

**Q&A**

**If the bond election is passed, what will it cost a homeowner of a \$100,000 home?** Additional property taxes on a \$100,000 homestead are projected to be \$42.25 annually or \$3.52 monthly.

**What is a schoolhouse bond?** A schoolhouse bond is a method many school districts use to pay for capital improvements, such as constructing, improving, or maintaining facilities and purchasing buses, technology, or school sites. Schoolhouse bonds, authorized by the voters through bond elections, are sold to pay for the capital improvements. Funds generated through the Interest and Sinking (I&S) Tax rate can only be used for paying back schoolhouse bonds. Bonds allow school districts to spread the cost over the life, or portion of the life, of the capital improvement, much like a home mortgage spreads the cost of a home over several years for a homeowner.

**How long does the district have to repay the bonds?** The district uses 25 years for repayment of bonds for construction of facilities even though the life of buildings is considered to be much longer. The district never finances bonds for a longer period than the life expectancy of the capital improvement (e.g., twenty years for carpet and roofs). The repayment timelines for technology bonds parallel the expected life of the equipment, which is five years.

**How much does the district currently owe for schoolhouse bonds? What is the retirement schedule?** As of audited financials for August 31, 2006, the total amount of principal debt for schoolhouse bonds is \$1,184,210,026. The debt was issued at different times in the past and will be retired at different times. On June 28, 2007, \$250 million schoolhouse bonds were sold.

**Why include repairs and renovations on the ballot?** The district must maintain 74 campuses and other district facilities. Major maintenance items for these campuses and other district facilities, such as carpet, roofs, and HVAC systems, can cost the district millions of dollars. Spreading the cost over time, but not exceeding the life of the assets, has enabled the district, historically, to complete the work without significantly affecting the tax rate.

**After a bond election passes, why has the district decided to complete all buildings and renovations in the bond package over time rather than all at once?** Once bonds are sold, the district starts paying principal and interest on those bonds with revenue generated by the I&S Tax rate. The district sells bonds over a three-to-five year period as facilities and renovations are needed. This practice, coupled with the growth of the taxable value of the district, has lessened the impact on the tax rate.

**How will passage of this bond election affect enrollment capacity in district schools?** The bond monies will be used to construct additional schools to address student growth and reduce enrollment in schools that are currently over the district's benchmark for enrollment capacity.

**How will construction affect schools that are being renovated?** Many of the school improvement projects will occur at times when students are not present. When this arrangement is not possible, the building principal, district staff, and construction managers will develop a remodeling plan that will not interfere with classroom instruction.

**How much time should be budgeted for a school to be built so that it can be opened on the first day of school?** The district plans on 1 year and 8 months to build an elementary (repeat design); 2 years and 3 months for a middle school (repeat design); and 3 years for a high school (repeat design).

**What is the purpose of the Board calling a bond election?** Over the next five years, the district is projected to grow by about 24,000 students, an increase which will require additional space to accommodate students. Additionally, the life of facilities can be extended if they are maintained and upgraded to meet health and safety regulations. Bond funds will also support the district's technology program.

# 2007 Bond Referendum



**New schools, sites and buses for increased enrollment . . . \$500.5 million**

- 13 new schools: 8 elementary schools, 3 middle schools and 2 high schools
- 2<sup>nd</sup> Alternative Learning Center
- 10 school sites: 8 elementary schools and 2 middle schools
- 275 buses



**Instructional/support facilities renovations . . . \$238.5 million**

Examples:

- academic additions: science, music and vocational classrooms
- repairs, upgrades and replacements: fire alarm systems; heating, ventilating and air conditioning; plumbing; roofing; security; electrical systems; emergency, ADA and asbestos abatement allowance



**Technology needs . . . \$68 million**

- technology to accommodate increased enrollment
- replacement of aging technology
- increased student access to technology

**Total . . . \$807 million**

## Cypress-Fairbanks Independent School District Bond Election

PROPOSITION

<p>[ ] FOR</p> <p>[ ] AGAINST</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>THE ISSUANCE OF \$807,000,000 BONDS FOR SCHOOL BUILDINGS, SCHOOL SITES AND NEW SCHOOL BUSES AND THE LEVYING OF THE TAX IN PAYMENT THEREOF</p>
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### PROPOSITION

SHALL THE BOARD OF TRUSTEES OF CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE AND SELL AT ANY PRICE OR PRICES THE BONDS OF THE DISTRICT IN THE AMOUNT OF \$807,000,000 FOR THE CONSTRUCTION, ACQUISITION, AND EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT, THE PURCHASE OF THE NECESSARY SITES FOR SCHOOL BUILDINGS AND THE PURCHASE OF NEW SCHOOL BUSES WHICH BONDS MAY BE ISSUED IN VARIOUS ISSUES OR SERIES, SHALL MATURE SERIALLY OR OTHERWISE NOT MORE THAN 40 YEARS FROM THEIR DATE, AND SHALL BEAR INTEREST AT SUCH RATE OR RATES, NOT TO EXCEED THE MAXIMUM RATE NOW OR HEREAFTER AUTHORIZED BY LAW, AS SHALL BE DETERMINED BY THE BOARD OF TRUSTEES OF THE DISTRICT WITHIN THE DISCRETION OF THE BOARD AT THE TIME OF ISSUANCE; AND SHALL THE BOARD OF TRUSTEES BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS; SAID BONDS TO BE ISSUED AND SAID TAXES TO BE LEVIED, PLEDGED, ASSESSED, AND COLLECTED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS INCLUDING THE TEXAS EDUCATION CODE?