

***WELCOME***

***BOND & GROWTH  
COMMITTEE  
MEMBERS***





# Bond and Growth Planning Committee

Meeting 1

October 24, 2023



# WELCOME FROM YOUR SUPERINTENDENT

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Dr. Courtney Carpenter  
Superintendent



# WELCOME FROM YOUR BOARD OF TRUSTEES

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Sam Slaton  
Board President



### **The Bond and Growth Planning Committee recommendation will:**

- Consider the needs of all district students
- Represent the priorities, expectations, and values of the entire community
- Use facts and data to make informed recommendations,
- Develop facility plans that support common educational goals of the district, including safety and security
- Understand the district's finances in order to develop and recommend a bond that is fiscally responsible

# TRANSCEND<sup>4</sup>

Collaboration | Communication | Critical Thinking | Creativity

Dr. Lizzy Johnson

Facilitator

[lizzy@transcend4.com](mailto:lizzy@transcend4.com)

940.595.0251

# AGENDA

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- WELCOME
- COMMITTEE CHARGE
- NORMS & PROCESS OVERVIEW
- CURATION PROCESS UPDATE
- PRIOR BOND PROJECTS UPDATE
- SCHOOL FINANCE 101
- CLOSING



# TABLE INTRODUCTIONS

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Name

Occupation

Connection to AISD

Best Vacation Ever



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# HOUSEKEEPING

- All relevant materials and information will be distributed to you as handouts.
- Due to time constraints, no breaks have been scheduled. Please take care of your personal needs on your own.
- The Argyle ISD Leadership Team is here to serve you and to be a resource. Ask questions.
- Your attendance at every meeting will help yield optimum results for this committee and your community.

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# GROUND RULES



- Only one speaker at a time
- Respect the person who is speaking
- Listen with a desire to contribute & learn
- Engage in the ENTIRE meeting

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# Q&A PROCESS

- Each table will discuss the information presented and select one question to ask.
- Unanswered questions or concerns will be placed on the 'parking lot' to be answered later via email.

# MEETING OVERVIEW

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## Meeting #1

Welcome & Introductions

Committee Charge

Norms & Process Review

Prior Bond Projects Update

School Finance 101

## Meeting #2

Demographic Report

Facility Needs Assessment

## Meeting #3

Facility Tours

## Meeting #4

Project Priority Presentation

Project Priority Worksheet

## Meeting #5

Financial Advisor Presentation

Project Priority Worksheet and Mock Vote

## Meeting #6

Bond Package Development with CoVoice

SWOT Analysis regarding potential bond

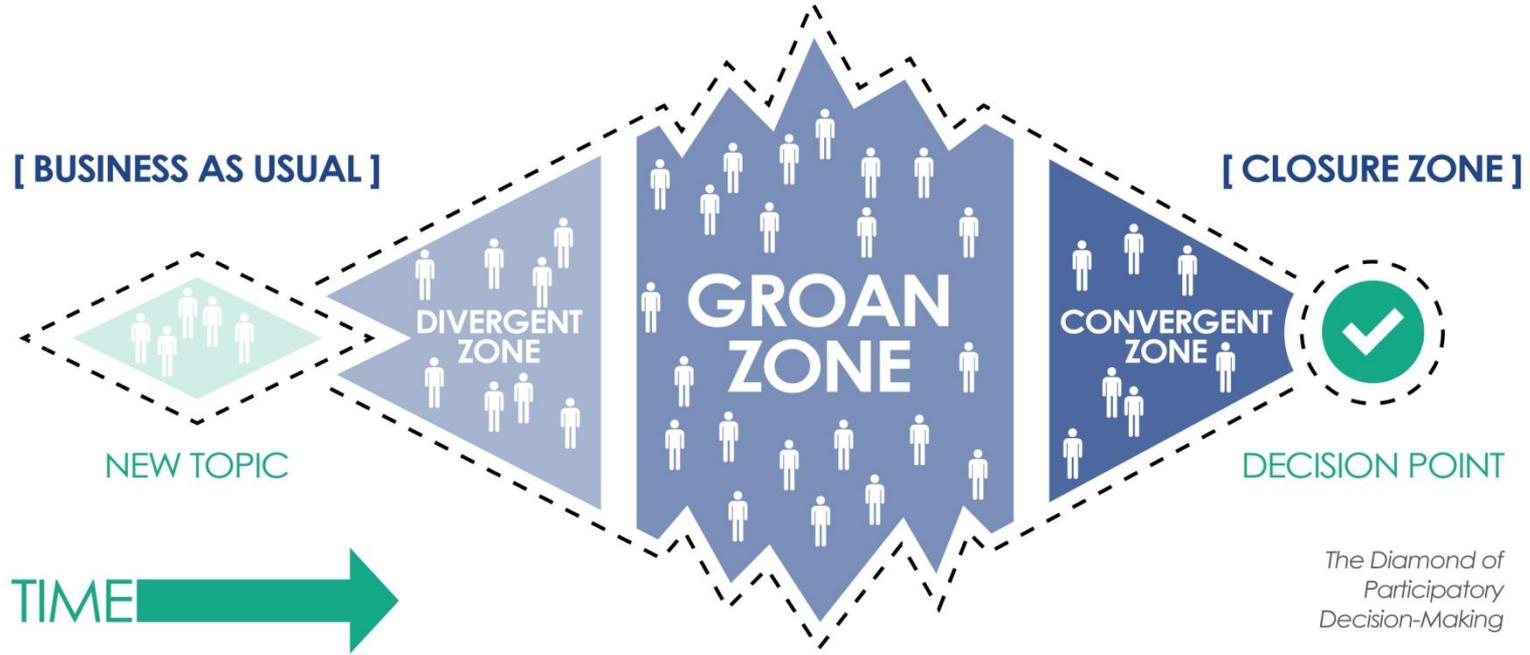
DRAFT

# CONSENSUS & GRADIENTS OF AGREEMENT

<p><b>ENDORSEMENT</b></p> <p>"I like it."</p>	<p><b>ENDORSEMENT WITH A MINOR POINT OF CONTENTION</b></p> <p>"Basically, I like it."</p>	<p><b>AGREEMENT WITH RESERVATIONS</b></p> <p>"I can live with it."</p>	<p><b>ABSTAIN</b></p> <p>"I have no opinion."</p>	<p><b>STAND ASIDE</b></p> <p>"I don't like this, but I don't want to hold up the group."</p>	<p><b>FORMAL DISAGREEMENT, BUT WILLING TO GO WITH THE MAJORITY</b></p> <p>"I want my disagreement noted in writing, but I'll support the decision."</p>	<p><b>FORMAL DISAGREEMENT, WITH REQUEST TO BE ABSOLVED OF RESPONSIBILITY</b></p> <p>"I don't want to stop anyone else, but I don't want to be involved in implementing it."</p>	<p><b>BLOCK</b></p> <p>"I veto this proposal."</p>
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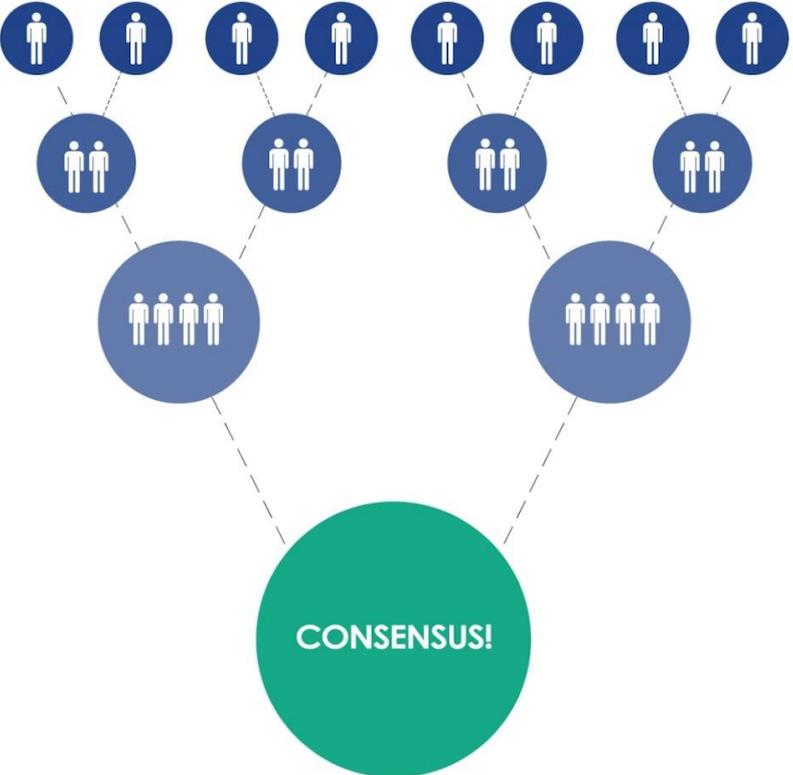
*This scale makes it easier for participants to be honest. Using it, members can register less-than-whole hearted support without fearing that their statement will be interpreted as a veto.*

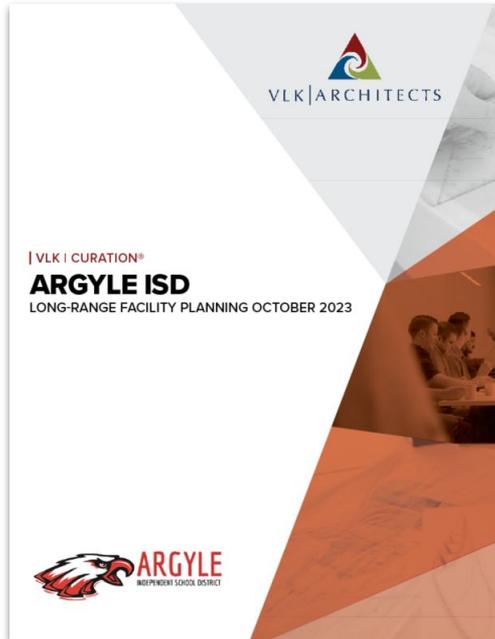
# DYNAMICS OF GROUP DECISION-MAKING



# CONSENSUS BUILDING MODEL

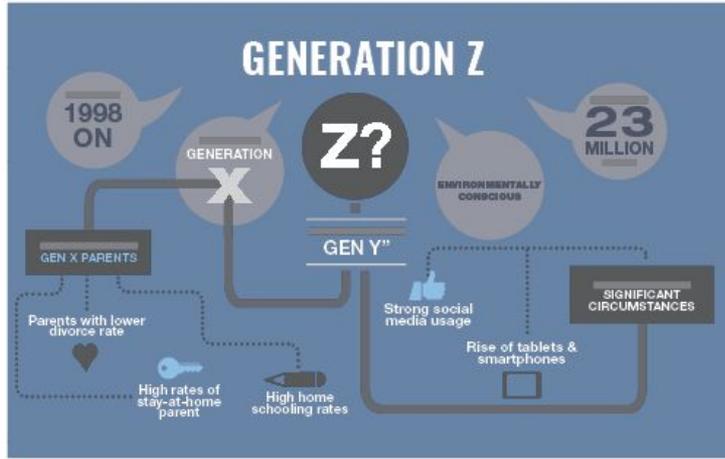
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VLK | CURATION® studies district philosophy in order to adequately approach the collaborative Long-Range Facility Planning process that will conclude with a collection of thoughts that will define expectations for future design needs in the district.

- Initial meetings began October 3, 2023
- Process involved Superintendent and other district leaders to establish district goals and objectives

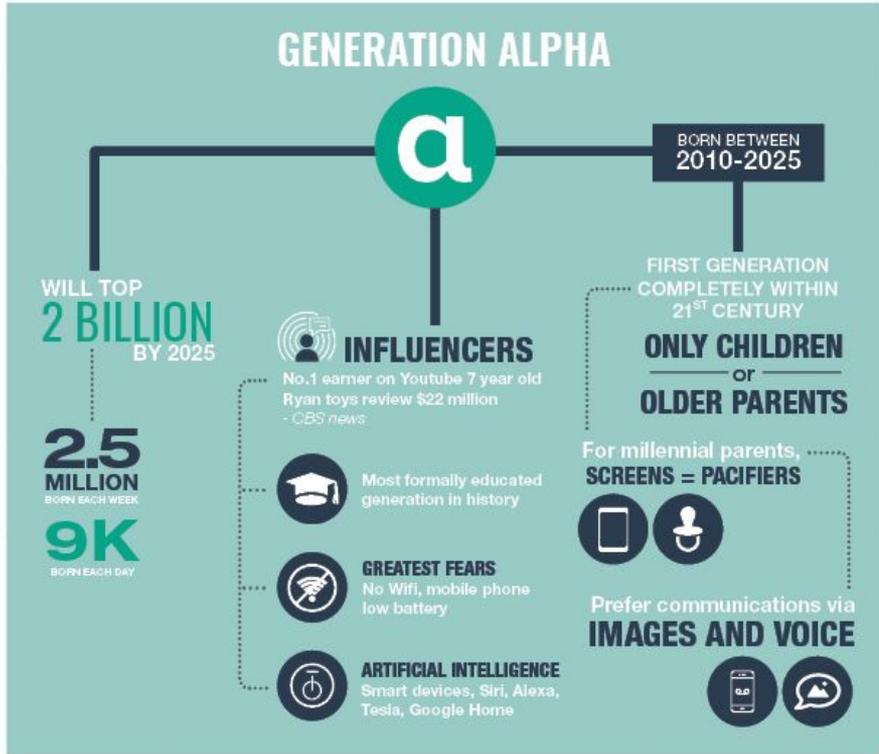


## CORE CHANGES

**ELEMENTARY SCHOOL CHILDREN**  
 move from their egocentrism and develop language structure in order to begin to communicate logical thinking. They struggle with the abstract and hypothetical, but begin to wonder how others think and feel.

**MIDDLE SCHOOL ADOLESCENTS**  
 begin to understand abstract ideas. They develop moral philosophies including rights and privileges. They become comfortable establishing and maintaining relationships, and question the values of others.

**HIGH SCHOOL STUDENTS**  
 begin to find multiple solutions to problems. They use deductive reasoning, and can conceptualize the abstract. They question authority and seek role models while needing structure and craving autonomy.



# OVERARCHING THEMES

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- Academic Programming and Instruction
  - Expand CTE opportunities to promote career awareness and exploration
  - Foster confident leaders and communicators with skills for their futures
  - Promote appropriate technology integration for instructional support
  - Expect engagement, collaboration, and high academic success
  
- Physical Spaces and Considerations
  - Collaboration areas to support a variety of learning situations and academic content
  - Storage and Space
  - Technology-friendly areas for staff and students
  - Outdoor learning areas appropriate for the Texas heat
  - Natural light within learning and common spaces
  - Appropriate early childhood space to accommodate early learners

# Student Learning Styles

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Students	Visual	Auditory	Tactile/ Kinesthetic	Visual Auditory	Auditory & Tactile/ Kinesthetic	Visual, Auditory & Kinesthetic	Visual, Auditory, Tactical/ Kinesthetic	T/K Aggregate
1,958	31%	14%	19%	12%	6%	14%	5%	44%

Campus Principals conducted a sample across their campuses.

# 2017 Bond \$166,000,000

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- New Construction
  - Phase II High School ✓
  - Elementary #2 ✓
  - Elementary #3 ✓
  - 12 Classroom addition 377 campus ✓
- Existing Facilities Renovations
  - 377 Campus ✓
  - Sixth Grade Center ✓
  - Hilltop Elementary ✓
- Support Facilities
  - Administration Building ✓
  - Transportation/Maintenance Buildings – Nov 2023
- Technology ✓
- Buses ✓

# 2022 Bond \$267,885,000

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- **Proposition A** \$221,085,000
  - Elementary #4 – Fall 2024
  - Elementary #5
  - Middle School – Fall 2025
  - Design Middle School #2
  - Hilltop Playground ✓
  - Furniture Refresh
  - Acoustic Sound Shell ✓
  - Technology Infrastructure
  - Buses
  - Land
  - Safety & Security Upgrade
- **Proposition B** \$26,915,000
  - Stadium – Fall 2025
- **Proposition C** \$19,885,000
  - Indoor Activity Center – Fall 2025



# Table Talk Q&A Process

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# ARGYLE ISD

# SCHOOL FINANCE 101

# How are School Districts Funded

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State funding formulas are legislatively mandated.

## **Basic Allotment**

The current basic allotment of \$6,160 per student has not changed since 2019.

## **Average daily attendance (ADA)**

Based on student attendance.

## **Weighted Allotments**

Student populations that require additional resources: at-risk, economically disadvantaged, bilingual, special education, gifted and talented, career and technical education, and dyslexia.

# Foundation School Program (FSP)

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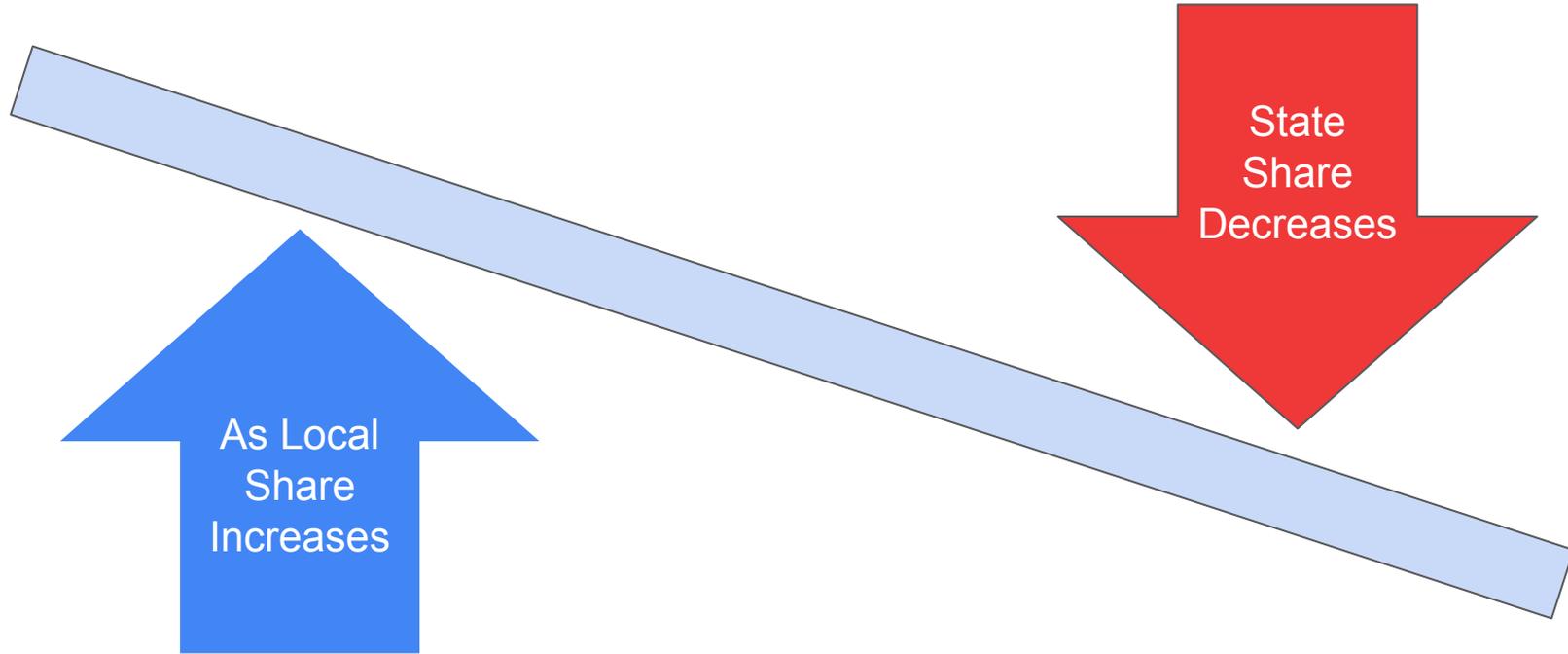
The FSP establishes how much state funding school districts are entitled to receive.

Formulas are set in statute (Chapters 46 & 48), and they consider both student and district characteristics including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates.

Generally, once entitlements are established, the formulas are used to determine how much a district can generate locally (local share) through property taxes before including state funds (state share).

# Local Share vs. State Share

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# How are School Districts Funded

## Local

Property taxes make up the majority of revenue received. Property values are assessed by the Denton County Appraisal District.

## State

The Texas Education Agency (TEA) provides funding primarily based on student attendance. State revenue makes up the difference between total revenue earned and local tax revenue. When the local tax revenues increase the state share decreases.

## Federal

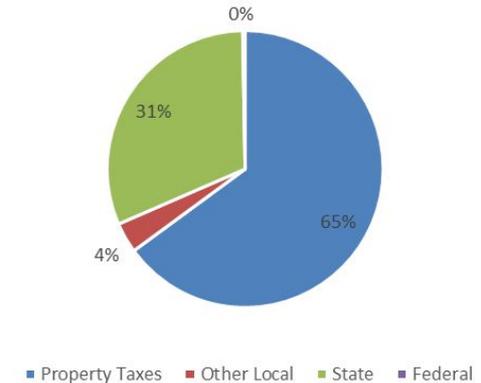
Federal funds are received as reimbursements for funds expensed by the district.

### General Fund Revenue

#### 2023-2024 Budget

Property Taxes	\$	35,915,000
Other Local	\$	1,965,500
State	\$	17,264,500
Federal	\$	157,500
	\$	<u>55,302,500</u>

### General Fund Estimated Revenue



# Interest & Sinking Fund

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## I&S Funding Sources



Local Revenue

# Local Tax Effort

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- Generated from property taxes (not sales taxes)
- Called “ad valorem” taxes
- Each year, a school district adopts two tax rates, which determine the total rate:
  - Maintenance & Operations (M&O)
  - Interest & Sinking (I&S – aka debt service)

# Maintenance & Operations (M&O) Tax Rate

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**Funds the day-to-day maintenance and operations of the district.**

- Salaries (teachers and other staff)
- Facility repairs and maintenance
- School supplies and materials
- Contracted services
- Bus repairs, maintenance and fuel
- Utilities (electricity, water, etc)

**For the average citizen this is similar to:**

- ★ Groceries
- ★ Utilities
- ★ Minor Home Repairs
- ★ Routine Services
- ★ Car Fuel

# Interest & Sinking (I&S) Tax Rate

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**Funds debt repayment for “big ticket” items:**

- New Schools
- Renovations to Existing Schools
- Land Purchases
- Program-specific Equipment
- School Buses

**For many citizens this is similar to:**

- ★ Mortgage
- ★ Home Renovations
- ★ Major Appliances
- ★ Land
- ★ New Car

# How are School Districts Funded

## General Operating Fund (Maintenance & Operations)

Day-to-Day Operations and Expenses

### School District

#### Expenses:

- Staff Salaries
- Utilities
- Supplies
- Repairs
- Fuel



### Similar Taxpayer

#### Expenses:

- Groceries
- Utilities
- Minor Home Repairs
- Routine Services
- Car Fuel

## Debt Services Fund (Interest & Sinking)

Principal and Interest Payments on Debt Issued

### School District

#### Expenses:

- New Construction
- Renovations
- HVAC Systems
- Roofing
- Technology

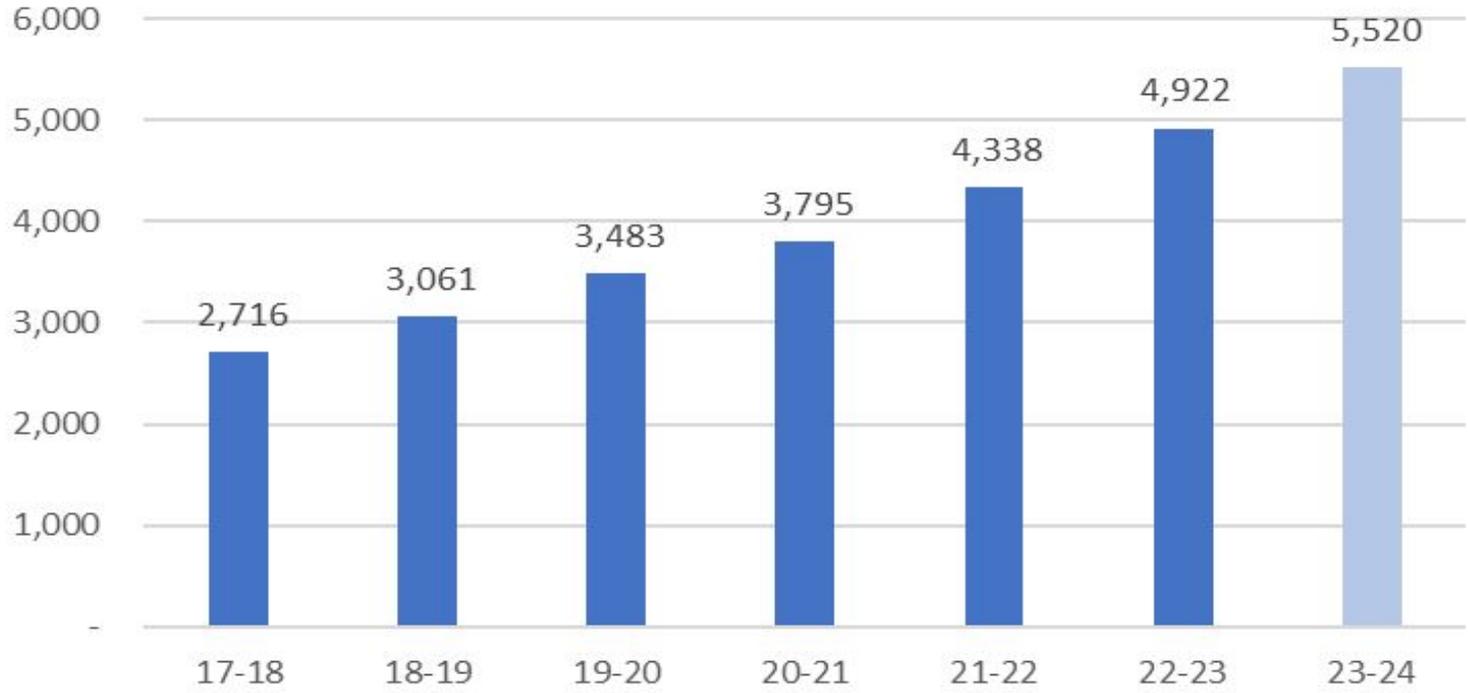


### Similar Taxpayer

#### Expenses:

- Mortgage
- Home Renovation
- Major Appliances
- Land
- Car

## Enrollment Growth



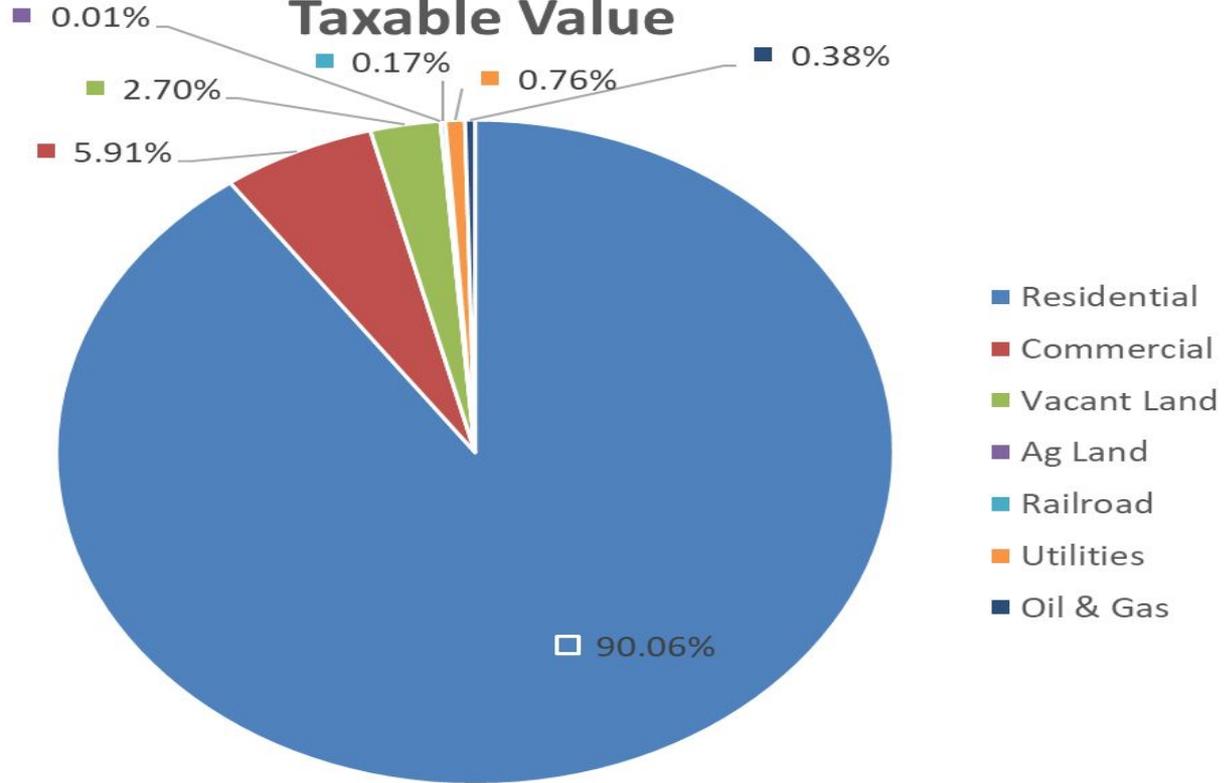
# Taxable Assessed Property Values

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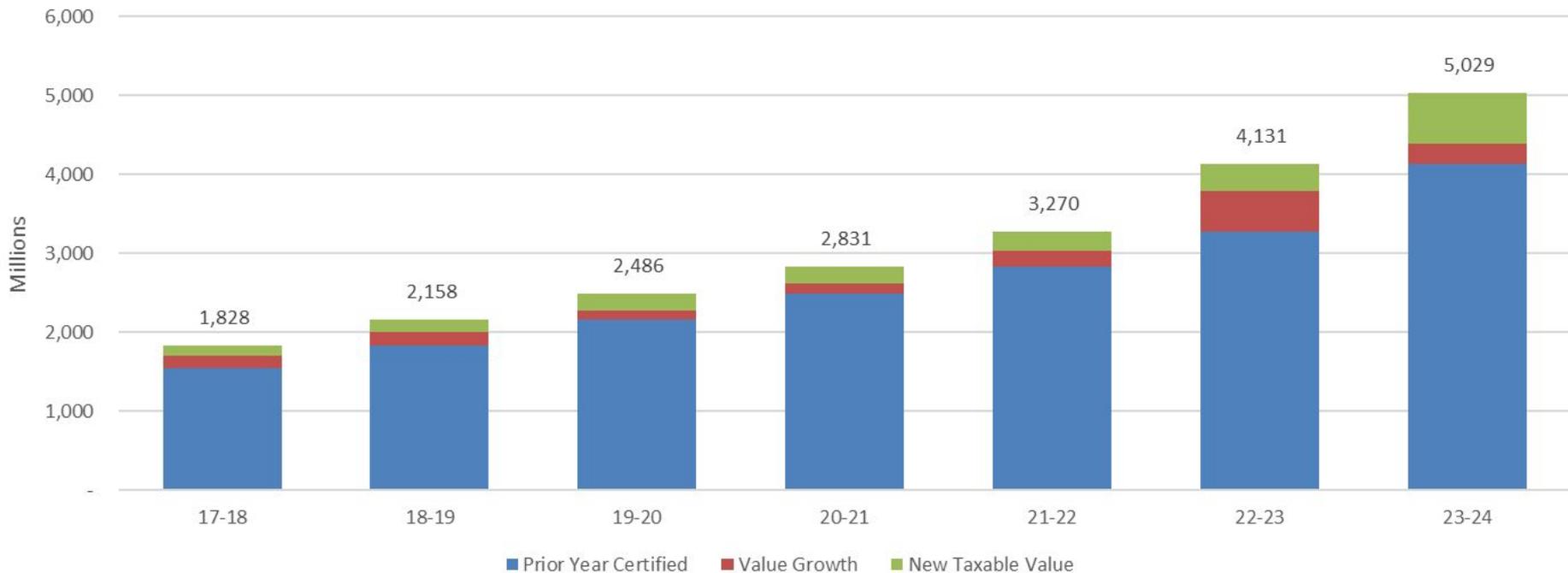
Denton County Appraisal District provides estimated values at the end of April and Certified values by July 25th.

- **Preliminary** DCAD estimate - 34% increase (\$40K Homestead)
  - **Certified** at \$40K Homestead - 29% increase
  - **Certified** at \$100K Homestead - 22% increase

# Taxable Value



## Property Value Comparison



■ Prior Year Certified ■ Value Growth ■ New Taxable Value

# Legislative Special Session #2

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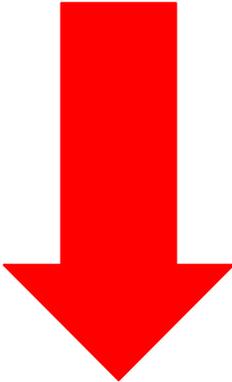
- Property tax relief package
- Additional M&O tax compression
- Increases homestead exemption to \$100,000
- 20% appraisal cap on non-homestead residential & commercial real property less than \$5M
- Hold harmless provision for M&O and some I&S

*The Basic Allotment has not been increased since 2019.*

# Tax Rate Information

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**\$0.1854**

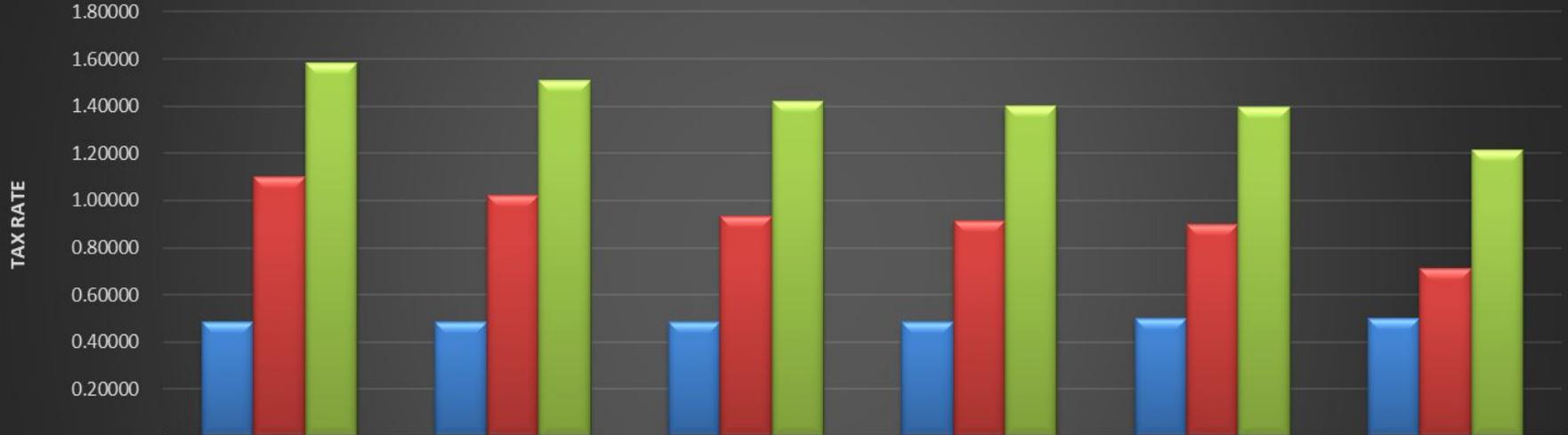


# November 2023 Election

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- **Proposition 4** - Constitutional Amendment to increase the homestead exemption to \$100,000 and adjusts over 65 frozen taxes.
  - If approved by voters, homeowners with the homestead exemption would see an increase in the current exemption from \$40,000 to \$100,000.
- **Proposition 9** - Cost-of-living increase for retired educators

## Argyle ISD Tax Rates



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
I&S Rate	0.48500	0.48500	0.48500	0.48500	0.50000	0.50000
M&O Rate	1.10005	1.02300	0.93370	0.91500	0.89760	0.71220
Total Tax Rate	1.58505	1.50800	1.41870	1.40000	1.39760	1.21220

# What is a School District Bond Election?

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In the same way homeowners borrow money in the form of a mortgage to finance the purchase of a home, a school district borrows money in the form of bonds to finance the design construction, expansion and renovation of schools and facilities.

Bonds must be approved by voters in a bond election then sold to investors in the capital market.

# Bond Elections

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Bond programs can be planned for short-term or long-term.

**Bond authorization  $\neq$  bond issue.**

A bond authorization specifies the amount of the bonds the district is authorized by voters to sell.

Bond issues may occur over a period of time based on the current bond capacity and schedule of projects.

# Argyle ISD's Debt Management

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The district has actively managed its debt profile. Argyle ISD has executed seven refinancings and one cash prepayment over the last 13 years, generating approximately \$17.5 million in gross debt service savings. When interest rates are low or decline, a family will often refinance their home mortgage to take advantage of these lower interest rates. Much like that family, Argyle ISD has prudently managed the district's outstanding voter-approved bonds.

# Items to Remember

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- Bond Authorization vs Bond Issue
- Timing of Maturity Dates for Debt Issued
- Frozen Taxes for 65+ homeowners
- Bond Projects are 100% Approved by Local Taxpayers and Paid for by Local Taxpayers



# Table Talk Q&A Process

# TELLING THE STORY...



**Offer up any  
Likes and  
Wishes to  
assist us in  
improving  
each meeting**

## NEXT MEETING INFORMATION

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### **Meeting 2**

Wednesday, November 8th

5:30 pm Dinner

6pm-8pm Meeting

AISD Administration Building

### **Facility Tour/Meeting 3**

Thursday, November 16th

Meet at AISD Administration Building

5:30pm Dinner & Opening Remarks

6pm-8pm Tour