How School Construction Funding Really Works

We've heard some community members ask: *"Why not just save up and pay for a new high school without raising taxes?"*

Here's a simple way to look at it:

- Our district currently has about $17 million in its building fund.
- Each year, we add about $500,000, and the fund earns roughly $900,000 in annual interest.
- Construction costs, however, tend to rise about 3% each year — a conservative estimate given the cost increase in the last five years.

At first glance, that sounds manageable — but here's what actually happens over time:

- A $35 million project today could cost more than $45 million within ten years, even at a modest 3% annual increase.
- Over that same time, our building fund might grow to around $32 million, assuming continued savings and investment earnings & assuming no emergency facility needs develop.

Given these conditions, the district could theoretically save enough to build a new school without raising taxes — but it would take roughly 20 to 22 years to reach that point.

Most Arkansas school districts use a combination of local building funds, state partnership money, and bonds (long-term financing) for major projects. It allows a district to lock in today's construction costs and spread payments over the useful life of the building — just as families do when financing a home.

Our goal is to help the community understand how the facility funding mechanism works, not to advocate for or against any specific millage change. We appreciate your engagement and welcome your questions as we continue planning responsibly for the future of our schools.