



PORTLAND
Public Schools

Date: January 25, 2024

To: PPS Board of Education

From: Lisa Merrick, Senior Manager, Government Relations
Liz Large, Contracted General Counsel

Subject: Recommendation to refer renewal of Portland Public Schools's Local Option Levy to the May 2024 Primary Election

BACKGROUND

Portland Public Schools's five-year local option levy was renewed by 77% of the district's voters in November 2019 at a rate of \$1.99 per \$1,000 of assessed property value. Similar to many districts across the state, PPS supplements dollars allocated through the state school fund by administering a local option levy, which has funded over 800 teaching positions.

In 2024-25, PPS is projected to receive \$110,067,000 in revenue from the levy. In order to continue the levy and sustain this level funding for classroom positions from 2025-2030, the Board will need to refer the renewal to district voters for approval, and we recommend that the Board do so at the the May 21, 2024, primary election. This approach is in alignment with the recommendation made last summer on the timing of the local option levy renewal by the Board's Local Option Levy Committee.

To place the levy on the May 2024 ballot, the Board needs to vote to renew the local option levy at the current rate of \$1.99 per \$1,000 of assessed property value or to refer a different rate on the local option levy to the May 2024 ballot.

FISCAL IMPACT

The local option levy renewal at the current rate of \$1.99 per \$1,000 of assessed property is projected to raise \$111.3 million in 2025-2026; \$112.6 million in 2026-2027; \$113.8 million in

2027-2028; \$115.1 million in 2028-2029; and \$116.4 million in 2029-30, which would support an estimated 750-800 teaching positions.

According to Oregon statute, school district local option collections are excluded from the State School Fund formula up to a prescribed limit. The limit is updated each year, and for Fiscal year 2024, the limit is \$123,238,555 for Portland Public Schools.

It is important to note, if projected collections are close to the applicable limit, future growth in levy revenue could result in actual revenues exceeding the limit and impact the amount the District can collect without sacrificing revenue to the State School Fund formula. The District will need to advocate for and secure a change in state law to maintain all revenue collections as the voters' intend. According to the most recent projections, Portland Public Schools is not expected to reach the statutory limit during the upcoming levy cycle if it renews the local option levy at the current rate of \$1.99 per \$1,000 of assessed property.

KEY DATES AND DEADLINES

- **March 1, 2024:** Notice of ballot title due to Multnomah County Elections
- **March 21, 2024:** Measure filing deadline (noticed and completed)
- **March 25, 2024:** Voters' pamphlet statements due
- **May 21, 2024:** Primary Election

Staff proposes the following actions to meet the timeline listed above:

- **February 6:** Board meeting and discussion
- **February 20:** Board meeting and vote on referral to the ballot; notice to the Tax Supervising and Conservation Commission (TSCC).

STAFF RECOMMENDATION

Staff recommends the Portland Public Schools Board of Directors refer the local option levy to voters to be considered in the May 2024 primary election and maintain the rate of \$1.99 per \$1,000 of assessed property value.