

Bond Referendum Projects & Costs

How were the needs for this \$299,950,000 bond proposal identified?

- Review of the district's vision, mission and strategic plan
- Demographic data and student enrollment projection studies
- A comprehensive facilities study of the entire district
- A district-wide electrical study
- Security assessment study
- Technology assessment based on state standards
- Input from our Citizen Bond Advisory Committee, and many other citizens through feedback at community meetings, small group meetings, emails, and phone calls.

What did you eliminate from the Feb. 1 referendum (\$399,400,000) to arrive at the new amount of \$299,950,000?

- The costs were reduced on new school construction by obtaining new cost estimates from contractors and architects, as well as using current data from the AGC (Association of General Contractors) and the U.S. Department of Labor to estimate the rise in the cost of construction for future years.
- Further reductions were made by removing one elementary school, reducing the contingency fund, removing the life cycle projects identified by the facilities study, reducing some of the technology upgrades, and reducing the school bus purchases.

Why do new schools cost so much--especially high schools?

Many people ask this question, and we agree that school construction cost is high. In researching the average cost per square foot for school construction in our market area, FBISD costs are comparable to what other districts are paying.

- The cost per square foot (psf) for schools in this referendum is based on: \$107 psf for high schools; \$100 psf for middle schools; and \$100 psf for elementary schools.
- The middle school and elementary school costs factor in an annual 4.2% inflation rate on the construction cost and a 2.3% inflation rate on those expenses not included in the construction contract.
- The sources for the rates are the Association of General Contractors (AGC) and the U.S. Dept. of Labor CPI. However, we are committed to working with school architects in the coming years to determine if there are any cost reducing features we could consider before beginning any new project.
- It is also important to know that the cost for a school is a "turn-key" cost and includes virtually everything a campus needs to start operating, i.e., books, supplies, furniture, lab, band and athletic equipment, etc.

Why should I vote in this referendum since the money always goes to build new schools, and the area I live in won't be getting any new schools?

Although many schools in FBISD are less than 10 years old, the majority (or 64%) were built between 1959 and 1992. Many of our aging campuses are in need of major capital improvements, i.e., new air and heating systems, technology upgrades, fire alarm upgrades, roofs and flooring, etc. Of this \$299,950,000 bond package, \$159,687,530 (or 53%) is earmarked for new schools, and \$140,262,471 (or 47%) will go to address the needs of aging campuses, provide district-wide technology, security and library upgrades, and purchase both regular and special education school buses.

What if the Bond Referendum Fails?

What will happen if this bond election does not pass?

- The district would have to rezone several campuses district-wide at all levels to lessen the overcrowding at our most critically overcrowded schools.
- More portable buildings would need to be purchased (currently, we have 151 portable buildings, or 302 classrooms).
- We would have to make short-term accommodations for growth using money from the maintenance and operations budget, which would reduce the amount of revenue available to fund the day-to-day activities of the district.
- The district would be required to spend additional funds in order to call another election in four to six months, while projects needed for the beginning of the 2004 school year would be delayed by at least one year. That translates into higher construction costs because of inflation, continued overcrowding at many campuses, and delaying critical maintenance and rebuild projects.

Steady Growth Projected & No Slow Down in Sight

We always hear that FBISD is one of the fastest growing school districts in the state--is the district's enrollment really growing that rapidly?

Yes! (See Past and Projected Enrollment Projections on our bond website). Fort Bend County has a reputation for offering its residents a quality lifestyle, including good public school systems.

- Currently the district has more than 60,000 students enrolled. That is 20,000 more students than we had just 10 years ago, and 10,000 more that we had when the district passed the 1999 referendum.
- 10 years ago, FBISD had 38 campuses and was the 29th largest school district in Texas out of more than 1,000. Today, the district has 59 campuses and is now the 9th largest district in the state.
- Demographic studies project we will continue to grow approximately (2,500-3,500 students) annually.

Speaking of growth, just how big is Fort Bend ISD?

- Located in the northeast part of Fort Bend County and just southwest of Houston and Harris County, Fort Bend ISD spans 174 square miles.
- The district encompasses the incorporated cities of Missouri City, Sugar Land, Arcola and Meadows Place, a small portion of Houston and the communities of Clodine, DeWalt, Rosharon and Fresno.

Where Will the New Schools Be Located?

Where will the new high school in this referendum be built?

Money to purchase the land for High School # 10 is included in this referendum.

- Currently, the district has identified a site that is located near the intersection of Harlem Road and The Grand Parkway. This site is ready to purchase, and if the bond referendum passes, construction could begin quickly. It takes two years to build a high school campus, which would mean the school could open (if built on that site) in 2006. In order to relieve the severe overcrowding at Austin High School, and to more evenly distribute the high school student population on the

west end of the district, we must move forward with building a new high school as soon as possible.

Where will the two middle schools be built?

There are two middle schools in the referendum.

- A site has already been purchased north of Sienna Plantation along Sienna Parkway for one campus. Construction of this new campus will relieve the severe overcrowding at Lake Olympia Middle School.
- Money to purchase the second middle school site is included in the referendum. Although a specific site has not been identified, it will be built on the west side of the district to alleviate the severely overcrowded conditions at Hodges Bend Middle School, and also provide relief to Garcia and Sugar Land Middle Schools.

Where will the elementary schools be built?

There is money to build three elementary schools in the referendum.

- One site has already been purchased in Waterside Estates to help the growth at Pecan Grove Elementary and possibly other elementary campuses.
- The remaining two elementary schools will target growth in the northern Highway 6 corridor (schools in this general area include Rita Drabek, Arizona Fleming, Oyster Creek and Lakeview Elementary schools), and the southeast Highway 6 corridor (schools in this general area include Palmer, Burton and Goodman Elementary schools). Sites for these campuses have not yet been identified.

In addition to the three elementary schools in this upcoming referendum, there are two remaining elementary schools authorized by the 1999 Bond Referendum.

- One of these schools will be constructed in a location that will relieve the overcrowding at Brazos Bend and Walker Station Elementary Schools in New Territory.
- The other school will be constructed in the general area of Murphy Road to relieve growth being experienced by Lexington Creek, Dulles, Quail Valley, and E.A. Jones Elementary Schools. This school may also temporarily house students from Quail Valley Elementary while their school is under construction. (A map containing approximate geographic locations of all new campuses may be viewed on the Fort Bend ISD website.)

How long does it take to build a school?

Generally, it takes one year to build an elementary school and two years to build a middle school and high school.

Will the school district change attendance boundaries with the opening of new schools?

Yes. The opening of any new campus requires the redrawing of attendance zone lines. Fort Bend ISD makes every effort to give the community opportunities to participate in the zoning process through surveys, zoning advisory committees, and community forums. All input is studied and considered before any final zoning changes are made.

District Use of Temporary Buildings

Will the new schools eliminate the need for temporary buildings?

Not entirely. Building new schools will certainly eliminate the number of temporary buildings needed by the district.

- Currently, we have 151 temporary buildings (or 302 classrooms) located on 35 (or 59%) of our campuses.
- Approximately 7,000 students are being served in temporary classrooms each period of the day.
- The use of temporary buildings is part of Fort Bend ISD's overall facility plan (as it is in any fast-growth district) and will continue to be as long as the district is growing rapidly. Placing temporary buildings at a campus on an interim basis allows the district to assess growth carefully before constructing new campuses and to open new buildings with enrollments that are large enough to make them cost-effective to operate.

Potential Tax Impact from the Bond Referendum

If voters approve the \$299.950 million bond referendum, how will my tax rate be affected?

A home with a value of \$130,571 (average cost of a home in Fort Bend County) would realize an increase of approximately \$59 in school taxes the first year, with that amount decreasing in subsequent years. This amount is based on no escalation in the value of the home. If we factored in an annual increase in the appraisal value of 7%, the amount of increase the first year would be \$216, and then decrease in subsequent years. These examples do not include the impact of potential state aid that the district has received annually since 1999, or financing arrangements (refinancing of bonds at a lower interest rate) that might reduce the overall rate. We believe we will continue to receive the state funding that helps districts pay for bonds, but did not want to include that reduction in this example.

Will the bond issue increase my taxes if I am 65 years or older?

Homeowners 65 years of age or more who have a homestead exemption will NOT see an increase in their school taxes.

How has the 1999 bond package affected the bonded debt tax rate?

Because of assistance authorized by the state legislature in 1999, the district's Debt Service Tax Rate is actually much lower than predicted. Voters approved the 1999 referendum with the assumption the tax rate could ultimately peak at a little over 40 cents. It is currently less than half that rate because the legislature approved two types of funding that offset about 40% of our annual principal and interest payments. We are hopeful that the state will continue to provide this funding in the future, and if so, the projected tax impact from this referendum will be lower than projected.

Typically, in FBISD, bonds for school buildings are paid back over a schedule of 25 years. Will the district also be paying for technology and school buses over 25 years?

No. Items such as computers and school buses will be paid back on a schedule that matches their useful life, i.e., computers will be paid back in five years and school buses in 10.

If these bonds are approved, is the district obligated to spend the money?

No. Voter approval is an authorization for the district to issue bonds. They will be sold at future dates when the funds are actually needed. In addition, the sale of bonds is subject to the district's ability to repay the debt within the maximum 50-cent Debt Service

Tax Rate established by law. Our current Debt Service Tax Rate is \$0.17 cents (a \$0.0125 decrease from last year).

The Bond Process

Exactly what is a bond?

A school bond is nothing more than a contract to repay borrowed money on a given date and to pay interest at an agreed rate, similar to an individual's promissory note.

How does the bond process work?

- Following voter approval of a bond referendum, and only then, with approval of the Board of Trustees, bonds are sold to investors at a competitive sale.
- Bond proceeds are delivered to the school district about five weeks after the bond sale and are invested until paid out during the construction process. The district may enter into contracts for construction of facilities when proceeds are received.
- Bond proceeds can be used only for capital improvements and related costs.
- Each year the Board of Trustees sets a tax rate in two parts. The maintenance and operations rate is used to cover operating costs (salaries, supplies, equipment, insurance, utilities, etc.), while the debt service rate pays off principal and interest due on bonds.

How far into the future will this bond package support district needs?

If our district's growth continues as projected, we will conduct a bond referendum about every four years as we have been doing for the past several years.