

Meeting 1 Parking Lot Q&A

1. Is the \$40 million in fund balance enough for operational costs of the schools if another pandemic or emergency happens? Is there a separate emergency fund?
 - a. Answer: The total HISD operating budget for 2022-2023 is \$110,487,911 so the District has enough in its fund balance (or savings) to cover roughly 37% of its budget if no revenues were received. However, even during the pandemic, the District was able to collect both its state and local revenues to sustain operations at a normal level. With 40% of its operating budget covered by reserves, the District is in great financial position to absorb any unforeseen financial hardships. There is no separate emergency fund other than fund balance.

2. How are technology upgrades included suches as devices, network upgrades, etc.?
 - a. Answer:
 - i. As with other planning tools, and as a result of the Strategic Plan 2025, the leadership of the Board with stakeholder input gave guidance to the district in the development of a comprehensive Technology Plan. ([Get To Know Us / Technology Plan \(hipponation.org\)](#)) This plan was created with community and faculty input and is what we use to drive decisions in regard to district technology needs - from instruction to operations (WAN, Internet, Devices, Safety & Security, etc.)
 - ii. The 2019 Bond authorizations included authorizations for the district to upgrade technology systems district-wide to include a new Data Center, a DR Site, and a district owned WAN. This authorization also enabled us to provide devices to staff and students in support of both instruction and business applications. Using these funds, we also maximized e-rate ([E-Rate: Universal Service Program for Schools and Libraries | Federal Communications Commission \(fcc.gov\)](#)) to stretch those bond resources further. Some of these bonds have shorter callable lifespans that do not exceed the life expectancy of the

usable life of the devices...i.e. Chromebooks. Also, we are saving hundreds of thousands of dollars in expenses as we moved to our own WAN system vs leased or rented options.

- iii. Outside of specific bond projects for technology, all other technology upgrades for renovated and new spaces are part of the construction budget and would be a “turn-key” component/consideration for facilities involving new or renovated spaces.

But, the driver of technology planning is the board approved Technology plan.

3. How are the incomplete facilities projects prioritized?

a. Answer:

- i. The goal of every project is to secure authorization for the full amount of the project. As was explained tonite, it’s an educated guess as to costs given escalation, supply chain, and inflation factors.
- ii. Instructional components of a facility take the highest priority...the administration is always going to fight to keep things in the budget that have the greatest impact on instruction. Sometimes cutting scope is painful, but we cannot spend more than is authorized for a project.
- iii. MS # 3, not yet bid, but we are projecting the project may incur a reduction in scope in which we may need to add an addition in a future bond. Even without a full build-out, we will still be able to provide a functional MS to help with over-capacity concerns at HMS and FMS when we rezone. However, this is only for a short period of time as we will illustrate when we get to growth projections at our next meeting.
- iv. In another example, we had more HVAC retrofit projects than our 2019 dollars could cover, so working with our maintenance team and engineers, we selected projects to tackle based on age of equipment, cost of maintaining that equipment, and where cost avoidance dollars could be maximized.

- v. Once voters authorize a project and bonds are sold, the next phase of the process is to establish a design charrette. We will of course invite students, parents, stakeholders, and administrators to dream big.
- vi. Once we have certain design benchmarks, then we evaluate Opinions of Probable Costs (OPC's). The Board of Trustees hold in trust all real property development, and their role is to receive benchmark recommendations at appropriate times for approval. Boards approve the hiring of architects, engineers, and contractors - to include the statutory methodologies. Board members serve in that selection process. Board members serve in Bond Oversight roles to scrutinize projects and budgets. Board members approve schematic design concepts...and the Board approves the final budget or GMP (guaranteed maximum price)
- vii. Along the way, with input from the owner reps (construction and facilities teams), architects, engineers, and contractors work hand in hand to develop final designs and construction projects for bidding. As we encounter cost concerns, we look for ways to reduce scope; or "value engineer;" or put desired items into the bid specs as "bid alternates."
- viii. When bid day comes along, we know we cannot exceed the amount authorized by the voters, so the hope is we have put a project on the street that comes in at or within budget.

4. What is the percentage of income on tax rates vs attendance?

- a. Answer: The school district's budget consists mostly of local taxes and state aid. For fiscal year 2022 - 2023, local taxes will make up 60% of the budget and state aid will make up 31% (the remaining 9% consist of other local revenue, federal revenue and fund balance). The state determines the amount of local taxes a school district is allowed to keep regardless of attendance. However, the amount of state aid is adjusted based on the average daily attendance. The final percentage will not be determined until

after the year is completed and the average daily attendance has been calculated.

5. Do we pay interest on bonds?
 - a. Answer: Yes. Bonds are considered a loan and with most loans, interest is accrued and paid to the investor of the bond.

6. Why is the M&O sinking while the district is growing?
 - a. Answer: The M&O tax rate is determined by state law. Current law dictates that a school district is only allowed to collect a certain level of local property taxes. So as property values increase, the M&O tax rate is automatically lowered (or compressed). At the same time, in order to maintain tax rate equity, no district may have a compressed rate that is less than 90 percent of any other district. A full explanation on how the state sets the tax rate for all districts is found at the following TEA website:
<https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/2022-maximum-compressed-tax-rates>

7. What is our bond capacity?
 - a. Answer: This answer will be provided at meeting 5 in order to get the most updated information for the committee's work.

8. How much is needed to finish out the Ninth Grade Center into a comprehensive High School?
 - a. Answer: This line item will be reviewed in meeting 4 along with specific costs.

9. What is the life of a bond?
 - a. Answer: By law school districts in Texas may finance bonds for 40 years however Hutto ISD does not extend the life of bonds sold by the district past 30 years.

10. How much has a typical homestead property tax bill increased since 2019?
 - a. Answer: A property tax bill varies depending on the taxable value of the property less exemptions and the total tax rate levied by all taxing jurisdictions (not just the school district). That being said,

the amount of Hutto ISD tax paid on the average value of a home since 2019 is as follows:

2018/19	\$ 3,324.45
2019/20	\$ 3,278.91 (decrease of \$ 45.54)
2020/21	\$ 3,216.93 (decrease of \$ 61.98)
2021/22	\$ 3,500.29 (increase of \$283.36)

The increase in 2021/22 is due to the increase in the average appraised value of a home within the Hutto ISD boundary. The Hutto ISD tax rate in 2021/22 (\$1.42030) was actually lower than 2020/2021 (\$1.46650).

11. Is there talk about adding a pool to the projects for swimming and diving?
 - a. Answer: In 2019, the citizens committee considered a natatorium, but it did not make the final project list at that time. No decision has been made by the district at this time, however, advocates for a natatorium remain and such a decision will likely be discussed during our Long Range Master Facilities Planning process and the work of this committee.

12. Why don't we go for the maximum amount of \$0.50 for the I&S tax rate instead of stopping at \$0.46?
 - a. Answer: The Board of Trustees can make that decision. At a minimum, the Board must adopt a tax rate that will meet its annual debt obligation (principal and interest payment). However, the Board can adopt a rate that will meet its current debt obligation and defease its debt (pay off debt early).

13. Why weren't future needs more a factor in the 2019 bond?
 - a. Answer:
 - i. In 2019, there were approximately \$400 million dollars worth of projects considered by the 2019 LRMFP committee. Some of these included authorizations for 2 elementary schools; more allocations for the existing middle schools to grow these campus capacities to 1,200; the full build out of the 2nd High School; a natatorium; a

stand alone performing arts center that would be a central venue shared by all schools; allocations for upgrades to the existing Central Administration + DAEP + Alternative High School; allocations for a CTE facility at EWCHEC; and a variety of additional deferred maintenance projects (new roofing systems on older campuses for example)....to name a few. The committee at that time elected to prioritize the projects that went into the May 2019 bond.

- ii. In meeting # 4, we will have information pertaining to the district's Master Facilities Plan...and timelines for "brick n mortar" decisions that are tied to growth projections.

14. What is involved with growing partnerships with TSTC or other reputable outside resources so that we don't dip into our pockets to grow facilities, but utilize theirs?

- a. Answer: We a strong working relationship with TSTC for several CTE programs where our students are earning dual college credit and using their facilities and instructors. As they embark on expansion plans we will work with them to avoid duplicity of space and equipment.

15. How much will we need for Middle School #3?

- a. Answer: We hesitate to answer this with certainty so that we do not get the committee focused on exact specific dollar amounts. We shared that we have a challenge. We have \$57 million allocated for construction, we are currently estimating we are \$5 to \$7 million short in today's construction climate for a full build-out. These estimates are rough and preliminary. Nothing has been presented for review. We will have much more details that we can provide in meeting # 4.

16. Can we set a previous M&O or I&S tax rate for a few years to fund the addition of new schools then return it to what it should be to help the burden on the district?

- a. Answer: The M&O tax rate is determined by the state and is not associated with bond indebtedness. The Board has the option of setting an I&S tax rate that at a minimum meets the District's current debt obligation, and a maximum reaches the \$.50/\$100

valuation. It has been a practice of recent Hutto ISD boards to set an I&S tax rate ceiling of \$.46/\$100 valuation. So to specifically answer the question: yes, the Board can lower the tax rate to meet its current obligation but it is likely possible, given our continued growth rate, that the I&S tax rate would need to be raised in future years to fund additional debt to construct new buildings or fund the long term maintenance on existing buildings. Our best hope of reducing the tax rate for the long haul is to attract big business so that the burden is shifted from the homeowners to industry.

17. Will the second High School be equipped to offer all CTE programs?
 - a. Answer: Not all CTE programs will be offered at both high schools. The equipment costs and availability of specialized instructors may prohibit our ability to offer identical programs at both high schools. In multiple high school districts, highly specialized programs like construction trades and automotive technology are often placed on different high schools. Students are always given the option to select the program they wish to take and given the opportunity to transfer to that campus.

18. Can we offer more programs like cosmetology?
 - a. Answer: This is program that is not part of our current offerings and is one that could be explored and considered as we look to building out the second high school.

19. What role does TSTC play in what we choose to provide?
 - a. Answer: We do our best to collaborate with them and feed into their programs. The welding and cybersecurity programs are the most popular. We continue to work on connecting our robotics programs which have different paths for the students.

20. Is there enough funds to finish all the 2019 bond projects?
 - a. Answer:
 - i. We are generally satisfied that we will accomplish much of what we had hoped too, but there is no question we don't have the buying power we might have had in 2019 to thoroughly tackle both MS # 3 and HHS Modernizations.

1. When the economy gets hot and construction markets get tight, we usually see labor and supply costs shoot up.
 2. We are encountering effects from the pandemic that have created construction cost escalations.
 3. Currently inflation rates not seen since the 1980's is a factor.
 4. SAMSUNG, TESLA, the APPLE plant are/have driving up materials costs because of the significant investment.
 5. Our housing boom, although slowing, has driven up materials costs.
 6. Chip manufacturing has contributed to long lead times and delays in equipment.
- ii. Mr. Graham's illustration of home ownership and remodeling is not that dissimilar to building schools...we have big hopes and dreams for maximizing every dollar authorized, but sometimes we have to adjust the scope. But the Board has given good leadership and guidance throughout and we always work to ensure there is stakeholder input.

21. Are we doing an analysis to determine what is really needed as opposed to bells and whistles?

a. Answer:

- i. Yes, we undergo a lot of analysis with all of our designs to be both economical on the front-end, but also cost effective once building operations commence as this impacts the M&O budget.
 1. For example: We look for cost avoidance opportunities and how this might come up for discussion. A good example is: Do we turf our fields, or install natural grass systems? Sometimes a turf field may be perceived as a "bell and whistle" as it without a doubt comes with big costs upfront. However, within a warranty period of such a system we are able to pay for this taxpayer investment by avoiding day to day maintenance costs that would go

into maintaining a natural grass system...water, fertilizer, mowing, lining the fields, sprinkler repairs, etc.

2. Another example is pushing our engineers to achieve smart building technology - particularly with HVAC. For example: Sometime back we adopted bi-polar ionization units as a component to our HVAC systems and to meet ASHRAE standards ([Read-Only Versions of ASHRAE Standards](#)) with respect to managing Indoor Air Quality, but also to reduce equipment costs. Hutto ISD has led in this area throughout Central Texas and now many other districts are following suit. Luckily for the district, in addition to saving us money on return air technology, bi-polar ionization units turned out to be a huge benefit during COVID as they are specially designed electronic devices that create free radicals or ions that can effectively break down a wide variety of harmful organic, bacterial contaminations and chemical compounds - and are effective against all Corona-viruses.
- ii. Under the leadership of the Board and with community input in 2015, Hutto ISD developed its first Master Facilities Plan. This is continuously updated and it is used not only for capital improvement planning that may involve bond programs, but for general maintenance requests each year that are found as line items in our budget.
- iii. With this Master Facilities Plan we endeavor to incorporate "HUTTO ISD" standards or standardizations - particularly for MEP systems (mechanical, electrical, and plumbing). This serves to help us add and keep similar equipment and helps us with maintainability. We use the Technology Plan mentioned above for this same reason.
- iv. Behind the scenes, the facilities and maintenance team challenge the engineers and architects in regard to a variety of design factors - maintainable finishes; multi-purpose and flexible design; and we spend a lot of time in the weeds looking with great detail at civil

engineering, build-ability, suitability, and usability as we take an empty tract of land and turn it into a new school house.

22. What would happen if a school district decided to zero out taxes for those 65 and older who have not had a child in the district for 10 years.

- a. Answer: If taxes for all over 65 property was exempt instead of frozen, it would create a heavier tax burden on all property owners under the age of 65 and the District would lose a significant amount of local and state funding.

23. How do you get the weighted average daily attendance?

- a. Answer: WADA is the weighted average daily attendance figure used in several state funding formulas to calculate the amount of state and local funds to which a district is entitled. A district's WADA is specifically calculated as follows:

Total Cost of Tier I funding includes

-transportation allotment

-new instructional facilities allotment

-dropout recovery allotment

-college prep reimbursement

-certification exam reimbursement

-tuition allotment+special ed set aside+GT set aside/basic allotment) = WADA

24. How are the projects prioritized? Why the need for black box theaters when we don't have enough buses?

- a. Answer:

- i. The district has done a great job managing its equipment replacement plan. We are actually in very good shape with our fleet and the average of our fleet age is within tolerances that are optimal. The Board has set-aside money from fund balance to help with fleet replacement, and in 2019 we had voter authorization to purchase fleet pieces to address growth. Therefore, there has not been any prioritization conflicts with instructional spaces in terms of transportation equipment.

- ii. However, with all capital improvement projects, some amount of prioritization will inevitably be made. This is why it is so vital for the Board of Trustees to engage with its community, and this is why Dr. Thomas opened her comments about the value of the citizens of Hutto coming together to help make priority decisions as we tackle GROWTH, EQUITY, and SAFETY. Fast Growth Communities who work together with proactive citizen engagement, along with positive working relationships with City and County planners always make the good decisions.
- iii. Black Box theaters are part of offering a robust theater arts program. Besides the acting that is clearly visible to observers, students have opportunities to get involved behind the scenes with technical theater, lighting, sound, video, music and production skills. Hutto ISD has a strong participation in this area. Research supports that the longer a student remains involved in extracurricular activities like theater arts, the stronger the likelihood of their success in completing high school and pursuing post secondary options.

25. Can we expedite the process of building new facilities?

a. Answer:

- i. Not really, there are constraints that we must work with -
 - 1. There are factors involved in getting a building built, but as stated earlier, it takes about 6 months of design work and then 18 months for an elementary, 24 months for a Middle School, and about 3 years for a High School to be completed. All of this is assuming we have the land.
 - 2. Also, we must work with AHJ's - authorities having jurisdiction. There is a certain amount of oversight and approval process with respect to the role a City must play in Life Safety and Building inspections...not to mention permit approvals. We also have Fire Marshal reviews; 3rd party inspections; State Inspections; county inspections, etc...depending upon the locale of a prospective site.

3. In the future, one of our challenges will be a lack of existing infrastructure such as roadways, sewer, water, and other public works components...getting utilities to a site is time consuming.
4. As we grow, there will be development interests that we will also need to work with, but these can and should provide cost sharing savings.

26. What are the campuses doing to improve ADA?

- a. Answer: The Family Engagement Specialists in conjunction with the PEIMS (Public Education Information Management System - they track our attendance data) Department work closely with a non-profit organization based out of Austin, E3 Alliance, on a systemwide attendance campaign. In addition to the attendance clerks and administrators tracking down students with attendance issues on a daily basis, the Parent Support Specialists conduct home visits with school personnel to inquire about a family's needs in order to improve a student's attendance.

Interestingly enough, longitudinal data indicates that students with irregular attendance patterns or patterns of chronic tardiness in the early grades (Kindergarten and first grade) often lead to chronic absenteeism in the upper grades. Elementary principals do their best to address attendance issues as soon as possible before "bad habits" become ingrained.

27. What is the district doing to incentivize teacher attendance?

- a. Answer: The practice of offering incentives for staff attendance is not something new in public education. Many other districts have implemented several incentives including monetary with limited or very little success. It has been determined that with the majority of teachers, incentives are not a factor in making a decision to be at work or not. Those who are going to come to work, would do so with or without incentives. It is also important to note that many of our teachers are young mothers and their attendance is linked to caring for their own children. The greater issue in education is retaining teachers rather than daily

attendance. We have created a number of ways for teachers to earn extra money for taking on other responsibilities.

28. Since transportation services have an impact on ADA, what are we doing to recruit bus drivers?

a. Answer:

- i. We offer highly competitive hourly rates and we offer employment opportunities through the summer months for those who wish to supplement their incomes because we have charter contracts with the UT system and a variety of summer rec field trips put on by the YMCA and the City of Hutto Summer rec programs.
- ii. Because of our strategic use of a Triple Tier routing system, we have been able to increase the number of work hours in the day to give those drivers the opportunity to work a full day rather than the traditional 5.5 hours set pay. This particular move has been a boon to recruitment as the driving jobs provide more gainful employment.
- iii. Added benefits to going to a Triple Tier system has helped us help our community by reducing some of the public right of way traffic concerns because we spread out our delivery structure. And, we require less equipment and fewer drivers as a result of this tiered delivery system. Also as a result of the tiered system, we were actually budget neutral this year and we expect to see big savings over five years.
- iv. As of today, we are 3 drivers short of a full staff...we are historically in better shape than many of our neighboring districts and this is as close to a full staff as we have ever been.

29. It was said we have already renovated a few of the schools and replaced the furniture, etc. What did we do with the old furniture?

a. Answer:

- i. All district owned property has a surplus process governed by Policy...generally the Board must declare "surplus" which is then turned over to our warehouse division for appropriate disposal. We are permitted to convey surplus, but it has to be to another subdivision of government as

outlined in statute, otherwise we can auction or scrap, but in all cases we have to document and maintain records.

- ii. Fortunately, we were able to donate most of the furnishings replaced by our FF&E refresh projects to neighboring school districts...Thrall ISD and Bartlett were two districts who received this benefit. The rest of the furnishings were broken down and sold as scrap - primarily the metal.

30. You spoke about the architect we have (or used) for the new middle school and/or are planning on using for the new schools to come. What does/did he cost?

a. Answer:

- i. Depending upon the construction methodologies selected by the district, as allowed by state law, Contractors are selected via Requests for Proposals or RFP process and price is one of the determining criteria. CSP (competitive sealed proposal) and other methodologies must also be evaluated by price.
- ii. On the other hand, the statute mandated for the selection process for an architect is known as a Request of Qualifications or RFQ. Firms are selected solely on qualifications, but then their fees are negotiated once the Board approves a list of firms approved for work in HISD and authorizes the Superintendent to negotiate a contract. Fees vary depending upon the total amount allocated for construction. Currently the fees for HHS Modernization and the MS # 3 projects are 6.5% of the construction budget. Smaller projects come with higher fees - up to 10% for projects under \$1 million. Larger projects have an economy of scale.
 - 1. In the fee, taxpayers pay for - design; engineers (civil, structural, mechanical, electrical, plumbing, acoustical, etc.), and project administration - lots of paperwork and legal mechanisms that track the work from design documents to construction documents to submittals to change orders to Architect's Supplemental Instructions ("ASI") to Construction Change Directive ("CCD") to Request for Information ("RFI").

2. The fees also include management of securing permitting; platting (where applicable); site reviews; plan reviews; and other intersections wherein there is a jurisdiction of oversight known as Authorities Having Jurisdiction...i.e. City of Hutto, Fire Marshal, etc.
 3. The fees include fiscal oversight of pay applications as these must be certified. This is done in collaboration with the Facilities and Business office team. However, the owner has the right at all times to conduct audits and we do have a couple of audits underway as a check n balance.
 4. Finally, the architects must approve, sign-off, and stamp (their SEAL) all as-builts and final construction documents and drawings.
- iii. As a side bar, while districts are allowed to employ architects and engineers - in some larger districts, a facilities department may have this as a part of owner oversight - we are prohibited in law from designing and constructing our own facilities. We are also limited in terms of what we may build or construct ourselves using maintenance staff...usually the rule of thumb is occupied spaces must involve a 3rd party architect or engineer....MEP modifications over a certain amount of value (for example - \$8,000 for electrical) must have engineering oversight and seal. This is to protect taxpayers from liability.