



**AECOM**

HUNTERS CREEK  
ELEMENTARY

NATIONAL EXEMPLARY  
SCHOOL

# Bond Advisory Committee (BAC)

May 31st, 2017

Meeting # 3



# Agenda

- Welcome & Introductions
- Bond Committee Charge
- Results of Workshop2 Priorities Exercise
- How Much Do Things Cost?
- Bond Financing
- "How Will We Allocate Our Investment?" Exercise
- Next Steps





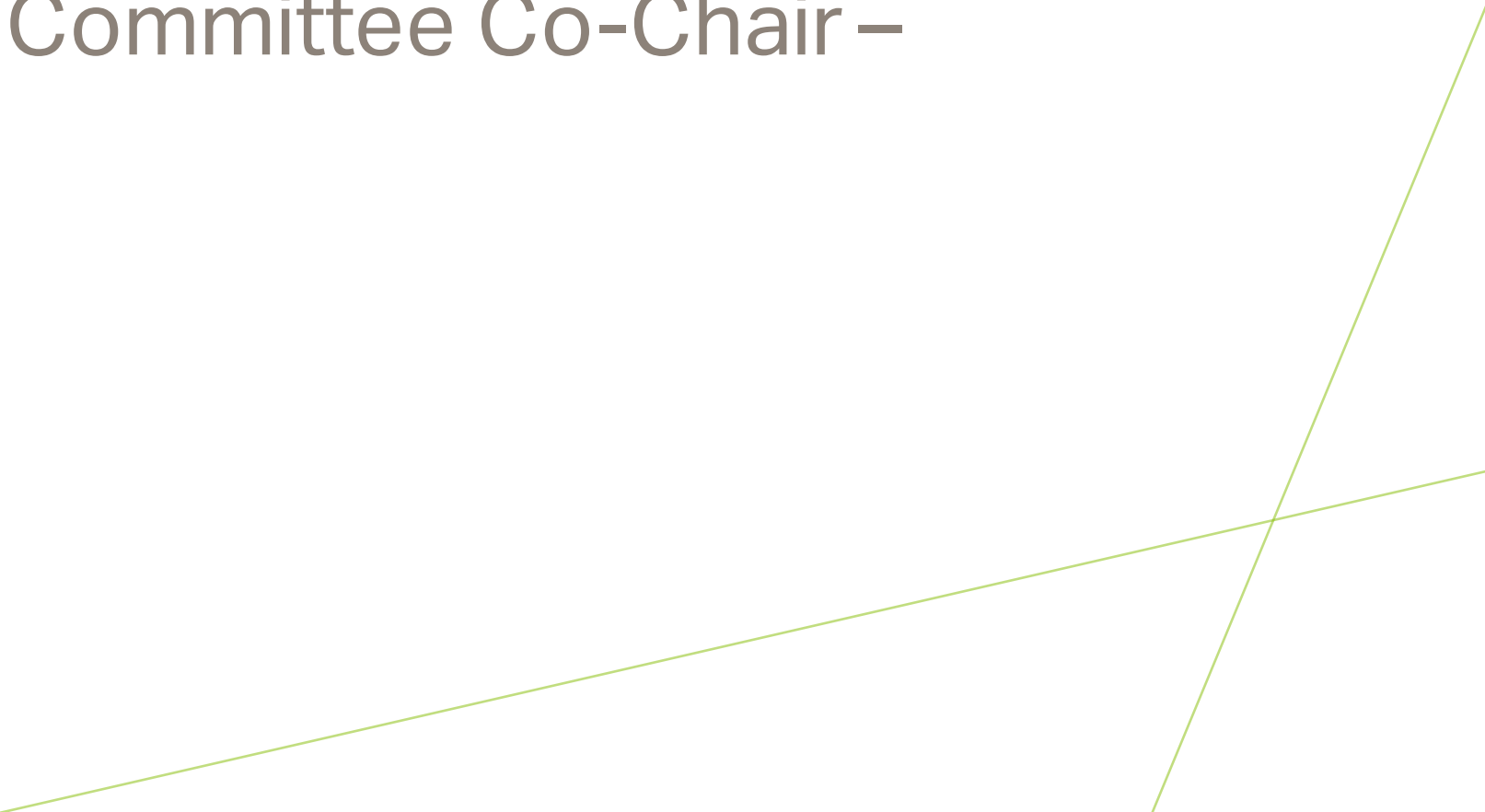
A photograph of Memorial Drive Elementary School, a two-story building with tan vertical siding and a brick base. The school's name is mounted on the brick wall. To the left is a large window with a colorful mosaic of marine life. A young tree stands in front of the window, and a large tree is on the right. A green hedge runs along the base of the building.

MEMORIAL DRIVE ELEMENTARY  
NATIONAL EXEMPLARY SCHOOL

Welcome & Introductions



# Welcome & Introductions

- Scott Muri, Ed.D. – Superintendent of Schools?
  - David Slattery – Bond Advisory Committee Co-Chair –  
**[david.slattery@slatterytackett.com](mailto:david.slattery@slatterytackett.com)**
  - Lewis Gissel – Bond Advisory Committee Co-Chair –  
**[lgissel3@gmail.com](mailto:lgissel3@gmail.com)**
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# Bond Advisory Committee – Charge



# Bond Advisory Committee Charge

The Bond Advisory Committee (BAC) is an ***ad hoc* committee representing the various geographic areas, prior bond committees, and various program interests within the school district.** As such, the committee is constituted for a defined purpose and time and holds no statutory authority. However the Board of Trustees recognizes the very important and necessary role of the BAC in reflecting through its work the various perspectives of the Spring Branch ISD community.

The Bond Advisory Committee is **charged** by the Board of Trustees with the responsibility for working collaboratively and cooperatively with the superintendent and his administrative designees and resource personnel **in developing a bond proposal package for recommendation to the Board of Trustees.** As such the BAC is expected to call upon the expertise of District professional staff and to utilize and respect previous, current and/or related documents. Additionally, the BAC shall utilize and respect related actions and documents adopted and /or approved by the Board of Trustees that are relevant to this task.



# Bond Advisory Committee Charge

The BAC is charged with working within the framework of the SBISD District-Wide Facility Assessment, Long-Range Facilities Plan, the SBISD Financial Analysis/Debt Capacity Analysis, the SBISD Technology Plan, the SBISD Demographic and Capacity Studies, The SBISD Strategic Plan (The Learner's Journey), and/or other significant primary and authoritative sources of District information.

In developing the bond proposal package, the **BAC should focus on existing District facilities in the areas of renovation and/or replacement of major systems, additions to accommodate projected enrollment, changes in programs, renovations to meet District standards and educational specifications, and transformation/replacement of aging facilities.** The Bond Advisory Committee may also focus on **District technology needs** (educational, operational and infrastructure-related) **and District vehicle needs.**

Areas of focus from which the **BAC should refrain include recommendations regarding specific design of schools or district facilities, location(s) of schools or district facilities, boundaries of district facilities, closure of district facilities, instructional arrangements and/or educational pedagogy and district policy.**



# Bond Advisory Committee Charge

The BAC is charged with beginning its work in **May, 2017**, with the development of a proposed bond package recommendation to be submitted to the Board of Trustees no later than **June 30, 2017**.

**The Board of Trustees may act upon the recommendations presented by the committee by approving, amending, altering, or not approving all or any part of the final report.**

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# Results of BAC Workshop #2

## Priorities Exercise



















# Results from BAC Priorities Exercise

Results by Vision Framework

Vision Framework + Variables	1 <sup>st</sup> Priority	2 <sup>nd</sup> Priority	3 <sup>rd</sup> Priority
<b>Instruction</b>			
CTE Opportunities	4	6	1
Software Licenses	1	1	9
Instructional Material	2	6	3
<b>Facilities Needs</b>			
Facilities	11	0	0
Child Nutrition	0	1	10
Education Suitability	10	1	0
Capacity	3	6	2
Technology Cabling	4	3	4
<b>Technology</b>			
24/7 Access	2	7	2
Tools for Kids + Teachers	4	3	4
Infrastructure	3	6	2
<b>Transportation</b>			
Buses	0	4	6

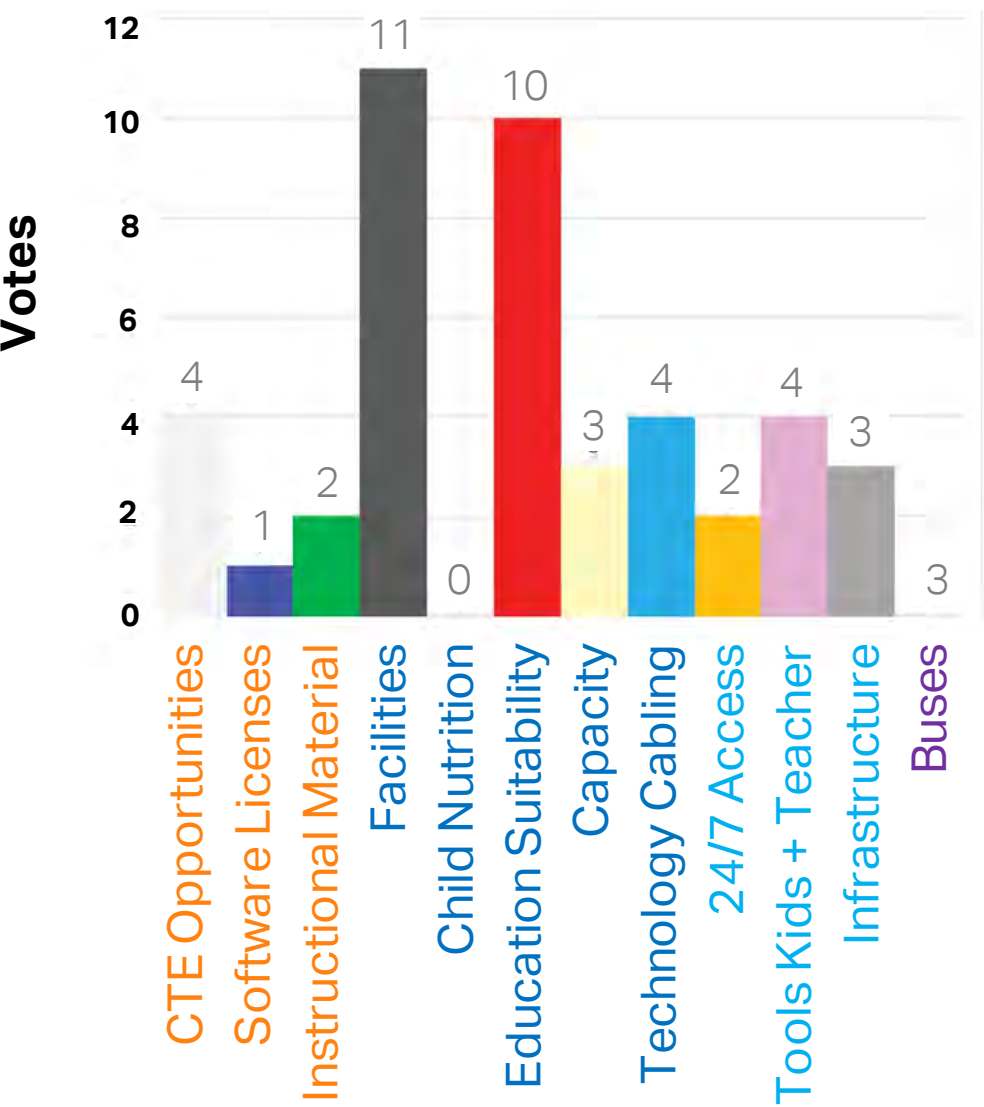
Results by Number of Votes

Variables	1 <sup>st</sup> Priority	2 <sup>nd</sup> Priority	3 <sup>rd</sup> Priority
Facilities	11	0	0
Education Suitability	10	1	0
24/7 Access	2	7	2
CTE Opportunities	4	6	1
Capacity	3	6	2
Infrastructure	3	6	2
Instructional Material	2	6	3
Child Nutrition	0	1	10
Software Licenses	1	1	9
Technology Cabling	4	3	4
Tools for Kids + Teachers	4	3	4
Buses	0	4	6

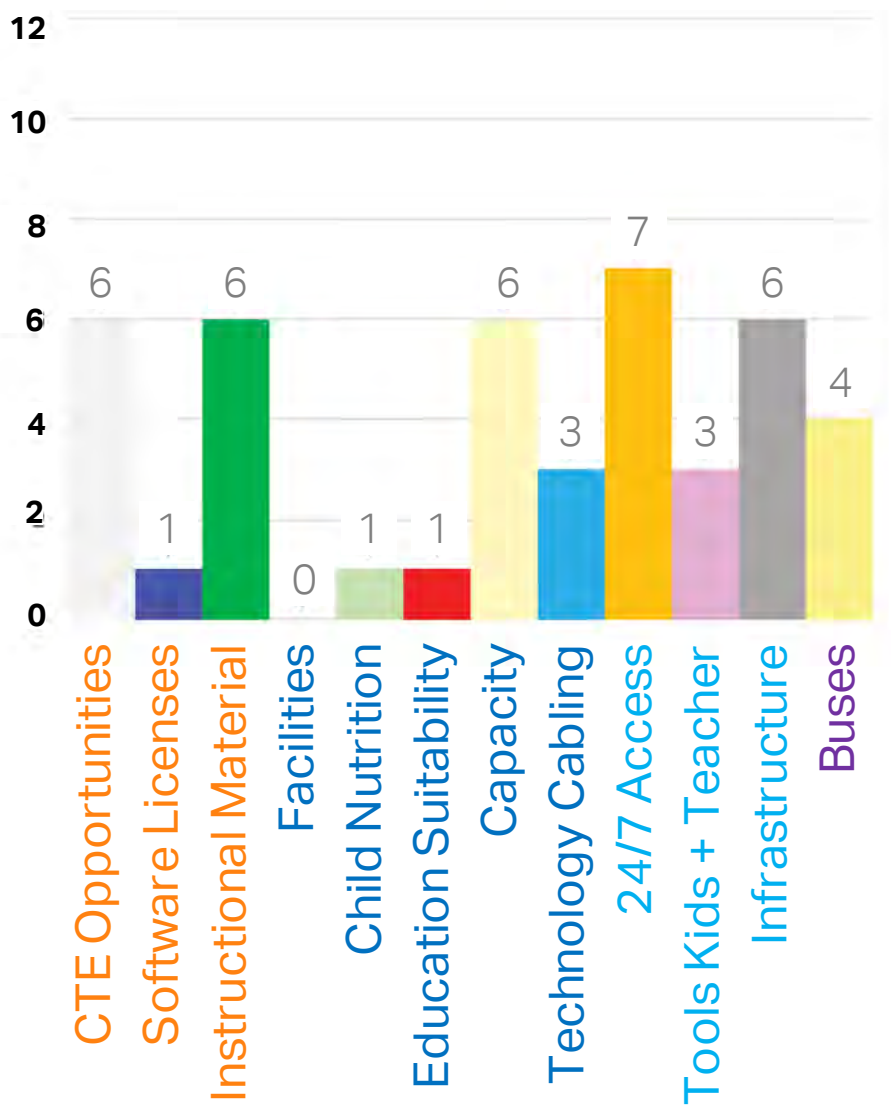


# BAC Priorities Exercise by Vision Framework

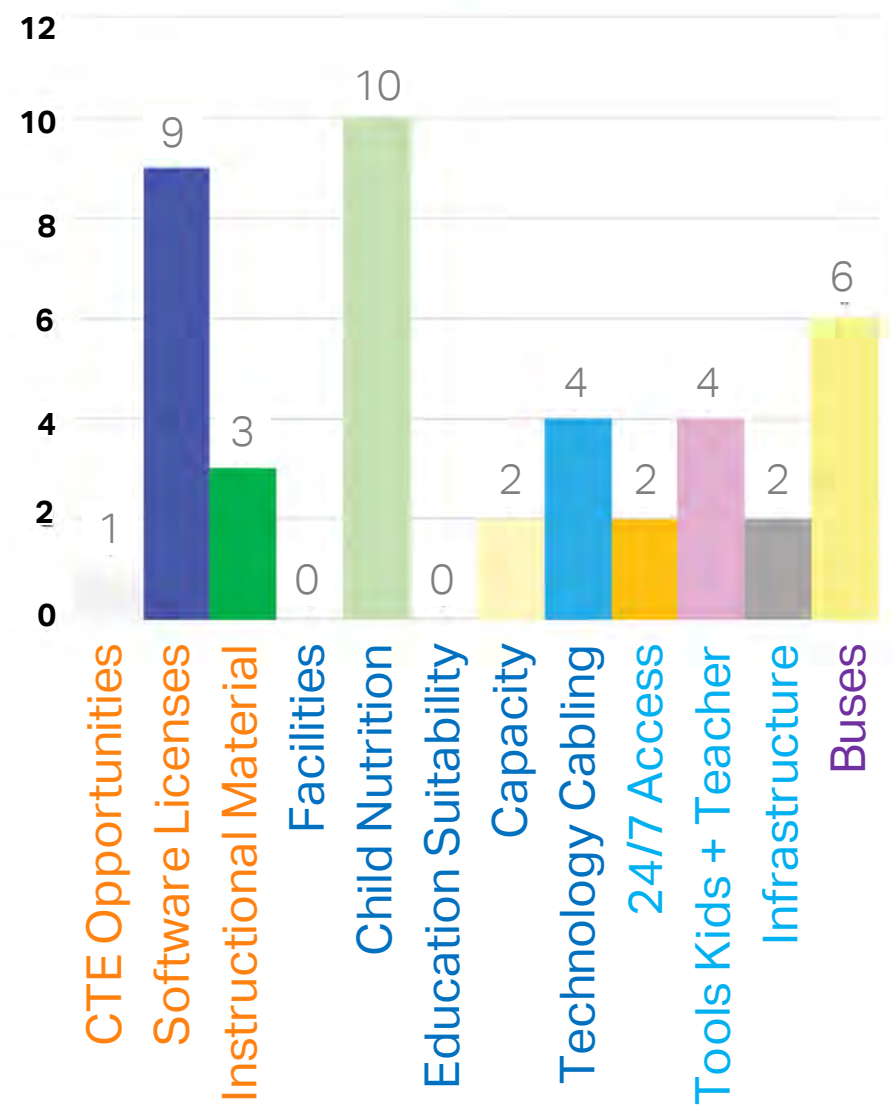
## 1<sup>st</sup> Priority



## 2<sup>nd</sup> Priority



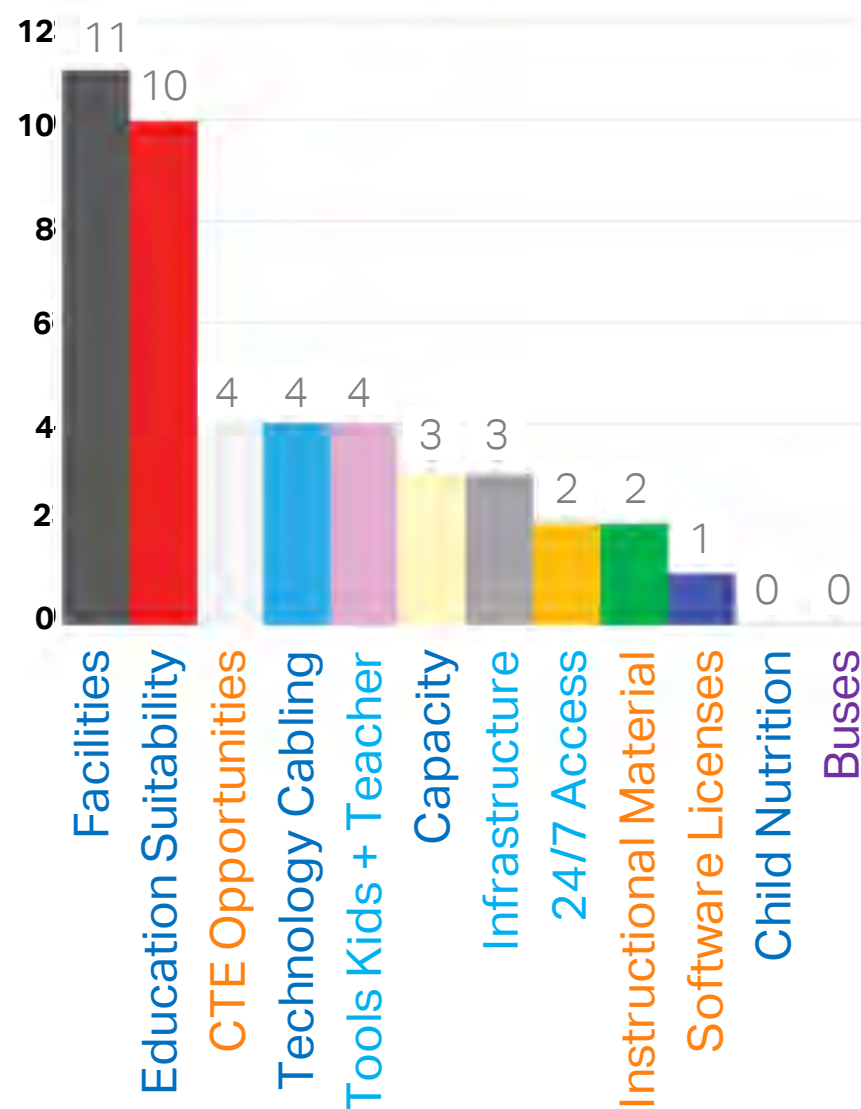
## 3<sup>rd</sup> Priority



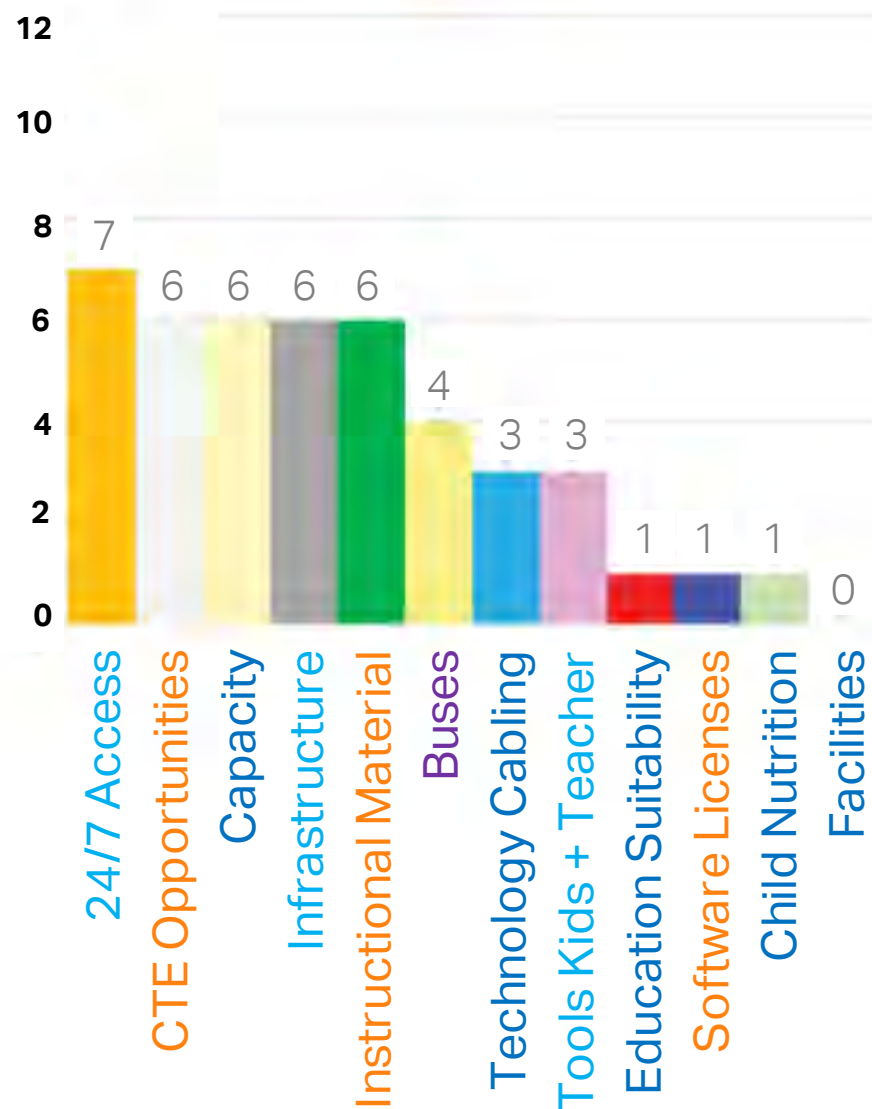


# BAC Priorities Exercise by Total Number of Votes

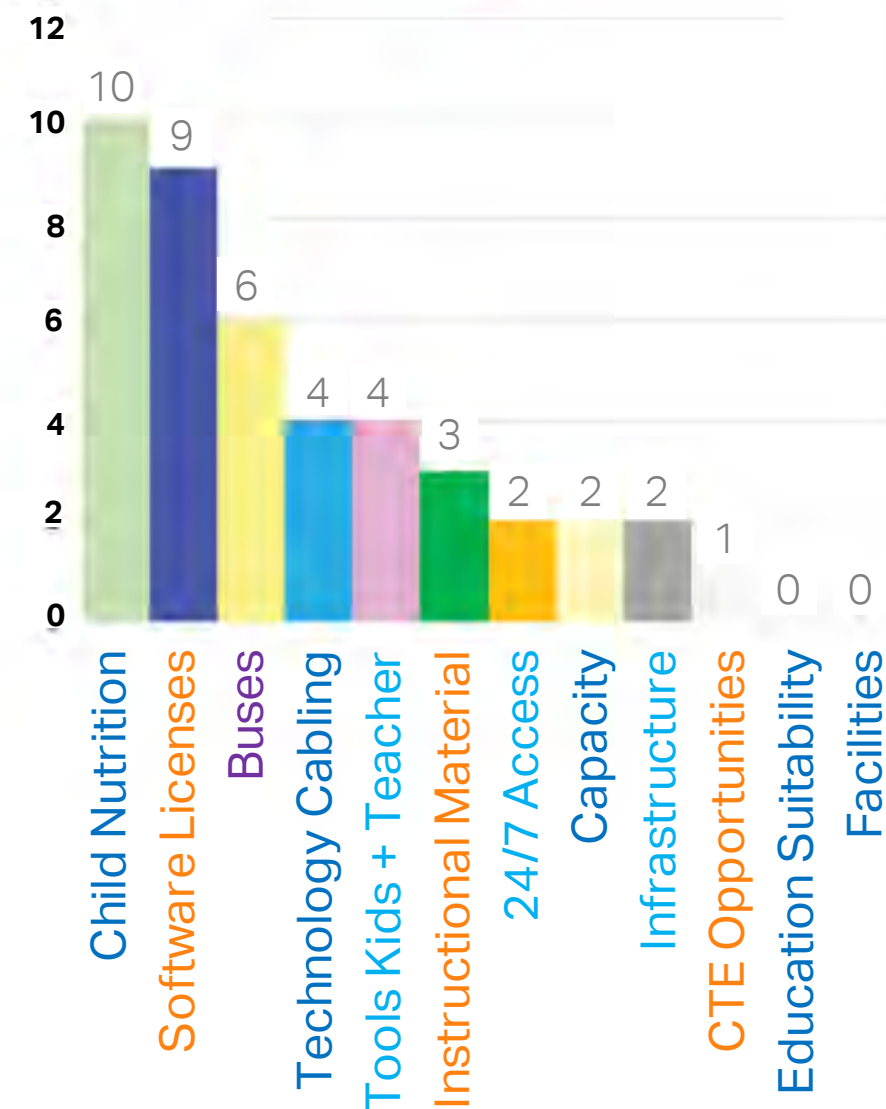
## 1<sup>st</sup> Priority



## 2<sup>nd</sup> Priority



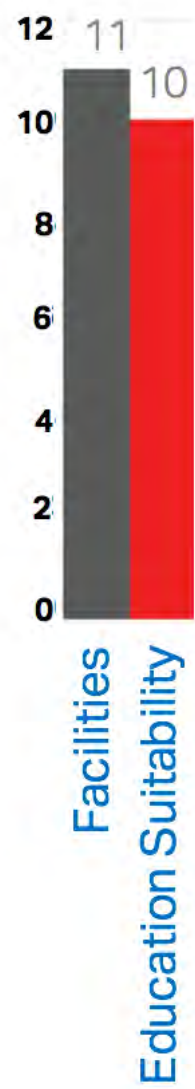
## 3<sup>rd</sup> Priority



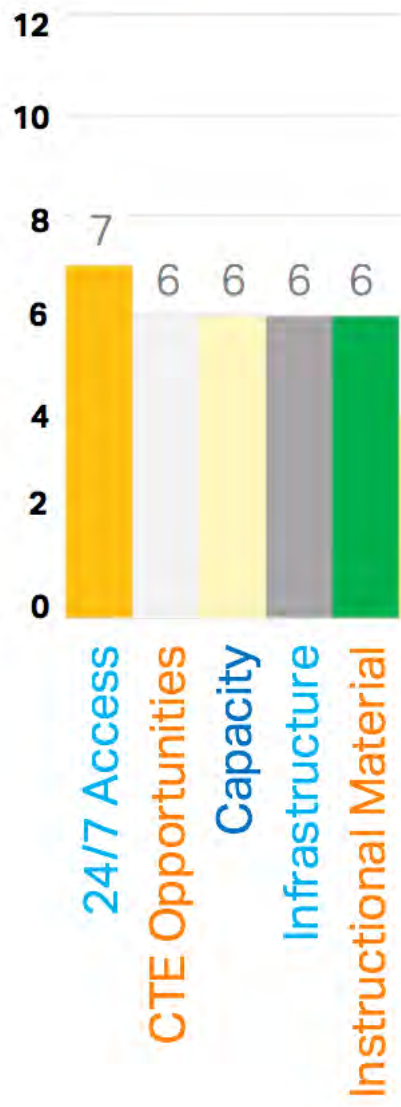


# Questions?

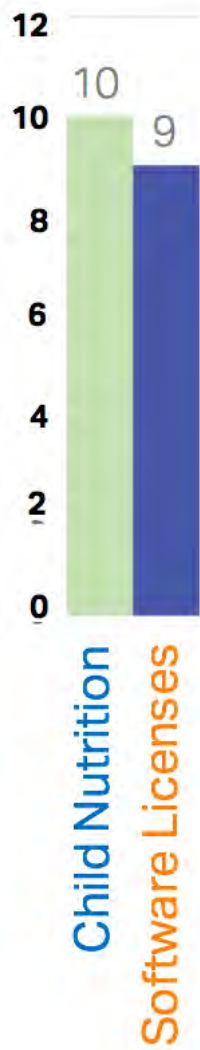
## 1<sup>st</sup> Priority



## 2<sup>nd</sup> Priority



## 3<sup>rd</sup> Priority







ROTHSCHILD  
ELEMENTARY SCHOOL  
NATIONAL EXEMPLARY SCHOOL

How Much Do Things Cost?



# How Much Do Things Cost? Summary

Bond Advisory Committee			
Instruction	CTE Opportunities \$34 Million	Software Licenses \$5 Million	Instructional Material \$13 Million
			System MEP \$348 Million
Facilities	System Building Envelope \$254 Million	Asset Deficiencies \$316 Million	Roofing \$75 Million
			Technology Cabling \$5 Million
Technology	FF&E \$25 Million	Education Suitability \$89 Million	Capacity + Demographics \$50 Million
			Child Nutrition Services \$19 Million
	24/7 Access \$40 Million	Tools for Kids + Teachers \$136 Million	Infrastructure \$33 Million
			Buses \$23 Million

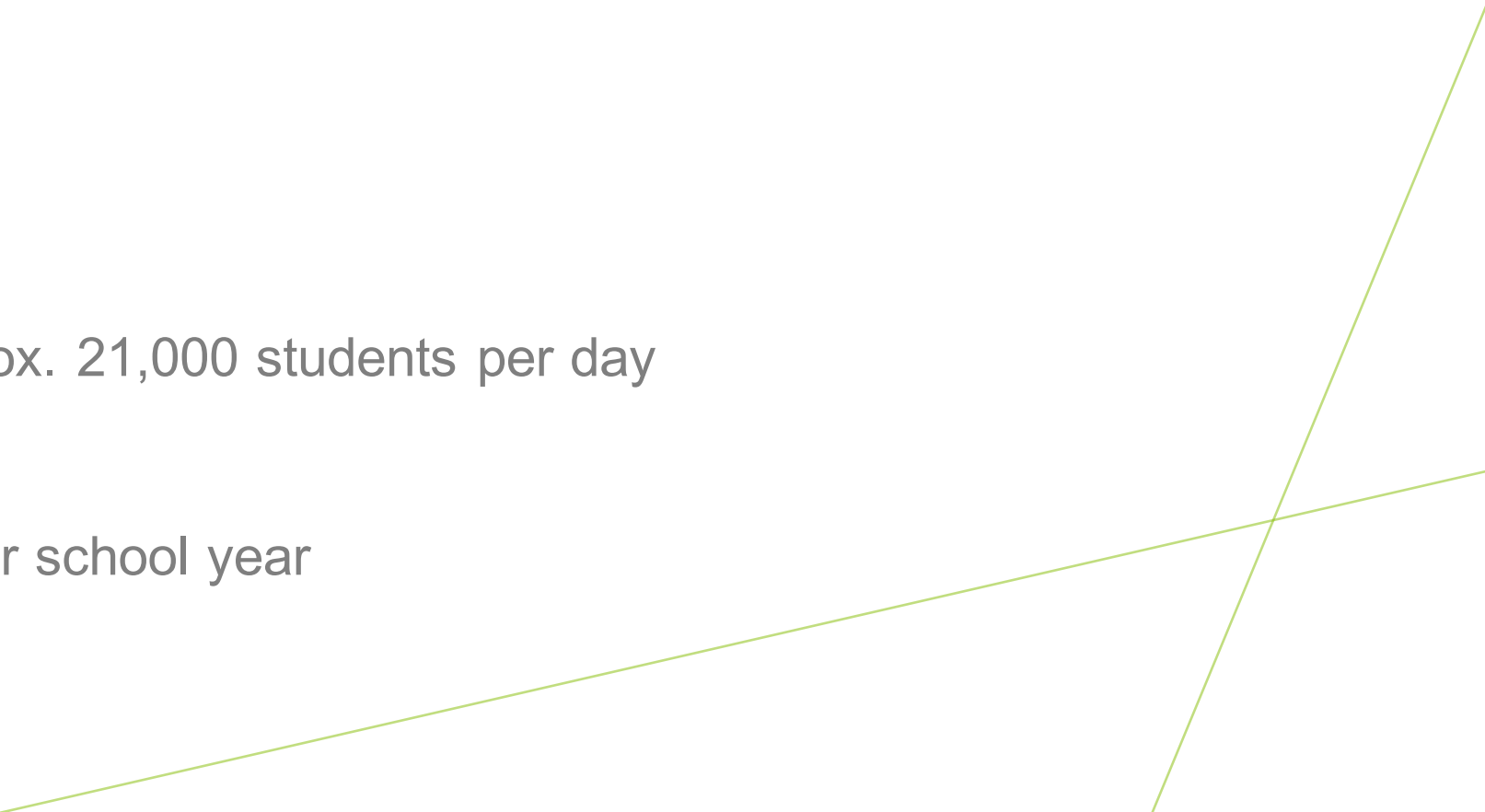


How Much Do Things Cost?

# Transportation



# SBISD TRANSPORTATION

- SBISD has a total bus fleet of 266 buses serving all elementary, middle and high schools. District buses are also utilized for Special Needs mid-day job sites, Guthrie Center, HCC and afterschool runs. These buses are also utilized for weekday and weekend field trips and athletic trips.
  - SBISD has a total fleet of buses, consisting of:
    - 215 General Education Buses
    - 51 Special Needs Buses
    - 266 Total Buses**
  - SBISD Transportation Department services approx. 21,000 students per day
  - Our buses run approximately 2.1 million miles per school year
- 
- Two thin green lines originate from the bottom right corner and extend diagonally upwards and to the left across the lower half of the slide.



# SBISD TRANSPORTATION

AGE OF FLEET	# OF BUSES
0 -5 years old	81
6- 10 years old	136
11- 15 years old	49
	266

- SBISD's replacement schedule goal is to replace buses at 15 years of age.



# SBISD TRANSPORTATION

## ESTIMATED COSTS

- Total cost to replace (147) “General Education Buses” = \$ 17,138,475.00
- Total cost to replace (38) “Special Needs Buses ” = \$ 6,176,210.00

**TOTAL COST TO REPLACE (185) BUSES = \$ 23,314,685.00**

- The estimated costs provided has been derived from the dealers/contractor SBISD utilizes for purchasing of general education buses and special needs buses. For planning purposes, the district has utilized a 15 % price escalation on buses planned to be purchase during the second half of the program.



How Much Do Things Cost?

# Facilities



# Main Facility Condition Assessment Components for Facility Planning

- **Facility Condition Assessment:** Identifies the physical condition of buildings and sites to establish future investment requirements.
- **Educational Suitability Assessment:** Educational Suitability evaluates how well the facility supports the educational programs that it houses.
- **Child Nutrition Services Assessment:** Evaluated operational equipment and support spaces required by Child Nutrition Services to prepare and deliver food services.
- **Technology Cabling Assessment:** Assessed the cabling/optic fiber and delivery system support to access technology services and equipment.



# Level 1 Long Range Facility Plan – Summary of Estimated Costs

Facility Type	Area (SF)	Facility System Deficiency Costs	Asset & Site Deficiency Costs	Educational Suitability	Child Nutrition Services	Technology Cabling	Total Cost
Elementary Schools	2,435,977	\$124,504,324	\$135,101,483	\$18,198,300	\$7,216,654	\$1,676,125	<b>\$286,696,886</b>
Middle Schools	1,801,609	\$391,456,999	\$64,207,091	\$36,938,000	\$6,450,000	\$1,495,000	<b>\$500,547,090</b>
High Schools	1,528,457	\$304,660,840	\$54,134,644	\$ 34,630,200	\$ 4,604,079	\$1,058,000	<b>\$ 399,087,763</b>
Support	392,668	\$63,025,132	\$64,611,413	0	\$830,000	\$840,650	<b>\$129,307,195</b>
Totals	6,158,711	<b>\$868,444,173</b>	<b>\$318,054,631</b>	<b>\$89,766,500</b>	<b>\$19,100,733</b>	<b>\$5,069,775</b>	<b>\$1,315,638,933</b>



How Much Do Things Cost?

**Instruction**



# CTE Opportunities:

- Definition: Expand and enhance CTE opportunities to match the needs of rapidly evolving, tech-focused pathways
- Example: Funding to acquire, refresh, remodel, enlarge and expand opportunities across the district including computer and device replacements, studio equipment, replacement cooking labs and trades training equipment for priority occupation programming across the district.
- Cost: \$33.5 Million
- Derived from:
  - Current market value
  - CTE inventory, purchasing records



# Software Licenses:

- Definition: Ensuring equitable access to high-quality digital learning environments, instructional enhancements to include digital texts, annotation tools, and interactive/adaptive learning paths across every content area
- Example: C
- Cost: \$5.0 million (\$500,000 annually)
- Derived from:
  - 2016/17 audit of digital learning resources
  - Textbook adoption records
  - Purchasing records



# Instructional Materials: **Science**

- Definition: Ensuring equitable access to high-quality learning environments through instructional enhancements to both curricular resources and learning tools
- Example: Content-specific curricular materials including leveled reading materials and classroom-based learning tools (including a refresh of microscopes in secondary science classrooms)
- Cost: \$1.1 million
- Derived from:
  - Textbook adoption records
  - Purchasing records
  - Current market costs



# Instructional Materials: **Humanities**

- Definition: Ensuring equitable access to high-quality learning environments, instructional enhancements to include enhanced interactions with level-appropriate texts
- Example: leveled reading materials
- Cost: \$1.2 million
- Derived from:
  - 2016/17 audit of leveled reading materials
  - Purchasing records



# Fine Arts:

- Definition: Reflecting the needs of our learners, SBISD Fine Arts programs will include quality resources for both practice and performance
- Example: Replace Band/Orchestra Instruments (over 20 years old), Band, Drill, Choir and Orchestra Uniforms, HS Stage Enhancements
- Cost: \$3.35 million
- Derived from:
  - Current market costs
  - Purchasing records



# Health/Fitness:

- Definition: Promoting children's health, wellness and education through movement
- Example: Better meet the physical needs of our students through enhanced physical exercise spaces to include climbing apparatus, motor labs (increased learner readiness) and shade structures for outdoor play equipment increased student engagement and learner success.
- Cost: \$3.6 Million
- Derived from:
  - Quotes and estimated costs from Youth Fit, US Games and School Specialty



# Innovative Media/Libraries:

- Definition: Reflecting the needs of our learners and teaching professionals, SBISD Libraries will provide authoritative, curriculum-aligned resources to improve student engagement, encourage collaboration, and foster critical thinking via Reference, Fiction, Non Fiction, and Professional unlimited simultaneous-user eBook collections, end-user discovery of electronic resources, and interactive learning applications.
- Example: Gale Virtual Reference Library (GVRL); GVRL/ASCD/K-12; Literature Criticism Online/K-12; OverDrive; Follett Lightbox; and EBSCO Discovery Service.
- Cost: \$4.3 million
- Derived from:
  - Current market costs



Believe. Discover. Journey.  
Spring Branch Independent School District



# School Nurses:

- Definition: Vision and Hearing Screening Equipment
- Example: Spot vision screeners, audiometers, and wheelchairs for every school
- Cost: \$102,000
- Derived from:
  - Current market costs
  - Purchasing records



# Advanced Academics:

- Definition: Ensure equitable access to high-quality learning environments across SBISD by providing instructional enhancements to include online explanatory lessons, learning guides, as well as personalized test practice for Pre-Advanced Placement/AP, SAT, ACT, EOC and other advanced courses.
- Examples: Web-based explanatory lessons, learning guides, and blended test preparation opportunities including pre-advanced placement/AP, SAT, ACT, EOC and other advanced courses
- Cost: \$500,000
- Derived from:
  - Price quote
  - Market bids



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Spring Branch Independent School District



# Early Childhood:

- Definition: Enhance both childcare and early-educational options to ensure equitable access to high quality early learning for all SBISD communities
- Example: Enhanced childcare options to include student parents, instructional materials, and refreshed classroom furniture for early learning classrooms
- Cost: \$650,000
- Derived from:
  - Purchasing records



How Much Do Things Cost?

**Technology**





Spring Branch Independent School District  
**Inspiring minds. Shaping lives.**



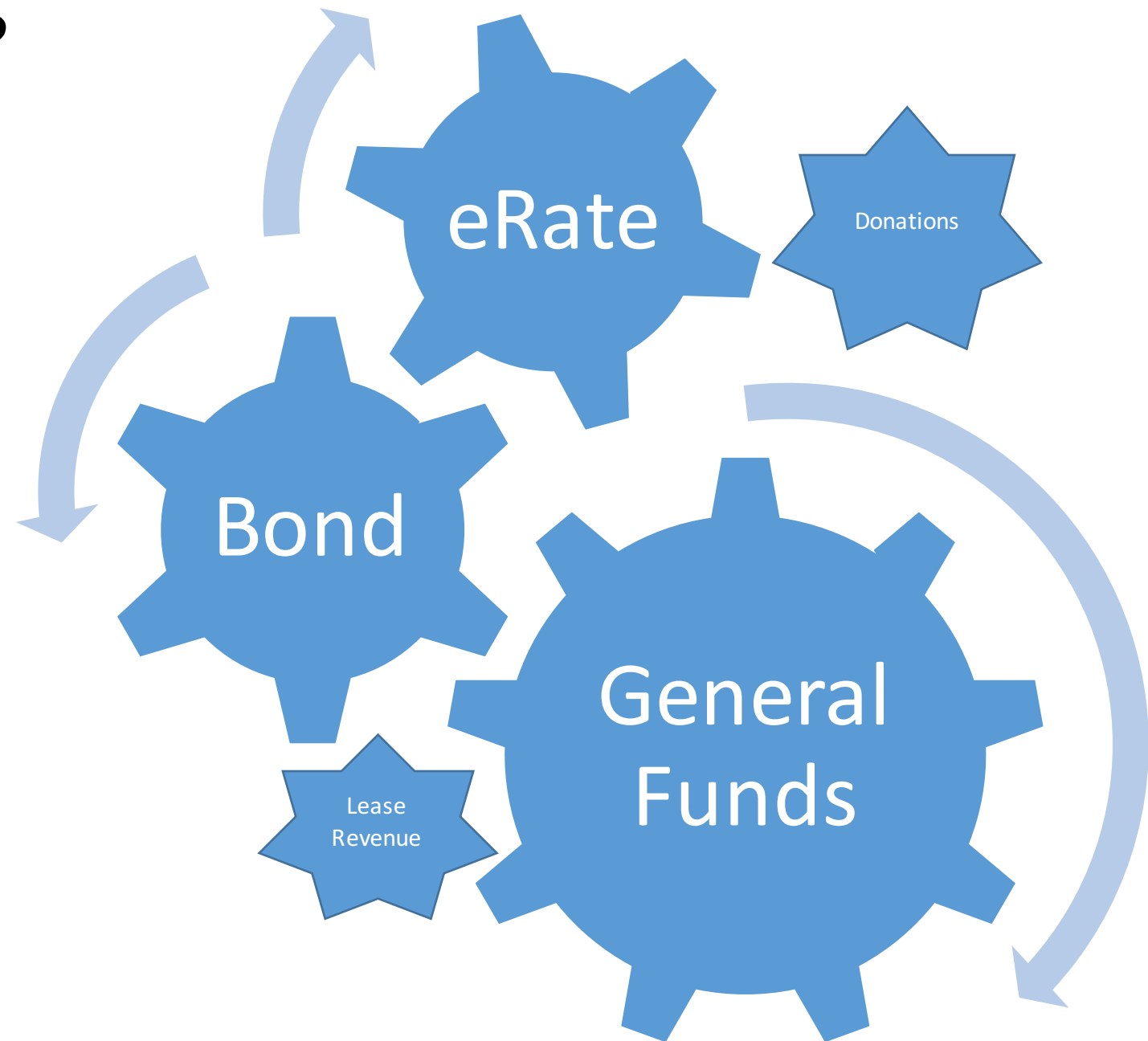
# IT Awards & Honors

- Memorial and Stratford high schools rated Top 10 high schools for science, technology, engineering and mathematics by Children at Risk (Fall 2011)
- IT Department won COSN TEAM award (i.e. IT Department of the Year) (2016) by CoSN (the Consortium for School Networking)
- IT Leadership CETL-certified



# Technology Funding

- Multiple funding sources
- Restrictions
- Structure





# Bond Planning – Information Technology

## Squares

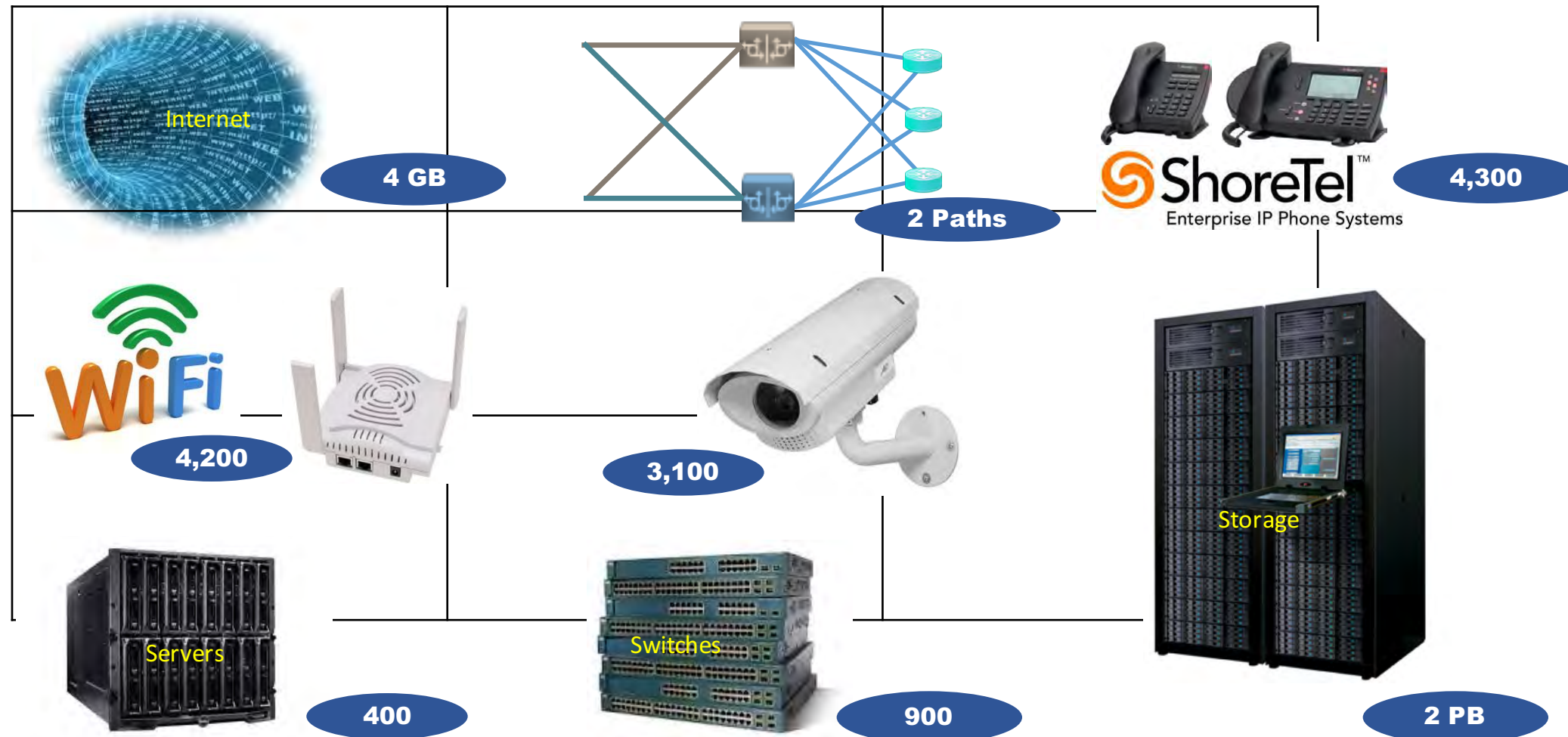
- CTE Opportunities
- **Software Licenses**
- Instructional Materials
- System MEP
- System Building Envelope
- Educational Suitability
- Replacements
- **Technology Cabling**
- Asset Upgrades
- Roofing
- Child Nutrition Services
- **FF&E**
- **24/7 Accessibility**
- **Tools for Kids & Teachers**
- **Infrastructure**
- Buses





# Infrastructure

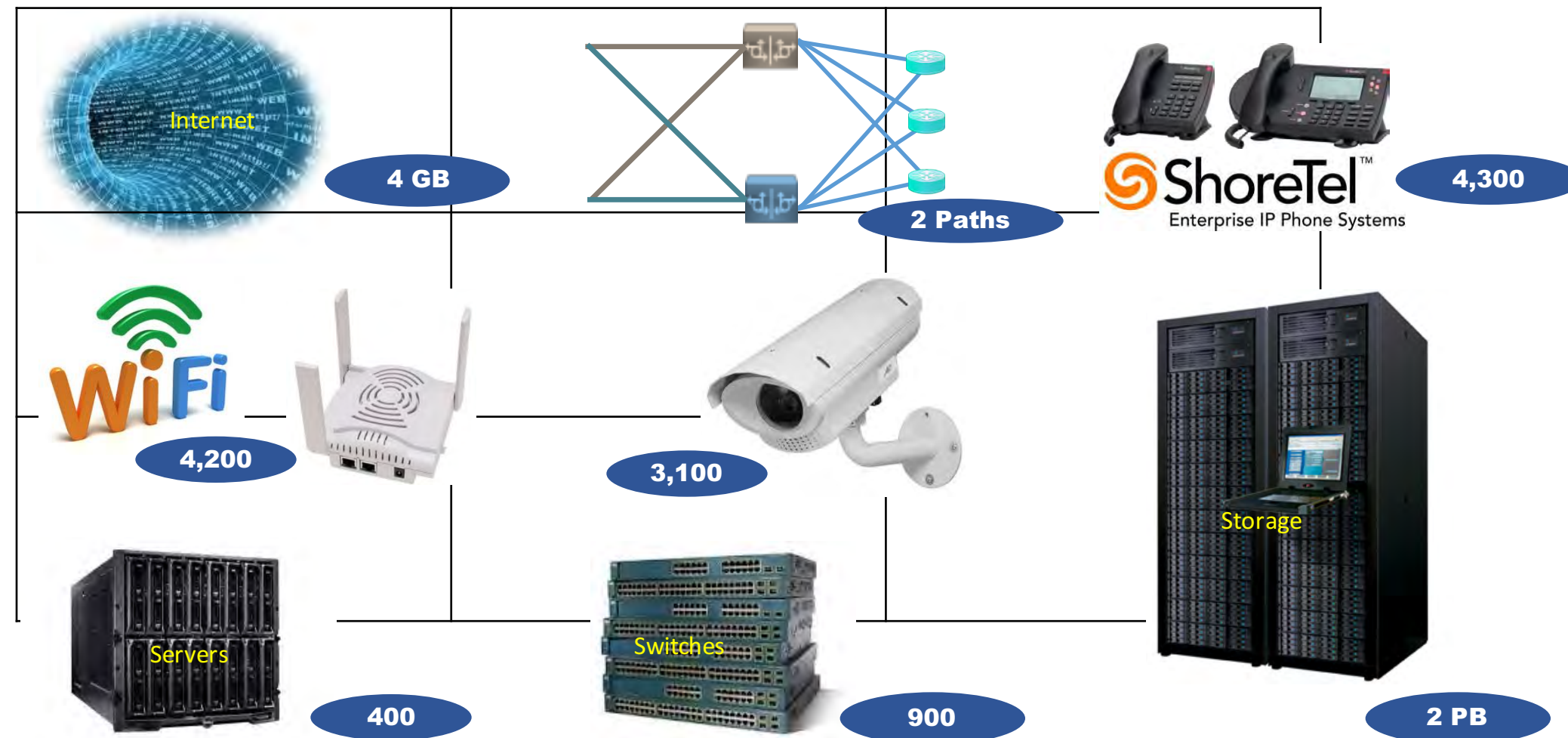
All the connections and supporting equipment between students, schools, sites and employees to keep the district efficient, safe and secure.





# Cabling

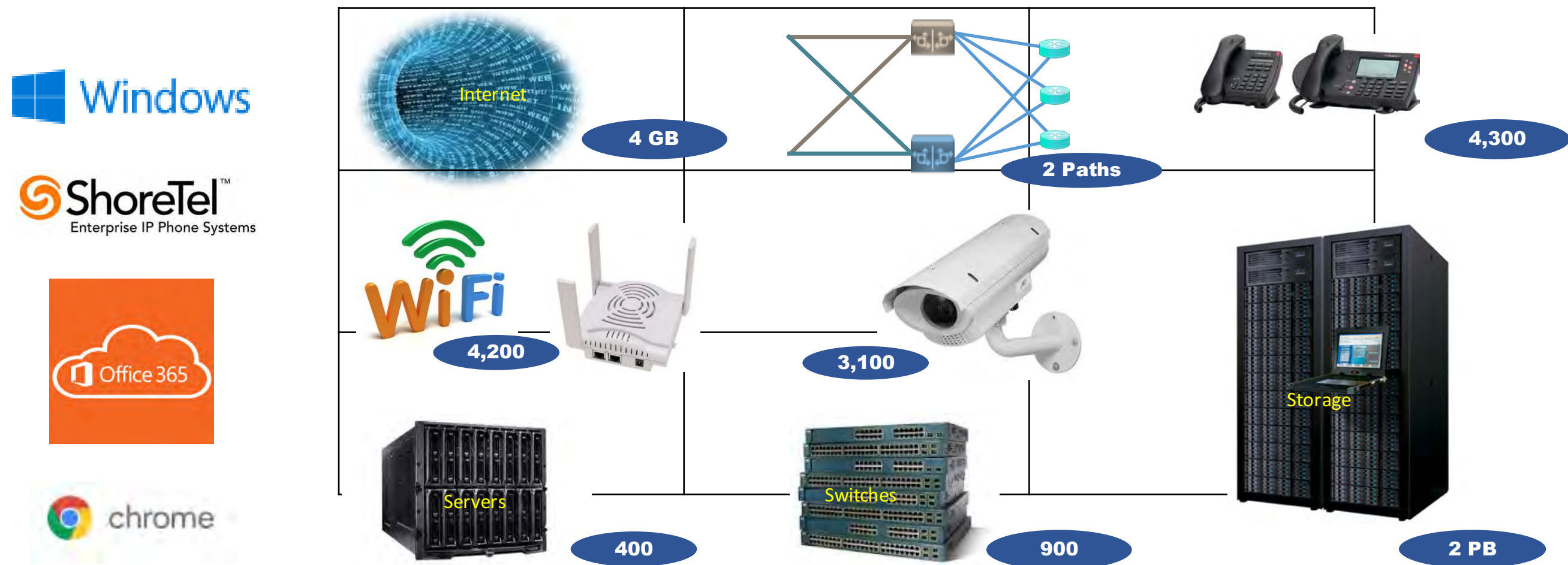
Physically connects all the components in classrooms, schools, offices and sites together.





# Software

Runs on hardware components. Hardware upgrades often require upgrades to legacy software





# Tools for Kids + Teachers

2007



Desktop  
7,500



Printers  
500

8,000



Desktop  
4,000



iPod  
4,000



iMac  
1,100



iPad  
11,000



MacBook  
1,900



Kindle  
240



Brightlink  
130



Laptop  
7,400



Netbook  
15,000



ActivBoard  
1,700



Chromebook  
3,600



Printers  
1,700

52,000

2017

- Classrooms
- Libraries
- Tech Apps/Labs





# 24/7 Access

Resources, hardware & software, needed to support learning and accessing our systems from anywhere, at anytime

- Physical & logical tracking of district access at all times
- 4,000 teachers access itslearning (i.e. LMS) between 4pm – 12am
- 7,500 students access itslearning (i.e. LMS) between 4pm – 12am
- ~8,000 users of Skyward Family Access (i.e. grades)
- ~15-20 after-hour calls into Help Desk during peaks times
- 20% of families use SchoolCafe for meal pay with an annual average of \$50,000 unpaid lunch balances



# Technology Furniture, Fixtures & Equipment

- Specialized furniture to support technology devices and power in instructional areas, common areas and libraries
- Examples: Collaboration tables with integrated power, cable management, hallway touchscreen marquees, etc.





# Guiding Principles

## Major Areas of Proposed Spending

• Software	\$6.4M
• Technology Cabling	\$5.1M
• Infrastructure	\$25.5M
• 24/7 Access	\$40 M
• FF&E	\$ .6M
• Tools for Kids & Teachers	\$136M

NOTE: Ave. 2 lifecycle replacements

**\$213.6M**







SPRING BRANCH  
INDEPENDENT SCHOOL  
DISTRICT  
Inspiring minds. Shaping lives.





# Bond Financing



# Spring Branch ISD

Bond Advisory Committee

## **Financial Overview**



# **School Finance Overview**

## **Tax Rates**

- **Maintenance and Operations**
  - Used to account for the daily operations of the district
  - Primary Revenue Sources
    - Property taxes
    - State Funding
    - Federal
  - Primary Costs
    - Salaries, insurance and other benefits
    - Utilities, fuel & supplies



# **School Finance Overview**

## **Tax Rates**

- **Interest & Sinking**
  - Used to account for resources set aside to pay principal, interest and fees on long-term debt.
  - Primary revenue sources
    - Property taxes
    - Interest Earnings
    - State Allotments
  - Primary costs
    - Debt principal
    - Interest on outstanding debt



# **General Fund**



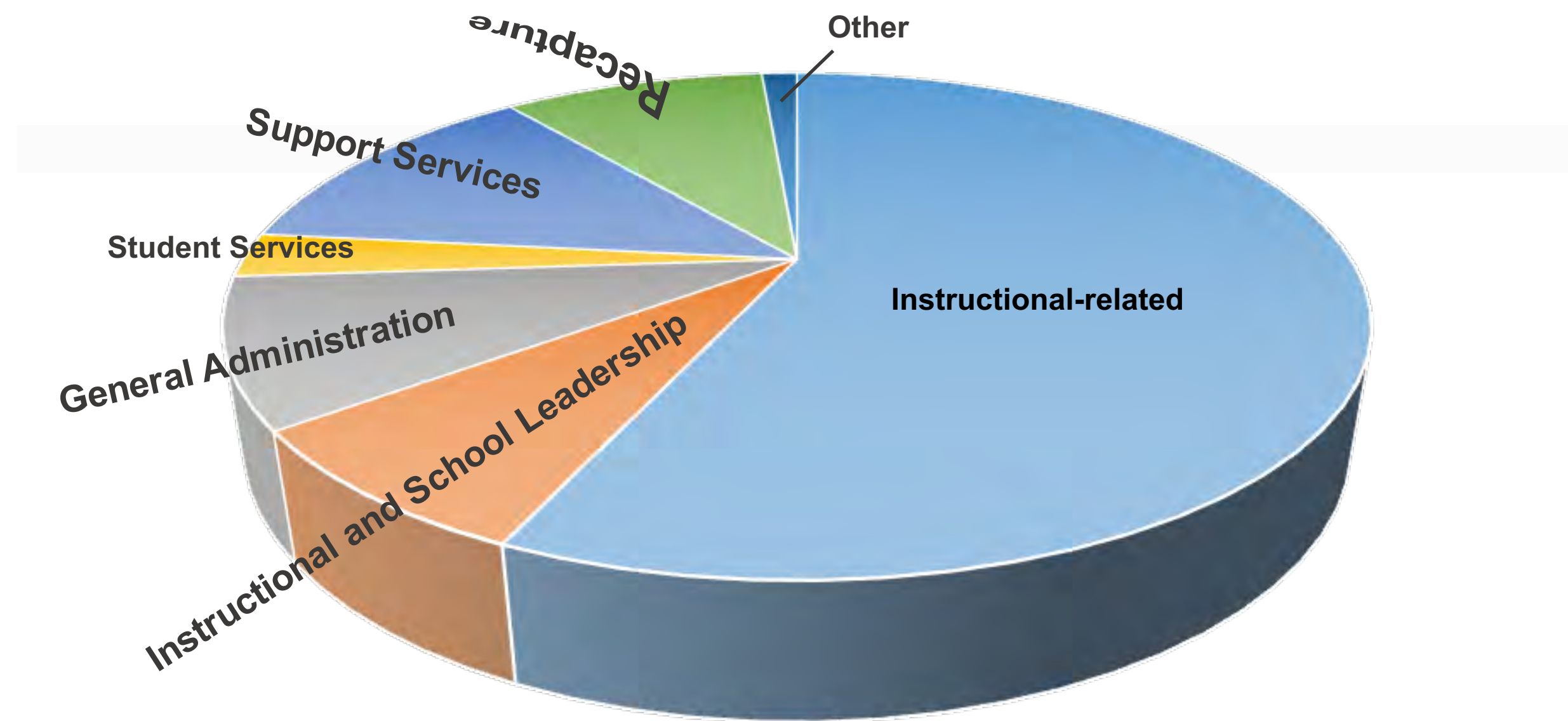
	Payroll Costs	Operating Costs	Total	Percent of Budget
<b>Classroom Payroll Costs</b>	160,893,201	9,638,058	170,531,259	54.5%
<b>Principal and Campus Operations</b> (Includes Principal, Assistant Principal, clerical support including attendance and textbook, 46 sites)	19,496,726	399,141	19,895,867	6.4%
<b>Curricular and Co-Curricular Activities</b> (Includes Band, Orchestra and Other Fine Arts, All Sports Middle and High School, Associated Travel, etc.)	3,566,145	1,709,175	5,275,320	1.7%
<b>Utilities</b>		8,415,161	8,415,161	2.7%
<b>Harris County Appraisal District</b>		2,647,310	2,647,310	0.8%
<b>Legal and Audit</b>		718,146	718,146	0.2%
<b>Property and Bus/Auto Insurance</b>		2,758,037	2,758,037	0.9%
<b>Transportation</b> (Includes Bus Drivers, Mechanics, Fuel and Other Transportation Costs)	6,714,064	900,058	7,614,122	2.4%
<b>Custodial and Grounds Campus</b>	6,166,932	432,965	6,599,898	2.1%
<b>Nursing Services</b>	3,532,440	41,840	3,574,280	1.1%



<b>(Budget Costs Continued)</b>	<b>Payroll Costs</b>	<b>Operating Costs</b>	<b>Total</b>	<b>Percent of Budget</b>
<b>Software Systems (Student and Financial)</b>		207,182	207,182	0.2%
<b>Counseling Services</b>	11,503,655	783,561	12,287,216	14.4%
<b>Library Services</b>	2,956,461	355,112	3,311,573	3.9%
<b>Technology Services</b>	4,632,238	1,316,055	5,948,293	7.0%
(Includes campus support, network, desktop, etc.)				
<b>Curriculum and Instructional Staff Development</b>	2,701,074	612,551	3,313,626	3.9%
<b>Curriculum Support and Administration</b>	3,783,191	1,063,655	4,846,845	5.7%
<b>Truancy and Social Work</b>	171,325		171,325	0.2%
<b>Central Administration</b>	6,755,956	1,437,009	8,192,965	9.6%
(Includes all Business Functions such as Human Resources, Payroll, Accounting and Administration)				
<b>Communications, Mentoring, Volunteer Program</b>	853,418	190,110	1,043,528	1.2%
<b>Maintenance and Non-Campus Custodial and Grounds</b>	7,402,438	4,287,636	11,690,074	13.7%
<b>Police and Security</b>	3,067,755	329,159	3,396,914	4.0%
<b>Capital Outlay</b>		1,019,431	1,019,431	1.2%
(Includes debt service, police and technology vehicles, and SPARK Park)				
<b>Recapture</b>		29,649,359	29,649,359	34.8%
<b>Total</b>	<b>244,197,021</b>	<b>68,910,708</b>	<b>313,107,729</b>	<b>100.0%</b>



# How A Dollar is Spent



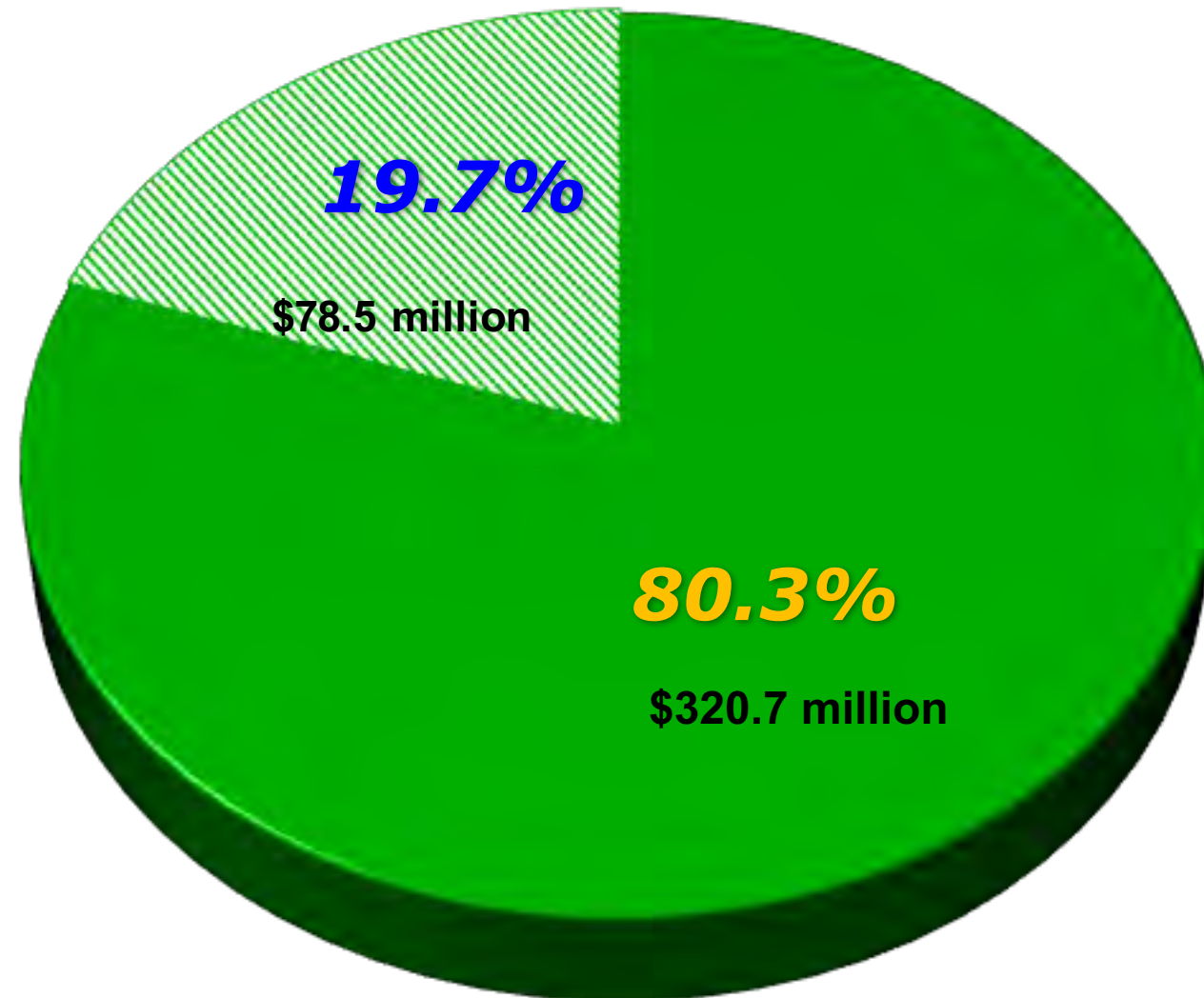


# Preliminary FY 2018 Budget

	Amended Budget FY 2017	Preliminary Budget FY 2018
<b>Tax Revenue</b>	<b>\$ 304,810,607</b>	<b>\$ 320,659,015</b>
State Funding	17,864,673	13,421,349
State Funding Prior Year Adjustment	4,948,174	-
Other Revenue	25,316,819	25,937,071
<b>Recapture</b>	<b>(52,772,651)</b>	<b>(78,485,238)</b>
<b>Total Revenues</b>	<b>300,167,622</b>	<b>281,532,197</b>
 <b>Payroll Costs</b>	 250,547,569	 252,509,774
<b>Contracted Services/Supplies/Other Operating</b>	<b>44,204,073</b>	<b>43,850,867</b>
<b>Debt Service</b>	<b>307,496</b>	<b>307,496</b>
<b>Capital Outlay</b>	<b>332,846</b>	<b>196,100</b>
<b>Total Expenditures</b>	<b>295,391,984</b>	<b>296,864,237</b>
 <b>Other Sources(Uses)</b>	 75,000	 50,000
 <b>Revenues Over(Under) Expenditures:</b>	 <b>\$ 4,850,638</b>	 <b>\$ (15,282,040)</b>
 <b>Ending Fund Balance</b>	 <b>\$ 71,070,572</b>	 <b>\$ 55,788,532</b>
<b>Fund Balance as a % of Expenditures</b>	<b>24.1%</b>	<b>18.8%</b>



# ***Tax Distribution***

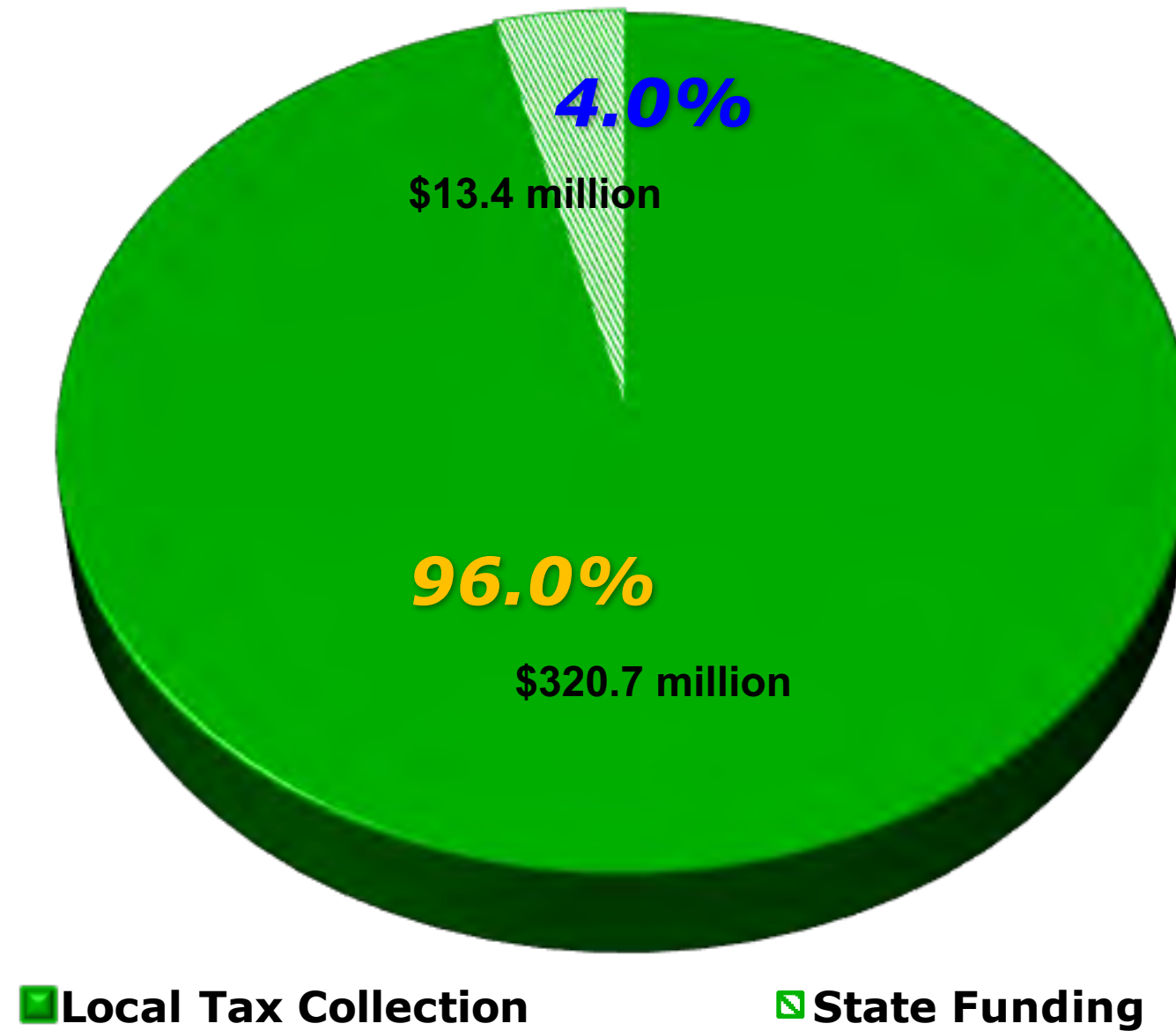


 **Local Tax Collections remaining in the District**

 **Recapture/Local Tax Dollars to the State**



# ***School District Funding***





## **Recapture – Applies only to the operating fund**

- A portion of local tax collections are required to be sent to the State
- Based on taxable value per student
  - Currently applicable if value per student is greater than \$514,000
  - At a higher tax rate the value per student drops to \$319,500 and recapture increases
  - For school year 2018 wealth per student is approximately \$700,000
- Debt Service tax collections are not subject to Recapture
- Debt Service tax dollars all remain in the district



# **Tax Rate Information**



# Comparison of 2016 Tax Rates

	General Fund	Debt Service	2016 Tax Rate Total	Optional Homestead Exemption Granted	Est. School Taxes Paid on \$500,000 Home
Crosby	\$ 1.170000	\$ 0.500000	\$ 1.670000	0	\$7,933
Humble	\$ 1.170000	\$ 0.350000	\$ 1.520000	0	\$7,220
Katy	\$ 1.126600	\$ 0.390000	\$ 1.516600	0	\$7,204
Spring	\$ 1.040000	\$ 0.429960	\$ 1.469960	0	\$6,982
Klein	\$ 1.040000	\$ 0.390000	\$ 1.430000	0	\$6,793
Huffman	\$ 1.040000	\$ 0.360000	\$ 1.400000	0	\$6,650
Channelview	\$ 1.040000	\$ 0.356000	\$ 1.396000	0	\$6,631
Fort Bend	\$ 1.040000	\$ 0.300000	\$ 1.340000	0	\$6,365
Tomball	\$ 1.000000	\$ 0.340000	\$ 1.340000	0	\$6,365
Aldine	\$ 1.133388	\$ 0.190000	\$ 1.323388	0	\$6,286
Alief	\$ 1.125000	\$ 0.180000	\$ 1.305000	0	\$6,199
<b>Average</b>					<b>\$6,196</b>
Goose Creek	\$ 1.170000	\$ 0.261890	\$ 1.431890	10%	\$6,086
Galena Park	\$ 1.243300	\$ 0.320000	\$ 1.563300	20%	\$5,862
Deer Park	\$ 1.236700	\$ 0.320000	\$ 1.556700	20%	\$5,838
Pasadena	\$ 1.070000	\$ 0.280000	\$ 1.350000	10%	\$5,738
Cypress-Faibanks	\$ 1.040000	\$ 0.400000	\$ 1.440000	20%	\$5,400
La Porte	\$ 1.040000	\$ 0.380000	\$ 1.420000	20%	\$5,325
Sheldon	\$ 1.170000	\$ 0.240000	\$ 1.410000	20%	\$5,288
<b>Spring Branch</b>	<b>\$ 1.090000</b>	<b>\$ 0.304500</b>	<b>\$ 1.394500</b>	<b>20%</b>	<b>\$5,229</b>
Houston	\$ 1.026700	\$ 0.180000	\$ 1.206700	20%	\$4,525



# Tax Rate History

<b>Fiscal Year</b>	<b>Maintenance and Operations</b>	<b>Interest and Sinking</b>	<b>Total</b>
FY 2018*	1.0900	0.3045	1.3945
FY 2010 - 2017	1.0900	0.3045	1.3945
FY 2009	1.0900	0.2925	1.3825
FY 2008	1.0900	0.1950	1.2850
FY 2007	1.4365	0.1950	1.6315
FY 2006	1.5750	0.2350	1.8100

\* Proposed



# Taxable Values

<b><u>Fiscal Year</u></b>	<b><u>Property Values</u></b>	<b><u>% Increase/ (Decrease)</u></b>
2018	32,431,197,178	4.99% *
2017	30,891,079,781	10.93%
2016	27,848,396,828	15.06%
2015	24,204,080,072	12.40%
2014	21,533,550,210	9.46%
2013	19,671,679,779	5.36%
2012	18,670,148,509	2.77%
2011	18,166,834,065	-1.95%

\* Certified Estimate from Harris County Appraisal District



# **Interest and Sinking**

**Debt Service**



# Due to Pressure on the General Fund

## ***Bond funds are currently used for:***

- New construction
- Renovation
- Roofs
- HVAC
- Repairs and parts over \$20,000
- Buses
- Technology
- Furniture, fixtures and equipment for new and existing schools



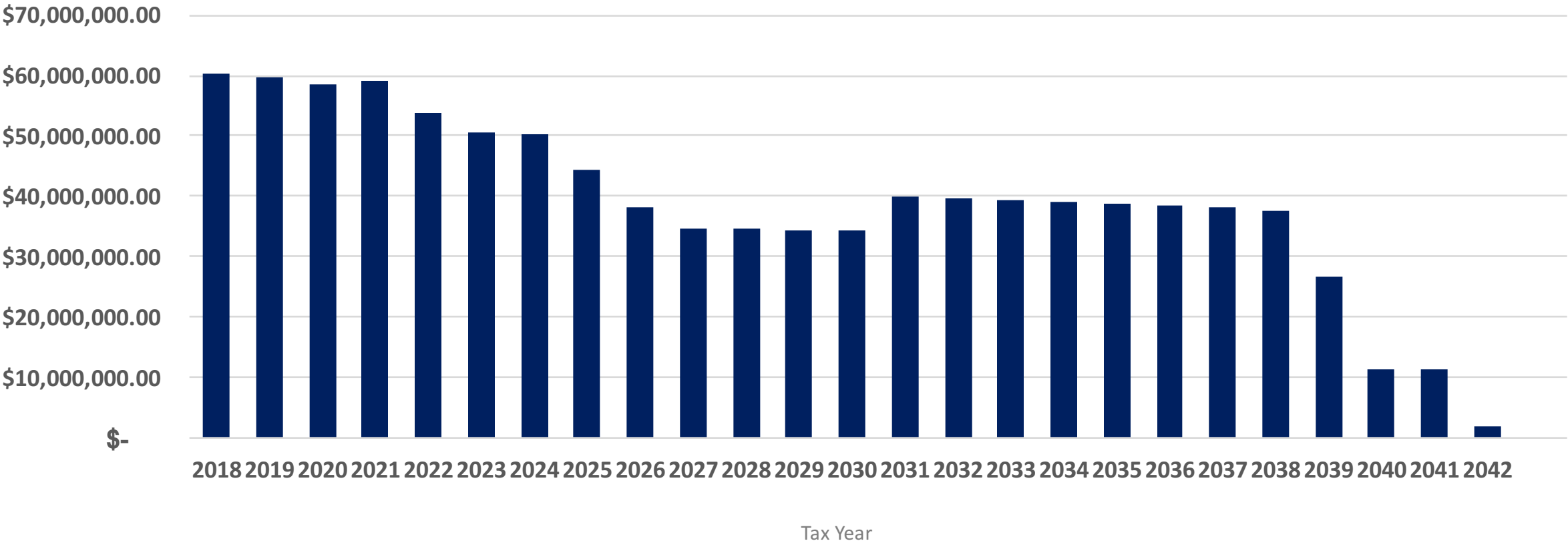
# Capital Replacement Program

- Used to match debt principal with shorter lived assets
  - Debt is sold with a short maturity
  - Principal may be paid in 1 to 5 years
- Authorized debt is utilized
- Proceeds used to purchase buses, technology, equipment, etc.



# Outstanding Debt

- **\$619,385,000 Tax-Supported Bonds**
  - **Financed the construction and equipping of school buildings**
  - **\$60.2 million payment for Tax Year 2017/2018**
  - **Average Coupon Rate is 4.27%**
  - **Final maturity in 2042**
  - **FY 2016/17 debt service (I&S) tax rate of \$0.3045/\$100.**





# Impact of I&S Rate of 2007 Bond Election

- I&S Tax Rate increased by \$0.0695 as promised to the voters.
- Average growth in assessed value over 6.83% from 2007 to 2016.
- Average borrowing rate less than 4.00%:

	<u>Bond Amount</u>	<u>Sale Date</u>	<u>All-In TIC</u>
Series 2008	\$194,600,000	2/25/2008	4.95%
Series 2009A	61,720,000	10/2/2009	3.92%
Series 2009B <sup>(1)</sup>	62,085,000	10/2/2009	3.82% <sup>(1)</sup>
Series 2010A	25,000,000	11/10/2010	3.73%
Series 2010B <sup>(1)</sup>	75,000,000	11/10/2010	3.84% <sup>(1)</sup>
Series 2011	75,000,000	11/15/2011	4.25%
Series 2013 <sup>(2)</sup>	60,990,000	9/17/2013	1.05% <sup>(2)</sup>
Series 2014	31,390,000	11/12/2014	3.64%

(1) Series 2009B and 2010B are taxable Build America Bonds for which the District receives a subsidy from the U.S. Treasury to offset the interest rate.

(2) Series 2013 are variable rate bonds for which the interest rate is fixed until the bonds are remarketed on 6/15/2017.

- Build America Bonds subsidy transferred to M&O fund; ~\$2.6 million per year.
- Current tax rate allows for bond capacity.



# Future Bond Capacity

## ***Assumptions:***

- I&S Tax Rate: \$0.3045/\$100
- Taxable Value of the District for 2017-18: \$32.4 billion
- Growth Rate: 3% through 2020-21
- Tax Collections Rate: 98.5%
- Bond Interest Rate: 4.5%
- Capital Replacement Program: 2 pennies per year for 10 years will fund approximately \$53 million in short average life assets



# Results of the Tax Rate Model

Tax Impact of Various Election Amounts	
I&S Tax Rate	Capacity
No Tax Increase	\$825,000,000
1.00 Cent	\$880,000,000
5.00 Cents	\$1,100,000,000





Bond Advisory Committee –  
“How Will We Allocate Our  
Investment?” Exercise



# "How Will We Allocate Our Investment?" Exercise

Bond Advisory Committee

Instruction	CTE Opportunities <b>\$34 Million</b>	Software Licenses <b>\$5 Million</b>	Instructional Material <b>\$13 Million</b>	System MEP <b>\$348 Million</b>
	System Building Envelope <b>\$254 Million</b>	Asset Deficiencies <b>\$316 Million</b>	Roofing <b>\$75 Million</b>	Technology Cabling <b>\$5 Million</b>
	FF&E <b>\$25 Million</b>	Education Suitability <b>\$89 Million</b>	Capacity + Demographics <b>\$50 Million</b>	Child Nutrition Services <b>\$19 Million</b>
	24/7 Access <b>\$40 Million</b>	Tools for Kids + Teachers <b>\$136 Million</b>	Infrastructure <b>\$33 Million</b>	Buses <b>\$23 Million</b>
Facilities	Technology			Transportation

*How Much Do Things Cost?*

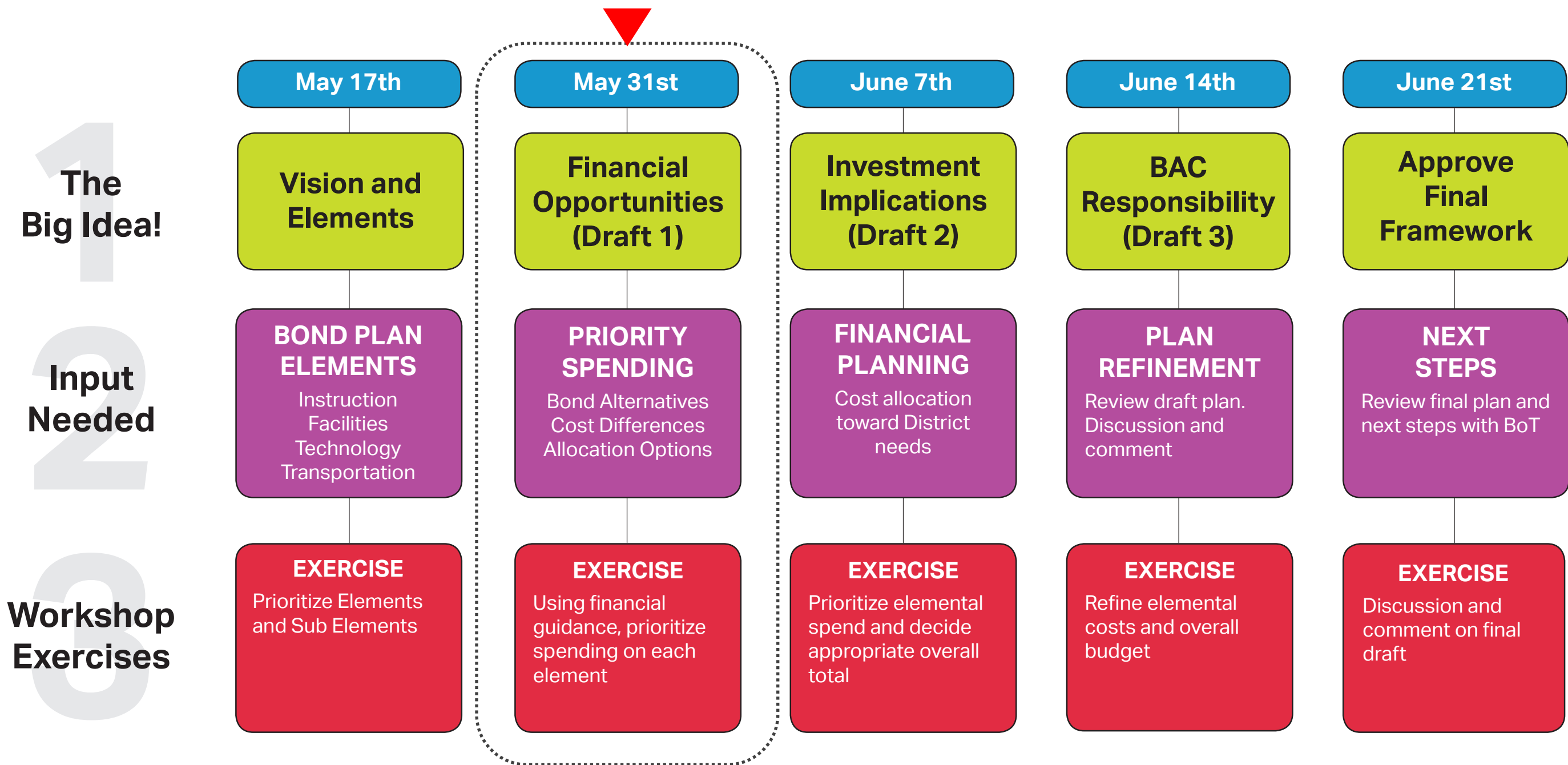




Next Steps



# BAC Framework + Engagement Process







Thank you!



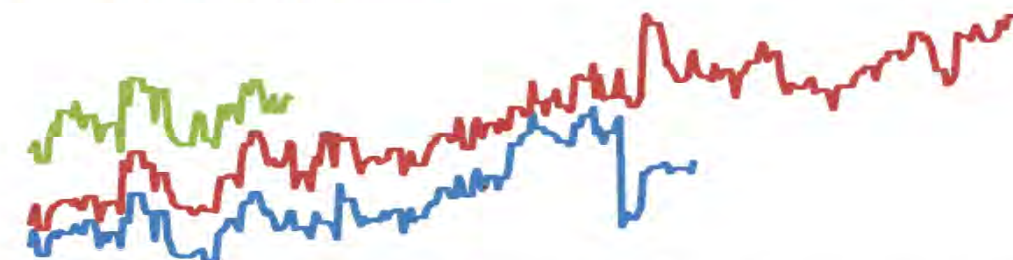
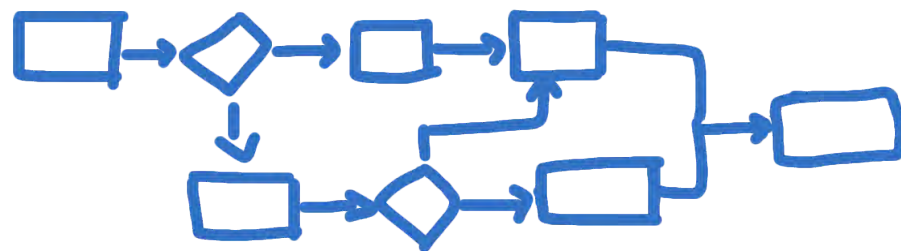
# BAC Meeting #1 Tabletop Exercise Derived Themes

**PROCESS**

**COMMUNICATION**

**PRIORITIES**

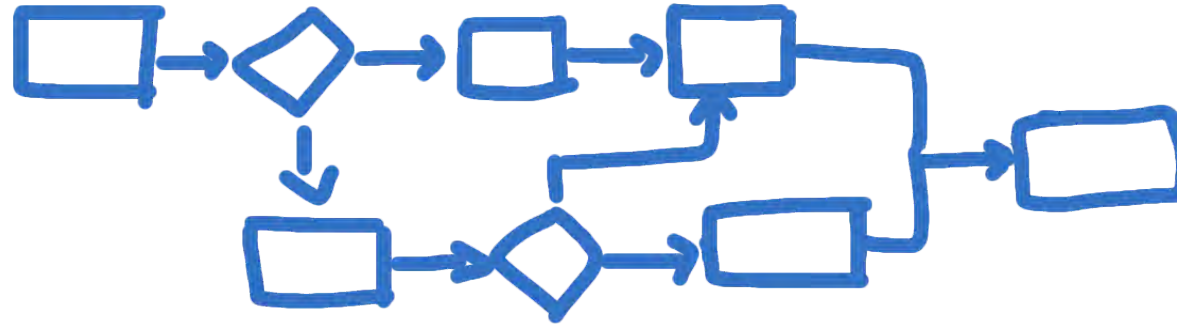
**FINANCE**





# BAC Meeting #1 Tabletop Exercise Derived Themes

## PROCESS



- What is the role of the BAC in the overall process?
- How will we put a Bond Framework together?
- How are decisions made to allocate spending?
- Will we accomplish our charge in seven meetings?



# BAC Meeting #1 Tabletop Exercise Derived Themes

## PRIORITIES



- How will we prioritize our needs?
- How will we plan for future needs?
- How will we know the needs of all the campuses?
- How does facility design impact personalized learning?



# BAC Meeting #1 Tabletop Exercise Derived Themes

## COMMUNICATION

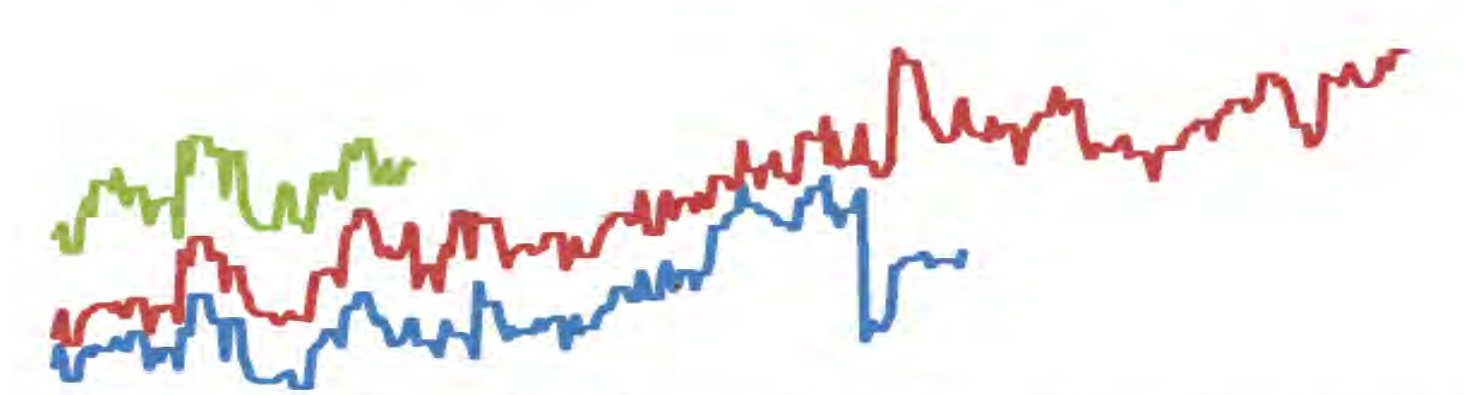


- What is the Big Picture?
- How will we communicate to our community?
- How will we communicate the future impact of our decisions?



# BAC Meeting #1 Tabletop Exercise Derived Themes

## FINANCE



- How does bond funding work?
- How will we prioritize our capital spending?
- How much money can we spend without raising taxes?
- What will be the effect on taxpayers?