

## West Orange-Cove CISD Bond Issue

### Frequently Asked Questions

***What is a school district bond election?***

School districts hold bond elections to seek approval from voters to sell bonds for the purpose of generating revenue. Bond revenue can only be used for new construction, renovations to existing facilities, land acquisition, equipment, technology, and other approved items associated with providing school district facilities.

***Can the revenue from selling bonds be spent on personnel or other district operational costs?***

No. State law does not allow revenue from bond sales to be spent on personnel or operating costs such as utility bills, supplies, fuel, instructional materials, or other costs associated with daily operations of the district. Therefore, potential salary increases, resources for instruction and all other expenditures from the Maintenance & Operation budget are not affected by bond revenue and debt.

***I have heard that if the bond issue is passed, there are advantages for our school district and community in that bond repayment is not subject to the “recapture money” that we have to send back to the state each year. Is this correct?***

Yes. This provision allows Chapter 41 (property wealthy) school districts to invest the revenue generated through bond sales in our own school district and community without it being subject to “recapture” or sending it to Austin to be redistributed to other school districts. Our estimated recapture (local generated revenue that is sent to the state) is estimated to be \$2.3 million this next school year. None of the bond revenue will be sent to the state.

***What is the total amount of the bond issue that is set for November 6?***

The bond issue total is \$25.75 million.

***I understand that if the bond issue is passed that school taxes will go up approximately 8 cents per \$100 of value. Is the tax increase applied to the total value of the home?***

No. The potential 8 cent tax increase per \$100 of value is applied to the value of the home after the state homestead exemption of \$25,000 and the 20% local homestead exemption has been deducted from the appraised value of the home.

***Is the \$25,000 state exemption and 20% local homestead exemption common to all school districts?***

No. West Orange-Cove CISD is one of only a few school districts in the state that still give a 20% homestead exemption. The local homestead exemption is an important strategy by The School District Trustees (board members) to give an additional tax break to homeowners. When the state mandated the \$25,000 state exemption, most school districts withdrew their local exemption for homeowners. West Orange-Cove CISD continued to provide the local exemption for its' homeowners.

***I understand that a community survey was made available in order to find out how district voters felt about each project before the district called for an election. Can you explain how this was done and what were the results?***

Yes. A company was hired to conduct the survey to eliminate any thought of district bias. The survey was conducted by telephone and by internet survey. Survey responses were screened to make sure that only one survey per individual voter was counted. All of the projects being requested by the Citizen's Advisory Committee received favorability ratings by those being surveyed. Survey respondents were very favorable in their support of the projects at a level of more than two times the margin of error – which means very supportive.

***How much will school district taxes increase for the homeowner if the bond issue passes?***

The amount of tax increase will vary depending on the value of the home. Look at the following examples to give you an idea as to the potential impact to you:

A homeowner with a home appraised at \$50,000, after the state and local homestead exemptions are subtracted, would have an increase in school taxes of \$12.05 per year, which amounts to \$1 per month.

A homeowner with a home appraised at \$90,000, after state and local homestead exemptions are subtracted, would have an increase in school taxes of \$37.77 per year, which amounts to \$3.15 per month.

A homeowner with a home appraised at \$150,000, after state and local homestead exemptions are subtracted, would have an increase in school taxes of \$76.33 per year, which amounts to \$6.33 per month.

***Would the proposed 8 cent tax increase remain in place throughout the length of the bond issue?***

No. During the 25-year bond payout period for the largest projects in the bond issue, the amount of tax increase will vary somewhat each year. Beginning with tax year 2021 the tax rate is projected to be slightly reduced every year thereafter on the bond repayment schedule. Also, the 8-cent increase is being projected without any new school district growth in value. As school district value increases the projected tax rate increase may be reduced.

***Will all of the bond projects be financed for 25 years?***

No. The school district will not finance any project for a period of time longer than the lifespan of the project. For example: Technology will only be financed for 5 years. It would not make sense to pay for something beyond the point that the item is being used.

***What is being proposed in the November 6 West Orange-Cove CISD School Bond Election?***

The Citizens Facilities Advisory Committee has recommended, and the School Board has called an election, that includes the following eight projects:

- Safety & Security Updates for Campuses
- HVAC, roofs, and other infrastructure repair or replacement
- Technology (Academic)
- Classroom furniture, equipment, and Career & Technology Programs (Academic)
- Improvements for Fine Arts programs (Academic)
- New Transportation Center on higher ground and with protection for vehicles
- Athletic facility improvements (Athletic), including artificial turf for boys' and girls' activities at the High School
- HS/Community Events Center (Athletic/Community)

***Why are these projects not being paid with the regular budget?***

The regular Maintenance & Operation budget of all school districts is established for the day to day operations of a school district. It is not designed to accommodate large renovation or construction projects. That is why the Interest & Sinking Fund was established for school districts and projects paid by bond revenue must be approved by the voters of the school district.

***The school district is still paying on previous bond issues. Will the district ever finish paying for bond issues?***

The simple, and honest, answer is probably not. School districts seek improved facilities and equipment to provide students with an appropriate education based on changing state requirements and research based on best educational practices. More than 95% of school districts in Texas owe for bond issue related costs because they are striving to provide the best possible education for students. Facility improvement related cost is a district need – much like teacher salaries and other related costs important to the education process.

***When will the West Orange-Cove CISD bond election be held? Who can vote in a school bond election?***

The general election date will be November 6, 2018. Early voting will begin October 22 and will end on November 2. The school district recognizes the importance of the bond election to

all stakeholders in the district and encourages all registered voters who reside in the school district to vote.

***If I want to vote early, where is early voting located and what are the hours of operation?***

Early voting will be conducted at the Orange Public Library, 220 N Fifth Street, Orange, Texas.

The dates and times are as follows:

Monday, October 22 through Saturday, October 27 – 8AM until 5PM

Monday, October 29 through Friday, November 2 – 8AM until 5PM

The following early voting dates have extended voting hours:

Tuesday, October 23 – 8AM until 7PM

Tuesday, October 30 – 8AM until 7PM.

***I am not registered to vote. Is it too late to register if I want to vote in the November 6 Bond Election?***

In order to vote in the November 6 West Orange-Cove CISD Bond Election, a qualified voter must be registered no later than October 9, 2018. A voter registration form may be acquired from the County Elections Clerk. Phone number is 882-7973.

***What if I want to vote with a mail ballot, how do I obtain one?***

You may request a mail-in ballot by contacting the County Elections Clerk.

***Where do I go to vote and what form of identification will be accepted?***

Voting on Election Day, November 6, will be conducted at polling places and times that will be made available when released from the County Elections Clerk.

Registered voters in West Orange-Cove CISD are reminded that they must bring a photo I.D. in order to vote in any election held in Orange County. Listed below are acceptable forms of identification for voters:

- Texas driver license issued by the Texas Department of Public Safety (DPS)
- Texas Election Identification Certificate issued by DPS
- Texas personal identification card issued by DPS
- Texas concealed handgun license issued by DPS
- United States military identification card containing the person's photograph
- United States citizenship certificate containing the person's photograph
- United States passport

***Did the school district seek community input before identifying the bond projects being requested?***

Yes. A Citizens Advisory Committee, comprised of citizens from throughout the school district, worked for more than five months before making project recommendations to the West Orange-Cove CISD Board of Trustees.

***Were other facility projects considered by the CAC in addition to the projects that were recommended? If so, why aren't those projects included in the bond issue?***

Yes, other campus projects were discussed by the CAC, but the overall cost of the bond issue would have been too high to have included other projects. The projects considered the highest priority were included in the recommendations made by the committee.

***When did the Citizens Advisory Committee (CAC) make its' recommendations to West Orange-Cove CISD?***

The Citizens Advisory Committee finalized its recommendations at the July 30, 2018, CAC meeting and presented the recommendations to the West Orange-Cove CISD Board of Trustees on August 13, 2018. The Board of Trustees formally called for an election that same evening.

***If the voters pass the bond issue when will the bonds be sold?***

Bonds will be sold with the most cost-effective approach needed to pay for the construction and renovation of the bond projects. Once approved, the bonds will only be sold based on a schedule of sales needed to pay for completed work for each project.

***Will voters have an opportunity to receive information and to ask questions about the bond issue before the election?***

Yes. The school district is seeking opportunities to respond to questions from the community and will be scheduling a series of information meetings for the public. The role of the school district is to provide information and we want everyone in the community to know what is being proposed and give individuals an opportunity to ask questions. If you belong to a group, club, or church that would like to receive information from the school district pertaining to the bond issue, please send an email to [bondquestions@woccisd.net](mailto:bondquestions@woccisd.net)

***I have been told that the tax rate to support the bond issue is different from the tax rate that supports daily operations of the school district. Please explain this.***

A school district tax rate is comprised of a tax that supports the daily operations of the school district which is called the Maintenance & Operations (M&O) tax. The tax that repays district debt service is called the Interest & Sinking Fund (I&S) tax. The combination of M&O and I&S tax rates equals the total school district tax rate. This combination of taxes is common to all school districts in Texas.

***I read that the tax rate that supports bond debt in school districts may be lowered as the overall value of a school district increases. How does that work?***

The value of property usually increases over time and the overall value of property in a school district is no exception. As property values increase when new industrial projects and new homes are completed, the revenue generated to pay for bond debt increases, thus the I&S tax rate

may be lowered as the amount of money to repay the debt each year is a fixed amount. School districts cannot promise that future values will increase each year, so West Orange-Cove CISD cannot promise a future reduction in the tax rate, however, over time, school district values usually trend higher which may allow the school district to lower the tax rate associated with bond issue debt repayment.

***If the bond issue passes, will the tax rate for our senior citizens be increased?***

No. Taxpayers who are age 65 and older and have filed the appropriate tax exemption will not see an increase in the taxes they pay on their home. The exemption “freezes” the amount of school taxes they pay at the time the exemption is filed.

***If I have questions concerning the bond issue, who should I contact?***

Please send questions about the bond issue to the following email address:

[bondquestions@woccisd.net](mailto:bondquestions@woccisd.net)

A response will be sent to you as soon as practical. If a question has to be researched, please allow enough time for that process.