

PHOENIX UNION HIGH SCHOOL DISTRICT NO. 210
QUESTIONS AND ANSWERS ABOUT
BOND PROGRAMS

1. Q: What is a bond?

A: Bonds sold by the District are used as a means for obtaining funds for major building projects, renovations, some furniture and equipment, and land purchases. Payments of principal and interest on the bonds are made by setting a tax rate payable by taxpayers in the District.

2. Q: How may bond monies be spent?

A: Bond revenues may be used in the following ways: 1) to purchase or lease school sites, 2) to build or renovate school buildings, 3) to improve school grounds, 4) to purchase pupil transportation vehicles, 5) to purchase certain furniture and equipment items, and 6) to liquidate any indebtedness already incurred by the District.

3. Q: Does the District have a bond program currently?

A: The District's current bond program totaled \$205 million which was approved by a special bond election held on November 4, 2003.

4. Q: What items were included in the current bond program?

A: Building a new high school (Betty Fairfax), land and building improvements, purchase of property and renovation of buildings for several small schools, and replacement of student buses.

5. Q: What is the current tax rate for the Bond?

A: The current (2011-12) tax rate is 60¢ per \$100 of assessed valuation for debt service on the bonds.

The tax rate is calculated each year by the County Finance Department based on the principal and interest payments due. A tax rate will continue to be calculated on this bond program each year until 2024-25.

6. Q: Would a new voter approved bond program be funded on the same tax rate?

A: No, each year the County Finance Department calculates a new tax rate which would be based on the current year's payments due on any prior bond programs plus the new 2011 bond program, if approved.

7. Q: Why does the District need to obtain another bond authorization?

A: Currently, the District is in the last year for expenditures of funds from the 2003 bond issue. The remaining funds in this bond issue are primarily committed to small capital renovations and emergency reserves. Any additional renovations, construction or purchases of land and buildings, or purchase of furniture, equipment, and vehicles cannot be budgeted for with the remaining bond funds.

State Law requires the District to obtain the approval of a majority of qualified electors voting at an election authorizing the issuance and sale of bonds in the amount authorized at the election.

8. Q: Isn't funding for school construction available from the State School Facilities Board?

A: The School Facilities Board uses a formula to determine whether a school district qualifies for funding for a new high school from the State Student First program. The formula is calculated district-wide and takes into account the total square footage in the district vs. the number of students enrolled. The formula does not consider one region of a district that might be more heavily impacted by growth than other regions of the district. Based on this formula, Phoenix Union would not qualify for a new high school through the State until after 2017 when the enrollment in the southwest region of the District is projected to be well over 4,400 students.

9. Q: Will the School Facilities Board fund renovations?

A: The School Facility Board Deficiency Corrections Program targeted funding to major renovations required to bring districts up to a minimum standard. This program ended in June 2003 and continuation funding was not provided for in the law. Our District received approximately \$12 million in Deficiency Corrections Funds from the School Facility Board, but there have been additional construction and building system needs identified, since our buildings have continued to age and student needs have changed. In addition, the School Facilities Board has been severely cut back in recent legislative budget sessions and funds are no longer distributed for maintenance of buildings.

10. Q: Does the District have any other funds that can be used on bond type expenditures?

A: Capital Outlay funds can be used in much the same way as the Bond Funds. However, the Governing Board must obtain approval by a vote of the District electors for the construction of buildings and the purchase of school sites which are estimated to cost more than \$250,000.

For fiscal year 2011-12, the District's Capital Outlay Budget was reduced by the Legislature by 50% and the Soft Capital Budget (for purchase of furniture and equipment) was cut by 95%.

11. Q: What happens if the Bond fails?

A: If the bond issue fails, the District would be unable to build a new school, plus the District's campus buildings and systems (heating, cooling, fire alarms, security alarms) would not be able to be maintained beyond a very minimal level. This could cost the taxpayers more in the future. We would be unable to keep pace with changing technology needs for students and would be unable to replace student buses with high mileage.