

PORT NECHES GROVES ISD

BOND 2019 FAQ

What is a school district bond election?

School districts hold bond elections to seek approval from voters to sell bonds for the purpose of generating revenue to fund costs to build, renovate and equip school buildings.

Is PNGTSD having a bond election?

On August 12, 2019, the PNGTSD Board of Trustees unanimously approved an order calling for a \$130 million bond election to be held on November 5, 2019.

What is the bond election for?

The \$130-million-dollar bond is to build 4 new elementary schools. PNGTSD currently has 7 facilities that provide our Pre K- 5th grade education. This bond would consolidate the number of facilities from 7 to 4. The facility makeup and locations in each city are as follows:

	Groves	Port Neches
Campus 1	PreK-2 nd Grade Campus	PreK-2 nd Grade Campus
Campus 2	3 rd - 5 th Grade Campus	3 rd - 5 th Grade Campus
Location 1	Current Groves Elementary Site	Current Ridgewood Elementary Site
Location 2	Current West Groves Education Center Site	Current Woodcrest Elementary Site

Why does PNGTSD need new elementary campuses?

All of our elementary facilities were built in the 1950's - early 1960's which puts them at 60-70 years old. It is becoming increasingly expensive to maintain these buildings. These buildings were also never constructed to accommodate the number of students we currently serve. All campuses are over capacity. There are many new safety and security measures that we are unable to adequately install in these facilities due to their age. PNGTSD is passionate about providing our PreK-5th grade students, staff, families and community with NEW, SAFE, SECURE, and EFFICIENT Pre K- 5th grade facilities.

Did the school district seek community input before calling for a bond election?

Yes. This district has been talking about this bond with a community advisory group since 2015. The community advisory group was focused on consolidating the existing campuses, and to splitting by specific grade levels in order to keep the campuses at a manageable size with the same community school feel. On September 14, 2015 the Community advisory committee advised the board to move forward with a bond. Unfortunately, Hurricane Harvey happened along with industry changes and the district decided to put the bond on hold. On February 28, 2019 the district reconvened meeting with the community advisory committee to discuss the state of our elementary campuses. On March 18, 2019 the community advisory committee met once again and reaffirmed their original recommendation. They advised the board to move forward with a bond election to construct new elementary campuses.

Are the four new elementary schools proposed in this bond planning for future growth?

Yes. The new elementary schools will be designed to accommodate our existing students and projected future growth. The schools will be designed to accommodate 25% more students than the current enrollment. Additionally, the schools will have flexible space that could easily be converted to teaching spaces to accommodate another 10-15% growth or spike in enrollment.

Will there be any staff reductions as a result of consolidated campuses?

No. We will still be serving the same number of students and will need the same number of staff members.

If the bond passes, what will happen to the existing campuses?

The site of Taft Elementary will be kept as-is. Port Neches Elementary and Van Buren Elementary, which are currently co-located with PNMS and GMS, will be demolished and replaced with grass area.

If the bond passes, will there be an increase in traffic around the new schools?

The new campuses are designed with the goal of accommodating all bus and carpool pick-up/drop-off within the site, reducing the amount of standing traffic on neighboring streets and increasing safety of pedestrians and bike riders.

If the bond passes and new schools are built, how will the new schools storm water runoff impact the area?

The new campuses will be designed in accordance with current storm water guidelines, with increased capacity of onsite storm detention, greatly reducing the amount of runoff to surrounding areas.

If the bond passes, will the tax rate for our senior citizens, those 65 and older, be increased?

No, unless they are paying less than their tax ceiling (amount where their taxes are "frozen". The State Property Tax Code allows for school property taxes on an individual homestead to be "frozen" at the age of 65. If you are 65 years of age or older and you have filed for the "Over 65 Homestead Exemption", there is a ceiling on the amount of school taxes to be paid. The only exception is if improvements are made to the home. PNGTSD only controls the school tax rate, not the appraised value of the house. As such, a tax increase from a new bond program cannot increase the applicable tax ceiling of a taxpayer that has qualified for the "Over 65 Homestead Exemption."

What is the tax impact and cost of the bond program?

The district's tax rate has two components:

A Maintenance & Operations (M&O) tax rate for operational expenses and an Interest & Sinking Fund (I&S) tax rate for repayment of bonds. For the current school year, the district's M&O property tax rate per \$100 of taxable value was reduced by 10 cents due to a state mandate, with the state increasing their funding to school districts to offset the loss of local property tax revenue.

The following table illustrates the expected total tax rate effect from the issuance of \$130,000,000 in bonds in 2020 along with the state mandated reduction.

	<u>Adopted 18-19</u>	<u>Adopted 19-20</u>	<u>Projected 20-21*</u>	<u>Projected 21-22*</u>
Maintenance & Operations	\$1.17000	\$1.06835	\$1.06835	\$1.06835
Interest & Sinking	\$0.27441	\$0.27440	\$0.32890	\$0.39850
Total Tax Rate	<u>\$1.44441</u>	<u>\$1.34275</u>	<u>\$1.39725</u>	<u>\$1.46685</u>
Change in Total Tax Rate		(\$0.10166)	\$0.05450	\$0.06960
Cumulative Change		(\$0.10166)	(\$0.04716)	\$0.02244

* Not shown in the M&O tax rate is another possible state mandated rate reduction.

This rate reduction could be as much as 4 cents.

If the bond passes what will it cost me annually and per month?

The tables below will show your estimated annual and monthly cost. Keep in mind the total bond will not be sold immediately. It will occur over two years so the numbers below reflect the tax impact after all bonds are issued.

Projected maximum effect of the issuance of \$130 million in bonds, coupled with the state mandated M&O tax rate reduction, by the year 2022 is a net increase of 2.244 cents per \$100 of a homeowner's taxable value. Table 1 illustrates that change.

Table 1

This table illustrates the tax increase compared to your 2018 tax year where the tax rate was \$1.44.

Appraised Home Value	State Mandated Residential Homestead Exemption	20% Optional Homestead Exemption provided by PNGTSD*	Taxable Value	Maximum Annual Tax Impact	Maximum Monthly Tax Impact
\$75,000	\$25,000	\$15,000	\$35,000	\$7.85	\$0.65
\$100,000	\$25,000	\$20,000	\$55,000	\$12.34	\$1.03
\$125,000	\$25,000	\$25,000	\$75,000	\$16.83	\$1.40
\$150,000	\$25,000	\$30,000	\$95,000	\$21.32	\$1.78
\$175,000	\$25,000	\$35,000	\$115,000	\$25.81	\$2.15
\$200,000	\$25,000	\$40,000	\$135,000	\$30.29	\$2.52
\$225,000	\$25,000	\$45,000	\$155,000	\$34.78	\$2.90
\$250,000	\$25,000	\$50,000	\$175,000	\$39.27	\$3.27
\$300,000	\$25,000	\$60,000	\$215,000	\$48.25	\$4.02
\$350,000	\$25,000	\$70,000	\$255,000	\$57.22	\$4.77

*This is an additional 20% homestead exemption approved by the PNGTSD Board of Trustees.

Table 2

This table illustrates the tax increase compared to the compressed tax rate to your 2019 tax year where the tax rate was \$1.34. Currently we plan to issue half the bonds in 2020 and the remaining half in 2021, resulting in an estimated maximum tax increase to taxpayers of 12.4 cents per \$100 of taxable value for the 2021 tax year.

Appraised Home Value	State Mandated Residential Homestead Exemption	20% Optional Homestead Exemption provided by PNGTSD*	Taxable Value	Maximum Annual Tax Impact	Maximum Monthly Tax Impact
\$75,000	\$25,000	\$15,000	\$35,000	\$43.40	\$3.62
\$100,000	\$25,000	\$20,000	\$55,000	\$68.20	\$5.68
\$125,000	\$25,000	\$25,000	\$75,000	\$93.00	\$7.75
\$150,000	\$25,000	\$30,000	\$95,000	\$117.80	\$9.82
\$175,000	\$25,000	\$35,000	\$115,000	\$142.60	\$11.88
\$200,000	\$25,000	\$40,000	\$135,000	\$167.40	\$13.95
\$225,000	\$25,000	\$45,000	\$155,000	\$192.20	\$16.02
\$250,000	\$25,000	\$50,000	\$175,000	\$217.00	\$18.08
\$300,000	\$25,000	\$60,000	\$215,000	\$266.60	\$22.22
\$350,000	\$25,000	\$70,000	\$255,000	\$316.20	\$26.35

*This is an additional 20% homestead exemption approved by the PNGTSD Board of Trustees.

If the bond passes, how long will the district carry the bonds?

The district's current plan is to pay the bonds in 25 years, which is the average.

If the bond passes, what are the preliminary estimated construction and move in dates?

	Projecting start of Design	Projected Move In Date
3rd - 5th Grade Campuses	January 2020	Fall 2022
Pre K - 2nd Grade Campuses	January 2021	Fall 2023

When is the last time PNGTSD passed a bond?

PNGTSD taxpayers approved a \$123-million-dollar bond on May 12, 2007. It was a 25-year program and will be paid off February 15, 2034.

When will the bond election be held?

The general election will be November 5, 2019. Early voting will begin Monday, October 21, 2019 and will end on Friday, November 1, 2019.

How soon do I have to register to vote in order to vote in the November 5th election? Where do I go to register to vote?

The last day to register to vote in the November 5th election is Monday, October 7, 2019. If you would like to register to vote, you may pick up a voter registration card at the post office or you can register online by going to www.vote.texas.gov

Where and when can I vote?

You can early vote for the bond election at any early voting location in Jefferson County. The locations available in Groves and Port Neches are listed below.

Early Voting Dates and Times

Groves Activity Building
6150 39th Street
Groves, TX 77619

Hebert Library
2025 Merriman St.
Port Neches, TX 77651

Monday, October 21 - Friday, October 25th

8:00 a.m. - 5:00 p.m.

Saturday, October 26th

7:00 a.m. - 7:00 p.m.

Monday, October 28th - Friday, November 1st

7:00 a.m. - 7:00 p.m.

Election Day

Tuesday, November 5th

7:00 a.m. - 7:00 p.m.

Groves Public Library
5600 West Washington
Groves, TX 77619

Hebert Library
2025 Merriman St.
Port Neches, TX 77651

Groves Activity Building
6150 39th Street
Groves, TX 77619

Port Neches City Hall
1005 Merriman
Port Neches, TX 77651