

FREQUENTLY ASKED QUESTIONS

regarding the

2018 NEBO SCHOOL DISTRICT BOND PROPOSAL

1. *What is a bond?*

Bond funds are for construction of new buildings, renovation and refurbishing of existing facilities, and purchasing property. General obligation bonds carry the lowest possible interest rates and are the least costly form of financing available. Authorization from the voting public is required before the District may issue bonds. State law states that bond funds cannot be used for salaries.

2. *Why does Nebo School District need to bond?*

Nebo continues to grow by approximately 500 students each year. Bond money is used to build new schools and make improvements to existing schools.

3. *What options does Nebo have available to address growth?*

In order to accommodate a rapidly increasing student population, Nebo School District has three options. It can bond and build new schools, it can bring in portable classrooms, or it can increase class size. Nebo School District prefers to bond and build new schools as a long-term solution to address growth and as a potential way to reduce class size.

4. *Will the bond increase my property tax rate?*

Current projections show that Nebo School District can bond without increasing property tax rates. Homeowner's property taxes will remain the same, provided that Utah County does not change the assessed value of their home.

5. *Why does one part of the ballot say "property tax increase," and another say "no tax rate increase"?*

Some people believe that if taxes could go down and do not, then it should be considered a tax increase. Nebo School District's new debt obligation will not require a tax rate increase for the bond. However, the number of years of the debt obligation will be lengthened.

6. *How can Nebo bond for \$298 million with no tax rate increase?*

With growth, more taxpayers share the responsibility for payment and existing bonds have been deliberately structured to allow new bonds to be issued without a tax rate increase. Nebo School District also qualifies for lower borrowing rates due to their AAA rating that is comparable to a personal credit score of 850. It is also important to understand that the money will be borrowed in smaller amounts (not all at once) over a number of years until the building projects are complete.

7. *What will the bond money be used for?*

Recent public surveys have informed Nebo School District that the majority of parents are extremely interested in creating middle schools and rebuilding the older high schools. Therefore, Nebo School District is proposing to build three new middle schools and rebuild Payson High, Spanish Fork High, and Springville High. The new middle schools will be located within the boundaries of Springville High, Maple Mountain High, and Salem Hills High.

8. *What are the benefits of building middle schools?*

Along with academic and social reasons, Nebo students can have a "straight alignment pattern" in their secondary schools. A "straight alignment pattern" means that all students in a middle school will go to the same junior high school and then to the same high school. In other words, the middle school and junior high boundaries are the same as the high school boundary.

9. *Why do we need to rebuild the older high schools?*

Payson High, Spanish Fork High, and Springville High School will all be over 60 years old when/if they are rebuilt. They are currently in constant need of costly repair. When the schools are rebuilt, the need for portables will be greatly reduced. The new schools would be adaptable and ready for technology-based learning, while also having increased security measures and modern security systems. New schools are also built to current seismic standards, reducing risk to anyone that enters the buildings. All of these

benefits help Nebo School District prepare for the future by addressing the academic and safety needs of students and staff.

10. *What is the timeline for construction of the schools?*

If the bond passes, the district will begin construction of the first new middle school in the Spring of 2019. The last high school will be completed by the Fall of 2026.

11. *Where can I go if I have more questions?*

More information regarding the bond can be found on the Nebo School District website:
www.nebo.edu/bond2018.