

School Facilities Improvement Oversight
Committee Meeting
Monday, December 2, 2024 6:00 PM

Dr. Matthew Prophet Education Center
501 N. Dixon St.
Portland, OR 97227

Agenda

1. Introductions
2. Public Comment - 4 two-minute spots (to sign up for public comment email
PublicComment@pps.net or call 503-916-3741)
3. 2025 General Obligation Bond
4. Adjourn



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STAFF MEMO

Date: December 2, 2024
To: Board of Education
From: Dan Jung, Chief Operating Officer
Subject: General Obligation Bond Election Planning

On November 6, 2024, the School Facilities Improvement Oversight Committee (Committee) reviewed a general obligation bond (GO bond) option that conformed to the following parameters:

1. A total bond amount between \$1.5 - \$1.8 billion
2. An 8-year bond cycle
3. Retention of the existing tax rate
4. Preparation for a ballot measure in the May 2025 election

Based upon the Committee’s feedback, and updated information, an updated GO bond option is provided for the Committee’s review.

	Nov 6 Option	Proposed Option	Delta
Physical Facility Improvements	\$190,000,000	\$265,000,000	\$75,000,000
Educational & Technology Improvements	\$350,000,000	\$242,000,000	-\$108,000,000
Modernizations	\$1,025,000,000	\$1,150,000,000	\$125,000,000
Admin	\$46,950,000	\$41,425,000	-\$5,525,000
Contingency	\$187,800,000	\$82,850,000	-\$104,950,000
<i>Total</i>	<i>\$1,799,750,000</i>	<i>\$1,781,275,000</i>	<i>-\$18,475,000</i>
Rounded Total	\$1,800,000,000	\$1,800,000,000	\$0

See Exhibit A for more detail.

Scope of Work

Physical Facility Improvements - \$265M

Deferred Maintenance and Priority Scope Improvements - \$190M

The proposed option allocates bond funds to address deferred maintenance, ongoing capital renewal and priority scope improvements. As highlighted in previous meeting materials, PPS faces significant and

substantial deferred maintenance challenges. To address these issues staff recommends structuring the GO bond to maximize flexibility, therefore allowing the district to respond to dynamic facility needs over the next eight years. Below is a sample of how the funds could be utilized.

SAMPLE

Deferred Maintenance	Est Project Cost Range	Est # of Projects	Total
<i>Emergency & Unplanned Projects (annual)</i>	<i>\$5,000,000 - \$10,000,000</i>	<i>*</i>	<i>\$60,000,000</i>
Roof Replacement	\$5,000,000 - \$7,000,000	9 - 12	\$60,000,000
Exterior Enclosure Improvements	\$2,000,000 - \$4,000,000	3 - 5	\$10,000,000
HVAC System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Plumbing System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Electrical System Updates	\$1,500,000 - \$2,500,000	6 - 10	\$15,000,000
Fire Alarm Upgrades	\$250,000 - \$500,000	5 - 10	\$2,500,000
Playground Equipment Replacement	\$100,000 - \$250,000	10 - 25	\$2,500,000
New Elevators	\$1,000,000 - \$2,000,000	1 - 2	\$2,000,000
Site Improvements	\$50,000 - \$250,000	4 - 20	\$1,000,000
Priority Scope Improvements			
New HVAC Systems	\$8,000,000 - \$12,000,000	1 - 2	\$15,000,000
Security Improvements	\$500,000 - \$2,000,000	1 - 4	\$2,000,000
Seismic Improvements	\$5,000,000 - \$10,000,000	1 - 2	\$10,000,000
<i>* Estimated annual allocation</i>			\$190,000,000

Athletic Improvements - \$75M

Included in the Physical Facility Improvements budget is \$75M for athletics. Improving and expanding athletic facilities has been highlighted as a high priority. The proposed option includes \$75M to complete specific improvements including:

- West Sylvan Middle School (turf and lights)
- Roosevelt High School (turf for baseball, softball and hitting facility)
- Grant High School (lights at track and new seating)
- Franklin High School (turf and lights for baseball, softball and hitting facility)

See Exhibit A: Athletic Facility Improvements for more detail.

Educational & Technology Improvements - \$288M

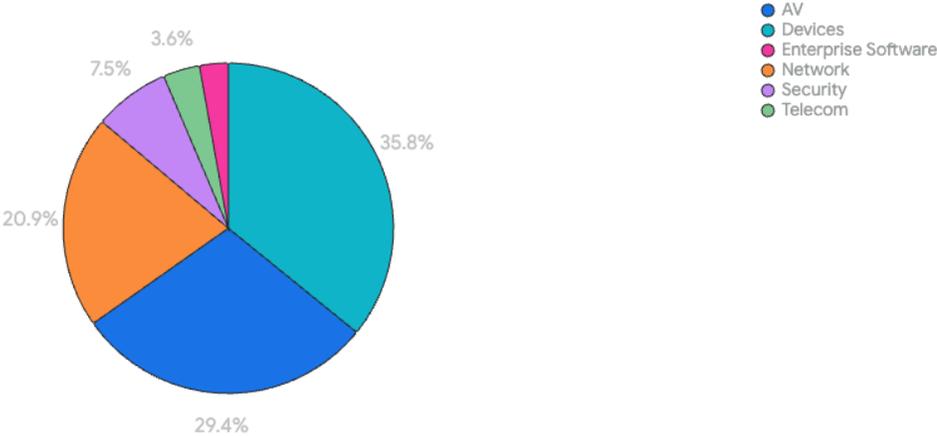
Technology Improvements - \$176M

This budget has been created from an eight-year bond timeline and includes 2 four-year cycles.

Project	Years 1-4 Amount	Years 5-8 Amount	Total
Business Modernization/ERP	\$38 million	\$0	\$38 million
Staff & Student Device Refresh	\$35 million	\$35 million	\$70 million
Data Center/Classroom Tech/Infrastructure	\$25.5 million	\$25 million	\$50.5 million
Cybersecurity	\$3.5 million	\$4 million	\$7.5 million

HVAC and Energy Sustainability	\$10 million	\$0	\$10 million
Total	\$112 million	\$64 million	\$176 million

Cost Distribution by Category



- The Business Modernization/ERP system serves as the fundamental backbone supporting the HR and all financial systems within the district. During Bond 2020, the ERP was designated for planning stages; however, the 2020 bond funds were not designated to cover the complete implementation costs. This request encompasses the necessary funding for the acquisition, implementation, and staffing of the system project, as well as the transition of the district from the previous ERP (PeopleSoft) system.
- Staff and student device refresh: Presently, General Funds are inadequate to address district-wide device replacement for students and staff since their initial deployment in 2020-2021. It is imperative that staff and students have access to reliable and secure technology for classroom usage and homework assignments. While we strive to extend the lifecycle of devices to 5 years, this is becoming increasingly more difficult to accomplish due the rate of change of technology and the additional usage placed on devices by staff and students.
- K-12 cyber attacks persist as a significant concern for school districts nationwide. The need remains to continuously update existing systems and adopt innovative practices to prevent cyber security attacks from disrupting our educational processes, data, and systems.
- The PPS Data Center, being the focal point of all technical operations across the district, is projected to reach its end of life in 2025. It necessitates the replacement of the chiller, UPS, and other essential infrastructure components to ensure the continuity of technical operations.
- Bond 2020 did not include provisions for the replacement of classroom technology or infrastructure in any of the schools improved with funds from Bonds 2012 or 2017. The technology in Bond 2012 schools is now outdated and requires replacement to comply with the District's technology standards. While Bond 2017 schools have relatively newer technology compared to Bond 2012, the Wifi system will approach its end of life between 2025-2027, necessitating additional funds for its replacement. Additionally, large space areas (gymnasiums, theaters, etc.) were not within the scope of the 2020 Classroom Modernization project. This bond will provide specific projection and sound capabilities tailored to these larger spaces.
- HVAC and Energy Sustainability: Across the district, the majority of our network distribution closets lack adequate cooling to maintain efficient and sustainable operations. Most dedicated network rooms do not have any form of access control. This bond will enable us to implement

both temperature control and the necessary access control measures to secure these critical and sensitive locations.

Physical Education - \$10M

Per the [Division 22 PE Requirements Memo](#)¹ from January 23, 2023 from the Oregon Department of Education, PPS must come into full compliance with the instructional minutes requirements for Physical Education by the fall of 2025. The executive Summary from August 2024 outlines significant progress made toward this end by adding “movement labs” in both middle schools and K-8 schools. In order to come into full compliance, we need to identify additional spaces to hold PE at the 6 remaining schools which include: Cesar Chavez, da Vinci, George, Ockley Green, Metropolitan Learning Center, and Winterhaven. These schools all have unique space needs requiring significant resources to both initiate and complete the projects.

Curriculum - \$56M

The proposed project scope is \$7M each year through 2030-31, totalling \$56M. This [Bond Curriculum Update at \\$7M Annually](#), outlines revised curriculum schedule, further considerations and next steps. It’s important to note, bond funds are not intended to be the sole source supporting curriculum adoptions moving forward, and this approach provides foundation support.

Modernizations - \$1.150B

High school modernization projects Jefferson HS, Ida B Wells HS, and Cleveland HS include GO bond funding from the 2020 GO bond authorization. Previous iterations of the 2025 GO bond included funds for the three high school modernization projects, totaling over \$1 billion. The modernization project teams have been tasked with creating updated, high-level designs that aim to reduce overall project budgets while preserving as much of the scope and academic programming as possible. The funding and budget targets for each project are as follows:

	2020 Bond Funding	Proposed Bond Funding	Project Budget Target
Cleveland HS	\$20,000,000	\$340,000,000	\$360,000,000
Ida B Wells HS	\$20,000,000	\$340,000,000	\$360,000,000
Jefferson HS	\$366,000,000	\$0	\$366,000,000
	<i>\$406,000,000</i>	<i>\$680,000,000</i>	<i>\$1,086,000,000</i>

The teams will work closely with stakeholders to develop revised scenarios and generate third-party professional construction cost estimates. Once the updated designs are finalized, they will be presented to the Committee. Following this, the teams will prepare updated Comprehensive Plans for each project, detailing the scope, schedule, and updated project costs.

By reimagining these projects with a focus on essential academic programming, PPS could save as much as \$470 million.² The funds saved from the high school modernization projects will be reinvested into modernization of elementary and middle schools.

Administration and Contingency - \$124M

Administration - \$41M

Program administration encompasses the resources necessary to support the bond work, including staff, GO bond issuance costs, insurance, and other related expenses. For initial budgeting purposes, early models in the past have estimated program administration costs as a percentage of the overall project scope. Once the bond scope and projects were finalized, staff developed customized staffing and

¹ <https://content.govdelivery.com/accounts/ORED/bulletins/3441486>

² Proposed GO Bond Modernization total (\$1.150 billion) minus the GO Bond funding for Cleveland HS (\$340 million) and Ida B Wells HS (\$340 million)

administrative plans aligned with the specified scope and projected timelines. The proposed option, however, includes a substantial portion of undefined project scope and schedules, that could materially change total program administration costs; this has led us to use an alternative approach for estimating administrative needs.

Between 2021 and 2023, PPS spent approximately \$37 million in bond program administration, including \$7 million in bond issuance costs. Annual expenses vary based on the number and nature of active projects, as well as the timing of large expenditures, such as bond insurance payments. It's important to note that expenses for the GO bond program fluctuate over its life cycle—initially slow, accelerating as new projects begin, and tapering off as projects near completion. Given that PPS oversees multiple overlapping GO bond programs, this structure allows for cost efficiencies but also necessitates a careful understanding of individual program expenses, as some costs are shared across programs.

The 2020 GO bond program currently has a program administration budget of \$62 million, with \$20 million already expended. Given that approximately 60% of the funds have been utilized so far, we expect the total administration costs to remain significantly below budget.

The budget for the 2025 GO bond administration is set at \$42 million, which represents 2.5% of the total program costs. While this is lower than in previous programs, it remains achievable through strategic planning for future revenue sources, such as bond premiums, to cover expenses like bond issuance. Additionally, anticipated future GO bonds can help offset some costs, and careful monitoring of annual expenditures will help the program stay within budget.

Contingency - \$83M

Program contingency is a risk management tool used to buffer against unanticipated costs, such as:

- Higher than anticipated cost escalation
- Building code or zoning code changes
- Emergency facility needs
- Or any other unforeseen cost, either discretionary or nondiscretionary

The majority of the funding in the proposed option is allocated to Modernizations, totaling \$1.150 billion. As noted above, the goal is to complete the three high school modernization projects with only \$640 million of proposed GO bond funding, significantly under the total Modernizations funding amount. Savings from the high school modernization projects will be used to modernize elementary schools and middle schools. This approach effectively establishes a robust modernization risk management strategy that does not need additional program contingency.

The proposed option includes a 5% program contingency to support (i) unanticipated non-modernization cost overruns for scopes such as technology, curriculum, athletics, or administration; and (ii) discretionary additional scope of work allowed within the GO bond language and parameters. As noted previously, all program contingency is ultimately spent on GO bond projects.

Draft Bond Language

PPS bond counsel is preparing forms of ballot documents and the supporting resolution. Those cannot be finalized until the decisions are made on the bond package components. Staff anticipates sufficient guidance from the Committee at the December 2 meeting to have draft documents for the Board's review and discussion at the December 17 meeting..

Resources

GO Bond Planning

- January 23, 2024 Board Work Session
<https://meetings.boardbook.org/Public/Agenda/915?meeting=618340>
- February 28, 2024 Facilities & Operations Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=624188>
- March 20, 2024 Facilities & Operations Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=628478>
- April 17, 2024 Facilities & Operations Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=632063>
- May 17, 2024 Facilities & Operations Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=638812>
- June 26, 2024 Facilities & Operations Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=642683>
- Staff Memo: Bond Timing (June 6, 2024)
<https://meetings.boardbook.org/Documents/WebViewer/915?file=60fdf39c-3842-4a0e-89a4-0d-fb832cddfbb>
- October 21, 2024 School Facilities Improvement Oversight Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=659500>
- November 6, 2024 School Facilities Improvement Oversight Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=662219>

Exhibit A: Proposed General Obligation Bond Option (12.02.2024)

Physical Facility Improvements	\$265,000,000
Deferred Maint & Priority Scope	\$190,000,000
Athletics	\$75,000,000
Educational & Technology Improvements	\$242,000,000
Technology	\$176,000,000
Physical Education	\$10,000,000
Curriculum	\$56,000,000
Modernizations	\$1,150,000,000
Jefferson High School	INCL ABOVE
Cleveland High School	INCL ABOVE
Cleveland High School - Powell Park Option	INCL ABOVE
Ida B Wells High School	INCL ABOVE
Elementary and Middle Schools	INCL ABOVE
Admin	\$41,425,000
Contingency	\$82,850,000
<i>Total</i>	<i>\$1,781,275,000</i>
Rounded Total	\$1,800,000,000

Exhibit B: Staff proposed Athletic Improvements (11.20.2024)

ATHLETIC FACILITY IMPROVEMENTS					
Facility needs are based on the PPS Ed Spec and Long Range Facility Plan [letter] after an item indicates a content note; see Notes below this chart.	LRFP		Staff Memo March 2024	High School Completion March 2024	
High School Athletic Hubs					
Jackson HUB [c]	X	X	\$29,725,142		
Marshall Campus HUB [c]	X	X	\$31,413,801		
Whitaker HUB [c]	X	X	\$40,942,521		
Middle School Turf & Lights					
West Sylvan [c]	X			X	\$16,545,970
Ockley Green [c]	X	X	\$16,917,890		
George [c]	X	X	\$16,545,970		
Hosford [c]	X			X [d]	
Lane [c]	X	X	\$16,917,890		
Beaumont [c]	X				
Roseway Heights [c]	X	X	\$16,545,970		
High School Improvements					
Benson Track [a]			n/a	X	n/a
McDaniel Field House [b]			n/a		
Roosevelt Grandstand [c] [j]			n/a	X	n/a
Roosevelt Turf Baseball, Softball and Hitting Facility [c] [j]				X	\$27,351,175
Grant Lights [a]				X	\$1,133,401
Grant Seating [a]				X	\$8,648,806
Franklin Upper (turf, lights, hitting facility) [c]	X			X	\$21,790,078
Powell Park Turf [d]				X [d]	
			\$169,009,186	\$75,469,430	

NOTES:

- a) Improvement per board resolution, funding source TBD.
- b) Improvement to support PIL HS and Youth; mixed funding including community, PPS Facilities.
- c) Ed Spec requirement and/or Long Range Facility Plan improvement priority; anticipated funding through school bond, including future and past bonds.
- d) Cleveland HS athletic facilities as a stand-alone scope are not incorporated into 2024 athletic facility bond planning, they are under the modernization project budget.
- e) No estimate. East Sylvan school site constraints require study to determine field feasibility/extent of work.
- f) Revenue and maintenance plan assumes rental funds support athletic track and field refurbishments and replacements.
- g) Dedicated maintenance equipment is assumed incorporated into project equipment budget with supplies procurement under revenue and maintenance plan.
- h) March 2024 planning assumed: 1) Marshall Hub scope included baseball and softball 1) Franklin access to baseball and softball accommodated at Marshall, and 3) less detail in contingencies. The updated estimate assumes design, estimating, and construction contingencies carried as separate variables.
- i) Estimates based on historic PPS project data: \$28/SF is used to calculate project costs for turf fields based on turf field projects at Wells, Jefferson, Marhsall, and McDaniel, hard costs are adjusted to 2022 costs and escalation applied. Assumptions also include \$790k for field lighting plus \$25k allowance for electrical service based on Musco ROM (quote) from late 2019, adjusted to 2022 costs. Middle school fields assumed to be combined use Soccer/Football/Lacrosse; with Baseball and Softball. Estimated field area is an average; surveyed site conditions will determine actual project area.
- j) RHS field athletics scope is assumed to be a single project for efficiency in permitting processes.
- k) Maintenance equipment, refurbishment and replacements, and property replacements or purchases were not incorporated into bond scenarios through Q1 2024.

Investing in PPS Native American Students

Bond Package Investment: \$(TBD) to support Native Students, Families, Staff, Community

The Vision:

The Center for NATIVE Student Excellence comprises a constellation of academic programs, strategies, supports, and experiences reinforced by physical infrastructure. Each of these elements work in coordination to create a transformational Approach to Native student learning.

Current State:

As the Original Peoples to this land, tribal people (Native students, families, district staff and Native community) continue to be invisible and undervalued. Decades of underinvestment, systemic racism, lack of coordinated systems of support, and discriminatory practices have resulted in an enduring opportunity and achievement gap for Native students in Portland.

Mission:

- Advance a culture of **Native** excellence while meaningfully integrating joy and healing;
- Unify and elevate the **Native** educational experience; and
- Improve outcomes for **Native** students
- Utilize and validate the Indigenous knowledge of **Native** staff and community

The Pathway:

The Center for Native Student Excellence

The Result:

- Increase sense of belonging from a Native perspective
- Increase level of understanding and implementation of learning designs used in Native cultures
- Make visible, affirm, and grow the expertise of Native staff at all levels
- Involve Native families and communities in Native student learning
- Increase Native Academic Outcomes in alignment with Board Goals and PPS Strategic Plan
- Increase wellness and interconnectedness in building a culturally sustaining school district and Native leaders in all academic fields (both youth and adult)

PPS School Board Goals:

School Board Goals 2022-2027:

Includes increasing:

3rd grade reading for Native American Students by 6.1 percentage points per year

5th grade mathematics for Native American Students by 3.5 percentage points per year

8th grade readiness for Native - American Students by 1.1 percentage points per year

High School Graduation for Native - American Students by 7.6 percentage points per year

Data shows we have not met any of these goals, and growth that has occurred has not been consistent over time.

Work to date:

PPS has expressed a focus on serving Native students. Black and Native students have been identified as two of our focal student groups. Currently, PPS has identified the Center For Black Student Excellence as a vital element of bond work. There is no identified similar project to serve Native American students, despite the significant racial achievement gaps in all measured categories.

In 2021 PPS attempted to shift the Indian Education Title IV Program from Funded Programs, which it was placed as a result of historical federal education trust relationships, to another department (RESJ). At the time the Native community -comprising Native students, families, Native organizations, and PPS Native staff- came together and shared with District leaders, the Superintendent and School Board on the unique historical relationship between tribal nations and federal education policy. Specifically, growing and changing Indian Education Programs requires student, parent, community and district Native staff involvement and consent, which had not occurred.

As a result of the harm that was caused to the Native community, and specifically to the PPS Native staff, the Superintendent created a Native Staff Advisory Council. The vision of the Native Staff Advisory Council is to create space for Native perspectives and for the District to (better) hear and address the needs of Native youth, families, staff and community, as guided by the Native Staff Advisory Council. Additionally, PPS Indian Education Program has an Indian Education Parent Community. However, this work does not have a comprehensive design, in facility and operations, nor in academics. PPS should center the specific needs of our Native students by utilizing the expertise and educational pedagogy of our Native educators, internal PPS Native Administrators and staff, higher education partners, and local and national Native agencies located in Portland.

A Center for Native Student Excellence will establish a focus and facility which centers Native American values, supports Indian Education Title IV compliance, complies with Oregon mandated Native curriculum implementation of [State of Oregon Tribal History Shared History](#) welcomes all Native students and families, including those who identify as Native but do not qualify for enrollment in PPS Indian Education Title IV program due to lack of enrollment in a federally recognized tribe.

Provide a district-wide center for gathering tribal knowledge and successful educational strategies to improve academic and wellness outcomes for Native American students within PPS from birth to age 21, in alignment with Free and Appropriate Public Education.

Submitted by Julia Brim-Edwards



Bond Curriculum Update November 25, 2024

Introduction:

Following the November 6th School Facilities Improvement Oversight Committee (SFIOC) Meeting, this [document](#) was prepared in response to questions that emerged. Recent developments have further urged curriculum reductions be identified at a \$7M annual spending rate, or \$56M total within the Spring 2025 Bond Curriculum proposal.

Bond Curriculum at a \$7M Allocation Annually:

While [ODE’s Instructional Materials Schedule](#) requires districts to be in compliance with the adoption cycles, it also allows a two year postponement period with each content area prior to being out of compliance. With a \$7M allocation, we would need to separate the Social Studies Adoption over two years, likely beginning with 6-12th in 2025-26 and then completing K-5th during the 2026-27. The reason for this is illustrated below in a detailed overview of “year 2 2025-26”, showing what had previously been outlined.

	2025/2026	Fall 2026			
2			Admin		219,817
			Social Sciences	K-12	9,855,749
			Electives		1,713,447
			Digital Resources		2,393,980
			VAPA	K-12	2,000,000
			Contingency		300,000
			Total	16,482,993	

What can we do with a \$7M Funding Level over 8 years:

First it is important to note, this plan takes into account \$2,875,191 of reductions for curricular support this year. This would be most felt in the areas of Science adoptions, Electives, and Digital Resources (if possible), and would eliminate any contingency.

Year	Budget Year	Implementation	Content Area	Grade Levels	Estimated Cost	Total
1	2024/2025	Fall 2025	Science	9-12	3,224,925	7,000,000
			Health	K-12	0	
			TSEL	9-12	1,198,094	
			Electives		0	
			Digital Resources		2,439,177	
			Curriculum Refresh Requests	K-12	900,856	
			Contingency		0	
			PE	6-12	300,000	
			DLI WL	9-12	0	
			2020 Bond Remaining Amount		-1,063,052	
			Total			

Planning for \$7M annually would require moving to the following curriculum adoption schedule (or similar approach).

PPS Curriculum Adoption Schedule at \$7M Annually:

Content Area Adoption	Adopted Year	For use in classrooms by Fall:	Materials Must Be Adopted By Fall (Postponement Period Ends):
World Languages	2020	2021	2023
English Language Arts & ELD	2021	2022	2024
Math	2022	2023	2025
Science Note: 9-12 in progress	2023	2024	2026
Health	2024	2025	2027
Social Sciences Part 1	2025	2026	2028
Social Sciences Part 2	2026	2027	2028
English Language Arts Part 1	2027	2028	2030
English Language Arts Part 2	2028	2029	2030

World Languages, PE, Arts (postponed)	2028	Postponed	Postponement Period Ends Fall 2029 Note: Will go into corrective action with ODE per Division 22s
Math	2028	Postponed	Note: This also requires extension of current contracts, resulting in costs to be further analyzed.
Math Part 1	2029	Part 1 Implemented Fall 2030	Note: This also requires extension of current contracts, resulting in costs to be further analyzed.
Math Part 2	2030	Part 2 Implemented Fall 2031	Note: Will be out of compliance and in corrective action for Math
Science	2029	Postponed	2032
Science Part 1	2030	Part 1 Implemented Fall 2030	2032
Science Part 2	2031	Part 2 Implemented Fall 2031	2032
Social Science Part 1	2031	Postponed	2034
Completed with 2020 Bond funds			
Currently in progress			

Further Considerations:

The Bond 2020 allowed for PPS to come into immediate compliance with this in mind, contracts are set to end at varying times (not all in alignment with ODE’s cycles). The long term planning initially outlined from June-November 2024 allowed for PPS to come into compliance and on schedule with ODE’s curriculum cycles, while also taking into consideration all costs associated Curriculum adoption includes all instructional tiers (Tiers 1-3)¹ .

Planning for \$56 million of new Bond funds, requires PPS separate out core content areas over two years. As shared above, it is allowable to postpone each scheduled content area two years after the adoption year without being out of compliance. The above outlined schedule leans on this approach, by creatively stretching resources, while also meeting the requirements of Division 22. The downside of this also requires that PPS focus on core academic adoptions and for the foreseeable future potentially pause World Language, PE and VAPA adoptions, or to create a different path for alternate funding outside of

the Bond funds. With the two year approach for content area adoptions (Part 1 and Part 2 of Social Studies as an example), it is possible PPS could add in an allocation for World Language, PE and VAPA by requiring secondary to adopt textbooks only, hence potentially creating more room to fund more content areas with bond funds. One challenge is, many vendors no longer offer a textbook only price, as it is often coupled with a digital option. Further analysis is required in alignment with actual vendor costs.

Additionally, as noted within the \$56M bond monies, by the year 2030 Math adoptions will be required and licenses will run out (previously scheduled for 2028-29). To ensure continued compliance with ODE, and to maintain the necessary funding for renewing licenses and adopting new Math curriculum, alternative funding options still need to be identified. The original schedule was designed to address the expiration of current licenses.

The \$56M budget model includes assumptions for significant reductions in digital applications, based on our current plan of reducing and not renewing contracts. However, further analysis will be necessary to ensure these reductions can be achieved in a sustainable way. It's important to note that this model does not account for contingencies, electives, or AP/IB courses, and to fund Tier 3 interventions, an alternative funding source will need to be identified. Additionally, translation of materials is not included in this budget. While the \$56M allocation presents challenges, including potential risks to meeting minimal requirements by 2030, there is a plan to look for other funding options.

Discussion of Next Steps:

With this approach of \$7M Bond Curriculum Allocation, several steps will need to begin as soon as possible. All digital applications, funded by Bond, will need to be reviewed with two primary lenses.

1. Is this digital application essential to Tier 1 Instruction and or does it serve as a Student Information System, or support assessment?
2. Does this digital application support Tier 3 Instruction?

Tier 3 Instructional materials, both digital applications and curriculum renewals and refresh, will need to shift to Title 1 funds as soon as possible, where capacity allows and moving forward will need to sit outside of bond funds. Translation of materials is also not accounted for, which will require alternate approaches. The 9-12 Science adoption will need to prioritize textbooks over digital resources, if possible.



Bond Planning

School Facility Improvement Oversight Committee

December 2, 2024





Agenda

- Scope of Work
 - Physical Facility Improvements
 - Athletics
 - Technology
 - Curriculum
 - Modernizations
- Finance Considerations
- Next Steps



Proposed Option

Physical Facility Improvements	\$265,000,000
Deferred Maint & Priority Scope	\$190,000,000
Athletics	\$75,000,000
Educational & Technology Improvements	\$242,000,000
Technology	\$176,000,000
Physical Education	\$10,000,000
Curriculum	\$56,000,000
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Cleveland High School	INCL ABOVE
Cleveland High School - Powell Park Option	INCL ABOVE
Ida B Wells High School	INCL ABOVE
Elementary and Middle Schools	INCL ABOVE
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Contingency	\$82,850,000
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Rounded Total	\$1,800,000,000



GO Bond Option Parameters

1. Target a total bond between \$1.5 - \$1.8 billion
2. Plan for an 8-year bond cycle
3. Retain the existing tax rate
4. Plan for the May 2025 ballot measure



Deferred Maintenance & Priority Scope: \$190m

SAMPLE

Deferred Maintenance	Est Project Cost Range	Est # of Projects	Total
<i>Emergency & Unplanned Projects (annual)</i>	\$5,000,000 - \$10,000,000	*	\$60,000,000
Roof Replacement	\$5,000,000 - \$7,000,000	9 - 12	\$60,000,000
Exterior Enclosure Improvements	\$2,000,000 - \$4,000,000	3 - 5	\$10,000,000
HVAC System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Plumbing System Major Repairs	\$250,000 - \$1,000,000	5 - 20	\$5,000,000
Electrical System Updates	\$1,500,000 - \$2,500,000	6 - 10	\$15,000,000
Fire Alarm Upgrades	\$250,000 - \$500,000	5 - 10	\$2,500,000
Playground Equipment Replacement	\$100,000 - \$250,000	10 - 25	\$2,500,000
New Elevators	\$1,000,000 - \$2,000,000	1 - 2	\$2,000,000
Site Improvements	\$50,000 - \$250,000	4 - 20	\$1,000,000
Priority Scope Improvements			
New HVAC Systems	\$8,000,000 - \$12,000,000	1 - 2	\$15,000,000
Security Improvements	\$500,000 - \$2,000,000	1 - 4	\$2,000,000
Seismic Improvements	\$5,000,000 - \$10,000,000	1 - 2	\$10,000,000
<i>* Estimated annual allocation</i>			\$190,000,000



Athletic Improvements: \$75m

1. West Sylvan Middle School (turf and lights)
2. Roosevelt High School (turf for baseball, softball and hitting facility)
3. Grant High School (lights at track and new seating)
4. Franklin High School (turf and lights for baseball, softball and hitting facility)



Technology Improvements: \$176m

Project	Years 1-4 Amount	Years 5-8 Amount	Total
Business Modernization/ERP	\$38 million	\$0	\$38 million
Staff & Student Device Refresh	\$35 million	\$35 million	\$70 million
Data Center/Classroom Tech/Infrastructure	\$25.5 million	\$25 million	\$50.5 million
Cybersecurity	\$3.5 million	\$4 million	\$7.5 million
HVAC and Energy Sustainability	\$10 million	\$0	\$10 million
Total	\$112 million	\$64 million	\$176 million



Curriculum: \$56m

- Provides \$7M annually over 8 years in support of curriculum adoptions
- New schedule stretches out core content adoptions over two years and required “postponement” of adoptions within an allowable two year window
- Is not intended to be the sole funding source for all adoptions
- Requires immediate reductions, while also maintaining compliance with the Oregon Department of Education’s outlined curriculum adoption cycle



Modernizations: \$1.150b

HS Projects	2020 Bond Funding	Proposed Bond Funding	Project Budget Target
Cleveland HS	\$20,000,000	\$340,000,000	\$360,000,000
Ida B Wells HS	\$20,000,000	\$340,000,000	\$360,000,000
Jefferson HS	\$366,000,000	\$0	\$366,000,000
	\$406,000,000	\$680,000,000	\$1,086,000,000

Proposed Option

Total Modernization Funding	\$1,150,000,000
Ida B Wells HS Funding	(\$340,000,000)
Cleveland HS Funding	(\$340,000,000)
(Potential) Available for Elementary & Middle Schools	\$470,000,000

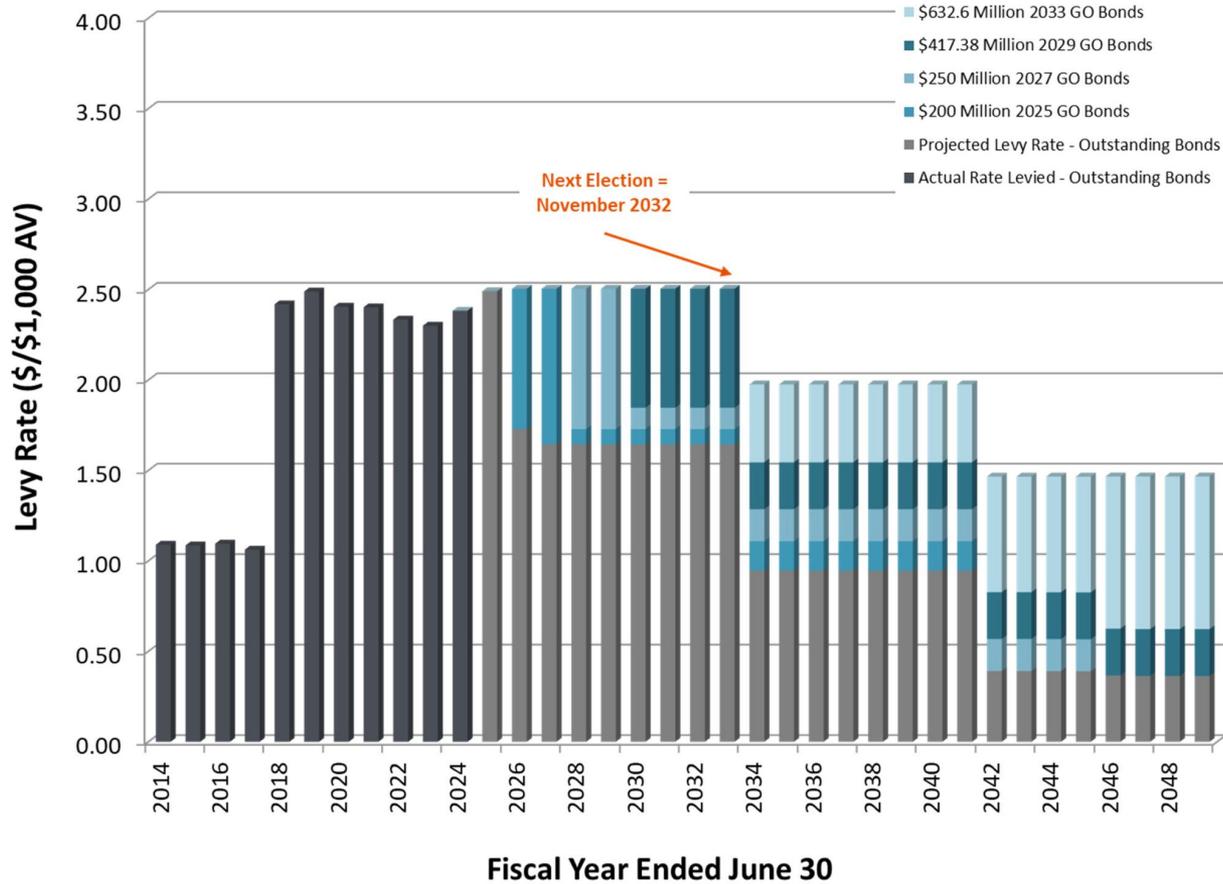


Finance Considerations

	Approx Bond Amount (Principal)	Estimated Total Interest	Total Rev Needed	Approx Interest as % of Principal	Approx Length of Authorization	Estimated Levy Rate	Potential Next Bond
A.1 Use available capacity below (e) levy rate 8-year debt term	\$450M	\$90M	\$540M	20%	8 years	\$2.50 / 1000 (renewal)	2032
A.2 Use available capacity below (e) levy rate 12-year debt term	\$850M	\$250M	\$1.1B	30%	12 years	\$2.50 / 1000 (renewal)	2036
A.3 Use available capacity below (e) levy rate variable debt term	\$850M	\$325M	\$1.175B	38%	16 years (8 year drop)	\$2.50 / 1000 (renewal)	2032
B.1 \$1.5B principal amount retain (e) levy rate	\$1.5B	\$575M	\$2.075B	38%	20 years (16 year drop)	\$2.50 / 1000 (renewal)	2040
B.2 \$1.5B principal amount increase levy rate to \$3/1000	\$1.5B	\$250M	\$1.175B	17%	16 years (12 year drop)	\$3.00 / 1000 (\$0.50 increase)	2036
C.1 \$1.5B principal amount 8-year debt term	\$1.5B	\$300M	\$1.8B	20%	8 years	\$4.50 (\$2 increase)	2032
C.2 \$1.5B principal amount 12-year debt term	\$1.5B	\$400M	\$1.9B	26%	12 years	\$3.25 (\$0.75 increase)	2036
D.1 \$1.5B principal amount retain (e) levy rate variable debt term	\$1.5B	\$950M	\$2.45B	64%	24 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
E.1 \$1.8B principal amount retain (e) levy rate variable debt term	\$1.8B	\$1.7B	\$3.5B	95%	32 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
E.2 \$1.8B principal amount retain (e) levy rate retire debt ASAP	\$1.8B	\$800M	\$2.4B	44%	16 years	\$2.50 / 1000 (renewal)	2043
F.1 \$2.2B principal amount retain (e) levy rate variable debt term	\$2.2B	\$2.1B	\$4.3B	95%	32 years (8 year drops)	\$2.50 / 1000 (renewal)	2032
G.1 \$3.0B principal amount retain (e) levy rate variable debt term	\$3.0B	\$2.5B	\$5.5B	82%	38 years (16 year drop)	\$2.50 / 1000 (renewal)	2040



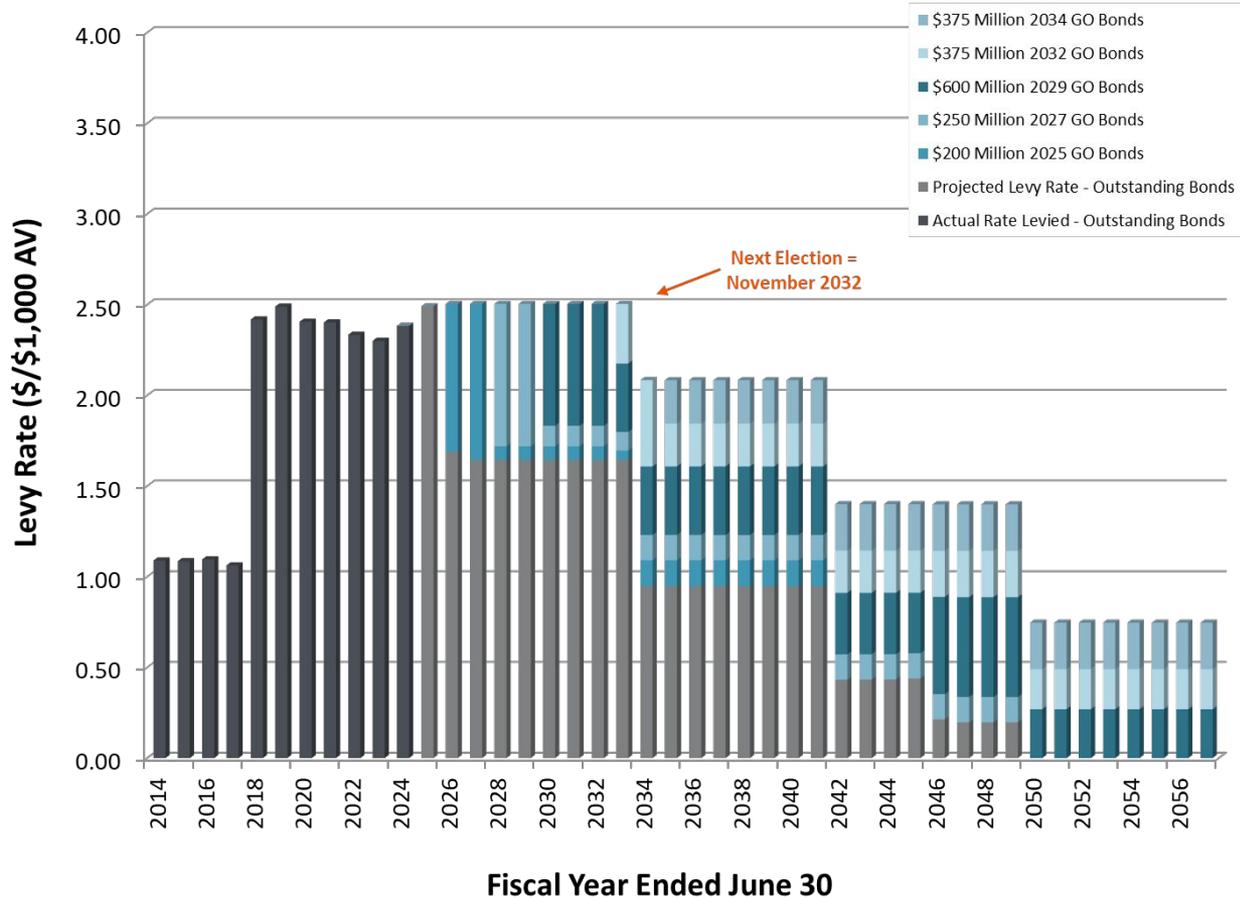
Projected levy rates: D.1 \$1.5 billion





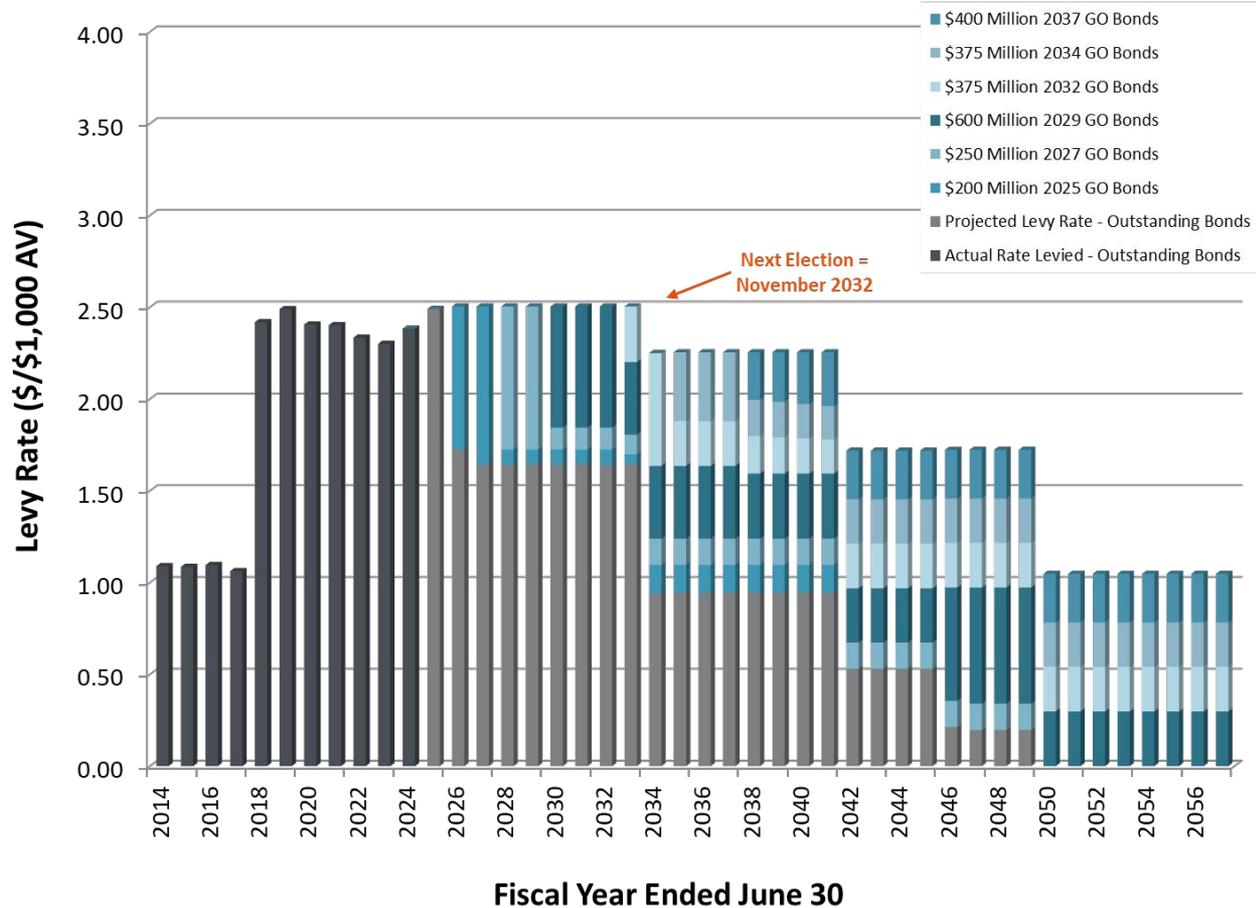
**Projected levy rates:
E.1 \$1.8 billion**

Note: interest payments as % of principal could be reduced by shortening average length (maturity) of bonds





Projected levy rates:
F.1 \$2.2 billion





Questions?



Next Steps

- Revise and finalize GO Bond option based on feedback
- Draft bond language
- Refer Go Bond to voters

<p>This document was distributed prior to the SFIOC meeting (12/2/24) and some of the answers may change by the time the Board votes to refer the bond on 1/7/25</p>				
<p>BOARD QUESTIONS - GO BOND - 12 02 2024</p>				
<p>QUESTION</p>	<p>RESPONSE</p>			
<p>1. What was the basis/rationale for the new budget numbers for Cleveland and Ida B Wells-Barnett? Not disputing them, just wanting to know how you landed on those numbers given they are very different footprints and designs.</p>	<p>The Cleveland and Wells target budgets are designed to align with the goal of reducing total costs to levels comparable to similar projects, while also maximizing the allocation of GO bond funds to benefit the greatest number of schools. The ongoing redesign efforts by the modernization teams will assess the feasibility of meeting these budget targets.</p>			
<p>2. To clarify, the staff option has no funds for Jefferson. All funding will be from the 2020 Bond?</p>	<p>That is correct.</p>			
<p>3. What was the approved budget for Benson (excluding MPG)? What is the size or the expected size of the Benson cost overrun or that is currently in dispute. Is there any possibility that 2025 bond funds would be used to cover that?</p>	<p>\$320,100,892 - Budget for Benson at the time of the GMP amendment execution (excluding swing site construction and MPG)</p> <p>Andersen has notified PPS that it has received notices of claims from its subcontractors. As required by the our contract with Andersen, Andersen is vetting the validity of those claims according to their contracts with those subcontractors. After they complete that process, they will submit claims that are contractually valid to PPS. Then OSM will evaluate those claims for contractual validity and pay those deemed valid. We expect it will take 90+ days from now to receive those claims from Andersen.</p> <p>We do not anticipate a scenario where 2025 bond funds will be used to cover construction claims from the Benson project.</p>			
<p>4. When will the Cornerstone report be done? (asked in a previous memo)</p>	<p>Answer provided in previous email.</p>			

<p>5. The option has deferred maintenance at \$190M and there is a list of how the funds could be utilized, but that is not a plan. Do you have a eight year plan for maintenance improvements, with the expectation that there will be some modifications to respond to emerging needs.</p>	<p>As outlined in previous materials, the total capital needs are extensive and varied, offering multiple allocation possibilities. The current option proposes directing the savings toward the modernization of future elementary and middle schools.</p> <ol style="list-style-type: none"> 1. Deferred Maintenance (addressing broken assets) 2. Capital Renewal (planning to address assets that will break) 3. Priority Scopes of work (new improvements) <p>Deferred Maintenance - As noted in previous staff memos, staff have estimated the cost to address the facility deficiencies noted in the 2021 FCA at \$992 million over 10 years.</p> <p>Capital Renewal - The APPA benchmark for annual investment into capital investment is 3% of Current Replacement Value (CRV), or \$171 million per year. This is a necessarily rough estimate, however assuming \$100 million per year to maintain existing conditions is a reasonable assumption.</p> <p>Priority Scopes of Work - Priority projects that are not included in deferred maintenance include seismic retrofits, athletic improvements, added air conditioning, security improvements, etc.</p> <p>Given above, \$190 million (over 8 - 10 years) is a significant amount of money, but also a relatively small investment considering the size of PPS's portfolio and existing conditions. The sample scenario assumes roughly one-third of this amount will be needed to address emergency and other immediate high-priority projects. The remaining is allocated to address some of the most critical needs, however each category could use additional investments.</p>			
<p>6. If there were \$470M in additional funds why wouldn't it go into deferred maintenance given the need? (maybe your definition of elementary and middle school modernization is actually deferred maintenance but that is unclear)</p>	<p>As highlighted in previous materials, the total capital needs at deep and broad and could be allocated in a number of ways. The current option recommends allocating the savings to modernize future elementary and middle schools.</p>			
<p>7. Technology improvements: Does the staff and student device refresh enable the 1:1 deployment along with continued refreshes and renewed purchases over the 8 years. What is the life cycle of the devices be under this plan (versus the current 5 years)?</p>	<p>Yes, the current funding request includes a current refresh of staff and student devices, and another refresh during the 8 year bond. The ideal refresh rate is a 4 year cycle which is what we are targeting for the district.</p>			
<p>8. Will the budget provide for a complete transition to a new ERP system?</p>	<p>Yes. The budget proposed provides for a complete transition to the new business modernization platform as well as repository for the historical information in the current system that will still need to be available and accessible.</p>			
<p>9. Curriculum: I've asked several times about benchmarking on our curriculum costs which seem very high, including the resources spent on digital assets. Have we done any benchmarking against other large Oregon districts (Beaverton, Hillsboro, Salem)?</p>	<p>Costs for adoptions take into account the student enrollment multiplied times the cost of the materials selected. As our enrollment is higher, the projected costs are as well. Also, in PPS we have had high costs for translating materials into our 5 DLI languages (sometimes not Spanish as some materials provide versions in Spanish). https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/Linked-%20Funding%20Curriculum%20Adoptions%202024%20and%20Beyond.pdf</p>			

<p>10. Modernizations: The staff option sets a new budget for CHS and IBW and says that "once updated plans are finalized, they will be presented to the Committee" (page 4). That will be before the referral?</p>	<p>The Jefferson, Cleveland and Wells project teams are working on cost reduction options, and a process for how to best consider and review options. The process will several iteratives steps including:</p> <ol style="list-style-type: none"> 1. Develop Primary Options 2. Stakeholder Feedback on Options 3. Redesign & 3rd Party Cost Estimating 4. Presentation of New Design (updated Comprehensive Plan) 5. Approval to proceed <p>The teams are still in the planning mode, however we aim to have initial cost savings options by end of January. This work will not be completed prior to referral. We are happy to provide a process outline to the board or SFIOC in coming weeks.</p>			
<p>11. Define what you mean by "modernizing elementary and middle schools"? When will the Board and staff discuss those modernizations and make decisions on inclusion into the bond package?</p>	<p>The idea of modernizing middle schools and elementary schools after the high schools are complete has been discussed conceptually, but with limited specifics. Specific schools and scope has not been discussed or determined. To be sure, many decisions would need to be made prior to proceeding with these projects, including:</p> <p>Selection Criteria - identifying the criteria for which future elementary or middle schools would be selected for modernization. Criteria could include school type, facility condition, educational programmatic needs, need/availability of temporary housing, enrollment, location, cost, etc.</p> <p>Scope of Work - PPS has existing education specifications for elementary and middle schools, however considering the variety of school conditions (for example elementary schools range from 40k square feet to 80k+ square feet) decisions pertaining to the extent of modernization will need to be made.</p> <p>Decision Making Process - maybe most importantly will be determining how these decisions will be made: the process, type and amount of stakeholder feedback, final decision authority, etc.</p> <p>The above decisions, and more, will need to be made prior to proceeding with ES or MS modernizations. And considering the amount of capital work remaining from the 2020 bond authorization, and new scope (both modernizations and other) from a 2025 bond, we would not expect to begin work on new elementary or middle school modernizations for a number of years.</p>			

<p>12. Admin costs: on page 5, there is a reference that the admin costs of the 2020 are expected to "remain significantly below budget". How much below and what are the reasons for the projections being off? Is it because almost a 1/3 of the bond money hasn't been spent yet (e.g. Jefferson and CBSE) or it was overestimated?</p>	<p>The 2020 Bond Administration budget of \$63,098,640 was calculated at 6% of the total bond budget not including contingency. This was based on studies of previous bond administration spending. Some administrative costs that benefited both the 2017 and 2020 bond work were paid for by 2017 bond funds, reducing the burden on 2020 Bond funds. The blend of contracted administrative work and direct PPS administrative work also contributes to the Administrative spending being lower than originally projected.</p> <p>2020 Bond administrative spending to date is ~\$19.7 mil, and the estimated total administrative spending at completion is \$57.7 mil, which is ~5.5% of the original 2020 Bond Budget not including contingency or revenue. Current projection predict 2020 Bond administrative spending at completion to be about \$5.4 mil under budget, which represents about 8.6% of the 2020 Administration budget.</p>			
<p>13. Contingency costs: on page 5, it lists that at \$83M yet it appears in the 2020 bond most categories and modernizations also have a contingency. Can you share what the contingencies are for each of the categories so we have an understanding of the total contingencies?</p>	<p>I think the question is asking to delineate "project" contingency from "program" contingency.</p> <p>Project Contingency - All projects include a project contingency to account for uncertainty and risk. Project contingency amounts vary based on a number of factors including scope, novelty, amount of pre-construction activities, etc. The 2012, 2017 and 2020 bonds have managed hundreds of projects over the years including small, simple, or routine projects having minimal project contingency while more complex projects having larger contingencies. The general rule of thumb is that new construction projects begin with 10% contingency and renovation projects begin with 15%. Modernization projects generally follow this rule.</p> <p>Program Contingency - Program contingency is in addition to project contingency. Program contingency is a risk management tool used to address unexpected costs, both discretionary and non-discretionary. For example, if a project requires additional funding above the allocated budget, program contingency can be used to support and complete that project. Conversely, when projects come in under budget, the savings is transferred to program contingency. Another example is if PPS elects to increase the scope of a project, or allocate funds for a new project, program contingency can be used for this elective work.</p>			
<p>14. Provide the total project cost of each of the modernizations (high schools, Faubion, and Kellogg)? Please note which of the high schools had child care and a health center included.</p>	<p>Depending on the project there are other contingencies that are for targeted uses.</p> <p>Ultimately all project and program contingency are spent on bond projects and expenses.</p>			
<p>14. Curriculum: It seems that PPS is captive to the requirement that the district must buy a textbook and the digital option and that makes it more expensive. Have other districts found a way to pursue textbook only option when that will support our students versus what they want to sell us and potentially upselling us. (note: page number on the document)</p>	<p>Staff will follow up with this information.</p> <p>When embarking on a curriculum adoption, teams can be given guidance to purchase texts only and this does limit the amount of materials that can be reviewed. As curriculum has shifted to being more digital, so have packages that vendors put forward. The short answer is there are ways to look at cost savings with what we select, though some vendors also lock into a digital option even when purchasing texts. While there is some negotiating involved, say asking the vendor to throw in Teachers' Editions, we also work with teacher teams during the process informing from what their perspectives what is needed and perhaps preferred.</p>			

15. Prior to the 2020 bond, what was our annual spend on curriculum? And, what fund did it come from?	We have team members working on this and will need more time to get this information. Also, given the corrective action by state for our lag in curriculum adoption, it is reasonable to say we either did not budget for adoptions through general fund process, or paused the spending. Again, we will dig in more deeply to this question.			
16. With digital licenses, are we paying less given we have fewer students due to enrollment declines?	Our digital costs are based off of per student allocations. All methodology previously shared is connected to enrollment and actual per student costs as well as per student costs, using year projected declining enrollment costs.			
17. What is the cost of curriculum adoption translations? Is that for our DLI programs or something else? How many students does that support?	Our run rate for the cost of curriculum adoptions prior to last year was 30% additional in costs for our five DLI languages. Some vendors provide Spanish.			
18. Does ODE require curriculum adoptions for electives?	ODE requires curriculum adoptions for the content areas stated in the curriculum adoption cycle.			
19. Looking at the ODE Current Instructional Materials Adoption Schedule, the adoption year requirements stop at 2027, does the cycle just repeat itself from 2028-2032.	Yes			
20. Has PPS completed its work promised in the 2020 bond to make every school's main floor accessible by ADA standards? It looks like the only additional ADA work contemplated is 1-2 more elevators, which would mean PPS would continue to not be ADA compliant. Am I missing other investments outside of the high school modernizations?	The ADA scope planned for the 2020 Bond is all under contract and is nearly complete.			
will PPS be able to deliver the modernized high schools with the current ed specs including the fields and related facility improvements for Cleveland, Ida B Wells and Jefferson? Given we don't have the external analysis yet, where did the new estimated budgets come from?				Answer provided in previous email / answered above
The reduction in the high school costs has resulted in a savings of \$470 million and that money is suggested to be redirected to elementary and middle schools modernizations. Can you list what schools those are and what types of modernizations will happen and the costs per school?	Answer provided in previous email / answered above			
"...will PPS be able to deliver the modernized high schools with the current ed specs including the fields and related facility improvements for Cleveland, Ida B Wells and Jefferson?" When you say that you want to "revisit the standards" do you mean "revisit the ed specs" or is it "revisit the design, contracts, materials, etc. and maintain the ed specs"?	Answer provided in previous email / answered above			
Dan: can you send the high school ed specs to the board so that everyone has them or if they have been share previously, point us to the email or meeting?	PPS ed specs can be found here .			
The Cornerstone update we were sent was curious in that it mainly was just general process. When do you think we will actually receive something of substance from them? I noted that our contract with them had an estimated due date of November 30.	Answer provided in previous email / answered above			

The high cost of our high schools has been an issue the board raised with the superintendent/staff/BAC about since 2017, and its concerning that we are also not fully utilizing our bond auditors in an effective way.
When you mention "modernizing elementary and middle school" are you envisioning whole school renovations which is the term for what we have done with the high schools or do you just mean key school building components (mechanical, plumbing, roofs, etc).

Answer provided in previous email / answered above