

Local Option Levy Renewal



PORTLAND

Public Schools

February 6, 2024

Local Option Levy Background

- Portland Public Schools has had a local option levy since May 2000.
- In November 2019, PPS's five-year local option levy was renewed by **77%** of the district's voters **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 order to continue the levy and sustain this level funding for classroom positions from 2025-2030, the Board needs 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 is in alignment with the recommendation that was made by the Board Local Option Levy Committee last year.

Fiscal Impact

2019-2024 Local Option Levy - Revenue Collections at a rate of \$1.99/\$1,000 assessed property value

2020-2021	\$102,417,000
2021-2022	\$106,124,000
2022-2023	\$110,472,000
2023-2024	\$108,840,000
2024-2025	\$110,067,000

The 2019-2024 local option levy has, on average, funded 800 teaching positions

2025 - 2030 Local Option Levy - Projected Revenue at a rate of \$1.99/\$1,000 assessed property value

2025-2026	\$111,300,000
2026-2027	\$112,600,000
2027-2028	\$113,800,000
2028-2029	\$115,100,000
2029-2030	\$116,400,000

The 2025-2030 local option levy is projected to fund at least 750 teaching positions.

Statutory Limit on Local Option Levy Collections

State law limits the amount of revenue school districts can collect from a local option levy. The current limit is the least among the following options:

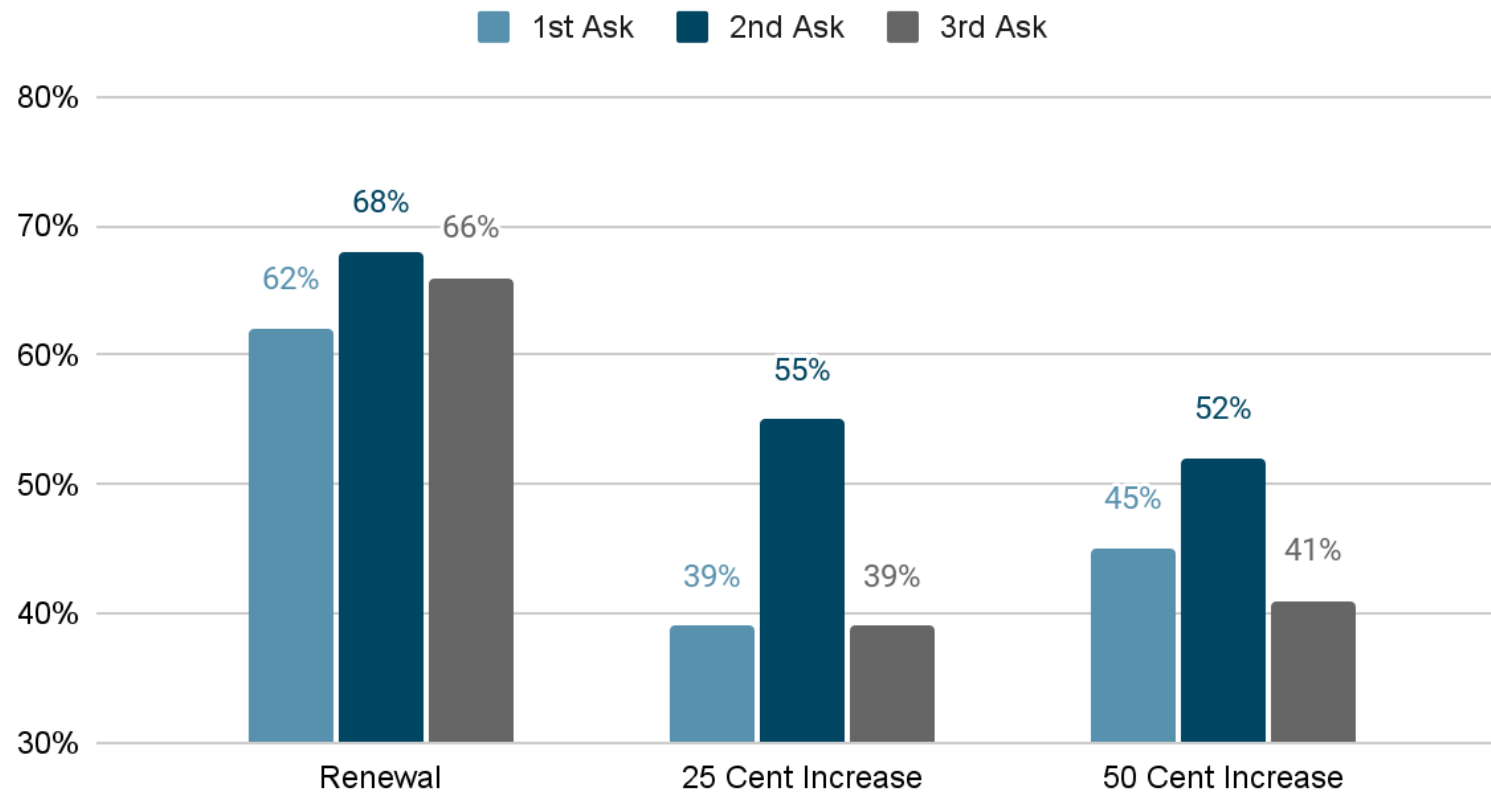
- The Measure 5 limit on each property.
- 25% of the total received by the district from the state school fund (SSF) formula.
- \$2,000 per district extended ADMw (weighted average daily membership) increased each fiscal year by three percent above the amount allowed per district extended ADMw for the prior fiscal year (FY 2022-23 limit is \$2,250/ADMw).

Any amount collected above the limit is deducted from the State School Fund grant to the district.

- For fiscal year 2024, the limit is \$123,238,555.
- If PPS renews the local option levy at a rate of \$1.99/\$1,000 assessed property value, it is not expected to reach the limit in the life cycle of the 2025-2030 levy.
- The District could exceed the limit if the rate were increased by \$0.25 or \$0.50.

Survey of PPS voters

Voter Support for Renewal vs Increase Options



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 7, 2024:** Tax Supervising & Conservation Commission (TSCC) hearing
- **May 21, 2024:** Primary Election

Staff proposes the following Board meeting dates in alignment with the deadlines:

- **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).



Recommendation for Action

- 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. This aligns with the Board's 2023 Local Option Levy Committee recommendation.**
- The Board will consider adoption of the 2024 legislative agenda that calls on the Legislature to allocate \$41M to PPS to bridge the shortfalls in the 2023-24 and 2024-25 budgets.
- In the 2025 Legislative Session, the Board and PPS staff will advocate for:
 - fully funding the QEM
 - making adjustments to the state funding formula
 - legislation to remove or lower the statutory limit on local option levies.