



HB 3039: School District Partnership

Allows district school board to enter into partnerships for purpose of acquiring, leasing or improving real property for educational purposes

Bill Summary

Authorizes a school board to enter into agreements, loan funds, and take other actions that are expected to reduce the cost of school facilities through New Market Tax Credits, historic tax credits and other federal and state tax credit or funding programs.

Issue

School districts are increasingly partnering with other institutions of higher learning and/or non-profit organizations for educational programming and physical space, constructing or renovating buildings for joint or shared uses by both school district and partner.

Portland Public Schools hopes to utilize federal New Market Tax Credits to construct the Faubion School rebuild project in partnership with Concordia University. Access to these credits could enhance the project by up to \$8 million. Because PPS is a tax-exempt public body and thus can't directly benefit from a tax credit, access to the credit requires a fairly complex financing structure involving a third party in order to monetize the credit for the benefit of the project.

This bill gives school districts broader authority to enter into financing relationships with partners so that District can take advantage of New Market Tax Credits, other tax credits, or other financing opportunities in order reduce the cost of or enhance school capital projects.

Policy Change

Federal tax credits, such as New Market Tax Credits, rely on school districts to loan their resources in order to generate the credits. This bill broadens school district authority to loan funds or enter into other financing arrangements in order leverage such tax credit programs.