

2011 PROPOSED BOND Frequently Asked Questions

Q: What is a bond?

A: Similar to a family's home mortgage, school districts issue loans, known as bonds, to pay for capital expenditures. Districts repay the bonds through revenue generated from property debt tax. The community must approve capital improvement bonds issued by a school district.

Q: How can bond dollars be used?

A: Under Texas law, bond proceeds may only be used to pay for non-recurring expenditures for items with a useful life of more than one year, such as facility construction or renovation, computers, library books, curriculum, calculators, musical instruments or uniforms, among others.

Bond proceeds may not be used for recurring expenses such as employee salaries or utilities.

Q: How will the proposed bond impact instruction?

A: The 2011 bond, if approved by voters, would include updated equipment and programs for all curricular areas. In alignment with the RISD Vision 2020, the district also plans to purchase additional student technology devices.

We expect to purchase up to 16,000 devices for students and staff over the five year period. That is expected to include approximately 4,000 laptops for teachers and staff, and up to 12,000 devices for students. All RISD campuses would utilize a wireless network, providing access to all students and teachers in every classroom.

Q: Are taxes frozen for those residents over age 65?

A: Yes. Once individuals are 65 or older, they can complete a homestead exemption form to have their property taxes frozen at the rate at the time that they turn 65. An individual must complete the tax form through the Dallas Central Appraisal District.

Q: Would the school tax rate increase with the proposed bond?

A: No. If the RISD community approved the proposed \$170 million bond, the property debt tax rate for RISD property owners would remain at the current debt tax rate and not increase.

Q: What portion of RISD's revenue comes from property taxes?

A: Property taxes generate all of RISD's debt service revenue (funds used to pay for bonds). In addition, property taxes generate 64.9% of RISD's operating revenue (primarily used for recurring expenses such as salaries and utilities).

Q: When was RISD's last bond referendum?

A: In 2006, the RISD community approved a \$145.4 million bond. The 2011 proposed bond is \$170 million. Historically, the RISD community has passed every school referendum since the district was formed.

Q: Are bond funds subject to the state's recapture system?

A: No. 100% of debt tax revenue remains within the district.

Q: Would a potential RISD bond impact the recently approved City of Richardson bond?

A: No. RISD's proposed bond is separate.

Q: How would this bond be presented for a vote?

A: On Feb. 21, 2011 the RISD Board approved the calling of a May 14 bond election for one proposition at \$170 million.

Q: How will the district share the proposed bond information with the community?

A: To date in the bond planning process, the district has visited with Principals, departments and staff and conducted walkthroughs at all RISD campuses. Additionally, RISD staff has met with external and internal district committees and groups, such as the Budget Review Team, the Bi-Racial Committee, the Parent Advisory Council, Realtors Supporting Richardson Schools and the RISD Council of PTAs, among others.

The district provided a bond planning survey, open to all stakeholders, during November and December 2010, and the district held four informational Town Hall meetings during January 2011 in each high school attendance area to gather more input. Currently, all bond planning information is available online at www.risd.org/bond.

Additionally, district stakeholders can call the 2011 Bond Hotline at 469.593.VOTE.

Q: Does the Texas Legislature's expected changes to school finance law affect RISD's proposed 2011 bond?

A: No. Legislative changes to the state's funding of schools are expected to affect the maintenance and operations budget.

Q: Does the proposed bond include new construction?

A: No. The majority of building renovations in this bond target campuses built in the 1970s.

Q: Why are renovations proposed primarily at campuses built in the 1970s?

A: The 2001 bond was the first phase of RISD's 20-year master facilities plan. The 2001 bond addressed the oldest buildings, typically the 1950s, and the 2006 bond focused on buildings from the 1960s. The 2011 proposed bond would focus on schools built in the 1970s, based on their conditions.

Q: Which 1970 campuses are proposed for renovations in this bond?

A: Proposed renovations include the following campuses built in the 1970s: Apollo Junior High, Forest Meadow Junior High, Liberty Junior High, Parkhill Junior High and the following elementary schools: Big Springs, Brentfield Intermediate and Primary, Dartmouth, Jess Harben, Merriman Park, Moss Haven and Richland.

Q: What happens if funds for capital projects are needed prior to a bond passing?

A: Some capital expenses, such as anticipatory design work, can be paid from operating funds and then reimbursed from bond proceeds.

Q: Is RISD currently operating in the 'black'?

A: Yes. RISD has continued to operate under a balanced budget for a number of years.

Q: How does the district issue new bonds?

A: If voters approve the 2011 proposed bond in May, then the district would recommend that the Board approve authorization to sell the \$170 million in bonds incrementally over five years.

Q: What will happen if the bond is not approved by voters?

A: The district would not have funds for capital expenditures. Emergency capital expenditures would be paid from operating funds, which would require budget reductions and/or property tax increases. The two ways the district can increase property taxes is through a tax ratification election (TRE) or the elimination of the local optional homestead exemption.