



SAN FELIPE DEL RIO CISD

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For Immediate Release

BOND DEBT RELIEF FOR SFDRCISD TAXPAYERS

Local taxpayers are expected to receive tax relief through state and local strategies. First, there are two notable statewide propositions on the November 4th ballot that would decrease the amount that local taxpayers will pay towards the District's proposed \$50 million bond referendum, should voters approve it. The statewide propositions are:

1. State of Texas Proposition 11
 - This proposition calls for increasing the homestead exemption specifically for school district taxation for the elderly and the disabled.
2. State of Texas Proposition 13
 - This proposition calls for an increase to the homestead exemption from \$100,000.00 to \$140,000.00 for all homeowners.

The school district will rely on the Texas Education Agency's highest bond rating to secure the lowest interest rate possible. SFDRCISD expects to receive a 4.54% interest rate over a 30-year period. This rate is highly favorable, especially when compared to a 30-year prime rate of 7.25% for a home mortgage loan.

Next, the State of Texas will contribute approximately **\$10,135,682.00** through the state's Existing Debt Allotment (EDA). This program provides bond debt relief for all instructional facilities constructed under a voter approved bond program.

Additionally, the local school district will employ various strategies, which will decrease interest rates while increasing the ability to complete all construction projects.

1. If approved, instead of selling all bonds at once, SFDRCISD will decrease the potential for accrued interest by selling the bonds in two sets, two years apart. The District would sell the first set of bonds (\$25 million worth of bonds) in 2026, and the second set of bonds in 2028.
2. Secondly, the District will invest proceeds from the bonds until it is time to pay for architects and contractors. Implementing this strategy would typically provide well over \$1 million dollars in additional funding.
3. Finally, SFDRCISD would look to exercise its ability to refund (refinance) its outstanding bond indebtedness approximately every 10 years. By doing so, the District can typically realize savings of between 5% and 7% of the remaining interest costs on the outstanding balance.