

Cooke County Taxpayers:

A wise Valley View Senior told me today that a big part of our problem is we have Educators running our schools when we really need Business People who know how to manage a business.

Business Managers can't rely on taxpayers to bail them out or take on debt to fulfill their wish list. What business person would tell us to give them more money so they can have a nicer building? It wouldn't sell. They might even go out of business if they kept pushing it.

When a Business person goes to a bank to borrow money, they have to show a business plan with revenues, profit & projected cash flow. If a business can't show how they

are going to grow their business in order to pay the loan back, few if any bankers would lend them money.

Let's look at some of the numbers for these bonds, starting with NCTC. They want to Increase NCTC taxes 60% to borrow \$14.8 Million. With interest at their assumed rate of 5%, that comes to \$26.2 Million that the taxpayers are on the hook for.

NCTC has \$25.1 Million in the bank but they don't seem to want to spend any of that on Nursing or the Career Technology Center.

Why did NCTC recently spend \$3 Million to convert classrooms to Admin & Storage space, demolish a building and make more repairs to the PAC?

Most banks would require a borrower to make a down payment and show how they are going to grow revenue to pay back the loan. How many students are we going to add? Have they told us? Maybe 100? That may come to \$235,000 a year, probably less. The projected bond payment is \$1,050,096.

Where is the business justification for the added debt?

If we could optimistically estimate half the new revenue was profit after expenses, we'd have \$117,500 a year to pay the bond for those 100 additional students. The math says you would need 894 new students to fund the bond payment under those optimistic assumptions, without a tuition increase. **Would you loan them the money?**

NCTC shows the Nursing Center will have 6 classrooms, 9 labs and a simulation room for a total of 16 rooms for teaching. The space for teaching rooms is 20,960 SF, less than half the 45,000 SF for the building. The rest is offices, lounges, halls, bathrooms, etc.

At \$11,585,000 for Nursing, that is **\$772,333 per teaching room**, if the rest is overhead with minimal learning. At current enrollment of 303 students, that is **\$38,234 per student**, almost the cost of a small house. If they can grow to 400 it comes down to \$28,962/student. **That's still a lot of money.** If you drop the cost from \$257/SF to \$150/SF, those numbers drop to \$22,277 & \$16,875 per student. Is there any prudent

businessman that can't figure out how to build a two story building for \$150/SF or less?

What about the **VVISD Bond Election do-over**? In 2002, VVISD passed a bond for a new Middle School with 12 new classrooms. We are still paying that bond. State reports show no teachers added. From 2001 until the last state report in 2012, VVISD added 11 students.

Now they want to add 16 more classrooms to allow for "growth" Where is the business justification for that?

They \$12 Million Bond failed in May. Now they want a \$9.8 Million bond. They have found other sources to fund an additional \$4.2 Million that requires no tax increase. The leading justification for

the bond is Safety and Security for staff and students. If that is so important, why not call TXDOT and get some of the better, taller barriers TXDOT will provide? If Security is so important, why not build the fence for \$250,000 rather than remodel a cafeteria? Why not spend the \$4.2 Million on the top priorities and defer the bond?

The point is most prudent business people would spend their money first on their top priorities. They wouldn't hold them back to **Sell an All-or-Nothing Tax Bond**. It would not work in business. *Enough said?* **Vote NO to More Debt & Higher Taxes Nov 5th!**

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