

Frequently Asked Questions Related to a Possible 2016 Bond Election

1. What is a bond?

A bond is a voter-authorized funding mechanism that enables a school district to incur debt to finance one or more of the following:

- *Acquisition or lease of sites*
- *Construction or renovation of school buildings*
- *Improving school grounds and District facilities*
- *Purchasing pupil transportation vehicles*
- *Purchasing furniture, fixtures and equipment, if paid for within five years*

Principal and interest on the debt is repaid over time through secondary property taxes.

2. Why consider a bond election?

WESD has critical capital project needs throughout the District. Delaying such projects could increase the severity of needs and the eventual cost to address them. In some instances, safety could even be jeopardized. A task force of staff, parents and community members met during February and March 2016 to study these needs and recommend appropriate action. The group's recommendation is that the Governing Board call for a bond election to take place in November 2016.

3. Who will decide if WESD will have a bond election?

The 2016 WESD Bond Task Force will present a summary of its work to the WESD Governing Board on May 26, 2016. During that meeting, Board members will determine if they will call for a bond election.

4. If approved, how will the bond funding be used?

The 2016 WESD proposed bond plan includes the following capital projects:

- *Safety projects*
 - *School office renovations*
 - *Security and surveillance systems*
 - *School intercom systems*
 - *Playgrounds and shade structures*
- *Technology*
 - *Infrastructure, such as cabling, servers and switches*
 - *Classroom interactive technology*
 - *Video distribution*
 - *Classroom computers*
- *Building system upgrades and replacements*
 - *HVAC*
 - *Roofing*
 - *Flooring*
 - *Sound and presentation systems*
 - *Stage curtains and lighting*
- *Site upgrades*
 - *Concrete upgrades*

- Asphalt upgrades
- New construction
 - Replacing portable buildings with permanent structures
 - Rebuilding one school
- Pupil transportation
 - Replacing aging buses

5. If the bond is approved, how many schools will benefit?

Every school in the Washington Elementary School District will benefit; some schools will be impacted to a greater extent and others to a lesser extent based on identified needs. For example, if the Governing Board calls for a bond election and if the measure is approved by voters, 20 schools will have new sound and presentation systems installed, 18 schools will have flooring replaced, 12 schools will have roofing projects, 19 schools will playground and shade structure projects, 6 schools will have office renovations to address safety/security concerns, 19 schools will have HVAC energy management systems installed, 20 schools will receive new intercom systems, 30 schools will have new stage curtains and lighting installed, most schools will receive technology infrastructure equipment and all schools will receive classroom computers.

6. How were the potential bond projects determined?

WESD's Business Services Department oversees the development of the District's Capital Improvement Plan, which includes facilities, technology/infrastructure and large equipment/vehicles to transport students. The building condition of each structure on WESD campuses is consistently monitored and periodically assessed by the District's Capital Projects and Maintenance Department and consultants to evaluate structural and safety needs. Additionally, schools and departments submit site improvement requests as part of WESD's annual budget process. Technology/infrastructure needs are evaluated by the District's Management Information Systems Department, and large equipment and bus needs are monitored by the Transportation Department.

Once capital needs have been identified, they are prioritized to determine which are to be included as potential bond projects. Prioritization is based on student safety; code compliance; age and condition of building systems and equipment; availability of parts and ability to maintain equipment using internal resources; and alignment of needs with sites' continuous improvement plans and the District's strategic plan.

7. Why are school buses included as part of the proposed bond election?

Arizona statute specifies that proceeds from the authorization of school improvement bonds may be used to purchase pupil transportation vehicles. According to WESD's bus replacement plan, a given bus is to be cycled out at fifteen years of age. Currently, 15 of the District's 120 buses (12.5%) are overdue for replacement. If capital budget limitations continue, the number of buses overdue for replacement will increase to 51 (42.5 % of WESD's fleet) by 2018-2019. District buses transport 8,088 students per day, traversing nearly 8,500 miles per day. Currently, 27 WESD buses have been driven over 100,000 miles each. On any given day, 15 to 17 buses require some type of service, 3 to 5 of which are likely to need major repairs.

The bond recommendation allocates \$5 million for the replacement of old, worn-out buses with new buses that are safer, more dependable, less expensive to maintain, more fuel efficient and more environmentally friendly.

8. Are there funding sources other than school improvement bonds that could be used to support repair/renovation of school facilities?

District Additional Assistance is capital funding that school districts are allocated by the state of Arizona based on a statute-driven, per-pupil formula; however, since 2009, the amount districts have received has been reduced each year. District Additional Assistance funding to WESD has been reduced by over \$41 million since 2009.

Beginning in 1999, Building Renewal funds were allocated annually to districts to maintain existing school facilities and keep them in good working condition; however, the AZ Legislature fully funded Building Renewal for only one year, partially funded it during other years and discontinued it completely in fiscal year 2014. WESD did not receive \$27 million of allocated Building Renewal funds during these years.

Building Renewal Grants currently offer funds for which districts may apply when equipment or systems fail; however, only \$15 million is available statewide each year for this purpose.

Other grants and donations may provide a small amount of funding for capital needs; however, these are not consistent sources of revenue, and they sometimes impose long-term requirements on a school district.

9. What is the history of school improvement bond elections in WESD?

WESD has had successful bond elections in 1996 (\$114.7 million), 2001 (\$64 million) and 2010 (\$65 million).

10. How did WESD use the funding that was authorized by voters in the District’s 2010 bond election?

In November 2010, voters authorized WESD to sell up to \$65 million in school improvement bonds. To date, the District has received \$35.5 million in bond proceeds from the 2010 authorization; the remaining \$25.5 million in bonds will be sold in 2016, with proceeds used to complete the planned bond projects by 2018. Bond funds have been spent and will continue to be spent for the purposes that were identified in the 2010 voter information pamphlet. The following is a recap of completed 2010 bond projects, projects in progress and budgeted items:

Project Description – COMPLETED PROJECTS	Total Expended/Planned	School(s)
Special systems at schools – including AV/sound, intercoms, fire and intrusion	\$ 1,351,999	Acacia, Cholla, Manzanita, Maryland, Palo Verde, Roadrunner, Richard E. Miller, Sweetwater, Sunset, Sunnyslope, Washington

Safety and security – fencing, replacing door hardware, exterior lighting	\$ 3,749,844	Cholla, Cactus Wren, Ironwood, Mountain Sky, Palo Verde, Orangewood, Roadrunner, Sahuaro, Sunburst, Sunset, Sweetwater, Tumbleweed, Washington
Site improvements at schools – parking lots, concrete work, landscape	\$ 4,560,965	Acacia, Alta Vista, Cactus Wren, Desert View, Ironwood, John Jacobs, Mountain Sky, Mountain View, Ocotillo, Orangewood, Palo Verde, Richard E. Miller, Shaw Butte, Washington
Buildings – HVAC, roofing, flooring, electrical, windows, renovations, new construction	\$25,278,631	Acacia, Alta Vista, Cactus Wren, Chaparral, Cholla, Desert View, Ironwood, Lakeview, Lookout Mountain, Manzanita, Maryland, Moon Mountain, Mountain Sky, Royal Palm, Ocotillo, Orangewood, Palo Verde, Royal Palm, Shaw Butte, Sunburst, Sunset, Sunnyslope, Sweetwater, Tumbleweed, Washington
Purchase of school buses	\$ 3,073,567	Serves all schools
Project Description – PROJECTS IN PROGRESS	Total Budgeted	
Roadrunner School – major renovation, roofing, parking, traffic flow	\$ 5,000,000	
Sunburst – renovation, HVAC, roofing, parking lot redesign, irrigation upgrade, playground	\$ 5,000,000	
Flooring replacement	\$ 1,000,000	Orangewood, Moon Mountain, Lakeview
TOTAL PROJECTS – COMPLETE AND IN PROGRESS	\$49,015,006	
Other Budgeted Items		
Remaining Projects Planned	\$21,217,236	Renovations, Asphalt/Concrete, Special Systems, Roofing, Flooring, HVAC, Window Replacement
Bond Issuance Costs	\$ 400,000	Spent \$232,146 through FY2015

11. Could school improvement funds generated by a school district bond election be taken by the state of Arizona?

No, all money collected from taxpayers is deposited directly into the school district's accounts to fund voter-approved bond payments. By law, the money cannot be diverted into the state's general fund.

12. If approved, how will the \$98 bond election impact my property taxes?

For property owners within WESD boundaries, the current year (2015-2016) total bond tax rate is \$1.47 per \$100 of assessed valuation; the estimated 2016-2017 total bond tax rate is \$1.35 per \$100 of assessed valuation; if the proposed 2016 bond election is called and if voters approve it, the estimated 2017-2018 total bond tax rate is \$1.32 per \$100 of assessed valuation:

	Estimated Total Bond Tax Rate
2015-2016 tax rate	\$1.47
2016-2017 estimated tax rate	\$1.35
2017-2018 estimated tax rate, if 2016 bond passes	\$1.32

The total bond tax rate is estimated to decline, even with a new bond authorization, as WESD pays down previous bonds and retires existing debt.

13. If the bond election is approved, how will WESD minimize the property tax impact on homeowners?

District policy states that WESD’s “Governing Board is committed to responsibly managing the District’s debt issuance activities on behalf of taxpayers.” WESD will strategically time the issuance of bonds to align with scheduled capital projects and expenditures. This will help maximize available dollars and reduce interest costs to taxpayers.

14. What will happen if the bond doesn’t pass?

If the bond doesn’t pass, the recommended capital projects will have to be delayed, unless alternate funding sources can be identified. As indicated in FAQ #2, delaying such projects would likely have negative repercussions.