



SMART INVESTMENTS LEAD TO SMART STUDENTS.

Getting it Right



Letter from Broward County School Board Chair Donna P. Korn and Superintendent Robert W. Runcie August 2015



In recent weeks, we have heard from constituents questioning whether the District can effectively manage projects in the voter-approved \$800 million bond. This concern was largely predicated on challenges involving the District's contractor selection process and, the status of two projects identified and funded before the successful passage of the bond.

A recent Sun-Sentinel article stated, "Nine months after receiving approval to issue bonds to fix decaying schools and improve technology, little work has been done." This couldn't be further from the truth. This statement incorrectly suggests construction work would immediately begin upon voter approval in November 2014. What is lost in this assessment of the District's progress, is the tremendous amount of planning and development of the infrastructure required to execute the bond.

Specifically, there are several phases of work that are required to start a successful capital bond program: voter approval, bond validation, adoption of the amended five-year District Education Facilities Plan (DEFP), securing funds through the issuance of general obligation bonds, and the selection of program managers and contractors.

The District's first task, following voter approval, was to validate the bond process. This is a legal requirement where the District works with the State Attorney's Office to ensure: (1) all applicable laws were followed throughout the referendum process, and (2) projects identified within the bond program are appropriate for long-term financing. The court entered its final judgment and validated the bond in late March 2015.

The District then modified its capital program to recognize the anticipated bond funds. In May 2015, the School Board approved an amendment to its capital program to incorporate new projects to be delivered because the bond was successful. These projects, combined with those previously approved with existing millage, became the SMART (Safety, Music, Arts, Renovations & Technology) Program of \$984 million, which is only a third of the \$3 billion in needs identified by a recent comprehensive facilities assessment. The first series of bonds were issued in June 2015.

The District would have preferred to have selected a program management company to oversee the work by this juncture. However, after receiving an allegation of a violation of the District's "cone of silence" policy by the selected proposer in March 2015, coupled with a





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stakeholder concern over the selection process used to identify the top proposer, we restarted the process. It is as important to do this work the right way, as it is to do it quickly. We will not circumvent or sacrifice our policies, procedures and ethics for speed. Whenever there are concerns raised, the District will pause to review the issues and take the appropriate actions to move forward the right way.

Concerns regarding two projects, not related to the bond, have also recently been raised. These projects were funded prior to the bond. While both are important, and there have been challenges with their start, they are not indicative of how the SMART Program will be executed. We have done a tremendous amount of work to establish a structure, an environment, and processes conducive to executing a significant capital program. These components were not all in place at the time these projects were initiated. More importantly,

the lessons learned with these projects provide the opportunity to continuously improve our systems before the SMART Program is at a heightened level of execution.

The District is now poised to initiate the SMART Program with a high level of fidelity. We have not changed priorities or the allocation of funding, which are predicated on a fair and equitable distribution of resources for all schools throughout the County based on current conditions and critical needs. Finally, the independent Bond Oversight Committee will also be in place to report on our progress.

We have remained consistent and relentless in our commitment to deliver on the promises made to the community, and to execute the SMART Program with the highest level of integrity. Our children deserve nothing less!

During the May 2015 - June 2015 timeframe, the District also:

- Modified the organizational structure within the facilities division (approved by the School Board on June 9, 2015) to provide the capacity necessary to appropriately oversee a \$1 billion capital program;
- Worked to expand its pool of qualified contractors and has been conducting significant outreach to attract the number of quality contractors needed to execute the bond projects; and
- Amended its construction contracts to conform to industry best practices and better protect the District's interests.

For more information about the **SMART** Initiative, visit browardschools.com/smarffutures



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