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Media Release

Board Adopts 2014-15 Budget, Saves Taxpayers \$6.5 Million by Refinancing Debt

The District will refinance its Series 2006B callable deferred interest bonds, saving taxpayers \$6.5 million NPV

June 25, 2014, Hillsboro, OR – At their meeting last night, the Hillsboro School Board unanimously* adopted the 2014-15 budget, which adds \$6.2 million for hiring teachers, providing additional classified support, and adding one instructional day back to the calendar, among several other things. (*Director Cañas was not present at the meeting; the vote was 6 yes, 0 no to adopt the budget as presented.)

In the same motion, they set the Permanent Tax Rate (property taxes for education) to support the General Fund, and set the Debt Service Levy amount (additional taxes to pay off previously approved bonds) to support the Debt Service Fund.

Notable is the Debt Service Levy, which is higher than initially proposed due to an opportunity to refinance a portion of the District’s outstanding bond debt at a significant long-term savings to taxpayers. When taxpayers approved the District’s last bond in 2006 for the construction of new schools, those bonds were sold in two series: Series 2006A and Series 2006B. The Series 2006B bonds are structured as “callable deferred interest bonds,” so they may be prepaid prior to their maturity dates, which are currently in 2025 and 2026. Refinancing those bonds now will save taxpayers approximately 34% or \$6.5 million in net present value (NPV), and can be accomplished while keeping the total bond levy rate stable for the next four years.

“It is very exciting and rewarding to adopt a budget that begins to restore funds to our system,” notes Board Chair Kim Strelchun. “Having the opportunity to refinance outstanding bond debt to save taxpayers money is another bonus—it shows the District’s fiscal responsibility and provides predictability to our community over the next four years.”

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To see the 2014-15 Budget and a list of the additions, visit the [Budget Matters](#) page on the District’s website.

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