

2015 Bond Election Approval Summary

Thank you Buckeye Elementary School District Community!

On November 3, 2015, voters approved authorization for the Buckeye Elementary School District to sell up to \$27M in bonds over a 10 year period. What does that mean? Does that mean we have \$27M in the bank to spend right now? This summary will explain what happens now that the 2015 Bond Election has passed.

SHORT VERSION:

What are Bonds? Bonds are loans that the district must pay back over a period of time.

How do we get the money? Bonds are sold to investors and the district receives the funds. The district cannot sell more bonds than its bonding capacity. The district is capped to a debt limit (bonding capacity) and cannot have more debt outstanding that the statutory limit. Often bonds are sold in phases to capture bonding capacity as it is available and to be mindful of property tax rates. The district is close to its bonding capacity and isn't able to sell all \$27M of authorized bonds just yet.

What happens next? Due to bonding capacity we will have limited funds over the next couple of years. Priorities will be made to address the most critical renovation needs first. There will be communication with site administration to prioritize these needs.

LONG VERSION:

What are Bonds? First, what is a school district bond? Bonds are loans made to the school district. The district must pay these loans back over a period of time. Generally, bonds are used to purchase capital items and/or make capital improvements to existing facilities, such as building or renovating a school or purchasing school buses. As indicated in our bond pamphlet these are the things that we are allowed to spend the bond on: New School Construction, Renovation and Additions to Existing Sites, Technology Infrastructure, Pupil Transportation Vehicles, Renovations and Upgrades to District Office Complex.

How do we get the money? The voters authorized up to \$27M in bonds over the next 10 years. However, we don't have access to the funds right away. The district must sell the bonds to investors. School districts are also only allowed to have a certain amount of debt outstanding. This is a percentage of the assessed value of property within the district boundaries. The district has sold bonds in the past and has previous bonds that are still being paid off. As previous bonds are paid off and as assessed value of property increases or declines, it changes the allowable capacity of bonds the district is allowed to sell. Also, even if we could sell all \$27M in bonds

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right away, that amount has to start being paid off and tax rates in our district would be affected. Only as bonds are sold will they be incorporated into the tax rate calculation. The district does not have bonding capacity to sell all \$27M immediately but is anticipating to have that capacity over the life of the bond authorization.

What happens next? Over the next few years, the district is projecting to sell bonds periodically as bonding capacity is available and as tax rate constraints allow. Due to funds being available at different times over the next couple of years, priorities will be made to address the most critical needs first. Prior to the election, an extensive needs assessment list was created with input from site administrators and maintenance staff to address all the needs and wants of the schools. There was careful consideration over what would be needed over the next 10 years (the life of the bond authorization). As more funds become available, there will be communication with site administration to prioritize these needs and wants across all the schools.