MULTNOMAH COUNTY, OREGON

BOARD OF COMMISSIONERS

Beverly Stein, Chair
1120 SW Fifth Avenue, Suite 1515
Portland, Or 97204-1914
Phone: (503) 248-3308 FAX (503) 248-3093
Email: mult.chair@co.multnomah.or.us

Diane Linn, Commission Dist. 1
1120 SW Fifth Avenue, Suite 1500
Portland, Or 97204-1914
Phone: (503) 248-5220 FAX (503) 248-5440
Email: diane.m.linn@co.multnomah.or.us

Serena Cruz, Commission Dist. 2
1120 SW Fifth Avenue, Suite 1500
Portland, Or 97204-1914
Phone: (503) 248-5219 FAX (503) 248-5440
Email: serena.m.cruz@co.multnomah.or.us

Lisa Naito, Commission Dist. 3
1120 SW Fifth Avenue, Suite 1500
Portland, Or 97204-1914
Phone: (503) 248-5217 FAX (503) 248-5262
Email: lisa.h.naito@co.multnomah.or.us

Sharron Kelley, Commission Dist. 4
1120 SW Fifth Avenue, Suite 1500
Portland, Or 97204-1914
Phone: (503) 248-5213 FAX (503) 248-5262
Email: sharron.e.kelley@co.multnomah.or.us

ANY QUESTIONS? CALL BOARD CLERK DEB BOGSTAD @ 248-3277
Email: deborah.l.bogstad@co.multnomah.or.us

INDIVIDUALS WITH DISABILITIES MAY CALL THE BOARD CLERK AT 248-3277, OR MULTNOMAH COUNTY TDD PHONE 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

MAY 18, 19 & 20, 1999 BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday: PPS Audit Implementation Committee Report; Mixed Use & Housing; and Aging & Disability Services Budget/Policy Work Session
Pg 2	1:30 p.m. Tuesday: CBAC Reports; DES; Facilities; Endangered Species Act Status; Land Use Planning; and DLS Budget Budget/Policy Work Session
Pg 3	6:00 p.m. Wednesday Public Hearing on the Multnomah County Budget
Pg 4	9:30 a.m. Thursday Regular Meeting (See Agenda for Approx. Item Times)
Pg 5	10:30 a.m. Thursday CCFC Appointments and Budget Approval
Pg 7	3:00 p.m. Thursday Public Safety Budget/Policy Review Work Session

*The Thursday morning meeting of the Board is cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30
Friday, 10:00 PM, Channel 30
Sunday, 1:00 PM, Channel 30
Produced through Multnomah Community Television

Tuesday, May 18, 1999 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET/POLICY WORK SESSION

WS-1 <u>9:30 a.m.</u>   <u>Portland Public School Audit Implementation Committee Report</u>
Presented by Diane Linn, Bruce Samson and Ben Canada. (15 minutes)
<u>9:45 a.m.</u>   <u>Mixed Use and Housing</u>: County Policies Guiding Involvement
in Mixed Use Housing Projects and Status of Departmental Projects. Presented
by Larry Nicholas, Jim McConnell, Ginnie Cooper and Kirk Hamann. (1 hour)
<u>10:45 a.m.</u>   <u>Aging and Disability Services Budget</u> - Jim McConnell (1 hour,
15 minutes)

- Aging Services - Mary Shortall
- Disability Services - Sharon Miller
- Planning - Rey España
- Elders in Action - Becky Wehrli
- Elders in Action Commission Report - Charles Kurtz
- Disability Services Advisory Council Report - Jan Campbell

Tuesday, May 18, 1999 - 1:30 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET/POLICY WORK SESSION

WS-2 <u>1:30 p.m.</u>   <u>Library and Environmental Services Citizen Budget Advisory</u>
<u>Committee Reports</u> Presented by Susan Hathaway-Marxer and M'Lou Christ
(15 minutes)
<u>1:45 p.m.</u>   <u>Environmental Services Department Overview</u> Presented by
Larry Nicholas (10 minutes)
<u>1:55 p.m.</u>   <u>Facilities</u> Moving to the Multnomah Building and the Mead
Building; Status of Library Branch Renovations and other Projects Presented
by Larry Nicholas, Wayne George and Ginnie Cooper (20 minutes)
<u>2:15 p.m.</u>   <u>Endangered Species Act Status and Funding</u> Presented by Larry
Nicholas (10 minutes)
<u>2:25 p.m.</u>   <u>Land Use Planning Issues and Opportunities</u> Presented by Larry
Nicholas and Kathy Busse (15 minutes)

- Customer Service Improvements
- Urban Permitting Administration
- Code Enforcement Planner

2:40 p.m.   Animal Control Service Levels and Funding Strategies
Presented by Larry Nicholas and Hank Miggins (15 minutes)
2:55 p.m.   Other DES Issues and Questions - Board questions (15 minutes)
3:15 p.m.   Library Budget Presented by Ginnie Cooper and Staff (1 hour)
      1.   What we can all be proud of . . .
- Keeping promises made to voters
- Our work with children and youth

      2.   Budget Issues . . .
- $1.5 million contingency
- Future of services through the life of the levy
- Technology
- Human Resources: recruitment, retention, and training

Wednesday, May 19, 1999 - 6:00 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET HEARING

PH-1 Public Hearing Inviting Citizens to Speak on Multnomah County's Proposed 1999-2000 Budget. Testimony Limited to Three Minutes per Person. Please Contact the Budget Office at 248-3883, Extension 22137 for a Copy of the Proposed Budget or Other Information.

Thanks to Multnomah Community Television and Portland Cable Access Television, Wednesday's hearing will be cable-cast live on Cable Channel 30 and replayed at the following times:

Thursday, May 20	**6:00 p.m.**	**Channel 30**
Sunday, May 23	**4:30 p.m.**	**Channel 30**
Monday, May 24	**8:00 p.m.**	**Channel 30**
Monday, May 31	**8:00 p.m.**	**Channel 30**
Wednesday, June 2	**7:00 p.m.**	**Channel 30**

Thursday, May 20, 1999 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM

NON-DEPARTMENTAL

C-1   Appointment of Joel Kasprzak to the EMS MEDICAL ADVISORY BOARD

DEPARTMENT OF HEALTH

C-2   Amendment 4 to Intergovernmental Agreement 201224 with Oregon Health Sciences University for Health Information System Computer Hardware and Software Support

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-3   RESOLUTION Authorizing the Execution of Deed D991635 Upon Complete Performance of a Contract with Charles R. Barrow

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

C-4   Intergovernmental Agreement 0010270 with Oregon Housing and Community Services Department for the Delegation of Funds for Services to Low Income Persons Residing in Multnomah County

PUBLIC CONTRACT REVIEW BOARD

C-5   ORDER Exempting the Custodial Services Contract with Everclean Maintenance from the Three Year Contract Limitation

C-6   ORDER Exempting the Elevator Maintenance Contract with Montgomery Kone, Inc. from the 20% Change Order Limitation

C-7   ORDER Exempting the Elevator Maintenance Contract with Northwest Elevator Company from the Three Year Contract Limitation

REGULAR AGENDA

PUBLIC COMMENT - 9:30 AM

R-1   Opportunity for Public Comment on Non-Agenda Matters.   Testimony
       Limited to Three Minutes Per Person.

DEPARTMENT OF ENVIRONMENTAL SERVICES - 9:30 AM

R-2   Results from RESULTS: Hawthorne Bridge Renovation Project Presentation
       by Stan Ghezzi, John Lindenthal and Ed Wortman

NON-DEPARTMENTAL - 9:40 AM

R-3   PROCLAMATION Designating the Week of May 16 through 22, 1999 as
       EMERGENCY MEDICAL SERVICES WEEK

R-4   RESOLUTION Approving the Mt. Hood Cable Regulatory Commission
       Fiscal Year 1999-2000 Budget

R-5   RESOLUTION Consenting to Transfer of the Paragon/Multnomah Cable
       Franchise to TCI Cablevision of Ohio, Inc. with Conditions

SHERIFF'S OFFICE - 10:15 AM

R-6   NOTICE OF INTENT to Apply to the U.S. Department of Justice for
       Bulletproof Vest Partnership Grant Act Funds to Help Purchase Bulletproof
       Vests for Law Enforcement Officers and Authorizing the Chair to Register
       Multnomah County as a Jurisdiction Eligible to Receive Such Funds

DEPARTMENT OF SUPPORT SERVICES - 10:20 AM

R-7   RESOLUTION Authorizing Issuance and Sale of Short-Term Promissory
       Notes, (Tax and Revenue Anticipation Notes) Series 1999 in the Amount of
       $11,000,000

COMMISSION ON CHILDREN, FAMILIES AND COMMUNITY -10:30 AM

R-8   Appointments of Janice Nightingale, Patricia Johnson, Lena Bean, Carol
       Cole, Margie Harris, D. Claire Oliveros, Linda Grear, Judith Smith, Mary
       Daly Bennetts, DeWayne Taylor, Jessica Weit, Pauline Anderson, Alcena
       Boozer, Lee Coleman, Paul Drews, Barbara Friesen, Steve Fulmer, Muriel
       Goldman, Carla Harris, Janet Kretzmeier, Kay Lowe, Sharon McCluskey,
       Larry Norvell, Lolenzo Poe, Tom Potter, Mark Rosenbaum, Cornetta Smith,
       Luther Sturtevant, Nan Waller and Duncan Wyse to the COMMISSION ON
       CHILDREN, FAMILIES AND COMMUNITY

R-9 Appointment of Larry Norvell as Chair of the COMMISSION ON CHILDREN, FAMILIES AND COMMUNITY

R-10 RESOLUTION Approving the Commission on Children, Families and Community 1999/2001 Biennium and 1997/1999 Carryover Budget Plans

DEPARTMENT OF ENVIRONMENTAL SERVICES - 10:50 AM

R-11 HEARING and Consideration of a RESOLUTION Approving Transfer of One Tax Foreclosed Property to the Multnomah Education Service District, for Public Purposes

R-12 HEARING and Consideration of a RESOLUTION Approving Transfer of One Tax Foreclosed Property to Portland Public School District No. 1J, for Public Purposes

R-13 HEARING and Consideration of a RESOLUTION Approving Transfer of Three Tax Foreclosed Properties to the City of Gresham, Department of Environmental Services, for Public Purposes

R-14 HEARING and Consideration of a RESOLUTION Approving Transfer of Three Tax Foreclosed Properties to the City of Portland, Portland Parks and Recreation, for Public Purposes

R-15 HEARING and Consideration of a RESOLUTION Approving Transfer of Four Tax Foreclosed Properties to the City of Portland, Office of Transportation, for Public Purposes

R-16 HEARING and Consideration of a RESOLUTION Approving Transfer of One Tax Foreclosed Property to the City of Troutdale, Parks and Facilities Division, for Public Purposes

R-17 HEARING and Consideration of an ORDER Approving the Annexation of Territory to Metro [Boundary Change Proposal No. MU-0499 Annexing Property within Washington County to Metro]

NON-DEPARTMENTAL - 11:09 AM

R-18 Intergovernmental Agreement 9910871 with the Port of Portland for Reimbursement of Infrastructure Construction Costs to Serve Rivergate Corrections Facility Site

COMMISSIONER COMMENT/LEGISLATIVE ISSUES - 11:25 AM

R-19 Opportunity (as Time Allows) for Commissioners to Comment on Non-Agenda Items or to Discuss Legislative Issues.

Thursday, May 20, 1999 - 3:00 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET/POLICY WORK SESSION

WS-3 Continued Discussion on Public Safety with Juvenile and Adult Community Justice Director Elyse Clawson, Multnomah County Circuit Court Judge Jim Ellis, Sheriff Dan Noelle, District Attorney Michael Schrunk and Invited Others. 2 HOURS REQUESTED.

AGENDA PLACEMENT FORM

SUBJECT: PPS, Mixed Use & Housing and ADS Budget/Policy Review Work Session

BOARD BRIEFING:
DATE REQUESTED: Tuesday, May 18, 1999
REQUESTED BY:_____
AMOUNT OF TIME NEEDED: 2.5 Hours

REGULAR MEETING:
DATE REQUESTED:_____

AMOUNT OF TIME NEEDED:_____

DEPARTMENT: Non-Departmental   DIVISION: Chair's Office

CONTACT: Bill Farver   TELEPHONE #: 248-3958
BLDG/ROOM #: 106/1515

PERSON(S) MAKING PRESENTATION: Department Staff and Invited Guests Listed Below

ACTION REQUESTED:
[ ] INFORMATIONAL ONLY   [X] POLICY DIRECTION   [ ] APPROVAL   [ ] OTHER
SUGGESTED AGENDA TITLE:

9:30 a.m.   Portland Public School Audit Implementation Committee Report Presented by Diane Linn, Bruce Sampson and Ben Canada. (15 minutes)

9:45 a.m.   Mixed Use and Housing: County Policies Guiding Involvement in Mixed Use Housing Projects and Status of Departmental Projects. Presented by Larry Nicholas, Jim McConnell, Ginnie Cooper and Kirk Hamann. (1 hour)

10:45 a.m.   Aging and Disability Services Budget - Jim McConnell (1 hour, 15 minutes)
- Aging Services - Mary Shortall
- Disability Services - Sharon Miller
- Planning - Rey España
- Elders in Action - Becky Wehrli
- Elders in Action Commission Report - Charles Kurtz
- Disability Services Advisory Council Report - Jan Campbell

SIGNATURES REQUIRED:

ELECTED OFFICIAL: *Beverly Stein*

(OR)
DEPARTMENT MANAGER:_____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions? Call the Board Clerk @ 248-3277

Aging and Disability Services Department

1999 – 2000 Budget Work Session

DRAFT

Multnomah County

M a y   1 8 ,   1 9 9 9

Celebrating 1999 as the United Nations "Year of the Older Person."

Aging and Disability Services
May 18, 1999 Budget Work Session

<u>AGENDA</u>

Introductions

Mission Statement

ADS Single Entry Services System

Increased use of Community Based Care

Service Trends

Budget Information

Department Accomplishments and Goals

Elders In Action Budget Request

ADS Issues and Opportunities

CBAC Report on Aging and Disability Services Budget
Elders in Action--Charles Kurtz
Disability Services Advisory Council—Jan Campbell

Closing Comments

Multnomah County
Aging and Disability Services Department

Mission Statement

Our MISSION:

To assist older adults and persons with disabilities to live as independently as possible with a range of accessible, quality services that meet their diverse needs and preferences.
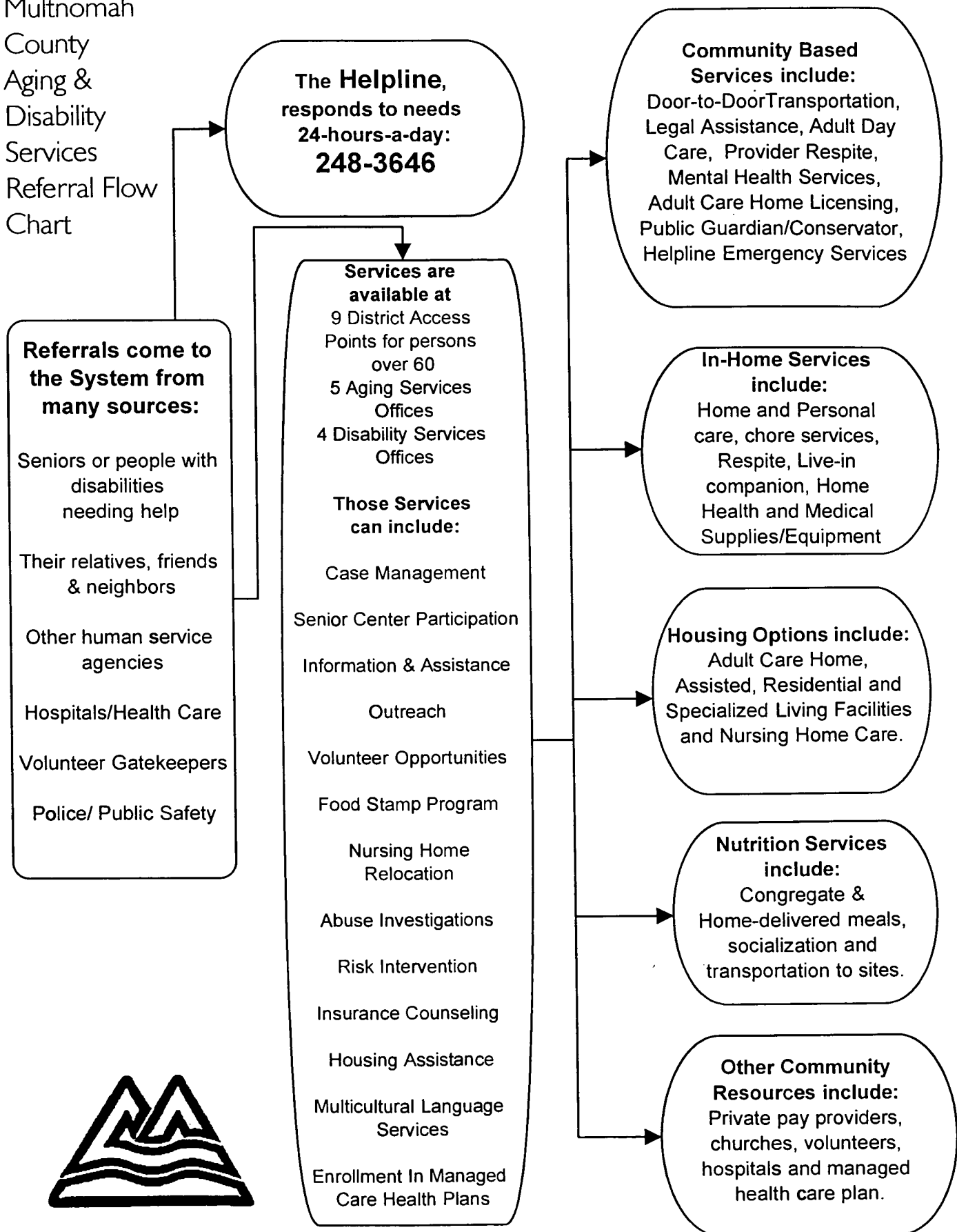
Our VISION:

Persons with disabilities and older adults in our community will be living quality lives with supports and living situations of their choice. ADS will be a leader and a catalyst in developing, promoting, and implementing options for those choices.
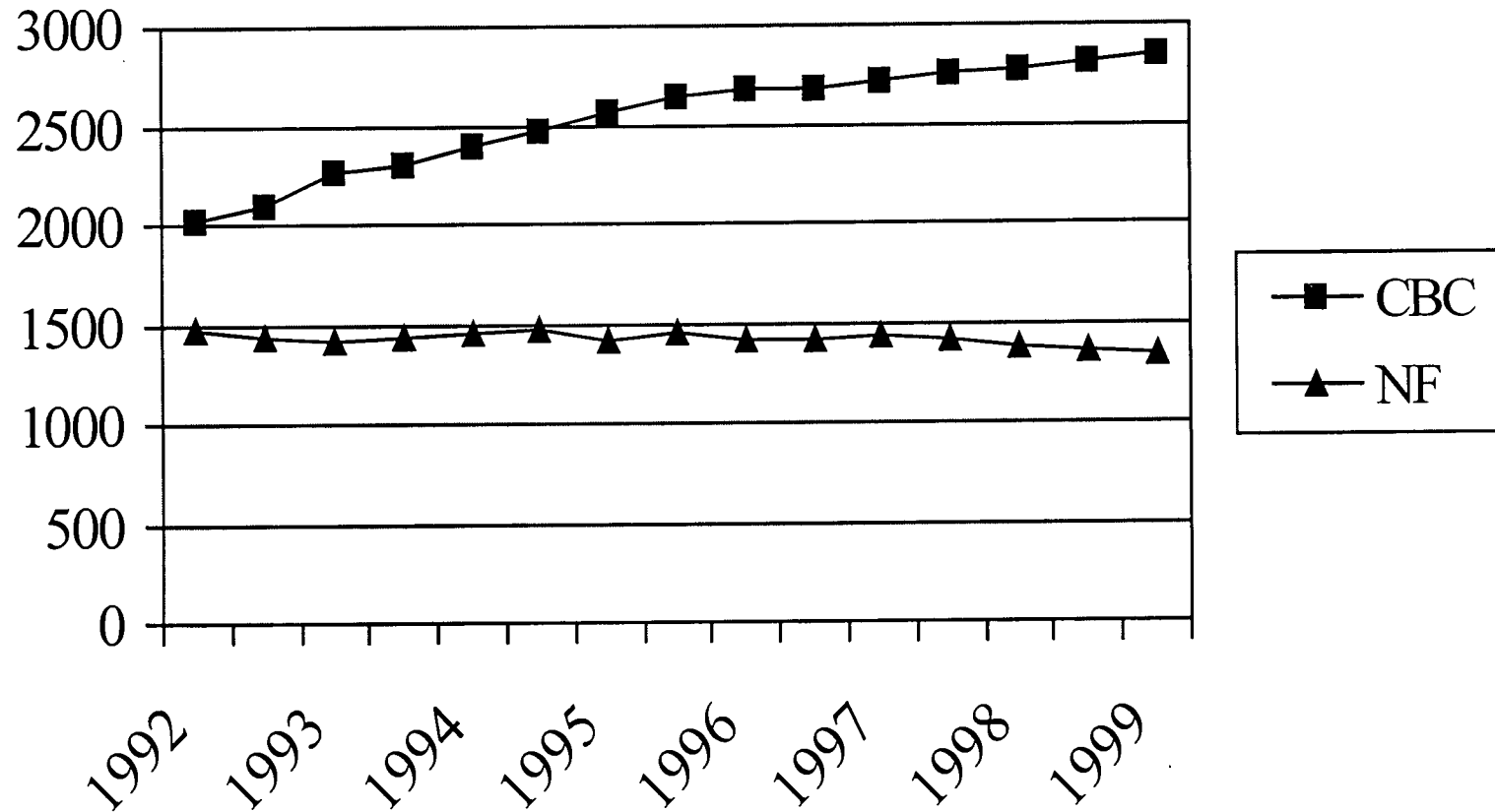
Our ORGANIZATIONAL VALUES:

- Be customer-driven
- Respect diversity and ensure equal access
- Involve people in decisions that affect them
- Act with personal and professional integrity
- Promote partnerships and community advocacy
- Pursue excellence in service and in the work place
- Use public and private resources responsibly
- Continuously advance innovation and quality improvements
- Work cooperatively on issues of aging and disability

Multnomah County Aging & Disability Services Referral Flow Chart

The Helpline, responds to needs 24-hours-a-day: **248-3646**

Referrals come to the System from many sources:

Seniors or people with disabilities needing help

Their relatives, friends & neighbors

Other human service agencies

Hospitals/Health Care

Volunteer Gatekeepers

Police/ Public Safety

Services are available at 9 District Access Points for persons over 60 5 Aging Services Offices 4 Disability Services Offices

Those Services can include:

Case Management

Senior Center Participation

Information & Assistance

Outreach

Volunteer Opportunities

Food Stamp Program

Nursing Home Relocation

Abuse Investigations

Risk Intervention

Insurance Counseling

Housing Assistance

Multicultural Language Services

Enrollment In Managed Care Health Plans

Community Based Services include: Door-to-DoorTransportation, Legal Assistance, Adult Day Care, Provider Respite, Mental Health Services, Adult Care Home Licensing, Public Guardian/Conservator, Helpline Emergency Services

In-Home Services include: Home and Personal care, chore services, Respite, Live-in companion, Home Health and Medical Supplies/Equipment

Housing Options include: Adult Care Home, Assisted, Residential and Specialized Living Facilities and Nursing Home Care.

Nutrition Services include: Congregate & Home-delivered meals, socialization and transportation to sites.

Other Community Resources include: Private pay providers, churches, volunteers, hospitals and managed health care plan.
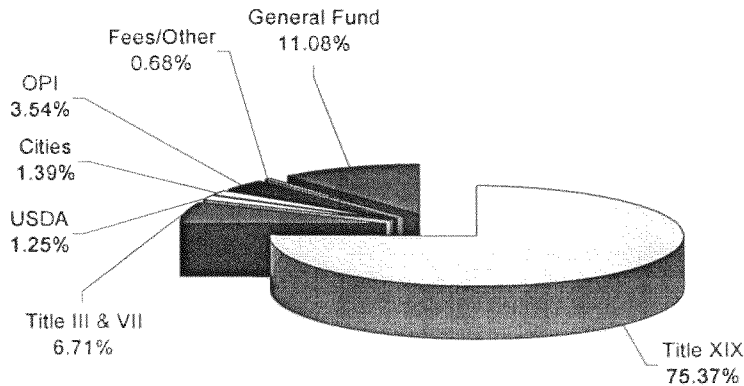
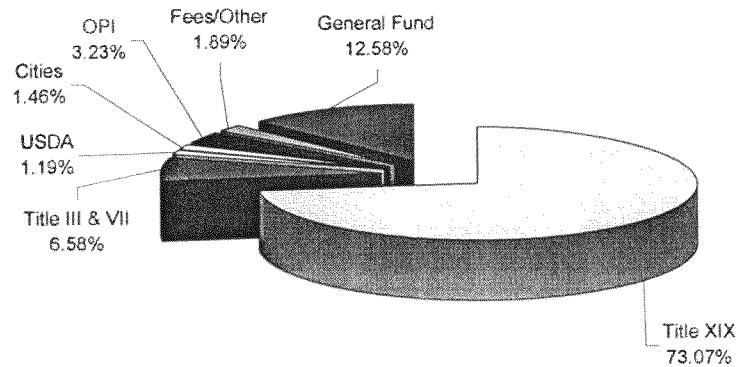# Nursing Facility/Community-Based Care

The trend shows continued retention of clients in community based care.
(The graph represents numbers of elderly served for comparison purposes.)

HIGH-LEVEL BUDGET INFORMATION

FY 99 Revenue Sources

General Fund
11.08%

Fees/Other
0.68%

OPI
3.54%

Cities
1.39%

USDA
1.25%

Title III & VII
6.71%

Title XIX
75.37%

FY 2000 Revenue Sources

OPI
3.23%

Fees/Other
1.89%

General Fund
12.58%

Cities
1.46%

USDA
1.19%

Title III & VII
6.58%

Title XIX
73.07%

Expenditures by Division

Division	FY 1997-98 Actual	97-98 FTE	FY 1998-99 Adopted Budget	98-99 FTE	FY 1999-2000 Approved Budget	99-00 FTE	Difference
Central Admin & Support Services	$1,774,465	18.30	$1,617,699	20.30	$1,898,116	22.80	$280,417
Planning & Special Projects	$0	0.0	$626,666	10.00	$685,303	10.00	$58,637
Aging Services	$15,052,928	190.70	$16,588,363	183.80	$17,316,023	187.00	$727,660
Disability Services	$6,906,532	136.30	$7,826,187	140.30	$8,276,232	147.80	$450,045
Accounting Transactions	$1,,215,658	0	$1,277,606	0	$1,300,372	0	$22,766
Totals	*$24,949,583*	*345.30*	*$27,936,521*	*354.40*	*$29,476,046*	*367.60*	*$1,539,525*

Budget Assumptions/Issues

- Maintain current service levels

- Revenue assumptions

- New Positions based on receipt of State funds

- 2% salary savings included in Budget

Department Accomplishments and Goals for FY 2000

System Accomplishments
- Improve case management services and the technology and information support system that case managers need to do their work.

- Develop targeted partnerships with acute health care providers to improve care for people with chronic conditions.

- Improve the quality of services provided by in-home workers and increase the number of qualified in-home workers available to provide services.

Aging Services Division
- Expand and improve local partnerships that prevent abuse and neglect.

- Maintain strong emphasis on the involvement and needs of ethnic elders.

Disability Services Division
- Continue to assist people with disabilities to gain employment. Work with employed people with disabilities to secure and/or maintain Medicaid benefits.

- Enhance ADS' leadership role in the County on disability issues, through advocacy and partnerships with other County and state agencies and community organizations.

Planning and Special Projects
- Continue preparation of ADS Strategic Plan to be completed by spring 2000.

- Develop coordinated transportation strategy to improve services to the elderly and people with disabilities.

- Finalize plans for the development of an East County Aging/Disability/Health and Senior Center.

- Develop, monitor, and improve ADS Key Results.

Elders in Action (formerly the Portland/Multnomah Commission on Aging) is a private non-profit organization whose mission is to **assure a vibrant community through the active involvement of older adults**. Elders in Action supports a 31-member citizen commission which represents the interests of older adults to the city, county, Aging and Disability Services, other policy makers, and the general public. With 250 additional volunteers, these advocates work to improve services and provide policy direction, educate the public on aging services and issues, and develop new resources to meet the needs of older adults.

The transition to private non-profit status and move to the highly visible storefront office at 5th & Washington has increased the profile for the agency, and the basic elements of an annual campaign and planned giving program are in place.

Elders in Action has ambitious plans for development in two areas:

- A business plan has being developed to guide the local expansion and nationwide replication of the Elder Friendly Certification Program, and

- A strategy for funding a comprehensive Ombudsman Program has been developed and initial steps will be implemented this year to expand the program from elder abuse to housing and health care.

Budget Request 99/00	**$71,326**
Add Package Request	**$83,229**
Housing Ombudsman Program	($40,000 in Chair's Budget)

Elders in Action Ombudsman are highly trained citizen volunteers who advocate and assist elderly and disabled citizens who are experiencing problems related to housing. Help with basic information; assistance to prevent eviction; crime and safety prevention; mediation/conflict resolution with landlords and other tenants is available.

Between November, 1994 and December, 1997, fifty six volunteer Ombudsman provided 7,701 hours of service to more than 2,000 individuals residing in rental housing in Portland. The Ombudsman helped prevent evictions for 101 individuals by 1) helping them remedy the problem giving cause for eviction; 2) advocating for them with landlords when the eviction was not for "just cause"; and 3) accompanying them to hearings, as their advocate, to assure their rights were protected.

Performance Measures:
- Volunteers serving as Ombudsman   30 citizen volunteers
- Volunteer Hours Contributed   4,000 hours
- Tenants Receiving Service   2,000 individuals served

Issues and Opportunities

1. In-home Provider Improvements
- **The Approved $73,000** of on-going General Fund support will increase the number of caregivers by 5-7% and improve the quality of services provided.
- There are currently 1,800 active in-home workers.
- ADS can not keep up with the demand for workers to provide care and services to clients in their homes or make referrals to other community members.
- In-home services are a more cost effective and flexible alternative to nursing home care.

2. Housing Ombudsperson
The Approved $40,000 starting January 2000, would use the effective Elders in Action model to provide:
- Basic information about housing availability
- Assistance to prevent eviction
- Conflict resolution
- Improve housing stability

3. Disability Helpline
The Disability Services Advisory Council is requesting $22,500 from the County which would be matched by $27,500 in Medicaid funds, for a total of $50,000. This would fund a Disability Specialist position for the ADS Helpline.
- Reduce fragmentation among various disability programs by promoting Helpline
- Increase integration of Aging and Disability single entry system
- Assist the growing number of callers to the ADS Helpline

4. Integrating Health, Long Term Care and Housing
- 95% of seniors and people with disabilities using the Medicaid-funded Oregon Health Plan are receiving their primary medical care through a managed care plan.
- The managed care emphasis on shorter hospital stays put our clients at risk of staying in a nursing home.
- ADS Case Management is an important means for assuring a seamless service system.

Issues and Opportunities

5. **Special Needs Transportation**
   - 12,459 seniors and 10,988 younger persons have a condition that makes it difficult to go outside the home without assistance.
   - These numbers are expected to dramatically rise in the next 10 years.
   - Current transportation systems are inadequate to meet current needs.

6. **East Multnomah County Facilities**

Significant population changes in East County prompt changes in how ADS serves East Communities.

Many different partnerships, with public and private organizations, resulted in the implementation of East County senior service system where none previously existed.
   - Cities of Fairview, Gresham and Troutdale joined the County (ADS) in funding I&A (the access door to services).
   - East county Senior Coalition brings 22 different partners to the table to advise on senior issues and needs.
   - YWCA, Loaves and Fishes, Gresham Seniors United, and East Aging Services Office provide services and activities to a growing population.
   - ADS is exploring new or expanded partnerships with organizations serving persons with disabilities in areas such as employment.

ADS, in conjunction with East County Senior Coalition (ECSC) and Disability Services Advisory Council, has actively facilitated the development of a vision for a new Aging and Disability Services Center.
   - ADS working with ECSC and senior partners to determine who will co-locate in new facility.
   - Architect firm, Ankrom Moisan, has been selected.
   - ADS will participate with Health and Facility Management Departments in the design phase that should result in construction bids in late fall 2000.
   - Explore development of affordable housing for seniors and persons with disabilities at the East facility site.

Aging and Disability Services Advocates

ELDERS IN ACTION (EIA)
- Formally the Portland/Multnomah Commission on Aging.

- Elders in Action formed as a non-profit in October 1997.

- CBAC advisory board made up of 31 members.

- The EIA mission is "to assure a vibrant community through the active involvement of older adults."

- Comments on ADS FY 2000 budget request.

DISABILTY SERVICES ADVISORY COUNCIL (DSAC)
- Mandated by Senate Bill 875 in 1989, which added Disabilities to the Senior Services Division. The law requires that a majority of the members have a disability, and that some be either current or prior clients of Disability Services.

- The Multnomah County DSAC held its first meeting in January of 1991.

- The purpose of the DSAC is to advise Aging and Disability Services on policies, programs and services provided through those offices. The DSAC also provides advocacy on other issues related to disabilities and serves as a CBAC for ADS.

- There are 15 seats on the DSAC, and that limit can be increased through a by-laws change.

- Comments on ADS FY 2000 budget request.

Disability Specialist for the ADS Helpline
requested by
Disability Services Advisory Council

The Disability Services Advisory Council requests that a Disability Specialist position be added to the ADS Helpline to create and maintain a disability resource database, and assist with Helpline operation. **This request is for $22,500 in County funds, which would be matched by $27,500 in Medicaid funds, for a total of $50,000.**

Background: Residents of Multnomah County do not have a widely known central Information and Assistance contact point for information regarding disabilities. The Disability Services Advisory Council would like to fill that void by expanding the promotion of the Helpline to a wider audience.

The ADS Helpline has long been a central contact point for senior issues. A large and comprehensive database of senior resources has been developed and maintained for that purpose. But, while some resources for seniors also serve people with disabilities, the current database is not sufficient to meet the needs of people with disabilities.

Disability Services Advisory Council is asking for the addition of a Disability Specialist on the Helpline staff for two reasons:
1) Both creation and maintenance of a quality information and assistance center are critical, but time intensive tasks.

2) As ADS promotes the Helpline, the expected increase in the volume of calls without additional staffing could potentially jeopardize the quality of service available to callers, both seniors and people with disabilities.

The Disability Services programs became part of ADS in July of 1997. Between that date and December of 1998, calls requesting information and resources for people with disabilities rose from 77 to 170 per month, an increase of 120%. This increase occurred even though ADS has done very little to date to promote the Helpline as a disability resource.

Increasing the staffing and quality of the Helpline will have a direct or an indirect affect on several County Benchmarks, including:
- increasing access to health care and mental health care
- assistance with housing concerns
- reporting and protecting against elder abuse
- citizen satisfaction, government accountability and responsiveness

Additional Money for the Emergency Housing Assistance Fund
requested by the
Elders in Action

The current ADS budget includes $140,000 in County General Funds to operate an Emergency Housing Assistance Fund (EHA). This program was initiated this fiscal year. Grants are awarded to eligible individuals to provide resources to stabilize their housing situations. Elders in Action requests that an additional $60,000 be budgeted in the ADS FY 2000 Budget for this purpose. If this request is granted, the EHA would be funded at a $200,000 level. The ADS analysis of this request is attached for the Board of County Commissioners review.

To: Don Carlson, Bob Leverenz

From: Sherry Willmschen

Date: May 14, 1999

Subject: Emergency Housing Assistance Funds (EHA) and Housing
Coordinator Information

The attached is a summary of 9 months of funds expenditures and the results
as well as tasks completed by Housing Coordinator.

My concern is that funds budgeted of $140,000 will not be sufficient
because:
- We have seen a marked increase in requests as the service system became
  more aware of funds, particularly for persons with disabilities.
- We will be running out of the 99 funds by the end of May. We have
  used the $140,000 in 10 months. Therefore, an increase seems indicated.

The data below indicates that the EHA Program needs a total of $204,000
to meet the projected demand at the current service level. This is based on a
projected monthly expenditure of $17,000.

Monthly Use of EHA Funds

Month	Expenditures
August, 1998	$12,810
September, 1998	$ 8,531
October, 1998	$10,324
November, 1998	$ 6,557
December, 1998	$17,016
January, 1999	$11,971
February, 1999	$18,908
March, 1999	$17,296
April, 1999	$19,756
May, 1999	$16,771 (spent before month end)
Total	$140,000

If more information or real people examples are needed, please let me know.

ADS Emergency Housing Assistance Fund Use
August, 1998 through April 1999

Total Funds Expended:	**$123,229**
Total Persons Assisted:	**311**
Age Distribution:	
18 - 59	**175**
60 - 64	**50**
65 - 74	**61**
75 - 85	**22**
85 +	**3**
Total Served 60+	**136**

Categories of Assistance:

Rent Assistance/at Risk of Homeless:	**175**
Rent Assistance/Homeless:	**19**
Deposits:	**95**
Relocation:	**4**
Moving Expenses:	**17**

Aging Services Branch Office Clients:	**32**
Disability Services Branch Office Clients:	**98**
District Center Clients Served:	**179**

Note: NWPP is the designated agencies to serve Homeless 50+. This is reflected by the large number of DC persons served. NWPP served 152 of the 179 people.

Outcomes:

Three Months (August – January assistance):	82% continue stable
Six Months (August – October assistance):	88% continue stable

Examples of People Assisted:

Client settled in apartment, receives money management and this is first time in years she/he has been financially stable.

A deposit payment assisted an elderly person to move to subsidized housing. The only funds she had available were her food money.

Person lost Social Security check and was unable to pay rent. One month assistance prevented eviction.

Payment of person with disability past due property taxes allowed him/her to continue to live in the home.

An elderly person needed one time payment of mobile home space rent for housing stability.

Person who had been working suffered a stroke and was unable to work. She required one month help and then would return to work.

Person moving from market rent apartment to subsidized apartment which is affordable based on income. He/she required help with deposits, move-in costs.

Situations assisted which developed problems later:

Unique situations that could not be resolved include:
>   Disruptive/inappropriate behavior
>   Housekeeping issues of the person
>   Choice of person to make move in with relative
>   Senior with son in household who creates instability
>   Poor judgment and moved to expensive apartment

Increased care needs of the individual requiring placement into licensed care.

Housing Coordinator Position Activities (September – April)

Developed protocols and procedures for dispensing Housing Assistance Funds.

Developed procedure to monitor Outcomes of the use of the funds.

Met with entire service system to be sure that staff aware of the existence of the funds as a resource.

Met with Multnomah County Department of Community and Family Services Division of Community Programs to assure that Federal funds available to ADS clients as well. Attend ongoing meetings with them to assure resource development.

Developed improved working relationship with Housing Authority of Portland in both the Low Rent Public Housing and the Voucher program.

Updated subsidized housing information and working on data base/list of affordable/section 8 apartments.

Arranged for trainings for staff and advocates including Fair Housing/Reasonable Accomodation in May and NWPP training on Housing in June.

Act as resource for staff regarding issues/concerns of individual clients needs as well as the general community calls with housing concerns/needs.

Portland Public School's Performance Audit Implementation Steering Committee

Final Report

Executive Summary

May 1999
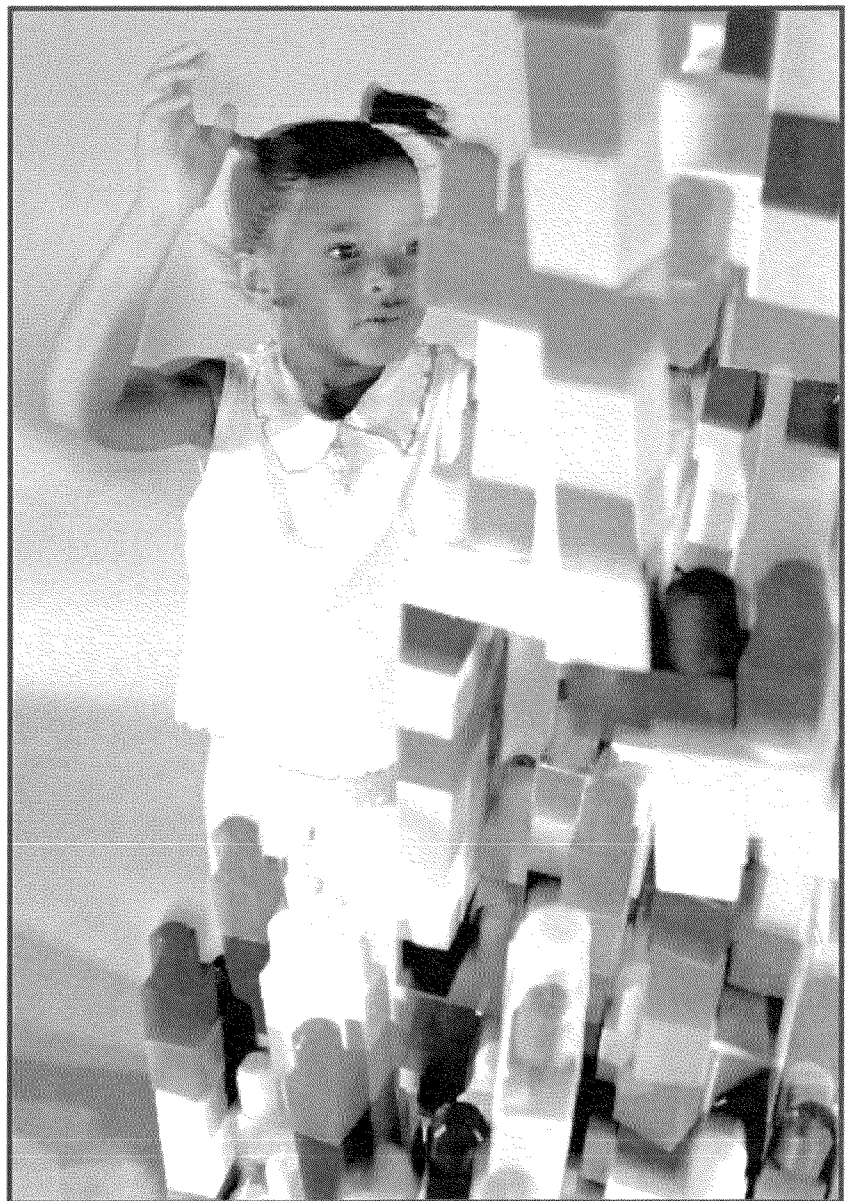
Portland Public Schools

*Audit Implementation
Steering Committee*

Ronald Gould
Co-Chair

Bruce Samson
Co-Chair

AISC Members

Sam Adams
Adrienne Armstrong
Gary Blackmer
Gerald Brandon
Maria Elena Campisteguy
Lawrence Dark
Chris Dearth
Sho Dozono
Antoinette Edwards
Marianne Fitzgerald
Richard Garrett
Sharon Gray
Michael Hutchens
Kevin Jeans-Gail
David Judd
Phil Keisling
J. Byron Kellar
Diane Linn
Allan Luethe
Isaac Regenstreif
William Scott
Ed Sheets
Floyd Spears
Lianne Thompson
Karen Wich

May 18, 1999

Benjamin O. Canada, Ph.D.
Superintendent
Portland Public Schools
501 North Dixon Street
Portland, Oregon 97227

Dear Superintendent Canada:

As you are aware, the Portland Public School District is ready for a profound transformation. Faced with insufficient revenues year after year since 1991, the District protected its classrooms by spending reserves and cutting other costs. After eight years, with reserves exhausted and administrative functions seriously depleted, District officials turned to other local officials for help. The officials of the City of Portland, Multnomah County, and the State of Oregon insisted on an examination of the organization by independent audit professionals.

When the District hired KPMG Peat Marwick to look at every major aspect of school administration, the City of Portland contributed half the cost. We appreciate the fact that one of your first acts as Superintendent was to accept the audit report and to invite further public participation in the review. The District enlisted 27 experts, parents, community leaders, business professionals, teachers, and students to serve on the Audit Implementation Steering Committee (AISC). Another 125 volunteers, of a similar composition, were recruited to study the audit and District in more detail through a series of Task Forces. This report describes the results of all our efforts and the depth of our commitment as a community to join forces with the District to bring about the necessary changes to achieve the full potential of each and every student.

A Foundation for Change
We already see a different District emerging–one with new leadership, better organization, more focus on the mission of educating our students, and more accountability to the community. But it is clear to us that the District's commitment to students cannot be achieved without better management and public accountability through public investments in infrastructure and adequate ongoing operational resources.

The 330-page KPMG performance audit vividly describes the problems they found throughout the District. The audit lists 140 findings and 233 recommendations in 10 areas. After their own analysis, the Task Forces agreed with nearly every one of the 140 findings of KPMG. The findings described inadequacies, weaknesses, and problems in District activities. However, the Task Forces frequently disagreed with the specific recommendations proposed by KPMG. We believe the auditors had not reviewed some of the areas in sufficient detail to identify the best solutions for improvement. With additional study, the AISC also found that many of the KPMG estimates of cost savings and revenue enhancements were inaccurate.

Portland Public Schools

Audit Implementation Steering Committee

Ronald Gould
Co-Chair

Bruce Samson
Co-Chair

AISC Members

Sam Adams
Adrienne Armstrong
Gary Blackmer
Gerald Brandon
Maria Elena Campisteguy
Lawrence Dark
Chris Dearth
Sho Dozono
Antoinette Edwards
Marianne Fitzgerald
Richard Garrett
Sharon Gray
Michael Hutchens
Kevin Jeans-Gail
David Judd
Phil Keisling
J. Byron Kellar
Diane Linn
Allan Luethe
Isaac Regenstreif
William Scott
Ed Sheets
Floyd Spears
Lianne Thompson
Karen Wich

Sixty-five percent of KPMG's estimated $16.7 million in maximum net savings was in the area of school closures. The Facilities Task Force concluded that savings of this magnitude were not feasible, or were simply incorrectly calculated. Independently, *The Oregonian* newspaper came to the same conclusion. KPMG based their school-closure estimates on 100% occupancy rate. But when asked by the Task Force KPMG stated, based on national averages, that the maximum desirable occupancy is considered 90%. Despite KPMG's unrealistic estimates, the Task Force acknowledged the issue of excess capacity and chose to go beyond the audit's recommendations. They suggested possibilities such as leasing and co-location to reduce costs and increase facility revenues. The alternative recommendations proposed by the Task Force and accepted by the AISC can bring facility costs closer in line with the statewide averages and may generate revenue.

KPMG auditors did not include the estimated $30 million cost of a new enterprise computer system in their calculations of net savings, although KPMG recommended that the District purchase the system to address many of their other recommendations. After adjusting for these and other differences, the AISC concluded that KPMG's findings/recommendations required expenditures for the computer system and found selected cost savings to be unrealistic. After dividing the savings and costs between one-time and annual, which can present two completely different pictures, the KPMG estimate net savings of $16.7 million was reduced to $200,000 after factoring out the one-time sale of surplus properties which could approximate $11.8 million.

The District, staff, and operational support personnel acknowledge that the problems indicated in the audit are valid and have committed to make improvements that best serve their first priority: students.

A Commitment to Accountability
Our report must not be a conclusion, but a beginning. A key finding of KPMG was the lack of a District strategic plan. The Board and the District are embarking on a multi-year strategic planning process under the guidance of a national consultant, funded by the Portland Public Schools Foundation. The process will involve District personnel, parents, community leaders, and organizations served by the District. This is a multi-year effort to ensure that the District successfully completes a long-term consensus-based strategic plan, with plans of action, to achieve the District's mission and objectives.

Members of the AISC respectfully request that the District keep us informed on the implementation of these recommendations and encourages the District to continue gauging its progress towards achieving the very best education system for our students.

Respectfully,

Members of the Portland Public Schools
Audit Implementation Steering Committee

Performance audit serves as catalyst for change

The Performance Audit, the work done by the AISC (Audit Implementation Steering Committee) and the Task Force members has already served as a foundation for change by the District. Under the new leadership of Dr. Benjamin Canada, the AISC has witnessed a renewed focus on the District's mission to have every student achieve their full potential, and greater accountability of public investments.

KPMG audit created unrealistic expectations of cost savings

"Both The Oregonian and the AISC did their own independent research and found that KPMG's projected cost savings were significantly overstated."

Ron Gould
AISC Co-Chair and
Retired Partner, Deloitte &
Touche LLP

"It is very unusual for a school district to open themselves up to this kind of extensive performance audit. I'm proud to be part of this process."

Phil Keisling
AISC member and
Secretary of State, State of
Oregon

When KPMG Peat Marwick (KPMG) released the performance audit in September 1998, they issued a "15 Point Agenda For Change". It called for closing the equivalent of 11 elementary schools, 1 middle school and 1 high school; relocating the staff from the Blanchard Education Service Center (BESC) in order to lease out the space at BESC; and reengineering warehouse and purchasing practices to reduce warehouse operations by at least 50%.

The KPMG report stated that if the District implemented these 15 points, they could realize $45.6 million in cost savings, with an investment of $28.9 million, for a net positive impact of $16.7 million. Only those who read the footnote at the bottom of the page realized that these figures did not include a recommended $30 million needed for Information Technology replacement.

The KPMG report contained 140 findings and 233 recommendations. The findings were areas that KPMG identified as needing change or problem statements.

The review of the KPMG report by the Audit Implementation Steering Committee (AISC) and the nine Task Force groups found agreement on a majority of the findings or problem areas that were identified. However, after careful study and discussion the AISC disagreed with many specifics of the recommendations. The AISC took the following actions:

One hundred and two of KPMG's original recommendations were approved. Eighty-eight alternative recommendations were approved. Fourteen recommendations were left for the strategic planning effort. Twenty-nine recommendations were either dropped, considered redundant, or passed on to the District for consideration without comment from the AISC due to inadequate information to evaluate the merits of the recommendation. Through detailed research, the AISC also concluded that KPMG's projected cost savings, particularly with regards to school consolidation, were considerably overstated. The AISC states up front that a fiscal impact analysis was not conducted on all of the recommendations and that such an analysis should be done prior to implementation by the District.

The AISC schedule was arranged to address recommendations with the greatest potential fiscal impact first so that these decisions could be incorporated into the District's current budget process, the Superintendent's organizational changes, and the District's communi- cation with the Legislature. As a result of the AISC's input, the District has already taken action or started implementation on many of the areas they perceive greatest immediate impact or benefit on the District.

The District has already implemented the recommendations where they perceive the greatest immediate benefit

"The Task Force estimated that implementation of a new computer system is anticipated to reduce the District's expenses by $3.4 million per year due to increased efficiencies."

Chuck Beyer
Chair,
Information Technology
Task Force and Chief
Information Officer, NW
Natural

"The Task Force is recommending immediate organizational changes in structure, staffing functions, and compensation and benefits."

Judy Rice
Chair,
Human Resources and
Management Structure
Task Force and President,
Oregon Symphony
Foundation

A number of the Task Force's recommendations are being implemented.

Computer System Replacement

Forty-five recommendations either referred to the need for a new computer system or a new system is needed in order to implement the recommendation. The situation with the outdated and inadequate information system has resulted in many critical problems throughout the District:

• Past information and data has been filled with errors, consistently inefficient, and difficult to reconcile. In a few years none of it will be reconcilable. The District has not been able to effectively balance its checkbook.

• PricewaterhouseCoopers' recent financial statement audit showed 21 serious problems connected to bad financial information.

• The District is in constant danger of facing costly fines and penalties through IRS, EEOC, and PERS reporting violations.

• Teachers are wasting many hours each week on repeated data entry required for attendance and report cards under the current system.

• The District risks losing state dollars with questionable or inaccurate enrollment figures now produced by the information system.

• The District is dangerously close to not being able to produce payroll.

Information Technology

PPS Action: On March 8, 1999 the School Board approved a $31.1 million budget to implement an updated Student Information System integrated with Human Resources, Payroll and Finance. Included in this budget is $1.2 million for training.

Human Resources

PPS Action: Based on the input from the Human Resources Task Force, the Superintendent proceeded with a number of re-organizational changes including consolidating three assistant superintendent positions into two assistant superintendent positions, one for Elementary and one for Secondary Education. The position of Assistant to the

Superintendent was eliminated. The target date for hiring the new Executive Director for Human Resources was April 15, 1999. The Superintendent also reorganized the grant management section in order for it to become a segregated self-sustaining and/or revenue positive operations center.

Bond Management
PPS Action: Since the Bond Task Force reported their findings and recommendations, the District has incorporated a number of their suggestions. Stephen Poage has been hired by the District as Program Director for the Bond Program. Pam Brown has been named Director of Facilities and Asset Management, and a Bond Program plan is being developed. The Bond Program is included in the information technology upgrade.

Finance
PPS Action: The District has already started implementation of

most of the Finance recommendations, especially those dealing with day-to-day operations. In some cases the action is already completed, such as making sure that bank reconciliations are done on a timely basis and hiring a new Cash Manager to track investment earnings and bank fees.

Communication and Public Policy
PPS Action: The District has hired full time legal counsel and has centralized all legal services, including Risk Management legal activities, into the Legal Unit. The Special Education Department has also been reorganized and a 3/4 time Assistant to the Director has been hired.

Administration and School Police
PPS Action: The Portland Police Bureau and the District are actively exploring every opportunity to "leverage services" which would result in cost savings to the District of approximately $140,000.

Remaining recommendations have potential for further cost savings or revenue generation

The District still faces a number of critical decisions that will have widespread impact on students, teachers, and the District's ability to further improve the delivery of education in our community.

Excess Capacity in Facilities
The KPMG report stated that there were potential savings that could be derived from more efficient utilization of the District's facilities including the use of school buildings. The

Facilities Task Force did an extensive review of KPMG findings and concurred that though significant savings can be achieved, it is not as extensive as stated in the KPMG's report. The Task Force approached this challenge from the perspective of answering the question "How can the District increase utilization of the District's facilities and increase revenue?" Their answer presents a three-prong approach:

(1) Encourage an increase of non-school use of buildings and a corresponding increase of revenues,

(2) Sell property not currently used or needed by the District, and

(3) Conduct a utilization study of schools and, based on this information, consider limited consolidation of school buildings with the least impact on students.

The District has been moving forward with a number of the recommendations, exploring multiple use of facilities options with Multnomah County, developing lease and rental policies, and hiring an outside firm to manage custodial staff.

Inventory and Warehouse
The District is maintaining more

inventory than it needs. The Inventory Task Force made a number of recommendations regarding reducing inventory, allocating all warehousing costs to the end user, shortening lead time in ordering and delivery, and changing purchasing policies.

Communication and Public Information
If the District is going to be able to achieve their goals it will only be in partnership with parents, teachers, administrators, and community members. To facilitate this will require a Public Information and Communication Department that is adequately staffed to accomplish both the internal and external communication needs of the District. To meet these needs, the Department must have a communications plan.

"To get more parents involved in their children's education, we must build up the Public Information and Communications Department. Let's be realistic, one person is not enough to do what has to be done."

Cheryl Perrin
Chair,
Communications Task
Force and
Consultant/Executive
Director, Campaign for
America

"It is imperative that the consequences of a lack of action to turn the tide from its present course be both understood and acted upon— not only by the stakeholders who have a vested interest in the flourishing of the Portland Public School District, but also on those who will be affected by the negative repercussions on society by further neglect."

Floyd Spears
AISC member and Field
Supervisor, Arjae Sheet
Metal Company

Recommendations dealing with continued quality improvement by Portland Public Schools

The remaining recommendations are important and essential to improving the quality and efficient delivery of an excellent education to every student within the Portland Public School District.

Achievement
It is important to note that the Achievement recommendations deal with the process of delivering the curriculum and not the substance of the curriculum itself. There are a number of important issues that need to be addressed surrounding the area of equity and access to learning opportunities for all students, and curriculum and staff development.

Key Points
The review of the performance audit took over seven months. During that time many healthy debates occurred at both the AISC level and in the Task Force meetings. Though consensus was not achieved on all issues, some of the major points that were discussed included:

• The top priority for the District must be student achievement.

• Integration of the strategic planning process with the AISC recommendations is critical to the success of the District.

"I would offer City audit resources to be part of a City/County audit team to review the progress on implementation of these recommendations in a year."

> Gary Blackmer
> Bond Management Task
> Force, AISC member and
> Auditor, City of Portland

"The work of the Audit Implementation Steering Committee is a journey, not a destination. We reviewed a lot of information and made a lot of recommendations, but this work has only just begun. Portland's citizens need to continue to monitor the progress of the District in implementing these recommendations and effectively improving District performance."

> Marianne Fitzgerald
> Communications Task
> Force, AISC member and
> member of Parents for
> Public Schools of Portland

• The District needs to focus on equity of the availability and delivery of quality education for all students.

• Greater emphasis and resources need to be placed on public involvement in our education system. The District's goals for quality education can not be achieved without parent and community involvement.

• To carry out the District's mission there must be an adequate investment in information technology and accounting systems to support the delivery of quality education to every child.

Priorities

Once all of the Task Force groups reported and the recommendations were compiled, the AISC members voted on issue areas that were remaining to be implemented. Though the voting process certainly was not scientific, it did point out some interesting themes:

• The issues and recommendations on Achievement Standards and Curriculum Management were identified as the top priority of many of the AISC members.

• Multi-use of buildings including the BESC also ranked highly.

• Maintaining and potentially increasing student enrollment was important.

Next Steps

It is important that this report be seen as one step in a process to continuously strive for improved student achievement and increased District efficiencies. The AISC recommends the following items be included as next steps:

• The District and Board must follow through with the development and implementation of a strategic plan.

• The District must quantify the fiscal impact of recommendations that have not yet been quantified.

• The District and Board must regularly review their progress on implementing these recommendations, and then share this progress with the community.

• The District should continue to maximize student enrollment.

• The AISC supports the City of Portland's contribution to the District and appreciates that the City has tied this support to the District demonstrating progress on enhancing student achievement.

Audit Implementation Steering Committee

Ronald B. Gould, Co-Chair, AISC
Retired Partner, Deloitte & Touche, LLP

Bruce Samson, Co-Chair, AISC
General Counsel, Portland Public Schools

Sam Adams
Chief of Staff, Office of the Mayor, City of Portland

Adrienne Armstrong
Incoming Student Body Pres., Franklin High School

Gary Blackmer
Auditor, City of Portland

Gerald Brandon
Custodian, Portland Public Schools

Maria Elena Campisteguy
Executive Director, Oregon Council For Hispanic Advancement

Lawrence J. Dark
President and CEO, Urban League of Portland

Chris Dearth
Legislative Director, Office of the Governor

Sho Dozono
President & CEO, Azumano Travel Service

Antoinette Edwards
Coordinator, Jefferson Family Resource Center

Marianne Fitzgerald
President, Parents for Public Schools of Portland

Richard Garrett
President, Portland Association of Teachers

Sharon Gray
Teacher, Maplewood School

Michael Hutchens
Director of Purchasing, Risk Manager, Portland Public Schools

Kevin Jeans-Gail
Chief of Staff, Office of Commissioner Jim Francesconi, City of Portland

David Judd
Deputy Director, Parks & Recreation, City of Portland

Phil Keisling
Secretary of State, State of Oregon

J. Byron Kellar
Design-Builder, Neil Kelly Co.

Commissioner Diane Linn
Multnomah County District 1

Allan Luethe
Principal, Jackson Middle School

Isaac Regenstreif
Senior Policy Consultant, PacifiCorp

William Scott
Director, Oregon Economic Development Dept.

Ed Sheets
President, Ed Sheets Consulting

Floyd Spears
Project Manager/Field Supervisor, Arjae Sheet Metal Co.

Lianne Thompson
Chair, Sexual Minority Parents Advisory Group

Karen Wich
Administrative Secretary, Portland Public Schools

Achievement Standards and Curriculum Management

Phyllis Edmundson, Chair
Dean, Graduate School of Education, Portland State
University

Margaret DeLacey
Parent

Guy Sievert, Vice Chair
Dean, Academic Services, Portland Community
College

Tom Greene
Director of Teacher Education, University of
Portland

Carmen Bernier-Grand
Parent

Matthew Nelson
Assistant Executive Director, Camp Fire

Gail Black
Teacher, Benson High School

Willie Poinsette
Principal, Gray Middle School

Pat Burk
Assistant to the Superindentent, Portland Public
Schools

Carol Turner
Education Advocate, Office of the Mayor, City of
Portland

Betty Campbell
Portland Public Schools

Administration, Safety and Policing

John Osburn, Chair
Attorney, Ball Janik LLP

Allan Luethe
Principal, Jackson Middle School

Reg Madsen, Vice Chair
US Federal Marshal, District of Oregon

Brian Quinn
Counselor, Jefferson High School

Charlotte Cook
Member, Citizen Budget Review Committee and
Member, Parents for Public Schools of Portland

George Richardson
Manager, Federal & Local Government Relations,
and Community Affairs, NW Natural

Bernie Giusto
Chief, Gresham Police Department

Grant Thurston
Vice President, Gray Line of Portland

Robert Honson
Director, Nutrician Services, Portland Public
Schools

Tom Toombs
Director of Corporate Security, Portland General
Electric

Bond Management

Jerry Milstead, Chair
President, Milstead & Associates

Gary Blackmer, Vice Chair
Auditor, City of Portland

Richard D. Anderson
Manager, Tax Research and Planning
Enron/Portland General Electric

Michael S. Bathurst
CPA/CVA, Self employed

Alan Beard
Principal, GBD Architects

Pam Brown
Director of Physical Plant, Portland Public Schools

Richard Cantlin
Attorney, Perkins Coie

Heidi Franklin
Controller, Portland Public Schools

Communication, Public Policy and Special Education

Cheryl Perrin, Chair
Consultant/Executive Director, Campaign for
America

Gregg Kantor, Vice Chair
Vice President of Public Affairs, Northwest Natural

Opal Chancler-Moore
Principal, Franklin High School

Patty Farrell
Vice President, Corporate and Consumer Affairs
Group, KVO Advertising

Marianne Fitzgerald
Member, Parents for Public Schools of Portland

Lew Frederick
Public Information Officer, Portland Public Schools

Zac Hamilla
Student, Lincoln High School

Kathie Humes
Member, Parents for Public Schools of Portland

Heidi Knodell
Parent

Jeff Miller
Teacher, Cleveland High School

Tim Nesbitt
Executive Director, SEIU Oregon State Council

Bill Prows
Area Manager, U.S. West Foundation

Holly Pruett

Noell Webb
President, Webb & Associates

Facilities Utilization

Duane Schulz, Chair

Commissioner Diane Linn, Vice Chair
Multnomah County District 1

Scott Bailey
Parent

Vicky Barrows
Teacher, Lane Middle School

Iris Bell
Deputy Director, Department of Community and
Family Services, Multnomah County

Pam Brown
Director of Physical Plant, Portland Public Schools

Mary Ellen Buck

Peter Hamilton
Director of Middle School Student Achievement,
Portland Public Schools

David Judd
Deputy Dir., Parks & Recreation, City of Portland

David Knowles
Director, Bureau of Planning, City of Portland

William Scott
Director, Oregon Economic Development Dept.

Ethan Seltzer
Director of Institute for Portland Metropolitan
Studies, Portland State University

Carolyn Sheldon
Assistant Professor, Lewis & Clark College

Maxine Thompson
Director, The Leaders Roundtable

Rich Wiley
Facilities Consultant, Portland Public Schools

Finance and Risk Management

Jim Aalberg, Chair
Group Vice President & Treasurer, Fred Meyer, Inc.

Dennis Helseth
CPCU Senior Vice President, AON Risk Services

J. Byron Kellar, Vice Chair
Designer-Builder, Neil Kelly

Ron Hudson
Principal, Madison High School

Elaine Berg
Insurance Claims Specialist, Portland Public Schools

Kevin Jeans-Gail
Chief of Staff, Office of Comm. Jim Francesconi, City of Portland

Chris Dearth
Legislative Director, Office of Governor

Steven Self
Operations Manager, Self Insured Management Services, Inc.

Rick Fletcher
Vice President/Controller, Morley Capital Mngmt.

Courtney Wilton
CPA/Business Manager, David Douglas School District

Heidi Franklin
Controller, Portland Public Schools

Human Resources and Management Structure

Judy Rice, Chair
President, Oregon Symphony Foundation

Becki Langdon

Linda Kozlowski, Vice Chair
Partner, Murphy Symonds & Stowell

Carol Matarazzo
Assistant Superintendent, Portland Public Schools

Jayme Armstrong
Parent

Lisa Newlyn
Teacher, Woodlawn Elementary

Donna Cameron
Partner, Miller Nash LLP

Susan Schreiber
Management Consultant

Maria Elena Campisteguy
Executive Director, Oregon Council For Hispanic Advancement

Christopher (Tiff) Wood
Senior Consultant, Watson-Wyatt

Val Jack
President, Portland Federation of Teachers and Classified Employees

Information Technology

Chuck Beyer, Chair
Chief Information Officer, NW Natural

Curt Pederson
Associate Provost for Information Services, Oregon State University

Bill Willard, Vice Chair
Vice President of Information Systems, Standard Insurance Company

John Price
Director of Practice Development, Cotelligent

Ronald B. Gould, Co-chair, AISC
Retired Partner, Deloitte & Touche, LLP

Arlen Sheldrake
Director, Network & Information Services, Multnomah Education Service District

Tim Lauer
Support Specialist, Portland Public Schools

Scott Thompson
Industrial Design Corp

Manny Ovena
Chief Technology Officer, Portland Public Schools

Juanita Waters
Technical Coordinator/Computer Teacher, Madison High School

Inventory Management and Purchasing

Bill Hallmark, Chair
Associate, William M. Mercer Inc.

Will Fuller
Project Manager, Multiport Systems

Paul Farrow, Vice Chair
Vice President, Director of Inventory, Store Scheduling and Shrink Control, Fred Meyer, Inc.

Mike Harris
Principal, Lane Middle School

Tony David
Assistant Vice President, Fred Meyer, Inc.

Michael Hutchens
Director of Purchasing, Risk Manager, Portland Public Schools

Bud Dawson
Warehouse Supervisor, Portland Public Schools

Julie Joel
Student, Wilson High School

Suzanne Flynn
Auditor, Multnomah County

Ed Sheets
President, Ed Sheets Consulting

Acknowledgements

For additional copies of this report, you may download the Executive Summary or Final Report from the Portland Public Schools Web site **www.pps.k12.or.us**. For a printed copy of either document, please contact the Portland Public Schools Public Information Office at (503) 916-3304.

Portland Public School's Performance Audit Implementation Steering Committee

Final Report

May 1999

May 18, 1999

Benjamin O. Canada, Ph.D.
Superintendent
Portland Public Schools
501 North Dixon Street
Portland, Oregon 97227

Dear Superintendent Canada:

As you are aware, the Portland Public School District is ready for a profound transformation. Faced with insufficient revenues year after year since 1991, the District protected its classrooms by spending reserves and cutting other costs. After eight years, with reserves exhausted and administrative functions seriously depleted, District officials turned to other local officials for help. The officials of the City of Portland, Multnomah County, and the State of Oregon insisted on an examination of the organization by independent audit professionals.

When the District hired KPMG Peat Marwick to look at every major aspect of school administration, the City of Portland contributed half the cost. We appreciate the fact that one of your first acts as Superintendent was to accept the audit report and to invite further public participation in the review. The District enlisted 27 experts, parents, community leaders, business professionals, teachers, and students to serve on the Audit Implementation Steering Committee (AISC). Another 125 volunteers, of a similar composition, were recruited to study the audit and District in more detail through a series of Task Forces. This report describes the results of all our efforts and the depth of our commitment as a community to join forces with the District to bring about the necessary changes to achieve the full potential of each and every student.

A Foundation for Change
We already see a different District emerging—one with new leadership, better organization, more focus on the mission of educating our students, and more accountability to the community. But it is clear to us that the District's commitment to students cannot be achieved without better management and public accountability through public investments in infrastructure and adequate ongoing operational resources.

The 330-page KPMG performance audit vividly describes the problems they found throughout the District. The audit lists 140 findings and 233 recommendations in 10 areas. After their own analysis, the Task Forces agreed with nearly every one of the 140 findings of KPMG. The findings described inadequacies, weaknesses, and problems in District activities. However, the Task Forces frequently disagreed with the specific recommendations proposed by KPMG. We believe the auditors had not reviewed some of the areas in sufficient detail to identify the best solutions for improvement. With additional study, the AISC also found that many of the KPMG estimates of cost savings and revenue enhancements were inaccurate.

Sixty-five percent of KPMG's estimated $16.7 million in maximum net savings was in the area of school closures. The Facilities Task Force concluded that savings of this magnitude were not feasible, or were simply incorrectly calculated. Independently, *The Oregonian* newspaper came to the same conclusion. KPMG based their school-closure estimates on 100% occupancy rate. But when asked by the Task Force KPMG stated, based on national averages, that the maximum desirable occupancy is considered 90%. Despite KPMG's unrealistic estimates, the Task Force acknowledged the issue of excess capacity and chose to go beyond the audit's recommendations. They suggested possibilities such as leasing and co-location to reduce costs and increase facility revenues. The alternative recommendations proposed by the Task Force and accepted by the AISC can bring facility costs closer in line with the statewide averages and may generate revenue.

KPMG auditors did not include the estimated $30 million cost of a new enterprise computer system in their calculations of net savings, although KPMG recommended that the District purchase the system to address many of their other recommendations. After adjusting for these and other differences, the AISC concluded that KPMG's findings/recommendations required expenditures for the computer system and found selected cost savings to be unrealistic. After dividing the savings and costs between one-time and annual, which can present two completely different pictures, the KPMG estimate net savings of $16.7 million was reduced to $200,000 after factoring out the one-time sale of surplus properties which could approximate $11.8 million.

The District, staff, and operational support personnel acknowledge that the problems indicated in the audit are valid and have committed to make improvements that best serve their first priority: students.

A Commitment to Accountability
Our report must not be a conclusion, but a beginning. A key finding of KPMG was the lack of a District strategic plan. The Board and the District are embarking on a multi-year strategic planning process under the guidance of a national consultant, funded by the Portland Public Schools Foundation. The process will involve District personnel, parents, community leaders, and organizations served by the District. This is a multi-year effort to ensure that the District successfully completes a long-term consensus-based strategic plan, with plans of action, to achieve the District's mission and objectives.

Members of the AISC respectfully request that the District keep us informed on the implementation of these recommendations and encourages the District to continue gauging its progress towards achieving the very best education system for our students.

Respectfully,

Members of the Portland Public Schools
Audit Implementation Steering Committee

Table of Contents

Performance audit serves as catalyst for change

The Performance Audit, the work done by the AISC (Audit Implementation Steering Committee) and the Task Force members has already served as a foundation for change by the District. Under the new leadership of Dr. Benjamin Canada, the AISC has witnessed a renewed focus on the District's mission to have every student achieve their full potential, and greater accountability of public investments.

KPMG audit created unrealistic expectations of cost savings

"Both The Oregonian and the AISC did their own independent research and found that KPMG's projected cost savings were significantly overstated."

Ron Gould
AISC Co-Chair and
Retired Partner, Deloitte &
Touche LLP

"It is very unusual for a school district to open themselves up to this kind of extensive performance audit. I'm proud to be part of this process."

Phil Keisling
AISC member and
Secretary of State, State of
Oregon

When KPMG Peat Marwick (KPMG) released the performance audit in September 1998, they issued a "15 Point Agenda For Change". It called for closing the equivalent of 11 elementary schools, 1 middle school and 1 high school; relocating the staff from the Blanchard Education Service Center (BESC) in order to lease out the space at BESC; and reengineering warehouse and purchasing practices to reduce warehouse operations by at least 50%.

The KPMG report stated that if the District implemented these 15 points, they could realize $45.6 million in cost savings, with an investment of $28.9 million, for a net positive impact of $16.7 million. Only those who read the footnote at the bottom of the page realized that these figures did not include a recommended $30 million needed for Information Technology replacement.

The KPMG report contained 140 findings and 233 recommendations. The findings were areas that KPMG identified as needing change or problem statements.

The review of the KPMG report by the Audit Implementation Steering Committee (AISC) and the nine Task Force groups found agreement on a majority of the findings or problem areas that were identified. However, after careful study and discussion the AISC disagreed with many specifics of the recommendations. The AISC took the following actions:

One hundred and two of KPMG's original recommendations were approved. Eighty-eight alternative recommendations were approved. Fourteen recommendations were left for the strategic planning effort. Twenty-nine recommendations were either dropped, considered redundant, or passed on to the District for consideration without comment from the AISC due to inadequate information to evaluate the merits of the recommendation. Through detailed research, the AISC also concluded that KPMG's projected cost savings, particularly with regards to school consolidation, were considerably overstated. The AISC states up front that a fiscal impact analysis was not conducted on all of the recommendations and that such an analysis should be done prior to implementation by the District.

The AISC schedule was arranged to address recommendations with the greatest potential fiscal impact first so that these decisions could be incorporated into the District's current budget process, the Superintendent's organizational changes, and the District's communication with the Legislature. As a result of the AISC's input, the District has already taken action or started implementation on many of the areas they perceive greatest immediate impact or benefit on the District.

The District has already implemented the recommendations where they perceive the greatest immediate benefit

"The Task Force estimated that implementation of a new computer system is anticipated to reduce the District's expenses by $3.4 million per year due to increased efficiencies."

Chuck Beyer
Chair,
Information Technology
Task Force and Chief
Information Officer, NW
Natural

"The Task Force is recommending immediate organizational changes in structure, staffing functions, and compensation and benefits."

Judy Rice
Chair,
Human Resources and
Management Structure
Task Force and President,
Oregon Symphony
Foundation

A number of the Task Force's recommendations are being implemented.

Computer System Replacement
Forty-five recommendations either referred to the need for a new computer system or a new system is needed in order to implement the recommendation. The situation with the outdated and inadequate information system has resulted in many critical problems throughout the District:

• Past information and data has been filled with errors, consistently inefficient, and difficult to reconcile. In a few years none of it will be reconcilable. The District has not been able to effectively balance its checkbook.

• PricewaterhouseCoopers' recent financial statement audit showed 21 serious problems connected to bad financial information.

• The District is in constant danger of facing costly fines and penalties through IRS, EEOC, and PERS reporting violations.

• Teachers are wasting many hours each week on repeated data entry required for attendance and report cards under the current system.

• The District risks losing state dollars with questionable or inaccurate enrollment figures now produced by the information system.

• The District is dangerously close to not being able to produce payroll.

Information Technology
PPS Action: On March 8, 1999 the School Board approved a $31.1 million budget to implement an updated Student Information System integrated with Human Resources, Payroll and Finance. Included in this budget is $1.2 million for training.

Human Resources
PPS Action: Based on the input from the Human Resources Task Force, the Superintendent proceeded with a number of re-organizational changes including consolidating three assistant superintendent positions into two assistant superintendent positions, one for Elementary and one for Secondary Education. The position of Assistant to the

"It is critical that the District move quickly to implement a bond management system that provides better control and accountability."

> Jerry Milstead
> Chair,
> Bond Management Task
> Force and President,
> Milstead & Associates

"Many of the changes in policies and procedures pointed out by the Finance Task Force will result in immediate benefit to the District—we don't have to wait until the new computer system comes online to see better accountability."

> Rick Fletcher, CPA
> Finance and Risk
> Management Task Force
> and Vice President/
> Controller, Morley Capital
> Management, Inc

"School consolidation should only be looked at after the multi-use of buildings and sound facility management has been fully explored."

> Diane Linn
> Facilities Utilization Task
> Force, AISC member and
> Multnomah County
> Commissioner, District 1

Superintendent was eliminated. The target date for hiring the new Executive Director for Human Resources was April 15, 1999. The Superintendent also reorganized the grant management section in order for it to become a segregated self-sustaining and/or revenue positive operations center.

Bond Management
PPS Action: Since the Bond Task Force reported their findings and recommendations, the District has incorporated a number of their suggestions. Stephen Poage has been hired by the District as Program Director for the Bond Program. Pam Brown has been named Director of Facilities and Asset Management, and a Bond Program plan is being developed. The Bond Program is included in the information technology upgrade.

Finance
PPS Action: The District has already started implementation of

most of the Finance recommendations, especially those dealing with day-to-day operations. In some cases the action is already completed, such as making sure that bank reconciliations are done on a timely basis and hiring a new Cash Manager to track investment earnings and bank fees.

Communication and Public Policy
PPS Action: The District has hired full time legal counsel and has centralized all legal services, including Risk Management legal activities, into the Legal Unit. The Special Education Department has also been reorganized and a 3/4 time Assistant to the Director has been hired.

Administration and School Police
PPS Action: The Portland Police Bureau and the District are actively exploring every opportunity to "leverage services" which would result in cost savings to the District of approximately $140,000.

Remaining recommendations have potential for further cost savings or revenue generation

The District still faces a number of critical decisions that will have widespread impact on students, teachers, and the District's ability to further improve the delivery of education in our community.

Excess Capacity in Facilities
The KPMG report stated that there were potential savings that could be derived from more efficient utilization of the District's facilities including the use of school buildings. The

Facilities Task Force did an extensive review of KPMG findings and concurred that though significant savings can be achieved, it is not as extensive as stated in the KPMG's report. The Task Force approached this challenge from the perspective of answering the question "How can the District increase utilization of the District's facilities and increase revenue?" Their answer presents a three-prong approach:

"To get more parents involved in their children's education, we must build up the Public Information and Communications Department. Let's be realistic, one person is not enough to do what has to be done."

Cheryl Perrin
Chair,
Communications Task
Force and
Consultant/Executive
Director, Campaign for
America

"It is imperative that the consequences of a lack of action to turn the tide from its present course be both understood and acted upon— not only by the stakeholders who have a vested interest in the flourishing of the Portland Public School District, but also on those who will be affected by the negative repercussions on society by further neglect."

Floyd Spears
AISC member and Field
Supervisor, Arjae Sheet
Metal Company

(1) Encourage an increase of non-school use of buildings and a corresponding increase of revenues,

(2) Sell property not currently used or needed by the District, and

(3) Conduct a utilization study of schools and, based on this information, consider limited consolidation of school buildings with the least impact on students.

The District has been moving forward with a number of the recommendations, exploring multiple use of facilities options with Multnomah County, developing lease and rental policies, and hiring an outside firm to manage custodial staff.

Inventory and Warehouse

The District is maintaining more inventory than it needs. The Inventory Task Force made a number of recommendations regarding reducing inventory, allocating all warehousing costs to the end user, shortening lead time in ordering and delivery, and changing purchasing policies.

Communication and Public Information

If the District is going to be able to achieve their goals it will only be in partnership with parents, teachers, administrators, and community members. To facilitate this will require a Public Information and Communication Department that is adequately staffed to accomplish both the internal and external communication needs of the District. To meet these needs, the Department must have a communications plan.

Recommendations dealing with continued quality improvement by Portland Public Schools

The remaining recommendations are important and essential to improving the quality and efficient delivery of an excellent education to every student within the Portland Public School District.

Achievement

It is important to note that the Achievement recommendations deal with the process of delivering the curriculum and not the substance of the curriculum itself. There are a number of important issues that need to be addressed surrounding the area of equity and access to learning opportunities for all students, and curriculum and staff development.

Key Points

The review of the performance audit took over seven months. During that time many healthy debates occurred at both the AISC level and in the Task Force meetings. Though consensus was not achieved on all issues, some of the major points that were discussed included:

• The top priority for the District must be student achievement.

• Integration of the strategic planning process with the AISC recommendations is critical to the success of the District.

"I would offer City audit resources to be part of a City/County audit team to review the progress on implementation of these recommendations in a year."

> Gary Blackmer
> Bond Management Task
> Force, AISC member and
> Auditor, City of Portland

"The work of the Audit Implementation Steering Committee is a journey, not a destination. We reviewed a lot of information and made a lot of recommendations, but this work has only just begun. Portland's citizens need to continue to monitor the progress of the District in implementing these recommendations and effectively improving District performance."

> Marianne Fitzgerald
> Communications Task
> Force, AISC member and
> member of Parents for
> Public Schools of Portland

• The District needs to focus on equity of the availability and delivery of quality education for all students.

• Greater emphasis and resources need to be placed on public involvement in our education system. The District's goals for quality education can not be achieved without parent and community involvement.

• To carry out the District's mission there must be an adequate investment in information technology and accounting systems to support the delivery of quality education to every child.

Priorities

Once all of the Task Force groups reported and the recommendations were compiled, the AISC members voted on issue areas that were remaining to be implemented. Though the voting process certainly was not scientific, it did point out some interesting themes:

• The issues and recommendations on Achievement Standards and Curriculum Management were identified as the top priority of many of the AISC members.

• Multi-use of buildings including the BESC also ranked highly.

• Maintaining and potentially increasing student enrollment was important.

Next Steps

It is important that this report be seen as one step in a process to continuously strive for improved student achievement and increased District efficiencies. The AISC recommends the following items be included as next steps:

• The District and Board must follow through with the development and implementation of a strategic plan.

• The District must quantify the fiscal impact of recommendations that have not yet been quantified.

• The District and Board must regularly review their progress on implementing these recommendations, and then share this progress with the community.

• The District should continue to maximize student enrollment.

• The AISC supports the City of Portland's contribution to the District and appreciates that the City has tied this support to the District demonstrating progress on enhancing student achievement.

In September 1998 KPMG Peat Marwick LLP ("KPMG") completed a performance audit for the Portland Public School District ("District"). The audit was intended to take a broad look at the District and identify areas where some form of change might result in improved delivery of educational services or in cost savings to the District.

It should be emphasized that this was a performance audit, not a fiscal audit. Though fiscal information has been identified where available, the emphasis was how does the District increase its performance.

The audit included 233 recommendations in ten different areas. The areas of focus were:

• Achievement
• Administration
• Bond
• Communication
• Facilities
• Finance
• Human Resources
• Information Technology
• Inventory and Purchasing
• Strategic Planning

In November 1998 the District recruited 152 volunteers to serve on either the Audit Implementation Steering Committee ("AISC") or one of nine Task Force groups consistent with the issue areas listed above. The only exception to this was that it was determined that the Strategic Planning recommendations could best be done in context with the District's larger strategic planning efforts. That entire effort is being coordinated and funded by the Portland Public Schools Foundation.

The volunteers serving on the Task Force groups have had significant expertise in the areas that they were reviewing. Each Task Force also included a parent representative and a teacher. Other District personnel served as resources for the Task Forces. To facilitate the process an outside consultant also staffed each Task Force. Collectively over 2,400 volunteer hours were contributed to the review of the KPMG performance audit.

The purpose of the AISC and the Task Force groups was to review the recommendations made by KPMG and decide if they should be sent to the Superintendent for his consideration and possible implementation. The Task Force groups spent a great deal of time reviewing the recommendations, looking at the background notes provided by KPMG and in many cases conducting additional research. In some cases the Task Force formed subgroups and recruited additional members with specific knowledge in certain subjects so that further study could be done. After the research and discussion phase, the Task Force members determined if they: (1) supported each recommendation, (2) did not support the recommendation but wanted to submit an alternative recommendation or (3) did not support the recommendation and had no further recommendations, and (4) referred the recommendations on without consideration by the AISC due to lack of information. The Task Force work was presented to the AISC over the course of 12 meetings. The AISC discussed and voted on each recommendation and made their own determination for referral to the Superintendent.

In addition to involving the public in the Task Force and AISC process, considerable efforts were made to include the public at each step in the process. Superintendent Canada sent a letter to all the parents encouraging their involvement; all Task Force and AISC minutes and meeting notices were posted on the District's Web page and all meetings were open to the public. Additionally, *The Oregonian* reported on key decisions made by the AISC and Facilities Task Force.

This report is one step in the process of assuring that each student achieves their maximum potential. The ability to realize that goal and the implementations of these recommendations is going to be largely dependent on the quality of the District's Strategic Plan and its ability to integrate the findings of this report into its daily operations.

"Student assessment must be meaningful and result in teaching and learning improvement."

Phyllis Edmundson,
Chair,
Achievement Standards
and Curriculum
Management Task Force
and Dean, Graduate
School of Education,
Portland State University

The Achievement Standards and Curriculum Management Task Force was composed of experts in education, active parents, former and current Portland Public Schools staff and former Board members. The Task Force divided their 52 recommendations into subgroups and, in some cases, established subcommittees to review the recommendations. In general, the Task Force and AISC found that KPMG's recommendations in these areas were limited by their lack of depth. In areas such as English as a Second Language and Bilingual Education, the recommendations failed to address key District issues.

Strategic Planning
Recommendations 6 II-3.1, 111 VII-4.1, 144 VII-18.2
The Task Force and AISC recommends that the District's new efforts at strategic planning begin with the existing School Improvement Plans and other strategic documents already developed by the District.

Curriculum Alignment & Staff Development
Recommendations 106 VII-2.1, 107 VII-2.2, 108 VII-2.3, 112 VII-4.2, 113 VII-4.3, 114 VII-5.1, 115 VII-5.2, 116 VII-5.3, 117 VII-5.4, 118 VII 5.5, 128 VII-11.2, 134 VII-12.1, 136 VII-14.1, 139 VII-16.1, 140 VII-16.2
Curriculum alignment has been an on-going District priority and the Task Force and AISC supports the work done to date. The District has been fortunate to have a PEW Foundation grant to support some of this work and the Task Force and

AISC urges the District to continue to seek outside resources to support these efforts. Although KPMG did not address the fiscal impact of future curriculum alignment efforts, we believe that significant additional resources will be needed in this area. In particular, the AISC recognizes the continued need for curriculum coordination at the same grade level across the District (horizontal) and between school levels (vertical). Despite the shortage of financial resources, the Task Force and AISC believes staff development needs to be continued, particularly in light of changing state standards.

Assessing Student Achievement & Program Performance
Recommendations 105 VII-1.2, 109 VII-3.1, 110 VII-3.2, 121 VII-7.1, 123 VII-8.1, 124 VII-9.1, 125 VII-10.1, 126 VII-10.2, 127 VII-11.1, 129 VII 11.3, 130 VII-11.4, 131 VII-11.5, 132 VII-11.6, 143 VII-18.1, 153 VII-25.1, 154 VII-26.1, 155 VII-27.1
To ensure that students succeed under the new education reform, it is important that the District consistently assess student achievement and evaluate programs that serve students. Any assessment needs to be meaningful and result in teaching/learning improvement. Assessment efforts cannot be overburdensome to the system.

Equity & Access

Recommendations *122 VII-7.2, 135 VII-13.1, 137 VII-14.2, 138 VII-15.1, 141 VII-17.1, 142 VII-17.2, 152 VII-24.1, 156 VII-28.1, 157 VII-28.2, 158 VII-29.1, 159 VII-30.1*

Several of KPMG's recommendations address the issue of equity or access to learning opportunities for all students. The specific groups addressed in the recommendations include non-native English language speakers, TAG students, or students who attend school in different geographic areas of the District. Also, there is an inherent tension within the District between school-based decision-making and central District decision-making on resource allocation. This sometimes results in students receiving unequal access. Other student educational programs, such as TAG or ESL, are not centrally coordinated and again, in some cases, this leads to unequal access for students. In the area of ESL and Bilingual education, the Task Force has made a series of implementation recommendations that should be reviewed by the District.

Early Childhood Development & Literacy

Recommendations *119 VII-6.1, 120 VII-6.2, 133 VII-11.7, 160 VII-31.1, 161 VII-31.2, 162 VII-32.1*

The Task Force and AISC believe that early childhood development and literacy are high priorities. Literacy serves as a foundational skill for all future student achievement. Investments in early childhood development and literacy should serve all students and will improve overall District student achievement.

The Task Force and AISC recommendations, however, come at a potentially significant cost. The Task Force recommends the District look to outside resources to support some of this work and use internal resources already developed to their fullest extent. Before acting on the recommendations, the District must resolve the internal tension that exists between supporters of phonics and whole language. The PreK-3 Literacy Benchmarks project endorses a balanced approach incorporating phonics and whole language. It is strongly recommended that the Superintendent and the Board clearly endorse this approach and that this endorsement be communicated to all staff. To support this approach, the Task Force also recommended that a central District advocate be assigned to coordinate Pre-K-3 programs and District efforts across schools.

"District decisions, some at the school level and others at the central office, mean some students receive unequal access to programs and services."

Carol Turner
Achievement Standards and Curriculum Management Task Force and Education Advocate, Office of the Mayor, City of Portland

Achievement Standards & Curriculum Management

SUBJECT	Strategic Planning: We recommend that the District's new efforts at strategic planning begin with the existing School Improvement Plans and other strategic documents already developed by the District. Three of our recommendations addressed this planning process and we recommend support for all three.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
6 II-3.1	☐ Alt Rec ☑ KPMG Rec	Develop School Improvement Plans that are consistent with PPS' strategic direction.	The Task Force supports the recommendation and it appears, in part, to be in place with the exception of the absence of a clearly stated PPS Strategic Plan. For now, the SIPs appear to support Board Goal 3 focusing on student learning. The Task Force questioned the costs vs. benefits of a quarterly reporting process. Progress on SIPs might best be viewed over a longer time span. We recommend the District explore ways to involve community-based organizations in school improvement planning and implementation.		Plan to Implement
111 VII-4.1	☐ Alt Rec ☑ KPMG Rec	Formulate an instructional strategic plan that is consistent with PPS' Strategic direction and plan and provides a framework for school improvement planning processes.	It would appear that this is an excellent time to develop, in concert with the Board's Strategic Planning process, an instructional strategic plan. There are elements already developed that the District can draw upon.		Plan to Implement
144 VII-18.2	☐ Alt Rec ☑ KPMG Rec	The TAG Administrator, Directors of Student Achievement, teachers and parents should form a committee to develop a long-term strategic plan for the program, including specific roles and responsibilities of various stakeholders.			Further District Review Pending

Achievement Standards & Curriculum Management

SUBJECT	Curriculum Alignment & Staff Development: Curriculum alignment has been an on-going District priority and the Task Force supports the work done to date. The District has been fortunate to have a PEW Foundation grant to support some of this work and we urge the District to continue to seek outside resources to support these efforts. Although KPMG did not address the fiscal impact of future curriculum alignment efforts, the Task Force believes that significant additional resources will be needed in this area. In particular, the Task Force recognizes the continued need for curriculum coordination at the same grade level across the District (horizontal) and between school levels (vertical). Despite the shortage of financial resources, the Task Force believes staff development needs to be continued, particularly in light of changing state standards.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
106 VII-2.1	☐ Alt Rec ☑ KPMG Rec	Explore options to develop a matrix organization structure that meets both the grade level and feeder system needs.	KPMG recommends and the Task Force supports all three recommendations (106, 107, 108) for more integration among schools in high school attendance areas to promote curriculum coherence and community interaction. We urge the District to explore a variety of ways to enhance communication. Horizontal organization takes advantage of specialized expertise. Horizontal organization also helps alleviate past inequities (some high school feeder areas appeared to have had better access to resources). It is also important to realize the District is undergoing change.		Plan to Implement
107 VII-2.2	☐ Alt Rec ☑ KPMG Rec	Consider setting up regular meetings for feeder schools and grade levels to address common community concerns and to facilitate Pre K-12 curriculum awareness.	KPMG recommends and the Task Force supports all three recommendations (106, 107, 108) for more integration among schools in high school attendance areas to promote curriculum coherence and community interaction. We urge the District to explore a variety of ways to enhance communication. Horizontal organization takes advantage of specialized expertise. Horizontal organization also helps alleviate past inequities (some high school feeder areas appeared to have had better access to resources). It is also important to realize the District is undergoing change.		Plan to Implement

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
108 VII-2.3	☐ Alt Rec ☑ KPMG Rec	PPS should also consider expanding the use of matrix organization and management techniques to other major school activities.	KPMG recommends and the Task Force supports all three recommendations (106, 107, 108) for more integration among schools in high school attendance areas to promote curriculum coherence and community interaction. We urge the District to explore a variety of ways to enhance communication. Horizontal organization takes advantage of specialized expertise. Horizontal organization also helps alleviate past inequities (some high school feeder areas appeared to have had better access to resources). It is also important to realize the District is undergoing change.		Plan to Implement
109 VII-3.1	☐ Alt Rec ☑ KPMG Rec	Consider establishing a Hearing and Appeals Group to deal exclusively with disciplinary issues.	The Task Force did not support establishing a Hearing and Appeals Group. Because the DOSA role in discipline is tied so closely to the school community, the Task Force did not believe this is a responsibility that could be delegated.		Rejected
112 VII-4.2	☑ Alt Rec ☐ KPMG Rec	The Task Force supports the need for closer linkages of Educational Media and Instructional Technology departments with staff development, classroom instruction, and community outreach activities. While KPMG recommends working groups, we are not certain that the development of working groups is the most appropriate strategy for ensuring that incorporation occurs.	It is clear that activities of the Educational Media and Instructional Technology units should be focused and coordinated to advance the school district's goals to improve student achievement, and some work is underway to develop such a focus. KPMG's recommendation is too specific. District staff can develop an appropriate approach to meet the alternative recommendation.		Partially Implemented; Further District Review Pending
113 VII-4.3	☐ Alt Rec ☑ KPMG Rec	Develop an "academic" loop communication network that keeps all District staff informed of the various projects underway in other departments.	Better internal communication is valuable. New organization structure should be used to facilitate better communications.		Plan to Implement

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
114 VII-5.1	☑ Alt Rec ☐ KPMG Rec	The District has developed Curriculum Frameworks. We recommend that the Content Standards Design Teams continue their work on the remaining content standards which were developed from these Frameworks; and that those standards already developed be utilized by District staff with appropriate Staff Development activities. The District should explore developing Frameworks and Content Standards outside benchmark grades.	The Content Standards Design are the next step for the Framework development and are an integral part of supporting overall student achievement.	While alternative is already underway, there may be additional costs associated with Staff Development. Creating Frameworks and Content Standards for non-benchmark grades would be a new budget item.	In Process
115 VII-5.2	☑ Alt Rec ☐ KPMG Rec	Every school should create a way to systematically implement curriculum. The District should explore ways to promote a more grassroots, but coordinated approach to curriculum implementation. The District should re-explore the role of Department Chairs to support curriculum coordination. Any Staff Development activities developed by the Central District staff should interface with each school's individual curriculum implementation efforts.	The KPMG recommendation was more specific than the Task Force could support.	There may be costs related to giving Department leaders added responsibility pay, if the District chooses this method.	In Process
116 VII-5.3	☐ Alt Rec ☑ KPMG Rec	Continue the Curriculum Design Team efforts at the District level.	The Design Teams appear to be on schedule with their work.		In Process

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
117 VII-5.4	☑ Alt Rec ☐ KPMG Rec	To serve the overall goal of student achievement across the District, PPS should continue to work towards consistency between the alignment of course offerings (curriculum mapping) and the course offerings provided at individual schools. Students must reach benchmark knowledge levels at the correct time and that knowledge must be presented in the correct sequence. Students should have equal access to course offerings throughout the District. The District must support curriculum alignment between schools and within schools.	This recommendation is linked to Recommendation 122.	There will be costs to continue these mapping areas. Costs may tie into other recommendations in the Curriculum Development area.	In Process
118 VII-5.5	☐ Alt Rec ☑ KPMG Rec	Develop a strategy to implement these initiatives with existing resources where reasonable (by cross utilizing teachers), and seek additional funding for both grass-root and district design team curriculum development.	This recommendation supports the earlier statements on Recommendations 114, 115, 116, and 117. Task Force's alternative recommendations fit well with this recommendation.		In Process
123 VII-8.1	☐ Alt Rec ☑ KPMG Rec	Explore the possibility of shifting to a fall testing cycle in order to better integrate student achievement data into School Improvement Plans and to provide a midyear checkpoint for student assessment.			Rejected
126 VII-10.2	☐ Alt Rec ☑ KPMG Rec	PPS should continue to explore and use methods to link its testing instruments with norm referenced tests in order to provide a benchmark comparison of student performance relative to other districts.			Rejected

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
128 VII-11.2	☐ Alt Rec ☑ KPMG Rec	Develop a comprehensive system integrating state benchmarks and curriculum goals.	This will be a valuable investment for the District. There are State standards for Grades 3, 5, 8 and 10 to match up with. There are no current standards for other grades.	This recommendation could have a large expense depending on District implementation strategy. Some pieces are already in place.	In Process
129 VII-11.3	☐ Alt Rec ☑ KPMG Rec	PPS should leverage its PALT and other assessment data and expand it to examine performance at other grade levels to develop a comprehensive longitudinal analysis capability.	This is theoretically a good idea, however this should not a be high priority for the District at this time. The mobility of students makes this very difficult.		Rejected
134 VII-12.1	☐ Alt Rec ☑ KPMG Rec	Continue and expand relationship with Curriculum & Instructional Support personnel, as well as Educational Media for more advanced collaboration.	At present there is no organized structure that facilitates communication and collaboration among Educational Media, Instructional Technology, and the Public Information area. Reporting lines for Instructional Technology are to the Chief Information Officer, and Educational Media reports to the Assistant Superintendent. While there is evidence of collaboration, it occurs because of the efforts of individuals rather than because of institutional supports or clearly articulated expectations for such joint efforts.		Plan to Implement
136 VII-14.1	☑ Alt Rec ☐ KPMG Rec	Ensure that Instructional Technology course offerings directly support school improvement plans and respond to needs of teachers and school administrators.	Linking the staff development offerings in the instructional technology area with school technology plans and school improvement plans, would ensure that these courses and offerings support the district's student achievement improvement efforts.		In Process
139 VII-16.1	☐ Alt Rec ☑ KPMG Rec	Make Television Services an integral component of the professional development plan, curriculum efforts, internal/external communication strategy networks, any information technology blueprints, and PPS strategic direction.	The Task Force supports the recommendation and urges the development of a clear plan for integrating Television Services with Instructional Technology efforts and with the goals for school improvement. The district should look carefully at ways to use Televisions Services to make staff development and communication more coherent across the district. Including Television Services in the district's communication strategy will make better use of these valuable resources.		Plan to Implement

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
140 VII-16.2	☐ Alt Rec ☑ KPMG Rec	PPS should explore possibilities for various modes of internal communication that take full advantage of Television Services infrastructure.	This is an excellent resource that should receive greater use.		Plan to Implement

Achievement Standards & Curriculum Management

SUBJECT	Assessing Student Achievement & Program Performance: To ensure that students succeed under the new education reform, it is important that the District consistently assess student achievement and evaluate programs that serve students. Any assessment needs to be meaningful and result in teaching/learning improvement. Assessment efforts cannot be overburdensome to the system.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
105 VII-1.2	☐ Alt Rec ☑ KPMG Rec	Clearly define management level accountability to track program accomplishments and student performance.	The Task Force supports the recommendation and learned that the District is moving in this direction with a focus on improving information systems, linking budgets to goals and moving management procedures to focus on impacts and results. One example of this is central administrative staff being evaluated against progress in meeting Board goals. The group emphasized the importance of the District continuing to work with principals on accountability with attention on emphasizing responsibility for things that principals can impact and control. Care must be given not to scapegoat individuals for system inadequacies. Resource allocation must continue to follow identification of need. The Task Force believes improvement of school-level accountability will require improved administrative data at a central level. The new data system should be closely aligned to the schools' needs for data to support school improvement and student achievement. The development and publicizing of clear performance assessments for central office staff will be useful in promoting a system-wide commitment to accountability for improved student achievement. Ongoing attention to the costs/benefits of the accountability system will be critical to ensure that resources aren't disproportionately diverted from students to non-instructional services.		In Process (Substantial progress is being made in developing accountability systems: e.g., central office managers are being evaluated against progress in meeting Board goals within their spheres of works; budgets are being linked to goals and performance.)

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
110 VII-3.2	☐ Alt Rec ☑ KPMG Rec	Reevaluate/define DOSA's roles more clearly.	The Task Force supports clearly articulating the DOSA role and a DOSA job description has been developed in the time since the KPMG audit. The Task Force recommends its approval by the District and dissemination to all staff. The focus of the DOSA should be on school improvement to support student achievement. The District should continue to look carefully at ways to maintain this focus by streamlining administrative procedures and shortening approval processes. Anything that takes away from this focus should be seriously considered for its appropriate assignment by the District. In some cases, direct contact from administrative services to principals might be the most efficient channel. Additional improvements in the District's computer system might ease this concern.		In Process
121 VII-7.1	☐ Alt Rec ☑ KPMG Rec	Continue to conduct the High School and Middle School Studies.	It is important that the District consistently and constantly review student achievement information.		Plan to Implement
124 VII-9.1	☐ Alt Rec ☑ KPMG Rec	PPS should explore the possibility of either phasing out PALT administration altogether, or at least reducing its usage to 4th, 6th, and 7th grade levels to alternate with state tests (at 3,5,8).		Some savings were seen by eliminating printing and data compilation costs from District to State. Staff time was freed for assignment to other tasks.	In Process
125 VII-10.1		Depending upon PALT testing frequency, PPS should examine utility of administering a standardized achievement test at the 4th, 6th, and 9th grade levels.	There are no cost savings associated with the recommendation.		Rejected
127 VII-11.1	☑ Alt Rec ☐ KPMG Rec	PPS needs to explore reliable methods to develop a process to set a baseline and then track the progress of students entering PPS Head Start and pre-Kindergarten programs.	Recommendation seems doable and in-line with District goals.		Plan to Implement

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
130 VII-11.4	☐ Alt Rec ☑ KPMG Rec	Explore methods to use existing testing instruments to examine the effectiveness of specific curriculum initiatives and instructional approaches.			Pending Further District Review
131 VII-11.5	☐ Alt Rec ☑ KPMG Rec	Explore strategies for testing and tracking PPS graduates and students who prematurely exit from the system.	This is an important recommendation over time, but may be a lower priority currently. Instead, District resources should concentrate on keeping students in school. Study of students who leave District to another district or who graduate could have value but presents significant data tracking challenges. Privacy is a significant issue.		Pending Further District Review
132 VII-11.6	☐ Alt Rec ☑ KPMG Rec	Develop strategies to ensure the utility and input to the post-secondary database to track student achievements in higher education and high school graduate success in college/university endeavors.	This is an important recommendation over time, but may be a lower priority currently. State should provide leadership in this area. District does not use Social Security numbers to track students, which makes tracking to higher education challenging.		In Process
143 VII-18.1	☐ Alt Rec ☑ KPMG Rec	Institute a centralized approach to the TAG program, with the Administrator having primary responsibility for managing the program.	To properly meet District obligations for TAG services in response to a parent suit, the District should develop a more centralized approach that allows greater accountability.		Pending Further District Review
153 VII-25.1	☐ Alt Rec ☑ KPMG Rec	Create a standardized tracking tool that requires all 25 in-District AEPs to report enrollment, staffing, and attendance data.	The need for student tracking is essential in the alternative educational programs. This need is not only for attendance and cost analysis however, but primarily to assist in measuring student achievement. This need must be considered when a student database software package is purchased for the District.		Pending Further District Review

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
154 VII-26.1	☐ Alt Rec ☑ KPMG Rec	Develop a documented District-wide methodology to evaluate AEPs.	This recommendation is dependent partly on the implementation of Recommendation 153. Evaluation is near impossible without a student database that contains the results of on-going academic assessments, attendance, and behavioral records. Assessment is also difficult when there is no clear goal or objectives in the alternative programs. Until recently, the unstated goal of AEP's was to keep students in school, and to provide a structured environment outside of the regular classroom to respond to students' with behavioral problems. Now it is understood, given changes in the Oregon law and the leadership in PPS, that student achievement is an objective. But again this is unstated. A strategic plan needs to be developed within the overall District plan for school improvement that incorporates alternative schools and recent changes in the law adopted by the State Board of Education. As an example, students may only be assigned to an alternative school program if it is determined that the program bests serves the students educational needs and interests. Also, assigning a student to an AEP does not avoid the expectation that the student will meet current state standards. In general, AEP's should be seen as learning options for those students who do not respond to the methodologies used in the regular classroom. Even as the enrollment in PPS is shrinking, the numbers of students in alternative programs is growing. And the number of program options is increasing as well. In some cases the success of the alternative program has lead to its curriculum being adopted in the traditional classrooms.		Pending Further District Review

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
155 VII-27.1	☐ Alt Rec ☑ KPMG Rec	PPS should analyze community based alternative education program data to determine the effectiveness of 23 programs.	The community based alternative programs are well regulated through a contracting process with the District. These contracts detail student learning outcomes and measures to be met. Since the community based programs only receive funding from the District if they meet the standards outlined in the contract, which are evaluated on a yearly basis, they appear to be highly motivated to meet the student's learning needs. In some ways the community schools are more regulated, and more is known of their results, than the District's own alternative educational programs.		Done

Achievement Standards & Curriculum Management

SUBJECT	Equity & Access: Several of KPMG's recommendations address the issue of equity or access to learning opportunities for all students. The specific groups addressed in the recommendations include non-native English language speakers, TAG students or students who attend school in different geographic areas of the District. Also, there is an inherent tension within the District between school-based decision-making and central District decision-making on resource allocation. This sometimes results in students receiving unequal access. Other student educational programs, such as TAG or ESL, are not centrally coordinated and again, in some cases, this leads to unequal access for students. In the area of ESL and Bilingual education, the Task Force has made a series of implementation recommendations that should be reviewed by the District.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
122 VII-7.2	☐ Alt Rec ☑ KPMG Rec	Develop and adopt specific recommendations to ensure continuity and equitable access for all students.	This recommendation reinforces Task Force Alternative Recommendation 117.1.		In Process
135 VII-13.1	☐ Alt Rec ☑ KPMG Rec	Reevaluate site-based decision-making with regard to library funding.	The District should reexamine site-based decision making for library resources. The reevaluation should focus on equity between schools and maintaining strong resources to support student achievement.		Pending Further District Review
137 VII-14.2	☐ Alt Rec ☑ KPMG Rec	Continue to aggressively pursue outside sources of funding for technology projects and staffing if necessary.	The Task Force supports this recommendation, with the caveat that outside funding should not be seen as a replacement for a sustained and substantial district commitment to support technology acquisition, development of appropriate applications of technology, and ongoing staff development and support for teachers in using technology to promote learning for all students. Seeking outside funding is time-consuming and somewhat unpredictable, but can be a valuable catalyst and/or supplement for district efforts.		Plan to Implement

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
138 VII-15.1	☐ Alt Rec ☑ KPMG Rec	Work with the Multnomah County Library or local universities to develop a cooperative arrangement. PPS' staff would benefit from these additional professional development opportunities.	In an information environment that is changing rapidly, and where district resources are very limited, the district will need to take a very critical look at the impact of the Professional Library and see if there are other ways to provide services to teachers, especially in the area of responding to state goals and benchmarks. With a limited budget for materials and for staffing, it may be more cost effective to develop active partnerships with city and county libraries and universities. The Professional Library receives some support from Multnomah Educational Service District. The Task Force supports this recommendation and further suggests that the district develop a long range plan for the Professional Library which considers the benefits and costs of such a centralized facility maintained by the district as compared with other ways of providing support to teachers.	There may be some cost savings or cost sharing possible by sharing resources.	Pending Further District Review

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
141 VII-17.1	☐ Alt Rec ☑ KPMG Rec	Develop a plan to aggressively identify, track, and enroll minority students in TAG.	Finding students who could benefit from TAG programs. Students who are hard to find are often the students who most need services. It is a good idea to examine the identification methods periodically to make sure that they are really identifying the sorts of students who need TAG services. There is also a benefit to the overall community of the school district when parents feel that all their children have a fair chance to excel. Providing gifted students with appropriate instruction reduces their frustration, and thus improves the classroom atmosphere for all children in the class. Having an adequate representation of minority students in the program provides role models for other children. The main "con" is the cost and significant time commitment involved. Too great a focus on identification issues could divert limited resources from the actual delivery of services. Some parents and/or some students may not wish to be identified as TAG students. Inappropriate placement in an advanced class or inappropriate acceleration is a concern for every TAG student--but students are always free to leave the program.		Pending Further District Review *Status discussion below

#141 The TAG department believes that it is doing a good job of identifying eligible students. Several years ago, PPS adopted the Frasier Traits Attributes and Behaviors model for identifying students specifically because it was the best way to overcome barriers to locating minority children. Subsequent studies have found cross-cultural agreement that these characteristics do identify gifted children. The auditors found that white European-American students made up approximately 69% of student enrollment and 82% of total TAG population, whereas African Americans made up 15% of the student body and only 8% of the total TAG program population, and that Latinos made up 6% of the total student population and only 2% of the total TAG population. The overall representation of minority students, including Asian Students, has not increased in the October TAG enrollment reports.

TAG students are issued separate "salmon" folders, which should make it possible for the TAG planning and evaluation process to follow them from school to school. Teachers are now required to prove to the TAG office that they know who their TAG students are. However, it would be helpful to have more evaluation of how well this system is working.

Inability to speak English is a serious barrier to increasing the representation of some minority group members; there is a shortage of good test instruments in other languages and of trained staff with the language skills to administer and interpret them. The auditors looked only at "Latinos" among the groups who might have some difficulties with English, but there are 60 language groups spoken in PPS.

To increase the representation of minorities, the department has worked with ESL aides and community leaders. In inservice workshops with school TAG coordinators, the department has emphasized the importance of identifying gifted and talented students in underrepresented groups, and have presented strategies for doing this. They have been exploring possible testing alternatives in languages other than English and have sought ways to get information to parents. One staff member attended a workshop that focused on increasing participation by under-represented groups in TAG programs.

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
142 VII-17.2	☑ Alt Rec ☐ KPMG Rec	Expand outreach efforts to increase enrollment in TAG by under-represented groups using a variety of strategies.	Many parents would like more information about the characteristics of gifted children, and about the services available for their children. Parent workshops may be an effective way to inform these parents. Workshops give parents an opportunity to meet TAG staff and to ask questions, which may increase their confidence in the program. Workshops require a great deal of staff time and may be a less efficient way to inform parents than other methods, such as a direct mailing. Material presented orally in a workshop may be forgotten or misunderstood. Staff time spent on workshops might be used more efficiently in other activities. Parents who do not speak English may not benefit from workshops unless an interpreter is present. Parents may not attend workshops or may not be able to attend. Parents of students who have not yet been nominated or identified by the TAG program are unlikely to attend any meeting about TAG issues.		Pending Further District Review *Status discussion below

#142 The TAG staff holds many parent meetings every year--but most are for parents of students who have already been identified. This past school year (1998-1999), the TAG staff, together with a representative of the parent TAG advisory committee (DTAC), attended parent TAG meetings in each of the 10 High School cluster areas. Parents in every school within the cluster were invited to attend. Attendance at these meetings was very variable. The District TAG advisory committee has also attempted to increase its outreach efforts, on the assumption that parents might be more willing to approach another parent at their own school. The committee has begun to build a network of "parent liaisons" in every school who are willing to allow their name and phone number to be released to other parents. The TAG department provides these liaisons with periodic information about the TAG program, and the liaisons are encouraged to refer questions to the TAG office or to DTAC cluster representatives or officers. Parents have volunteered as liaisons in about one-third of the district's schools. The DTAC hopes to increase participation in subsequent years.

The DTAC also hosts monthly public meetings on issues of interest to parents of gifted children. These meetings are advertised at every school, and are open to the public. Any parent who attends a DTAC meeting is asked to sign up on a sheet, and any parent who signs up receives minutes and DTAC mailings. The DTAC surveyed parents this year to find out whether its meeting schedule and activities are meeting their needs. The TAG department mailed these surveys to every TAG household. In addition, the school district mailed the name and telephone number of the DTAC vice-president, to every household in the school district this year, as part of a brochure on district programs that might be of interest to volunteers.

The TAG department sends information about its programs to every school and every school TAG coordinator. Every school has a TAG bulletin board, or section of a bulletin board that is located in a visible place in the school. These bulletin boards contain information about the program and about how to nominate children for the program. School newsletters also include information about nominating children.

The TAG department also hosts a website on the P.P.S. website that contains information about the program, and Amy Welch, the TAG director, maintains a small e-mail mailing list that any parent may join upon request.

The TAG staff are not convinced that holding informational workshops for parents in under-represented groups is the most effective way to reach them. The staff is seeking to build relationships with community leaders and is providing information to community groups such as the Hispanic Alliance. TAG coordinators are encouraged to seek ways to invite parents to learn more about the TAG program and are strengthening their linkages with the ESL program.

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
152 VII-24.1	☐ Alt Rec ☑ KPMG Rec	ESL/Bilingual program administrators should work with TAG program administrators to develop a plan that aggressively identifies students within the ESL/Bilingual Education program who could potentially be eligible to enroll in the TAG program.	There are other ESL issues that recommendations do not address: District staff and parents need better understanding of what bilingual education provides. Staff needs to better understand needs of bilingual students. There is a lack of textbooks and materials in languages other than English. There is no agreed upon philosophy of bilingual education. It needs to be part of an overall strategic plan for the district. Currently the district is underserving the needs of bilingual students. There is no full bilingual program. ESL students, who spend at least half their day in regular classes, need language assistance in those classes. ESL teachers need to assist other teachers in working with bilingual students.		Pending Further District Review
156 VII-28.1	☐ Alt Rec ☑ KPMG Rec	Develop a plan, in coordination with community groups such as the Hispanic Parent Association, to aggressively keep Latino students enrolled in school.			In Process
157 VII-28.2	☐ Alt Rec ☑ KPMG Rec	Utilize ESL/Bilingual Education resources to provide bilingual services to parents and increase community involvement.			Pending Further District Review
158 VII-29.1	☐ Alt Rec ☑ KPMG Rec	Explore expanded opportunities to provide scholarships to students who cannot afford to attend summer school, such as students in the free or reduced lunch programs.		The City of Portland is developing a proposal to fund a program for Summer 1999.	In Process

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
159 VII-30.1	☐ Alt Rec ☑ KPMG Rec	PPS should develop a comprehensive plan to expand its summer school enrollment.			In Process

Achievement Standards & Curriculum Management

SUBJECT	Early Childhood Development & Literacy: The Task Force believes that early childhood development and literacy is a high priority. Literacy serves as a foundational skill for all future student achievement. Investments in early childhood development and literacy should serve all students and will improve overall District student achievement. Our recommendations, however, come at a significant cost. The Task Force recommends the District look to outside resources to support some of this work and use internal resources already developed to their fullest extent. Before acting on our recommendations, the District must resolve the internal tension that exists between supporters of phonics and whole language. The PreK-3 Literacy Benchmarks project endorses a balanced approach incorporating phonics and whole language. It is recommended that the Superintendent and School Board endorse this approach.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
119 VII-6.1	☐ Alt Rec ☑ KPMG Rec	Train all appropriate language arts teachers in the research based early reading strategies to ensure that all students have the benefit of this teacher expertise.	While the PreK-3 Literacy Initiative has been developed, it still struggles with implementation and District acceptance. While the Task Force does not want the District to delay the development of future Literacy Initiatives at other grades, it is important the District fully support the PreK-3 project from the top down if the District wants to ensure the success of future initiatives.	While the Task Force cannot provide an implementation cost, we recommend this as a high priority for the District.	Plan to Implement
120 VII-6.2	☐ Alt Rec ☑ KPMG Rec	PPS should expand the literacy project as a PreK-12 initiative (PreK-3, 4-8, 9-12) and develop a comprehensive implementation and training plan to ensure that quality and continuity in literacy programs is maintained across all levels.	There is an effort to initiate a literacy program for Grades 9-12 lead by Linda Christensen. Some middle schools have initiated their own literacy efforts (some use the CORE program).	There will be a substantial cost for this initiative, however the Task Force is not able to make an estimate.	In Process
133 VII-11.7	☐ Alt Rec ☑ KPMG Rec	In concert with PreK-3 literacy initiative, identify a developmentally appropriate reading test for all second grade students in the spring.	The PreK-3 Literary Initiative Reading Advisory Group began meeting to develop assessment tools for the benchmarks in late February. A representative of the Evaluation Office is part of this team. The District Evaluation Office also provides a reading test for 2nd graders, based on the 3rd grade assessment, but the test is optional by school.	There will be some costs related to material development or purchase, and staff development.	In Process

Achievement Standards & Curriculum Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
160 VII-31.1	☐ Alt Rec ☑ KPMG Rec	Conduct a longitudinal study to compare the quality and cost of Head Start program delivery capabilities.	There is an opportunity for the program to initiate this study, starting in January 1999 with the full day Head Start program at Meek School. Grant was approved in the 1998-99 School Year.	Cost of $50,000 for study suggested by KPMG are less due to District Assessment staff and hourly contracted staff. Grant was approved in 1998-99 School Year.	In Process There is an opportunity for the program to initiate this study, starting in January 1999 with the full day Head Start program at Meek School.
161 VII-31.2	☑ Alt Rec ☐ KPMG Rec	The Task Force recommends increased support to oversee early childhood initiatives (Head Start, Title 1 pre-kindergarten, Early Childhood Education Centers) and therefore central District resources, such as grant writing, need to be fully utilized. The Task Force believes effort needs to be made to support a central District Early Childhood Education Specialist to oversee Head Start, Title 1 pre-kindergarten and Early Childhood Education Centers. This person must have substantial experience in early child development and programs.	Alternative recommendation would support new position. Possible resources of a combination of District and grant funding could support this position. KPMG's recommendation on greater grant coordination would be a one job responsibility for this position.	There may be additional personnel costs if this is a new person, however there may already be District staff that can be focused on this Specialist role. Additional grant funds could support Early Childhood Education Specialist and support coordination activities.	Pending Further District Review
162 VII-32.1	☐ Alt Rec ☑ KPMG Rec	Form an independent committee of administrators, teachers, parents, and community agents to develop a five year plan for the Head Start program that is consistent with the overall strategic direction of PPS.	This recommendation has been stalled for lack of central District coordination on early childhood education programs. While the Task Force believes a committee could be helpful to develop a Head Start plan, we believe that first the District needs to assign a central leader to support and coordinate Early Childhood Education.		Plan to Implement

The Administration, Safety and Policing Task Force reviewed recommendations in the areas of Nutrition Services, Transportation, School Police, Athletics, Enrollment Services, Facility Usage, and Publications. The Task Force explored each area during at least one two-hour meeting and did independent research outside the Task Force meetings. The draft recommendations were then written by one of the Task Force members with a special expertise in that area and edits were made by the whole committee.

For the recommendations on School Police, the Task Force's review was concurrent with changes in District policy to move responsibility for School Police from the District to the City of Portland. At the urging of the District's General Counsel, the Task Force delivered to the Superintendent a separate and independent memo on school police. The Task Force recommendations included setting up a one-year review of the new policies.

Nutrition Services
Recommendations *164 VIII-2.1, 165 VIII-3.1, 166 VIII-4.1, 167 VIII-5.1*
The Task Force and the AISC found inherent contradictions in KPMG's findings for Nutrition Services relating to productivity and capacity. The Task Force and AISC recommends before additional Nutrition Services changes are implemented, the District should do a more thorough investigation of capacity at the central kitchen and at schools. Several recommendations were focused on serving more students, however the Task Force heard testimony that many schools do not have capacity

to serve additional students. Recommendation 165 on closing campuses during lunch is directly impacted by this limitation. It is important to note that cost savings in Nutrition Services will not benefit the General Fund. Because of federal regulations regarding school meals support, Nutrition Services is a separate fund and surplus funds cannot be transferred to the General Fund.

Transportation
Recommendations *209 VIII-32.1, 210 VIII-33.1, 211 VIII-34.1, 212 VIII-35.1, 213 VIII-36.1, 214 VIII-37.1, 215 VIII-37.2*
Transportation issues relate directly to student safety. The Task Force and AISC endorsed the actions the District has taken to implement many of the recommendations, such as increasing the cleanliness of District and Laidlaw buses. The Task Force and AISC also supported returning a safety supervisor position that had been cut earlier but is restored in the District's 1999 budget. In the Transportation area, there was a large degree of controversy over the figures KPMG presented. The Task Force and AISC believes that in order for the District to accurately know its true transportation costs and the costs for Laidlaw, an apples-to-apples cost comparison must be done. This task was beyond the scope of the committee but would be important to determine any real savings. The Task Force and AISC recommends an outside firm do this review.

School Police
Recommendations *216 VIII-38.1, 217 VIII-38.2*
The Task Force believes school police functions are key to the safety

"We strongly urge the District to explore outside use of the central kitchen."

John Osburn,
Chair,
Administration, Safety and Policing Task Force and Attorney, of Counsel, Ball Janik LLP

"We support changes to the management of school police, as long as services are not reduced."

Bernie Giusto
Administration, Safety and Policing Task Force and Chief, Gresham Police Department

"Goals in enrollment can be achieved with existing District staff through cooperation with the existing Multnomah County School Attendance Initiative."

Darrell Tucker
Director of Student Achievement-High School, Portland Public Schools

"The athletic recommendations, such as academic eligibility for athletic participation, are a matter of District policy, therefore the AISC chose to forward them to the Superintendent without comment."

William Scott
AISC and Director, Oregon Economic Development Department

of students and the good reputation of the District. While the Task Force did not initially support moving school police functions to the Portland Police Bureau ("PPB"), during the course of their deliberations, the District agreed to move school police functions under the leadership of the PPB Chief. The Task Force has provided the District guidance on how to manage this new relationship. It was critical to the Task Force and AISC that the current level of school police services be maintained and that District Police remain under a separate command structure.

Athletics
Recommendations *218 VIII-39.1, 219 VIII-39.2, 220 VIII-39.3, 221 VIII-39.4, 222 VIII-40.1, 223 VIII-40.2, 224 VIII-40.3, 225 VIII-40.4, 226 VIII-40.5, 227 VIII-40.6*
The Task Force supported opening sponsorship opportunities for capital projects as an alternative recommendation, but did not endorse seeking general advertising for school athletic functions. The Task Force believes advertising revenues would be unreliable, often resulting in products instead of cash and pursuit of such would not be an appropriate use of limited staff time. To enhance grant funds for athletics, the Task Force recommends that the Athletics Department work closely with the Portland Public Schools Foundation to develop and implement a plan for fundraising.

The Task Force heard testimony that available school athletics were already used to their maximum. The Task Force did not support initiating a middle school athletics program, but instead supported further District cooperation with other community organizations to provide student

opportunities. To further enhance the goals of the recently implemented academic eligibility requirements for athletics, the Task Force suggests the District create guidelines for a District-wide tutoring program. The AISC felt that many of the athletics issues were District policy decisions and so, because of time constraints, forwarded the full set of recommendations directly to the Superintendent without comment.

Enrollment Services
Recommendations *14 II-7.1, 17 II-10.1, 18 II-11.1*
Increasing student enrollment can have a direct impact on the health of the community and can increase District revenues. The Task Force and AISC endorsed the recommendations regarding Enrollment Services, however they did not support adding a full-time employee to seek out non-enrolled students. Instead the Task Force heard testimony that this goal can be accomplished with existing staff and through greater cooperation with school attendance programs such as the new initiative by Multnomah County.

Facilities Usage
Recommendations *171 VIII-8.1, 172 VIII-9.1*
The Task Force does not support increasing marketing of District facilities until the District has set clear policies, procedures and rental rates for facilities. The Task Force supports using part-time custodial staff for weekend and after hours rental usage. These recommendations were also reviewed by the Facilities Utilization Task Force.

Publications

Recommendations *100 VI-22.1, 101 VI-23.1, 102 VII-24.1*

The Task Force and AISC endorse the implementation of the Publications recommendations undertaken by the District. The Task Force and AISC encourage the Publications Department to continue to seek out opportunities to work with other local governmental agencies on printing services.

Administration, Safety and Policing

SUBJECT	Nutrition Services: The Task Force found inherent contradictions in KPMG's recommendations for Nutrition Services relating to productivity and capacity. We recommend before additional Nutrition Services changes are implemented, the District do a more thorough investigation of capacity at the central kitchen and at schools. Several recommendations were focused on serving more students, however the Task Force heard testimony that many schools do not have capacity to serve additional students. Recommendation 165 on closing campuses during lunch is directly impacted by this limitation. It is important to note that cost savings in Nutrition Services will not benefit the General Fund. Because of federal regulations regarding school meals support, Nutrition Services is a separate fund and surplus funds cannot be transferred to the General Fund.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
163 VIII-1.1	☐ Alt Rec ☑ KPMG Rec	Improve merchandising of Nutrition Services at the middle schools and high schools.	Improve merchandising of Nutrition Services at the middle schools and high schools. PPS should aggressively assist Nutrition Services to appeal to high school students in a manner that benefits their tastes and interests. Improving merchandising and adding food court concept typically has dramatic impacts on middle and high school participation. This is the case more so in districts where there are traditional, sterile, visually unappealing food service lines. PPS could merchandise its own food products better by using more kiosks, flags, and professionally developed signage. This could increase revenues by approximately $513,000 and profits by approximately $51,000 (assuming a 10% gross margin).	Additional revenue would accrue to Nutrition Services, however this fund is separate from the PPS General Fund and would be limited to reuse for Nutrition Services.	Rejected
164 VIII-2.1	☑ Alt Rec ☐ KPMG Rec	Disallow or strictly limit competitive food sales on school grounds. Do not impose any limitations on the conduct of food sales or the operation and use of external vending machines, until comprehensive in-depth analysis is completed which definitively and factually establishes: 1) what the fiscal impact would be on those groups and organizations that now profit from competitive food sales, and 2) if the existing food service infrastructure and staffing compliment can serve any significant increase in patrons. Seek to improve vending programs through higher commissions or more effective contract administration.	According to the Director of Nutrition Services, federal regulations do not prohibit all food sales, but they do specify that "competitive food sales" (those in a cafeteria, in a hallway that leads to a cafeteria, or in a room or area adjacent to a cafeteria at the time that federally funded programs are being served) are not allowed. The Director of Nutrition Services informed the Taskforce that the District's major concern regarding competitive food sales is not primarily the loss of revenue to competitors, but rather it is the loss of federal revenue, $8,000,000 per year, that could occur if the sales are not conducted in accordance with federal regulations. The Task Force is concerned that limiting "competitive sales" may hurt the programs that rely on such funding (such as athletics, students clubs and other special projects). However, the need for maintaining federal support outweighs this concern.		Further District Review Pending

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
165 VIII-3.1	☐ Alt Rec ☑ KPMG Rec	PPS should investigate the feasibility of closing campuses at lunch.	Eliminating unsafe student practices is a desirable benefit. The schools must be able to manage the increase in lunch time volume and address students' disappointment concerning limited lunch choices. There may be additional costs from implementation such as paying staff to supervise students. Some schools may not be able to control a parking area easily.		Further District Review Pending
167 VIII-5.1	☐ Alt Rec ☑ KPMG Rec	Continue practices to leverage staff productivity.		There may be some costs related to employee education, but would probably be covered under current budget.	In Process
168 VIII-6.1	☐ Alt Rec ☑ KPMG Rec	Consider hiring an industrial psychologist to determine the best use of the central kitchen.	As was noted in the Task Forces recommendation regarding KPMG's Finding Number VIII-1, there appears to be a significant inconsistency between Finding Number VIII-6 and Finding Number VIII-1 regarding the capacity of the central kitchen. In Finding VIII-1, KPMG concludes the central kitchen is operating over its designed capacity. In Finding VIII-6, KPMG concludes the central kitchen is operating significantly under its designed capacity. Furthermore, KPMG apparently did not assess the capacity of the dining facilities at the local schools given current or alternative schedules.		Rejected
169 VIII-6.2	☐ Alt Rec ☑ KPMG Rec	Identify potential outside customers to expand the utilization of central kitchen resources.	As was noted in the Task Force's recommendation regarding KPMG's Finding Number VIII-1, there appears to be a significant inconsistency between Finding Number VIII-6 and Finding Number VIII-1 regarding the capacity of the central kitchen. In Finding VIII-1, KPMG concludes the central kitchen is operating over its designed capacity. In Finding VIII-6, KPMG concludes the central kitchen is operating significantly under its designed capacity. Furthermore, KPMG apparently did not assess the capacity of the dining facilities at the local schools given current or alternative schedules.		Rejected

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
16 VIII-4.1	☐ Alt Rec ☑ KPMG Rec	Conduct a thorough assessment of the extent to which there are potential dangers of poor equipment usage.		Because Nutrition Services funds cannot be spent on capital equipment at schools, there would be a cost to the PPS General Fund for any equipment improvements.	Plan to Implement

Administration, Safety and Policing

Transportation: Transportation issues relate directly to student safety. The Task Force endorsed the actions the District has taken to implement many of the Transportation recommendations, such as increasing the cleanliness of both PPS and Laidlaw buses. The Task Force also supported returning a safety supervisor position that had been cut earlier but is the District's 1999 budget. In the Transportation area, there was a large degree of controversy over the figures KPMG presented. The Task Force believes that in order for the District to accurately know its true transportation costs and the costs for Laidlaw, an apples-to-apples cost comparison must be done. This task was beyond the scope of our committee but would be important to determine any real savings. The Task Force recommends an outside firm do this review.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
209 VIII-32.1	☐ Alt Rec ☑ KPMG Rec	Student Transportation should continue to compare overall maintenance costs to internal PPS costs.	Potential cost savings would be a benefit to the District. Due to PPS' ability to purchase at discounted pricing, the Task Force could not support the expense of a study to determine possible cost savings. Student safety should be highest concern for transportation maintenance. This might be compromised by outside contractor. Cost savings may not exist or be very limited.		Rejected
210 VIII-33.1	☐ Alt Rec ☑ KPMG Rec	PPS may continue to consider the use of moveable vehicle lifts in the Transportation Garage.	Current system meets mechanics needs. Costs do not seem necessary.		Rejected.
211 VIII-34.1	☐ Alt Rec ☑ KPMG Rec	PPS should implement higher cleaning standards for its buses.			Done
212 VIII-35.1	☐ Alt Rec ☑ KPMG Rec	Increase the use of field supervisors to monitor the actions of bus drivers and increase supervision of the operations.	Improved safety. Cost to District.		Done Hired One More FTE
213 VIII-36.1	☐ Alt Rec ☑ KPMG Rec	PPS should hire a ½ full-time equivalent staff and establish formal procedures for routine inspections of Laidlaw facilities and audits of their time reporting and billings.	Enhanced safety, better use of limited resources. Appears to be part of current policies.	Cost of ½ time FTE.	In Process

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
214 VIII-37.1		Conduct a cost benefit analysis in conjunction with the current costing analysis that PPS produces to determine the savings associated with transferring transportation responsibilities to an alternative contractor.	Significant cost savings, better use of resources. May not be able to make adjustments in current contract	The Task Force has some doubt to the magnitude of KPMG's cost savings estimate. At the time the contract was let, only two contractors bid, one with bid only on partial services.	Rejected
215 VII-37.2		Explore restructuring the provision of transportation service and consider the potential to maintain title to the Laidlaw buses.	Increases District assets. Does not appear legal.		Rejected

Administration, Safety and Policing

SUBJECT	School Police: The Task Force believes school police functions are key to the safety of students and the good reputation of the District. While the Task Force did not support moving school police functions to the Portland Police Bureau, during the course of our deliberations, the District agreed to move school police functions under the leadership of the PPB Chief. The Task Force has provided the District guidance on how to manage this new relationship. It was critical to the Task Force that the current level of school police services be maintained and that PPS Police remain under a separate command structure.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
216 VIII-38.1	☑ Alt Rec ☐ KPMG Rec	The Task Force recommends that the two departments continue to aggressively pursue the "leveraging of services" that will directly benefit the School District and reduce the cost of police service to the District whenever possible. The Taskforce believes the Portland School Police and the Portland Police Bureau are actively exploring every opportunity to "leverage services" which would result in cost savings to the District. There seems to be no "turf issues" between the two departments. Instead it appears that the two agencies, while having distinctly different missions, have found a way to maximize each other's strengths. This results in the enhanced safety of both the school District and the community as a whole.	The Taskforce is very concerned that the decision to incorporate the Portland School Police with the Portland Police Bureau not lose sight of the long-term effects which would occur if less focus is placed on the service priorities of the District. In our opinion it is extremely important that the school police be viewed as accountable first and foremost to the school District and use the very stable framework of the PPB to leverage service.	Significantly less than KPMG's estimate. The $238,000 savings identified in the consultant's report is based on a one for one trade off which seems overly optimistic and raises serious service level issues which bear directly on the safety of the school District's students, staff and facilities. The loss of all, or most, of the specific services identified would undoubtedly be unacceptable to the District. The cost of maintaining these services by contract with another department or security firm would substantially impact the cost savings referred to in the consultant's report.	In Process
217 VIII-38.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Develop an agreement with City of Portland to provide school police functions, specifying level of service required and ensuring dedicated school police patrol support.	See 213		See #213

Administration, Safety and Policing

SUBJECT	Athletics: The Task Force supported opening sponsorship opportunities for capital projects as an alternative recommendation, but did not endorse seeking general advertising for school athletic functions. The Task Force believes advertising revenues would be unreliable, often results in products instead of cash and not an appropriate use of limited staff time. To enhance grant funds for athletics, the Task Force recommends that the Athletics Department work closely with PPS Foundation to develop and implement a plan for fundraising. The Task Force heard testimony that available school athletics facilities were already used to their maximum. The Task Force did not support initiating a middle school athletics program, but instead supported further District cooperation with other community organizations to provide student opportunities. To further enhance the goals of the recently implemented academic eligibility requirements for athletics, the Task Force suggests the District create guidelines for a District-wide tutoring program. The Task Force recommends the AISC take the following actions:

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
218 VIII-39.1	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	PPS should allow sponsorship of capital projects, such as scoreboards. District should recognize that this would benefit individual schools and not general Athletics operations at the District level. PPS should examine their policy against advertising and determine if there is adequate costs/benefits for hiring staff to pursue advertising revenues.	Direct benefit to individual schools with capital needs. Capital sponsorship does not benefit General Fund; advertising revenues are difficult to predict and therefore may not be stable funding source for general operations.	Difficult to determine. Portland Parks testimony said direct cash was limited but they had success in sponsoring capital projects.	Further District Review Pending
219 VIII-39.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	The Athletics Department should work with the PPS Foundation to develop a plan and specific goals for fundraising.	May provide funds to support specific programs. Unpredictable source of funds; funds will most likely support specific programs and not general operations.	Difficult to determine specific fundraising revenues and may not be predictable source of funds. In general, funds will probably be directed toward specific programs and not general operations.	Further District Review Pending

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
220 VIII- 39.3	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Develop an aggressive plan to seek funding sources	.		See #219
221 VIII- 39.4	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Establish a strategy to form ongoing coalitions with local soccer, baseball, and basketball organizations.	May provide support for specific PPS programs. Support will probably be directed to specific programs and not general operations; may take significant staff time for limited benefit.	Difficult to determine	Further District Review Pending
222 VIII- 40.1	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Alternative would provide access to more programs for more students. There still remains limits on high school participation because of lack of high school facilities and funding.	PPS should explore a deeper partnership with Portland Parks and Recreation Bureau to focus on providing athletics programs to middle schools and to develop greater access for the community to District facilities.	The Task Force strongly disagrees with KPMG's assertion that a middle school athletics program could generate revenue: 1) revenues would be offset by program operation costs, generating no net revenue gain, 2) the savings figure is based on pay to play, which would limit participation.	Further District Review Pending

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
223 VIII-40.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Initiate an aggressive campaign to recruit more freshmen and sophomores to athletic program.	Provides positive afterschool activities for students. Facilities and finances for additional programs are limited; programs do not exist at junior varsity and varsity level to support increased inflow.		Further District Review Pending
224 VIII-40.3	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Evaluate the effectiveness of the new academic requirement policy on an ongoing basis.	An effective academic policy can increase certain athletes' academic achievement.		Plan to Implement
225 VIII-40.4	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	The District should provide clear guidelines and resources for tutoring programs at the high school level District-wide. Ensure successful compliance with the revised academic requirement policy by increasing the oversight of teachers, coaches, and probationary and/or ineligible students by central District staff.	Effective tutoring will benefit all students, not just athletes. Cost to implement.	Resources should be provided to schools for tutoring programs. Volunteer and charitable foundation support should be sought (see Recommendation 220).	Further District Review Pending

Administration, Safety and Policing

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
226 VIII-40.5	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with no comment	Carefully monitor student attendance at tutoring sessions.			Further District Review Pending
227 VIII-40.6	☐ Alt Rec ☑ KPMG Rec	Explore possibility of a "no pass, no play" provision which renders any student who fails a class automatically ineligible to participate.			Done

Administration, Safety and Policing

SUBJECT	Enrollment Services: Increasing student enrollment can have a direct impact on the health of the community and can increase District revenues. The Task Force endorsed the recommendations regarding Enrollment Services, however we did not support adding an FTE to seek out non-enrolled students. Instead the Task Force heard testimony that this goal can be accomplished with existing staff and through greater cooperation with dropout retrieval programs such as the new initiative by Multnomah County.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
14 II-7.1	☐ Alt Rec ☑ KPMG Rec	PPS should improve its enrollment forecasting approach.			In Process
17 II-10.1	☐ Alt Rec ☑ KPMG Rec	PPS should transfer the tracking of Residential Contingency Students to the school level where interaction with the students occurs on a day-to-day basis.			In Process
18 II-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should enhance current staff functions to allow Enrollment Services to aggressively seek out and attract additional students. District should continue to work closely with Project Return and other programs to re-enroll students. PPS should focus on programs to retain these students once re-enrolled. PPS should explore providing services to home school students, including encouraging participation at underenrolled schools and in afterschool programs. PPS should explore offering an Internet school to support home school students or other special needs students.	Better serves community need; encourages student achievement; increase District resources. May be difficult to implement amidst other District priorities.	There are 778 home school students registered with Multnomah County. This total group presents over $3 million in direct school support. While the Taskforce does not believe the District can re-enroll all these students, providing services to these students could increase revenues significantly.	Partially In Process Further District Review Pending

Administration, Safety and Policing

SUBJECT	Publications: The Task Force endorses the implementation of the Publications recommendations undertaken by the District. We encourage the Publications Department to continue to seek out opportunities to work with other government agencies on printing services.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
100 VI-22.1	☐ Alt Rec ☑ KPMG Rec	Maximize the volume of impressions produced in-house.	Current system appears to work well. Department is making regular increases in productivity.		In Process
101 VI-23.1	☐ Alt Rec ☑ KPMG Rec	Dispose of obsolete equipment as soon as possible to maximize the amount of proceeds that may be obtained.	Better use of limited office space.	There was no fiscal benefit because equipment was obsolete and had no market value.	Plan to Implement
102 VI-24.1	☐ Alt Rec ☑ KPMG Rec	Consider further staff reductions in the former Word Processing department.		RE: Actual merger saw cost savings of approx. $60,000.	Done One FTE Reduction

Administration, Safety and Policing

The Bond recommendations relate to three fundamental problem areas:

1) Fragmented oversight of Bond contracts and management,
2) Co-mingling of capital funds with general funds,
3) Inadequate accounting systems in place.

Fragmented Oversight

Recommendations *181 VIII-18.1, 182 VIII-18.2, 183 VIII-18.3, 184 VIII-19.1, 185 VIII-20.1, 186 VIII-21.1, 187 VIII-21.2, 188 VIII-21.3, 189 VIII-22.1, 190 VIII-22.2, 191 VIII-22.3, 192 VIII-23.1, 193 VIII-24.1, 194 VIII-24.2, 195 VIII-24.3, 196 VIII-25.1, 197 VIII-25.2, 198 VIII-26.1, 199 VIII-27.1, 201 VIII-28.1, 202 VIII-29.1, 206 VIII-31.1, 207 VIII-31.2, 208 VIII-31.3*

The majority of the recommendations focused on fragmented oversight of the bond management process.

The Bond Task Force reviewed the findings and recommendations very carefully. Additional information was gathered from past contractors, the project manager and District staff in an effort to understand how to best remedy the problems that were identified. The Task Force differed from KPMG on how and why some of these problems may have occurred but decided to focus their attention on working with the District to improve the bond management system. Since the Task Force concluded its agenda, many changes have occurred in the District, and improvements can already be seen.

The District has already hired a Project Manager. The Project

Manager should have clear lines of accountability and the ability to establish an organizational structure that will result in improved oversight and management of bond funds.

The Task Force and the AISC believe that the new Project Manager should be free to establish his own organizational structure as long as the sound management principles identified in the recommendations are achieved. However, in reviewing the recommendations, the Task Force did develop a management structure (see following page) aimed at eliminating duplicative or unnecessary efforts and solving some of the oversight issues. It is the understanding of the Task Force that the new Project Manager is implementing a system that is similar to this one.

Co-mingling of Capital and General Funds, and Inadequate Accounting Systems

Recommendations *200 VIII-27.2, 203 VIII-30.1, 204 VIII-30.2, 205 VIII-30.3*

The remaining recommendations address co-mingling of bond and general fund dollars and having inadequate systems in place to track bond projects. To assess the current status of this situation, all Phase 3 bond projects were put on hold. A new Bond Project Manager has been hired and the Physical Plant office has been reorganized as Facilities and Asset Management with a new Director. The new Director of Facilities and the new Bond Project Manager are working together to determine and segregate bond and

general fund projects. The District is including implementation of a new Facilities Management Information System in its system replacement project.

Further Direction To The District

The Task Force commends the District on the actions that have already been taken in solving some of these problems and encourages the District to continue to monitor and work on these three problem areas.

"Reorganization of the Physical Plant office recognizes the importance of facilities asset management as a key part of the District's fiscal strategy."

Alan Beard
Bond Management Task
Force and Principal, GBD
Architects

Management Structure

Portland Public School Board

Superintendent

Executive Committee

Project Manager

Design, Review and Control

Budget Control

Project Manager

Project Manager

Project Manager
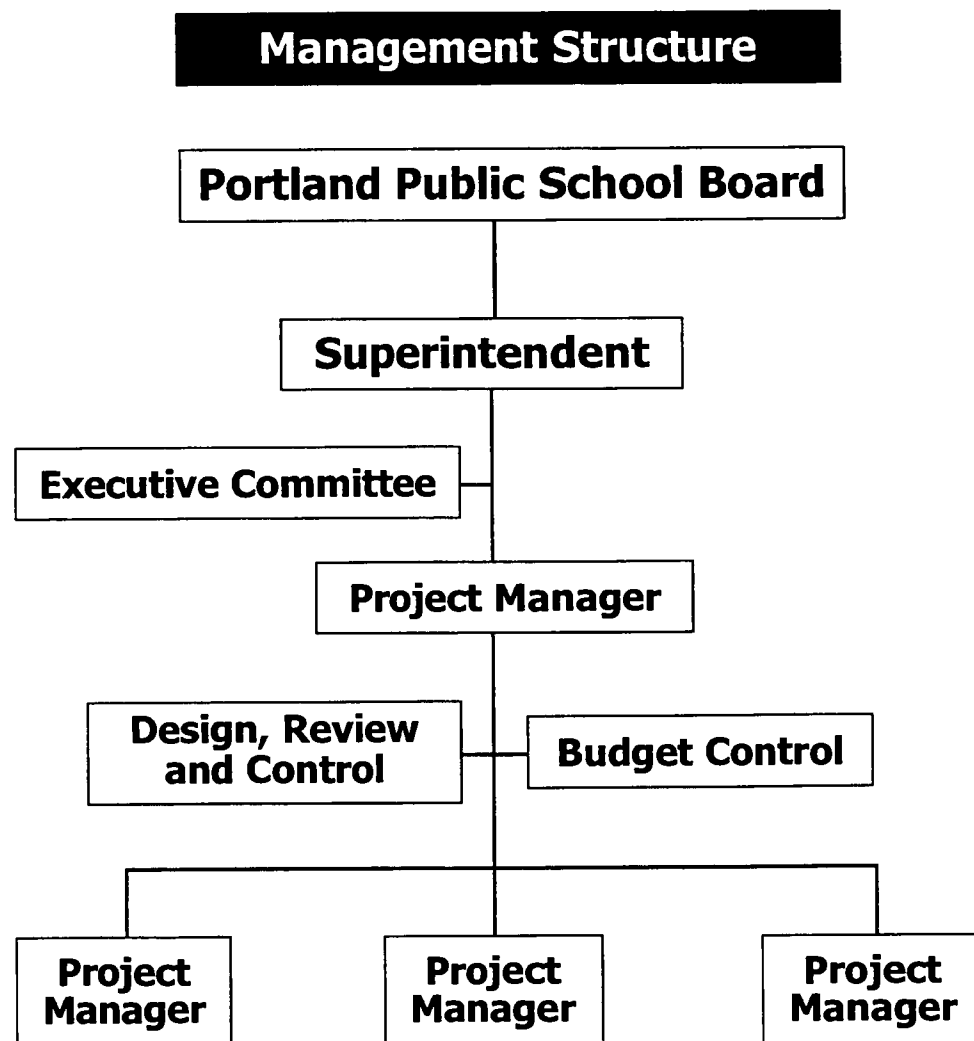
Bond Management

SUBJECT	Fragmented Oversight: The majority of the recommendations (181-199; 201, 202, 206-208) all have to do with problems that were identified by KPMG related to fragmented oversight of the Bond Management Process. Some of KPMG's findings include (finding VIII 18) not incorporating important industry accepted best practices; (finding VII 20) not having a formal Program Management Office for monitoring its own facilities; (finding VIII-23) multiple change orders splitting out work; and (finding VIII 28) Program organization can be improved. The Bond Task Force reviewed the findings and recommendations very carefully. Additional information was gathered from past contractors, the project manager and PPS staff in an effort to understand how to best remedy the problems that were identified. The Task Force differed from KPMG on how and why some of these problems may have occurred but decided to focus their attention on working with PPS to improve the bond management system. Since the Task Force has been meeting, many changes have occurred and improvements can already be seen.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
181 VIII-18.1	☑ Alt Rec ☐ KPMG Rec	Establish a project management system that will provide for better control and oversight of the Bond Program.	The Taskforce does not believe PMI (Project Management Initiative) standards are appropriate for PPSdue to its failure to recognize the need of multiple stakeholders. The KPMG finding does not fully incorporate industry best practices. If the District is going to hire a program manager, then let that person determine the management style.		In Process GENERAL STATEMENT REGARDING BOND RECOMMENDATIONS: Steven Poage has been hired as Program Director for the bond program. Pam Brown has been named Director of Facilities and Asset Management. New policies & procedures reflecting task force recommendations are being implemented. The Program plan is being developed. Project priorities proposed in the plan will be brought to the Board for approval.
182 VIII-18.2	☑ Alt Rec ☐ KPMG Rec	Establish training to introduce best practices into PPS' management.			Plan to Implement

Bond Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
183 VIII-18.3	☑ Alt Rec ☐ KPMG Rec	Establish a Program Management team to provide oversight for all bond programs and projects within PPS.	It is essential that oversight be provided by someone with experience in construction management and who has the authority to direct the program.		In Process
184 VIII-19.1	☑ Alt Rec ☐ KPMG Rec	A PPS level Program Management Plan should optimize the management of all aspects of the program.	It is necessary to do more than standardize the management of the program. It is essential that a program plan be developed and followed.		In Process
185 VIII-20.1	☐ Alt Rec ☑ KPMG Rec	Establish a Program Management Office, the charter of which would be to ensure all project management tools and techniques are used uniformly across the Program.	Do not refer recommendation. Drop because it repeats #183.		Rejected
186 VIII-21.1	☑ Alt Rec ☐ KPMG Rec	The Program Manager should have the proper delegation of authority from the Board and Superintendent with appropriate monetary instructions and legal oversight.	Ensures proper protection of the school District and its employees.		In Process
187 VIII-21.2	☑ Alt Rec ☐ KPMG Rec	If it is not within the Director, Physical Plant's responsibility to sign change orders on behalf of PPS, then a committee should be established to review all change orders signed to date.			Rejected
188 VIII-21.3	☑ Alt Rec ☐ KPMG Rec	Freeze any further change orders unless there has been written agreement and the work has been done by the contractor or designer in good faith.	The freeze would provide time to put best managment practices in place. The District needs to take care not to damage their working relationship with contractors who have performed in good faith.		Done

Bond Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
189 VIII-22.1	☑ Alt Rec ☐ KPMG Rec	All change orders and recommendations must be in compliance of state laws and PPS policies.	The following comment is neither pro nor con: If it was done incorrectly in the past it is irrelevant. Procedures and policies are now established to ensure that no future problems will occur. The District needs to take care not to damage their working relationship with contractors who have performed in good faith.		In Process
190 VIII-22.2	☐ Alt Rec ☑ KPMG Rec	Review the contracts that exceed the established limits.			Rejected
191 VIII-22.3	☑ Alt Rec ☐ KPMG Rec	Board should view contracting policies and procedures vis-a-vis current state laws (OAR and ORS) to determine if changes are appropriate.			In Process
192 VIII-23.1	☐ Alt Rec ☑ KPMG Rec	Establish a Change Control Board chartered to provide the oversight needed to monitor and prevent inappropriate change-order "splitting".			Rejected
193 VIII-24.1	☑ Alt Rec ☐ KPMG Rec	#183 establishes a Program Management team and an alternative structure will be provided by the Taskforce.	Agree with the finding.		In Process
194 VIII-24.2	☑ Alt Rec ☐ KPMG Rec	The School Board should assign a designee to serve on the Executive Committee.	Alternative language clarifies the responsibility of the designee. Assures that the School Board's goals are being met.		Further District Review Pending

Bond Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
195 VIII-24.3	☑ Alt Rec ☐ KPMG Rec	Establish an Executive Committee composed of a School Board Designee, CFO or CFO designee and two citizen representatives. This committee shall replace the Citizen Bond Advisory Committee.	Useful managment practice.		In Process
196 VIII-25.1	☑ Alt Rec ☐ KPMG Rec	Re-evaluate the CM/GC goal in seven years.			Plan to Implement
197 VIII-25.2	☐ Alt Rec ☑ KPMG Rec	Establish an Executive Steering Committee, created as a component of the School Board.			In Process
198 VIII-26.1	☑ Alt Rec ☐ KPMG Rec	Transfer the Community Budget Advisory Committee (CBAC) responsibilities to the Executive Committee and eliminate the CBAC. If promotional/educational responsibilities become needed on Bond issues, a new CBAC should be reconstituted.			Rejected
199 VIII-27.1	☑ Alt Rec ☐ KPMG Rec	On large complex projects establish a Work Breakdown Structure and institute a formal authorization process.			Plan to Implement

Bond Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
201 VIII-28.1	☑ Alt Rec ☐ KPMG Rec	Program should be reorganized as illustrated in Exhibit VIII-14.	Alternative Program Manager structure will result in greater clarity and timely decision making.		In Process
202 VIII-29.1	☑ Alt Rec ☐ KPMG Rec	Project Manager is responsible for quality control.	Quality management should be the responsibility of the Project Manger.		In Process
206 VIII-31.1	☑ Alt Rec ☐ KPMG Rec	Reporting expectations for the new Project Manager should be developed by the Executive Committee.			In Process
207 VIII-31.2	☑ Alt Rec ☐ KPMG Rec	Program Manager should provide a final report as directed by the Executive Committee.	Improves management practices.		Plan to Implement
208 VIII-38.3	☐ Alt Rec ☑ KPMG Rec	Its recommended the statement, in the sixth paragraph, stating "...the work was successfully achieved" be considered based on the final agreed upon scope and budget and not in relation to the initial scope of the Facility Improvement Program described projects.			Rejected

Bond Management

| SUBJECT | Co-mingling of Funds and Inadequate Accounting Systems: The remaining recommendations have to do with co-mingling of bond and general fund dollars and having inadequate systems in place to track bond projects. To assess the current status of this situation all Phase 3 bond projects were put on hold. A new Bond Project Manager has been hired and the Physical Plant office has been reorganized as Facilities and Asset Management with a new Director. The new Director of Facilities and the new Bond Project Manager are working together to determine and segregate bond and general fund projects. |

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
200 VIII-27.2	☐ Alt Rec ☑ KPMG Rec	Proceed with the Financial Management Information System (FMIS) purchase and installation.	This should be a high priority recommendation.		In Process Part of system replacement project.
203 VIII-30.1	☐ Alt Rec ☑ KPMG Rec	A method to provide sound cost management must be developed.			In Process
204 VIII-30.2	☐ Alt Rec ☑ KPMG Rec	Map budget expenditures to actual expenditures.			Plan to Implement
205 VIII-30.3	☐ Alt Rec ☑ KPMG Rec	Establish systems to ensure accountability of contingency funds.			Plan to Implement

The Communication, Public Policy and Special Education Task Force separated the KPMG recommendations into three groupings. Special Education was assigned to a separate subgroup with expertise in Special Education.

Communications Policy

Recommendations *7 II-4.1, 8 II-4.2, 9 II-4.3, 28 III-5.1, 29 III-6.1, 30 III-7.1, 31 III-7.2, 35 III-10.1, 36 III-10.2, 70 VI-3.1*

The Task Force and AISC strongly believe that the District must commit to two-way communications and an ethic of community involvement. The situation is critical and underlies most, if not all, the Distric's problems with its internal and external stakeholders. Communication within and between the central administrative office and the schools is particularly poor. In addition, the District has all but eliminated its Public Information Office (PIO) and the Task Force and AISC strongly recommends that corrective action be taken immediately. Several of the recommendations provide the basis for a well-planned, inclusive, and goal-directed outreach result. Specifically:

• The Board must initiate and adopt a values statement and policies regarding community involvement and communications, both internal and external. Benchmarks for achievement should be established for accountability.

• The Board must initiate the development of a community involvement/communications plan. Professional communications research should be conducted imme-

diately. This will provide the District and Board with the basis for benchmarks and direction for the community involvement/communications plan. The plan should be reviewed and updated annually by the Board.

• Involvement by the public in developing the plan is essential. A group of professionals should put together a Request For Proposal (RFP) for the development of the community involvement/communications plan, which should include an advisory group of stakeholders (students, parents, teachers, staff, and other community members) to assist in the development of the communication plan.

• New technology such as e-mail and the implementation of a website will greatly enhance the District's communication, internally and externally.

The AISC and the Task Force urge the immediate hiring of one full-time person to assist the current PIO. In our deliberation, we reviewed information from other public school districts throughout the state and country, and found the District sorely lagging behind in community engagement efforts.

Public Policy

Recommendations *16 II-9.1, 32 III-8.1, 33 III-9.1, 34 III-9.2, 69 VI-2.4*

The Task Force and AISC believe that the District should advocate for additional resources, and that simply redistributing the state funding formula is both unrealistic and unsatisfactory. The Task Force feels confident that the District has improved its position with the hiring of the General Counsel and Chief Financial Officer, both of whom bring credibil-

ity, knowledge, and experience to the District.

Past information was both inaccurate and inconsistent. Involving the community at large, teachers, administrators, business leaders, parents, and students will assist the development and adoption of any public policy plan.

Special Education

Recommendations *145 VII-19,1, 146 VII-20.1, 147 VII-21.1, 148 VII-21.2, 149 VII-22.1, 150 VII-22.2*

The special education subgroup, the Task Force and the AISC agreed with many of the recommendations, some of which are already being implemented by the District. The Task Force preferred the alignment around school levels, not special education functions. As with the other recommendations concerning legislative action, the group supports seeking additional funding for special education. Specifically, the committee believes that the District should work with other districts to raise the cap on special education reimbursements from 11% to 12%, and to consider a fund to help offset the costs of students with complex needs that can only be met in districts with certain resources.

The Task Force believes that Student Learning Centers should be located as close to the students as possible, even if the student is in a categorical classroom. The committee also recommends that the District do a cost/benefit analysis of the special education transportation costs associated with its current program delivery model.

"Learning centers should be located as close to the student as possible."

Heidi Knodell
Communication, Policy
and Special Education
Task Force

Communication, Public Policy & Special Education

SUBJECT	Communication Policy: PPS must commit to two-way communications, and an ethic of community involvement. The situation is critical and underlies most if not all the District's problems with its internal and external stakeholders. Communication within and between BESC and the schools is particularly poor. In addition, PPS has all but eliminated its Public Information Office and the Task Force strongly recommends that corrective action be taken immediately. Several of the recommendations provide the basis for a well-planned, inclusive, and goal-directed outreach result. Specifically:

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
7 II-4.1	☑ Alt Rec ☐ KPMG Rec	PPS must be committed to the involvement of all stakeholders, both in and outside of PPS, in the development and implementation of policies and practices that promote the educational excellence of our city's children. To facilitate this objective, a comprehensive, research-based community involvement/communications plan must be developed and implemented coordinated with the District's strategic planning process. This should be updated annually and approved by the Board annually. The communications department must be adequately staffed and funded. Two-way involvement and outreach strategies should use all appropriate technology.	A community involvement/communications plan is an essential tool for engaging the stakeholders and marketing the District. The success of the District has been hampered by a lack of resources for two-way communications. The TF strongly urges the District to support the immediate implementation of the alternative recommendation, with the realization that any community involvement plan should follow a strategic plan-something that has not yet been developed for PPS. The following elements should be in the plan: • The School Board should establish policies regarding a community involvement plan: what kind of public involvement is expected, etc. • The community involvement/communications plan needs to be reviewed each year and approved by the Board. • The plan should include a statement of the value in involving the public in the development of the District's strategic plan. • Someone in the Communications Department should be assigned to work with each of the schools to help tailor the plan. • A realistic budget covering materials and staffing must be included. • The plan should be more than simply marketing the District or disseminating information. PPS must implement a two-way community involvement plan, not just a communications plan.	$100,000 125,000 cost to conduct research and develop community involvement plan. Some of these funds could come from private sources. Operating resources should be at a level that is commensurate with the peer average, currently a staff of three.	Plan to Implement

Communication, Public Policy & Special Education

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
8 II-4.2	☑ Alt Rec ☐ KPMG Rec	As part of the community involvement/communications plan, develop materials to communicate the mission, capabilities, and accomplishments of PPS.	The Task Force believes PPS should have materials that clearly and completely communicate the mission, capabilities, and accomplishments of PPS.		Plan to Implement
9 II-4.3	☑ Alt Rec ☐ KPMG Rec	As part of the community involvement plan, develop a systematic plan and technology for internal communication, including methods for transmitting information.	The Task Force believes PPS should have technology systems to efficiently and effectively communicate internally.		Plan to Implement
28 III-5.1	☑ Alt Rec ☐ KPMG Rec	Add communication staff positions to raise the staffing of the communication department up to the peer level referred to in Exhibit III-2 in the KPMG report as soon as possible.	The Task Force strongly believes that the communications and outreach staffing is insufficient for the current responsibilities and even more so for the responsibilities required to implement a community involvement plan. Immediate needs should be addressed by reallocating one general staff person with writing capabilities to the PIO. The Task Force also discussed the possibility of a loaned executive for a maximum of six months. The Task Force believes there should be staffing at the same level as peer Districts. Adding one analyst position appears to be both insufficient and too prescriptive. The proposed advisory committee should bring a recommendation of type and numbers of community involvement staff to the Board.	Costs are included in 7 II-4.1	Pending budget outcome
29 III-6.1	☑ Alt Rec ☐ KPMG Rec	In conjunction with the Superintendent, clearly document the roles and responsibilities and evaluate the performance of the Director of Public Information.	The Task Force strongly supports the alternative recommendation as part of the community involvement plan. It is essential that all roles and responsibilities are clearly defined for effectiveness and accountability purposes.	Costs are included in the 7 II-4.1.	Plan to Implement
30 III-7.1	☑ Alt Rec ☐ KPMG Rec	Protocol/procedures for Board information to the public should be incorporated in the community involvement plan.	The Task Force strongly supports the recommendation within the framework of a community involvement/communications plan. The PIO should have an ex-officio role with the Board.	Costs are included in 7 II-4.1.	Plan to Implement

Communication, Public Policy & Special Education

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
31 III-7.2	☑ Alt Rec ☐ KPMG Rec	Create detailed procedures making information requests of managers and school staff as part of the community involvement plan.	The Task Force strongly supports the recommendation within the framework of a community involvement plan.		Plan to Implement
35 III-10.1	☐ Alt Rec ☑ KPMG Rec	The Legal Unit, Budget Unit and PIO should work together to establish and communicate electronic versions of PPS Policies and Regulations.	The Task Force believes the District should take greater advantage of electronic communication internally and externally. The Task Force is concerned that technological upgrades may not occur quickly and not all personnel now have access to electronic communication. Efforts should be made in the meanwhile to share policy changes through staff meetings and paper dissemination.		Plan to Implement
36 III-10.2	☑ Alt Rec ☐ KPMG Rec	PPS should establish methods for communicating regulation and policy changes via electronic mail and other appropriate methods.	The Task Force believes the District should take greater advantage of electronic communication internally. The Task Force is concerned that technological upgrades may not occur quickly and not all personnel now have access to electronic communication. Efforts should be made in the meanwhile to share policy changes through staff meetings and paper dissemination.		Plan to Implement
70 VI-3.1	☑ Alt Rec ☐ KPMG Rec	This Recommendation should be considered as part of the communications plan (Recommendation 7 II 4.1). (PPS has followed applicable State budgeting regulations and holds public budget meetings, but community participation in the budget process needs to be expanded.)	A community involvement plan is an essential tool for engaging the stakeholders in the budget process. The success of the District has been hampered by a lack of resources for and commitment to two-way communications. The TF strongly urges the District to support the immediate implementation of the alternative recommendation, with the realization that any community involvement/communications plan should follow a strategic plan-something that has not yet been developed for PPS. Both of these plans should be expressed in a readable, user-friendly format. This Recommendation cannot be viewed outside of the communications plan.		Plan to Implement

Communication, Public Policy & Special Education

SUBJECT	Public Policy: PPS should advocate for additional resources. Simply redistributing the state funding formula is both unrealistic and unsatisfactory. The Task Force was confident that PPS has improved its position with the hiring of the General Counsel and CFO. With the adoption and implementation of a sound community involvement/communications plan, the PPS district will be better able to inform legislators and other decision-makers of its specific needs and contributions. Past information was both inaccurate and inconsistent. Involving the community at large, teachers, administrators, business leaders, parents, and students will assist the development and adoption of any public policy plan.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
16 II-9.1	☑ Alt Rec ☐ KPMG Rec	16A. PPS should work with the State Department of Education and the Legislature to adopt a funding formula to provide equitable levels of service to all students statewide to reach state standards. It is paramount that PPS provide the legislature with accurate information and a thorough understanding of the service differentials around the state. 16B. PPS should work with the Legislature to fund all schools at the level required to meet or exceed standards required under ORS 2191. PPS should define what resources are required to achieve or exceed the standards for all its students.	It is essential to provide credible data on which to base service differentials. Service differentials are a more fair and supportable criteria to change the formula than cost of living. A cautionary note, without credible data there can be no advocacy.		In Process
32 III-8.1	☐ Alt Rec ☑ KPMG Rec	Continue with efforts to centralize all legal service, including Risk Management legal activities, to the Legal Unit.			Done
33 III-9.1	☐ Alt Rec ☑ KPMG Rec	Hire a full-time general counsel for PPS.			Done
34 III-9.2	☑ Alt Rec ☐ KPMG Rec	Give the General Counsel the discretion to hire the type of support staff he needs.	The Task Force believes that the General Counsel should determine the skills required for any additional support staff. It may be that general clerical support is needed more than paralegal support.		Done

Communication, Public Policy & Special Education

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
69 VI-2.4	☑ Alt Rec ☐ KPMG Rec	PPS must create ongoing dialogue with the legislature and other public officials on the funding needs of PPS.	Task Force debated using the term "advocacy" in this recommendation. Some members prefer a simple informational effort not tied to advocacy. Other TF members feel that advocacy is an essential part of the recommendation and should be specifically mention. PPS must move forward with allies and inform legislators and public officials that have historically provided funding. This recommendation will help provide establish a credible basis for providing a fair funding level to PPS. A critical aspect is that without credible information first, there can be no advocacy.		In Process

Communication, Public Policy & Special Education

SUBJECT	Special Education: The Task Force agreed with many of the KPMG recommendations, some of which are already being implemented by PPS. Members preferred the alignment that has developed around school levels, instead of special education functions. As with the other recommendations concerning legislative action, the Task Force supports seeking additional funding for Special Education. Specifically, the Task Force believes that PPS should work with other districts to raise the cap on special ed reimbursements from 11% to 12%, and to consider a fund to help offset the costs of students with complex needs that can only be met in districts with certain resources. The Task Force believes that Student Learning Centers should be located as close to the students as possible, even if the student is in a categorical classroom. We also recommend that PPS do a cost/benefit analysis of the special ed transportation costs associated with its current program delivery model.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
145 VII-19.1	☐ Alt Rec ☑ KPMG Rec	Budgeting and expenditure control for special education functions should be maintained and consistently updated in the special education department.	The Task Force believes that the Special Ed Department now has an effective central student data system, which is currently being integrated with the database for budget tracking.		In Process
146 VII-20.1	☑ Alt Rec ☐ KPMG Rec	Restructure programs and staff responsibilities along elementary, middle and high school levels.	While the TF supports the new hires and believes they have had a positive impact on the Department, the TF prefers the reorganization done by the District along elementary, middle and high school levels.		In Process An Assistant Director and a .75 FTE legal specialisthas been hired The Department also underwent reorganization.
147 VII-21.1	☐ Alt Rec ☑ KPMG Rec	PPS should consider reviewing its eligibility criteria and evaluation procedures in the disability categories of mental retardation, emotional disturbance, and speech and language disabilities.	The TF strongly supports this recommendation. Recent statistics show that PPS has both higher rates of some special education classifications and greater underreporting of certain categories, especially learning disabilities.		In Process

Communication, Public Policy & Special Education

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
148 VII-21.2	☑ Alt Rec ☐ KPMG Rec	PPS should lobby the State Legislature to: 1. raise the cap on special ed students from 11% to 12% 2. provide full reimbursement for transportation required in the students Individual Education Program 3. allow the possibility of a local option to all programs, including special ed 4. consider the development of a state fund to offset the costs of students with complex needs that can only be met in Districts with certain resources.	The TF believes that the District should develop a strategy in conjunction with other Districts to approach the Legislature for these funding changes.		In Process
149 VII-22.1	☑ Alt Rec ☐ KPMG Rec	Review current Student Learning Centers' program delivery model to ensure that self-contained classrooms are as close to where students reside as possible, even if the student is in a categorical classroom. PPS should also prepare a cost/benefits analysis on special education transportation costs.	The Special Ed Department will need the support of PPS to locate classrooms at geographically appropriate locations. Students are currently placed in centers based on need and not on the categorical designation of disability. Even if they are in a categorical classroom, the placement should be the closest one to home. The Special Education Department is reviewing all aspects of the programs and services to capitalize on efficiencies.		In Process
150 VII-22.2	☑ Alt Rec ☐ KPMG Rec	PPS must achieve efficient use of resources under the new system and must ensure a smooth transition for special education students and their Individualized Education Plans tracking as they articulate between elementary, middle and high school levels.	The TF supports the evaluation of programs for maximum efficiency. As the ODE audit pointed out, the system change to an elementary, middle and high school system is less efficient. However, it is a preferred system.		In Process

Communication, Public Policy & Special Education

"Based on the Facilities Task Force's work with the District, we estimate that the multi-use of buildings and possible consolidation of school buildings could have a positive net impact of between $1.531 million and $2.739 million."

David Judd
Facilities Utilization Task Force AISC member and Deputy Director, Parks and Recreation, City of Portland

The Facilities Utilization Task Force considered 11 recommendations. The most significant of these is KPMG's recommendation 19 II-12.1 which states that:

"The District should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use of consolidation of facilities."

To consider this recommendation, the Task Force divided into three subgroups: 1) School Consolidation 2) Multi-Use and 3) Decentralize/Multi-use of BESC. The three subgroups suggested 10 alternative recommendations to the original KPMG Recommendation 19.

School Consolidation

Alternative Recommendations
19.1, 19.2, 19.3
After evaluating the information the AISC and the Facilities Task Force came to the following conclusion in regard to the potential to operate Portland Public Schools' instructional programs with fewer buildings:

KPMG's estimates of potential savings of $11 to 15 million from a possible closure of 31 schools is overstated by a factor of four to five in dollar savings and a factor of three in number of schools.

First, KPMG targeted ideal program capacity utilization at 100%. Further discussion with KPMG suggests a target of 90% utilization (we are at 84%) would be a prudent goal. This translates into a potential site closure number of 4-6 rather than 13 sites

(based upon a 6% versus 16% program capacity under-utilization).

Second, implementation of KPMG's proposal as-is does not consider capacity for students at receiving schools. Since KPMG modeled large schools as closure targets, eliminating these sites would impact 4-6 schools for every one that is closed and misalign elementary/middle/high school cluster boundaries. An attempt to implement KPMG's recommendation as is affected 48 schools to close 11, and impacted at least 12% of the students. This plan would produce family hardship due to the disruption of moving students to more distant schools, and the loss of the neighborhood schools concept would likely be a problem as well. This would pose significant risk to academic achievement.

Finally, KPMG's estimated savings per school of $400,000-600,000 assumed that all secondary administrative support for each school would be eliminated. Many of these positions—such as food service, library and specialist teaching positions—are allocated per student, and would move with the students unless programs were dramatically restructured. The Task Force's conclusion is that KPMG's recommendation to consolidate sites is feasible, but our smaller potential savings estimate raises the question of whether simple closure is the best course of action for improving facilities utilization.

Using several sets of criteria, three exercises were conducted to determine if the District could operate within the 90% program capacity range with fewer school buildings. From these exercises it appears that

"While operating with a smaller number of buildings is feasible, simply folding students into a larger school would not save enough money to balance the harm done and risk loss of community support."

Antionette Edwards
AISC and Coordinator,
Jefferson Family Resource
Center

given any set of criteria, from 3 to 5 elementary school buildings could cease operations. However, it was not clear that any middle or high schools could be eliminated with any real cost savings—there is a lack of adjacent space for these schools' students, and impact on incoming student "feeder patterns" would be severe.

Detailed models were built to document physical plant and administrative operation costs per school, operating costs per student per site, as well as net savings potential combining mothball costs, new transportation costs, and administrative savings.

An additional model was built which included the above costs as well as age, cluster, PALT test scores and trends, community uses, and classroom data. This provided the Task Force with the ability to begin to see program/ achievement and community impacts of closing each building, and impacts on neighboring schools and overall clusters. Using this model the Task Force learned that different decisions are made when economic, community, and achievement criteria are all included in the process.

The Task Force believes the District's focus should not be on school closures but on best possible asset utilization. While the Task Force's study showed us that operating with a smaller number of buildings is feasible, simply folding students into a larger school would not likely save enough to balance the harm done to a program and risk of continued loss of community support for the District. The Task Force

believes the following would describe an appropriate process, which should include a process to find and implement more community school programs and increase lease revenues for non-District programs at each site:

1. District management leads the process, with community participation in managing the process.

2. Move fast (6-9 months) and start by using resources at hand to conduct a full utilization survey, including all aspects of programs in place in each building.

3. Evaluate sites using a "better use of available space" approach—work from larger sites with low utilization as incoming targets, rather than very small schools as closure targets.

4. Give priority to new locations for alternative programs with district-wide enrollment, and possible physical consolidation of adjacent programs.

5. Evaluate changes using a set of criteria reflecting community needs, achievement/program goals, and net cost savings. The Task Force has developed a set of criteria we would recommend as a starting point.

6. Include a public input process to ensure specific community needs in altered-use buildings are addressed as constructively as possible.

7. Include long-term plans for any buildings to be closed—they must be leased, sold, or otherwise mothballed within a fixed amount of time.

In some middle and high schools, the

"Potential exists to increase the multiple use of buildings and generate revenue."

> Diane Linn
> AISC member and Multnomah County Commissioner
> District 1

"A school is not a building."

> Adrienne Armstrong
> AISC member and incomming Student Body President,
> Franklin High School

Task Force has the ability to segment the space into "wings" and operate more than one function out of the facility. In light of the growth of community-use of school buildings and the fact that the District operates non-District instructional programs in over 20 former school buildings (frequently at no cost to the tenant), it would make sense to bring some of these community programs into wings of middle and high schools. This would yield: (1) real building mothball or sale opportunities; and (2) provide sites to actively build on the community schools concept. Where community programs are in place or new programs are implemented, the District should work with the providing agency to secure some form of lease or use fee given our deficit budget situation.

Multi-Use of Buildings

Alternative Recommendations
19.4, 19.5, 19.6, 19.7
The Task Force efforts focused on attempting to achieve a balance between promoting school-based community programs and activities—acknowledging the value added to educational achievement and community-building—with the need to place economic value on the use of facilities given the financial challenges facing the District.

Annual partnership agreements could be established between local governments and the District for complete cooperation and access to school buildings.

Expectations for the amounts possible should be limited to what may be reasonably negotiated between local government and District officials.

This is not meant to be the quick fix or stop-gap. A specific consistent dollar amount provided each year from local governments would enhance the educational programs and support to students, families, and neighborhoods while infusing needed resources into the District budget.

Decentralize/Close/ Multi-use of BESC

Alternative Recommendations
19.8, 19.9, 19.10
One of the first conclusions of the subgroup which looked at the best options for the BESC was that the BESC is used for many other functions than just central administration.

• Only 15% of the BESC facility is committed to administrative offices and Board or conference space.

• 65% of the BESC facility is utilized for warehouse materials, property storage, activities of the school maintenance trades, and fleet operations.

• 9% of the space is occupied for central food preparation.

• 8% of the building involves operation of an underutilized central library.

The Task Force's conclusion was that the District should study each activity center within BESC, document the appropriateness of its activities to the District's mission and examine the actual square footage functionally required.

The Task Force's recommendation that the District should remain at the BESC location is predicated on the willingness of the District to:

"An estimate of between $1 million to $3.8 million could be realized by making changes in rental and lease agreements, custodial maintenance and efficiencies gained from the new Facilities Management Information System."

Pam Brown
Director of Facilities and
Asset Management, Portland
Public Schools

• Execute an aggressive plan to fully occupy and manage the space; OR

• Sell it to local government and leaseback the District space as required; OR

• Negotiate joint ownership, occupation and operation with similarly taxpayer funded local government, if possible given changes in the District's use of the space; and

• Proceed with the immediate lease, sale or other profitable action on the graveled parking lot in front of BESC.

The AISC and the Facilities Task Force recommend that similar immediate action must be taken on other school properties that have not been and do not presently appear necessary for District educational activities. These 24 other facilities continue to demand on-going public maintenance expenditures, which are not offset by revenue returns. Based upon the District's property listings, expenditure reports and revenue projections, we felt that the District could achieve needed significant cost savings and/or one-time revenues through sale, transfer or other disposition of several of these properties, or long-term third party leases which would eliminate the District's maintenance costs.

Community Use of Buildings

Recommendations *170 VIII-7.1, 171 VIII-8.1, 173 VIII-10.1, 174 VIII-11.1*

The four recommendations focusing on community use of buildings dealt with maximizing the existing District

assets and making renting/leasing procedures and rates more consistent. Currently policies are unclear and different renters and leaseholders are charged different amounts. Policies do not currently exist which deal with where the balance should be between making school space available to public groups and maximizing revenues.

By taking the suggested action on the four recommendations, clear rental and lease policies would be established and a balance would be achieved between making school space available to public groups and maximizing revenue. The Administration Task Force reached similar conclusions on these recommendations.

Custodial Maintenance

Recommendations *172 VIII-9.1, 176 VIII-13.1, 177 VIII-14.1, 178 VIII 15.1, 179 VIII-16.1, 180 VIII-17.1*

Six recommendations in the KPMG report dealt with Custodial and Maintenance costs. Shortly before the KPMG study, the District reduced the Custodial and Maintenance staff due to budget considerations. This raised the issue of performance standards in a lot of peoples mind. What level of cleanliness and building safety are we expecting of the Custodial and Maintenance staff? What about training and job tracking? These are all issues dealt with in the six recommendations.

Since these recommendations came out, the District has instituted a RFP process to contract for the management of the custodial staff. Within

the contract agreement will be performance and job tracking requirements.

District implementation would result in a review of the funding for and delivery of janitorial and custodial services. Agreements would be reached with outside contractors for custodial management. Management agreements would include including training for workers and meeting established performance standards.

Technology

Recommendation *175 VIII-12.1*
This recommendation deals with the finding that the District has established performance measures but does not routinely check them against industry standards. KPMG recommends that the new Facilities Management Information System implement policies and practices to increase the use of performance measures. The alternative recommendation that the Task Force is making is that the District should continue implementation of new facility management policies that increase the use of performance measures.

Facilities Utilization

SUBJECT — Excess Facility Capacity: PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.

School Consolidation: 19, 19.1, 19.2, 19.3   Multi-Use: 19.4, 19.5, 19.6, 19.7   Decentralize/Close BESC: 19.8, 19.9, 19.10

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
19 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities. The Task Force recommends alternatives numbered 19.1 through 19.10 be viewed as a total package that, implemented in concert, will bring positive results.	Potential cost savings may be generated from school closures, co-location and decentralizing/closure of BESC. Attempting to consolidate schools using KPMG's criteria to estimate savings is not a viable alternative. Massive displacement and disruption - 10 schoolds could be closed, however at least 6,900 students would need to be displaced. One half of PPS schools would be effected by such a closure senario. Additional costs would emerge such as transportations costs for an additional 4,000 to 5,400 are estimated.	Recommendations 19-19.10 had to do with school closures, co-location and decentralization. The Taskforce estimated that these recommendations will have a positive net impact of between $1,531,000 and $2,739,000, with potential one-time upside in revenue of $11,800,000 from the sale of properties.	In Process (Applies to all additional recommendations stemming from recommendation #19)
19.1		Net cost savings by school building consolidation should only be pursued in concert with other recommendations to: 1) change the use of non-school buildings; and 2) promote ongoing community schools/multi-use programs.			
19.2		Portland Public Schools should formulate and implement a Building Utilization Plan with a goal of operating its current programs at a system-wide goal of 90% utilization.			
19.3		PPS should develop plans to more fully use middle and high schools which are below 75% program capacity.			

Facilities Utilization

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
19.4		The District should initiate negotiations with local government officials to draft a partnership agreement leading to an annual lump-sum payment to the District from each jurisdiction using District properties in recognition of the value provided these governments by the use of its facilities.			
19.5		The District should re-affirm the importance of community schools (with co-located social and recreational services) to the mission of Portland Public Schools. This commitment should be communicated internally as a policy directive to District personnel at all levels to encourage receptivity and creativity in partnering with local government to expand/improve joint initiatives.			

Facilities Utilization

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
19.6		Portland Public Schools (PPS) should rework their facility utilization data to more accurately reflect "usable program space" for prospective tenants, including local and state government and non-profits deemed eligible based on formal selection criteria. The District should encourage and recognize managers who take an innovative approach to creating usable space, whether or not listed as available, thereby promoting mixed-use models and scheduling strategies. Analysis of usable space should be a reflex action whenever a school has been identified as "under-enrolled" and at risk of closure so that alternative uses of the space, such as a new community school, might be considered. These functions are targeted to making operational a culture of cooperative planning/co-location consistent with the partnership between the District and local government.			
19.7		PPS should actively market this space inventory to local government at least as often as the first of each calendar year so that prospective tenants may consider the possibilities as part of their budget cycle planning. This would facilitate joint planning for program creation/expansion and could open negotiation of partnership agreements.			

Facilities Utilization

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
19.8		Because Blanchard Education Service Center (BESC) is designed for the unique needs of the school District, it should continue to house PPS offices, warehouses and other support services.			
19.9		Create revenue opportunities by transferring PPS support staff to BESC and divest or lease space made available by this transfer action.			
19.10		Create revenue opportunities by divesting or leasing unused facilities, which include at least seven properties that the committee believes are under utilized.			

Facilities Utilization

SUBJECT	Community Use of Buildings: The four recommendations dealing with community use of buildings deal with maximizing the existing PPS assets and making renting/leasing procedures and rates more consistent. Currently policies are unclear and different renters and leaseholders are charged different amounts. Policies do not currently exist which deal with where the balance should be between making school space available to public groups and maximizing revenues. By taking the suggested action on the following four recommendations clear rental and lease policies would be established and a balance would be achieved between making school space available to public groups and maximizing revenue.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
170 VIII-7.1	☑ Alt Rec ☐ KPMG Rec	Update Board policy to definitively state the process for renting facilities, establish charging policies and rates that are equitable and consistent. PPS should produce policies with citizen involvement to increase the use of buildings and revenue generation. The committee supports the recommendations subject to the acknowledgement of the partnership and joint-use agreements to be negotiated with the City of Portland and Multnomah County.		The remaining eleven recommendations fall into three categories; Community Use of Buildings, Custodial & Maintenance; and Technology. Collectively, these eleven recommendations could have a positive net impact of between $1,064,000 and $3,804,000, net of investments in staff and technology, but not including future maintenance savings from accelerating preventative maintenance.	In Process
171 VIII-8.1	☑ Alt Rec ☐ KPMG Rec	The issue of marketing school facilities should be part of overall facilities use review by District. Additional advertising should not be done until rental policies and procedures, and rental rates are set by District.	Potential revenue source; could enhance community connections. District policies on facilities use should be in place before additional decisions on usage are made.		In Process
173 VIII-10.1	☐ Alt Rec ☑ KPMG Rec	PPS Should develop methodology and policies to determine the equitable use of PPS facilities by other public agencies and groups.			See #170

Facilities Utilization

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
174 VIII-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should establish a leasing policy to meet the goals of the Taskforce recommendations. The goals are net cost savings by school building consolidation should only be pursued in concert with other recommendations to: 1) charge the use of non-school buildings; and 2) promote ongoing community schools/multi-use programs.			In Process

Facilities Utilization

SUBJECT	Custodial and Janitorial: By taking the following action a review of the funding for and delivery of janitorial and custodial services would occur and agreements would be reached with outside contractors for custodial management. Management agreements would include including training and for workers and meeting established performance standards.				
Ref#	**Type**	**Recommendation**	**Discussion**	**Fiscal Comments**	**Status**
172 VIII-9.1	☑ Alt Rec ☐ KPMG Rec	Policies related to custodial charges should be included in the updated Board policy referred to in alternative recommendation 170 regarding facility rental.			In Process
176 VIII-13.1	☐ Alt Rec ☑ KPMG Rec	PPS needs to reconsider its allocation of resources to ensure that the safety and cleanliness of its facilities are not compromised. This may require shifting resources from other areas to Maintenance Service to perform routine and preventive maintenance functions.		This recommendation will create additional costs of $566,000 in 1998/99, but avoid roughly $2.5 million in future costs.	In Process
177 VIII-14.1	☐ Alt Rec ☑ KPMG Rec	Until the issue of inadequate financial resources is solved, Physical Plant should prioritize the types of services to be provided by in-house maintenance staff. In conjunction with the prioritization of work, the Maintenance unit should conduct a comprehensive outsourcing study to determine which types of work should be performed by outside labor. By prioritizing service needs, Physical Plant will be able to provide the highest quality of service in those areas deemed the highest priority.			In Process
178 VIII-15.1	☑ Alt Rec ☐ KPMG Rec	PPS needs to review its delivery of and funding for custodial and janitorial services so cleanliness can be improved.	While teaching styles may create more or less work (how tables are grouped, types of activities and number of classes taught) teaching style is not the cause of the change in cleaning/custodial needs. Budget reductions have caused changes in building/classroom usage. These changes have also contributed to an increase of custodial workload.		In Process

Facilities Utilization

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
179 VIII-16.1	☑ Alt Rec ☐ KPMG Rec	PPS should continue to contract for the management of the custodial staff. The contract should include performance measures.			In Process
180 VIII-17.1	☑ Alt Rec ☐ KPMG Rec	The contract written for the management of custodial services should have established performance standards.			In Process

Facilities Utilization

SUBJECT	Technology: Recommendation (175 VIII-12.1) deals with the finding that PPS has established performance measures but does not routinely check them against industry standards. KPMG recommends that the new Facilities Management Information System implement policies and practices to increase the use of performance measures. The alternative recommendation that the Task Force is making is that PPS should continue implementation of new facility management policies that increase the use of performance measures. Thus not waiting until the Facilities Management Information System is up and running.				

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
175 VIII-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should continue implementation of new facility management policies that increase the use of performance measures.	Since KPMG's findings, PPS has already implemented a number of policies to increase performance measures and improve accountability.		In Process Board approved budget for system replacement 3/8/99

"Appropriate deductibles and liability limits need to be established for the District's self insurance fund."

> Jim Aalberg
> Chair,
> Finance and Risk
> Management Task Force
> and Group Vice President
> Treasurer, Fred Meyer Inc.

"If you don't have a strategic plan, then the budget by default becomes the strategic plan."

> J. Byron Kellar
> Finance and Risk
> Management Task Force,
> AISC member, Chair,
> Citizen Budget Review
> Committee and Design-
> Builder, Neil Kelly Co.

"Simple changes in practices and day-to-day operations will lead to immediate improvements in the District's accountability."

> Heidi Franklin
> Finance and Risk
> Management Task Force
> and Controller, Portland
> Public Schools

New Computer Systems

Recommendations *58 V-10.1, 59 V-11.1*

The Task Force and the AISC definitely agree that the District needs to invest in automated accounts payable and grant accounting systems, as well as all core accounting, payroll and human resources areas. The Task Force encourages the District to not expect a new computer system to answer all their problems. Changes and improvements to policies and procedures are critically needed, and many policies and procedures changes should be made even before the new system comes on line. In fact, changing the policies and procedures is good preparation for a new system and helps ensure a successful implementation.

Fund Balance and Reserves

Recommendations *65 VI-1.1, 66 VI-2.1, 93 VI-17.1*

These recommendations focus on the need to build fund balance in both the General Fund and the Self-Insurance Fund. While the Task Force and the AISC agree that these reserves should be re-established, we suggest that the build-up occur over several years, and that Board approval be obtained before re-deployment of any reserves. We also believe that the proper reserve levels should be analyzed and determined not only on a per fund basis, but also with consideration for how much money overall is dedicated to funding reserves.

Strategic Planning

Recommendations *67 VI-2.2, 68 VI-2.3, 71 VI-3.2*

Five-year budget planning, strategies for dealing with declining revenues, and using the budget document to enhance communications should all be done within the context of the District-wide strategic plan.

Self-Insurance

Recommendations *94 VI-17.2, 95 VI-18.1, 96 VI-19.1, 97 VI-20.1*

There are two important and distinct components to an appropriate analysis of insurance costs. First and foremost is the quality of claims processing. The District needs to evaluate the most effective way to ensure that what ultimately has to be paid for a claim is the lowest amount possible. Secondly, the District also has to consider the cost or fees associated with the administrative functions related to claims processing. The Task Force and the AISC agree with KPMG that appropriate deductibles and liability limits need to be established. The Task Force and the AISC proposed alternative ways to calculate what these amounts should be.

Day-to-Day Operations

Recommendations *72 VI-4.1, 74 VI-5.1, 76 VI-5.3, 78 VI-5.5, 79 VI-6.1, 80 VI-6.2, 81 VI-7.1, 82 VI-8.1, 83 VI-9.1, 86 VI-12.1, 98 VI-21.1, 99 VI-21.2, 103 VI-25.1*

The rest of the recommendations address very specific daily operational tasks or functions. Often the issues reflect system limitations, but again the Task Force encourages the District to consider significant changes in policies and procedures which can be made now in preparation for a new system.

Finance and Risk Management

SUBJECT	New Computer Systems: The Task Force definitely agrees that the District needs to invest in automated accounts payable and grant accounting systems, as well as all core accounting, payroll and human resources areas. The Task Force encourages the District to not expect a new computer system to answer all their problems. Changes and improvements to policies and procedures are critically needed, and many policies and procedures changes should be made even before the new system comes on line. In fact, changing the policies and procedures is good preparation for a new system and helps ensure a successful implementation.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
58 V-10.1	☑ Alt Rec ☐ KPMG Rec	Implement a new accounts payable system and modify the process flows. Specifically PPS should: 1) prepare a current accounts payable listing as soon as possible; 2) reconcile payables with the general ledger monthly; 3) strengthen internal controls; 4) begin design of accounts payable process system by March 1999.	The Task Force notes that the strengthening of the current system, such that current accounts payable are determined and reconciled with the general ledger monthly and the implementation of enhanced internal control, are steps that must be completed before a new system is implemented. Such procedures should both safeguard the District's financial resources and produce current budget to actual information. The Task Force also notes that the District's accounting department is fully employed with current activity and additional appropriate staffing is required to bring accounts payable up to date.	KPMG did not place a figure to the yearly savings generated by implementing the new accounts payable module and system design. The Task Force notes that the capturing of vendor discounts, the strengthened internal controls, and a well designed, streamlined system will have a positive financial impact estimated to be $100,000 per year.	In Process
59 V-11.1	☐ Alt Rec ☑ KPMG Rec	PPS needs to implement an automated grants accounting and management system.	The Task Force strongly agrees with assigning the overall management of a grant to one individual. The accounting for the grant is merely a support and compliance function. The Task Force agrees with integrating the new financial system with the Grant Accounting and Management departments along with a restructure of the department whereby the grant manager is responsible with grant compliance and have the grant accountant provide oversite.	The Task Force believes that timely preparation of grant reimbursement request will enhance cash flow and generate greater interest income.	In Process

Finance and Risk Management

SUBJECT	Fund Balance and Reserves: These recommendations focus on the need to build fund balance in both the General Fund and the Self-Insurance Fund. While the Task Force agrees that these reserves should be re-established, they suggest that the build-up occur over several years, and that Board approval be obtained before "redeployment of any reserves." The Task Force also believes that the proper reserve levels should be analyzed and determined not only on a per fund basis, but also with consideration for how much money overall is dedicated to funding reserves.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
65 VI-1.1	☑ Alt Rec ☐ KPMG Rec	PPS should phase in a build up of the reserve account over time i.e.: build reserves to 1% of the general operating budget in 1999, 2% in 2000, and 3% in all subsequent years. A 66 - 2/3 vote of the School Board would be required to access the reserves.	Reserves of 3% of general fund which would require a $9 million current reinvestment should be sufficient. The desired "reinvestment" of approximately $9 million to replenish depleted reserve levels might best be phased in over time to alleviate a one time fiscal shock, ie: build reserves to 1% of the general fund operating budget in 1999, 2% in 2000 and 3% in all subsequent years. In addition, a 66-2/3% approval level from the PPS Board would be required to access these reserves. If a final determination is made to build the reserve and subsequently maintain "adequate" reserve levels, it should not be at the expense of appropriate service levels, ie: teachers. The Task Force acknowledges that reserves have been depleted as the District has strived to maintain service levels over the past two years as revenue sources declined and operating expenses remained constant. Adequate reserves will eliminate financial crisis management and rebuild the financial credibility of the PPS management team.	An initial cost outlay of approximately $10-$16 million would be required to adequately replenish depleted reserve funds, except maximum reserve set aside would be 3% of annual operating budget not 3% to 5%, per KPMG recommendation. As outlined in alternative recommendation, the Task Force would propose a build up of reserves over several years.	In Process
66 VI-2.1	☐ Alt Rec ☑ KPMG Rec	PPS Board should ensure its budgeted expenditures do not exceed available revenues including adequate reserving levels.	Adequate reserves should be maintained and must be funded. The budgeting process must be realistic. Programs can only be funded based on known and reliable resource streams. Comfortable reserving levels must not take priority over proper service levels, ie: teachers. The Task Force acknowledges that a mismatch between revenues and expenses is not uncommon based on last minute changes on the revenue side, which complicates the budgeting process.	Neutral over time as expenditure levels do not exceed revenue sources. However, a near term fiscal impact would result from the reinvestment of $9-10 million to build back depleted funding reserves.	In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
93 VI-17.1	☑ Alt Rec ☐ KPMG Rec	PPS should rebuild and maintain segregated insurance reserves for expected outstanding liabilities including known claim liabilities and IBNR (Incurred But Not Reported) estimates as opposed to KPMG valuation based on 1-2 years of claims liability. These reserves should be rebuilt over time (4-5 years and reviewed annually by the PPS Board).	Adequate reserves assure sufficient funding to cover self-insured liabilities. The Task Force agrees with the finding that the depletion of the self-insurance fund balance since 1990/91 has resulted in a lack of adequate reserves to fund current and future claims. If the purpose of the self-insurance reserve fund is to recognize future liabilities, then the Task Force believes the value of the fund should reflect expected outstanding liabilities (as established by an actuarial review) less any applicable excess insurance coverage and investment income. If the fund is required only to fund current claims payments, then it is not unusual for entities to maintain a zero-balance account for that purpose. Requires reestablishment of liabilities reserve fund. Prohibits further "draw down" of the self-insurance fund to finance operations. (It should be noted that PPS depleted the self-insurance fund in 1997-98. Thus, further draw downs are unlikely notwithstanding the recommendation.) The Task Force disagrees with KPMG's recommendation to base the value of the self-insurance fund on one to two years of claims liability experience, which KPMG valued at $4 to $8 million.	Requires inflows of cash to the self-insurance reserve fund at a rate greater than 1998. The KPMG report provides insufficient information to determine a recommended amount. May require additional inflows for four to five years. However, in following years, there should be no additional impact as long as overall loss experience (frequency and severity) remains comparable to prior year.	In Process

Finance and Risk Management

SUBJECT	Strategic Planning: Five-year budget planning, strategies for dealing with declining revenues, and using the budget document to enhance communications should all be done within the context of the District-wide strategic plan.				
Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
10 II-5.1	☐ Alt Rec ☑ KPMG Rec	PPS should develop a financial plan that is consistent with its new strategic plan.	Without a strategic plan the budget becomes the strategic plan by default. With the direction of the District's goals and objectives reestablished with every budget. Yearly budgets (strategic plans) cannot be as efficient as a long-term plan, and do not preplan for budget short falls or long term planning.		In Process
11 II-5.2	☑ Alt Rec ☐ KPMG Rec	The strategic plan, which should result in annual measurable goals and objectives, should drive budget decisions.	Without a strategic plan the budget becomes the strategic plan by default. With the direction of the District's goals and objectives reestablished with every budget. Yearly budgets (strategic plans) cannot be as efficient as a long-term plan, and do not preplan for budget short falls or long term planning.		Plan to Implement
15 II-8.1	☐ Alt Rec ☑ KPMG Rec	Conduct additional training to ensure that PPS managers and key staff, specifically budget personnel, develop a better understanding of the State's funding formula.			In Process
67 VI-2.2	☑ Alt Rec ☐ KPMG Rec	The PPS Board should establish a 3 to 5 year budget planning horizon that is driven by the strategic plan. It should examine the impacts of the changing financial, operational and funding conditions on District-wide and individual program budgets.	Allows for prioritized planning. This will be challenging when the State operates on a two year budget cycle. Currently there is no long term stable funding for education to off set this situation.		In Process
68 VI-2.3	☑ Alt Rec ☐ KPMG Rec	As part of the Strategic Plan the Board should develop short and long-term strategies for addressing declining revenues.	This recommendation is part of "tying budget to strategic plan" Recommendation #11		In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
71 VI-3.2	☑ Alt Rec ☐ KPMG Rec	Improve the budget document as a communication device. The budget is a reflection of financial resources needed to achieve the goals and objectives set forth in the Strategic Plan. The budget is the culmination of the budget process.	Tailor budget documentation to specific audiences, with the appropriate level of complexity and details. However always have all the details available for those who want complete information. Translate financial information in to English. Make it simple and visual.		Plan to Implement

Finance and Risk Management

SUBJECT	Self-Insurance: There are two important and distinct components to an appropriate analysis of insurance costs. First and foremost is the quality of claims processing. The District needs to evaluate the most effective way to ensure that what ultimately has to be paid for a claim is the lowest amount possible. Secondly, the District also has to consider the cost or fees associated with the administrative functions related to claims processing. We agree with KPMG that appropriate deductibles and liability limits need to be established. We do propose alternative ways to calculate what these amounts should be.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
94 VI-17.2	☐ Alt Rec ☑ KPMG Rec	Assess the adequacy of current excess coverage limits.	There is agreement that higher limits of liability and lower deductibles (SIRs) would provide additional security and stability to the schools' risk management program. The Task Force is in general agreement with the KPMG recommendation. Although it appears that PPS has not incurred any claims that have exceeded their limit of liability or even exceeded significantly lower deductibles (SIRs) that could be purchased, alternative limits of liability and deductibles (SIRs) should be evaluated. The insurance marketplace is very "soft"; and additional limits should be relatively inexpensive. This would provide additional protection for PPS in the event the tort immunities are eroded or there are actions against PPS that would fall outside those immunities. The same reasoning applies with the deductibles (SIRs). The current deductibles (SIRs) are very high, and lower levels should be considered, even with a resulting increase in premium. This is particularly important when the cash reserves aren't available to cover a large loss. PPS has not experienced a claim of sufficient magnitude to justify paying additional premiums for the additional insurance protection.	The insurance market will provide PPS with costs for varying deductibles (SIRs and higher limits of liability). We don't believe that has been done recently and should be explored to discern the actual costs involved.	Plan to Implement

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
96 VI-19.1	☑ Alt Rec ☐ KPMG Rec	PPS should conduct an analysis of the quality of claims administration of both the public liability and workers' compensation self-administration programs. Work with a qualified independent third party, to assess quality of current administration program, including a comprehensive analysis of whether the current program results in effective management of claims costs.	Although potential savings related to the cost of claims administration may be available, the overall quality of claims administration and the ability of the claims administrator to produce cost-containment on the claims are the more important factors to consider. An analysis of the quality of the current claims administration program can be performed best by an independent third party, which may require an additional expense. The Task Force finds the cost-savings analysis performed by KPMG for this recommendation to be insufficient because it appears KPMG did not include a fee for a third-party administrator (TPA) to take over administration of existing workers' compensation claims. Thus, KPMG probably understated the cost of obtaining workers' compensation claims administration services on a contract basis. KPMG also did not value correctly the total cost of PPS's self-administration program. More importantly, KPMG did not provide an analysis of the quality of the current claims administration. Although the State and PPS's excess insurer have performed audits of PPS's self-administered program, such audits do not provide a basis to determine the quality of the claims administration or the ability of the claims administrator to control claims costs. Finally, we find that KPMG's lack of analysis of the quality of claims administration applies equally to general liability claims.		Further District Review Pending
97 VI-20.1	☐ Alt Rec ☑ KPMG Rec	Develop a system for recording an estimated liability for all claims throughout the year. PPS should issue an RFP for competitive bid pertaining to the administration of its unemployment insurance program in an effort to ensure the most cost-effective coverage strategy and related fees.	Outsourcing this function makes sense as PPS probably does not have the core competency or expertise to properly investigate and administer these claims. The quality of service and level of insurance protection should be evaluated, along with the costs involved. It appears PPS is currently operating under a bonded-service program whereby the insurer/administrator will cover all claim costs over an agreed-to annual amount. If actual costs exceed the predetermined amount, the insurer will pay those costs; if the actual costs are less, the insurer retains the difference. This works well from the standpoint of fixing your annual cost, but PPS may be leaving significant dollars on the table.	It appears PPS is currently operating under a bonded-service program whereby the insurer/administrator will cover all claim costs over an agreed-to annual amount. If actual costs exceed the predetermined amount, the insurer will pay those costs; if the actual costs are less, the insurer retains the difference. This works well from the standpoint of fixing your annual cost, but PPS may be leaving significant dollars on the table.	Plan to Implement

Finance and Risk Management

SUBJECT	Day to Day Operations: The rest of the recommendations address very specific daily operational tasks or functions. Often the issues reflect system limitations, but again we encourage the District to consider significant changes in policies and procedures which can be made now in preparation for a new system.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
72 VI-4.1	☐ Alt Rec ☑ KPMG Rec	Improve the level of oversight and accountability over PPS' established budget.	Appropriate oversight is critical for the District to detect and prevent potential overspending before it occurs.		Plan to Implement
74 VI-5.1	☐ Alt Rec ☑ KPMG Rec	Consider reassigning certain duties within the Finance Department to improve financial management and oversight capacity.	While the Task Force recognizes that all the necessary and desirable changes cannot be made at once, there is a sense of urgency that as much as can be accomplished as quickly as possible should be done. There are some limitations due to increased turnover and job classifications.		In Process
75 VI-5.2	☐ Alt Rec ☑ KPMG Rec	Perform timely bank reconciliation on a monthly basis.	Accurate cash reporting. Better oversight for preventing or detecting and correcting errors.	Eliminated one position for a savings of salaries and benefits totaling $61,000. Cost of outsourcing is approximately $12,000. Net annual savings are estimated to be $49,000.	Done
76 VI-5.3	☐ Alt Rec ☑ KPMG Rec	Implement a process that requires the Controller or other qualified employee to initiate the investment transactions utilizing a confidential code system.	This is a financial security issue, a misappropriation of funds could be significant. Individuals are bonded up to $300,000.		In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
77 VI-5.4	☐ Alt Rec ☑ KPMG Rec	Implement a process that requires a qualified person, such as the Controller, to implement a bank fee and interest earned tracking system.	Avoidance of overcharges and fees. Better tracking of investment income.		Done. New Cash Manager, hired in November, will track investment earnings on a monthly basis and prepare projections for the remainder of the current fiscal year, as well as for next year for budgeting purposes. Bank fees are also tracked monthly, overcharges can be reversed. $5,500 recovered bank fees in 1998.
78 VI-5.5	☐ Alt Rec ☑ KPMG Rec	Conduct accounting staff training and structure the accounting department in a manner that allows for proper overlap and cross training of staff to safeguard against down time.	The accounting staff management should do its best to portray the benefits of cross training. The training program for accounting staff is important and should be developed as soon as practical. The Task Force notes that the current staff is consumed with current day to day duties and additional qualified staff is appropriate. Also the accounting department must prepare a training program that is appropriate.	$40,000 annual training cost.	Plan to Implement
79 VI-6.1	☑ Alt Rec ☐ KPMG Rec	Implement a policy whereby all fixed assets must be tagged and recorded on the fixed assets system prior to being put into use in the schools and PPS offices.	The Task Force notes that improving procedures to be able to tag fixed assets before they are put into use is important. However, there is not necessarily a need to change the delivery practices of having certain items, based on urgency and quantity, delivered directly to the schools. The issue is that tagging occurs before fixed assets are put into use. Where the tagging occurs should be based on other considerations. Having all fixed assets delivered to the central office, tagged, and then sent to the schools is often inefficient. At times it is easier to perform the tagging on-site at the school.	Either additional staffing or outsourcing are required to implement the recommendation, and would therefore require additional spending.	Plan to Implement

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
80 VI-6.2	☑ Alt Rec ☐ KPMG Rec	Perform a cost-benefit analysis to determine the most economical and efficient method for properly tracking and accounting for fixed assets, including, but not limited to, consideration of outsourcing, doing it in-house, or a combination of both.	Tracking and accounting for the volume of assets that characterize PPS, given that these assets are located in over 120 buildings throughout the District, is a monumental task. PPS should explore all options to determine the most efficient and cost effective way to improve this area. Clearly, the one employee who is trying to track assets single-handedly is not adequate. Since there are companies who specialize in fixed asset management, the District should not automatically assume that PPS should invest in the bar-coding equipment and computer systems to perform these tasks in-house. The feasibility of having this function outsourced should also be analyzed.		Plan to Implement
81 VI-7.1	☐ Alt Rec ☑ KPMG Rec	Establish internal audit function and related long-term audit plans to test various aspects of PPS administration compliance and operations.	The Task Force is aware that PPS plans to hire consultants to perform business process reengineering as part of the implementation of the new software system. Having an internal auditor on the PPS staff would provide a reality check, to be sure that the consultants suggestions can actually be implemented and work in the PPS environment. An internal auditor would also provide additional resources to the Controller and the Finance Department, which seem to be needed, given all the suggested changes just in the Finance and Risk Management areas of the performance audit.		Plan to Implement
82 VI-8.1	☑ Alt Rec ☐ KPMG Rec	The Task Force recommends that the Payroll Department focus its effort on the design of a new system rather than changing the current process. Grant administrators should be provided with copies of time sheets of time charged to various grants.	The Task Force agrees with the ultimate acquisition of a new on-line payroll system. The timely submission of time sheets from the schools is policy. However in practice it is most difficult to enforce the timely submission of time sheets. The Task Force believes that a more prudent course is to begin the design of the payroll information flow in anticipation of the new on-line system.		In Process
83 VI-9.1	☐ Alt Rec ☑ KPMG Rec	Ensure proper hiring policies and procedures are followed.			In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
86 VI-12.1	☐ Alt Rec ☑ KPMG Rec	Reduce the number of purchase orders processed by the purchasing department in addition to reducing supply inventory. Expand the use of procurement cards to travel and entertainment if feasible. Continue to require all vendors to give PPS established discounts to all users.	The Task Force is in agreement to promote and expand procurement card usage by District employees. The following points came out of our discussions: Expand to cover travel and entertainment. Make sure proper controls over signers and audit procedures are in place. We assume the PPS warehouse has best pricing, accordingly procurement efforts should be directed there first. However, procurement card users should receive PPS warehouse pricing from retail/wholesale vendors whenever possible. If they are not, these vendors must be so instructed. Centralized paying of purchases under the procurement card may be best made by check versus allowing auto debit, benefit payment float. Payment float is a separate issue; however, a study might be made for all payables/disbursements. KMPG recommends training seminars, which may be appropriate. Scheduling should be done to coincide with other required meetings. PPS personnel suggest reduction in FTEs may come from reduced future hires versus cuts in existing staffing levels. The Task Force is in general agreement with this statement.	Some wage savings should be realized as well as reduced costs associated with reduced inventory levels. Wage cost may be further reduced if the card usage is expanded to cover travel and entertainment expenditures. It is unlikely cost savings in total will be immediate or anywhere near KPMG's aggressive estimates.	In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
95 VI-18.1	☐ Alt Rec ☑ KPMG Rec	Develop a system for recording an estimated liability for all claims throughout the year. PPS should consult with an actuary to develop a system to estimate the potential liability for IBNR claims as well as known claims when presenting interim information to management on such issues. Despite the nature of claims, all claims which could result in a liability to PPS should be reported to Risk Management as soon as the claim is made known to any PPS personnel in order to assess and account for the potential liability on a timely basis.	Reviewed the possibility of developing a system for calculating IBNR claims. Because there is no established singular method for this calculation, it was the general consensus that it is neither financially beneficial nor practical to require more than an annual computation of the IBNR. It is suggested that PPS continue its current efforts to obtain a Risk Management software program which will eliminate the current manual manipulation of information to obtain required statistical, financial and loss control data.		Rejected
98 VI-21.1	☑ Alt Rec ☐ KPMG Rec	It is suggested that PPS evaluate the possibility of reorganization of the Environmental Health & Safety Department and consider combining current staff responsibilities to determine the proper number of additional staff required. The Task Force makes the recommendation to review the job descriptions of the 2FTE in Environment Health & Safety Department to determine if their time can be further allocated into other worker safety functions.	The Task Force is in agreement with KPMG's recommendation to consider adequacy of staffing levels for Environmental Health & Safety Department. PPS should review the prevailing salary range for safety professionals and consider reorganization of current staff responsibilities to determine number of additional staff required. For example, the Task Force questions the need for full time positions for lead and asbestos specialists. The Task Force discussed the financial advantages of and importance of a proactive safety program which should reduce the number of claims and aid in assuring that the organization is in compliance with Federal and OSHA regulations. Although impossible to quantify, the lack of training programs, safety committee oversights, and non-compliance with safety issues may increase the volume of claims, claims expense, and OSHA fines. The Task Force questions the fiscal impact of the KPMG's study in that an annual investment of $36,000, including salary and benefits, may not be sufficient to attract capable and qualified safety inspectors.	More than $36,000 annually.	In Process

Finance and Risk Management

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
99 VI-21.2	☐ Alt Rec ☑ KPMG Rec	Increase responsibility of Working School Safety Committees.	The Task Force basically agrees with KPMG's recommendation to increase the responsibility of Working School Safety Committees. PPS should review potential cost accounting problems which may arise if OSHA fines are charged to the individual school budgets.		Further District Review Pending
103 VI-25.1	☐ Alt Rec ☑ KPMG Rec	The District should perform an analysis to determine the possibilities of either outsourcing records management, archiving activities or acquiring a facility to store and manage the District's records.	The recommendation to further study the records management area is worthy. The District currently has many irons in the fire and the records management does not merit the time right now to do a proper job given the imprecise nature of the potential savings.		Further District Review Pending

"The Human Resource and Management Structure Task Force urged the District to retain staff with unique linguistic skills during layoffs."

> Judy Rice
> Chair,
> Human Resources and
> Management Structure
> Task Force and President,
> Oregon Symphony
> Foundation

"KPMG's recommendation that a cost savings could be achieved by adopting a cafeteria plan was premature—further study is needed to evaluate the benefits and the costs."

> Becki Langdon
> Human Resources and
> Management Structure
> Task Force

The Human Resources and Management Structure Task Force and the AISC felt that upgrading the District's information system would be key to the implementation of many of the recommendations in this area.

The Task Force divided their work into three subcommittees that met independently with District and outside staff to research the recommendations and their implications. Subject matter experts from the Task Force were assigned to these subcommittees.

Structure
Recommendations *37 IV-1.1, 38 IV-1.2, 40 IV-1.4, 41 IV-2.1, 42 IV-2.2, 43 IV-2.3, 73 VI-4.2*
The Task Force and the AISC agreed with KPMG that the District should review accountability and reporting functions to determine the most efficient staff utilization.
Responsibilities, especially for newly created or restructured positions and departments, should be clearly articulated to the entire staff. The AISC agreed with the Task Force on Recommendation 37, that the Assistant to the Superintendent position should be eliminated, but the staff person should not be let go.

Staffing
Recommendations *83 VI-9.1, 84 VI 10.1, 151 VII-23.1, 151 VII-23.1, 228 VIII-41.1, 229 VIII-42.1, 231 VIII-44.1, 233 VIII-45.1*
To best utilize staff resources, the District should provide growth opportunities, via profession development and mentorships, and develop systematic recruitment programs for key positions, particularly administrators and bilingual staff. Staff

data management should be streamlined under a new computer system. The AISC noted that support for these recommendations should not be taken as a directive in collective bargaining. They urged the District to retain staff with unique linguistic skills during layoffs.

Compensation & Benefits
Recommendations *85 VI-11.1, 230 VIII-43.1, 232 VIII-44.2*
In an ever-changing educational system and competitive labor market, the Task Force and the AISC believes the District should review current policies for their efficiency. Procedures, such as teacher evaluations, and benefits packages should be regularly reviewed and new options explored. The Task Force and the AISC support the District exploring a cafeteria benefits plan; however, they noted that while KPMG believed there were significant cost savings by adopting a cafeteria plan, there were many steps the District needed to go through before such a change could be made. The costs of change were not reflected in KPMG's savings projections nor was the impact of collective bargaining with three labor groups included in the savings. If any one labor group rejected the cafeteria plan, the administration costs of managing two systems could overwhelm the potential cost savings. The AISC added a comment to the Task Force's Recommendations on 85 and 230 that support for these recommendations should not be taken as a directive in collective bargaining.

Human Resources and Management Structure

SUBJECT	Structure: The District should review accountability and reporting functions for most efficient staff utilization. Responsibilities, especially for newly created or restructured positions and departments, should be clearly articulated to the entire staff.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
37 IV-1.1	☐ Alt Rec ☑ KPMG Rec	Eliminate the Assistant to the Superintendent position, not the person.	o Eliminates a costly senior level position o Provides opportunity to review current organizational structure to assess options for change, increased efficiencies and savings o Provides opportunity to clarify roles and responsibilities o Loss of senior administrator with significant institutional memory o Potential for confusion by external stakeholders who have relied on this position for information and cooperation	Uncertain pending outcome of organizational review Potential savings of $40K to $60K possible.	In Process Superintendent's reorganization results in grants management becoming a segregated revenue center. Effective 7/1/99.
38 IV-1.2	☐ Alt Rec ☑ KPMG Rec	Distinguish the roles and responsibilities of the Academic Assistant Superintendents.	One of the Assistant Superintendents, Carol Matarazzo, is on the Taskforce and supports the finding and recommendation.		Done. Superintendent's reorganization has 2 assistant superintendents: 1 for Elementary, 1 for Secondary
40 IV-1.4	☐ Alt Rec ☑ KPMG Rec	Organize functions under a new divisional configuration by adding a Human Resources Assistant Superintendent to the organization.	o Elevates importance of HR which is appropriate for size of PPS organization o Streamlines operations o Improves support to Schools, Board and Team		In Process Target date for hiring Executive Director of HR is April 15
41 IV-2.1	☐ Alt Rec ☑ KPMG Rec	Re-examine narrow reporting relationships for the opportunity to rethink ways of getting the work done, and to consolidate functions and programs.	o Reduce costs o Streamline operations o Improve support to Schools, Board and Team o Provide framework for performance standards/results o Could eliminate critical function or staff shortsightedly o Could cost more if lead worker or new alignment doesn't work	Goal is a $100k cost savings for 41, 42. Removing supervisory personnel may lead to "up-skilling" of remaining positions. Increasing skills of current or recruiting new staff will cost money initially but should result in containment of costs and more for the money over time.	Further District Review Pending

Human Resources and Management Structure

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
42 IV-2.2	☐ Alt Rec ☑ KPMG Rec	Implement procedures to regularly analyze span of control and narrow reporting relationships to leverage management resources.	See #41.	See #41.	Further District Review Pending
43 IV-2.3	☐ Alt Rec ☑ KPMG Rec	Continue to explore the number of and use of lead worker positions to ensure the appropriate management span of control over the Physical Plant operations.	There is benefit to continuing to explore the number of and use of lead worker positions to ensure appropriate management span of control over the Physical Plant operations. Someone needs to assign daily work tasks, monitor them, order supplies and check the completed work product. Using leads instead of supervisors is in itself a cost-saving measure.		In Process
73 VI-4.2	☐ Alt Rec ☑ KPMG Rec	PPS should consider linking financial accountability to performance evaluations for administrators and central service operations and provide for regular briefing to the Board on budget status.			Plan to Implement

Human Resources and Management Structure

SUBJECT	Staffing: To best utilize staff resources, the District should provide growth opportunities, via profession development and mentorships, and develop systematic recruitment programs for key positions. Staff data management should be streamlined under a new computer system.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
84 VI-10.1	☐ Alt Rec ☑ KPMG Rec	Implement employment disclosure requirements for substitute and part-time employees.	This is a data gathering process aimed primarily at new employees, particularly new substitute teachers, and part-time employees that might have worked in other Districts. The Task Force suggest some format that allows the newly hired employees to self report only if they have worked in other public agencies. This should be combined with other payroll information gathered as a new employee is incorporated into the current system. There is not an effective process that accurately obtains this information and in some cases the employee views this as a negative because of the payroll deduction. In the long run, PPS usually does get the information but the process can cause the employee concern because of the one time lump sum deduction, the requirement of staff time, and it does present the school District with some limited liability if it is not determined in a timely manner. At this point, the new employee has the most accurate knowledge of time he/she has worked at any public agency covered under the PERS system in the last 12 months. With an explanation to the employee of the benefit of reporting this information and a process that captures the information in a timely and accurate manner, everyone should benefit. This responsibility of reporting is leveraged to the employee who has the most to gain by ensuring that all work time is accurately captured in order to gain the long term benefit of PERS. Someday, with automation this may be possible to track in other ways but that will take some time.	Clearly, there is at a minimum a one time set up cost. There will need to be created an acceptable, effective and efficient format to obtain the information from those affected. Payroll professionals should be involved in determining that process. Currently about 5% of a staff member's time is spent tracking the hours of new employees in other public agencies. If a new information system is put in place, it should reduce the hours needed to obtain the information and make the reporting process easier. It will also reduce the PPS liability for interest on employee deductions not withheld.	Further District Review Pending

Human Resources and Management Structure

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
228 VIII-41.1	☑ Alt Rec ☐ KPMG Rec	The District should explore ways to encourage minority teachers to work toward administrative positions, possibly targeting linguistically and culturally diverse teachers to mentor, giving them a chance to gain practical experience. It is important that the District creates opportunities for administrative development. This mentoring experience should be included in experienced principals' goals. The District should maintain the same standard of quality for all hires.	In the past the District had a program that encouraged and mentored employees interested in becoming administrators. That program is gone with budget cuts. The inclusion of minorities in key administrative and academic areas would enhance the education that Portland offers students.	Some cost involved for identification, recruitment and development program.	Plan to implement
229 VIII-42.1	☐ Alt Rec ☑ KPMG Rec	Explore using teachers during summer session to support recruitment, selection, and staff planning processes.	While the staff seems to manage within these difficult constraints-there would be an advantage to hiring the best new teachers if the District could accelerate the budget process. Teachers forced to wait until late August will take other offers. Additionally, staff is working beyond reasonable capacities during these peak periods. The Task Force recommendations may not be easily implemented. Short-term solutions should be part of budget discussions.		Rejected
83 VI-9.1	☐ Alt Rec ☑ KPMG Rec	Ensure proper hiring policies and procedures are followed. While this situation is indicative of a lack of effective standard policies and procedures over the Human Resource process, the ability to override the payroll system presents an indication of a lack of adequate controls over the system. In addition, by allowing new employees to work who are not formally set-up could result in unnecessary risk of liability to PPS.	Communication from the central office to the schools regarding the required forms, policies and procedures, and subsequent enforcement of adherence to them, is an integral part of implementing this recommendation. New computer systems are simply tools to help in executing certain tasks and procedures, and are not themselves a substitute for sound policies and practices		Plan to Implement

Human Resources and Management Structure

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
151 VII-23.1	☑ Alt Rec ☐ KPMG Rec	The District needs to take steps to make forecasts for Spanish-speaking ESL/Bilingual staff positions early in the year and offer employment to those who are recruited in a more timely fashion. Any steps the District could take to negotiate contract language that could retain staff with those unique linguistic capabilities from layoff in staff reductions for any reason would be extremely helpful. Recommendation should not be taken as directive in collective bargaining.	Growth in Hispanic student is projected to continue. The District must take concrete steps to rectify the underlying problems that prevent anticpating needs and hiring adequate staff that will not lose their positions as the overall enrollment may decrease. Contractually, there may be difficulties retaining last hired bilingual staff. Making alterations to existing or new contract language in this instance will be evaluated in the larger context of negotiations overall.		In Process
231 VIII-44.1	☐ Alt Rec ☑ KPMG Rec	Explore methods to create structured selection processes that provide for objective and equitable assessment of applicant qualifications (Various aspects of the personnel practices (classified hiring, and classification and compensation planning) should be formalized and updated. The informal nature of the classified personnel hiring processes may lead to the perception of inequity).	At present there is a great deal of ambiguity around the hiring process. The Task Force found different perceptions held by various staff closely involved in the process of hiring classified. As an example, at present very little checking of references is done (with the exception of the fingerprint/background check required by state law). However, there was a perception at the administrator level that the qualification list they received included some check, when in fact, they did not. Some members of HR indicated reference checks had been done on all candidates, when in fact, they had not been done until long after the candidate had been hired. We also found that in some hiring processes, because the hiring was done without feedback to the applicants, there was confusion and an unfounded belief of favoritism. We believe because of the intense work load in HR and at the administrative level that many of these issues are not currently being addressed and lead to poor hiring decisions.	Costs for staff time and outside resources.	Plan to Implement

Human Resources and Management Structure

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
233 VIII-45.1	☐ Alt Rec ☑ KPMG Rec	Explore the benefit of expanding training to include courses for aspiring principals.	The Task Force see great benefit to finding means to implement this recommendation, especially given the next PERS bubble looming that will encourage another round of significant retirements. PPS does not have representative numbers of Hispanic administrators, so this program, especially for interested minority aspiring administrators would encourage participation in a structured program that can help assure success once they become principals. As both a cost benefit and an ongoing partnership, the District should explore joint creation of the program to minimize startup and operating costs. One suggestion was made to our group to approach the principals' association to explore their collaboration.		Rejected

Human Resources and Management Structure

SUBJECT	Comp/Benefit: In an ever-changing educational system and competitive labor market, the District should review current policies for their efficiency. Procedures, such as teacher evaluations, and benefits packages should regularly reviewed and new options explored.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
85 VI-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should explore strategies to reduce its overall benefits burden through the introduction of cafeteria benefit plans or other flexible benefits approaches. Recommendation should not be taken as directive in collective bargaining.	The introduction of a cafeteria plan may allow PPS to enhance the value of employee benefits to employees while simultaneously reducing its overall benefits burden. A feasibility study should allow the PPS staff to weigh the advantages and disadvantages of flexible benefits for PPS employees. Since benefits to be provided to employees are subject to collective bargaining, all bargained units need to address this issue. As stated previously, if the concept is adopted by some but not all bargained units, administration of multiple plans may be a cumbersome and added expense.	To move the recommendation forward, there will be expenses related to consulting services as well as PPS staff time required to conduct a feasibility study. If a cafeteria plan design approach is approved, legal expenses will be incurred to amend the Trust document and to review the summary plan descriptions and communication materials. Introducing a cafeteria plan will require extensive training for resources to support the initial Open Enrollment. Additionally, it is likely that all materials regarding health/welfare benefits would have to be redrafted, printed, and distributed to all employees. Once implemented, in order to effectively administer flexible benefits, the necessary information systems will need to be in place.	Further District Review Pending
230 VIII-43.1	☑ Alt Rec ☐ KPMG Rec	Examine methods to make the teacher evaluation process more meaningful and address key areas of teacher performance and accomplishment. Recommendation should not be taken as directive in collective bargaining.	Clear expectations mutually established between principals and teachers through an effective evaluation process should make the process more meaningful and address key areas of teacher performance and accomplishment. The evaluation process will only be effective is it is consistently applied in a timely manner.	Any revisions to the current process will require a thorough communication to staff as well as training on the use of newly developed evaluation tools. The evaluation manual and forms will need to be developed and printed. Cost of reprinting evaluation manual and forms as necessary	In Process
232 VIII-44.2	☐ Alt Rec ☑ KPMG Rec	Update the classification and compensation schedule for those not included in a collective bargaining unit.			In Process

Information Technology

The Information Technology Task Force and the AISC recognize and are mindful of the significant dollars that are involved in discussing the replacement of the District's information systems. The Task Force approached their charge with a clear recognition for the limitations on tax dollars to support the District and its operations. It is within this context that the Task Force reported to the AISC its strong belief that the District has a broken information system that cannot—and should not—be continued. The situation is critical:

• Past information and data has been filled with errors, is inefficient, and difficult to reconcile. In a few years none of it will be reconcilable. The District cannot balance its checkbook.

• PricewaterhouseCoopers' recent financial statement audit showed twenty-one serious problems directly connected to bad financial information.

• The District is in constant danger of facing costly fines and penalties through IRS, EEOC, and PERS reporting violations.

• Teachers are wasting many hours each week on repeated data entry required for attendance and report card reports under the current system.

• The District risks losing state dollars with questionable or inaccurate enrollment figures now produced by the information system.

• The District is dangerously close to not being able to produce payroll.

The current system requires a relatively large data processing and programming staff simply to operate at its current level, and the support costs will get increasingly expensive—a lose-lose prospect for the District.

In order to correct the above problems, the Task Force draws the following conclusions:

• The District must replace its inadequate computer systems. Those recommendations dealing with system replacement have the highest priority and should be implemented immediately. The Task Force strongly thinks these recommendations have a direct tie to educational benefits for all aspects of teacher/student/parent communication and instructional technology. They will also reduce noninstructional work for teachers and the administrative load at the building level.

• The staffing recommendations are probably under-funded by at least $600,000. The Task Force believes it is essential to have a Chief Technology Officer with adequate support staff to make the new system investment work.

• Other Task Force recommendations could affect other Information Technology recommendation implementation costs. The most notable is that these recommendations assume a centralized administration at BESC. The Information Technology Task Force has a strong concern that network change costs would increase substantially if the centralized computer center is moved from BESC.

Essential Package for Information System Replacement

Recommendations *50 V-3.1, 53 V-5.1, 54 V-6.1, 55 V-7.1, 56 V-8.1, 57 V-9.1.*

These recommendations are the heart of any business information system and cover Human Resources, Payroll, and Finance. The Task Force and AISC strongly agree that these systems need to be replaced. The Task Force disagreed with KPMG in its silence on replacing the Student Information System. The Task Force believes this has the highest priority for implementation and should be supported by the technology coordinators. The Task Force and AISC proposed an alternative recommendation that adds the Student Information System to the core package. The Task Force cautioned that the funding estimates included in the attached reports assume that BESC will remain in the District's Administration Building. The Task Force is aware that the Facilities Task Force is evaluating whether the District should vacate BESC. That option should consider the Information Technology infrastructure costs that would be associated with such a move.

Important Package for Information System Replacement

Recommendations *60 V-12.1, 61 V-13.1, 62 V-14.1, 63 V-15.1, 64 V-16.1*

These recommendations concern important components of a fully integrated and efficient information system that supports an effective and efficient public school district, and includes warehouse management, facilities management, risk management, nutrition services, and transportation systems. The Task Force believes each of these elements will benefit the children, teachers, and community. Nutrition Services systems will ensure that students eligible for federally funded meal assistance will be identified, helping improve student performance in the classroom, and capturing all available federal dollars. A Facilities Management System will improve the District's ability to adequately maintain schools, which impacts student comfort, safety, and performance in the classroom. The integration of the Transportation system with other District systems, such as Student Information, will help identify the transportation needs of students, including special needs populations, and improving transportation to and from schools. Administrators will also be able to access information quickly in order to plan and execute programs.

Also important, system upgrades will help provide assurance through reduced staff and more reliable data that District resources are used effectively, increasing the confidence of parents and other community stakeholders.

Continue Plans to Replace Aging Systems

Recommendations *44 V-1.1, 45 V-1.2, 46 V1.3*

These recommendations address the critical status of the District's computer systems. Because of this,

"The student information system should be part of the core package."

Bill Willard
Vice Chair,
Information Technology Task Force and Vice President of Information Systems, Standard Insurance Company

"System upgrades will help reduce staff and will result in more efficient use of District resources."

Manny Ovena
Information Technology Task Force and Chief Technology Officer, Portland Public Schools

"Opportunity exists to expand partnerships with local business and communities to support technology initiatives."

Arlen Sheldrake
Information Technology Task Force and Director, Network & Information Services, Multnomah Education Service District

Recommendations 44 (Continue with plans to replace aging systems) and 45 (In implementing new systems the District should design its practices and processes around the capabilities of the system, rather than excessively customizing off-the-shelf software) received prior approval from the Superintendent and therefore are already completed. Recommendation 46 addresses the quality of data to be converted from existing systems to new applications. This will help prevent any productivity reductions that could be caused through the loss of historical information.

Improving Strategic Planning Processes

Recommendations *12 II-6.1, 13 II-6.2*
These recommendations ensure that information technology planning efforts involve appropriate stakeholder participation and are developed in the context of the overall District strategic direction. The success of the system replacement project recommendations made by the Task Force depend upon appropriate coordination and linkage to the overall Information Technology strategic plan that is also linked to the District-wide strategic plan.

Organizational Structure and Practices

Recommendations *39 IV-1.3, 47 V-2.1, 48 V-2.2; 49 V-2.3*
The Information Technology Task Force and AISC urge the creation of a position with the title Chief Technology Officer, which better reflects the breadth and complexity of the position and responsibilities.

The Task Force further believes KPMG underestimated the cost of this recommendation by $300,000 because the office will require staff support. These recommendations also address the requirements to improve reliable results, to lower computer system development costs and to lower operational unit costs. These practices should help control the budget and schedule of implementation efforts and manage risk.

Improve Professional and Community Networking

Recommendations *51 V-4.1, 52 V-4.2*
These recommendations encourage expanding efforts to partner with local businesses and communities to support technology initiatives. The adoption of these recommendations provides opportunities to lower costs by local companies donating services and equipment.

Information Technology

<table>
<tr>
<td>SUBJECT</td>
<td colspan="6">Essential Systems Replacement: The District must replace its inadequate PPS computer systems, especially Student Information Systems, Human Resources, Payroll and Finance. The Task Force strongly believes the new system has a direct tie to educational benefits for all aspects of teacher/student/parent communication and instructional technology. It will also reduce non-instructional work for teachers and the administrative load at the building level.</td>
</tr>
<tr>
<th>Ref#</th>
<th>Type</th>
<th>Recommendation</th>
<th>Discussion</th>
<th>Fiscal Comments</th>
<th>Status</th>
</tr>
<tr>
<td>50

V-3.1</td>
<td>☑ Alt Rec

☐ KPMG Rec</td>
<td>Consider establishing technology coordinators to provide the necessary assistance to schools.</td>
<td>This project assumes that BESC will remain the District Administration Building. The IT Taskforce has been made aware that the Facilities Taskforce is evaluating whether the District should vacate BESC. That option should consider the IT infrastructure costs that would be associated with such a move.</td>
<td>Cost of $300,000 for five FTE support staff.</td>
<td>In Process

Incorporated into system replacement project.</td>
</tr>
<tr>
<td>53, 54, 55, 56, 57

V-5.1, 6.1, 7.1, 8.1, 9.1</td>
<td>☑ Alt Rec

☐ KPMG Rec</td>
<td>Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.</td>
<td>KPMG failed to include the Student Information System in their recommendations, a system the TF believes has the highest priority of this set of recommendations. PPS needs to establish a realistic timeframe to implement these systems and to incorporate revisions to the budget..</td>
<td>One Time Cost:
$27,982,000

Annual Cost:
$3,800,000

Reduced Expenses Annual:
$3,640,000</td>
<td>In Process

Incorporated into system replacement project.</td>
</tr>
</table>

Information Technology

<table>
<tr>
<td colspan="2" style="background:black;color:white">**SUBJECT**</td>
<td colspan="4">Important Systems Replacement: In addition to the essential aspects of systems replacement, there are other important components of a fully integrated and efficient information system that support an effective and efficient public schools district. These components include warehouse management, facilities management, risk management, nutrition services, and transportation systems. Each of these elements also benefit students, teachers, and the community. Nutrition services systems will ensure that students eligible for federally funded meal assistance will be identified, helping improve student performance in the classroom and capturing all available federal dollars. A Facilities Management System will improve the District's ability to adequately maintain schools, which impacts student comfort, safety, and performance in the classroom. The integration of the Transportation system with other District systems, such as Student Information, will help identify the transportation needs of students, including special needs populations, improving transportation to and from schools. Administrators will also be able to access information quickly in order to plan and execute programs.</td>
</tr>
</table>

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
60 V-12.1	☑ Alt Rec ☐ KPMG Rec	Implement an integrated risk management system.	The Task Force agreed that these recommendations are important, but are secondary to 53-57.	Estimated one time and ongoing costs are not readily identifiable. However, total estimated costs for implementing the systems are as follow: Integration of Transportation Scheduling system $120,000 Nutrition Services system $1,290,000 Facilities Management -$590,000 Risk Management $290,000 Warehouse Management -$820,000 $3,110,000 Included in annual debt service figures above.	In Process Included in budget for into system replacement project.
61 V-13.1	☐ Alt Rec ☑ KPMG Rec	The Nutrition Services Department should continue to consider a nutrition management system that integrates with the financial management system, such as School Nutrition Accountability Program (SNAP or an alternative system).	See #60.		In Process
62 V-14.1	☑ Alt Rec ☐ KPMG Rec	Install point-of-sales systems at all food services locations in schools.	See #60		In Process

Information Technology

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
63 V-15.1	☑ Alt Rec ☐ KPMG Rec	Physical Plant should continue the procurement process and select a new facility management information system.	See #60.		In Process
64 V-16.1	☐ Alt Rec ☑ KPMG Rec	Transportation Services should continue the implementation of updated systems to improve efficiency and allow for compatibility with the new financial system.	See #60.		In Process
44 V-1.1	☐ Alt Rec ☑ KPMG Rec	Continue with plans to replace aging systems.	The old system is dangerously out of date and can barely be supported by the District staff and retirees. The new system will provide dramatically better information and processing.		In Process Board adopted $31.1 million budget on 3/29/99.
45 V-1.2	☐ Alt Rec ☑ KPMG Rec	In implementing new systems, the District should design its practices and processes around the capabilities of the system, rather than excessively customizing off-the-shelf software.	The Task Forcestrongly concurs with this recommendation. Past experience at the District illustrates the problems with over modification of programs.		In Process System Replacement Project Plan is based on minimal programming modifications.
46 V-1.3	☑ Alt Rec ☐ KPMG Rec	The District should avoid as much information loss as possible when converting to the new system. Little of the District's information is in a convertible format or extends back more than a year.	Develop a strategy to convert information from existing systems to new applications where applicable. The current system does not store much convertible data. The Student Information System should be converted into a new application.		In Process

Information Technology

SUBJECT	Improving Strategic Planning Processes: Information technology planning efforts must involve appropriate stakeholder participation and are developed in the context of the overall PPS strategic direction. The success of the system replacement project recommendations made by the Task Force depend upon appropriate coordination and linkage to the overall IT strategic plan that is also linked to the District wide strategic plan.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
12 II-6.1	☐ Alt Rec ☑ KPMG Rec	The District should pursue an information technology strategic planning process that involves key users and managers.	This recommendation must be implemented in order to have all other recommendations be effective.		Done for System Replacement Project – Needs to be updated when strategic plan ready.
13 II-6.2	☐ Alt Rec ☑ KPMG Rec	The information technology strategic plan should be based on the overall direction and priorities of the District as stated in its own District-wide strategic plan.	This recommendation must be implemented in order to have all other recommendations be effective (see #12).		Done for System Replacement Project – Needs to be updated when strategic plan ready.

Information Technology

SUBJECT	Organizational Structure and Practices: PPS needs to incorporate sound methodologies and practices to improve reliable results, to lower computer system development costs and to lower operational unit costs. These practices should help control the budget and schedule of implementation efforts and manage risk. The Information Technology Department should be headed by a Chief Technology Officer, a title that better reflects the breadth and complexity of the position and responsibilities. This position should have adequate staff support, which calls for a $300,000 investment.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
39 IV-1.3	☑ Alt Rec ☐ KPMG Rec	Consolidate technology responsibilities under a Chief Technology Officer. This title better reflects the breadth and complexity of the position and its responsibilities.	Many of the Information Services problems identified by KPMG can be traced back to the organizational structure. Information Services didn't have cabinet-level standing and input to decision-making. This recommendation will provide the necessary visibility and attention as well as effective accountability and the delivery of needed technology services to all users. All technology functions and activities need to be coordinated and report to a single person with direct reporting responsibility to the Superintendent.	$140,000 is a good figure for the Chief Technology Officer. This position will, however, need secretarial and administrative assistant support and other office/travel expenses to be effective. Total estimated annual cost is $300,000.	Done. Manny Ovena named CIO. Costs of additional staffing needs are expected to be offset by cost savings due to organizational restructure when new system is implemented.
47 V-2.1	☐ Alt Rec ☑ KPMG Rec	Information Services staff should continue its plan to utilize project management systems and methodologies to support its major System Replacement Project Effort.	Predicted success of Project Odyssey should demonstrate applicability and effectiveness of structured methodologies for generalized use by entire Information Services department. The absence of these methodologies will increase probability of failure. Creating the necessary organizational change to embrace structured methodologies will require time and internal training.		In Process

Information Technology

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
48 V-2.2	☐ Alt Rec ☑ KPMG Rec	Information Services staff should adopt its systems development, operations, and project management methodologies and standards, and train its managers and key staff members on the application and utilization of these methodologies.	Predicted success of Project Odyssey should demonstrate applicability and effectiveness of structured methodologies for generalized use by entire Information Services department. The absence of these methodologies will increase probability of failure. Creating the necessary organizational change to embrace structured methodologies will require time and internal training.		Plan to Implement
49 V-2.3	☐ Alt Rec ☑ KPMG Rec	Information Services should reexamine its organizational structure and allocate resources to critical oversight and support functions.	The District must have both the right organization and resources for the best customer service. The previous structure was ineffective for the Odyssey Project. Realistic costs have not been attached to this recommendation. Changing existing practices is difficult to do.	The full time training budget for all departments is $1.2 million for a three-year period (life of the project). Operating training costs are undetermined but will exist as staff turns over.	In Process Incorporated into system replacement project.

Information Technology

SUBJECT		**Improve Professional and Community Networking: PPS should expand efforts to partner with local businesses and communities to support technology initiatives. The adoption of these recommendations provides opportunities to lower costs by local companies donating services and equipment.**			
Ref#	**Type**	Recommendation	**Discussion**	**Fiscal Comments**	**Status**
51 V-4.1	☐ Alt Rec ☑ KPMG Rec	PPS should continue its efforts to team with industry in technology development initiatives.	The Task Force believes public/private partnerships are good to pursue with some caveats. Care needs to be taken to avoid ongoing operational costs when "free" or "donated" programs are developed. Need to ensure donations meet the needs or objectives of the District, and replace costs that otherwise would have been incurred.	Should be revenue positive, based on criteria established in this recommendation.	Further District Review Pending
52 V-4.2	☐ Alt Rec ☑ KPMG Rec	PPS should continue its current relationships and explore options with other governmental agencies to share or partner in technology investments, training or technical support. Through cooperation with other agencies, PPS may be able to reduce future technology costs and leverage valuable resources.	• Plugs into the expertise of others. • Possibility of getting quicker solutions to common problems. • Develops positive relations with others. • Possibility of cost savings. • Enhanced services to students and staff.	There should be quantifiable benefits to all partnerships, some of which should be fiscal however. However, additional staff time is required for relationship building and partnering.	In Process

"The Task Force recommends a systematic change in the way the District handles inventory operations."

Bill Hallmark
Chair,
Inventory and Purchasing
Management Task Force
and Associate, William M.
Mercer, Inc.

At the heart of the Inventory and Purchasing Management Task Force's work was reviewing KPMG's belief that: (1) the District maintains excessive inventory; (2) up to 50% of this inventory could be reduced; and (3) reducing the inventory would bring significant savings to the District. The Task Force and AISC agrees that the District maintains too much inventory. However, the Task Force also believes that the amount of KPMG's inventory reduction recommendation is arbitrary and the cost savings are baseless. Reducing inventory will not achieve anywhere near the savings KPMG projected.

As an alternative, the Task Force is recommending a systemic change to the way the District handles inventory operations. Currently, there is no cost associated with storing items over long periods of time—warehousing is perceived as "free." The Task Force believes that the true costs of warehouse operations should be added to all current and future items and be borne by the user.

The Task Force also recommends revisions to the credit (return) policy that will similarly capture the true costs. Two options were developed for the District to consider adopting: (1) Charge a restocking fee (e.g., 10% of the item value for restocking), which is on par with the private sector for cost recovery and a penalty to discourage over-buying; or (2) build return costs into the front-end price, like a retail store.

The Task Force and AISC strongly support the implementation of a new inventory management information system. Based on the Task Force's experience alone, it is very difficult to extract the right information to assess inventory demand or other aspects of inventory management. However, the Task Force has spent time with Warehouse, Purchasing, and Information Systems staff and believes that the data flow can be improved even with the existing, inadequate system.

Inventory Reduction

Recommendations *87 VI-13.1, 88 VI-13.2, 89 VI-13.3*
These recommendations cover the primary ways KPMG felt the District could address its excessive inventory: reducing inventory by 25-50%; implementing just-in-time delivery; and reconsidering adding warehouse space in a new parking facility. The Task Force found that dead stock (stock not used over a long period) and non-essential inventory can and should be eliminated, especially in the maintenance area. However, nothing in the findings or in the Task Force review indicates that either a 25% or 50% reduction of all warehouse inventory is possible or desirable. In addition, KPMG appears to have equated a reduction in inventory to a reduction in costs. This is not true when dealing with dead stock that is not regularly purchased. The dead stock does not have labor costs. The assertion that less inventory equals less staff is also false. In fact, moving the inventory more often may require the same or higher staffing levels.

Rather than arbitrarily reducing the inventory by 50%, the District needs to address the systemic causes of excess inventory. One clear cause is that the warehouse is viewed as "free" by those who use it. This view distorts cost comparisons against outside vendors and other alterna-

"The District should consider charging departments the full cost of warehouse services."

Ed Sheets
Inventory Management and
Purchasing Task Force, AISC
and President, Ed Sheets
Consulting

"The District should look at both the restocking concept and the retail concept and determine which operations will result in the greatest incentive to save money."

Suzanne Flynn
Inventory Management and
Purchasing Task Force and
Auditor, Multnomah County

tives in favor of using the warehouse. In some areas, this distortion has led to what may be described as a "just-in-case" inventory system. The alternative recommendation views the warehouse as a centralized service that other departments use on a full-cost basis. Managers will then have the necessary information to make the most cost-effective use of the warehouse for the District. Used properly, the warehouse provides some advantages over private alternatives including being exempt from inventory taxes. Existing hard copy material planning information reports should be made available electronically to allow for better information analysis and management.

The Task Force also believes that improvements can be made in lead-time. Better information systems could help shorten the lead-time for delivery and provide monthly usage reports to track demand. However, KPMG made no cost impact estimates for this recommendation. Just-in-time delivery could increase both purchasing and delivery costs, as there would be smaller orders placed and more deliveries to schools-even with phased delivery. With $5 million in current inventory, a 10% increase in costs ($500,000) would wipe out even the most optimistic staff savings projected by KPMG.

The Task Force agrees with KPMG that additional storage space does not appear to be warranted at this time. However, should BESC, Madison High School, or Marshall High School be closed per some of the other recommendations, additional storage might be required.

Credit (Return) Policy
Recommendation *90 VI-14.1*
The Task Force and the AISC found that while the District has a written credit policy, it should be strengthened to accurately cover the costs, and clearly capture all existing return practices. The Task Force disagreed with the way KPMG calculated the cost to return items, both in the percentage (41% of the inventory value) and the amount of inventory returned (a three-year average).

The Task Force discussed both a restocking charge concept and a retail concept where the cost is built into the price. The positive aspect of the restocking charge is that it discourages over-buying and is in-line with other Task Force recommendations. The positive aspect of the retail model is that there is less processing, thus avoiding spending more in staff time than a restocking charge provides for small purchases. The Task Force believes the District should look at both options and select one based on net cost criteria and incentives to save money.

Off-site Storage
Recommendation *91 VI-15.1*
The Task Force did not find the KPMG arguments of lack of access to be compelling. Nor did the Task Force think the spaces could be converted easily for use by people. However, the Task Force recognized that any building use has to fit within an overall asset management plan.

The space at Marshall is appropriate for long-term storage, as it is more difficult to access. The Madison storeroom is appropriate for shorter-term storage, as it is easier to get in

"Benchmarking should be applied to the entire materials management system."

Michael Hutchens
Inventory Management and
Purchasing Task Force, AISC
and Director of Purchasing,
Risk Manager, Portland Public
Schools

and out of the area. However, as with Marshall, this area is not currently suitable for people. Remodeling or structural changes of unknown cost would be needed to make these areas suitable for use as class or activity space occupied by students.

What is currently stored in these two areas is largely furniture, both new and used. In addition, about a third of the space at Madison is used for storing obsolete or surplus material, prior to being sold by the State (the proceeds of which partially return to the District). Just over a third of the space at Marshall is vacant and serves as a back-up, temporary storage area in instances where large amounts of furniture come in from a school.

The Task Force believes that space at BESC is more valuable and might be better used as a lease-for-cash option.

Therefore, use of Marshall and Madison for warehouse needs should be coordinated with the District-wide asset management plan. The District should provide greater oversight of obsolete materials prior to storage, and warehousing charges in Recommendation 88 should apply to any user seeking storage. Marshall should be used for long-term overflow storage in recognition of the difficulty getting in and out of the space with the resulting high cost of moving items to and from the site. Short-term storage should be restricted to BESC or Madison. Overall cost savings, potential income from rental of BESC storage space, and the cost of renovation for human use, should be considered in decisions regarding use of Madison and Marshall for storage.

Purchasing Staff Efficiency

Recommendation *92 VI-16.1*
The Task Force did not find the KPMG benchmarking method based on the number of purchase orders to be a compelling method for measuring efficiency, and so disagreed with the finding that the staff could be more efficient.

However, the Task Force agrees that benchmarking performance is a good thing to do and that efficiency is important. The Task Force also believes that this benchmarking should be applied to the entire materials management system, and not simply be applied to purchasing staff.

The Task Force looked at other ways to measure performance. The Task Force initially chose to use one quick benchmark that was simple to calculate with existing data: the dollar value of requisitions per purchasing staff person. "Dollar value of requisitions" was measured roughly by total expenditures less personnel costs and bond/other debt service. "Purchasing staff" was defined as central materials management staff plus staff with purchasing responsibility. These definitions were chosen to allow rapid comparison across the districts KPMG used for number of purchase orders.

Michael Hutchens applied that formula to the past 3 years purchases, with the following results: efficiency rose 0.6%, 8.5%, and 15.6% respectively in the last three years. He also called three other benchmark districts and found that he could not get comparable data do to variations in reported information and differences

in definitions. Mr. Hutchens is continuing to try to obtain information from which valid comparisons can be made.

For longer-term evaluation, however, this measure has at least two drawbacks: it encourages spending, to build up dollars per employee, and falsely shows lower prices as lower efficiency.

The team then briefly reviewed several other measures used by municipalities, provided by Task Force member Suzanne Flynn. Although the limited time frame and scope of the review did not permit the Task Force to recommend or implement any specific measures, the group feels that a combination of measures would be most effective, particularly measures that showed speed of processing and adequate numbers of qualified bidders to ensure truly competitive bidding. The Purchasing Department now has that list of measures to use in planning. The Task Force also believes that procurement procedures should be updated district-wide to reduce barriers to efficient operations and prepare the staff for business procedures based on the new Information system.

SUBJECT	Inventory Reduction: The District simply maintains more inventory than it needs. The Task Force found that dead stock (stock not used over a long period) and non-essential inventory can and should be eliminated, especially in the area of Maintenance. However, nothing in the findings or in the Task Force review indicates that either a 25% or 50% reduction of all warehouse inventory is possible or desirable. Rather than arbitrarily reducing the inventory by 50%, the District needs to address the systemic causes of excess inventory. One clear cause is that the warehouse is viewed as "free" by those who use it. This view distorts cost comparisons against outside vendors and other alternatives in favor of using the warehouse. In some areas, this distortion has led to what may be described as a "Just-in-Case" inventory system. The alternative recommendation views the warehouse as a centralized service that other departments use on a full cost basis. Managers will then have the necessary information to make the most cost-effective use of the warehouse for the District. Used properly, the warehouse provides some advantages over private alternatives including being exempt from inventory taxes. Existing hard copy material planning information reports should be made available electronically to allow for better information analysis and management. Improvements also can be made in lead-time. Better information systems could help shorten the lead-time for delivery and provide monthly usage reports to track demand. However, just-in-time delivery could increase both purchasing and delivery costs, as there would be smaller orders placed and more deliveries to schools—even with phased delivery. With $5 million in current inventory, a 10% increase in costs ($500,000) would wipe out even the most optimistic staff savings projected by KPMG. The Task Force strongly supports the implementation of a new inventory management information system. Based on our experience alone, it is very difficult to extract the right information to assess inventory demand or other aspects of inventory management. However, the Task Force has spent time with Warehouse, Purchasing, and Information Systems staff and believes that the data flow can be improved even with the existing, inadequate system

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
87 VI-13.1	☑ Alt Rec ☐ KPMG Rec	The District should allocate all warehousing costs (e.g. receiving, carrying, and shipping) to the end user. Once this is done, The District should determine the optimal amount of inventory needed to enable a more effective and efficient operation of the material management function.	Dead stock and non-essential inventory can and should be eliminated, especially in the area of Maintenance, where over 970 items have not had any movement this year. With more modern inventory information and processing systems, the Annual Purchase by schools may be less important, so central storage of a large amount of inventory may not be required. Rather than arbitrarily reducing the inventory by 50%, the District needs to address the systemic causes of excess inventory. One clear cause is that the warehouse is viewed as "free" by those who use it. This view distorts cost comparisons against outside vendors and other alternatives in favor of using the warehouse. In some areas, this distortion has led to what may be described as a "Just-in-Case" inventory system. The alternative recommendation views the warehouse as a centralized service that other departments use on a full cost basis. Managers will then have the necessary information to make the most cost-effective use of the warehouse for the District. Used properly, the warehouse provides some advantages over private alternatives including being exempt from inventory taxes. Existing material planning printed information reports should be made available electronically to allow for better information analysis and management.	By allocating full costs to the end user, the Task Force believes the right economic incentives will be in place to promote smart spending.	Further District Review Pending

Inventory

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
88 VI-13.2	☑ Alt Rec ☐ KPMG Rec	Implement a shortened lead-time for ordering and delivery wherever practical. The District must balance the benefits of reduced time in storage with the increase in purchase and staff handling costs.	Better information systems could help shorten the lead-time for delivery and provide monthly usage reports to track demand. Nutrition Services appears to hold the most promise for Just-In-Time delivery. KPMG made no cost impact estimates for this recommendation. Just-in-time delivery could increase both purchasing and delivery costs, as there would be more deliveries to schools and smaller orders placed-even with phased delivery. With $5 million in current inventory, a 10% increase in costs ($500,000) would wipe out even the most optimistic staff savings projected by KPMG.		Further District Review Pending
89 VI-13.3	☐ Alt Rec ☑ KPMG Rec	Reconsider the need for constructing additional storage space across from the BESC.	Additional storage space does not appear to be warranted at this time. As warehouse space is freed up, furniture and bulk items should be brought back from Marshall and Madison High Schools. Should BESC, Madison or Marshall be closed per some of the other recommendations, additional storage might be required.		Further District Review Pending

Inventory

<table>
<tr>
<td>SUBJECT</td>
<td>Credit Policy: While PPS has a written credit policy, it should be strengthened to accurately cover the costs, and clearly capture all existing return practices. Two options were developed for PPS to consider adopting: 1) Charge a restocking fee (e.g., 10% of the item value for restocking), which is on par with the private sector for cost recovery and a penalty to discourage over-buying; or 2) build return costs into the front-end price, like a retail store.

The positive aspect of the restocking charge is that it discourages over-buying and is in-line with other Task Force recommendations. The positive aspect of the retail model is that there is less processing, thus avoiding spending more in staff time than a restocking charge provides for small purchases. PPS should look at both options and select one based on net cost criteria and incentives to save money.</td>
</tr>
</table>

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
90 VI-14.1	☑ Alt Rec ☐ KPMG Rec	While the District currently has a written return (credit) policy, it should be rewritten to include all current return practices and be more clearly presented. The District should also consider recovering the cost of returns through one of two methods: 1. Charge a restocking fee (e.g., 10% of the item value for restocking), which is on par with the private sector for cost recovery and a penalty to discourage over-buying; or 2. Build return costs into the front-end price, like a retail store.	KPMG assumed the cost to return items is about 41% of the inventory value. Outside vendors would charge 10% of the item value for restocking, including a penalty on top of the cost of a special trip to and from the site. There is no special trip required for the District because returns are incorporated in the normal delivery schedule. The TF also thought the costs could be recovered by building the return costs into the front-end price, like a retail store. The positive aspect of the restocking charge is that it discourages over-buying and is in-line with other TF recommendations. The positive aspect of the retail model is that there is less processing, thus avoiding spending more in staff time than a restocking charge provides for small purchases. The TF believes the district should look at both options and select one based on net cost criteria and incentives to save money.	The Task Force believes there is internal revenue potential of 10% (currently $8,300) in the form of a restocking charge.	Plan to Implement

Inventory

SUBJECT — Off-site Storage: Currently, both Madison and Marshall High Schools are used for some types of storage. The space at Marshall is appropriate for long-term storage, as it is more difficult to access. The Madison storeroom is appropriate for shorter-term storage, as it is easier to get in and out of the area. However, as with Marshall, this area is not currently suitable for people. Remodeling or structural changes of unknown cost would be needed to make these areas suitable for use as class or activity space occupied by students.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
91 VI-15.1	☑ Alt Rec ☐ KPMG Rec	The District should consolidate off site storage and make it available for use by the school sites.	Currently, both Madison and Marshall High Schools are used for some types of storage. The space at Marshall is appropriate for long-term storage, as it is more difficult to access. The Madison storeroom is appropriate for shorter-term storage, as it is easier to get in and out of the area. However, as with Marshall, this area is not currently suitable for people. Remodeling or structural changes of unknown cost would be needed to make these areas suitable for use as class or activity space occupied by students. What is currently stored in these two areas is largely furniture, both new and used. In addition, about a third of the space at Madison is used for storing obsolete or surplus material, prior to being sold by the State (the proceeds of which partially return to the District). Just over a third of the space at Marshall is vacant and serves as a back-up, temporary storage area in instances where large amounts of furniture come in from a school. The space at BESC is more valuable and might be better used as a lease-for-cash option. Therefore, use of Marshall and Madison for warehouse needs should be coordinated with the District-wide asset management plan. The District should provide greater oversight of obsolete materials prior to storage, and recommended warehousing charges should apply to any user seeking storage. Marshall should be used for long-term overflow storage in recognition of the difficulty getting in and out of the space with the resulting high cost of moving items to and from the site. Short-term storage should be restricted to BESC or Madison. Overall cost savings, potential income from rental of BESC storage space, and the cost of renovation for human use, should be considered in decisions regarding use of Madison and Marshall for storage.		Further District Review Pending

Inventory

SUBJECT	Purchasing Staff Efficiency: The key to improving staff efficiency is to have appropriate measures for performance. The Task Force did not find the KPMG benchmarking method based on the number of purchase orders to be a compelling method for measuring efficiency. However, the Task Force agrees that benchmarking performance is a good thing to do and that efficiency is important. This benchmarking should be applied to the entire materials management system, and not simply be applied to purchasing staff.

Ref#	Type	Recommendation	Discussion	Fiscal Comments	Status
92 VI-16.1	☑ Alt Rec ☐ KPMG Rec	Enhance the efficiency of purchasing staff utilization.	The key to improving staff efficiency is to have appropriate measures for performance. The Task Force did not find the KPMG benchmarking method based on the number of purchase orders to be a compelling method for measuring efficiency. However, the Task Force agrees that benchmarking performance is a good thing to do and that efficiency is important. This benchmarking should be applied to the entire materials management system, and not simply be applied to purchasing staff. Initially, the Task Force chose to use one quick benchmark that was simple to calculate with existing data: the dollar value of requisitions per purchasing staff person. "Dollar value of requisitions" was measured roughly by total expenditures less personnel costs and bond/other debt service. "Purchasing staff" was defined as central materials management staff plus staff with purchasing responsibility. These definitions were chosen to allow rapid comparison across the districts KPMG used for number of purchase orders. Applied to the past 3 year's purchases, efficiency rose 0.6%, 8.5%, and 15.6% respectively. For longer-term evaluation, however, this measure has at least two drawbacks: it encourages spending, to build up dollars per employee, and falsely shows lower prices as lower efficiency. The Task Force feels that a combination of measures would be most effective, particularly measures that showed speed of processing and adequate numbers of qualified bidders to ensure truly competitive bidding. The Purchasing Department now has a list of purchasing measures from other government entities to use in planning. In addition to efficiency measurements, procurement procedures should be updated district-wide to reduce barriers to efficient operations and prepare the staff for business procedures based on the new information system.		Further District Review Pending

Inventory

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
6 II-3.1	☐ Alt Rec ☑ KPMG Rec	Develop School Improvement Plans that are consistent with PPS' strategic direction.		Achievement Standards and Curriculum Management
7 II-4.1	☑ Alt Rec ☐ KPMG Rec	PIO should work in concert with the Board of Education, its newly appointed communication committee, and the Superintendent to develop a communication plan.	PPS must be committed to the involvement of all stakeholders, both in and outside of PPS, in the development and implementation of policies and practices that promote the educational excellence of our city's children. To facilitate this objective, a comprehensive, research-based community involvement/communications plan must be developed and implemented based on the District's strategic plan. This should be updated annually and approved by the Board annually. The communications department must be adequately staffed and funded. Two-way involvement and outreach strategies should use all appropriate technology.	Communication, Public Policy & Special Education
8 II-4.2	☑ Alt Rec ☐ KPMG Rec	Develop materials to communicate the mission, capabilities, and accomplishments of PPS.	As part of the community involvement/communications plan, develop materials to communicate the mission, capabilities, and accomplishments of PPS.	Communication, Public Policy & Special Education
9 II-4.3	☑ Alt Rec ☐ KPMG Rec	Develop a systematic plan and technology for internal communication, including methods for transmitting information.	As part of the community involvement plan, develop a systematic plan and technology for internal communication, including methods for transmitting information.	Communication, Public Policy & Special Education
10 II-5.1	☑ Alt Rec ☐ KPMG Rec	PPS should develop a financial plan that is consistent with its new strategic plan.	None. See Discussion and Referral points.	Finance and Risk Management
11 II-5.2	☑ Alt Rec ☐ KPMG Rec	Establish measurable goals and objectives that are linked to budget decisions.	The strategic plan, which should result in annual measurable goals and objectives, should drive budget decisions.	Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
12 II-6.1	☐ Alt Rec ☑ KPMG Rec	PPS should pursue an information technology strategic planning process that involves key users and managers.		Information Technology
13 II-6.2	☐ Alt Rec ☑ KPMG Rec	The information technology strategic plan should be based on the overall direction and priorities of PPS as stated in its own District-wide strategic plan.		Information Technology
14 II-7.1	☐ Alt Rec ☑ KPMG Rec	PPS should improve its enrollment forecasting approach.		Administration, Safety & Policing
15 II-8.1	☐ Alt Rec ☑ KPMG Rec	Conduct additional training to ensure that PPS managers and key staff, specifically budget personnel, develop a better understanding of the State's funding formula.	None	Finance and Risk Management
16 II-9.1	☑ Alt Rec ☐ KPMG Rec	PPS should advocate to the State Department of Education and the Legislature to adopt an altered funding formula that considers cost of living differentials.	16A. PPS should work with the State Department of Education and the Legislature to adopt a funding formula to provide equitable levels of service to all students statewide to reach state standards. It is paramount that PPS provide the legislature with accurate information and a thorough understanding of the service differentials around the state. 16B. PPS should work with the Legislature to fund all schools at the level required to meet or exceed standards required under ORS 2191. PPS should define what resources are required to achieve or exceed the standards for all its students.	Communication, Public Policy & Special Education
17 II-10.1	☐ Alt Rec ☑ KPMG Rec	PPS should transfer the tracking of Residential Contingency Students to the school level where interaction with the students occurs on a day-to-day basis.		Administration, Safety & Policing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
18 II-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should add a staff member within Enrollment Services to aggressively seek out and attract additional students.	PPS should enhance current staff functions to allow Enrollment Services to aggressively seek out and attract additional students. District should continue to work closely with Project Return and other programs to re-enroll students. PPS should focus on programs to retain these students once re-enrolled. PPS should explore providing services to home school students, including encouraging participation at underenrolled schools and in afterschool programs. PPS should explore offering an Internet school to support home school students or other special needs students.	Administration, Safety & Policing
19 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting cost, potentially through the closure of schools or multiple use consolidation of facilities. The Task Force recommends alternatives numbered 19.1 through 19.10 be viewed as a total package that, implemented in concert, will bring positive results.	Facilities Utilization
19.1 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Net cost savings by school building consolidation should only be pursued in concert with other recommendations to: 1) change the use of non-school buildings; and 2) promote ongoing community schools/multi-use programs.	Facilities Utilization
19.10 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Create revenue opportunities by divesting or leasing unused facilities, which include at least seven properties that the committee believes, are under utilized.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
19.2 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Portland Public Schools should formulate and implement a Building Utilization Plan with a goal of operating its current programs at a system-wide goal of 90% utilization.	Facilities Utilization
19.3 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	PPS should develop plans to more fully use middle and high schools which are below 75% program capacity.	Facilities Utilization
19.4 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	The District should initiate negotiations with local government officials to draft a partnership agreement leading to an annual lump-sum payment to the District from each jurisdiction using District properties in recognition of the value provided these governments by the use of its facilities.	Facilities Utilization
19.5 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	The District should (re)affirm the importance of community schools (with co-located social and recreational services) to the mission of Portland Public Schools. This commitment should be communicated internally as a policy directive to District personnel at all levels to encourage receptivity and creativity in partnering with local government to expand/improve joint initiatives.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
19.6 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Portland Public Schools (PPS) should rework their facility utilization data to more accurately reflect "usable program space" for prospective tenants, including local and state government and non-profits deemed eligible based on formal selection criteria. The District should encourage and recognize managers who take an innovative approach to creating usable space, whether or not listed as available, thereby promoting mixed-use models and scheduling strategies. Analysis of usable space should be a reflex action whenever a school has been identified as "under-enrolled" and at risk of closure so that alternative uses of the space, such as a new community school, might be considered. These functions are targeted to making operational a culture of cooperative planning/co-location consistent with the partnership between the District and local government.	Facilities Utilization
19.7 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	PPS should actively market this space inventory to local government at least as often as the first of each calendar year so that prospective tenants may consider the possibilities as part of their budget cycle planning. This would facilitate joint planning for program creation/expansion and could open negotiation of partnership agreements.	Facilities Utilization
19.8 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Because BESC is designed for the unique needs of the school district, it should continue to house PPS offices, warehouses and other support services.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
19.9 II-12.1	☑ Alt Rec ☐ KPMG Rec	PPS should address the costs of operating excess facility capacity and explore options for either funding these operations or cutting costs, potentially through the closure of schools or multiple use consolidation of facilities.	Create revenue opportunities by transferring PPS support staff to BESC and divest or lease space made available by this transfer action.	Facilities Utilization
28 III-5.1	☑ Alt Rec ☐ KPMG Rec	Add one analyst position to the PIO to provide staff resources necessary to carry out the newly revised roles and responsibilities of the PIO.	Add communication staff positions to raise the staffing of the communication department up to the peer level referred to in Exhibit III-2 in the KPMG report as soon as possible.	Communication, Public Policy & Special Education
29 III-6.1	☑ Alt Rec ☐ KPMG Rec	In conjunction with the Superintendent, clearly document the roles and responsibilities and evaluate the performance of the Public Information Office.	In conjunction with the Superintendent, clearly document the roles and responsibilities and evaluate the performance of the Director of Public Information.	Communication, Public Policy & Special Education
30 III-7.1	☑ Alt Rec ☐ KPMG Rec	Create protocol/procedures for Board information delivery to public.	Protocol/procedures for Board information to the public should be incorporated in the community involvement plan.	Communication, Public Policy & Special Education
31 III-7.2	☑ Alt Rec ☐ KPMG Rec	Create detailed procedures for making information requests of managers and school staff, involving PIO in this process.	Create detailed procedures making information requests of managers and school staff as part of the community involvement plan.	Communication, Public Policy & Special Education
32 III-8.1	☐ Alt Rec ☑ KPMG Rec	Continue with efforts to centralize all legal service, including Risk Management legal activities, to the Legal Unit.		Done with the arrival of Bruce Samson as General Councel.
33 III-9.1	☐ Alt Rec ☑ KPMG Rec	Hire a full-time general counsel for PPS.		Done
34 III-9.2	☑ Alt Rec ☐ KPMG Rec	Hire a full-time paralegal.	Give the General Counsel the discretion to hire the type of support staff he needs.	Communication, Public Policy & Special Education

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
35 III-10.1	☐ Alt Rec ☑ KPMG Rec	The Legal Unit, Budget Unit and PIO should work together to establish and communicate electronic versions of PPS Policies and Regulations.		Communication, Public Policy & Special Education
36 III-10.2	☑ Alt Rec ☐ KPMG Rec	PPS should establish methods for communicating regulation and policy changes via enterprise electronic mail or other appropriate media.	PPS should establish methods for communicating regulation and policy changes via electronic mail and other appropriate methods.	Communication, Public Policy & Special Education
37 IV-1.1	☐ Alt Rec ☑ KPMG Rec	Eliminate the Assistant to the Superintendent position, not the person..		Human Resources and Management Structure
38 IV-1.2	☐ Alt Rec ☑ KPMG Rec	Distinguish the roles and responsibilities of the Academic Assistant Superintendents.		Human Resources and Management Structure
39 IV-1.3	☑ Alt Rec ☐ KPMG Rec	Consolidate technology responsibilities under an Assistant Superintendent of Information Technology.	Consolidate technology responsibilities under a Chief Technology Officer. This title better reflects the breadth and complexity of the position and its responsibilities.	Information Technology
40 IV-1.4	☐ Alt Rec ☑ KPMG Rec	Organize functions under a new divisional configuration by adding a Human Resources Assistant Superintendent to the organization.		Human Resources and Management Structure
41 IV-2.1	☐ Alt Rec ☑ KPMG Rec	Re-examine narrow reporting relationships for the opportunity to rethink ways of getting the work done, and to consolidate functions and programs.		Human Resources and Management Structure
42 IV-2.2	☐ Alt Rec ☑ KPMG Rec	Implement procedures to regularly analyze span of control and narrow reporting relationships to leverage management resources.		Human Resources and Management Structure
43 IV-2.3	☐ Alt Rec ☑ KPMG Rec	Continue to explore the number of and use of lead worker positions to ensure the appropriate management span of control over the Physical Plant operations.		Human Resources and Management Structure

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
44 V-1.1	☐ Alt Rec ☑ KPMG Rec	Continue with plans to replace aging systems.		Information Technology
45 V-1.2	☐ Alt Rec ☑ KPMG Rec	In implementing new systems PPS should design its practices and processes around the capabilities of the system, rather than excessively customizing off-the-shelf software.		Information Technology
46 V-1.3	☑ Alt Rec ☐ KPMG Rec	Develop a strategy to convert information from existing systems to new applications.	The District should avoid as much information loss as possible when converting to the new system. Little of the District's information is in a convertible format or extends back more than a year.	Information Technology
47 V-2.1	☐ Alt Rec ☑ KPMG Rec	Information Services staff should continue its plan to utilize project management systems and methodologies to support its major System Replacement Project Effort.		Information Technology
48 V-2.2	☐ Alt Rec ☑ KPMG Rec	Information Services staff should adopt its systems development, operations, and project management methodologies and standards, and train its managers and key staff members on the application and utilization of these methodologies.		Information Technology
49 V-2.3	☐ Alt Rec ☑ KPMG Rec	Information Services should reexamine its organizational structure and allocate resources to critical oversight and support functions.		Information Technology
50 V-3.1	☐ Alt Rec ☑ KPMG Rec	Consider establishing technology coordinators to provide the necessary assistance to schools.		Information Technology
51 V-4.1	☐ Alt Rec ☑ KPMG Rec	PPS should continue its efforts to team with industry in technology development initiatives.		Information Technology

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
52 V-4.2	☐ Alt Rec ☑ KPMG Rec	PPS should continue its current relationships and explore options with other governmental agencies to share or partner in technology investments, training or technical support. Through cooperation with other agencies, PPS may be able to reduce future technology costs and leverage valuable resources.		Information Technology
53 V-5.1	☑ Alt Rec ☐ KPMG Rec	Continue with the System Replacement Project and select appropriate state-of-the-art accounting software.	Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.	Information Technology
54 V-6.1	☑ Alt Rec ☐ KPMG Rec	Update PPS financial systems to allow for on-line availability of information for departments in need of financial data and information.	Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.	Information Technology
55 V-7.1	☑ Alt Rec ☐ KPMG Rec	In conjunction with PPS efforts to explore new financial systems, PPS should also consider interface requirements to an integrated payroll/personnel system.	Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.	Information Technology
56 V-8.1	☑ Alt Rec ☐ KPMG Rec	Implement a new integrated on-line purchasing system as a part of a larger system replacement of PPS' finance and accounting systems.	Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.	Information Technology
57 V-9.1	☑ Alt Rec ☐ KPMG Rec	Implement a financial management and payroll/personnel systems that allow for the accurate tracking of current position control.	Implement an updated Student Information System and integrated Human Resource, Payroll and Finance.	Information Technology
58 V-10.1	☑ Alt Rec ☐ KPMG Rec	Implement a new accounts payable system and modify the process flows.	Implement a new accounts payable system and modify the process flows. Specifically PPS should: 1) prepare a current accounts payable listing as soon as possible; 2) reconcile payables with the general ledger monthly; 3) strengthen internal controls; 4) begin design of accounts payable process system by March 1999.	Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
60 V-12.1	☑ Alt Rec ☐ KPMG Rec	Implement an integrated risk management system.	Implement an integrated Risk Management System Nutrition Services should continue to consider a nutrition management system, such as School Nutrition Accountability Program (SNAP) or an alternative system Install point-of-sales systems at all food services locations in schools Physical Plant should continue the procurement process and select a new facility management information system Transportation Services should continue the implementation of updates systems to improve efficiency and allow for compatibility with the new financial system Inventory and warehouse operations must be managed more efficiently and reduce excessive inventory.	Information Technology

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
61 V-13.1	☑ Alt Rec ☐ KPMG Rec	The Nutrition Services Department should continue to consider a nutrition management system that integrates with the financial management system, such as School Nutrition Accountability Program (SNAP) or an alternative system.	Implement an integrated Risk Management System Nutrition Services should continue to consider a nutrition management system, such as School Nutrition Accountability Program (SNAP) or an alternative system Install point-of-sales systems at all food services locations in schools Physical Plant should continue the procurement process and select a new facility management information system Transportation Services should continue the implementation of updates systems to improve efficiency and allow for compatibility with the new financial system Inventory and warehouse operations must be managed more efficiently and reduce excessive inventory.	Information Technology

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
62 V-14.1	☑ Alt Rec ☐ KPMG Rec	Install point-of-sale systems at all food services locations in the schools.	Implement an integrated Risk Management System Nutrition Services should continue to consider a nutrition management system, such as School Nutrition Accountability Program (SNAP) or an alternative system Install point-of-sales systems at all food services locations in schools Physical Plant should continue the procurement process and select a new facility management information system Transportation Services should continue the implementation of updates systems to improve efficiency and allow for compatibility with the new financial system Inventory and warehouse operations must be managed more efficiently and reduce excessive inventory.	Information Technology

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
63 V-15.1	☑ Alt Rec ☐ KPMG Rec	Physical Plant should continue the procurement process and select a new facility management information system to be integrated with the soon-to-be-implemented financial system.	Implement an integrated Risk Management System Nutrition Services should continue to consider a nutrition management system, such as School Nutrition Accountability Program (SNAP) or an alternative system Install point-of-sales systems at all food services locations in schools Physical Plant should continue the procurement process and select a new facility management information system Transportation Services should continue the implementation of updates systems to improve efficiency and allow for compatibility with the new financial system Inventory and warehouse operations must be managed more efficiently and reduce excessive inventory.	Information Technology

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
64 V-16.1	☑ Alt Rec ☐ KPMG Rec	Transportation Services should continue the implementation of updated systems to improve efficiency and allow for compatibility with the new financial system.	Implement an integrated Risk Management System Nutrition Services should continue to consider a nutrition management system, such as School Nutrition Accountability Program (SNAP) or an alternative system Install point-of-sales systems at all food services locations in schools Physical Plant should continue the procurement process and select a new facility management information system Transportation Services should continue the implementation of updates systems to improve efficiency and allow for compatibility with the new financial system Inventory and warehouse operations must be managed more efficiently and reduce excessive inventory.	Information Technology
65 VI-1.1	☑ Alt Rec ☐ KPMG Rec	Ensure that PPS adheres to a plan that will increase unreserved/undesignated fund balance. Represents a reinvestment of between $10-16 Million or 3 to 5% of the annual general fund-operating budget.	PPS should phase in a build up of the reserve account over time ie: build reserves to 1% of the general operating budget in 1999, 2% in 2000, and 3% in all subsequent years. A 66 - 2/3 vote of the School Board would be required to access the reserves.	Finance and Risk Management
66 VI-2.1	☐ Alt Rec ☑ KPMG Rec	PPS Board should ensure its budgeted expenditures do not exceed available revenues including adequate reserving levels.	n/a	Finance and Risk Management
67 VI-2.2	☑ Alt Rec ☐ KPMG Rec	The PPS Board should establish a 3 to 5 year budget planning horizon to examine the impacts of changing financial, operational and funding conditions on district-wide and individual program budgets.	The PPS Board should establish a 3 to 5 year budget planning horizon that is driven by the strategic plan. It should examine the impacts of the changing financial, operational and funding conditions on district-wide and individual program budgets.	Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
68 VI-2.3	☑ Alt Rec ☐ KPMG Rec	The Board should develop short and long-term strategies for addressing declining revenues.	As part of the Strategic Plan the Board should develop short and long-term strategies for addressing declining revenues.	Finance and Risk Management
69 VI-2.4	☑ Alt Rec ☐ KPMG Rec	PPS should establish and pursue appropriate advocacy to inform the legislature and public officials on the funding needs of PPS.	PPS must create ongoing dialogue with the legislature and other public officials on the funding needs of PPS.	Communication, Public Policy & Special Education
70 VI-3.1	☑ Alt Rec ☐ KPMG Rec	Consider alternative means to increase community participation in the budget process.	This Recommendation should be considered as part of the communications plan (Recommendation 7 II 4.1). (PPS has followed applicable State budgeting regulations and holds public budget meetings, but community participation in the budget process needs to be expanded.)	Communication, Public Policy & Special Education
71 VI-3.2	☑ Alt Rec ☐ KPMG Rec	Improve the budget document as a communication device.	Improve the budget document as a communication device. The budget is a reflection of financial resources needed to achieve the goals and objectives set forth in the Strategic Plan. The budget is the culmination of the budget process.	Finance and Risk Management
72 VI-4.1	☐ Alt Rec ☑ KPMG Rec	Improve the level of oversight and accountability over PPS' established budget.		Finance and Risk Management
73 VI-4.2	☐ Alt Rec ☑ KPMG Rec	PPS should consider linking financial accountability to performance evaluations for administrators and central service operations and provide for regular briefing to the Board on budget status.		Human Resources and Management Structure
74 VI-5.1	☐ Alt Rec ☑ KPMG Rec	Consider reassigning certain duties within the Finance Department to improve financial management and oversight capacity.		Finance and Risk Management
75 VI-5.2	☐ Alt Rec ☑ KPMG Rec	Perform timely bank reconciliation on a monthly basis.		Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
77 VI-5.4	☐ Alt Rec ☑ KPMG Rec	Implement a process that requires a qualified person, such as the Controller, to implement a bank fee and interest earned tracking system.		Finance and Risk Management
78 VI-5.5	☐ Alt Rec ☑ KPMG Rec	Conduct accounting staff training and structure the accounting department in a manner that allows for proper overlap and cross training of staff to safeguard against down time.		Finance and Risk Management
79 VI-6.1	☑ Alt Rec ☐ KPMG Rec	Implement a policy whereby all fixed assets must be tagged and recorded on the fixed assets system prior to being assigned and delivered to the schools and PPS offices. Fixed asset management policies and procedures are implemented to ensure that fixed assets are properly accounted for and safeguarded. An inadequate fixed asset management system can result in inaccurate accounting and reporting of fixed assets values. It can also result in undetected lost and misplaced fixed assets.	Implement a policy whereby all fixed assets must be tagged and recorded on the fixed assets system prior to being put into use in the schools and PPS offices.	Finance and Risk Management
80 VI-6.2	☑ Alt Rec ☐ KPMG Rec	Consider obtaining bar-coded tagging equipment that will integrate with the selected financial management information system to support fixed asset accounting. This improvement would require an investment of approximately $450,000 to procure systems for each school site.	Perform a cost-benefit analysis to determine the most economical and efficient method for properly tracking and accounting for fixed assets, including, but not limited to, consideration of outsourcing, doing it in-house, or a combination of both.	Finance and Risk Management
81 VI-7.1	☐ Alt Rec ☑ KPMG Rec	Establish internal audit function and related long-term audit plans to test various aspects of PPS administration compliance and operations. A strong internal auditing function can benefit public sector management by reviewing and appraising the: 1) reliability and integrity of financial and operating information; 2) the adequacy of systems established to ensure compliance with policies, plans, procedures, laws and regulations; and 3) the extent to which resources are employed effectively, efficiently and economically.		Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
82 VI-8.1	☑ Alt Rec ☐ KPMG Rec	Enforce PPS policy regarding time sheet submission deadlines. Implement an on line payroll program as part of the new system to help alleviate over time in the payroll department. Until the new system is in place the District should enforce its time sheet submission policy; the time reporting and submission responsibility should be that of the employee and not the school administrators although appropriate signatories should be obtains, grant administrators should be provided with copies of time sheets of time charged to various grants. This would allow for appropriate verification of grant expenditures while not delaying the payroll process. Any differences should be addressed through accounting procedures.	The Taskforce recommends that the Payroll Department focus its effort on the design of a new system rather than changing the current process. Grant administrators should be provided with copies of time sheets of time charged to various grants.	Finance and Risk Management
83 VI-9.1	☐ Alt Rec ☑ KPMG Rec	Ensure proper hiring policies and procedures are followed. While this situation is indicative of a lack of effective standard policies and procedures over the Human Resource process, the ability to override the payroll system presents an indication of a lack of adequate controls over the system. In addition, by allowing new employees to work who are not formally set-up could result in unnecessary risk of liability to PPS.		Finance and Risk Management
84 VI-10.1	☐ Alt Rec ☑ KPMG Rec	Implement employment disclosure requirements for substitute and part-time employees.		Human Resources and Management Structure
85 VI-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should explore strategies to reduce its overall benefits burden through the introduction of cafeteria benefit plans or other flexible benefits approaches. Recommendation should not be taken as directive in collective bargaining.	PPS should explore strategies to reduce its overall benefits burden through the introduction of cafeteria benefit plans or other flexible benefits approaches. Recommendation should not be taken as directive in collective bargaining.	Human Resources and Management Structure

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
86 VI-12.1	☑ Alt Rec ☐ KPMG Rec	Reduce the number of purchase orders processed by the purchasing department in addition to reducing supply inventory. Expand the use of procurement cards to travel and entertainment if feasible. Continue to require all vendors to give PPS established discounts to all users.	Reduce the number of purchase orders processed by the purchasing department in addition to reducing supply inventory. Expand the use of procurement cards to travel and entertainment if feasible. Continue to require all vendors to give PPS established discounts to all users.	Finance and Risk Management
87 VI-13.1	☑ Alt Rec ☐ KPMG Rec	Drastically reduce the inventory in the Warehouse. PPS should determine the optimal amount of inventory needed to enable a more effective and efficient operation of the warehouse department.	PPS should allocate all warehousing costs (e.g. receiving, carrying, and shipping) to the end user. Once this is done, PPS should determine the optimal amount of inventory needed to enable a more effective and efficient operation of the material management function.	Inventory & Management Purchasing
88 VI-13.2	☑ Alt Rec ☐ KPMG Rec	Implement a just-in-time inventory methodology wherever practical.	Implement a shortened lead-time for ordering and delivery wherever practical. PPS must balance the benefits of reduced time in storage with the increase in purchase and staff handling costs.	Inventory & Management Purchasing
89 VI-13.3	☐ Alt Rec ☑ KPMG Rec	Reconsider the need for constructing additional storage space across from the BESC.		Inventory & Management Purchasing
90 VI-14.1	☑ Alt Rec ☐ KPMG Rec	Implement a return (credit) policy for returned inventory from schools.	While PPS currently has a written return (credit) policy, it should be rewritten to include all current return practices and be more clearly presented. PPS should also consider recovering the cost of returns through one of two methods: 1. Charge a restocking fee (e.g., 10% of the item value for restocking), which is on par with the private sector for cost recovery and a penalty to discourage over-buying; or 2. Build return costs into the front-end price, like a retail store.	Inventory & Management Purchasing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
91 VI-15.1	☑ Alt Rec ☐ KPMG Rec	PPS should consolidate off site storage and make it available for use by the school sites.	Use of Marshall and Madison for warehouse needs should be coordinated with the District-wide asset management plan. PPS should provide greater oversight of obsolete materials prior to storage, and warehousing charges in Recommendation 88 should apply to any user seeking storage. Marshall should be used for long-term overflow storage in recognition of the difficulty getting in and out of the space with the resulting high cost of moving items to and from the site. Short-term storage should be restricted to BESC or Madison. Overall cost savings, potential income from rental of BESC storage space, and the cost of renovation for human use, should be considered in decisions regarding use of Madison and Marshall for storage.	Inventory & Management Purchasing
92 VI-16.1	☑ Alt Rec ☐ KPMG Rec	Enhance the efficiency of purchasing staff utilization.	A. PPS should benchmark the materials management staff for efficiency, and establish a method for doing so that accurately gauges performance. B. PPS should evaluate purchasing procedures district-wide to determine what procedures can be changed now to increase efficiency and prepare staff for the business procedures required by the new system.	Inventory & Management Purchasing
93 VI-17.1	☑ Alt Rec ☐ KPMG Rec	Self-insurance reserve level must be rebuilt to adequate levels. PPS should implement a plan to rebuild the self-insurance fund balance to a level adequate to cover its annual claims. This requires an investment of between $4 to $8 million in order to cover reserves for one to two-years of claims liability experience.	PPS should rebuild and maintain segregated insurance reserves for expected outstanding liabilities including known claim liabilities and IBNR (Incurred But Not Reported) estimates as opposed to KPMG valuation based on 1-2 years of claims liability. These reserves should be rebuilt over time (4-5 years and reviewed annually by the PPS Board).	Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
94 VI-17.2	☐ Alt Rec ☑ KPMG Rec	Assess the adequacy of current excess coverage limits.		Finance and Risk Management
96 VI-19.1	☑ Alt Rec ☐ KPMG Rec	PPS should consider outsourcing the workers' compensation claims administration. Many public entities that maintain self-insurance programs often perform in-house claims administration for general liability due to the varying nature of claims involved. However, administration of workers' compensation claims is typically outsourced to a third party administrator due to the highly regulated nature of such claims and related file maintenance requirements. Specialists in this area often have the capacity to realize significant efficiencies in file maintenance and adherence to related requirements. PPS currently utilizes three full-time individuals plus one-half of an employee to perform claims administration and file maintenance services for workers' compensation.	PPS should conduct an analysis of the quality of claims administration of both the public liability and workers' compensation self-administration programs. Work with a qualified independent third party, to assess quality of current administration program, including a comprehensive analysis of whether the current program results in effective management of claims costs.	Finance and Risk Management
97 VI-20.1	☐ Alt Rec ☑ KPMG Rec	Develop a system for recording an estimated liability for all claims throughout the year. PPS should issue an RFP for competitive bid pertaining to the administration of its unemployment insurance program in an effort to ensure the most cost-effective coverage strategy and related fees.	None	Finance and Risk Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
98 VI-21.1	☑ Alt Rec ☐ KPMG Rec	Consider adequacy of staffing levels for the Environmental Health & Safety Division. Although not currently quantifiable, the lack of appropriate training and safety initiatives will likely result in an increased level of safety complaints and exposure to fines imposed against PPS for related non-compliance. PPS should consider the current workload of the Environmental Health & Safety Division to determine whether staffing levels are appropriate given the current situation. Add two safety inspectors at an annual investment of $72,000 which includes salaries and benefits.	It is suggested that PPS evaluate the possibility of reorganization of the Environmental Health & Safety Department and consider combining current staff responsibilities to determine the proper number of additional staff required. The Taskforce makes the recommendation to review the job descriptions of the 2FTE in Environment Health & Safety Department to determine if their time can be further allocated into other worker safety functions.	Finance and Risk Management
99 VI-21.2	☐ Alt Rec ☑ KPMG Rec	Increase responsibility of Working School Safety Committees.		Finance and Risk Management
100 VI-22.1	☐ Alt Rec ☑ KPMG Rec	Maximize the volume of impressions produced in-house.		Administration, Safety & Policing
101 VI-23.1	☐ Alt Rec ☑ KPMG Rec	Dispose of obsolete equipment as soon as possible to maximize the amount of proceeds that may be obtained.		Administration, Safety & Policing
102 VI-24.1	☐ Alt Rec ☑ KPMG Rec	Consider further staff reductions in the former Word Processing department.		Administration, Safety & Policing
103 VI-25.1	☐ Alt Rec ☑ KPMG Rec	The District should perform an analysis to determine the possibilities of either outsourcing records management archiving activities or acquiring a facility to store and manage the District's records.		Finance and Risk Management
105 VII-1.2	☐ Alt Rec ☑ KPMG Rec	Clearly define management level accountability to track program accomplishments and student performance.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
106 VII-2.1	☐ Alt Rec ☑ KPMG Rec	Explore options to develop a matrix organization structure that meets both the grade level and feeder system needs.		Achievement Standards and Curriculum Management
107 VII-2.2	☐ Alt Rec ☑ KPMG Rec	Consider setting up regular meetings for feeder schools and grade levels to address common community concerns and to facilitate Pre K-12 curriculum awareness.		Achievement Standards and Curriculum Management
108 VII-2.3	☐ Alt Rec ☑ KPMG Rec	PPS should also consider expanding the use of matrix organization and management techniques to other major school activities.		Achievement Standards and Curriculum Management
109 VII-3.1	☐ Alt Rec ☑ KPMG Rec	Consider establishing a Hearing and Appeals Group to deal exclusively with disciplinary issues.		Achievement Standards and Curriculum Management
110 VII-3.2	☐ Alt Rec ☑ KPMG Rec	Reevaluate/define DOSA's roles more clearly.		Achievement Standards and Curriculum Management
111 VII-4.1	☐ Alt Rec ☑ KPMG Rec	Formulate an instructional strategic plan that is consistent with PPS' Strategic direction and plan and provides a framework for school improvement planning processes.		Achievement Standards and Curriculum Management
112 VII-4.2	☑ Alt Rec ☐ KPMG Rec	Develop working groups to incorporate Educational Media/Instructional Technology (mass communication) departments into staff development, classroom instruction, and community outreach activities.	The Task Force supports the need for closer linkages of Educational Media and Instructional Technology departments with staff development, classroom instruction, and community outreach activities. While KPMG recommends working groups, we are not certain that the development of working groups is the most appropriate strategy for ensuring that incorporation occurs.	Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
113 VII-4.3	☐ Alt Rec ☑ KPMG Rec	Develop an "academic" loop communication network that keeps all District staff informed of the various projects underway in other departments.		Achievement Standards and Curriculum Management
114 VII-5.1	☑ Alt Rec ☐ KPMG Rec	Prepare a master schedule and timeline for the planning, development, implementation, and evaluation of K-12 Curriculum Frameworks.	The District has developed Curriculum Frameworks. We recommend that the Content Standards Design Teams continue their work on the remaining content standards which were developed from these Frameworks; and that those standards already developed be utilized by District staff with appropriate Staff Development activities. The District should explore developing Frameworks and Content Standards outside benchmark grades.	Achievement Standards and Curriculum Management
115 VII-5.2	☑ Alt Rec ☐ KPMG Rec	Create curriculum cabinets in each building to oversee a more grassroots approach to curriculum development and provide teachers with the opportunity to develop curriculum specialties.	Every school should create a way to systematically implement curriculum. The District should explore ways to promote a more grassroots, but coordinated approach to curriculum implementation. The District should re-explore the role of Department Chairs to support curriculum coordination. Any Staff Development activities developed by the Central District staff should interface with each school's individual curriculum implementation efforts.	Achievement Standards and Curriculum Management
116 VII-5.3	☐ Alt Rec ☑ KPMG Rec	Continue the Curriculum Design Team efforts at the District level.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
117 VII-5.4	☑ Alt Rec ☐ KPMG Rec	Continue the curriculum mapping process that was initiated at the high school level.	To serve the overall goal of student achievement across the District, PPS should continue to work towards consistency between the alignment of course offerings (curriculum mapping) and the course offerings provided at individual schools. Students must reach benchmark knowledge levels at the correct time and that knowledge must be presented in the correct sequence. Students should have equal access to course offerings throughout the District. The District must support curriculum alignment between schools and within schools.	Achievement Standards and Curriculum Management
118 VII-5.5	☐ Alt Rec ☑ KPMG Rec	Develop a strategy to implement these initiatives with existing resources where reasonable (by cross utilizing teachers), and seek additional funding for both grass-root and district design team curriculum development.		Achievement Standards and Curriculum Management
119 VII-6.1	☐ Alt Rec ☑ KPMG Rec	Train all appropriate language arts teachers in the research based early reading strategies to ensure that all students have the benefit of this teacher expertise.		Achievement Standards and Curriculum Management
120 VII-6.2	☐ Alt Rec ☑ KPMG Rec	PPS should expand the literacy project as a PreK-12 initiative (PreK-3, 4-8, 9-12) and develop a comprehensive implementation and training plan to ensure that quality and continuity in literacy programs is maintained across all levels.		Achievement Standards and Curriculum Management
121 VII-7.1	☐ Alt Rec ☑ KPMG Rec	Continue to conduct the High School and Middle School Studies.		Achievement Standards and Curriculum Management
122 VII-7.2	☐ Alt Rec ☑ KPMG Rec	Develop and adopt specific recommendations to ensure continuity and equitable access for all students.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
123 VII-8.1	☐ Alt Rec ☑ KPMG Rec	Explore the possibility of shifting to a fall testing cycle in order to better integrate student achievement data into School Improvement Plans and to provide a midyear checkpoint for student assessment.		Achievement Standards and Curriculum Management
124 VII-9.1	☐ Alt Rec ☑ KPMG Rec	PPS should explore the possibility of either phasing out PALT administration altogether, or at least reducing its usage to 4th, 6th, and 7th grade levels to alternate with state tests (at 3,5,8).		Achievement Standards and Curriculum Management
125 VII-10.1	☐ Alt Rec ☑ KPMG Rec	Depending upon PALT testing frequency, PPS should examine utility of administering a standardized achievement test at the 4th, 6th, and 9th grade levels.		Achievement Standards and Curriculum Management
126 VII-10.2	☐ Alt Rec ☑ KPMG Rec	PPS should continue to explore and use methods to link its testing instruments with norm referenced tests in order to provide a benchmark comparison of student performance relative to other districts.		Achievement Standards and Curriculum Management
127 VII-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should explore reliable methods to track the progress of students entering the Pre-K system.	PPS needs to explore reliable methods to develop a process to set a baseline and then track the progress of students entering PPS Head Start and pre-Kindergarten programs.	Achievement Standards and Curriculum Management
128 VII-11.2	☐ Alt Rec ☑ KPMG Rec	Develop a comprehensive system integrating state benchmarks and curriculum goals.		Achievement Standards and Curriculum Management
129 VII-11.3	☐ Alt Rec ☑ KPMG Rec	PPS should leverage its PALT and other assessment data and expand it to examine performance at other grade levels to develop a comprehensive longitudinal analysis capability.		Achievement Standards and Curriculum Management
130 VII-11.4	☐ Alt Rec ☑ KPMG Rec	Explore methods to use existing testing instruments to examine the effectiveness of specific curriculum initiatives and instructional approaches.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
131 VII-11.5	☐ Alt Rec ☑ KPMG Rec	Explore strategies for testing and tracking PPS graduates and students who prematurely exit from the system.		Achievement Standards and Curriculum Management
132 VII-11.6	☐ Alt Rec ☑ KPMG Rec	Develop strategies to ensure the utility and input to the post-secondary database to track student achievements in higher education and high school graduate success in college/university endeavors.		Achievement Standards and Curriculum Management
133 VII-11.7	☐ Alt Rec ☑ KPMG Rec	In concert with PreK-3 literacy initiative, identify a developmentally appropriate reading test for all second grade students in the spring.		Achievement Standards and Curriculum Management
134 VII-12.1	☐ Alt Rec ☑ KPMG Rec	Continue and expand relationship with Curriculum & Instructional Support personnel, as well as Educational Media for more advanced collaboration.		Achievement Standards and Curriculum Management
135 VII-13.1	☐ Alt Rec ☑ KPMG Rec	Reevaluate site-based decision-making with regard to library funding.		Achievement Standards and Curriculum Management
136 VII-14.1	☑ Alt Rec ☐ KPMG Rec	Continue and expand course offerings to focus more on middle and advanced users.	Ensure that Instructional Technology course offerings directly support school improvement plans and respond to needs of teachers and school administrators.	Achievement Standards and Curriculum Management
137 VII-14.2	☐ Alt Rec ☑ KPMG Rec	Continue to aggressively pursue outside sources of funding for technology projects and staffing if necessary.		Achievement Standards and Curriculum Management
138 VII-15.1	☐ Alt Rec ☑ KPMG Rec	Work with the Multnomah County Library or local universities to develop a cooperative arrangement. PPS' staff would benefit from these additional professional development opportunities.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
139 VII-16.1	☐ Alt Rec ☑ KPMG Rec	Make Television Services an integral component of the professional development plan, curriculum efforts, internal/external communication strategy networks, any information technology blueprints, and PPS strategic direction.		Achievement Standards and Curriculum Management
140 VII-16.2	☐ Alt Rec ☑ KPMG Rec	PPS should explore possibilities for various modes of internal communication that take full advantage of Television Services infrastructure.		Achievement Standards and Curriculum Management
141 VII-17.1	☐ Alt Rec ☑ KPMG Rec	Develop a plan to aggressively identify, track, and enroll minority students in TAG.		Achievement Standards and Curriculum Management
142 VII-17.2	☑ Alt Rec ☐ KPMG Rec	Conduct informational workshops for parents in under-represented groups and expand outreach efforts to increase enrollment in TAG by under-represented groups.	Expand outreach efforts to increase enrollment in TAG by under-represented groups using a variety of strategies.	Achievement Standards and Curriculum Management
143 VII-18.1	☐ Alt Rec ☑ KPMG Rec	Institute a centralized approach to the TAG program, with the Administrator having primary responsibility for managing the program.		Achievement Standards and Curriculum Management
144 VII-18.2	☐ Alt Rec ☑ KPMG Rec	The TAG Administrator, Directors of Student Achievement, teachers and parents should form a committee to develop a long-term strategic plan for the program, including specific roles and responsibilities of various stakeholders.		Achievement Standards and Curriculum Management
145 VII-19.1	☐ Alt Rec ☑ KPMG Rec	Budgeting and expenditure control for special education functions should be maintained and consistently updated in the special education department.		Communication, Public Policy & Special Education
146 VII-20.1	☑ Alt Rec ☐ KPMG Rec	Restructure programs and staff responsibilities to focus some staff on overall special programs and others on program administration.	Restructure programs and staff responsibilities along elementary, middle and high school levels.	Communication, Public Policy & Special Education

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
147 VII-21.1	☐ Alt Rec ☑ KPMG Rec	PPS should consider reviewing its eligibility criteria and evaluation procedures in the disability categories of mental retardation, emotional disturbance, and speech and language disabilities.		Communication, Public Policy & Special Education
148 VII-21.2	☑ Alt Rec ☐ KPMG Rec	PPS should seek additional funding from the State Legislature to pay for the disproportionately high level of special education services it must provide.	PPS should lobby the State Legislature to: 1. raise the cap on special ed students from 11% to 12% 2. provide full reimbursement for transportation required in the students Individual Education Program 3. allow the possibility of a local option to all programs, including special ed 4. consider the development of a state fund to offset the costs of students with complex needs that can only be met in districts with certain resources.	Communication, Public Policy & Special Education
149 VII-22.1	☑ Alt Rec ☐ KPMG Rec	Review current Student Learning Centers' program delivery model.	Review current Student Learning Centers' program delivery model to ensure that self-contained classrooms are as close to where students reside as possible, even if the student is in a categorical classroom. PPS should also a cost/benefits analysis on special education transportation costs.	Communication, Public Policy & Special Education
150 VII-22.2	☑ Alt Rec ☐ KPMG Rec	Improve efforts to efficiently utilize resources to meet the demands of the increased number of students in the special education program.	PPS must achieve efficient use of resources under the new system and must ensure a smooth transition for special education students and their Individualized Education Plans tracking as they articulate between elementary, middle and high school levels.	Communication, Public Policy & Special Education

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
151	☑ Alt Rec ☐ KPMG Rec	PPS should develop a recruitment plan to identify and hire Spanish speaking staff to meet increasing needs of ESL/Bilingual population.	The District needs to take steps to make forecasts for Spanish-speaking ESL/Bilingual staff positions early in the year and offer employment to those who are recruited in a more timely fashion. Any steps the District could take to negotiate contract language that could retain staff with those unique linguistic capabilities from layoff in staff reductions for any reason would be extremely helpful. Recommendation should not be taken as directive in collective bargaining.	Human Resources and Management Structure
152 VII-24.1	☐ Alt Rec ☑ KPMG Rec	ESL/Bilingual program administrators should work with TAG program administrators to develop a plan that aggressively identifies students within the ESL/Bilingual Education program who could potentially be eligible to enroll in the TAG program.		Achievement Standards and Curriculum Management
153 VII-25.1	☐ Alt Rec ☑ KPMG Rec	Create a standardized tracking tool that requires all 25 in-District AEPs to report enrollment, staffing, and attendance data.		Achievement Standards and Curriculum Management
154 VII-26.1	☐ Alt Rec ☑ KPMG Rec	Develop a documented District-wide methodology to evaluate AEPs.		Achievement Standards and Curriculum Management
155 VII-27.1	☐ Alt Rec ☑ KPMG Rec	PPS should analyze community based alternative education program data to determine the effectiveness of 23 programs.		Achievement Standards and Curriculum Management
156 VII-28.1	☐ Alt Rec ☑ KPMG Rec	Develop a plan, in coordination with community groups such as the Hispanic Parent Association, to aggressively keep Latino students enrolled in school.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
157 VII-28.2	☐ Alt Rec ☑ KPMG Rec	Utilize ESL/Bilingual Education resources to provide bilingual services to parents and increase community involvement.		Achievement Standards and Curriculum Management
158 VII-29.1	☐ Alt Rec ☑ KPMG Rec	Explore expanded opportunities to provide scholarships to students who cannot afford to attend summer school, such as students in the free or reduced lunch programs.		Achievement Standards and Curriculum Management
159 VII-30.1	☐ Alt Rec ☑ KPMG Rec	PPS should develop a comprehensive plan to expand its summer school enrollment.		Achievement Standards and Curriculum Management
160 VII-31.1	☐ Alt Rec ☑ KPMG Rec	Conduct a longitudinal study to compare the quality and cost of Head Start program delivery capabilities.		Achievement Standards and Curriculum Management
161 VII-31.2	☑ Alt Rec ☐ KPMG Rec	Work with Grants Management to develop applications for additional funding sources to the Head Start program.	The Task Force recommends increased support to oversee early childhood initiatives (Head Start, Title 1 pre-kindergarten, Early Childhood Education Centers) and therefore central District resources, such as grant writing, need to be fully utilized. The Task Force believes effort needs to be made to support a central District Early Childhood Education Specialist to oversee Head Start, Title 1 pre-kindergarten and Early Childhood Education Centers. This person must have substantial experience in early child development and programs.	Achievement Standards and Curriculum Management
162 VII-32.1	☐ Alt Rec ☑ KPMG Rec	Form an independent committee of administrators, teachers, parents, and community agents to develop a five year plan for the Head Start program that is consistent with the overall strategic direction of PPS.		Achievement Standards and Curriculum Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
164 VIII-2.1	☑ Alt Rec ☐ KPMG Rec	Disallow or strictly limit competitive food sales on school grounds. These sales siphon potentially significant revenues from the Nutrition Services Department. The regulations governing competitive food sales should be distributed to all principals and teachers to ensure their understanding of the regulations and the consequences of non-compliance. Additionally, the operation and use of external vending machines should be minimized to 1) eliminate the need to monitor such activity and 2) increase participation in the breakfast and lunch programs to increase the level of federal funding. Also, PPS should consider the implementation of an in-house centralized vendor service. An increase of 5% in meal and snack revenues would be equal to increased revenues of $177,799 and $18,000 in profit (assuming a 10% profit margin on gross revenues).	Disallow or strictly limit competitive food sales on school grounds. Do not impose any limitations on the conduct of food sales or the operation and use of external vending machines, until comprehensive in-depth analysis is completed which definitively and factually establishes: 1) what the fiscal impact would be on those groups and organizations that now profit from competitive food sales, and 2) if the existing food service infrastructure and staffing compliment can serve any significant increase in patrons. Seek to improve vending programs through higher commissions or more effective contract administration.	Administration, Safety & Policing
165 VIII-3.1	☐ Alt Rec ☑ KPMG Rec	PPS should investigate the feasibility of closing campuses at lunch.		Administration, Safety & Policing
166 VIII-4.1	☐ Alt Rec ☑ KPMG Rec	Conduct a thorough assessment of the extent to which there are potential dangers of poor equipment usage.		Administration, Safety & Policing
167 VIII-5.1	☐ Alt Rec ☑ KPMG Rec	Continue practices to leverage staff productivity.		Administration, Safety & Policing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
170 VIII-7.1	☑ Alt Rec ☐ KPMG Rec	Update Board policy to definitively state the process for renting facilities, establish charging policies and rates that are equitable and consistent, and require all parties to submit filing proper liability waivers. In addition, PPS should produce a policies and procedures manual for CUB to be used by principals, CUB staff, and the general public.	Update Board policy to definitively state the process for renting facilities, establish charging policies and rates that are equitable and consistent. PPS should produce policies with citizen involvement to increase the use of buildings and revenue generation. The committee supports the recommendations subject to the acknowledgement of the partnership and joint-use agreements to be negotiated with the City of Portland and Multnomah County.	Facilities Utilization
171 VIII-8.1	☑ Alt Rec ☐ KPMG Rec	PPS should begin aggressively advertising the availability of its schools for rental purposes.	The issue of marketing school facilities should be part of overall facilities use review by District. Additional advertising should not be done until rental policies and procedures, and rental rates are set by District.	Facilities Utilization
172 VIII-9.1	☑ Alt Rec ☐ KPMG Rec	In addition to improving collection procedures so that all custodial charges are consistent, PPS should hire custodial staff to work after hours and weekends to monitor rental usage.	Policies related to custodial charges should be included in the updated Board policy referred to in alternative recommendation 170 regarding facility rental.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
174 VIII-11.1	☑ Alt Rec ☐ KPMG Rec	PPS should study the true costs to provide services to the renters of its facilities. Rates should be recalculated to recoup all maintenance and overhead costs in addition to providing a sound profit to PPS. Further, the Board should adopt and update clear policies for the leasing of PPS facilities. These policies should clearly establish rental rates, who (if anyone) is exempt from payment, and identify the types of maintenance covered in the rental rates and the types that require additional payment. Such an action should eliminate any potential for favoritism in the setting of rental rates and create a fair and impartial way of dealing with renters. Such a policy should not exclude, however, the ability of the Board to enter into contractual agreements with third parties at a rate below or above the established rental rates for that year. This could result in savings/increased revenues of $100,000 to $500,000 annually.	PPS should establish a leasing policy to meet the goals of the Taskforce recommendations contained in the January 14th report. The goals are net cost savings by school building consolidation should only be pursued in concert with other recommendations to: 1) charge the use of non-school buildings; and 2) promote ongoing community schools/multi-use programs.	Facilities Utilization
175 VIII-12.1	☑ Alt Rec ☐ KPMG Rec	As part of the new Facility Management Information System, implement policies and practices to increase the use of performance measures. In addition, performance measures should be tracked and compared to best practices on a routine basis. Measures should be changed as needed to accurately reflect the true situation. By adapting and tracking measures, management can more accurately project personnel needs and assignments and improve its assessment of employee performance.	PPS should continue implementation of new facility management policies that increase the use of performance measures.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
176 VIII-13.1	☐ Alt Rec ☑ KPMG Rec	PPS needs to reconsider its allocation of resources to ensure that the safety and cleanliness of its facilities are not compromised. This may require shifting resources from other areas to Maintenance Service to perform routine and preventive maintenance functions. This recommendation will create additional costs of $566,000 in 1998/99, but avoid roughly $2.5 million in future costs.		Facilities Utilization
177 VIII-14.1	☐ Alt Rec ☑ KPMG Rec	Until the issue of inadequate financial resources is solved, Physical Plant should prioritize the types of services to be provided by in-house maintenance staff. In conjunction with the prioritization of work, the Maintenance unit should conduct a comprehensive outsourcing study to determine which types of work should be performed by outside labor. By prioritizing service needs, Physical Plant will be able to provide the highest quality of service in those areas deemed the highest priority.		Facilities Utilization
178 VIII-15.1	☑ Alt Rec ☐ KPMG Rec	PPS needs to review its allocation of resources to provide additional funding to custodial services so school cleanliness can be improved. To reduce the number of custodial staff necessary, PPS should consider requiring teachers to perform some basic cleaning duties within their own classrooms. These duties could include, trash pick-up, sweeping, and minor dusting. Teachers should not, however, be asked to perform extensive cleaning of classrooms or common areas. The implementation of this recommendation would result in additional costs to the District of $650,000 to $1.3 million annually.	PPS needs to review its delivery of and funding for custodial and janitorial services so cleanliness can be improved.	Facilities Utilization

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
179 VIII-16.1	☑ Alt Rec ☐ KPMG Rec	Reinitiate the training program used in 1989/90. The program could be staffed with a specialist level position rather then the original supervisory position used as a trainer. The new cleaning training program should convey performance goals and objectives and standardized cleaning times (see Inadequate Performance Measures - Custodial). This will require an additional staff member which could cost PPS $27,000 to $37,000 annually. This amount should be recouped through improved efficiencies in custodial operations. These improvements should also offset the additional time each custodian spends in training.	PPS should continue to contract for the management of the custodial staff. The contract should include performance measures.	Facilities Utilization
180 VIII-17.1	☑ Alt Rec ☐ KPMG Rec	Plant Operations management should begin tracking the time each custodian takes to complete various jobs. Once historical data is compiled, management can calculate a benchmark for performance. This benchmark should not only incorporate historical PPS statistics, but should also correspond to industry standards. Once the performance measures are estabblished, custodial staff should be notified through training and other written materials, and management should track the performance of each staff member. Increased productivity could generate a reallocation of between $850,000 and $1.7 million in custodial resources. The cost to purchase a system designed to track performance and needs could range from $60,000 to $80,000.	The contract written for the management of custodial services should have established performance standards.	Facilities Utilization
181 VIII-18.1	☑ Alt Rec ☐ KPMG Rec	Establish procedures and processes that adhere to the PMI's methodology and that will provide for better control and oversight of the Program.	Establish a project management system that will provide for better control and oversight of the Bond Program.	Bond Management
182 VIII-18.2	☑ Alt Rec ☐ KPMG Rec	Establish training to introduce PMI best practices into PPS' management.	Establish training to introduce best practices into PPS' management.	Bond Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
183 VIII-18.3	☑ Alt Rec ☐ KPMG Rec	Establish Project Management Oversight (PMO) office to provide oversight for all programs and projects within PPS' purview.	Establish Program Management team to provide oversight for all bond programs and projects within PPS.	Bond Management
184 VIII-19.1	☑ Alt Rec ☐ KPMG Rec	A PPS level Program Management Plan should be developed to standardize the management of all aspects of the program.	A PPS level Program Management Plan should optimize the management of all aspects of the program.	Bond Management
186 VIII-21.1	☑ Alt Rec ☐ KPMG Rec	If it is in the scope of the Director, Physical Plant's responsibility to sign change orders on behalf of PPS, thereby obligating PPS' funds, then its necessary to ensure that a proper Delegation of Authority letter be prepared & signed by the Superintendent.	The Program Manager should have the proper Delegation of Authority from the Board and Superintendent with appropriate monetary instructions and legal oversight.	Bond Management
188 VIII-21.3	☑ Alt Rec ☐ KPMG Rec	Freeze further change orders until this issue is resolved.	Freeze any further change orders unless there has been written agreement and the work has been done by the contractor or designer in good faith.	Bond Management
189 VIII-22.1	☑ Alt Rec ☐ KPMG Rec	Establish a Change Control Board to provide the oversight necessary to ensure compliance with PPS policy and State laws.	All change orders and recommendations must be in compliance of state laws and PPS policies.	Bond Management
191 VIII-22.3	☑ Alt Rec ☐ KPMG Rec	Review PPS' School Board policy on change orders.	Board should view contracting policies and procedures vis-a-vis current state laws (OAR and ORS) to determine if changes are appropriate.	Bond Management
193 VIII-24.1	☑ Alt Rec ☐ KPMG Rec	As a part of the Program Management Plan it is recommended that individual charters for the following committees be developed to include Executive level participation.	#183 establishes a Program Management team and an alternative structure will be provided by the Taskforce.	Bond Management
194 VIII-24.2	☑ Alt Rec ☐ KPMG Rec	The School Board should assign an Executive Sponsor to focus on providing executive level representation to various meetings.	The School Board should assign a designee to serve on the executive committee.	Bond Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
195 VIII-24.3	☑ Alt Rec ☐ KPMG Rec	Establish an Executive Steering Committee composed of the following individuals (see report).	Establish an Executive Committee composed of a School Board Designee, CRO or CFO designee and two citizen representatives. This committee shall replace the Citizen Bond Advisory Committee.	Bond Management
196 VIII-25.1	☑ Alt Rec ☐ KPMG Rec	Re-evaluate the CM/GC goal.	Re-evaluate the CM/GL goal in seven years.	Bond Management
197 VIII-25.2	☐ Alt Rec ☑ KPMG Rec	Establish an Executive Steering Committee, created as a component of the School Board.		Bond Management
198 VIII-26.1	☑ Alt Rec ☐ KPMG Rec	Define, document and ratify the roles and responsibilities of CBAC to create an advisory body to the School Board.	Transfer the Community Budget Advisory Committee (CBAC) responsibilities to the Executive Committee and eliminate the CBAC. If promotional/educational responsibilities become needed on Bond issues, a new CBAC should be reconstituted.	Bond Management
199 VIII-27.1	☑ Alt Rec ☐ KPMG Rec	Establish a Work Breakdown Structure (WBS) and institute a Limited Notice to Proceed process.	On large complex projects establish a Work Breakdow Structure (WBS) and institute a formal authorization process.	Bond Management
200 VIII-27.2	☐ Alt Rec ☑ KPMG Rec	Proceed with the Financial Management Information System (FMIS) purchase and installation.		Bond Management
201 VIII-28.1	☑ Alt Rec ☐ KPMG Rec	Program should be reorganized as illustrated in Exhibit VIII-14.	Program should be reorganized as illustrated in Exhibit VIII-14.	Bond Management
202 VIII-29.1	☑ Alt Rec ☐ KPMG Rec	The School Board may wish to consider establishing a quality management office.	Project Manager is responsible for quality control.	Bond Management
203 VIII-30.1	☐ Alt Rec ☑ KPMG Rec	A method to provide sound cost management must be developed.		Bond Management

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
204 VIII-30.2	☐ Alt Rec ☑ KPMG Rec	Map budget expenditures to actual expenditures.		Bond Management
205 VIII-30.3	☐ Alt Rec ☑ KPMG Rec	Establish systems to ensure accountability of contingency funds.		Bond Management
206 VIII-31.1	☑ Alt Rec ☐ KPMG Rec	PPS should establish reporting expectations for Heery that address the specific concerns cited in this analysis, including: complete description of project scope, content, and Heery versus PPS responsibilities.	Reporting expectations for the new P.M. should be developed by the Executive Committee.	Bond Management
207 VIII-31.2	☑ Alt Rec ☐ KPMG Rec	Written detailed requirements of what is expected in a Final Report must be delineated to the Contractor.	Program Manager should provid a final report as deirected by the Executive Committee.	Bond Management
211 VIII-34.1	☐ Alt Rec ☑ KPMG Rec	PPS should implement higher cleaning standards for its buses.		Administration, Safety & Policing
212 VIII-35.1	☐ Alt Rec ☑ KPMG Rec	Increase the use of field supervisors to monitor the actions of bus drivers and increase supervision of the operations.		Administration, Safety & Policing
213 VIII-36.1	☐ Alt Rec ☑ KPMG Rec	PPS should hire a ½ full-time equivalent staff and establish formal procedures for routine inspections of Laidlaw facilities and audits of their time reporting and billings.		Administration, Safety & Policing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
216 VIII-38.1	☑ Alt Rec ☐ KPMG Rec	Examine what school police services and support functions to may be assumed by and/or consolidated with the City of Portland Police.	The Taskforce recommends that the two departments continue to aggressively pursue the "leveraging of services" that will directly benefit the School District and reduce the cost of police service to the District whenever possible. The Taskforce believes the Portland School Police and the Portland Police Bureau are actively exploring every opportunity to "leverage services" which would result in cost savings to the District. There seems to be no "turf issues" between the two departments. Instead it appears that the two agencies, while having distinctly different missions, have found a way to maximize each other's strengths. This results in the enhanced safety of both the school district and the community as a whole.	Administration, Safety & Policing
217 VIII-38.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Develop an agreement with City of Portland to provide school police functions, specifying level of service required and ensuring dedicated school police patrol support.	See Alternative 213.1	Administration, Safety & Policing
218 VIII-39.1	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Examine PPS policy against advertising.	PPS should allow sponsorship of capital projects, such as scoreboards. District should recognize that this would benefit individual schools and not general Athletics operations at the District level. PPS should examine their policy against advertising and determine if there is adequate costs/benefits for hiring staff to pursue advertising revenues.	Administration, Safety & Policing
219 VIII-39.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Establish quarterly/yearly goals for Athletic Department fundraising.	The Athletics Department should work with the PPS Foundation to develop a plan and specific goals for fundraising.	Administration, Safety & Policing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
220 VIII-39.3	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Develop an aggressive plan to seek funding sources.	See Alternative Recommendation 219.1	Administration, Safety & Policing
221 VIII-39.4	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Establish a strategy to form ongoing coalitions with local soccer, baseball, and basketball organizations.		Administration, Safety & Policing
222 VIII-40.1	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Conduct preliminary research into the cost-benefits of beginning a district-run middle school athletic program.	Alternative would provide access to more programs for more students. There still remains limits on high school participation because of lack of high school facilities and funding.	Administration, Safety & Policing
223 VIII-40.2	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Initiate an aggressive campaign to recruit more freshmen and sophomores to athletic program.		Administration, Safety & Policing
224 VIII-40.3	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Evaluate the effectiveness of the new academic requirement policy on an ongoing basis.		Administration, Safety & Policing
225 VIII-40.4	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Ensure successful compliance with the revised academic requirement policy by increasing the oversight of teachers, coaches, and probationary and/or ineligible students.	The District should provide clear guidelines and resources for tutoring programs at the high school level district-wide. Ensure successful compliance with the revised academic requirement policy by increasing the oversight of teachers, coaches, and probationary and/or ineligible students by central District staff.	Administration, Safety & Policing

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
226 VIII-40.5	☐ Alt Rec ☐ KPMG Rec ☑ AISC Referred with No Comment	Carefully monitor student attendance at tutoring sessions.		Administration, Safety & Policing
227 VIII-40.6	☐ Alt Rec ☑ KPMG Rec	Explore possibility of a "no pass, no play" provision which renders any student who fails a class automatically ineligible to participate.		Administration, Safety & Policing
228 VIII-41.1	☐ Alt Rec ☑ KPMG Rec	The District should explore ways to encourage minority teachers to work toward administrative positions, possibly targeting linguistically and culturally diverse teachers to mentor, giving them a chance to gain practical experience. It is important that the District creates opportunities for administrative development. This mentoring experience should be included in experienced principals' goals. The District should maintain the same standard of quality for all hires.		Human Resources and Management Structure
230 VIII-43.1	☑ Alt Rec ☐ KPMG Rec	Examine methods to make the teacher evaluation process more meaningful and address key areas of teacher performance and accomplishment. Recommendation should not be taken as directive in collective bargaining.	Examine methods to make the teacher evaluation process more meaningful and address key areas of teacher performance and accomplishment. Recommendation should not be taken as directive in collective bargaining.	Human Resources and Management Structure
231 VIII-44.1	☐ Alt Rec ☑ KPMG Rec	Explore methods to create structured selection processes that provide for objective and equitable assessment of applicant qualifications (Various aspects of the personnel practices (classified hiring, and classification and compensation planning) should be formalized and updated. The informal nature of the classified personnel hiring processes may lead to the perception of inequity).		Human Resources and Management Structure

Appendix A - Recommendations

Ref#	Approved Type	Original KPMG Recommendation	Alternative Recommendation	Task Force
232 VIII-44.2	☐ Alt Rec ☑ KPMG Rec	Update the classification and compensation schedule for those not included in a collective bargaining unit.		Human Resources and Management Structure
233 VIII-45.1	☐ Alt Rec ☑ KPMG Rec	Explore the benefit of expanding training to include courses for aspiring principals.		Human Resources and Management Structure
590 V-11.1	☐ Alt Rec ☑ KPMG Rec	PPS needs to implement an automated grants accounting and management system.	n/a	Finance and Risk Management
7677 VI-5.3	☐ Alt Rec ☑ KPMG Rec	Implement a process that requires the Controller or other qualified employee to initiate the investment transactions utilizing a confidential code system.		Finance and Risk Management

Audit Implementation Steering Committee

Ronald B. Gould, Co-Chair, AISC
Retired Partner, Deloitte & Touche, LLP

Michael Hutchens
Director of Purchasing, Risk Manager, Portland Public Schools

Bruce Samson, Co-Chair, AISC
General Counsel, Portland Public Schools

Kevin Jeans-Gail
Chief of Staff, Office of Commissioner Jim Francesconi, City of Portland

Sam Adams
Chief of Staff, Office of the Mayor, City of Portland

David Judd
Deputy Director, Parks & Recreation, City of Portland

Adrienne Armstrong
Incoming Student Body Pres., Franklin High School

Phil Keisling
Secretary of State, State of Oregon

Gary Blackmer
Auditor, City of Portland

J. Byron Kellar
Design-Builder, Neil Kelly Co.

Gerald Brandon
Custodian, Portland Public Schools

Commissioner Diane Linn
Multnomah County District 1

Maria Elena Campisteguy
Executive Director, Oregon Council For Hispanic Advancement

Allan Luethe
Principal, Jackson Middle School

Lawrence J. Dark
President and CEO, Urban League of Portland

Isaac Regenstreif
Senior Policy Consultant, PacifiCorp

Chris Dearth
Legislative Director, Office of the Governor

William Scott
Director, Oregon Economic Development Dept.

Sho Dozono
President & CEO, Azumano Travel Service

Ed Sheets
President, Ed Sheets Consulting

Antoinette Edwards
Coordinator, Jefferson Family Resource Center

Floyd Spears
Project Manager/Field Supervisor, Arjae Sheet Metal Co.

Marianne Fitzgerald
President, Parents for Public Schools of Portland

Lianne Thompson
Chair, Sexual Minority Parents Advisory Group

Richard Garrett
President, Portland Association of Teachers

Karen Wich
Administrative Secretary, Portland Public Schools

Sharon Gray
Teacher, Maplewood School

Achievement Standards and Curriculum Management

Phyllis Edmundson, Chair
Dean, Graduate School of Education, Portland State University

Guy Sievert, Vice Chair
Dean, Academic Services, Portland Community College

Carmen Bernier-Grand
Parent

Gail Black
Teacher, Benson High School

Pat Burk
Assistant to the Superindentent, Portland Public Schools

Betty Campbell
Portland Public Schools

Margaret DeLacey
Parent

Tom Greene
Director of Teacher Education, University of Portland

Matthew Nelson
Assistant Executive Director, Camp Fire

Willie Poinsette
Principal, Gray Middle School

Carol Turner
Education Advocate, Office of the Mayor, City of Portland

Administration, Safety and Policing

John Osburn, Chair
Attorney, Ball Janik LLP

Reg Madsen, Vice Chair
US Federal Marshal, District of Oregon

Charlotte Cook
Member, Citizen Budget Review Committee and Member, Parents for Public Schools of Portland

Bernie Giusto
Chief, Gresham Police Department

Robert Honson
Director, Nutrician Services, Portland Public Schools

Allan Luethe
Principal, Jackson Middle School

Brian Quinn
Counselor, Jefferson High School

George Richardson
Manager, Federal & Local Government Relations, and Community Affairs, NW Natural

Grant Thurston
Vice President, Gray Line of Portland

Tom Toombs
Director of Corporate Security, Portland General Electric

Task Force Rosters

Bond Management

Jerry Milstead, Chair
President, Milstead & Associates

Gary Blackmer, Vice Chair
Auditor, City of Portland

Richard D. Anderson
Manager, Tax Research and Planning
Enron/Portland General Electric

Michael S. Bathurst
CPA/CVA, Self employed

Alan Beard
Principal, GBD Architects

Pam Brown
Director of Physical Plant, Portland Public Schools

Richard Cantlin
Attorney, Perkins Coie

Heidi Franklin
Controller, Portland Public Schools

Communication, Public Policy and Special Education

Cheryl Perrin, Chair
Consultant/Executive Director, Campaign for
America

Gregg Kantor, Vice Chair
Vice President of Public Affairs, Northwest Natural

Opal Chancler-Moore
Principal, Franklin High School

Patty Farrell
Vice President, Corporate and Consumer Affairs
Group, KVO Advertising

Marianne Fitzgerald
Member, Parents for Public Schools of Portland

Lew Frederick
Public Information Officer, Portland Public Schools

Zac Hamilla
Student, Lincoln High School

Kathie Humes
Member, Parents for Public Schools of Portland

Heidi Knodell
Parent

Jeff Miller
Teacher, Cleveland High School

Tim Nesbitt
Executive Director, SEIU Oregon State Council

Bill Prows
Area Manager, U.S. West Foundation

Holly Pruett

Noell Webb
President, Webb & Associates

Task Force Rosters
Facilities Utilization

Duane Schulz, Chair

Commissioner Diane Linn, Vice Chair
Multnomah County District 1

Scott Bailey
Parent

Vicky Barrows
Teacher, Lane Middle School

Iris Bell
Deputy Director, Department of Community and
Family Services, Multnomah County

Pam Brown
Director of Physical Plant, Portland Public Schools

Mary Ellen Buck

Peter Hamilton
Director of Middle School Student Achievement,
Portland Public Schools

David Judd
Deputy Dir., Parks & Recreation, City of Portland

David Knowles
Director, Bureau of Planning, City of Portland

William Scott
Director, Oregon Economic Development Dept.

Ethan Seltzer
Director of Institute for Portland Metropolitan
Studies, Portland State University

Carolyn Sheldon
Assistant Professor, Lewis & Clark College

Maxine Thompson
Director, The Leaders Roundtable

Rich Wiley
Facilities Consultant, Portland Public Schools

Task Force Rosters
Finance and Risk Management

Jim Aalberg, Chair
Group Vice President & Treasurer, Fred Meyer, Inc.

J. Byron Kellar, Vice Chair
Designer-Builder, Neil Kelly

Elaine Berg
Insurance Claims Specialist, Portland Public Schools

Chris Dearth
Legislative Director, Office of Governor

Rick Fletcher
Vice President/Controller, Morley Capital Mngmt.

Heidi Franklin
Controller, Portland Public Schools

Dennis Helseth
CPCU Senior Vice President, AON Risk Services

Ron Hudson
Principal, Madison High School

Kevin Jeans-Gail
Chief of Staff, Office of Comm. Jim Francesconi, City of Portland

Steven Self
Operations Manager, Self Insured Management Services, Inc.

Courtney Wilton
CPA/Business Manager, David Douglas School District

Human Resources and Management Structure

Judy Rice, Chair
President, Oregon Symphony Foundation

Linda Kozlowski, Vice Chair
Partner, Murphy Symonds & Stowell

Jayme Armstrong
Parent

Donna Cameron
Partner, Miller Nash LLP

Maria Elena Campisteguy
Executive Director, Oregon Council For Hispanic Advancement

Val Jack
President, Portland Federation of Teachers and Classified Employees

Becki Langdon

Carol Matarazzo
Assistant Superintendent, Portland Public Schools

Lisa Newlyn
Teacher, Woodlawn Elementary

Susan Schreiber
Management Consultant

Christopher (Tiff) Wood
Senior Consultant, Watson-Wyatt

Information Technology

Chuck Beyer, Chair
Chief Information Officer, NW Natural

Curt Pederson
Associate Provost for Information Services, Oregon
State University

Bill Willard, Vice Chair
Vice President of Information Systems, Standard
Insurance Company

John Price
Director of Practice Development, Cotelligent

Ronald B. Gould, Co-chair, AISC
Retired Partner, Deloitte & Touche, LLP

Arlen Sheldrake
Director, Network & Information Services,
Multnomah Education Service District

Tim Lauer
Support Specialist, Portland Public Schools

Scott Thompson
Industrial Design Corp

Manny Ovena
Chief Technology Officer, Portland Public Schools

Juanita Waters
Technical Coordinator/Computer Teacher, Madison
High School

Inventory Management and Purchasing

Bill Hallmark, Chair
Associate, William M. Mercer Inc.

Will Fuller
Project Manager, Multiport Systems

Paul Farrow, Vice Chair
Vice President, Director of Inventory, Store
Scheduling and Shrink Control, Fred Meyer, Inc.

Mike Harris
Principal, Lane Middle School

Tony David
Assistant Vice President, Fred Meyer, Inc.

Michael Hutchens
Director of Purchasing, Risk Manager, Portland
Public Schools

Bud Dawson
Warehouse Supervisor, Portland Public Schools

Julie Joel
Student, Wilson High School

Suzanne Flynn
Auditor, Multnomah County

Ed Sheets
President, Ed Sheets Consulting

Acknowledgements

Portland Public School's Performance Audit Results - Summary of Fiscal Impacts

Rec. w/ No Incremental Costs	Costs Not Quantified	Rec. #	Issue	KPMG's Estimated Impact Min	Max	AISC's Estimated Impact Min	Max	AISC Comments
Achievement								
6, 111, 144, 134, 140, 105, 110, 155, 135, 137, 138, 152, 156	107, 108, 112, 113, 115, 116, 117, 118, 121, 124, 127, 130, 132, 157, 143, 153, 154, 141, 142, 159, 120, 133, 161, 162	146	Restructure staff to focus on Special Ed programs	(156,000)	(156,000)			
		148	Seek additional funding from legislature	1,750,000	2,500,000			Support a different legislative strategy
		158	Provide summer school scholarships	(55,000)	(55,000)	(55,000)	(55,000)	
		160	Do longitudinal study of Head Start program	(50,000)	(50,000)			
			SUB TOTAL	**$1,489,000**	**$2,239,000**	**($55,000)**	**($55,000)**	
Administration								
Nutrition Services								
167		163	Improve merchandising middle & high school lunches	513,000	513,000			
		164	Disallow competitive food sales	178,000	178,000			
		166	Invest in new food warming equipment	(100,000)	(200,000)	(100,000)	(200,000)	
		168	Hire industrial psychologist	(55,000)	(55,000)			
Transportation								
211		210	Use moveable lifts in garage	(10,000)	(10,000)			
		212	Hire field supervisors for bus drivers	(22,000)	(22,000)	(22,000)	(22,000)	
		213	Hire part time monitor	(20,000)	(20,000)	(20,000)	(20,000)	
		214	Transfer transportation services to outside vendor	1,500,000	3,000,000			Deemed unfeasible
Athletics								
218, 219, 220, 223, 224, 227		223 - 227	Restore athletic participation	180,000	180,000			
School Police								
		216	Consolidate police function with City of Portland	238,000	238,000	87,000	87,000	
Enrollment								
14		17	Track residential contingency students at school level	22,000	45,000	22,000	45,000	
		18	Net new enrolled students		45,000		45,000	
Publications								
100, 101		101	Dispense of obsolete equipment	2,000	2,000			
		102	Reduce staff in word processing	187,000	187,000	60,000	60,000	
			SUB TOTAL	**$2,613,000**	**$4,081,000**	**$27,000**	**($5,000)**	
Bond Management								
181, 183, 184, 186, 187, 188, 189, 191, 192, 193, 194, 195, 196, 197, 198, 199, 201, 202, 206, 207, 203, 204, 205								
Communications								
31, 35, 16, 32, 69, 145, 146, 147, 148, 149, 150	8, 36	7, 28, 29, 30, 70	Community involvement/Communication plan - Net Cost			(125,000)	(125,000)	
		28	PIO analyst	(36,000)	(36,000)			
		33, 34	Lawyer + paralegal - net savings over cost	97,000	97,000			
			SUB TOTAL	**$61,000**	**$61,000**	**($125,000)**	**($125,000)**	
Facilities								
175		19	Consolidate Schools	11,350,000	15,700,000	537,000	1,745,000	Close 3-5 if necessary; used different model.
			Co-Location $1,100,000 - $2,100,000			994,000	994,000	
			Close BESC $3,100,000 - $3,900,000					
		170	Change rental policies and rates	3,500,000	7,000,000	2,000,000	4,500,000	
		171	Advertise available space	350,000	700,000			
		172	Use custodial staff in evenings	20,000	60,000	20,000	60,000	
		173	Equitable fee sharing methods	130,000	130,000			
		174	Calculate the true cost of renting and leasing	500,000	500,000			
		176	Perform deferred maintenance	(566,000)	(566,000)	(566,000)	(566,000)	
			Avoided costs when maintenance current	2,500,000	2,500,000	2,500,000	2,500,000	
		178	Hire back more custodians	(650,000)	(650,000)	(650,000)	(1,300,000)	
		179	Provide custodial training	(27,000)	(37,000)			
		180	Track custodial time - net savings	790,000	1,620,000	850,000	1,700,000	
			SUB TOTAL	**$17,897,000**	**$26,957,000**	**$5,685,000**	**$9,633,000**	
Finance								
66, 10, 11, 15, 6, 94, 96, 72, 74, 76, 77, 80, 82, 83, 86, 99, 103, 58, 59	79	65	Restore general fund balance	(10,000,000)	(16,000,000)	(3,000,000)	(9,000,000)	Restore slower and to lesser total dollars
		78	Train accounting staff	(40,000)	(40,000)		(40,000)	
		80	Install bar-code tagging equipment	(450,000)	(450,000)			
		81	Hire internal auditor	(72,000)	(72,000)			
		82	Enforce time sheet policy	55,000	55,000			
		86	Increase procurement card usage	733,000	733,000			
		93	Restore self insurance fund reserves	(4,000,000)	(8,000,000)			Included in #65
		96	Outsource workers comp claim administration - net	51,000	51,000			
		98	Add staff to Environmental Health & Safety dept.	(72,000)	(72,000)			
			SUB TOTAL	**($13,795,000)**	**($23,795,000)**	**($3,000,000)**	**($9,040,000)**	
Human Resources								
38, 42, 43, 73, 151, 232	84, 85, 230, 231, 233	37	Eliminate Assistant to the Superintendent position	140,000	140,000	60,000	60,000	
		40	Add HR Exec Director position	(140,000)	(140,000)	(140,000)	(140,000)	
		41	Consolidate management functions	600,000	600,000	100,000	100,000	
		85	Consider modifying HR benefits	6,000,000	6,000,000			Rec. needs significant study & Analysis
			SUB TOTAL	**$6,600,000**	**$6,600,000**	**$20,000**	**$20,000**	
Information Technology								
12, 13, 47, 48, 49, 51, 52		53, 54, 55, 56, 57, 61, 62, 63, 64	System Replacement Project					Reflects annual costs and benefits of $31 million systems replacement project inclusive of 5 yrs maintenance support
			Annual Debt Service			(3,800,000)	(3,800,000)	
			Projected Annual Savings			3,640,000	3,640,000	
		39	Add Chief Technology Officer position	(140,000)	(140,000)	(140,000)	(140,000)	
		50	Add technology coordinators who are school based	(1,092,000)	(1,092,000)	included in System Replace Project		
		55	Payroll system	147,000	147,000	"	"	
		61	Nutrition services system	578,000	578,000	"	"	
		62	Point of sale system for the cafeteria	(150,000)	(150,000)	"	"	
		63	Facilities management information system	(20,000)	240,000	"	"	
		64	Link transportation services to District-wide system	(10,000)	(10,000)	"	"	
			SUB TOTAL	**($687,000)**	**($427,000)**	**($300,000)**	**($300,000)**	
Inventory								
88, 89, 91, 92		87	Reduce inventory in warehouse	896,000	896,000			Savings not found
		90	Implement warehouse credit policy	50,000	50,000	8,000	8,000	
		92	Reduce purchasing staff	72,000	72,000			
			SUB TOTAL	**$1,018,000**	**$1,018,000**	**$8,000**	**$8,000**	

TOTAL	$16,734,000	$136,000
SALE OF SURPLUS PROPERTY	n/a	11,800,000
GRAND TOTAL	$16,734,000	$11,936,000

"(Negative Number)" = Cost   * = One Time Cost

Portland Public Schools Performance Audit Results
Summary of Fiscal Impacts-May 14, 1999

The KPMG performance audit confirmed what many within the Portland community and the District already knew—Portland Public Schools have serious inefficiencies and pockets of ineffectual management. There are significant improvements needed in all aspects of the business functions. The District has begun and continues to make these improvements. The disappointment of the audit is that the necessary changes will probably not translate into huge dollar savings. It is hard to quantify better decision-making. The following table summarizes the estimated fiscal impacts made by both KPMG and the AISC.

The column headings are defined below:

Recommendations with No Incremental Costs: Lists the numbers for those recommendations which both KPMG and the AISC believe can be implemented by the District without incurring any additional costs. The incremental costs are either non-existent or so small as to be easily absorbed by current operations.

Costs Not Quantified: Lists the numbers for those recommendations for which KPMG did not identify any costs. The AISC and the Task Forces, however, acknowledged that the District would incur additional costs by implementing these recommendations, but the AISC and the Task Forces did not try, or were unable, to quantify these costs.

Rec. # and Issue: Lists each recommendation made by either KPMG or the AISC for which costs or ranges were estimated. A brief sentence describing the issue addressed by the recommendation is included to aid understanding. The

Rec. # should be used to find the more detailed and complete discussion of the issue in the body of the report.

KPMG's Estimated Impact Min/Max: Indicates the costs (negative numbers), potential savings or additional revenue (positive numbers) that KPMG estimated would be the fiscal impact for implementing these recommendations. For those recommendations which had both a cost component and a savings or revenue component, the ranges shown are the net of these components.

AISC's Estimated Impact Min/Max: Indicates the costs (negative numbers), potential savings or additional revenue (positive numbers) that the AISC estimated would be the fiscal impact for implementing these recommendations.

AISC Comments: Briefly indicates any additional information that explains the AISC's analysis and recommendation and the rationale for the most significant differences between KPMG and the AISC. A more thorough discussion of the AISC's deliberations is included in the report and in the Fiscal Comments column of the detailed matrixes.

What Does It All Mean?

The bottom line is: KPMG estimated a net savings for the District of $16.7 million by implementing all the recommendations. KPMG lumped one-time impacts and annual impacts together and the majority of their identified savings are in closing 13 schools, changing facilities rental rates, revamping the employee benefits programs, and restoring reserves and fund bal-

ances. KPMG footnoted the exclusion of one-time $25 to $35 million investment in a new computer system, which is required to implement many of the other recommendations.

The AISC, based on the Task Forces scrutiny, estimates a potential for on-going net savings of a mere $136,000. This means that the improvements recommended in the performance audit, if implemented, result in a reallocation of resources. The costs of implementing the changes offset the measurable financial gains. The improved operations that would result still make many of the recommendations compelling. In addition, the AISC and Facilities Task Force identified the potential for one-time revenue of $11.8 million, which could be realized from the sale of surplus property. The AISC sees potential for significant additional revenue from rationalizing lease and rental rates (up to $4.5 million) and for cost savings from closing 3-5 schools ($537,000 to $1,745,000) and better management of the custodial workforce ($850,000 to $1.7 million). The AISC also noted that the one-time cost for the new computer system will be spread over ten years. Therefore, the annual debt service of $3.8 million is virtually offset by the anticipated annual savings of $3.6 million, which will begin to materialize in year two of the system replacement project.

PORTLAND PUBLIC SCHOOLS

SUPERINTENDENT'S OVERVIEW

FINANCIAL IMPACTS OF THE
PERFORMANCE AUDIT

1. Primary AISC Financial Recommendations:

a.	Recommended District savings from better management of facilities	$9,600,000
b.	Recommended costs for increasing District reserves to more prudent level	($9,000,000)
c.	Miscellaneous other net cost increases	$ 464,000
	Net Cost Savings	$ 136,000

2. Primary Differences Between AISC recommended maximum savings of $136,000 and KPMG recommended maximum savings of $16,700,000.

a. KPMG recommendation for closure of 13 schools yielded $15,700,000. AISC recommendation for closure of 3 to 5 schools yielded $1,700,000.

Difference	$14,000,000

b. KPMG estimated changing rental policies could yield up to $7,000,000. AISC estimated rental policy changes could yield $4,500,000.

Difference	$ 2,500,000
c. Other KPMG recommendations net to zero	$ 0
Net Difference between KPMG and AISC	**$16,500,000**

3. Proposed response to the AISC financial recommendations:

a. Erosion of our bond rating is one external measure of our current unhealthy financial condition. Reserves should be increased to the $9,000,000 level to maintain a stable financial basis for operating our schools.

b. The District should develop a four year plan to decrease facility costs by $10,000,000 through leasing, school consolidations and operational efficiencies. Next year the District has budgeted the first installment of savings of $855,611 and additional facility revenue of $2,000,000. Additional property sales may be necessary to meet these objectives.

Aging and Disability Services Department
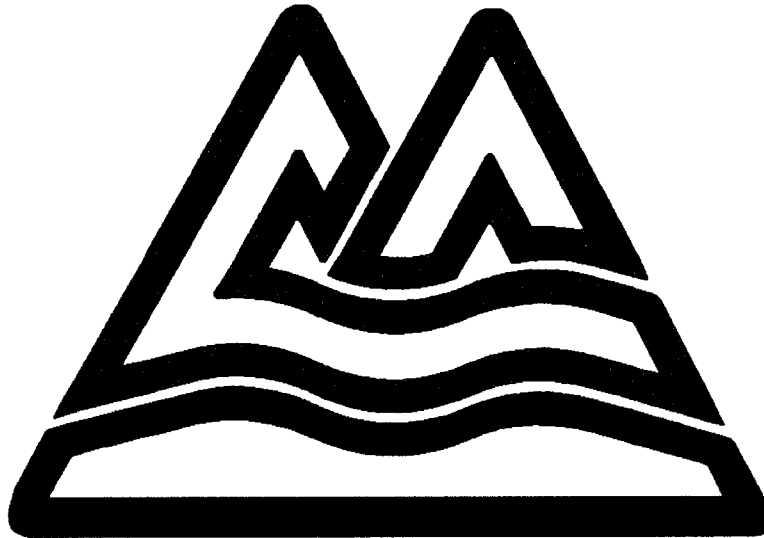
1999 – 2000 Budget Work Session

Multnomah County

M a y 1 8 , 1 9 9 9

Celebrating 1999 as the United Nations "Year of the Older Person."

Aging and Disability Services
Budget Work Session
May 18, 1999

AGENDA

Introductions

Mission Statement

ADS Single Entry Services System

Increased Use of Community Based Care

ADS Service Trends

Budget Information

Department Accomplishments and Goals

Elders In Action Budget Request

ADS Issues and Opportunities

CBAC Report on Aging and Disability Services Budget
Elders in Action--Charles Kurtz
Disability Services Advisory Council—Jan Campbell

Closing Comments

Multnomah County
Aging and Disability Services Department

Mission Statement

Our MISSION:

To assist older adults and persons with disabilities to live as independently as possible with a range of accessible, quality services that meet their diverse needs and preferences.

Our VISION:

Persons with disabilities and older adults in our community will be living quality lives with supports and living situations of their choice. ADS will be a leader and a catalyst in developing, promoting, and implementing options for those choices.

Our ORGANIZATIONAL VALUES:

- Be customer-driven
- Respect diversity and ensure equal access
- Involve people in decisions that affect them
- Act with personal and professional integrity
- Promote partnerships and community advocacy
- Pursue excellence in service and in the work place
- Use public and private resources responsibly
- Continuously advance innovation and quality improvements
- Work cooperatively on issues of aging and disability

*Multnomah
County
Aging &
Disability
Services
Referral Flow
Chart*

The HELPLINE
responds to needs
24-hours-a-day:
248-3646

**Community Based Services
include:**
Door-to-Door Transportation,
Legal Assistance, Adult Day
Care, Provider Respite, Mental
Health services, Adult Care
Home Licensing, Public
Guardian/Conservator, Helpline
Emergency Services

**Referrals come to
the System from
many sources:**

Seniors or people with
disabilities needing
help;

Their relatives, friends
& neighbors;

Other human service
agencies;

Hospitals/Health Care;

Volunteer
Gatekeepers;

Police / Public Safety

**Services are
available at**
9 District Access Focal
Points for Seniors

4 Disability Services Offices:

- Eligibility Determination

- Case Management

- Senior Center
  Participation

- Information & Assistance

- Outreach

- Volunteer Opportunities

- Food Stamp Program

- Nursing Home
  Relocation

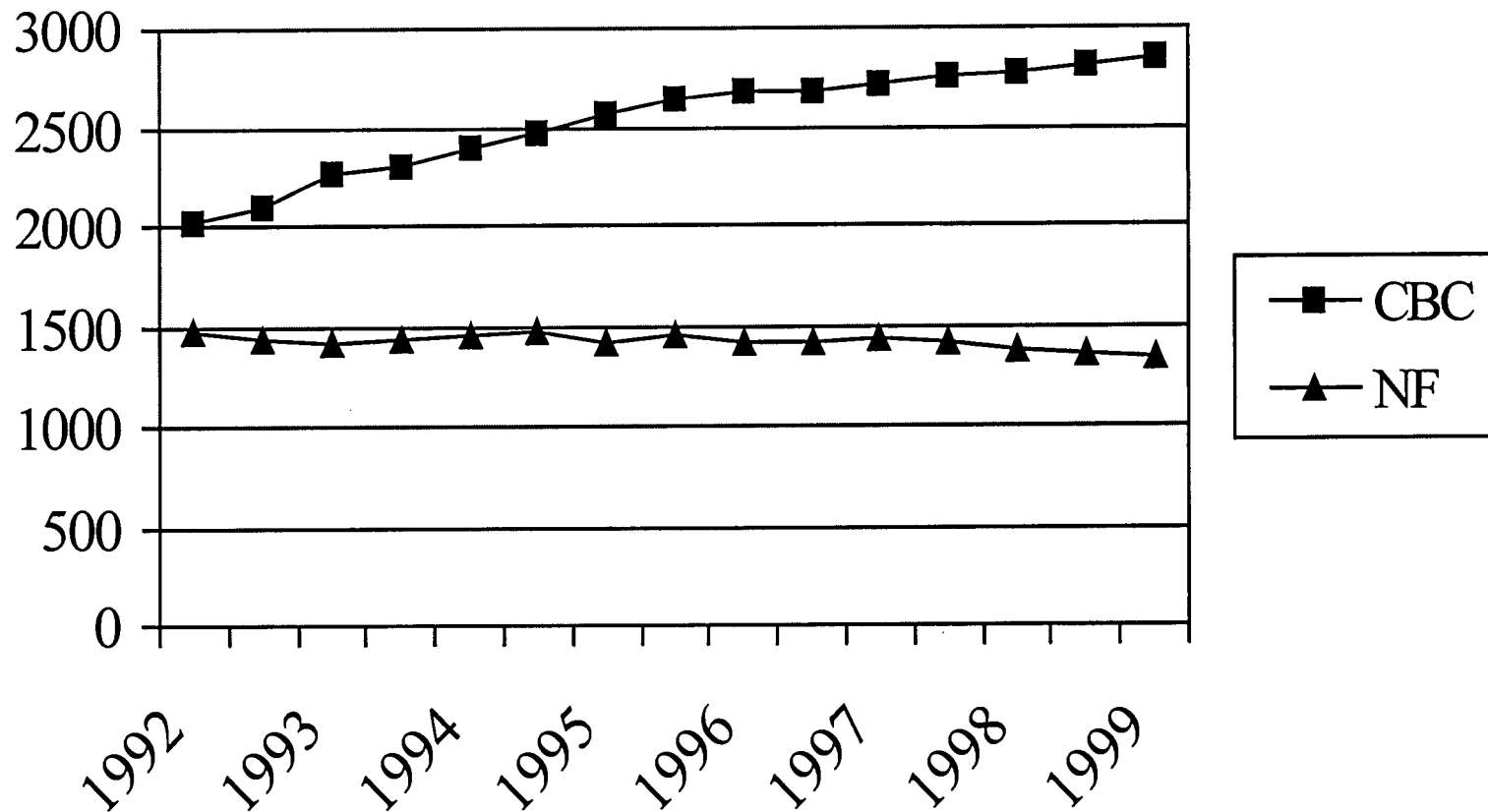- Abuse Investigations

- Risk Intervention

- Insurance Counseling

- Housing Assistance

- Multicultural Language
  Services

- Enrollment in Health
  Plans

In-Home Services include:
Home and Personal Care,
Chore Services, Respite, Live-
in Companion, Home Health
and Medical
Supplies/Equipment

Housing Options include:
Adult Care Home, Assisted,
Residential and Specialized
Living Facilities and Nursing
Home Care

Nutrition Services include:
Congregate & Home-delivered
Meals, Socialization and
Transportation to Sites

**Other Community
Resources include:**
Private Pay Providers,
Churches, Volunteers,
Hospitals and Managed
Health Care Plan

2

Nursing Facility/Community-Based Care

The trend shows continued retention of clients in community based care.

(The graph represents numbers of elderly served for comparison purposes.)

Aging & Disability Services Budget Work Session – May 18, 1999

ADS Service Trends

According to the U.S. Census Bureau's American Community survey, as of 1996 there were 105,674 people age 60 and over living in Multnomah County. That is 17.1% of the total population of 618,135 in the county and well over the national average of about 13%. Of those over 60 years or older:

- 10% (about 10,023) are below the federal poverty level
- Over 25% (27,913) live alone, and
- More than 39% (41,419) are over 75 years old.

In addition, that same source indicates that just under 10% (37,912) of Multnomah County residents ages 16-64 are disabled.

Senior Services

ADS served over 27,500 Multnomah County seniors through a variety of federal, state and local programs in fiscal year 1998.

- ADS helped over 6,600 seniors who needed assistance with tasks of daily living with services in their homes, or in community-based care settings.
- An additional 1,921 seniors were served with case management in nursing facilities.
- Another 5,794 were served through Food Stamps, Financial Assistance, and Medical Insurance programs.
- Other ADS services included over 6,200 home delivered and congregate meal recipients; 3,334 clients served through transportation services; 1,714 protective service investigations; 1,016 clients received legal services and another 182 were in the public guardian program.

Disability Services

Last year, ADS served over 14,000 Multnomah County residents, ages 18 - 64 with physical and/or mental disabilities, through a variety of Federal, State and Local programs.
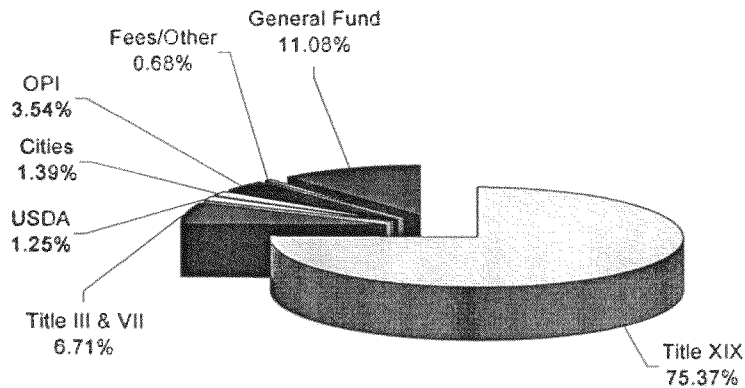
- Most of those individuals received Financial Assistance, Food Stamps and Oregon Health Plan.
- Over 1,900 of those individuals also received assistance with tasks of daily living (1,100 in their own homes, 580 in community based care settings such as Adult Foster Homes, and 250 in Nursing Facilities).
- An additional 900 individuals received Adult Protective Services.
- ADS also provides Medicaid for children with disabilities, including Nursing Facility placement for about 70 children with multiple and severe disabilities.

ADS Helpline

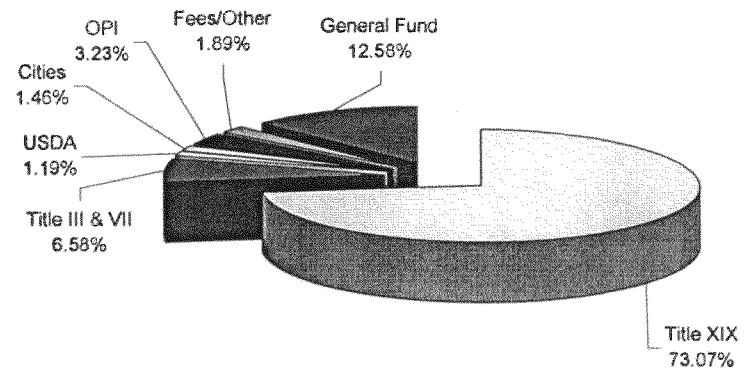- ADS provides an Information and Assistance telephone helpline to seniors and people with disabilities. The Helpline is open 24 hours a day, 7 days a week. Over 50,000 calls (including calls to District Centers) were received for information and assistance with problems or concerns faced by seniors and persons with disabilities. After hour intervention services are available on an urgent-need basis.

HIGH-LEVEL BUDGET INFORMATION

FY 99 Revenue Sources

General Fund 11.08%
Fees/Other 0.68%
OPI 3.54%
Cities 1.39%
USDA 1.25%
Title III & VII 6.71%
Title XIX 75.37%

FY 2000 Revenue Sources

OPI 3.23%
Fees/Other 1.89%
General Fund 12.58%
Cities 1.46%
USDA 1.19%
Title III & VII 6.58%
Title XIX 73.07%

Expenditures by Division

Division	FY 1997-98 Actual	97-98 FTE	FY 1998-99 Adopted Budget	98-99 FTE	FY 1999-2000 Approved Budget	99-00 FTE	Difference
Central Admin & Support Services	$1,774,465	18.30	$1,617,699	20.30	$1,898,116	22.80	$280,417
Planning & Special Projects	$0	0.0	$626,666	10.00	$685,303	10.00	$58,637
Aging Services	$15,052,928	190.70	$16,588,363	183.80	$17,316,023	187.00	$727,660
Disability Services	$6,906,532	136.30	$7,826,187	140.30	$8,276,232	147.80	$450,045
Accounting Transactions	$1,,215,658	0	$1,277,606	0	$1,300,372	0	$22,766
Totals	*$24,949,583*	*345.30*	*$27,936,521*	*354.40*	*$29,476,046*	*367.60*	*$1,539,525*

Budget Assumptions/Issues

- Maintain current service levels and caseload growth

- Revenue assumptions

- New Positions based on receipt of State funds for caseload growth

- 2% salary savings included in Budget

Department Accomplishments and Goals for FY 2000

System Accomplishments
- Improve case management services; improve technology and information support for client tracking.

- Develop targeted partnerships with health care providers to improve care for people with chronic conditions.

- Improve the quality of services provided by in-home workers; increase the number and retention of qualified in-home workers.

Aging Services Division
- Expand and improve local partnerships to prevent elder abuse, neglect and exploitation.

- Maintain strong emphasis on the involvement and needs of ethnic elders.

Disability Services Division
- Continue to assist people with disabilities to gain employment. Work with employed people with disabilities to secure and/or maintain Medicaid benefits.

- Enhance coordination of services to clients with disabilities through partnerships with other County and state agencies and community organizations.

Planning and Special Projects
- Complete ADS Strategic Planning by spring 2000.

- Expand special transportation to serve many more elderly persons and persons with disabilities.

- Finalize plans for the development of an East County Aging/Disability/Health and Senior Center.

- Develop, monitor, and improve ADS Key Results.

Elders in Action FY 2000 Budget Request

Elders in Action (formerly the Portland/Multnomah Commission on Aging) is a private non-profit organization whose mission is to *assure a vibrant community through the active involvement of older adults*. Elders in Action supports a 31-member citizen commission which represents the interests of older adults to the city, county, Aging and Disability Services, other policy makers, and the general public. With 250 additional volunteers, these advocates work to improve services and provide policy direction, educate the public on aging services and issues, and develop new resources to meet the needs of older adults.

The transition to private non-profit status and move to the highly visible storefront office at 5th & Washington has increased the profile for the agency, and the basic elements of an annual campaign and planned giving program are in place.

Elders in Action has ambitious plans for development in two areas:

- A business plan has been developed to guide the local expansion and nationwide replication of the Elder Friendly Certification Program, and

- A strategy for funding a comprehensive Ombudsperson Program has been developed and initial steps will be implemented this year to expand the program from elder abuse to housing and health care.

Budget Request 99/00	**$71,326**
Add Package Request	**$83,229**
Housing Ombudsperson Program	($40,000 in Chair's Budget)

Elders in Action Ombudsperson are highly trained citizen volunteers who advocate and assist elderly and disabled citizens who are experiencing problems related to housing. Help with basic information; assistance to prevent eviction; crime and safety prevention; mediation/conflict resolution with landlords and other tenants is available.

Between November 1994 and December 1997, fifty six volunteer Ombudsperson provided 7,701 hours of service to more than 2,000 individuals residing in rental housing in Portland. The Ombudsperson helped prevent evictions for 101 individuals by 1) helping them remedy the problem giving cause for eviction; 2) advocating for them with landlords when the eviction was not for "just cause"; and 3) accompanying them to hearings, as their advocate, to assure their rights were protected.

Performance Measures:
- Volunteers Serving as Ombudsperson   30 citizen volunteers
- Volunteer Hours Contributed   4,000 hours
- Tenants Receiving Service   2,000 individuals served

Issues and Opportunities

1. In-home Provider Improvements

- **The Approved $73,000** of on-going General Fund support will increase the number of caregivers by 5-7% and improve the quality of services provided.
- There are currently 1,800 active in-home workers.
- ADS can not keep up with the demand for workers to provide care and services to clients in their homes or make referrals to other community members.
- In-home services are a more cost effective and flexible alternative to nursing home care.

2. Housing Ombudsperson

- **The Approved $40,000** starting January 2000, would use the effective Elders in Action model to provide:
- Basic information about housing availability
- Assistance to prevent eviction
- Conflict resolution
- Improve housing stability

3. Disability Helpline

- The Disability Services Advisory Council is **requesting $22,500** from the County which would be matched by $27,500 in Medicaid funds, for a total of $50,000. This would fund a Disability Specialist position for the ADS Helpline.
- Provide a single source of information for all people with disabilities in Multnomah County.
- Develop a comprehensive database of information about services for people with disabilities.
- Assist the growing number of callers to the ADS Helpline.

4. Integrating Health, Long Term Care and Housing

- 95% of seniors and people with disabilities using the Medicaid-funded Oregon Health Plan are receiving their medical care and mental health care through a managed care plan.
- ADS Case Management is an important means for assuring a seamless service system.
- ADS will partner with the State and others to better integrate health and long term care services building on the existing integrated systems and case management/client advocacy approach.

Issues and Opportunities

5. *Special Needs Transportation*
   - 12,459 seniors and 10,988 younger persons have conditions that make it difficult to go outside the home without assistance.
   - These numbers are expected to dramatically rise in the next 10 years.
   - Current transportation systems are inadequate to meet current needs.
   - The existing special transportation system run by Tri-Met serves only Medicaid eligible persons and persons who meet Americans with Disabilities Act standards i.e. severely mobility impaired.
   - Most frail and mobility impaired Senior Citizens and some persons with disabilities are not currently served.

6. *East Multnomah County Facilities*
   - East Multnomah County has the fastest growing Senior and Disabled populations in the county. The East County Senior Services system is developing and expanding.
   - Cities of Fairview, Gresham and Troutdale joined the County (ADS) in funding Information & Assistance (the access door to services).
   - East County Senior Coalition brings 22 different partnering groups to the table to advise on senior issues and needs.
   - YWCA, Loaves and Fishes, Gresham Seniors United, and East Aging Services Office provide services and activities to a growing population.
   - ADS is exploring new or expanded partnerships with organizations serving persons with disabilities in areas such as employment.
   - 50% of clients using services at the Mid County Disability Service Office (S.E. 122nd) live east of 162nd Avenue.

   ADS, in conjunction with East County Senior Coalition (ECSC) and Disability Services Advisory Council, is designing the new county facility in Gresham to expand and determine the best mix of services.
   - ADS will participate with Health and Facility Management Departments in the design phase that should result in construction bids in late fall 2000.
   - Affordable housing for seniors and persons with disabilities at the East facility site is a high priority.

Aging and Disability Services Advocates

ELDERS IN ACTION (EIA)

- Formerly the Portland/Multnomah Commission on Aging.

- Elders in Action formed as a non-profit in 1997.

- CBAC (Citizen Budget Advisory Committee) advisory board made up of 31 members.

- The EIA mission is "to assure a vibrant community through the active involvement of older adults."

- Comments on ADS FY 2000 budget request.
  - CBAC Comments
  - Add Packages
  1. Additional $43,229 to implement the Housing Ombudsman program for the full year (July 1, 1999 start up date).
  2. $22,500 to be matched with Medicaid funds to provide a disability specialist for the Helpline.
  3. NEW REQUEST for $60,000 for Emergency Housing Assistance Fund.

DISABILTY SERVICES ADVISORY COUNCIL (DSAC)

- Mandated by Senate Bill 875 in 1989, which added Disabilities to the Senior Services Division. The law requires that a majority of the members have a disability, and that some be either current or prior clients of Disability Services.

- The Multnomah County DSAC held its first meeting in 1991.

- The purpose of the DSAC is to advise Aging and Disability Services on policies, programs and services provided through those offices. The DSAC also provides advocacy on other issues related to disabilities and serves as a CBAC for ADS.

- There are 15 seats on the DSAC, and that limit can be increased through a by-laws change.

- Comments on ADS FY 2000 budget request.
  - CBAC Comments
  - Add Packages
  1. $22,500 to be matched with Medicaid funds to provide a disability specialist for the Helpline.

AGING AND DISABILITY SERVICES
EAST COUNTY FACILITY DEVELOPMENT
DRAFT PLAN 5/17/99

Core Services:

➢ **Senior/Disability Programs:**
- **East County Senior Focal Point***
- **Senior Activity Center/ also available for Cultural Center, Community Use, and Wellness/Fitness site***
- **Meal site***
- **Volunteer Recruitment/Opportunity***
- **ADS Aging Office**
- **ADS Disability Office (including Social Security staff)**

➢ **Health Department Clinic:**
- **Primary Care**
- **Field Office**
- **Vision**
- **Dental**
- **WIC**

Proposed Mixed Use:

- **Adult Day Care***
- **Child Care***
- **Low-cost Housing for Seniors and Persons with disabilities (including housing for caregivers)***

Other possible uses:
- **Related Retail – grocery, pharmacy, Beauty/Hair Salon**
- **Specialized Employment Counseling (including Voc. Rehab. staff)**
- **Specialized Computer center**

* Partnerships include **City of Gresham, YWCA, Gresham Seniors United, Loaves and Fishes, Housing, Child Care, Adult Day Care providers, etc**

Emergency Housing Assistance Fund
requested by
Elders In Action

The current ADS budget includes $140,000 in County General Funds to operate an Emergency Housing Assistance Fund (EHA). This program was initiated in fiscal year 1998-99. Funds are awarded to eligible individuals to provide resources to stabilize their housing situation. Elders In Action requests that an additional $60,000 be budgeted in the ADS FY 2000 budget for this purpose. If this request were granted, the EHA would be funded at $200,000 per year. The ADS analysis of this request is attached for the Board of County Commissioners review.

To: Don Carlson, Bob Leverenz

From: Sherry Willmschen

Date: May 14, 1999

Subject: Emergency Housing Assistance Funds (EHA) and Housing
Coordinator Information

The attached is a summary of 9 months of funds expenditures and the results
as well as tasks completed by Housing Coordinator.

My concern is that funds budgeted of $140,000 will not be sufficient
because:

- We have seen a marked increase in requests as the service system became
  more aware of funds, particularly for persons with disabilities.
- We will be running out of the 99 funds by the end of May. We have
  used the $140,000 in 10 months. Therefore, an increase seems indicated.

The data below indicates that the EHA Program needs a total of $204,000
to meet the projected demand at the current service level. This is based on a
projected monthly expenditure of $17,000.

Monthly Use of EHA Funds

Month	Expenditures
August, 1998	$12,810
September, 1998	$ 8,531
October, 1998	$10,324
November, 1998	$ 6,557
December, 1998	$17,016
January, 1999	$11,971
February, 1999	$18,908
March, 1999	$17,296
April, 1999	$19,756
May, 1999	$16,771 (spent before month end)
Total	$140,000

ADS Emergency Housing Assistance Fund Use
August, 1998 through April 1999

Total Funds Expended:	**$123,229**
Total Persons Assisted:	**311**
Age Distribution:	
18 - 59	**175**
60 - 64	**50**
65 - 74	**61**
75 - 85	**22**
85 +	**3**
Total Served 60+	**136**

Categories of Assistance:

Rent Assistance/at Risk of Homeless:	**175**
Rent Assistance/Homeless:	**19**
Deposits:	**95**
Relocation:	**4**
Moving Expenses:	**17**

Aging Services Branch Office Clients:	**33**
Disability Services Branch Office Clients:	**99**
District Center Clients Served:	**179**

> Note: Northwest Pilot Project is the designated agency to serve Homeless 50+. This is reflected by the large number of District Center persons served. NWPP served 152 of the 179 people.

Outcomes:

Three Months (August – January assistance):	82% continue stable
Six Months (August – October assistance):	88% continue stable

Examples of People Assisted:

Client settled in apartment, receives ongoing money management services and this is first time in years she/he has been financially stable.

A deposit payment assisted an elderly person to move to subsidized housing. The only funds she had available were her food money.

Person lost Social Security check and was unable to pay rent. One month assistance prevented eviction.

Payment of person with disability past due property taxes allowed him/her to continue to live in the home.

An elderly person needed one time payment of mobile home space rent for housing stability.

Person who had been working suffered a stroke and was unable to work. She required one month help and then would return to work.

Person moving from market rent apartment to subsidized apartment which is affordable based on income. He/she required help with deposits, move-in costs.

Situations assisted which developed problems later:

Unique situations that could not be resolved include:
      Disruptive/inappropriate behavior
      Housekeeping issues of the person
      Choice of person to make move in with relative
      Senior with son in household who creates instability
      Poor judgment and moved to expensive apartment

Increased care needs of the individual requiring placement into licensed care.

Housing Coordinator Position Activities (September – April)

Developed protocols and procedures for dispensing Emergency Housing Assistance Funds.

Developed procedure to monitor Outcomes of the use of the funds.

Met with entire service system to be sure that staff aware of the existence of the funds as a resource.

Met with Multnomah County Department of Community and Family Services Division of Community Programs to assure that Federal funds available to ADS clients as well. Attend ongoing meetings with them to assure resource development.

Developed improved working relationship with Housing Authority of Portland in both the Low Rent Public Housing and the Voucher program.

Updated subsidized housing information and working on data base/list of affordable/section 8 apartments.

Arranged for trainings for staff and advocates including Fair Housing/Reasonable Accomodation in May and NWPP training on Housing in June.

Act as resource for staff regarding issues/concerns of individual clients needs as well as the general community calls with housing concerns/needs.

Disability Specialist for the ADS Helpline
requested by
Disability Services Advisory Council

The Disability Services Advisory Council requests that a Disability Specialist position be added to the ADS Helpline to create and maintain a disability resource database, and assist with Helpline operation. **This request is for $22,500 in County funds, which would be matched by $27,500 in Medicaid funds, for a total of $50,000.**

Background: Residents of Multnomah County do not have a widely known central Information and Assistance contact point for information regarding disabilities. The Disability Services Advisory Council would like to fill that void by expanding the promotion of the Helpline to a wider audience.

The ADS Helpline has long been a central contact point for senior issues. A large and comprehensive database of senior resources has been developed and maintained for that purpose. But, while some resources for seniors also serve people with disabilities, the current database is not sufficient to meet the needs of people with disabilities.

Disability Services Advisory Council is asking for the addition of a Disability Specialist on the Helpline staff for two reasons:
1) Both creation and maintenance of a quality information and assistance center are critical, but time intensive tasks.

2) As ADS promotes the Helpline, the expected increase in the volume of calls without additional staffing could potentially jeopardize the quality of service available to callers, both seniors and people with disabilities.

The Disability Services programs became part of ADS in July of 1997. Between that date and December of 1998, calls requesting information and resources for people with disabilities rose from 77 to 170 per month, an increase of 120%. This increase occurred even though ADS has done very little to date to promote the Helpline as a disability resource.

Increasing the staffing and quality of the Helpline will have a direct or an indirect affect on several County Benchmarks, including:
- increasing access to health care and mental health care
- assistance with housing concerns
- reporting and protecting against elder abuse
- citizen satisfaction, government accountability and responsiveness

1999 Budget Work Sessions
Department of Aging & Disability Services
Response to follow up Questions from the Board

Question 4, Week of May 17: How many more people will the additional emergency housing add package serve? (00BA_PA_ADS_06)

Based on an average cost per case of $409, the additional $60,000 would serve approximately 146 more people.