Arts Education and Access Fund
Citizen Oversight Committee

Fifth Annual Report for City Council
2018
Arts Education and Access Fund Citizen Oversight Committee
Fifth Annual Report to City Council

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March 1, 2019

To the City Council and the Citizens of Portland,

In November of 2012 the citizens of Portland voted to impose a $35 income tax on themselves to support art in their schools and community. This unique tax was established to provide arts teachers for all K-5 students in the City of Portland and to provide financial support to local arts organizations.

The ballot measure that established the tax also called for a citizen oversight committee. As the members of that committee we are providing you with this, our fifth annual report.

We welcome your comments and reactions to the information contained herein. Please contact our committee through the interim Chair, Laura Streib.

Respectfully submitted by Arts Education & Access Fund Citizen Oversight Committee

Members 2018 Committee

- Patrick Brown
- Maddelyn High
- Jessy Friedt
- Bethany Cavanaugh
- Lori Howell
- Carmen Dennison
- Alison Chambers
- David Huff
- Dunja Jennings
- Michael Cummings
- Laura Streib
- Craig Gibons
- Nancy Helmsworth (Metrics Chair)
- Don Pierce
- Stanley Penkin (Member Emeritus)

Our thanks to our former AOC colleagues Shameika Ansley, Srule Brachman, Niel DePonte, Cheri-Anne May whose terms with the Committee ended this year.

And Special Thanks to both Craig Gibson and Nancy Helmsworth for their hard works as citizen volunteers that chaired the Arts Tax Oversight Committee this last year.
The Art Tax Oversight Committee observed the following successes:

• The most important elements of the ballot measure are being delivered; K-5 arts instruction and funding for arts organization

• Highest rate of compliance to date for citizens paying their arts tax (now over 75%)

• Continued trend in lower student : teacher ratios for arts classes funded by the Arts Tax. Pre-Arts tax Student : Teacher Ratio for arts education was 997:1. Current Student teacher ratio is 380:1 surpassing the Arts Tax stated goal of 500:1 ratio.

• RACC disbursements have continued to grow as collections have improved; in FY17-18 RACC received $4.7 million, more than the first three years of the tax combined

• $1,911,601 was disbursed in grant funding for organizations focusing on Education, Equity, and Access thanks to RACC’s granting programs

As a committee we have the following recommendations moving forward:

• Standard reporting from all 6 school districts (# of students served, teachers employed, teacher/student ratio, which classes taught (art, music, theatre, dance)

• Clarify Charter School arts tax funding and implementation

• Clarify RACC grant reporting so committee can easily see where Arts Tax specific funding is disbursed.

Looking ahead in 2019:

• The committee is excited to work with the City Arts Manager, RACC, and Commissioner Eudaly’s office to clarify scope of work, goals and expectations for the Arts Tax Oversight Committee, RACC and the City.
History and Overview

The *Arts Education and Access Fund* was developed to provide funding to restore arts and music education in Portland schools and to help fund access to existing and new arts organizations in the area. Portland voters approved the Fund by passing *Measure 26-146* in 2012. The Measure created a $35 individual income tax and specified the way in which the tax was to be spent.

The Arts Education and Access Fund is a collaboration between Portland’s citizens, the city, the school districts, and the Regional Arts and Culture Council. The City assesses and collects the tax and distributes it to the school districts and the Regional Arts and Culture Council pursuant to the City Code and Administrative Rule provisions. The Arts Education & Access Fund Citizen Oversight Committee is charged with reviewing the expenditures, progress, and outcomes of the fund and reporting its findings to the City Council annually.

The Arts Oversight Committee

The city code stipulates that “the citizen oversight committee shall be representative of the city’s diverse communities, consist of a minimum of ten and a maximum of twenty members, including, if possible, a member of the Tax Supervising and Conservation Committee.” The Committee met regularly during the year and our work is summarized in the following section.

Committee Transition

This year proved to be a time of transition for the Committee. All of the original members of the committee were termed out by 2018. The Committee began the year composed of a half a dozen active, but relatively new members.

The Committee’s primary goal was to recruit new members. By year’s end we had a complement of 16 members.

Committee member training during the year covered all aspects of the arts tax from its inception to the current financial results. We held monthly meetings and covered the following issues.

- The components of the measure creating the tax.
- The parties to the tax and their duties and relationships
  - The City, School districts, Regional Arts and Culture Council, Arts organizations, The Oversight Committee, and The taxpayers
- How the money flows through the system.
Acknowledgments

From day one it has been the goal of the AOC to establish a mutually respectful and collaborative relationship with all those involved in the many aspects of the huge undertaking of the arts fund.

The AOC acknowledges—with great appreciation—the help, guidance and administrative support provided by the Revenue Division led by Thomas Lannom and his dedicated staff, Scott Karter, Tyler Wallace, and Lisa Ogedengbe. The AOC has been fortunate to have had the coordination and liaison efforts of Jamie Dunphy and Asena Lawrence from Commissioner Fish’s office. Also thanks to Amira Streeter who was our previous contact at Commissioner Fish’s office.

RACC has been an integral partner in our work and we wish to thank Jeff Hawthorne and Marna Stalcup, who have attended all our meetings and offered valuable input and guidance.

The AOC is grateful for the collaboration of the six school districts with schools in the City of Portland (Reynolds, David Douglas, Riverdale, Portland, Parkrose, and Centennial). In particular we would like to thank Kristen Brayson, the Teacher on Special Assignment at Portland Public Schools for her coordination with RACC, the AOC, and the school district.
The Data and Evaluations

~ REVENUE DIVISION ~

The Revenue Division is a major source of information for the Committee. It provided updates on all aspects of the tax at every Committee meeting and as requested by Committee members.

TAX YEAR 2017 STATUS

The Arts Tax is administered on the same schedule as state and federal income tax. Payments are due by April 15th annually. The majority of the tax revenue is received by June 30th of each year.

Tax payers paid their 2017 taxes at a faster rate than previous years. By June 30th, 2018, the City had received $8.9 million for tax year 2017 compared to $8.4 million for the same period last year. The first year of the tax, the City had collected $7.5 million by June. This is evidence that more citizens are paying the tax without follow-up collection efforts by the City. Revenues after administrative costs were $8.1 million. About $7 million will be disbursed to school districts and the remainder, plus the additional taxes that trickle in, will be disbursed to the Regional Arts and Culture Council for distribution to arts organizations. After a slow start in the initial years, in the last three years, RACC has received about $2.5 million annually.

Most taxpayers pay the tax on time. Those that don’t, get reminders from the City. Over time the reminders work for most people and they pay the tax. When taxpayers do not pay, the City sends the taxpayer’s account to a collection agency.

The Revenue Division submits past due files to a collection agency only if the accumulative amount exceeds $100 (which occurs after two years of unpaid taxes and penalties), and only after attempting to get non-filers to pay. Using a collection agency does not cause the city to lose money, as the agency is allowed by contract to
add a fee of 23% to the amount due for its service charge. This process all takes time and for that reason the collections are said to have “a long tail”. The following chart illustrates the payment cycle.

SNAPSHOT OF COMBINED KEY DATA REPORTED AS OF JUNE 30, 2018
Showing Revenues, Costs, and Disbursements
### Arts Education and Access Fund

#### Revenues, Collection Costs & Disbursements

<table>
<thead>
<tr>
<th></th>
<th>Tax Yr '12</th>
<th>Tax Yr '13</th>
<th>Tax Yr '14</th>
<th>Tax Yr '15</th>
<th>Tax Yr '16</th>
<th>Tax Yr '17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Tax Collections</td>
<td>$ 9,752</td>
<td>$ 9,978</td>
<td>$10,748</td>
<td>$10,469</td>
<td>$10,614</td>
<td>$ 8,911</td>
<td>$60,472</td>
</tr>
<tr>
<td>Refunds to Taxpayers</td>
<td>$ (82)</td>
<td>$ (13)</td>
<td>$ (18)</td>
<td>$ (14)</td>
<td>$ (19)</td>
<td>$ (11)</td>
<td>$ (156)</td>
</tr>
<tr>
<td><strong>Net Tax Collections</strong></td>
<td>$ 9,670</td>
<td>$ 9,965</td>
<td>$10,730</td>
<td>$10,455</td>
<td>$10,595</td>
<td>$ 8,900</td>
<td>$60,316</td>
</tr>
<tr>
<td>Credit Card Fees (net of convenience fees)</td>
<td>$ (17)</td>
<td>$ (98)</td>
<td>$ (88)</td>
<td>$ (121)</td>
<td>$ (133)</td>
<td>$ (115)</td>
<td>$ (572)</td>
</tr>
<tr>
<td>One-Time Start Up Costs</td>
<td>$ (589)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (589)</td>
</tr>
<tr>
<td>General Fund Overhead Charge</td>
<td>$ -</td>
<td>$ (25)</td>
<td>$ (33)</td>
<td>$ (33)</td>
<td>$ (33)</td>
<td>$ (16)</td>
<td>$ (139)</td>
</tr>
<tr>
<td>Revenue Division Collection Costs</td>
<td>$ (349)</td>
<td>$ (771)</td>
<td>$ (892)</td>
<td>$ (902)</td>
<td>$ (1,032)</td>
<td>$ (653)</td>
<td>$ (4,599)</td>
</tr>
<tr>
<td><strong>Total Collection Costs</strong></td>
<td>$ (955)</td>
<td>$ (894)</td>
<td>$ (1,013)</td>
<td>$ (1,055)</td>
<td>$ (1,198)</td>
<td>$ (784)</td>
<td>$ (5,899)</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>$ 8,716</td>
<td>$ 9,071</td>
<td>$ 9,717</td>
<td>$ 9,400</td>
<td>$ 9,397</td>
<td>$ 8,116</td>
<td>$54,417</td>
</tr>
<tr>
<td><strong>Centennial School District</strong></td>
<td>$ 540</td>
<td>$ 536</td>
<td>$ 540</td>
<td>$ 535</td>
<td>$ 590</td>
<td>$ -</td>
<td>$ 2,742</td>
</tr>
<tr>
<td><strong>David Douglas (DD) School District Schools</strong></td>
<td>$ 947</td>
<td>$ 966</td>
<td>$ 938</td>
<td>$ 937</td>
<td>$ 914</td>
<td>$ -</td>
<td>$ 4,701</td>
</tr>
<tr>
<td><strong>DD School District Charter School</strong></td>
<td>$ 18</td>
<td>$ 16</td>
<td>$ 18</td>
<td>$ 18</td>
<td>$ 19</td>
<td>$ -</td>
<td>$ 88</td>
</tr>
<tr>
<td><strong>Total DD School District Disbursement</strong></td>
<td>$ 965</td>
<td>$ 982</td>
<td>$ 956</td>
<td>$ 954</td>
<td>$ 933</td>
<td>$ -</td>
<td>$ 4,790</td>
</tr>
<tr>
<td><strong>Parkrose School District</strong></td>
<td>$ 294</td>
<td>$ 317</td>
<td>$ 312</td>
<td>$ 301</td>
<td>$ 304</td>
<td>$ -</td>
<td>$ 1,528</td>
</tr>
<tr>
<td><strong>PPS School District Charter Schools</strong></td>
<td>$ 103</td>
<td>$ 117</td>
<td>$ 111</td>
<td>$ 172</td>
<td>$ 189</td>
<td>$ -</td>
<td>$ 694</td>
</tr>
<tr>
<td><strong>Total PPS School District Disbursement</strong></td>
<td>$ 4,512</td>
<td>$ 4,480</td>
<td>$ 4,594</td>
<td>$ 4,617</td>
<td>$ 4,741</td>
<td>$ -</td>
<td>$22,934</td>
</tr>
<tr>
<td><strong>Reynolds School District</strong></td>
<td>$ 358</td>
<td>$ 388</td>
<td>$ 394</td>
<td>$ 379</td>
<td>$ 378</td>
<td>$ -</td>
<td>$ 1,897</td>
</tr>
<tr>
<td><strong>Riverdale School District</strong></td>
<td>$ 40</td>
<td>$ 42</td>
<td>$ 46</td>
<td>$ 55</td>
<td>$ 37</td>
<td>$ -</td>
<td>$ 221</td>
</tr>
<tr>
<td><strong>Total School Disbursements</strong></td>
<td>$ 6,710</td>
<td>$ 6,745</td>
<td>$ 6,832</td>
<td>$ 6,842</td>
<td>$ 6,984</td>
<td>$ -</td>
<td>$34,112</td>
</tr>
<tr>
<td><strong>Regional Arts &amp; Culture Council</strong></td>
<td>$ 2,017</td>
<td>$ 2,337</td>
<td>$ 2,895</td>
<td>$ 2,585</td>
<td>$ 2,440</td>
<td>$ -</td>
<td>$12,274</td>
</tr>
<tr>
<td><strong>Total Disbursements to Date</strong></td>
<td>$ 8,727</td>
<td>$ 9,082</td>
<td>$ 9,727</td>
<td>$ 9,427</td>
<td>$ 9,424</td>
<td>$ -</td>
<td>$46,386</td>
</tr>
<tr>
<td><strong>Net Revenues Less Disbursements</strong></td>
<td>$ (11)</td>
<td>$ (11)</td>
<td>$ (9)</td>
<td>$ (27)</td>
<td>$ (27)</td>
<td>$ 8,116</td>
<td>$ 8,031</td>
</tr>
<tr>
<td><strong>Contingency Reserve</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Interest Earnings on AEAF</strong></td>
<td>$ 22</td>
<td>$ 30</td>
<td>$ 43</td>
<td>$ 67</td>
<td>$ 95</td>
<td>$ 62</td>
<td>$ 319</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$ 11</td>
<td>$ 19</td>
<td>$ 24</td>
<td>$ 39</td>
<td>$ 67</td>
<td>$ 8,179</td>
<td>$ 8,350</td>
</tr>
</tbody>
</table>
School Year 2017-18, was the fifth year of AEAF Tax support for the schools. The funding supported 56 teachers in 2017-18; two-thirds of 92 K-5 arts teachers reported by school districts. By way of comparison, the districts reported 31 K-5 arts teachers in 2012-13, the year preceding the AEAF support. A total of 34,250 students received arts education in 2017-18.

With AEAF funding, the ratio of K-5 students to arts teacher has dropped from 997 in the base year (2012-13) to 380 in the year just ended (2018) achieving the numerical goal of the Arts Tax, one arts teacher for every 500 students. In each district, the number of K-5 arts teachers had increased annually since AEAF funding began. But in 2017-18 the number of arts teachers in the Portland Public Schools decreased, reducing the teacher FTE for the first time since inception. However, the ratio of students to arts teacher was stable, reflecting the decrease in Portland Public Schools’ K-5 students.
The primary aspect of AEAF Funding is establishing and maintaining a maximum 500:1 K-5 student to Arts Teacher ratio. The authors of this Measure wanted this educational opportunity to be meaningful and continuing. Each school district has an intergovernmental agreement (IGA) with the City that provides for the district to receive AEAF funding. The IGA includes this requirement:

“District must maintain an articulated, sequential course of study in arts and/or music education for student from Kindergarten through 12th grade.”

The AOC gathers additional information about middle and high school students and arts teachers from the school districts in order to observe the school districts’ adherence to the articulated course of study requirement. The data reported by the districts is summarized in the following two charts. With some exceptions, the student to teacher ratio is appropriately declining.

The following chart summarizes the data for 2017-18 school year. The data submissions for each district and the charter schools can be found in Appendix B1-B7.
## Findings

- The total number of K-5 Arts Teachers in 2018 was 87 compared to 31 before the fund went into effect in 2013, but 5 Arts Teachers less than 2017.

- The decrease in Arts Teachers was in the Portland Public Schools, which corresponded to a decrease in K-5 students.

- The 2017-18 average ratio of FTE to K-5 students is 1:381, well below the 2013 level of 1:997 and below the 1:500 required by the City Code.

- The 2017-18 ratio of 1:381 is essentially unchanged from 2017’s ratio of 1:380 and the 2016 level of 1:381 indicating that the districts are maintaining the ratio they have established.

- All subject schools in the Parkrose, Reynolds, and Riverdale districts have ratios below 500 to 1.

- Portland Public Schools, David Douglas, and Centennial school districts still have schools with ratios exceeding 500 to 1.

- Eleven of the 59 subject schools in Portland Public Schools District exceed the ratio. This exception level has been increasing annually.

- Information from the districts indicates that the articulated and continuing arts and music education requirement for the middle and high schools is being advanced in most districts, with warning signs that some districts’ middle schools are stagnant or falling behind.

<table>
<thead>
<tr>
<th>District</th>
<th>Total number of K-5 students</th>
<th>Total number of K-5 schools</th>
<th>Total number of schools meeting 1:500</th>
<th>% of schools meeting the 1:500 ratio</th>
<th>Improvement trend from last year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial</td>
<td>2,804</td>
<td>7</td>
<td>4</td>
<td>77% (23% did not meet)</td>
<td>2 more schools not meeting 1:500 ratio</td>
</tr>
<tr>
<td>David Douglas</td>
<td>4,720</td>
<td>10</td>
<td>6</td>
<td>60% (40% did not meet)</td>
<td>2 more schools meeting 1:500 ratio</td>
</tr>
<tr>
<td>Parkrose</td>
<td>1,458</td>
<td>4</td>
<td>4</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Portland Public</td>
<td>23,108</td>
<td>59</td>
<td>48</td>
<td>82% (18% did not meet)</td>
<td>2 more schools not meeting 1:500 ratio</td>
</tr>
<tr>
<td>Reynolds</td>
<td>1,903</td>
<td>4</td>
<td>4</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Riverdale</td>
<td>207</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Charter schools Managed by PPS</td>
<td>1,589</td>
<td>9</td>
<td>6</td>
<td>66% (34% did not meet)</td>
<td>2 schools with 0 reported arts hires</td>
</tr>
</tbody>
</table>

Arts Education & Access Fund Citizen Oversight Committee ~ 2018 Annual Report
“State of the Arts” reports

The Committee would like to see the districts produce a state of the arts report. The Regional Arts and Culture Council (RACC) has encouraged various approaches, and offered support to the districts. The annual internal reporting helps each school district track their use and progress implementing the AEAF monies. Though the report takes effort, it summarizes information that helps each district comply with the IGA.

This brings up the concern of the vicious cycle. If a district falters in their implementation of the AEAF, students and parents know firsthand. They then get the sense the Arts Tax is not working, share that impression with others, and undermine public confidence in the AEAF. As per the IGA, Districts are to provide continuation of arts offerings in grades 6-12, as budgets allow. As Oregon schools have chronic underfunding we do not want this “open door” of “as budgets allow” to become more inviting.

We can only report this concern here, as we continue to rely on RACC/Arts Education Director to communicate the seriousness and rationale for this request.

To be commended, several districts have an arts presence at school board meetings through student performers, exhibits of artwork or acknowledgment of awards. In addition, the annual PPS Heart of Portland event is a public showcase that celebrates the arts K-12 and was attended by over 1,000 supporters this year.

Charter Schools

This is the first year we looked at the Charter Schools information. We are concerned about the incomplete implementation at several schools. We have received some informal feedback that the amount disbursed as per their student population, is too little to hire a teacher, even a part-time specialist. To illustrate, the disbursement to the Charter Schools range from $11,182-$37,351 and their average teacher salaries range $54-65K. These schools receive their money through PPS.

Question: Is it PPS’s responsibility to guide the Charters, and gather feedback to problem solve their concerns? Or are the Charters independent enough that the RACC/Arts Education Director would be the correct contact for forming a Cadre to look deeper at the unique needs of Charter Schools?
The Regional Arts and Culture Council (RACC) receives AEAF funds only after all the school districts have received their annual allotments. RACC uses the funding for three things: general operating grants to arts organizations, Arts Access grants to underserved communities, and funding for arts education coordination.

The following charts illustrate current year and historical financial receipts and disbursements. See information at the end of this section for details on type of grants.
RACC is required to meet with the school district superintendents and the Commissioner in charge annually.

Other Activities

1. Provide ongoing arts education professional development
   a. Conducted professional development on culturally relevant pedagogy/programming for arts specialists and arts organization educators
      i. Provided 1 full-day Professional Development for arts specialists that included a half-day session on the topic led by Shauna Adams, a public school and university educator, with the remainder of the day spent in discipline specific workshops (music and visual art)
      ii. Provided 3 half-day sessions on the same topic for leaders from 8-12 arts organizations
   b. In Spring 2018, established an Arts Specialist Liaison group (1 per AEAF district) to help design future Professional Development offerings and provide a communication link to all specialists

2. Gather baseline data to substantiate continuous arts learning opportunities (sequential offerings) and document minutes of instruction in an arts discipline
   a. Data collected from 4 of 6 districts and analyzed.

   a. Reports still being collected; anticipate 3 of 6

4. Held three Arts Cadre meetings plus one meeting with each district and its arts or curriculum director. Discussed:
   a. 2017 AOC report and recommendations (See State of the Arts Report below)
   b. Educational equity and social justice
   c. Support for school districts and arts specialists, and arts education advocacy (outcome: Americans for the Arts convening of stakeholders and decision makers during National Arts in Education Week)
   d. Willesden Read project opportunity in Fall 2018. This project leverages the collaborative investment of RACC, PPS, Portland'5, Open Signal, the Oregon Jewish Museum, and Portland Center Stage to bring a historically significant story to life through the arts for middle and high school students. Funds raised from private donors; no AEAF dollars will be used.
   f. Data collection listed above.
   g. Input on clarification of RACC/City contract language re: AEAF arts education coordination

<table>
<thead>
<tr>
<th>Average Grant Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Grant</td>
</tr>
<tr>
<td>Ops Support</td>
</tr>
<tr>
<td>Access</td>
</tr>
</tbody>
</table>
Grant Information

**General Operating Support Grants:** The Ballot Measure creating AEAF specified that RACC would use the AEAF funding to provide grants to qualifying Portland-based non-profit arts organizations that demonstrate artistic excellence, provide service to the community, show administrative and fiscal competence, and provide a wide range of high quality arts programs to the public. RACC’s mechanism for distributing these funds is through its preexisting General Operating Support grant program - unrestricted dollars for approximately 50 of the community’s largest and most established arts organizations. Once an organization receives GOS support from RACC, it must report but need not re-apply on an annual basis. Other organizations can apply to be part of the GOS program every year, but RACC’s ability to add organizations to the GOS pool is limited in part by the amount of funds that are available.

**Arts Access and Project Grants:** At least 5% of RACC’s allocation is set aside for grants that increase arts access for every Portland resident...“with particular emphasis on programs directed to communities who are underserved by local arts providers” (City code 2.73.030 B.2.)

**Capacity Building Grants:** This was a new grant program for 16-17: the “Capacity Building Initiative”. This program is designed to provide support to culturally specific organizations for capacity building within their organization.
Progress on the 2017 AOC Recommendations

1. Our Committee recommends that the Council adopt the Revenue Division’s Option 1, substituting a maximum administrative budget amount of $1.2 million annually for the 5% cap. The Committee is committed to monitoring these expenses, as it has done since inception, and evaluating the effectiveness of the Division’s spending.

The City Council adopted this change during 2018.

2. Our Committee recommends that the City of Portland should establish an expectation that school districts issue an annual “State of the Arts” report to be shared with the City, AOC, and the public.

RACC has requested that the districts produce these reports. As of the date of this report, RACC collected reports from 3 of the 6 the districts receiving funding from the AEAF.