



# Straight talk about the budget

## Portland Public Schools navigates grave economy

Portland Public Schools is facing a critical budget shortfall as the economy worsens. The situation threatens recent stability in the district that came after more than a decade of cuts.

The district will continue to base budget decisions on its educational priorities. PPS is proud that despite past cuts, student achievement has risen, student scores exceed the state average, and class size is below the suburban average.

**But this time, given the size of the shortfall and the cuts PPS has taken over many years, we can no longer spare the classroom.**

**In particular:**

- We may need to close schools early this year.
- We expect staffing cuts next year that could affect class size and offerings.

### Where we are now

#### This school year (2008-09):

We may have to **cut as much as \$25 million from our \$468 million budget this year** because state revenues keep declining.

- Reserves are covering some of the shortfall. But to absorb the rest this late in the year, we

cannot avoid closing early -- unless the state taps rainy day or other money.

#### Next school year (2009-10):

- The **\$22 million shortfall** we had projected for our 2009-10 budget is now expected to grow.
- We will act cautiously if we tap reserves, knowing the downturn could be prolonged.
- We will continue reducing the central office budget, consider canceling cost-of-living raises and other belt tightening. **However, to make significant cuts requires reducing our staff, and most of our staff is in our schools.**

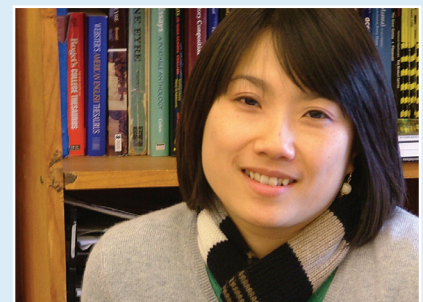
### We need your involvement

- **Inform lawmakers** that closing schools early would harm our children and our community and schools need adequate and stable funding. Go to [www.leg.state.or.us](http://www.leg.state.or.us) to contact your lawmakers.
- **Share your budget priorities** for Portland Public Schools by ranking priorities at [www.budget.pps.k12.or.us](http://www.budget.pps.k12.or.us).
- **E-mail ideas and what you hope to preserve** to [budgetoffice@pps.k12.or.us](mailto:budgetoffice@pps.k12.or.us).



**"If we can't educate our children, they can't be our leaders. If we don't hold up our children, they can't give back. It starts with education."**

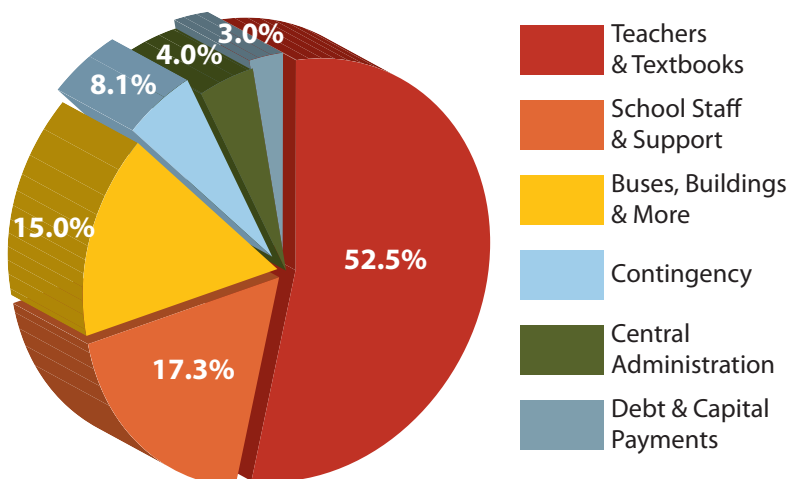
— A graduate of Portland Public Schools, **Antoinette Edwards** also put five children through PPS. Now her grandchildren attend. Edwards is director of diversity and volunteer services for the American Red Cross, Oregon Trail Chapter.



**"I wonder why people don't make more of a connection between well-funded education and strong citizens, a talented work force and less crime. It's like children are expendable, education is expendable."**

— **Elisa Wong** is a graduate of Benson High School and an English teacher at the Northeast Portland school.

### Where our money goes



# The long view

## Portland Public Schools pared back over years; now recent gains are jeopardized

Portland Public Schools used to receive most of its money from local property taxpayers. **In 1990**, control shifted to the state when Oregonians voted for property tax limitation and a new requirement that lawmakers distribute money equally to schools statewide. Combined with declining enrollment, the district's buying power declined.

### Between 1990 and 2006, the district:

- Downsized the central office, cutting top level administrators and much of our maintenance staff and curriculum department.
- Closed 14 schools.
- Restructured bus routes and renegotiated the bus contract, saving \$1.4 million.
- Improved energy efficiency, such as retrofitting lighting for a savings of \$1 million a year.
- Instituted fees for athletics.
- Negotiated cost sharing of health premiums for teachers and health care caps for all other employee groups.
- Pared counseling positions, music, art, libraries and physical education.

### In 2006, Portland voters passed a local option tax.

Combined with a strong economy that increased state funding, PPS restored some staff in such critical areas as counseling and curriculum. Today's economy now threatens recent gains.

As an assistant principal in 1990, **Allison Couch** was part of an eight-person team of administrators, counselors and specialists that bolstered Portsmouth Middle School's 500 students. Today at East-West Sylvan, she's part of a six-person team for 900 kids.

**"The kids who get lost are the ones who aren't the discipline issues, the kids who blend into the woodwork. You don't have time to deal with anybody who isn't a crisis."**

— Allison Couch, principal, East-West Sylvan Middle School, Southwest Portland



Engaging electives such as shop class kept **Jeannie Curtis** invested in her studies at Portland Public Schools in the 1970s and '80s. But when Curtis' sons got to PPS in the 1990s, options such as shop were unaffordable extras.

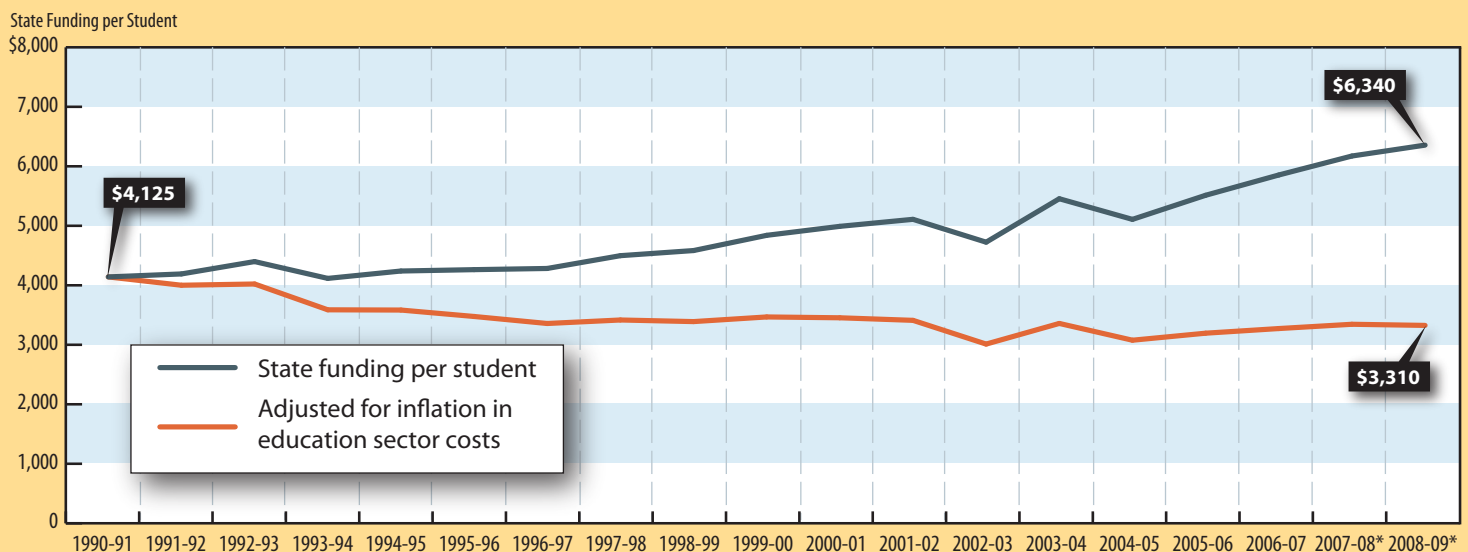
**"Without giving them an opportunity to see all that they can be — by only showing them a small picture — they're not going to take advantage of the world."**

— Jeannie Curtis, administrative support, Atkinson Elementary School, Southeast Portland



## State funding for PPS hasn't kept pace with inflation

State funding has risen in actual dollars over time. But when adjusted for inflation, state funding has declined by 20 percent since 1990-91.\*



\* Inflation adjustment uses a price index that measures education costs in Oregon.

Source: Oregon Department of Education



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