



Board of Education Informational Report

MEMORANDUM

Date: February 28, 2017

To: Members of the Board of Education

From: Yousef Awwad, Deputy Chief Executive Officer

Subject: Referring the May 2017 Health, Safety, and Modernization Bond

Following the Board bond work session on February 13, staff has put together the ballot title, summary, explanatory statement, and resolution calling a measure election in order to refer the May 2017 Health, Safety, and Modernization capital improvement bond to voters.

These documents are consistent with the Bond Stakeholder Advisory Committee's recommendation to move forward with a \$790 million capital improvement bond that would fund:

Modernization of Benson, Lincoln, and Madison High Schools and Kellogg Middle School. Approximately 30 percent of the budgets for the modernization projects comprehensively address health and safety issues, including reducing exposure to hazardous materials, improving accessibility, and addressing fire safety.

At least \$150 million in additional districtwide health and safety projects that would address all or some of the needs in the following areas: replacing old pipes and fixtures to reduce lead, improve water quality, and reduce the need to use bottled water in Portland's schools; removing or encapsulating exposed lead paint and asbestos; upgrade fire alarm and/or sprinkler systems; repairing or replacing leaking or deteriorating school roofs; improving accessibility for people with disabilities; improving building foundations and ventilation to decrease radon exposure; and strengthening school safety and security.

As with the 2012 voter-approved capital improvement bond, citizen accountability and oversight, including audits of bond projects and expenditures will be required.

Bonds may be issued in one or more series, with each series maturing in 30 years or less. The average levy rate for this bond issue is estimated to be \$0.68 per \$1,000 of assessed value over 30 years. The levy rate is estimated to be \$1.40 per \$1,000 for the first four years, declining thereafter. Rates may differ based on interest rates and changes in assessed value.

The resolution also contains the full Bond Stakeholder Advisory Committee's recommendation, including:

RESOLUTION NO. 5394

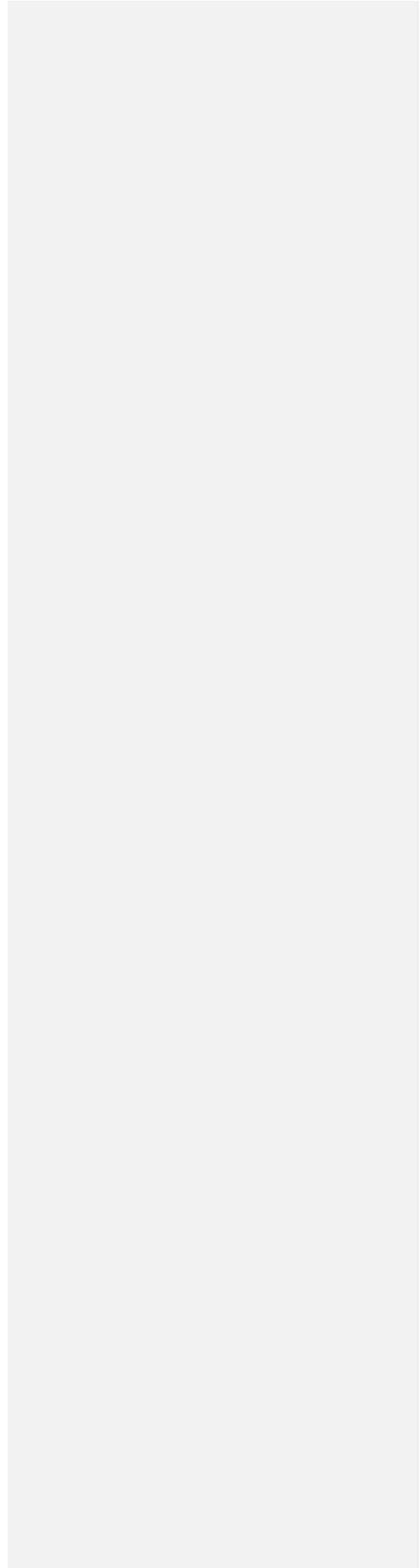
A Resolution of Portland Public Schools, Multnomah County School District No. 1J, Multnomah County, Oregon, Calling a Measure Election to Submit to the Electors of the District the Question of Authorizing \$790,000,000 of General Obligation Bonds and Providing for Related Matters

RECITALS

- A. After an extensive public process, at its meeting on February 13, 2017, the Board directed PPS staff to develop a general obligation bond ballot measure and explanatory statement for the Preferred School Construction Bond Proposal and present those documents to the Board at its meeting on February 28, 2017, so that the Board might approve those documents prior to their submission to the county elections officer;
- B. In response to the Board's direction, PPS staff has developed the general obligation bond ballot measure that is attached as Exhibit A and the explanatory statement that is attached as Exhibit B; and
- C. If the measure passes, PPS is eligible for an \$8,000,000 grant under the Oregon Department of

- J. In 2017, PPS surveyed the community and convened a Bond Stakeholder Advisory Group (BSAG) to evaluate needs for the next bond.
- K. The BSAG recommended, and community feedback affirmed, a bond that would fund modernization of Benson, Lincoln, and Mason High Schools and Kellogg Middle School and at least an additional \$150 million in health and safety projects at schools across the district. Approximately 30 percent of the budgets for the modernization projects comprehensively address health and safety issues, including reducing exposure to hazardous materials, improving accessibility, and addressing fire safety.
- L. The \$150 million in districtwide health and safety projects would address all or some of the needs in the following areas: replacing old pipe and fixtures to reduce lead, improve water quality, and reduce the need to use bottled water in Portland's schools; removing or encapsulating exposed lead paint and asbestos; upgrading fire alarm and/or sprinkler systems; repairing or replacing leaking or deteriorating school roofs; improving accessibility for people with disabilities; improving building foundations and ventilation to decrease radon exposure; and strengthening school safety and security.
- M. In addition to this bond proposal, the BSAG recommended:
- a. That the Board and Superintendent by December 2017 be able to clearly articulate a short and long-term strategy that addresses all fully identified health, safety, and ADA issues;
 - b. That the Board has a clear plan on how the least \$150 million of additional health and safety investments will be spent to first address all high-risk areas as a priority (lead paint, lead in water fixtures and pipes, radon, exposed asbestos, and a minimum level of acceptable fire protection with the rest of the remaining dollars to address other health, safety, and accessibility issues). The Board should consider increasing the amount of additional health and safety investment in this bond to ensure issues of lead, radon, exposed asbestos and high risk facility issues are fully resolved;
 - c. That the Board dedicate \$8 million in state matching funds to addressing additional health, safety, and accessibility needs, and communicate to the public that the \$8 million investment is on top of the \$790 million;
 - d. That the Board should request clarification from the Superintendent and staff about how investments in seismic upgrades are prioritized, and affirm its understanding that two effective ways to increase student and staff safety include full modernization and replacement of schools and adding or strengthening seismic bracing when roofs are replaced;
 - e. That the Board concludes that the school districts plan for 1,700 students at each of the existing and future high schools is well supported by current birth rates and kindergarten enrollments and that all high school spaces being rebuilt will be enrolled in a way that is balanced and the board is committed to statutory and policy changes to ensure that neighborhood and focus option high schools have sufficient enrollments to support a rigorous and diverse curriculum in a cost effective way in all geographic areas of the city;

f. That the bond package and public message



ADOPTED by the Board of Education of Portland Public Schools, Multnomah County School District No. 1J, Multnomah County, Oregon this [28th day of February, 2017.]

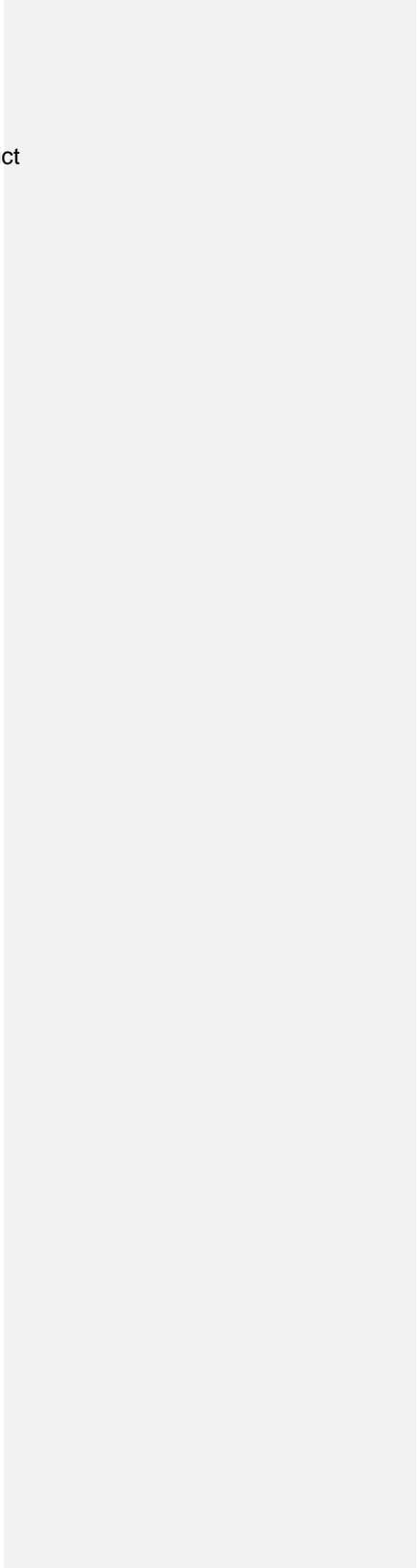
ATTEST: PORTLAND PUBLIC SCHOOLS
MULTNOMAH COUNTY, OREGON

By: _____
Deputy Clerk

By: _____
Chair, Board of Directors

Attachments:

- A. Exhibit A: Notice of Bond Election
- B. Exhibit B: Explanatory Statement



BONDS TO IMPROVE HEALTH, SAFETY, LEARNING BY ~~REPAIRING, MODERNIZING~~ .
REPAIRING SCHOOLS

QUESTION: Shall Portland Public Schools improve health and safety, ~~modernize and repair schools,~~
build education facilities, ~~repair and modernize schools,~~ issuing \$790,000,000 in bonds? 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.

175 WORD SUMMARY: If approved this measure would ~~finance~~ and refinance capital costs, including
projects that:

- Reduce or eliminate exposure to hazardous ~~materials~~ districtwide, including lead, asbestos, and radon;
- Upgrade fire alarm and/or sprinkler systems;
- Improve accessibility for people with disabilities;
- Repair or replace leaking or deteriorating school roofs;
- Upgrade school safety and security;
- Strengthen schools against earthquakes;
- Renovate or replace schools, including Benson, Lincoln, Madison, and Kellogg, to improve health and safety and provide up-to-date classrooms and facilities, and increase access to technology and modern learning environments; and

Citizen accountability and oversight, including audits of bond projects and expenditures will be required.

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

The average levy rate for this bond issue is estimated to be \$0.68 per \$1,000 of assessed value over 30 years. The levy rate is estimated to be \$1.40 ~~per~~ \$1,000 for the first four years, declining thereafter. Rates may differ based on interest ~~rates~~ and changes in assessed value.

500 WORD EXPLANATORY STATEMENT

PPS has adopted a Long-Range Facilities Plan to modernize and improve schools districtwide through a series of capital construction bonds. In 2012, voters approved a \$482 million bond, funding:

- Modernization of Franklin, Grant, and Roosevelt High Schools, and Faubion PreK-8;
- Projects at 52 additional schools—upgrade science classrooms, new roofs, improved accessibility and seismic improvements; and
- Planning for upgrade of all high schools.

In 2017, PPS convened a Bond Stakeholder Advisory Group (BSAG) to evaluate needs for the next bond. The BSAG recommended, and community feedback affirmed, a bond that would fund modernization of Benson, Lincoln, and Madison High Schools and Kellogg Middle School, and at least \$150 million in health and safety projects at schools across the district.

What would the bond do?

The \$790,000,000 bond would fund renovations and rebuilds at Benson and Madison High Schools, and full rebuilds of Lincoln High School and Kellogg Middle School. Approximately 30% of the budgets for these projects comprehensively address health and safety issues, including reducing exposure to hazardous materials, improving accessibility, and addressing fire safety. It would also begin planning for upgrade of Cleveland, Jefferson, and Wilson High Schools.

Additionally, at least \$150 million would fund district-wide health and safety projects, including:

- Replacing old pipes and fixtures to reduce lead, improve water quality, and reduce the need to use bottled water;
- Removing or encapsulating exposed lead paint and asbestos;
- Upgrading fire alarm and/or sprinkler systems;
- Repairing or replacing leaking or deteriorating school roofs;
- Improving accessibility for people with disabilities;
- Improving building foundations and ventilation to decrease radon exposure; and
- Strengthening school safety and security.

In addition, PPS will receive \$8 million in state capital matching funds if this measure is approved, for additional health and safety investments. If the bond