

August 20, 2012

CAPTION:

PORTLAND PUBLIC SCHOOL DISTRICT
BONDS TO IMPROVE SCHOOLS

QUESTION:

Is the Portland Public School District authorized to issue up to \$482 million of general obligation bonds to improve schools? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY:

If approved this measure would finance capital costs, including projects that:

Replace leaking, worn or deteriorating school roofs,

Renovate or replace schools,

Strengthen schools against earthquakes,

Repay loans for capital costs, including 9 roof replacements, 47 boiler conversions, and the Rosa Parks School,

Increase access to schools for students, teachers and visitors with disabilities, and

Upgrade science classrooms at middle grade schools.

Citizen accountability and oversight and annual audits of bond projects and expenditures will be required.

The bonds may be issued in multiple series and each series may mature over no more than 21 years.

Most bonds will mature in eight years or less. Bond cost for eight years is estimated at about \$1.10 per \$1,000 of taxable assessed property value, then reducing to about thirty cents per \$1,000. For this measure, the cost for a house assessed at \$150,000 for property tax purposes would be about \$165 a year for eight years, then reducing to about \$45 per year.

I. Explanatory statement

Portland Public Schools is the largest school district in Oregon, with 78 schools and over 47 thousand students.

On average, Portland Public Schools' buildings are older than 65 years. Some were built over 100 years ago; more than half were built before 1940. Only two schools have been built in the last 30 years.

Years of budget reductions have deferred upgrades to school building operational and safety systems in order to direct funds to teachers and learning materials. Portland voters have not approved capital bond funds to upgrade school facilities since 1995. Portland Public School buildings are some of the most heavily used public buildings in Portland with thousands of school and non-school events each year.

During the past year, Portland Public Schools convened a Long Range Facility Plan Advisory Committee led by citizen volunteers. The Committee reviewed enrollment forecasts and assessments of facilities conditions including seismic safety and accessibility for schools. The facilities assessments were used to rate the school buildings most in need of major repair, complete upgrade or replacement.

The Long Range Facility Plan states that Portland Public Schools should create effective, accessible and inclusive learning environments that help all students achieve. The entire committee agreed that capital bonds would be required in order to renovate/replace facilities and meet enrollment requirements in the next 10 years.

Guided by the Advisory Committee's findings, the Board of Education proposes that bonds fund capital projects for school and classroom renovation, construction, and upgrades, including projects that:

- Replace leaking, worn or deteriorating school roofs,
- Renovate or replace schools,
- Strengthen schools against earthquakes,
- Repay loans for capital costs, including 9 roof replacements, 47 boiler conversions, and the Rosa Parks School,
- Increase access to schools for students, teachers and visitors with disabilities, and
- Upgrade science classrooms at middle grade schools.

This bond would renovate Franklin High School, Grant High School and Roosevelt High School, and would replace Faubion PreK-8 school. It would also begin planning for upgrade of all high schools in coming years.

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Accountability for bond expenditures

- An independent group of citizens from the community will review quarterly reports and annual audits of how the bond dollars are being spent to provide accountability to the public until construction is complete.

The total principal amount of bonds authorized by the measure is limited to and cannot exceed \$482 million.

Bond cost is estimated at about \$1.10 per \$1,000 of taxable assessed property value for eight years, reducing to about thirty cents per \$1,000 for the remaining years. For a house with a taxable assessed value of \$150,000 the estimated property tax would be about \$165 a year for eight years, then reducing to about \$45 per year.