



BOND ACCOUNTABILITY COMMITTEE REPORT – OVERVIEW OF PROGRESS

POLICY ISSUE/SITUATION

In May 2014, voters approved a capital bond program for the students of the Beaverton School District. The Board of Directors established a Bond Citizen Accountability Committee (BAC) to assist in monitoring the progress of executing the bond program and requested that the Committee provide periodic reports.

BACKGROUND INFORMATION

The Bond Citizen Accountability Committee report for the first quarter of 2017 will be presented to the School Board by the Chair and Vice Chair of the Committee.

The written report is attached. It includes a recommendation to modify the BAC Charter at paragraph 4.a. to read: "*Committee meetings will occur no less frequently than quarterly to reach agreement on the quarterly report to the School Board*".

RECOMMENDATION

It is recommended that the Beaverton School District Board of Directors receive the Bond Program Review Report and provide comments and guidance to the Committee, the Superintendent, and staff. It is also recommended that the Board approve the modification to the BAC Charter noted above regarding the meeting frequency requirements.

District Goal: WE empower all students to achieve post-high school success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

Bond Citizen Accountability Committee Report for the First Quarter of 2017

Section 4.f. of the Committee's charter specifies:

The Committee Chair will draft and submit a written report quarterly, or more often if requested, to the Superintendent and School Board. The report will be structured to address the topics in Paragraph 1(a)–(g) and represent a consensus of committee members. The School Board may request reporting at a regular School Board Business Meeting or School Board Work Session. The committee reports are due from the chair to staff not later than seven days prior to the Business Meeting or Work Session.

At their April 24, 2017 meeting the committee discussed the content of their report for the first quarter of 2017. The following comments reflect committee consensus regarding each element of the bond program of concern to the committee, as listed in Section 1 of their charter:

1. Ensuring that the bond revenues are used only for the purposes consistent with the voter-approved bond measure ballot and consistent with state law;

Based on information that has been provided to the committee on the bond program, committee members are satisfied that this is being done.

b. Alignment with the Bond Program Goals approved by the School Board and Board policies;

The committee continues to be happy that the equity performance (MWSDVE participation) for contractors is exceeding the Board goal of 10%, and also appreciates that the equity performance for consultants is improving and approaching the 10% goal. The committee commends staff efforts to realize this improvement.

c. Reducing long term maintenance, construction costs and improving efficiency and longevity, and innovative practices that achieve these; consistent with district standards and best practices;

Program staff have described technical, education and security standards that are being applied to projects under the bond program. The committee is assured staff has processes in place to meet this objective.

d. Communicating key information related to the bond to District stakeholders.

The committee continues to receive a presentation from staff on their outreach activities for the bond program at each of its meetings. This is a standing item on committee meeting agendas.

The committee is satisfied with staff efforts to communicate with District stakeholders about the progress of the bond program. The most recent issue of “Bond Projects Update” (Spring 2017) provides good information about the various projects presently underway.

e. The committee will receive and review copies of bond program performance and financial reports, and has the option to inspect school facilities and grounds related to bond activities when coordinated with and accompanied by District staff;

The committee was satisfied with the quality of and the information in the reports they received from staff on the status of the bond program during the quarter. Staff has highlighted changes in the budget or schedule status of a project from the previous report and explained the reason for each change. As of the end of March none of the projects listed in the report for the month were in trouble (signified by a red mark in the report) although a couple, Mountainside High School and the Vose K5 replacement, continue showing yellow (watch list) from a schedule perspective and one, the new K-5 in North Bethany, continues to show yellow from a budget perspective. The schedule concerns are largely due to the bad weather over the last several months.

The committee received a presentation from the contractor’s manager for the Mountainside High School project at their April 24 meeting. The committee was assured that there is a rational plan for completion in advance of occupancy.

The committee plans to take a tour of the new Sato Elementary School at its May meeting.

f. The committee will review monthly reports produced by the district in order to assess general compliance with the purposes set forth in the capital improvement program as approved by the voters;

The committee received and reviewed each of the monthly status reports on the bond program prepared by staff for the quarter, and had an opportunity during each of their meetings to ask questions about the reports. The committee finds that, based on the information received, the program is in compliance with the purposes set forth in the information about the program provided to voters in advance of the 2014 election.

g. The committee will perform other reasonable duties requested by the School Board or Superintendent.

At the request of the Board Chair, at our March and April meetings the Citizens Bond Accountability Committee discussed **how to identify and prioritize potential new projects to be funded by the bond program reserve**. Factors considered included decision-making criteria, weighting of criteria, community outreach, timing of the release of reserve funds, equity in the distribution of reserve funds, the risk of increasing project costs due to rising labor costs, and the capacity of district staff to define the scope and estimate the cost of proposed projects in the near term. Based on these discussions, **the committee agreed to the following recommendations:**

1. **With one exception, bond program reserve funds should not be spent on new projects for the next few years.** Several local school districts recently passed bond measures which will increase the demand for the services of local contractors who rely on a limited labor pool. As a result, labor costs are projected to increase, affecting the cost of ongoing and upcoming district projects. As with the recent cost increase for the Aloha High School Title IX project, other pending projects may need additional funding from the bond program reserve to be completed.
2. **Money from the program reserve should be set aside to acquire a second elementary school site in the South Cooper Mountain Area, if determined to be needed.** The South Cooper Mountain community plan calls for two elementary schools in the area. Money to acquire one site is included in the bond program, presently at an estimated cost of \$5.5 million. However, since the bond measure passed in 2014 the second site, which was previously the responsibility of the Hillsboro School District, has now become the responsibility of the Beaverton School District due the recent boundary change between the districts. Given that land in the South Cooper Mountain area is rapidly being acquired by residential developers, the BAC thinks the district should reserve funds for the acquisition of the second school site in the near future unless it is determined there would be sufficient capacity at other schools without a second elementary school in the South Cooper Mountain area.
3. **Discussion of additional projects using bond program reserve funds should not occur for a few years to avoid creating public expectations that the district may not be able to meet.** Again, until the amount of program reserve money that might be available becomes more certain, the committee thinks it would be best not to get into a detailed discussion about new projects.
4. **If, in a few years, it is determined that new projects could be funded from the bond program reserve, the district should engage with its citizens through means such as surveys and focus groups to define and weigh criteria to determine priorities before focusing on specific projects.** The district should attempt to ascertain the level of interest in different types of projects (e.g., safety vs. capacity related) and then define the projects that fall within that category.
5. **When defining new projects, assuming that becomes possible, consideration should be given to increasing spending for fixed budget sub-programs such as District-Wide Facility Repairs and District-Wide ADA Compliance.** Rather than funding a few larger projects, such as a new school, money could be spent on a number of smaller projects, thereby benefiting more people within the district.

Additionally, at the April meeting the BAC members present (three were absent) discussed the possibility of reducing the frequency of committee meetings. The committee charter specifies that “The committee will meet monthly or as requested by the School Board, Superintendent, or District staff.” However, as time has passed, issues requiring the committee’s attention, such as budgetary issues related to the high school and drafting the Cost Management and Control Plan,

have diminished. At this point the committee no longer sees the need to meet monthly. Therefore, **the committee recommends that the School Board allow the committee to meet less frequently, as necessary to fulfill its responsibilities as specified in the committee charter. Meetings would occur no less frequently than quarterly to reach agreement on the quarterly report to the School Board.**

The committee chair and vice chair will attend the School Board's May 15, 2017 meeting to present this report and answer any questions the Board may have about the report.