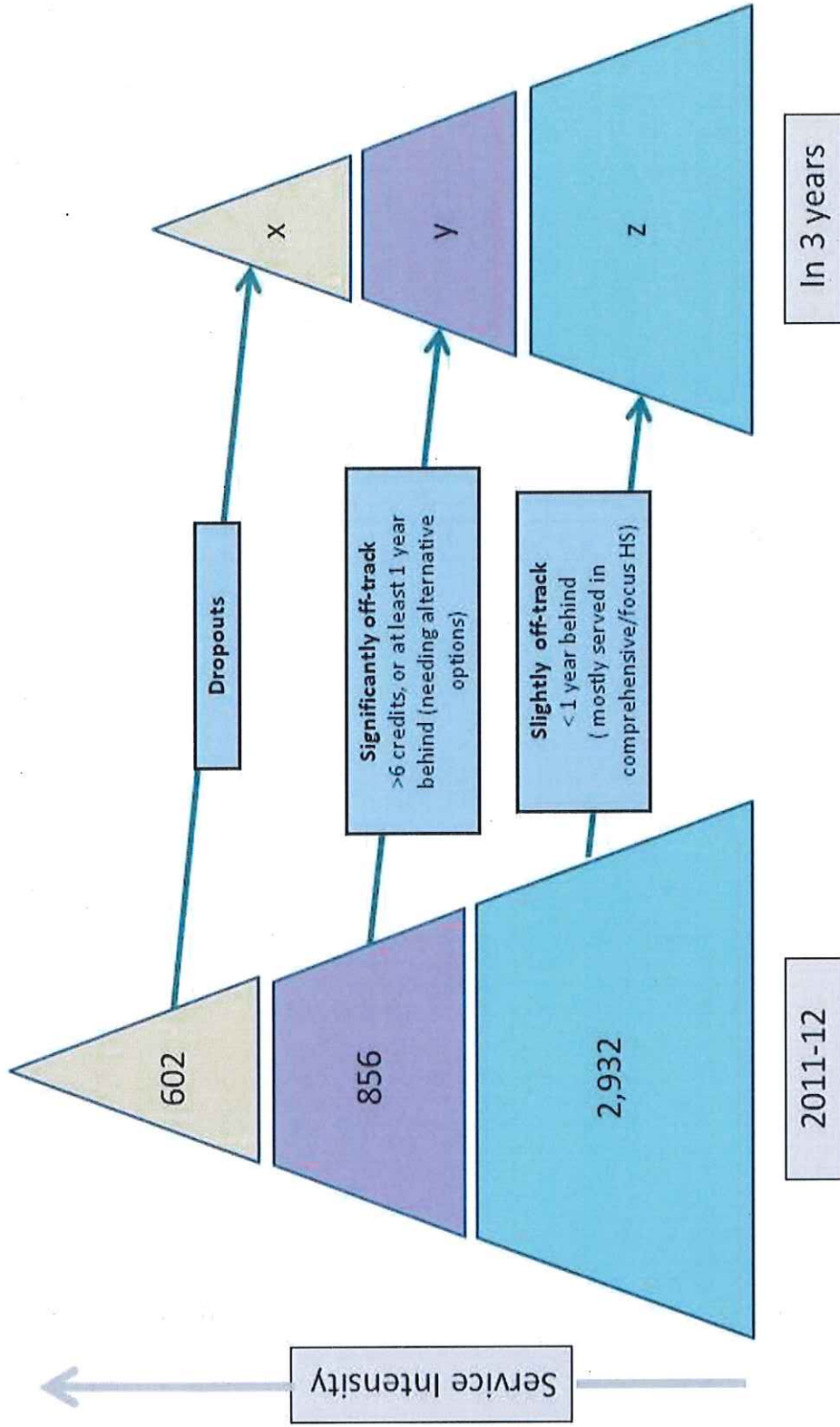
### **A Note on Terminology: What We Mean by “On Track” Students**

This analysis uses the term “on track” students to mean on track to graduate high school. (See p. 23 for the precise definition.) Nevertheless, readers should keep in mind that PPS’ overarching, broader goal is to ensure that all students are college and career-ready.

### **Conceptual Model**

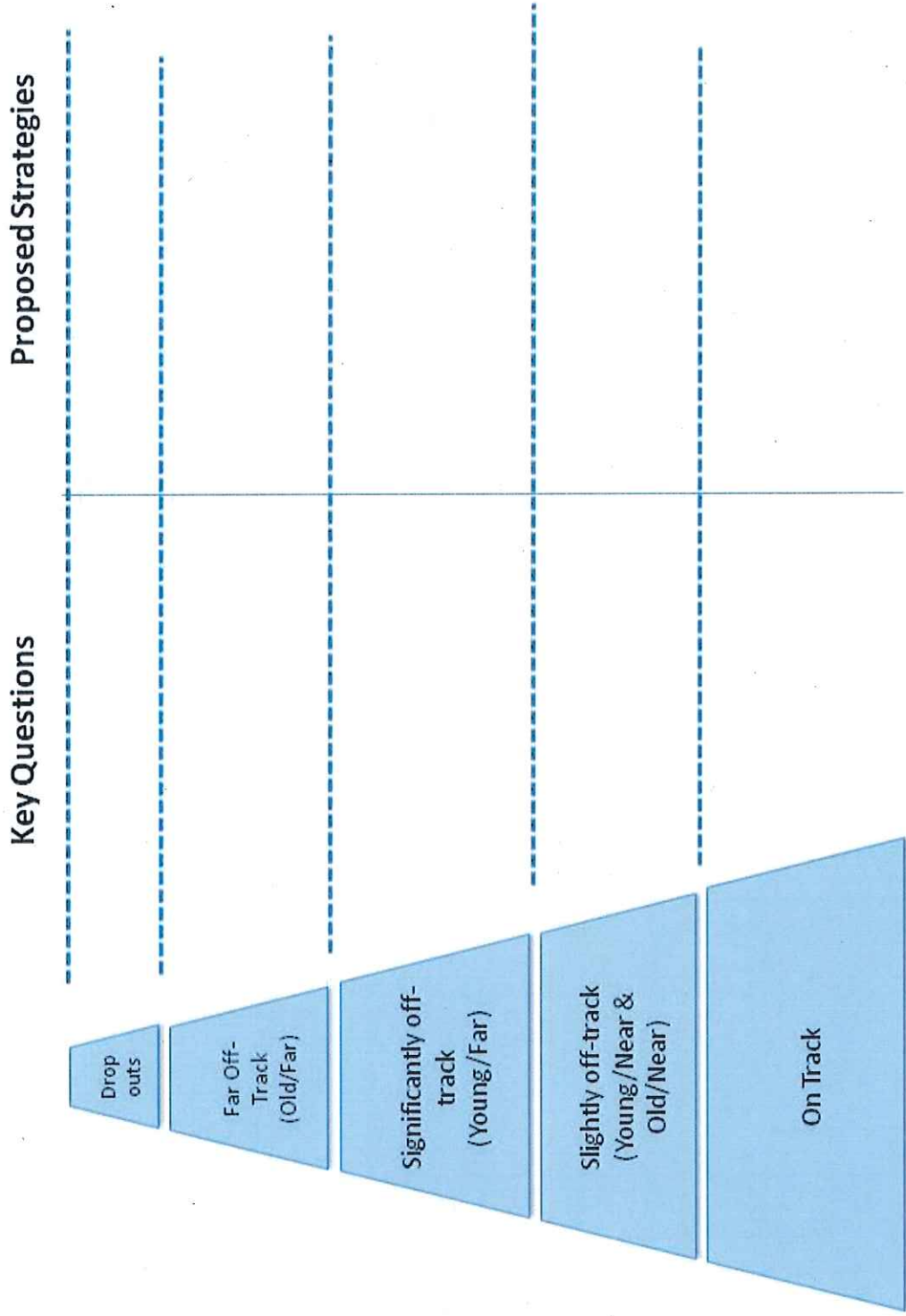
To frame the analysis and recommendations, PPS used the following conceptual and planning models as a guide. (See next page.) Simply put, PPS’ goal is to reduce the size of all off-track segments, including dropouts. Each segment may require distinct strategies and services.

# Off-Track Students: a Conceptual Model



Note: "In 3 years" data assumes 20% improvement.

# High School Services: A Planning Model



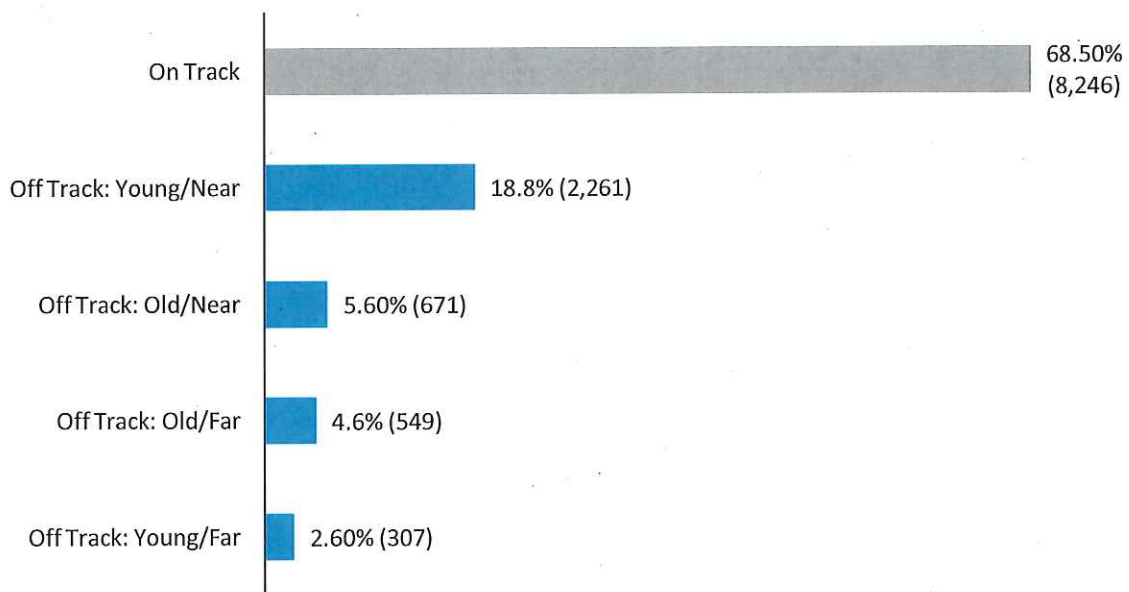
## Key Findings

By segmenting the snapshot data from October 1, 2011 and correlating it with total enrollment for the academic year, this analysis revealed some key facts.

### Size of Off-Track Population and Segments at Highest Risk for Dropout

- More than two-thirds of the students (68.5 percent) in grades 9-12 were on track academically (based on total credits earned). However, nearly one in three (31.5 percent) were off track.<sup>2</sup> This was also true of students in grades 6-8.

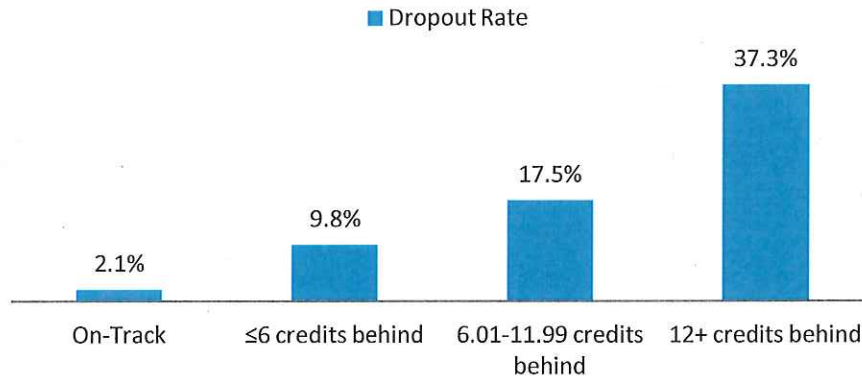
### On Track vs. Off-Track 2011-12, Gr. 9-12



The number of “off-track” students is concerning because national research and PPS’ own data show that, as students fall behind in credits, their rate of dropout rises dramatically. We can see this in the graph below, which divides 10<sup>th</sup>-12<sup>th</sup> graders by credit status. (Because students don’t begin to earn credits until ninth grade, they are not included in the graph.)

<sup>2</sup> The phrase “off track” refers in this report to all segments except “on track” – e.g., Young/Near, Young/Far, Old/Near, and Old/Far..

## Dropout Rate for Gr. 10-12 2011-12



- **Off-track students were significantly more likely to drop out, to be students of color, to be special education students, English Language Learners (ELL), and to participate in the Free and Reduced Meals program.** For example, about one in five off-track students were special education students, compared to about one in 10 among On Track students; and about twice as high a percentage of off-track students were ELL as On Track students (except for Old/Far students, where a much larger proportion were ELL). For more detail, see Table A, on p. 31.
- **The largest segment of off-track students was “Young and Near.”** Almost 1 in 5 of the high school student population (18.8 percent) fell into the Young/Near segment. The next closest segment, Old/Near, made up only 5.6 percent of the student population.<sup>3</sup>
- **Students in the Old/Far segment were most likely to drop out; the largest number and percentage of dropouts came from the Old/Far segment.** At 36.8 percent, the dropout rate among Old/Far students was nearly twice that of the next-closest cohort (Young/Far, 19.5 percent). That percentage represented 202 students, or 33.6 percent of all grade 9-12 PPS dropouts in the snapshot for the 2011-2012 school year.
  - **Old/Far students were more likely to be students of color than students in other segments, and much more likely to be English Language Learners.** Almost one in five Old/Far students was an English Language Learner, a rate that was five times that of on track students, and two-and-a-half-times greater than among the other off-track segments.

<sup>3</sup> Over half of the Young/Near students (1,242, or 54.9 percent) in the grade 9-12 snapshot were ninth graders classified as “Academic Priority.” As ninth-graders can be classified as “Academic Priority” solely because they are new to the district, this may warrant further examination.



- **On Track students made up the second-largest number of dropouts.** Although the dropout rate for On Track students was only two percent, 159 On Track students dropped out (26.4 percent of all dropouts) – a number and percentage second only to the Old/Far segment.

## What Types of Schools Were Students Enrolled In?

The table below shows what types of schools PPS students attended.

Students Gr. 9-12 by Type of School		
Type of School	# of Students	% of students
District-run comprehensive and focus	10,225	85.0%
CBO Alternative	1,181	9.8%
Other Alternative	134	1.1%
Charter	349	2.9%
DART <sup>4</sup>	90	0.7%
Special Ed	55	0.5%
<b>Total Students</b>	<b>12,034</b>	<b>100%</b>

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

The majority of students attended district-run comprehensive and focus high schools and Community-Based Organization (CBO) alternative high schools.

- **Two out of three off-track students attended district-run comprehensive and focus high schools.** Two-thirds of all off-track students (2,521 out of (3,788) attended a district-run comprehensive and focus high school.
- **Nearly 1 in 5 students at district-run comprehensive and focus high schools were in the Young/Near off-track segment.** Most Young/Near students were enrolled in a district-run comprehensive and focus high school (18.3 percent of all students enrolled there). Still, 387 students in this segment attended other types of schools.
- **About one in three students who enrolled in a CBO alternative school in 2011-12 had not been enrolled in a PPS school the previous year.** A separate in-depth analysis of unsegmented students attending CBO alternative schools (see Appendix K, on p. 82) found that 825 out of 2,530 students (32.5 percent) who enrolled in a CBO school had not

<sup>4</sup> DART stands for schools located in “Day and Residential Treatment” centers such as Rosemont and Perry Center. Students in these facilities are placed there by the state Department of Human Services, the Oregon Youth Authority, and county probation departments for mental health or behavioral issues. Most are not originally from Portland. Although PPS provides instruction in these facilities, it has no control over the students’ length of stay or their graduation/completion of high school. As such, while these schools have been noted, they are not a focus of the segmentation analysis.

been enrolled at any PPS school the previous school year—they were either new students or were being re-engaged after a long hiatus.<sup>5</sup>

- **Old/Far students were more likely to attend a CBO alternative school (69.2 percent) than a district-run comprehensive or focus high school (23 percent).** A majority of all other segments attended a district-run comprehensive or focus high school. Given the role that CBOs are expected to play in engaging struggling and returning students, this anomaly implies they are engaging one of the hardest-to-reach segments of students.
- **Although most Young/Near students attended district comprehensive and focus high schools, 1 in 10 attended an alternative school.** More information is needed to determine whether these students were appropriately placed; this underscores the need to examine “fit” for all PPS students in district schools.

### Where Did Students Live?

- **One third of all off-track students lived in the Southeast, but significant percentages also lived in North and Northeast.** Southeast was home to 1,131, or 29.9 percent of all off-track students. North and Northeast both had two-thirds as many off-track students as Southeast (741 and 735, or 19.6 and 19.4 percent respectively). Among the main quadrants of the city, West had the lowest percentage of off-track students (16.1 percent).
- **Most students who dropped out lived in Southeast and Northeast Portland.** Southeast had the highest number of dropouts (140) and Northeast had the next-highest (83). However, the percentage of dropouts from Southeast (31.6 percent) was considerably larger than the next-highest regions, Northeast (18.7 percent) and North (16.5 percent).
- **The largest number and percentage of special education students—and of English Language Learners—lived in Southeast Portland.** Nearly one in three (29.4 percent, or 446) special education students lived in Southeast; an even greater percentage of English Language Learners (38.6 percent, or 261 students) lived there as well.
  - **High percentages of special education students and English Language Learners in every region were off-track.** At least 40 percent of all the special education students in every region were off-track. At least half of all English Language Learners were off-track in every region except Outer NE, where nearly half (46.5 percent) were off-track.

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<sup>5</sup> Note: this number and percentage includes some duplicated students. See Appendix K for more detail.

- **The vast majority of special education students and English Language Learners attended comprehensive or focus high schools, or CBO alternative schools.** About 76 percent of special education students and 82 percent of English Language Learners attend comprehensive high schools; an additional 14 percent in both categories attended CBO alternative schools.

### **Seat Capacity vs. Enrollment: an Opportunity and a Challenge**

By charting available seats—supply—versus students seeking services—demand, it is possible to get a rough idea of where need is greatest. In this instance, it did not make sense to use snapshot data since it did not represent all students who enrolled during 2011-12, and thus could not fully represent demand (see p. 27 for total enrollment figures compared to the snapshot data).

When supply was compared to total enrollment (see Appendix A, on p. 56), it was clear that in 2011-12, PPS had 617 more students than seats. When broken out by type of school however, it was apparent that the demand for alternative education options theoretically exceeded supply—alternative schools had approximately 620 more students than seats.

Alternative education providers were able to absorb these “extra” students in part by serving more students than contracted for. But they also saw significant turnover.

- **PPS faces an opportunity and a challenge:** All PPS schools, including contracted providers, must improve their ability to retain struggling students; as they do, however, the supply of classroom seats available will no longer meet the demand.

## Recommendations

Based on the analysis to date, the following appear to be priorities:

**1. Refine and implement PPS' existing early warning system to deploy personalized services to at-risk students earlier and with greater accuracy.**

PPS' early warning system, when refined, would help the district improve its ability to identify at-risk students earlier and more accurately. While no such system can be perfect, it's clear that the PPS system can be improved, given that one in four of all dropouts in the snapshot (26 percent, or 159 students) were in the "On Track" segment. Also, as noted above, approximately one out of three students attending CBO alternative schools in 2011-12 had not been enrolled in a PPS school the previous year—while some of these students may have been new to the district, others may have been out of school for over a year before they were re-engaged (see Appendix K, on p. 82).

- a. The early warning system should be refined to focus on a smaller proportion of high-needs youth and concentrate resources on the students who need the most assistance.

About half of the very large Young/Near segment—which, at 1,242 students, amounted to nearly one out of every 10 students enrolled in PPS high schools at the time of the snapshot—was made up of ninth-graders classified as "Academic Priority." However, some students are classified as "Academic Priority" solely because they are new to the district, and while attention should be paid to their transition, they are not necessarily off-track.

- b. Use a planning model like the one shown above (see p. 9), to develop a funding model to triage service intensity (and necessary funding) according to student need.

This will give the Superintendent and School Board concrete options to consider when making strategic decisions.

- c. Explore additional student needs that contribute to dropout and getting off-track.

Segmenting students by age and credit status is not sufficient to identify at-risk students and their needs. Additional factors that should be considered as they relate to students going off-track are mental health issues, homelessness, living in foster care, or involvement in the juvenile justice system.

**2. Expand the use of prevention and intervention programs that PPS has already piloted that are showing success with off-track populations.**

While not a comprehensive list, some examples of interventions already being piloted with off-track PPS high school students include:

- a. Credit recovery efforts. (Segments: Young/Near, Young/Far, Old/Near, Old/Far)
- b. Ninth-grade Academies. (Segments: On Track Dropouts, Young/Near, and Young/Far)
- c. The High School Graduation Initiative. (Segments: On Track Dropouts, Young/Near, and Young/Far) Intensive engagement strategies, such as small class sizes, double-dosing instruction, and employing teacher-advocates who connect frequently with students' families. (Segment: Old/Far, Young/Far)

Additional prevention programming for students in middle school is also warranted. Students in grades 6-8 show a risk of dropout identical to students in grades 9-12 (one in three are off-track), and could be an ideal target for prevention and intervention programs, since they are younger and school personnel should have more time to help them graduate or complete. Two examples of prevention programs for middle-school students already implemented by PPS are:

- d. The Step Up program. (Segments: Young/Near and Young/Far)
- e. Self Enhancement Inc. (SEI) Academy Public Charter School for Grades 6-8. (Segments: On Track middle school students)

See Appendix C on p. 60 for a fuller description of each intervention.

**3. Explore additional evidence-based or promising practices that PPS should consider implementing for off-track students.**

Certain segments of off-track students may benefit from programs used in comparable school districts elsewhere in the country.

**4. Improve the ability of district-run comprehensive, focus and alternative PPS schools, and CBO alternative schools, to serve off-track student segments.**

The vast majority of PPS students are served by district-run comprehensive and focus high schools and CBO alternative schools. As a result, most off-track students and at-risk categories of students are predominantly served there. A strategic effort to identify and serve these students in these high schools should pay off.

a. Review alignment to ensure students are served in the appropriate settings.

The only segment that was not predominantly served in district-run comprehensive and focus schools was the Old/Far segment, where about 70 percent were served by CBO schools. However, the CBOs also serve students in the On Track, Old/Near, Young/Far, and Young/Near segments. Should they be serving students in all those segments, or in their current proportions? A closer look may reveal ways to tighten referral policies from district-run comprehensive and focus high schools to help CBOs do what they do best.

Along the same lines, although the overwhelming majority of Young/Near students were enrolled in district-run comprehensive and focus high schools, over 240 Young/Near students were enrolled in alternative schools. Again, tighter referral policies may be in order.

Appendix K, on p. 82, can be used as a starting point to gain a deeper understanding of outcomes for re-engaged students at CBOs.

b. Improve services for special education students and English Language Learners attending comprehensive and focus schools and CBO alternative schools.

At least 46 percent of all special education students—and around half of English Language Learners— in all segments are off-track. Since the vast majority attend comprehensive and focus schools (76 percent of special education students and 82 percent of English Language Learners do so) or CBO alternative schools (about 14 percent in both cases), it seems logical to focus efforts to support these students primarily in comprehensive/focus schools and/or CBOs.

Special attention should be paid to English Language Learners who are in the Old/Far segment. These students show up in the Old/Far segment at about two-and-a-half times the rate they appear in other off-track segments. Methods should be identified to intervene earlier, to ensure they do not become Old/Far students.

c. Focus more resources and support services in Southeast Portland.

Fully one in three off-track students lived in Southeast, which was also home to the highest proportion, by a large margin, of special education students, and English Language Learners (about half of both categories were off-track) and dropouts. Adequate resources should be provided to the region for at-risk students.

d. Provide more interventions targeting Old/Far students.

Since the largest number and percentage of dropouts were in the Old/Far segment, further analysis of this population and the services they receive appears warranted. About one in four Old/Far students was in a district-run comprehensive and focus high school instead of a CBO or other alternative school; a deeper look at them would determine whether they would be better served in a CBO or alternative school, or whether more Old/Far students can be successfully served in comprehensive and focus high schools. (Note: a different definition of success may be needed for students who will not graduate with their fourth- or fifth-year cohorts, but who can still become college- or career-ready.)

e. Implement strategies to target On Track students at risk for dropout.

As noted above, almost one in four PPS dropouts in the snapshot were in the On Track segment. Implementing student support teams district-wide to assist when students exhibit warning signs in attendance, behavior, and classroom performance, for example, could identify On Track students at risk of dropout earlier and ensure they receive appropriate services to help them stay in school. (Note that the segmentation analysis did not distinguish between elective credits and credits required for graduation; it may be that students classified here as “On Track” who dropped out had a large number of elective credits, but not those needed to graduate.)

**5. Explore what the growth in the count of students who enroll in high school over the course of the academic year—and the concomitant changes in relative segment size—mean for service planning.**

PPS high school enrollment changes significantly over the course of the academic year as students enter and leave. As the district gets better at retaining and re-engaging students, this will have implications for school capacity and how services should be deployed.

**6. Address the grading gap.**

As the December 2012 report on Portland’s high school system redesign noted, PPS high schools display dramatic disparities in course failures by race and ethnicity. Research has shown that students are at most risk of dropping out when they fall behind and a diploma begins to seem out of reach. The report suggested several strategies to address the issue that would not compromise instructional or curricular rigor. Addressing the grading gap would help ensure that services are effective for all students.

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# Overview Report

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## Context and Rationale

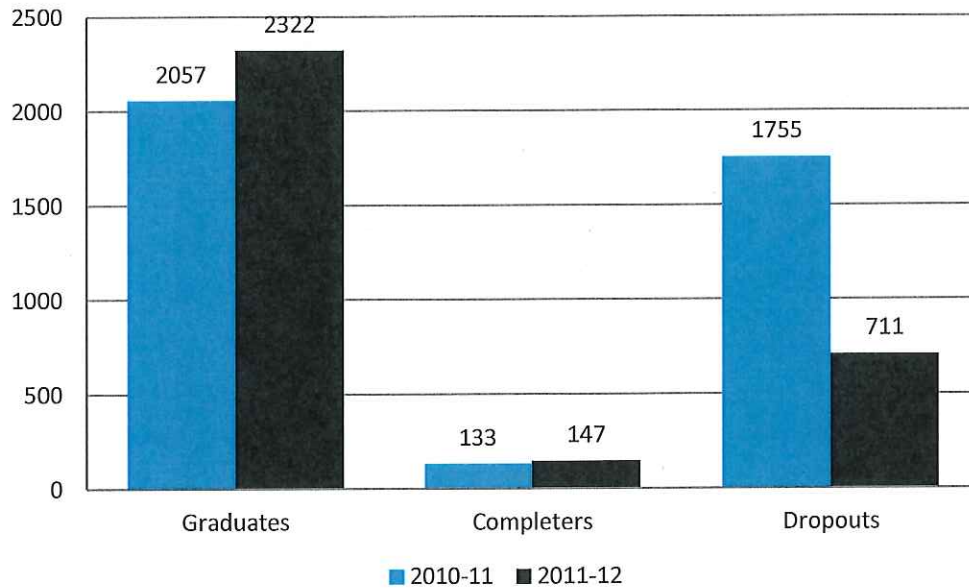
The Portland Public Schools (PPS), as part of its effort to redesign its high school system, has undertaken a supplemental “segmentation” analysis of PPS’s high school student population to categorize students based on age and credit status and determine how PPS can meet the needs of students throughout the system. This report constitutes the first step in that analysis.

## Despite Significant Progress, Dropouts Remain a Priority

Portland Public Schools has increased its four-year graduation rate 10 percent since it embarked on its redesign, and—according to the December 2012 report on the progress of Portland’s high school redesign—[\*Portland’s High School System: Update on High School System Design Implementation: Next Steps to Accelerate Progress\*](#)—PPS’ dropout rate has improved significantly since 2008 and is lower than any other school district in Oregon. However, the dropout rate is still unacceptable. In 2011-2012—the first academic year in which the High School System Design changes implemented by the Portland School Board took effect—711 students in grades 7-12 dropped out (see Figure 1, below); of whom 602 students were in grades 9-12 (five percent of grade 9-12 students enrolled as of October 1, 2011).



**Figure 1**  
**PPS Graduates, Completers, Dropouts**  
**Grades 7-12**



- For the 2011-12 school year, 66.9 percent of 12<sup>th</sup>-graders graduated.
- In the same year, 711 students dropped out from grades 7-12, of whom 602 were in grades 9-12. **NOTE:** The dramatic decrease in dropouts between 2010-11 and 2011-12 was partly due to an effort to ensure that departing students who enrolled in a school outside of PPS are not counted as dropouts.

## Goals

To help PPS lower the dropout rate and ensure that youth are served equitably across the system, PPS launched this analysis of its high school students, by segment, to evaluate the range of student needs in the high school system, and to determine whether its high school programs are (a) aligned with student needs and (b) located to effectively serve them. It is the first step to answering several key strategic questions:

1. Which students are served, in which schools, and in what part of the district?
2. Are there gaps in the services provided to students?
3. If there are gaps, how can the school district address them?
4. If the district cannot address all gaps, how should the district set priorities for the greatest impact for its students?

This report begins to address the first two questions, and includes recommendations to address the remainder, along with key decisions required to move forward.

## Method of Analysis

The December 2012 report on the progress of Portland’s high school redesign -- [\*Portland’s High School System: Update on High School System Design Implementation; Next Steps to Accelerate Progress\*](#) – analyzed student data that was taken from an analysis of four-year cohorts. In contrast, this segmentation analysis draws on a data snapshot of Portland students in grades 6-12, enrolled on October 1, 2011 for the 2011-2012 school year. By delving into a single school year, this approach provides a useful look at whether students in the high school system are appropriately matched with services that meet their needs.

## Segmenting PPS Students

Since one goal of the high school redesign is to ensure that students are matched appropriately with services and do not drop out—and there is a strong correlation between being academically “off track” and dropping out—PPS staff analyzed the snapshot data to determine which students were On Track, and which were not.

To do this, PPS staff divided the students in the data snapshot into segments based on age, grade level, and credit status (i.e., proximity to being On Track for graduation). Generally speaking, students who were fewer than six credits behind were categorized as “near,” and students who

were a year or more behind in credits were “far.”<sup>6</sup> Since student age was a factor, they were also divided into “young” and “old” groups.

Below are the detailed rules:

PPS Data Snapshot 2011-2012 – Criteria for Segmentation					
Grades 6-9					
Age Category	Grade Level	Age on September 1 of that AY	On Track (credits)	Near Off-Track (credits as of Oct 1)	Far Off-Track (credits as of Oct 1; one year or more behind)
Young	6th-9th grade	15 and younger	Not AcP* (credits N/A)	AcP* (credits N/A)	AcP* and OAKS** Reading or Math "very low" (credits N/A)
Old	9th grade	16	12+	6-11.99	<6
		17 and older	18+	12-17.99	<12
Grades 10-12					
Young	10th-12th grade	14 and younger	6+	1-5.99	<1
		15	6+	1-5.99	<1
		16	12+	6-11.99	<6
Old	10th-12th grade	17 and older	18+	12-17.99	<12

\*AcP = "Academic Priority." For classification criteria see "Academic Priority" in the glossary (Appendix B, on p. 57). Note that some students are classified as AcP solely because they are new to the district.

\*\*OAKS (Oregon Assessment of Knowledge and Skills) is a state test given to students in Oregon public schools

**NOTE:** Students who were significantly younger or older than usual for their grade level were infrequent outliers.

<sup>6</sup> Since most ninth-graders had not earned credits by October 1, 2011, when the data snapshot was taken, “Academic Priority” status was used as a proxy for identifying ninth-graders at-risk of dropout.

Using these rules resulted in five segments, broken down the following ways:

<b>Students, Grades 9-12 – Oct. 1, 2011</b>				
<b>Segment</b>	<b>Total #</b>	<b>% of Total</b>	<b>Dropouts</b>	<b>Dropout Rate</b>
On Track	8,246	68.5%	159	1.9%
Off Track: Young and Near	2,261	18.8%	93	4.1%
Off Track: Old and Near	671	5.6%	88	13.1%
Off Track: Old and Far	549	4.6%	202	36.8%
Off Track: Young and Far	307	2.6%	60	19.5%
<i>Subtotal (Off Track)</i>	<i>3,788</i>	<i>31.5%</i>	<i>443</i>	<i>11.7%</i>
<b>Total</b>	<b>12,034</b>		<b>602</b>	<b>5.0%</b>

### **The Segments - Defined**

Below is a written explanation of the criteria for segmentation.

#### **On Track**

Students in grades 10-12 who were up to date with their credits, based on their age and grade level, were considered “on track,” along with ninth-graders not classified as “Academic Priority.” Ninth graders 16 or older who had earned the appropriate number of credits were the only exception, as they were also classified as “on track.”

**Please Note:** “on track” students, as defined, are on track to graduate high school. Nevertheless, readers should keep in mind that PPS’ overarching, broader goal is to ensure that all students are college and career-ready.

#### **Off Track**

The term “off track” in this report refers to any students in the four off-track segments listed below – i.e., any students who were not on track.

#### **Off Track: Young and Near**

These “young” students were “nearly” on track to graduate. They include students in grades 10-12 younger than 17 who were fewer than 6 credits behind, based on their age and grade level, as well as ninth-graders younger than 16 who were classified as “Academic Priority.”

### **Off Track: Old and Near**

“Old” students “nearly” on track to graduate included students in grades 10-12 who were 16 and older in ninth grade -- and those 17 and older in grades 10-12 -- who were fewer than 6 credits behind.

### **Off Track: Young and Far**

“Young” students “far” from being on track to graduate included students younger than 17 in grades 10-12 who were a year or more behind in credits. Ninth-graders younger than 16 who were classified as “Academic Priority” – and who scored “very low” on the statewide OAKS test in either reading or math -- also fell into this category.

### **Off Track: Old and Far**

“Old” students “far” from being On Track to graduate included students 17 and older in grades 10-12 (and ninth-graders 16 and older) who were a year or more behind in credits.

## **Other Variables**

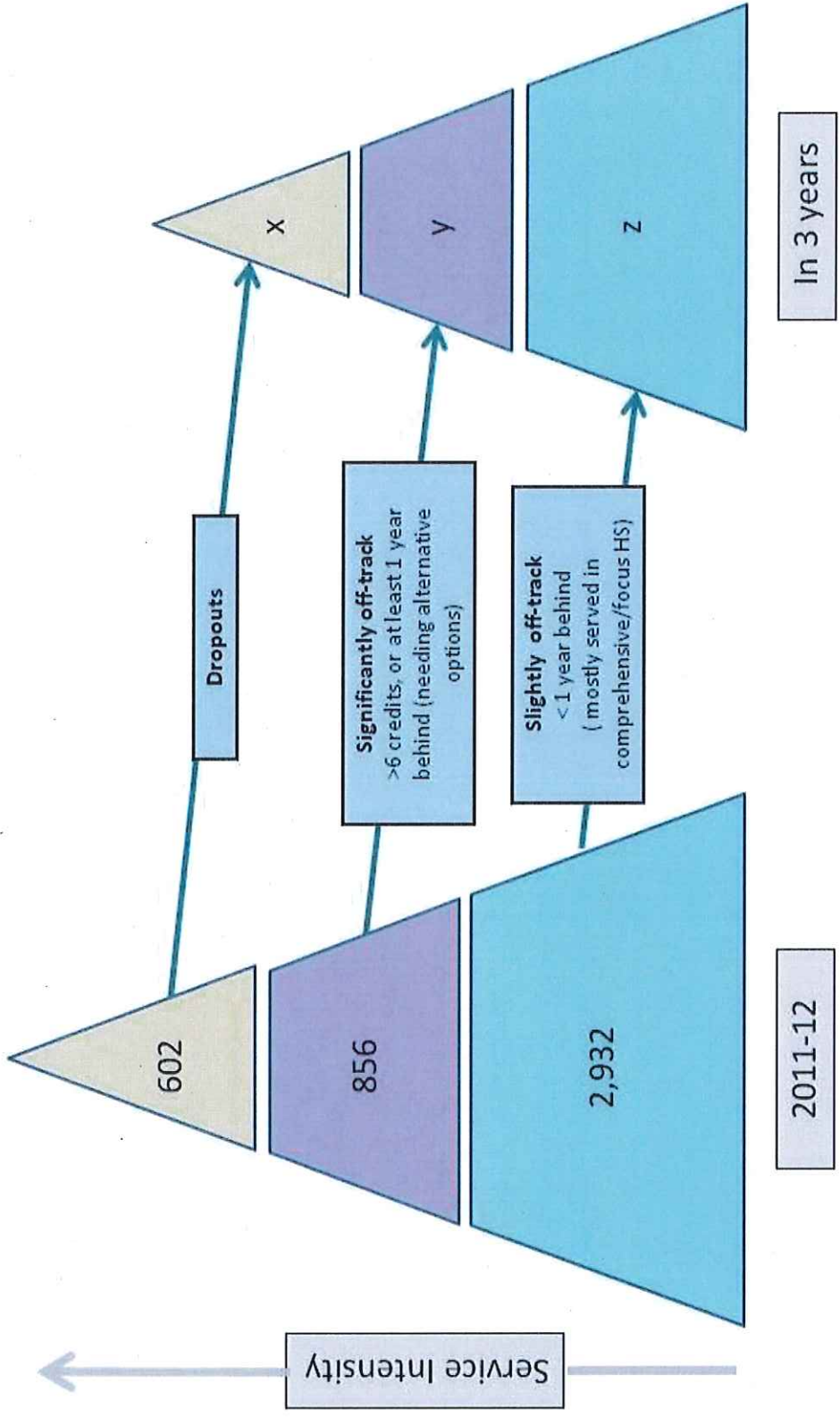
Data on all students in the snapshot were also pulled for their race and ethnicity; economic status; special education status; whether they were English Language Learners; type of school attended; and, if they had dropped out, whether they re-enrolled or moved to another school the following year. (See Table A, on p. 31 for the results.)

In addition, home addresses of off-track youth were organized by zip code into regions – West, North, Northeast, Southeast, Outer Northeast, and Outer Southeast – and then mapped onto the PPS school district by segment, to show student needs and PPS services by region. (See Tables C and D, on p. 40.) For a list of zip codes by region, see Appendix E, p. 64); for detailed information about each segment by region see Appendix G, p. 66; and for segments mapped by region, see Appendix L, p. 84.)

## **Conceptual Model**

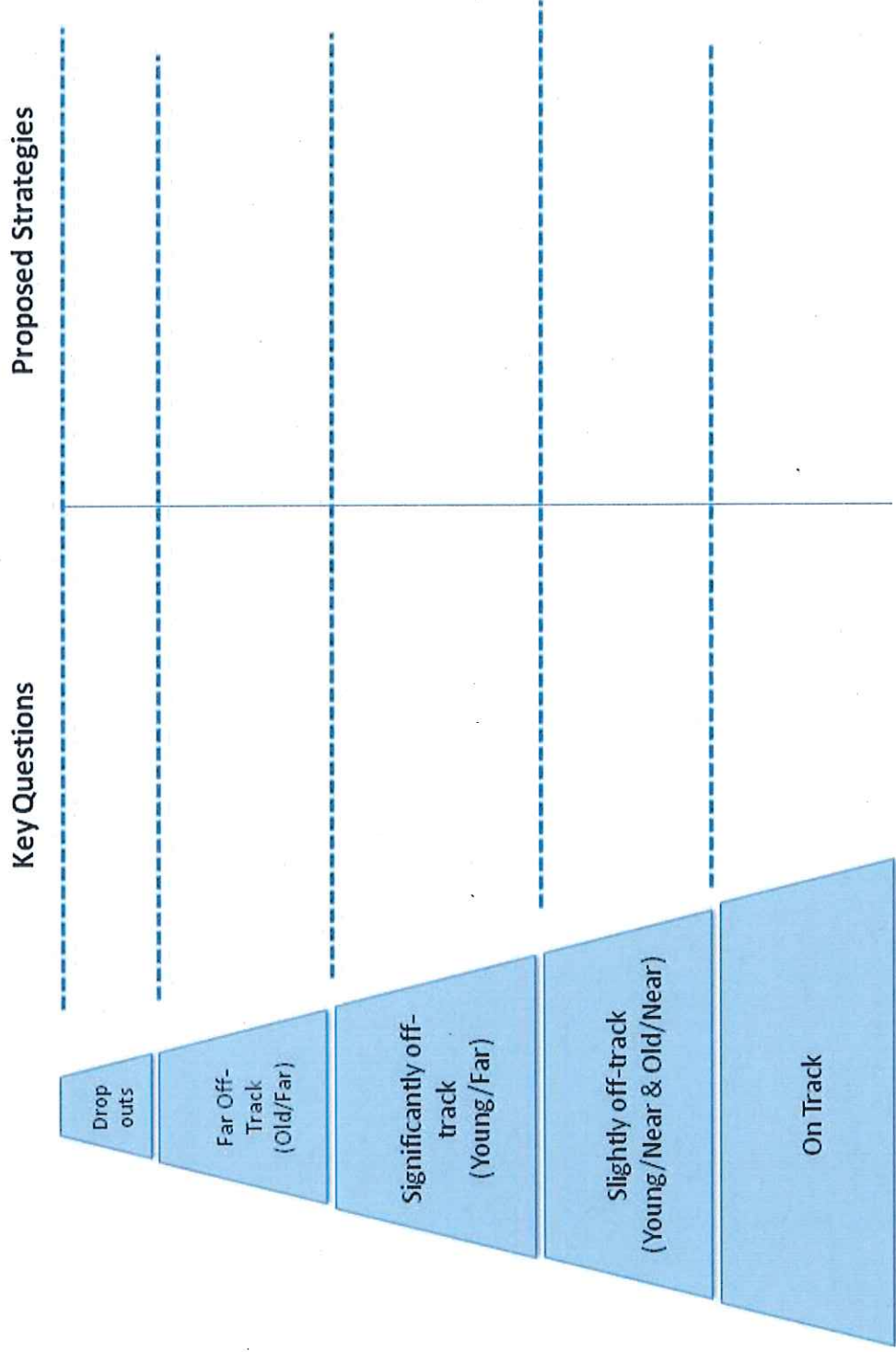
To frame the analysis and the development of recommendations that arise out of it, PPS proposes the following conceptual and planning models as a guide. (See Figures 2 and 3, below.) Simply put, PPS’ goal is to reduce the size of all off-track segments, including dropouts. Each segment may require distinct strategies and services.

# Figure 2 Off-Track Students: a Conceptual Model



Note: "In 3 years" data assumes 20% improvement.

**Figure 3**  
**High School Services: A Planning Model**



## **A Note on Methodology: the Snapshot vs. Annual Enrollment**

By its nature, a data snapshot taken at the beginning of the school year cannot capture changes in student enrollment as new students enter the district, old students are re-engaged, or students leave the district (to change schools, move away, or drop out). While the snapshot provides a useful way to delve into student needs, it cannot fully describe demand for services—especially students “far” from graduation who tend not to re-engage in school until later in the year.

The chart below illustrates this:

<b>Change in PPS Gr. 9-12 Enrollment During 2011-2012</b>						
Segment	Enrolled Oct. 1 2011 (Snapshot)		Enrolled anytime 2011-2012		# Growth	% Change
	Count	%	Count	%		
On Track	8,246	68.5%	8,839	61.4%	593	7.2%
Young and Near	2,261	18.8%	2,842	19.8%	581	25.7%
Old and Near	671	5.6%	877	6.1%	206	30.7%
Old and Far	549	4.6%	1,142	7.9%	593	108.0%
Young and Far	307	2.6%	686	4.8%	379	123.5%
<b>Total</b>	<b>12,034</b>	<b>100.0%</b>	<b>14,386</b>	<b>100.0%</b>	<b>2,352</b>	<b>19.5%</b>

During the 2011-12 academic year, the count of students enrolled at any time swelled 19.5 percent, to 14,386 students. (Because students enter and leave the district all year for various reasons, not all were enrolled at the same time.) Although all segments grew in raw numbers, the “On Track” segment grew by the smallest percentage, and the Old/Far and Young/Far segments grew most dramatically in terms of percentage. Given that Old/Far and Young/Far students are least likely to be engaged in school for various reasons, it should not be surprising to see significant “growth” in these segments over the course of the year. Nevertheless, the significant shifts in enrollment across segments throughout the academic year should have implications for service planning.

For example, comprehensive and focus high schools began the year with 10,225 enrolled students, but by the end of the year, 10,715 had enrolled there at some point during the year—a net gain of 490 enrolled students, though again, not all were enrolled at the same time. (To see these figures, compare the table on p. 46 with Appendix A on p. 56). But the biggest fluctuations in enrollment, by far, were experienced by the CBO alternative schools. Only about half of the roughly 2,500 CBO students continued from the previous year or began the year enrolled there; the remainder enrolled later in the year (see Appendix K, on p. 82).



## **PPS Students Enrolled in Other Districts**

It should also be noted that 343 students whose home addresses were in Portland in the 2011-2012 school year were enrolled in an external school/program for some period of time. On Oct. 1, 2011, 109 of these students were enrolled at Helensview; the remainder were at (in order), the Donald E. Long School, Inc Youth Program-MCDC, and FLS-Pathways Community School; the remainder were spread out among 35 other programs. (Although not part of the PPS district, programs like those named here are considered a vital part of its alternative education system.)

Students enrolled in other districts were not part of the analysis unless they were enrolled in a PPS school or program sometime during the 2011-12 school year.

## Student Services: Demand

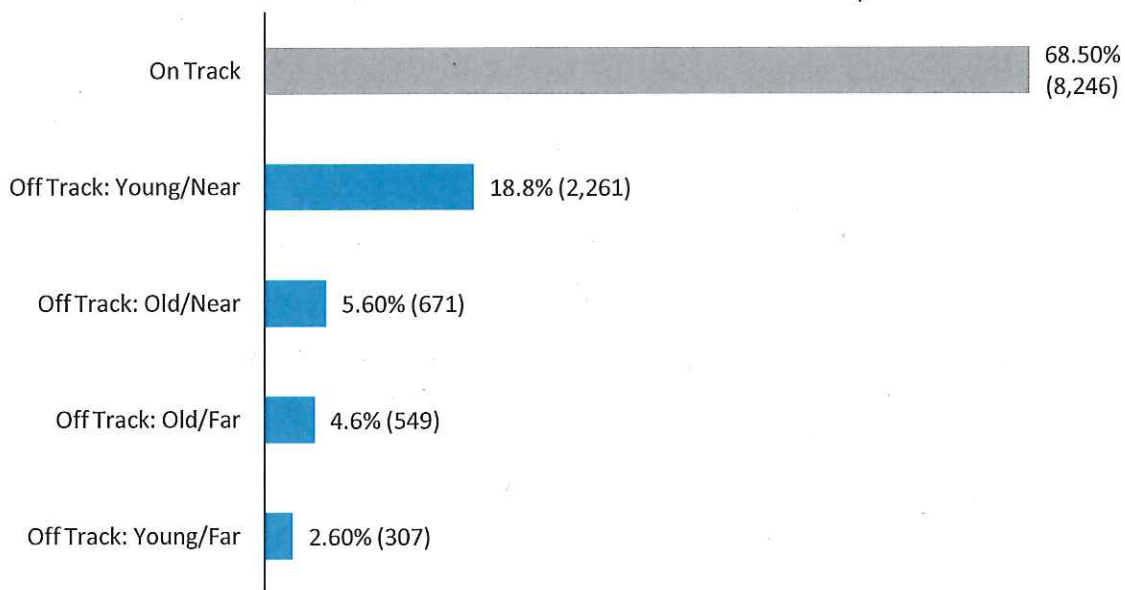
The analysis is divided broadly into two perspectives: examining the students who represent demand for PPS' educational services, and the supply and distribution of educational services currently available. This section examines the student demand.

### Findings

#### Size of Off-Track Population and Segments at Highest Risk for Dropout

- More than two-thirds of the students (68.5 percent) in grades 9-12 were on track academically. However, almost one in three (31.5 percent) were off track.<sup>7</sup> See the graph below.

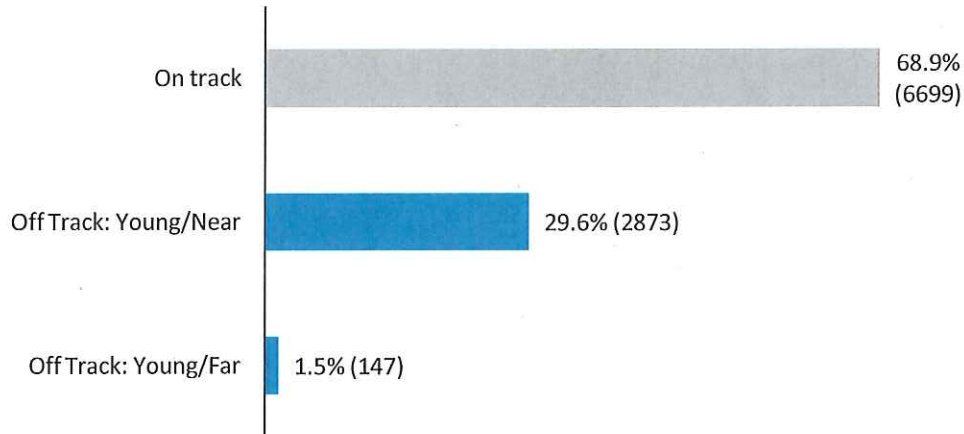
#### On Track vs. Off-Track 2011-12, Gr. 9-12



<sup>7</sup> The phrase “off track” refers in this report to all segments except “on track” – e.g., Young/Near, Young/Far, Old/Near, and Old/Far.

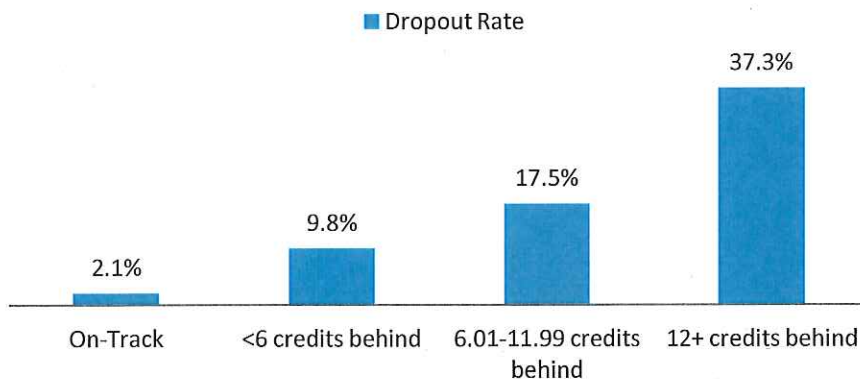
The same divide is clear in grades 6-8, as well:

### On Track vs. Off Track Students 2011-12, Gr. 6-8



The number of “off-track” students is concerning because national research and PPS’ own data show that, as students fall behind in credits, their rate of dropout rises dramatically. We can see this in the graph below, which divides 10<sup>th</sup>-12<sup>th</sup> graders by credit status. (Because students don’t begin to earn credits until ninth grade, they are not included in the graph.)

### Dropout Rate for Gr. 10-12 2011-12



**Table A: 2011-12 Gr. 9-12 Students, Oct. 1 Snapshot - Segments**

Segment	Total # in 2011-2012 / % of total	Annual Dropout Rate	# of dropouts in 2011-12 / % of total	Students of Color <sup>§</sup>	Special Education (SPED)	English Language Learner (ELL)	Free and Reduced Meals (FARM)	Male Students	
								Male Students	48.9%
On Track*	8,246 68.5%	1.9%	159 26.4%	3,312 40.2%	780 9.5%	324 3.9%	3,102 37.6%	4,033	48.9%
Young and Near	2,261 18.8%	4.1%	93 15.4%	1,195 52.9%	461 20.4%	173 7.7%	1,466 64.8%	1,242	54.9%
Old and Near	671 5.6%	13.1%	88 14.6%	354 52.8%	123 18.3%	50 7.5%	374 55.7%	383	57.1%
Old and Far	549 4.6%	36.8%	202 33.6%	322 58.7%	94 17.1%	105 19.1%	240 43.7%	313	57.0%
Young and Far	307 2.6%	19.5%	60 10.0%	167 54.4%	58 18.9%	24 7.8%	184 59.9%	191	62.2%

\*Includes non-ACP ninth-graders.

§On average, students of color constituted 44.5 percent of PPS student population in the October 1, 2011 snapshot of grades 9-12.

**Table B: 2011-12 Gr. 9-12 Students – Segments by Race/Ethnicity**

Race/Ethnicity	On Track		Young and Near		Old and Near		Old and Far		Young and Far	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Asian	847	10.3%	127	5.6%	42	6.3%	55	10.0%	16	5.2%
Black/ African-American	885	10.7%	409	18.1%	133	19.8%	106	19.3%	59	19.2%
Hispanic/Latino <sup>8</sup>	969	11.8%	445	19.7%	114	17.0%	108	19.7%	70	22.8%
Multiple Races (non-Hispanic)	427	5.2%	124	5.5%	41	6.1%	26	4.7%	15	4.9%
Native American or Alaska Native	104	1.3%	67	3.0%	10	1.5%	18	3.3%	6	2.0%
Native Hawaiian or Other Pacific Islander	80	1.0%	23	1.0%	14	2.1%	9	1.6%	1	0.3%
White	4,934	59.8%	1,066	47.1%	317	47.2%	227	41.3%	140	45.6%

<sup>8</sup> Some White students may be counted as Hispanic.

Based on Table A, we see that:

- **The largest segment of off-track students was “Young and Near.”** Almost 1 in 5 of the high school student population (18.8 percent) fell into the Young/Near segment. The next closest segment, Old/Near, made up only 5.6 percent of the student population.
  - The Young/Near segment displayed the lowest percentage of drop-outs among the off-track segments (4.1 percent)—about one-third the rate of the next-lowest segment, Old/Near (13.1 percent).
  - Though the Young/Near segment in this snapshot had the highest percentage (20.4 percent) of students in special education, the other segments were relatively similar (18.9 percent of Young/Far students, 18.3 percent of Old/Near, and 17.1 percent of Old/Far).
  - Over half of the Young/Near students (1,242, or 54.9 percent) were ninth graders classified as “Academic Priority” (or AcP). Since ninth-graders can be classified as “Academic Priority” solely because they are new to the district, this may warrant further examination
- **Students in the Old/Far segment were most likely to drop out.** The largest number (202 students) and percentage of dropouts (33.6 percent) came from the Old/Far students. In fact, the dropout *rate* among Old/Far students (36.8 percent) was nearly double that of the next-closest cohort (Young/Far, 19.5 percent).
  - Old/Far students were more likely to be students of color than were students in other segments.
  - English Language Learners were over-represented in the Old/Far segment. In general, English Language Learners represented eight percent or fewer of all segments of students (including On Track students) -- with the notable exception of Old/Far, where almost one in five (19.1 percent) were English Language Learners, a rate that was five times that of On Track students, and two-and-a-half-times greater than among the other off-track segments
- **The second largest number and percentage of dropouts was in the On Track segment.** Although only two percent of On Track students dropped out, that translated to 159 dropouts—26.4 percent of all dropouts.

Table B shows how each segment is broken down by race and ethnicity. From this breakdown, it is clear that:

- **Students of color were generally over-represented in the off-track segments.** Youth of color generally (though not universally) made up a larger percentage of each segment

than they did in the On Track segment; conversely, White and Asian students appeared in smaller percentages, proportionally, than they did in the On Track segments.

- **For some groups of youth of color, nearly as many youth were off-track as were On Track.**
  - Just about as many Native American/Alaska Native youth were off-track (101 students) as On Track (104).
  - For Hispanic/Latino youth, 43 percent were off-track (737), compared to On Track (969). For Black/African-American youth, 44 percent were off-track (707), compared to On Track (885).

For other groups, there proportion of off-track to on-track students was smaller.

- When it came to Asian youth, 22 percent were off-track (240) compared to On Track (847); while 32.5 percent of multi-racial (non-Hispanic) students (206) were off-track, compared to On Track (427).
- Only 26 percent of White youth were off-track (1,750), compared to On Track (4,934).
- **Though Asian students were generally under-represented in off-track segments, they made up 10 percent of Old and Far students.** Although Asian students made up between five and six percent of students in other off-track segments, that percentage jumped to 10 percent of Old and Far students. This may be because three quarters of Hispanic/Latino students and almost half of the Asian students in the Old/Far category list Spanish and Vietnamese, respectively as their primary languages (see Appendix J, on p. 76), but this may bear further investigation.

## Dropouts

According to the data snapshot, students dropped out in greater numbers toward the end of high school, as can be seen in the table below.

PPS Dropouts by Grade (7-12)		
Grade	#	%
7	48	6.8%
8	61	8.6%
9	56	7.9%
10	106	14.9%
11	154	21.7%
12	286	40.2%
<b>Total</b>	<b>711</b>	<b>100.0%</b>

- **Forty percent of all dropouts left school in their senior year.** While much attention is deservedly paid to the transition from junior high school to high school, many students leave when they either should be graduating or completing – perhaps because they see no hope that they can finish high school. This appears to underscore the importance of early identification and intervention.

The table below summarizes the demographics of 2011-12 dropouts in grades 7-12.

PPS Dropouts Grades 7-12 Enrolled Oct 2011 Key Demographics			
Demographic Category	District population, Gr. 7-12 (n=18,426)	PPS Dropouts, Gr. 7-12, enrolled Oct. 2011 (n=711)	
	Percentage	Number	Percentage
Male	51%	387	54.4%
Spec. Ed	13.5%	88	12.4%
English Language Learners	5.5%	67	9.4%
Free and Reduced Price Meals (FARM)	46.0%	362	50.9%
Students of Color <sup>9</sup>	44.5%	368	51.8%
Suspensions/Expulsions	6.7%	50	7.0%

- **English Language Learners were overrepresented among dropouts.** While they represented only 5.5 percent of students in the district, they made up almost twice as high a percentage—9.4 percent—among dropouts. Dropouts were also more likely to be male, participate in the Free and Reduced Price Meals program, and to be students of color when compared to the district population as a whole.

<sup>9</sup> Some White students may be counted as Hispanic.



The following table looks more closely at the racial/ethnic breakdown of students who dropped out, compared to district-wide statistics.

2011-2012 Dropouts by Race/Ethnicity				
Race/Ethnicity	District Population Gr. 7-12 (n=18,426)		PPS Dropouts, Gr. 7-12, enrolled Oct. 2011 (n=711)	
	Number	Percent	Number	Percent
Asian	1,586	8.6%	32	4.5%
Black/ African-American	2,419	13.1%	111	15.6%
Hispanic/Latino <sup>10</sup>	2,712	14.7%	151	21.2%
Multiple Races (non-Hispanic)	1,012	5.5%	47	6.6%
Native American or Alaska Native	283	1.5%	19	2.7%
Native Hawaiian or Other Pacific Islander	188	1.0%	8	1.1%
White	10,226	55.5%	343	48.2%

Looking at the chart above, it's clear where there is over and under-representation. Asian and White students were under-represented among students who dropped out, compared to their numbers enrolled in the district; all other categories were over-represented. Most notably:

- While only 1.5 percent of grade 7-12 students in the district were Native American/Alaska Native youth, they appeared among the students who dropped out at nearly twice that percentage (2.7 percent).
- Hispanic/Latino youth accounted for 14.7 percent of students in the grade 7-12 population, but made up 21.2 percent of students who dropped out (a proportional difference of 44 percent); Black/African-American youth made up 13.1 percent of the student population and 15.6 percent of students who dropped out (a proportional difference of nearly 20 percent).
- Although White students (55.5 percent of students district-wide) made up only 48.2 percent of the students who dropped out, they comprised the largest *number* of dropouts (343), followed by Hispanic/Latino youth (151) and Black/African-American students (111).

Given that off-track students are at higher risk of dropping out, PPS next examined how dropouts broke out by segment. The excerpt below, drawn from Table A on p. 31, shows the dropout rate by segment, along with the number and percentage of dropouts by segment.

<sup>10</sup> Some White students may be counted as Hispanic.

2011-12 Gr. 9-12 Students Who Dropped Out by Segment					
Segment	Total # in 2011-2012 / % of total		Annual Dropout Rate	# of Dropouts in 2011-12 / % of total	
On Track	8,246	68.5%	1.9%	159	26.4%
Young and Near	2,261	18.8%	4.1%	93	15.4%
Old and Near	671	5.6%	13.1%	88	14.6%
Old and Far	549	4.6%	36.8%	202	33.6%
Young and Far	307	2.6%	19.5%	60	10.0%

Looking at the chart, it is clear that:

- **The largest number and percentage of dropouts, by far, were in the Old/Far segment.** At 36.8 percent, the dropout *rate* of Old/Far students was nearly double that of the next-closest cohort (Young/Far, 19.5 percent). That percentage represented 202 students, or 33.6 percent of all grade 9-12 PPS dropouts in the snapshot for the 2011-2012 school year.
- **On Track students made up the second-largest number of dropouts.** Although the dropout rate for On Track students was only two percent, 159 On Track students dropped out—a number second only to the Old/Far segment (202 students), and far larger than the next-largest segment of dropouts (Young/Near, 93 students).
- **Despite its size, the Young/Near segment had the lowest drop-out rate among all off-track students.** Although the Young/Near segment was significantly larger than all other off-track segments combined, and its dropout rate was twice that of the On Track segment, its dropout rate was significantly lower than that of any of the other three off-track segments.

## A Closer Look: Dropouts from the “On Track” Segment

The table below breaks out the On Track dropouts by school type and several other variables. In general, On Track dropouts were more likely to be male; less than half participated in Free and Reduced Meals (45 percent); 12.6 percent were special education students, and about 5 percent were English Language Learners. Only 3.7 percent had been suspended or expelled.

"On Track" Dropouts - Gr. 9-12, 2011-12									
By School Type									
	Dropouts		Gender		Spec. Ed.	ELL*	FARM <sup>§</sup>	Susp/Exp	Students of Color
	#	%	M	F					
District-run Comprehensive & Focus	110	69.2%	59	51	14	5	51	6	40.9%
CBO Alternative	33	20.8%	17	16	2	3	14	0	57.6%
Other Alternative	1	0.6%	0	1	0	0	0	0	0.0%
Charter	9	5.7%	5	4	1	0	2	0	44.4%
Special Ed.	1	0.6%	1	0	1	0	1	0	0.0%
DART	5	3.1%	2	3	2	0	4	0	40.0%
<b>Total</b>	<b>159</b>	<b>100.0%</b>	<b>84</b>	<b>75</b>	<b>20</b>	<b>8</b>	<b>72</b>	<b>6</b>	<b>N/A</b>

\*ELL = English Language Learners

<sup>§</sup>Free and Reduced Price Meals (FARM)

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

- **Nearly all On Track dropouts attended district-run comprehensive and focus high schools, and CBO alternative schools.** See Appendix E on p. 64 for a list of CBO schools the On Track students attended.
- **On Track dropouts were more likely to be White than students of color.** In the On Track segment, 40.9 percent of dropouts were youth of color; the majority was White. Since students in the off-track segments were more likely to be youth of color—and dropout rates were much higher for those segments than in the On Track segment—it’s not surprising that youth of color would not make up the majority of On Track students who dropped out.

## Where Did the Off-Track Students Live?

Student home addresses were taken from the October 1<sup>st</sup> snapshot and mapped onto the district (see Appendix L, on p. 84). Looking at Tables C and D, below, we see that:

1. **The largest off-track segment in all regions was the Young/Near segment.** This was consistent with the relative size of the Young/Near segment compared to other off-track segments.
2. **Almost one in three off-track students lived in Southeast.** Southeast was home to 1,131 off-track students, or 29.9 percent of all off-track students. The bulk of the remaining off-track students were relatively evenly divided among the other most populous regions—North, Northeast, and West—though about one in six off-track students lived either in Outer Northeast, Outer Southeast, or outside of Portland.<sup>11</sup>
3. **Nearly one in three students who dropped out lived in Southeast.** Southeast had the highest number of dropouts (140). As with off-track students generally, dropouts were relatively evenly divided among the most populous remaining regions—North, Northeast, and West—though about one in five students who dropped out lived either in Outer Northeast, Outer Southeast, or outside of Portland.

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<sup>11</sup> Students who live outside of the city attend Portland Public Schools as a result of inter-departmental transfers.

Table C 2011-12 Gr. 9-12 Students - Segments by Region														
Live in Portland														
	West		North		NE	SE	Outer NE		Outer SE		Live Outside Portland			
On track	2,155	78.0%	976	56.8%	1,460	66.5%	2545	69.2%	764	68.2%	200	59.5%	146	64.3%
Young and Near	378	13.7%	463	27.0%	445	20.3%	655	17.8%	199	17.8%	73	21.7%	48	21.1%
Old and Near	106	3.8%	114	6.6%	124	5.6%	212	5.8%	72	6.4%	24	7.1%	19	8.4%
Old and Far	86	3.1%	101	5.9%	97	4.4%	174	4.7%	62	5.5%	26	7.7%	3	1.3%
Young and Far	38	1.4%	63	3.7%	69	3.1%	90	2.4%	23	2.1%	13	3.9%	11	4.8%
<b>TOTAL</b>	<b>2,763</b>	<b>100%</b>	<b>1,717</b>	<b>100%</b>	<b>2,195</b>	<b>100%</b>	<b>3,676</b>	<b>100%</b>	<b>1,120</b>	<b>100%</b>	<b>336</b>	<b>100%</b>	<b>227</b>	<b>100%</b>

Table D Gr. 9-12 Students Off-Track Students by Region				
	Off-Track Students	Dropouts		
West	608	16.1%	63	14.2%
North	741	19.6%	73	16.5%
Northeast (NE)	735	19.4%	83	18.7%
Southeast (SE)	1,131	29.9%	140	31.6%
Outer NE	356	9.4%	51	11.5%
Outer SE	136	3.6%	23	5.2%
Outside of PDX <sup>§</sup>	81	2.1%	10	2.3%
<b>Total</b>	<b>3,788</b>	<b>100.0%</b>	<b>443</b>	<b>100.0%</b>

<sup>§</sup> See appendix for a list of where students from outside Portland live.

## Where Did the Special Education Students and English Language Learners Live?

Given the potential need for alternative schools that special education students and English Language Learners might have—and anticipating the impact this might have on service planning—it seems useful to review where these two student populations from the data snapshot lived. As above, student home addresses were taken from the October 1<sup>st</sup> snapshot and mapped onto the district.

Table E								
Special Education & English Language Learners by Region (Gr. 9-12)								
Region	All Students		Special Education			English Language Learners		
	Number	% of total	Number	% of Spec. Ed students	% of students in region	Number	% of ELL students	% of students in region
West	2,763	23.0%	246	16.2%	8.9%	57	8.4%	2.1%
North	1,717	14.3%	281	18.5%	16.4%	138	20.4%	8.0%
Northeast	2,195	18.2%	308	20.3%	14.0%	93	13.8%	4.2%
Southeast	3,676	30.5%	446	29.4%	12.1%	261	38.6%	7.1%
Outer NE	1,120	9.3%	165	10.9%	14.7%	74	10.9%	6.6%
Outer SE	336	2.8%	35	2.3%	10.4%	47	7.0%	14.0%
Live Outside of Portland	227	1.9%	35	2.3%	15.4%	6	0.9%	2.6%
<b>Total</b>	<b>12,034</b>	<b>100.0%</b>	<b>1,516</b>	<b>100.0%</b>	<b>N/A</b>	<b>676</b>	<b>100.0%</b>	<b>N/A</b>

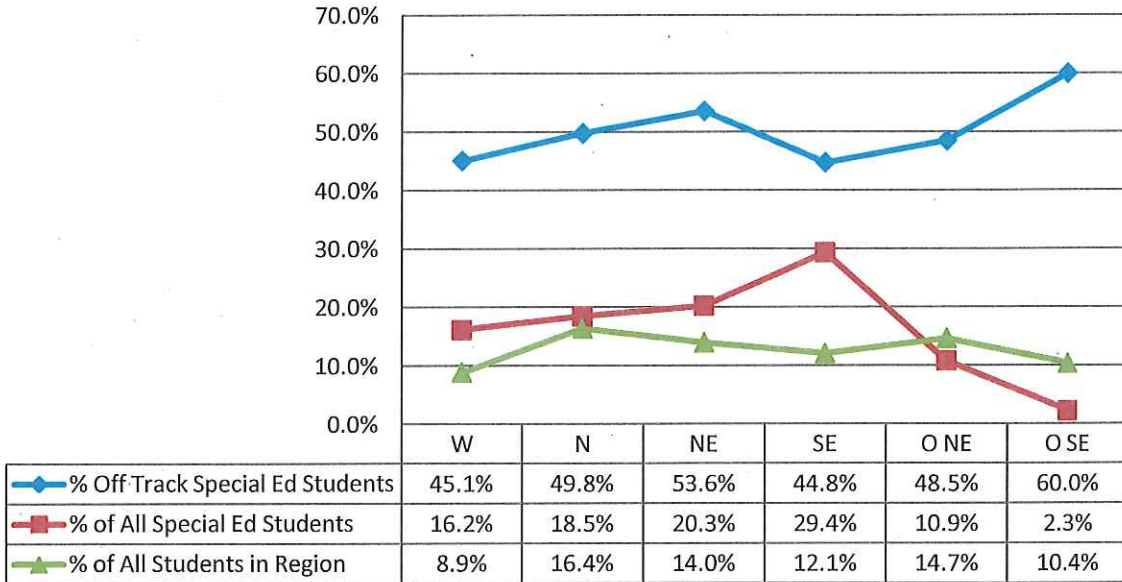
### Special Education Students

Looking at Table E above, we see that:

- The largest number and percentage of special education students lived in Southeast Portland, but significant numbers lived in nearly every region.** Nearly one in three (29.4 percent) special education students lived in Southeast; about one in five lived in Northeast and North, respectively. Outer Northeast and Outer Southeast differed considerably: whereas 10.9 percent lived in Outer Northeast, only 2.3 percent lived in Outer Southeast.

The graph below makes clear that an unusually large percentage of special education students live in Southeast Portland.

## Special Education Students Gr. 9-12, by Region (Portland Only)



- **At least 45 percent of special education students in all regions are off track.** Of the four most-populous regions (shown in the graph above), North had the highest percentage of off-track special education students (53.6 percent).

In what type of schools were special education students served?

- **Three out of four special education students were served in district-run comprehensive and focus high schools; almost one in six were served by CBO alternative schools—about 90 percent were served by one or the other (see chart below).** This should not be surprising, since most special education students fell into the On Track and Young/Near segments (see Table A, on p. 31), and, as in shown in the table below, most On Track and Young/Near students were served by district-run comprehensive and focus high schools and CBO alternative schools.

Special Education Students by School Type (Gr. 9-12)		
Type of School	# of Students	% of students
Comprehensive/Focus	1,144	75.5%
CBO Alternative	214	14.1%
Other Alternative	23	1.5%
Charter	51	3.4%
Special Education	51	3.4%
DART	33	2.2%
<b>Total</b>	<b>1,516</b>	<b>100.0%</b>

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

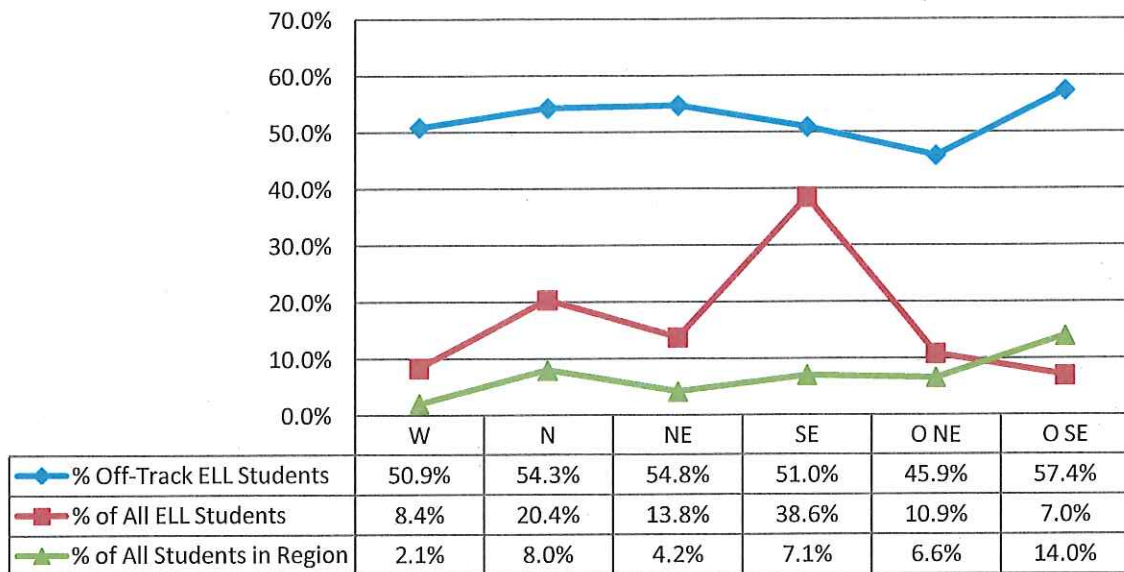
### English Language Learners

Looking back at Table E, on p. 41, we see that:

1. **The vast majority of English Language Learners lived in Southeast and North Portland.** Southeast was home to 261, or 36.8 percent of all English Language Learners. The next-largest cohort was approximately half the size: the 138 students, or 20.4 percent, who lived in North Portland. Taken together, they accounted for 399 of the district's 676 (or 59 percent) English Language Learners. The proportionate anomaly is clearer in the graph below, where percentage of off-track English Language Learners is relatively flat across all regions (except Outer Southeast, where there are relatively few students (336) compared to other segments, and small changes in population can cause big shifts in percentages), yet the preponderance of English Language Learners enrolled in PPS district schools is significantly greater in Southeast, and, to a lesser degree, North Portland.



## English Language Learners, Gr. 9-12, by Region (Portland Only)



The graph also makes it clear that:

- **At least half of all English Language Learners in nearly every region were off-track.** The only exception was Outer Northeast, where 45.9 percent—close to half—were off-track.
2. **In Table E and the graph above, it's clear that the smallest percentage of English Language Learners in Portland, by a significant margin, lived in West Portland and Outer Southeast.** Only 57 English Language Learners (8.4 percent) lived in West Portland; and 47 (7.0 percent) in Outer Southeast.
  3. **Relative to the student population in each region, the greatest percentage of English Language Learners lived in Outer Southeast; the smallest proportion lived in the West and the Northeast.** Nearly one in 6 (14 percent) of all PPS students in Outer Southeast were English Language Learners. This percentage could vary considerably from year to year, however, given the relatively small number of PPS students (336) in Outer Southeast.

In what types of schools were English Language Learners served? The chart below gives the breakout:

English Language Learners by School Type (Gr. 9-12)		
Type of School	# of Students	% of students
Comprehensive/Focus	557	82.4%
CBO Alternative	98	14.5%
Other Alternative	3	0.4%
Charter	16	2.4%
Special Education	2	0.3%
<b>Total</b>	<b>676</b>	<b>100.0%</b>

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

- Nearly all English Language Learners (ELL) attended district-run comprehensive and focus high schools or CBO alternative schools.** Eight out of 10 (82.4 percent) attended district-run comprehensive and focus schools, while nearly one in six (14.5 percent) attended CBO alternative schools. As with special education students, the largest numbers of English Language Learners were in the On Track and Young and Near segments (see Table A, on p. 31). As noted above, most On Track and Young/Near students as a whole were served by district-run comprehensive and focus high schools and CBO alternative schools.

### *Language and Off-Track Students*

If we also segment students by primary language endorsed at registration (see Appendix I, p. 73), we see that the segment with the smallest percentage of students whose first language is English is the Old and Far segment, where nearly 34 percent have a primary language other than English, and the Young and Far segment, where about 28 percent do. In addition, over 10 percent of each off-track category is made up of students whose primary language is Spanish.

Students Whose Primary Language is English or Spanish, by Segment Gr. 9-12 Students Enrolled Oct. 1, 2011										
	On Track		Young and Near		Young and Far		Old and Near		Old and Far	
	#	%	#	%	#	%	#	%	#	%
English	6,808	82.60%	1,776	78.50%	220	71.70%	522	77.80%	364	66.30%
Spanish	545	6.60%	274	12.10%	41	13.40%	73	10.90%	79	14.40%

## PPS Educational Services: Supply

In the previous section, we examined the demand for PPS’s educational services. Here, we will examine the supply – the array of services PPS currently offers.

As of October 1, 2011, PPS high schools were serving about 12,000 students in grades 9-12. The largest percentage of those students were served in district-run comprehensive and focus high schools and in the Community-Based Organization (CBO) alternative schools—14 private and public nonprofit, community-based alternative schools PPS contracts with to serve students who have either left a PPS district-run comprehensive or focus high school, or who have not been engaged in school due to non-attendance, academic failure, or behavioral issues (including multiple suspensions and expulsions.)

Students Gr. 9-12 by Type of School October 1, 2011		
Type of School	# of Students	% of students
District-run comprehensive and focus	10,225	85.0%
CBO Alternative	1,181	9.8%
Other Alternative	134	1.1%
Charter	349	2.9%
DART <sup>12</sup>	90	0.7%
Special Ed	55	0.5%
<b>Total Students</b>	<b>12,034</b>	<b>100%</b>

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

## Seat Capacity vs. Enrollment: an Opportunity and a Challenge

By charting available seats—supply—versus students seeking services—demand, it is possible to get a rough idea of where need is greatest. In this instance, it does not make sense to use snapshot data since, as noted above (see p. 27), that does not represent all students enrolled at during 2011-12. When we compare supply to total enrollment (see Appendix A, on p. 56), we find that PPS had 617 more students than seats. When broken out by type of school however, a

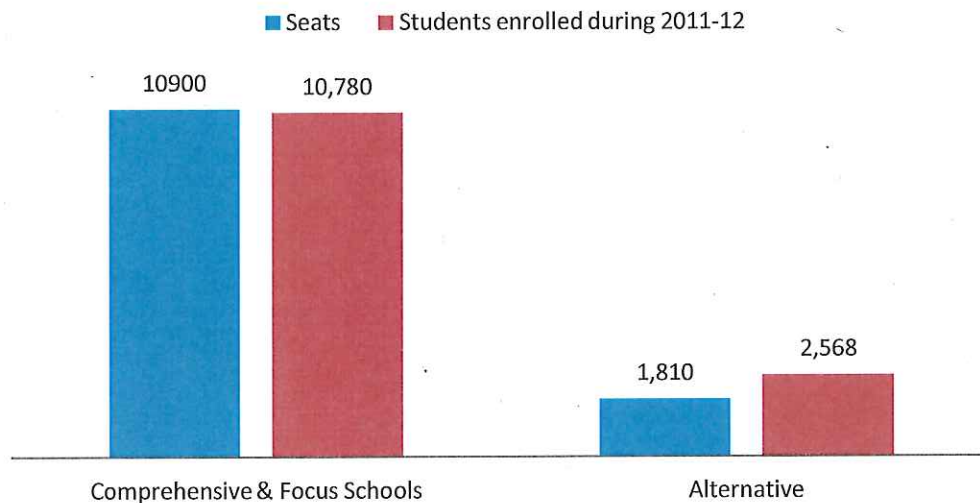
<sup>12</sup> DART stands for schools located in “Day and Residential Treatment” centers such as Rosemont and Perry Center. Students in these facilities are placed there by the state Department of Human Services, the Oregon Youth Authority, and county probation departments for mental health or behavioral issues. Most are not originally from Portland. Although PPS provides instruction in these facilities, it has no control over the students’ length of stay or their graduation/completion of high school. As such, while these schools have been noted, they are not a focus of the segmentation analysis.

more nuanced picture emerged. Comprehensive and focus schools as a whole had 122 more seats than students, but four of the schools (Cleveland, Franklin, Grant, and Lincoln) had at least 100 more students than seats.

Furthermore, it is apparent that the supply of alternative education options was exceeded by demand (see graph below)—in fact, alternative schools had 624 more students than seats. Alternative education providers have been able to absorb these “extra” students in part by serving more students than contracted for. But they also saw significant turnover, as the chart in Appendix K— a separate in-depth analysis of unsegmented students attending CBO alternative schools (see p. 82)—shows. In fact, about one in three students who enrolled in a CBO alternative school in 2011-12 had not been enrolled in PPS schools the previous year—they were either new students or were being re-engaged after a long hiatus<sup>13</sup>

This provides both an opportunity and a challenge: all PPS schools, including contracted providers, must improve their ability to retain struggling students; as they do, however, the supply of classroom seats available will no longer meet the demand.

### Supply vs. Demand 2011-12 Gr. 9-12 (Charter, DART, and Special Ed. schools not included)



<sup>13</sup> Note: this number and percentage includes some duplicated students. See Appendix K for more detail.

## Segments by Type of School

Once we break the students into the segments we've used elsewhere in this analysis, we see that in most segments, the majority of students attended district-run comprehensive and focus high schools and CBO alternative schools.

<b>Gr. 9-12 Segments by Type of School</b>						
	<b>District-Run Comprehensive and Focus</b>	<b>CBO Alternative</b>	<b>Charter</b>	<b>DART</b>	<b>Other Alternative</b>	<b>Special Ed.</b>
On Track	93.40%	3.3%	2.0%	0.4%	0.7%	0.2%
Young and Near	82.9%	8.1%	4.2%	1.1%	2.7%	1.1%
Old and Near	53.2%	37.3%	5.5%	0.9%	1.8%	1.3%
Old and Far	23.0%	69.2%	4.9%	2.0%	0.7%	0.2%
Young and Far	53.4%	30.0%	9.8%	4.6%	0.7%	1.6%

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

Looking at the chart above, we see that:

- The majority of students in all but one off-track segment attended a district-run comprehensive and focus high school in 2011-12.
- Once again, the “Old and Far” segment was anomalous, with more than two out of three students (69.2 percent) in this segment attending a CBO alternative school. Given the role that CBOs are expected to play in engaging struggling and returning students, this anomaly implies they are engaging one of the hardest-to-engage segments of students.
- A significant percentage (9.8 percent) of Young/Far students attended charter schools — about twice as large a percentage as any other segment.

Since most students attended either a district-run comprehensive or focus school, or a CBO alternative high school, how were off-track student segments distributed between those two types of schools? The chart below shows the answer:

<b>Students Gr. 9-12 Attending District-Run Comprehensive and Focus and CBO Alternative High Schools 2011-12, by Segment</b>				
	<b>District-Run Comprehensive/Focus</b>		<b>CBO Alternative</b>	
On Track	7,704	75.3%	276	23.4%
Young and Near	1,874	18.3%	183	15.5%
Old and Near	357	3.5%	250	21.2%
Old and Far	126	1.2%	380	32.2%
Young and Far	164	1.6%	92	7.8%
<b>Total</b>	<b>10,225</b>	<b>100.0%</b>	<b>1,181</b>	<b>100.0%</b>

NOTE: The CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

By looking at this subset of students, it is evident that:

- District-run comprehensive and focus high schools served more students in the Young/Near segment (18.3 percent) than in any other off-track segment. Yet 183 Young/Near students attended CBO alternative schools and an additional 60 attended other alternative schools (243 students, total)). More information is needed to understand the needs of these Young/Near students to ensure they are being served appropriately.
- The Old/Far segment had the largest number (380 students) and percentage (32.2 percent) of any segment of students attending CBO alternative schools. The Young/Far segment had the smallest percentage attending CBO schools (by a significant margin)—only 7.8 percent attended CBO schools. Again, more information about this subpopulation may be illuminating.
- About one in four (23.4 percent) students in CBOs, or 276, was in the On Track segment. More detail would be helpful to understand why so many “On Track” students were attending CBO alternative schools, rather than district-run comprehensive and focus schools. As a first step, the chart below breaks these students down further:

On Track Students Gr. 9-12 Attending CBO Alternative Schools					
Enrolled	119		Female	123	44.6%
Graduates	116		Male	153	55.4%
Completers	8		Spec. Ed.	57	20.7%
Dropouts	33		English Language Learners	17	6.2%
<b>Total</b>	<b>276</b>		FARM	169	61.2%
			Susp/Exp	6	2.2%
			Youth of Color	141	51.1%

NOTES: (1) "Graduates," "completers," and "dropouts" are defined in the glossary in Appendix B. Also, students may appear in more than one category on the right, so percentages are not intended to be cumulative. (2) As above, the CBO Alternative category includes students at Alliance; it does not include 109 PPS students enrolled at Helensview.

It may be significant that one in five (20.7 percent) of the On Track students attending CBO Alternative schools were special education students, 6.2 percent were English Language Learners, and over half (51.1 percent) were youth of color or participating in the FARM program (61.2 percent.)

## Recommendations

Based on the analysis to date, the following appear to be priorities:

### 1. Refine and implement PPS' existing early warning system to deploy personalized services to at-risk students earlier and with greater accuracy.

PPS' early warning system, when refined, would help the district improve its ability to identify at-risk students earlier and more accurately. While no such system can be perfect, it's clear that the PPS system can be improved, given that one in four of all dropouts in the snapshot (26 percent, or 159 students) were in the "On Track" segment. Also, as noted above, approximately one out of three students attending CBO alternative schools in 2011-12 had not been enrolled in a PPS school the previous year—while some of these students may have been new to the district, others may have been out of school for over a year before they were re-engaged (see Appendix K, on p. 82).

- a. The early warning system should be refined to focus on a smaller proportion of high-needs youth and concentrate resources on the students who need the most assistance.

About half of the very large Young/Near segment—which, at 1,242 students, amounted to nearly one out of every 10 students enrolled in PPS high schools at the time of the snapshot—was made up of ninth-graders classified as "Academic Priority." However, some students are classified as "Academic Priority" solely because they are new to the district, and while attention should be paid to their transition, they are not necessarily off-track.

- b. Use a planning model like the one on p. 26 to develop a funding model to triage service intensity (and necessary funding) according to student need.

This will give the Superintendent and School Board concrete options to consider when making strategic decisions.

- c. Explore additional student needs that contribute to dropout and getting off-track.

Segmenting students by age and credit status is not sufficient to identify at-risk students and their needs. Additional factors that should be considered as they relate to students going off-track are mental health issues, homelessness, living in foster care, or involvement in the juvenile justice system.



**2. Expand the use of prevention and intervention programs that PPS has already piloted that are showing success with off-track populations.**

While not a comprehensive list, some examples of interventions already being piloted with off-track PPS high school students include:

- a. Credit recovery efforts. (Segments: Young/Near, Young/Far, Old/Near, Old/Far)
- b. Ninth-grade Academies. (Segments: On Track Dropouts, Young/Near, and Young/Far)
- c. The High School Graduation Initiative. (Segments: On Track Dropouts, Young/Near, and Young/Far)
- d. Intensive engagement strategies, such as small class sizes, double-dosing instruction, and employing teacher-advocates who connect frequently with students' families. (Segment: Old/Far, Young/Far)

Additional prevention programming for students in middle school is also warranted. Students in grades 6-8 show a risk of dropout identical to students in grades 9-12 (one in three are off-track), and could be an ideal target for prevention and intervention programs, since they are younger and school personnel should have more time to help them graduate or complete. Two examples of prevention programs for middle-school students already implemented by PPS are:

- e. The Step Up program. (Segments: Young/Near and Young/Far)
- f. Self Enhancement Inc. (SEI) Academy Public Charter School for Grades 6-8. (Segments: On Track middle school students)

See Appendix C on p. 60 for a fuller description of each intervention.

**3. Explore additional evidence-based or promising practices that PPS should consider implementing for off-track students.**

Certain segments of off-track students may benefit from programs used in comparable school districts elsewhere in the country.

**4. Improve the ability of district-run comprehensive and focus PPS schools, and CBO alternative schools, to serve off-track student segments.**

The vast majority of PPS students are served by district-run comprehensive and focus high schools and CBO alternative schools. As a result, most off-track students and at-risk

categories of students are predominantly served there. A strategic effort to identify and serve these students in these high schools should pay off.

a. Review alignment to ensure students are served in the appropriate settings.

The only segment that was not predominantly served in district-run comprehensive and focus schools was the Old/Far segment, where about 70 percent were served by CBO schools. However, the CBOs also serve students in the On Track, Old/Near, Young/Far, and Young/Near segments. Should they be serving students in all those segments, or in their current proportions? A closer look may reveal ways to tighten referral policies from district-run comprehensive and focus high schools to help CBOs do what they do best.

Along the same lines, although the overwhelming majority of Young/Near students were enrolled in district-run comprehensive and focus high schools, over 240 Young/Near students were enrolled in alternative schools. Again, tighter referral policies may be in order.

Appendix K, on p. 82, can be used as a starting point to gain a deeper understanding of outcomes for re-engaged students at CBOs.

b. Improve services for special education students and English Language Learners attending comprehensive and focus schools and CBO alternative schools.

At least 46 percent of all special education students—and around half of English Language Learners— in all segments are off-track. Since the vast majority attend comprehensive and focus schools (76 percent of special education students and 82 percent of English Language Learners do so) or CBO alternative schools (about 14 percent in both cases), it seems logical to focus efforts to support these students primarily in comprehensive/focus schools and/or CBOs.

Special attention should be paid to English Language Learners who are in the Old/Far segment. These students show up in the Old/Far segment at about two-and-a-half times the rate they appear in other off-track segments. Methods should be identified to intervene earlier, to ensure they do not become Old/Far students.

c. Focus more resources and support services in Southeast Portland.

Fully one in three off-track students lived in Southeast, which was also home to the highest proportion, by a large margin, of special education students, and English Language Learners (about half of both categories were off-track) and dropouts. Adequate resources should be provided to the region for at-risk students.

d. Provide more interventions targeting Old/Far students.

Since the largest number and percentage of dropouts were in the Old/Far segment, further analysis of this population and the services they receive appears warranted. About one in four Old/Far students was in a district-run comprehensive and focus high school instead of a CBO or other alternative school; a deeper look at them would determine whether they would be better served in a CBO or alternative school, or whether more Old/Far students can be successfully served in comprehensive and focus high schools. (Note: a different definition of success may be needed for students who will not graduate with their fourth- or fifth-year cohorts, but who can still become college- or career-ready.)

e. Implement strategies to target On Track students at risk for dropout.

As noted above, almost one in four PPS dropouts in the snapshot were in the On Track segment. Implementing student support teams district-wide to assist when students exhibit warning signs in attendance, behavior, and classroom performance, for example, could identify On Track students at risk of dropout earlier and ensure they receive appropriate services to help them stay in school. (Note that the segmentation analysis did not distinguish between elective credits and credits required for graduation; it may be that students classified here as “On Track” who dropped out had a large number of elective credits, but not those needed to graduate.)

**5. Explore what the growth in the count of students who enroll in high school over the course of the academic year—and the concomitant changes in relative segment size—mean for service planning.**

PPS high school enrollment changes significantly over the course of the academic year as students enter and leave. As the district gets better at retaining and re-engaging students, this will have implications for school capacity and how services should be deployed.

**6. Address the grading gap.**

As the December 2012 report on Portland’s high school system redesign noted, PPS high schools display dramatic disparities in course failures by race and ethnicity. Research has shown that students are at most risk of dropping out when they fall behind and a diploma begins to seem out of reach. The report suggested several strategies to address the issue that would not compromise instructional or curricular rigor. Addressing the grading gap would help ensure that services are effective for all students.

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# Appendices

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**APPENDIX A: Portland Public Schools Comparison of Seats Vs. All Students Enrolled 2011-12**

Seats	Students enrolled during 2011-12	Gaps	Program focus & target students	common credential	Segment population ( <i>italicized</i> indicates they will serve them but their target is the non-italicized)	Geographic area
Comprehensive & Focus Schools						
Benson Polytechnic H.S.	850	10	career and technical education	HS Diploma	On Track, Young/Close, Old/Close	N/NE/SE/W
Cleveland H.S.	1,350	185	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	SE
Franklin H.S.	1,350	1,488	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	SE
Grant H.S.	1,350	1,556	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	NE
Jefferson H.S. (incl. Young Women's Academy)	500	473	middle college high school	HS Diploma	On Track, Young/Close, Old/Close	N/NE
Lincoln H.S.	1,350	1,486	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	W/SW
Madison H.S.	1,350	1,199	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	NE
Other*	N/A	N/A	N/A	N/A	N/A	N/A
Roosevelt	1,350	776	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	N
Wilson H.S.	1,450	1,405	neighborhood high school	HS Diploma	On Track, Young/Close, Old/Close	W/SW
<b>Subtotal, Comprehensive/Focus</b>	<b>10,900</b>	<b>10,780</b>	<b>122</b>			
CBO Alternative						
Alliance High School	400	361	career technical ed/ Alt learner/ proficiency	HS Diploma	old/near, young/far, young/near, on track	N/NE/SE/W
Helensview <sup>§</sup>	160	138	22 preg/ parenting/ gang impacted/ alt learner	HS Diploma	young and near, young and far, old and near, <i>old and near</i>	N/NE
Mt Scott Park HS Learning Ctr	130	149	19 4 Rs* / proficiency/ Alt learner	HS Diploma	young and near, young and far, <i>old and near</i>	SE
NAYA Early College Academy	110	119	9 Native approach/4 Rs*/ Alt learner	HS Diploma	young and near, young and far, old and near	NE
New Avenues	24	40	16 homeless youth	GED	old and far	DT/W
Open Meadow High School	196	148	4 Rs* / proficiency/ Alt learner	HS Diploma	young and near, young and far, <i>old and near</i>	N
- Open Meadow M.S.	60	65	5 Alt learner/ behavior	N/A	young and near, young and far	N/NE
Outside In	15	42	27 homeless youth	GED	old and far	DT/W
Pathfinder Academy	32	35	3 pregnant/parenting	GED	old and far	N
PCC						
- P.C.C. GED	140	383	243 HS @ college	HSD/ GED	old and far	N/NE/SE/W
- P.C.C. H.S. Completion	180	287	107 HS @ college	HSD/ GED	old and far <i>(old and near)</i>	N/NE/SE/W
- P.C.C. MAP	50	116	66 HS @ college / English language literacy	HSD/ GED	old and far	N/NE/SE/W
Portland Youth Builders	40	75	35 postsecondary/workforce/mature	GED /HSD	old and far	SE
Rosemary Anderson						
- Rosemary Anderson GED	35	39	4 4 Rs* / proficiency/ gang impacted/ Alt learner	GED /HSD	old and far	N/NE
- Rosemary Anderson H.S.	145	214	69 4 Rs* / proficiency/ gang impacted/ Alt learner	HSD (GED)	young and near, young and far, old and near	N/NE
SE Works	18	53	35 postsecondary/workforce	GED	old and far	SE
Youth Employment Institute	75	170	95 parenting & completion/ gang impacted	GED	old and far	N/NE/SE
<b>Subtotal, CBO Alternative Schools</b>	<b>1,810</b>	<b>2,434</b>	<b>624</b>			
Other Alternative						
Metropolitan Learning Ctr HS	138	134	4 project-based learning	HS Diploma	on track, young/near, old/near	N/NE/SE/W
<b>Subtotal, Other Alternatives</b>	<b>138</b>	<b>134</b>	<b>4</b>			
Charter						
LEP Charter H.S.	320	428	108 HS students looking for a smaller setting with workforce connections	HS Diploma	On Track, Young/Close, Old/Close	SE
Trillium Public Charter HS	90	88	2 focus	HS Diploma	On Track, Young/Close, Old/Close	N
<b>Subtotal, Charter Schools</b>	<b>410</b>	<b>516</b>	<b>106</b>			
Special Education						
Pioneer 9-12 graders**	56	69	13 high-need special ed students	HSD (modified)	all segments	N/NE/SE/W
<b>Subtotal, Special Education</b>	<b>56</b>	<b>69</b>	<b>13</b>			
<b>Total Gap Between Seats &amp; Enrolled Students</b>			<b>617</b>			

\*DART Schools are not included in this table, as PPS has no control over enrollment. De Paul, Rosemont, and Youth Progress Association have also been removed for the same reason.

\*\*The state monitors Pioneer to keep enrollment down. Students are usually temporary placements (1-2 years max) with the goal of getting students back in a regular classroom.

§The two students in the "Other" category attended the Renaissance Arts Academy (Closed) and the Robert Gray Middle School, and are likely the result of a data entry error.

¶While 196 students were enrolled at Helensview during 2011-12, 58 of these students were also enrolled in other schools and are accounted for elsewhere in this analysis.

NOTES: (1) The ESL Newcomer site, Reconnection Center, Evening Scholars, and Teen Parent Services support programs are not reflected here because all but 39 students enrolled in them were accounted for in other school data.

(2) Excluding Helensview students, an additional 64 PPS students were enrolled sometime during 2011-2012 at a school/program outside of the district and were not enrolled in any PPS school or program during 2011-12.

## Appendix B - Glossary

### Academic Priority-Criteria for 2012-13<sup>14</sup>

#### Grades 6-8

One of the following:

- Scored low or very low on 2 or 3 OAKS (math, reading, science)
- Received a failing grade in math, English, science OR social studies final course grade (S2/T3)
- Had 16 or more absences (excused or unexcused) in 2011-12

#### Grades 6-8 - Quarterly Additions

- 12+ unauthorized absences during a rolling year in grades 7-8; 10+ days in grade 6

#### Grade 9 (Freshmen)

One of the following:

- Scored low or very low on 2 or 3 of the 8th grade OAKS (math, reading, science)
- Received a failing grade in math, English, science OR social studies final course grade (S2/T3)
- Had 16 or more absences (excused or unexcused) in 2011-12
- New to the district after 8th grade.

#### Grades 9-12 - Quarterly Additions

One of the following:

- New to the district
- At least one F as a core subject semester grade
- GPA below 1.29
- 15+ unauthorized absences during a rolling year

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<sup>14</sup> The 2012-13 criteria for “Academic Priority” (AcP) status came into effect during the second quarter of the 2011-2012 school year (students can be added quarterly during their high school years). Students were segmented as “AcP” if he or she became AcP anytime during the school year. When students are flagged after 8th grade for High School, that flag stays with them for their entire career.

## Completers

- **Completed Non Diploma-Track Program and Received Certificate**

Students completed a program of study that did not address state diploma requirements and received a certificate of achievement or attendance [e.g., special education students in Individualized Educational Programs (IEP)] This code is only used for students who received an Alternative Certificate as defined in OAR 581-022-1135 and ORS 329.451.

- **Completed Vocational Program and Received Certificate**

Students completed a vocational education program and earned a certificate recognized by the state or district. This code is used for other district certificates not meeting the definition of Alternative Certificate.

- **Received high school diploma equivalency certificate (i.e. GED)**

Students passed an equivalency examination through an approved program, such as the GED, and met other state or district requirements for a high school equivalency certificate or diploma.

## Dropouts

- **Withdrew for Personal or Academic Reasons**

- **Exceeded Age Requirements**

- **Removed for Reasons Other Than Health**

Students were removed from the education system for reasons other than health, and they are not expected to return. This includes students removed by court order or placed in facilities where educational services are not provided. Permanently expelled students are included in this category.

- **Enrolled in Adult Education**

Students enrolled in adult education, or some type of education program that does not lead to a diploma or other credential recognized by the state. Students have not completed an approved program of study, and the district no longer funds, monitors, and takes responsibility for students' education.

- **Not Enrolled – Status Unknown**

Students are not enrolled and their status is unknown (including students dropped from the rolls for excessive truancy).

- **Did Not Re-enroll as of October 1**

Students who did not re-enroll on October 1 as expected after completing prior school year.

- **Completed Diploma-Track Program and Did Not Meet Requirements for a High School Diploma**

Students completed an approved program of study for high school completion (in contrast to simply being enrolled at the end of the 12th grade year), but did not meet all state or district requirements for a diploma. Note: this code was not considered a dropout in 2010-2011

- **Withdrawn and Under Compulsory Attendance Age**

Students are under the age for compulsory school attendance and withdrawn from school (usually for reasons of immaturity), but are eligible to return.

## Graduates

- **Completed Diploma-Track Program and Met Requirements for High School Diploma**

Includes:

- Regular High School Diploma: A regular high school diploma that meets all the district and state requirements.
- Modified High School Diploma: A modified high school diploma that meets all of the district and state requirements.
- Adult High School Diploma: An adult high school diploma issued by a community college.
- Extended High School Diploma: An extended high school diploma that meets all of the district and state requirements.



## Appendix C – PPS Interventions for Off-Track Students

Segments: On Track Dropouts, Young/Near, and Young/Far

- i. ***Ninth-grade academies.*** Ninth-grade academies have been used to good effect in all PPS district-run comprehensive and focus high schools to prevent students from falling through the cracks in their first year of high school. Teachers identify struggling students early and use study hall to develop learning skills. However, it may be worth examining which segments take part in them, and whether other segments could benefit from them with additional outreach or wraparound services.
- ii. ***The High School Graduation Initiative.*** This federally-funded program provides intensive support for students in classified as “Academic Priority” in two high schools and their feeder school clusters. The initiative’s goals are to increase student attendance, the number of credits earned, retention rates, and graduation rates. PPS may want to consider expanding this program to all district-run comprehensive and focus high schools.
- iii. ***Self Enhancement Inc. Academy Public Charter School, Grades 6-8.*** This prevention program is for middle-school youth. Along with an intense academic focus on math, science, and language arts, the academy offers a concentrated character education curriculum emphasizing sound decision making. Teachers use data to modify instruction, differentiate, and apply an instructional framework that incorporates project-based learning, cooperative learning, service learning and direct and indirect instruction. The After School Program on Tuesdays and Thursdays provides students with a tutorial session and a rotation of classes under four strands: academics; social and life; recreation; sports; health and wellness; and arts and performance. Teachers are held accountable for using the "relationship model" and demonstrating SEI standards consistently.

Segments: Young/Near, Young/Far, Old/Near, and Old/Far

- i. ***Credit Recovery.*** Various PPS programs seek to assist students in recovering academic credits, including the Summer Scholars program, Evening Scholars program, the Reconnection Center, and online classes.

Segments: Young/Near and Young/Far

- i. ***The Step Up Program.*** This program through Open Meadow Alternative Schools partners with Franklin, Madison, and Roosevelt high schools to facilitate the transition of 8th graders into ninth grade. By providing intensive mentoring and tutoring, it has resulted in a decreased dropout rate, and significant academic improvement, particularly among students of color. PPS should explore whether it

makes sense to expand this intervention to serve more youth – especially in geographic regions that are underserved.

Segment: Old/Far

- i. The data indicate that CBO alternative schools are effective at reconnecting and engaging disconnected students in this segment. They do this using a variety of strategies, including maintaining small class sizes, double-dosing instruction, and employing teacher-advocates who call home every day and make regular phone calls to dropouts to break down barriers (e.g., obtain bus passes), challenge excuses, and keep parents informed.

## Appendix D - Special Education and English Language Learners by Segment and Region

**Table F: Segmented Special Education & English Language Learners by Region (Gr. 9-12) 2011-12**

SPECIAL EDUCATION STUDENTS																
Segment	Live in Portland												Live Outside Portland			
	West			North			Northeast			Southeast			Outer NE		Outer SE	
	Count	% of segment in region		Count	% of segment in region		Count	% of segment in region		Count	% of segment in region		Count	% of segment in region	Count	% of segment in region
On Track	135	6.3%	141	14.4%	143	9.8%	246	9.7%	85	11.1%	14	7.0%	16	11.0%		
Young / Near	68	18.0%	95	20.5%	102	22.9%	126	19.2%	47	23.6%	10	13.7%	13	27.1%		
Old and Near	22	20.8%	22	19.3%	27	21.8%	30	14.2%	14	19.4%	5	20.8%	3	15.8%		
Old and Far	15	17.4%	14	13.9%	22	22.7%	24	13.8%	13	21.0%	4	15.4%	2	66.7%		
Young and Far	6	15.8%	9	14.3%	14	20.3%	20	22.2%	6	26.1%	2	15.4%	1	9.1%		
<b>TOTAL</b>	<b>246</b>	<b>N/A</b>	<b>281</b>	<b>N/A</b>	<b>308</b>	<b>N/A</b>	<b>446</b>	<b>N/A</b>	<b>165</b>	<b>N/A</b>	<b>35</b>	<b>N/A</b>	<b>35</b>	<b>N/A</b>		

Note: Percentages express proportion of special education students in each segment in each region. Columns do not total 100%.

ENGLISH LANGUAGE LEARNERS														
Segment	Live in Portland												Live Outside Portland	
	West		North		Northeast		Southeast		Outer NE		Outer SE		Count	% of segment in region
	Count	% of segment in region	Count	% of segment in region	Count	% of segment in region	Count	% of segment in region	Count	% of segment in region	Count	% of segment in region		
On Track	28	1.3%	63	6.5%	42	2.9%	128	5.0%	40	5.2%	20	10.0%	3	2.1%
Young / Near	15	4.0%	38	8.2%	26	5.8%	68	10.4%	11	5.5%	13	17.8%	2	4.2%
Old and Near	3	2.8%	14	12.3%	7	5.6%	17	8.0%	6	8.3%	2	8.3%	1	5.3%
Old and Far	10	11.6%	15	14.9%	14	14.4%	42	24.1%	15	24.2%	9	34.6%	0	0.0%
Young and Far	1	2.6%	8	12.7%	4	5.8%	6	6.7%	2	8.7%	3	23.1%	0	0.0%
<b>TOTAL</b>	<b>57</b>	<b>N/A</b>	<b>138</b>	<b>N/A</b>	<b>93</b>	<b>N/A</b>	<b>261</b>	<b>N/A</b>	<b>74</b>	<b>N/A</b>	<b>47</b>	<b>N/A</b>	<b>6</b>	<b>11.6%</b>

Note: Percentages express proportion of English Language learners in each segment in each region. Columns do not total 100%.

## Appendix E - Portland Regions Defined

Portland Regions - Divided by Zip Code						
	West	North	Northeast	Southeast	Outer NE	Outer SE
	97201	97203	97211	97202	97213	97216
	97204	97217	97212	97206	97220	97233
	97205	97227	97218	97214	97230	97236
	97209		97232	97215		
	97210			97266		
	97219					
	97221					
	97225					
	97229					
	97231					
	97239					
<b>Students (#)</b>	<b>2,763</b>	<b>1,717</b>	<b>2,195</b>	<b>3,676</b>	<b>1,120</b>	<b>336</b>

Where PPS Students From Outside Portland Live		
	Number	Percent
Beaverton	12	5.3%
Clackamas	10	4.4%
Gresham	32	14.1%
Happy Valley	16	7.0%
Lake Oswego	43	18.9%
Milwaukie	36	15.9%
Oregon City	8	3.5%
Tigard	7	3.1%
Troutdale	6	2.6%
Vancouver	5	2.2%
Various Locations*	52	22.9%
<b>Total</b>	<b>227</b>	<b>100.0</b>

\*"Various Locations" includes 33 students from towns and cities where there were fewer than five PPS students, and 19 students whose city was listed as "Portland," but whose zip codes were outside Portland.

## Appendix F – On Track Gr. 9-12 Students Attending CBO Alternative School

CBO Alternative School	Enrolled October 1, 2011	
	Number	Percentage
Alliance H.S. @ Benson Campus	27	9.8%
Alliance H.S. @ Meek Campus	37	13.4%
Alliance HS @ Madison (Closed)	12	4.3%
De Paul Alternative School	1	0.4%
Mt Scott Park HS Learning Ctr	42	15.2%
NAYA Early College Academy	21	7.6%
New Avenues	2	0.7%
Open Meadow High School	35	12.7%
Open Meadow M.S.	3	1.1%
P.C.C. GEd	4	1.4%
P.C.C. H.S. Completion	34	12.3%
P.C.C. MAP	8	2.9%
Portland Youth Builders	2	0.7%
Rosemary Anderson H.S.	34	12.3%
SE Works	3	1.1%
Youth Employment Institute	2	0.7%
Youth Progress Association	9	3.3%
<b>Total</b>	<b>276</b>	<b>100.0%</b>

NOTE: The CBO Alternative category does not include 109 PPS students enrolled at Helensview.

## Appendix G - Segments by Region - Detail

On Track  
9-12 Grade, Enrolled Oct 1 2011

	Portland Area												Does not live in Portland		
	W		N		NE		SE		O NE		O SE		Count	Column Valid N %	
	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %			
<b>SpecED</b>	No	2,020	93.7%	835	85.6%	1,317	90.2%	2,299	90.3%	679	88.9%	186	93.0%	130	89.0%
	Yes	135	6.3%	141	14.4%	143	9.8%	246	9.7%	85	11.1%	14	7.0%	16	11.0%
<b>ESL</b>	No	2,127	98.7%	913	93.5%	1,418	97.1%	2,417	95.0%	724	94.8%	180	90.0%	143	97.9%
	Yes	28	1.3%	63	6.5%	42	2.9%	128	5.0%	40	5.2%	20	10.0%	3	2.1%
<b>Gender</b>	Female	1,114	51.7%	462	47.3%	762	52.2%	1,324	52.0%	372	48.7%	96	48.0%	83	56.8%
	Male	1,041	48.3%	514	52.7%	698	47.8%	1,221	48.0%	392	51.3%	104	52.0%	63	43.2%
<b>FARM</b>	No	1,852	85.9%	349	35.8%	906	62.1%	1,435	56.4%	447	58.5%	75	37.5%	80	54.8%
	Yes	303	14.1%	627	64.2%	554	37.9%	1,110	43.6%	317	41.5%	125	62.5%	66	45.2%
<b>Race</b>	Asian	143	6.6%	64	6.6%	62	4.2%	421	16.5%	112	14.7%	33	16.5%	12	8.2%
	Black/Afr.-Am.	56	2.6%	216	22.1%	368	25.2%	118	4.6%	82	10.7%	31	15.5%	14	9.6%
	Hispanic/Latino	138	6.4%	234	24.0%	177	12.1%	306	12.0%	67	8.8%	29	14.5%	18	12.3%
	Multiple Races (non-Hispanic)	114	5.3%	39	4.0%	73	5.0%	136	5.3%	46	6.0%	14	7.0%	5	3.4%
	Native Am/Alaska Native	13	0.6%	22	2.3%	16	1.1%	36	1.4%	13	1.7%	2	1.0%	2	1.4%
	Nat. Hawaiian/Pac. Islander	9	0.4%	27	2.8%	7	0.5%	21	0.8%	11	1.4%	4	2.0%	1	0.7%
	White	1,682	78.1%	374	38.3%	757	51.8%	1,507	59.2%	433	56.7%	87	43.5%	94	64.4%

**Segments by Region - Detail**

**Off Track: Young and Near  
9-12 Grade, Enrolled Oct 1 2011**

	Portland Area												Does not live in Portland		
	W		N		NE		SE		ONE		OSE		Count	Column Valid N %	
	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %			
<b>SpecED</b>	No	310	82.0%	368	79.5%	343	77.1%	529	80.8%	152	76.4%	63	86.3%	35	72.9%
	Yes	68	18.0%	95	20.5%	102	22.9%	126	19.2%	47	23.6%	10	13.7%	13	27.1%
<b>ESL</b>	No	363	96.0%	425	91.8%	419	94.2%	587	89.6%	188	94.5%	60	82.2%	46	95.8%
	Yes	15	4.0%	38	8.2%	26	5.8%	68	10.4%	11	5.5%	13	17.8%	2	4.2%
<b>Gender</b>	Female	164	43.4%	202	43.6%	204	45.8%	305	46.6%	81	40.7%	39	53.4%	24	50.0%
	Male	214	56.6%	261	56.4%	241	54.2%	350	53.4%	118	59.3%	34	46.6%	24	50.0%
<b>FARM</b>	No	225	59.5%	114	24.6%	126	28.3%	218	33.3%	76	38.2%	19	26.0%	17	35.4%
	Yes	153	40.5%	349	75.4%	319	71.7%	437	66.7%	123	61.8%	54	74.0%	31	64.6%
<b>Race</b>	Asian	12	3.2%	14	3.0%	13	2.9%	67	10.2%	15	7.5%	5	6.8%	1	2.1%
	Black/Afr.-Am.	25	6.6%	111	24.0%	145	32.6%	70	10.7%	29	14.6%	25	34.2%	4	8.3%
	Hispanic/Latino	41	10.8%	134	28.9%	114	25.6%	109	16.6%	23	11.6%	16	21.9%	8	16.7%
	Multiple Races	27	7.1%	27	5.8%	16	3.6%	30	4.6%	15	7.5%	5	6.8%	4	8.3%
	Native, Am/Alaska Native	8	2.1%	17	3.7%	12	2.7%	19	2.9%	8	4.0%	2	2.7%	1	2.1%
	Nat. Hawaiian/Pac Isl	2	0.5%	8	1.7%	6	1.3%	5	0.8%	2	1.0%	0	0.0%	0	0.0%
	White	263	69.6%	152	32.8%	139	31.2%	355	54.2%	107	53.8%	20	27.4%	30	62.5%



**Segments by Region - Detail**

**Off-Track: Young and Far  
9-12 Grade, Enrolled Oct 1 2011**

		Portland Area												Does not live in Portland	
		W		N		NE		SE		O NE		O SE			
		Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %
<b>SpecED</b>	No	32	84.2%	54	85.7%	55	79.7%	70	77.8%	17	73.9%	11	84.6%	10	90.9%
	Yes	6	15.8%	9	14.3%	14	20.3%	20	22.2%	6	26.1%	2	15.4%	1	9.1%
<b>ESL</b>	No	37	97.4%	55	87.3%	65	94.2%	84	93.3%	21	91.3%	10	76.9%	11	100.0%
	Yes	1	2.6%	8	12.7%	4	5.8%	6	6.7%	2	8.7%	3	23.1%	0	0.0%
<b>Gender</b>	Female	16	42.1%	23	36.5%	23	33.3%	39	43.3%	6	26.1%	5	38.5%	4	36.4%
	Male	22	57.9%	40	63.5%	46	66.7%	51	56.7%	17	73.9%	8	61.5%	7	63.6%
<b>FARM</b>	No	24	63.2%	17	27.0%	26	37.7%	39	43.3%	10	43.5%	3	23.1%	4	36.4%
	Yes	14	36.8%	46	73.0%	43	62.3%	51	56.7%	13	56.5%	10	76.9%	7	63.6%
<b>Race</b>	Asian	2	5.3%	3	4.8%	3	4.3%	6	6.7%	0	0.0%	1	7.7%	1	9.1%
	Black/Afr.-Am.	5	13.2%	15	23.8%	22	31.9%	12	13.3%	1	4.3%	3	23.1%	1	9.1%
	Hispanic/Latino	3	7.9%	21	33.3%	18	26.1%	18	20.0%	3	13.0%	3	23.1%	4	36.4%
	Multiple Races (non-Hispanic)	2	5.3%	3	4.8%	4	5.8%	4	4.4%	1	4.3%	1	7.7%	0	0.0%
	Native, Am/Alaska Native	0	0.0%	1	1.6%	0	0.0%	2	2.2%	3	13.0%	0	0.0%	0	0.0%
	Nat. Hawaiian/Pac Isl	0	0.0%	0	0.0%	1	1.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	White	26	68.4%	20	31.7%	21	30.4%	48	53.3%	15	65.2%	5	38.5%	5	45.5%

**Segments by Region - Detail**

**Off Track: Old and Near  
9-12 Grade, Enrolled Oct 1 2011**

		Portland Area												Does not live in Portland	
		W		N		NE		SE		O NE		O SE			
		Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %
SpecED	No	84	79.2%	92	80.7%	97	78.2%	182	85.8%	58	80.6%	19	79.2%	16	84.2%
	Yes	22	20.8%	22	19.3%	27	21.8%	30	14.2%	14	19.4%	5	20.8%	3	15.8%
ESL	No	103	97.2%	100	87.7%	117	94.4%	195	92.0%	66	91.7%	22	91.7%	18	94.7%
	Yes	3	2.8%	14	12.3%	7	5.6%	17	8.0%	6	8.3%	2	8.3%	1	5.3%
Gender	Female	33	31.1%	51	44.7%	50	40.3%	93	43.9%	38	52.8%	14	58.3%	9	47.4%
	Male	73	68.9%	63	55.3%	74	59.7%	119	56.1%	34	47.2%	10	41.7%	10	52.6%
FARM	No	69	65.1%	34	29.8%	43	34.7%	95	44.8%	36	50.0%	8	33.3%	12	63.2%
	Yes	37	34.9%	80	70.2%	81	65.3%	117	55.2%	36	50.0%	16	66.7%	7	36.8%
Race	Asian	3	2.8%	3	2.6%	3	2.4%	22	10.4%	8	11.1%	3	12.5%	0	0.0%
	Black/Afr.-Am.	9	8.5%	40	35.1%	43	34.7%	19	9.0%	15	20.8%	3	12.5%	4	21.1%
	Hispanic/Latino	9	8.5%	26	22.8%	31	25.0%	36	17.0%	6	8.3%	3	12.5%	3	15.8%
	Multiple Races (non-Hispanic)	5	4.7%	4	3.5%	7	5.6%	16	7.5%	6	8.3%	2	8.3%	1	5.3%
	Native Am/Alaska Native	0	0.0%	3	2.6%	1	0.8%	3	1.4%	3	4.2%	0	0.0%	0	0.0%
	Nat. Hawaiian/Pac Isl	2	1.9%	3	2.6%	3	2.4%	4	1.9%	0	0.0%	1	4.2%	1	5.3%
	White	78	73.6%	35	30.7%	36	29.0%	112	52.8%	34	47.2%	12	50.0%	10	52.6%

**Segments by Region - Detail**

**Off Track: Old and Far  
9-12 Grade, Enrolled Oct 1 2011**

	Portland Area												Does not live in Portland		
	W		N		NE		SE		ONE		OSE		Count	Column Valid N %	
	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %	Count	Column Valid N %			
<b>SpecED</b>	No	71	82.6%	87	86.1%	75	77.3%	150	86.2%	49	79.0%	22	84.6%	1	33.3%
	Yes	15	17.4%	14	13.9%	22	22.7%	24	13.8%	13	21.0%	4	15.4%	2	66.7%
<b>ESL</b>	No	76	88.4%	86	85.1%	83	85.6%	132	75.9%	47	75.8%	17	65.4%	3	100.0%
	Yes	10	11.6%	15	14.9%	14	14.4%	42	24.1%	15	24.2%	9	34.6%	0	0.0%
<b>Gender</b>	Female	42	48.8%	42	41.6%	45	46.4%	73	42.0%	21	33.9%	12	46.2%	1	33.3%
	Male	44	51.2%	59	58.4%	52	53.6%	101	58.0%	41	66.1%	14	53.8%	2	66.7%
<b>FARM</b>	No	45	52.3%	41	40.6%	62	63.9%	107	61.5%	37	59.7%	15	57.7%	2	66.7%
	Yes	41	47.7%	60	59.4%	35	36.1%	67	38.5%	25	40.3%	11	42.3%	1	33.3%
<b>Race</b>	Asian	7	8.1%	2	2.0%	0	0.0%	33	19.0%	11	17.7%	2	7.7%	0	0.0%
	Black/Afr.-Am.	13	15.1%	32	31.7%	28	28.9%	19	10.9%	9	14.5%	5	19.2%	0	0.0%
	Hispanic/Latino	9	10.5%	29	28.7%	26	26.8%	29	16.7%	7	11.3%	7	26.9%	1	33.3%
	Multiple Races (non-Hispanic)	4	4.7%	6	5.9%	7	7.2%	6	3.4%	1	1.6%	1	3.8%	1	33.3%
	Native, Am/Alaska Native	1	1.2%	5	5.0%	2	2.1%	4	2.3%	5	8.1%	1	3.8%	0	0.0%
	Nat. Hawaiian/Pac Isl	0	0.0%	1	1.0%	1	1.0%	6	3.4%	1	1.6%	0	0.0%	0	0.0%
	White	52	60.5%	26	25.7%	33	34.0%	77	44.3%	28	45.2%	10	38.5%	1	33.3%

## Appendix H - PPS High Schools, Grouped by Type

Enrolled Oct 1 2011, 9-12 grade		
Comprehensive and Focus	Number	Percentage
ACT HS (Closed)*	199	1.9%
Benson Polytechnic H.S.	845	8.3%
Cleveland H.S.	1,453	14.2%
Franklin H.S.	1,401	13.7%
Grant H.S.	1,519	14.9%
Jefferson H.S.	364	3.6%
Jefferson Young Womens(Closed)	70	0.7%
Lincoln H.S.	1,449	14.2%
Madison H.S.	1,097	10.7%
P.O.W.E.R. Academy (Closed)*	220	2.2%
SEIS HS (Closed)*	236	2.3%
Wilson H.S.	1,372	13.4%
<b>Total</b>	<b>10,225</b>	<b>100.1%</b>

\*During 2011-12, Roosevelt High School was comprised of the ACT, P.O.W.E.R. Academy, and SEIS high schools.  
 NOTE: These totals do not include one student from the Renaissance Arts Academy, now closed, and one enrolled at Robert Gray Middle School.

CBO Alternative		
	Number	Percentage
Alliance H.S. @ Benson Campus	52	4.4%
Alliance H.S. @ Meek Campus	122	10.3%
Alliance HS @ Madison (Closed)	18	1.5%
De Paul Alternative School	26	2.2%
Mt Scott Park HS Learning Ctr	110	9.3%
NAYA Early College Academy	76	6.4%
New Avenues	22	1.9%
Open Meadow High School	110	9.3%
Open Meadow M.S.	17	1.4%
Outside In	10	0.8%
P.C.C. Ged	125	10.6%
P.C.C. H.S. Completion	184	15.6%
P.C.C. MAP	70	5.9%
Pathfinder Academy	12	1.0%
Portland Youth Builders	14	1.2%

Rosemary Anderson GED	13	1.1%
Rosemary Anderson H.S.	110	9.3%
SE Works	21	1.8%
Youth Employment Institute	41	3.5%
Youth Progress Association	28	2.4%
<b>Total</b>	<b>1,181</b>	<b>99.9%</b>

NOTE: The CBO Alternative category does not include 109 PPS students enrolled at Helensview.

<b>Other Alternative</b>		
	Number	Percentage
Ed Options Reconnection Center	3	2.2%
Metropolitan Learning Ctr HS	123	91.8%
Portland Evening Scholars	3	2.2%
Teen Parent Services	5	3.7%
<b>Total</b>	<b>134</b>	<b>99.9%</b>
<b>Charter</b>		
	Number	Percentage
LEP Charter H.S.	265	75.9%
Trillium Public Charter HS	84	24.1%
<b>Total</b>	<b>349</b>	<b>100.0%</b>
<b>DART</b>		
	Number	Percentage
Breakthrough	8	8.9%
Clinton School	15	16.7%
Johns Landing School	8	8.9%
Nickerson Adt	5	5.6%
Parry Center	15	16.7%
Parry Center SCIP	1	1.1%
Rosemont	23	25.6%
White Shield	9	10.0%
Wildflowers	6	6.7%
<b>Total</b>	<b>90</b>	<b>100.2%</b>
<b>Special Education</b>		
	Number	Percentage
Pioneer 5-8 @ Youngson	3	5.5%
Pioneer 9-12@Columbia (Closed)	11	20.0%
Pioneer Annex 9-12	41	74.5%
<b>Total</b>	<b>55</b>	<b>100.0%</b>

## Appendix I - PPS Students by Segment and Language

	On Track		Young/Near		Young/Far		Old/Far		Old/Near	
	Count	%	Count	%	Count	%	Count	%	Count	%
Albanian	5	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
American Sign Language	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
Amharic	13	0.2%	7	0.3%	1	0.3%	0	0.0%	1	0.1%
Arabic	14	0.2%	6	0.3%	0	0.0%	7	1.3%	1	0.1%
Armenian	0	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
Bengali	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bosnian	1	0.0%	1	0.0%	0	0.0%	0	0.0%	1	0.1%
Burmese	6	0.1%	1	0.0%	0	0.0%	2	0.4%	0	0.0%
Cambodian	13	0.2%	6	0.3%	1	0.3%	2	0.4%	0	0.0%
Cebuano	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
Chinese - Cantonese	110	1.3%	15	0.7%	3	1.0%	6	1.1%	11	1.6%
Chinese - Mandarin	24	0.3%	3	0.1%	0	0.0%	1	0.2%	1	0.1%
Chinese - Other	3	0.0%	1	0.0%	3	1.0%	5	0.9%	0	0.0%
Chuukese	7	0.1%	3	0.1%	0	0.0%	2	0.4%	2	0.3%
Creole	7	0.1%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
Czech	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Danish	0	0.0%	0	0.0%	1	0.3%	1	0.2%	0	0.0%
English	6,808	82.6%	1,776	78.5%	220	71.7%	364	66.3%	522	77.8%
Farsi	2	0.0%	0	0.0%	0	0.0%	1	0.2%	0	0.0%
Filipino	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Finnish	1	0.0%	0	0.0%	1	0.3%	1	0.2%	0	0.0%
French	6	0.1%	3	0.1%	3	1.0%	1	0.2%	1	0.1%
German	6	0.1%	1	0.0%	9	2.9%	1	0.2%	0	0.0%
Greek	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Guatemalan	0	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
Gujarati	2	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Haitian	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

	On Track	Young/Near	Young/Far	Old/Far	Old/Near
	Count	Count	Count	Count	Count
	%	%	%	%	%
Haitian Creole	1	0	0	0	0
Hebrew	3	0	0	0	0
Hindi	11	3	0	0	0
Hmong	36	7	3	1	1
Hungarian	0	0	0	3	0
Igbo	1	0	0	0	0
Indonesian	0	0	0	1	0
Italian	4	0	0	1	0
Japanese	14	1	0	1	2
Karen	3	4	1	2	1
Kazakh	1	0	0	0	0
Khmer	0	0	1	0	0
Kirundi	2	1	0	0	0
Korean	11	1	0	2	0
Kurdish	8	1	0	0	0
Lao	18	2	0	0	1
Lithuanian	0	0	0	1	0
Maay-Maay	16	6	0	2	2
Malay	1	0	0	0	0
Mandingo	1	1	0	0	0
Mayan	1	1	0	0	0
Mien	2	3	0	0	0
Mina	0	0	0	1	0
Nepali	8	0	0	3	0
Norwegian	0	0	0	1	0
Oromo	11	2	0	3	4
Other	12	8	0	3	7
Palauan	4	1	0	0	0
Panjabi, Western	0	1	0	0	1
Persian	1	0	0	0	0
Pohnpeian	0	1	0	1	0
Portuguese	3	0	1	2	0

	On Track	Young/Near	Young/Far	Old/Far	Old/Near	
	Count	Count	Count	Count	Count	
	%	%	%	%	%	%
Rohingya	1	0	0	0	0	0.0%
Romanian	9	0	0	0	2	0.3%
Russian	63	25	2	5	2	0.3%
Samoan	0	1	0	0	0	0.0%
Serbian	0	0	0	0	1	0.1%
Serbo-Croatian	1	1	0	0	1	0.1%
Somali	47	18	7	10	10	1.5%
Spanish	545	274	41	79	73	10.9%
Swahili	7	4	1	0	2	0.3%
Swedish	2	0	1	0	0	0.0%
Tagalog	14	3	0	0	0	0.0%
Thai	4	2	1	1	1	0.1%
Tibetan	4	2	0	0	0	0.0%
Tigrinya	6	1	0	0	0	0.0%
Tonga	9	3	1	0	0	0.0%
Trukese	1	0	0	0	0	0.0%
Turkish	3	0	2	1	1	0.1%
Ukrainian	18	5	0	0	3	0.4%
Unspecified	11	3	0	6	1	0.1%
Urdu	2	1	1	0	0	0.0%
Vietnamese	292	48	2	23	13	1.9%



## Appendix J – Language by Race/Ethnicity and Segment

	On Track		Young/ Near		Young/ Far		Old/ Far		Old/ Near		
	Count	%	Count	%	Count	%	Count	%	Count	%	
Asian	Arabic	1	0.10%	0	0.00%	0	0.00%	2	3.60%	0	0.00%
	Bengali	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Burmese	6	0.70%	1	0.80%	0	0.00%	2	3.60%	0	0.00%
	Cambodian	12	1.40%	6	4.70%	1	6.20%	2	3.60%	0	0.00%
	Cebuano	1	0.10%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
	Chinese - Cantonese	108	12.80%	15	11.80%	3	18.80%	6	10.90%	11	26.20%
	Chinese - Mandarin	23	2.70%	3	2.40%	0	0.00%	1	1.80%	1	2.40%
	Chinese - Other	3	0.40%	1	0.80%	3	18.80%	5	9.10%	0	0.00%
	Chuukese	1	0.10%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
	English	295	34.80%	27	21.30%	0	0.00%	3	5.50%	11	26.20%
	Filipino	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Gujarati	2	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Hindi	3	0.40%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
	Hmong	35	4.10%	7	5.50%	3	18.80%	1	1.80%	1	2.40%
	Indonesian	0	0.00%	0	0.00%	0	0.00%	1	1.80%	0	0.00%
	Japanese	7	0.80%	0	0.00%	0	0.00%	1	1.80%	1	2.40%
	Karen	2	0.20%	3	2.40%	1	6.20%	2	3.60%	1	2.40%
	Kazakh	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Khmer	0	0.00%	0	0.00%	1	6.20%	0	0.00%	0	0.00%
	Korean	11	1.30%	1	0.80%	0	0.00%	2	3.60%	0	0.00%
Lao	16	1.90%	2	1.60%	0	0.00%	0	0.00%	0	0.00%	
Malay	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	

	On Track	Young/ Near	Young/ Far	Old/ Far	Old/ Near							
	Count	Count	Count	Count	Count	%	%	%	%	Count	Count	%
Mien	1	3	0	0	0	0.10%	2.40%	0.00%	0.00%	0	0	0.00%
Nepali	5	0	0	3	0	0.60%	0.00%	0.00%	5.50%	0	0	0.00%
Other	2	1	0	0	0	0.20%	0.80%	0.00%	0.00%	0	1	2.40%
Panjabi, Western	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%	0	1	2.40%
Rohingya	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Spanish	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Tagalog	14	2	0	0	0	1.70%	1.60%	0.00%	0.00%	0	0	0.00%
Thai	4	2	1	1	1	0.50%	1.60%	6.20%	1.80%	1	1	2.40%
Tibetan	3	2	0	0	0	0.40%	1.60%	0.00%	0.00%	0	0	0.00%
Tonga	2	0	0	0	0	0.20%	0.00%	0.00%	0.00%	0	0	0.00%
Unspecified	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Urdu	0	1	1	0	0	0.00%	0.80%	6.20%	0.00%	0	0	0.00%
<b>Vietnamese</b>	<b>283</b>	<b>47</b>	<b>2</b>	<b>23</b>	<b>13</b>	<b>33.40%</b>	<b>37.00%</b>	<b>12.50%</b>	<b>41.80%</b>	<b>23</b>	<b>13</b>	<b>31.00%</b>
Amharic	13	7	1	0	1	1.50%	1.70%	1.70%	0.00%	0	1	0.80%
Arabic	4	3	0	2	0	0.50%	0.70%	0.00%	1.90%	0	0	0.00%
Creole	7	0	0	1	1	0.80%	0.00%	0.00%	0.90%	1	1	0.80%
English	759	363	50	83	108	85.80%	88.80%	84.70%	78.30%	83	108	81.20%
French	1	3	0	1	1	0.10%	0.70%	0.00%	0.90%	1	1	0.80%
Haitian	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Haitian Creole	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Igbo	1	0	0	0	0	0.10%	0.00%	0.00%	0.00%	0	0	0.00%
Kirundi	2	1	0	0	0	0.20%	0.20%	0.00%	0.00%	0	0	0.00%
Maay-Maay	16	6	0	2	2	1.80%	1.50%	0.00%	1.90%	2	2	1.50%
Mandingo	1	1	0	0	0	0.10%	0.20%	0.00%	0.00%	0	0	0.00%
Mina	0	0	0	1	0	0.00%	0.00%	0.00%	0.90%	1	0	0.00%

Black/ African-American

	On Track Count	%	Young/ Near Count	%	Young/ Far Count	%	Old/ Far Count	%	Old/ Near Count	%
Nepali	2	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Oromo	11	1.20%	2	0.50%	0	0.00%	3	2.80%	4	3.00%
Other	2	0.20%	0	0.00%	0	0.00%	3	2.80%	5	3.80%
Portuguese	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Somali	47	5.30%	18	4.40%	7	11.90%	10	9.40%	9	6.80%
Swahili	7	0.80%	4	1.00%	1	1.70%	0	0.00%	2	1.50%
Tigrinya	6	0.70%	1	0.20%	0	0.00%	0	0.00%	0	0.00%
Unspecified	3	0.30%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
American Sign Language	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	0.90%
Arabic	0	0.00%	0	0.00%	0	0.00%	1	0.90%	0	0.00%
English	422	43.60%	165	37.10%	28	40.00%	28	25.90%	39	34.20%
Guatemala n	0	0.00%	1	0.20%	0	0.00%	0	0.00%	0	0.00%
Japanese	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mayan	1	0.10%	1	0.20%	0	0.00%	0	0.00%	0	0.00%
Other	1	0.10%	4	0.90%	0	0.00%	0	0.00%	1	0.90%
Portuguese	1	0.10%	0	0.00%	1	1.40%	0	0.00%	0	0.00%
Spanish	543	56.00%	273	61.30%	41	58.60%	79	73.10%	73	64.00%
Unspecified	0	0.00%	1	0.20%	0	0.00%	0	0.00%	0	0.00%
Arabic	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	2.40%
Cambodian	1	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chinese - Cantonese	2	0.50%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chinese - Mandarin	1	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
English	404	94.60%	121	97.60%	15	100.00%	26	100.00%	37	90.20%

Hispanic / Latino

Multiple

	On Track Count	%	Young/ Near Count	%	Young/ Far Count	%	Old/ Far Count	%	Old/Near Count	%
French	1	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Japanese	5	1.20%	0	0.00%	0	0.00%	0	0.00%	1	2.40%
Karen	1	0.20%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
Lao	2	0.50%	0	0.00%	0	0.00%	0	0.00%	1	2.40%
Other	1	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Tagalog	0	0.00%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
Tonga	1	0.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Unspecified	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	2.40%
Vietnamese	8	1.90%	1	0.80%	0	0.00%	0	0.00%	0	0.00%
English	103	99.00%	67	100.00%	6	100.00%	18	100.00%	10	100.00%
Native Am										
Unspecified	1	1.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chuukese	5	6.20%	2	8.70%	0	0.00%	2	22.20%	2	14.30%
English	46	57.50%	11	47.80%	0	0.00%	6	66.70%	11	78.60%
Hindi	8	10.00%	2	8.70%	0	0.00%	0	0.00%	0	0.00%
Hmong	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mien	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Nepali	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	2	2.50%	2	8.70%	0	0.00%	0	0.00%	0	0.00%
Palauan	4	5.00%	1	4.30%	0	0.00%	0	0.00%	0	0.00%
Pohnpeian	0	0.00%	1	4.30%	0	0.00%	1	11.10%	0	0.00%
Samoaan	0	0.00%	1	4.30%	0	0.00%	0	0.00%	0	0.00%
Somali	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	7.10%
Pac Isl										

	On Track Count	%	Young/ Near Count	%	Young/ Far Count	%	Old/ Far Count	%	Old/ Near Count	%
Tibetan	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Tonga	6	7.50%	3	13.00%	1	100.00%	0	0.00%	0	0.00%
Trukese	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Unspecified	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Urdu	2	2.50%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Vietnamese	1	1.20%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Albanian	5	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
American Sign Language	0	0.00%	0	0.00%	0	0.00%	1	0.40%	0	0.00%
Arabic	9	0.20%	3	0.30%	0	0.00%	2	0.90%	0	0.00%
Armenian	0	0.00%	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Bosnian	1	0.00%	1	0.10%	0	0.00%	0	0.00%	1	0.30%
Chuukese	1	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Czech	1	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Danish	0	0.00%	0	0.00%	1	0.70%	1	0.40%	0	0.00%
English	4779	96.90%	1022	95.90%	121	86.40%	200	88.10%	306	96.50%
Farsi	2	0.00%	0	0.00%	0	0.00%	1	0.40%	0	0.00%
Finnish	1	0.00%	0	0.00%	1	0.70%	1	0.40%	0	0.00%
French	4	0.10%	0	0.00%	3	2.10%	0	0.00%	0	0.00%
German	6	0.10%	1	0.10%	9	6.40%	1	0.40%	0	0.00%
Greek	1	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Hebrew	3	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Hungarian	0	0.00%	0	0.00%	0	0.00%	3	1.30%	0	0.00%
Italian	4	0.10%	0	0.00%	0	0.00%	1	0.40%	0	0.00%
Japanese	1	0.00%	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Kurdish	8	0.20%	1	0.10%	0	0.00%	0	0.00%	0	0.00%

White

	On Track Count	%	Young/ Near Count	%	Young/ Far Count	%	Old/ Far Count	%	Old/ Near Count	%
Lithuanian	0	0.00%	0	0.00%	0	0.00%	1	0.40%	0	0.00%
Norwegian	0	0.00%	0	0.00%	0	0.00%	1	0.40%	0	0.00%
Other	4	0.10%	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Panjabi, Western	0	0.00%	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Persian	1	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Portuguese	1	0.00%	0	0.00%	0	0.00%	2	0.90%	0	0.00%
Romanian	9	0.20%	0	0.00%	0	0.00%	0	0.00%	2	0.60%
Russian	63	1.30%	25	2.30%	2	1.40%	5	2.20%	2	0.60%
Serbian	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	0.30%
Serbo- Croatian	1	0.00%	1	0.10%	0	0.00%	0	0.00%	1	0.30%
Spanish	1	0.00%	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Swedish	2	0.00%	0	0.00%	1	0.70%	0	0.00%	0	0.00%
Turkish	3	0.10%	0	0.00%	2	1.40%	1	0.40%	1	0.30%
Ukrainian	18	0.40%	5	0.50%	0	0.00%	0	0.00%	3	0.90%
Unspecified	5	0.10%	2	0.20%	0	0.00%	6	2.60%	0	0.00%

# Appendix K - CBO Alternative Schools' Completion, Retention/Re-engagement and Dropout Data - 2011-12

Portland Public Schools Community-Based Organization Programs		2011-12 Completion, Retention/Re-engagement and Dropout Data	
ENTRY CATEGORIES			
"Retained"	"Re-engaged"	"Returned"	"Continuing"
Moved from regular HS to CBO without 6-week enrollment gap	Moved from regular HS to CBO or CBO to CBO with at least 6-week enrollment gap	Enrolled in regular HS in 2010-11 and end of 2011-12; intervening enrollment at CBO/RC with or without gap	Enrolled in CBO end of year 2010-11, continued at a CBO in 2011-12
217	892	49	547
<b>Total 2011-12 Enrollment (unduplicated)</b>			
<b>2496</b>			
Completors incl. std, mod, GED, AHS	Completors incl. std, mod, GED, AHS	Completors incl. std, mod, GED, AHS	Completors incl. std, mod, GED, AHS
37 17%	178 20%	4 8%	141 17%
Enrolled Oct 2012	Enrolled Oct 2012	Enrolled Oct 2012	Enrolled Oct 2012
123 57%	421 47%	24 49%	240 29%
Dropouts	Dropouts	Dropouts	Dropouts
48 22%	247 28%	17 35%	340 41%
Row Totals			
2530	2770		
Undup	Undup		
2496	2677		
		Completors	
528	947		
21%	35%		
		Continuing	
1017	981		
41%	37%		
		Dropouts	
767	981		
31%	37%		

OUTCOMES

See Definition Matrices for more detail on students designated retained, re-engaged, returned. Students are reported in more than one category if they changed enrollment types after Oct 1 2011.

<b>Definition Matrices</b>		
	<b>First 2011-12 enrollment</b>	
<b>Last 2010-11 enrollment</b>	<b>RC/CBO by Oct 1</b>	<b>RC/CBO after Oct 1</b>
None	New	New
Regular HS, finished year	Retained	Re-engaged
Regular HS, didn't finish year	Re-engaged	Re-engaged
RC/CBO, finished year	Continuing	Re-engaged
RC/CBO, didn't finish year	Re-engaged	Re-engaged
	<b>Last 2011-12 enrollment</b>	
<b>First 2011-12 enrollment</b>	<b>Regular HS</b>	<b>RC/CBO</b>
Regular HS	Returned	Retained or re-engaged
Continuing	Returned	Continuing or re-engaged
New	Returned	New or re-engaged
Retained	Returned	Retained or re-engaged
Re-engaged	Returned	Re-engaged
<b>Re-engaged students:</b>		
failed to finish the 2010-11 year at either a CBO or a regular HS, re-enrolled at a CBO any time during 2011-12		
OR finished the 2010-11 year at either a CBO or a regular HS, did not re-enroll by Oct 1, later re-enrolled at a CBO		
OR experienced a 6-week enrollment gap any time during 2011-12 (inclusive of holidays)		
<b>Retained students:</b>		
finished the 2010-11 year at a regular HS and enrolled in a CBO by Oct 1		
OR finished the 2010-11 year at a regular HS, enrolled in a regular HS by Oct 1, later enrolled in a CBO without a 6-week enrollment gap		
<b>Returned students:</b>		
Last enrollment of 2011-12 was at a regular HS, and had attended a CBO during 2011-12.		
<b>New students:</b>		
Had no 2010-11 PPS		
<b>Continuing students:</b>		
Finished the 2010-11 year at a CBO and enrolled in a CBO by Oct 1.		
<b>Dropouts:</b>		
Withdrawn during 2011-12 for 10-day absence or personal/academic reasons, did not return by Oct 1 2011		
OR was enrolled through end of 2011-12 and did not return by Oct 1 2011		
Students who move from a regular HS to the RC/CBO system may do so:		
<b>Direct:</b> No intervening enrollment		
<b>Via RC:</b> Enrolled at the Reconnection Center (RC), then at a CBO		
<b>Other:</b> Intervening enrollment out of district or other type of school/program, e.g. Pioneer		



## **Appendix L - Off-Track Student Segments, Mapped**

Scroll down to see the segments mapped. [Only available in PDF version of this document.]

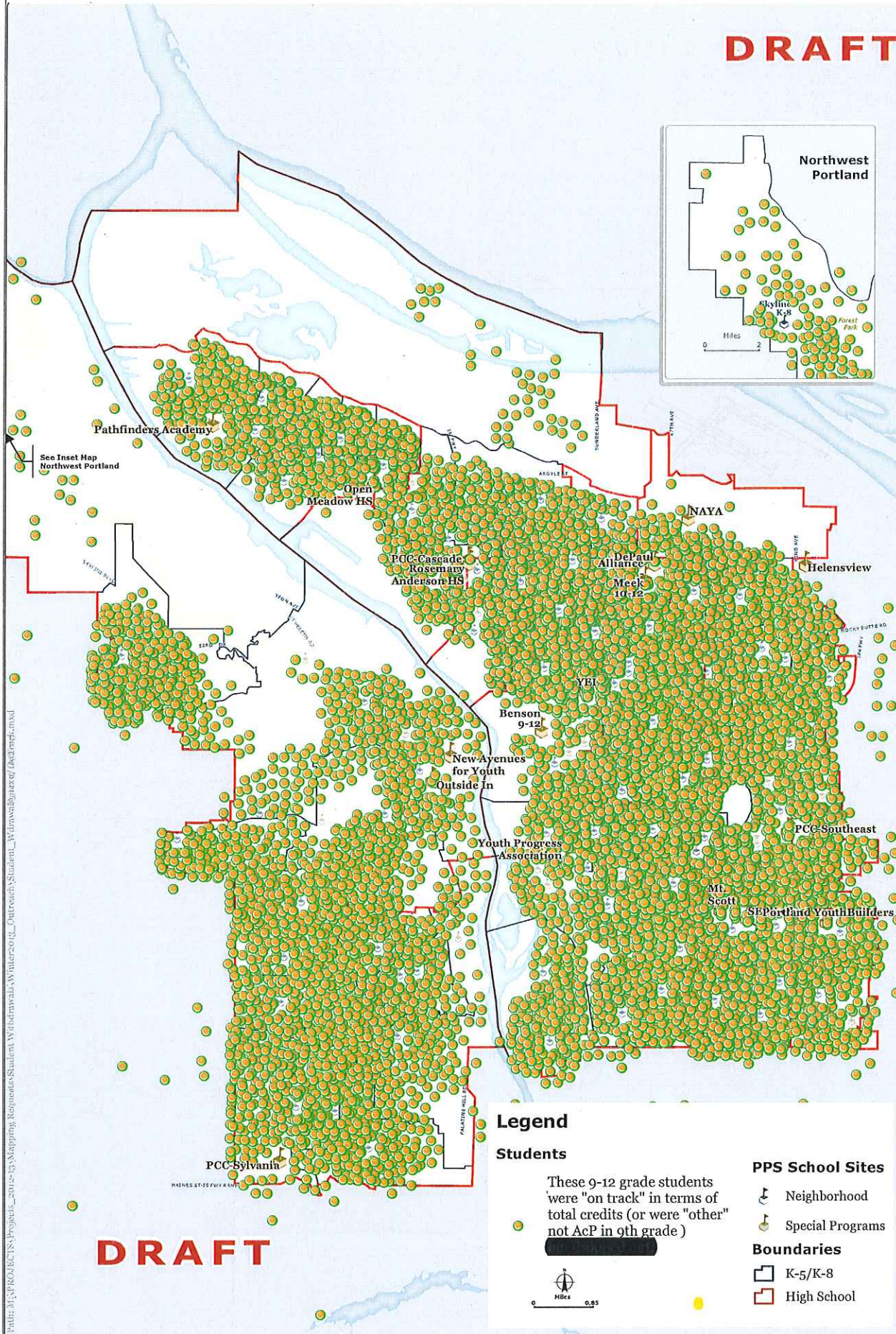
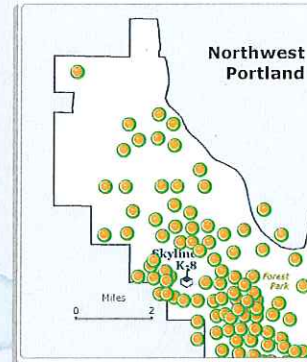


PORTLAND PUBLIC SCHOOLS

# 9-12 Students Enrolled 10/1/2011

## Students On Track

# DRAFT



See Inset Map Northwest Portland

Pathfinders Academy

Open Meadow HS

PCC-Cascade  
Rosemary  
Anderson HS

DePaul Alliance  
Meek 10-12

NAYA

Helensview

Benson 9-12

New Avenues  
for Youth  
Outside In

Youth Progress  
Association

PCC-Southeast

ML Scott

SE Portland Youth Builders

PCC-Sylvania

### Legend

#### Students

These 9-12 grade students were "on track" in terms of total credits (or were "other" not AcP in 9th grade)



#### PPS School Sites

- Neighborhood
- Special Programs

#### Boundaries

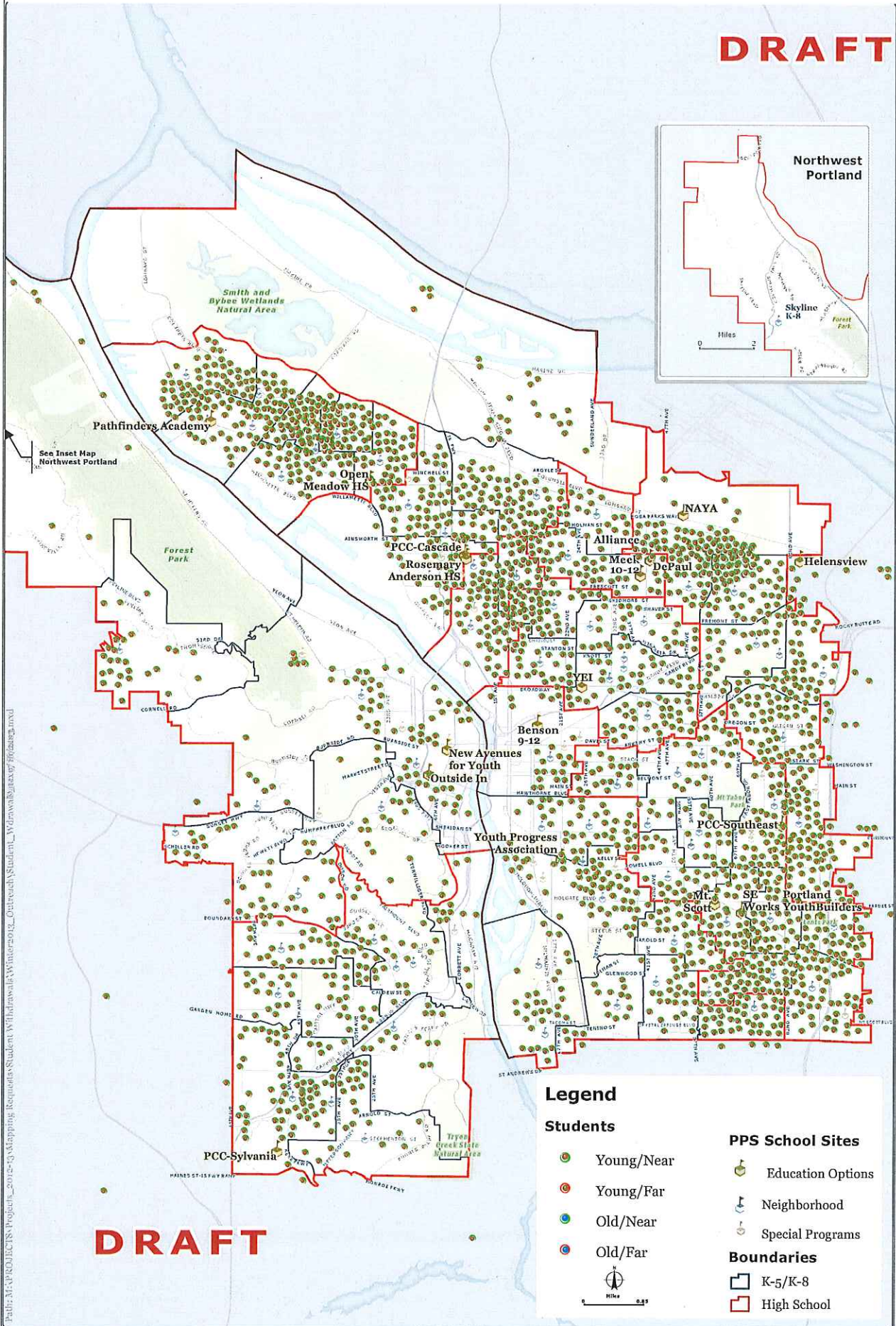
- K-5/K-8
- High School

# DRAFT

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Legend

Students

- Young/Near
- Young/Far
- Old/Near
- Old/Far

PPS School Sites

- Education Options
- Neighborhood
- Special Programs

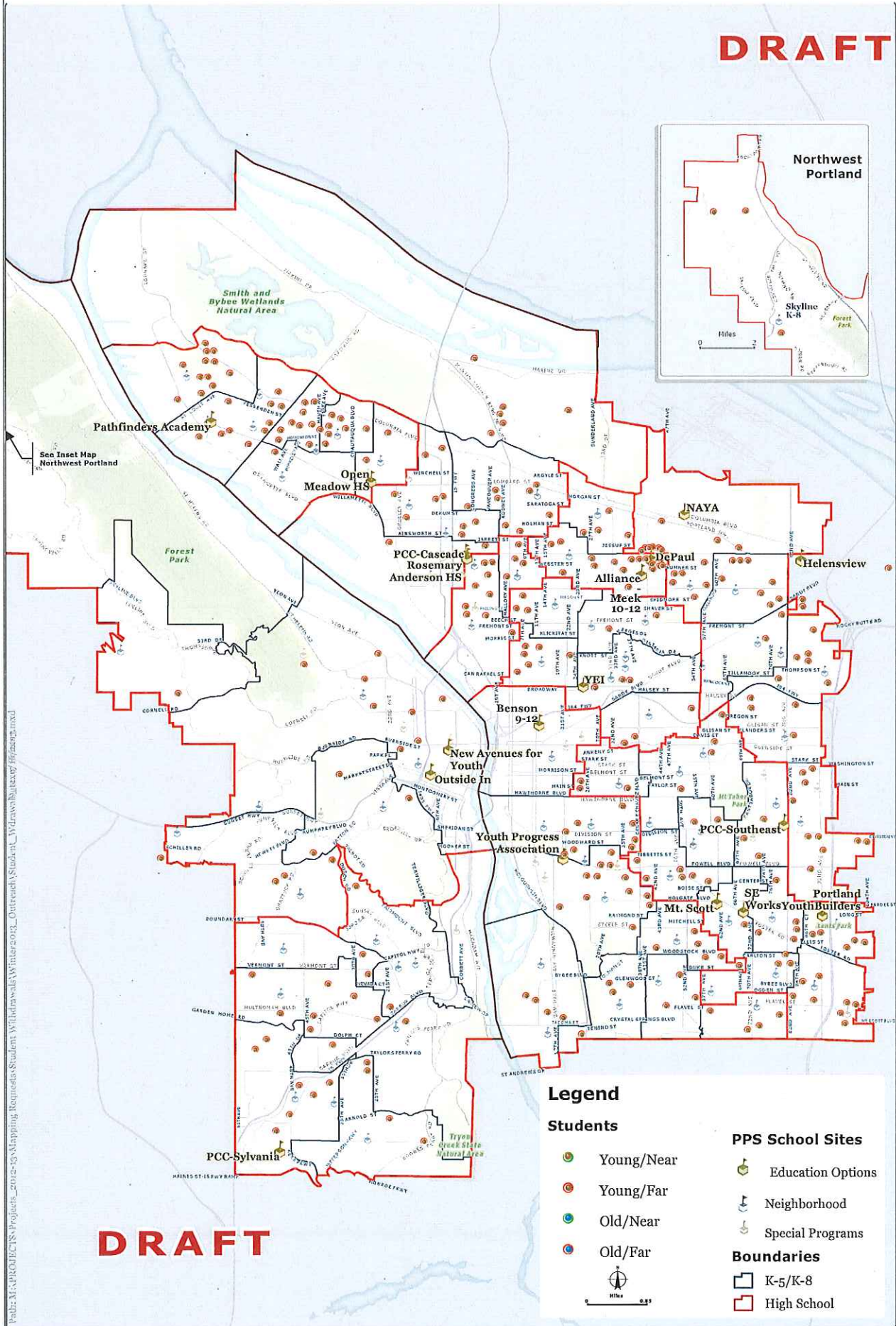
Boundaries

- K-5/K-8
- High School





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Legend

Students

- Young/Near
- Young/Far
- Old/Near
- Old/Far

PPS School Sites

- Education Options
- Neighborhood
- Special Programs

Boundaries

- K-5/K-8
- High School



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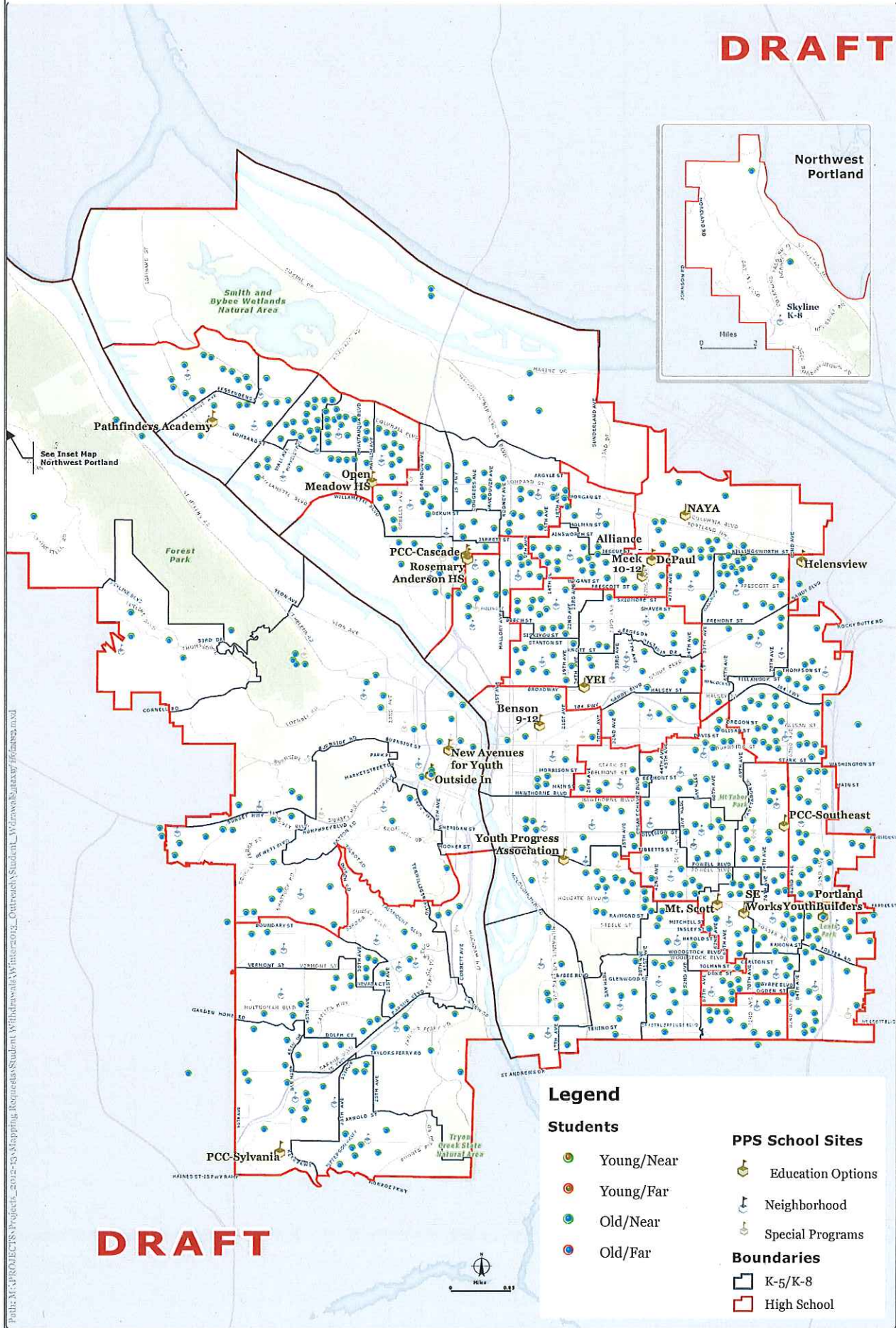


PORTLAND PUBLIC SCHOOLS

# 9-12 Students Enrolled 10/1/2011

## Old and Near

### DRAFT



### DRAFT

#### Legend

##### Students

- Young/Near
- Young/Far
- Old/Near
- Old/Far

##### PPS School Sites

- Education Options
- Neighborhood
- Special Programs

##### Boundaries

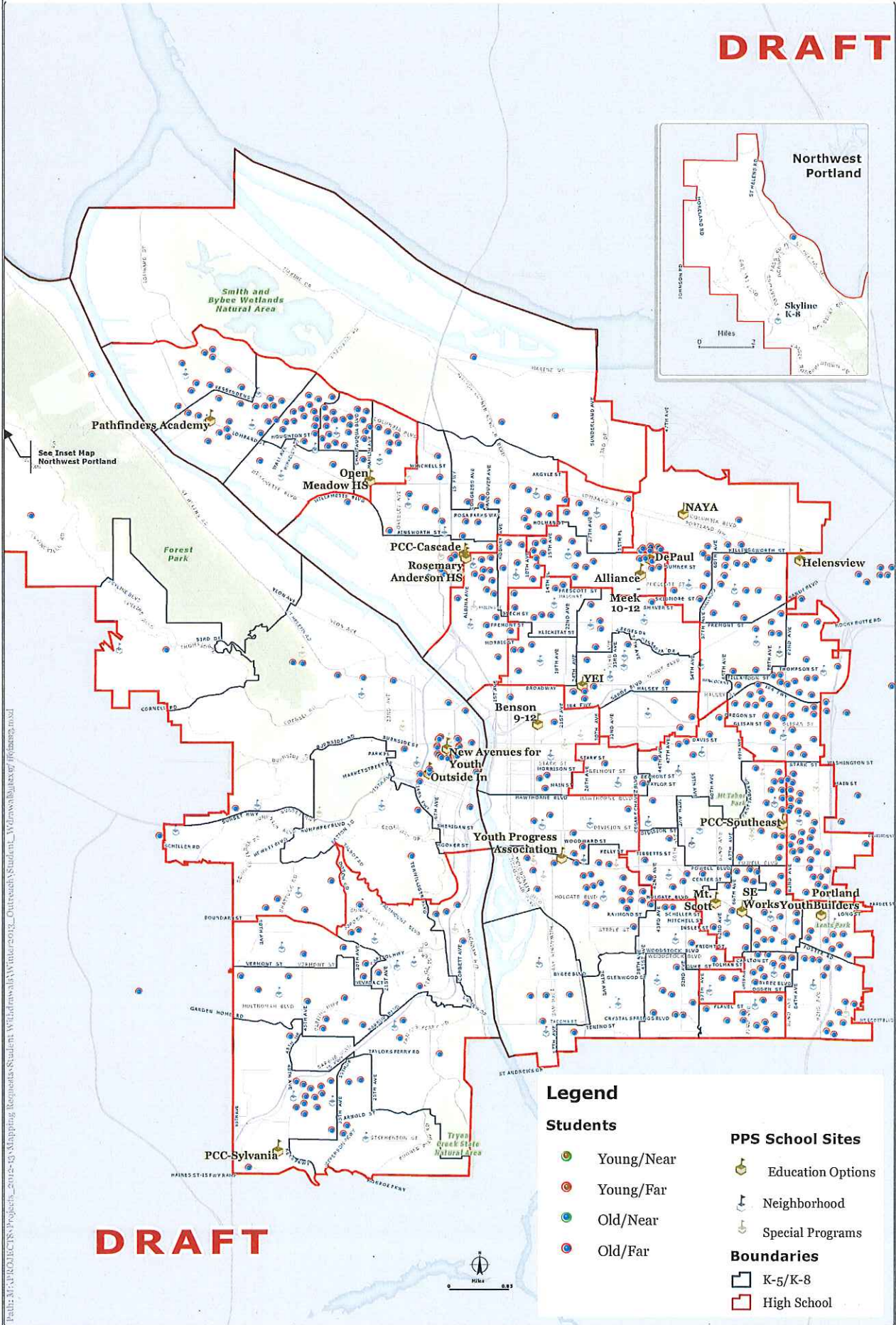
- K-5/K-8
- High School



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Legend

Students

- Young/Near
- Young/Far
- Old/Near
- Old/Far

PPS School Sites

- Education Options
- Neighborhood
- Special Programs

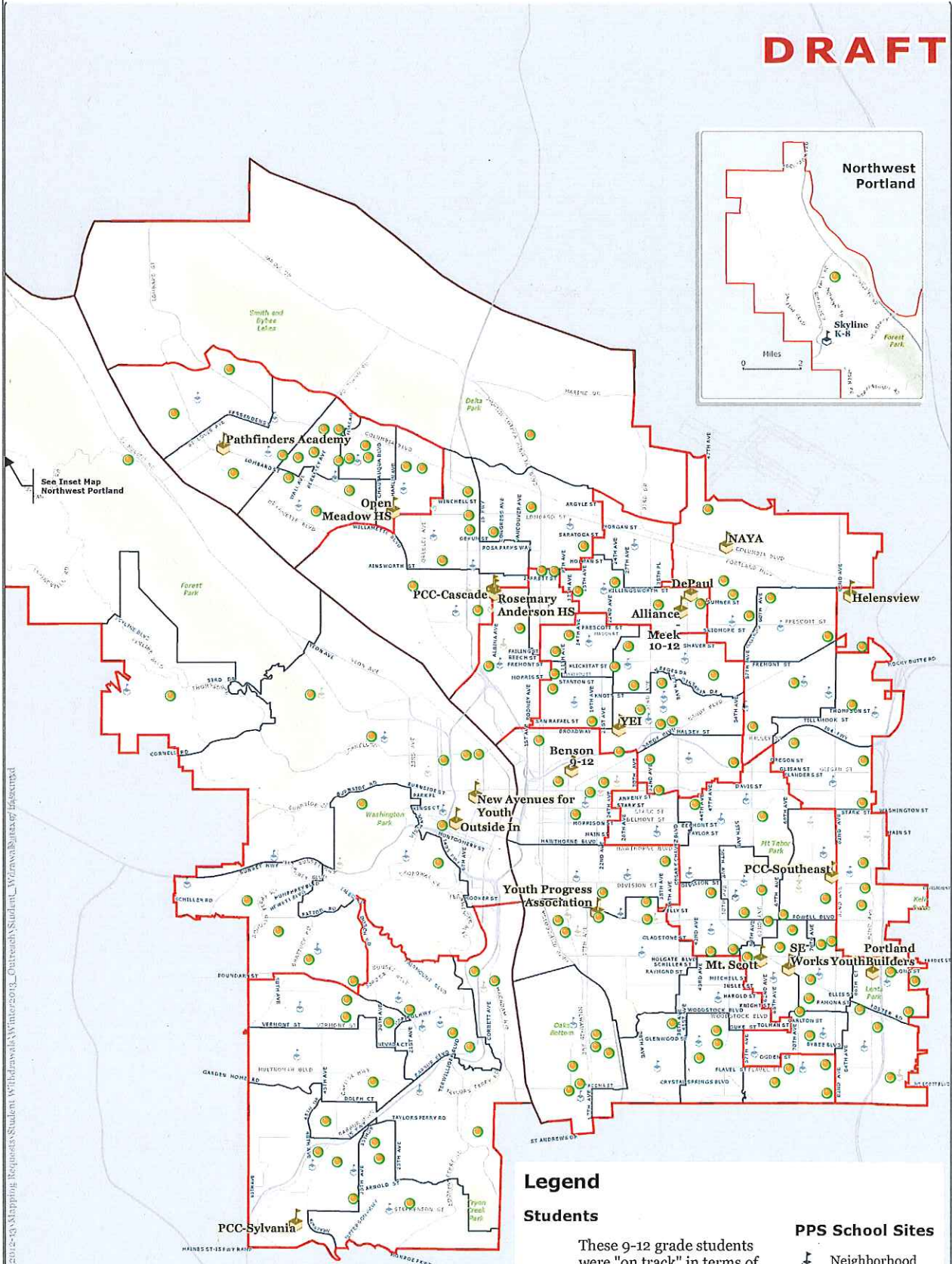
Boundaries

- K-5/K-8
- High School





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Legend

Students

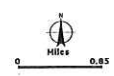
These 9-12 grade students were "on track" in terms of total credits (or were "other" not AcP in 9th grade) but dropped out.

PPS School Sites

- Neighborhood
- Special Programs

Boundaries

- K-5/K-8
- High School



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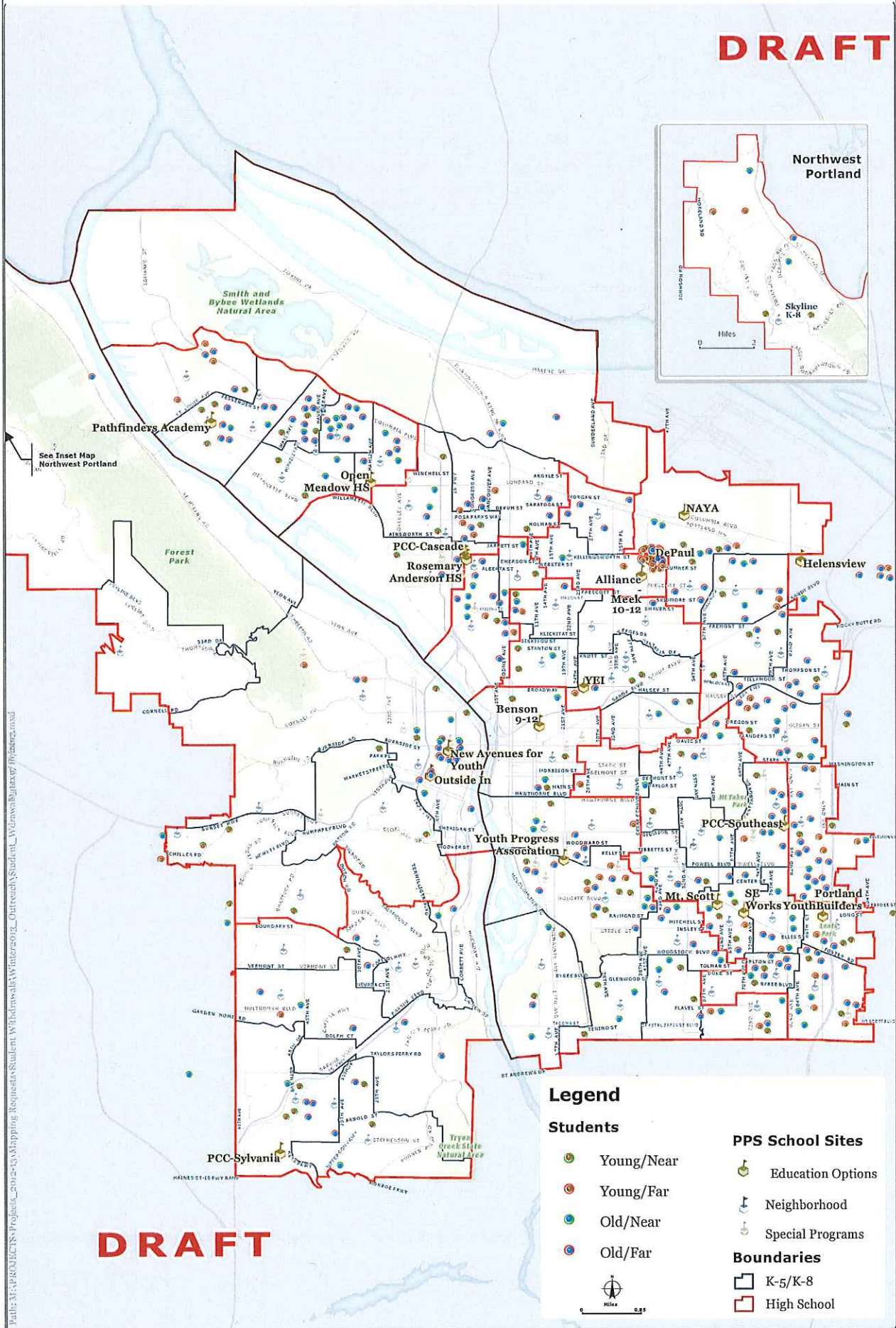


PORTLAND PUBLIC SCHOOLS

# 9-12 Students Enrolled 10/1/2011

## All Dropouts by Off-Track Segments

# DRAFT



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### Legend

#### Students

- Young/Near
- Young/Far
- Old/Near
- Old/Far

#### PPS School Sites

- Education Options
- Neighborhood
- Special Programs

#### Boundaries

- K-5/K-8
- High School



# DRAFT





# Board of Education Informational Report

## **MEMORANDUM**

**Date:** December 2, 2014  
**To:** Members of the Board of Education  
**From:** Antonio Lopez, Greg Wolleck and Joe La Fontaine  
**Subject:** Comprehensive Achievement Plans (CAP) Development

---

**This memorandum provides a brief update on CAP progress and processes.**

2010–11 Oregon Department of Education begins use of Indistar for schools formally designated for school improvement planning.

2012–14 Fifteen Portland Focus/Priority Schools use Indistar for school improvement planning.

2014-15 All Portland schools begin using Indistar for school improvement planning.

2015–16 All Oregon Schools begin using Indistar for school improvement planning.

### **Most recent updates for 2014-2015**

- Six Indistar training sessions offered to date.
- School teams complete goal setting and assessments in Indistar prior to winter break.
- Following break, schools engage stakeholders for input about their goals and plans.
- Schools align their goals to their site needs and to the three district priorities.
- Initial plans completed before spring break 2015 to guide planning for 2015-16.
- CAPs formally launched fall of 2015.
- All CAPs accessible to the public.

### **Next Steps**

- Senior Directors monitor the progress of building plans in monthly school site visits.
- District will develop time lines and policy for the submission and monitoring of CAPs.



# Board of Education Informational Report

## MEMORANDUM

**Date:** November 14, 2014  
**To:** Members of the Board of Education  
**From:** Antonio Lopez, Greg Wolleck and Joe La Fontaine  
**Subject:** Comprehensive Achievement Plans

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This Memorandum provides an update on the progress Portland Public Schools has made with addressing the recommendations made in the February 2013 audit of PPS school improvement plans. Superintendent Smith made recommendations from that audit that Portland Public Schools adopt the use of a Customized Planning Process Tool (CPPT). At the November 18, 2014 board meeting we will provide an update on the progress and current practice in response to these recommendations.



# Board of Education

## Staff Report to the Board

**Board Meeting Date:** November 18, 2014

**Executive Committee Lead:** Antonio Lopez

**Department:** Office of School Performance  
With support from Funded Programs

**Presenter/Staff Lead:** Antonio Lopez, Joe La Fountaine and Greg Wolleck

**SUBJECT: School Improvement Planning**

### BACKGROUND

Oregon schools are required by law (ORS 329.095) to draft an annual School Improvement Plan. In February of 2013, Richard Tracy, the Portland Public Schools District Performance Auditor wrote a report about the effectiveness of the School Improvement Plans and process then in use in Portland Public Schools. Superintendent Carole Smith responded to his recommendations in a March 2013 letter expressing her support for Portland Public Schools adopting the use of a Customized Planning Process Tool (CPPT).

In the spring of 2014, the District elected to adopt the web-based school improvement tool Indistar as our CPPT. This tool is both recommended and provided by the Oregon department of Education. The Indistar system generates a Comprehensive Achievement Plan (CAP). This report is to summarize the progress the district has made in the use of this new CPPT as we respond to the auditors recommendations for changing our school improvement systems.

### RELATED POLICIES / BOARD GOALS AND PRIORITIES

Board Policy (7.10.010-P II - III Citizen Involvement Process) weaves cleanly into Indistar. There are specific places where each school must address the involvement of the building LSAC and Site Council into these plans.

### PROCESS / COMMUNITY ENGAGEMENT

Principals were informed of this change to our school improvement format in the spring of 2014. At that time, the district rolled out an implementation time line for this work. The first step in the Indistar process is a building self-assessment. All Portland Public School principals were directed to have their initial formal school self-assessment completed by winter break, December 19, 2014.

The self-assessment requires schools to respond to thirty-five "indicators" of school performance. Once that assessment is completed, the school is then tasked with designing a

**Reviewed and Approved by  
Executive Committee Lead**

CAP to address their identified school needs by responding to the Indicators most directly related to their identified priority school improvement work. Each Indicator chosen will have a set of tasks assigned to it that are specific to their expected outcome, a time line for initial completion and a designated staff member responsible for oversight of that task. The initial draft CAP is due by the spring break, March 20, 2015.

The Indistar tool has one component that requires each school to specify their plans for community and parent engagement. **(7.10.010-P Citizen Involvement Process)** Additionally, the tool provides access codes so parents can review the plan as it progresses through the various stages of implementation. The process of school self-assessment is technical and does not easily lend itself to broad stakeholder input. However, the actual CAP design does. As schools determine their needs for improvement, parents can actively provide direct input into the identification and design of improvement strategies.

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#### **ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN**

Every school must do deep statistical analysis to uncover and support the goals of their plan. Those goals need to align with the Superintendent's three priority goals while meeting the needs of their students. That statistical analysis will include sub-group populations and scrutiny pertaining to the opportunity gap that exists in our student achievement data. Specific designs of the plan will be drafted to address those issues uncovered in that process.

---

#### **BUDGET / RESOURCE IMPLICATIONS**

The use of the Indistar program has minimal cost impact. The greatest costs come at the outset as staff must do the school self-analysis. This practice takes approximately a half a day and may require teacher substitutes or extended hours. Support funding is provided by the district and requested through the Senior Director for the Cluster. Senior Directors monitor the progress of this work when they meet each month with their building principals.

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#### **NEXT STEPS / TIMELINE / COMMUNICATION PLAN**

Currently, the fifteen PPS schools (Cesar Chavez, Chief Joseph/Ockley Green, Jefferson HS, King, Lane, Madison HS, Rigler, Roosevelt HS, Rosa Parks, Scott, Sitton, Vernon, Whitman, Woodlawn, Woodmere. ) that have been designated as low performing by the state of Oregon have their Comprehensive Achievement Plans (CAPs) drafted and submitted to the district for Senior Director review and approval. These schools have been using the Indistar system for at least two years..

The remaining school principals were provided three training opportunities in the spring of 2014 with another training opportunity last Friday, November 14, and two more scheduled before the winter break. All PPS schools are expected to have their school self-assessment completed by the winter break.

Once self-assessments are completed, the drafting of plans begins. Draft plans are to be submitted by March 20, 2015. This window provides the district and patrons the opportunity to make input into the specifics of the school plans.

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Once submitted, the district will have until the fall of 2015 to review and recommend changes to the plans. The plans will actually launch in the fall of 2015 and will be monitored throughout the school year. Codes can be provided so the plans can be accessed by the public.

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#### **QUESTIONS FOR BOARD DISCUSSION**

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#### **ATTACHMENTS:**

1. PPS Implementation Calendar distributed to all PPS principals in the spring of 2014.
2. (Sample) Continuous Achievement Plan Progress Report for Sitton Elementary.
3. (Sample) Sitton Continuous Achievement Plan

# INDISTAR Instructions

INDISTAR-school improvement plan software employed by ODE  
<http://www.indistar.org/>

- Select LOGIN and enter your login and password.
- Select Comprehensive Achievement Indicators

## SELF-ASSESSMENT

1. Select ASSESS
2. Choose one of the following sections:
  - District & School Structure & Culture
  - Family & Community Involvement
  - Technical & Adaptive Leadership
  - Educator Effectiveness
  - Teaching & Learning
3. Click on desired indicator
4. Complete the assessment questions based on your current situation:
  - Level of implementation
  - Ranking
    - Priority Score (How important is it?)
    - Opportunity Score (How easily can it be addressed?)
  - Describe current level of development

## WRITING THE CAP (Comprehensive Achievement Plan)

1. Select CREATE
2. Identify 5-6 objectives that are of most importance (in blue).
  - Select one of these objectives.
  - Assign a team member as the lead.
  - Describe how the objective will look at your school when fully implemented.
  - Set a date for completion.
  - Create a series of tasks that will lead to full implementation.
3. Save and move to the next objective

## MONITORING THE CAP

1. Select MONITOR
2. This screen allows you to monitor the progress of your teams on the completion of their tasks. You can edit tasks and change completion dates from this screen.

# Portland Public Schools

## Implementation Calendar

- May Cluster Meeting                      Principals introduced to Indistar
- August 2014                                  Schools begin Self-Assessment
- Winter Break 2014                        School Self-Assessments completed
- Spring Break 2015                        School CAPS drafted
- 2015-16 and onward                      School CAPS used as the basis for PD and to inform central office decision making

## Indistar Computer Training

Wallowa Computer Lab, L1 at the BESC

June 23, Monday	9:00
June 23, Monday	1:00
June 24, Tuesday	9:00

\*\*Attend only if you need computer help. Attend only one session. They're all the same.

## Comprehensive Achievement Plan (CAP) Process

1. Form a team at your school to focus on the CAP
2. The team completes a self-assessment by ranking each of 34 indicators
3. Indistar ranks the indicators based on current level of implementation, importance, and ease of implementation.
4. Write your CAP based on the top 5-6 indicators identified by Indistar.
  - The goals of your CAP should be reflected in your budget.
5. Use the tools in the CAP to drive your planning.
  - Team lead
  - Completion of tasks associated with specific indicators
6. ANNUALLY
  - Review the self-assessment with your team
  - Focus on 5-6 indicators with the goal of reaching full implementation
  - Adjust your CAP as needed
  - Maintain your budget to reflect the goals of your CAP

# Portland Public School District 1<sup>st</sup> Reading

**DATE:** December 2, 2014

## **Public Comment for: Revision of Policy 8.20.010-P (Cash Management)**

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The Portland Public School District is providing Notice of Proposed Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district Web site noted below. Written comments must be submitted by 5:00 p.m. on the Last Date for Comment listed below.

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**1<sup>st</sup> Reading by: Pam Knowles, Co-Chair**, Portland Public School Board  
**Summary:** Proposed Revision of Policy 8.20.010-P (Cash Management)

**Draft Policy Web Site:**

<http://www.pps.k12.or.us/departments/board/872.htm>

(click on draft policy link).

**Recommended for 1st Reading by:** Board of Education

**Policy Contact:** Yousef Awwad, Chief Financial Officer

**Last Date for Comment:** December 23, 2014

**Address:** P.O. Box 3107, Portland, OR 97208-3107

**Telephone:** 503-916-3218

**E-mail:** [yawwad@pps.net](mailto:yawwad@pps.net)

**Last Date for Comment: December 23, 2014**





# Board of Education

## Superintendent's Recommendation to the Board

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**Board Meeting Date:** December 2, 2014      **Executive Committee Lead:** Yousef Awwad, CPA

**Department:** Accounting & Payroll      **Presenter/Staff Lead:** Sharie Lewis, CPA Sr.  
Director of Accounting & Payroll Services

**Agenda Action:**     Resolution       Policy

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<b>SUBJECT: ANNUAL ADOPTION OF CASH MANAGEMENT AND INVESTMENT POLICY</b>
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### BRIEF SUMMARY AND RECOMMENDATION

In order to sell the 2<sup>nd</sup> series of bonds and meet the requirements of ORS Chapter 294.135, re-adoption of the Cash Management and Investment Policy by the Board is required.

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### BACKGROUND

State statutes restrict the maturities of investments by municipalities to 18 months unless a policy has been reviewed and commented upon by the Oregon Short Term Fund Board, and this policy has been adopted annually by the municipality's governing body. In May 2013 the District issued \$144.8 million in General Obligation Bonds as the first in a series of planned debt issuances to finance capital improvements. At that time, the District anticipated that the construction timeline would exceed 18 months, and therefore created this policy and submitted it to the Oregon Short Term Fund Board for their review and comment.

The District plans to issue the remaining bond authorization as market conditions dictate, and anticipates at the time of additional issuance the construction spend timeline will also exceed 18 months, necessitating investment purchases to match the anticipated construction spend. Therefore, the re-adoption of 8.20.010-P will need to be completed on an annual basis. Unspent bond proceeds from the May 2013 issue were approximately \$88 million at June 30, 2014.

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### RELATED POLICIES / BOARD GOALS AND PRIORITIES

This Cash Management and Investment Policy will allow the district to continue to make sound, secure cash and investment decisions for the next year. With renewal of this policy the District will be allowed to match the proceeds of future Capital Bond sale(s) with the anticipated construction spend.

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### PROCESS / COMMUNITY ENGAGEMENT

<b>Reviewed and Approved by Superintendent</b>	
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The Cash Management Policy has been published on the district website and shared with various interested parties, mainly financial institutions. The policy was reviewed by the Oregon Short Term Fund Board at their meeting on October 13, 2011 as required by ORS Chapter 294.135. The renewed policy will be updated on the website.

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### **ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN**

The financial resources of the district reflect the actual experience of the budget decisions that were made earlier in the business cycle. These budget decisions are made in alignment with the Racial Educational Equity Policy and using a racial equity lens.

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### **BUDGET / RESOURCE IMPLICATIONS**

There is no direct fiscal / budget impact as a result of adoption of this Policy. Having a valid policy allows the District to plan for future bond and debt obligations.

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### **NEXT STEPS / TIMELINE / COMMUNICATION PLAN**

The first reading of the policy will be held at the December 2, 2014 Board meeting. The second reading and adoption will be scheduled a meeting in January 2015.

Finance staff will be happy to answer Board members questions, and any comments and suggestions for improvement are valuable to us.

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### **ATTACHMENTS**

Policy 8.20.010-P - redline

<p><b>Reviewed and Approved by Superintendent</b></p>
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# BOARD POLICY

## CASH MANAGEMENT

8.20.010-P

### **I. Scope and Pooling of Funds**

This cash management policy applies to all cash activities and funds under the control of Multnomah County School District No. 1J (“the District”). This policy applies to the investment of operating funds, capital funds including bond proceeds, and bond reserve funds held by Portland Public Schools. This policy excludes petty cash activities.

The average size of the District’s investment portfolio approximates \$125,000,000, with an approximate seasonal high and low of \$200,000,000 and \$30,000,000 respectively. Average ranges do not include proceeds of General Long-Term Obligation Bonds, notes etc., if any.

### **II. General Objectives**

It is the District’s policy to invest public funds not required for immediate expenditure in a manner which will provide safety of principal, maintenance of a liquid position, and the maximum return on cash invested while meeting daily cash flow demands and conforming to Oregon Revised Statutes (ORS).

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield, with each objective discussed below.

#### **1. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The object will be to mitigate both credit and interest rate risks.

##### **(a) Credit Risk**

The District will minimize the risk of loss due to the financial failure of the security issuer or backer, by:

- Concentrating its investments in the safest types of securities.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the District will do business.
- Diversifying the investment portfolio to minimize potential losses.
- Actively ~~monitoring~~ monitoring the investment portfolio holdings for changes in credit ratings and economic / market conditions.

##### **(b) Interest Rate Risk**

The District will minimize the risk of market value decline by:

- Structuring the investment portfolio so that maturing securities meet cash requirements for ongoing operations and/or capital projects, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities or short-term investment pools.



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

### 2. Liquidity

The investment portfolio shall be kept sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio shall consist of ~~securities~~ securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio may be placed in the Oregon Short-Term Fund, or similar investment offering next-day liquidity.

### 3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. High returns on investments are of secondary importance compared to the safety and liquidity objectives described above. The majority of the portfolio is limited to highly-rated / low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity, unless:

- A security with a declining credit rating may be sold early to prevent or minimize loss of principal.
- An unanticipated cash demand requires that the security be sold.
- A security swap would improve the quality, yield, or target duration of the portfolio.
  - Security swaps will be made only with specific approval of the CFO or, if absent, the CFO's designee.

## III. Standards of Care

### 1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy, and exercising due diligence, shall be relieved of personal responsibility.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probably income to be derived.

### 2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to disclose any material interest in financial institutions that conduct business with the District. They shall further disclose any personal / financial / investment positions that could be related to the performance of the investment portfolio.



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

Employees, officers and their families shall refrain from undertaking personal business transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

### 3. Responsibility

The District's Board delegates, through the Superintendent to the chief financial officer (CFO), the responsibility for implementing this policy.

Day-to-day administration of this investment policy shall be managed by the CFO and delegated to his / her designee. The CFO or designee, hereinafter referred to as Investment Officer, shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.

## IV. Safekeeping and Custody

### 1. Authorized Financial Dealers and Institutions

A list will be maintained of approved financial institutions authorized to provide investment and safekeeping services. In addition, a list will also be maintained of approved security brokers / dealers selected by creditworthiness and other factors considered relevant by the District. These may include "primary" dealers or regional dealers that qualify under the Securities and Exchange Commission (SEC) rule 15d3-1 (uniform net capital rule). Qualified dealers and brokers will be required to maintain an office in the states of Oregon or Washington. The District will limit all security purchases to institutions on these approved lists. All ~~financial~~ financial institutions and broker / dealers who wish to qualify for District investment transactions must supply the following, as appropriate:

- Audited financial statements.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Proof of state registration.
- Certification of having read and understood the District's investment policy.
- Certification of agreement to comply with the District's investment policy.

The Investment Officer will conduct an annual review of the financial condition and ~~registra-~~ registration of qualified financial institutions and broker / dealers.

## V. Internal Controls

The Investment Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of the District from loss, theft or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Investment Officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

### 1. Accounting Method

The District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. These accounting principles are contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified -Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

### 2. Delivery and Safekeeping

The purchase and sale of securities, repurchase agreements and guaranteed investment contract transactions shall be settled on a delivery-versus-payment basis (DVP) in accordance with ORS 294.145(4), ORS 294.145(5) and GFOA recommended practices. It is the District's intent that all purchased securities shall be delivered to the District's third-party custodian in the account name of the District. Sufficient evidence to title shall be consistent with modern investment and commercial practices.

### 3. Collateralization

All bank deposits, time deposits, certificates of deposit, and savings accounts shall be held in qualified Oregon depositories and collateralized in accordance with ORS Chapter 295.

ORS 294.035(3)(j) requires repurchase agreements be limited in maturity to three years and priced according to the written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board. On March 12, 1996, the OSTF Board adopted the following margins:

- US Treasuries: 102%.
- US Agency discount and coupon securities: 102%.
- Mortgage-backed securities, although allowed by ORS Chapter 294, are not allowed as repurchase agreement collateral under this policy.

Prior to entering into any repurchase agreement, a signed Master Repurchase Agreement must be in place between the District and the securities dealer. At a minimum, the District will monitor the collateral requirements weekly for guaranteed investment contracts.

### 4. Pooling of Funds

Except for cash in certain restricted and special funds, the District will consolidate cash ~~bal-~~  
ances/balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with GAAP.



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

### **VI. Suitable and Authorized Investments**

The following investments will be permitted by this policy and are authorized for investment under ORS 294.035, ORS 294.046, ORS 294.052, ORS 294.805 and 294.810:

1. US. Treasury securities and other lawfully issued general obligations of the United States, including general obligations of agencies and instrumentalities of the United States or enterprises sponsored by the United States government.
2. Debt of the agencies and instrumentalities of the states of Oregon, California, Idaho and Washington and their political subdivisions.
3. Time deposit open accounts, certificates of deposit, share accounts and savings accounts.
4. ~~Bankers~~Banker's acceptances.
5. Corporate indebtedness.
6. Repurchase Agreements.
7. Oregon Short-term Fund, also known as Local Government Investment Pool ("LGIP").
8. The District may invest up to 100% of the proceeds from any bond issue in investment agreements that meet the requirements of ORS 294.052 and the repurchase agreement collateral requirements and restrictions of this policy.
9. Demand checking accounts are excluded from this policy scope.

### **VII. Investment Parameters**

#### **1. Diversification**

Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Investing in securities that have high credit quality;
- Limiting investments in securities with high interest-rate risk, such as variable-rate securities;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily-available funds such as the Oregon Short-Term Fund (or LGIP).

#### **2. Maximum Maturities and Percentage of Investments by Type**

The maximum percentages for direct investments of surplus funds are as shown in the chart below. Surplus funds are defined as the sum of all investments, cash balances, deposit balances of all types, and LGIP balances. The maximum maturity is measured from the settlement date of the investment transaction.

Capital project funds are funds specifically dedicated to capital projects, and will typically include proceeds from the District's bond sales. All bond fund reserves will be considered to be capital project funds. With Board approval, the District may designate other funds as capital project funds. Operating funds are all surplus funds that are not capital project funds.



**BOARD POLICY**  
**CASH MANAGEMENT**

**8.20.010-P**

Per subsection 4 of this section, Credit Ratings, minimum ratings are required on certain investments pursuant to ORS 294.035.

Security	Maximum % Of Total Portfolio	Maximum Maturity
US Treasury Bills, Notes and Bonds, and Obligations secured by the US Treasury	100%	18 months for operating funds; 5 years for capital project funds
US Government Agencies and Instrumentalities, including Government-Sponsored Enterprises	100%	18 months for operating funds; 5 years for capital project funds
State and Local Government Securities	30%	18 months for operating funds; 5 years for capital project funds
Time Certificates of Deposit	50%	18 months
Repurchase Agreements	25%	30 days
Bankers Acceptances	25%	6 months
Corporate Indebtedness (commercial paper and bonds)	35%	18 months
OSTF – Local Government Investment Pool	Pool Limit	Pool Maximum

In order to achieve issuer diversification, this policy sets limits on the maximum holdings by issuer for certain investment types.

- There shall be a limit of 50% of the portfolio held in securities issued by any single US government agency.
- Time certificates of deposit and bankers acceptances can all be issued by a single banking institution. In order to avoid over-concentration in a single banking institution, there shall be a limit of 10% for overall holdings in one institution.





# BOARD POLICY CASH MANAGEMENT

8.20.010-P

In addition to this policy, ORS 294.035 limits investment-s in corporate indebtedness to 35% of the total investment portfolio, with no more than 5% of total funds invested in a single corporate entity and its affiliates or subsidiaries.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

### 3. Liquidity of Funds

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds, such as OSTF or overnight repurchase agreements, or held in bank balances to ensure sufficient liquidity to meet ongoing obligations.

Maturity limitations will depend upon whether the funds being invested are considered short- or long-term funds. Surplus funds will be considered operating funds, except those reserved for capital projects. Except for special situations, as directed by the Investment Officer, investments will be limited to maturities not exceeding 18 months.

Short-term portfolio investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. In addition, the following maturity limits are designed to ensure liquidity in the portfolio:

Length of Maturity	Minimum % of Total Portfolio
Under 30 days	10%
Under 90 days	25%
Under 365 days	90%
Under 18 months	100%

If these maturity limits are inadvertently exceeded at the time of a specific investment, the purchase does not need to be liquidated. However, subsequent investments must not be made to longer maturity dates until the limits will be met.

The investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, the applicable bond covenants or applicable tax laws, whichever are most restrictive.

This investment policy was submitted to and approved by the OSTF Board as specified above and in accordance with ORS 294.135(1)(a).

### 4. Credit Ratings



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

Minimum credit rating levels for permissible investments are set out in ORS 294.035. The District will only recognize ratings of Moody's, S&P, and Fitch of the available Nationally-Recognized Statistical Rating Organizations (NRSROs). These credit rating levels apply to the security at the transaction settlement date. If a security's credit rating is subsequently

down-graded below the minimum rating level for a new investment of that security, the Investment Officer shall evaluate, on a case-by-case basis, in order to determine if the security should be held or sold. The Investment Officer shall notify the CFO or his/her designee about the credit rating downgrade and whether the decision was made to sell or hold the security.

### 5. Securities Lending and Reverse Repurchase Agreements

The District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

### 6. Bids and Offers

Before any security purchase or sale is initiated, the Investment Officer shall determine the appropriateness of seeking competitive bids or offers. Information about current market interest rate levels can be obtained from various sources, including investment dealers, financial websites and publications, and other sources. Factors to consider include where the securities are held, the size of the transaction, and the term to maturity.

In the event competitive bids or offers are not considered, the decision not to do so shall be documented. When required by applicable tax laws or bond covenants, competitive bids and offers shall be sought for security purchases and sales of bond funds.

## VIII. Reporting

### 1. Methods

The Investment Officer shall prepare a quarterly report, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last period. This management summary will be prepared in a manner which will allow the District to ascertain whether investment activities during the reporting period have conformed to this policy. The report shall be provided to the Board at least annually in accordance with ORS 294.155 and more frequently as the Board requests. The report will include the following:

- List of transactions occurring during the reporting period.
- List of individual securities held at the end of the reporting period.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmark(s).
- List of investments by maturity date (or call date, as appropriate).
- Percentage of the total portfolio that each type of investment represents along with the percentages authorized in this policy.
- Performance relative to benchmark(s).



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

### 2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The performance of the District's portfolio shall be measured against the performance of the Oregon Short-Term Fund, 90-day agencies, and 90-day treasuries. The average monthly net yield of the District's portfolio shall be used for such comparison or evaluation. Because bond proceeds are expected to be invested at the time they are received, and are therefore invested in the interest rate environment that exists at that point in time, that portion of the portfolio will be excluded from ongoing benchmark performance measurement.

### 3. Mark to Market

The market value of the portfolio shall be calculated, and a statement of the market value of the portfolio issued, at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark to Market Practices for State and Local Government Investment Portfolios and Investment Pools". This "Mark to Market" analysis is provided by the District's third-party investment custodial safekeeping agent.

## IX. Administration of Cash Management Program

### 1. Objectives.

The District's objectives are to comply both with the letter and the spirit of Board policy in a manner that permits efficient use of District resources and effective management control.

### 2. Deposits.

All District monies from all sources, however small in amount, are to be deposited daily into the designated bank account.

Arrangements shall be made to have large amounts of money, such as bond settlements and recurring receipts, received via wire / ACH transfers.

### 3. Payments.

All payments shall be made when approved and due, but not before they are due. Cash discounts will be analyzed to determine the cost/benefit of payment terms in relation to investment opportunities. No payments of any kind will be made from un-deposited cash.

### 4. Commitments.

Purchase commitments shall be made so that the time between receipt of items and services and the need for these items and services is minimized and monies are therefore not prematurely removed from investment availability.

### 5. Cash Flow.



## BOARD POLICY CASH MANAGEMENT

8.20.010-P

A cash flow projection is to be prepared at the start of each fiscal year, indicating planned cash receipts and disbursements by month. This projection shall be approved by the CFO.

### 6. Daily Cash Control.

The District's staff is to account for cash balances daily, by financial institution.

### X. Administration of Cash Management Program

Banking services will be engaged by the District based ~~solely~~ on considerations of availability of required services, cost of those services, and any applicable legal requirements. Banking services will be engaged based on an open bidding process conducted at least once every ten (10) years and reviewed annually for continuing validity. The District will use one bank as its primary depository institution. The District may use different banks or financial institutions for investment purposes than those used for depository purposes.

### XI. District Bank Account Administration

The CFO is the only officer with authority to direct a bank to open ~~or close~~ an account, ~~and any additions of new, or deletions of existing, bank accounts will be at his / her direction.~~

All District bank accounts will have at least two authorized signers at all times. Student Body Accounts will require two original physical signatures on all checks, while disbursements from the District's primary accounts (Accounts Payable, Payroll, Risk Management) may be issued with electronic signature (ORS 294.129). ~~The CFO's is the only authorized electronic signature.~~

### XII. Policy Adoption and Re-Adoption

This investment policy shall be reviewed on an annual basis by the Investment Officer, who shall submit the policy and proposed revisions to the OSTF if required. The policy and any revisions shall be presented annually to the Portland Public Schools Board of Education, which will review and approve the investment policy, and any revisions, annually.

END OF POLICY

Legal References:

ORS Chapters 244, 294 and 295



## **BOARD POLICY**

### **CASH MANAGEMENT**

**8.20.010-P**

#### **I. Scope and Pooling of Funds**

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## BOARD POLICY CASH MANAGEMENT

8.20.010-P

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### 3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. High returns on investments are of secondary importance compared to the safety and liquidity objectives described above. The majority of the portfolio is limited to highly-rated / low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity, unless:

- A security with a declining credit rating may be sold early to prevent or minimize loss of principal.
- An unanticipated cash demand requires that the security be sold.
- A security swap would improve the quality, yield, or target duration of the portfolio.
  - Security swaps will be made only with specific approval of the CFO or, if absent, the CFO's designee.

## III. Standards of Care

### 1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy, and exercising due diligence, shall be relieved of personal responsibility.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probably income to be derived.

### 2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to disclose any material interest in financial institutions that conduct business with the District. They shall further disclose any personal / financial / investment positions that could be related to the performance of the investment portfolio.



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Employees, officers and their families shall refrain from undertaking personal business transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

### 3. Responsibility

The District's Board delegates, through the Superintendent to the chief financial officer (CFO), the responsibility for implementing this policy.

Day-to-day administration of this investment policy shall be managed by the CFO and delegated to his / her designee. The CFO or designee, hereinafter referred to as Investment Officer, shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.

## IV. Safekeeping and Custody

### 1. Authorized Financial Dealers and Institutions

A list will be maintained of approved financial institutions authorized to provide investment and safekeeping services. In addition, a list will also be maintained of approved security brokers / dealers selected by creditworthiness and other factors considered relevant by the District. These may include "primary" dealers or regional dealers that qualify under the Securities and Exchange Commission (SEC) rule 15d3-1 (uniform net capital rule). Qualified dealers and brokers will be required to maintain an office in the states of Oregon or Washington. The District will limit all security purchases to institutions on these approved lists. All financial institutions and broker / dealers who wish to qualify for District investment transactions must supply the following, as appropriate:

- Audited financial statements.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Proof of state registration.
- Certification of having read and understood the District's investment policy.
- Certification of agreement to comply with the District's investment policy.

The Investment Officer will conduct an annual review of the financial condition and registration of qualified financial institutions and broker / dealers.

## V. Internal Controls

The Investment Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of the District from loss, theft or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not



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exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Investment Officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

### **1. Accounting Method**

The District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. These accounting principles are contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

### **2. Delivery and Safekeeping**

The purchase and sale of securities, repurchase agreements and guaranteed investment contract transactions shall be settled on a delivery-versus-payment basis (DVP) in accordance with ORS 294.145(4), ORS 294.145(5) and GFOA recommended practices. It is the District's intent that all purchased securities shall be delivered to the District's third-party custodian in the account name of the District. Sufficient evidence to title shall be consistent with modern investment and commercial practices.

### **3. Collateralization**

All bank deposits, time deposits, certificates of deposit, and savings accounts shall be held in qualified Oregon depositories and collateralized in accordance with ORS Chapter 295.

ORS 294.035(3)(j) requires repurchase agreements be limited in maturity to three years and priced according to the written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board. On March 12, 1996, the OSTF Board adopted the following margins:

- US Treasuries: 102%.
- US Agency discount and coupon securities: 102%.
- Mortgage-backed securities, although allowed by ORS Chapter 294, are not allowed as repurchase agreement collateral under this policy.

Prior to entering into any repurchase agreement, a signed Master Repurchase Agreement must be in place between the District and the securities dealer. At a minimum, the District will monitor the collateral requirements weekly for guaranteed investment contracts.

### **4. Pooling of Funds**

Except for cash in certain restricted and special funds, the District will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with GAAP.





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### **VI. Suitable and Authorized Investments**

The following investments will be permitted by this policy and are authorized for investment under ORS 294.035, ORS 294.046, ORS 294.052, ORS 294.805 and 294.810:

1. US. Treasury securities and other lawfully issued general obligations of the United States, including general obligations of agencies and instrumentalities of the United States or enterprises sponsored by the United States government.
2. Debt of the agencies and instrumentalities of the states of Oregon, California, Idaho and Washington and their political subdivisions.
3. Time deposit open accounts, certificates of deposit, share accounts and savings accounts.
4. Banker's acceptances.
5. Corporate indebtedness.
6. Repurchase Agreements.
7. Oregon Short-term Fund, also known as Local Government Investment Pool ("LGIP").
8. The District may invest up to 100% of the proceeds from any bond issue in investment agreements that meet the requirements of ORS 294.052 and the repurchase agreement collateral requirements and restrictions of this policy.
9. Demand checking accounts are excluded from this policy scope.

### **VII. Investment Parameters**

#### **1. Diversification**

Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Investing in securities that have high credit quality;
- Limiting investments in securities with high interest-rate risk, such as variable-rate securities;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily-available funds such as the Oregon Short-Term Fund (or LGIP).

#### **2. Maximum Maturities and Percentage of Investments by Type**

The maximum percentages for direct investments of surplus funds are as shown in the chart below. Surplus funds are defined as the sum of all investments, cash balances, deposit balances of all types, and LGIP balances. The maximum maturity is measured from the settlement date of the investment transaction.

Capital project funds are funds specifically dedicated to capital projects, and will typically include proceeds from the District's bond sales. All bond fund reserves will be considered to be capital project funds. With Board approval, the District may designate other funds as capital project funds. Operating funds are all surplus funds that are not capital project funds.



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Per subsection 4 of this section, Credit Ratings, minimum ratings are required on certain investments pursuant to ORS 294.035.

Security	Maximum % Of Total Portfolio	Maximum Maturity
US Treasury Bills, Notes and Bonds, and Obligations secured by the US Treasury	100%	18 months for operating funds; 5 years for capital project funds
US Government Agencies and Instrumentalities, including Government-Sponsored Enterprises	100%	18 months for operating funds; 5 years for capital project funds
State and Local Government Securities	30%	18 months for operating funds; 5 years for capital project funds
Time Certificates of Deposit	50%	18 months
Repurchase Agreements	25%	30 days
Bankers Acceptances	25%	6 months
Corporate Indebtedness (commercial paper and bonds)	35%	18 months
OSTF – Local Government Investment Pool	Pool Limit	Pool Maximum

In order to achieve issuer diversification, this policy sets limits on the maximum holdings by issuer for certain investment types.

- There shall be a limit of 50% of the portfolio held in securities issued by any single US government agency.
- Time certificates of deposit and bankers acceptances can all be issued by a single banking institution. In order to avoid over-concentration in a single banking institution, there shall be a limit of 10% for overall holdings in one institution.



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In addition to this policy, ORS 294.035 limits investments in corporate indebtedness to 35% of the total investment portfolio, with no more than 5% of total funds invested in a single corporate entity and its affiliates or subsidiaries.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

### 3. Liquidity of Funds

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds, such as OSTF or overnight repurchase agreements, or held in bank balances to ensure sufficient liquidity to meet ongoing obligations.

Maturity limitations will depend upon whether the funds being invested are considered short- or long-term funds. Surplus funds will be considered operating funds, except those reserved for capital projects. Except for special situations, as directed by the Investment Officer, investments will be limited to maturities not exceeding 18 months.

Short-term portfolio investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. In addition, the following maturity limits are designed to ensure liquidity in the portfolio:

Length of Maturity	Minimum % of Total Portfolio
Under 30 days	10%
Under 90 days	25%
Under 365 days	90%
Under 18 months	100%

If these maturity limits are inadvertently exceeded at the time of a specific investment, the purchase does not need to be liquidated. However, subsequent investments must not be made to longer maturity dates until the limits will be met.

The investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, the applicable bond covenants or applicable tax laws, whichever are most restrictive.

This investment policy was submitted to and approved by the OSTF Board as specified above and in accordance with ORS 294.135(1)(a).

### 4. Credit Ratings



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Minimum credit rating levels for permissible investments are set out in ORS 294.035. The District will only recognize ratings of Moody's, S&P, and Fitch of the available Nationally-Recognized Statistical Rating Organizations (NRSROs). These credit rating levels apply to the security at the transaction settlement date. If a security's credit rating is subsequently

downgraded below the minimum rating level for a new investment of that security, the Investment Officer shall evaluate, on a case-by-case basis, in order to determine if the security should be held or sold. The Investment Officer shall notify the CFO or his/her designee about the credit rating downgrade and whether the decision was made to sell or hold the security.

### 5. Securities Lending and Reverse Repurchase Agreements

The District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

### 6. Bids and Offers

Before any security purchase or sale is initiated, the Investment Officer shall determine the appropriateness of seeking competitive bids or offers. Information about current market interest rate levels can be obtained from various sources, including investment dealers, financial websites and publications, and other sources. Factors to consider include where the securities are held, the size of the transaction, and the term to maturity.

In the event competitive bids or offers are not considered, the decision not to do so shall be documented. When required by applicable tax laws or bond covenants, competitive bids and offers shall be sought for security purchases and sales of bond funds.

## VIII. Reporting

### 1. Methods

The Investment Officer shall prepare a quarterly report, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last period. This management summary will be prepared in a manner which will allow the District to ascertain whether investment activities during the reporting period have conformed to this policy. The report shall be provided to the Board at least annually in accordance with ORS 294.155 and more frequently as the Board requests. The report will include the following:

- List of transactions occurring during the reporting period.
- List of individual securities held at the end of the reporting period.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmark(s).
- List of investments by maturity date (or call date, as appropriate).
- Percentage of the total portfolio that each type of investment represents along with the percentages authorized in this policy.
- Performance relative to benchmark(s).



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### 2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The performance of the District's portfolio shall be measured against the performance of the Oregon Short-Term Fund, 90-day agencies, and 90-day treasuries. The average monthly net yield of the District's portfolio shall be used for such comparison or evaluation. Because bond proceeds are expected to be invested at the time they are received, and are therefore invested in the interest rate environment that exists at that point in time, that portion of the portfolio will be excluded from ongoing benchmark performance measurement.

### 3. Mark to Market

The market value of the portfolio shall be calculated, and a statement of the market value of the portfolio issued, at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark to Market Practices for State and Local Government Investment Portfolios and Investment Pools". This "Mark to Market" analysis is provided by the District's third-party investment custodial safekeeping agent.

## IX. Administration of Cash Management Program

### 1. Objectives.

The District's objectives are to comply both with the letter and the spirit of Board policy in a manner that permits efficient use of District resources and effective management control.

### 2. Deposits.

All District monies from all sources, however small in amount, are to be deposited daily into the designated bank account.

Arrangements shall be made to have large amounts of money, such as bond settlements and recurring receipts, received via wire / ACH transfers.

### 3. Payments.

All payments shall be made when approved and due, but not before they are due. Cash discounts will be analyzed to determine the cost/benefit of payment terms in relation to investment opportunities. No payments of any kind will be made from un-deposited cash.

### 4. Commitments.

Purchase commitments shall be made so that the time between receipt of items and services and the need for these items and services is minimized and monies are therefore not prematurely removed from investment availability.

### 5. Cash Flow.

A cash flow projection is to be prepared at the start of each fiscal year, indicating planned cash receipts and disbursements by month. This projection shall be approved by the CFO.



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### 6. Daily Cash Control.

The District's staff is to account for cash balances daily, by financial institution.

### X. Administration of Cash Management Program

Banking services will be engaged by the District based ~~solely~~ on considerations of availability of required services, cost of those services, and any applicable legal requirements. Banking services will be engaged based on an open bidding process conducted at least once every ten (10) years and reviewed annually for continuing validity. The District will use one bank as its primary depository institution. The District may use different banks or financial institutions for investment purposes than those used for depository purposes.

### XI. District Bank Account Administration

The CFO is the only officer with authority to direct a bank to open ~~or close~~ an account, ~~and any additions of new, or deletions of existing, bank accounts will be at his / her direction.~~

All District bank accounts will have at least two authorized signers at all times. Student Body Accounts will require two original physical signatures on all checks, while disbursements from the District's primary accounts (Accounts Payable, Payroll, Risk Management) may be issued with electronic signature (ORS 294.129). ~~The CFO's is the only authorized electronic signature.~~

### XII. Policy Adoption and Re-Adoption

This investment policy shall be reviewed on an annual basis by the Investment Officer, who shall submit the policy and proposed revisions to the OSTF if required. The policy and any revisions shall be presented annually to the Portland Public Schools Board of Education, which will review and approve the investment policy, and any revisions, annually.

END OF POLICY

Legal References:

ORS Chapters 244, 294 and 295