

# Report to The Portland Public Schools Board of Directors

Date: December 18, 2024

From: Bond Accountability Committee

Subject: BAC Report #46 (Proposed 2025 General Obligation Bond)

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The Bond Accountability Committee (Committee), appointed by the Portland Public Schools (PPS) Board of Education met on December 18<sup>th</sup>, to review the latest background information presented by PPS staff with respect to the funding amount proposed for the 2025 General Education Bond Measure. We offer the following comments by bond category:

## **Physical Facility Improvements**

There are two components in this category: Deferred Maintenance & Priority Scope budgeted at \$190,000,000 and Athletics budgeted at \$79,000,000. We recognize that PPS has identified over \$1 billion in deferred maintenance needs. The amount budgeted will begin work addressing some of the highest priorities. The \$79,000,000 to be allocated towards athletic improvements will be used for targeted school needs.

*The Committee finds that the funds budgeted in Deferred Maintenance & Priority Scope will go towards the project categories as identified in the staff provided information breakdown.*

*The Committee finds that the Athletics budget including the assumed inflation and contingency factors should be adequate for the projects proposed given the experience PPS has with respect to previous athletic field projects.*

## **Educational & Technology Improvements**

There are three components in this category: Technology Improvements budgeted at \$176,000,000, Physical Education at six specific school sites budgeted at \$10,000,000 and Curriculum budgeted at \$56,000,000.

*The Committee finds that the funds budgeted for technology improvements based on staff provided information will meet the minimum technology needs of the District over the life of the bond measure.*

*The Committee finds that the funds allocated for the physical education improvements to meet the Oregon Department of Education (ODE) requirements for the six identified schools to be adequate.*

*The Committee finds that the funds allocated for Curriculum to be adequate to meet the new schedule as identified by the ODE, understanding that bond funds will cover about 75% of the total cost and the remainder will come from other sources.*

## **Modernizations**

There are three main elements in the Modernization category. They are the modernization of Jefferson High School, Cleveland High School, and Ida B. Wells High School. The intent is that the modernization of these three schools will be constructed less than budgeted and the remaining funds will then be used to fund other school modernization projects. The total budgeted for modernization is \$1,150,000,000. There is a desire that the schools should be budgeted as follows: Jefferson High School at \$366,000,000; Cleveland High School at \$360,000,000 and Ida B. Wells High School also at \$360,000,000. However, previous work of this Committee was based on a previous scope of work, which was also refined by community input, and based on that the budget for these schools was set at \$491,000,000 for Jefferson High School; \$469,000,000 for Cleveland High School; and \$455,000,000 for Ida B. Wells High School. The Committee agrees with staff that there may be ways to reduce the costs for these three schools, however, at this time we have no information that would show the costs could be reduced to the lower targeted numbers. Therefore, our recommendation can only be made on the data we have for the scopes of work we have reviewed

*The Committee finds that the \$1,150,000,000 should be adequate to complete the modernization at Jefferson, Cleveland, and Ida B. Wells High Schools.*

## **Administration**

An allowance of \$83,050,000 for administration of the bond measure, or about 5% has been proposed. Based on the previous bond measures, PPS has considerable experience in this area.

*The Committee finds the allowance of \$83,050,000 for bond administration to be appropriate.*

## **Contingency**

An overall project contingency of 5% or \$83,050,000 has been allowed in this bond measure. Although at this stage this can seem like a small amount for a measure of this size, there are project contingencies built into each of the categories, together with the expected savings from re-scoping the three high school modernization projects.

*The Committee finds the allowance of 5%, \$83,050,000 to be appropriate for this bond measure.*

## **Conclusion**

***With the explanations written in this memo, the Committee finds the funds allocated for the proposed purposes in the proposed 2025 General Obligation Bond Measure to be appropriate.***