

VOTER INFORMATION DOCUMENT¹
GALVESTON INDEPENDENT SCHOOL DISTRICT – PROPOSITION C
Election Date: May 7, 2022

Ballot Language – Galveston Independent School District – Proposition C (“Proposition C”)		
<input type="checkbox"/>	FOR) “THE ISSUANCE OF \$36,160,000 OF BONDS FOR THE CONSTRUCTION, ACQUISITION, RENOVATION, AND EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT, INCLUDING RENOVATIONS AND IMPROVEMENTS TO DISTRICT MIDDLE/INTERMEDIATE AND ELEMENTARY SCHOOLS, AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE.”
<input type="checkbox"/>	AGAINST	

Information Regarding the Debt Obligations (Bonds) Proposed Under Proposition C		
Principal Amount of the Debt Obligations Proposed Under Proposition C	Estimated Interest on the Debt Obligations Proposed Under Proposition C ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition C on Time and in Full
\$36,160,000	\$19,767,207	\$55,927,207

Information Regarding the Outstanding Debt Obligations (Bonds) of the District as of February 16, 2022³		
Principal Amount of the Outstanding Debt Obligations of the District	Estimated Remaining Interest on the Outstanding Debt Obligations of the District	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the District on Time and in Full
\$49,660,000	\$9,200,384	\$58,860,384

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (Bonds) Proposed Under Proposition C
If the bonds authorized by Proposition C are approved, based on the assumptions set forth under “ <i>Assumptions Utilized in Calculating the Estimated Tax Impact</i> ” below, the District estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition C would be approximately \$5.06. ⁴

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the District intends to issue the bonds authorized by Proposition C in a manner and in accordance with a schedule to be determined by the District’s Board of Trustees based upon a number of factors, including, but not limited to, the then current needs of the District, demographic changes, prevailing market conditions, then current market interest rates, the use of capitalized interest, availability of other revenue sources to pay debt service, assessed valuations of property in the District, tax collection percentages, and management of the District’s short-term and long-term interest rate exposure. The estimated tax impact is derived, in part, from projections obtained from the District’s financial advisor. Actual results may vary from the assumptions used in calculating the estimated tax impact. For the purposes of estimating the maximum annual increase in taxes identified in this table, the District utilized the following major assumptions:

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code. It is provided solely in satisfaction of the statutory requirements. The information contained in this Voter Information Document is based on certain assumptions, and actual results may vary from such assumptions. The Voter Information Document is not intended to, and does not, create a contract with the voters.

² The District has assumed the bonds will bear interest at an estimated rate of 3.375% based on current market conditions and the amortization schedule described in the Assumptions Utilized in Calculating the Estimated Tax Impact. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects the District’s outstanding debt obligations as of February 16, 2022, the date the District’s Board of Trustees approved an order calling the election.

⁴ In the May 7, 2022 election, Texas voters will vote on a proposition that would raise Texas’ mandatory homestead exemption from \$25,000 to \$40,000 for school district property taxes. If approved, the District estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition C would be approximately \$3.68.

(1) The District has assumed the issuance of one series of bonds for the projects described in Proposition C. For the purposes of these projections, it has been assumed that the bonds issued under Proposition C would be amortized over 25 years as shown in the following schedule. The following is an estimated pro forma amortization schedule based on these assumptions. It shows the District's currently outstanding bonds and bonds authorized under Proposition C:

Fiscal Year Ending	Outstanding Debt Service	Add: Estimated Series 2022 Debt Service (Proposition C)	Less: Capitalized Interest	Net Total Debt Service
2022	\$ 1,053,530	-	-	\$ 1,053,530
2023	7,600,809	\$ 1,495,675	\$ 520,000	8,576,484
2024	7,519,309	1,314,178	-	8,833,487
2025	7,491,434	1,595,741	-	9,087,175
2026	7,363,059	1,636,481	-	8,999,540
2027	7,324,559	1,631,125	-	8,955,684
2028	7,338,294	1,625,431	-	8,963,725
2029	7,288,390	1,629,231	-	8,917,621
2030	5,881,000	1,622,525	-	7,503,525
2031	-	2,549,450	-	2,549,450
2032	-	2,554,247	-	2,554,247
2033	-	2,552,272	-	2,552,272
2034	-	2,553,525	-	2,553,525
2035	-	2,552,922	-	2,552,922
2036	-	2,550,463	-	2,550,463
2037	-	2,551,063	-	2,551,063
2038	-	2,549,638	-	2,549,638
2039	-	2,551,103	-	2,551,103
2040	-	2,550,375	-	2,550,375
2041	-	2,552,369	-	2,552,369
2042	-	2,552,000	-	2,552,000
2043	-	2,549,269	-	2,549,269
2044	-	2,554,006	-	2,554,006
2045	-	2,551,128	-	2,551,128
2046	-	2,550,634	-	2,550,634
2047	-	2,552,356	-	2,552,356
	\$ 58,860,384	\$ 55,927,207	\$ 520,000	\$ 114,267,591

(2) The District has assumed the bonds would bear interest at an estimated rate of 3.375%.

(3) Taxable assessed valuation within the District grew at a rate of 9.72% in the Fiscal Year ending August 31, 2022 (tax year 2021). The District has assumed that the taxable assessed value within the District will grow at a rate of 3.00% per year for the Fiscal Years ending August 31, 2023 through August 31, 2027, 2.000% per year for Fiscal Years ending August 31, 2028 through August 31, 2032, and then be held constant for the remaining life of the bonds. The District has assumed a tax collection percentage of 97%.

(4) In calculating the tax impact on a residence homestead, the District applied the \$25,000 state mandated homestead exemption and a \$20,000 local option homestead exemption to the assessed valuation, resulting in a taxable assessed valuation of \$55,000 on a residence homestead with an appraised value of \$100,000. The District did not apply any other exemptions in connection with this calculation. A homeowner may qualify for exemptions not considered in calculating the tax impact, such as exemptions for the elderly and disabled.

(5) The estimated tax impact assumes the availability of the Permanent School Fund Guarantee for each series of bonds issued under Proposition C.

(6) The estimated tax impact presented in this voter information document addresses the impact of the bonds proposed under Proposition C. For information regarding the estimated tax impact of the bonds proposed under other propositions, please refer to the voter information documents for such propositions.