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TUESDAY
MARCH 11, 2008

HOUSTON  CHRONICLE
chron.com

CITY & STATE

HISD sells bonds at 4.7 percent

■ Despite school upgrades, teaching jobs may be at risk

By JENNIFER RADCLIFFE
HOUSTON CHRONICLE

Finally spotting a favorable financial market, the Houston Independent School District sold Monday almost half of the \$805 million in bonds that voters approved in a narrow November election — clearing the way for construction on 24 new schools and renovations at 134 other campuses.

The bond was tied up in lawsuits in state court until late last month, when the market suddenly took a dip. HISD officials were able to act Monday on a 4.7 percent interest rate, well below the 5.4 percent rate they passed on last week.

Delaying the sale a week saved HISD about \$37 million over the 25-year life of the bond, officials estimated.

"It was worth the wait," school board president Harvin Moore said.

Chief Financial Officer Melinda Garrett said she's relieved that the district was able to secure a good interest rate. HISD promised voters last fall that they could finance the bond without a tax rate increase, a major undertaking that could have been thwarted by a downturn in the market. Everything from the increasing price of oil to the presidential election is wreaking havoc on the market, Garrett said.

The school board is expected to be asked as early as next month to approve architecture and engineering contracts for work at 15 campuses, including Almeda, Berry, Carnegie Vanguard, Crockett, Cunningham, DeChaumes, Frost, Gregg, Herod, Horn, Lovett, Patterson, Piney Point, Roosevelt and Valley West schools.

Layoffs possible

While HISD fared well in the bond sale, officials said Thursday they plan to inform about two dozen teachers later this week that they could lose their jobs. An anticipated 3,000-student decline in enrollment means about 150 fewer teachers will be needed next year.

While retirements and resignations will probably take care of most of the downsizing, officials said they're worried that they won't have a spot for some types of teachers. They said they'll do their best to help those employees find jobs at other HISD schools.

"The district will make every effort possible to find a place for these teachers," HISD Superintendent Abelardo Saavedra said.

Issuing "reduction in force" letters — required by law to be sent 45 days prior to the end of the school year to contracted employees' whose positions are in jeopardy — is a fairly routine step for HISD, where the enrollment has steadily declined for several years. It's now dipped below 200,000 students.

Gayle Fallon, president of the Houston Federation of Teachers, said it would be a mistake for HISD to dismiss any teachers. "They're going to create their own teacher shortage."

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