

June 2022 #22-09

Summary:

Portland Public Schools should halt spending on the Center for Black Student Excellence until there is a clear plan in place for the project that complies with the Oregon Constitution and state law. Voters deserve to know why, where, and how their tax dollars are being spent.

Word Count: 699

“It’s a troubling trend in Oregon, and it’s not limited to school districts. Over time, many local governments have become more and more vague about how bond money will be spent.”

The \$60 Million Question for Portland Public Schools: Where is the Money Going?

— *Projected spending for the Center for Black Student Excellence may violate Oregon Law*

By Eric Fruits, Ph.D.

We’ve all been there before. You open your Oregon ballot and there’s yet another school bond measure. The school district promises the money will be used to repair existing schools or maybe to build a new school. You may agree or disagree with the measure, but at least you know where the money is going to go.

But, what if you had no idea where or how the bond money was going to be spent?

It’s a troubling trend in Oregon, and it’s not limited to school districts. Over time, many local governments have become more and more vague about how bond money will be spent. For example, Metro’s 2019 Parks and Nature Bond [earmarked](#) \$50 million to advance “large-scale community visions.” No one knew what that meant in 2019, and no one knows now. Without a clear plan in place, these pots of money can turn into slush funds with little accountability to taxpayers or voters.

Cascade Policy Institute recently published a [report](#) showing another instance of this trend with Portland Public Schools’ construction bond approved by voters in 2020. Five percent of the bond money—\$60 million—has been allocated for what the district calls the “Center for Black Student Excellence.” According to one board member, that’s equal to the [cost](#) of “two K-5s or at least a very good middle school.”

What exactly is the “Center for Black Student Excellence?”

The short answer is no one knows. No one. The school board calls it a “[concept](#).” PPS chief operating officer, Dan Jung, told the board the scope for the Center was “[undefined](#).”

The district’s adopted budget for the 2021-22 fiscal year allocated [\\$6.4 million](#) for the Center. A [presentation](#) to the bond committee indicates the spending in the program’s first fiscal year would be used to “launch, learn, ideate, test and refine” and make recommendations. In June 2021, Dani Ledezma, a senior advisor



at PPS, told the [Tax Supervising and Conservation Commission](#) that—by the end of the fiscal year—PPS will have produced a master plan for the Center with “programmatically elements” and a “responsive physical space.” Nothing has happened since then. The most recent presentation to the Bond Accountability Committee [reports](#) none of the \$6.4 million allocated for this year has been spent.

So, here we are. Two years after the idea for the Center was introduced, neither PPS board members nor its staff have any idea what it will be, where or when the Center will be built, what it will do, what it will accomplish, or how its operations will be funded.

It’s not just a political problem for what appears to be a floundering school board. It may be a legal problem for the district.

The district’s [forecast](#) of expenditures indicates that at least 30% of the anticipated spending for the Center will be on community engagement, design, planning, and project management. These spending plans may conflict with the Oregon Constitution’s requirement that bond funds be spent only on “capital costs.” In addition, this spending also may conflict with Oregon law regarding school districts’ use of bond funds.

The Oregon Constitution requires that bond proceeds be used for [capital costs](#) only. The constitution defines “capital costs” as costs of land and other assets having a useful life of more than one year, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance, or repair. Oregon law also includes additional mandates on the use of bond funds.

Nothing in either the constitution or state law explicitly allows bond funds to be used for community engagement, planning, or design. Because engagement is ephemeral and plans can be scrapped at any time, they have no meaningful “useful life.” As such, spending bond funds on these activities could violate Oregon law.

PPS should halt any spending on the Center for Black Student Excellence until there is a clear plan in place for the project that complies with the Oregon Constitution and state law. Voters deserve to know why, where, and how their tax dollars are being spent. When voting yes on this bond measure, the region’s taxpayers didn’t simply write a blank check that could be slowly and carelessly squandered as a slush fund.

Eric Fruits, Ph.D. is Vice President of Research at Cascade Policy Institute, Oregon’s free market public policy research organization. A version of this article was published by [The Portland Tribune](#) on June 21, 2022.

“Nothing in either the constitution or state law explicitly allows bond funds to be used for community engagement, planning, or design. Because engagement is ephemeral and plans can be scrapped at any time, they have no meaningful ‘useful life.’ As such, spending bond funds on these activities could violate Oregon law.”

Attention editors and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org