

Comal Independent School District

NEWS RELEASE

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Credit Rating Upgraded; \$150 million in bonds to be sold

Comal ISD voters approved a \$205.85 million bond issue in May allowing the district to expand schools, build new ones, and improve technology districtwide. That was the first step in meeting the needs of an ever-increasing student population.

The next step, the sale of \$150 million in bonds, was approved by the school board on June 24. The remaining bonds from the 2008 bond issue probably will be sold in 2010.

“As we told the voters during the election, a tax rate increase will not be needed to cover this bond issue,” said Dr. Marc Walker, superintendent.

Taxpayers also will benefit from Moody’s Investors Service’s June 16th upgrade of the district’s general obligation rating to Aa3 from A1. Comal ISD is one of only 52 districts in the state with an Aa rating or higher, according to Debra Smith, assistant superintendent for Business Services.

The higher credit rating allows the district to sell bonds more easily and at lower interest rates (4.99% in this case), which means taxpayers will spend less to pay back the bonds which are used to fund new schools, renovations, and technology.

This improved credit rating reflects the district’s sizable and growing tax base, sound financial management practices resulting in consist and healthy fund balance increases, and strong socioeconomic indicators.

This first sale of bonds will allow the district to begin the majority of projects outlined in the bond issue. All the planning, architectural, engineering, and construction work will take months, even years, to complete.

Projects covered under the \$150 million sale include the major expansions of Canyon and Smithson Valley high schools; the expansions of four existing middle schools; and the construction of one of the three elementary schools (probably the elementary in Garden Ridge).

Many of the capital projects proposed in the bond issue also will be initiated after this sale. Those include standardizing all of the elementary playgrounds, installing air conditioning in the elementary and middle school gyms, and restructuring Specht Elementary's parking and traffic areas.

Technology improvements also will be initiated with wireless access and mobile labs in all schools, and laptops for teachers.

Look for future updates on Bond 2008 on the district's website at http://www.comalisd.org/Growth/Bond_2008_Status.asp.

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