

1997 Bond Program

On September 20, 1997, Plano ISD held a bond election in the amount of \$32.9 million to construct three new elementary schools, purchase two new sites for future schools, and furnish and equip the new schools and three other schools built with funding from the 1996 bond election. The measure was approved by voters as follows:

For	4,508 (77.60%)
Against	1,301 (22.40%)

Overview

The Plano ISD Board of Trustees called a bond election for Saturday, September 20, 1997, to accommodate the current student growth and projected growth for the next two years. School Trustees voted to present to citizens one proposition for the issuance of bonds in the amount of \$32.9 million to construct three new elementary schools, purchase two new sites for future schools, and furnish and equip the new schools and three other schools built with funding from a 1996 bond election.

In the past three years, elementary school student population in Plano ISD has grown by between five and six percent annually. Growth of this magnitude necessitates additional facilities in which to house our students. The 1997 bond package will cover emergency needs only. The district does anticipate the need for another bond election in 1999. The schools are tentatively scheduled to be constructed in the southeast portion of the district, for relief of Miller Elementary, the northwest portion of the district, for relief of Brinker Elementary, and the north central portion of the district where several schools are nearing capacity.

Already, because of severe and unexpected overcrowding at Daffron Elementary School, the Board of Trustees has reallocated funds from the 1996 bond election to construct an additional school, the Hightower Elementary School, to be ready for a fall 1998 opening. This is why funding for furnishing and equipping three schools built with 1996 bond monies is included in the 1997 bond election.

The cost of the \$32.9 million bond election will add 1.2186 cents to the current debt service tax rate. The impact on the tax bill of the average home (valued at \$161,900), with a \$15,000 homestead exemption, will average approximately \$17.90 annually.

Bond Q & A

Q: Why did the district call for a bond election in September 1997?

A: The September 20, 1997, bond election addressed the rapid increases in student enrollment the district has experienced in the past two years and projected increases in student enrollment over the next two years. Growth of this magnitude necessitates additional facilities in which to house our students.

Q: What was included in the bond election?

A: The bond election proposal included \$32.9 million to construct three new elementary schools, purchase two new sites for future schools, and furnish and equip the new schools and three other schools built with funding from the 1996 bond election.

Q: Where will the new schools be built?

A: This bond election is offered to relieve overcrowded schools in northwest, southeast and north central sections of PISD. Exact location of the school sites are still to be determined.

Q: Why didn't the 1996 bond election include these facilities?

A: The district did have indications that increases in student population would be greater than in the past; however, the magnitude of the increases has surprised us as well as most demographers and planners in the

area. Additionally, the citizen bond committee that developed the package for the 1996 election felt that the total amount of that bond package should not exceed the \$175 million which was placed on the ballot.

The 1997 bond package will cover emergency needs only. We anticipate the need for another bond election in 1999. Already, because of severe and unexpected overcrowding at Daffron Elementary School, the Board of Trustees has reallocated funds from the 1996 bond election to construct an additional school, the Hightower Elementary School, to be ready for a fall 1998 opening. This is why funding for furnishing and equipping three schools built with 1996 bond moneys is included in the 1997 bond election.

Q: Why do we need to sell bonds in order to build schools?

A: The only options school districts have for funding major construction projects are to go to the voters for funding or to use maintenance and operations budget funds for that purpose. Because of very conservative fiscal management, Plano ISD has been able to hold the line on tax increases in the maintenance and operations budget for the past three years - even with the dramatic increases in student population and the burden of recapture which has seen the district sending more than \$66 million dollars since 1995 to the state. The 1997 bond election will provide the ability to keep up with increased enrollment over the next two years.

Q: What will the tax rate impact be on the average Plano ISD homeowner?

A: Financing of bond issues is an important issue for taxpayers to understand. The cost of the 1997 \$32.9 million bond election will add 1.2186 cents to the current debt service tax bill. The impact on the tax bill of the average Plano ISD home (valued at \$161,900), with the Homestead Exemption of \$15,000, will be approximately \$17.90 annually.

Because of wise investment and timely sale of previous bonds, the tax increase for the 1997 bond election combined with the 1996 bond debt will still be less than the total tax increase projected for the 1996 bond election. We had projected at that time that taxes would increase no more than 4 cents.

The sale of the 1996 bonds in two installments rather than three, and the Board of Trustees' decision to sell the bonds at variable and fixed rates are projected to save taxpayers as much as \$25 million, providing the ability to retire outstanding bonds. The tax rate for 1996-97 was \$1.4997 per \$100 of valuation of which 16.1 cents per \$100 went toward debt service.

Q: What is the status of the projects funded by the district's 1996 bonds?

A: As an update, the majority of the commitments made in the 1996 bond election are on schedule and within budget.

- Bettye Haun Elementary School opened in August 1997;
- The new Frankford Middle School and new Renner Middle School are under construction and will open in August of 1998; I Renovation of Shepton High School into a new senior high school for opening in August 1999 will begin in the summer of 1998;
- Construction will begin this fall for the Beverly Elementary School and the Hightower Elementary School scheduled to open in August 1998; Beaty Elementary School construction will begin soon for opening in early 1999.
- Construction of Rice Middle School will begin this fall for opening in August of 1999. Implementation of the technology portion of the bond election is continuing and will be complete about a year ahead of schedule.

Q: I don't have kids in school anymore. Why should it matter to me?

A: Good schools are a major indicator of the health of a community. Businesses considering relocation look for a strong school system. If these businesses choose Plano ISD and thereby increase our tax base, all citizens, not just those with school-age children, benefit.

Q: What options would the district have had in case the bond election was not approved by the voters?

A: The School Board would have had various options at its disposal. Community and parental input would have been sought before final decisions were made. One possibility is that another bond issue could have been

proposed, but that would have delayed the opening of badly needed schools for at least one year. Following are some possible results if the September 20 bond election would have failed:

- Overcrowded classrooms
- AM/PM sessions in elementary schools
- Portable classrooms (with funding from the Maintenance & Operations Budget)
- Drastic reductions in Maintenance & Operations Budget to furnish and equip new schools. This also affects personnel and instructional programs.

Q: How does the bond process work?

- Bonds are approved by the voters.
- Bonds are sold to investors.
- Bond proceeds are delivered to the school district about four weeks after the bond sale.
- Upon receipt of bond proceeds, the district may enter into contracts for construction of facilities.
- Bond proceeds are invested until needed.
- Each year, the School Board must set a tax rate in two parts: one to cover operating costs (payroll, supplies and equipment, insurance, utilities, bus purchases, etc.), and the other to pay principal and interest due on bonds.
- Bond proceeds can be used only for capital improvements and related costs. They may not be used for utilities and other such operating expenses.