



VISION 2020

long-range plan



LONG-RANGE PLANNING COMMITTEE CYPRESS-FAIRBANKS ISD TAX RATE IMPACT





$$(x + a)^n = \sum_{k=0}^n \binom{n}{k} x^k a^{n-k}$$

$$e^x = 1 + \frac{x}{1!} + \frac{x^2}{2!} + \frac{x^3}{3!} + \dots, -\infty < x < \infty$$

$$(1 + x)^n = 1 + \frac{nx}{1!} + \frac{n(n-1)x^2}{2!} + \dots$$



$$a^2 + b^2 = c^2$$

$$f(x) = a_0 + \sum_{n=1}^{\infty} \left(a_n \cos \frac{n\pi x}{L} + b_n \sin \frac{n\pi x}{L} \right)$$



What Are Bonds?



- **Way to finance over time**
- **Bond election is asking permission to:**
 - **Build schools & other facilities**
 - **Make long-term asset purchases**
 - **Accumulate debt**
 - **Levy a tax**
- **Bond Sale Process**
- **Bond Proceeds**
- **Debt Service**

Bond Proceeds



- **Capital Projects Fund**
- **Use of Proceeds**
 - **Costs related to construction, renovation**
 - ✦ Architect fees
 - ✦ Engineering fees
 - ✦ Environmental studies
 - ✦ Equipment, FFE for new facilities
 - **Purchase of long-term assets**
 - ✦ Land
 - ✦ Technology
 - ✦ School buses
 - ✦ Roofs
 - ✦ HVAC equipment

Debt Service



- **Debt Service Fund**
- **Payment Of Debt**
 - **Principal and Interest**
 - **Tax revenue**
 - **Tax levy**
 - **Appraised property values**
- **Use Of Tax Revenue For Debt Service**

Tax Rate Assumptions



- **Amount of Authorization**
- **Property Value Changes**
- **Underlying Bond Rating**
- **Permanent School Fund Guarantee**
- **Bond Structure**
- **Bond Interest Rates**
- **Interest Earnings Rates**
- **State Funding**
- **Bond Maturities**
- **Bond Sale Amounts**
- **Use of Debt Service Fund Balance**

Tax Rate Assumptions



- **Property Value Increases**
 - 9.0% - 2014-2018
 - 7.0% - 2019-2021
 - 6.0% - 2022-2025
 - 5.0% - thereafter

- **Bond Interest Rates**
 - 5.50% Fixed – 2015
 - 6.00% Fixed – 2016-2019

Tax Rate Assumptions



- **State Funding**
 - \$6,597,452 – 2013-2014
 - \$0.00 – Thereafter
- **Underlying Bond Ratings**
 - Aa2 Moody's Investor Service
 - AA- Standard & Poor's Rating Service

Tax Rate Assumptions



- **Permanent School Fund**
 - Aaa Moody's
 - AAA Standard & Poor's

- **Bond Maturities**
 - Facilities – 25 years
 - Instructional Technology – 5 years
 - Infrastructure Technology – 10 years
 - Buses – 15 years

Tax Rate Assumptions



- **Bond Structure Amounts**
 - Remaining 2004 & 2007 Authorizations sold in 2015 or later
 - 2014 Authorization bonds sold evenly over four issues
- **Interest Earnings Rates**
 - 0.00%
- **Use Of Debt Service Fund Balance**
 - \$0.00

Summary of Bond Proposal



Amount	Area
\$197,638,892	Student Growth - New Facilities
72,368,091	Transportation Priority 1, 15-Year Bus
681,631,521	Facilities Renovations, Priorities 1, 2, 2.1, 2.2
217,256,055	Technology Priority 1
<u>55,343,303</u>	Security Priorities 1,2,3
\$1,224,237,862	Total

Current Bond Status 2004 Authorization



Bond Sale	Date	Unissued
		\$713,200,000
\$50,359,500	May 2005	
\$200,000,000	March 2006	
\$250,000,000	June 2007	
\$52,000,000	August 2008	
\$125,000,000	August 2009	\$35,840,000

Current Bond Status 2007 Authorization



Bond Sale	Date	Unissued
		\$807,000,000
\$198,000,000	August 2008	
\$100,000,000	August 2009	
\$30,000,000	April 2010	
\$25,140,000	June 2010	
\$17,670,000	February 2012	
\$60,000,000	November 2012	\$376,190,000
\$165,000,000	March 2014 *	\$211,190,000

* Pending

Current Bond Status 2004 & 2007 Authorizations



Bond Auth.	Unissued	Total
2004	\$35,865,500	
2007	\$211,190,000 *	\$247,055,500

* After March 2014 bond sale

Annual Impact On Tax Rate

\$950 Million

Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4150	\$0.0050
2016-2017	\$0.4250	\$0.0100
2017-2018	\$0.4315	\$0.0065
2018-2019	\$0.4315	\$0.0000
2019-2020	\$0.4258	<u>(\$0.0057)</u> <u>\$0.0158</u>

Annual Impact On Tax Rate

\$1.0 Billion



Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4150	\$0.0050
2016-2017	\$0.4300	\$0.0150
2017-2018	\$0.4350	\$0.0050
2018-2019	\$0.4350	\$0.0000
2019-2020	\$0.4312	<u>(\$0.0038)</u> <u>\$0.0212</u>

Annual Impact On Tax Rate

\$1.1 Billion



Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4175	\$0.0075
2016-2017	\$0.4300	\$0.0125
2017-2018	\$0.4460	\$0.0160
2018-2019	\$0.4460	\$0.0000
2019-2020	\$0.4421	<u>(\$0.0039)</u> <u>\$0.0321</u>

Annual Impact On Tax Rate

\$1.2 Billion



Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4175	\$0.0075
2016-2017	\$0.4375	\$0.0200
2017-2018	\$0.4550	\$0.0175
2018-2019	\$0.4550	\$0.0000
2019-2020	\$0.4529	<u>(\$0.0021)</u> <u>\$0.0429</u>

Annual Impact On Tax Rate

\$1.3 Billion



Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4200	\$0.0100
2016-2017	\$0.4450	\$0.0250
2017-2018	\$0.4600	\$0.0150
2018-2019	\$0.4650	\$0.0050
2019-2020	\$0.4637	<u>(\$0.0013)</u> <u>\$0.0537</u>

Annual Impact On Tax Rate

\$0.00 Increase

\$700 Million

Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.000
2015-2016	\$0.4100	\$0.000
2016-2017	\$0.4100	\$0.000
2017-2018	\$0.4100	\$0.000
2018-2019	\$0.4100	\$0.000
2019-2020	\$0.3988	(\$0.0112)

Annual Impact On Tax Rate

\$0.03 Increase

~~\$1.050~~ Billion

Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.0000
2015-2016	\$0.4150	\$0.0050
2016-2017	\$0.4325	\$0.0175
2017-2018	\$0.4400	\$0.0075
2018-2019	\$0.4400	\$0.0000
2019-2020	\$0.4367	<u>(\$0.0033)</u> <u>\$0.0267</u>

Annual Impact On Tax Rate

\$0.05 Increase

\$1.250 Billion

Year	Debt Service Tax Rate	Tax Rate Change
2013-2014	\$0.4100	
2014-2015	\$0.4100	\$0.000
2015-2016	\$0.4200	\$0.010
2016-2017	\$0.4400	\$0.020
2017-2018	\$0.4550	\$0.015
2018-2019	\$0.4600	\$0.000
2019-2020	\$0.4600	<u>\$0.000</u> <u>\$0.050</u>

Annual Tax Increase On \$200,000 Home

Tax Rate Increase	Annual Tax Increase
\$0.01	\$14.50
\$0.02	\$29.00
\$0.03	\$43.50
\$0.04	\$58.00
\$0.05	\$72.50
\$0.06	\$87.00
\$0.07	\$101.50

Note: Assumes homestead exemption of 20% and \$15,000

Tax Increase For Home Owners 65 Years And Older



- **NO TAX INCREASE**

Questions

