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New Leadership at Portland Public Schools

In early 2005, Portland Public Schools (PPS) Superintendent Vicki L. Phillips put down the local paper. She did not need to read any more of the sensational headlines to know that she had stirred strong emotions across the city. In only seven months at the helm of Oregon's largest school district, Phillips had faced a series of challenges as she launched an aggressive agenda for improving student achievement. She sought to earn credibility from skeptical civic and school leaders, handle an unsigned contract with the teacher's union, avoid the repeal of a local tax that supported schools, begin redesigning the dysfunctional central office, and recruit core members of her leadership team.

Phillips also proposed closing six schools. While she sympathized with parents who were distraught by the prospect of losing neighborhood schoolhouses, Phillips believed that declining enrollment, citywide demographic shifts, and two tough years of budget cuts on the horizon necessitated decisive action. "I have put forth proposals that can stand on merit, that will provide equal or better opportunities for kids, and that is my job to do here," she said. "I have done my homework on these. If I chose to do it incrementally, it would be no less painful. And I don't have the luxury of waiting, not with 50,000 kids who I have to look at as my best interest."¹

Portland Public Schools (PPS)

In SY05,² PPS operated 97 schools and served 47,656 students (see **Exhibit 1** for enrollment data). Fifty-eight percent of enrolled students were European-American, 16% were African-American, 13% were Hispanic-American, 10% were Asian-American, and 3% were of American Indian or other descent. Forty-five percent of the students qualified for free or reduced-price meals, 25% spoke a language other than English at home, and 12% required special education services.

In SY04, nearly 75% of PPS schools met their annual yearly performance (AYP) targets, although the district overall did not. PPS did meet its districtwide AYP targets in SY03, and its reputation for

¹ Betsy Hammond, "Portland Style at Odds with Top-Down Move," *The Oregonian*, February 18, 2005.

² SY is a PELP convention that denotes "school year." For example, SY05 refers to the 2004–2005 school year.

Research Associate Jennifer M. Suesse prepared this case under the supervision of Professors James E. Austin and Robert B. Schwartz. PELP cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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innovation and achievement, as well as the city's deep commitment to public education, was reflected in its high "capture rate": nearly 85% of eligible school-aged children attended PPS, which was unusual for an urban school district. Portland's 2,873 teachers had a reputation for professionalism (see **Exhibit 2** for a personnel profile).

Variance across a Decentralized and Diverse System

Although PPS offered school choice, most students attended a school in their neighborhood. Elementary and middle schools were organized into 10 geographic "clusters," each of which fed into a PPS high school (see **Exhibit 3** for a district map). Over the years, PPS had encouraged community involvement and experimentation at individual school sites, which contributed to significant variance among clusters, reflecting the city's cultural and socioeconomic diversity. PPS principals operated with a fair degree of autonomy within the decentralized PPS system, and there was little coordination among clusters. Some school-based innovations had been quite successful in yielding standout programs and results, while others floundered. Overall, standardized tests revealed that a majority of PPS elementary students were meeting or exceeding expectations, but middle and high school students' performance varied dramatically (see **Exhibit 4** for a comparison of student achievement across PPS middle and high schools by cluster).

Like many urban districts, PPS confronted a stubborn gap in achievement between white and non-white students (see **Exhibit 5** for student-achievement data). Many of the schools that missed their AYP targets were located in north Portland, which included a historically African-American community. In 2003, for example, 89% of eighth graders attending a middle school in an affluent section of southwest Portland met reading standards, while only 37% of eighth graders in a low-income neighborhood of north Portland achieved similar results.³

The performance gap exposed some underlying tension caused by differences in race and class across the city. "In the short time I've been in Portland," said Vanessa Gaston, the newly appointed president and CEO of Portland's Urban League, "I have been astonished at how reluctant people are to join in any conversation about race. There is clearly some deeply rooted anger, but there is a culture of 'nice' here in Portland. It is hard to talk about tough issues like inequality and racism."

Declining Enrollment, Shifting Demographics, and School-Funding Challenges

Declining enrollment and shifting demographics compounded the challenges posed by these disparities within the system. After peaking at nearly 80,000 students in the early 1960s, PPS enrollment had fallen steadily for decades and was projected to drop 7.6% annually until 2015. The district was also seeing an increase in the enrollment of immigrant students learning English, which strained its ability to accommodate the needs of second-language learners.

Although Portland's population was growing, many new residents were young professionals or retirees who did not have school-aged children. In addition, the combination of urban renewal, increased housing costs, and changing demographics were thought to be discouraging young families from staying in the city. Newly elected Portland Mayor Tom Potter added, "We can't let Portland become a retirement city or a city without neighborhood schools."⁴ Oregon had relatively few established charter or private schools, and many residents hoped to keep it that way.

³ Paige Parker, "Superintendent's To-Do List is Long," *The Oregonian*, August 1, 2004.

⁴ Ibid.

Starting in the early 1990s, changes in Oregon's school-funding legislation had begun to drain public education resources from Portland, impairing the district's ability to create and sustain its attractive innovative programs and services. Prior to 1990, public school funding across Oregon was primarily local, which contributed to substantial differences between urban and rural districts. To counteract this inequity, legislators established statutes in 1990 and 1991 that curbed the state's reliance on local property tax revenue for school district funding. Overnight, public education in Oregon went from one of the most locally controlled systems to one with considerable state involvement. As the largest district in the state, PPS suffered some of the largest cutbacks. In an effort to protect teachers and school sites, district leadership decimated the central administration. The entire curriculum department was eliminated, for example. By 2004, 25 cents of every education tax dollar contributed by Portland residents was distributed elsewhere in the state through the centralized, statewide per student allocation formula. Portland's state allocation accounted for 77% of the district's revenue (see **Exhibit 6** for an overview of district finances).

This loss of local control did not rest easily with the electorate. Portland was a city with a history of progressive political leadership and a high degree of civic engagement, and the ongoing debate about what should be done to raise money for local schools was very public. Conversations across the city became more heated when overall state tax revenues fell due to a recession in the late 1990s. Census data revealed that state funding per student dropped from 20th highest among the states in SY02 to 31st in SY03.⁵ To address this decline, residents of Multnomah County (which included PPS as well as seven other school districts) passed a temporary three-year 1.25% local personal income tax in 2003 that contributed \$50 million (about 12%, or \$863 per student) to the PPS budget annually.⁶ The coalition supporting this controversial tax included influential members of the Portland business community and the Portland Schools' Foundation, and their support for this measure was contingent on honoring the three-year expiration date. Thus, PPS supporters knew that the local tax was only an interim solution and that any long-term solution would need to involve the Oregon legislature.

The Search for New Leadership

Hence, when they began their search for a new superintendent in early 2004, the eight members of the PPS Board of Education had a wide range of goals in mind.⁷ They sought a leader who could help PPS navigate the coincident changes in available resources and demographics, while also re-establishing PPS's reputation for excellence in education. Following the embarrassment of a botched search in 2002, the board was careful to gather community input prior to launching formal recruiting efforts.⁸ After interviewing a number of candidates, the board unanimously selected Phillips to be superintendent in April 2004. Cochair Julia Brim-Edwards explained: "We went after Vicki because we thought she could lead educational improvement *and* deal with our community's politics. Her career had included nearly three decades of work across the education sector, and we saw that she

⁵ Steve Law, "State drops in school spending," *The Statesman Journal*, March 19, 2005.

⁶ PPS was one of eight Multnomah County school districts that benefited from this three-year tax measure, which residents passed in November 2003 to assist with school finances, services for the poor, and public safety operations.

⁷ The PPS Board had eight members, including one student. Each of the seven adult members was elected by and represented one of seven geographic zones. Members served four-year terms.

⁸ After receiving criticism for insufficient community input for hiring PPS Superintendent Benjamin Canada in 1998, the PPS Board of Education instituted a very public interview process when they sought to hire Canada's successor in 2001. The search effort was mishandled, and when all six finalists withdrew from consideration, the district appointed a noneducator, former PPS Chief Financial Officer Jim Scherzinger, as superintendent. Business and community leaders were outraged at this mishap and, with the support of the Portland Schools' Foundation, rallied to elect four new board members in May 2003.

had developed expertise ranging from hands-on operating experience to policy development. We thought she was the right person for the job.”

Vicki Phillips

Born and raised on a small tobacco farm in rural Kentucky, Dr. Vicki Lynn Phillips was the first in her family to attend college. She earned degrees in elementary education and school psychology at Western Kentucky University and worked as a middle and high school teacher, cheerleading coach, and special education caregiver early in her career. She received her doctorate of education degree from the University of Lincoln in England. In 1986, Phillips took an assignment at the Kentucky Department of Education and eventually served on the executive team that designed and led implementation of the comprehensive Kentucky Education Reform Act of 1990.

During the early 1990s, Phillips left Kentucky to work with stakeholders across the country on national school reform efforts at the U.S. Office of Education and the National Alliance for Restructuring Education in Washington, D.C. Then, in 1995, Phillips moved to Philadelphia where she directed the Children Achieving Challenge⁹ as well as a partnership of top business and civic leaders for three years. Building on a \$50 million grant from Ambassador Walter Annenberg, Phillips and the partnership raised an additional \$100 million to support a multifaceted reform agenda at the School District of Philadelphia.

Phillips’s successes in Philadelphia impressed a group of civic leaders in nearby Lancaster, Pennsylvania, and in 1998, Phillips accepted their invitation to take her first superintendent’s post. She led the School District of Lancaster, serving approximately 11,500 students annually, for five years. From 1998 to 2002, she put a comprehensive reform strategy in place and demonstrated gains in student achievement.¹⁰ Then, when Pennsylvania Governor Ed Rendell was elected in late 2002, he selected Phillips to head his education department. Phillips’s focus as state secretary of education and chief state schools officer was on increasing equity and flexibility in statewide education funding, improving reporting for standardized test results, and developing 20 pilot schools focused on closing the achievement gap.

Phillips was first identified as a potential PPS superintendent candidate when she was in Lancaster. Between 1998 and 2003, she had a few informal conversations with various PPS board members about the possibility of moving to Portland, but the timing was never quite right. When Phillips was approached about the possibility of leading PPS in early 2004, she began to consider the idea. “My heart has always been with urban districts,” Phillips said. “So, when it became clear that Portland was serious, I started to do my homework.” She recalled her initial analysis of Portland:

⁹ The Children Achieving Challenge was part of a larger project called the Annenberg Challenge, which Annenberg created with an initial \$500 million gift to the American public schools. This project provided direct support to locally developed education reform projects in 18 communities, affecting some 2,500 schools. In Philadelphia, Annenberg funding supported a portfolio of district reform efforts including the development of tougher standards, school accountability, professional development, updated technology, and greater public engagement. For more information, see <http://www.annenberginstitute.org/>.

¹⁰ In 1998, almost half of Lancaster students scored “below basic” on state reading tests. That share dropped by almost 11 percentage points in three years, while students rated “advanced” or “proficient” increased from 25% to 37%. Similarly, math scores improved, with those “below basic” dropping by almost 17 percentage points as students at the highest levels rose from 19% to almost 32%. Attendance also improved at every level, and the number of high school graduates increased markedly. Lancaster figures are cited from Phillips’s biography on the PPS district website.

First and foremost, I was impressed with the quality, vision, and courage of the new board. I felt we could work together. Second, this is a city that loves its schools, and I saw huge potential for meaningful partnerships with the vibrant Portland community. Finally, PPS has a history of high-achieving schools, a corps of well-respected principals, and a professional culture. On the other hand, I saw low morale due to sustained cuts in funding and a lack of educational leadership. It seemed to me, at least from the outside, that the central office could do a much better job of supporting principals' and teachers' good work in schools. And, I knew that the financial status was dire. Of course, I've never worked in a place where that wasn't the case, so that was not daunting, but it was a concern. Most worrisome to me was the growing polarization between struggling and excellent schools across the city. I knew it would be tricky to address this issue, especially with such shifting demographics. The more I thought about it, though, I just could not resist this opportunity to harness the talents of staff, involve the Portland community more productively, and make a real difference for kids. In the end, too many stars were aligned for me *not* to take this job.

Phillips's First Seven Months

On August 9, 2004, 46-year-old Phillips reported for her first day of work in Portland. Following the announcement of her appointment in April, she had used the spring and early summer months to tie up loose ends in Pennsylvania and to make a handful of trips to Portland to prepare for her new job. In order to identify the most pressing issues facing PPS, Phillips had taken time to speak with all the board members and to review key documents prepared for her predecessors. Phillips was eager to get started on the work of improving the district's performance and ability to serve all kids. "My goal is to ensure that every school is as good as the next," she said. Between an unsigned labor contract with PPS teachers, a ballot measure to repeal the local income tax, and a growing number of schools with low enrollment or poor student achievement, Phillips faced significant challenges. She needed to decide where to begin. "There will be no honeymoon period for Vicki Phillips," declared *The Oregonian*.¹¹

Engaging District Leadership

Phillips's priority was to establish working relationships with the PPS principals. "I consider the principals and my leadership team to be my first touchstone," she noted. "We have to be a well-oiled and cohesive intellectual community." Thus, she focused her attention initially on preparing for and then leading a leadership retreat for all 97 principals in the second week of August. Much of the agenda was dedicated to developing a strategic plan for the district.

While she appreciated the wide variation of program offerings resulting from years of experimentation and innovation at individual school sites, Phillips believed that the absence of a centralized approach to teaching and learning at PPS was crippling the district's ability to perform. She wanted to earn the trust and respect of these powerful school leaders while also convincing them that PPS should be a district where everyone worked collectively toward a common purpose of excellence in schools. Phillips remarked:

I've always been an advocate of strategic planning, but like everybody else, I got tired of going through some process with a core leadership group, only to have the resulting plan sit on a shelf and never really live and breathe because the rest of the organization never really

¹¹ Paige Parker, "Superintendent's To-Do List is Long," *The Oregonian*, August 1, 2004.

owned it. So, a few years ago, I began working to make plans by developing broad-spread agreement on what accountabilities and indicators we wanted to track. By including different groups of people in conversations about our goals for teaching and learning, excellence in operations, or building relationships, we could develop a consensus in the community through an iterative process. I felt it was critical to begin this process with the principals, because, in the end, they are the ones who have to carry out the work. I need them to own it and be accountable for our results, so we need to have a shared understanding of how we will balance between centralized direction and autonomy and flexibility at the school sites.

Over the course of the week, Phillips and all 97 principals, along with a handful of other district leaders, identified a set of wide-ranging goals for elementary, midlevel, and high schools. Together they articulated some core principles to guide their redesign efforts. These included a rigorous core curriculum; an ongoing, consistent set of assessments; new structures and implementation; and increased family involvement (see **Exhibit 7** for an expanded list of goals from the retreat).

Following the retreat, Phillips announced that she would continue to meet monthly with principals so that they could work closely together on the most pressing issues. Phillips added, “I need to spend a lot of time with this group, so we can push back and forth on each other and hash everything out intellectually before we head off to get it done. Once we have articulated the direction in which we all want to go, then I can ask each principal to submit an annual school-improvement plan that is much more specific and action oriented.”

PPS principals were encouraged by Phillips’s presentations and willingness to listen at the retreat. Many were hopeful that her attention to schools would result in meaningful changes across the district. One veteran principal commented:

Vicki’s relentless focus on educational issues has been so refreshing. Portland’s principals have grown accustomed to running our schools quite independently. Between ongoing budget cuts, retirements, and an absence of educational leadership over the last decade, we got used to a lack of support for curriculum and instruction from the central office. Looking ahead, I recognize that the plans that we have discussed with Vicki about working to put districtwide curricula and assessments in place will decrease our autonomy, but I think there is broad agreement that more uniformity is needed across the system. I think most principals believe Vicki when she describes the intended benefits of increased centralization.

Working with Stakeholders

Once Phillips and the principals had outlined the initial elements of the strategic plan, tentatively titled *Getting Results, Sustaining Hope!*, Phillips invited her trusted friend and colleague, Mutiu Fagbayi, a strategic planning consultant with whom she had worked in both Lancaster and at the state office in Pennsylvania, to further the work with the principals and to help her involve other stakeholders. Fagbayi described Phillips’s approach to strategic planning:

In Portland, Vicki started the planning process with the principals and key central office managers. For her, a primary purpose of strategic planning is *unity of common purpose, or alignment*. Her approach is to get stakeholders to define specific goals, as well as the core educational and organizational priorities that must be implemented to achieve those student outcomes. A key aim of our planning process is to help everyone adjust to the changes to come by building trust in self and others, and alignment with the new direction for the district. For Vicki, the strategic plan is just the first step in the process of building community-wide consensus on a common agenda for kids and for the school system.

Together, Phillips and Fagbayi began involving other stakeholder groups in further developing the strategic plan. Teachers, paraprofessionals, support staff, board members, community leaders, parents, and students all helped to articulate the district's goal: "By the end of elementary, middle and high school . . . every student by name, meets or exceeds academic standards, and is fully prepared to make productive life decisions." Each group also contributed to the definitions of five "pillars of high-leverage educational practice," seven "vital signs" (which were how PPS would monitor progress), and six "timeless ideals, or core values" (see **Exhibits 8a** and **8b** for a graphic overview from the February 2005 draft of the 2005–2010 PPS strategic alignment plan).

While this was not the traditional consultative process to which many Portlanders were accustomed, they were happy to be engaged in contributing to the future goals of the district. Teachers were reassured that Phillips had once been a teacher. Phillips explained her rationale for involving so many people in the development of the district's goals and objectives:

It is important to talk to all the different constituencies as we develop our plan. Then, once it is in place, we have our priorities for the year, and we can determine how to spend our resources. As we go around to the different groups, I have a chance to explain that since everyone participates in establishing the plan, it's my job to describe our progress in an annual community report. In Lancaster, I would always include the good, the bad, and the ugly in my reports. I want people to know how we are doing on the goals they helped to identify.

As the strategic planning process was unfolding, Phillips's attention was diverted by two politically charged issues. PPS needed to settle its labor agreement with the Portland Association of Teachers (PAT), which represented the PPS teaching force. The district also sought to block attempts by some residents to repeal Multnomah County's temporary local personal income tax on the November 2004 ballot.

Settling the SY05–SY06 teachers' contract On June 30, 2004, prior to Phillips's arrival, the district's two-year contract with its teachers expired. Both PPS and PAT sought to reach a reasonable settlement, especially since the SY03–SY04 contract negotiations (which were held in late 2002 and settled in February 2003) had been painful for both parties.¹² The coincidence of state funding cuts, uncertainty due to the failed 2002 superintendent search, and poor interpersonal dynamics between PAT and PPS leadership strained relations at the bargaining table. According to multiple sources, interactions between PAT and the district's chief negotiator and director of human resources (HR), Steve Goldschmidt, were particularly antagonistic.

Thus, when Phillips arrived in August 2004, board members and city leaders were already working with PAT leadership to settle the SY05–SY06 contract. The district's financial situation remained precarious, and school, civic, and union leaders knew that settling the teachers' contract in early fall was critical for earning voters' confidence in avoiding a repeal of the local supplemental income tax in November 2004. District officials hoped to make some changes to teachers' benefits, as a community task force appointed in early 2003 had discovered that PPS's benefits package was both generous and expensive. After brief negotiations, a settlement was reached in early October 2004. Teachers would receive a 3% raise (retroactive to July 1, 2004) and a 2.25% raise starting July 1, 2005.

¹² The two parties narrowly avoided a strike and reached a two-year contract settlement when PAT agreed to take a 5.3% pay cut. The salary reduction was implemented immediately upon the signing of the contract, which reduced teachers' last five monthly paychecks of SY03 by approximately \$300–\$500 apiece. Many teachers calculated the reduction on a per diem basis and spoke about the settlement as a concession by PAT to "work the last 10 days of school for free." Funding cuts forced some other Oregon districts to close school early, which raised community awareness about inadequate school funding and helped Multnomah County leaders pass the local income tax measure, which 58.5% of voters supported in November 2003.

Some modifications to the health-care system were also included, though PAT did not concede more significant changes to teachers' benefits.

Avoiding local income tax repeal Meanwhile, Phillips and other leaders were drumming up support to defeat the repeal of the supplemental 1.5% income tax. Although she was reluctant to move her focus from work with the PPS principals and strategic plan, Phillips knew that preserving this source of funding was vital and felt that she could use the opportunity to build relationships with the larger Portland community. Their efforts were rewarded in November when the repeal was defeated by a close 52%–48% vote, thus preserving this PPS funding source for another two years. Reflecting on her early interactions with the Greater Portland community, Phillips observed:

Had it not been for the repeal vote, I might not have gone into the community so quickly. While the community is always important to me, it is hard to get in deep in a new place. Portland's politics seem particularly tricky, and in all my decisions, I have been trying to walk the line between getting mired in community process around a problem and moving too quickly to action. But, I am looking for ways to demonstrate that I am collaborative and interested in the community's voice. I also think that the repeal vote had a unifying effect on the district, especially since much of the charge was led by the board.

Halting Special Education Rollout

On November 9, as post-repeal vote celebrations were wearing off, Phillips turned her attention to address the district's plan to mainstream special education students by the end of 2005. This effort to place students with special needs in regular classrooms stemmed from the work of a special education reform committee convened in SY03, which worked to address concerns that too many special education students were in self-contained classrooms, isolated from their neighborhood schools and peers. In late 2003, PPS hired a new special education director, who was charged with implementing the committee's recommendations and new policies as quickly as possible.

While staff opinions differed regarding the larger question of mainstreaming, nearly all principals and teachers were worried that the rollout was proceeding too quickly. They took their concerns to Phillips, who responded by postponing the deadlines. "We need time to prepare the staff and provide training," Phillips said. Quelling speculation that she disagreed with the intent to mainstream, Phillips told reporters, "There is no disagreement whatsoever on policy. I'm an old special education teacher who has always fought to get my kids included."¹³ Relief was palpable across PPS, as parents and teachers alike celebrated Phillips's willingness to halt the poorly planned implementation effort.

Addressing Dysfunction within the Central Office

Phillips was also convinced that the central office was not set up to support schools. While she could identify pockets of good work, too many individuals and departments appeared to be working at cross-purposes. Both central administrators and school personnel cited poor communication—both internal and external—as a common PPS problem stemming from its confusing network of reporting relationships. Principals, for example, reported to one of five area directors. Each area director was responsible for two clusters of neighborhood schools but had no control over resources or administrative support. The central office also had a functional organization, which included departments such as human resources, facilities, and communications (see PPS organizational chart

¹³ Steven Carter, "Special Ed Shake-Up Not Done," *The Oregonian*, February 10, 2005.

in **Exhibit 9**). Both area directors and individual department directors worked mainly in isolation from one another, and there was a general confusion about who was really “in charge.” Principals reported some frustration in “knowing whom to call” at the central office. One principal noted, “I just call around until I find a person who can help me. Then, I call them when I need something. It’s an informal system.”

Some of this confusion was the legacy of a decade of budget cuts in the late 1990s, when turnover in midlevel leadership and retirements led to the reallocation or consolidation of responsibilities. When combined with the large number of vacancies, this situation resulted in a shortage of leadership, which meant that many district leaders were managing a wide variety of assignments. Dr. Maxine Kilcrease, an administrator who had been at PPS since July 2000, commented:

I think most people in the central office have the jobs of about three people. We are trying to support Vicki. She needs a core group of people who have her unquestioned respect and trust. I think the strategic planning process has gotten us off to a good start, and the process has given us a chance to demonstrate that we are hungry for change and direction. With a void of leadership at the top on the instructional side, this has been a good place for some people to hide, and many people were quite demoralized. Even though we have a few more lean years ahead, with additional budget cuts, I think this can be an opportunity to strip this place down to the studs and build it back up.

The confusion of roles also contributed to what many saw as a central office culture characterized by a lack of accountability or trust. There were few interdepartmental initiatives or cross-trained administrators, and there had been no operational chief for a number of years. Kilcrease remarked:

I was very surprised when I first arrived at PPS central office to see how few policies and procedures were in place. I remember discovering that there were 17 separate databases storing critical information for the district, none of which related to any of the others. Moreover, the attitude of service was just not here. In my mind, any organization turns on data and relationships, and both were lacking. I began putting some systems in place in my areas of responsibility, but with sustained budget cuts, the resources for change have been limited. When Vicki arrived, I think she was surprised at how weak our internal systems were in core areas such as curriculum, professional development, and instructional materials.

Although Phillips was eager to create a more robust organizational system, she did not want to impose a new structure until she could see “how all the pieces would fit.” Phillips was also aware that low staff morale was an issue, and she was concerned that any efforts to align the organization and build a new team be consistent with her overall efforts to redesign the larger system. A report issued by the Annenberg Institute for School Reform, which had been commissioned prior to Phillips’s appointment, reinforced Phillips’s sense that a redesign was necessary. The report suggested that PPS needed to “break down silos in the central office and begin communicating and collaborating more effectively.”¹⁴ Phillips struggled to balance the competing demands on her time while also working through the redesign process:

The challenge of creating a high-performing central office that supports schools is bigger than I anticipated. Even before I arrived, I knew that PPS lacked the necessary organizational

¹⁴ “Findings and Recommendations from the Central Office Review for Results and Equity,” conducted in partnership with the Annenberg Institute for School Reform and the Portland Schools’ Foundation, was presented on January 10, 2005. Evaluators said PPS needed to (1) develop and communicate a service orientation; (2) build centralized guidance and support for instruction; (3) make collecting, organizing, analyzing, and acting on data a priority; (4) support schools and students based on their needs and assets; and (5) address unhealthy relationships and ineffective structures across the central office and with schools. Report downloaded from the PPS website at <http://159.191.14.139/.docs/pg/10157>, May 12, 2005.

structure to deliver better results, and I was prepared to redesign the structure of the administration. But, the dysfunction is much deeper than I thought. Dysfunction is not a nice word, but that's how I see it. I do not see this as a people issue, though some individuals have a lot to learn. Rather, I think these issues are the result of a flawed organizational design. There are some great people here, but they don't work in teams, and they have difficulty thinking in a larger context, outside their role. Thus, their actions create a lot of unintended consequences for the people we serve, especially in schools.

In the meantime, it is a huge challenge in figuring out how to pull up the system while also redesigning it to be more flexible and agile. I want to get the work done, but I also need to be building people's capacity and understanding for operating a system that is more service focused and results oriented. I've spoken to the board, and we've agreed that my first milestone will be July 1. That's when I want to have the base organizational system in place and the team realigned.

Building a Team

Phillips had worked long days in her first three months on the job, shouldering much of the workload herself, as her core leadership team was not yet assembled. She continued to meet personally with PPS principals each month, both to continue refining the district's strategic plan as well as to develop a strategy for managing the anticipated \$98 million shortfall for SY06–SY07 (see **Exhibit 10** for graphs of the estimated shortfall). But, she was shorthanded, without a chief financial/operating officer, an executive director of communications, a director of teaching and learning, a director of development, an area director, and a director of secondary education. The dearth of leadership was taking its toll on Phillips.

Phillips knew that these gaps needed to be filled, and she had many questions to answer. What team did PPS need to get the work done? Where would she find them? What was the right mix of insiders and outsiders? Phillips did not want to be perceived as importing her entire leadership team from outside, but she also was unsure whether or not current district employees had the skills needed to accomplish the goals she had set for the district.

On November 16, Phillips announced her first wave of staffing changes. Her first recruit was Susan Enfield, with whom she had worked closely in Lancaster and at the Pennsylvania Department of Education. Phillips also hired two up-and-coming principals from other districts in Oregon to fill vacant director-level positions. Enfield was to direct the newly created Office of Teaching and Learning, replacing the outgoing chief academic officer, who had been hired in 2002 by Phillips's predecessor. She was charged with establishing centralized direction of PPS academics and curriculum. Enfield commented:

It is not Vicki's style to just come in and clean house. Even though I know that she feels some people are not performing as well as she might like right now, she wants to give everyone the opportunity to prove themselves and rise to clear expectations. Vicki describes herself as a team leader, and once she trusts you, she trusts you. But, I think she is still trying to figure out what she wants to do, and so she is holding off from sharing information with everyone. I think she is working to balance the urgency of action with her desire to get it right. We haven't had as many late-night strategy sessions like we had in Pennsylvania, because Vicki is running flat out right now. I don't envy her job.

One of Phillips's most challenging managerial decisions surrounded Goldschmidt, the controversial HR director hired initially as a consultant to former PPS Superintendent Benjamin

Canada. Phillips had hoped to work productively with Goldschmidt, whom she considered to be “one of the most talented and capable administrators in the district,” but she was dismayed to hear that his relationships with many teachers and principals were poor. Under Goldschmidt’s leadership, the HR office—not PPS principals—conducted all hiring and offered all employment contracts. Reporters noted that Goldschmidt was “a lightning rod”¹⁵ for teachers, who were frustrated with what an external evaluation team called his department’s perceived “disproportionate influence on decision making.”¹⁶

Phillips was eager to avert a messy internal power struggle with the brother of Oregon’s former governor, but she felt that Goldschmidt’s generous contract and severance package, which had been awarded by Canada, was unusually high and unfair. She tried to negotiate a settlement with Goldschmidt as part of a larger effort to equalize compensation for PPS administrators, but those discussions were not successful. By early February, Phillips decided that she could not work with Goldschmidt, and she fired him. She also placed two senior HR managers on a leave of absence. She said: “Even though Steve deeply understood my goals and strategy for the district, I felt that HR, under his direction, could not achieve those goals. HR had an inappropriate amount of control, and his style was counter to the culture I am trying to create here. This was a long-term decision, because it leaves us shorthanded at the moment.”

With the help of the business community, businessman Mike Don came in to support Phillips with HR-related issues on an interim basis and to improve business practices across the organization. After Goldschmidt had been fired, Ann Nice, the president of the Portland Association of Teachers (PAT), noted:

By firing Steve, Vicki gained points with PPS teachers. Steve was a former labor lawyer, and he led contract negotiations for PPS. We had a hard time working with him. Morale has been low in the past few years, and it didn’t help that teachers didn’t feel we could trust HR. But, it seems that Vicki is someone who means what she says. She is trying to do a lot, and we know she has a lot of tough decisions on her plate. She is working to include us in more decisions, and we appreciate that. But, we are still surprised by things she says upon occasion. We both have to learn how to work together. This district is facing huge budget shortfalls, and we will need to work strategically to improve.

On Phillips’s ability to meet these many challenges, consultant Fagbayi noted, “Vicki is mental toughness with heart; she is much clearer in her thinking than her soft, Southern accent might lead you to think. She is not afraid to make the tough calls or to take the bumps and bruises—as uncomfortable as those are for anyone. I often refer to her as a ‘steel magnolia.’”

New Board Leadership

In addition to this internal turnover, PPS board members elected new leadership in January 2005, in anticipation of the upcoming retirements of cochairs Brim-Edwards and Lorenzo Poe. After serving for two terms and playing a key role in recruiting Phillips to PPS, both Brim-Edwards and Poe planned to step down. The newly elected cochairs, parent Bobbie Regan and banker David Wynde, were delighted to have a chance to work with Phillips. Both had been logging long hours during the leadership transition (they estimated 30–60 hours per week), and they hoped Phillips

¹⁵ Paige Parker and Steven Carter, “Portland’s Schools Chief Ousts Three Officials,” *The Oregonian*, February 10, 2005.

¹⁶ Annenberg report, January 10, 2005, p. 3.

would soon have her team in place so that they could be less involved in the day-to-day operations of the district. Regan said:

After the failed superintendent search in 2002, Julia and Lorenzo helped recruit a set of qualified board members who bring really different perspectives to the table. When we began our service, they encouraged a mantra for board meetings: thoughtful, deliberative, and boring. They wanted to keep us out of the paper, so we could get some work done. Now that we have Vicki in place, our job is to build local consensus around both saving and strengthening the school district. We need to communicate the relationships between our budget and student achievement.

Wynde added:

I know Vicki is trying to build hope and upgrade the capacity of the central office, but we face serious constraints as we try to cut \$98 million from the budget in the next two years. It is hard to figure out how gloomy or draconian we should be when talking about the consequences of low funding. We want to keep the state legislature's feet to the fire, but we don't want to scare away our parents or depress our staff any further. In addition to funding and capacity concerns, Vicki must also strike the right balance between central direction and site-based decision making. We need to find the best way to manage the trade-offs between uniformity, experimentation, and equity.

As Regan and Wynde settled into their new roles, the influential Portland Schools' Foundation (PSF) continued to play a role in developing board leadership. With support from the PSF, some board members had attended a recent Broad Institute seminar about school governance, and they were eager to step back from some of the management roles that members had assumed during the leadership transition. The PSF was also in the process of helping to recruit new board candidates to replace the three candidates who were stepping down. Phillips commented, "I have stayed out of the politics of recruiting new board members deliberately, but the PSF has been a terrific partner since I arrived in Portland, providing me with community resources and welcome support."

Closing Schools

Amidst all these other swirling issues, Phillips knew that PPS needed to close some schools. She felt that this was the only sensible solution to the continuing decline in enrollment, shifting demographics, and anticipated financial crunch. "Nobody wants to close schools," she said, "but we can't afford to wait."

Making a Plan

The complicated question was, which schools? And when? "I approached this question like I do all others," said Phillips. "I wanted data about the issue. This was not going to be a question of politics or personalities." In the past, Portland had conducted scores of community forums and discussions about the school-closing issue. Parents and community leaders were very involved with their local neighborhood schools, and the debate surrounding how to decide which ones to close had historically been a heated one.

In early November, Phillips introduced a three-staged framework for decision making. First, district employees would do initial data analysis and review implications of different choices. This stage would take place during December. Then, the superintendent and the board would complete a

building-level and educational analysis, which would allow them to “make an array of decisions about boundary alignments; program initiation or closure; school initiation or closure; or restructuring.”¹⁷ Finally, Phillips and the board would decide on an implementation strategy. Discussions with staff and board members as well as community meetings around the framework would take place in January and February, and Phillips would make her final recommendation to the board at the end of February, prior to the public hearing on the budget scheduled for the end of March.

Proposed Closings

After reviewing enrollment data from prior years, Phillips presented a series of proposals first to the school board and then to the community in early February. In addition to some programmatic changes, Phillips recommended that PPS close four elementary schools and two middle schools (see **Exhibit 11** for a summary of the recommendations). Two schools were located in wealthier neighborhoods of the city, while the other four impacted schools were in historically African-American and economically disadvantaged sections of the city in the north/northeast area. Each proposal provided a rationale for change (based on data and research), the predicted educational impact, an analysis of how the proposal would impact the cluster, and an implementation strategy. In reflecting on the process of developing the proposal, one staffer noted: “As in all meetings, Vicki shut down any comments that weren’t based on data and analysis. She is always polite, but she is not interested in people holding forth with long-winded opinions.”

Closure proposals Phillips’s proposal to close Applegate Elementary, Kenton Elementary, and Whitaker Middle Schools in the Jefferson cluster of north/northeast Portland went largely unchallenged. All three schools had low enrollments, spotty achievement records, and high per student costs. Other aspects of Phillips’s reorganization plan for the Jefferson cluster—involving shifts at 11 additional schools—led to community outcry. Phillips’s vision involved passing a bond for capital improvements at the historically underperforming Jefferson High School and reconfiguring the educational offerings at feeder schools to support a K–6 and 7–12 model, as well as a magnet school for the performing arts. The proposal would require a phased approach, with some closings and program changes scheduled for SY06 and others for SY07. Some popular programs would be merged or relocated within the cluster. Parents expressed “trepidation” over the idea of adding seventh and eighth graders to Jefferson High School, and as the weeks went by, unease throughout the community rose.¹⁸

In middle- and upper-class southeast and southwest Portland, Phillips’s suggestion to close Edwards and Smith Elementary Schools was controversial from its inception. Both were high-achieving schools with small enrollments. Phillips suggested redrawing feeder-pattern boundaries at Smith so that those students could be dispersed among four neighboring elementary schools within the high-performing Wilson cluster. Smith parents were outraged at this suggestion, and some began talking about forming a charter school in the old Smith school building.

Phillips also proposed merging Edwards, which had 199 students—60 of whom lived in the neighborhood and 12.2% of whom qualified for free or reduced-price lunch—and the fewest full-time equivalent (FTE) teachers of any PPS school, with neighboring Abernethy Elementary School at the end of 2005–2006. Abernethy had 203 students, 67% of whom were from the neighborhood and 31.7%

¹⁷ “Enrollment Data Analysis,” district files.

¹⁸ Steven Carter and Paige Parker, “School Closure List Has Some Fighting Mad, Others Hopeful,” *The Oregonian*, February 16, 2005.

of whom qualified for free or reduced-price lunch. Both were well-regarded schools: in the past three years, both had been rated by the state twice as “exceptional” and once as “strong.”¹⁹ In early February, *Oregonian* editors argued that closing Smith and Edwards was “deeply questionable,” stating “exceptional schools with reasonable costs should be protected, not dismantled.”²⁰

Heated debate Across the city, some parents agreed that the targeted schools should be closed, though they were saddened at the loss of a neighborhood schoolhouse. Sandy Hodge, a parent whose six- and eight-year-old daughters walked three blocks to attend Edwards, was dismayed at the prospect of the school’s closure. She told *The Oregonian*:

[Edwards is] the kind of school you dream of sending your children to. It’s calm and things are always quiet. People know each other well. We’re truly a community. We’re all here—the teachers, the parents, the staff—to make sure the children get everything they need. . . . [If Edwards closes], I think you’ll see a lot of people go to private schools. Some have talked about home schooling as an option. Either way, it won’t be a true community anymore.²¹

As the weeks went by, concerns mounted, and some worried that Phillips was not listening to the community. An editorial in *The Oregonian* on March 6, 2005, observed:

Phillips is no stranger to heated input. She’s an educator, after all. But she’s never worked in a city as religious about civic engagement as Portland. People here don’t go to meetings to get listened to by the Big Cheese. They go to make a difference. They arm themselves with data and solutions and alternatives; they explain why some ideas need pruning or ripening. By about the 250th hour of earnest public testimony, Phillips may wonder what planet she landed on—and why people aren’t satisfied with merely being “heard.”²²

Phillips remained steadfast. “In order to convince our legislators that PPS deserves additional state funding, we have to show that we are capable of getting our own house in order,” she said. “These decisions are painful, in part because they have been delayed for so long.” While Phillips felt that the community had discussed the issues for years without any resolution, some Portlanders found her style to be abrupt. Others were delighted that she was taking long-awaited initiative. For example, the PPS paraprofessionals’ union president wrote in her monthly column:

Twice in the month of February, Superintendent Vicki Phillips made two decisions that have rocked PPS out of the winter doldrums. I am impressed and encouraged by the careful, thoughtful, reasonably collaborative, yet decisive style by which these decisions were crafted. Both were made with an eye on the prize: “the delivery of the best education possible for Portland’s children,” ensuring improved achievement and academic excellence. And whether you agree or disagree with her actions, I believe no one can doubt her motivation, her intention and her mission. She is dedicated and determined to lead all of us in a crusade to improve student achievement. . . . We finally appear to have leadership in the District who is willing to step up to the responsibilities of the job, who listens, who calls for the data, who evaluates and WHO MAKES A DECISION. What a concept! How refreshing!²³

¹⁹ “Exceptional” was the state’s highest rating, followed by “strong.”

²⁰ Editorial, “Portland Schools: A promising plan,” *The Oregonian*, February 16, 2005.

²¹ David Austin, “Edwards Elementary: Family fears losing school’s community feel,” *The Oregonian*, March 3, 2005.

²² Editorial, “Phillips meets the real Portland,” *The Oregonian*, March 6, 2005, p. F04.

²³ Kathy Hornstein, “From the President,” downloaded from www.pftce.org, March 18, 2005.

As the days unfolded, issues of safety, achievement, and even racism were debated. Portlanders discussed all aspects of the proposal, including its projected cost savings (see **Exhibit 12**). Some residents were convinced that support for the proposals would fold at the board's meeting in March. Others were sure that the board and Phillips would remain steadfast.

March 28, 2005

In late March, Phillips walked into the board meeting with the room packed with concerned parents ready to voice their opinions. The decision on the school closings was the only agenda item. One reporter wrote, "Wearing a black pantsuit, hair drawn back by a trademark headband into an aggressive mid-part, Phillips listens attentively, taking copious notes. When someone says something she agrees with, like stressing the importance of education, she smiles warmly and nods in agreement—even if that same person a moment before has painted her as vile scum."²⁴ The meeting dragged on, accusations and arguments flew about the room, tempers flared. The stakes for all were very high. Phillips sat and listened and pondered what she should do.

²⁴ Nick Budnick, "Vicki's Vision," *Willamette Week*, April 16, 2005.

Exhibit 1 PPS Enrollment Data

		SY01	SY02	SY03	SY04	SY05^a
Total PPS enrollment		54,427	54,150	52,969	48,883	47,656
Program	% regular education ^b	89.2%	89.4%	89.0%	91.6%	91.5%
	% focus/alternative programs ^c	3.8%	3.6%	3.9%	4.2%	3.9%
	% community-based programs ^d	2.6%	2.4%	2.6%	2.6%	2.5%
	% special ed. (substantially separate) ^e	4.3%	4.3%	4.1%	1.0%	1.2%
	% public charter ^f	0.1%	0.2%	0.4%	0.7%	1.0%
Ethnicity	% American Indian	2.4%	2.3%	2.2%	2%	2.2%
	% European-American	62.4%	61.5%	60.3%	60%	58.0%
	% African-American	16.6%	16.5%	16.5%	17%	16.3%
	% Asian-American	9.5%	9.6%	9.9%	10%	10.2%
	% Hispanic-American	9.2%	10.2%	11%	11%	12.7%
	% Unspecified					0.6%
Qualify for free or reduced-price meals			43.3%	43.3%	43.0%	45.1%
English-language learners		9.5%	10.9%	11.3%	11.1%	10.7%
Special ed services		11.8%	12.3%	12.6%	12.7%	n/a
Gifted students		10.4%	10.3%	10.3%	10.4%	11.1%
Attendance		93.1%	93.6%	93.9%	92.9%	n/a

Sources: District reports, the Oregon Department of Education PPS profiles, and casewriter analysis.

^a Counts for SY05 were preliminary and calculated in October 2004.

^b SY05 percentage includes students enrolled at 63 elementary schools, 17 middle schools, and 10 high school campuses. Three of the district's 10 traditional high school campuses are broken into small schools, so PPS managed 11 small high schools (average enrollment 220) in addition to seven traditional high schools (average enrollment 1,467).

^c The number of focus and alternative programs varied from year to year and included a wide variety of offerings ranging from head start to evening high school. In SY05, students were enrolled in programs at eight different sites (average enrollment 235).

^d The number of community-based programs also varied from year to year. In SY05, students were enrolled in these programs at 22 different sites (average enrollment 53).

^e As the district worked to mainstream students, enrollment in separate special education programs declined. In SY05, students were in special education programs at 17 different sites (average enrollment 33).

^f The first charter program opened in SY01. By SY05, five programs were operating (average enrollment 90).

Exhibit 2 PPS Personnel Profile

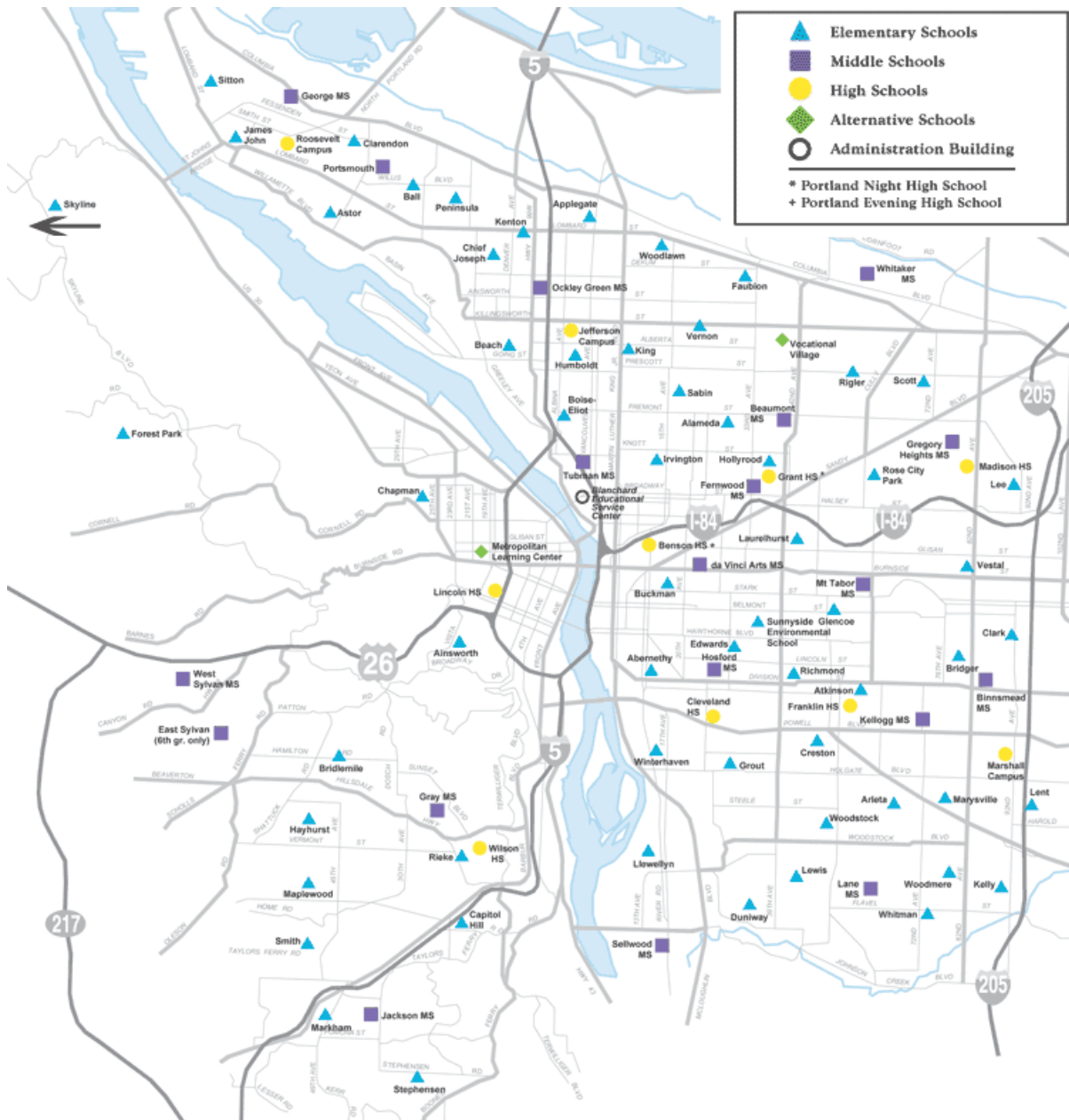
Personnel	SY01	SY02	SY03	SY04
Administrators (FTE) ^a	266.9	197.4	153.2	154.2
Teachers (FTE)	3,232.4	3,124.2	2,851.9	2,783.0
• Average Years of Experience	14	15	14.0	13.6
• With a Master's Degree or Higher	n/a	51%	51.4%	62.9%
• With Emergency or Provisional Credential	n/a	n/a	5.5%	2.9%
• Eligible to teach out of certification area	75	31	n/a	n/a
Instructional Assistants (FTE)	590.1	607.4	584.7	571.8
Other Staff (FTE)	<u>1,674.1</u>	<u>1,820.3</u>	<u>1,398.3</u>	<u>1,352.9</u>
<i>Total Personnel</i>	<i>5,763.5</i>	<i>5,749.3</i>	<i>4,988.1</i>	<i>4,861.9</i>
Classes Taught by Highly Qualified^b Teachers				
All Schools			73.1%	84.3%
High-Poverty Schools			68.8%	82.4%
Low-Poverty Schools			76.4%	85.8%

Source: Compiled by the casewriter from district report cards published by the Oregon Department of Education, available online at <http://www.ode.state.or.us/data/reportcard/reports.aspx>.

^a Includes both school and other administrators.

^b As defined by No Child Left Behind.

Exhibit 3 PPS District Map



Source: District website.

Exhibit 4 Percentage of PPS Middle and High School Students Meeting/Exceeding Standards

Legend:		0%-20%	21%-40%	41%-60%	61%-80%	81% & Above			
Middle Schools				8th Grade Reading			8th Grade Math		
Cluster	School	% F/R*	Grade	2002	2003	2004	2002	2003	2004
Cleveland	Hosford	56.23%	8	64%	62%	62%	48%	54%	58%
Cleveland	Sellwood	27.49%	8	72%	72%	78%	68%	76%	73%
Cleveland	Winterhaven	18.11%	8	100%	100%	93%	100%	96%	97%
Franklin	EMS	23.61%	8	86%	76%	81%	84%	83%	80%
Franklin	Kellogg	53.71%	8	60%	53%	57%	54%	49%	67%
Franklin	Mt. Tabor	22.77%	8	83%	78%	77%	77%	82%	74%
Franklin	Sunnyside	51.88%	8	44%	75%	91%	22%	67%	82%
Grant	Beaumont	41.42%	8	57%	60%	69%	48%	62%	66%
Grant	daVinci	16.82%	8	89%	84%	82%	85%	77%	68%
Grant	Fernwood	23.91%	8	76%	71%	78%	67%	72%	73%
Jefferson	Ockley Green	68.15%	8	33%	36%	34%	33%	32%	35%
Jefferson	Tubman	72.39%	8	48%	36%	40%	34%	35%	25%
Lincoln	MLC	29.63%	8	78%	74%	96%	58%	76%	94%
Lincoln	West Sylvan	5.57%	8	92%	89%	89%	86%	89%	89%
Madison	Gregory Heights	54.04%	8	60%	60%	57%	65%	64%	67%
Madison	Whitaker	80.67%	8	39%	34%	49%	26%	39%	41%
Marshall	Binnsmead	68.12%	8	48%	48%	44%	42%	45%	47%
Marshall	Lane	69.75%	8	39%	41%	40%	35%	43%	37%
Roosevelt	George	78.59%	8	43%	41%	35%	33%	44%	44%
Roosevelt	Portsmouth	63.52%	8	34%	43%	57%	38%	42%	55%
Wilson	Gray	20.12%	8	75%	77%	72%	71%	79%	70%
Wilson	Jackson	14.32%	8	84%	83%	83%	72%	81%	79%
District			6	64%	68%		77%	77%	
District			7	64%	65%		69%	70%	
District			8	63%	62%	63%	56%	61%	62%
District % F/R Middle		44.14%							

High Schools				10th Grade Reading			10th Grade Math		
Cluster	School	% F/R	Grade	2002	2003	2004	2002	2003	2004
Benson	Benson	40.05%	10	54%	55%	57%	51%	52%	53%
Cleveland	Cleveland	20.10%	10	61%	47%	60%	48%	44%	52%
Franklin	Franklin	32.66%	10	49%	40%	32%	42%	40%	40%
Grant	Grant	17.93%	10	65%	71%	62%	56%	66%	55%
Jefferson	Jefferson	65.38%	10	22%	20%	32%	19%	16%	22%
Lincoln	Lincoln	7.08%	10	84%	77%	83%	76%	78%	83%
Lincoln	MLC	29.63%	10	71%	65%	55%	50%	55%	31%
Madison	Madison	63.90%	10	34%	31%	27%	23%	29%	25%
Marshall	Marshall	57.85%	10	28%	21%	22%	28%	20%	23%
Roosevelt	Roosevelt	64.61%	10	19%	25%	25%	20%	25%	22%
Wilson	Wilson	12.09%	10	65%	61%	56%	63%	54%	66%
District			10	51%	48%	47%	44%	45%	46%
District % F/R High School		33.18%							

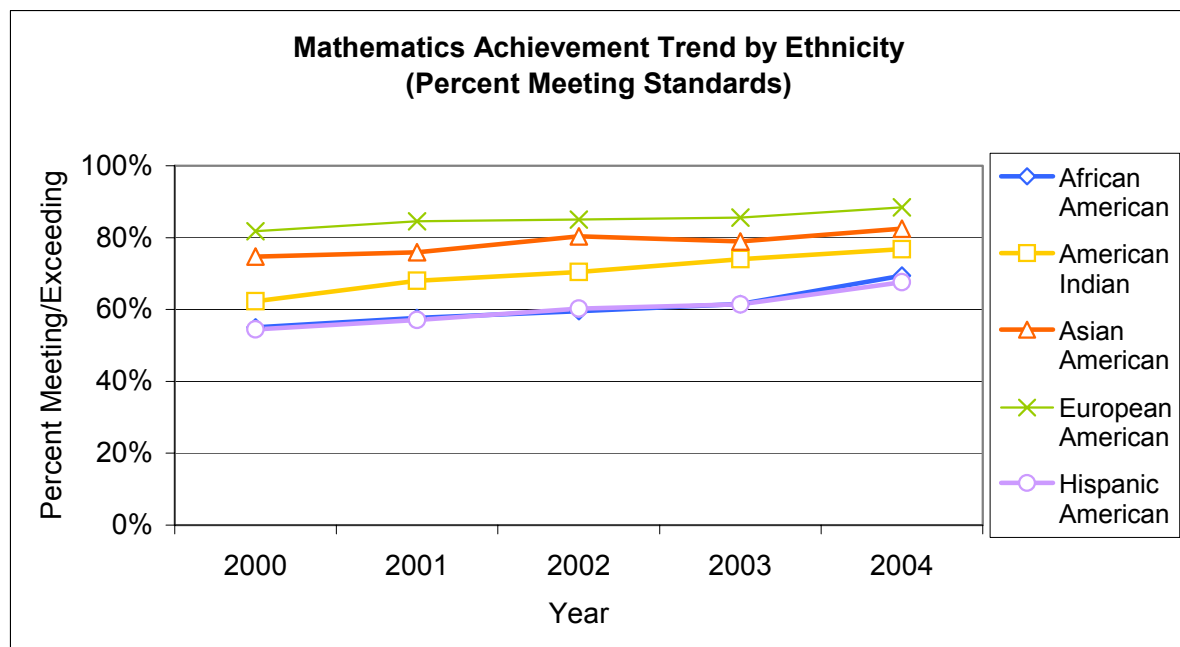
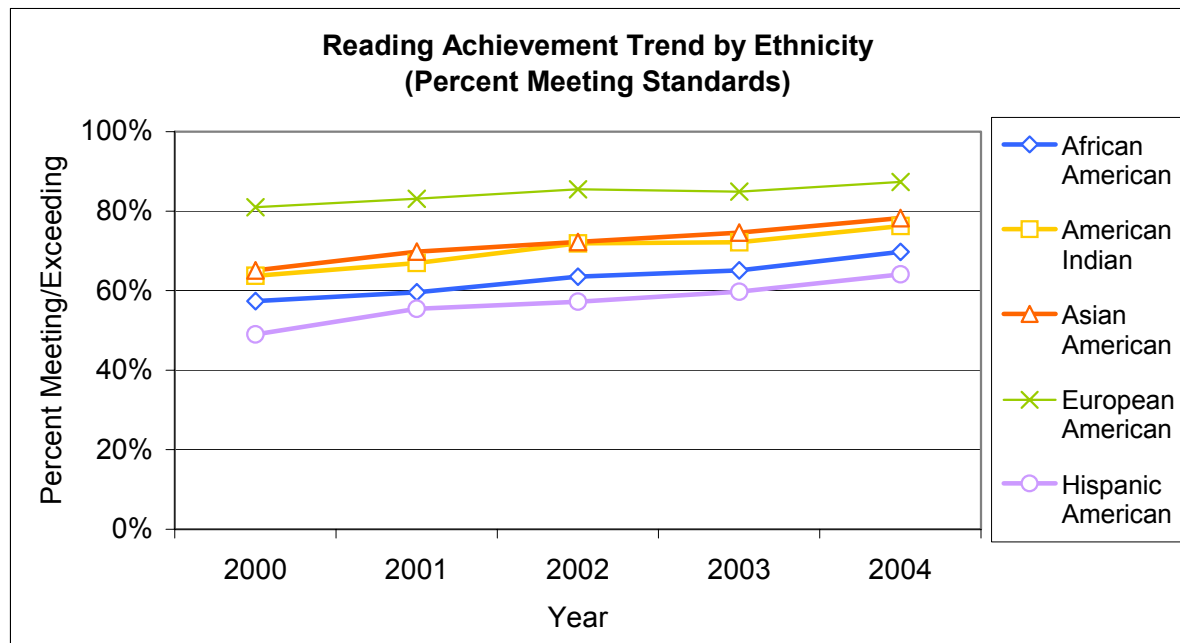
* F/R = % of students eligible for free or reduced-price lunch.

% F/R Subtotal Portland Public Schools Regular Schools & Programs	43.26%
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Source: Assessment data represent students' performance on the Oregon Statewide Assessment in reading/literature and mathematics. Information was compiled for PPS by Performance Fact Inc.

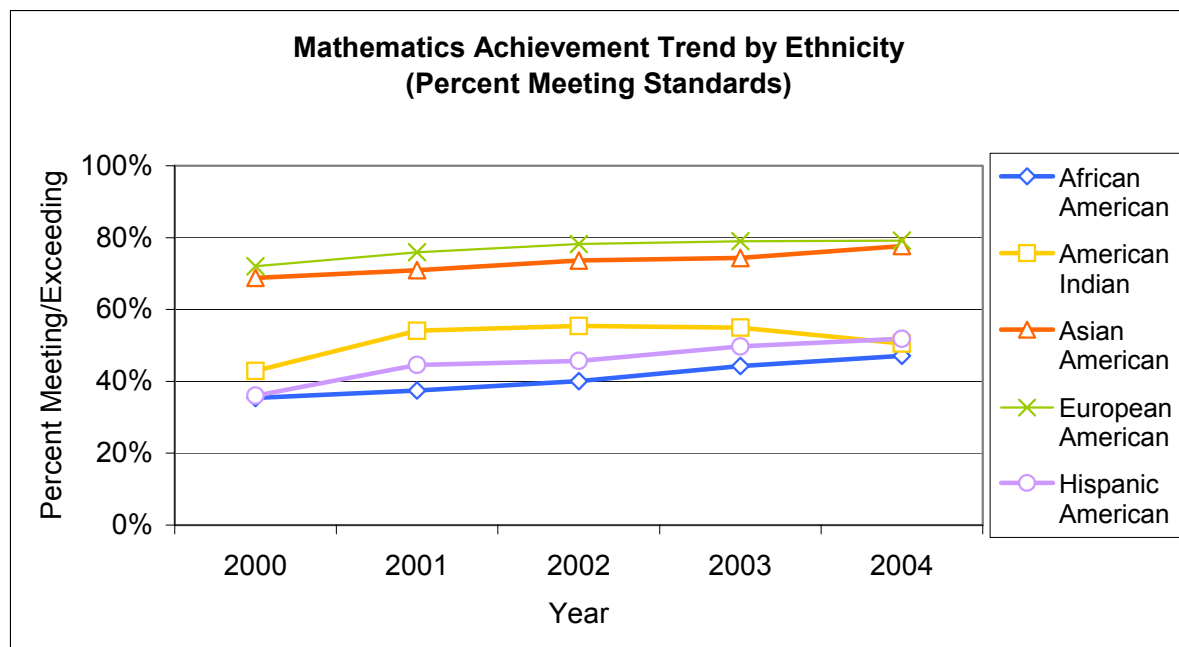
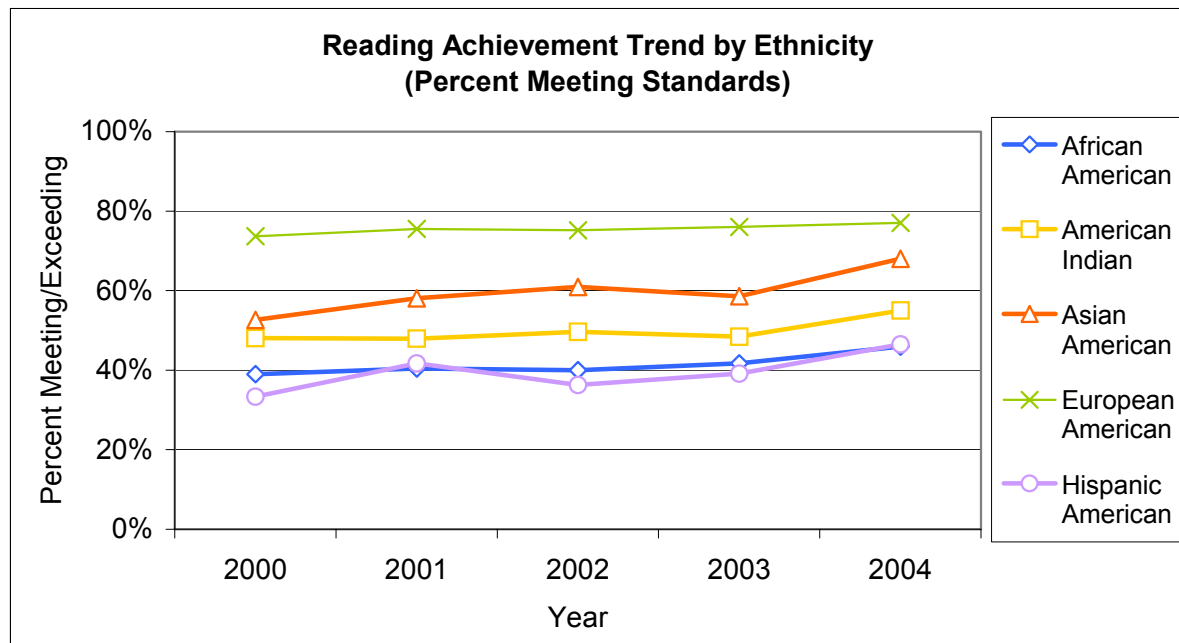
Exhibit 5a PPS Student Achievement Data

District Grades 3-4-5



Source: PPS Department of Research, Evaluation and Assessment. Note: In SY03, NCLB changed the rules regarding which students were included in test results. Also, beginning in SY04, students in grades 4, 6, and 7 took Oregon State Assessments as opposed to district tests. Since performance standards for these grades were not available, the old PPS cut points were used for this report. Also, to protect confidentiality as well as to avoid misinterpretation of the results, data for groups smaller than 10 are not reported.

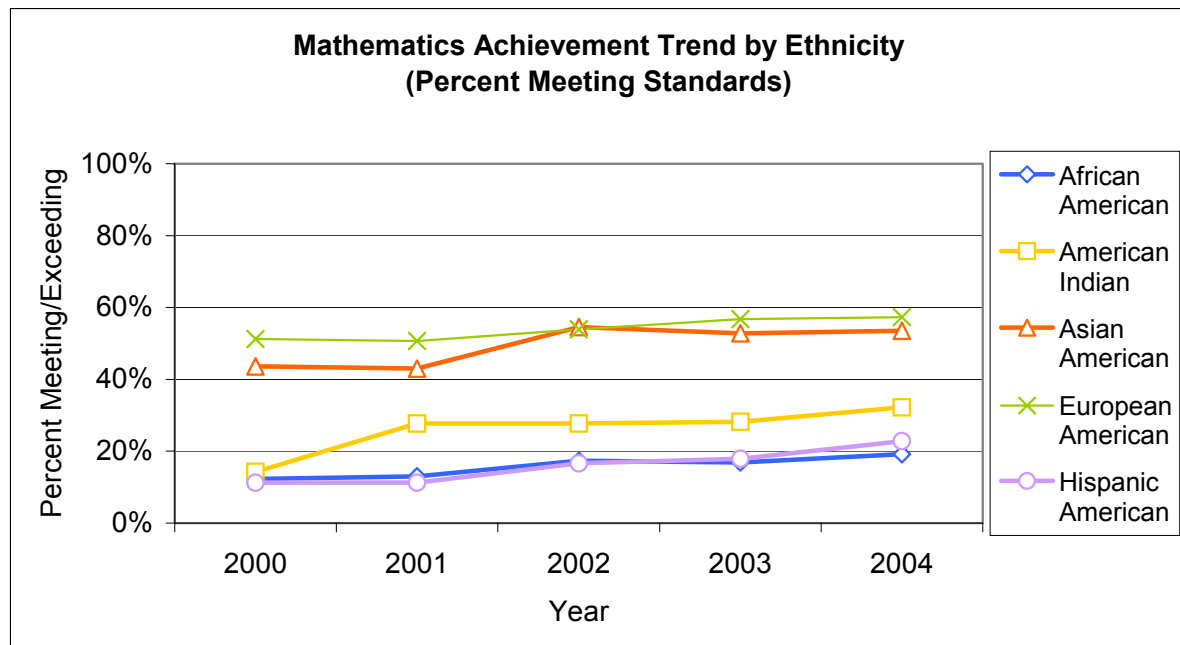
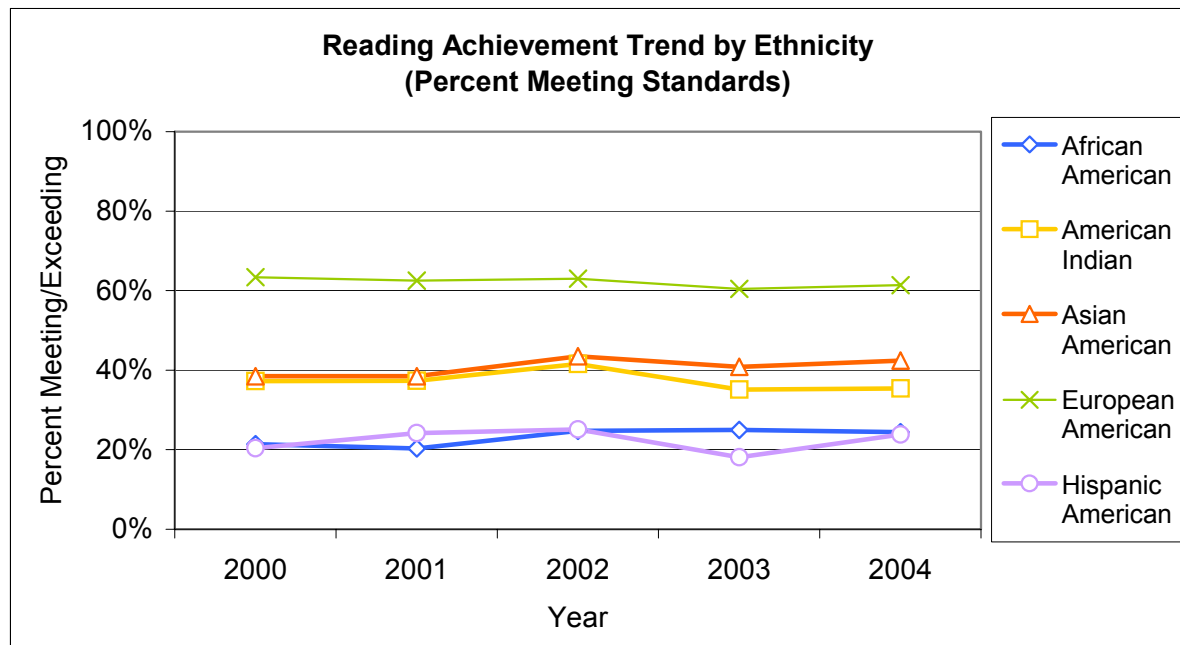
Exhibit 5b PPS Student Achievement Data

District Grades 6-7-8

Source: PPS Department of Research, Evaluation and Assessment. Note: In SY03, NCLB changed the rules regarding which students were included in test results. Also, beginning in SY04, students in grades 4, 6, and 7 took Oregon State Assessments as opposed to district tests. Since performance standards for these grades were not available, the old PPS cut points were used for this report. Also, to protect confidentiality as well as to avoid misinterpretation of the results, data for groups smaller than 10 are not reported.

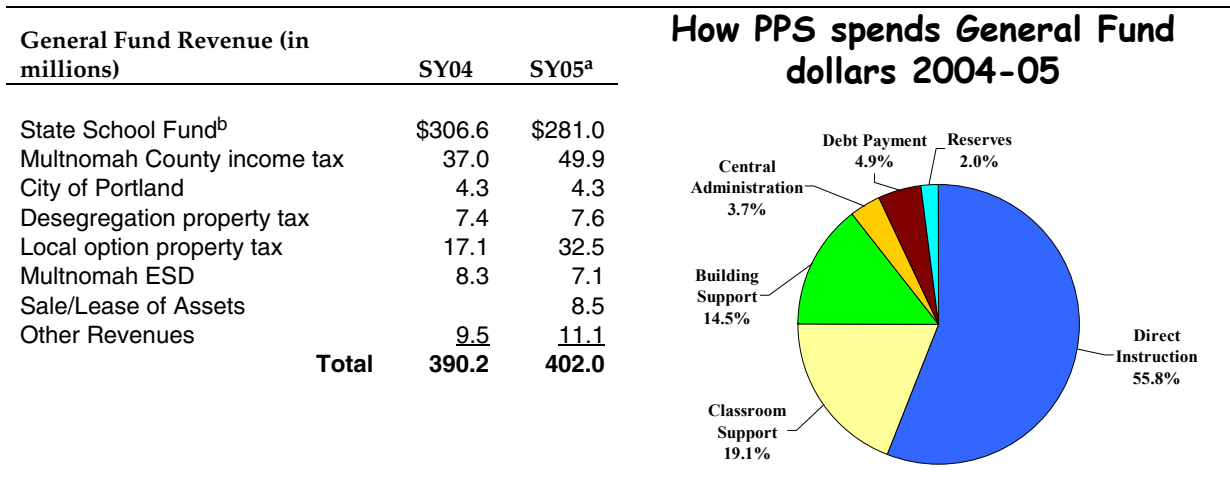
Exhibit 5c PPS Student Achievement Data

District Grade 10



Source: PPS Department of Research, Evaluation and Assessment. Note: In SY03, NCLB changed the rules regarding which students were included in test results. Also, beginning in SY04, students in grades 4, 6, and 7 took Oregon State Assessments as opposed to district tests. Since performance standards for these grades were not available, the old PPS cut points were used for this report. Also, to protect confidentiality as well as to avoid misinterpretation of the results, data for groups smaller than 10 are not reported.

Exhibit 6 PPS Finances



Source: Compiled by the casewriter from district budget reports.

^a As reported March 28, 2005.

^b The State School Fund includes direct state aid and local property taxes "captured" by the state funding formula.

Expenditures per Student (general fund)	SY00		SY01		SY02		SY03	
	PPS	OR	PPS	OR	PPS	OR	PPS	OR
Direct classroom	\$3,445	\$3,426	\$3,752	\$3,650	\$3,893	\$3,734	\$3,756	\$3,603
Classroom support	1,259	1,083	1,399	1,244	1,373	1,272	1,330	1,330
Building support	1,043	1,002	1,067	1,089	1,051	1,135	1,009	1,068
Central support	<u>299</u>	<u>282</u>	<u>291</u>	<u>327</u>	<u>237</u>	<u>331</u>	<u>239</u>	<u>317</u>
Total	\$6,046	\$5,793	\$6,509	\$6,310	\$6,554	\$6,472	\$6,334	\$6,318

Source: Compiled by the casewriter from district report cards published by the Oregon Department of Education, available online at <http://www.ode.state.or.us/data/reportcard/reports.aspx>.

Exhibit 7 Selected Goals from Leadership Retreat Week 2004**Elementary: Early Success Is Key**

- Increased standards/expectations for early learning
- Ongoing classroom, school-based assessment
- Robust literacy framework (PK–12): Pre-K to 5
- Common, consistently delivered math curriculum
- Focused, intentional, and intensive use of professional development opportunities for teachers
- Targeted support for struggling learners
- Strong collaborations and partnerships with families and other early-learning providers
- Increased use of technology for student and staff learning

Midlevel Redesign

Underpinnings: Reflection, Relationships, Rigor, Relevance, Results

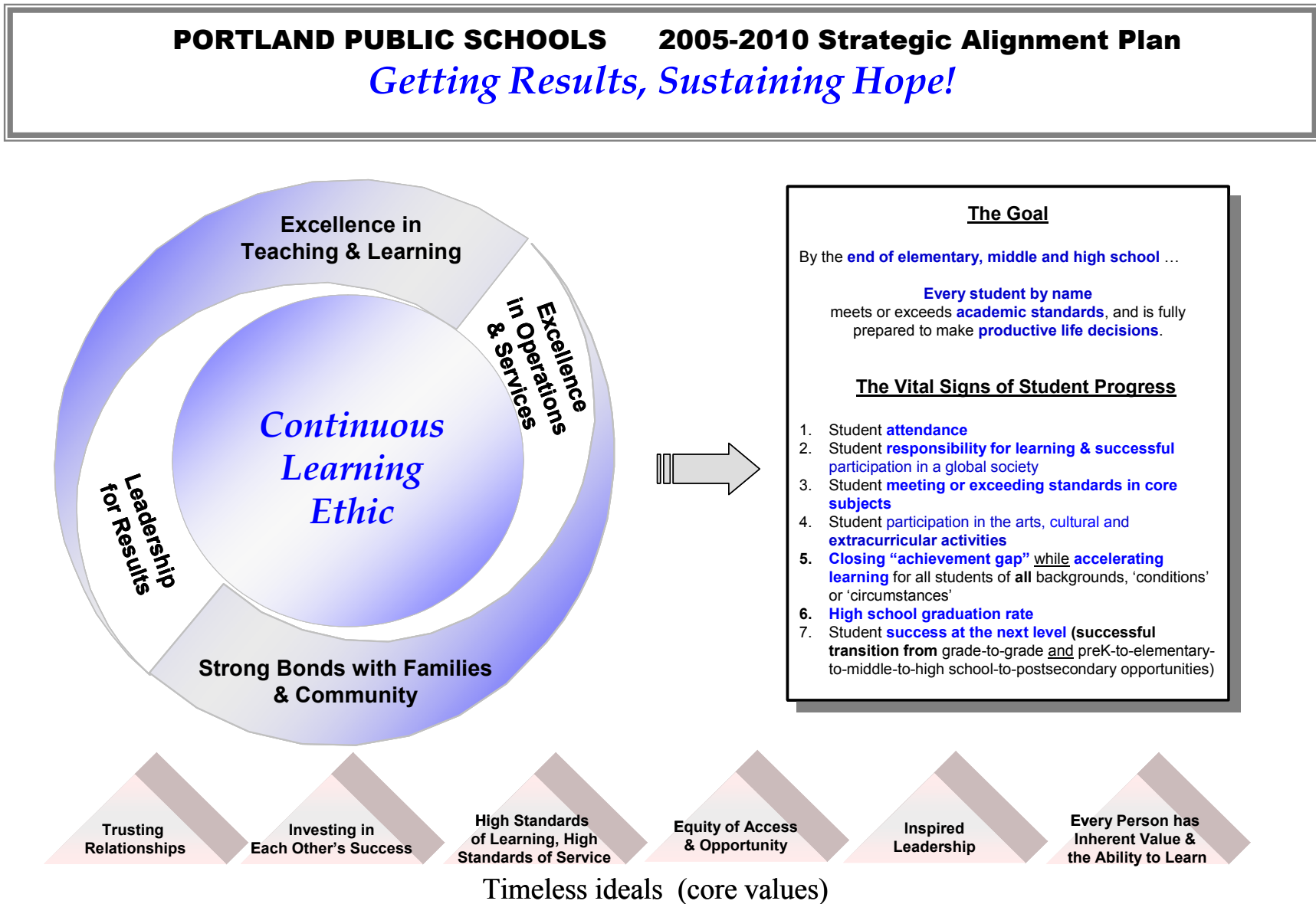
- A rigorous core curriculum
- An ongoing, consistent set of assessments
- Structures that ensure every student is well-known as a learner and an individual AND teachers have access to focused, ongoing professional development
- Advisement, counseling, wellness focus
- Increased family involvement (whatever it takes)
- Integrated implementation of ESL and special education services, technology, library services

Empowering High Schools

- Transformed pedagogy including relentless attention to increasing adolescent literacy, increased enrollment in “gatekeeper” mathematics courses, and implementation of a rigorous “college prep” curriculum for all students
- Artful use of infrastructure
- Student advocacy
- Multiple pathways to post-high school success

Source: Adapted from district documents by the casewriter.

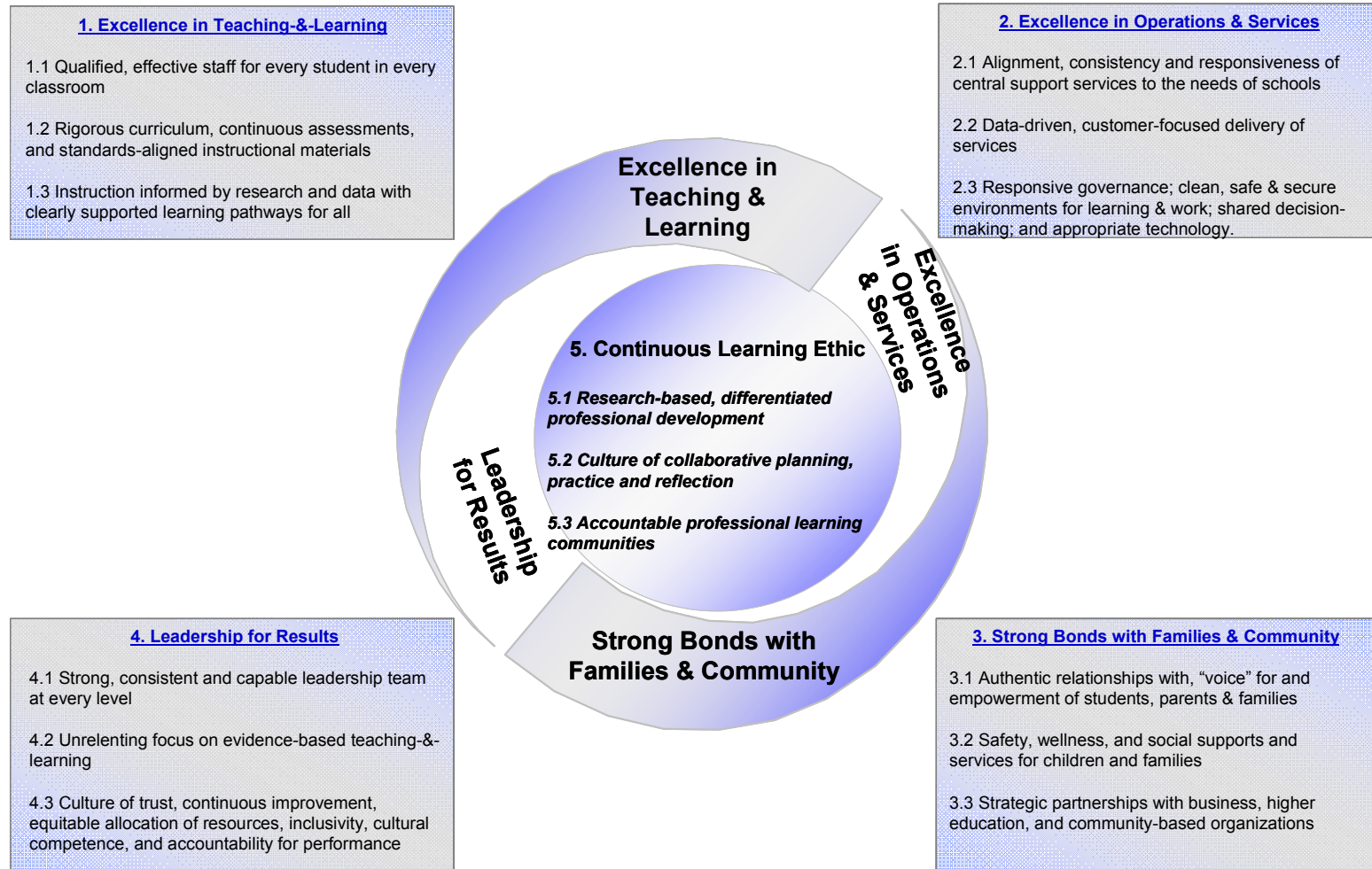
Exhibit 8a Graphic Overview of 2005–2010 Strategic Alignment Plan (February 2005 working draft)



Source: Documents prepared by Performance Fact Inc. for PPS.

Exhibit 8b Graphic Overview of 2005–2010 Strategic Alignment Plan (February 2005 working draft)

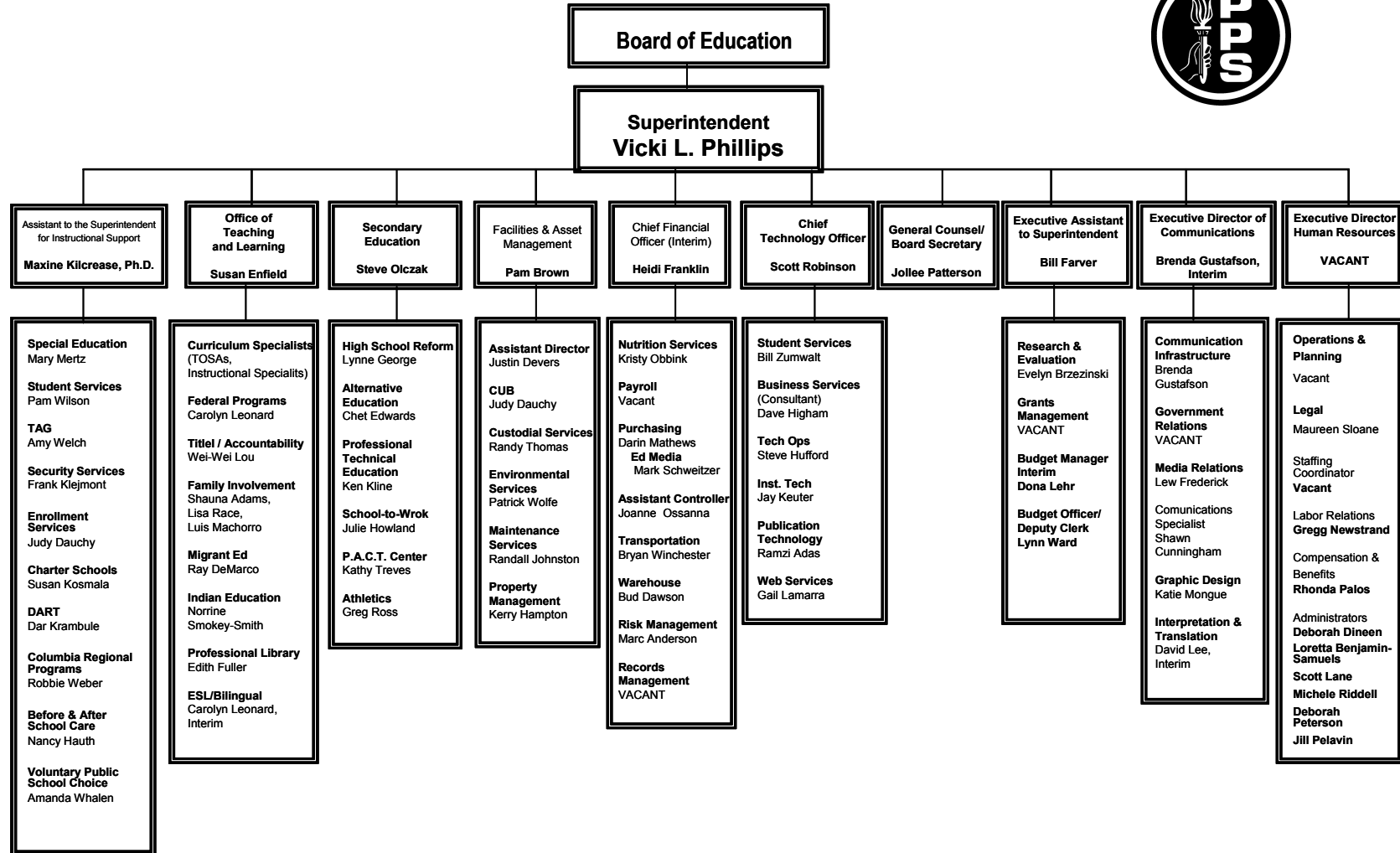
What's Important & What Works: High-leverage Practices for Portland's PreK-12 System



Source: Documents prepared by Performance Fact Inc. for PPS.

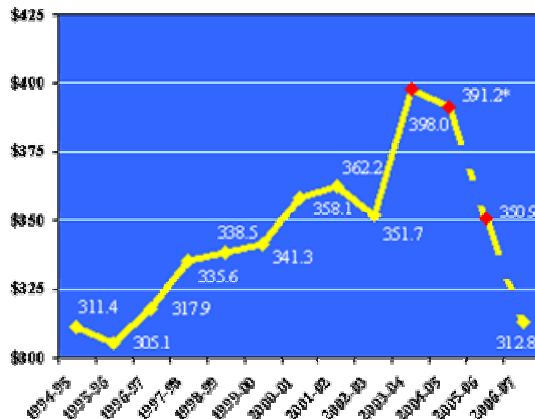
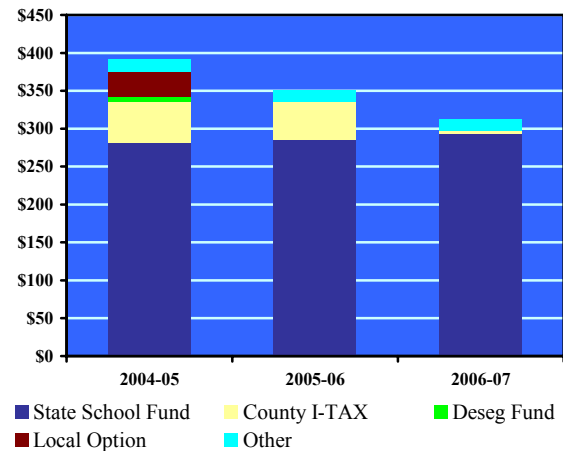
Exhibit 9 PPS Organizational Chart (interim draft as of late February 2005)

Interim Portland Public Schools Organization Chart February 2005 – June 2005



vja 2/05

Source: District files.

Exhibit 10 PPS Budget Shortfall Estimates, Published March 14, 2005 (all dollars in millions)**PPS General Fund Revenue SY95-SY07****PPS General Fund Revenue SY05-SY07**

* Net of \$11 million one-time revenue from sale of assets and insurance refund in SY05.

Current Service Level	SY05	SY06	SY07	
OPERATING BUDGET		(Last year of I-Tax; no local option)	(No I-Tax; no local option)	
Revenues	391.2 ^a	350.9	312.8	
Expenditures	388.8	401.8	411.1	
Net surplus (shortfall)	2.4	(50.90)	(98.30)	The Shortfall – The Challenge
Ongoing Cuts		35.4	35.4	
PERS Rate Buydown ^b		7.9	7.9	
State Revenue - \$5.2 billion		7.6	7.7	
Subtotal		50.9	51	Managing the Shortfall (SY06)
Remaining Shortfall		0	(47.30)	
Additional Ongoing Cuts			12.3	
Spend Reserves/Take Additional Cuts/Shorten School Year ^c			35	
Remaining Shortfall			0	Managing the Shortfall (SY07)

^a Net of \$13 million includes one-time revenue from sale of assets and insurance refund.

^b PPS is refinancing its pension plan.

^c Approved budget for SY06.

Source: District press releases.

Exhibit 11 Summary of School Closing Recommendations

North/Northeast Portland Superintendent Phillips is recommending a significant restructuring of all the schools that feed into the Jefferson High School campus, as part of a comprehensive two-year vision to improve education for thousands of students. The proposal includes:

- Moving from 10 to 8 elementary schools: Applegate Elementary (138 students) would merge into Woodlawn Elementary (409 students); and Kenton Elementary (166 students) would merge into Chief Joseph Elementary (234 students). All elementary schools feeding Jefferson will expand to a preK-6 model. The District will work with all elementary schools in the cluster to enhance curriculum and support services for primary grades (preK-3) and the intermediate levels (grades 4-6) with specific attention to successfully maintaining the 6th grade.
- Extending Jefferson cluster elementary schools through sixth grade over two years. Woodlawn, Chief Joseph, Vernon, Faubion and Beach Elementary Schools would extend to sixth grade in 2005-06, starting a model that allows students to move directly from a preK- or K-6 school into a single 7-12 campus at Jefferson. Many students now have difficulty making two separate transitions, from grade school to middle school, and then again to high school. Based on research, moving to a model with a single transition should improve student achievement and improve graduation rates. In 2005-06, the recommendation is to have Humboldt and King Elementary Schools move to the K-6 model and feed to Jefferson. Rigler Elementary School in the Madison cluster will now articulate to Gregory Heights for 6-8 and to Madison for 9-12.
- Beach Elementary will expand the Spanish immersion program to K-6 in 2005-06, becoming a full K-6 for all classes in 2006-07 and offer a second full-day kindergarten Spanish immersion program if staffing constraints permit. In subsequent years, the District will evaluate whether to grow to K-8. The immersion program at Ockley Green would end by 2006-07. Beach will feed to Jefferson either at 7th or 9th grades.
- Ockley Green Middle School will continue to serve grades 6-8 in 2005-06. Beginning in 2006-07, the school would begin to accept transfers from throughout the District and would begin to develop a K-5 performing arts, science/technology focus option. Ockley Green will continue to use the Art grant to develop its K-8 program and the grant will continue to support students from the designated elementary schools. The immersion program at Ockley Green would end by 2006-07. As part of a subsequent proposal addressing Ockley Green's K-8 expansion, the District will consider options that give a preference to neighborhood students.
- Create arts and health schools at the Jefferson Campus for 2006-07. In addition to the School of Pride and School of Champions, the District would create a Fine and Performing Arts School (admission based on demonstrated talent), a Health/Science Careers Pathway, early college options and expanded partnerships with post-secondary institutions such as the Portland Community College Cascade Campus and Lewis and Clark, strengthening the high school options for the area.

Two of the Superintendent's original proposals have been modified as a result of discussions with parents, teachers and the community:

- Merging Whitaker Middle School with Tubman Middle School at the Tubman location in 2005-06 and then relocate the merged schools to Jefferson, and create a 7-12 campus, in 2006-

07. The original proposal called for Whitaker to relocate to Jefferson in 2005-06, then to merge Tubman with Whitaker at the Jefferson campus. Whitaker's enrollment has dropped by more than half in four years and now is located on busy Columbia Boulevard. The merged schools will operate as a separate 7th and 8th grade school, with their own entrance and space separate from the School of Pride and the School of Champions. In 2006-07, Whitaker and Tubman Middle School would merge with Jefferson as part of a 7-12 campus at Jefferson.

- Boise Eliot Elementary School would remain a K-5, feeding Beaumont Middle School and then Grant High School.

Southeast Portland

- Make Richmond Elementary a district-wide focus school for Japanese Immersion, expanding it from the current 309 students and possibly adding a Japanese immersion pre-kindergarten; close the Richmond Elementary neighborhood program, which now has 89 students, and redraw the boundaries so neighborhood children are assigned to Creston and Abernethy Elementary Schools.
- Merge Edwards Elementary (199 students) into Abernethy Elementary (203 students), with the merged school operating under a year-round schedule at the larger Abernethy building, which has a gym, auditorium and other amenities lacking at Edwards. The Superintendent's original proposal engendered considerable discussion from both communities concerning the merits and specifics of year round scheduling. As part of the implementation plan, the District will arrange for the two communities to have a facilitated conversation concerning the type of schedule that will work best for all.
- Adjust the elementary school boundary so 15 students living on the south side of SE Ash Street between 39th and 45th streets feed into the Laurelhurst/Fernwood/Grant pattern, as their neighbors across the street already do.

Southwest Portland

- Close Smith Elementary School (219 students), the smallest of the seven Wilson cluster elementary schools, with students going to Markham, Maplewood and Capitol Hill. Strengthening enrollment at those schools will give principals more flexibility in staffing classrooms and offering additional staff for music, PE, art and counseling. In recognition of new information about projected enrollment in the Wilson Cluster and the Smith neighborhood's strong interest in the use of the facility and grounds, the District will maintain the Smith building and grounds in its inventory. The District will examine options of rental use for a school or similar program, until the extent and pattern of the future projected enrollment increases in the Southwest become clearer.
- For 2006-07, consider moving a small area east of 30th, home to 35 students, from Hayhurst into Rieke Elementary School, once Rieke teachers have received sufficient training and support in addressing the needs of students such as English Language Learners.

The full recommendation, additional summary information and timetables and the profiles for each school are available at www.pps.k12.or.us.

Source: PPS press release, March 8, 2005.

Exhibit 12 Summary of Projected School Closure Savings (March 14, 2005)

School	Standard Support ^a (net savings)	Operating Costs ^b 03/04	Transition Costs ^c – (minimum one time only)	Projected Future Revenue as a Rental (or reuse) ^d	Nutrition Services Savings ^e	Transportation Costs Net to District ^f	Net Ongoing Savings/Revenue ^g
Whitaker /Tubman	\$425,000	\$200,000 (only save half if building unused next year)	\$75,000	Likely work with Trust; valuable property	\$44,000	0	\$667,000+ Value of disposition of land
Applegate/ Woodlawn	\$125,000	\$80,000	\$45,000	\$200,000 / rental or reuse by district	\$18,000	\$15,000	\$408,000
Kenton / Chief Joseph	\$165,000	\$148,000 (only save half if building unused next year)	\$54,000	Likely work with Trust. Valuable property (\$400,000 rental value)	\$18,000	\$15,000	\$316,000 + Value of disposition of property
Smith /Capitol Hill, Markham, Maplewood	\$160,000	\$148,000	\$76,000	\$300,000 / rental or reuse by district	\$19,000	\$15,000	\$612,000
Edwards / Abernethy	\$160,000	\$85,000	\$53,000	\$165,000 rental or use by district	\$18,000	\$15,000	\$413,000
Richmond / Abernethy, Creston	\$0	\$192,157 (no savings)	Included above with Edwards	JMP to expand	0	\$15,000	
TOTAL	\$1,035,000 ongoing reductions	\$661,000 ongoing reductions (offset by one-time-only expenses)	\$303,000 (+\$153,000 computer lab upgrades) One time only	\$665,000 from three rentals from potentially ongoing revenue	\$117,000 nutrition services staff reductions	\$75,000 additional bus cost net Ongoing expense	\$2,416,000 ongoing savings/rev. + disposition of property

Source: District files.

^a Average cost of standard support for a school under 249 is \$262,932. The specific numbers listed below are calculated for the particular schools involved and take into account the movement of students from one school to another, which raises the standard support of the receiving school. These numbers are based on the current staffing system.

^b Operating costs are actual numbers for SY03–SY04 operations.

^c Transition costs include moving materials in multiple schools, relocating programs in buildings, basic IT and phone installations, equipment repairs, and cleanup. An additional amount for desirable computer lab upgrades in five schools is shown as an addition to the total. They do not include any new VOIP telephone systems or VOIP paging. A contingency will be added when final numbers are known. Transition costs do not include small changes required in moving to K-6 in several elementary schools, moving student services from Abernethy, the welcome center from Kenton, a special education classroom from Kenton, or modifications to bus loading areas. (These additional costs will be in the range of \$300,000 to \$350,000.) The district needs to determine its long-term plan for these services to make the most cost-effective move. Recommended that these costs be appropriated in this fiscal year from department/school underspending and/or reserves.

^d Rental potentials are based on net square feet in buildings and triple net basis with the tenant paying operating costs.

^e The nutrition services savings are a result of salary savings at the individual sites. Nutrition services operates within its own fund.

^f The transportation savings represent the 30% net cost to the district of one additional bus at each area noted.

^g If rented, rental revenue based on net sq. ft. and triple net, tenant pays operating costs. If not rented and left vacant, operating costs reduce by approximately half. The district may need additional space to accommodate move of special education students back to district. Will help realize a \$600,000 savings in Educational Services District (ESD) budget.

Final note: The closures help realize approximately \$60,000 as part of the reductions in our Multnomah County ESD budget, because the sites will no longer require nursing services.