

Measure 20-183



Information about a **Eugene School District Bond Measure**

\$70 million bond measure would improve and maintain school buildings without increasing the tax rate

Why a bond measure?

Bond measure funds would allow the Eugene School District to:

- Provide better instructional facilities for students
- Support instruction by shifting some building repair costs out of the district's operating budget for the next six years

Why now?

If the bond measure is approved in May:

- The property tax rate for the Eugene School District would stay the same.
- Taxpayers would save about \$23 million in total interest costs over 21 years, due to federal support for school district bonds. This short-term opportunity may not be available after the May election.

How would the bond funds be spent?

The bond measure would provide \$70 million to improve basic building systems and student learning and activity areas, including:

- **Major repairs and replacements** of capital systems, including roofing, plumbing, heating, electrical, safety/security, paving and energy conservation measures
- **Additions and remodels** at several schools to better serve students
- **Building improvements and repairs** currently funded from 4J's General Fund
- **Technology** infrastructure upgrades, telephone system replacements, new student data information system and enhanced classroom technology
- **Instructional systems support** — space modifications to provide for larger class sizes and distance learning, classroom instructional technology and instructional materials

Can bond money pay for teachers and school programs?

No. Bond money can ONLY be spent on capital facilities (such as buildings, athletic fields and parking lots), equipment and technology.

What would it cost?

If the bond measure is approved, property tax rates for Eugene School District bond debt would stay the same, about \$1.30 per \$1,000 assessed value. That's because the district would issue the new bonds in phases and structure bond repayments to keep the tax rate at its current level. If the bond measure is not approved, the rate would drop by about 9 cents per \$1,000 assessed value in 2011–12.

Who would pay for it?

The bonds would be repaid by a property tax on residential, commercial and industrial properties. All taxable properties in the 4J school district, both inside and outside the city of Eugene, would be affected.

What's next?

To be eligible to vote on the bond measure you must reside within the Eugene School District and be registered to vote by April 26. Ballots will be mailed to registered voters beginning April 29.

Completed ballots must be returned to the county elections office or a ballot drop box by 8 p.m. on May 17.

For more information, please visit www.4j.lane.edu or call the 4J Communications office at 541-790-7737.

Measure 20-182

Temporary City Income Tax for Schools

If voters approve Measure 20-182, it would help the Eugene 4J and Bethel school districts to:

- Maintain instructional days for students
- Reduce anticipated increases in class size.

The temporary income tax would be in effect for four years.

Who can vote on the measure:

City of Eugene residents

Voter registration deadline:

April 26

Ballots due:

May 17, 8 p.m.

Learn more:

www.4j.lane.edu or 541-790-7737

CORRECTED INFORMATION

There was an error in the tax rate examples provided in 4J's original information sheet. The district is providing this corrected version to ensure voters have accurate information.

How much funding would the income tax provide?

The tax is estimated to provide \$16.8 million to Eugene public schools each year for four years. Eugene 4J schools would receive an estimated \$12 million per year, and Bethel schools would receive an estimated \$4.8 million per year.

Revenues would be divided between the school districts based on the number of Eugene residents enrolled in each district, after paying the costs of collecting the tax. The funds could be used only to maintain school days and keep class sizes from increasing to the extent possible.

Eugene 4J is projecting an operations shortfall of \$20–\$22 million (about 15 percent) in 2011–12. The proposed income tax would reduce the projected budget shortfall, but would not eliminate it.

What would the income tax cost?

The temporary income tax would affect most taxpayers who live in the City of Eugene and earn above the federal poverty level. The tax would be applied to Oregon taxable income, after deductions, at varying rates:

JOINT FILERS AND HEADS OF HOUSEHOLD

Oregon taxable income	adjusted gross income	Tax rate
\$0–\$22,000	\$0–\$31,000	no tax
\$22,001–\$35,000	\$31,000–\$51,000	0.35%
\$35,001–\$50,000	\$51,000–\$74,000	0.47%
\$50,001–\$75,000	\$74,000–\$106,000	0.75%
\$75,001 and above	\$106,000 & above	1.20%

SINGLE FILERS

Oregon taxable income	adjusted gross income	Tax rate
\$0–\$11,000	\$0–\$17,000	no tax
\$11,001–\$17,500	\$17,000–\$24,000	0.35%
\$17,501–\$25,000	\$24,000–\$35,000	0.47%
\$25,001–\$37,500	\$35,000–\$55,000	0.75%
\$37,501 and above	\$55,000 & above	1.20%

Examples (these figures have been corrected from the original version):

- A couple filing jointly with \$30,000 in income and an Oregon taxable income of \$21,500 after deductions would pay no tax. A single taxpayer with the same income and deductions would pay an income tax of 0.47%, or \$101.
- A couple filing jointly with \$100,000 in income and an Oregon taxable income of \$70,500 after deductions would pay an income tax of 0.75%, or \$529. A single taxpayer with the same income and deductions would pay an income tax of 1.20%, or \$846.

Note: The proposed tax brackets are based on Oregon taxable income, after deductions. The estimated adjusted gross income for each bracket is shown for reference purposes only. The relationship between Oregon taxable income and adjusted gross income depends on individual taxpayers' circumstances.

What would happen after the tax was implemented?

The tax would be applied to Oregon taxable income earned by Eugene residents each year starting Jan. 1, 2011, and ending Dec. 31, 2014. It would automatically sunset after four years.

The first tax revenues would be received in spring 2012. The school districts would need to consider how to bridge the revenue gap until then.

The tax would be reduced or suspended if the State of Oregon either:

- Increased state funding for schools to the point that the additional local revenues were no longer needed to restore school days or prevent class sizes from increasing, or
- Reduced state funding for the school districts to offset the local income tax revenues.

A citizen panel would review how the income tax revenues are spent for the benefit of students.

corrected 4/29/2011