



## BOARD OF EDUCATION

Portland Public Schools  
**Regular Meeting**  
November 17, 2020

## VIRTUAL MEETING

*In light of current public health concerns related to COVID-19, this meeting will take place virtually.\**

Under the provision of ORS 192.670, the meeting will be streamed live:  
<https://www.youtube.com/user/ppscmms/live>

To request to sign-up for public comment please send an email with your first and last name, and topic to [PublicComment@pps.net](mailto:PublicComment@pps.net), or call Kara Bradshaw at 503-916-3906. Requests for Public Comment will be processed in the order that they are received, and should be received by 12:00 pm on the day of the meeting. Once your spot is confirmed, instructions for addressing the board will be sent to you via email.

Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time. This meeting may be taped and televised by the media.

### AGENDA

- I. 6:00 pm - Opening - 5 min.
- II. 6:05 pm - Resolution 6203: Resolution Proclaiming the Celebration of National Native American Indian Heritage Month in Portland Public Schools - 5 min.
- III. 6:10 pm - Consent Agenda: Resolutions 6204 through 6207 - 15 min.  
*Vote- Public Comment Accepted*
  1. RESOLUTION 6204: Resolution to Waive the Cash Management Policy 8.20.010-P
  2. RESOLUTION 6205: A Resolution Regarding Depository Banks for the Funds of the Portland Public School District (School District No. 1-J, Multnomah County Oregon)
  3. RESOLUTION 6206: Expenditure Contracts that Exceed Delegation of Authority
  4. RESOLUTION 6207: Adoption of Minutes
- IV. 6:25 pm - Student and Public Comment - 15 min.
- V. 6:40 pm - Student Representative's Report - 5 min.
- VI. 6:45 pm - Superintendent's Report - 10 min.
- VII. 6:55 pm - Board Committee and Conference Reports - 10 min.
  1. Charter Schools and Alternative Programs Committee
  2. Policy Committee
- VIII. 7:05 pm - RESOLUTION 6208 - Student Investment Account Grant Approval - 10 min.  
*Vote- Public Comment Accepted*
- IX. 7:15 pm - RESOLUTION 6209: Resolution Authorizing the Sale of General Obligation Bonds and Related Matters - 15 min.  
*Vote- Public Comment Accepted*
- X. 7:30 pm - Oregon School Board Association (OSBA) Elections - 5 min.
- XI. 7:35 pm - Other Business / Committee Referrals - 5 min.
- XII. 7:40 pm - Adjourn

#### **Portland Public Schools Nondiscrimination Statement**

*Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District is committed to equal opportunity and nondiscrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital status; familial status; economic status or source of income; mental or physical disability or perceived disability; or military service.*

## RESOLUTION No. 6203

### Resolution Proclaiming the Celebration of National Native American Indian Heritage Month in Portland Public Schools

#### RECITALS

- A. Native American Indians are descendants of the original, indigenous inhabitants of what is now the United States;
- B. The Portland Metro region rests on the traditional lands of the Bands of the Chinook, Multnomah, Clackamas, Tualatin, Molalla, Kalapuya, Wasco, Cowlitz and Kathlamet tribes. These tribes established their communities in a resource rich area where they traded and fished along the rivers and harvested those natural resources that fed and maintained their families. In the 1950's, under Federal Relocation Policy a large segment of the Native population in the US was forced to relocate to several major cities of which Portland was one. This has added to the diversity of tribal representation in the region;
- C. Native American Indians people whose history is rich with those who positively influence and enrich our nation, our society, our region, our state, and our schools through their entrepreneurship, commitment to community service, deep value of justice and liberty, and social and cultural life;
- D. On August 3, 1990, President of the United States George H. W. Bush declared the month of November as National American Indian Heritage Month, thereafter commonly referred to as Native American Heritage Month;
- E. Native American Indians have made profound contributions and continue to make advances in education, medicine, art, culture, and public service and been a consistent and vital influence in our nation's growth and prosperity;
- F. The Portland Metro's Native American Indian Community is diverse and growing with the population estimated to be nearly 70,000. As Portland is a relocation site, PPS students represent more than 150 tribal nations. As such, we are humbled by Native American Indian employee, families and community's contribution to the accomplishment of PPS's mission;
- G. Understanding Native American Indian history is an important part of celebrating Native American Heritage Month; Background:
- H. The Oregon Indian Education Association introduced and Oregon Governor Brown signed into law Senate Bill 13, Tribal History/Shared History in the 2017 legislative session. This Bill called upon the Oregon Department of Education (ODE) to develop a statewide curriculum relating to the Native American experience in Oregon, including tribal history, tribal sovereignty, culture, treaty rights, government, socioeconomic experiences, and current events.

Tribal History/Shared History is one of 11 objectives identified in ODE's American Indian/Alaska Native State Plan, in which "Every school district in Oregon implements historically accurate, culturally embedded, place-based, contemporary, and developmentally-appropriate American Indian curriculum..." Oregon is one of several states adopting similar efforts to reaffirm the state's commitment in preserving tribal cultural integrity and the education of our citizens.

In May 2018, ODE facilitated coordination of the creation of Essential Understandings of Oregon's American Indians, which has been used to develop American Indian curriculum and assessment tools for 4th, 8th, and 10th grades aligning with state standards in the following content areas: English Language Arts, Science, Math, Social Science, and Physical Education/Health. Portland Public Schools Office of Indian Education, Office of Teaching and Learning and Office of Schools are engaged in this vital statewide work.

As of January 2020 the State of Oregon requires implementation of Tribal History Shared History within all K-12 school districts throughout the state. The Office of Schools and Office of TEaching and Learning are working together to support the implementation of this curriculum, as a foundational and fundamental element of our culturally responsive teaching and learning for the students in Portland Public Schools.

- I. Portland Public Schools has a Racial Education Equity Policy that states our commitment to affirmatively overcome the educational barriers that have resulted in a persistent, unacceptable achievement gap for students of color and to give each student the opportunity and support to meet his or her highest potential;
- J. Closing opportunity gaps while raising achievement for all students is the top priority of the Board of Education, the Superintendent and all district staff;
- K. The Portland Public Schools Board of Education believes each and every student is to be celebrated and appreciated for the distinct and vibrant contributions made by sharing cultures, language, ideas, beliefs and values within a school community.

**RESOLVED**

- 1. The Portland Public Schools Board of Education hereby promotes November 1 through November 30th as Native American Indian Heritage Month and encourages staff, students, and community to observe, recognize, and celebrate the culture, heritage, and economic contributions of Native Americans to our Oregon and the United States through culturally relevant activity, and to learn from the past and understand the experiences that have shaped the United States.
- 2. The Superintendent or his designee shall work with all schools in the district to recognize Native American Indian Heritage Month through culturally relevant lessons and activities.

RESOLUTION No. 6204

Resolution to Waive the Cash Management Policy 8.20.010-P

**RECITALS**

1. Portland Public Schools (PPS) is required by statute to obtain an annual audit of the District's accounts and fiscal affairs. PPS contracts with an independent auditing firm for these services.
2. The COVID-19 health crisis has caused a huge disruption in the capital markets. The Federal Reserve and US Treasury have taken unprecedented steps to provide liquidity to the market. In spite of these extraordinary efforts, the crisis has continued to have a devastating impact on security prices and returns. US Treasury securities are now yielding negative returns out to one-year maturities. This means if the District purchases one of those lowest risk securities, the district will receive less at maturity than was originally invested.
3. Investing in US Treasury Securities in the current market would contradict the overall objective of Board Policy 8.20.010-P: Cash Management:  
  
"Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio."
4. Policy 8.20.10-P also restricts the amount that can be invested or deposited in any one banking institution to 10% of the total portfolio.
5. The Finance leadership of the district requests the Board grant a temporary suspension to Board Policy 8.20.10-P, Section VII (2), which limits deposits to 10% of the portfolio in any one banking institution. This will allow the District's Treasury Department greater flexibility in managing excess cash and avoid investments that will not return a positive yield.

**RESOLVED**

Effective November 17, 2020, the Portland Public Schools Board of Education hereby authorizes a temporary waiver of Section VII (2) of Board Policy 8.20.10-P: Cash Management through June 30, 2021, and allows up to 25% of the district's investment portfolio in a single banking institution.



**PORTLAND PUBLIC SCHOOLS**  
**OFFICE OF DEPUTY SUPERINTENDENT**  
501 North Dixon Street / Portland, OR 97227  
Telephone: (503) 916-3380

**Date:** November 17, 2020  
**To:** School Board  
**From:** Claire Hertz, Deputy Superintendent of Business & Operations  
**Subject:** Resolution to Waive Investment Policy through June 30, 2021

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**BACKGROUND**

The COVID-19 health crisis has continued to cause a huge disruption in the capital markets. The Federal Reserve and US Treasury have taken unprecedented steps to provide liquidity to the market. In spite of these extraordinary efforts, the crisis has continued to have a devastating impact on security prices and returns. US Treasury securities are now yielding negative to slightly positive (less than 0.10%) returns out to one-year maturities.

**RELATED POLICIES/BEST PRACTICES**

Board Policy 8.20.010-P: Cash Management

**ANALYSIS OF SITUATION**

Investing in US Treasury Securities in the current market would contradict the overall objective of Board Policy 8.20.010-P: *Cash Management*:

“Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.”

Policy 8.20.10-P also restricts the amount that can be invested or deposited in any one banking institution to 10% of the total portfolio. Under normal market conditions that percentage restriction is prudent, as it allows the District to maintain a diversified portfolio and limits PPS’ exposure at any one institution.

In abnormal markets like these, bank money market deposits provide safety of principal. It should be noted that all such deposits are governed by state laws that require banks to collateralize any balances above those covered by FDIC insurance with the State. The State also approves the banks that are permitted to hold public fund balances.

The Finance leadership of the district request the Board grant a temporary suspension to Board Policy 8.20.10-P, Section VII (2), which limits deposits to 10% of the portfolio in any one banking institution. This will allow the District’s Treasury Department greater flexibility in managing excess cash and avoid investments that will not return a positive yield. It is the hope that a temporary suspension will allow for market stabilization, at which time the Treasury

Department will be able to bring the district's investments back in line with the limits outlined in Board Policy 8.20.10-P.

**FISCAL IMPACT**

Suspension of Section VII (2) would allow for interest earnings. If the suspension were not allowed, the district would have a negative return on investments.

**COMMUNITY ENGAGEMENT (IF APPLICABLE)**

N/A

**TIMELINE FOR IMPLEMENTATION / EVALUATION**

Effective immediately upon approval of the resolution by the board of directors.

**BOARD OPTIONS WITH ANALYSIS**

The Board may keep the investment policy in place, and the district will need to use US Treasury Securities as investment instruments for the proceeds of the upcoming capital projects bond sale. This will cost the district a portion of the principal of the investment and have a negative impact on proceeds and investment earnings.

**CONNECTION TO BOARD GOALS**

Funds are retained to be invested in the 2012, 2017 and 2020 Capital Bond programs to update and modernize schools.

**STAFF RECOMMENDATION**

Staff recommends the board approve the resolution for a temporary waiver of Section VII(2) of Board Policy 8.20.10-P through June 30, 2021.

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*As a member of the PPS Executive Leadership Team, I have reviewed this staff report.*

CH (Initials)

**ATTACHMENTS**

- A. Board Policy 8.20.10-P
- B. Resolution



# BOARD POLICY

## CASH MANAGEMENT

8.20.010-P

### I. Scope and Pooling of Funds

This cash management policy applies to all cash activities and funds under the control of Multnomah County School District No. 1J (“the District”). This policy applies to the investment of operating funds, capital funds including bond proceeds, and bond reserve funds held by Portland Public Schools. This policy excludes petty cash activities.

The average size of the District’s investment portfolio approximates \$175,000,000, with an approximate seasonal high and low of \$325,000,000 and \$30,000,000 respectively. Average ranges do not include proceeds of General Long-Term Obligation Bonds, notes etc., if any.

### II. General Objectives

It is the District’s policy to invest public funds not required for immediate expenditure in a manner which will provide safety of principal, maintenance of a liquid position, and the maximum return on cash invested while meeting daily cash flow demands and conforming to Oregon Revised Statutes (ORS).

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield, with each objective discussed below.

#### 1. **Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The object will be to mitigate both credit and interest rate risks.

##### (a) **Credit Risk**

The District will minimize the risk of loss due to the financial failure of the security issuer or backer, by:

- Concentrating its investments in the safest types of securities.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the District will do business.
- Diversifying the investment portfolio to minimize potential losses.
- Actively monitoring the investment portfolio holdings for changes in credit ratings and economic / market conditions.



# BOARD POLICY

## CASH MANAGEMENT

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### (b) Interest Rate Risk

The District will minimize the risk of market value decline by:

- Structuring the investment portfolio so that maturing securities meet cash requirements for ongoing operations and/or capital projects, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities or short-term investment pools.

### 2. Liquidity

The investment portfolio shall be kept sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio shall consist of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio may be placed in the Oregon Short-Term Fund, or similar investment offering next-day liquidity.

### 3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. High returns on investments are of secondary importance compared to the safety and liquidity objectives described above. The majority of the portfolio is limited to highly-rated / low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity, unless:

- A security with a declining credit rating may be sold early to prevent or minimize loss of principal.
- An unanticipated cash demand requires that the security be sold.
- A security swap would improve the quality, yield, or target duration of the portfolio.
  - Security swaps will be made only with specific approval of the CFO or, if absent, the CFO's designee.





# BOARD POLICY

## CASH MANAGEMENT

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### III. Standards of Care

#### 1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy, and exercising due diligence, shall be relieved of personal responsibility.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probably income to be derived.

#### 2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to disclose any material interest in financial institutions that conduct business with the District. They shall further disclose any personal / financial / investment positions that could be related to the performance of the investment portfolio.

Employees, officers and their families shall refrain from undertaking personal business transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

#### 3. Responsibility

The District’s Board delegates, through the Superintendent to the chief financial officer (CFO), the responsibility for implementing this policy.

Day-to-day administration of this investment policy shall be managed by the CFO and delegated to his / her designee. The CFO or designee, hereinafter referred to as Investment Officer, shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the



# BOARD POLICY

## CASH MANAGEMENT

8.20.010-P

Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.

### IV. Safekeeping and Custody

#### 1. Authorized Financial Dealers and Institutions

A list will be maintained of approved financial institutions authorized to provide investment and safekeeping services. In addition, a list will also be maintained of approved security brokers / dealers selected by creditworthiness and other factors considered relevant by the District. These may include “primary” dealers or regional dealers that qualify under the Securities and Exchange Commission (SEC) rule 15d3-1 (uniform net capital rule). Qualified dealers and brokers will be required to maintain an office in the states of Oregon or Washington. The District will limit all security purchases to institutions on these approved lists. All financial institutions and broker / dealers who wish to qualify for District investment transactions must supply the following, as appropriate:

- Audited financial statements.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Proof of state registration.
- Certification of having read and understood the District’s investment policy.
- Certification of agreement to comply with the District’s investment policy.

The Investment Officer will conduct an annual review of the financial condition and registration of qualified financial institutions and broker / dealers.

### V. Internal Controls

The Investment Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of the District from loss, theft or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Investment Officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:



# BOARD POLICY

## CASH MANAGEMENT

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### 1. Accounting Method

The District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. These accounting principles are contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

### 2. Delivery and Safekeeping

The purchase and sale of securities, repurchase agreements and guaranteed investment contract transactions shall be settled on a delivery-versus-payment basis (DVP) in accordance with ORS 294.145(4), ORS 294.145(5) and GFOA recommended practices. It is the District's intent that all purchased securities shall be delivered to the District's third-party custodian in the account name of the District. Sufficient evidence to title shall be consistent with modern investment and commercial practices.

### 3. Collateralization

All bank deposits, time deposits, certificates of deposit, and savings accounts shall be held in qualified Oregon depositories and collateralized in accordance with ORS Chapter 295.

ORS 294.035(3)(j) requires repurchase agreements be limited in maturity to three years and priced according to the written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board. On March 12, 1996, the OSTF Board adopted the following margins:

- US Treasuries: 102%.
- US Agency discount and coupon securities: 102%.
- Mortgage-backed securities, although allowed by ORS Chapter 294, are not allowed as repurchase agreement collateral under this policy.

Prior to entering into any repurchase agreement, a signed Master Repurchase Agreement must be in place between the District and the securities dealer. At a minimum, the District will monitor the collateral requirements weekly for guaranteed investment contracts.



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#### 4. Pooling of Funds

Except for cash in certain restricted and special funds, the District will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with GAAP.

### VI. Suitable and Authorized Investments

The following investments will be permitted by this policy and are authorized for investment under ORS 294.035, ORS 294.046, ORS 294.052, ORS 294.805 and 294.810:

- US. Treasury securities and other lawfully issued general obligations of the United States, including general obligations of agencies and instrumentalities of the United States or enterprises sponsored by the United States government
- Debt of the agencies and instrumentalities of the states of Oregon, California, Idaho and Washington and their political subdivisions
- Time deposit open accounts, certificates of deposit, share accounts, and savings accounts
- Banker's acceptances
- Corporate indebtedness
- Repurchase Agreements
- Oregon Short-term Fund, also known as Local Government Investment Pool (LGIP)
- The District may invest up to 100% of the proceeds from any bond issue in investment agreements that meet the requirements of ORS 294.052 and the repurchase agreement collateral requirements and restrictions of this policy.
- Demand checking accounts are excluded from this policy scope.

### VII. Investment Parameters

#### 1. Diversification

Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Investing in securities that have high credit quality;
- Limiting investments in securities with high interest-rate risk, such as variable-rate securities;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily-available funds such as the Oregon Short-Term Fund (or LGIP).



# BOARD POLICY

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### 2. Maximum Maturities and Percentage of Investments by Type

The maximum percentages for direct investments of surplus funds are as shown in the chart below. Surplus funds are defined as the sum of all investments, cash balances, deposit balances of all types, and LGIP balances. The maximum maturity is measured from the settlement date of the investment transaction.

Capital project funds are funds specifically dedicated to capital projects, and will typically include proceeds from the District’s bond sales. All bond fund reserves will be considered to be capital project funds. With Board approval, the District may designate other funds as capital project funds. Operating funds are all surplus funds that are not capital project funds.

Security	Maximum % of Total Portfolio	Maximum Maturity
US Treasury Bills, Notes and Bonds, and Obligations secured by the US Treasury	100%	18 months for operating funds; 5 years for capital project funds
US Government Agencies and Instrumentalities, including Government-Sponsored Enterprises	100%	18 months for operating funds; 5 years for capital project funds
State and Local Government Securities	30%	18 months for operating funds; 5 years for capital project funds
Time Certificates of Deposit	50%	18 months
Repurchase Agreements	25%	30 days
Bankers Acceptances	25%	6 months
Corporate Indebtedness (commercial paper and bonds)	35%	18 months
OSTF – Local Government Investment Pool	Pool Limit	Pool Maximum



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In order to achieve issuer diversification, this policy sets limits on the maximum holdings by issuer for certain investment types.

- There shall be a limit of 50% of the portfolio held in securities issued by any single US government agency.
- Time certificates of deposit and bankers acceptances can all be issued by a single banking institution. In order to avoid over-concentration in a single banking institution, there shall be a limit of 10% for overall holdings in one institution.

In addition to this policy, ORS 294.035 limits investments in corporate indebtedness to 35% of the total investment portfolio, with no more than 5% of total funds invested in a single corporate entity and its affiliates or subsidiaries.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

### 3. Liquidity of Funds

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds, such as OSTF or overnight repurchase agreements, or held in bank balances to ensure sufficient liquidity to meet ongoing obligations.

Maturity limitations will depend upon whether the funds being invested are considered short- or long-term funds. Surplus funds will be considered operating funds, except those reserved for capital projects. Except for special situations, as directed by the Investment Officer, investments will be limited to maturities not exceeding 18 months.

Short-term portfolio investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs.



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In addition, the following maturity limits are designed to ensure liquidity in the portfolio:

Length of Maturity	Minimum % of Total Portfolio
Under 30 days	10%
Under 90 days	25%
Under 365 days	75%
<u>Under 18 months</u>	<u>100%</u>

If these maturity limits are inadvertently exceeded at the time of a specific investment, the purchase does not need to be liquidated. However, subsequent investments must not be made to longer maturity dates until the limits will be met.

The investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, the applicable bond covenants or applicable tax laws, whichever are most restrictive.

This investment policy was submitted to and approved by the OSTF Board as specified above and in accordance with ORS 294.135(1)(a).

#### **4. Credit Ratings**

Minimum credit rating levels for permissible investments are set out in ORS 294.035. The District will only recognize ratings of Moody's, S&P, and Fitch of the available Nationally-Recognized Statistical Rating Organizations (NRSROs). These credit rating levels apply to the security at the transaction settlement date.

If a security's credit rating is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Officer shall evaluate, on a case-by-case basis, in order to determine if the security should be held or sold. The Investment Officer shall notify the CFO or his/her designee about the credit rating downgrade and whether the decision was made to sell or hold the security.



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### 5. Securities Lending and Reverse Repurchase Agreements

The District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

### 6. Bids and Offers

Before any security purchase or sale is initiated, the Investment Officer shall determine the appropriateness of seeking competitive bids or offers. Information about current market interest rate levels can be obtained from various sources, including investment dealers, financial websites and publications, and other sources. Factors to consider include where the securities are held, the size of the transaction, and the term to maturity.

In the event competitive bids or offers are not considered, the decision not to do so shall be documented. When required by applicable tax laws or bond covenants, competitive bids and offers shall be sought for security purchases and sales of bond funds.

## VIII. Reporting

### 1. Methods

The Investment Officer shall prepare a quarterly report, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last period. This management summary will be prepared in a manner which will allow the District to ascertain whether investment activities during the reporting period have conformed to this policy. The report shall be provided to the Board quarterly. The report will include the following:

- List of transactions occurring during the reporting period.
- List of individual securities held at the end of the reporting period.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmark(s).
- List of investments by maturity date (or call date, as appropriate).
- Percentage of the total portfolio that each type of investment represents along with the percentages authorized in this policy.
- Performance relative to benchmark(s).





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### 2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The performance of the District's portfolio shall be measured against the performance of the Oregon Short-Term Fund, 90-day agencies, and 90-day treasuries. The average monthly net yield of the District's portfolio shall be used for such comparison or evaluation. Because bond proceeds are expected to be invested at the time they are received, and are therefore invested in the interest rate environment that exists at that point in time, that portion of the portfolio will be excluded from ongoing benchmark performance measurement.

### 3. Mark to Market

The market value of the portfolio shall be calculated, and a statement of the market value of the portfolio issued, at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark to Market Practices for State and Local Government Investment Portfolios and Investment Pools". This "Mark to Market" analysis is provided by the District's third-party investment custodial safekeeping agent.

## IX. Administration of Cash Management Program

### 1. Objectives.

The District's objectives are to comply both with the letter and the spirit of Board policy in a manner that permits efficient use of District resources and effective management control.

### 2. Deposits.

All District monies from all sources, however small in amount, are to be deposited daily into the designated bank account.

Arrangements shall be made to have large amounts of money, such as bond settlements and recurring receipts, received via wire / ACH transfers.



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### **3. Payments.**

All payments shall be made when approved and due, but not before they are due. Cash discounts will be analyzed to determine the cost/benefit of payment terms in relation to investment opportunities. No payments of any kind will be made from un-deposited cash.

### **4. Commitments.**

Purchase commitments shall be made so that the time between receipt of items and services and the need for these items and services is minimized and monies are therefore not prematurely removed from investment availability.

### **5. Cash Flow.**

A cash flow projection is to be prepared at the start of each fiscal year, indicating planned cash receipts and disbursements by month. This projection shall be approved by the CFO.

### **6. Daily Cash Control.**

The District's staff is to account for cash balances daily, by financial institution.

## **X. Administration of Cash Management Program**

Banking services will be engaged by the District based on considerations of availability of required services, cost of those services, and any applicable legal requirements. Banking services will be engaged based on an open bidding process conducted at least once every ten (10) years and reviewed annually for continuing validity. The District will use one bank as its primary depository institution. The District may use different banks or financial institutions for investment purposes than those used for depository purposes.

## **XI. District Bank Account Administration**

The CFO is the only officer with authority to direct a bank to open or close an account.

All District bank accounts will have at least two authorized signers at all times. Student Body Accounts will require two original physical signatures on all checks, while disbursements from the District's primary accounts (Accounts Payable, Payroll, Risk Management) may be issued with electronic signature (ORS 294.129).



# **BOARD POLICY**

## **CASH MANAGEMENT**

**8.20.010-P**

History: Amended 01/12/2016; 3/2018; 1/2019

Legal References:

ORS Chapters 244, 294 and 295

**RESOLUTION No. 6205**

A Resolution Regarding Depository Banks for the Funds of the Portland Public School District (School District No. 1-J, Multnomah County Oregon)

**RECITALS**

- A. At the beginning of each fiscal year, the Portland Public Schools Board of Education, establishes depositories for school funds (ORS 328.441, 294.805 – 294.895).
- B. At the July 14, 2020 meeting, the Portland Public Schools Board of Education passed Resolution No. 6139 to approve as official depositories of Portland Public School funds during the 2020-21 fiscal year:

**Institution**

U.S. Bank  
Wells Fargo Bank  
Umpqua Bank  
Washington Federal Bank  
Willamette Bank  
BNY Mellon Bank  
JPM Chase Bank  
Bank of America  
Local Government Investment Pool (LGIP)

- C. The District desires to pass a resolution to name additional official depositories during the 2020-21 fiscal year:

**RESOLUTION**

- 1. RESOLVED that the following depositories are hereby, approved as official depositories of Portland Public Schools funds during the 2020-21 fiscal year:

**Institution**

U.S. Bank  
Wells Fargo Bank  
Umpqua Bank  
Washington Federal Bank  
Willamette Bank  
BNY – Mellon Bank  
JPM Chase Bank  
Bank of America  
Local Government Investment Pool (LGIP)

**Key Bank**

**Bank of the West**

- 2. RESOLVED that any of the following of the District's officers [designate titles only]; and in their absence as the Superintendent designates:

**Deputy Superintendent of Business & Operations**

**Chief Financial Officer**

(each such designated officer an "Officer"), is individually authorized to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with any depository institution qualified by the Oregon State Treasurer under Oregon Revised Statutes (ORS) 295 (herein after called "Bank" which account shall be in the name of the District; (b) execute and deliver in the District's name such agreement (s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of the District, and otherwise negotiating, checks and other items payable to the District; (d) incur

overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions;

3. RESOLVED, that any one of the following of the District's officers [designate titles only]:

**Senior Director of Financial Services**  
**Senior Manager, Treasury**

(each such designated officer a "Limited Officer"), is authorized to: i) request funds transfers by Bank to and from the Accounts, (ii) enter into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts.

4. RESOLVED, that each Officer and each Limited Officer is individually authorized to designate one or more District officials [each such designated official, an "Official"] to: (a) sign checks withdrawing funds from their respective school checking Accounts, including those payable to cash; and (b) issue and release stop payments on checks drawn on their respective school checking Accounts.
5. RESOLVED, that the District is authorized to enter into any other arrangements, agreements and documents with respect to any Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by an Officer signing such agreements and documents, after appropriate Board of Education approval is obtained, if necessary;
6. RESOLVED, that except to the extent provided otherwise in any agreement between the District and Bank, the District authorizes Bank to rely on any act or communication, including telephone, wire or electric communication, purporting to be done by any Officer, Limited Officer or Official of the District if such reliance is in good faith, and the District shall be bound to Bank by such act or communication relied on by Bank in good faith;
7. RESOLVED, that these resolutions are in addition to, and not by way of limitation on, other resolutions, if any, of the District in favor of Bank, and that the authority conferred by these resolutions shall be deemed retroactive and any and all acts authorized by these resolutions performed prior to the passage of these resolutions are hereby approved and ratified as the official acts and deeds of the District; and
8. RESOLVED, that each of these resolutions shall continue in full force and effect until Bank has received express written notice of its rescission or modification by a resolution duly adopted by the District's Board of Education and certified by a Secretary or Deputy Clerk of the District.

## RESOLUTION No. 6206

### Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

#### RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

#### RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

#### NEW CONTRACTS

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
Oh Planning & Design	11/18/20 through 12/31/21	Architectural Services ARCH 89487	Complete architectural and engineering services to design roof replacement at MLC.  Request for Proposals 2020-2857	\$508,896	C. Hertz Fund 456 Dept. 5511 Project DS006
Otak, Inc.	11/18/20 through 6/30/21 Option to renew for up to two additional one-year terms through 6/30/23	Related Services RS 89510	Project Management/ Construction Management (PM/CM) Services for the 2017 Bond Program. Request for Proposals 2017-2352	\$5,000,000	C. Hertz Funding Source Varies
IBI Group	11/18/20 through 12/31/21	Architectural Services ARCH 89484	Complete architectural and engineering services to design roof replacement at Duniway. Request for Proposals 2020-2857	\$384,172	C. Hertz Fund 456 Dept. 5511 Project DS006
IBI Group	11/18/20 through 12/31/21	Architectural Services ARCH 89485	Complete architectural and engineering services to design roof replacement at Rieke. Request for Proposals 2020-2857	\$323,767	C. Hertz Fund 456 Dept. 5511 Project DS006
Todd Construction, Inc.	TBD	Construction *C XXXXX	Construction of four new classrooms and a Career & Technical Education (CTE) addition to Roosevelt. Request for Proposals 2020-2770	\$4,571,000	C. Hertz Fund 452 Dept. 3124 Project DA003

\* Contract is in negotiation and not finalized at this time. Staff seeks advanced authorization for this contract pursuant to the Purchasing & Contracting Delegation of Authority Administrative Directive, 8.50.105-AD, Section X(4): “The District may seek an ‘advanced authorization’ from the PPS Board of Education for any contract upon the approval of the Director of Purchasing & Contracting. The cost of the contract shall be a ‘Not to Exceed’ amount. Once the Board has approved it, no further authorization for the contract is required, providing the contract value remains at or below the ‘Not to Exceed’ amount.”

#### NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No New IGAs

#### AMENDMENTS TO EXISTING CONTRACTS

No New Amendments

# Portland Public Schools Board of Education

## Regular Meeting Minutes

Tuesday, November 10, 2020

Virtual

### Attendance

Present: Chair Lowery, Directors Bailey, Brim-Edwards, DePass, Kohnstamm, Moore, Scott; Student Representative Shue

Absent: None

### Actions Taken

Motion to approve the Consent Agenda which includes Resolutions 6200 through 6202. This motion, made by Director Andrew Scott and seconded by Director Scott Bailey, Passed.

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes, Student Representative Shue: Yes (unofficial)

Yes: 7, No: 0

**RESOLUTION No. 6200**Expenditure Contracts that Exceed \$150,000 for Delegation of Authority**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

**NEW CONTRACTS**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
Swinerton Builders	11/11/20 through 3/31/21	Construction C 89437	Franklin – build out new classroom/office space in existing alcoves. Invitation to Bid – Construction 2020-2858	\$145,045	C. Hertz Fund 404 Dept. 5597 Project X0177
Alliant Systems, LLC	11/11/20 through 4/23/23	Flexible Services Contractor Pool FSCP 89430	District-wide boiler repair services Request for Proposals 2020-2765	\$3,000,000	C. Hertz Funding Source Varies
College Board	11/11/20 through 6/30/21	Purchase Order PO 153134	Purchase of SAT and PSAT/NMSQT (National Merit Scholarship Qualifying Test) for students. Approved Special Class Procurement – Copyrighted and Creative Works PPS-47-0288 (4)	\$268,000	K. Cuellar Fund 101 Dept. 5439
Amplified IT, LLC	11/11/20 through 11/10/21	Purchase Order PO 153281 & 153295	Purchase of G-Suite Enterprise for Education licenses for staff and students including support services. Sole Source PPS-47-0275	\$156,000	C. Hertz Fund 101 Dept. 5581

**NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)**

No New IGAs

**AMENDMENTS TO EXISTING CONTRACTS**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Amendment Amount, Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
TALX Corporation	9/1/18 through 8/31/21	Personal Services PS 66695 Amendment 1	Unemployment claim servicing and compliance. This amendment adds funds due to pandemic-related increase in unemployment claims. Direct Negotiation PPS-46-0525(4)	\$200,000 \$226,320	S. Reese Fund 101 Dept. 5441
City of Portland	7/1/18 through 6/30/21	Intergovernmental Agreement IGA 66402 Amendment 2	Administration of Workforce Hiring and Training Program. This amendment extends the contract for one additional year through 6/30/21.	\$58,429 \$159,593	C. Hertz Fund 456 Dept. 5511 Project DF120



**RESOLUTION No. 6201****Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority****RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$150,000 per contractor are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

**NEW REVENUE CONTRACTS**

No New Revenue Contracts

**NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)**

No New Intergovernmental Agreements/Revenue Contracts

**AMENDMENTS TO EXISTING REVENUE CONTRACTS**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Amendment Amount, Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
State of Oregon	7/1/19 through 6/30/21	Intergovernmental Agreement/Revenue IGA/R 68738 Amendment 1	Funding for special education services to Providence students who attend PPS. Amendment adds funds for 20-21 school year.	\$1,196,640 \$2,391,346	K. Cuellar Fund 205 Dept. 9999 Grant G1791

**RESOLUTION No. 6202**

The Following Minutes are offered for Adoption

- October 20, 2020 – Regular Meeting

**RESOLUTION No. 6207**

The Following Minutes are offered for Adoption

- November 10, 2020 – Regular Meeting

**RESOLUTION No. 6208**

Resolution to Approve the Student Investment Account Grant Agreement

**RECITALS**

- A. The Student Success Act requires that the Student Investment Account (SIA) Grant Agreement be presented to the Portland Public Schools Board of Education for approval with the opportunity for the public to provide comment.
- B. The Portland Public Schools Board of Education voted unanimously to approve the Student Investment Account (SIA) Grant Agreement No. 13723, which was publicly posted, on October 20, 2020, in the consent agenda and offered the opportunity for public comment.
- C. Following the approval by the Board, the Oregon Department of Education issued additional guidance which stated that the SIA Grant Agreement cannot be part of the consent agenda.

**RESOLVED**

Following posting on the PPS website and the oral presentation and opportunity for public comment at a public meeting, the Board of Education approves the Student Investment Account Grant Agreement in the same form previously approved on October 20, 2020.

# STATE OF OREGON GRANT AGREEMENT

GRANT NO. 13723

## “Student Success Act -Student Investment Account”

This Grant Agreement (“Grant”) is between the State of Oregon acting by and through its Department of Education (“Agency”) and **Portland SD 1J** (“Grantee”), each a “Party” and, together, the “Parties”.

### SECTION 1: AUTHORITY

Pursuant to the “Student Success Act”, codified at 2019 Oregon Laws Chapter 122 and as amended from time to time (the “Act”). Agency is authorized to distribute funding from the Statewide Education Initiative Account for the purposes described in Section 9 of the Act. Agency is authorized to enter into a grant agreement and provide funding for the purposes described in this Grant.

### SECTION 2: PURPOSE

The purpose of this grant is to provide funding to assist in meeting students’ mental or behavioral health needs, and increasing academic achievement and reducing academic disparities for students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged students, students who are homeless, and students who are foster children.

### SECTION 3: EFFECTIVE DATE AND DURATION

When all Parties have executed this Grant, and all necessary approvals have been obtained (“Executed Date”), this Grant is effective and has a Grant funding start date as of July 1, 2020 (“Effective Date”), and, unless extended or terminated earlier in accordance with its terms, will expire on June 30, 2021.

### SECTION 4: GRANT MANAGERS

#### 4.1 Agency’s Grant Manager is:

Rachael Moser  
Office of Education Innovation & Improvement  
255 Capitol St NE  
Salem, OR 97310-0203  
[SIInfo@ode.state.or.us](mailto:SIInfo@ode.state.or.us)

#### 4.2 Grantee’s Grant Manager is:

Leslie O'Dell  
Portland SD 1J  
PO Box 3107  
Portland, OR 97208-3107

lodell@pps.net

**4.3** A Party may designate a new Grant Manager by written notice to the other Party.

## **SECTION 5: PROJECT ACTIVITIES**

Grantee must perform the project activities set forth on Exhibit A (the "Project"), attached hereto and incorporated in this Grant by this reference, for the period beginning on the Effective Date and ending June 30, 2021 (the "Performance Period").

## **SECTION 6: GRANT FUNDS**

In accordance with the terms and conditions of this Grant, Agency will provide Grantee up to \$12,284,690.92 ("Grant Funds") for the Project. Agency will pay the Grant Funds from monies available through its Student Investment Account ("Funding Source").

## SECTION 7: DISBURSEMENT GENERALLY

### 7.1 Disbursement.

- 7.1.1** Subject to the availability of sufficient moneys in and from the Funding Source based on Agency's reasonable projections of moneys accruing to the Funding Source, Agency will disburse Grant Funds to Grantee for the allowable Project activities described in Exhibit A that are undertaken during the Performance Period.
- 7.1.2** Grantee must provide to Agency any information or detail regarding the expenditure of Grant Funds required under Exhibit A prior to disbursement or as Agency may request.
- 7.1.3** Grantee may use the Grant Funds for indirect or administrative costs up to the amount allowed by OAR 581-014-0004 (currently the lesser of five percent of Grantee's total expenditures or \$500,000 per annum). The rates described in OAR 581-014-0004 control over any other verbal or written rate(s) provided by Agency, including in any notice of award provided by Agency's Electronic Grants Management System ("EGMS").

### 7.2 Conditions Precedent to Disbursement. Agency's obligation to disburse Grant Funds to Grantee under this Grant is subject to satisfaction of each of the following conditions precedent:

- 7.2.1** Agency has received sufficient funding, appropriations, expenditure limitation, allotments or other necessary expenditure authorizations to allow Agency, in the exercise of its reasonable administrative discretion, to make the disbursement from the Funding Source;
- 7.2.2** No default as described in Section 15 has occurred; and
- 7.2.3** Grantee's representations and warranties set forth in Section 8 are true and correct on the date of disbursement(s) with the same effect as though made on the date of disbursement.

### 7.3 No Duplicate Payment. Grantee may use other funds in addition to the Grant Funds to complete the Project; provided, however, the Grantee may not credit or pay any Grant Funds for Project costs that are paid for with other funds and would result in duplicate funding.

### 7.4 Suspension of Funding and Project. Agency may by written notice to Grantee, temporarily cease funding and require Grantee to stop all, or any part, of the Project dependent upon Grant Funds for a period of up to 180 days after the date of the notice, if Agency has or reasonably projects that it will have insufficient funds from the Funding Source to disburse the full amount of the Grant Funds. Upon receipt of the notice, Grantee must immediately cease all Project activities dependent on Grant Funds, or if that is impossible, must take all necessary steps to minimize the Project activities allocable to Grant Funds.

If Agency subsequently projects that it will have sufficient funds, Agency will notify Grantee that it may resume activities. If sufficient funds do not become available, Grantee and Agency will work together to amend this Grant to revise the amount of Grant Funds and Project activities to reflect the available funds. If sufficient funding does not become available or an amendment is not agreed to within a period of 180 days after issuance of the notice, Agency will either (i) cancel or modify its cessation order by a supplemental written notice or (ii) terminate this Grant as permitted by either the termination at Agency's discretion or for cause provisions of this Grant.

## SECTION 8: REPRESENTATIONS AND WARRANTIES

**8.1 Organization/Authority.** Grantee represents and warrants to Agency that:

- 8.1.1 Grantee is eligible to accept Grand Funds for this purpose and is duly organized and validly existing under the laws of the State of Oregon;
- 8.1.2 Grantee has all necessary rights, powers and authority under any organizational documents and under Oregon Law to (a) execute this Grant, (b) incur and perform its obligations under this Grant, and (c) receive financing, including the Grant Funds, for the Project;
- 8.1.3 This Grant has been duly executed by Grantee and when executed by Agency, constitutes a legal, valid and binding obligation of Grantee enforceable in accordance with its terms;
- 8.1.4 If applicable and necessary, the execution and delivery of this Grant by Grantee has been authorized by an ordinance, order or resolution of its governing body, or voter approval, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings; and
- 8.1.5 There is no proceeding pending or threatened against Grantee before any court of governmental authority that if adversely determined would materially adversely affect the Project or the ability of Grantee to carry out the Project.

**8.2 False Claims Act.** Grantee acknowledges the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any “claim” (as defined by ORS 180.750) made by (or caused by) Grantee that pertains to this Grant or to the Project. Grantee certifies that no claim described in the previous sentence is or will be a “false claim” (as defined by ORS 180.750) or an act prohibited by ORS 180.755. Grantee further acknowledges in addition to the remedies under Section 16, if it makes (or causes to be made) a false claim or performs (or causes to be performed) an act prohibited under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against the Grantee.

**8.3 No limitation.** The representations and warranties set forth in this Section are in addition to, and not in lieu of, any other representations or warranties provided by Grantee.

## **SECTION 9: OWNERSHIP**

**9.1 Intellectual Property Definitions.** As used in this Section and elsewhere in this Grant, the following terms have the meanings set forth below:

“Third Party Intellectual Property” means any intellectual property owned by parties other than Grantee or Agency.

“Work Product” means every invention, discovery, work of authorship, trade secret or other tangible or intangible item Grantee is required to create or deliver as part of the Project, and all intellectual property rights therein.

**9.2 Grantee Ownership.** Grantee must deliver copies of all Work Product as directed in Exhibit A. Grantee retains ownership of all Work Product, and grants Agency an irrevocable, non-exclusive, perpetual, royalty-free license to use, to reproduce, to prepare derivative works based upon, to distribute, to perform and to display the Work Product, to authorize others to do the same on Agency’s behalf, and to sublicense the Work Product to other entities without restriction.



- 9.3 Third Party Ownership.** If the Work Product created by Grantee under this Grant is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Grantee must secure an irrevocable, non-exclusive, perpetual, royalty-free license allowing Agency and other entities the same rights listed above for the pre-existing element of the Third party Intellectual Property employed in the Work Product. If state or federal law requires that Agency or Grantee grant to the United States a license to any intellectual property in the Work Product, or if state or federal law requires Agency or the United States to own the intellectual property in the Work Product, then Grantee must execute such further documents and instruments as Agency may reasonably request in order to make any such grant or to assign ownership in such intellectual property to the United States or Agency.
- 9.4 Real Property.** If the Project includes the acquisition, construction, remodel or repair of real property or improvements to real property, Grantee may not sell, transfer, encumber, lease or otherwise dispose of any real property or improvements to real property paid for with Grant Funds for a period of six (6) years after the Effective Date of this Grant without the prior written consent of the Agency.

## **SECTION 10: CONFIDENTIAL INFORMATION**

- 10.1 Confidential Information Definition.** Grantee acknowledges it and its employees or agents may, in the course of performing its responsibilities, be exposed to or acquire information that is: (i) confidential to Agency or Project participants or (ii) the disclosure of which is restricted under federal or state law, including without limitation: (a) personal information, as that term is used in ORS 646A.602(12), (b) social security numbers, and (c) information protected by the federal Family Educational Rights and Privacy Act under 20 USC § 1232g (items (i) and (ii) separately and collectively “Confidential Information”).
- 10.2 Nondisclosure.** Grantee agrees to hold Confidential Information as required by any applicable law and in all cases in strict confidence, using at least the same degree of care Grantee uses in maintaining the confidentiality of its own confidential information. Grantee may not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties, or use Confidential Information except as is allowed by law and for the Project activities and Grantee must advise each of its employees and agents of these restrictions. Grantee must assist Agency in identifying and preventing any unauthorized use or disclosure of Confidential Information. Grantee must advise Agency immediately if Grantee learns or has reason to believe any Confidential Information has been, or may be, used or disclosed in violation of the restrictions in this Section. Grantee must, at its expense, cooperate with Agency in seeking injunctive or other equitable relief, in the name of Agency or Grantee, to stop or prevent any use or disclosure of Confidential Information. At Agency’s request, Grantee must return or destroy any Confidential Information, If Agency requests Grantee to destroy any Confidential Information, Grantee must provide Agency with written assurance indicating how, when and what information was destroyed.

- 10.3 Identity Protection Law.** Grantee must have and maintain a formal written information security program that provides safeguards to protect Confidential Information from loss, theft, and disclosure to unauthorized persons, as required by the Oregon Consumer Information Protection Act, ORS 646A.600-646A.628. If Grantee or its agents discover or are notified of a potential or actual “Breach of Security”, as defined by ORS 646A.602(1)(a), or a failure to comply with the requirements of ORS 646A.600 – 628, (collectively, “Breach”) with respect to Confidential Information, Grantee must promptly but in any event within one calendar day (i) notify the Agency Grant Manager of such Breach and (ii) if the applicable Confidential Information was in the possession of Grantee or its agents at the time of such Breach, Grantee must (a) investigate and remedy the technical causes and technical effects of the Breach and (b) provide Agency with a written root cause analysis of the Breach and the specific steps Grantee will take to prevent the recurrence of the Breach or to ensure the potential Breach will not recur. For the avoidance of doubt, if Agency determines notice required of any such Breach to any individual(s) or entity(ies), Agency will have sole control over the timing, content, and method of such notice, subject to Grantee’s obligations under applicable law.
- 10.4 Subgrants/Contracts.** Grantee must require any subgrantees, contractors or subcontractors under this Grant who are exposed to or acquire Confidential Information to treat and maintain such information in the same manner as is required of Grantee under subsections 10.1 and 10.2 of this Section.
- 10.5 Background Check.** If requested by Agency and permitted by law, Grantee’s employees, agents, contractors, subcontractors, and volunteers that perform Project activities must agree to submit to a criminal background check prior to performance of any Project activities or receipt of Confidential Information. Background checks will be performed at Grantee’s expense. Based on the results of the background check, Grantee or Agency may refuse or limit (i) the participation of any Grantee employee, agent, contractor, subgrantee, or volunteer, in Project activities or (ii) access to Agency Personal Information or Grantee premises.

## SECTION 11: INDEMNITY/LIABILITY

- 11.1 Indemnity.** Grantee must defend, save, hold harmless, and indemnify the State of Oregon and Agency and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature whatsoever, including attorneys' fees, resulting from, arising out of, or relating to the activities of Grantee or its officers, employees, subgrantees, contractors, subcontractors, or agents under this Grant (each of the foregoing individually or collectively a "Claim" for purposes of this Section). If legal limitations apply to the indemnification ability of Grantee, this indemnification must be for the maximum amount of funds available for expenditure, including any available contingency funds, insurance, funds available under ORS 30.260 to 30.300 or other available non-appropriated funds.
- 11.2 Defense.** Grantee may have control of the defense and settlement of any Claim subject to this Section. But neither Grantee nor any attorney engaged by Grantee may defend the Claim in the name of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without first receiving from the Attorney General, in a form and manner determined appropriate by the Attorney General, authority to act as legal counsel for the State of Oregon. Nor may Grantee settle any Claim on behalf of the State of Oregon without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event the State of Oregon determines Grantee is prohibited from defending the State of Oregon, or is not adequately defending the State of Oregon's interests, or an important governmental principle is at issue and the State of Oregon desires to assume its own defense. Grantee may not use any Grant Funds to reimburse itself for the defense of or settlement of any Claim.
- 11.3 Limitation.** Except as provided in this Section, neither Party will be liable for incidental, consequential, or other direct damages arising out of or related to this Grant, regardless of whether the damages or other liability is based in contract, tort (including negligence), strict liability, product liability or otherwise. Neither Party will be liable for any damages of any sort arising solely from the termination of this Grant in accordance with its terms.

## SECTION 12: INSURANCE

- 12.1 Private Insurance.** If Grantee is a private entity, or if any contractors, subcontractors, or subgrantees used to carry out the Project are private entities, Grantee and any private contractors, subcontractors or subgrantees must obtain and maintain insurance covering Agency in the types and amounts indicated in Exhibit C.
- 12.2 Public Body Insurance.** If Grantee is a "public body" as defined in ORS 30.260, Grantee agrees to insure any obligations that may arise for Grantee under this Grant, including any indemnity obligations, through (i) the purchase of insurance as indicated in Exhibit C or (ii) the use of self-insurance or assessments paid under ORS 30.282 that is substantially similar to the types and amounts of insurance coverage indicated on Exhibit C, or (iii) a combination of any or all of the foregoing.
- 12.3 Real Property.** If the Project includes the construction, remodel or repair of real property or improvements to real property, Grantee must insure the real property and improvements against liability and risk of direct physical loss, damage or destruction at least to the extent that similar insurance is customarily carried by entities constructing, operating and maintaining similar property or facilities.

## **SECTION 13: GOVERNING LAW, JURISDICTION**

This Grant is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between Agency or any other agency or department of the State of Oregon, or both, and Grantee that arises from or relates to this Grant must be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it will be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event may this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, to or from any Claim or from the jurisdiction of any court. GRANTEE, BY EXECUTION OF THIS GRANT, HEREBY CONSENTS TO THE PERSONAL JURISDICTION OF SUCH COURTS.

## **SECTION 14: ALTERNATIVE DISPUTE RESOLUTION**

The Parties should attempt in good faith to resolve any dispute arising out of this Grant. This may be done at any management level, including at a level higher than persons directly responsible for administration of the Grant. If the parties cannot resolve the dispute at the direct management level, it will be resolved as provided in OAR 581-014-0004.

## **SECTION 15: DEFAULT**

**15.1 Grantee.** Grantee will be in default under this Grant upon the occurrence of any of the following events:

- 15.1.1** Grantee fails to use the Grant Funds for the intended purpose described in Exhibit A or otherwise fails to perform, observe or discharge any of its covenants, agreements or obligations under this Grant;
- 15.1.2** Any representation, warranty or statement made by Grantee in this Grant or in any documents or reports relied upon by Agency to measure the Project, the expenditure of Grant Funds or the performance by Grantee is untrue in any material respect when made; or
- 15.1.3** A petition, proceeding or case is filed by or against Grantee under any federal or state bankruptcy, insolvency, receivership or other law relating to reorganization, liquidation, dissolution, winding-up or adjustment of debts; in the case of a petition filed against Grantee, Grantee acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal; or Grantee becomes insolvent or admits its inability to pay its debts as they become due, or Grantee makes an assignment for the benefit of its creditors.

**15.2 Agency.** Agency will be in default under this Grant if, after 15 days written notice specifying the nature of the default, Agency fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Grant; provided, however, Agency will not be in default if Agency fails to disburse Grant Funds because there is insufficient expenditure authority for, or moneys available from, the Funding Source.

## SECTION 16: REMEDIES

- 16.1 Agency Remedies.** In the event Grantee is in default under Section 15.1, Agency may, at its option, pursue any or all of the remedies available to it under this Grant and at law or in equity, including, but not limited to: (a) termination of this Grant under Section 18.2, (b) reducing or withholding payment for Project activities or materials that are deficient or Grantee has failed to complete by any scheduled deadlines, (c) requiring Grantee to complete, at Grantee's expense, additional activities necessary to satisfy its obligations or meet performance standards under this Grant, (d) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, (e) exercise of its right of recovery of overpayments under Section 17 of this Grant or setoff, or both, or (f) declaring Grantee ineligible for the receipt of future awards from Agency. These remedies are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.
- 16.2 Grantee Remedies.** In the event Agency is in default under Section 15.2 and whether or not Grantee elects to terminate this Grant, Grantee's sole monetary remedy will be, within any limits set forth in this Grant, reimbursement of Project activities completed and accepted by Agency and authorized expenses incurred, less any claims Agency has against Grantee. In no event will Agency be liable to Grantee for any expenses related to termination of this Grant or for anticipated profits.

## SECTION 17: WITHHOLDING FUNDS, RECOVERY

Agency may withhold from disbursements of Grant Funds due to Grantee, or Grantee must return to Agency within 30 days of Agency's written demand:

- 17.1** Any Grant Funds paid to Grantee under this Grant, or payments made under any other agreement between Agency and Grantee, that exceed the amount to which Grantee is entitled;
- 17.2** Any Grant Funds received by Grantee that remain unexpended or contractually committed for payment of the Project at the end of the Performance Period;
- 17.3** Any Grant Funds determined by Agency to be spent for purposes other than allowable Project activities; or
- 17.4** Any Grant Funds requested by Grantee as payment for deficient activities or materials.

## SECTION 18: TERMINATION

- 18.1 Mutual.** This Grant may be terminated at any time by mutual written consent of the Parties.
- 18.2 By Agency.** Agency may terminate this Grant as follows:
- 18.2.1** At Agency's discretion, upon 30 days advance written notice to Grantee;
- 18.2.2** Immediately upon written notice to Grantee, if Agency fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient in Agency's reasonable administrative discretion, to perform its obligations under this Grant;

**18.2.3** Immediately upon written notice to Grantee, if federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that Agency's performance under this Grant is prohibited or Agency is prohibited from funding the Grant from the Funding Source; or

**18.2.4** Immediately upon written notice to Grantee, if Grantee is in default under this Grant and such default remains uncured 15 days after written notice thereof to Grantee.

**18.3 By Grantee.** Grantee may terminate this Grant as follows:

**18.3.1** If Grantee is a governmental entity, immediately upon written notice to Agency, if Grantee fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to perform its obligations under this Grant.

**18.3.2** If Grantee is a governmental entity, immediately upon written notice to Agency, if applicable laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project activities contemplated under this Grant are prohibited by law or Grantee is prohibited from paying for the Project from the Grant Funds or other planned Project funding; or

**18.3.3** Immediately upon written notice to Agency, if Agency is in default under this Grant and such default remains uncured 15 days after written notice thereof to Agency.

**18.4 Cease Activities.** Upon receiving a notice of termination of this Grant, Grantee must immediately cease all activities under this Grant, unless Agency expressly directs otherwise in such notice. Upon termination, Grantee must deliver to Agency all materials or other property that are or would be required to be provided to Agency under this Grant or that are needed to complete the Project activities that would have been performed by Grantee.

## **SECTION 19: MISCELLANEOUS**

**19.1 Conflict of Interest.** Grantee by signature to this Grant declares and certifies the award of this Grant and the Project activities to be funded by this Grant, create no potential or actual conflict of interest, as defined by ORS Chapter 244, for a director, officer or employee of Grantee.

**19.2 Nonappropriation.** Agency's obligation to pay any amounts and otherwise perform its duties under this Grant is conditioned upon Agency receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to meet its obligations under this Grant. Nothing in this Grant may be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of Agency.

**19.3 Amendments.** The terms of this Grant may not be altered, modified, supplemented or otherwise amended, except by written agreement of the Parties.

**19.4 Notice.** Except as otherwise expressly provided in this Grant, any notices to be given under this Grant must be given in writing by email, personal delivery, or postage prepaid mail, to a Party's Grant Manager at the physical address or email address set forth in this Grant, or to such other addresses as either Party may indicate pursuant to this Section. Any notice so addressed and mailed becomes effective five (5) days after mailing. Any notice given by personal delivery becomes effective when actually delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system.

- 19.5 Survival.** All rights and obligations of the Parties under this Grant will cease upon termination of this Grant, other than the rights and obligations arising under Sections 11, 13, 14, 16, 17 and subsection 19.5 hereof and those rights and obligations that by their express terms survive termination of this Grant; provided, however, termination of this Grant will not prejudice any rights or obligations accrued to the Parties under this Grant prior to termination.
- 19.6 Severability.** The Parties agree if any term or provision of this Grant is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Grant did not contain the particular term or provision held to be invalid.
- 19.7 Counterparts.** This Grant may be executed in several counterparts, all of which when taken together constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Grant so executed constitutes an original.
- 19.8 Compliance with Law.** In connection with their activities under this Grant, the Parties must comply with all applicable federal, state and local laws.
- 19.8.1 FERPA.** The Family Educational Rights and Privacy Act (FERPA), 20 USC §1232g, applies to education records of individual students held by the Agency. If Grantee has access to personally identifiable education records, Grantee shall not disclose them to anyone and upon completion of the education program and expiration of the Grant, Grantee shall destroy the records. Grantee shall comply with all applicable statutes and rules related to FERPA and education records.
- 19.9 Intended Beneficiaries.** Agency and Grantee are the only parties to this Grant and are the only parties entitled to enforce its terms. Nothing in this Grant provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Grant.
- 19.10 Assignment and Successors.** Grantee may not assign or transfer its interest in this Grant without the prior written consent of Agency and any attempt by Grantee to assign or transfer its interest in this Grant without such consent will be void and of no force or effect. Agency's consent to Grantee's assignment or transfer of its interest in this Grant will not relieve Grantee of any of its duties or obligations under this Grant. The provisions of this Grant will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.
- 19.11 Contracts and Subgrants.** Grantee may not, without Agency's prior written consent, enter into any contracts or subgrants for any of the Project activities required of Grantee under this Grant. Agency's consent to any contract or subgrant will not relieve Grantee of any of its duties or obligations under this Grant.
- 19.12 Time of the Essence.** Time is of the essence in Grantee's performance of the Project activities under this Grant.

**19.13 Records Maintenance and Access.** Grantee must maintain all financial records relating to this Grant in accordance with generally accepted accounting principles. In addition, Grantee must maintain any other records, whether in paper, electronic or other form, pertinent to this Grant in such a manner as to clearly document Grantee's performance. All financial records and other records, whether in paper, electronic or other form, that are pertinent to this Grant, are collectively referred to as "Records." Grantee acknowledges and agrees Agency and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Grantee must retain and keep accessible all Records for a minimum of six (6) years, or such longer period as may be required by applicable law, following termination of this Grant, or until the conclusion of any audit, controversy or litigation arising out of or related to this Grant, whichever date is later.

**19.14 Headings.** The headings and captions to sections of this Grant have been inserted for identification and reference purposes only and may not be used to construe the meaning or to interpret this Grant.

**19.15 Grant Documents.** This Grant consists of the following documents, which are incorporated by this reference and listed in descending order of precedence:

- This Grant less all exhibits
- Exhibit A (the "Project")
- Exhibit B (Common and Customized Framework)
- Exhibit C (Insurance)

**19.16 Merger, Waiver.** This Grant and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Grant. No waiver or consent under this Grant binds either Party unless in writing and signed by both Parties. Such waiver or consent, if made, is effective only in the specific instance and for the specific purpose given.



## SECTION 20: SIGNATURES

EACH PARTY, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES IT HAS READ THIS GRANT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. The Parties further agree that by the exchange of this Grant electronically, each has agreed to the use of electronic means, if applicable, instead of the exchange of physical documents and manual signatures. By inserting an electronic or manual signature below, each authorized representative acknowledges that it is their signature, that each intends to execute this Grant, and that their electronic or manual signature should be given full force and effect to create a valid and legally binding agreement.

IN WITNESS WHEREOF, the Parties have executed this Grant as of the dates set forth below.

### STATE OF OREGON acting by and through its Department of Education

By: \_\_\_\_\_  
Name, Title Date

### GRANTEE Portland SD 1J

By: \_\_\_\_\_  
Authorized Signature Date

\_\_\_\_\_  
Printed Name, Title

\_\_\_\_\_  
Federal Tax ID Number

### Approved for Legal Sufficiency in accordance with ORS 291.047

By: Cynthia Byrnes, Senior Assistant Attorney General      8/27/2020 via email  
Name, Title Date

## **EXHIBIT A THE PROJECT**

### **SECTION I – BACKGROUND AND GOALS**

Signed into law in May of 2019, the Student Success Act (SSA) is a historic opportunity for Oregon schools. The law is rooted in equity, authentic community engagement and shared accountability for student success.

SSA establishes the Student Investment Account (SIA) to provide Oregon school districts and eligible charter schools with access to non-competitive grant funds. Each SIA applicant is required to work alongside educators, students, families and their community to develop a plan and outline priorities and activities that align to the allowable uses in the law.

The SIA grants are for two purposes:

- 1) Meeting students’ mental or behavioral health needs, and
- 2) Increasing academic achievement and reducing academic disparities for students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged students, students who are homeless, and students who are foster children.

### **SECTION II – PROJECT DEFINITIONS**

The following capitalized terms have the meanings assigned below for purposes of Exhibits A and B.

**“Act”** means the “Student Success Act” codified in 2019 Oregon Laws Chapter 122, as amended from time to time, inclusive.

**“Allowable Costs of the Project”** means Grantee’s actual costs that are reasonable, necessary and directly related to the implementation of the SIA Plan and are allowable uses of the Grant Funds under the Act.

**“Baseline Targets”** means the minimum expectations for improvement set forth in the SIA Plan by the district in either: (i) raising academic achievement or (ii) reducing academic disparities and closing gaps, as further defined in the December 2019 “Guidance for Eligible Applicants”.

**“Common Metrics”** means the Five-Year Completion Rate, Third-Grade Reading Proficiency Rate, Ninth-Grade On-Track Rate, Regular Attendance Rate, and Four-Year On-Time Graduation rate used by the Agency to measure the success of activities funded by the SIA.

**“Disaggregated”** has the meaning give in section 12(a) of the Act.

**“Five-Year Completion Rate”** has the meaning given in section 12(b) of the Act.

## ODE SIA

**“Focal Student Groups”** means students from racial or ethnic groups that have historically experienced academic disparities, students with disabilities, English language learners, economically disadvantaged, students who are homeless and students who are foster children.

**“Foundational Year”** means the first year of Grantee’s three-year SIA Plan.

**“Four-Year on-Time Graduation Rate”** means the percentage of students who received a high school diploma or a modified diploma within four years of the student beginning the ninth grade.

**“Gap Closing Targets” or “Closing Gap Targets”** means the reduction of academic disparities between groups of students especially for Focal Student Groups set forth in the SIA Plan, based on the December 2019 “Guidance for Eligible Applicants”.

**“Longitudinal Performance Growth Targets (LPGT)”** means the required common metrics and optional locally defined metrics included in Grantee’s SIA Plan.

**“Ninth-grade On-Track Rate”** has the meaning given in section 12(d) of the Act.

**“Optional Local Metrics”** means additional Progress Markers toward the Common Metrics included in the SIA Plan.

**“Progress Markers”** means sets of indicators set forth in the SIA Plan that identify the kinds of changes Agency expects to see in policies, practices and approaches over the next three years that lead to Grantee reaching its LPGT.

**“Regular Attendance Rate”** has the meaning given in section 12(f) of the Act.

**“SIA Account”** means the Student Investment Account established, pursuant to ORS 327.175, within the Fund for Student Success for the purpose of distributing grants under ORS 327.195.

**“SIA Plan”** means the plan developed and implemented by Grantee that focuses on increasing academic achievement and, reducing academic disparities for identified student groups, and meeting students’ mental and behavioral health needs.

**“Stretch Targets”** means significant improvement set forth in the SIA Plan by the district in either: (i) raising academic achievement or (ii) reducing academic disparities and closing gaps, as further described in the December 2019 “Guidance for Eligible Applicants”.

**“Third-Grade Reading Proficiency Rate”** has the meaning given in section 12(g) of the Act.

### **SECTION III – PROJECT ACTIVITIES**

**This Grant Agreement is for the Foundational Year only.**

#### **Subsection 1. Continuous SIA Plan Implementation**

Agency will disburse Grant Funds for Allowable Costs of the Project that implement Grantee’s SIA Plan during the Performance Period in accordance with formula and activities described in the Act.

At the start of the 2020-2021 School Year, Grantee must begin to implement its SIA Plans.

Grantees must use the Grant Funds only for:

(a) Increasing instructional time, which may include: (A) More hours or days of instructional time; (B) Summer programs; (C) Before-school or after-school programs; or (D) Technological investments that minimize class time used for assessments administered to students.

(b) Addressing students’ health or safety needs, which may include: (A) Social-emotional learning and development; (B) Student mental and behavioral health; (C) Improvements to teaching and learning practices or organizational structures that lead to better interpersonal relationships at the school; (D) Student health and wellness; (E) Trauma-informed practices; (F) School health professionals and assistants; or (G) Facility improvements directly related to improving student health or safety.

(c) Reducing class sizes, which may include increasing the use of instructional assistants, by using evidence-based criteria to ensure appropriate student-teacher ratios or staff caseloads.

(d) Expanding availability of and student participation in well-rounded learning experiences, which may include: (A) Developmentally appropriate and culturally responsive early literacy practices and programs in prekindergarten through third grade; (B) Culturally responsive practices and programs in grades six through eight, including learning, counseling and student support that is connected to colleges and careers; (C) Broadened curricular options at all grade levels, including access to: (i) Art, music and physical education classes; (ii) Science, technology, engineering and mathematics education; (iii) Career and technical education, including career and technical student organization programs; (iv) Electives that are engaging to students; (v) Accelerated college credit programs, including dual credit programs, International Baccalaureate programs and advanced placement programs; (vi) Dropout prevention programs and transition supports; (vii) Life skills classes; or (viii) Talented and gifted programs; or (D) Access to licensed educators with a library media endorsement

Grantee must periodically review its progress toward meeting Grantee’s Progress Markers and LPGT described in the Exhibit B Common and Customized Framework.

#### **Subsection 2. Foundational Year SIA Plan Refinement and Extension**

During the Foundational Year, Grantee must re-visit each aspect of its SIA Plan and engage with Focal Student Groups, families, staff and community to develop a four-year SIA Plan that will extend from 2021-2024 with two biannual implementation periods.

## **ODE SIA**

Grantee must also revisit its LPGT and develop Baseline Targets and Stretch Targets for each of the five Common Metrics and develop Gap Closing Targets that Focal Student Groups will be expected to meet over a five-year period.

As part of the application process for follow-up funding to this Foundational Year Grant, Grantee must work with Agency to co-develop LPGT, Progress Markers and Optional Local Metrics in the spring and summer of 2021.

## **SECTION IV – REPORTING REQUIREMENTS**

Grantee must submit quarterly financial and performance progress reports as well as a final yearly report on the dates set forth in Section V. This reporting requirement shall survive termination of this Agreement.

### **Financial Reports**

Beginning in January of 2021 and continuing each quarter thereafter, Grantee must submit a financial report detailing its expenditure of Grant Funds to the Agency using the form provided by the Agency. Reports are due 30 days after the end of each fiscal year quarter. The yearly report will be due no later than 60 days after the end of the fiscal year.

If Grantee does not use the Grant Funds for Allowable Project Costs Agency may exercise the remedies provided in Section 17 of this Grant, including without limitation deducting amounts from future disbursements of Grant Funds.

Any Grant Funds that are not used by Grantee by June 30, 2021 must be returned to Agency for deposit in the Student Investment Account. If Grantee has not used all of its Grant Funds by June 30, 2021, Grantee may submit a request to Agency no later than June 15 for an extension until September 30, 2021 to use the Grant Funds. The Agency may approve the request at its discretion based upon a determination as to whether the extension and proposed use constitute Allowable Project Costs that further Grantee's SIA Plan or targets.

### **SIA Plan Performance Reporting**

The Agency will closely monitor and evaluate Grantee's progress towards its Progress Markers.

Beginning in January of 2021 and continuing each quarter thereafter, Grantee must submit a narrative Performance Progress Report detailing its SIA Plan activities to the Agency using the form provided by the Agency. Reports are due 30 days after the end of each fiscal year quarter. The yearly report will be due no later than 60 days after the end of the fiscal year.

### **SIA grant monitoring**

The Agency will monitor Grantee's performance under this Grant in person, video conferencing or by phone. Agency will provide written notice to Grantee, as provided in Section 19.4 of the Grant, at least 15 days in advance of Agency's monitoring activities and will schedule in person visits, video conferencing and phone calls.

**ODE SIA**

A Grant monitoring visit or call may cover a variety of topics at Agency’s discretion including but not limited to: Grantee’s compliance with the SIA Account purposes; challenges faced by the Grantee in implementing its Plan; SIA Plan outcomes; its budget and expenditure of moneys received from the SIA Account, Grantee’s progress toward achieving its Progress Markers; financial reporting, any expenditure changes, and reconciliation of Grant Funds; or Grantee’s training and technical assistance needs.

Before an on-site visit, the Agency will advise Grantee on how to prepare for the monitoring visit and financial reconciliation, the format for the visit, and which Grantee organizational leaders, staff or others should be involved in the visit. Once a date and time are confirmed, the Grantee should send a notification to its organizational leaders, staff, students and community partners who are expected to participate; identify a meeting location and prepare all necessary monitoring documents and data.

The department may establish a procedure for conducting performance audits on a random basis or based on just cause as allowed under rules adopted by the board.

Each grant recipient must conduct a performance review every four years as required by standards adopted in board rule.

**SECTION V – DISBURSEMENT and REPORTING PROVISIONS**

Agency will disburse the Grant Funds using its Electronic Grants Management System (“EGMS”), on a quarterly basis as outlined below:

<u>Disbursement Date</u>	<u>Amount</u>
<u>October 1, 2020</u>	<u>40%</u>
<u>January 1, 2021</u>	<u>30%</u>
<u>April 1, 2021</u>	<u>30%</u>

\*If this Grant is not fully executed by October 1, 2020, Agency will disburse the Grant Funds within 30 days of the Execution Date.

Agency will disburse the Grant Funds in quarterly disbursements in advance of expenditures, not on a reimbursement basis.

Grantee must submit its financial and performance progress reports on the following dates:

**January 31, 2021**

**April 30, 2021**

**August 30, 2021 (Yearly Report)**

## EXHIBIT B COMMON AND CUSTOMIZED FRAMEWORK PORTLAND SD 1J

### SECTION I – PROGRESS MARKERS FOR SCHOOL YEAR 2020-2021

The Progress Markers are a mechanism to support a developmental approach to evaluation with a focus on learning about the kinds of changes that happen from distinct investments. The following fifteen Progress Markers are arranged into three categories that represent the advancement in degree of change from minimum to profound as described and listed below:

- A. **“Expect to see”** progress makers represent initial, easy to achieve changes that indicate a recognition of and commitment to SIA plan goals.
- B. **“Would like to see”** progress markers represent longer term likely changes and indicate more active learning and engagement.
- C. **“Would love to see”** progress markers describe the kinds of profound changes ideal for any program or investment to make or contribute towards. Note: In this first year, this would be unusual to see.

#### A. Expect to see

1	Every school recognizes and honors the strengths that educators, students and their families bring to the educational experience through active and consistent community engagement.
2	An equity lens is in place, adopted, and woven through all policies, procedures and practices.
3	Data teams are forming, and they frequently review data that inform a school’s decision-making processes, including barriers to engagement and attendance. <sup>1</sup>
4	Schools and districts have an inventory of literacy assessments, tools, and curriculum being used.
5	Increased communication exists between educators and families about student growth, literacy trajectory, areas for improvement, and individualized supports are provided.
6	Schools and districts co-develop and communicate a shared understanding (among educators, students, families and community members) of what it means to be on track by the end of the 9th Grade.

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<sup>1</sup> Providing sufficient time for teachers and staff to review data is an eligibility requirement for High School Success (Measure 98) funding in high schools. This suggests the value of that practice when well designed for all developmental levels. Duplication in focus is acceptable and strategic in this case. Funds should be braided but grantees can’t use funding for the same purpose with both initiatives.

**B. Would like to see**

7	Every school has effective foundational learning practices in place including safe, welcoming classroom environments, social-emotional learning, trauma-informed practices, behavioral supports, and culturally sustaining practices.
8	Educators use student-centered approaches to foster student voice, reinforce student engagement and motivation, and increase academic achievement.
9	Dedicated time for professional learning and evaluation tools are in place to see if policies/procedures are adequately meeting the needs of students.
10	Comprehensive literacy strategies, including professional development plans for educators, are documented and communicated to staff, students (developmentally appropriate), and families.
11	An audit of 9th grade course scheduling is conducted, accounting for student core and support course placement, and disaggregated by student focal groups. <sup>2</sup>
12	Schools strengthen partnerships with active community organizations and partners, including local public health, businesses, faith communities, tribal leaders, and others.

**C. Would love to see**

13	Educators have a balanced assessment system in place to help them identify student learning in the areas of reading, writing, research, speaking, and listening that are clearly connected to Oregon’s English Language Arts and Literacy Standards.
14	School districts have a process to identify and analyze the barriers that disconnect students from their educational goals and/or impede students from graduating on time <sup>3</sup> .
15	Students have avenues to share and communicate their dreams and aspirations at all levels, including a clear picture of the contributions and next steps they plan to take after they graduate from high school.

**SECTION II – APPROVED OPTIONAL LOCAL METRICS (IF APPLICABLE)**

NA

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<sup>2</sup> Again, this is intentionally aligned with High School Success goals and best practices. Changes in progress that might come in part from SIA investments and in part from HSS investments are acceptable to include as “contributions to change” as what we are most interested in is that change is occurring and learning from what is unfolding.

<sup>3</sup> ODE considered and received substantial but mixed feedback about the value of mapping the math strategy, and while we chose not to include formally, SIA recipients are encouraged to review the literature and develop an understanding of what Math proficiency is, what it looks like for students and how shared competencies are taught in 9th grade Math.



## **EXHIBIT C INSURANCE**

### **INSURANCE REQUIREMENTS:**

Grantee shall obtain at Grantee's expense the insurance specified in this Exhibit C prior to performing under this Grant Agreement and shall maintain it in full force and at its own expense throughout the duration of this Grant Agreement, as required by any extended reporting period or tail coverage requirements, and all warranty periods that apply. Grantee shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers' Compensation. Grantee shall pay for all deductibles, self-insured retention and self-insurance, if any.

### **WORKERS' COMPENSATION & EMPLOYERS' LIABILITY**

All employers, including Grantee, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Grantee shall require and ensure that each of its subcontractors complies with these requirements. If Grantee is a subject employer, as defined in ORS 656.023, Grantee shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident. If Grantee is an employer subject to any other state's workers' compensation law, Grantee shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

### **COMMERCIAL GENERAL LIABILITY:**

**Required**

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this Grant Agreement, and have no limitation of coverage to designated premises, project or operation. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000.00 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.00.

### **AUTOMOBILE LIABILITY INSURANCE:**

**Required**     **Not required**

Automobile Liability Insurance covering Grantee's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000.00 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

**EXCESS/UMBRELLA INSURANCE:**

A combination of primary and excess/umbrella insurance may be used to meet the required limits of insurance.

**ADDITIONAL INSURED:**

All liability insurance, except for Workers' Compensation, Professional Liability, and Network Security and Privacy Liability (if applicable), required under this Grant Agreement must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Grantee's activities to be performed under this Grant Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 07 04 or equivalent.

**WAIVER OF SUBROGATION:**

Grantee shall waive rights of subrogation which Grantee or any insurer of Grantee may acquire against the Agency or State of Oregon by virtue of the payment of any loss. Grantee will obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the Grantee or the Grantee's insurer(s).

**TAIL COVERAGE:**

If any of the required insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, Grantee shall maintain either tail coverage or continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Grant Agreement, for a minimum of 24 months following the later of (i) Grantee's completion and Agency's acceptance of all Services required under this Grant Agreement, or, (ii) Agency or Grantee termination of this Grant Agreement, or, iii) The expiration of all warranty periods provided under this Grant Agreement.

**CERTIFICATE(S) AND PROOF OF INSURANCE:**

Grantee shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Grant Agreement. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Grant Agreement. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Grant Agreement. Grantee must furnish acceptable insurance certificates to: [ode.insurance@ode.state.or.us](mailto:ode.insurance@ode.state.or.us) or by mail to: **Attention Procurement Services, Oregon Department of Education, 255 Capitol St NE, Salem OR, 97310** prior to commencing the work.

**NOTICE OF CHANGE OR CANCELLATION:**

**ODE SIA**

The Grantee or its insurer must provide at least 30 days' written notice to Agency before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

**INSURANCE REQUIREMENT REVIEW:**

Grantee agrees to periodic review of insurance requirements by Agency under this Agreement and to provide updated requirements as mutually agreed upon by Grantee and Agency.

**STATE ACCEPTANCE:**

All insurance providers are subject to Agency acceptance. If requested by Agency, Grantee shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency's representatives responsible for verification of the insurance coverages required under this Exhibit C.

**Additional Coverages That May Apply:**

**DIRECTORS, OFFICERS AND ORGANIZATION LIABILITY:**

**Required (If Grantee is a Non-Profit or if a first tier contractor or subgrantee is a Non-Profit)**

**Directors, Officers and Organization** insurance covering the Grantee's Organization, Directors, Officers, and Trustees actual or alleged errors, omissions, negligent, or wrongful acts, including improper governance, employment practices and financial oversight - including improper oversight and/or use of use of grant funds and donor contributions - with a combined single limit of no less than \$1,000,000.00 per claim.

**PHYSICAL ABUSE AND MOLESTATION INSURANCE COVERAGE:**

**Required**    **Not required**

Abuse and Molestation Insurance in a form and with coverage that are satisfactory to the State covering damages arising out of actual or threatened physical abuse, mental injury, sexual molestation, negligent: hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the Grantee is responsible including but not limited to Grantee and Grantee's employees and volunteers. Policy endorsement's definition of an insured shall include the Grantee, and the Grantee's employees and volunteers. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000.00 per occurrence. Any annual aggregate limit shall not be less than \$3,000,000.00. Coverage can be provided by a separate policy or as an endorsement to the commercial general liability or professional liability policies. The limits shall be exclusive to this required coverage. Incidents related to or arising out of physical abuse, mental injury, or sexual molestation, whether committed by one or more individuals, and irrespective of the number of incidents or injuries or the time period or area over which the incidents or injuries occur, shall be treated as a separate occurrence for each victim. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.



**PORTLAND PUBLIC SCHOOLS  
OFFICE OF DEPUTY SUPERINTENDENT**

501 North Dixon Street / Portland, OR 97227  
Telephone: (503) 916-3380

**DATE:** November 17, 2020  
**TO:** Portland Public Schools Board of Education  
**FROM:** Claire Hertz, Deputy Superintendent Business & Operations  
**CC:** Guadalupe Guerrero, PPS Superintendent  
**SUBJECT:** Student Investment Account (SIA) Grant Agreement

---

This memo provides an update on finalizing the approved Student Investment Account (SIA) Grant Agreement and reporting process adjustments that have been made due to Comprehensive Distance Learning (CDL).

On October 20, 2020, Portland Public Schools Board of Directors reviewed and approved the SIA Grant Agreement per the guidance issued by ODE. The guidance at that time stated:

“When you receive your SIA Grant Agreement, you are required to take these three steps:

1. Make the grant agreement available at the main office and post it on your district website and send the link to your Application Manager;
2. Allow for public comment on the grant agreement at an open meeting; and
3. Share the grant agreement at an open meeting and receive approval by the local school board. You will be required to submit a copy of the board meeting minutes indicating board approval as well as opportunity for public comment. It is acceptable to submit draft minutes to meet this requirement.” - **October 23 Student Investment Account Update**  
*Oregon Department of Education sent this bulletin at 10/23/2020 03:45 PM PDT*

ODE issued additional guidance for the full approval process on [November 6, 2020](#). Although we allowed for public comment on the October 20, 2020, the Consent Agenda, the clarifying guidance now states, “The presentation of the grant agreement cannot be part of a consent agenda.”

Due to this updated information, we are re-presenting our SIA Grant Agreement as a separate agenda item, with opportunity for public comment, in order to be in full compliance with the statutory requirements. The Agreement that was previously approved on October 20 is unchanged.

### **School Year 2020-2021 Reporting**

Developing and monitoring performance growth targets are not required during the 2020-2021 school year due to the significant impact of the COVID-19 pandemic. ODE has released their [Progress Markers Framework](#) for the foundational year. These progress markers, included in Exhibit B of this contract, support a developmental approach to evaluation. They are arranged in three categories of “Expect to see”, “Would like to see”, and “Would love to see.”

## **RESOLUTION No. 6209**

### Resolution Authorizing the Sale of General Obligation Bonds and Related Matters

#### **RECITALS**

- A. On August 3, 2020, the Board of Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J (“PPS” or the “District”) adopted a resolution, as amended, authorizing submission to the voters of PPS on November 3, 2020, of a ballot measure authorizing PPS to issue general obligation bonds not exceeding \$1,208,000,000 to finance capital costs to improve health, safety, learning by modernizing, repairing schools, as described in the 2020 ballot measure. This resolution refers to costs that are eligible to be financed with bonds authorized by the 2020 ballot measure as “2020 Capital Costs.”
- B. The election was duly and legally held on November 3, 2020 (the “2020 Bond Election”) and the general obligation bonds were approved by a majority of the qualified voters of PPS voting at the election.
- C. It is now desirable to authorize the sale of the general obligation bonds authorized by the 2020 Bond Election.

#### **RESOLUTION**

- 1. The Board hereby authorizes the issuance and sale of up to \$1,208,000,000 in principal amount of general obligation bonds to pay for 2020 Capital Costs (the “Bonds”).
- 2. The District’s Superintendent, Deputy Superintendent of Business & Operations, Chief Financial Officer, or the person designated by any of those individuals to act under this resolution (each of whom is referred to in this resolution as a “District Official”) may, on behalf of the District and without further action by the Board:
  - a. Sell and issue the Bonds in one or more series, which may be sold at different times.
  - b. Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to each series of the Bonds.
  - c. Establish the form, final principal amount, maturity schedule, interest rates, and other terms of each series of Bonds.
  - d. Execute and deliver a bond declaration for each series of Bonds. The bond declaration for each series may specify the terms under which the series is issued, and may contain covenants for the benefit of Bond owners and any providers of credit enhancement for the Bonds.
  - e. Publish a notice of sale, receive bids and award the sale of each series of Bonds to the bidder complying with the notice and offering the most favorable terms to the District, or select one or more underwriters, commercial banks or other investors, and negotiate the sale of any series of the Bonds with those underwriters, commercial banks or investors.
  - f. Undertake to provide continuing disclosure for each series of Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
  - g. Apply for ratings for each series of Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancement (such as the Oregon School Bond Guaranty Program) for each series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
  - h. Appoint paying agents and other service providers for the Bonds, and negotiate the terms of and execute agreements with those service providers.
  - i. Determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, or is includable in gross

income under that code. If a series bears interest that is excludable from gross income under that code, the District Official may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income.

- j. If permitted by federal law, issue any series of Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits, and enter into related covenants.
- k. Sell and issue one or more series of the Bonds to provide interim financing, enter into lines of credit or similar documents which permit the District to draw Bond proceeds over time, and issue Bonds to refund the Bonds that provide interim financing for those capital costs. Bonds that are issued to refund any interim financing Bonds are not be subject to the limit in Section 1 on the principal amount of Bonds that may be issued.
- l. Execute any documents and take any other action in connection with the Bonds which the District Official finds will be advantageous to the District.



**PORTLAND PUBLIC SCHOOLS**  
**OFFICE OF DEPUTY SUPERINTENDENT**  
501 North Dixon Street / Portland, OR 97227  
Telephone: (503) 916-3380

**Date:** November 12, 2020  
**To:** School Board, Superintendent Guadalupe Guerrero  
**From:** Claire Hertz, Deputy Superintendent of Business & Operations  
**Subject:** Resolution to Authorize Bond Sale for 2020 Bond Program

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**BACKGROUND**

On August 3, 2020, the Board adopted a resolution authorizing submission to the voters a November 3, 2020 ballot measure issue general obligation bonds not exceeding \$1,208,000,000 to finance capital costs to improve health, safety, learning by modernizing, repairing schools, as described in the 2020 ballot measure.

The election was duly and legally held on November 3, 2020, and the general obligation bonds were approved by a majority of the qualified voters of PPS voting at the election. It is now time to authorize the sale of the general obligation bonds authorized by the 2020 Bond Election.

Working with Bond Counsel, Gulgun Mersereau, of Hawkins, Delafield & Wood, and Financial Advisor, Carol Samuels, of Piper, Sandler & Company, Portland Public Schools Financial, and School Modernization leadership have created an initial plan for issuing the bonds in three sales over six years based on project budgets and cash flow projections. Our Bond Counsel and Financial advisor will each present materials included as attachments to this staff memo and be available to respond to questions.

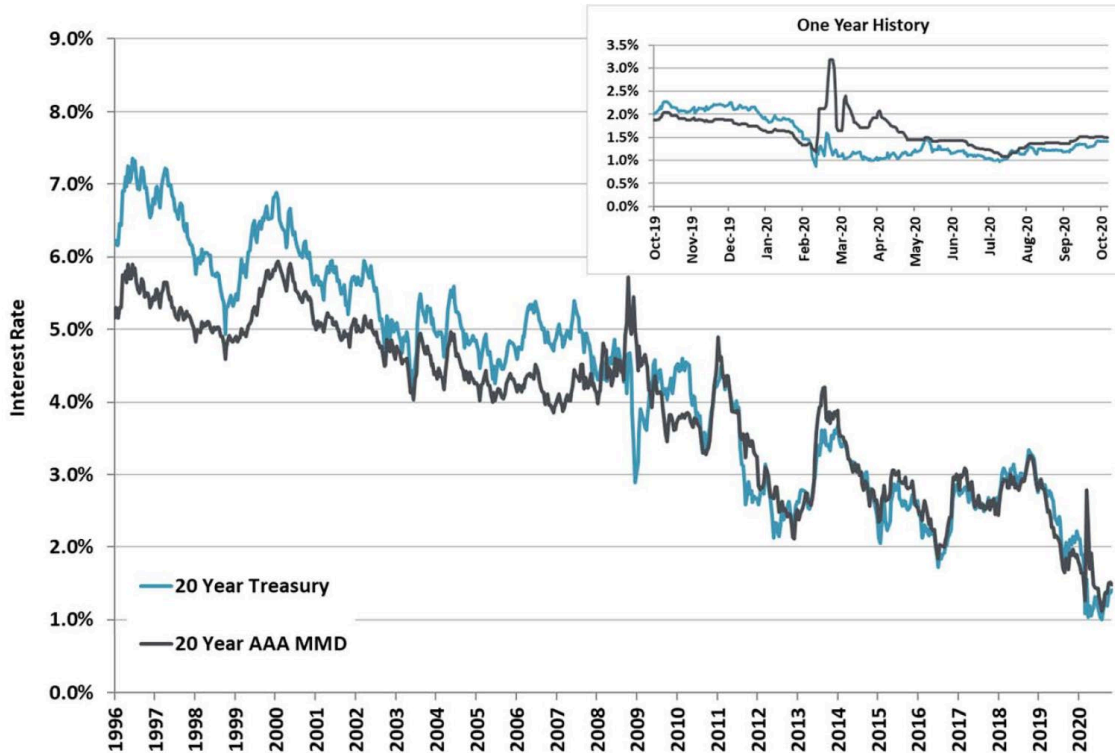
Due to historically low interest rates and the uncertainty of how long they will be available to the district, our recommendation is to initiate the first bond sale before the end of this calendar year.

**RELATED POLICIES/BEST PRACTICES**

Historically low interest rates will benefit the local taxpayer and the 2020 Bond Program. Staff has been preparing materials in anticipation to sell bonds before December 31, 2020.

## HISTORICAL INTEREST RATES

20 Year Tax-Exempt (AAA MMD) vs. 20 Year Treasury Rates



## ANALYSIS OF SITUATION

Based on the initial timeline and projected cash flow needed for the 2020 Bond Program, staff recommends three sales for \$365 million in 2020, \$541 million in 2023, and \$303 million in 2025. The second and third sale amounts and timing would be updated based on the actual spend down over the next three years. Ultimately, the goal will be to maintain the levy rate of \$2.50/\$1,000 of assessed value for the duration of the debt schedule of the bond sales. The summary of the three sales is detailed in the chart below:



**PORTLAND PUBLIC SCHOOLS**

Summary of Structuring Option – November 2020 Authorization – Assumes 3 Sales

Structure		2020B Sale		2023 Sale		2025 Sale		Total	
Par Amount		\$	364,595,000	\$	540,665,000	\$	302,740,000	\$	1,208,000,000
Dated Date			12/30/2020		3/1/2023		3/1/2025		---
Final Maturity			6/15/2046		6/15/2048		6/15/2048		---
Amortization Period			25.46 Years		25.29 Years		23.29 Years		---
Projected Average Levy Rates*									
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2021.....	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40
2022.....	1.48	1.02	2.50	-	2.50	-	2.50	1.02	2.50
2023.....	1.34	1.17	2.50	-	2.50	-	2.50	1.17	2.50
2024-2025.....	1.34	0.17	1.51	1.00	2.50	-	2.50	1.16	2.50
2026-2029.....	0.99	0.16	1.15	0.35	1.50	0.27	1.77	0.78	1.77
2030-2033.....	0.60	0.24	0.84	0.66	1.50	0.27	1.77	1.17	1.77
2034-2037.....	0.34	0.24	0.58	0.26	0.85	0.30	1.15	0.81	1.15
2038-2041.....	0.15	0.24	0.39	0.46	0.85	0.30	1.15	1.00	1.15
2042-2044.....	0.15	0.24	0.39	0.12	0.51	0.15	0.66	0.51	0.66
2045-2046.....	-	0.24	0.24	0.27	0.51	0.15	0.66	0.66	0.66
2047-2048.....	-	-	-	0.51	0.51	0.15	0.66	0.66	0.66
Interest Estimates									
Cushion over Current Interest Rates			+ 1.00%		+ 2.00%		+ 2.00%		---
True Interest Cost (TIC)**			3.06%		3.83%		3.73%		---
Total Interest			\$199,501,892		\$347,158,442		\$184,045,593		\$730,705,927
Total Interest as % of Proceeds			51%		61%		58%		57%

\* Projected average levy rates are based on a variety of assumptions regarding AV growth, tax collections & interest rates. Debt service will be fixed when bonds are sold but levy rates are preliminary until the assessor certifies values each year.

\*\* True interest cost is the blended, overall interest rate for the issue. Includes the interest rate cushion.

**FISCAL IMPACT**

The district will maintain a level levy rate of \$2.50/per \$1,000 of assessed value over the life of the debt structure for the bond.

**COMMUNITY ENGAGEMENT (IF APPLICABLE)**

The overwhelming election approval rate of 75% for this bond program shows broad community support. Post-election community engagement will be a key component of the projects of the 2020 Bond Program including construction, curriculum, and technology projects. The Center of Black Student Excellence envisions a geographical community as well as an overall culturally-affirming approach and set of community-developed strategies, aligned towards promoting Black student excellence, from cradle to career.

**TIMELINE FOR IMPLEMENTATION / EVALUATION**

The authorization to sell bonds for the 2020 Bond is fast paced and has been in preparation mode for several months anticipating the need to sell the first set of bonds directly after the election to take advantage of the low interest rates. The district has proposed an initial plan for the sale of bonds over six years. Future dates and size of sales needed will be monitored and adjusted as appropriate.

**BOARD OPTIONS WITH ANALYSIS**

The voters have authorized \$1.208 billion in bonds to complete the 2020 Bond Program as established by the board in August 2020. Passage of this resolution authorizes staff to sell bonds to support the projects of the 2020 Bond Program.

**CONNECTION TO BOARD GOALS**

Safe and modern facilities, updated curriculum, and technology support the learning of every student in Portland Public Schools and provides excellent conditions for staff to teach our students.

**STAFF RECOMMENDATION**

Staff recommends the approval of the Resolution Authorizing the Sale of General Obligation Bonds.

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*As a member of the PPS Executive Leadership Team, I have reviewed this staff report.*

CH (Initials)

**ATTACHMENTS**

- A. Resolution Authorizing the Sale of General Obligation Bonds
- B. Financial Levy Rate Analysis from Piper Sandler



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# Portland Public Schools

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## General Obligation Bonds Levy Rate Analysis

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Carol Samuels  
Managing Director  
(503) 275-8301  
[carol.samuels@psc.com](mailto:carol.samuels@psc.com)

Lauren MacMillan  
Senior Vice President  
(503) 275-8302  
[lauren.macmillan@psc.com](mailto:lauren.macmillan@psc.com)

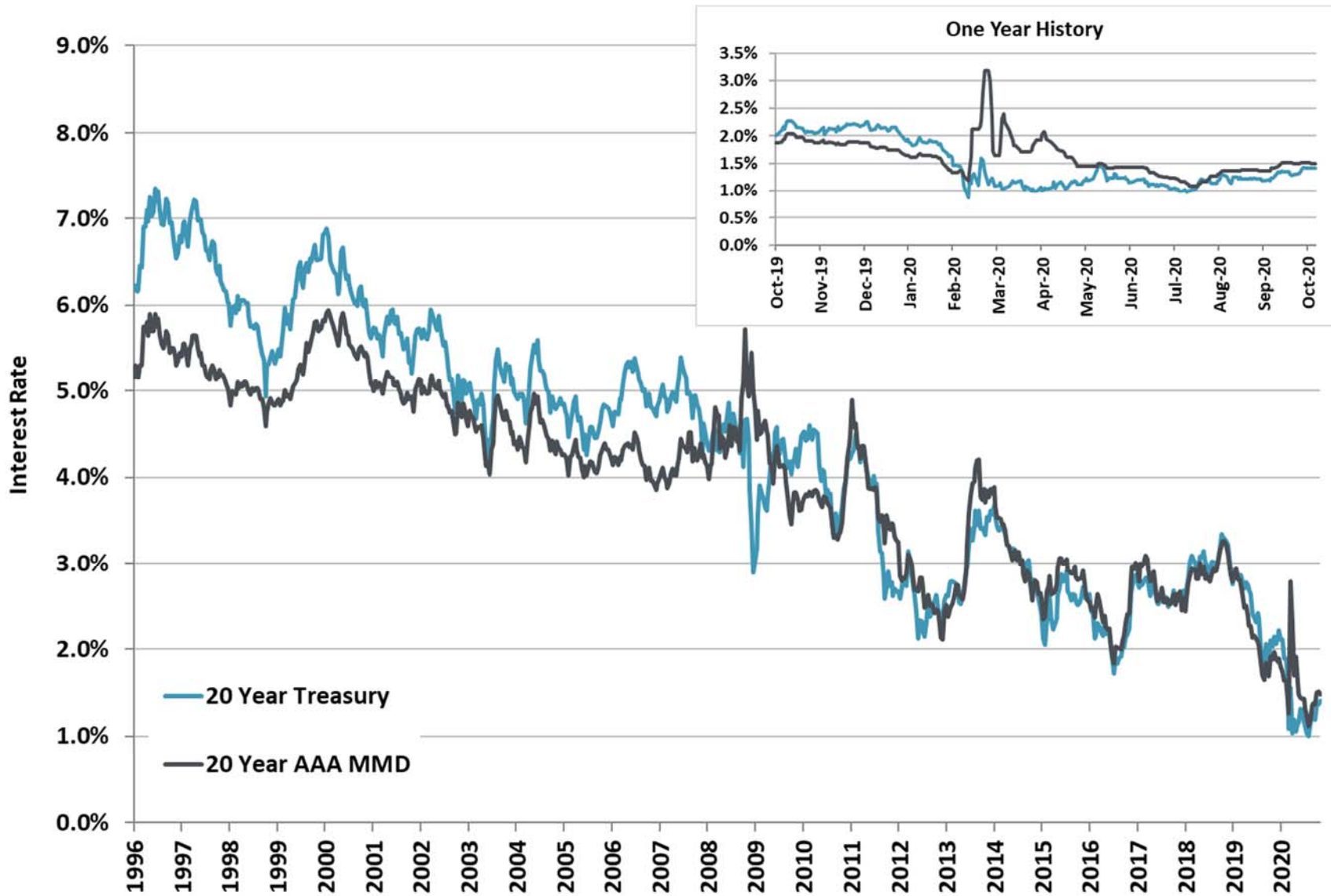
Alex Bowers  
Assistant Vice President  
(503) 275-8304  
[alexander.bowers@psc.com](mailto:alexander.bowers@psc.com)

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October 30, 2020

## HISTORICAL INTEREST RATES

20 Year Tax-Exempt (AAA MMD) vs. 20 Year Treasury Rates



## PORTLAND PUBLIC SCHOOLS Historical Property Values

Fiscal Year	M5 Real Market Value	% RMV Growth	TOTAL PORTLAND SCHOOL DISTRICT 1J							
			Total Assessed Value	% AV Growth	Urban Renewal Excess	Standard Rate UR Excess	Reduced Rate UR Excess	AV for Perm. Operating Levy	AV for Bonds	% AV Growth
2021	N/A		\$ 63,612,718,068	4.54%	\$ 7,567,171,920	\$ 6,986,308,375	\$ 580,863,545	\$ 56,045,546,148	\$ 56,626,409,693	4.31%
2020	134,685,981,646	2.24%	60,851,556,260	4.91%	7,148,347,709	6,567,288,896	581,058,813	53,703,208,551	54,284,267,364	4.99%
2019	131,734,570,412	8.25%	58,003,887,856	3.28%	6,891,396,654	6,297,709,281	593,687,373	51,112,491,202	51,706,178,575	2.92%
2018	121,696,547,698	13.75%	56,163,333,260	5.52%	6,457,719,471	5,922,273,221	535,446,250	49,705,613,789	50,241,060,039	5.11%
2017	106,984,143,967	17.59%	53,227,456,836	4.75%	5,882,588,429	5,428,648,161	453,940,268	47,344,868,407	47,798,808,675	3.98%
2016	90,980,416,141	10.91%	50,812,802,433	4.67%	5,237,111,063	4,842,084,279	395,026,784	45,575,691,370	45,970,718,154	4.16%
2015	82,033,050,956	10.14%	48,544,520,565	4.22%	4,907,733,462	4,410,143,918	497,589,544	43,636,787,103	44,134,376,647	4.47%
2014	74,483,054,193	5.58%	46,580,191,840	3.52%	4,833,326,001	4,335,476,889	497,849,112	41,746,865,839	42,244,714,951	3.74%
2013	70,549,498,401	-1.34%	44,995,383,189	2.87%	4,653,498,847	4,275,289,550	378,209,297	40,341,884,342	40,720,093,639	2.85%
2012	71,504,890,868	-5.79%	43,739,219,335	2.80%	4,519,149,169	4,149,320,129	369,829,040	39,220,070,166	39,589,899,206	2.82%
2011	75,901,529,198	-2.65%	42,546,259,900	3.09%	4,425,352,593	4,041,133,218	384,219,375	38,120,907,307	38,505,126,682	2.80%
2010	77,970,484,501	-0.03%	41,272,502,670	4.71%	4,189,458,606	3,816,852,096	372,606,510	37,083,044,064	37,455,650,574	3.75%
2009	77,990,308,991	6.18%	39,416,058,640	5.17%	3,635,372,101	3,314,088,948	321,283,153	35,780,686,539	36,101,969,692	4.47%
2008	73,450,509,870	15.77%	37,477,619,336	5.90%	3,200,929,276	2,919,805,165	281,124,111	34,276,690,060	34,557,814,171	5.33%
2007	63,442,963,768	11.68%	35,389,321,362	4.35%	2,830,223,819	2,581,035,042	249,188,777	32,559,097,543	32,808,286,320	3.72%
2006	56,807,699,902	11.60%	33,913,314,144	4.04%	2,512,764,455	2,282,383,952	230,380,503	31,400,549,689	31,630,930,192	3.01%
2005	50,902,863,938	6.21%	32,597,546,796	3.54%	2,107,472,811	1,891,763,964	215,708,847	30,490,073,985	30,705,782,832	3.10%
2004	47,925,838,756	5.66%	31,481,765,958	2.92%	1,909,048,311	1,698,551,026	210,497,285	29,572,717,647	29,783,214,932	2.68%
2003	45,359,512,128	5.35%	30,588,180,228	3.22%	1,791,089,577	1,582,489,361	208,600,216	28,797,090,651	29,005,690,867	2.85%
2002	43,053,977,307	9.61%	29,632,643,511	5.43%	1,643,925,096	1,431,741,882	212,183,214	27,988,718,415	28,200,901,629	4.85%
2001	39,277,975,962	--	28,107,364,445	--	1,388,176,081	1,211,048,712	177,127,369	26,719,188,364	26,896,315,733	--

Note: Local Option levy approved in 2014 now levied upon total AV. RMV numbers above for 2019 and older are sourced from DOR and do not agree with values provided by the counties.

Source: Clackamas, Multnomah and Washington Counties Departments of Assessment and Taxation and Oregon Department of Revenue.

**PORTLAND PUBLIC SCHOOLS**  
Outstanding General Obligation Bonds

Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding*	
<b>General Obligation Bonds:</b>					
<b>November 2012 Bond Measure - \$482,000,000</b>					
Series 2013A	Roof repairs; school renovations/replacements; earthquake safety;	05/01/13	06/15/15	\$ 76,265,000	\$ -
Series 2013B	repay LOC; ADA upgrades; & science classroom upgrades	05/01/13	06/15/33	68,575,000	59,020,000
Series 2015A	Roof repairs; school renovations/replacements; earthquake safety; ADA	04/30/15	06/15/16	30,300,000	-
Series 2015B	upgrades; & science classroom upgrades	04/30/15	06/15/33	244,700,000	152,400,000
Series 2017B	Finish up Franklin, Grant & Roosevelt projects & other imp.	08/10/17	06/15/30	62,160,000	25,660,000
<b>Total 2012 Authorization</b>			<b>482,000,000</b>	<b>237,080,000</b>	
<b>May 2017 Bond Measure - \$790,000,000</b>					
Series 2017A	Lead remediation; safety, security & ADA upgrades; roof repairs;	08/10/17	06/15/20	\$ 168,950,000	\$ -
Series 2017B	earthquake safety; & school renovation/replacements (Benson, Lincoln,	08/10/17	06/15/44	179,730,000	154,005,000
Series 2020	Madison & Kellogg)	04/14/20	06/15/37	441,320,000	441,320,000
<b>Total 2017 Authorization</b>			<b>790,000,000</b>	<b>595,325,000</b>	
<b>Total General Obligation Bonds</b>				<b>\$ 832,405,000</b>	

\* As of October 2020.

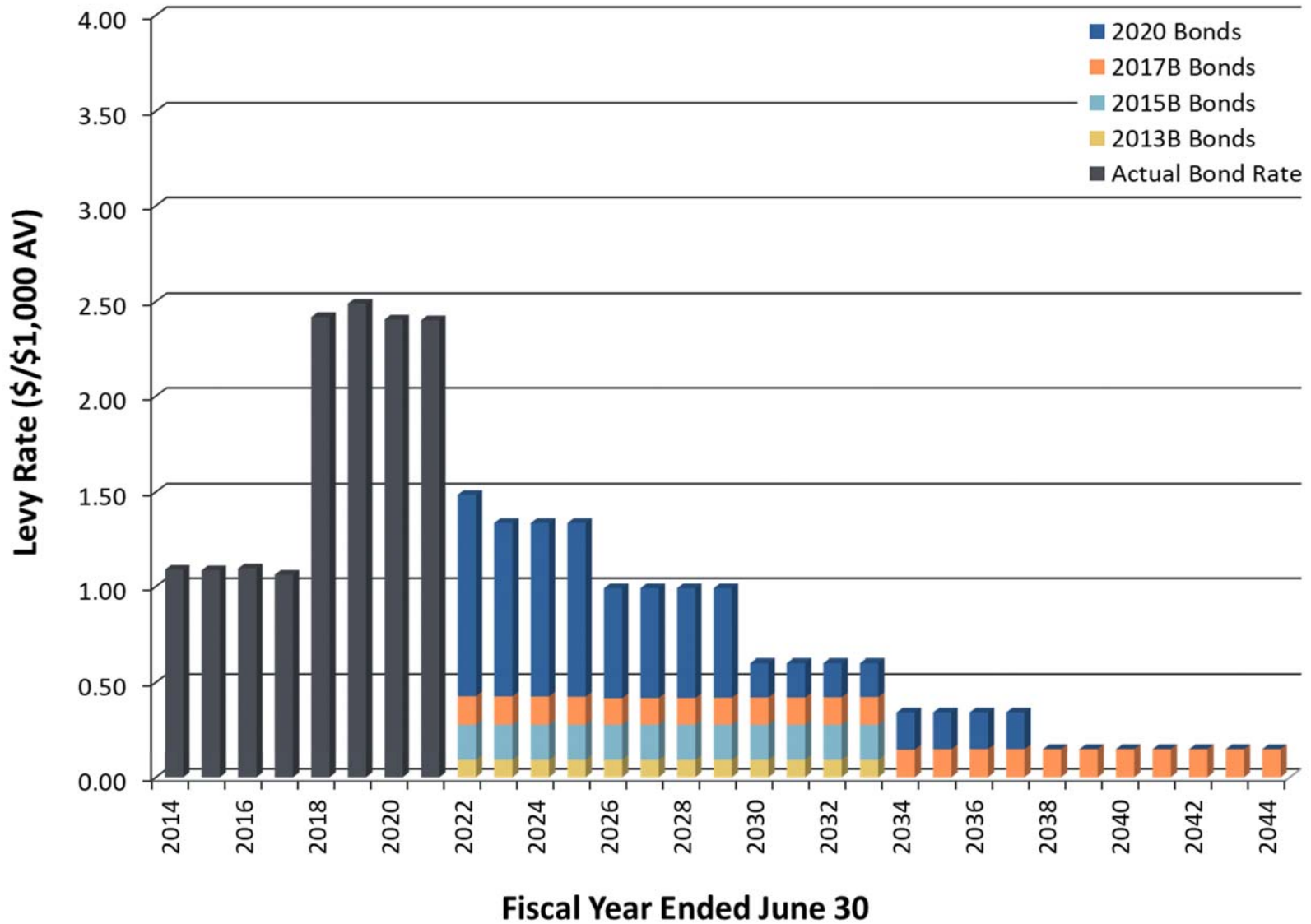
**Legal General Obligation Debt Capacity**

Real Market Value (Fiscal Year 2020)	\$ 134,575,991,606
<b>Debt Capacity</b>	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 10,698,791,333
Less: Outstanding Debt Subject to Limit	(832,405,000)
Remaining General Obligation Debt Capacity	\$ 9,866,386,333
Percent of Capacity Issued	7.78%

Note: Fiscal Year 2021 Real Market Value not yet available.

## PORTLAND PUBLIC SCHOOLS

### Outstanding General Obligation Bonds – Actual and Projected Levy Rates



## PORTLAND PUBLIC SCHOOLS

### Summary of Structuring Option – November 2020 Authorization – Assumes 3 Sales

Structure	2020B Sale			2023 Sale		2025 Sale		Total	
<b>Par Amount</b>	<b>\$ 364,595,000</b>			<b>\$ 540,665,000</b>		<b>\$ 302,740,000</b>		<b>\$ 1,208,000,000</b>	
Dated Date	12/30/2020			3/1/2023		3/1/2025		---	
Final Maturity	6/15/2046			6/15/2048		6/15/2048		---	
Amortization Period	25.46 Years			25.29 Years		23.29 Years		---	
Projected Average Levy Rates*									
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2021.....	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40	\$ -	\$ 2.40
2022.....	1.48	1.02	2.50	-	2.50	-	2.50	1.02	2.50
2023.....	1.34	1.17	2.50	-	2.50	-	2.50	1.17	2.50
2024-2025.....	1.34	0.17	1.51	1.00	2.50	-	2.50	1.16	2.50
2026-2029.....	0.99	0.16	1.15	0.35	1.50	0.27	1.77	0.78	1.77
2030-2033.....	0.60	0.24	0.84	0.66	1.50	0.27	1.77	1.17	1.77
2034-2037.....	0.34	0.24	0.58	0.26	0.85	0.30	1.15	0.81	1.15
2038-2041.....	0.15	0.24	0.39	0.46	0.85	0.30	1.15	1.00	1.15
2042-2044.....	0.15	0.24	0.39	0.12	0.51	0.15	0.66	0.51	0.66
2045-2046.....	-	0.24	0.24	0.27	0.51	0.15	0.66	0.66	0.66
2047-2048.....	-	-	-	0.51	0.51	0.15	0.66	0.66	0.66
Interest Estimates									
Cushion over Current Interest Rates	+ 1.00%			+ 2.00%		+ 2.00%		---	
True Interest Cost (TIC)**	3.06%			3.83%		3.73%		---	
Total Interest	\$199,501,892			\$347,158,442		\$184,045,593		\$730,705,927	
Total Interest as % of Proceeds	51%			61%		58%		57%	

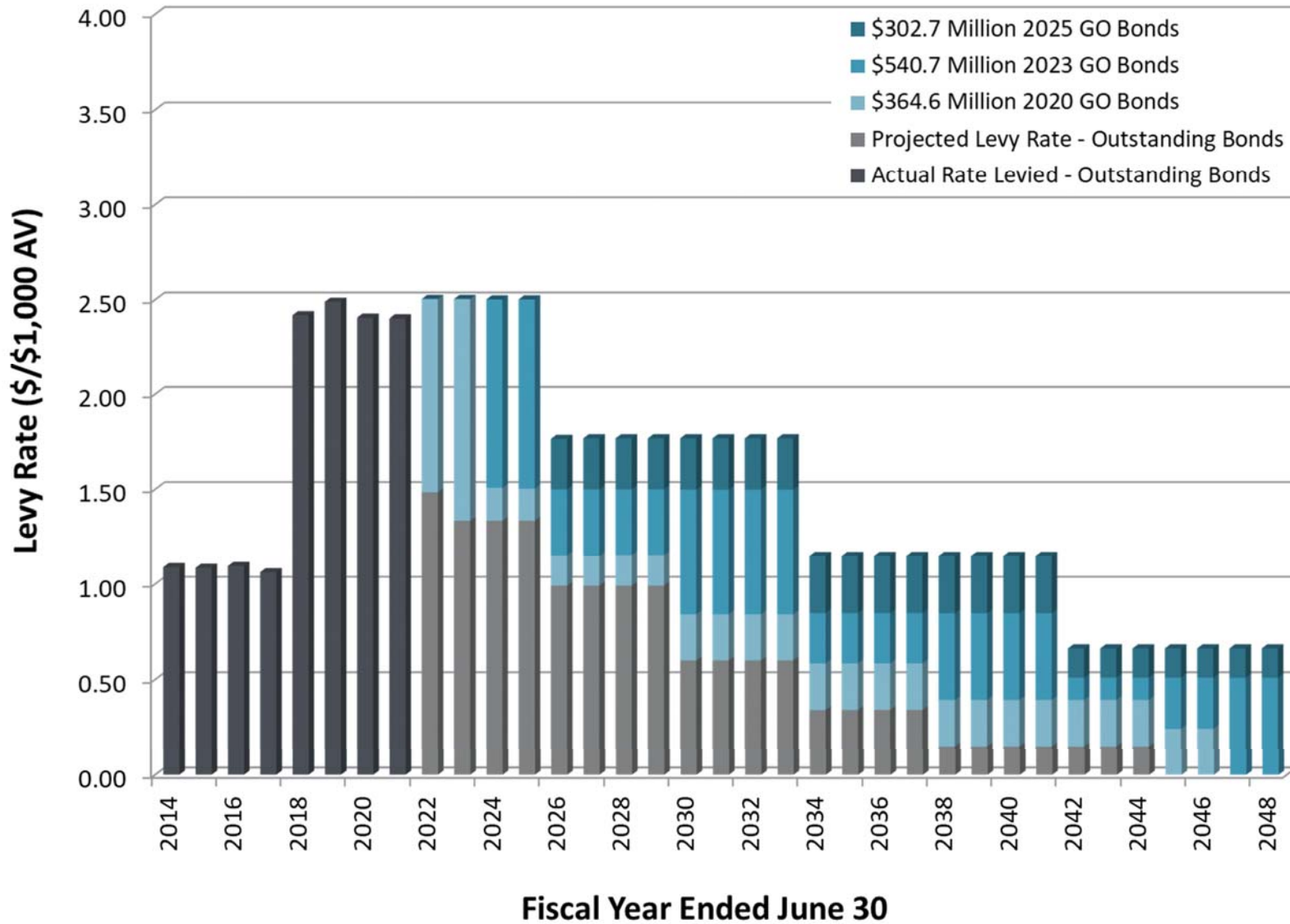
\* Projected average levy rates are based on a variety of assumptions regarding AV growth, tax collections & interest rates. Debt service will be fixed when bonds are sold but levy rates are preliminary until the assessor certifies values each year.

\*\* True interest cost is the blended, overall interest rate for the issue. Includes the interest rate cushion.



## PORTLAND PUBLIC SCHOOLS

### Projected Levy Rates – November 2020 Authorization – Assumes 3 Sales



\* Projected levy rates are based on a variety of assumptions regarding AV growth, tax collections & interest rates. Debt service will be fixed when bonds are sold but levy rates are preliminary until the assessor certifies values each year.