

Newton Schools U.S.D. No. 373

School Improvement Bond Issue Election

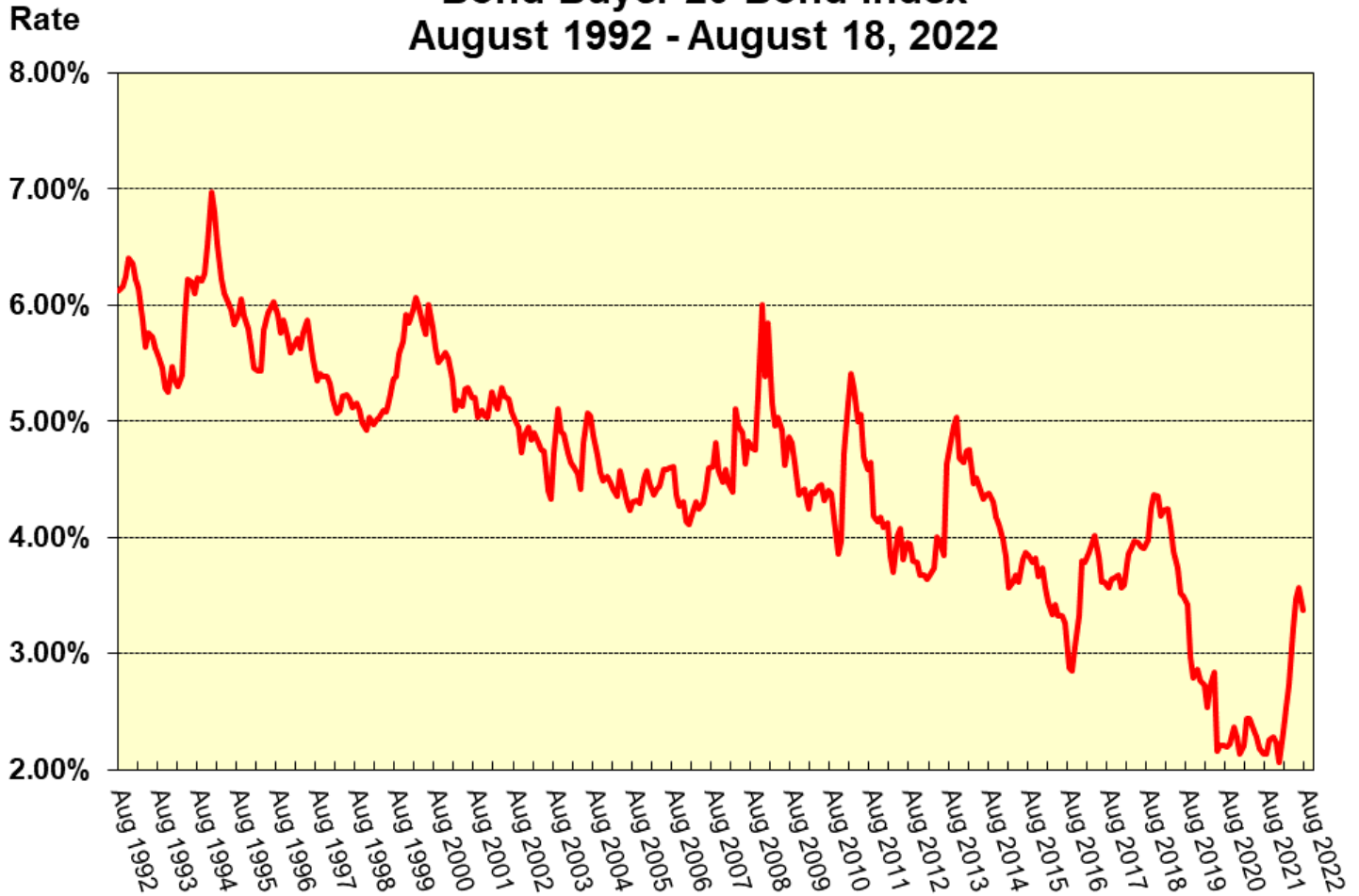
November 8, 2022

- Proposed \$8,435,000 bond issue to pay Project Costs of \$8,085,000 plus bonding Costs of Issuance and Capitalized Interest during project construction.
- Interest rates, estimated at 4.5%, are at a low level compared to recent decades. Similar bonds have sold at rates below 4% recently.
- Newton USD 373 is eligible for additional state aid to help pay both principal and interest on a voted bond issue. The amount of state aid is determined by the District's wealth per pupil as compared to all Kansas school districts. For 2022-23, the percentage of state aid is 20%. To be conservative in our Plan of Finance we have assumed that this percentage will decline by 1% every 2 years to 13% in 2037. The estimated state aid benefit at these percentages is \$1,892,057 from all taxpayers in Kansas to Newton and USD 373's benefit.
- Proposed bonds to be retired in 2037 (15 years) and with **no mill levy increase** and a reduction in the mill levy after 2026.
- Newton USD 373 has a growing tax base. In the last decade the district assessed valuation (not including motor vehicles) has increased from \$147,669,272 in 2011 to \$175,325,814 in 2021—an increase of more than \$27 million (18.7%) in the last decade.
- To be conservative in our Plan of Finance, we have assumed growth of only 1% per year in the District's assessed valuation.
- Newton USD 373 has existing bonds approved by voters in the past that will be retired in 2026 and require a tax rate of 11.74 mills in the current budget.
- With the growing tax base and 20% state aid, the proposed bonds will not require an increase in the mill rate for bond and interest. The rate of 11.74 mills through 2026 will retire both the existing bonds and about \$2.3 million of the new bonds with interest. At the 4.5% interest rate, the bond and interest mill rate can then be reduced to an estimated 2.86 mills until all bonds are paid off. The average mill rate of this proposed bond is 3.02 mills.
- The fact that we can address an important capital improvement need without increasing the mill rate is important for you to know.



**WITH TODAY'S LOW INTEREST RATES, 20% STATE AID,
AND A GROWING TAX BASE,
THE COST OF A NEEDED CAPITAL IMPROVEMENT
MAY NEVER BE MORE AFFORDABLE!**

30-Year Historical Bond Buyer 20-Bond Index August 1992 - August 18, 2022



November 8, 2022 Ballot Question

Shall the following be adopted?

Shall Unified School District No. 373, Harvey County, Kansas (Newton), issue general obligation bonds in an amount not to exceed \$8,435,000, to pay the costs to: (a) make needed renovations and improvements to the existing Lindley Hall facility within the District for structural stabilization, mechanical, energy, plumbing and lighting system upgrades, gymnasium floor improvements, roofing improvements, handicap access (ADA) compliance, and safety and security system upgrades and required demolition of certain parts of the structure; (b) make needed renovations and improvements to the existing Santa Fe 5/6 Center within the District for repair and improvements to the exterior envelope and walls, cast stone, repairs to windows and to roofs; (c) make all other necessary improvements appurtenant thereto (collectively "Project"); and (d) pay the costs of issuance and interest on said general obligation bonds of the District during construction of the Project; all pursuant to the provisions of K.S.A. 10-101 *et seq.*, K.S.A. 25-2018(f), and K.S.A. 72-5457?

