



2016 Bond Feasibility Committee

What is a school bond?

Public education funding is a very complicated system. Schools receive funding from the federal government, state government, and local tax levies and bonds. Most of a district's funding is provided by the state, and most of the state funding is based on a school district's enrollment. In their funding formulas, the state and federal governments provide little or no resources to pay for school construction or facility repair, educational technology, or school bus purchases. Instead, the state allows school districts to run levies and bonds to ask local tax payers to fund these specific items.

- School bonds specifically provide funding for construction—renovating and building new schools, property acquisition, repairing facilities and systems within the building to ensure students learn in safe, secure and modern classrooms
- School bond elections require a supermajority (60 percent) of voter approval to pass.
- When a school district is ready to get to work on a construction project funded through a bond measure, it sells a bond for the amount of the project(s) to financiers. The district taxpayers then repay the amount of the bond or “loan” with interest, similar to a home mortgage.
- The exact amount of money each taxpayer owes for the bond depends on their assessed property valuation. The tax rate for a bond is expressed as a certain dollar amount per \$1,000 of assessed valuation. For example, a tax rate of \$1 per \$1,000 of assessed valuation means that the owner of a \$500,000 home would pay \$500 per year for the bond measure.

