



May 29, 2020

Dear Portland Public Schools families, staff and community members,

I am writing to update you on the fiscal year 2021 (FY21) school budget. We are in the final stretch of the school budget process, and I want to fill you in on the status of our work as we finalize a budget for the 2020-2021 school year.

This past Tuesday, May 26, the Portland Board of Public Education voted unanimously to recommend a \$119.9 million FY21 school budget to the City Council. While the proposed budget is up 2.1 percent over the current FY20 budget, it will result in no tax increase on the school portion of the city's tax rate.

The budget now goes to the Council, which sets the bottom line of the school budget. The Council is slated to hold a first read of the proposal on June 1. The council will hold a public hearing and a vote on the budget on June 15. The budget then will go to Portland voters at the July 14 primary.

The school budget that the Board has recommended is far from the budget envisioned before COVID-19. It now reflects the harsh economic reality facing Portland as a result of the pandemic. This budget is our best attempt at balancing the needs of our students today with the uncertainties that lie ahead for the coming year.

Although the Board set the bottom line of the budget on May 26, it directed me to find as much as \$400,000 in reductions in areas still yet to be determined to achieve that bottom line.

As part of the reduction-finding process, the Board has asked me to sit down with all of the district's unions to discuss such options as possible partial reductions from their already negotiated cost-of-living (COLA) raises in the new fiscal year, or any other ideas the unions might propose for reaching the needed reductions. We will also consider cuts to COLA increases for non-union employees and for bargaining units that have yet to finalize contracts with the district.

Please note that the Board did not support increased reductions in athletics and co-curricular activities to make up the gap, a proposal that had been recommended and approved by the Board's Finance Committee. The budget already contains \$140,000 in cuts in that area.

The 2.1 percent expenditure increase in the Board's \$119.9 million budget is largely due to bargained COLA salary increases and step increases, critical positions added during the current budget year and adjustments to other non-salary items such as utilities and insurance. The budget allocates about \$1.3 million in federal CARES Act funding to temporarily offset those expenses.

The theme of my FY21 budget proposal is "Addressing the Opportunity Gap," and called for enhancing the district's Equity goal by making investments to reduce opportunity gaps for economically disadvantaged students, students of color, students with special needs and English language learner (ELL) students.

Although remote learning has likely increased those gaps, the Board's budget does not include the majority of the planned Equity investments in my initial budget. However, the budget still includes funding for two additional pre-kindergarten classes. That is part of the district's five-year goal of annually expanding the district's pre-K program to give students (particularly disadvantaged students) a head start on learning.

The budget also includes a shift to the local budget of \$665,000 in positions currently paid by Title funding. This offsets escalating costs and a reduction in federal funding to continue support services in schools with a high number of disadvantaged students. The budget also adds an autism spectrum disorder program for high school students and investments in our math and literacy curriculums.

The budget contains reductions, including fourth- and fifth-grade Spanish language classes and other enrollment-based staffing adjustments.

None of these current or pending reductions will be easy.. This budget is our best effort to continue providing a quality education to Portland Public Schools students while also being cognizant of city taxpayers. As difficult as this budget is, we face additional challenges ahead, including possible curtailments and further revenue losses. Taken together, we could be facing a sizable budget gap in FY22.

In these last weeks of the FY21 budget process, I encourage everyone to stay involved and make your voices heard. Working together as a community, we will get through this crisis and I am hopeful that we'll emerge stronger and able to create the equitable school system we strive to achieve.

To learn more details about the FY21 budget, go to the [budget development page](#) on our website.

Sincerely,

A handwritten signature in black ink, appearing to read 'X Botana', with a horizontal line extending to the right.

Xavier Botana, Superintendent

P457- ENG May 29 Letter to Families