The provided information is intended to illustrate the tradeoffs and dependencies of GO bond package options. They include a variety of variables including overall bond amount, financing plan, priorities, etc. They have not been vetted with staff, stakeholders or community. They are not recommendations.

SAMPLE BOND OPTIONS

Sample #1

- **Bond Amount:** **$850M**
- **Financing Scenario:** **A.3**
- **Scope Priorities:** **Modernizations**
- **Time to Complete Work:** **6 - 8 years**[1]
- **Next Bond:** **2032 (8 years)**

SCOPE OF WORK

Pros

- Continues long-standing and well known plan to modernize all high schools
- Allocates some money for Tubman relocation, but not enough for the current option. Tubman would need to find a more inexpensive option

Cons

- Minimal funds for other critical work
- Deferred maintenance would continue to increase and overall school conditions would continue to deteriorate (more schools would move into poor or critical condition). Impacts to schools (including closures) due to system failures would become more common
- Needed facility improvements such as seismic, accessibility, athletics and security would go unfunded
- PPS's upcoming decarbonization plan would go unfunded
- Critical technology improvements would go unfunded

FINANCIAL

Pros

- The existing estimated levy rate $2.50/1000 is retained
- A planned drop in the levy rate would create revenue capacity for another bond under the current levy rate in 2032
- All work (including current approved work) would likely be completed around the time of the next bond

Cons

- The total premium amount is relatively low compared to overall need - though from a historic perspective the amount is very high
- Interest rates are high but not exorbitantly high; requiring about $325M in interest to raise $850M in principal
- With some debt extending 16 years, available revenue under the current levy rate in 2032 is likely limited - which may require the 2032 bond to include a levy rate increase

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[1] Including work currently planned

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Sample #2

- **Bond Amount:** **$850M**
- **Financing Scenario:** **A.2**
- **Scope Priorities:** **Address Existing Facility & Educational Needs**
- **Time to Complete Work:** **8 - 10 years[2]**
- **Next Bond:** **2036 (12 years)**

SCOPE OF WORK

Pros

- Funds allocated to make improvements including seismic strengthening, continue progress towards full ADA compliance, security upgrades, outdoor spaces, etc. however not enough to address all needs
- Majority of technology needs funded
- Some funds for educational improvements such as curriculum, performing arts, CTE

Cons

- Planned modernizations would not proceed
- Tubman would need to find a more economical relocation option
- Funds allocated to critical infrastructure (about $30M $35M per year) are not enough to improve current building conditions. Overall portfolio rating will continue to be poor.
- Not all needs will be fully funded - ADA, Security, Athletics, etc

FINANCIAL

Pros

- The existing levy rate $2.50/1000 is retained
- Interest costs are low-to-medium; requiring about $250M in interest to raise $850M in principal
- When the debt is retired (2036) there would be ample revenue under the existing levy rate for the next bond - making a levy rate increase more unlikely
- All work would be completed before the likely next bond in 2036

Cons

- The total premium amount is relatively low compared to overall need - though from a historic perspective the amount is very high
- No available revenue capacity under the existing levy rate until 2036
- Projects not funded in 2024 would likely have to wait until 2036

[2] Including work currently planned

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Sample #3

- **Bond Amount:** **$1.5B**
- **Financing Scenario:** **C.1**
- **Scope Priorities:** **Modernizations**
- **Time to Complete Work:** **10 - 12 years**
- **Next Bond:** **2032 (8 years)**

SCOPE OF WORK

Pros

- Continues long-standing and well known plan to modernize all high schools
- Allocates enough funds to relocate Tubman per current plans and build a new K5 Learning Lab
- Majority of technology needs funded

Cons

- Funds allocated to critical infrastructure (about $30M - $35M per year) are not enough to improve current building conditions. Overall portfolio rating will continue to be poor.
- Funds available to make improvements for seismic strengthening, continue progress towards full ADA compliance, security upgrades, outdoor spaces, athletics, etc. however not enough to address all needs

FINANCIAL

Pros

- Large principal amount
- Low interest costs; requiring only $300M in interest to raise $1.5B
- Debt retired in 8 years, leaving ample revenue for the next bond in 2028

Cons

- Requires a substantial increase in levy rate ($2.00/1000)
- All work will not be completed until long after the next proposed bond (2032) is approved (ie - work approved in the next bond may not start for many years after the bond passage) - calling into the question for the need for another bond in 2032

The provided information is intended to illustrate the tradeoffs and dependencies of GO bond package options. They include a variety of variables including overall bond amount, financing plan, priorities, etc. They have not been vetted with staff, stakeholders or community. They are not recommendations.

Sample #4

- **Bond Amount:** **$1.5B**
- **Financing Scenario:** **D.1**
- **Scope Priorities:** **Address Existing Facility & Educational Needs**
- **Time to Complete Work:** **12 - 14 years**
- **Next Bond:** **2032 (8 years)**

SCOPE OF WORK

Pros

- Allocates significant funds to to address critical building systems, enough to move overall PPS building condition from poor to fair
- Funds available to make significant improvements for seismic strengthening, continue progress towards full ADA compliance, security upgrades, outdoor spaces, etc.
- Technology needs funded
- Significant funds for educational improvements such as curriculum, performing arts, CTE

Cons

- Planned modernizations would not proceed
- Tubman would need to find a more economical relocation option
- Not all needs will be fully funded - ADA, Security, Athletics, etc

FINANCIALS

Pros

- Large principal amount
- Retains existing levy rate
- The planned drop in the levy rate would create revenue capacity for another bond under the current levy rate in 2032

Cons

- Huge interest costs; requiring approximately $950M of interest to raise $1.5B
- Approved projects would not be completed until many years after next bond (2032) is proposed (ie - work approved in the next bond may not start for many years after the bond passage) - calling into the question for the need for another bond in 2032
- With some debt extending 24 years, available revenue under the current levy rate in 2032 is likely limited