



# PORTLAND PUBLIC SCHOOLS

36929

501 N. Dixon Street / Portland, Oregon 97227  
Mailing Address: P.O. Box 3107 / Portland, Oregon 97208-3107  
Telephone: (503) 916-3200

**Office of the Superintendent**  
**Zeke Smith, Chief of Staff**

EXHIBIT A

## MEMORANDUM

To: Jennifer Yocom, Chief of Staff to Portland Mayor Sam Adams

From: Zeke Smith, Chief of Staff to PPS Superintendent Carole Smith

Date: May 29, 2012

Re: Mutual Agreements between PPS and the City of Portland relating to 2012-13 Budget Support

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Jennifer,

I wanted to provide a written understanding of the series of agreements that we have identified in relation to the 2012-13 budget support from the City of Portland (COP) to Portland Public Schools (PPS). This memo reflects specifically the Portland Public Schools understanding of these agreements, and also incorporates specific language from City staff. Please review the following items:

### Initial Agreement Parameters:

The City of Portland (COP), specifically Mayor Sam Adams, tentatively agreed to provide a total of \$5 million to Portland Public Schools in the 2012-13 school year, as a part of a broader tentative agreement reached between PPS, the Portland Association of Teachers (PAT), and the COP to support students and teachers. Of this \$5 million, the City agreed to provide \$4.5 million from the City General Fund, specifically Business License Fee dollars, directly to PPS and \$500,000 from other non-General Fund resources to be used for a real property transaction.

### Additional Agreements:

**Foster School Site:** PPS and COP have agreed in principle to enter into a Memorandum of Understanding (separately attached) regarding the lease of a portion of the PPS Foster Elementary School property to COP. The agreement includes the following specific points:

1. There is consensus of the merits and positive outcomes of an Early Learner Education Center (EC) and a NAYA-developed Intergenerational Community (IGC) for adoptive families of foster children, on the Foster Site.
2. An Intergovernmental Agreement (IGA) is being developed between PPS and the City. A portion of the assistance detailed in the IGA will include funds eligible to be used for acquiring development rights for real property, which will be subleased to NAYA, the "Real Property Fund".
3. The PPS site, identified as the Foster Site, will have mixed use development for pre-K educational purposes as well as intergenerational housing.
4. The funds generated by PPS from monetizing a lease of the real property can be used to help address current budget issues and help assist in rehabilitation of the school.
5. PPS will require a lease instead of fee title disposition for the development.



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6. Length of any lease will need to be a minimum of 65 years (and preferably 99 years), due to policy restrictions associated with anticipated housing funds used in development of the property.
7. PPS Board of Education policy is to insure that any real estate transaction be by a third-party valuation of fair market value.
8. PPS has concluded the Foster Site could be repurposed into an effective Early Learner Education Center hub and a portion of this property could be utilized as socially purposed housing development, the IGC that is compatible with the EC.
9. Operation of an EC requires yearly funding and budget for operations which has not yet been identified, but would be operated through a joint agreement by PPS and NAYA.

**Marshall High School Field:** PPS and PPR will pilot a new management approach to program PPS sports fields. The pilot site will be at the stadium field at Marshall Field. The new management approach will promote new access for community sports field users and accommodate Portland Public Schools athletic teams' use. To further enhance use at this site, both parties agree to investigate opportunities to install synthetic turf at this field. Revenues generated through this management approach will be used to reinvest in the maintenance and capital replacement needs of this sports field.

**Community Gardens:** PPS will work together with PPR to identify PPS sites in areas where gardens are in high demand and can be developed in the next few years. As part of this effort, PPS will adopt a new practice as part of its "Long Range Facility Plan" to incorporate space for potential community gardens, learning gardens or rain gardens in any major renovations. PPR Community Garden staff will attend quarterly facility meetings between PPS and PPR to promote joint coordination.

**Whitaker Site:** PPS agrees to work with PPR to complete due diligence of the former Whitaker School site as a new large scale food garden. To ensure community investment into this site, any future garden agreement between the parties for this development will be for a minimum term of 5 years.

**Washington/Monroe SE Corner:** PPS agrees in principle to enter into a five year agreement which grants to the City the right to purchase the property located on the corner of SE 14<sup>th</sup> Avenue and SE Alder St. at fair market value at such time as the City has funding and approvals to proceed with a Community Center.

**Additional PPS budget reducing actions related to the PPS/COP/PPR tentative agreement:**

**Tentative Agreement Supporting Details:**

This is not a comprehensive list, but provides additional relevant detail about the agreement with PPS. This agreement:

- Preserves a full school year for students and restores the equivalent of over 100 teaching positions to schools across the district.
- Delays salary step increases for PAT members by half a year. PAT high school staff members will forgo \$400,000 in pay resulting from recent arbitration on high school workloads and schedules.



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- Reduces administrative salaries in the form of up to 10 furlough days for non-represented central office staff and three furlough days for building and program administrators, delays textbook and technology purchases, and makes additional cuts in central office budgets – saving \$2.65 million.
- Directs funds generated by the agreement to prevent layoffs and restore cuts in music, media specialists, PE/health, special education, secondary language arts, art and counselors, with a priority on preserving elementary enrichments, special education and reducing high school work loads.
- Please see document entitled Tentative Agreement May, 2012 distributed at City Council by Portland Teachers Association on Wednesday, May 23, 2012 for additional detail.

### **Additional PPS 2012-13 Budget Reductions:**

The Superintendent's proposed budget, approved by the Board on May 14, 2012, required overcoming a \$27.5 million gap between resources and requirements. In closing this gap, the Superintendent proposed reducing general fund reserves by \$7.2 million (leaving a 3.5% reserve) and reducing administration and centrally allocated educational supports by \$9.2 million. This included:

- A pay freeze, no cost of living adjustments and no salary step increases for all non-represented employees. This is in addition to the furloughs identified above.
- Elimination of 30 central office positions that support schools in such areas as Communications, Human Resources, Information Technology, Finance and Teaching & Learning.
- Fewer schools will receive Title I money, which supports schools with a high proportion of low-income families, due to a *separate cut* in federal funding. This means additional staff cuts at those schools.

Again, the Superintendent would like to thank the Mayor for initiating this critical assistance for Portland students and teachers. I also appreciate the efforts of all of the City Commissioners on behalf of young people in this city and recognize the magnitude of this action at this point in time. This is a huge sacrifice on behalf of the City, and reflects a true appreciation for education and for our future.

Thank you for your time and effort,

Zeke