

Introduction

The Bond Accountability Commission (BAC) is an independent, non-profit, all-volunteer organization appointed by the chair of the Board of Education in consultation with the Cleveland Mayor. In authorizing the current BAC, the Board of Education resolved that the BAC is to provide monitoring and oversight of the School District’s implementation of its master facilities plan, communicate its findings to the Board of Education and the community, and regularly report to the Board of Education on its activities.

This annual report is for the period of July 1, 2020 – June 30, 2021. The BAC hired a new Executive Director, Laura Chalker, who began her tenure on August 3, 2020. The BAC held seven regular meetings during the fiscal year, all of which were conducted virtually due to the pandemic. On October 27, 2020, the Commissioners toured the two new high schools completed as part of Segment 7.

Update on the District’s Long-term School Plan

Segments 5, 6, & 7

The closeout documents for Segments 5 and 6 have been completed and reviewed by the Owner’s Representative, Ozanne, Hammond, Gilbane (OHG), and the District’s finance department. The documents are to be submitted for final approval by the District’s CFO and then submitted to the OFCC for final authorization in the next several weeks.

Scope of Work by Segment

	New	Renovation	Demo	Actual Cost as of 05/31/2021
Segment 5	7	1	8	\$218,052,894
Segment 6	1	-	12	\$36,066,220
Segment 7	9	-	9	\$240,648,973
Segments 1-7 Total	43	8	53	\$1,118,840,883

Data is compiled from OFCC/CMSD Project Agreements & Amendments, District Board of Education resolutions, the District’s Project Status-AE Listing Segments 1 thru 7 and Facilities Construction Report as of 05.31.21.

Seven new K-8 schools were constructed as part of Segment 7 and all were completed in 2019. The last two schools in the segment, John F. Kennedy High School and Garrett Morgan High School, were completed and ready to serve students in August 2020. However, the District began the school year with fully remote learning and the new buildings were only gently used as a result of COVID-19. The closeout of Segment 7 is anticipated to be completed by December 2021.

Segment 7		
<u>New</u>	<u>Grade Level</u>	<u>Address</u>
Albert B. Hart (formerly listed as Fullerton)	K-8	3900 E 75th St, Cleveland, OH 44105
Halle (previously named H. Barbara Booker)	K-8	7901 Halle Ave, Cleveland, OH 44102
John F. Kennedy	High School	15111 Miles Ave., Cleveland, OH 44128
Garrett Morgan (formerly listed as West Side HS)	High School	4600 Detroit Ave., Cleveland, OH 44102
Oliver H. Perry	K-8	18400 Schenely Ave., Cleveland, OH 44119
Sunbeam	K-8	11731 Mt. Overlook Ave., Cleveland, OH 44120
Waverly	K-8	1805 W 57th St, Cleveland, OH 44102
Whitney Young (formerly listed as Charles Eliot)	K-8	17900 Harvard Ave, Cleveland, OH 44128
William Rainey Harper	K-8	5515 Ira Ave., Cleveland, OH 44144
Demolished		
Former Andrew J. Rickoff (Mt. Pleasant)		
Buckeye-Woodland		
CLC Halle		
Jesse Owens Academy		
Former Max Hayes Career Tech		
Former Oliver H. Perry		
Former Sunbeam		
Former Waverly		
Former Whitney Young		

Segment 8

The start of Segment 8 was postponed for most of the past fiscal year due to the State’s decision to delay the passage of funding for capital projects to assess and manage the financial impact of the pandemic. The project agreement for Segment 8 was completed and approved by the Board on May 25, 2021. The OFCC is expected to approve the project agreement in July, followed by the Ohio Controlling Board’s approval of funding in August. The total budget for Segment 8 is \$117,197,890¹. The State’s share will be \$79,694,565 and the District’s share will be \$37,503,325. The District is responsible for additional locally funded investment (LFI) dollars as part of the project agreement in the amount of \$11,635,675.

Segment 8 Project Plan

New Schools	Demolitions
Lincoln-West High School	Lincoln West High School
Clark PreK-8	Clark
Marion Seltzer PreK-8	Marion Seltzer
Joseph M. Gallagher (renovation)	Watterson-Lake
	Robert Fulton
	Fullerton
	Former John F. Kennedy

In the fall the OFCC will post the RFQ for architect(s) and construction-manager-at-risk (CMR). The District and the OFCC plan to retain the architect(s) and CMR no later than December 2021. The

¹ OFCC Project Agreement for Segment 8 dated 05/07/21; presented to Board for approval on May 25, 2021.

engagement plan is scheduled to launch in early 2022. By summer of 2022 abatement/demolition will begin. Renovation of Joseph M. Gallagher is projected for the fall of 2022 and groundbreakings of Clark and Marion Seltzer are planned for the spring of 2023 followed by the groundbreaking of the new Lincoln West High School in the summer of 2023.

Facilities Funding Summary

The main local sources of funding for the District’s construction projects are the result of voter approved Issue 14 and Issue 4. Issue 14 was a \$335M bond issue and a tax levy of 0.5 mills passed in 2001. In 2014 Issue 4 was passed resulting in a \$220M bond issue and 0.5 mills permanent improvement tax levy. The other significant source of funding comes from the State via the Ohio Facilities Construction Commission (OFCC). When the District’s original plan was finalized in 2002, the State’s share was determined to be 68% of the total project cost.

The revenue and expenditures for the District’s facilities projects are allocated into several different funds based on how they are used. Fund 003 is for permanent improvement and operational upkeep. The District is responsible for 100% of these costs. These locally funded investment (LFI) dollars are used for projects not co-funded by the OFCC. Fund 010 is the classroom facilities fund. All projects co-funded with the OFCC are included in Fund 010. Fund 003 dollars can be moved to Fund 010 as necessary for approved co-funded projects.

As of the end of May 2021, the District has \$68,923,442 remaining to be used to complete Segment 8 as well as other maintenance, repairs and renovation work for school buildings and properties not co-funded by the OFCC.

CMSD Facilities Project Local Funding Summary	
As of May 31, 2021	
Receipts	
Bond Proceeds	535,000,000
Bond Premium	1,006,501
Other Non-bond Proceeds	15,532,617
QZAB (Quality Zone Academy Bonds)	5,127,642
E-Rate	3,710,518
Sale of Administration Building	4,664,176
Sale of School Buildings & Equipment	2,929,658
Property Tax Receipts (.50 mill PI Levy)	14,556,563
Total Local Interest	46,648,775
Total Local Funds (prior to expenditures)	629,176,449
Project Expenditures	
Fund 010 Expenditures & Encumbrances (District portion)	326,084,333
Fund 003 LFI Expenditures & Encumbrances	234,168,674
Total Project Expenditures & Encumbrances	560,253,007
Current balance of local funds available	68,923,442

Annual Maintenance, Repairs and Renovation Work

Each year the District presents a slate of maintenance, repair and renovation projects for facilities not co-funded by the OFCC to the Board of Education for approval. Funds for a select number of these projects, historically referred to as “summer projects”, are taken from the permanent improvement account (Fund 003). The BAC regularly reviews and reports on these annual projects. The annual resolution for projects to be completed between April 2020 - June 2021 was approved for an amount not to exceed \$4 million. As of June 2021, these annual projects totaled \$3,826,745 of which \$1,090,471 of permanent improvement funds were expended. On April 20, 2021, the Board of Education approved the annual improvement work for May 2021 through June 2022. The approved amount is not to exceed \$10 million.

BAC Monitoring & Reporting

The BAC issued two progress reports - November 2020 and June 2021 - on the District’s Long-term School Plan which included details of the District’s school properties portfolio, recent real estate transactions, financial analysis of the expenditures co-funded with the OFCC and other LFI expenditures, remaining District funds and segment updates. These reports are accessible to the community on the BAC website at www.bondaccountability.org. Several highlights from the June 2021 progress report have been reported above. The table below details the District’s current portfolio of buildings and properties and illustrates the scope of work completed since the facilities plan was created in 2002.

District School Building Portfolio

June 2021
83 active school buildings, serving students <ul style="list-style-type: none"> • 37 new K-8 • 6 new high schools • 11 renovated buildings • 29 operational upkeep only
50 abandoned buildings, no longer serving students <ul style="list-style-type: none"> • 18 closed, District maintains • 18 demolished, District maintains property (1 has permanent easement with NEORS) • 9 sold • 3 swapped with the City for other properties • 1 repurposed (East Professional Center) • 1 leased

In May 2021, the BAC issued a community inclusion report on the District’s compliance with its Diversity Business Enterprise (DBE) Program and Workforce Participation Program goals. The report included a comprehensive review of community inclusion in the bidding and contracting process and analysis of data and reports for the District’s facilities plan since it began in 2002. The report is available to the community on the BAC website at www.bondaccountability.org.

The goal of the District’s DBE program is to achieve 30% utilization of construction contracts. The overall DBE utilization for segments 1-7 of the District’s Master Plan is 33.02%. The District’s utilization goal for Segment 7 was met with 33.45% of total contract dollars awarded to designated DBEs. The District’s goals for workforce participation are 20% minority participation, 5% female participation and 20% participation from District residents. Of the total work performed for the District from 2002 through the completion of Segment 7, 19.44% has been done by minorities, 3.19% by females and 17.29% by

residents of the District. The District fell short of meeting all three workforce participation objectives with the Segment 7 projects as well. Of the total work hours logged for Segment 7 projects, 18% were performed by minorities, 3% by females and 17% by residents of the District. An additional inclusion measure was added to the Segment 7 school projects to utilize graduates of the District. Each project had a specific goal established at a rate of 400 graduate hours per \$1 million of project cost. The District’s expected total hours was exceeded by 45,782 hours, achieving 173.69% of goal.

A scorecard was created to summarize the District’s Segment 7 results against the goals of its Community Inclusion Plan and provide a snapshot of performance by school project and CMR. The BAC recommended that the District use such a tool for monitoring progress of inclusion goals of future projects. While each project is reviewed monthly and goals are discussed, a scorecard comparing results against other projects’ performance would be a valuable tool for use with CMRs to identify trends, specific challenges per project/CMR as well as universal issues to be addressed. The BAC further recommended that the past community inclusion results of CMRs be reviewed and considered, when applicable, should the same firms respond as potential bidders to the RFQ for CMRs for Segment 8 expected to be issued in the fall of 2021.

Community Inclusion Scorecard – Segment 7

Segment 7 School	CMR	DBE Utilization %	Minority Participation %	Female Participation %	District Resident %	District Graduate Participation % of Goal
Halle (formerly H. Barbara Booker)	Higley	39.75%	19.21%	1.65%	18.97%	124.14%
John F. Kennedy High School	Higley	50.00%	20.13%	3.86%	17.89%	296.40%
Whitney Young	Higley	43.81%	23.45%	3.95%	24.13%	270.04%
William Rainey Harper	Higley	26.54%	16.05%	2.82%	18.07%	245.22%
Albert B. Hart (formerly Fullerton)	ICON	39.47%	19.56%	4.92%	8.19%	69.06%
Garrett Morgan High School (formerly West Side HS)	ICON	20.39%	11.57%	3.14%	12.10%	82.21%
Oliver H. Perry	ICON	35.39%	15.81%	3.90%	12.58%	79.08%
Waverly	ICON	20.00%	17.26%	0.12%	15.93%	91.77%
Sunbeam	Panzica	22.35%	22.16%	2.56%	23.12%	262.42%
Total		33.45%	18.18%	3.10%	16.94%	173.69%

■ Goal met
 ■ Within 2% of meeting goal
 ■ 2% or more below goal

BAC Financial Summary

BAC Financial Summary as of June 30, 2021					
(fiscal year July 1 - June 30)					
	FY2021			FY2022	FY2023
	Actual	Budget	Variance	Budget	Budget
Revenue					
CMSD Subsidy ¹	103,196	103,196	-	103,196	-
Grant/projects	-	-	-	-	-
Miscellaneous	659	12	647	-	-
Total Revenue	103,855	103,208	647	103,196	-
Expenses					
Payroll	85,811	86,440	(629)	86,527	89,123
Payroll service	1,825	1,737	88	1,863	1,885
Rent	3,000	3,000	-	3,090	3,183
Liability insurance (D&O)	2,134	2,015	119	2,235	2,335
Equipment	-	600	(600)	600	600
Supplies, printing, etc.	126	300	(174)	550	550
Communications	376	1,317	(941)	1,540	1,540
BWC premium	149	140	9	145	150
Consult/projects	-	-	-	-	-
Travel/mileage	-	50	(50)	200	225
Seminars/events	-	250	(250)	250	250
Training and education	-	1,000	(1,000)	2,750	3,000
Total Expenditures	93,421	96,849	(3,428)	99,750	102,841
Net Income/(Loss)	10,434	6,359	4,075	3,446	(102,841)
Cash Balance Beginning	116,280			108,725	112,170
Cash Balance End	108,725			112,170	9,330

*Cash basis accounting

¹Annual installment of \$103,196 for BAC operations for FY22; per two-year funding resolution (for FY22 & FY23) approved by BOE on 2/23/21

Commissioners

Commissioner	Employer	Title/Position
Don Brown, Chair	Progressive Insurance	Senior Resolution Consultant/ Agent
Nancy Schuster, Vice Chair	Schuster & Simmons Co., LPA	Principal
Tom Cook, Treasurer	53 Group	President
Caroline Peak, Secretary	Cleveland Public Library-Collinwood Branch	Public Service Branch Manager
Jack Bialosky Jr.	Bialosky Cleveland	Senior Principal, Managing Member
SeMia Bray	Cray Consulting Group, Inc.	Principal Consultant
Jamar Doyle	Greater Collinwood Development Corp.	Executive Director
Lenora Lockett	Cuyahoga County	Director, Office of Procurement and Diversity