# Bond Program Budget Update

School Board Meeting
November 10, 2026

BEAVERTON SCHOOL DISTRICT

# Purpose & Background

Purpose

The purpose of this briefing is to provide information to the school board to support a vote on reallocation of program contingency to various bond projects at the December board meeting.

Background

- Each of the last two years, we have asked to allocate program contingency to bond projects. These allocations have considered remaining program needs and risks.
- Program contingency has continued to rise as we realize savings and accrue interest earnings.
- We reviewed the following allocation with the Bond Accountability Committee at the September 9 BAC meeting and they were in support of it.

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# Budget risk is concentrated in Seismic & Security

Six of eight categories are on track. Two carry exposure, and we recommend budget increases for both.

| PROGRAM BUDGET | PAID TO DATE | REMAINING TO SPEND |
|---|---|---|
| $814.9M | $609.6M 74.8% | $223.1M |

| CATEGORY | | BUDGET · PAID VS. REMAINING | PAID / BUDGET |
|---|---|---|---|
| HIGH | Seismic & Security Upgrades | Budget increase needed. | $79.1M / $118.9M<br>66.5% · $39.8M left |
| MEDIUM | Deferred Maintenance | Need exceeds budget; increase recommended. | $82.6M / $97.8M<br>84.4% · $15.2M left |
| LOW | Equipment & Other | Spending to budget. | $78.7M / $132.5M<br>59.4% · $53.9M left |
| LOW | Replacements | All work under contract and going well. | $285.3M / $335.6M<br>85.0% · $50.2M left |
| LOW | PhysEd & Athletics | All work under contract and going well. | $23.2M / $47.2M<br>49.3% · $23.9M left |
| LOW | Modernization | We can spend to budget. | $13.5M / $21.4M<br>62.8% · $8.0M left |
| NO RISK | Classrooms & Offices | All work complete. | $30.4M / $30.8M<br>98.8% · $0.4M left |
| NO RISK | Contingency | Program contingency. | $0.0M / $31.9M<br>0.0% · $31.9M left |

Bar length = category budget  Paid to date  Remaining, by risk: High  Medium  Low  None

RECOMMENDATIONS

ACTION NEEDED

### Seismic & Security Upgrades

Current budget won't cover the remaining scope. A budget increase is required to complete this work.

INCREASE RECOMMENDED

### Deferred Maintenance

Need significantly exceeds the $97.8M budget. Spending can be held to budget, but we recommend an increase to address more of the backlog.

The other six categories are under contract, complete, or spending to budget. Contingency ($30.0M) carries no risk.

# Seismic & Security Upgrades

The seismic upgrades at Highland Park and Whitford Middle Schools will require budget increases. This is not a surprise, and something we have been reporting for the last two years. This increase is consistent with all of the other middle school seismic upgrades.

The two main factors driving the increase:

- Not enough initial budget. The work was more complicated than our original assumptions.
- We have not received any additional state funding via the SRGP program.

Highland Park Middle School: **$12M**

The costs are lower than some of the previous middle schools, largely because we are not needing to do a roof replacement at this time.

Whitford Middle School: **$10M**

Whitford previously had some upgrades which are reducing the overall cost relative to Highland Park.

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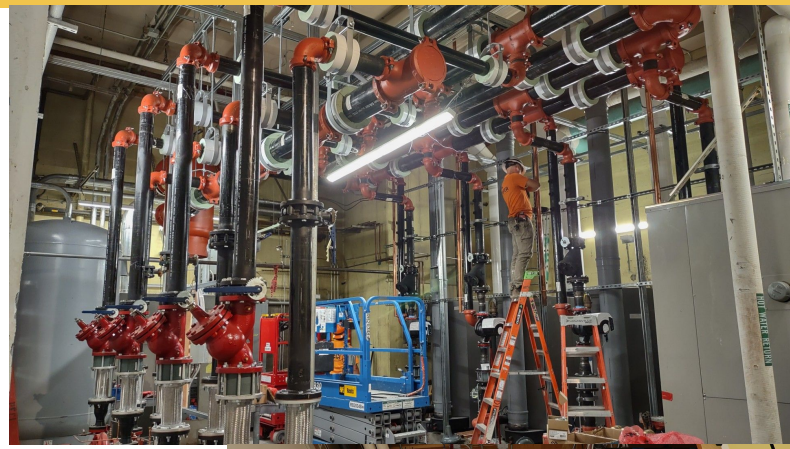
# Deferred Maintenance

Deferred Maintenance: **$6.9M**

The deferred maintenance group of projects is very large. It has over 60 projects to date and has included work at all schools. It has also included several very large HVAC and roofing projects such as Aloha HVAC.

One project in particular that needs a budget increase is the Sunset HS HVAC upgrades. We completed the first half of the project this summer, but the current available budget is inadequate to complete the rest of the school.

In addition to the current transfer, we are recommending that all future program contingency go to deferred maintenance.





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# Modernization Projects: All User Restrooms

Modernization: **$2M**

As part of the 2022 bond modernization projects, we have had the opportunity to upgrade many bathrooms across the district. At the high school level, this has included installing all-user restrooms at Aloha HS and Sunset HS.

We are recommending allocating $1M each to Westview HS and Southridge HS to do the same. We already have designs completed for this work.



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# Program Management & Overhead

Program Management & Overhead: **$1M**

One large component of the management and overhead budget is the Owner Controlled Insurance Program (OCIP).

OCIP premiums were paid upfront based on the projects' original budgets. As several projects, particularly the seismic projects, have increased in cost, an additional premium will be due when the OCIP program is finalized.



# Summary of Transfers

Current Contingency: $31.9M

| | |
|---|---|
| ○ Highland Park MS Seismic | $12.0M |
| ○ Whitford MS Seismic | $10.0M |
| ○ Modernization: All User Restrooms | $2.0M |
| ○ Deferred Maintenance | $6.9M |
| ○ Program Management & Overhead | $1.0M |
| ○ Remaining Program Contingency: | $0 |

As interest earnings, energy incentives, and project savings increase program contingency, available funds will be directed toward deferred maintenance needs.

# Questions?