

School Bonds



What Is a School Bond?

Think of it like a mortgage for schools.

A bond lets a school district borrow money upfront to build or improve facilities, then pay it back over time with property taxes.

HOW IT WORKS

Voters approve the bond. The district sells bonds to investors. Investors get paid back with interest over 10-25 years.

WHO PAYS

Property owners in the district pay through their property taxes — a set amount per \$1,000 of assessed value.

Key points

- Bond money can **ONLY** be used for buildings and facilities — never for salaries or daily operations
- Local decisions. Local dollars invested in local schools. No money goes to Olympia.

Why Do Schools Need Bonds?

Washington State funds "basic education" — but that doesn't cover everything schools actually need.

WHAT THE STATE COVERS

Teacher salaries (basic level), not including insurance, transportation, a formula-based share of materials, supplies, and operating costs (MSOC).

WHAT THE STATE DOESN'T COVER

Most construction costs, major renovations, new schools, technology upgrades, safety improvements, athletics, and extra curricular and operational costs.

Local levies and bonds cover these costs

THE BOTTOM LINE

71%

of Washington school funding comes from the state

The rest must come from local bonds and levies approved by voters.

Source: OSPI

Bonds vs. Levies: What's the Difference?

A simple way to remember: "Bonds are for building. Levies are for learning."

BONDS



PURPOSE

Buildings & facilities



DURATION

10-25 years



TO PASS

60% supermajority



EXAMPLES

New schools, renovations, land purchase



LEVIES



PURPOSE

Day-to-day operations



DURATION

Up to 4 years



TO PASS

50% simple majority



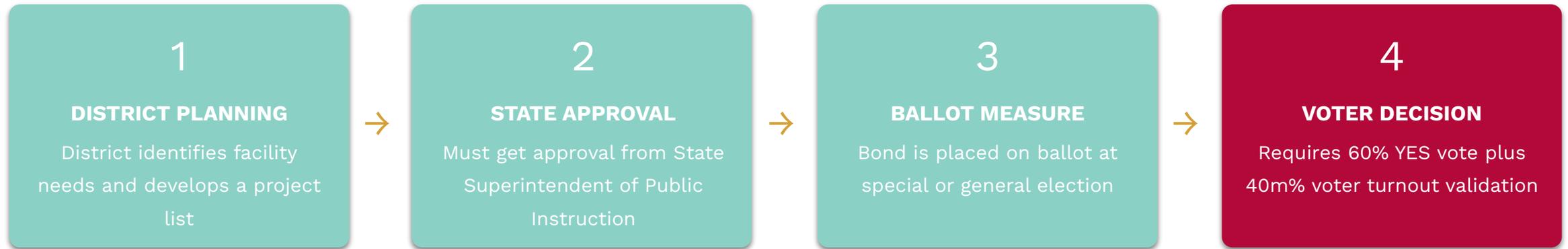
EXAMPLES

Staff, programs, technology, maintenance



How Does the Voting Process Work?

A school bond goes through several steps before it reaches voters:



When Can Bond Elections Be Held?

February (2nd Tuesday), April (4th Tuesday), August primary, or November general election

Emergency bonds (fire, flood, earthquake) can be called at any time.

Who Votes?

Registered voters in a school district boundary. Do not have to own property to vote.

FACT: Only 20% of parents vote in elections. People 65+ make up the majority of voters.

The 60% Supermajority Rule

Washington is one of only 11 states that requires MORE than a simple majority to pass school bonds.

To pass a school bond, you need BOTH:

- **60% + 1 vote in favor** ("supermajority")
- **40% voter turnout** compared to last general election ("validation")

What this means:

- A bond can get 59% YES votes — a clear majority — and still fail.
- A bond can get 60% YES votes and fail if not validated.
- In the last decade, only 45% of Washington school bonds have passed.
- 2018 WHS Bond failed by 300 votes.

COMPARISON

To be elected Governor

50%

To pass a School Bond

60%

This higher bar exists because bonds create long-term tax obligations (20-30 years)

How Property Taxes Fund Bonds

When a bond passes, the district sells bonds to investors and repays them using property tax revenue.

How Your Tax Is Calculated

Property owners pay a set amount for each \$1,000 of assessed property value

Example:

Home value: \$400,000

Bond rate: \$1.50 per \$1,000

Annual payment: \$600

(400 × \$1.50 = \$600/year)

Good news: When property values rise, the rate per \$1,000 often decreases. Once approved, the total bond amount is locked — it cannot increase.

Tax Relief Available

Senior citizens and disabled individuals may qualify for property tax exemptions or deferrals.

State Matching Funds: Stretch Your Dollars

When a local bond passes, the district may qualify for **state matching funds** — essentially free money from the state to help build schools. (SCAP - School Construction Assistance Program)

How State Matching Works

The state calculates:

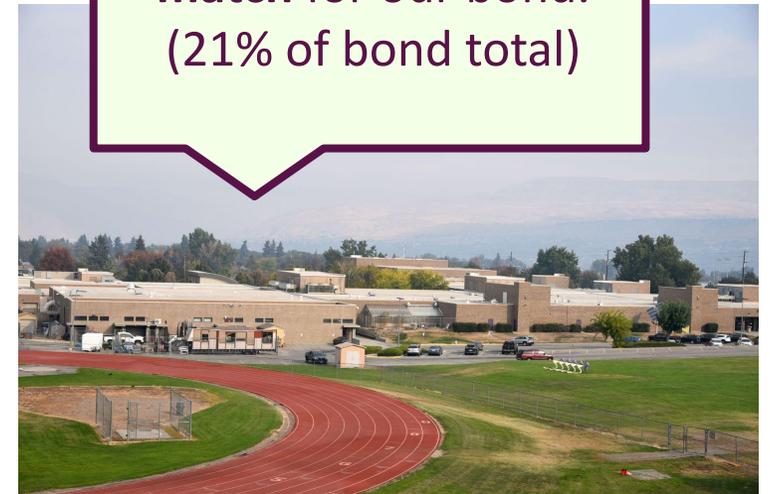
- Square footage needed per student (varies by grade level)
- Average construction cost per square foot
- District's ability to pay locally

Eligible Projects:

New construction AND modernization/remodeling projects can qualify

The catch: State matching only covers a portion of costs. The local bond must still fund the majority of most projects.

WSD is eligible for **\$79 million** in **state match** for our bond. (21% of bond total)



Why This Matters to Wenatchee Residents

School quality directly impacts businesses and our community's economic health.

1

Workforce Pipeline

Quality schools produce qualified employees. Modern facilities support career-technical education and 21st-century skills training.

2

Property Values

Strong schools increase property values. This benefits commercial real estate and attracts talent who want good schools for their kids.

3

Economic Development

Companies considering relocation look at school quality. Bond-funded improvements signal a community that invests in its future.

Construction Creates Jobs

Bond-funded projects generate local construction jobs and contracts — often with local preference requirements.

Your Voice Matters

Business leaders are influential community voices. Understanding bonds helps you make informed decisions and guide public discourse.

November 2026 Bond

Replaces:

- 1. Aging Wenatchee High School**
- 2. HVAC at 7 schools**

Estimated Cost: \$295 million

How we got here

15 mo. Facilities Committee Study

A 40+ member committee studied district facilities and developed the bond recommendation based on data.

Two part recommendation →

1 Replace Aging WHS

- Built in 1972 - over 50 years old
- Condition score: 49.65/100 (rated "Poor")
- 104% overcrowded/ undersized
- Core systems failing

2 Replace HVAC at 7 Schools

Mission View	Orchard
Newbery	Pioneer
Lewis & Clark	Foothills
Sunnyslope	

November 2026 Bond Projects

Key Concerns at WHS

- Built in 1972 - over 50 years old
- Physical Condition score: 49.65/100 (rated "Poor")
- 104% overcrowded - built for 1,400 students (grades 10-12), now serves 1,900 (grades 9-12)
- **Core systems failing:**
 - **HVAC:** 50+ years old (designed for 15-20 years), parts unavailable
 - Not designed to filter wildfire smoke or handle extreme heat
 - **Plumbing:** Original 1970s pipes with corroded galvanized pipes brown/yellow water. Encased in concrete.
 - **Electrical:** Can't support modern technology needs
 - **Phone and Fire systems** are mixed and obsolete. Dead zones in building
 - **Roofing:** Failing roof membrane
- **Undersized classrooms (use of portables and trailers)**
- **Lacks windows and natural light**

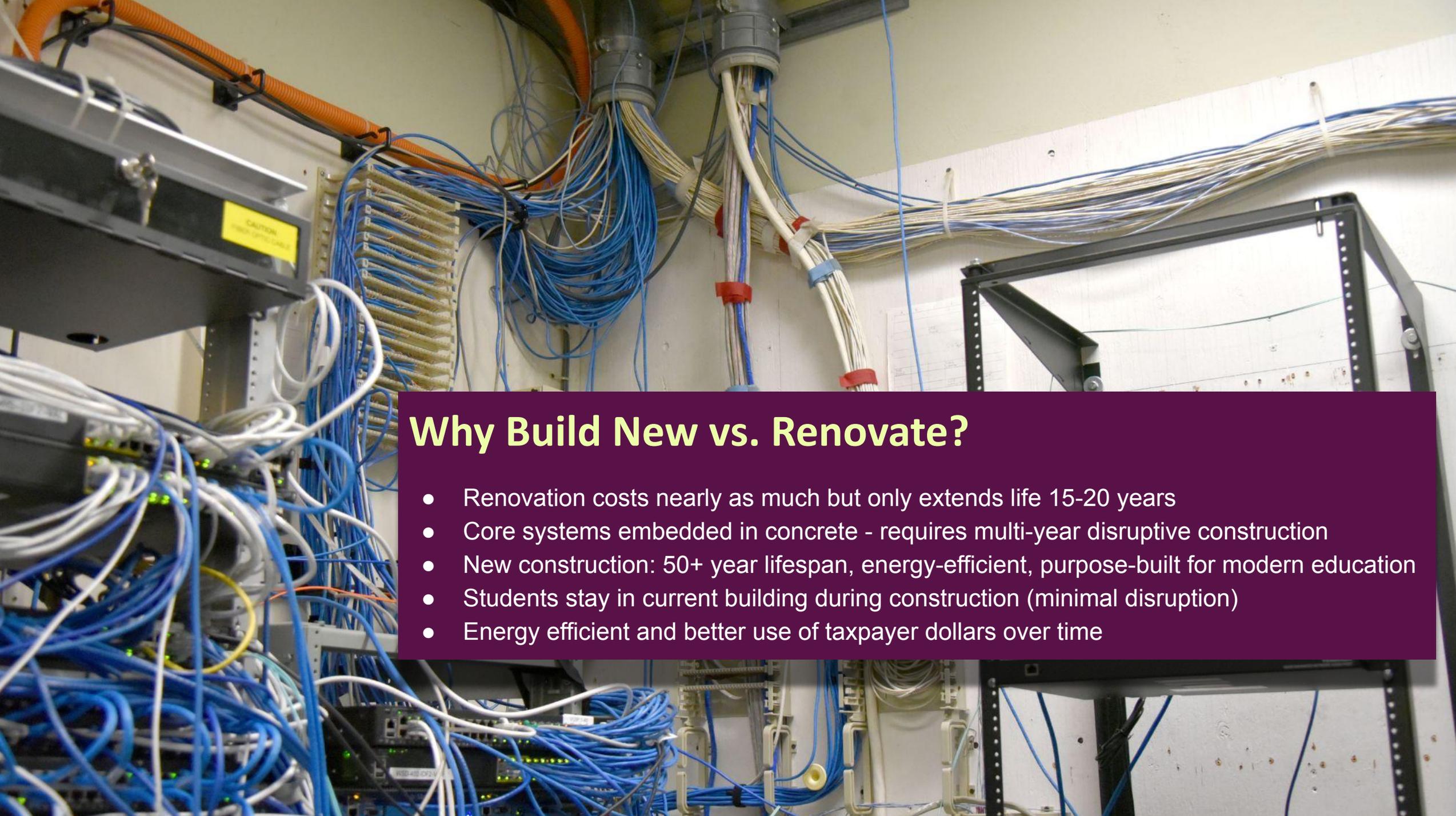




Have you neglected the buildings?

No. Maintenance teams work year-round keeping buildings safe and functional. The district invests millions annually in upkeep. However, maintenance cannot stop aging or extend systems beyond their engineered lifespan.

Think of it like your roof: You can maintain it perfectly, but after 25-30 years, even the best-maintained roof needs complete replacement.



Why Build New vs. Renovate?

- Renovation costs nearly as much but only extends life 15-20 years
- Core systems embedded in concrete - requires multi-year disruptive construction
- New construction: 50+ year lifespan, energy-efficient, purpose-built for modern education
- Students stay in current building during construction (minimal disruption)
- Energy efficient and better use of taxpayer dollars over time



What About Enrollment Decline?

- Even with projected enrollment decline due to lower birth rates, WHS is currently **overcrowded**
- A new facility would be properly sized for projected enrollment while providing the space quality and functionality today's 50-year-old building lacks
- This is about building for modern educational needs, not just capacity



WENATCHEE PANTHERS

Today's Preparation Determines Tomorrow's Victory

Why Now?

- \$79 million in state matching funds available
- Construction costs increase 6-7.5% annually (waiting = \$22-28M more per year)
- Annual fines coming for non-compliance with Clean Energy Act (\$300,000 fine per year)
- Planned replacement cheaper than emergency response

Next Phases for the WSD Bond

DISTRICT PLANNING

Hired Architect for Design & Community Engagement

Planning out engagement & ed spec. collection.



Community Engagement Phase (March -June)

ED. SPECS

Collect input from staff and students on number, size, type and location of spaces in WHS.

COMMUNITY EVENTS

Variety of engagement opportunities in the district and out in the community to collect input on design and project awareness.



Campaign (August - November)

CAMPAIGN

- * Board passes resolution
- * District campaign starts
- * Advocacy campaign starts

Outcomes of Community Engagement

Refined design and plan for new construction based on stakeholder input
Final Costs = Bond amount and rate presented on the ballot

Communities Pass Bonds. Not School Districts.

80-20 Rule: 80% of the information will come from Advocacy Committee.
20% neutral factual information comes from the district.