

QUESTIONS & BASIC FACTS

About the Devine ISD Bond Election

What is a School Bond?

Similar to a home mortgage, bonds are bought from competing lenders in order to have funds to begin construction or renovation. They are repaid over a period of years in annual principal installments and semi-annual interest payments. Most school districts in Texas use bonds to build and maintain facilities. Bonds are paid for with local interest and sinking (I&S) tax revenues.

For what purposes can bond money be used?

Proceeds from bond sales can be used ONLY for construction, renovation, and equipment of school buildings in the District, including wiring for technology. Bonds can only be used as detailed in the original election order and as appearing on the election ballot. Devine ISD's plan is to use the money ONLY for instructional facilities and restroom renovations.

What is the difference between bond authorization and bond sales?

Approval of the bonds by the voters is an authorization to sell bonds up to a maximum limit. The active date and amounts of each bond sale are determined by the Board and only for amounts needed. Bonds do not cost the district taxpayers anything until sold. Devine ISD's Board has pledged to NOT sell any bonds if the district does not receive the State Instructional Facilities Allotment (IFA) financial assistance which is expected to pay approximately 62% of the cost of the classroom and restroom projects.

When was the last Bond Election?

In 1998, Devine approved a \$5,150,000 bond as follows:

- New 3rd Grade Wing & K-5 cafeteria to accommodate growth
- New DHS Science wing/DHS Library to accommodate growth
- Ag Building, partially paid with bond funds

What projects have been completed from 2000-2008?

Essentially, the 1998 bond completed the projects listed above to accommodate growth and program demands; the district paid for these projects with a bond and a Maintenance Tax note. In 2006, DISD Board approved another \$2.5 million Maintenance Tax note for Devine Intermediate/Ciavarra Elementary Kindergarten renovations:

- Renovation of Ciavarra Elementary Kindergarten classrooms
- Renovation of the 4th and 5th grade wings

These above projects were paid with Maintenance Tax note that is paid back annually with M & O daily operations money and does not qualify for Instructional Facilities Allotment (IFA) financial assistance; thus, the local district pays the full cost of a Maintenance Tax note, reducing the amount of day-to-day money available for salaries, equipment, and materials.

Other projects included construction of a new DHS/DMS workout facility, renovation of two K-5 science labs, renovation at the football and baseball fields which included a new concession stand and restrooms. Devine ISD has paid for these projects and daily building maintenance with local funds (M&O), typically used for salaries, materials, and equipment.

Did DISD apply for IFA funds for the projects listed above?

Yes, the District applied for and received IFA funds for the facilities built with the 1998 bond. There were not enough bond funds to complete the DHS Ag Building without a Maintenance Tax Note which does not qualify for IFA financial assistance.

Is the 2008 bond election tied to IFA state funds?

Yes, the DISD Board will NOT issue any bonds if DISD does not receive the state assistance. At expected funding levels, receipt of IFA assistance means that the local taxpayers will get the new building/renovation of classrooms and restrooms by paying approximately 38% of the cost and the State of Texas will pay the rest of the building/renovation cost.

When would the construction begin and how long will it take to complete all projects?

The Devine School Board and the architects estimate approximately two years to complete plans, to issue/sell bonds, to select contractors, and to finish the main construction of 12 classrooms at DMS. This project could take approximately two and a half-years until completion date. The projected start date is after January 2009. The renovations of DHS, DMS, and Ciavarra Elementary restrooms may occur more quickly since there is no major construction involved with those projects. The renovation of Ciavarra Elementary classrooms will occur 4 classrooms at a time to allow teachers to move to portable buildings as the kindergarten teachers have done during this year's renovation of the kindergarten wing.

If the bond passes, will all funds be spent on classrooms and restrooms?

Yes, the School Board has prioritized the district's needs, based on increased student population. Bond proceeds would fund the 12 DMS classrooms and the restroom renovation at DHS, DMS, and Ciavarra Elementary as well as renovation of 1st and 2nd grade wings; however, if any funds remained from the bond sale, the Devine School Board has set other priorities which include an expansion of the K-5 cafeteria to accommodate the larger student population and furniture for the 12 new DMS classrooms/labs. All funds must be used on instructional facilities only.

How will the bond election affect a taxpayer who is over 65?

Homeowners who are aged 65 or older, or are disabled, and are owners of an **exempted** homestead will benefit from the school tax compression in 2007. These homeowners with an over-65 homestead exemption will not see an increase in their taxes, unless new improvements are made to their homes, because their taxes are frozen at the time of their 65th birthday. To have your taxes frozen, if you are 65 or older, you must make application to the Medina County Appraisal District.

Where can I get more information about the bond issue?

You can contact the Devine Interim Superintendent's office at 830-851-0710 and additional newsletters will be released to the Devine News each week. Also contact any Board member to obtain more information or to invite a Board Member to speak about the bond election at your group or club.