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PPS Bond Audit Yr 6

Audit Committee Presentation

June 23, 2025

Year 6 Audit (7/2023-6/2024)

- 2017 & 2020 Bond Status
- 2020 Infrastructure Improvements
- Bond Program Staffing
- Bond Oversight
- Prior Audit Recommendations



**Final Report:
June 2025**

Report Section 1

Most 2017 Bond Project Completed, But Issues Existed at Benson

Primary Focus

- High-level Budget and Schedule Status for Lincoln High School
- High-level Budget and Schedule Status for Health & Safety Projects

Key Results

- Lincoln HS has \$16.9 million in estimated savings
- Lincoln HS on schedule
- H&S projects on target for completion spending up to budget

Recommendations

- None for Lincoln or H&S project areas

Report Section 1 (cont.)

Most 2017 Bond Project Completed, But Issues Existed at Benson

Primary Focus

- High-level Budget and Schedule Status for Benson Polytechnic HS

Key Results

- Benson HS opened to students but work not completed and issues remained
- Schedule & scope issues started in 2023—although OSM appeared to employ typical PM protocols
- Disagreements exist between PPS & GC on unfinished work & contract

Recommendations

- Perform a post-mortem on Lincoln and Benson before the next modernization projects enter construction
- Clarify contract terms
- Setting expectations with contractor early
- Complete and discuss performance evaluations with GC
- Formalize plans to reallocate bond program cost savings

Report Section 2

2020 Modernization, Technology & CBSE were Delayed or Expected Costs to be More than Budgeted

Focus

High-Level Budget and Schedule Status for:

- Jefferson HS
- Planning/Design of Cleveland & Ida B. Wells HS

Key Results

- Jefferson HS changing designs increased costs and caused delays
- Cleveland and Ida B. Wells face higher than expected costs
- Pause to reduce costs by \$100 million seem unlikely to achieve goals and increase risk of further delays and cost increases

Recommendations

- Making clear recommendations to Board based on project design features with sufficient info to make decisions
- Regularly update board on future cost variances
- Have external auditor review GC labor burden & GC prior to GMP

Report Section 2 (cont.)

2020 Modernization, Technology & CBSE were Delayed or Expected Costs to be More than Budgeted

Focus

- High-Level Budget and Schedule Status for:
- Physical Improvements
 - Curriculum
 - Technology
 - Special Education
 - Capacity (Harrison Park)
 - Center for Black Student Excellence (CBSE)

Key Results

- Curriculum efforts were on target as planned, but technology faced delays pushed until 2029
- CBSE continued to be stalled with no schedule updates and little capital project movement since 2020.
- Rest of 2020 Bond areas progressing as planned

Recommendations

- Accelerating decisions regarding CBSE.

Report Section 3

2020 Infrastructure were being Completed as Planned Although a Few had Modest Delays & Budget Issues

Focus

- PM Protocols and Practices
- Budget and Schedule
- Prioritization
- Procurement
- Cost Controls & Change Orders

Key Results

- Followed established criteria to select and prioritize
- Generally on track for 2025 completion
- PM tools aligned with industry
- Procurement followed laws
- Employed cost controls over invoices and change orders

Recommendations

- None in this section

Report Section 4

Data Did Not Exist to Determine Whether Staffing was Adequate to Handle Bond Program Workload

Focus

- Bond Program Workload
- Bond Program Staffing Capacity
- Sufficiency of Staffing Capacity to meet Bond Workload Needs

Key Results

- No formal approach to estimate workload tasks to know needs
- Did not track time spent on projects or effort needed to perform tasks
- Without data to estimate workload and compare staffing against that load, we can't determine if staffing aligned with workload and/or if staff were over/under utilized.

Recommendations

- Estimate workload needs for predetermined task levels
- Track staff time by task or some method to capture effort
- Compare staffing capacity with estimated workload to identify gaps

Report Section 5

Bond Oversight Provided, Although Disconnects Existed & Certain Info was not Getting to Board or BAC

Focus

- Charters, roles, and responsibilities of Board, BAC, & SFIOC
- Frequency of meetings, items reviewed, and bond discussions at Meetings

Key Results

- Framework aligns, but unclear SFIOC role
- Important discussions occurred, but PPS could improve info provided
- Board did not receive BAC reports, and neither received bond audit report
- PMO could enhance oversight of bond projects at executive sponsorship level

Recommendations

- Nine recommendations.
- Define SFIOC role and communication protocols
- Provide BAC reports to Board and provide audit reports to Board/BAC
- Summarize board info & action needed
- Create a PMO to coordinate bond activities

Report Section 5 (cont.)

Bond Oversight Provided, Although Disconnects Existed & Certain Info was not Getting to Board or BAC

Focus

- Charters, roles, and responsibilities of Board, BAC, & SFIOC
- Frequency of meetings, items reviewed, and bond discussions at Meetings

Key Results

- BAC protocols could be improved to formalize advice & make board recommendations
- BAC could have stronger role in oversight through greater involvement and access to staff analysis provided to SFIOC & Board given their technical expertise

Recommendations

- Improve protocols for voting, meetings, and recruiting
- Strengthen role of BAC by providing the staff analysis & seeking input

Section 6

Progress Made on Prior Audit Recommendations, But some Outstanding

Focus

- Status of 52 recommendations made since 2019
- Verify corrective action since prior audit

38% of Recs Outstanding

- 20 of 52 recommendations still in-progress
- Most recommendations outstanding related to equity, construction management, and the CBSE

Recommendation

- In addition to implementing corrective action, have executive leadership take a more active role in overseeing and setting priorities for implementation



Questions?



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