

*The \$60 Million Question: What Is the
Center for Black Student Excellence?*

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The \$60 Million Question: What Is the Center for Black Student Excellence?

EXECUTIVE SUMMARY

In November 2020, Portland Public Schools voters approved Measure 26-215 proposing a \$1.2 billion construction bond that includes the complete remodel of two high schools, roofing and seismic upgrades for other schools, and improved accessibility under the Americans with Disabilities Act. Shortly before the school board voted to send the measure to the ballot, they slipped in \$60 million for a “Center for Black Student Excellence.”

PPS appears to have circumvented critical due diligence processes required under state law when seeking voter approval for a bond measure. In this respect, PPS likely breached voter trust and could face legal challenges to its use of bond funds for the Center.

KEY FINDINGS

In November 2020, voters approved Measure 26-215, a \$1.2 billion bond issuance that focuses on significant capital improvements within the PPS district.

State law requires that all proceeds from capital improvement bonds be used strictly for acquisition, construction, and repairs of school buildings and the purchase of assets. Other broader intangible uses—such as initial planning and community engagement—are not specifically allowed. In addition, sponsors of a bond issuance are expected to conduct thorough due diligence that supports the proposed capital projects and their anticipated price tags.

Just prior to ballot approval, the PPS Board inserted \$60 million in funding for a Center for Black Student Excellence (the “Center”) into the ballot measure. As research in this paper shows, PPS’s due diligence on the Center was seriously lacking prior to submitting the measure to voter approval. PPS anticipated that relevant due diligence discussions would occur at some unknown time after voter approval.

The Center is an urban development concept sponsored by Albina Vision Trust. Albina Vision’s mission is to revitalize Portland’s Albina neighborhood through various means, particularly through real estate enhancement projects.

Currently, the Center does not constitute a capital improvement and thus potentially violates state law regarding the use of funds from capital improvement bonds.

The Center is more of a concept, rather than a proposal or a plan. At this point, no one—the school board and staff, voters, and taxpayers—has any idea what the Center will be, where it will be, what will be built, what it will do, how it will be run, or how to measure the success or failure of the concept.

CONCLUSIONS AND RECOMMENDATIONS

As discussed in this paper, there are no specific capital development plans for the \$60 million Center project that was inserted in the final days of the bond measure approval process. As a result, there is significant likelihood of imprudent utilization of the \$60 million of funds.

At a minimum, the PPS should escrow the \$60 million in bond funds earmarked for the Center until a satisfactory and acceptable due diligence process—including public hearings—has been conducted to precisely define the Center and the capital improvements, if any, associated with it. The costs associated with such planning and community engagement processes should not be paid for with these funds.

More fundamentally, the board should revisit whether a Center for Black Student Excellence is the best use of funds in a district which suffers from across-the-board deficiencies in academic achievement.

INTRODUCTION

In the early stages of the COVID-19 pandemic, Portland Public Schools (PPS) was putting the pieces together for the latest in a decades-long string of anticipated construction bond measures. For months, PPS held three options under consideration, with price tags ranging from \$580 million to \$1 billion (Table 1). But, as the pandemic pummeled the economy, interest rates on government bonds plummeted. For PPS, the low interest rates meant the district could borrow even more money without increasing the property tax rate from its previous construction bond. PPS saw a political opportunity: it could characterize the new package as a “renewal,” it could claim property taxes would not increase, and it would have about 15% more money to spend.

Table 1: PPS 2020 bond options and budget (in millions)

Portland Public Schools 2020 Bond Budget					
	Option 1	Option 2	Option 3	Final	FY 2021 Budget
Educational Improvements					
Technology	\$ 127.5	\$ 127.5	\$ 127.5	\$ 128.2	\$ 58.8
Curriculum	24.9	29.2	29.2	53.4	16.6
Special Education Classrooms	4.5	22.3	4.5	13.4	0.9
Other Improvements	-	10.0	-	-	-
Health & Safety Projects					
Roofs	53.0	71.0	71.0	65.7	3.5
Mechanical	45.0	75.0	75.0	75.0	2.0
Security	26.5	26.5	26.5	25.9	1.6
Seismic	15.0	15.0	15.0	17.2	5.0
ADA Accessibility	11.0	11.0	11.0	33.8	2.2
Other Improvements	-	10.0	-	-	-
Modernizations & Rebuilds					
Benson Polytechnic HS completion	138.0	138.0	138.0	152.0	-
Multiple Pathways to Graduation new building	62.0	62.0	62.0	64.0	38.6
Jefferson High School modernization	-	-	320.0	311.0	2.7
High school design/pre-construction	-	75.0	40.0	40.0	-
Capacity/Enrollment/Design	-	-	-	12.0	-
Other Improvements	-	10.0	-	-	-
Center for Black Student Excellence	-	-	-	60.0	6.4
Management	25.3	34.1	43.6	63.0	9.8
Program Contingency	50.7	68.3	87.2	93.3	
Total	\$ 583.4	\$ 784.9	\$1,050.5	\$1,207.9	\$ 148.1

Source: Portland Public Schools

The opportunity set off a cash grab. More money for curriculum. More money for Americans with Disabilities Act accessibility. More money to rebuild Benson Polytechnic High School. And, somewhere along the way, one of the biggest expenditures from this windfall slipped in at the last minute—\$60 million for a “Center for Black Student Excellence.” Put forward by Albina Vision Trust, Inc., the proposed spending on the Center amounts to approximately five percent of total budgeted expenditures under the bond program.

While PPS board members raised some questions about what the Center would do, what it would accomplish, and why it cost so much, the board unanimously agreed to send the bond measure to the ballot and adopt a resolution in support of “centering Black student excellence in Portland Public Schools.”¹

In November 2020, district voters approved Measure 26-215 by a 3-to-1 margin.² Without organized opposition to

the measure, no one held the Center under adequate scrutiny. Today, many key questions remain.

WHAT IS THE CENTER FOR BLACK STUDENT EXCELLENCE?

The PPS board resolution in support of the Center describes it as a “concept,” rather than a program, building, or set of buildings.

This concept endeavors to center the experience, promote opportunities, accelerate outcomes, and celebrate the achievements of Portland’s Black children. ... This emerging community-led concept seeks to unify and elevate the educational experience of Portland’s Black children and their families, connecting a constellation of community schools ... and Black-led community-based organizations in the

Albina Neighborhood. The CBSE will work with the students, families, and community stakeholders to develop a coherent set of strategies that will positively impact student achievement and outcomes while affirming student identity, and will include promoting and supporting culturally responsive/sustaining teaching and learning, from cradle to career. The CBSE will serve as a living expression of Portland Public Schools’ expressed commitment to Black Lives and will help advance PPS’s mission to prepare students to be compassionate critical thinkers, able to collaborate and solve problems, and prepared to lead a more socially just world (emphasis added).³

At a work session before the board’s vote, minutes indicate PPS board member Andrew Scott noted that PPS cannot state exactly what the Center’s funding would cover because PPS did not know what it was going to build.⁴ A few days later, PPS chief operating officer, Dan Jung, published a memo to the board summarizing the bond projects, indicating that the scope for the Center was “undefined” and that \$60 million may not be enough money.⁵

Two months later, the scope for the Center remained undefined. In September 2020, the Multnomah County Tax Supervising and Conservation Commission held a public hearing to review the ballot measure. When commissioners asked for a “fuller picture” of what construction projects would be undertaken for the Center for Black Student Excellence project, neither the PPS board nor its staff had any idea what the project would look like or what it would accomplish.

Mr. Jung [PPS chief operating officer] added that it is different from some of the other scopes of work that are in this and past bonds in that **the scope is yet to be defined in many ways**. It’s not a specific site, it’s not a specific building. So the emphasis is on the community engagement and on the planning, and that effort will deliver the capital improvements that support this undertaking. It’s easy to quantify a roof project, for example. But on something like this, that will emerge from engagement and involvement, **it is just too early**

for the district to identify exactly what that department will look like and cost (emphasis added).⁶

When asked if the Center would be built *for* students or in *support* of students, the minutes from the hearing indicate PPS chief engagement officer, Jonathan Garcia, provided no clear answer of what would be built.⁷

After the Measure was approved by voters, a spending schedule was published by PPS in December 2020. The schedule outlines a 54-month timeframe for the Center project. Other projects funded with the bond money include timeframes for soliciting proposals and bids, design, and construction. In contrast, the Center’s timeframe includes only “partnership development” and “implementation,” but makes no mention of design or construction.⁸

In May 2021, the PPS School Improvement Bond Committee received an update on the Center. The scope for the Center remained undefined. A presentation to the committee described the Center as a “concept” with “a vision that endeavors to center the experience, promote opportunities, accelerate outcomes, and celebrate the achievements of Portland’s Black children.”⁹

The district’s adopted budget for the 2021-22 fiscal year allocates \$6.4 million for the Center.¹⁰ A presentation to the bond committee indicates the spending in the program’s first fiscal year will be used to “launch, learn, ideate, test and refine” and make recommendations (Figure 1).¹¹

In summary, more than a year after the idea for the Center was introduced, neither PPS board members nor its staff have any idea where or when the Center will be built, let alone what it will do.



WHERE DID THE IDEA FOR THE CENTER COME FROM?

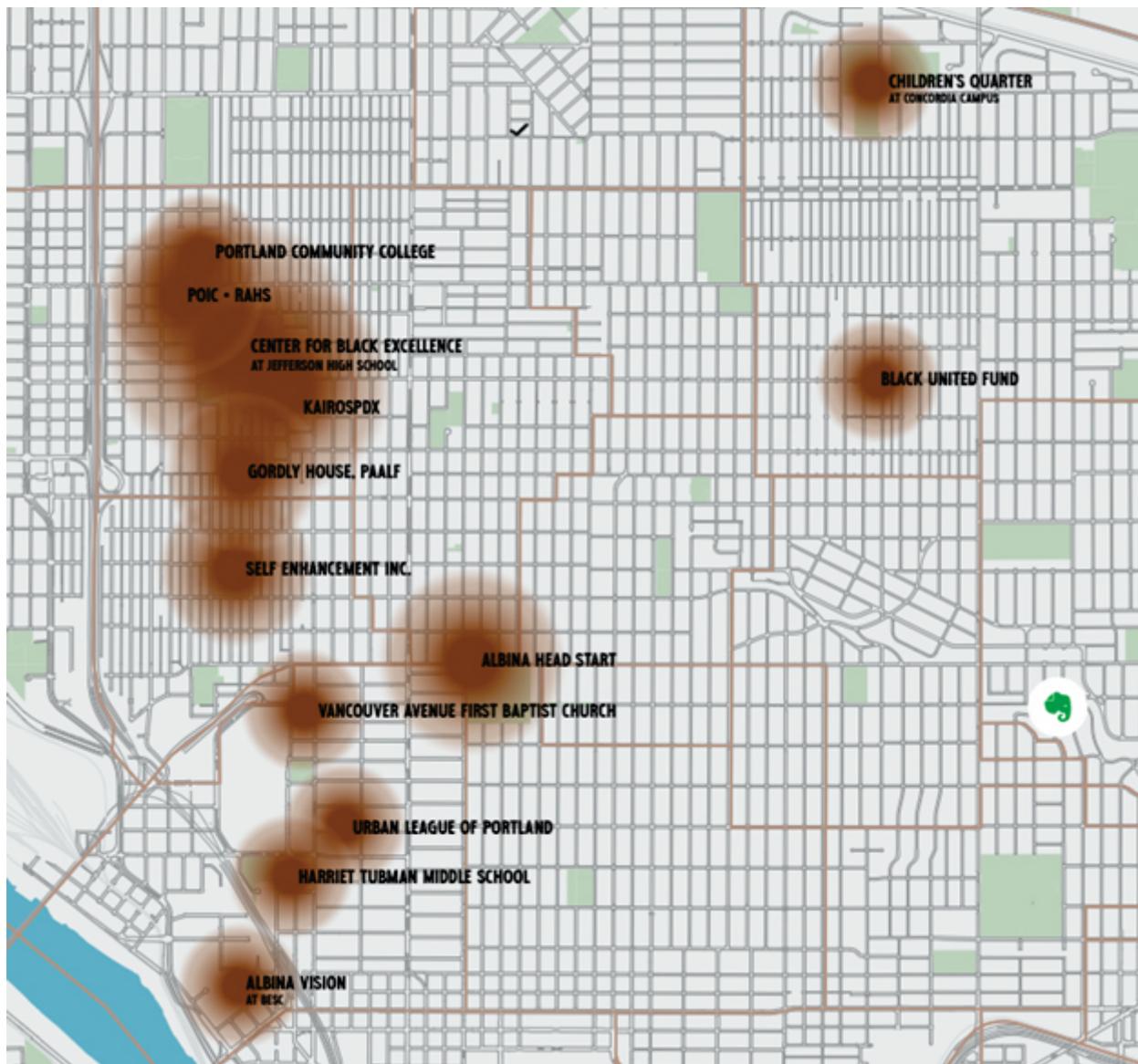
The idea for a “Center for Black Student Excellence” appears to have been first publicly introduced at a June 25, 2020, PPS “Town Hall” regarding the bond measure.¹² The initial presentation by PPS board members and staff made no mention of the Center.¹³

The Town Halls were held after a month of protests in the aftermath of the murder of George Floyd in Minneapolis. PPS board member Amy Kohnstamm opened the presentation declaring, “Our history of inadequately

serving Black and Native American and many students of color does not reflect the type of community we aspire to be.”¹⁴ PPS deputy superintendent Claire Hertz promised that the district is “committed to living into our commitments of racial equity and social justice, one that centers our Black and Native American students.”¹⁵

Several “breakout sessions” followed the initial presentation, with input from community members. In one of these sessions, Albina Vision board chair Rukaiyah Adams urged PPS to move away from talk about supporting the Black community and towards action in the form of “community investments.”¹⁶

Figure 2: Potential partners for Albina Vision's Center for Black Excellence



Source: Albina Vision Trust

Ms. Adams moved through a slide show for a “Center for Black Excellence” which she described as a “distributed” set of buildings and services throughout the Albina Neighborhood (Figure 2).

[W]e’d like to create a **Center for Black Excellence with a distributed model based on schools that are in lower Albina.** At a high level we want you to imagine that Black and brown boys in particular are not criminalized from infancy but encouraged to be excellent. That we displace the school to prison pipeline with an intentional early pre-K through college pipeline toward excellence. ... [E]nvision a **Center for Black Excellence that would be anchored by Jefferson High School, KairosPDX at Humboldt Elementary School, Harriet Tubman Middle School, and connect with those schools the community based organizations that provide the wraparound services to the youth and their families to enable success.** ... [W]e would like to present the idea of the **PPS headquarters becoming a children’s quarter** where in the life of children the role of children and all their needs and their lives are focused. ... [W]e think that the Black United Fund would be an important part of anchoring the Center for Black Excellence. The point of the Center would be to create an intentional and comprehensive **learning infrastructure in Albina anchored at Jefferson in order to unify and elevate Black learning from pre-K through higher education** (emphasis added).¹⁷

According to Ms. Adams, one key concept would be converting the PPS headquarters into the previously mentioned “Children’s Quarter” with a museum and movie theater.¹⁸

Michael Alexander, board member of Albina Vision and Black United Fund of Oregon, characterized the Center as an “academic hub” that would provide what others have called “cradle to career” support and development of children within PPS’s Jefferson cluster of schools.¹⁹

Ms. Adams admits that the idea for the Center was “splashing into” the process at the last minute.²⁰ When asked whether there was any financial analysis of the anticipated costs for the Center, Ms. Adams indicated that no analysis had been performed and offered a range of \$50 million to \$100 million as the amount necessary for a “not insubstantial” investment in the Center.²¹

Four days later, ALG Research began polling on the ballot measure. The polling results were presented at the July 9, 2020 board work session. The poll included questions about the price tag for a bond package with spending to “realize a community vision of a Center for Black Student Excellence.”²² The polling results indicated that adding the Center to the bond measure increased the share of respondents in “favor” of the measure to 75%.

In this same meeting, the \$60 million price tag was publicly disclosed for the first time in a draft of the 2020 ballot measure.²³ In a span of less than two weeks, the Center transformed, beginning as a vague concept introduced in a public meeting, and evolving into a \$60 million undefined project fast-tracked into the PPS construction bond ballot measure.

“In a span of less than two weeks, the Center transformed,...evolving into a \$60 million undefined project...”

WHAT IS ALBINA VISION?

Albina Vision Trust, Inc. is a nonprofit organization. Its stated mission is:

[F]acilitating the reinvention of 94 acres in Portland's Albina area, from which thousands of primarily African American residents were displaced over decades of urban renewal. AVT’s mission is to spur the creation of an innovative and remarkable place that is diverse, inclusive, affordable, and accessible. AVT is committed to healing past harm, amplifying underrepresented voices and setting a precedent for innovative community renewal.²⁴

It plans to accomplish its mission by acquiring and developing property in the Albina area. Anticipated developments include affordable and market-rate housing, along with a number of public areas, parks, artistic venues, places of worship, and other open community spaces.²⁵ For example, the Portland Housing Bureau and the Metro regional government recently approved \$13.4 million of funding for Albina One, a 94-unit \$49 million affordable housing development sponsored by Albina Vision.²⁶ Construction is anticipated to begin in December 2022.

PPS owns a significant amount of property within the Lower Albina area that Albina Vision wants to redevelop as part of its master plan. This includes the district’s BESC headquarters. The BESC building has long been logistically troublesome for PPS and a target for developers.

- KPMG’s 1998 audit recommended the district relocate staff out of the building and lease some or all of the space to other organizations.²⁷
- The same year, PPS superintendent Benjamin Canada determined the district misused funds from the 1995 construction bond to remodel BESC and halted the remodeling project.²⁸

- In the aftermath of the 2001 recession, PPS rejected a \$50 million offer from a developer to buy the district’s headquarters.²⁹
- In 2010, the Trail Blazers-led “Jumptown” concept imagined a new residential neighborhood at the BESC site.³⁰

In early 2018, the Portland Diamond Project made an \$80 million offer on this property to convert the site into a baseball stadium. Albina Vision publicly criticized the offer. Ms. Adams said the idea of a baseball stadium in place of the BESC building was, to her, “a no-go.”³¹ Shortly after, Portland Diamond Project rescinded their offer in deference to Albina Vision.³²

On May 25, 2021, more than two years after Portland Diamond Project rescinded its \$80 million offer, the PPS board voted to award the right of first offer to purchase the BESC site to Albina Vision. PPS Superintendent Guadalupe Guerrero called the move “an important step forward in PPS’ continued effort to lead with its core value of racial equity and social justice.”³³

The plan for the BESC property, according to Albina Vision, is to include it as part of their vision for the Lower Albina neighborhood. Figure 3 presents one of Albina Vision’s concepts for redeveloping the BESC site into a dense, mixed-use community with building heights of 80 to 250

feet. Albina Vision concludes that the BESC site sits in close proximity to “jobs, the Willamette River, public transportation and community based organizations and schools that have historically served Black people.”³⁴ The organization says the site has the potential for:

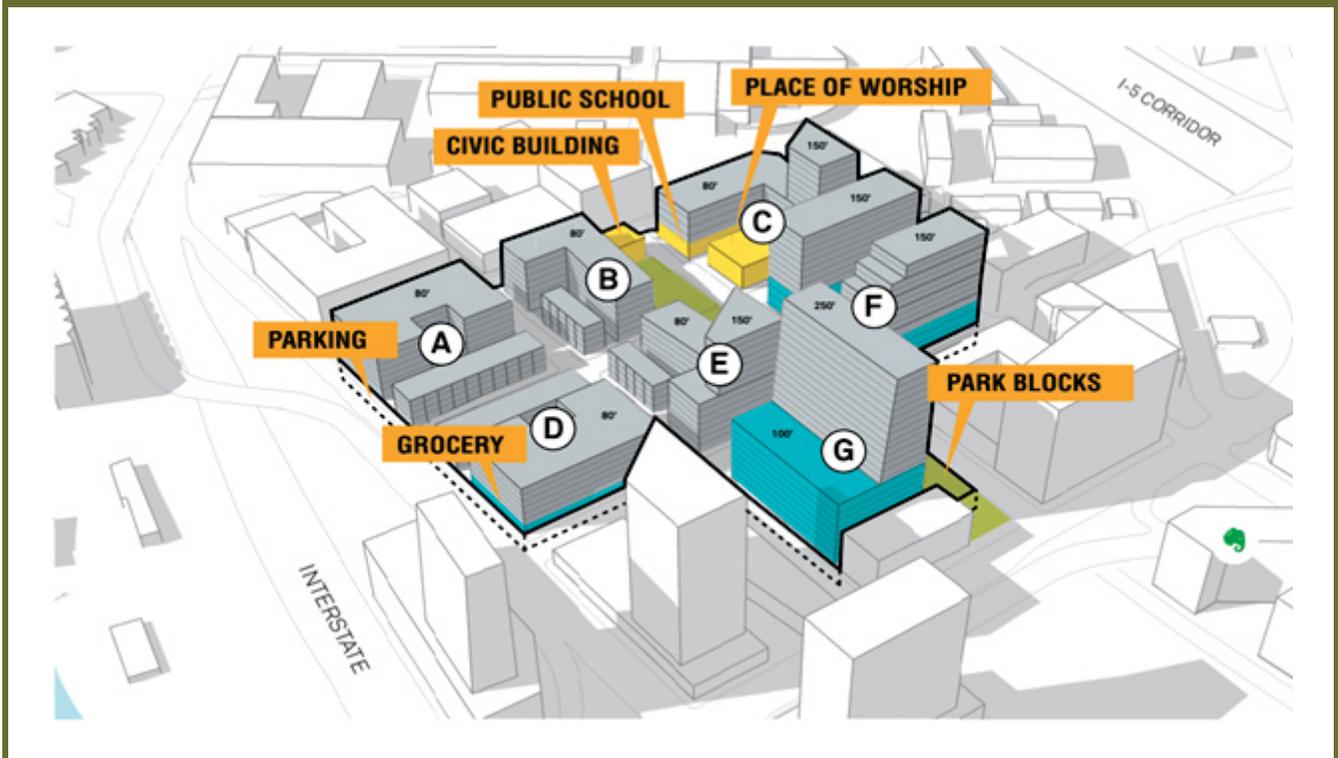
A youth centered community in Lower Albina designed to create opportunity for Portland’s next generation of Black people to build wealth and reclaim home. A new neighborhood in the city would allow for intentional design for the safety of Black and brown children in the urban environment.³⁵

According to this same proposal, the PPS headquarters would be moved from the BESC site to the land formerly occupied by Concordia University in northeast Portland. According to Albina Vision’s presentation, in addition to the relocated district headquarters, this proposed “Children’s Quarter” would include:³⁶

- A children’s theater,
- A children’s museum,
- A Portland Interscholastic League athletic pavilion,
- Affordable housing for families and teachers,
- A health center,
- Art facilities, and
- “PPS University” for continuing education.

Moving PPS’s headquarters would be a significant step for

Figure 3: Albina Vision concept for BESC site



Source: Albina Vision Trust

Albina Vision to purchase and develop the site. With control of the BESC property, and the development of the nearby Paramount Apartments projected to be finished in 2023, Albina Vision will make significant headway toward their plans for the area.

In January 2019, Ms. Adams and Hennebury Eddy Architects president Tim Eddy briefed the Historic Landmarks Commission on their 50-year vision for Lower Albina. Their short-term development plan focuses on “resetting the district for redevelopment.”³⁷ Ms. Adams and Mr. Eddy described the initial framework boundaries for

future development. They define the Lower Albina as the region between the Lloyd District and the Willamette River, with the BESC site occupying the outer boundaries (Figure 4).

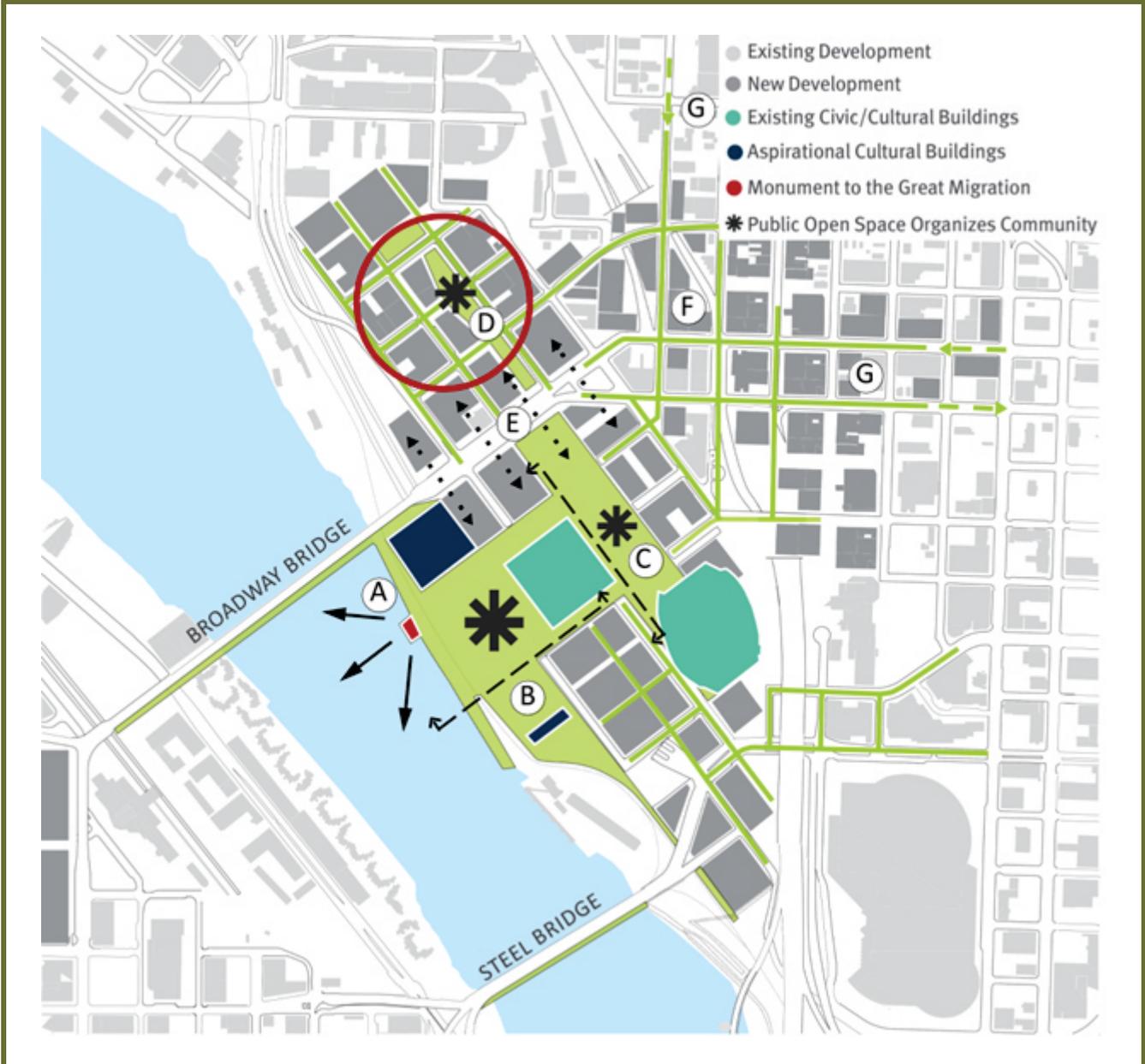
Their future vision anticipates a large portion of the current BESC site would be redeveloped as one of several “public open spaces” that “organizes community” (Figure 5).³⁸ Historic Landmarks Commission members expressed their approval for the project. Albina Vision’s recently acquired right of first offer on the site brings them one step closer to this vision.

Figure 4: Albina Vision “short-term” development proposal



Source: Albina Vision Trust

Figure 5: Albina Vision “future vision” development proposal, including development of BESC site



Source: Albina Vision Trust

HOW WILL PPS SPEND THE \$60 MILLION FOR THE CENTER?

In the July 9, 2020 work session, PPS board member Scott Bailey remarked that the \$60 million price tag for the Center was equivalent to the cost of building “two K-5s or at least a very good middle school” and that the ambiguity of where and how the money would be spent “causes me some heartburn.”³⁹ His request for clarification prompted a wide range of responses from his colleagues on the board, along with chief operating officer Dan Jung and chief engagement officer Jonathan Garcia.

Mr. Jung said the \$60 million was designated for “planning and design of what the future project and scope looks like. A lot of it will need to be defined through that planning process, but the intention is to show a significant investment.” Mr. Garcia agreed with Mr. Jung’s remarks and added that, in addition to the planning, there will also be “some actual meat behind that with architectural design.”⁴⁰

Board Member Michelle DePass remarked the Center “absolutely needs to be envisioned and created from the Black community.” She indicated that engagement was “critical to success,” and “including the people that are most impacted” by the Center was important to her. She asserted that PPS should not do something on their own for the

community. Rather, she advocated for extensive conversation with the community for the Center’s creation: “These things cost money and time, and I think the number represents both those things, money and time.”⁴¹

Mr. Garcia explained that decisions surrounding the Center’s costs would emerge only “once the district has determined what the community really desires for the future of the schools and the programmatic nature.” He made no mention of a plan on how community input would be solicited or received.⁴²

PPS board member Andrew Scott admitted “\$60 million dollars is less defined intentionally because we’re going to

be talking to the community about exactly what that Center for Black Student Excellence will look like.”⁴³ But he also noted the \$60 million would include some construction costs. He advised the board should be “very clear with the public on this,” that “it is not just planning design and pre-construction—there is funding in there that would be involved for actual capital costs.”

After the PPS board work session, Mr. Jung produced a memo summarizing the anticipated spending on the bond measure. The memo included a breakdown of proposed spending related to the Center under the bond measure (Table 2).⁴⁴

Table 2: Budget for Center for Black Student Excellence

Amount	Line Item
\$2 Million	<p>Conceptual Design In concert with Black elders, youth and families, design a Center for Black Student Excellence that:</p> <ol style="list-style-type: none"> 1. Reflects the lived experiences and aspirations for Portland’s Black children; 2. Acknowledges Portland’s (Public Schools) trouble history with institutional, cultural and systemic racism, and centers a community engagement process that leads to healing between PPS (as an institution) and Portland’s Black community; 3. Establishes a robust Center for Black Student Excellence as both a physical built environment and as a designated set of culturally responsive strategies, immediate and long term plans and culturally-specific partnerships to advance Black student achievement in line with “PPS reimagined;” and 4. Is congruent with the Master Design Plan and Academic Programs of Jefferson High School.
\$14 Million	<p>Master Design Plan At minimum, the Master Design Plan should incorporate an interconnected early learning to eighth grade campus(es) congruent with the rebuild of Jefferson HS.</p>
\$2 Million	<p>Community Engagement and Project Management The Center for Black Student Excellence will require culturally specific strategies, outreach and engagement plans that center the lived experiences of our PPS Black families and students. This will require a dedicated team and resources to lead a meaningful process to realize the goals for the Center for Black Student Excellence.</p>
\$42 Million	<p>Construction and Implementation (Phase I) Based on the conceptual design and overall plan for the Center for Black Student Excellence, begin the phased implementation of:</p> <ul style="list-style-type: none"> • Interconnected Early Learning to Eight Grade Campus(es) that is/are congruent with the Jefferson HS Master Plan and concepts for a Center for Black Student Excellence. • Potential enhancements to schools in the Jefferson Cohort.
\$60 Million	Total Investment in Bond 2020 Renewal for Black Student Excellence

Source: Portland Public Schools

Despite Mr. Scott’s assurances and the memo’s projected spending for the Center, a “Conceptual Schedule” of activities funded with the bond money provides for only partnership development and implementation, but no construction.⁴⁵

“...[M]ore than a year after the idea for the Center was placed on the ballot, neither PPS board members nor its staff have any idea how or where the bulk of the Center’s \$60 million will be spent.”

The district’s adopted budget for the 2021-22 fiscal year allocates \$6.4 million for the Center.⁴⁶ In June 2021, the Tax Supervising and Conservation Commission held a public hearing on the PPS budget. One of the commissioners asked what specific achievements PPS expected to achieve with that spending. Dani Ledezma, senior advisor on racial equity and social justice at PPS, indicated that at the end of the year PPS will produce a master plan for the Center with “programmatically elements” and a “responsive physical space.”⁴⁷ This seems to be in stark contrast to the bond budget published by Mr. Jung in July 2020 which shows approximately \$16 million in anticipated costs for conceptual design and a master plan.

In summary, more than a year after the idea for the Center was placed on the ballot, neither PPS board members nor its staff have any idea how or where the bulk of the Center’s \$60 million will be spent. In February 2022, The Oregonian provided a brief update on the Center noting, “district leaders have been glacially slow to detail what that actually will mean.”⁴⁸

Albina Vision members also appear to be uncertain about the timing of the Center project. On July 22, 2021, Albina Vision hosted an online community workshop called “Restoring Albina.” During the workshop, an attendee asked via chat when the Center would be built. Albina Vision’s executive director Winta Yohannes responded, “the community engagement to determine what the Center will be will take place in the fall. No construction date yet.”⁴⁹

UNANSWERED QUESTIONS

A 2019 audit of Portland Public Schools by the Oregon Secretary of State found substantial achievement gaps across a wide variety of student categories (Table 3).⁵⁰ Across all grades tested in 2017-18, less than 60% of PPS students were proficient in language arts and less than half were proficient in math.⁵¹ The biggest achievement gap was between white students and African-American/Black students, but there were large gaps among economically disadvantaged students and each category of historically underserved students, according to the audit. The district is facing across-the-board problems with student achievement, and they are not limited to a shortage of “Black student excellence.”

Table 3: PPS student achievement gaps, language arts, 2017-18

Comparison	PPS Gap
White vs. African Am./Black	53%
White vs. Nat. Haw./Pac. Islander	45%
White vs. Hisp./Latino	36%
White vs. Am. Ind./Alaska Native	38%
Non Econ. Disad. vs. Econ. Disad.	38%
Non Disabled vs. Disabled	35%

Source: Oregon Secretary of State

The Secretary of State’s audit identifies several PPS-specific factors contributing to the achievement gaps, including:

- High rates of teacher turnover and absences at high-poverty schools;
- A disconnect between teachers and administrators on managing student conduct;
- A teacher hiring and transfer system that contributes to high-poverty schools having less experienced teachers;
- A failure to prioritize principal or teacher stability at high-poverty schools, to adequately support principals, or to develop a consistent and effective performance evaluation system.

WHO WILL RUN THE CENTER'S OPERATIONS?

This is a question that no one seems to have asked. Likewise, no one has volunteered an answer. The PPS resolution supporting the Center names Self Enhancement Inc. and KairosPDX as potential partners. Albina Vision has identified Black United Fund, the Avel Gordly House, the Portland African American Leadership Forum, the Urban League of Portland, Albina Headstart, the Portland Opportunities Industrialization Center, and Portland Community College, as well as several churches in the area, as potential partners. Nevertheless, it is not known whether or to what extent each of these organizations will run the “Center for Black Student Excellence.”

Because most of the funding for the Center’s planning will be paid by PPS taxpayers, presumably the district itself should run the Center, as the PPS board is accountable to the voters, unlike the nonprofits identified as potential partners.

HOW WILL THE CENTER'S OPERATIONS BE FUNDED?

Again, we do not know because no one has provided a straightforward answer. The Tax Supervising and Conservation Commission directly asked PPS: “What are the district’s thoughts around operating costs?”⁵² PPS staff did not provide a clear answer, stating: “Once the district has determined what the community really desires for the future of the schools and the programmatic nature, that’s when they are going to have a lot more of those conversations [about] the costs.”⁵³

At a League of Women Voters forum on the bond measure, PPS board member Rita Moore was asked, “How many students are expected to be served by the Center and how are they expected to be served since the bond measure doesn’t fund staffing?” Ms. Moore could not answer the question.⁵⁴

PPS has no plans for what programs or services it will provide through the Center and has no plan to pay for them other than suggesting that if we “continue to come forward with these bond renewal cycles, we really can, over the next couple of decades, make a huge difference in the infrastructure in the schools that our kids attend.”⁵⁵

Put bluntly, as of now the \$60 million allocated to the “Center for Black Student Excellence” amounts to a blank check to be spent on an “undefined” and “emerging” “concept.” With so many aspects of the project up in the air, there is a risk that tens of millions of dollars will be squandered on community engagement and planning with nothing tangible to show for all the time and money spent on the project.

“Nothing in either the state constitution or ORS 328.205 explicitly allows bond funds to be used for community engagement, planning, or design.”

CAN BOND FUNDS BE USED FOR THE CENTER?

Portland Public Schools’ forecast of expenditures in Table 2 indicates that at least 30% of the anticipated spending will be on community engagement, design, planning, and project management. The district’s adopted budget for the 2021-22 fiscal year allocates \$6.4 million to the Center, which one PPS staffer indicated would be spent on community engagement and planning. These spending plans likely conflict with the Oregon Constitution’s requirement that bond funds be spent only on “capital costs.” In addition, this spending also may conflict with Oregon law regarding school districts’ use of bond funds.

Art. XI, Sect. 11L of the Oregon Constitution requires that bond proceeds be used for capital costs. The constitution defines “capital costs” as costs of land and other assets having a useful life of more than one year, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair.

ORS 328.205 specifies that bond funds may be used only to (1) acquire, construct, reconstruct, improve, repair, equip or furnish a school buildings, (2) acquire or to improve real and personal property to be used for district purposes, (3) remove or contain asbestos, (4) fund the payment of outstanding debts, and/or (5) provide for the payment of debt.

Nothing in either the state constitution or ORS 328.205 explicitly allows bond funds to be used for community engagement, planning, or design. Because engagement is ephemeral and plans can be scrapped at any time, they have no meaningful “useful life.” As such, spending bond funds on these activities is likely in violation of the Oregon Constitution and ORS 328.205.

The “Center for Black Excellence” slideshow, published by Albina Vision, provided as much information on a proposal to move the PPS headquarters to the Concordia campus as it did about fostering “Black Excellence.” None of the bond money may be used for such a move because the ballot measure voters approved did not include language broad enough to allow for that use of bond funds. PPS learned this lesson more than two decades ago with its misuse of bond money to remodel BESC without informing voters.

RECOMMENDATIONS

The PPS Bond Accountability Committee should conduct a thorough audit of the use of bond funds related to the Center, with a focus on compliance with Article XI, section 11L, of the Oregon Constitution, ORS 328.205, the ballot measure approved by voters, and covenants related to the issuance of the bonds.

The PPS board should halt the use of any bond funds for use on the Center for Black Student Excellence until it receives clear legal guidance that its spending plans are in compliance with Oregon law regarding the use of bond funds. At a minimum, the board should escrow the \$60 million earmarked for the Center until a satisfactory and acceptable due diligence process—including public hearings—has been conducted to precisely define the Center and the capital improvements, if any, associated with it.

Any spending on community engagement, planning, or design of the Center for Black Student Excellence should be paid out of the PPS general fund, rather than the bond fund. The PPS board should pass a resolution forbidding the use of any bond funds to relocate district headquarters from BESC.

The PPS board should pass a resolution forbidding the use of any bond funds in a way that amounts to a gift of public funds to a private entity. This would prohibit the district from, say, using bond funds to build or improve a building that would be turned over to a third party, such as Albina Vision or another nonprofit, at below-market rates. This would reduce the risk that taxpayer money will be used to subsidize the operations of private nonprofits which are not accountable to the district's voters.

If the district continues to pursue the Center concept, despite our recommendations, the PPS board must provide answers immediately to key questions regarding what the Center will do, what outcomes will be achieved, who will run it, and how the ongoing operations of the Center will be funded. The costs associated with answering these questions must come out of the district's general fund, not the school construction bond fund.

The \$60 million for the Center is a substantial sum of money. There will be many nonprofits, designers, developers, and construction firms vying for a piece of the action. Thus, there is a risk that much of the money will be mismanaged or spent on misplaced priorities. As the Center moves from community engagement and planning toward construction, the project must be subject to intense oversight and regular audits to ensure compliance with Oregon law as well as the promises made to voters in the ballot measure.

Without these safeguards, PPS is putting itself at risk for legal liability and the possible failure of future construction bond ballot measures.

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18. “Bond Town Hall 6/25/2020 Breakout Session #4 Bond Options 2020,” YouTube, uploaded by PPS Communications, 30 June 2020, https://www.youtube.com/watch?v=2kOZVLcScj4&ab_channel=PPSCcommunications. “I’d like you to think long and hard about the way that a bond issue can begin to do this. **This is the idea for a Children’s Quarter we think that where the PPS headquarters is—whether it’s the BESEC site or some other site something like Concordia or somewhere else**—would be a wonderful place to think about placing the Children’s Theatre, a Children’s Museum, having consolidated athletic facilities that are an excellent standard for all kids in the district (emphasis added).”
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