

# CPSB DISTRICT 34 BOND ELECTION 2017 FAQ



## **What is a bond issue? How does a bond issue work?**

A bond issue is essentially similar to a mortgage. It is a way for a government body to “borrow” money for major projects that cannot be paid for in more direct ways. Bond issues are how the CPSB has traditionally financed school construction, expansion, and renovation.

### **(Example for a \$40M Bond Issue)**

- 1) If voters approve, borrowing the money is authorized as well as the levy of a property tax for 20 years.
- 2) After the approval, CPSB will sell \$40M in bonds and put the money in a separate account dedicated specifically for the construction associated with the bond issue.
- 3) Projects will be bid and completed in phases to maximize efficiency and minimize disruption and pricing.
- 4) Taxes are collected over the next 20 years to pay off the principle and interest on the bonds.

If the total assessed values increase, the tax paid by each individual can actually decrease. The “tax rate” for property taxes is called a “millage” and it is charged on a percent of the assessed value of the property.

## **Who is eligible to vote? Who will be paying? Do apartment complexes pay?**

The eligible voters are the residents of Bonding District 34, which is essentially the attendance zone of Barbe High School. Maps are available on the CPSB website under “school zones”. The taxes would be levied on the assessed value of all residential property (after homestead exemption) and all commercial and industrial property including inventories. This includes the new apartment complexes being built all over the area. Businesses and industries pay at a higher rate than residences and they pay on much higher assessed values. (see included chart #2 on top tax-payers)

## **Is this one tax or two? Do I vote on both? Why are there two?**

The voting will be for two separate propositions as described in the flyers and other materials. Voters will vote yes or no to each one separately and each one can pass independently of the other. Each proposition is to approve the debt, levy the tax, and dedicate the money for the associated construction. The board members feel that since the new facility at Barbe High School is such a significant portion of the cost, the voters deserve to be able to decide on it separately.

## **Why are you proposing a new tax now? What happens if it fails?**

There has not been a tax passed in Bonding District 34 for 15 years. The buildings are maintained by the CPSB operating budget but they are structurally aging and need major renovations to modernize them and make them last many more years. Additionally, there is obviously a tremendous amount of growth in South Lake Charles because of the economic boom and the general shifting of the population south. The school facilities in the area need to grow to keep up with the growing student bodies. The South Lake Charles board members understand how anti-tax and anti-government the current environment is but agree that it is critical to be proactive and prepare for the growth that is coming. If the bond issues fail CPSB will continue to maintain the existing buildings, but crowding will only get worse, and roofs which are already deteriorating, will become a major problem without funding.

## **How much is this going to cost me?**

Probably significantly less than you think. Please see the attached chart #5 or refer to one of the bond issue flyers.

## **What happened to all the gambling money?**

CPSB has averaged \$2.85 million in dedicated revenues from “riverboat head tax” for the last ten years, the money has been used across the parish for one-time expenditures like land purchases and classroom construction. The classroom buildings (Pods) are the tan concrete block buildings that have been built in configurations of 2, 4, 6, 8, or 16 classrooms. There are 136 riverboat funded classrooms built or being built in Southwest Lake Charles. See attached chart #1.

## **Can the sales tax that was just passed in 2015 be used to fund the construction of any school facilities?**

No, that tax was dedicated specifically to salaries and benefits and it funded a raise for all employees based around a \$4,000 raise for teachers. The tax has over performed expectations in its first two years because of the economic boom, but the money is still dedicated to that purpose. What hasn’t already been paid out is waiting in a dedicated fund for future salaries, stipends, and benefits related expenditures. Detailed accounting of this tax can be obtained by contacting the CPSB accounting department.

## **When was the last bond issue passed in Southwest Lake Charles (Barbe District) and what did it pay for?**

There were two propositions passed by the voters on July 20<sup>th</sup>, 2002.

- 1) **Proposition #1**      **\$34,000,000**  
Barbe High School - New 2-story Comp-Sci building, field house, renovations.  
S.J. Welsh – New 6<sup>th</sup> grade building.  
New St. John Elementary  
Additions and renovations at Nelson, Prien Lake, Dolby, College Oaks, and Barbe Elem.
- 2) **Proposition #2**      **\$1,750,000**  
New Barbe High School Football Stadium

## **How has student count changed in the last few years? Is the “boom” here?**

Since 2012 the student count in Southwest Lake Charles has increased from 6,382 to 6,818, an increase of over 400 students. Most of the new apartment complexes in South Lake Charles are just being finished and filling up. We expect hundreds more additional students before the economic boom finally levels out several years from now. (See chart #3.)

## **S.J. Welsh is so big already, why aren't we building another middle school?**

S.J. Welsh is certainly a very large school, the largest middle school in the state in fact. There has been much consideration of the future of this school, and the decision was ultimately made to continue supporting and improving S.J. Welsh as a large campus. Please refer to the attached letter (#6) from principal Bobby Jack Thompson for more information.

## **Aren't our schools all overcrowded because so many students are bussed in from outside the zone?**

The schools in Ward 3 (Lake Charles) continue to be governed by the Conley vs Lake Charles Consent Decree from 1969, the purpose of which was to desegregate what was then a racially segregated school system. Some students are still being transferred under the required majority-to-minority transfer rule, and after much investigation the board has identified some courses of action more beneficial to the students of the parish than returning to the courts. This issue is not going away, but contrary to popular belief it's not getting worse, it's actually getting better. See attached chart #3 for details.

## **Is the education quality in South Lake Charles suffering because of the crowding or any other reason?**

Some people fear that crowding issues in South Lake Charles schools can be exacerbated by the out-of-zone students. While we agree that the schools are crowded, we do not believe the educational quality received by in-zone students is suffering. Seniors at Barbe High School (who are the product of the entire District 34 system from kindergarten up) continue to excel relative to their peers across the state as they always have. All the schools in South Lake Charles have proven and sustained academic performance, strong leadership, and highly qualified faculties. Barbe has an “A” rating according to the state accountability system and the entire feeder system into Barbe is a system we believe the people of the district can and will continue to be proud of.

## **Why should I pay for buildings to hold students who are from out-of-zone?**

It is a common misconception that the people of South Lake Charles are somehow paying for students who live outside of Bonding District 34. To address this directly: Of the nearly 7000 students in South Lake Charles schools, there are 905 currently transferred in because of the majority-to-minority transfer rule. Over the last 10 years the board has built enough new classrooms to hold over 3000 students without the people in Bonding District 34 passing any property taxes. So in reality, until now the entire parish has been sharing the cost of educating the students in South Lake Charles.

## **But don't we pay higher taxes than everybody else in the parish?**

All the individual bonding districts finance their school buildings by the passage of bond issues just like this one and with the help of riverboat money as needed. Over the past years all the other bonding districts have been passing taxes and paying much higher rates to fund their own schools. In South Lake Charles many years ago the tax rate was as high as 29.6 mills (2005) but since then no new taxes have been passed. At the same time the available bonding capacity has been increasing due to the economic growth. The attached chart showing the various bonding districts and their associated CPSB millages should make it quite clear that the people in Bonding District 34 are in no way being taken advantage of by the rest of the parish. To put it into perspective, residents, property owners, and businesses in North Lake Charles pay 21.0 mills, while the people in Barbe District pay only 4.8 mills, a residual amount from the last tax passed in 2002. (See attachments #4 and #7 for more details.)

# BOND ELECTION 2017 FAQ – FURTHER DOCUMENTATION

## CPSB Board Members Contact Info

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## 1 Riverboat Funded POD Classrooms in Bonding District 34

Barbe High	12	College Oaks	8	Barbe Elem	6	Prien Lake	10
S.J. Welsh	40	Dolby	16	St. John	14	Nelson	30

## 2 Largest Tax Payers in Bonding District 34 (2016)

	Taxes Paid	Taxable Value
GOLDEN NUGGET LAKE CHARLES LLC	\$ 282,996	\$ 56,599,230
PNK (LAKE CHARLES) LLC (L'AUBERGE)	\$ 223,302	\$ 44,660,400
LAKE CHARLES LNG COMPANY LLC	\$ 102,649	\$ 20,529,920
REYNOLDS METALS COMPANY	\$ 62,345	\$ 12,469,150
CALCASIEU REFINING COMPANY	\$ 50,284	\$ 10,056,790
CROWLEY MARINE SERVICES	\$ 45,160	\$ 9,031,960
SHAW GROUP INC	\$ 30,513	\$ 6,102,550
PRESSURE PUMPING	\$ 27,586	\$ 5,517,170
OSG 242 LLC	\$ 23,325	\$ 4,665,000
WOMEN & CHILDREN'S HOSPITAL LLC	\$ 16,804	\$ 3,360,820
ENTERGY GULF STATES LOUISIANA LLC	\$ 12,952	\$ 2,590,311
WEST M LAKE CHARLES LLC	\$ 12,687	\$ 2,537,500

## 3 Changes in Student Count Since 2012 (M/M = students out-of-zone due to majority-to-minority rule)

	2012 Count	M/M	M/M %	2017 Count	M/M	M/M %
Barbe High	1797	397	22%	2034	328	16%
S.J. Welsh	1287	291	23%	1368	278	20%
St. John	898	41	5%	841	69	8%
Barbe Elem.	349	1	0%	296	0	0%
College Oaks	347	0	0%	320	0	0%
Dolby	491	71	14%	396	27	7%
Nelson	661	58	9%	796	98	12%
Prien Lake	552	78	14%	767	105	14%
<b>Total</b>	<b>6382</b>	<b>937</b>	<b>15%</b>	<b>6818</b>	<b>905</b>	<b>13%</b>

## 4 Millages Paid by the Other Bonding Districts Across the Parish

DeQuincy	18.4 mills	Westlake/Maplewood	8.5 mills
Starks	8.7 mills	Sulphur	11.3 mills
Iowa	34.2 mills	North Lake Charles	21.0 mills
Vinton	27.7 mills	Southeast Lake Charles	13.0 mills
Bell City	19.4 mills	<b>Southwest Lake Charles</b>	<b>4.8 mills</b>

**5 Cost to Home Owners of Bond Issues if Passed (Per Month)**

Home Value	Proposition #1	Proposition #2
\$ 75, 000	\$ 0.00	\$ 0.00
\$150,000	\$ 4.67	\$ 2.58
\$225,000	\$ 9.34	\$ 5.16
\$300,000	\$ 14.01	\$ 7.74

**6 Message from S.J. Welsh Principal, Bobby Jack Thompson:**

S. J. Welsh Middle School is a diverse school which has the ability to offer a multi-faceted curriculum including two foreign languages and immersion, gifted program, differentiated music programs featuring beginner, intermediate, and advanced strings, orchestra and choir; not to mention our plethora of athletic opportunities. Our students are offered eight high school credit courses, can participate in a growing theatre program which we are hoping to expand, and an aerospace program complete with drones and a flight simulator with hours towards acquiring a pilot’s license. We strive to be responsive to our students and are currently looking into adding Mandarin to our foreign languages due to our growing international population. The most common concern we hear from stakeholders focuses on our size. For those in the community who question our size, we invite them to visit our school. They will find that we operate as a school within a school with all three grade levels operating independently of one another, embracing our size. We have manageable class sizes, and we welcome all the opportunity that comes with it. Our teachers are content specialists, and we boast a 95% teacher retention rate which indicates stability and educational excellence. The Leadership Team recognizes that downsizing our school by restructuring or organization would come with sacrificing all that we can offer because of our size.



Bobby Jack Thompson  
Principal

**7 Tax History of Bonding District 34**

The assessed taxable value of the bonding district changes each year based on businesses and houses entering or leaving the tax rolls, so there has not been a flat tax rate. Millages fluctuate each year based on the valuation.

Through the 1980s there was only one South Lake Charles bonding district, (22) and through those years the voters passed taxes to bring the millage as high as 36 mills in 1991. In the early 2000s, the South Lake Charles districts were separated into 33 (LaGrange) and 34 (Barbe) and the District 22 millage phased out completely by 2010. When the last District 34 bond issue passed in 2002, the total millage paid on outstanding debt was 21.7 mills. The millage paid by District 34 voters then reached another peak of 29.6 mills in 2005.

As of June 30, 2017, the remaining debt from the 2002 bond issue is \$16,590,000 for bonds sold in 2002, 2004, and 2005 at our average borrowing rate of 2-3%. Currently because of increasing taxable value and the rolling off of old taxes the millage in District 34 is 4.8 mills. If both 2017 propositions pass, millage would reach estimated

high of 16.5 mills and would begin declining again in 2022 or earlier if assessed valuation continues to grow.

