

WHIDBEY NEWS-TIMES



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OPINION

Sound Off: Oak Harbor school projects should be separate bond measures

February 1, 2023 1:30 am



By JESSICA THOMPSON

In these times of high inflation and economic uncertainty, is the Oak Harbor School bond too big to pass?

Are Oak Harbor residents being asked to pay for more school construction than is really needed immediately?

The federal government has agreed to pay 80% for two schools that are definitely in need of repair, Crescent Harbor Elementary and Hand-in-Hand/Home Connection. Why isn't this a good place to start? Why not accept this grant and fix the worst situations first? Why is it necessary to burden taxpayers with a slew of projects all at one time? Why add a third school and "security measures," measures that are pretty vague and poorly presented? Why not divide the construction projects into two separate bonds so the

community can decide which project(s) they deem immediately essential, rather than forcing them to take on a huge debt that includes items they may not see as necessary immediately?

In a time of massive inflation, rising interest rates and distrust in government spending, asking a community such as Oak Harbor, filled with many people on a fixed incomes and or low to medium incomes to fund a \$121 million construction project all at one time, is asking a lot. Wouldn't it be prudent to allow people options rather than try to force their hands with one massive tax obligation? Approving such a huge bond right now will put a huge financial burden on the people of Oak Harbor. Paying off bonds is not supposed to be a permanent state of taxation. Just because taxpayers finally paid off one bond doesn't mean they should feel obligated to take on another immediately, especially a large one.

Taxpayers need to remember that public financing of large projects like constructing new school buildings or making major renovations (via bonds) means we have to pay back the cost with interest, over many years or even decades. To help structure such deals, school administrators and school boards generally turn to outside financial advisers, lawyers and bond underwriters to guide them through the process. These advisers are typically paid a fee related to the size of the bond (or contingent on it being issued) and that can incentivize them to counsel districts to issue larger or more frequent bonds than are really necessary. Underwriters who purchase the bonds from the district and sell them to investors know that the higher the interest rate on a bond, the easier it is for them to sell it.

Such "expertise" can disadvantage school districts; they can easily be taken advantage of, urged to issue needless or poorly structured bonds, pushed to accept high interest rates, or duped into paying hundreds of thousands of dollars in unreasonable fees. State officials and financial experts across the country warn that taxpayers ultimately end up paying millions more each year than necessary, which can lead to new taxes, tax hikes, or result in less money for classroom instruction.

Mark Robbins, a professor of public policy at the University of Connecticut who has studied municipal bonds, says that school districts face big financial consequences if they don't get the best deal possible: "When you're talking about borrowing tens, even hundreds, of millions of dollars, even a one-hundredth of an interest rate point can be the equivalent of a teacher's salary."

Federal regulations require that financial experts and underwriters treat municipalities fairly; however, the incentives built into the bond issuance process often pit school districts' interests against those of their financial team. Has that happened

here? Are there any conflicts of interest?

With so much at stake, doesn't it make better sense to take a more cautious approach to fixing our schools? Separating the construction projects into two separate ballot propositions would give voters of Oak Harbor the option to say "no" to the new school at Fort Nugent, for example, while approving the construction of Home Connection and Crescent Harbor.

Why the omnibus bond? Why not do one specific project at a time?

Jessica Thompson is an Oak Harbor resident and a former school board candidate. She is also a very active member of the Island County Republican Party.