



Q&A

Q: Why should I vote for higher taxes to build big, fancy new schools for people on the far other end of the school district where I will get no benefit except for having to drive farther for district events? Shouldn't the taxes be proportional to the benefit received, i.e. those getting the new schools pay for them?

A: *The bond proposal has elements that will affect every campus, regardless of the area of the district you live in. Improvements to aging facilities are a significant portion of this bond including the renovations to Pridgeon Stadium and a new natatorium located next to Pridgeon. The district has a moral responsibility to educate all students equally and provide access to quality facilities regardless of their economic status, and by law, we cannot levy unequal taxation to certain groups of taxpayers or to certain areas of the community. CFISD has always strived to provide an equal educational experience to all students regardless of what part of the district they live in. The bond package includes items such as enhanced security and safety, repairs and renovations, technology upgrades and restored transportation that will affect all students throughout the district.*

Q: If I understand correctly, the bond issue will result in 4.5 cents increase in tax over the next 4 years. The example in the FAQ on a \$200,000 seems to bear this out. According to my calculation 4.5 cents increase against \$30B in property valuation only raises \$15M additional per year. How does \$15M provide debt service on \$1.2B in additional debt?

A: *The 2014 total district property value is expected to be \$39 billion. The projected value increases each year along with the increase in tax rate will raise the necessary tax collections to pay the principal and interest on these bonds as well as all previously issued and outstanding bonds.*

Q: When the time comes that your district has retired the bonds that will provide you with \$1.2B for current expenses, how much will your school district have paid to retire the bonds?

A: *The amount of the bonds that will be paid would be \$1.2 billion over the next 25 years, plus the interest. The exact amount of interest will not be known until the bonds are sold.*

Q: Is there really 20 million dollars budgeted for an upgraded telephone system for teachers and staff, and is this necessary?

A: *The cost for the districtwide phone system for over 100 facilities is \$7.5 million. The \$20 million is a line item for technology including replacement of all staff and teacher classroom computers, replacement of all district network printers and servers as well as replacing the antiquated phone systems districtwide.*

Q: What is the purpose of moving the voting locations around the district during early voting?

A: *Elementary campuses are typically located within neighborhoods, so by rotating the voting to every elementary campus, we are making voting more accessible for all community members.*

Q: It appears that the items included in this bond other than money for new schools are a waste of taxpayer money.

A: *CFISD has always strived to provide an equal educational experience to all students regardless of what part of the district they live in. The bond package includes items such as enhanced security and safety, repairs and renovations, technology upgrades and restored transportation that will affect all students throughout the district. Technology upgrades will provide all teachers and students with better access to the network and help prepare all of our students to be global learners. Restoration of transportation will help keep students safe before and after school and also provide traffic relief on and around campuses during peak hours. Replacements such as dance floors and running tracks contribute to a safer environment for students as these items are brought up to current standards. Renovations of aging facilities will allow the district to protect our existing assets and stretch out the life of older buildings.*

Q: Are taxpayers still paying for the Berry Center?

A: *Construction of the Berry Center was funded by Series 2002A and Series 2002B bonds that additionally funded:*

- *refunding of previously issued bonds;*
- *three elementary schools;*
- *completion of two new middle schools;*
- *purchase of technology equipment; and*
- *purchase of buses.*

The current balance of the 20-year Series 2002A bonds, originally totaling \$92,939,049, is \$0. The current balance of the 22-year Series 2002B bonds, originally valued at \$76,500,000, is \$25,500,000.

Q: When will the Berry Center be paid off?

A: *The Series 2002A bonds were issued as 20-year bonds, and were paid off early through refunding. The Series 2002B bonds were issued as 22-year bonds, and will be paid off in 2024 unless they are paid off earlier through a refunding.*

Q: What is our total current bond indebtedness?

A: *As of June 30, 2013, the outstanding bond indebtedness is \$1,738,504,377.*

Q: What is our total current bond debt per student?

A: *As of June 30, 2013, our debt per student is \$15,803.*

Q: What will the debt per student be after the election?

A: *The debt per student will change as we sell additional bonds from the bond election, and as we retire existing bonds with principal payments. The amount of principal debt as the result of the 2014 proposed bond election will only be added as we sell bonds. The plan is to sell approximately \$300 million per year for four years. Also, we currently retire (pay off) between \$50-\$100 million of principal each year over the current debt service maturity schedule.*

Prior to selling the first bond sale of the 2014 authorization, we will have paid off about \$100 million of bond principal. With the sale of bonds from the 2014 authorization, our principal payments for the new debt will be about \$5 million per year.

So, for example and discussion purposes only, total principal balance of outstanding debt will be about \$2.9 billion by the end of 2019. I estimate that our debt per student at that time will be about \$19,000, an increase of \$3,200 over the current amount. Keep in mind that this is at the end of the bond program and after all \$1.2 billion has been sold, contingent upon CFISD

enrollment growth. In the time between now and then, the debt per student will increase slightly with each bond sale.

Q: Does CFISD have the highest debt load per student of any large school district in the state?

A: No. The Municipal Advisory Council of Texas has reported each school district in Texas with outstanding debt greater than \$200 million. This report shows as of June 30, 2013 each school district's outstanding debt, number and percentage of student enrollment growth over the last 10 years, as well as debt per student. An analysis of this report shows that CFISD has the 15th-lowest debt per student compared with 27 school districts including all 20 Harris County school districts, as well as the seven largest school districts in the state. CFISD's No. 15-lowest ranking is despite having the largest student enrollment growth of all 1,025 school districts in the state, and the fourth-highest percentage of student enrollment growth. This fact is important to note, since the primary reason for school districts to incur debt is to accommodate student enrollment growth by selling bonds to build schools and other growth-related facilities.

Q: Will passage of the 2014 bond cause CFISD to have the highest debt load per student?

A: No. The total amount of bonds will be sold over a period of 4-5 years, and current outstanding debt is paid off each year in the amount of \$50-\$100 million. In addition, student enrollment continues to increase at a pace of 2,200-2,500 students per year. The net effect that these factors will have on the bond proposal is estimated to be an additional \$3,000-\$3,200 per student. As the Municipal Advisory Council of Texas reports, CFISD's debt per student as of June 30, 2013, is \$15,803. An additional \$3,200 brings the total to \$19,003 per student. The Municipal Advisory Council of Texas also reports that, of the 27 school districts referred to previously, nine districts already have a current debt per student greater than \$19,000.

Q: Would passage of the 2014 bond incur a 42-percent paid tax increase on a \$200,000 home?

A: No. While property values are on the rise throughout the Cy-Fair community, these valuation increases—determined by the Harris County Appraisal District—will occur regardless of the outcome of the bond proposal. Formulas that combine the tax rate increase with the property value increase when depicting the impact of the bond proposal provide an inaccurate depiction that the bond program will cause a cumulative increase on a \$200,000 home.

Property taxes related to the bond are projected to increase incrementally over a three-year period. In the first year, the tax rate will remain unchanged. In the second year, the tax rate will increase about \$0.0075, or 1.8%. In the third year, taxes increase another \$0.02, or 4.7%, and in the fourth year, taxes increase another \$0.0175, or 4.0%. The cumulative tax increase is expected to be \$0.045, or 10.9%.

Q: Are residential property value increases for a \$200,000 home projected to increase by 9%, 7%, 6% and 5% over the next four years, respectively?

A: No. In a presentation from Stuart Snow, associate superintendent for business and financial services, given to the Board of Trustees on Feb. 27, those percentages were provided to represent the average property valuation increases for the *entire* district—including all property such as residential, commercial, industrial properties and utilities. According to the Harris County Appraisal District, home values are expected to increase 5-6% over the next three years. For I&S tax purposes, increases in property values result in lower tax rates because, during periods of value increases, it requires a lesser tax rate to generate the necessary tax revenue to pay the principal and interest on the bonds.

Projected property value and tax increases that do not calculate the benefit of CFISD's 20% Optional Homestead Exemption or the \$15,000 state-mandated homestead exemption are inaccurate.

Q: Does the new phone system that the district plans on purchasing with 2014 bond funds cost \$20 million?

A: *No. At \$7,469,294, the phone system is the smallest component of a \$20 million technology line-item including the replacement of all staff and teacher classroom computers, replacement of all district network printers and servers and replacement of a phone system.*

Q: How much remains from the 2004 and 2007 bond programs, and what are these funds earmarked for?

A: *Approximately \$35 million remains from the 2004 bond. All of the projects contained in the 2004 are complete and this money has been saved to offset the inflationary cost increases related to the new schools left to build from the 2007 bond.*

About \$200 million is available from the 2007 bond. These funds are for the construction of High School Nos. 11 and 12, plus Elementary School No. 54. The funds for Elementary School No. 55 will come from the remainder of the 2007 and 2004 bonds.

Q: Have bonds already been purchased for the two new high schools using funds from these bond packages?

A: *No. The bonds for the new high schools have not yet been sold. By law, the CFISD Board of Trustees may not approve construction contracts until funding is available.*

Q: Is it true that only about 25% of the bond package addresses student growth?

A: *No. All components of the bond package—construction, renovations, safety and security, transportation and technology—are results of rapid student growth.*

While the need for new schools is a significant part of the bond proposal, the overriding stated purposes of the bond program are to provide our students and staff a safe learning environment, to upgrade and replace our aged and inadequate technology and to protect the investment in our existing school and ancillary buildings. A major part of the facility renovations are to address safety and security by making structural improvements such as secure entrance vestibules, bullet resistant glass, video cameras, closed circuit TVs and intrusion detection panels. The remaining facility renovations are necessary to protect the investment in those facilities. Much like with a home, eventually one will be faced with replacing an air-conditioning unit or a roof and making structural repairs that cannot be funded solely by a salary. The district's 85 schools and 15 other ancillary facilities continue to age and require expensive maintenance to maintain their useful life.

Q: Why is per-student cost in the CFISD bond nearly double what was recently approved for Tomball ISD?

A: *The bond program of \$1.2 billion is to address the needs of the entire district and impact all of its current 112,000 students, as well as all future additional students over the next six years. The purpose of \$1.2 billion is not just for the 15,000 additional students expected to enroll in CFISD over the next years. Data gathered from the Municipal Advisory Council of Texas revealing the debt per student and 10-year enrollment growth during the period 2003-2013 for all Harris County schools district—plus the seven largest school districts in Texas—shows that of the 27 schools districts listed, CFISD has the 15th-lowest debt per student despite having the greatest number of student growth in the state and the fourth-largest percentage of student growth in the state.*

Q: Why is the practice of busing all students within 2 miles of schools being reinstated in CFISD when other districts have executed this statewide mandate?

A: *State funding declines in the recent past have caused the district to make considerable budget cuts over a four-year period. One of those cuts was to eliminate busing for students who lived within two miles of their school. However, we have learned that the negative impact to that budget decision was to put those students at risk by forcing them to walk to school in the dark along busy streets. In addition, CFISD has heard from a large population of parents who want the district to reinstate the bus service that was available prior to the budget cuts.*

Q: What is a schoolhouse bond?

A: *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.*

Q: If the bond election is passed, what will it cost a homeowner of a \$200,000 home?

A: *Additional property taxes on a \$200,000 homestead are projected to increase incrementally up to \$65.25 annually or approximately \$5 monthly. In the first year, there will be no tax increase.*

Q: How long does the district have to repay the bonds?

A: *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., 20 years for carpet and roofs). The repayment timelines for technology bonds parallel the expected life of the equipment, which is generally five years.*

Q: How much does the district currently owe for schoolhouse bonds? What is the retirement schedule?

A: *As of audited financials for June 30, 2013, the total amount of principal debt for schoolhouse bonds is \$1,738,504,377. The debt was issued at different times over the past 21 years and will be retired at different times. On March 13, 2014, \$155 million schoolhouse bonds were sold. During fiscal year ended 2013, \$220 million bonds were retired.*

Q: How many new schools has the district built since 2000-2001? How has enrollment changed during that same period?

A: *Since 2000-2001, 34 new schools have been built: 23 elementary schools, 7 middle schools and 4 high schools. Enrollment has increased by about 39,028 students over the last 10 years.*

Q: Why include repairs and renovations on the ballot?

A: *The district must maintain 85 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.*

Q: 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?

A: *Once bonds are sold, the district starts paying principal and interest on those bonds with tax revenue generated by the I&S tax rate. The district sells authorized 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.*

Q: When was the last time the district passed a bond election, and what did the funds purchase?

A: *The last bond election was passed in December 2007. The bond monies provided for two high schools, two middle schools, six elementary schools; school sites; 275 buses; renovations to existing facilities; and instructional technology improvements.*

Q: What is the current tax rate in the district?

A: *The current 2013 total tax rate per \$100 valuation is \$1.45. Because of the \$15,000 state homestead exemption and 20 percent local optional homestead exemption, homeowners with a \$100,000 house in Cypress-Fairbanks ISD only pay taxes on a valuation of \$65,000.*

Q: I am over the age of 65 and on a fixed income. How will this election affect my tax rate and the amount of taxes I pay?

A: *School district taxes on resident homesteads are frozen in the year a taxpayer turns 65 years of age and will not increase as a result of a school bond election.*

Q: How many schools were built at least 20 years ago?

A: *49 of 85 schools*

Q: What has been the growth pattern in Cypress-Fairbanks over the past decade?

A: *A decade ago in 2003-2004 the enrollment of the district was 76,745 compared to 114,351 projected for the 2014-2015 school year. This increase of 37,606 students reflects an average annual growth rate of 3,419 students.*

Q: What growth in student enrollment is projected for the future?

A: *It is anticipated that the district will increase to 122,700 students by the 2018-2019 school year. CFISD is the third largest district in the state behind Houston ISD and Dallas ISD.*

Q: How will passage of this bond election affect enrollment capacity in district schools?

A: *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.*

Q: What will be the impact of the bond funds on the district's technology program?

A: *The technology funds will be used to accommodate new students and staff, replace and upgrade aging technology, replace technology infrastructure that was put in place in 1998, increase access to technology, and provide backup and recovery of systems for business continuity.*

Q: How will construction affect schools that are being renovated?

A: *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 students' classroom work.*

Q: How much time should be budgeted for a school to be built so that it can be opened on the first day of school?

A: *The district plans on 1 year and 8 months to build an elementary (repeat design) or 1 year and 10 months (new design); 2 years and 3 months for a middle school (repeat design) or 2 years and 6 months (new design); and 3 years for a high school (repeat design) or 3 years and 6 months (new design).*

Q: What is the purpose of the Board calling a bond election?

A: *Over the next five years, the district is projected to grow by more than 11,400 students, an increase that 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 district security and technology.*

Q: My school is brand new. What can we expect to see at our campus?

A: *Each campus principal received an itemized list of improvements and/or renovations for his/her campus. Please contact the campus principal for this information.*

Q: What specifically does “operable walls” mean? Where will they be located?

A: *Operable walls is a paneled wall system that can be folded to open up the two spaces the wall separates. This allows group teaching and provides additional flexibility for the learning environment. These walls are typically installed between two classrooms. Included in the bond proposal at Copeland Elementary School is the replacement of their existing operable wall systems located at various classrooms.*

Q: If the bond does not pass, what plan is in place to address technology and security issues?

A: *At this time, we have not developed an alternate plan. In the event the bond does not pass, we will reconvene the Long-Range Planning Committee to develop a plan of action.*

Q: Can any employee vote at any voting poll? Or do you go where you are polled? How do you know where to vote? Can I vote at my school?

A: *During the early voting time period, April 28 - May 6, registered voters may vote at any of the early voting locations. However, on Election Day, Saturday, May 10, registered voters must vote at their designated polling location. See early voting locations at www.cfisd.net/bond2014/.*

Q: What is “walk-to-stop distances”?

A: *Current walk-to-stop distances are as follows:*

- *High School - four tenths of a mile (.4)*
- *Middle School - three tenths of a mile (.3)*
- *Elementary School - two tenths of a mile (.2)*

Q: Have the Texas senator and area representatives endorsed this bond?

A: *Rep. Patricia Harless served on the Long-Range Planning Committee that developed the bond proposal. Additionally, we have received an endorsement of our proposal from Rep. William Callegari.*

Q: I recently moved into the district. How do I change my voter registration to my new address?

A: You can register to vote at <http://www.hctax.net/voter/Registration>.

Q: What is the tax increase projection for local apartment complexes?

A: *Apartment complexes are taxed by the district in the same manner as any other business entity at the tax rate set by the district's Board of Trustees and applied to the certified property value of the complex as appraised by the Harris County Appraisal District. However, businesses do not benefit from the various homestead exemptions that homeowners do.*

Any tax increase on local apartment complexes as the result of the bond proposal may, or may not be indirectly passed on to the unit rental rates. We do not receive information as to whether or not apartment complex tenants experience any increase in rental rates as the result of property tax increases.