

# 2027 Bond Capacity Scenarios



Feb. 24, 2026

## 2027 BOND TIMELINE

### Spring 2026: Board of Trustees

- Set budget and *approximate* maximum Interest and Sinking (I&S) tax rate
- Establish project priorities if not implementing entire Long-Range Facility Planning Committee (LRFPC) recommendations
- Establish Bond Advisory Committee (BAC) charter, appoint new BAC members and new BAC officers, if desired



# 2027 BOND TIMELINE

## Fall 2026: Bond Advisory Committee (by December 2026)

- Establish estimated construction costs and timelines
- Evaluate and prioritize maintenance (M&O) portion (tech, buses, roofs, etc), taking into account proposed construction areas and timelines
- Reconcile and prioritize M&O and construction budgets
- Report final bond package recommendation to Board of Trustees



# 2027 BOND TIMELINE

## Winter 2026 - Spring 2027: Board of Trustees

- Receive BAC recommendations (December 2026)
- Order bond election (January 2027)
- Election day (May 2027)

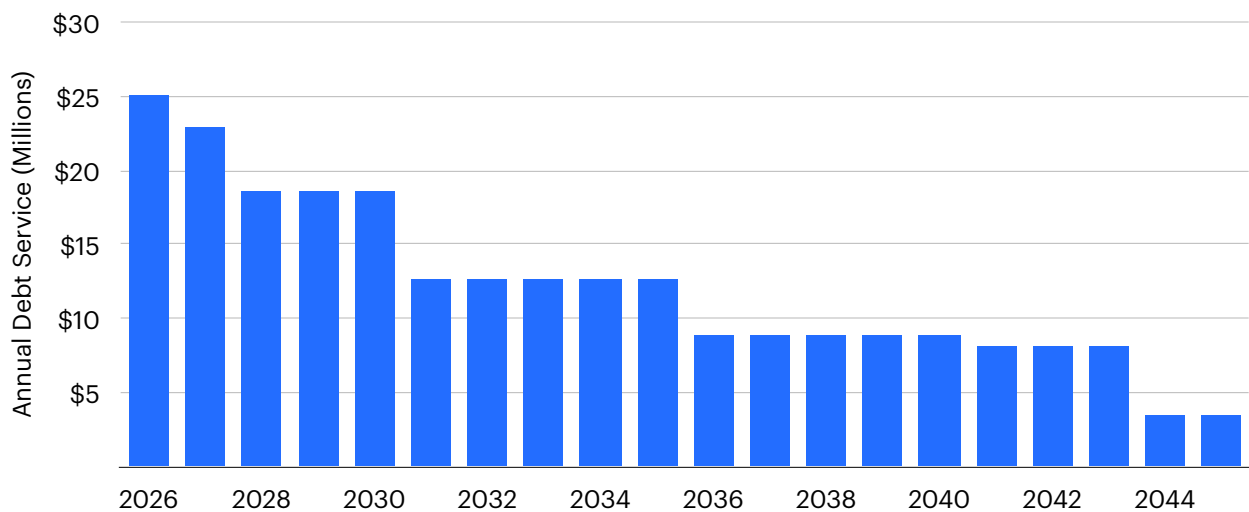


# I&S TAX RATES

- School districts are required to set the I&S tax rate every year at a level sufficient to service the required debt service payment
- “Unlimited Tax School Building Bonds”
- There is a 50¢ maximum I&S Rate. If selling bonds would set a level of debt that can't be serviced with a 50¢ rate, the bonds can't be sold
- After the community passes a bond referendum, no further community input is required to raise the I&S tax rate



# EXISTING DEBT SERVICE REQUIREMENT

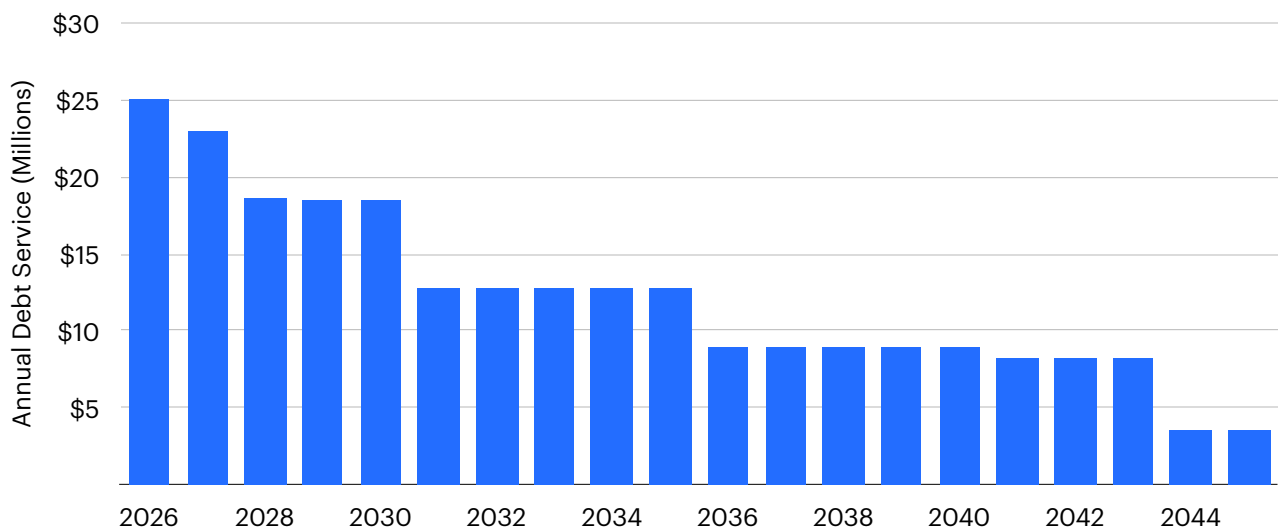


# BOND CAPACITY FOR MAINTENANCE BONDS

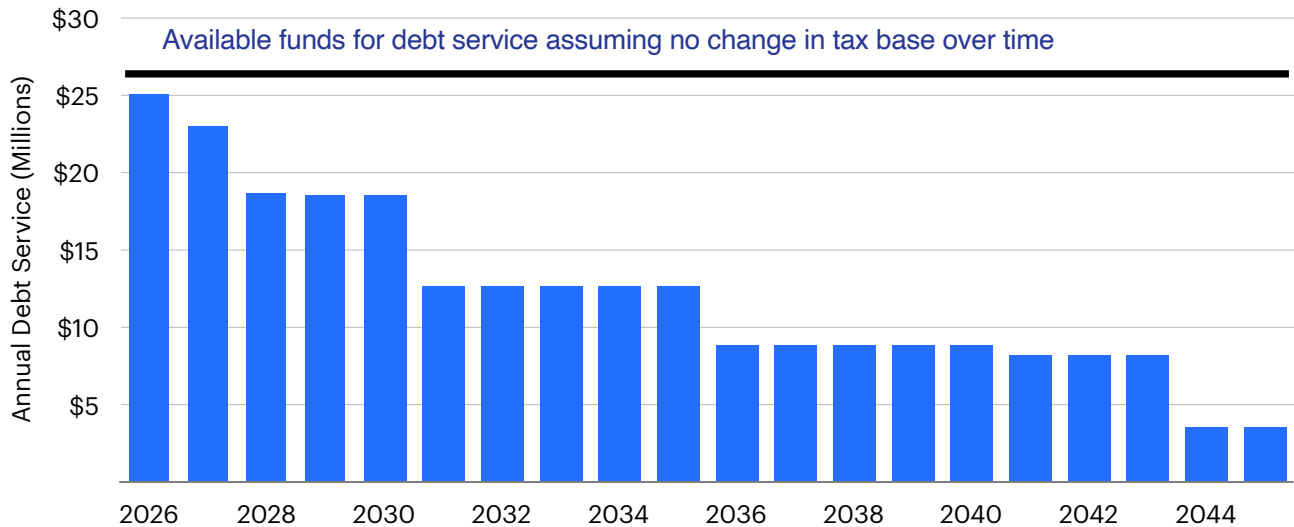
- Assume all bonds sold immediately with 20-year maximum maturity
- Assume no tax-base growth
- Determine available debt service at current tax rate
- Difference between available debt service funds and existing debt requirement determines the capacity
- Use increased capacity from tax-base growth to retire existing debt early, lowering the district's interest payments and increasing future capacity
- Lower tax rates when tax-base growth allows it



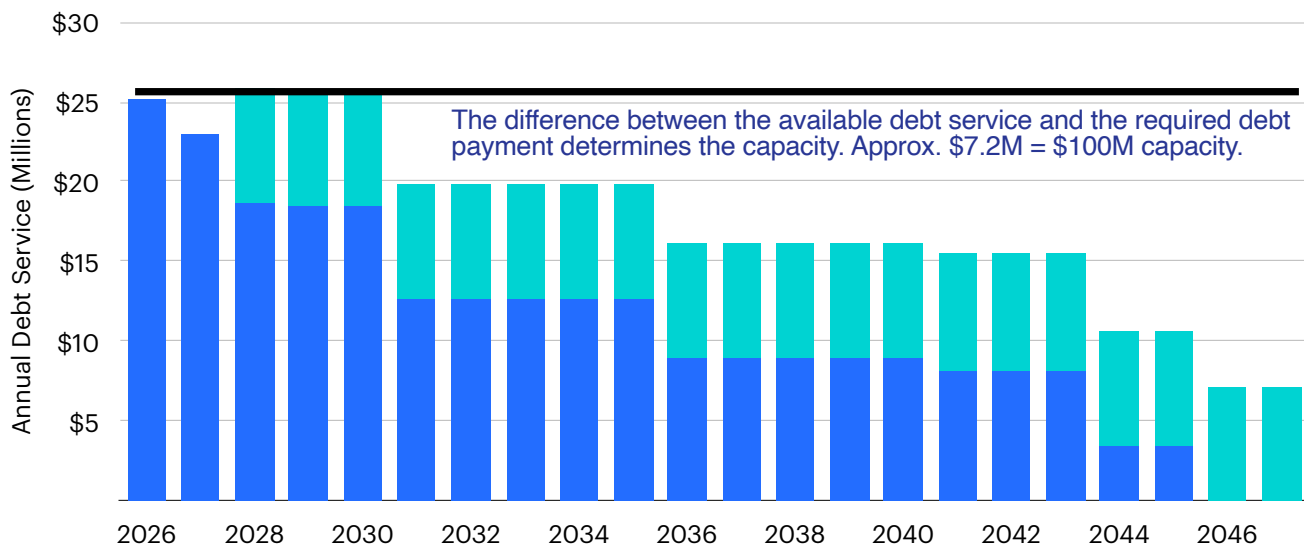
## 2027 MAINTENANCE BOND CAPACITY: 12¢



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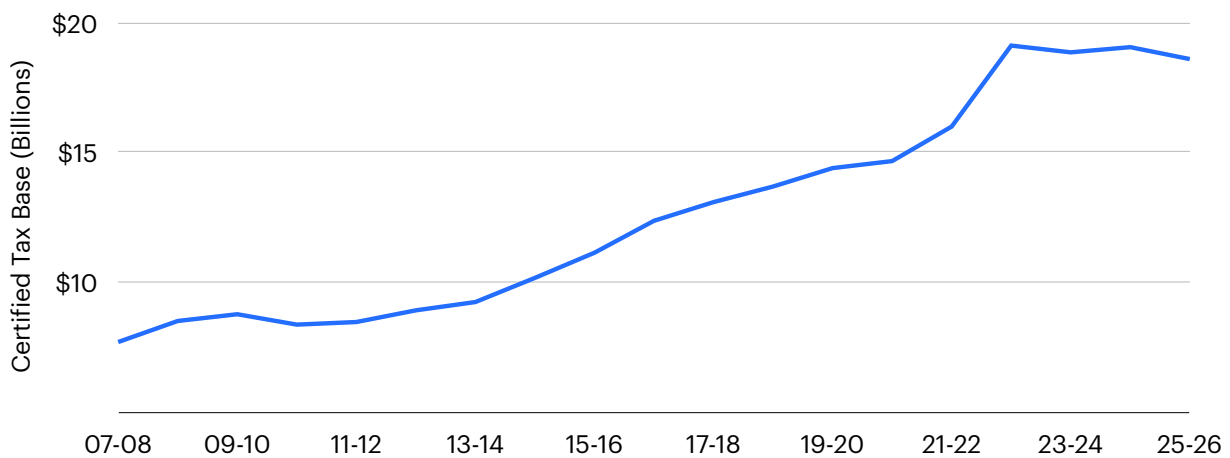


# BOND CAPACITY FOR MAINTENANCE BONDS

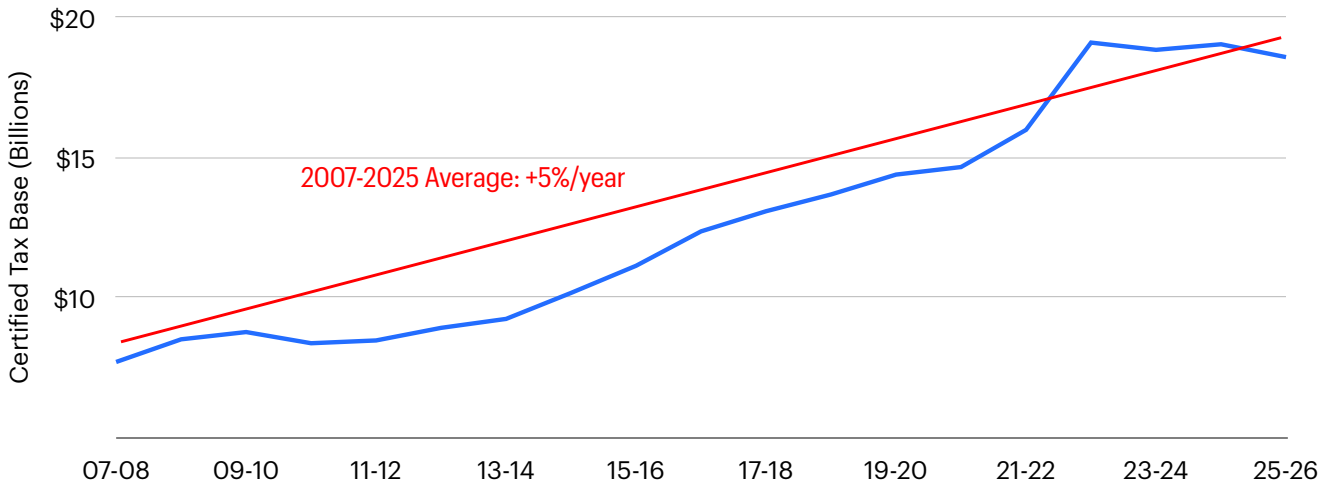
- Assume all bonds sold immediately with 20-year maximum maturity
- **Assume no tax base growth**
- Determine available debt service at current tax rate
- The difference between available debt service funds and the existing debt requirement determines the capacity
- **Use increased capacity from tax base growth to retire existing debt early, lowering the district's interest payments and increasing future capacity**
- Lower tax rates when tax base growth allows it



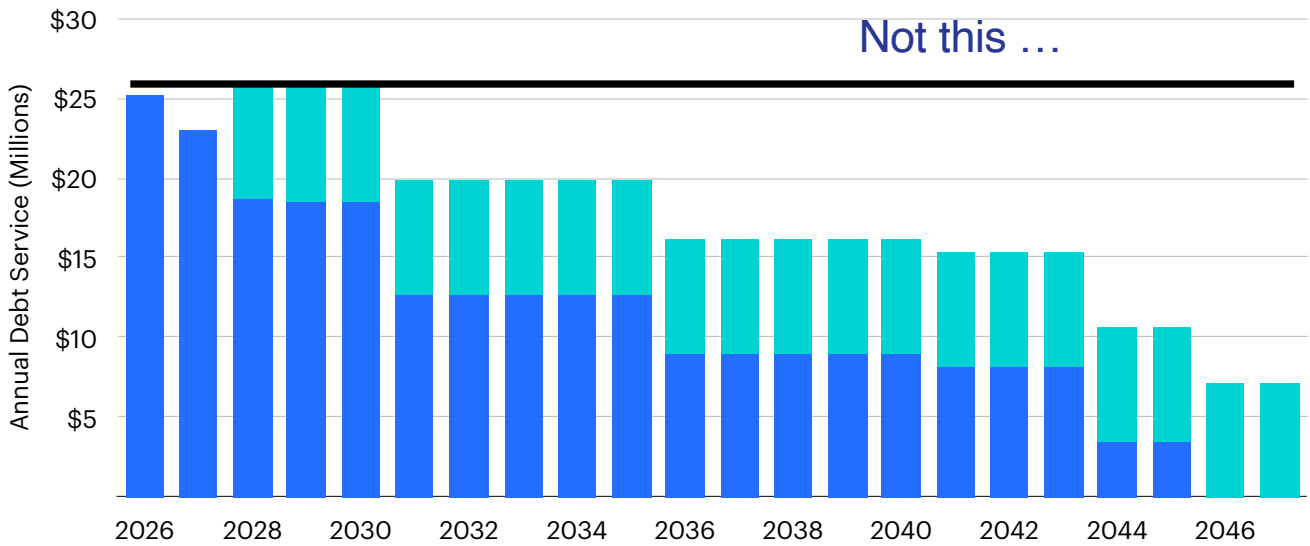
## TAX BASE GROWTH 2007-2025



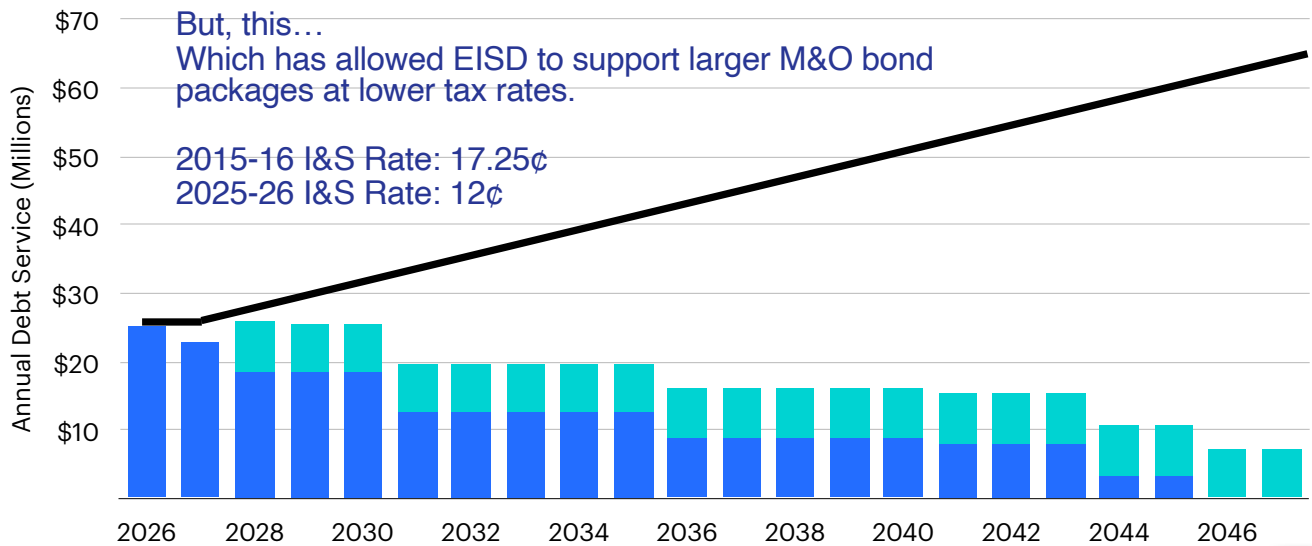
# TAX BASE GROWTH 2007-2025



# WHAT WE HISTORICALLY SEE



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# BOND CAPACITY FOR MAINTENANCE BONDS

- Assume all bonds sold immediately with 20-year maximum maturity
- Assume no tax base growth
- Determine available debt service at current tax rate
- The difference between available debt service funds and the existing debt requirement determines the capacity
- Use increased capacity from tax base growth to retire existing debt early, lowering the district's interest payments and increasing future capacity
- Lower tax rates when tax base growth allows it



# ASSUMPTIONS FOR TRANSFORMATIONAL BOND

- Assume all bonds sold immediately with 20-year maximum maturity
- Assume no tax base growth
- Determine available debt service at current tax rate
- Maintenance Bonds with 20-year maximum maturity are still necessary
- 30-year max maturity construction bonds sold in multiple tranches as needed
- **Acknowledge tax base growth in planning**
- **Allow some uncertainty in the I&S tax rate**

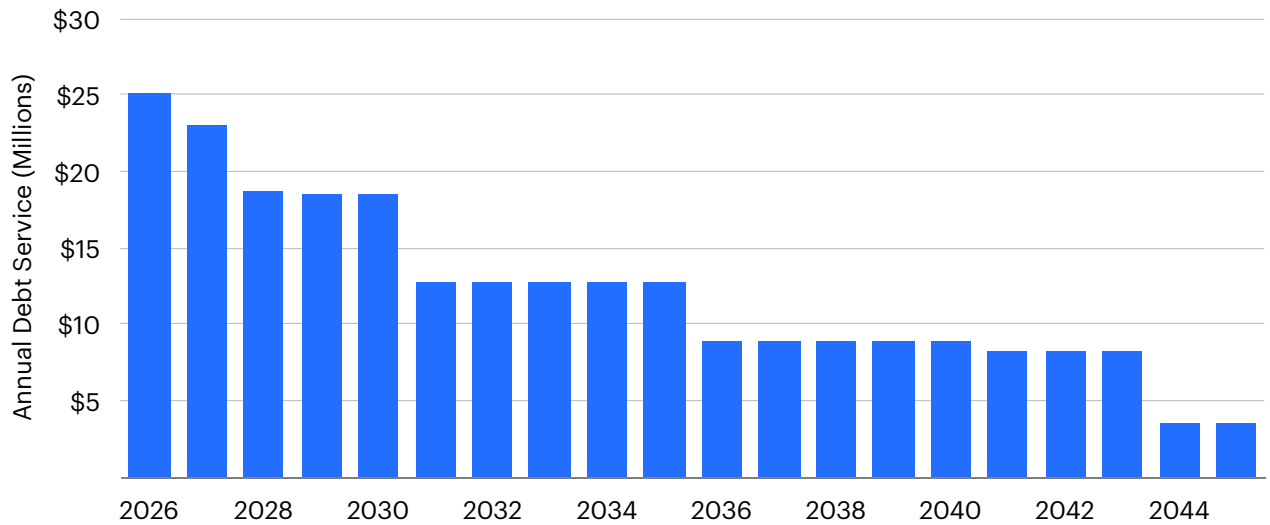


## I&S TAX RATE: FULL LRFPC PACKAGE

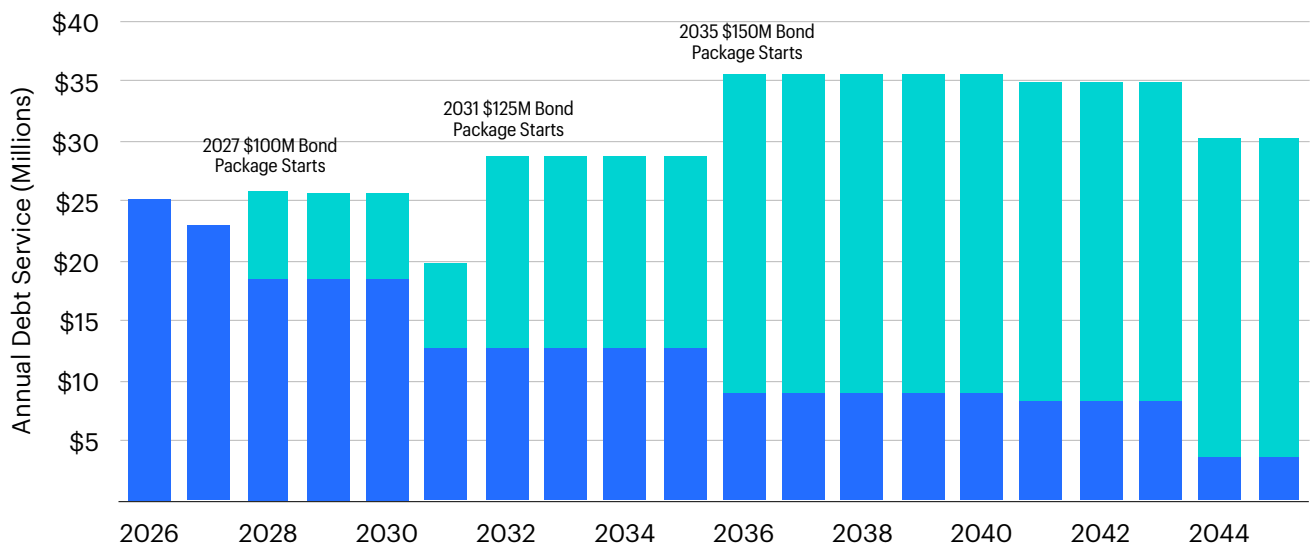
- 2027 total package = \$900M (\$800M Construction, \$100M M&O)
  - \$100M (M&O) sold summer 2027 with 20-year maximum maturity
  - \$200M (Construction) sold summer 2028 with 30-year maximum maturity
  - \$200M (Construction) sold summer 2030 with 30-year maximum maturity
  - \$400M (Construction) sold summer 2032 with 30-year maximum maturity
- 2031 M&O package \$125M sold summer 2031
- 2035 M&O package \$150M sold summer 2035



# CURRENT REQUIRED DEBT SERVICE



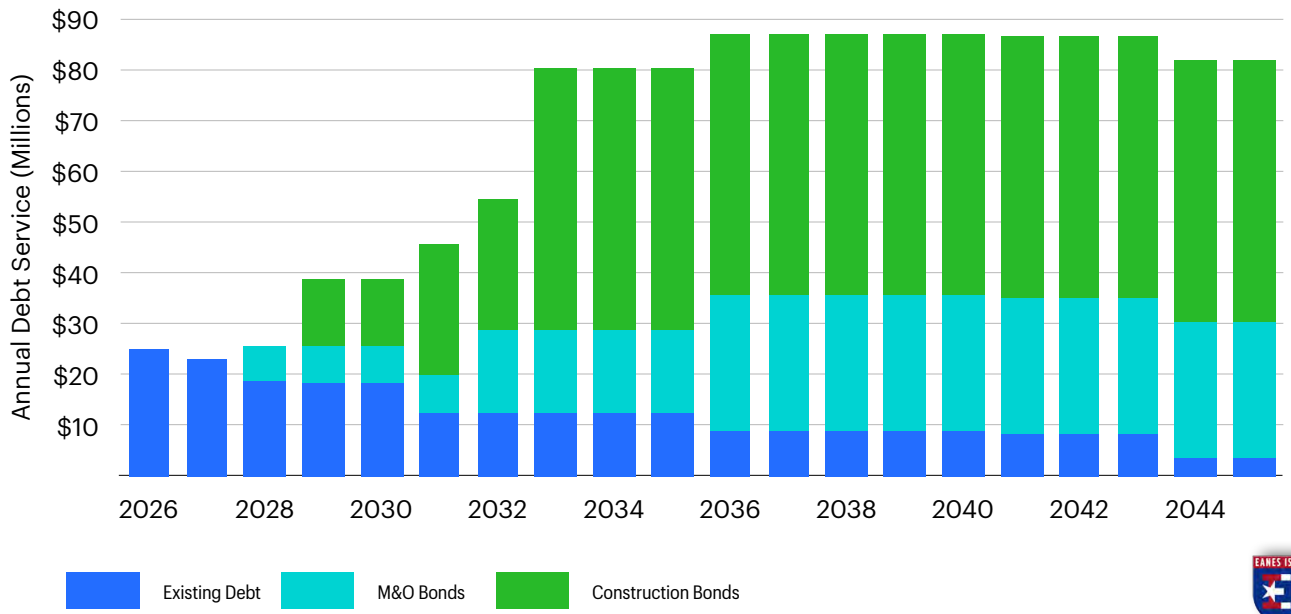
# BOND CAPACITY



Existing Debt      M&O Bonds



# BOND CAPACITY



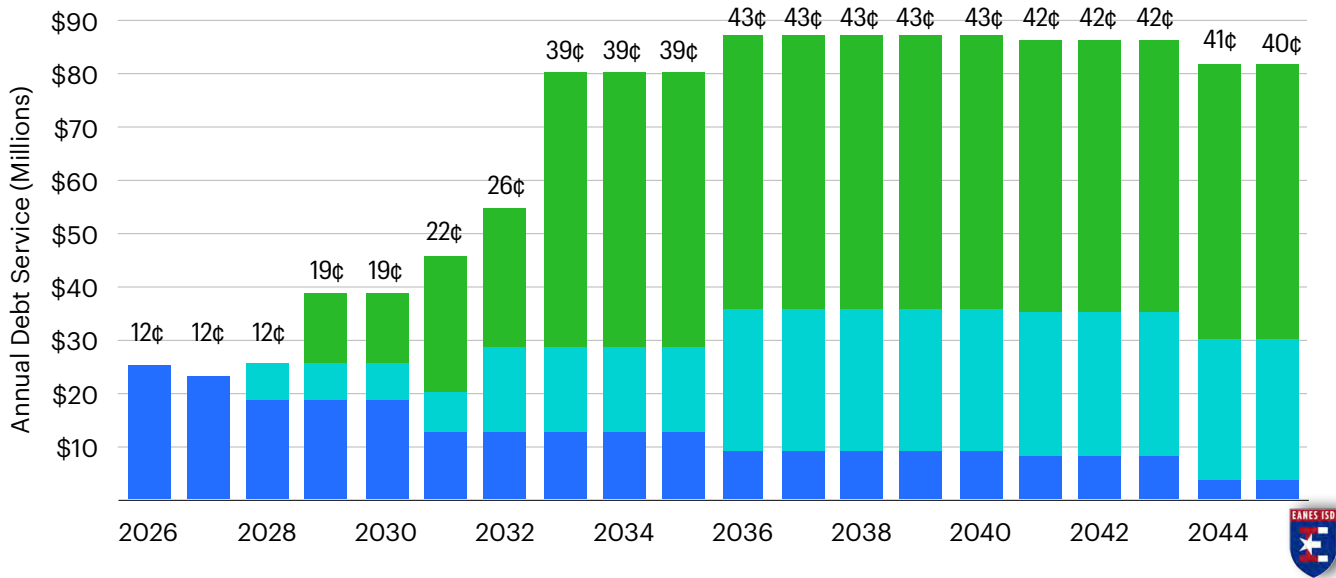
# I&S TAX RATE TO SERVICE DEBT (3 SCENARIOS)

- Assume No Tax Base Growth
- Assume 5% Tax-Base Growth (long-term average)
- Assume 2.5% Tax-Base Growth



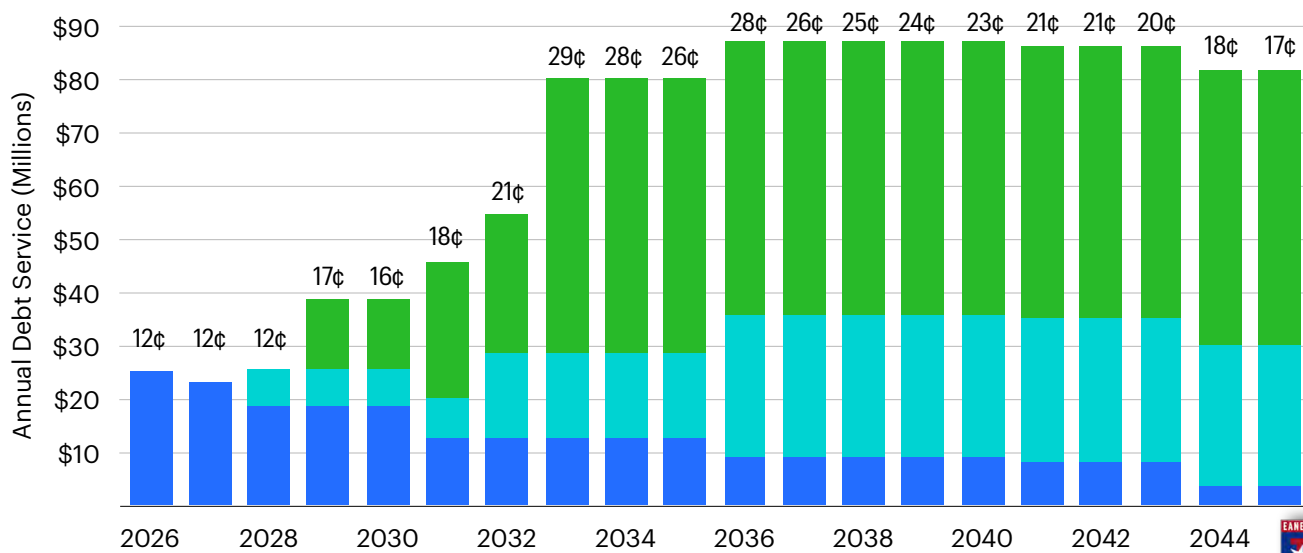
# LRFPC RECOMMENDATION

## SCENARIO 1: NO TAX-BASE CHANGE



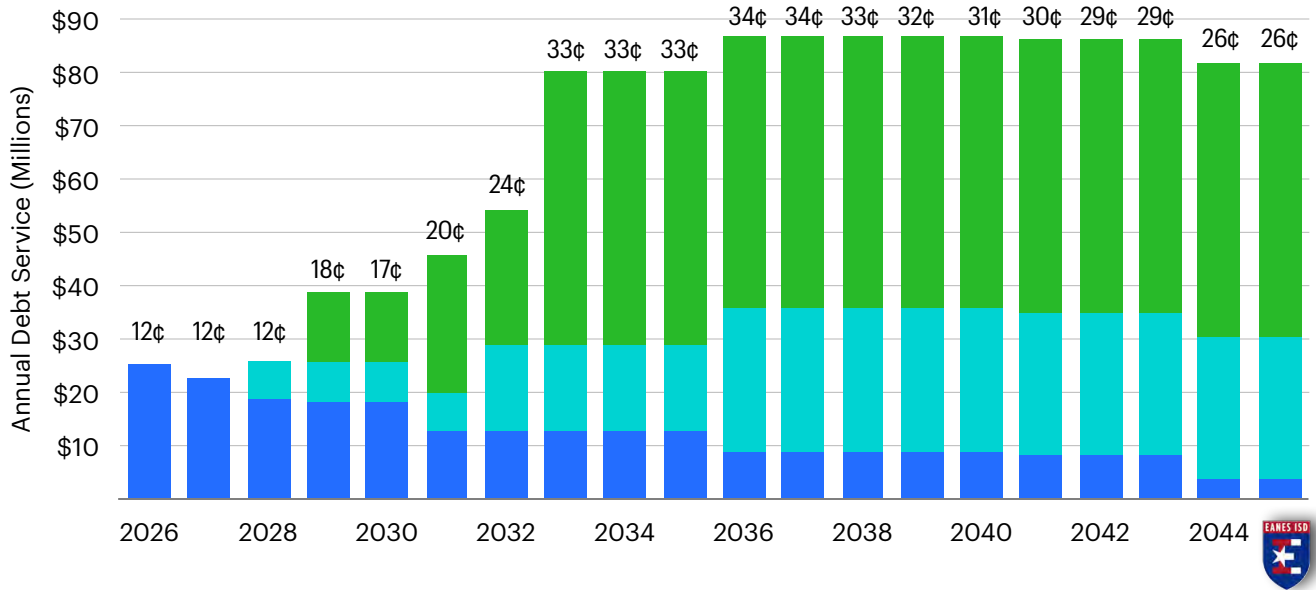
# LRFPC RECOMMENDATION

## SCENARIO 2: 5% ANNUAL TAV CHANGE



# LRFPC RECOMMENDATION

## SCENARIO 3: 2.5% ANNUAL TAV CHANGE



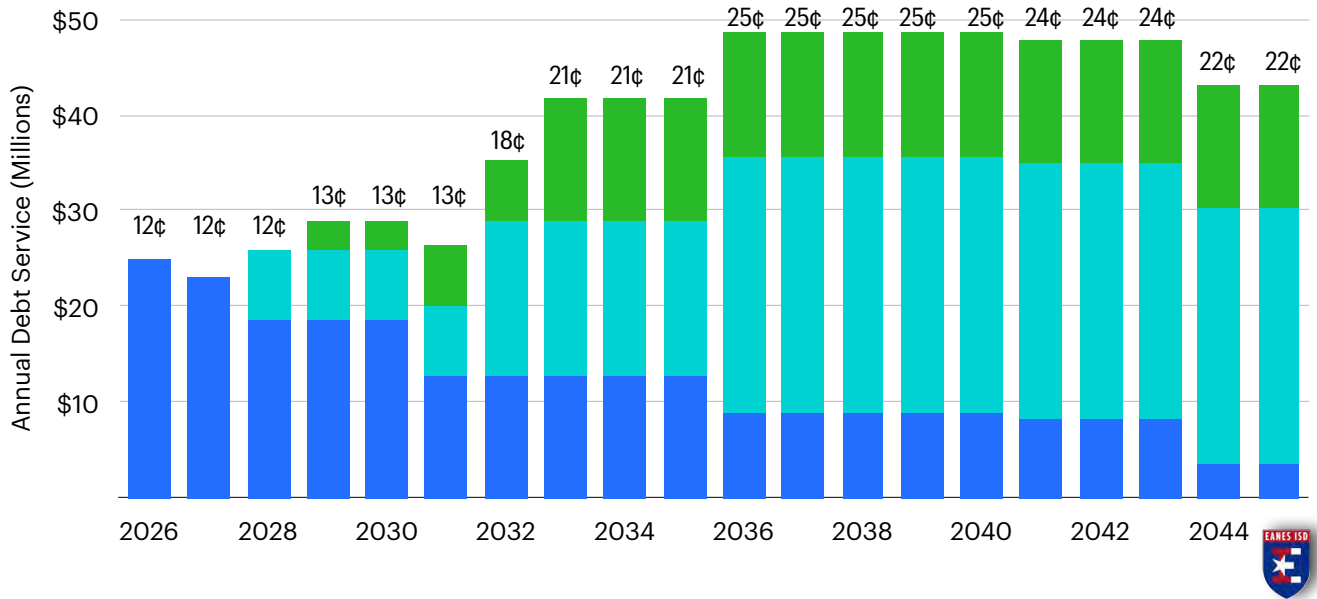
## I&S TAX RATE: REDUCED LRFPC PACKAGE

- \$200M Package - Assume no tax-base growth
- \$200M Package - 5% tax-base growth (long-term average)
- \$400M Package - Assume no tax-base growth
- \$400M Package - 5% tax-base growth (long-term average)



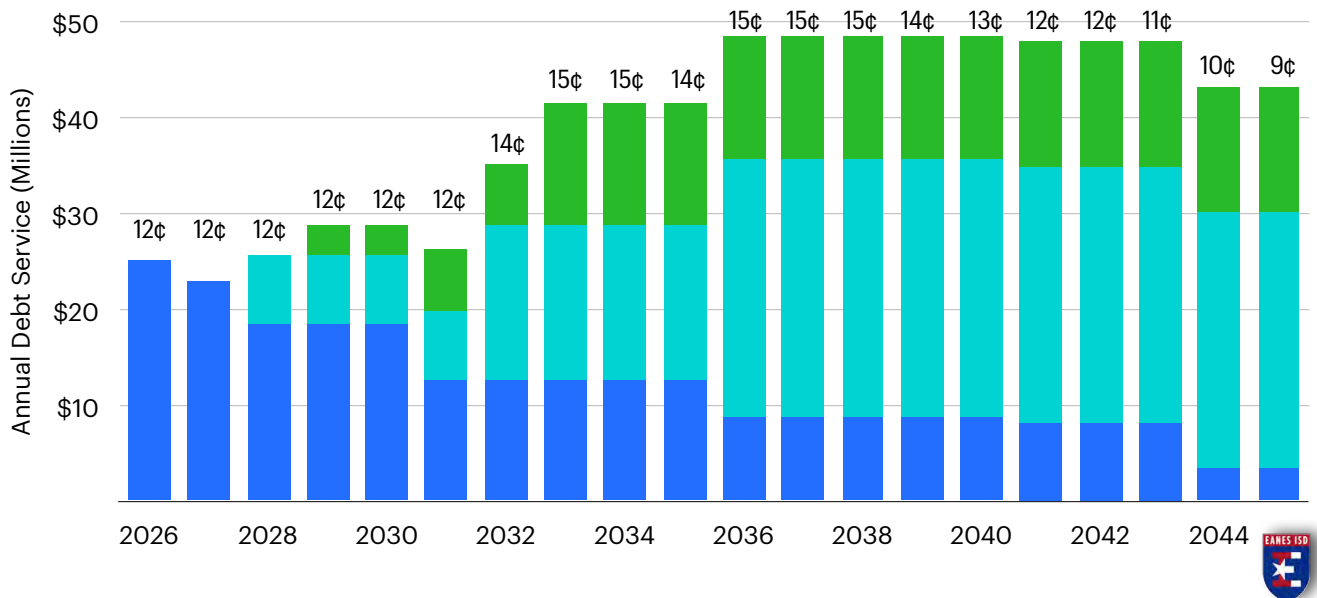
# \$200M PACKAGE, 0% TAV

includes maintenance projects



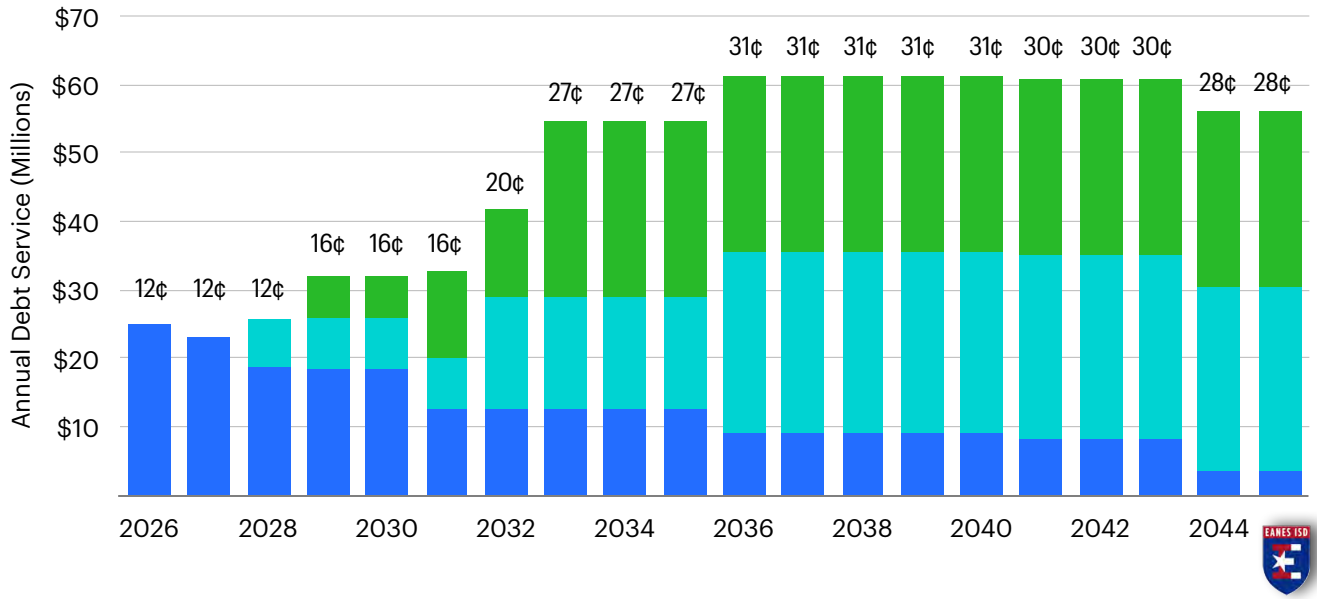
# \$200M PACKAGE, 5% TAV

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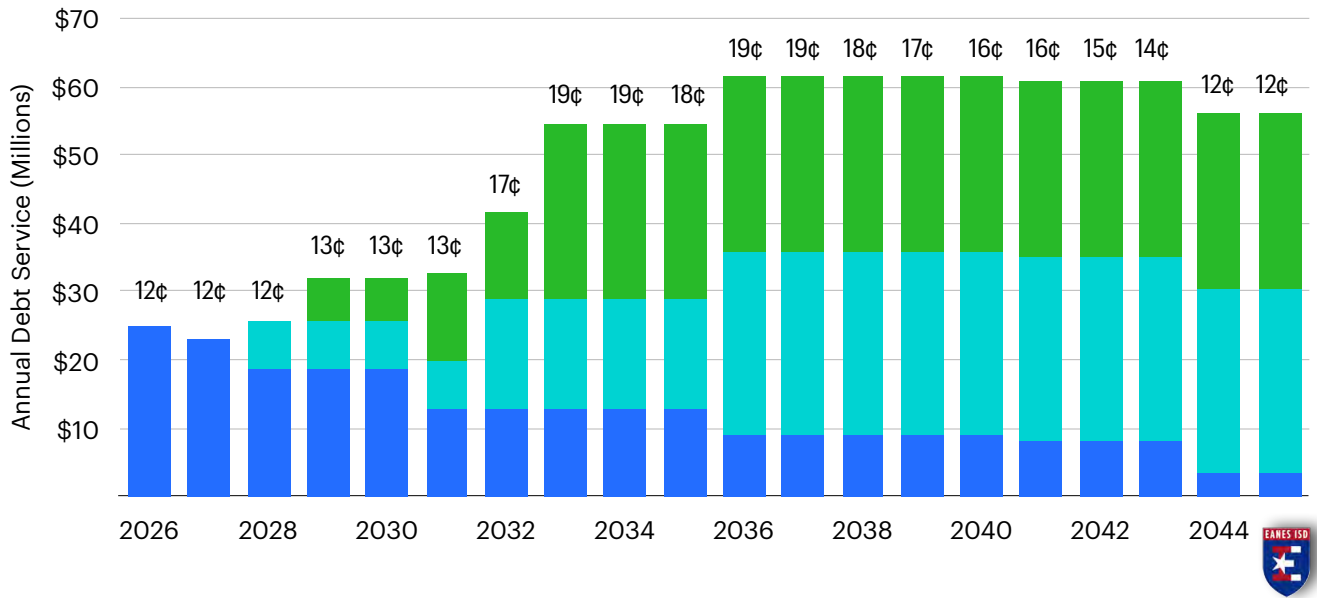
# \$400M PACKAGE, 0% TAV

includes maintenance projects



# \$400M PACKAGE, 5% TAV

includes maintenance projects



# SOURCES OF UNCERTAINTY

- Economic environment / Interest rate fluctuations
- Timing of cash needs
- Inflation
- Legislature
  - Decrease the age for frozen levies from 65 to 55
  - Capping property value annual increases at 3%
  - Increasing the homestead exemption
  - Elimination of public school property taxes



# 2027 BOND TIMELINE

## Spring 2026: Board of Trustees

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# Questions & Discussion

