

MEMORANDUM

Date: August 2, 2021

To: The Board of Education's School Improvement Bond Committee

From: Bond Accountability Committee (BAC)

Subject: 33th BAC Report to the Board

Background

In November 2012, voters approved a \$482M capital improvement bond for Portland Public Schools. The PPS Board appointed a Citizen Bond Accountability Committee to monitor the planning and progress of the bond program relative to voter-approved work scope, schedule and budget objectives.

In May 2017, voters approved a \$790M capital improvement bond measure that included a requirement for citizen accountability and oversight.

In November 2020, voters approved a \$1.206B capital improvement bond measure that included a requirement for citizen accountability and oversight

The current members of the BAC are:

Greg DiLoreto
Norman Dowty
Darren Golden
Angela Jarvis Holland
Kenechi Onyeagusi, Co Chair
Tom Peterson, Co Chair
Dick Steinbrugge
Cara Turano
Karen Weylandt
Beth Woodward

Office of School Modernization ("OSM") staff continues to be very helpful and supportive of BAC's oversight and demonstrates a consistent commitment to transparency and clarity in its dealings with the Committee and its members.

Recent Activities

May 26 BAC Meeting

The BAC meeting on May 26 was held in virtual session and primarily focused on the 2017 Health Safety program, the 2020 Infrastructure program, and the Performance Audit year 4 draft workplan. All members except Tom Peterson were present. Co-chair Kenechi Onyeagusi led the meeting. Also included was a brief overall program update

for each of the three bond programs. As is the case with all regular BAC meetings it was publicly noticed and open to the public. No public comment was offered. Staff presentation materials and meeting minutes for this meeting have not been posted on the School District's website, nor has the BAC report for the March BAC meeting.

OSM project managers for each of the respective 2017 Health & Safety programs briefed the BAC on the progress of the numerous programs. OSM is making good progress with the eight Health and Safety programs and is currently tracking under budget for all of the projects currently identified in the respective programs. Of the \$158,100,000 Health and Safety budget, \$26,470,560 is the currently unallocated balance. There are expected to be significant savings from the implementation of the drinking water quality program which is anticipated to be complete early next year. Two other Health and Safety programs Radon and Fire Sprinkler and Alarm systems upgrades are complete. The surplus funds will be reallocated to allow other Health and Safety projects. Those programs include Lead Paint Stabilization, Asbestos Remediation, Roof Improvements, Accessibility, and Security. The 2017 Health and Safety program has been a significant undertaking with OSM managing approximately 100 contracts that have involved work in all of the district's schools.

Work is also underway with implementation of the 2020 Bond Infrastructure Program. Two roofing projects and one seismic project are planned for this summer. OSM has also begun the planning phase for the Mechanical improvement program.

The Performance Audit update was a brief overview of the scope and timeline for the Year 4 workplan. No findings or recommendation were presented for the BAC to comment on.

July 28 BAC Meeting

The BAC meeting on July 28 was held in virtual session and primarily focused on the 2020 Technology, Curriculum, and Capacity programs, and a presentation on the District's Business Equity program. All members except Cara Turano, Darren Golden, and Angela Jarvis Holland were present. Co-chair Tom Peterson led the meeting. Also included was a brief overall program update for each of the three bond programs. As is the case with all regular BAC meetings, it was publicly noticed and open to the public. No public comment was offered. Staff presentation materials for this meeting will be posted on the School District's website.

The meeting was very informative as the BAC had not been briefed on the scope of the Technology, Curriculum and Capacity programs that were approved in the 2020 bond program. OSM had developed an easy report to track the financial progress and funding associated with these programs. There was a good discussion on the challenges with determining which elements of the work scope are legally compensatory under the bond program and which scope requires other funding sources. The BAC would like to see

future reporting on the metrics for the Technology and Curriculum programs that align with what was promised to the voters. Given the differences with implementation and procurement associated with Technology projects from Public Improvement contracts, the BAC was interested in how these programs will address the Bond Program's business equity goals. These new programs present a unique role for OSM with overall management and the BAC with oversight of these programs. District staff acknowledge these challenges and appear to be working collaboratively with identification of the risks and challenges and the best way to best address and to report to the BAC.

The Business Equity presentation was also very informative and offered other metrics to measure performance than the current BAC reporting. Although some elements of the Bond programs have not met the 18% aspirational goal, the overall of performance of the district was very good. Of particular note was the high number of actual contracts and subcontracts that have been awarded to MBE business. The BAC appreciated all the efforts that OSM and district staff have made to date and fully support the initiatives and strategies that were developed to improve business equity outcomes. The performance audit is also focusing on business equity performance and we look forward to reviewing the results of the audit.

This meeting completed the first cycle of the new meeting format and agenda topics for the BAC. The BAC appreciates including a brief update of the overall bond program at each meeting but feels that additional information specific to the large capital projects should also be made available at each meeting. Given the cycle of the new agenda topics there is concern that updates on the large projects are not frequent enough for the BAC to offer input at critical milestones. This is due in part to our interpretation of the BAC charter, which has not been updated. The BAC would also like to improve the financial reporting so it is easier to track 2020 bond funding intended for the 2017 Bond shortfall. Now that the BAC has been briefed on all the Bond programs except the Center for Black Student Excellence, there is an opportunity to revisit the level of reporting and agenda topics for upcoming meetings. We are still trying to find the right balance of OSM presentations versus opportunities for more BAC discussion when we meet. We are looking forward to returning to in person meetings, as we think the meetings may be more productive and an opportunity for many of us to actually meet in person.

It is our hope that the Board will make updating the BAC charter a higher priority than it has been thus far. It has been nine months since the 2020 bond was approved by the voters and the current charter does not acknowledge the 2020 bond. Updating the charter would help clarify the BAC's role with the new programs in the 2020 Bond, PPS Board of Education's expectations of the BAC, and the level of reporting needed for the BAC to comply with the expectations of the Charter.

We continue to appreciate the quality and professionalism of OSM staff, design teams and contractors as they take on multiple issues and continued willingness to explore new approaches. Of special note was an opportunity for BAC members to tour Kellogg

Middle school. The four BAC members that were able to participate were very impressed with the design and finished product. We thank the Board for this opportunity to serve and play a small part in your bond programs.