

12-1-11

Chippewa Valley Schools
History of Participation in the School Bond Qualification and Loan Program

- Chippewa Valley Schools is an example of why legislative amendments are needed for the School Bond Qualification and Loan Program.
- The district began borrowing from the School Bond Loan Fund in 1967.
- The district levies 7.65 mills to pay debt service on qualified bonds.
- Average taxable value (TV) growth rate over the last 5 years is *negative* 2.18%.
- The district owes \$122 million as of 9-30-11.
 - This is approximately 10% of the entire statewide balance.
 - The maximum outstanding loan balance owed to the state is projected to exceed \$455 million in 2032.
 - Based on current projections, which assume -2.18% TV growth for 5 years and 3% thereafter, the district will not start repaying the State until 2023.
- Mandatory final loan repayment date is 2040.
 - Due to TV decline, projected repayment is not until 2049.
- Since 1997, Chippewa Valley has issued new bonds and 'rolled over' outstanding loans four times.
 - Available historical records indicate 'roll-over' borrowings in the 1970's, 1980's and early 1990's, but it cannot be determined exactly how many separate elections for new bonds took place during that time.

