



**BOND**

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CALALLEN ISD 2023

**BOND COMMITTEE MEETING #1**

*THURSDAY, DECEMBER 8, 2022 | 5:30PM*

# PRESENTERS



**EMILY LORENZ**  
SUPERINTENDENT



**KELSEY RAMOS**  
ASSISTANT SUPERINTENDENT  
OF FINANCE & OPERATIONS

# AGENDA

- BACKGROUND INFORMATION
- DEMOGRAPHIC INFORMATION
- FINANCE 101
- PRELIMINARY BOND CAPACITY
- LOOKING AHEAD...



# BACKGROUND INFORMATION



# BOND COMMITTEE PURPOSE


Review Current  
District Financial  
Situation

Review Facility  
Needs and  
Recommendations


Determine Details  
of Next Bond  
Package

Consider and  
Make Bond  
Recommendation  
to the Board

## WHO IS CALALLEN ISD?




CALALLEN INDEPENDENT SCHOOL DISTRICT  
**FACTS & FIGURES**  
 2022-2023

**6** **CAMPUSES** 

Calallen High School | Calallen Middle School | Magee Intermediate  
 West Intermediate | East Elementary | Wood River Elementary


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**3,952** **STUDENT ENROLLMENT**





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Eco. Disadvantaged 54.7%      13.6 Student/Teacher Ratio

CTE Prog. of Study 26  120 Pre-K Students

Special Ed. Students 553      65.5% Hispanic Students

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 **650** **TOTAL EMPLOYEES**

299 Teachers  
 97 Educational Aides  
 136 Auxiliary Personnel  
 84 Administrative Support

# BOND HISTORY

Calallen ISD has held **17 bond elections**

- 11 bonds have passed
- 6 bonds have failed

\$116,944,500 total proposed / **\$108,185,500 passed**

Best passing percentage - 1940

- 100% voted for - 56 voters

Most recent - 2017

- 58.17% voted for - 820 voters

Largest turnout - 1968 - 1486 voters

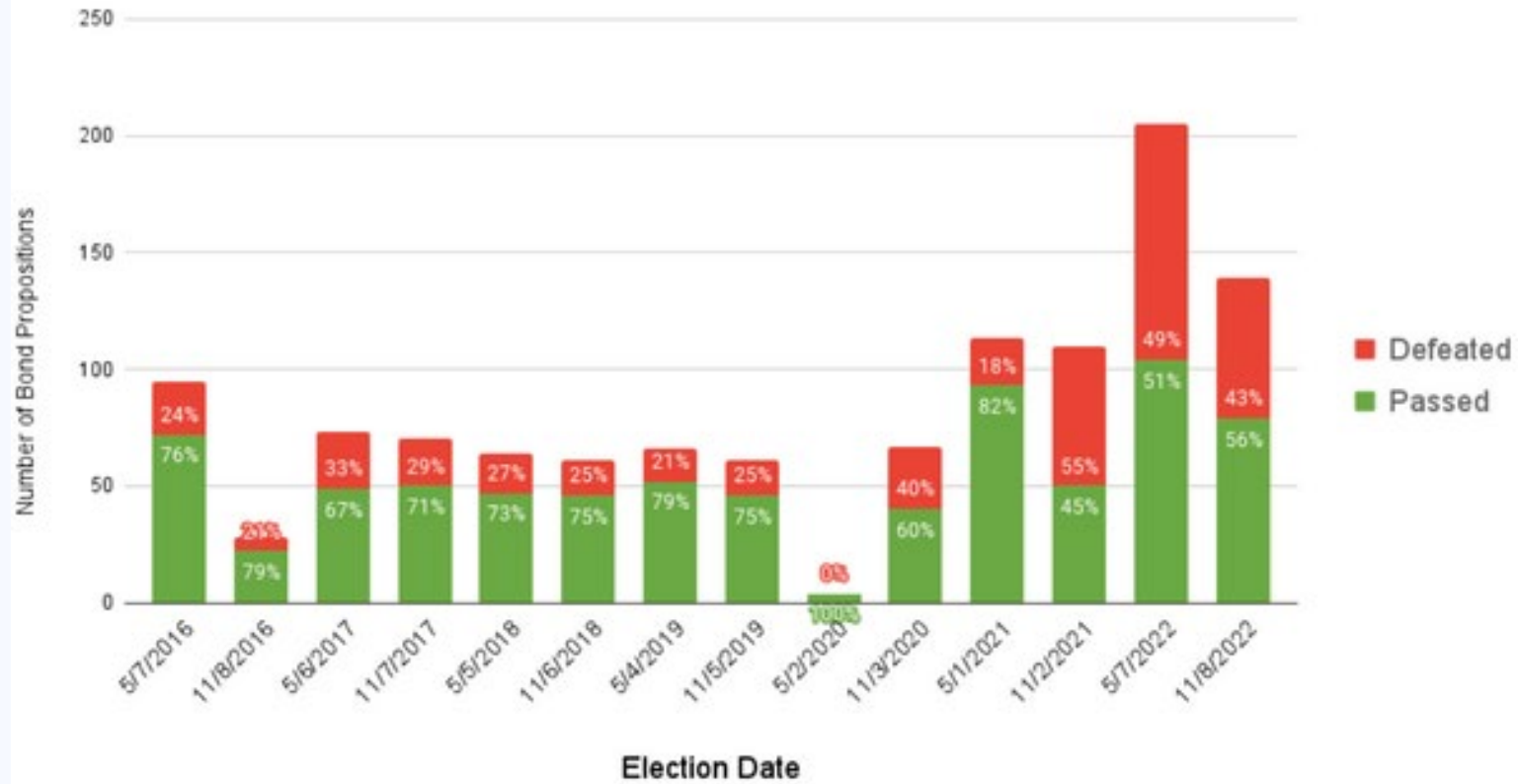
# TEXAS BOND ELECTION RESULTS

Texans approved **56% of school bond proposals** in November 2022.

- Athletic facilities improvements and athletic centers: 38%
- Technology proposals: 76%
- School buses: 83%
- Safety and security: 62%



### Texas School Bond Proposition Results



# DEMOGRAPHIC INFORMATION

*Information provided by:  
Population and Survey Analysts (PASA)*



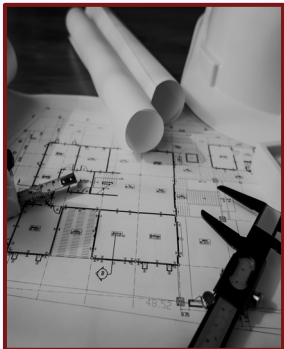
# DEMOGRAPHIC STUDY

In the summer of 2021 Calallen ISD commissioned PASA – Population and Survey Analysts to conduct a demographic review.

Many school districts who are interested in planning for the long range utilization of schools contract with PASA.

PASA specializes in projecting future student enrollment by:

- Projecting new residential development,
- Understanding potential land usage for undeveloped parcels; and
- Relating findings to future student enrollment in schools.

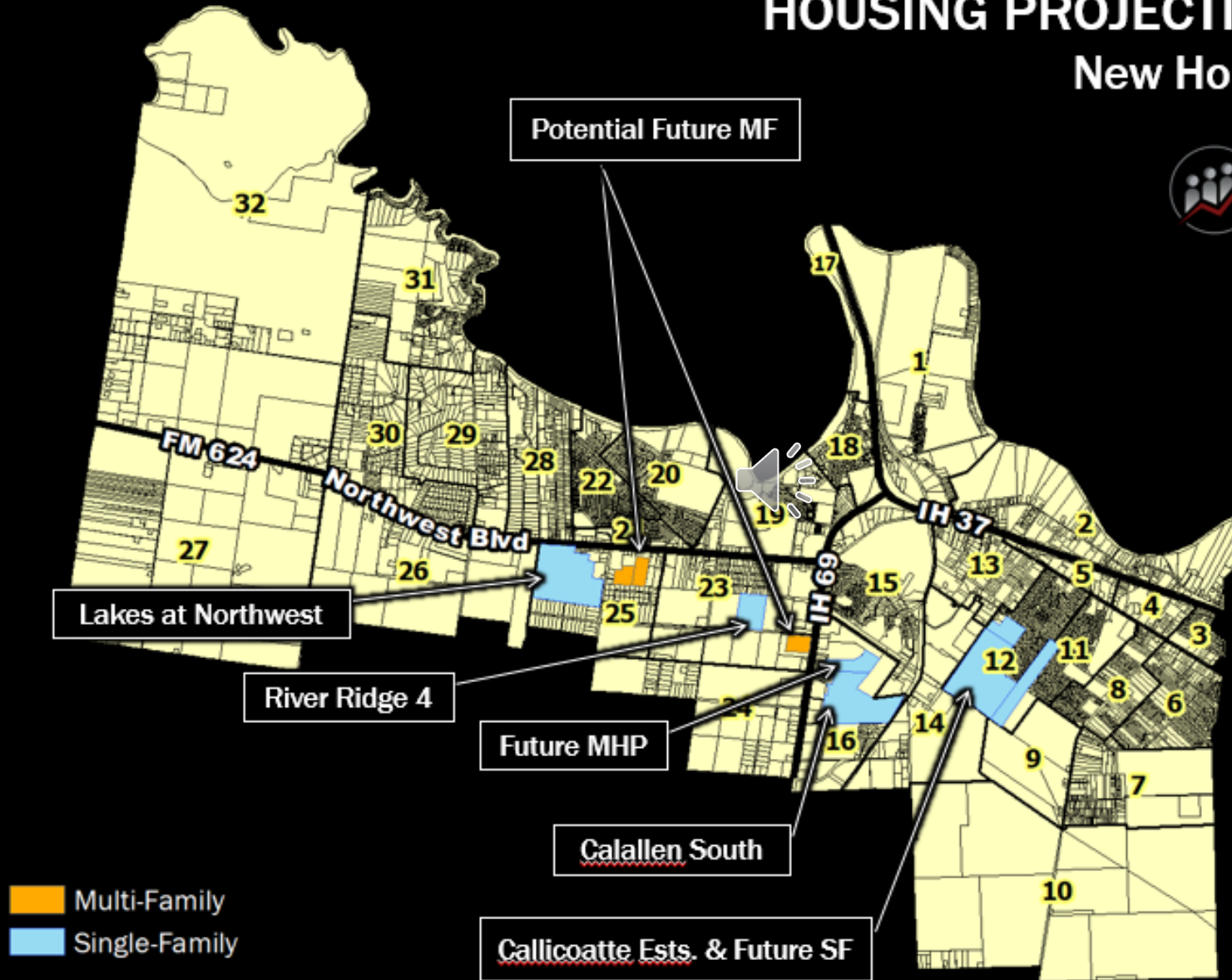


<b>PU</b>	<b>Subdivision Name</b>	<b>2021-2025</b>	<b>2025-2030</b>	<b>2021-2030</b>
4	Violet Road RV Resort	150	-	150
6	Westview Terrace	11	-	11
9	Potential Future SF	-	46	46
11	Willowood	23	6	29
11	Potential Future SF	-	28	28
12	Callicoatte Estates Unit 5	126	-	126
12	Potential Future SF	44	220	264
14	Potential Future SF	-	12	12
15	Potential Madalynn	-	11	11
16	Potential Future MHP	50	150	200
16	Calallen South	152	230	382
16	Potential Future SF	-	40	40
23	River Ridge Unit 4	7	52	59
23	Potential Future SF	-	33	33
23	Future MF	120	192	312
25	Lakes at Northwest	56	64	120
25	Potential Future SF	-	53	53
25	Future MF	40	188	228
25	Potential Future MF	-	150	150
26	Potential Future SF	-	50	50

# PROJECTED NEW HOUSING

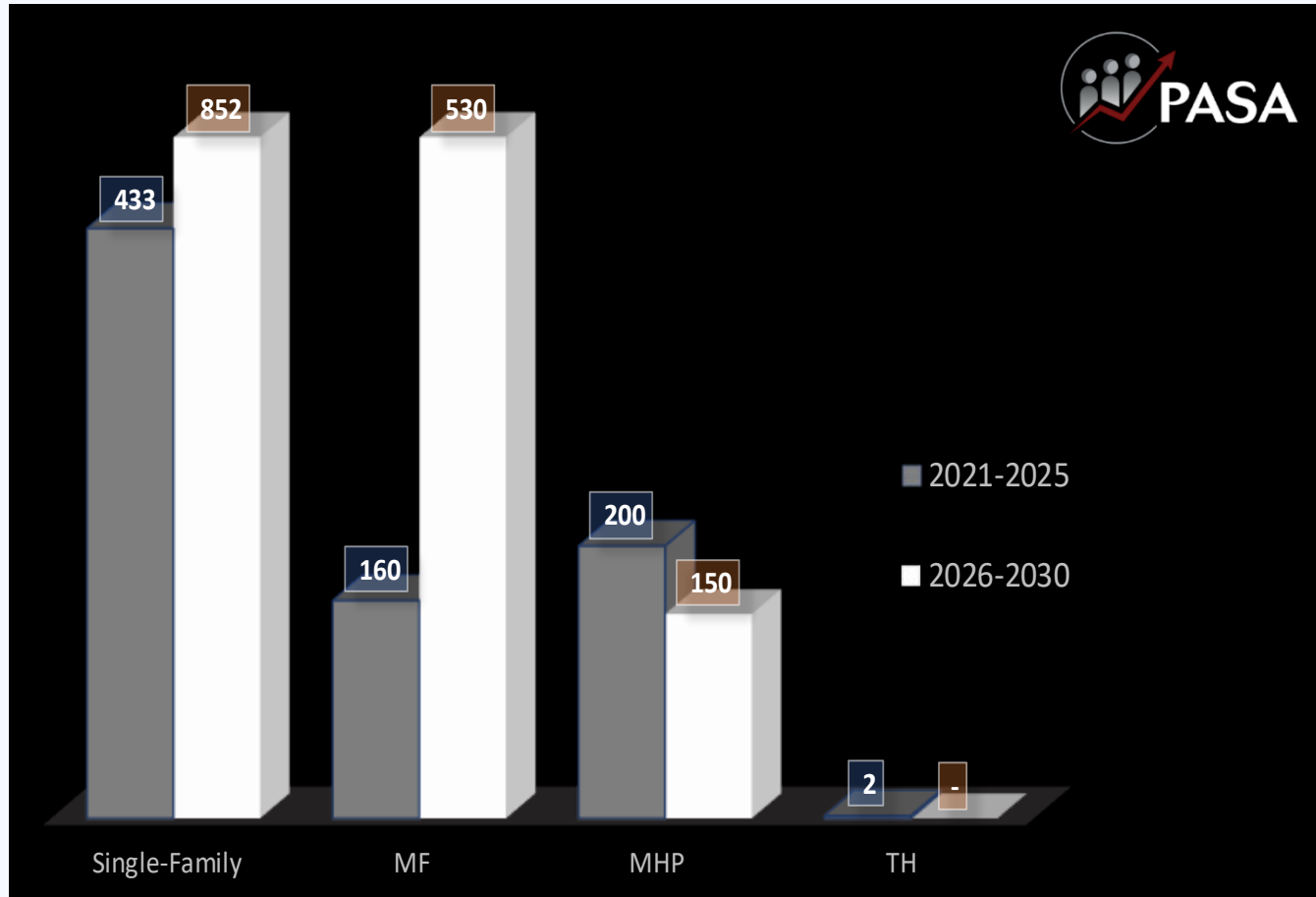
# HOUSING PROJECTIONS

## New Housing



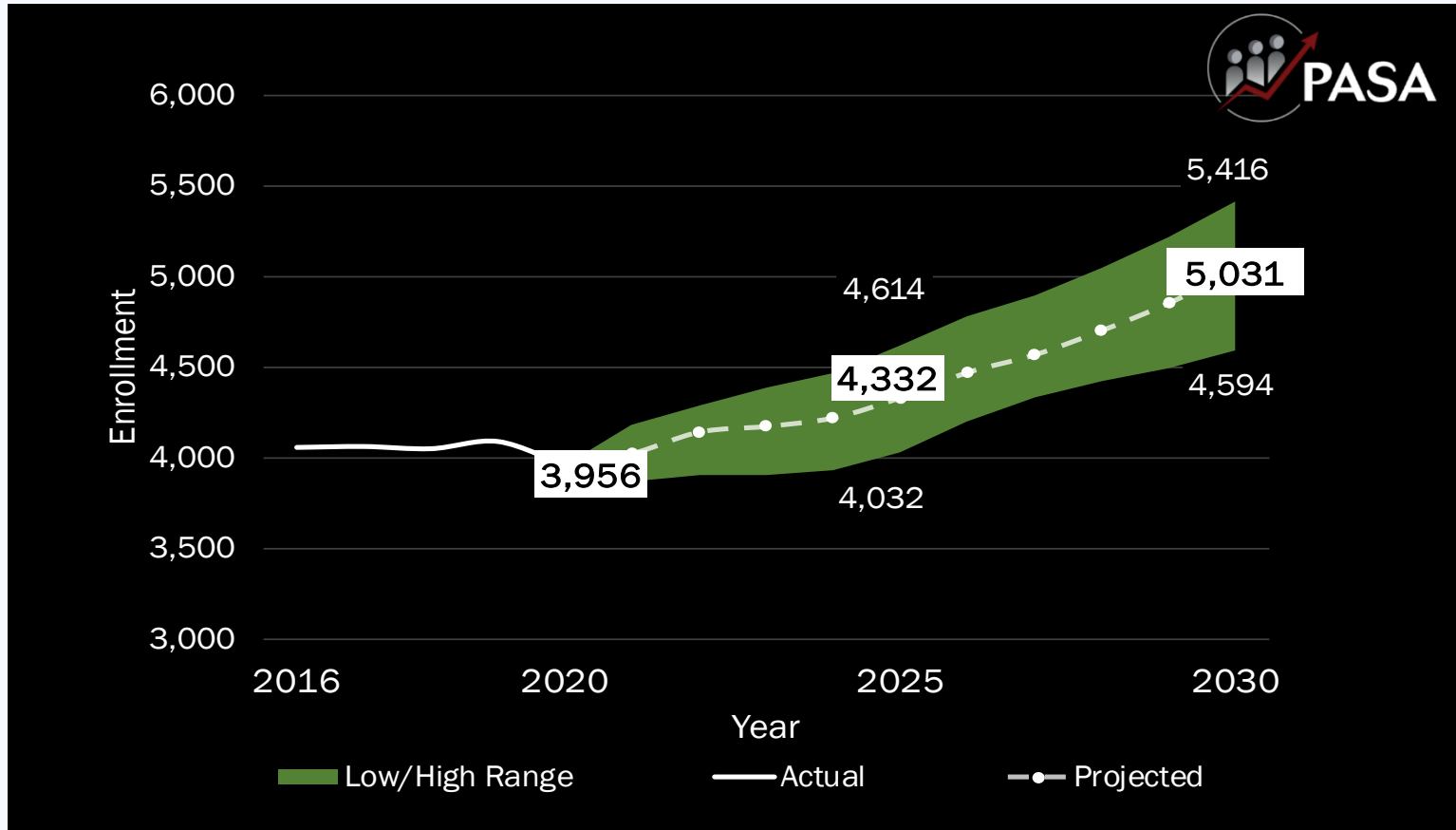
- Multi-Family
- Single-Family

# PROJECTED NEW HOUSING OCCUPANCIES 2021-2030



	<u>TOTAL</u>
Single-Family Housing	1,285
Multi-Family Housing	690
MHP	350
TH	2
<b>Total</b>	<b>2,327</b>

# THREE SCENARIOS OF GROWTH



# MODERATE GROWTH SCENARIO

	2021	2022	2023	2024	2025
<b>Enrollment</b>	<b>4,024</b>	<b>4,143</b>	<b>4,174</b>	<b>4,221</b>	<b>4,332</b>
<b>% Growth</b>	1.74%	2.93%	0.75%	1.13%	2.63%
<b>Growth</b>	69	118	31	47	111
	2026	2027	2028	2029	2030
<b>Enrollment</b>	<b>4,470</b>	<b>4,567</b>	<b>4,700</b>	<b>4,851</b>	<b>5,031</b>
<b>% Growth</b>	3.19%	2.17%	2.91%	3.21%	3.71%
<b>Growth</b>	138	97	133	151	180



	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>East Elementary</b>									
EE-2nd Students Projected	523	536	555	581	609	636	660	681	695
Practical Capacity	650	650	650	650	650	650	650	650	650
Percent Utilization	80%	82%	85%	89%	94%	98%	102%	105%	107%
Student Margin	127	114	95	69	41	14	-10	-31	-45
<b>Wood River Elementary</b>									
EE-2nd Students Projected	484	473	488	500	518	540	554	570	577
Practical Capacity	650	650	650	650	650	650	650	650	650
Percent Utilization	74%	73%	75%	77%	80%	83%	85%	88%	89%
Student Margin	166	177	162	150	132	110	96	80	73
<b>Magee Elementary</b>									
3rd-5th Students Projected	441	475	494	492	502	533	558	589	610
Practical Capacity	650	650	650	650	650	650	650	650	650
Percent Utilization	68%	73%	76%	76%	77%	82%	86%	91%	94%
Student Margin	209	175	156	158	148	117	92	61	40
<b>West Intermediate</b>									
3rd-5th Students Projected	440	478	480	471	470	490	507	529	547
Practical Capacity	650	650	650	650	650	650	650	650	650
Percent Utilization	68%	74%	74%	72%	72%	75%	78%	81%	84%
Student Margin	210	172	170	179	180	160	143	121	103
<b>Middle School</b>									
6th-8th Students Projected	1,041	950	942	989	1,081	1,113	1,104	1,122	1,172
Practical Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Percent Utilization	87%	79%	79%	82%	90%	93%	92%	94%	98%
Student Margin	159	250	258	211	119	87	96	78	28
<b>High School</b>									
9th-12th Students Projected	1,217	1,264	1,263	1,298	1,286	1,259	1,317	1,368	1,431
Practical Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Percent Utilization	76%	79%	79%	81%	80%	79%	58%	86%	89%
Student Margin	383	336	337	302	314	341	283	232	169
<b>Totals:</b>									
Students Projected	4,146	4,176	4,222	4,331	4,466	4,571	4,700	4,859	5,032
Capacity	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Percent Utilization	77%	77%	78%	80%	83%	85%	87%	90%	93%

# FINANCE 101



# WHERE DOES SCHOOL DISTRICT MONEY COME FROM?

## Federal

Small portion of budget.  
SHARS and Federal Grant Indirect Costs

## State

Foundation School Program

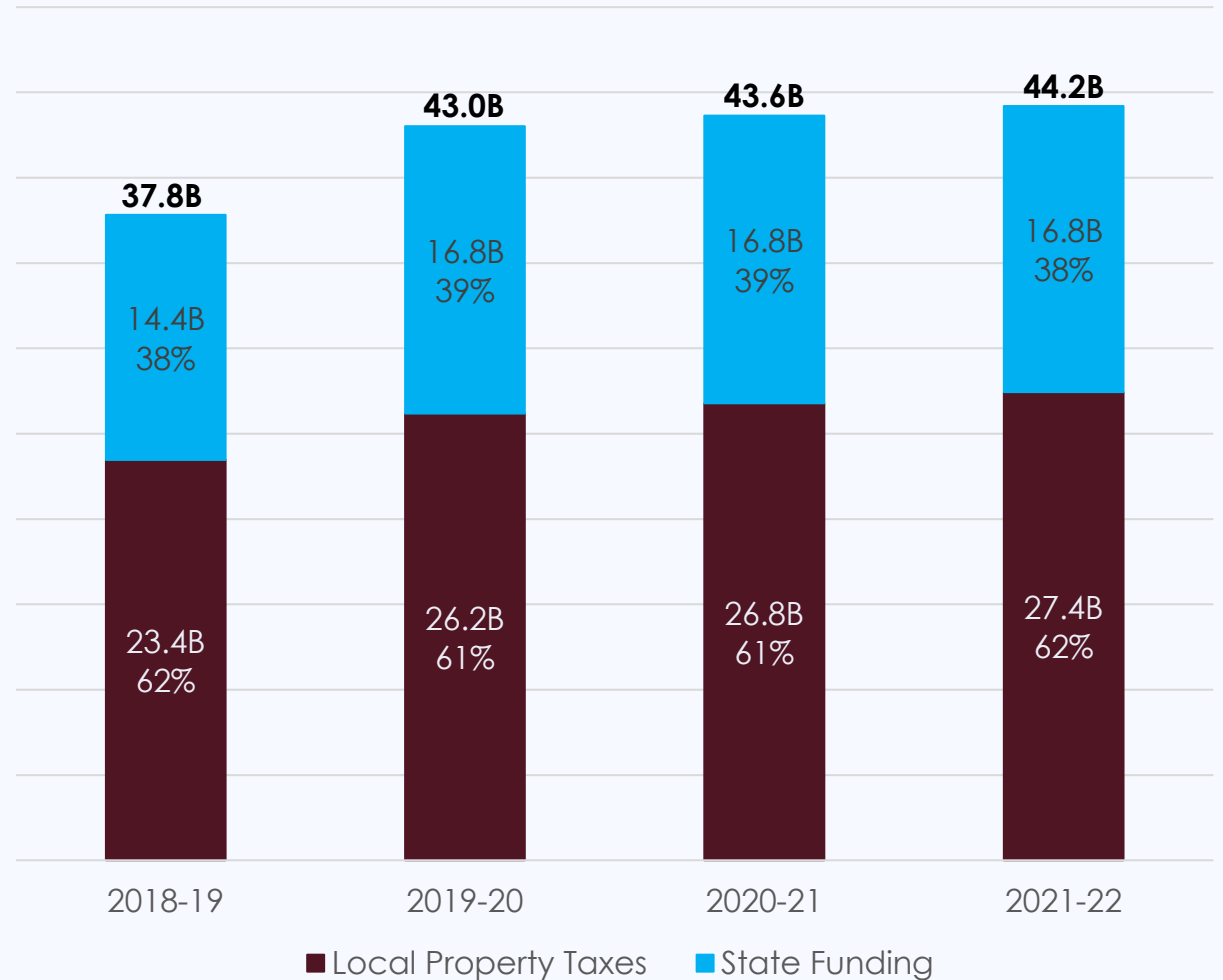
## Local

Property Taxes,  
Chapter 313  
Payments, Athletic Revenue,  
Donations, etc.

# 2 MAIN SOURCES OF SCHOOL FUNDING:

- Local Property Tax Collections
- State Foundation School Program Funding

## STATEWIDE HISTORY OF SCHOOL DISTRICT FUNDING



# WHAT DETERMINES THE SIZE OF OUR FUNDING CUP?

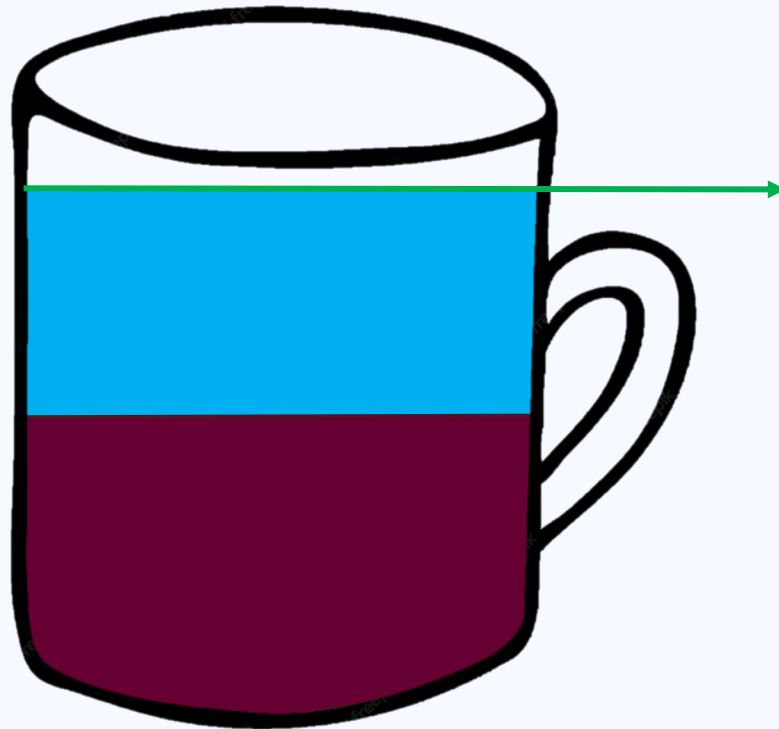
The district is funded using a formula that is set in statute and based on the **number of students enrolled, student demographics, attendance and the school's participation in special programs.**

ALL OF THESE TOGETHER CALCULATE THE DISTRICT'S **FOUNDATION SCHOOL PROGRAM (FSP) ENTITLEMENT**

*AKA. THE SIZE OF OUR FUNDING CUP*



# HOW DO YOU FILL OUR FUNDING CUP?

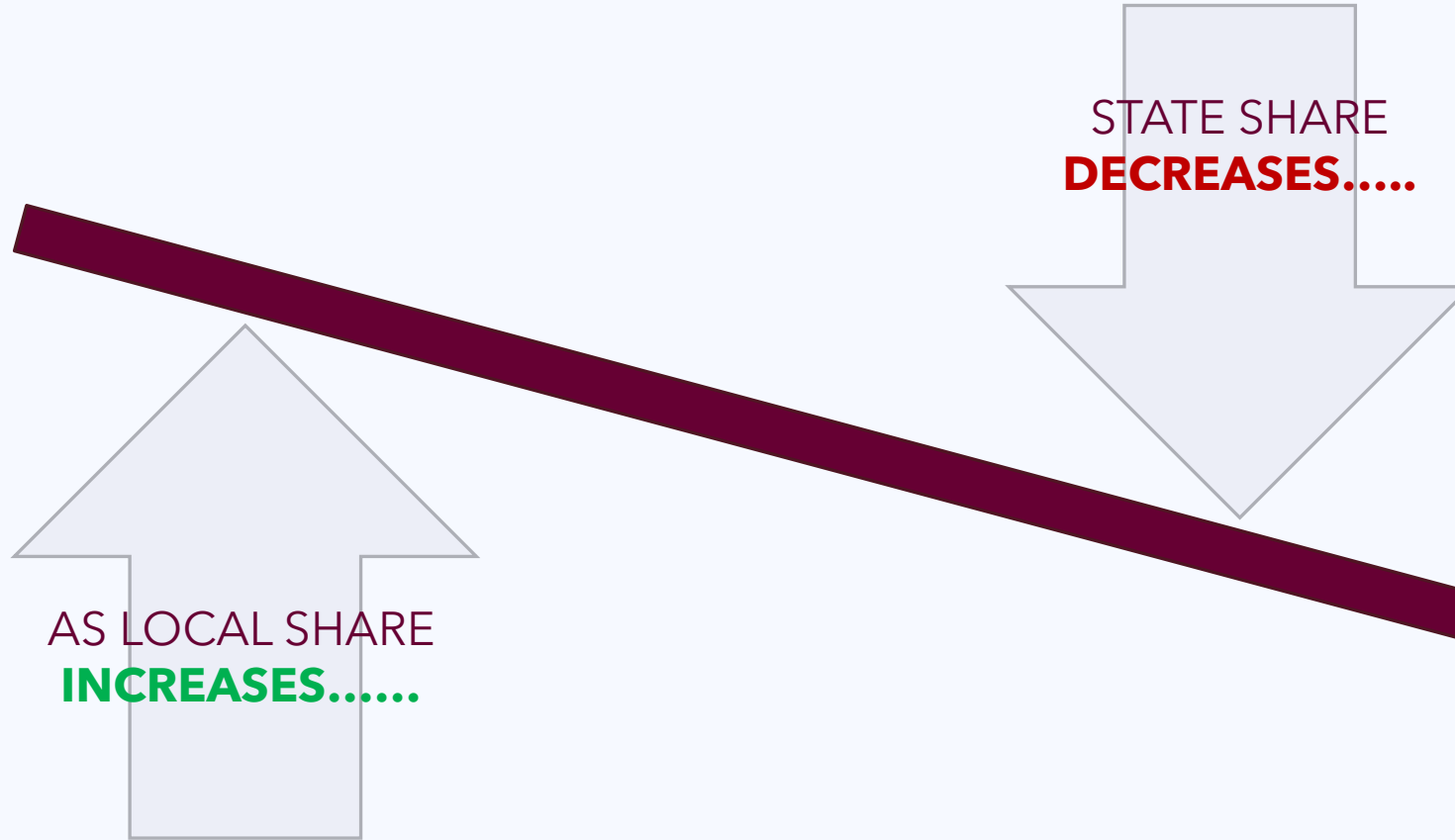


STEP 1 - MARK YOUR  
ENTITLEMENT FILL LINE

STEP 2 - FILL WITH LOCAL  
PROPERTY TAX COLLECTIONS

STEP 3 - FILL WITH STATE  
FUNDING

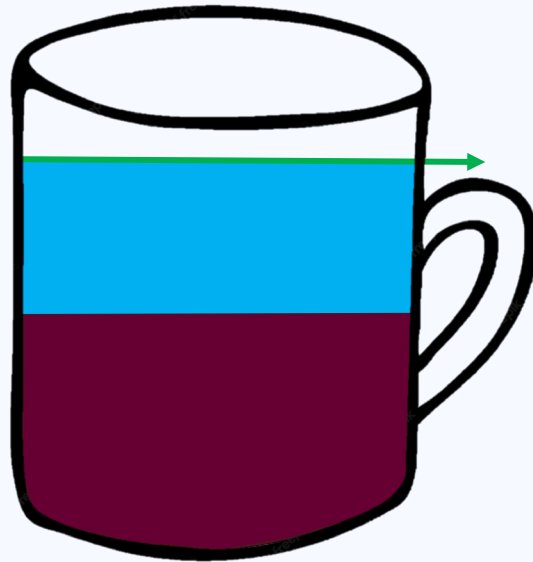
# IT'S A BALANCING ACT!



# FUNDING CUP EXAMPLES

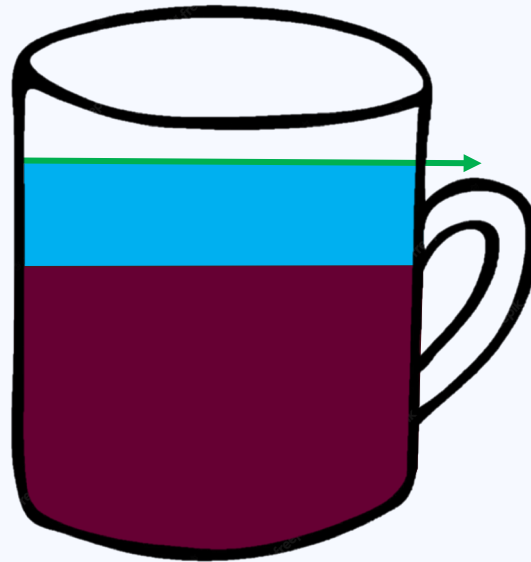
EXAMPLE A  
3,750 ADA  
\$19M TAXES

\$31.5M ENTITLEMENT



EXAMPLE B  
3,750 ADA  
**\$21M TAXES**

\$31.5M ENTITLEMENT



EXAMPLE C  
**4,250 ADA**  
**\$21M TAXES**

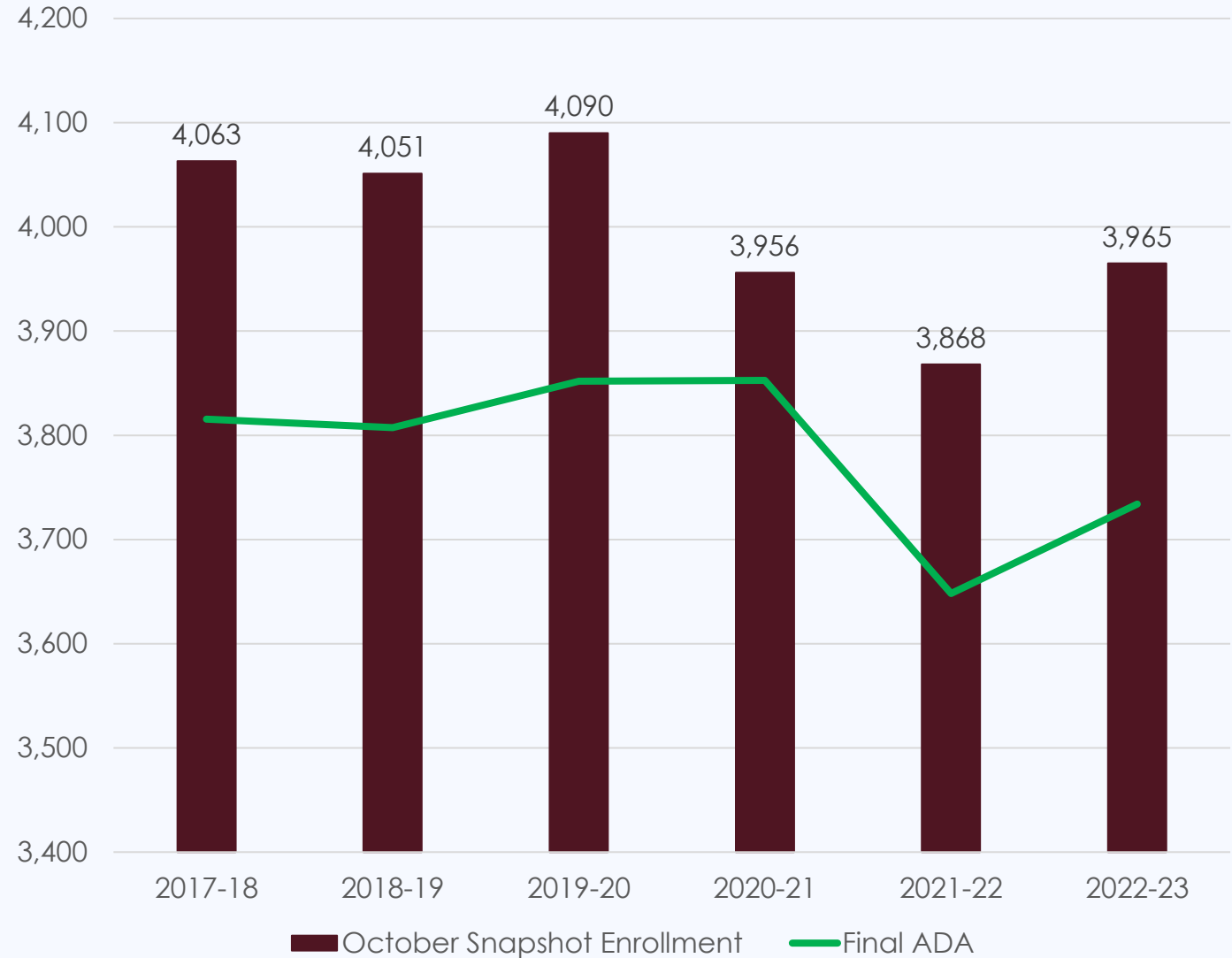
\$34.3M ENTITLEMENT



ENTITLEMENT | LOCAL PROPERTY TAX COLLECTIONS | STATE FUNDING



# STUDENT ENROLLMENT AND ADA HISTORY



# PROPERTY TAX RATES EXPLAINED

**M&O  
TAX  
RATE**



**I&S  
TAX  
RATE**



**TOTAL  
TAX  
RATE**

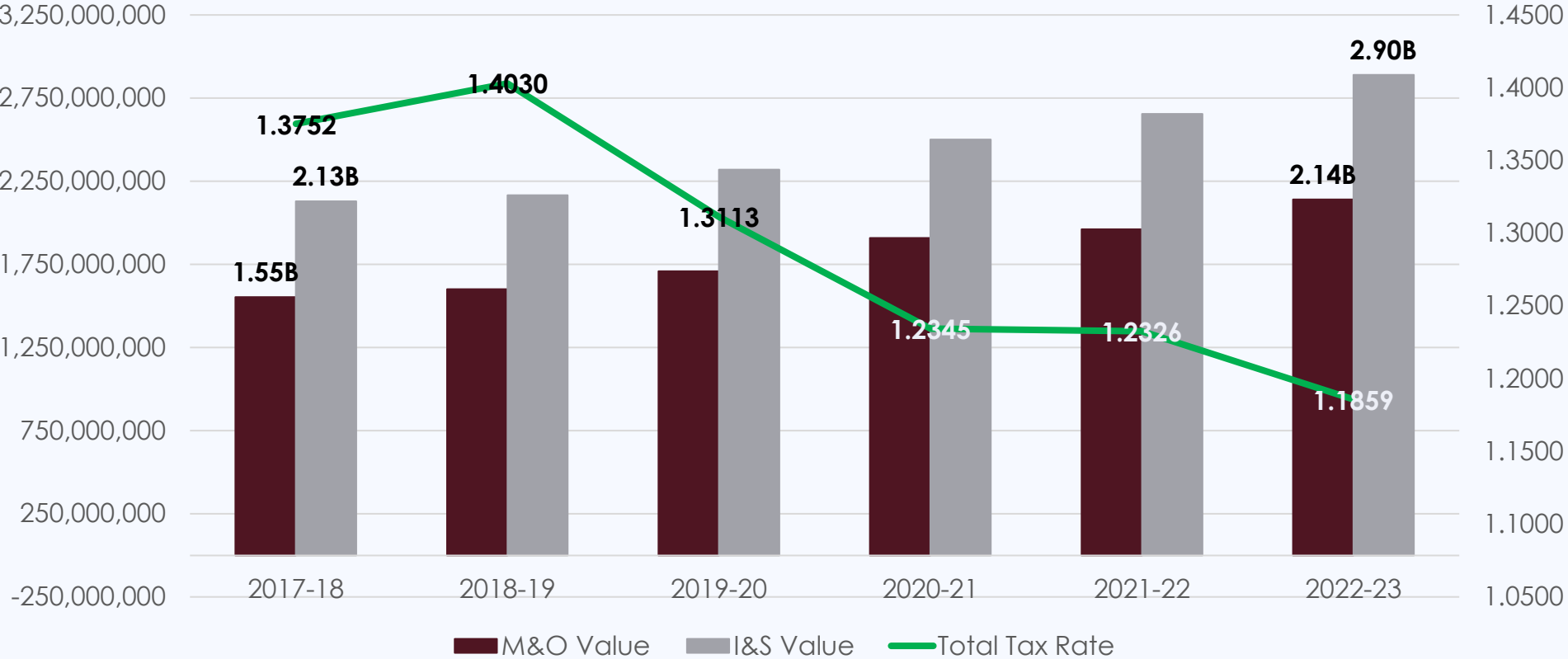
- Maintenance & Operations
- Funds day to day operations of the district
- Tier One + Tier Two
- **Subject to compression based on value growth**

- Interest & Sinking
- Used exclusively to pay the principal and interest of voter approved bonds
- Max \$0.50

# HISTORY OF DISTRICT PROPERTY TAX RATES

	2018-19	2019-20	2020-21	2021-22	2022-23
M&O Tax Rate	1.17	1.0683	0.9915	0.9896	0.9429
I&S Tax Rate	0.233	0.243	0.243	0.243	0.243
<b>Total Tax Rate</b>	<b>1.403</b>	<b>1.3113</b>	<b>1.2345</b>	<b>1.2326</b>	<b>1.1859</b>

# HISTORY OF DISTRICT PROPERTY TAXES



# WHY ARE OUR M&O AND I&S PROPERTY VALUES DIFFERENT?

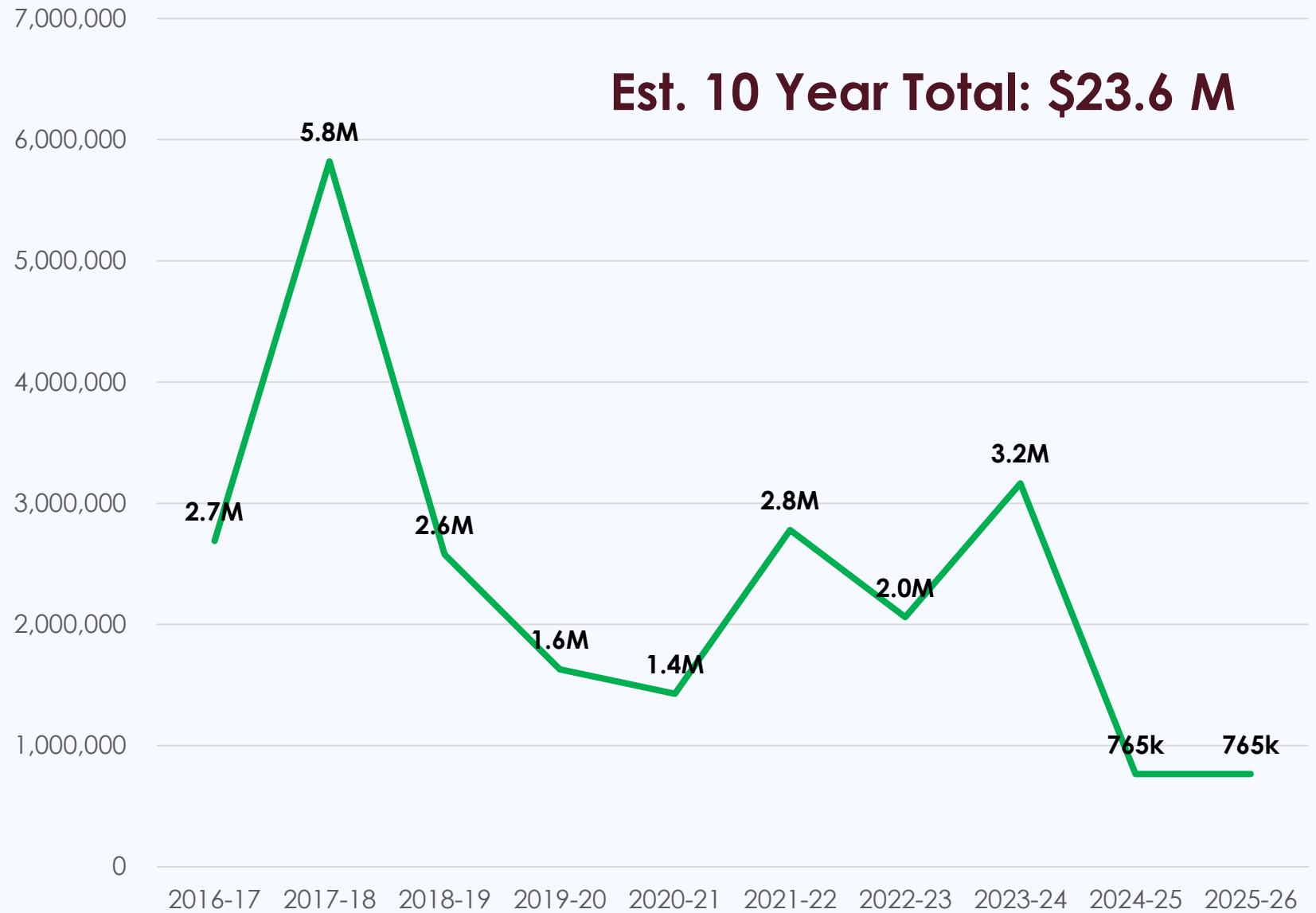
## Chapter 313 Agreements

- Property tax incentive agreements with school districts
- 10-year limitation on M&O property value
- Revenue Protection and Supplemental Payments to school districts

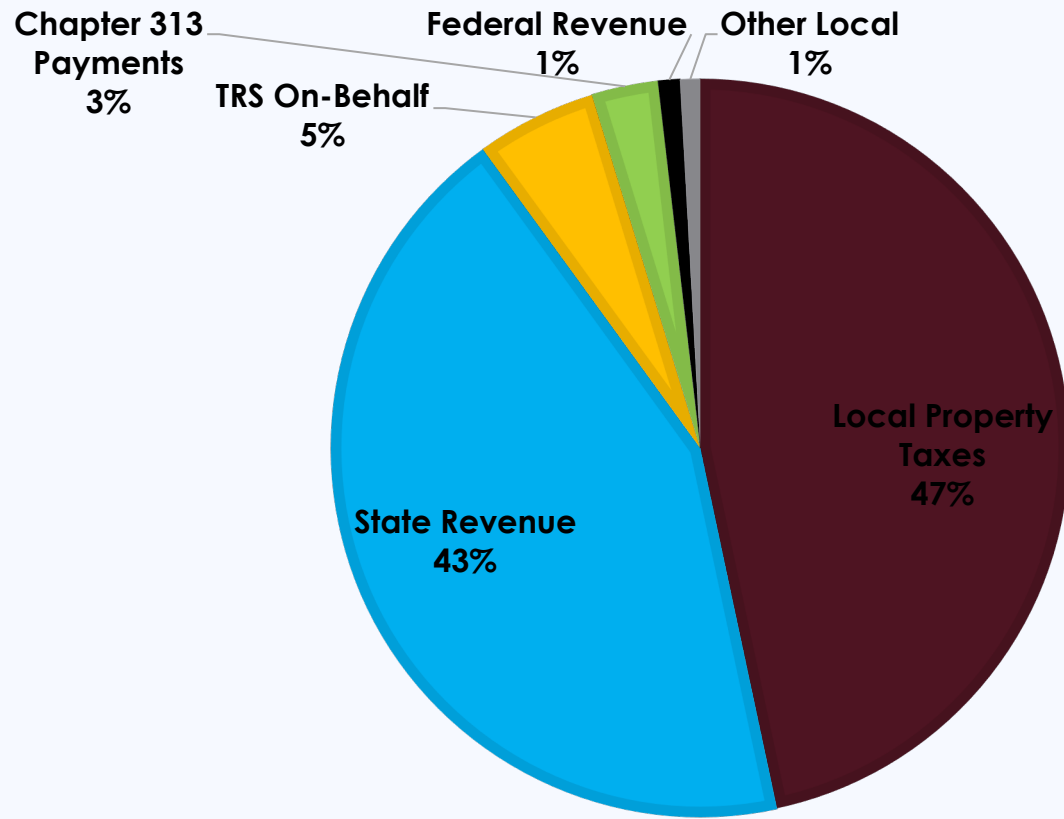
Calallen ISD currently has 3 agreements, with a 4<sup>th</sup> in review

- Equistar, TexStar, and Epic

# HISTORY OF CHAPTER 313 PAYMENTS



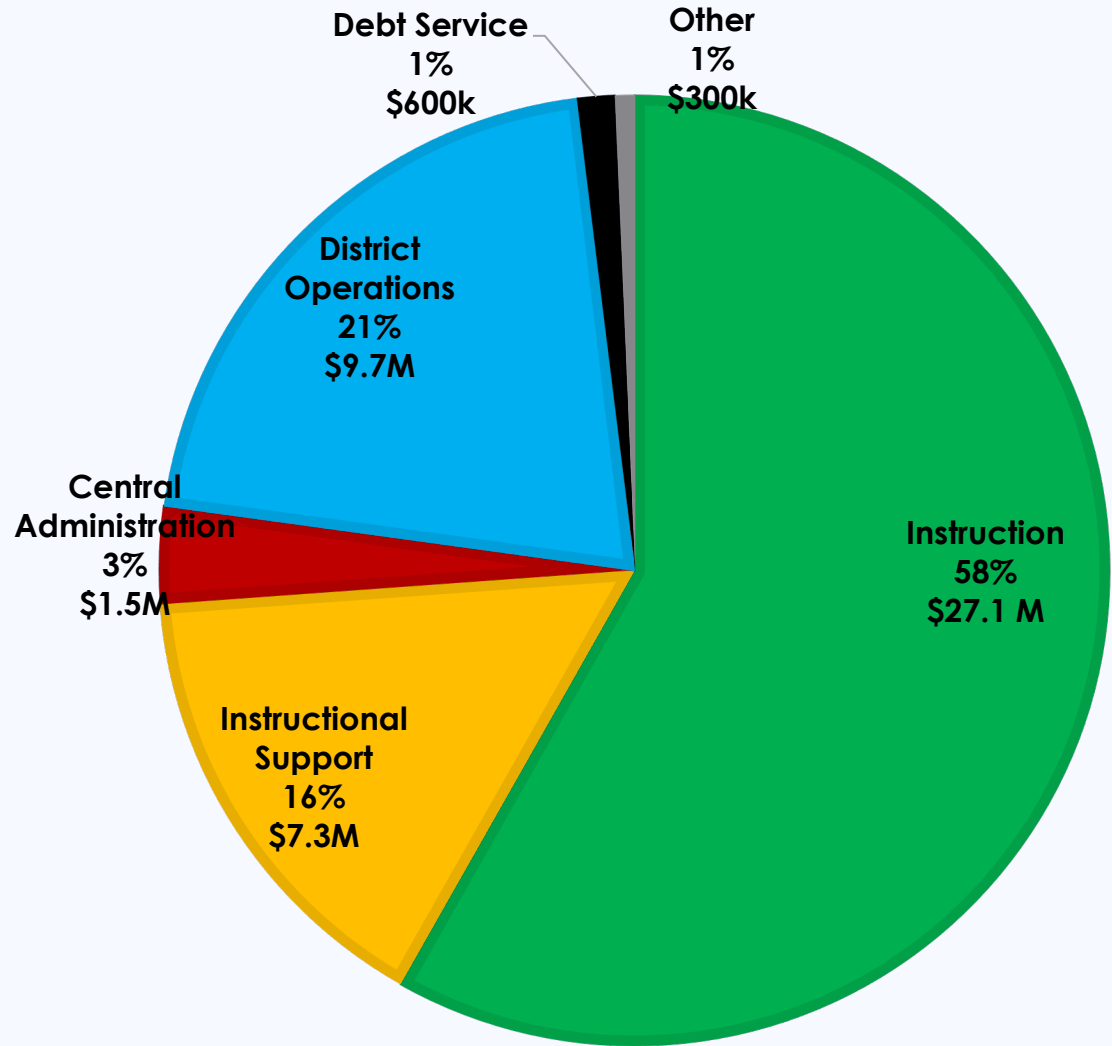
# 22-23 BUDGETED REVENUE BY SOURCE



Category	Budget
<b>Local Property Taxes</b>	<b>\$19,350,00</b>
Other Local	\$350,000
<b>State Revenue</b>	<b>\$17,975,000</b>
TRS On-Behalf	\$2,193,816
Federal Revenue	\$400,000
<b>Chapter 313 Payments</b>	<b>\$1,200,000</b>
<b>Total Revenue Budget</b>	<b>\$41,468,816</b>

# 22-23 BUDGETED EXPENSES BY CATEGORY

**Total Expense Budget \$47,529,995**





# HOW THE DISTRICT SPEND EACH DOLLAR:

80¢ - PAYROLL    7.25 ¢ - OPERATIONS    6.5¢ - INSURANCE & UTILITIES  
5.5¢ - INSTRUCTION & SUPPORT    0.75¢ - ADMIN & OTHER



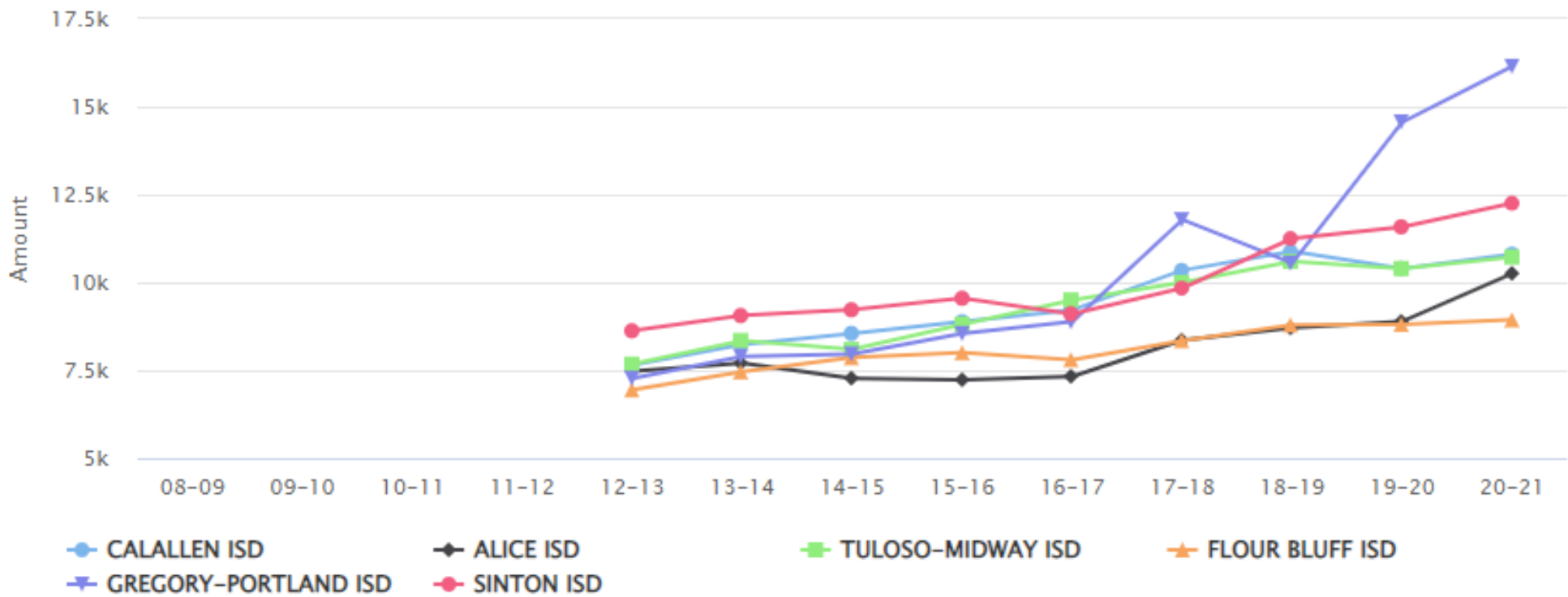
# HISTORY OF FUND BALANCE

Fiscal Year	Net Roll/Lost	Fund Balance
2017-18	+\$3,048,813	\$13,218,761
2018-19	+\$4,600,763	\$17,819,524
2019-20	+\$3,473,798	\$21,293,322
2020-21	+\$1,844,296	\$23,137,618
2021-22 Est.	+\$937,560	\$24,075,178
2022-23 Budget	-\$6,061,179	\$18,013,999

Per TEA, the ideal fund balance is 3 month's operating expenses: **\$11.75 million for CISD**

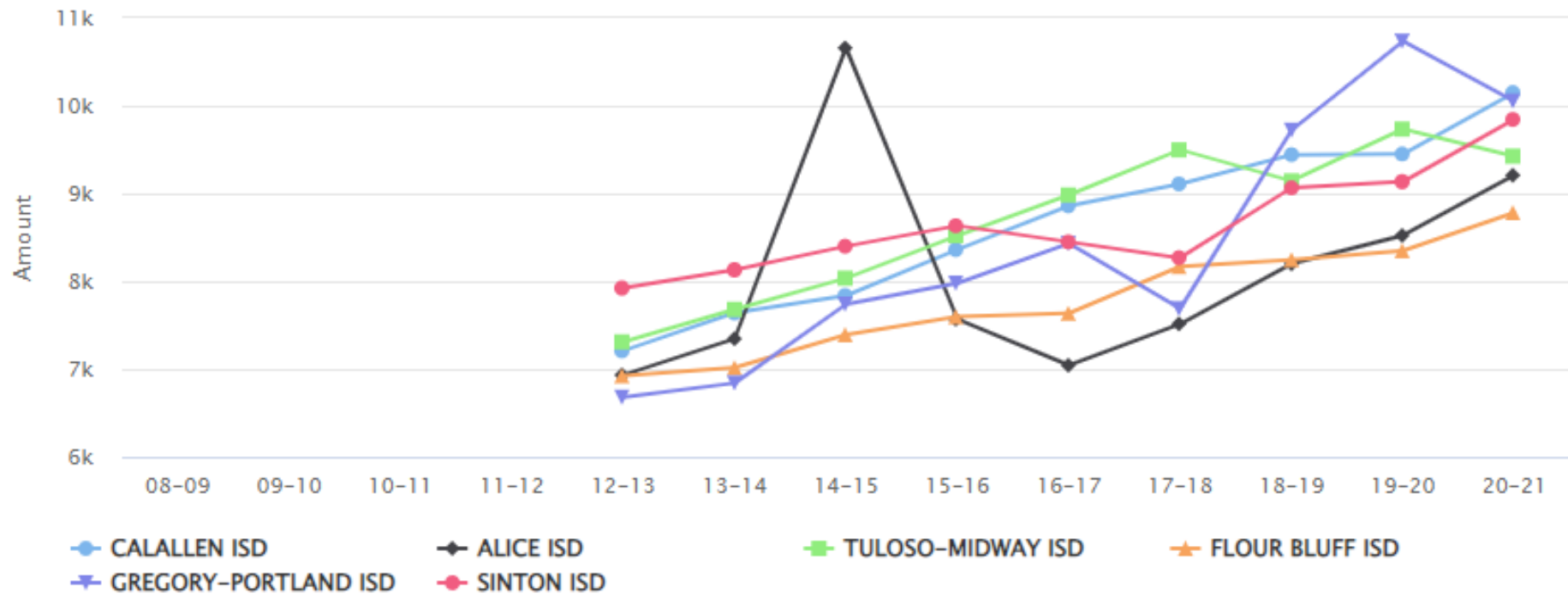
# HOW DO WE COMPARE? REVENUE

Finance Data – Actual – Receipts – Total Revenue – Total Revenue



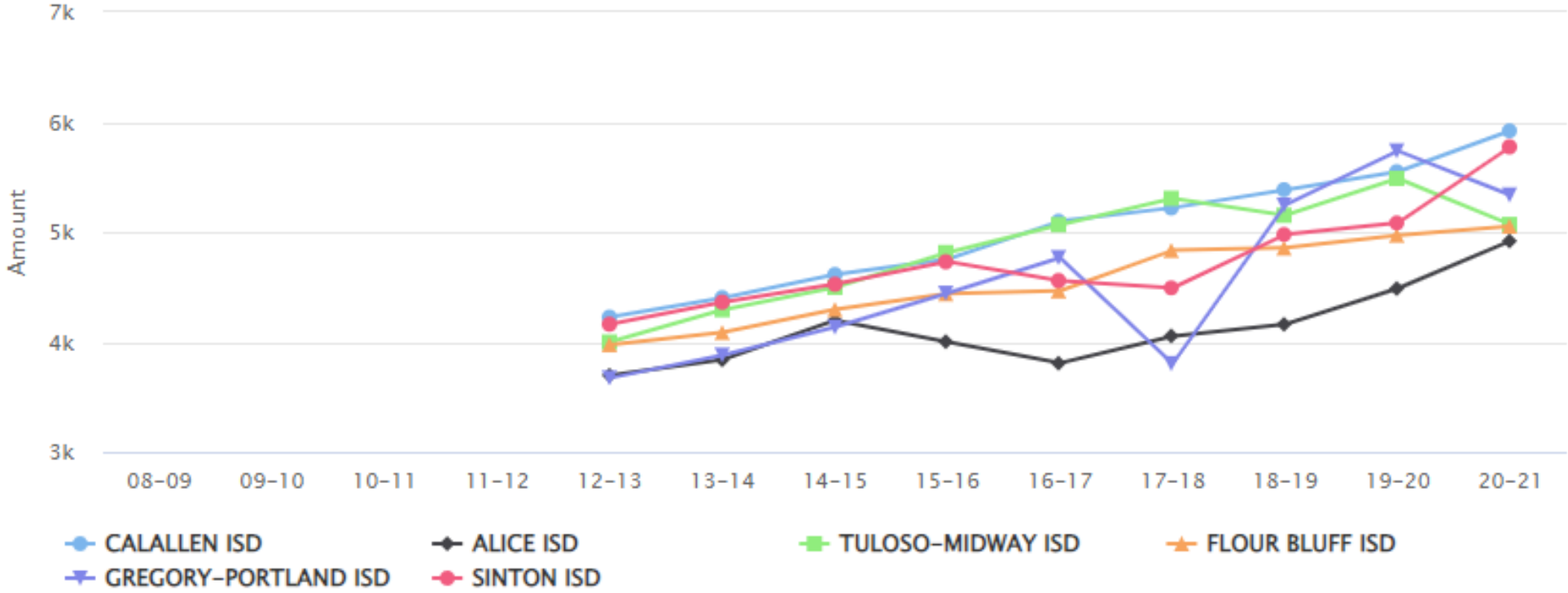
# HOW DO WE COMPARE? EXPENSES

Finance Data - Actual - Disbursements - Total Expenditures - All Expense Object Codes



# HOW DO WE COMPARE? INSTRUCTION

Finance Data – Actual – Disbursements – Total Expenditures – Instruction (11,95)



# PRELIMINARY BOND CAPACITY

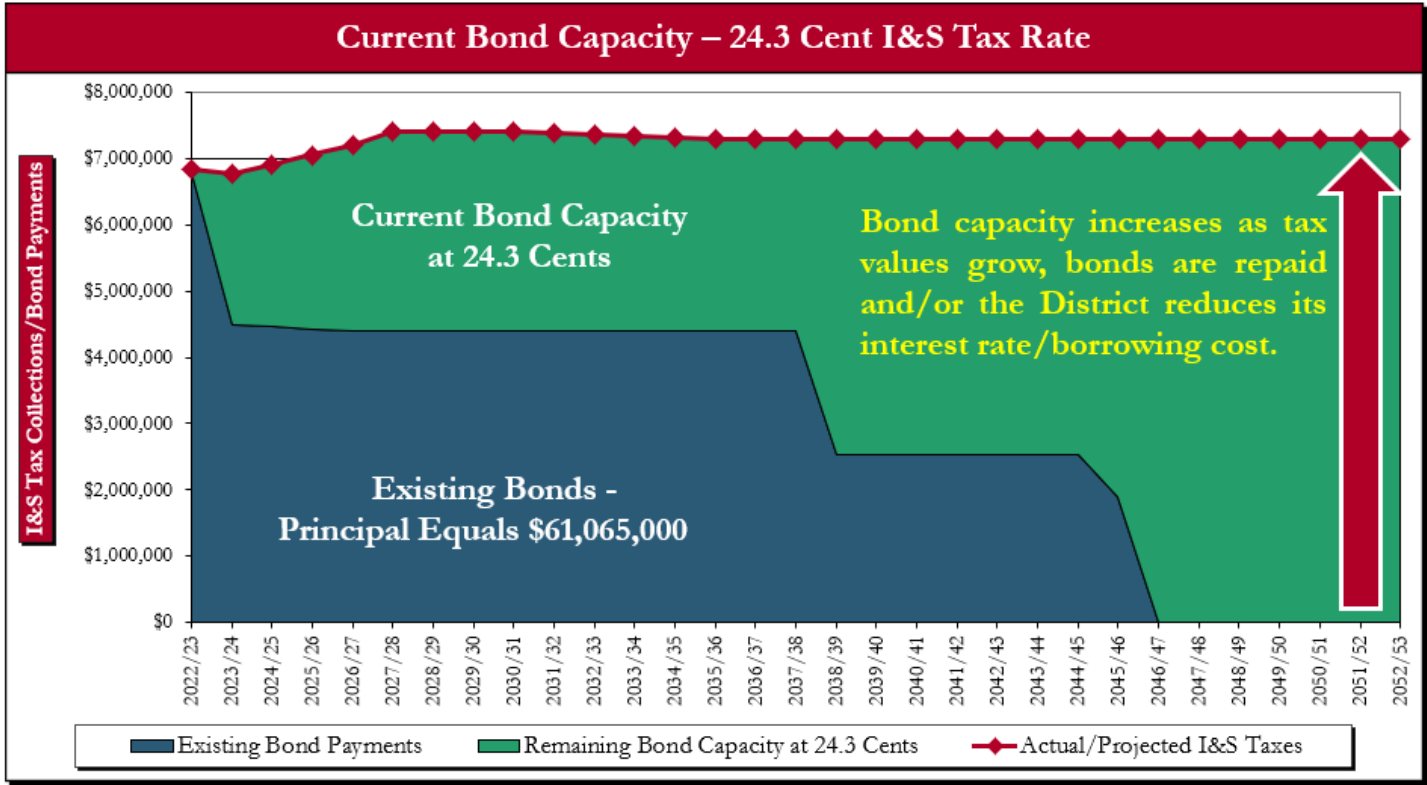
*Information provided by:  
BOK Financial Advisors*





# What is Bond Capacity?

- ❑ Bond capacity refers to Calallen ISD’s capacity to issue new bonds in light of the limitations imposed by the State mandated “50-Cent Debt Test” and the District’s I&S tax rate.



**Current Bond Capacity information**



## Savings from District's Debt Management Practices

- Calallen Independent School District ("CISD" or the "District") has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have provided the District's taxpayers with more than \$14.95 million of direct savings since year 2010.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2010	1994, 1998	\$ 3,550,000	\$ 234,836
Unlimited Tax Refunding Bonds, Series 2015	2008	8,700,000	1,481,233
Unlimited Tax Refunding Bonds, Series 2016	2008	8,885,000	1,982,906
Unlimited Tax Refunding Bonds, Series 2017	2008	9,200,000	2,336,083
Unlimited Tax Refunding Bonds, Series 2018-A	2008	9,480,000	1,224,248
<b>Total - Bond Refunding Programs at a Lower Interest Rate</b>	---	<b>\$ 39,815,000</b>	<b>\$ 7,259,306</b>
Prepayment of Series 2008 Bonds - August 2017	2008	\$ 710,000	\$ 710,000
Prepayment of Series 2008 Bonds - February 2018	2008	1,550,000	1,550,000
Prepayment of Series 2018 Bonds - August 2020	2018	775,000	744,485
Prepayment of Series 2018 Bonds - August 2021	2018	1,280,000	1,229,600
Prepayment of Series 2018 Bonds - February 2022	2018	1,675,000	1,541,350
Prepayment of Series 2018 Bonds - February 2023	2018	2,230,000	1,916,356
<b>Total - Prepayment of Bonds Prior to Scheduled Maturity</b>	---	<b>\$ 8,220,000</b>	<b>\$ 7,691,791</b>
<b>Totals</b>	---	<b>\$ 48,035,000</b>	<b>\$ 14,951,097</b>

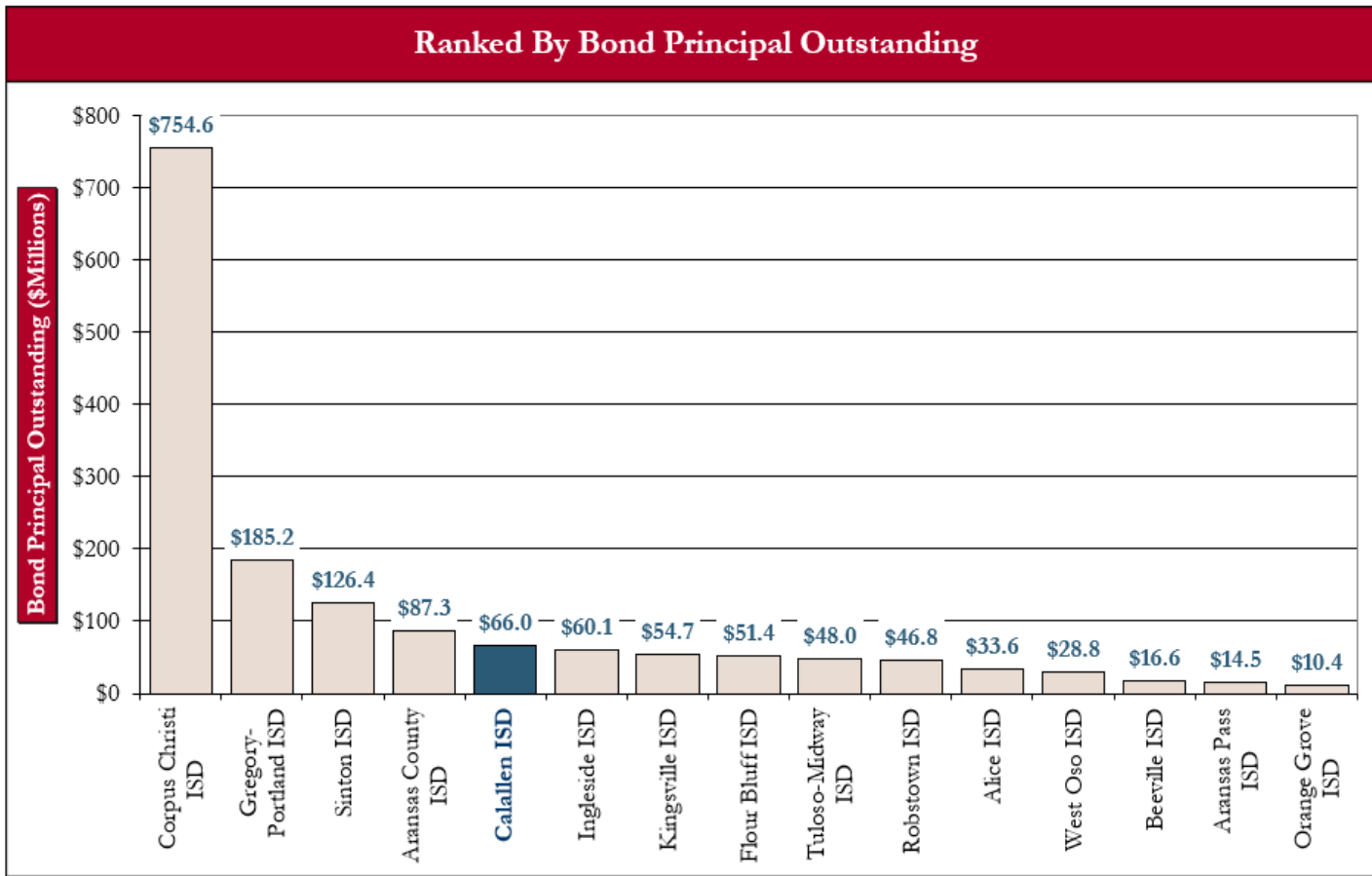
Total Savings from Refunding and Prepayment of Bonds:

**\$14,951,097**

Source: District records.



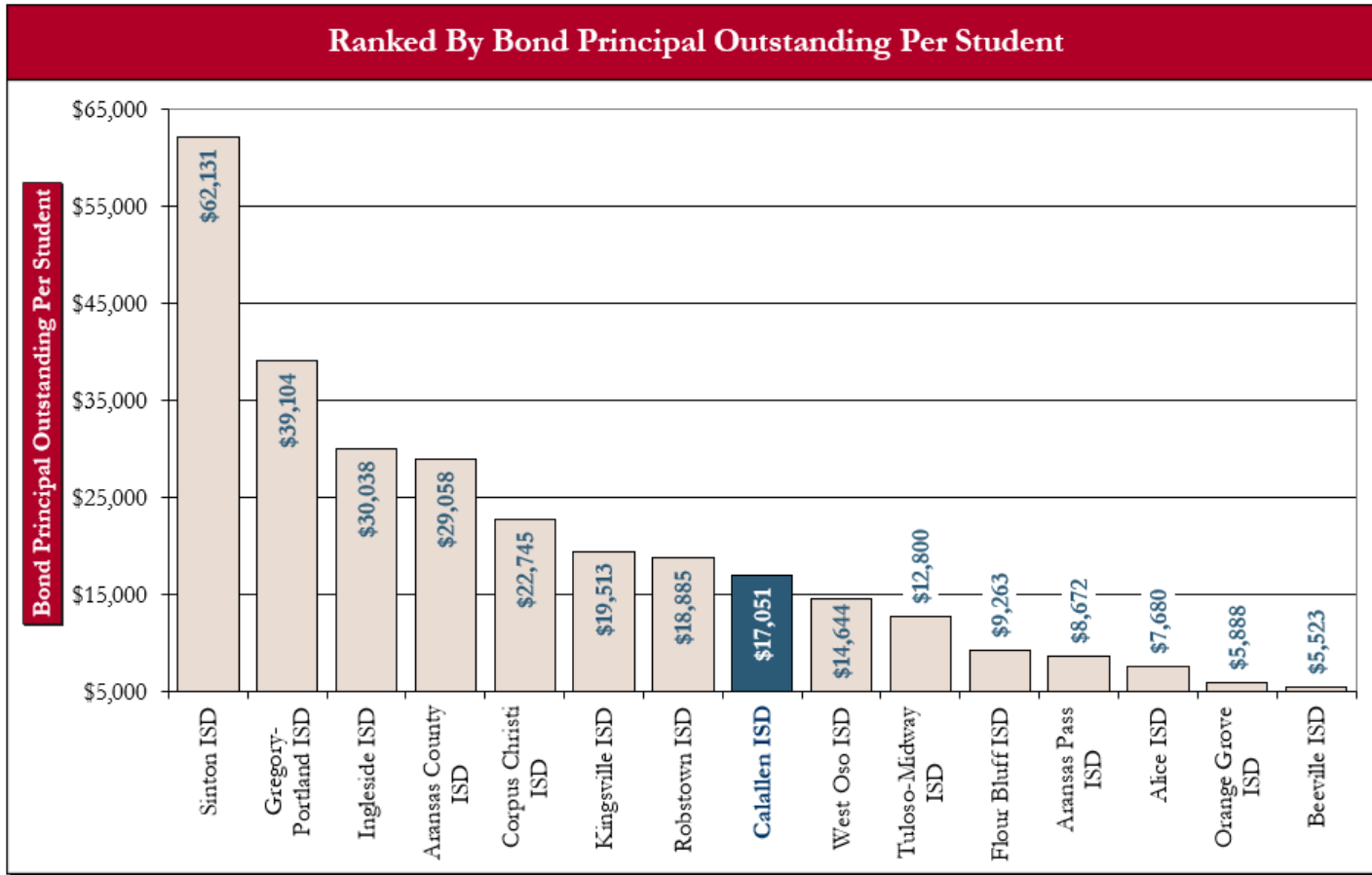
## Comparison of ESC Region 2 School Districts – Enrollment Greater Than 1,500 Students



Ranked **5<sup>th</sup>** in the region for **Outstanding Bond Principal**

Source: The Municipal Advisory Council of Texas – As of August 31, 2022. Includes Voted and M&O debt.

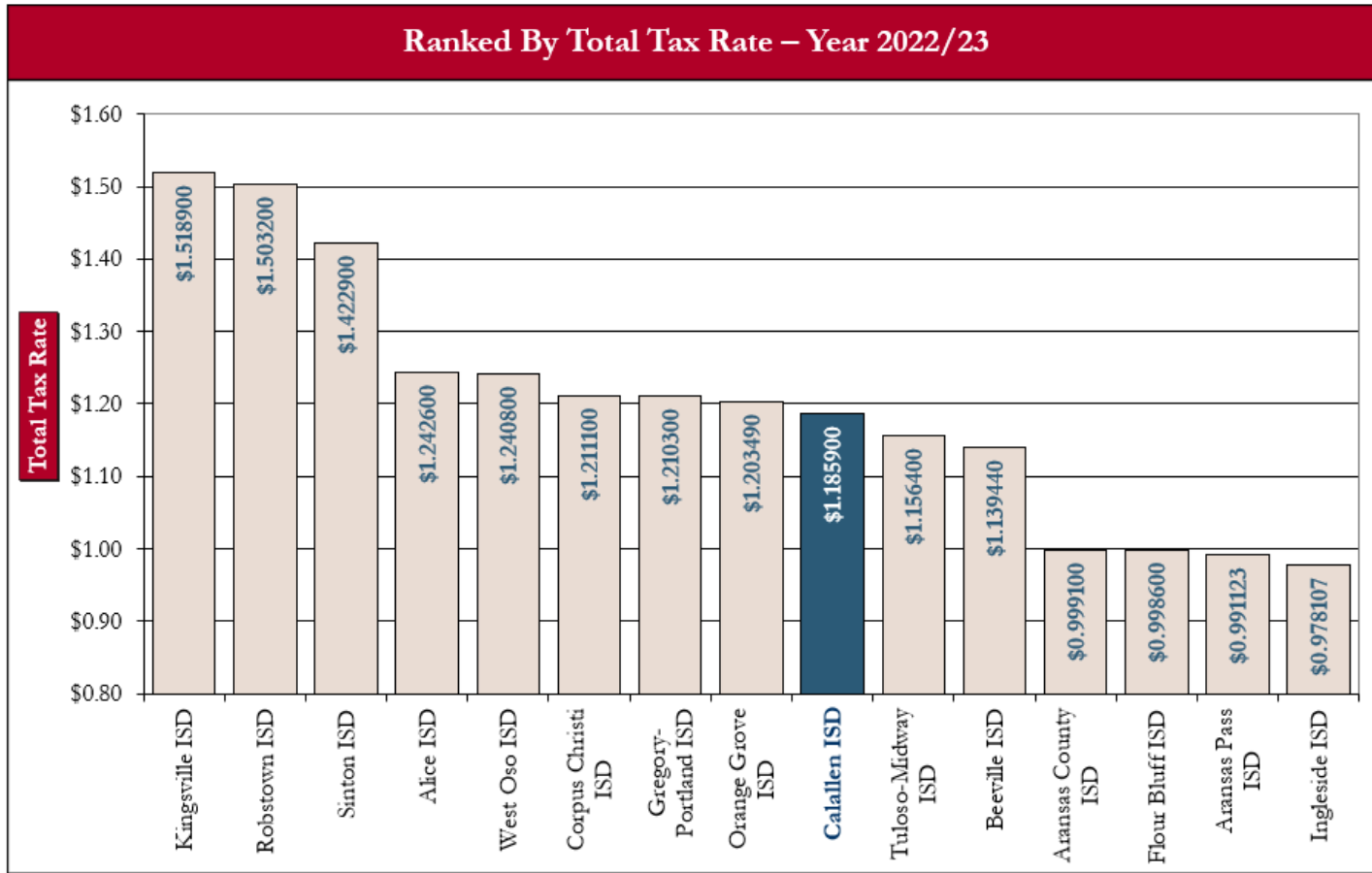
## Comparison of ESC Region 2 School Districts – Enrollment Greater Than 1,500 Students



Ranked **8<sup>th</sup>** in the region for **Outstanding Bond Principal per Student**

Source: Texas Education Agency – PEIMS and The Municipal Advisory Council of Texas – As of August 31, 2022. Includes Voted and M&O debt.

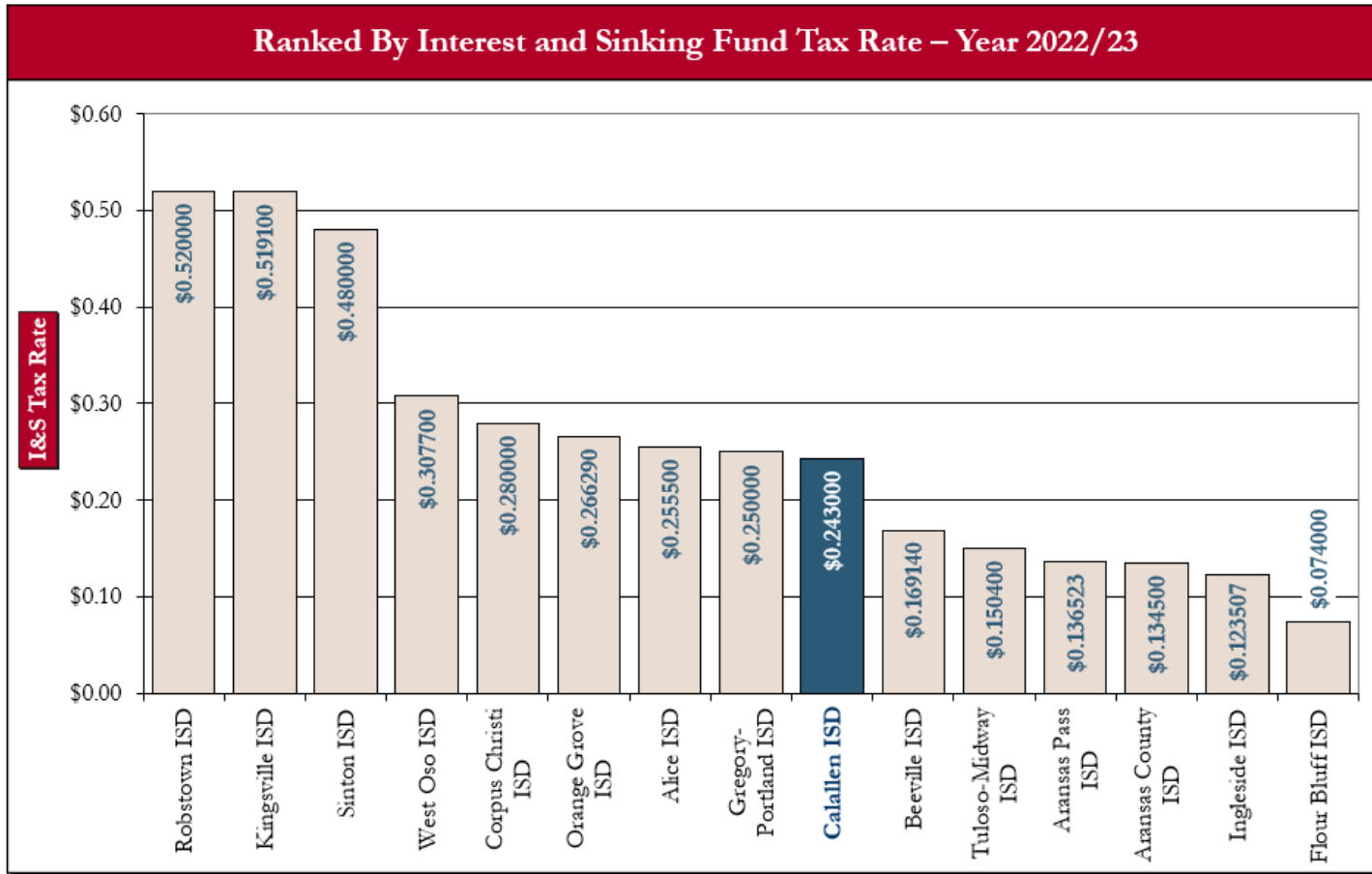
## Comparison of ESC Region 2 School Districts – Enrollment Greater Than 1,500 Students



Ranked **9<sup>th</sup>** in the region for **Total Tax Rate**

Source: Texas Comptroller of Public Accounts and respective county appraisal districts and tax offices.

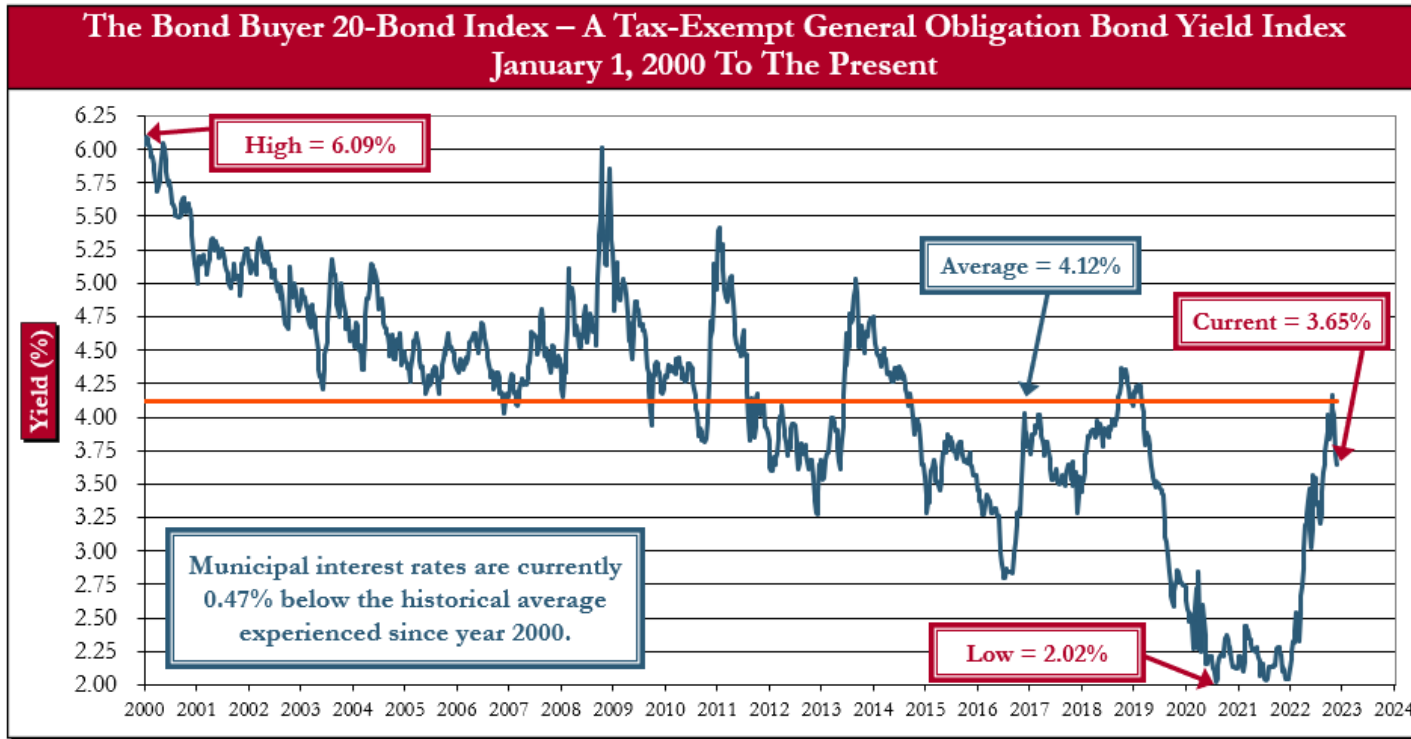
Comparison of ESC Region 2 School Districts – Enrollment Greater Than 1,500 Students



Ranked 9<sup>th</sup> in the region for **Interest & Sinking Tax Rate**

Source: Texas Comptroller of Public Accounts and respective county appraisal districts and tax offices.

- As demonstrated by the Bond Buyer 20-Bond Index below, municipal fixed rates of interest are currently below their historical average, but higher due to inflationary concerns. Generally speaking, the lower the interest rate, the more borrowing capacity available to the District.

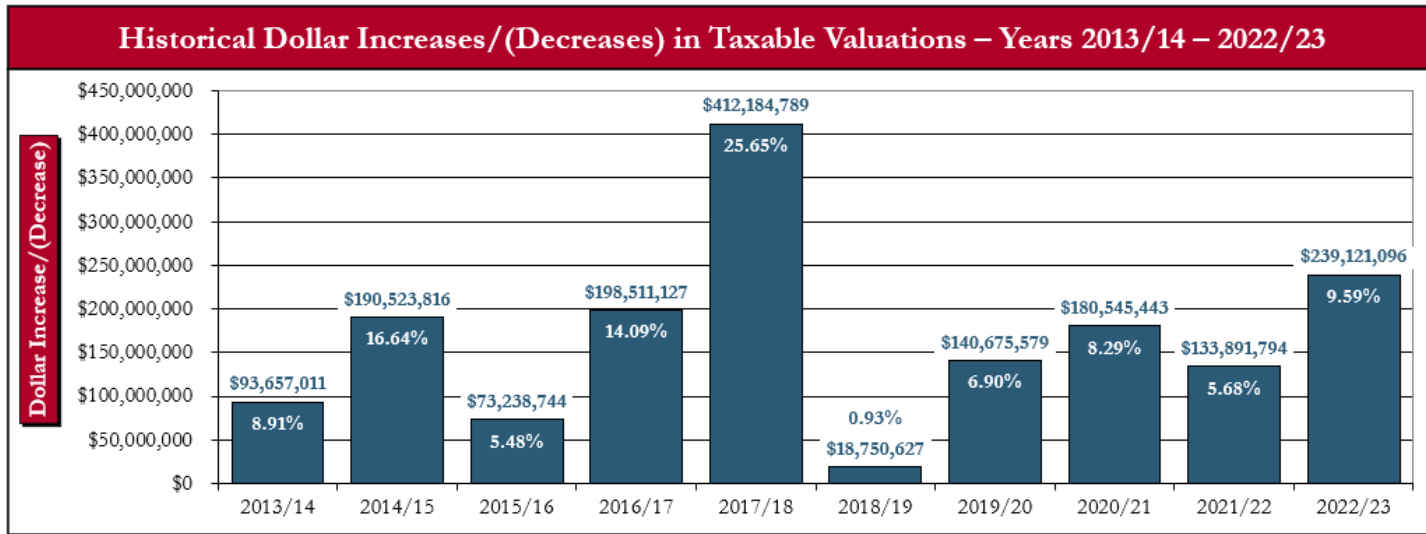


Current Interest Rate:  
**3.65%**



## Bond Capacity Factors: Summary of District's Historical Taxable Assessed Valuation

- ❑ The value of Calallen ISD's tax base is the primary factor impacting CISD's bond capacity, as this determines the annual revenues generated from the District's I&S tax rate.
- ❑ CISD's taxable assessed valuation (net of frozen values) is \$2,732,323,137 for fiscal year 2022/23.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
  - Maximum tax base increase occurred in Year 2017/18: \$412,184,789 or 25.65%;
  - Average tax base increase last 10 years: \$168,110,003 or 10.02%; and
  - Average tax base increase last 5 years: \$142,596,908 or 6.23%.



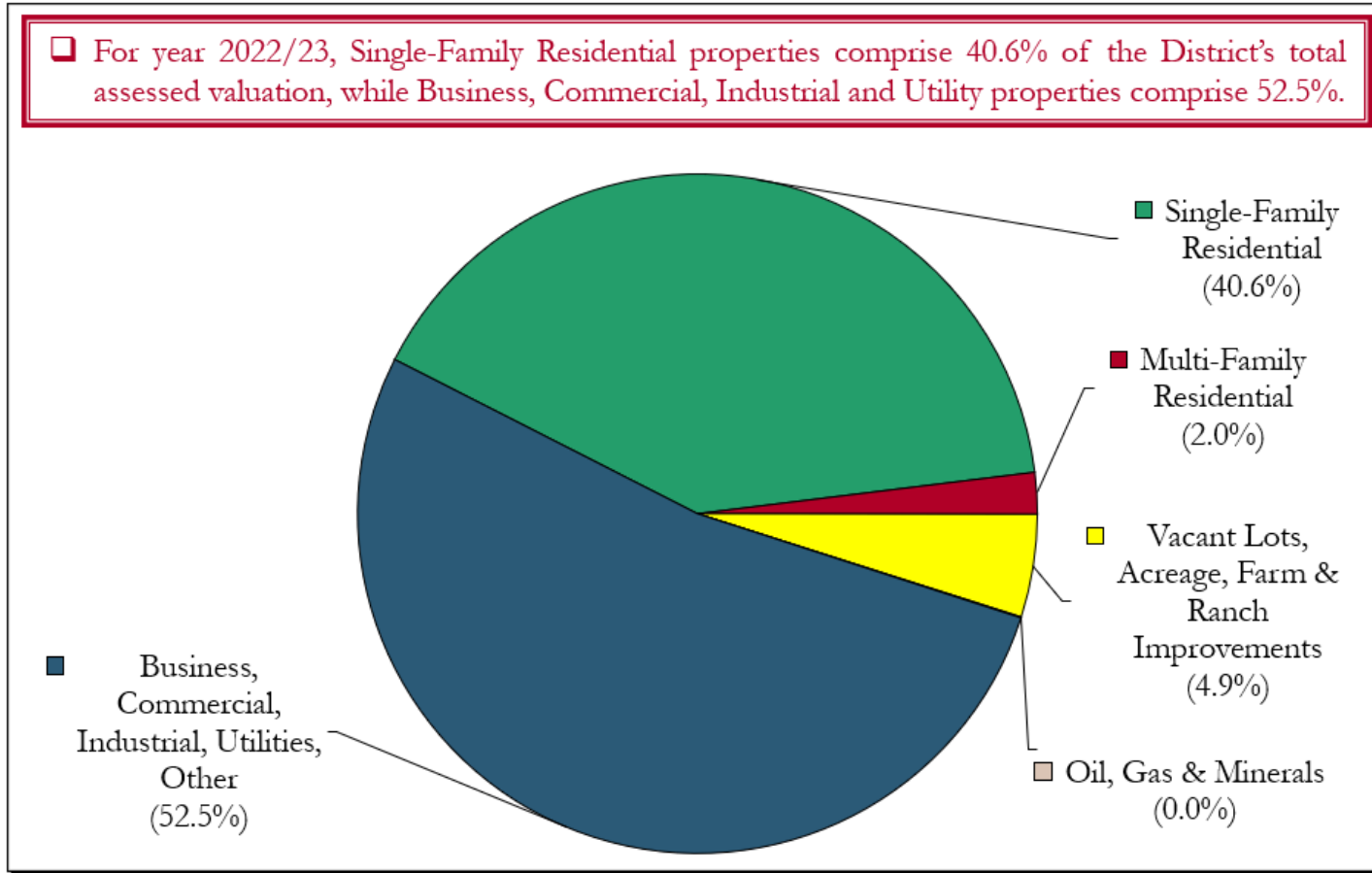
Source: Nueces County Appraisal District. Represents 100% of the certified tax values plus 100% of the tax values under ARB protest.

Primary Factor Impacting Bond Capacity:

**District's Taxable Valuations**

Composition of Total Assessed Valuation –  
Year 2022/23

For year 2022/23, Single-Family Residential properties comprise 40.6% of the District's total assessed valuation, while Business, Commercial, Industrial and Utility properties comprise 52.5%.



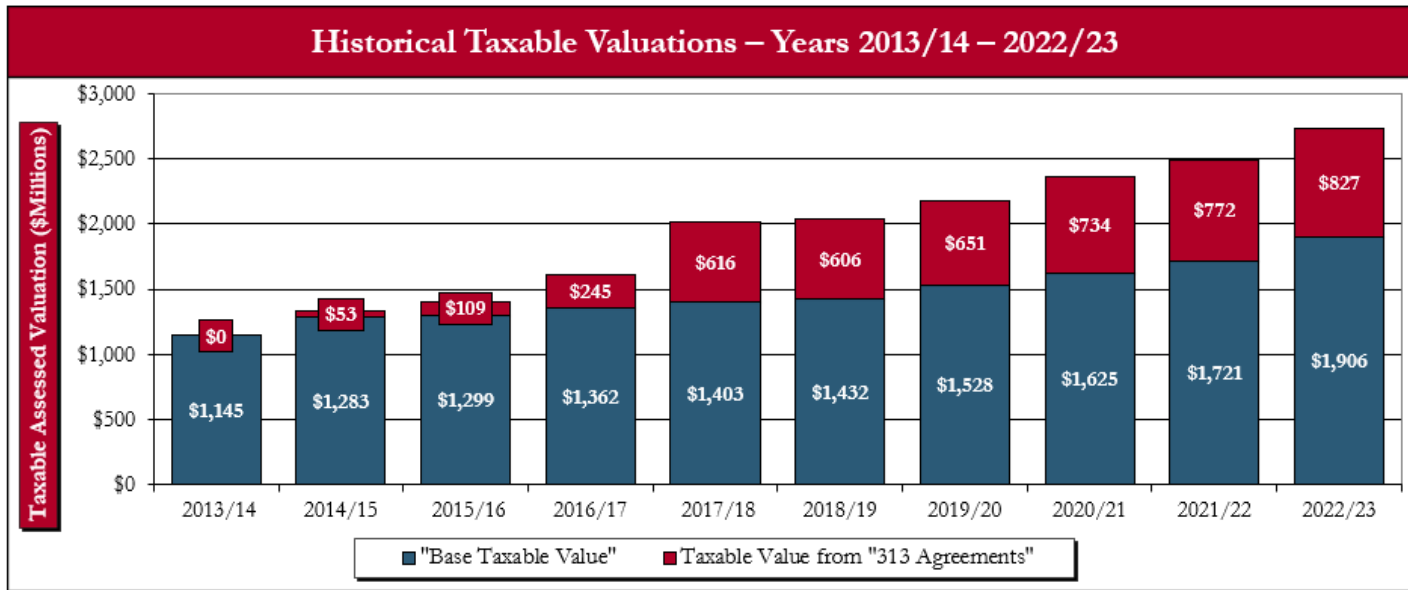
Breakdown of the District's Tax Valuation:

**52.5% Commercial**  
**40.6% Residential**

Source: Nueces County Appraisal District.

## Summary of District's Historical Taxable Assessed Valuation – “Base Taxable Value”

- ❑ CISD’s “Base Taxable Value” (i.e. net of the taxable value associated with the 313 agreements) is \$1,905,795,437 for fiscal year 2022/23.
- ❑ The following summarizes certain “Base Taxable Value” growth statistics over the last decade:
  - Maximum tax base increase occurred in Year 2022/23: \$184,322,976 or 10.71%;
  - Average tax base increase last 10 years: \$85,457,233 or 6.13%; and
  - Average tax base increase last 5 years: \$100,581,816 or 6.32%.



Base Taxable Value vs.  
**Chapter 313 Agreements Taxable Value**

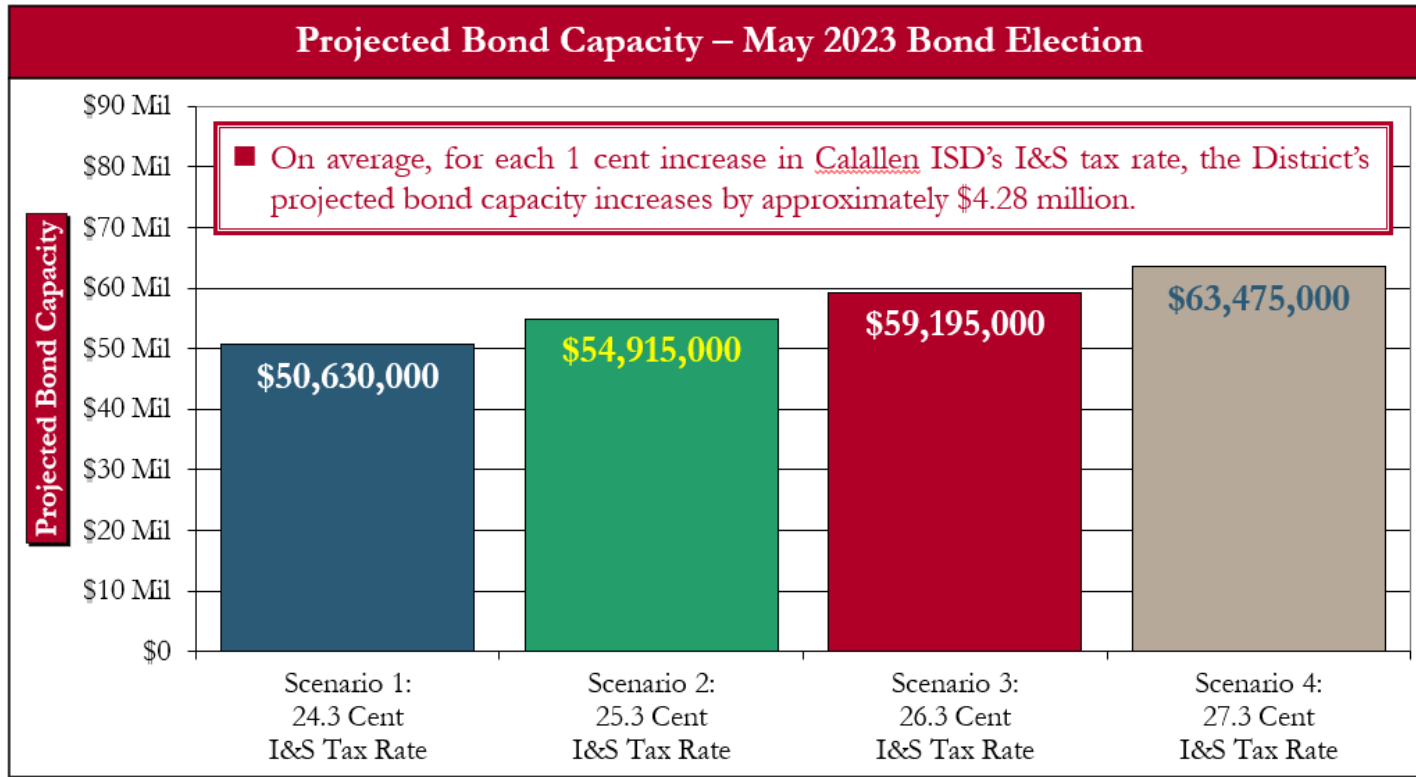
Source: Nueces County Appraisal District. Represents 100% of the certified tax values plus 100% of the tax values under ARB protest.





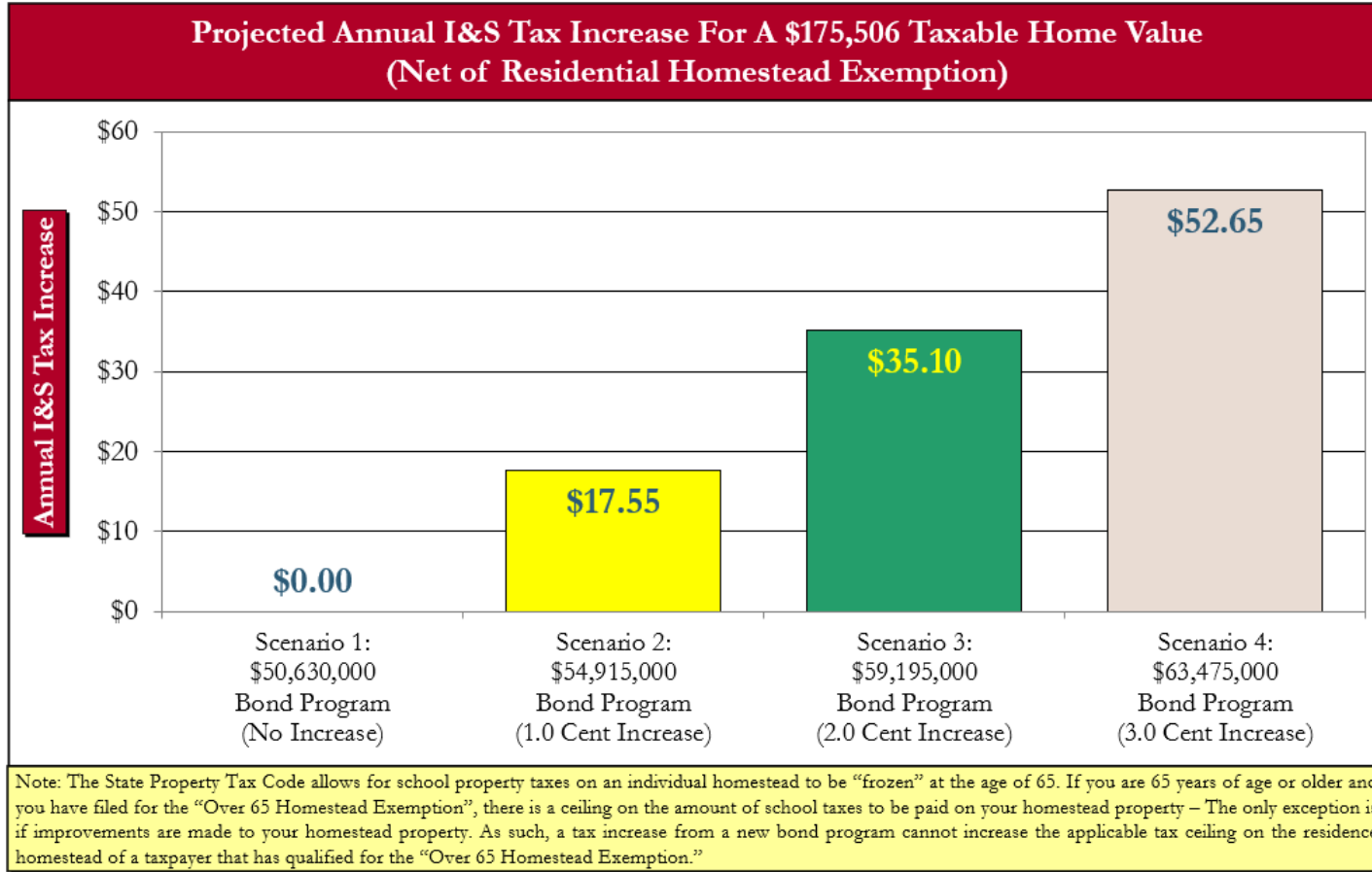
## Preliminary Bond Capacity Analysis

- ❑ The following demonstrates Calallen ISD's projected bond capacity based upon the scenarios presented herein.



**Preliminary** Bond Capacity:

**\$50.630M**



**Preliminary** Tax Increase for Average Home Value:

**\$0.00**



## Notable Changes in Bond Election Laws

### ❑ House Bill 3 – “Tax” Language on the Ballot

- Requires ballot propositions for school district bond elections to now include the statement: **“THIS IS A PROPERTY TAX INCREASE.”**

### ❑ Senate Bill 30 – Separate Propositions for Certain Items

- Historically, school districts have been able to use a single ballot proposition for the construction, acquisition and equipment of school buildings, including the purchase of land for school building sites, and the purchase of new school buses.
- Now, should a district conduct an election for any of the purposes described below, each must be stated in a separate proposition:
  - 1) Stadium with seating capacity for more than 1,000 spectators;
  - 2) Natatorium;
  - 3) Another recreational facility other than a gymnasium, playground or play area;
  - 4) Performing arts facility;
  - 5) Teacher housing; and
  - 6) Technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility.

Bond Election  
Law Changes:

**Ballot Language**

**Multiple  
Propositions**

LOOKING  
AHEAD...



# BOND COMMITTEE TIMELINE

January 10, 2023

2<sup>nd</sup> Bond Committee Meeting

January 25, 2023

3<sup>rd</sup> Bond Committee Meeting

February 13, 2023

Board Meeting - Bond Committee makes recommendation to Call for Bond Election

February 28, 2023

1<sup>st</sup> Town Hall Meeting

March 23, 2023

2<sup>nd</sup> Town Hall Meeting

April 18, 2023

3<sup>rd</sup> Town Hall Meeting



## Preliminary Bond Election Timetable – May 6, 2023

### Financing Team Members

CISD	---	Calallen Independent School District – Issuer
BOKFS	---	BOK Financial Securities, Inc. – Financial Advisor
MPH	---	McCall, Parkhurst & Horton L.L.P. – Bond Counsel

### Preliminary Bond Election Timetable – May 6, 2023

Date	Action	Responsibility
On or Prior to February 17, 2023 <sup>(A)</sup>	Board Meeting – Board of Trustees Calls the Bond Election	CISD, BOKFS, MPH
April 6 – 26, 2023	Publish Notice of Election	CISD, MPH
Prior to April 17, 2023	Post Notice of Election	CISD, MPH
April 24 – May 2, 2023	Early Voting Period	CISD
May 6, 2023	Bond Election	CISD, BOKFS
May 9 – 17, 2023	Board Meeting – Canvass Election Results	CISD, BOKFS
June 8 – 16, 2023	30-Day Contest Period Ends	N/A
July 2023 or Thereafter	Bond Sale	CISD, BOKFS, MPH
August 2023 or Thereafter	Bond Closing (District Receives Bond Proceeds)	CISD, BOKFS, MPH

<sup>(A)</sup> For bond elections held on the May uniform election date, State law requires a bond election to be called by the Board of Trustees at least 78 days prior to the date of the election.

# BOND 2023 WEBSITE



# THANK YOU FOR ATTENDING!

*There is a lot of hard work that goes into calling for a school bond, and it requires a lot of great minds working together to determine the needs for the future of the district. We think you are one of those great minds, and truly appreciate you volunteering your time and ideas as a member of the Calallen ISD Bond Committee.*

