

Northwest



INDEPENDENT SCHOOL DISTRICT

Series 2025 Bond Parameter Orders – New Money & Refunding

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June 9, 2025





- SB 4 Homestead Exemption Increase
- Tax Exempt Interest Rates – 20 Yr Bond Buyer Index
- Projected Issuance & I&S Tax Rates
- Tax Base Assumptions
- Potential Refunding
- NISD Bond Refundings (2005-2025)
- Proposed Parameters – New Money & Refunding

Senate Bill 4 – Homestead Exemption Increase



Increases Homestead Exemption from \$100K to \$140K

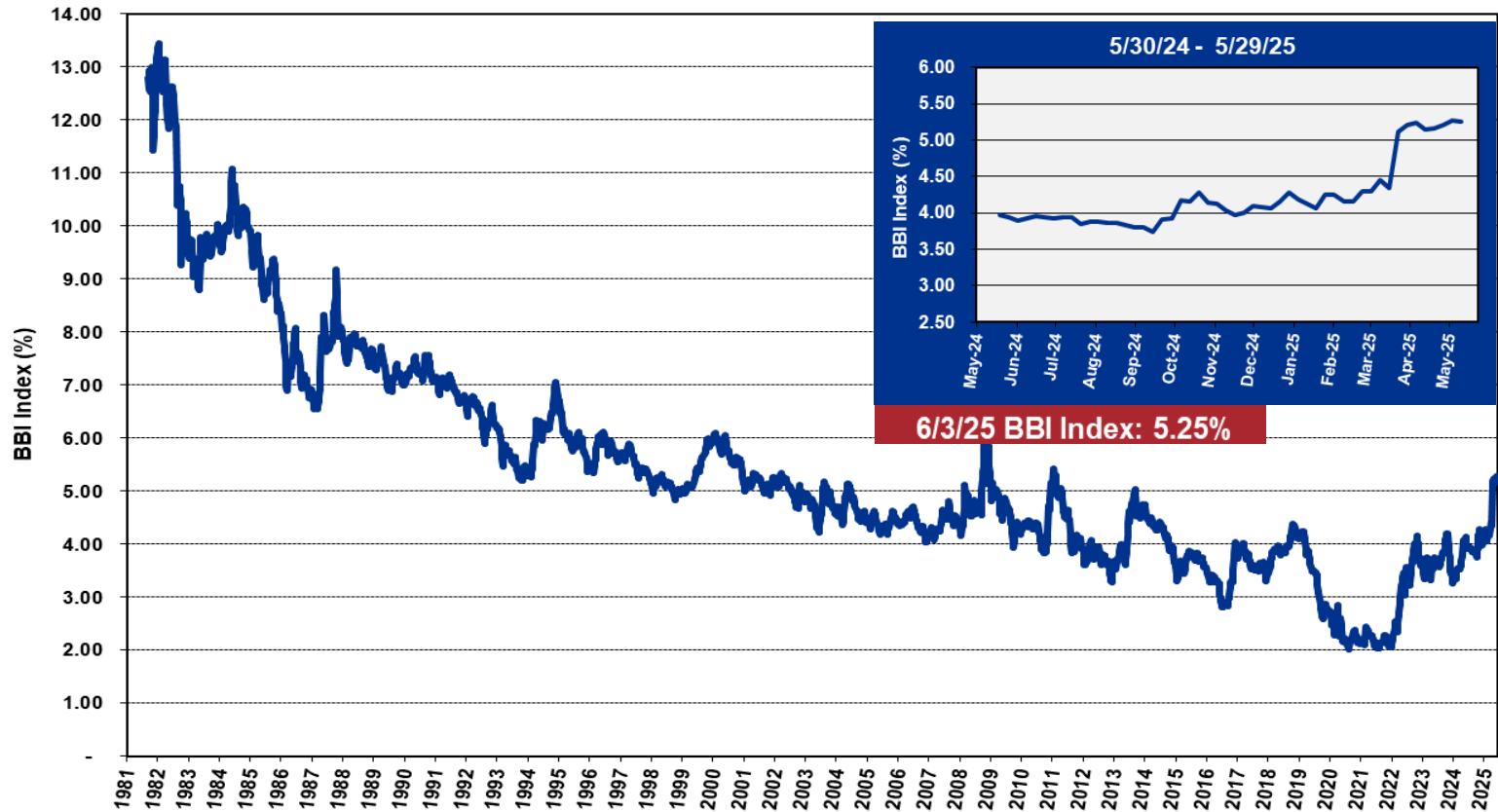
- Increase in homestead exemption will reduce NISD taxable value by a projected \$1.431 Billion
- Bond issues that are sold, delivered and have a payment prior to 9/1/25 will receive 'hold-harmless' funding from the State to address the loss in taxable value
- The projected I&S hold harmless funding percentage for this \$40K homestead exemption increase is 3.77%
- **On this proposed \$800 million bond issuance, NISD will receive approximately \$68 million from the State in hold harmless funding over the life of the bond issue**
- **Bonds sold after 9/1/25 will not receive hold harmless funding**

Tax Exempt Interest Rates



Bond Buyer 20 Year General Obligation Index

Bond Buyer 20 Year GO Index
September 1981 - May 29, 2025



Bond Buyer 20 Year GO Index is a weekly index estimating the composite yield on 20 general obligation bonds rated "A" or better.

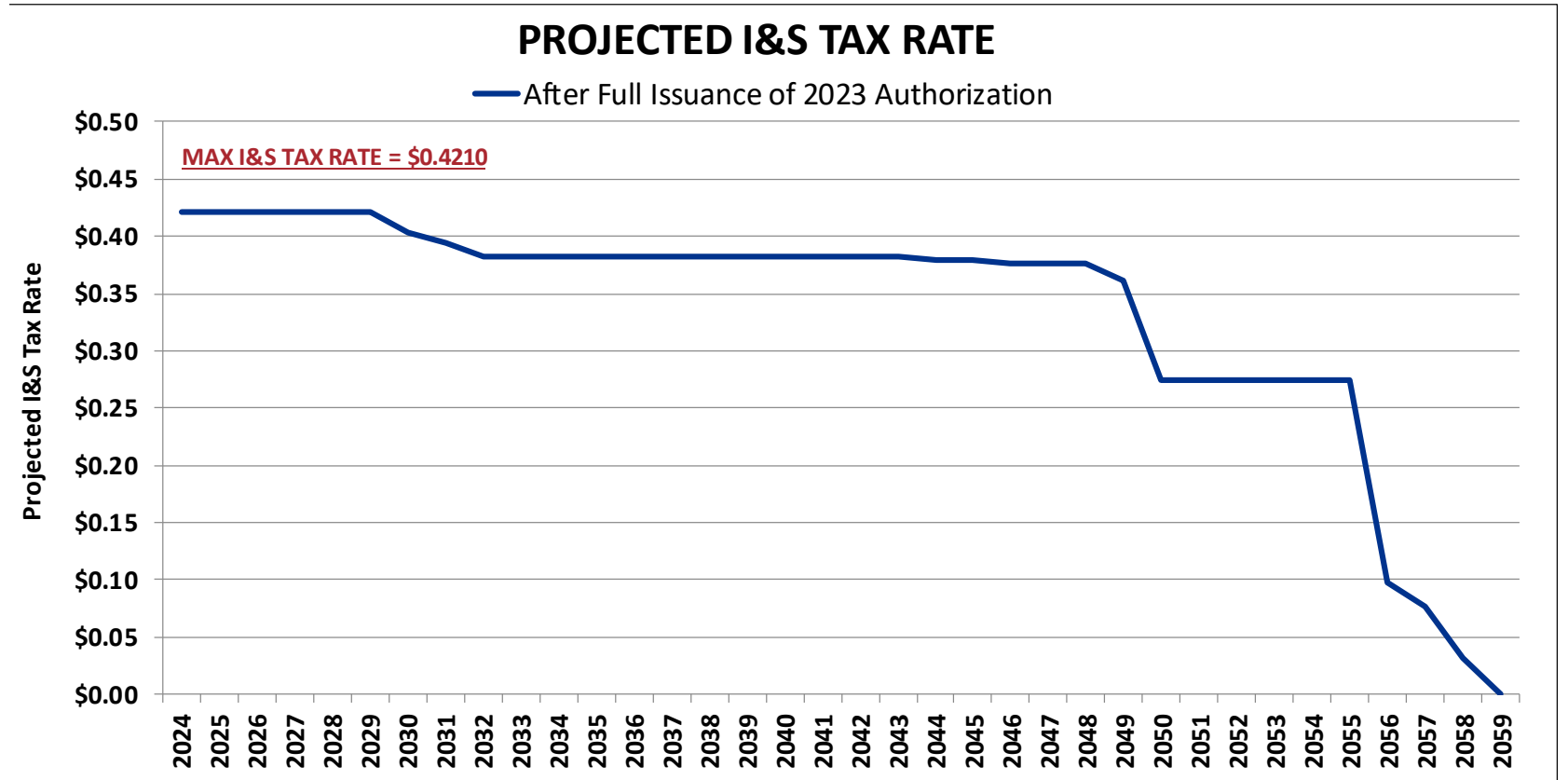
This graph depicts historical interest rates. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

2023 \$1,995,500,000 Bond Authorization



Projected Issuance and I&S Tax Rates

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
	<i>FINAL</i>	<i>FINAL</i>	<i>PROJECTED</i>	<i>PROJECTED</i>	<i>PROJECTED</i>	<i>PROJECTED</i>	<i>PROJECTED</i>
2023 Bond Authorization	Series 2023	Series 2024A	Series 2025	Series 2026	Series 2027	Series 2028	
	25 Yr @ 4.305%	25 Yr @ 4.11%	25 Yr @ 4.90%	25 Yr @ 5.00%	25 Yr @ 5.00%	25 Yr @ 5.00%	
\$ 1,995,500,000	\$ 400,000,000	\$ 400,000,000	\$ 800,000,000	\$ 125,000,000	\$ 150,000,000	\$ 120,500,000	



Tax Base Assumptions



Projections Used for Issuance Pro Forma

CYE 31-Dec	TAX BASE ASSUMPTIONS	
	Taxable Valuation	Estimated Growth Rate
2023	\$ 31,306,276,381	20.50%
2024	36,081,060,331	15.25%
2025	38,264,216,535	6.05%
2026	40,177,427,361	5.00%
2027	42,186,298,729	5.00%
2028	44,295,613,666	5.00%
2029	46,510,394,349	5.00%
2030	48,835,914,067	5.00%
2031	51,277,709,770	5.00%
0.50% Annual Growth Thereafter		

We have lowered our tax base growth assumptions due to the continued increases in the homestead exemption

Potential Refunding – Mid-October Pricing



ASSUMPTIONS

Dated / Delivery Date:
Average Coupon on Refunded Bonds:
Call Date on Refunding Issue:
Final Maturity on Refunding Issue:

11/20/2025
4.07%
2/15/2035
2/15/2038

POTENTIAL REFUNDING RESULTS

Potential True Interest Cost:
Potential Gross Debt Service Savings:
Potential Present Value Debt Service Savings:
Potential PV Savings as a % of Refunded Principal:

3.50%
\$ 3,197,706
\$ 2,842,975
2.01%

1 2 3 4 5 6 7 8

POTENTIAL DEBT SERVICE SAVINGS - SUBJECT TO CHANGE

Year Ending 31-Dec	Refunded Debt Service			Series 2025 Refunding Debt Service			Potential Savings
	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ 29,340,000	\$ 5,747,350	\$ 35,087,350	\$ 30,580,000	\$ 4,240,406	\$ 34,820,406	\$ 266,944
2027	29,585,000	4,304,125	33,889,125	28,805,000	4,816,625	33,621,625	267,500
2028	8,905,000	3,372,875	12,277,875	8,120,000	3,893,500	12,013,500	264,375
2029	2,340,000	3,115,375	5,455,375	1,535,000	3,652,125	5,187,125	268,250
2030	3,700,000	2,998,250	6,698,250	2,890,000	3,541,500	6,431,500	266,750
2031	5,880,000	2,811,938	8,691,938	5,085,000	3,342,125	8,427,125	264,813
2032	13,345,000	2,430,100	15,775,100	12,610,000	2,899,750	15,509,750	265,350
2033	16,970,000	1,823,800	18,793,800	16,350,000	2,175,750	18,525,750	268,050
2034	15,485,000	1,174,700	16,659,700	15,000,000	1,392,000	16,392,000	267,700
2035	9,260,000	679,800	9,939,800	8,880,000	795,000	9,675,000	264,800
2036	6,265,000	369,300	6,634,300	5,945,000	424,375	6,369,375	264,925
2037	1,500,000	214,000	1,714,000	1,200,000	245,750	1,445,750	268,250
2038	4,600,000	92,000	4,692,000	4,315,000	107,875	4,422,875	269,125
Totals	\$ 142,575,000	\$ 29,041,613	\$ 171,616,613	\$ 137,000,000	\$ 31,418,906	\$ 168,418,906	\$ 3,197,706

Bonds to be Refunded

	Principal Refunded	Maturities Refunded	Refunded Bonds Interest Rate	Refunded Bonds Call Date
Unlimited Tax Schl Bldg Bonds, Series 2014	\$ 2,780,000	2027 - 2031	3.00% - 3.25%	callable
Unlimited Tax Ref Bonds, Series 2015	\$ 11,755,000	2026 - 2027	5.00%	callable
Unlimited Tax Ref Bonds, Series 2015A	\$ 24,970,000	2026 - 2027	5.00%	callable
Unlimited Tax Schl Bldg Bonds, Series 2015	\$ 1,500,000	2026 - 2028	4.00%	callable
Unlimited Tax Ref Bonds, Series 2015B	\$ 15,210,000	2026 - 2028	5.00%	callable
Unlimited Tax Ref Bonds, Series 2016	\$ 26,755,000	2026 - 2034	4.00% - 5.00%	2/15/2026
Unlimited Tax Ref Bonds, Series 2016A	\$ 42,025,000	2026 - 2035	4.00% - 5.00%	2/15/2026
Unlimited Tax Schl Bldg Bonds, Series 2017	\$ 18,365,000	2026 - 2038	3.00% - 4.00%	2/15/2026
Unlimited Tax Schl Bldg Bonds, Series 2018	\$ 3,795,000	2026 - 2028	4.00%	callable

NISD Bond Refundings (2005 – 2025)



Refunding Bond Series	Debt Service Savings
Series 2005	\$ 19,794,387
Series 2006	\$ 6,726,026
Series 2008	\$ 1,666,843
Series 2012	\$ 6,432,070
Series 2013A	\$ 3,883,135
Series 2015	\$ 15,395,575
Series 2015A	\$ 22,766,381
Series 2015B	\$ 13,904,656
Series 2016	\$ 10,748,113
Series 2016A	\$ 8,120,718
Series 2017	\$ 4,596,975
Txbl Series 2019	\$ 17,306,582
Series 2020	\$ 8,851,053
Txbl Series 2020A	\$ 24,501,754
Txbl Series 2022	\$ 26,094,184
TOTAL	<u>\$ 190,788,452</u>



- Allowed Under Section 1371 (New Money) and 1207 (Refunding) Texas Government Code
- Board delegates final pricing authority to Board selected Pricing Officers – *Superintendent and/or Chief Financial Officer*
- Board establishes and approves bond sale parameters within Parameter Order:
 - Maximum Interest Rate – *True Interest Cost (TIC)*
 - Maximum Principal Amount of Issue – *‘Not-to-exceed amount’*
 - Minimum Savings Threshold - *Refundings*
 - Final Maturity Date
 - Expiration of Delegated Authority
- **Delegated Pricing Officers can only approve bond issue if parameters in Board-approved Order are met**

Proposed Series 2025 New Money & Refunding Parameters



- Delegated Pricing Officers: **Superintendent or CFO**
- Maximum Principal Amount (Not-to-Exceed): **\$800,000,000** – New Money
\$147,175,000 - Refunding
- Maximum True Interest Cost: **5.75%** - New Money
4.50% - Refunding
- Minimum Savings for Refunding: **2.00%** Present Value
- Final Maturity Date: **2/15/55** – New Money
2/15/38 - Refunding
- Delegation Expiration: **365 Days**

Delegated Pricing Officers can only approve transaction if these parameters are met