

MULESHOE INDEPENDENT SCHOOL DISTRICT

Preliminary Bond Program Information

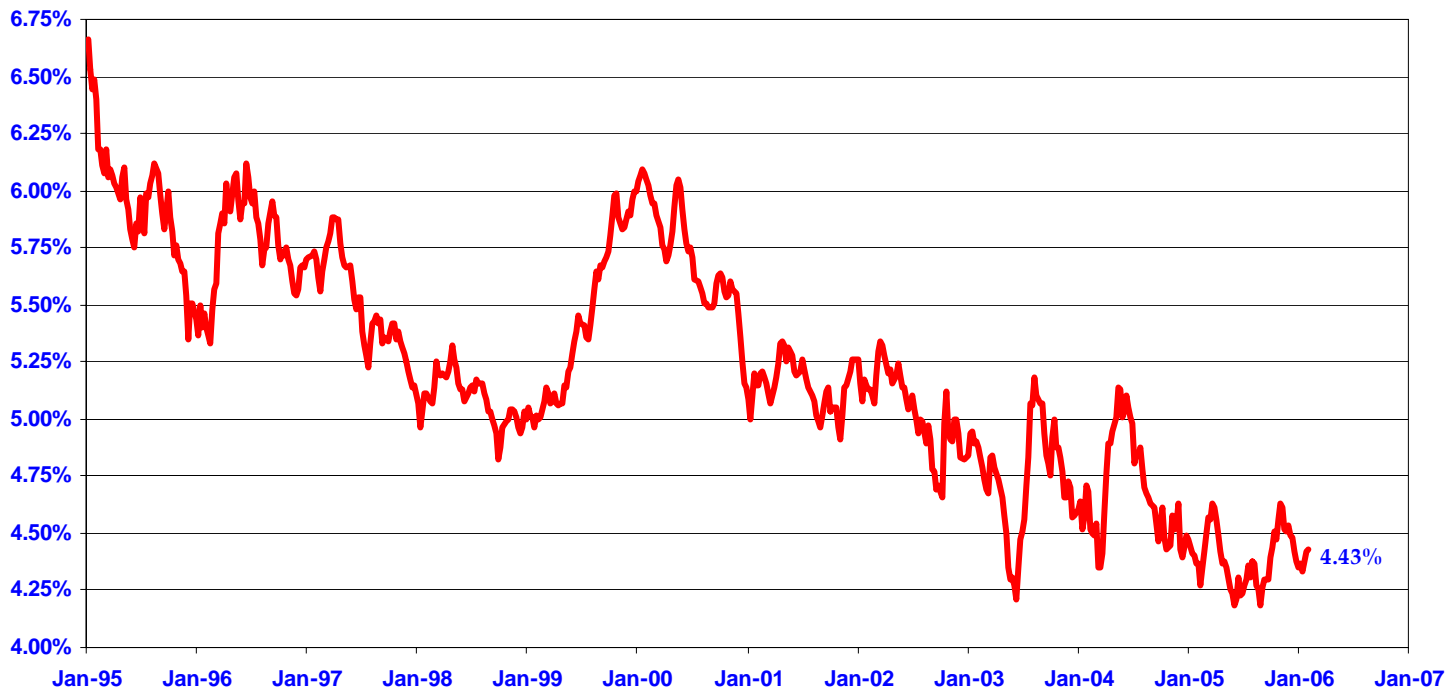
February 9, 2006



BOND MARKET UPDATE

BOND BUYERS INDEX OF MUNICIPAL BONDS

January 1995 - February 2006



STATE FUNDING

- Instructional Facilities Allotment (IFA)
 - Wealth per ADA Equalization @ \$35
 - Application Process
 - An ADA of 1,350 and a Taxable Value of \$185,000,000 produces a Wealth per ADA equal to \$13.70
 - State Share = 60%, Local Share = 40%
 - Bond Size Covered is Limited (Approximately \$5,000,000 for MISD)

STATE FUNDING

- Existing Debt Allotment (EDA)

- Wealth per ADA Equalization @ \$35 (MISD = \$13.70)
Approximately 60% State Share and 40% Local Share
- Three Parts to Eligibility
 - Legislative Roll Forward of the Program (1/07 to 5/07)
 - Bond Payment in Year Preceding State Fiscal Biennium
 - Tax Effort in Year Preceding State Fiscal Biennium
(i.e. Vote Bonds May 2006, Set Compressed I&S Tax Rate August 2006, Collect State Aid Fiscal Years 2007/08 and 2008/09)
- Larger Bond Size Covered than IFA (Approximately \$20,000,000 for MISD)
- What Happens if the Bonds are not Rolled Into the Program?

PRELIMINARY BOND PROGRAM ANALYSIS

- Conservative Assumptions Used for the Following Results

					Estimated I&S Tax Rate
\$ 5,000,000 With No State Aid					19.5¢
\$10,000,000 With No State Aid					38.5¢
\$ 5,000,000 Contingent on State Aid					7.5¢
\$10,000,000 Contingent on State Aid					15.0¢
\$15,000,000 Contingent on State Aid					22.5¢
\$20,000,000 Contingent on State Aid					30.0¢

SAMPLE HOMEOWNER TAX IMPACT

Cost to Homeowner of a 30¢ Increase for Voted Bonds		
Home Value Before Exemptions	Home Value After \$15,000 Exemption	Projected Monthly Tax Increase
\$50,000	\$35,000	\$8.75
75,000	60,000	15.00
100,000	85,000	21.25
125,000	110,000	27.50
150,000	135,000	33.75
175,000	160,000	40.00
200,000	185,000	46.25
No Tax Increase above the frozen level on the Homestead of Taxpayers 65 years of age and older who have applied for and received the Age 65 Freeze		

ADDITIONAL DISCUSSION ITEMS

- Election Code Changes & Available Election Dates
 - May 13, 2006 (March 12, 2006)
 - November 7, 2006 (August 29, 2006)
 - May 12, 2007 (March 11, 2007)
- \$1.50 Maintenance Tax Limit
- Other?