

Public Comment on the Referral of a 2025
General Obligation Bond
Tuesday, January 7, 2025 5:00 PM

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

Agenda

1. 5:00 pm - Public Comment on the Referral of a 2025 General Obligation Bond



PORTLAND PUBLIC SCHOOLS
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STAFF MEMO

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

Staff provides the following general obligation bond (GO bond) option for review and consideration. The proposed GO bond is expected to maintain a tax rate of \$2.50, which is the same rate that was estimated in 2017 and 2020.

2025 Bond Option	
Physical Facility Improvements	\$269,000,000
Deferred Maint & Priority Scope	\$190,000,000
Athletics	\$79,000,000
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
Ida B Wells High School	INCL ABOVE
Elementary and Middle Schools	INCL ABOVE
Admin	\$83,050,000
Contingency	\$83,050,000
Total	\$1,827,100,000

Scope of Work

Physical Facility Improvements - \$269M

Deferred Maintenance and Priority Scope Improvements - \$190M

The proposed option allocates funds to address deferred maintenance, ongoing capital renewal and priority scope improvements.

Athletic Improvements - \$79M

Included in the Physical Facility Improvements budget is \$79M for athletics. The proposed option includes \$79M to complete specific improvements including:

- West Sylvan Middle School (turf and lights) to support Lincoln High School athletics
- 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)

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

- 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 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, which you will find at the end of this memo, 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. The project teams have been tasked with creating updated, high-level designs that aim to reduce overall project budgets. 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 School Facility Improvement Oversight 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. The funds saved from the high school modernization projects will be reinvested into infrastructure investments at elementary and middle schools.

Administration - \$83M

Program administration includes the resources required to manage and support the bond work, covering staff, bond issuance costs, insurance, and other related expenses.

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

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/WebView/915?file=60fdf39c-3842-4a0e-89a4-0d-fb832cddfb>
- 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>
- December 2, 2024 School Facilities Improvement Oversight Committee
<https://meetings.boardbook.org/Public/Agenda/915?meeting=665611>
- December 3, 2024 Regular Board Meeting
Board discussion; no new materials
- December 17, 2024 Regular Board Meeting
<https://meetings.boardbook.org/Public/Agenda/915?meeting=666567>

Bond Accountability Committee

- December 18, 2024 Bond Accountability Committee Special Meeting
https://drive.google.com/drive/folders/1IM_8zHIS4z3X-gL2hwN_ELyr21Cs3Qrl



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.

Exhibit A

Portland Public Schools May 20, 2025 election

CAPTION (10 words)

Bonds to Improve Health, Safety, and Learning; Modernize, Repair Schools

QUESTION (20 words + required language)

Shall Portland Public Schools repair, modernize schools; increase health, safety; by issuing bonds estimated to maintain current tax rate?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY (175 words)

Measure authorizes up to \$1.83 billion in principal amount of general obligation bonds for school facilities and education investments.

If approved, this measure would finance capital costs, including:

Update, Repair Aging Elementary and Middle Schools:

- Update/replace major building systems, including roofs, siding, heating/cooling

Make Schools Safe and Secure:

- Update safety, security systems
- Seismic upgrades

Modernize, Improve Educational Materials, Technology and Schools:

- Renovate/replace schools, including Cleveland, Ida B. Wells (formerly Wilson)
- Upgrade curriculum materials, technology, including student devices

Increase Extracurricular Opportunities:

- Upgrade/expand high school athletic facilities; create district-wide athletic hubs at Jackson, Marshall
- Update high school performing arts/theater facilities

Exhibit A

Requires community accountability/oversight; independent audits of projects and expenditures

Bonds may be issued in one or more series, each series maturing in 30 years or less.

Due to declining debt service, measure is not expected to increase PPS's bond tax rate above \$2.50/\$1,000 assessed value, the rate that has been targeted since 2017 bond. Actual rates may differ based on interest rates and changes in assessed value.

Exhibit B

May 2025 GO Bond Election

EXPLANATORY STATEMENT (500 words)

If approved, this measure will allow Portland Public Schools to continue to prioritize schools in need of large-scale repairs and replacements to address safety hazards and to fix failing infrastructure.

This measure is not expected to increase tax rates above the level targeted by the 2017 bond.

In 2012, 2017, and 2020, voters approved capital bonds that funded improvements to many of Portland Public Schools's aging buildings, creating modern, safer places for students to learn.

Since 2012, the bond program has fully modernized eight schools, with three more under design. In addition, the bond program has addressed some of the infrastructure needs at every school throughout the District.

Prior investments include:

- Roosevelt, McDaniel, Franklin, Grant, Benson, and Lincoln High Schools, Kellogg Middle School, Faubion PK-8, and the Multiple Pathways to Graduation building were fully modernized.
- Full modernizations of Jefferson, Ida B. Wells, and Cleveland High Schools are in design.
- Health and safety improvements, including:
 - Replacing plumbing to reduce lead and improve water quality;
 - Removing or encapsulating exposed lead paint and asbestos;
 - Upgrading fire alarm and sprinkler systems;
 - Repairing or replacing leaking or deteriorating roofs;
 - Mitigating radon exposure;
 - Strengthening school safety and security.
- Educational improvements, including:
 - Upgrading science labs;
 - Enhancing technology;
 - New curriculum materials.
- Accessibility improvements for children and adults with disabilities.

What Would the Proposed 2025 Bond Fund?

If approved, bond funding would address additional building, health, safety, and learning needs in schools across the District, while continuing PPS's plan to comprehensively address facility needs by improving all of our schools over the long term.

Exhibit B

If approved, the bond funds will:

Update and Repair Aging Elementary and Middle Schools:

- Update or replace leaking or deteriorating school roofs, mechanical systems (heating and cooling), and other building repairs

Make Schools Safe and Secure:

- Update safety and security systems - including additional cameras, fencing to protect students and staff
- Seismic upgrades

Modernize, Improve Educational Materials, Technology, Schools:

- Renovate/replace Cleveland and Ida B. Wells (formerly Wilson) High Schools
- Utilize any high school improvement cost savings to update/repair elementary and middle schools
- Provide comprehensive, culturally relevant, and current curriculum materials across core and supplemental subject areas
- Replace or provide student tablets and laptops to provide equitable access to classroom learning, and update classroom and District technology

Increase Extracurricular Opportunities:

- Upgrade athletic facilities, including needed improvements for Roosevelt, Lincoln, Franklin and Grant and create athletic hub facilities at Jackson Middle School and Marshall campus.
- Update high school performing arts/theater facilities.

What Would the Bonds Cost?

Because the tax rate on existing bonds is scheduled to decline, PPS's bond tax rate is not expected to exceed the previous estimate of \$2.50 per \$1,000 of assessed value. The total principal amount of bonds authorized by this measure cannot exceed \$1.83 billion.

Oversight and Accountability

An independent group of community members will review quarterly reports and audits of how the bond dollars are being spent to provide accountability to the public until construction is completed.

Submitted by:

Exhibit B

Dr. Kimberlee Armstrong
Superintendent