



State College Area School District

State High Project
Financing

Information Fair – October 29, 2014



State High Project Financing

- Project Budget \$115 million
- Referendum Debt \$ 85 million
- Capital Reserves \$ 10 million
- Non-referendum Debt \$ 20 million
- State reimbursement \$ 0 million

Updates since Referendum Election

- *State reimbursement reinstated July 1, 2014*
 - *Estimated at \$5 million*



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- Referendum Debt will be funded from separate tax allocation
- Non-referendum Debt will be funded from current tax revenues
- Capital reserves are funds designated by district to be used for capital expenditures



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Referendum Debt

As of May 2014

- Estimated tax impact: 2.7 mills
- Property with market value of \$250,000
 - Tax increase \$190/year
 - \$16/month

October 2014 estimates

- Estimated tax impact: 2.34 to 3.01 mills



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Considerations to financing plan

- Market interest rate at borrowing
- Fixed or variable interest rate
- Draw schedule
- Frequency and timing of borrowings
- Amortization or repayment period
- Bank loan versus bond sale
- Competitive versus negotiated bond sale



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Additional considerations

- Local market participation
- Bond agency rating



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- District budget projections include funding available for capital projects in addition to State High project
- Current projections assume capital projects in 2017 and 2021



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Questions