

B ND

PLANNING COMMITTEE

Meeting #3: Tuesday, Nov. 14, 2023



Dr. Deana Steeber
Superintendent

Welcome and Introductions



Tonight's Agenda

- Meeting #2 Recap
- Meeting #2 Follow-Up and Discussion
- Election Information and Updates
- School Finance 101
- Bonding Capacity and Tax Rate Scenarios
- Campus Tour

Additional Meeting Time

To ensure we have ample time for additional discussion and consideration, please share your preference with us.

1. Extend Meeting # 4 and Meeting #5 from 5:30 to 8:30 pm

or

2. Schedule Additional Meeting #6 from 5:30 to 7:30 pm

Date TBD

Valued Committee Member

- Ask Questions
- Do Research
- Value in All Opinions
- Learn from Each Other
- Speak from ♥
- Be involved — own it.
- Think about Future Needs
- Try to understand Why Board Failed
- Identifying Misinformation
— Share Facts

Meeting Norms

- Presentations and activities will begin by 5:30 pm
- Committee members are expected to attend each meeting, as information and understanding builds from one meeting to the next
- Keep phones and other devices on silent
- Be a valued committee member



Meeting #2 Recap

- Identified Action Items for Future Elections
- Reviewed Aging Facility Conditions at Primary and Elementary Campuses
- Discussed Options for No-Tax-Impact Bond or Minimal-Tax-Impact Bond
- Committee Provided Real-Time Feedback on Potential Packages

**Meeting #2
Follow-Up and
Discussion**



SSISD Campus Configuration History

1997 - Early Childhood Learning Center opened (currently BBP)

Prior to 2012

- Early Childhood - Kindergarten: ECLC (currently BBP)
- Grades 1-4: Austin, Bowie, Lamar (currently RJP), Travis
- Grade 5: Douglass
- Grades 6-8: SSMS (currently SSES)
- Grades 9-12: SSHS

2012

- Early Childhood - Kindergarten: ECLC (currently BBP)
- Grades 1-2: Bowie, Lamar (currently RJP), Travis
- Grades 3-4: SSES
- Grade 5: Douglass
- Grades 6-8: SSMS (New Middle School Opened)
- Grades 9-12: SSHS
- Alternative School Campus: Austin

SSISD Campus Configuration History

2018

- Early Childhood - PK: Douglass Early Childhood Learning Center
- Grades K-3: Bowie, Lamar (currently RJP), Travis, BBP
 - ECLC named Barbara Bush Primary
- Grades 4-5: SSES
- Grades 6-8: SSMS (New Middle School Opened)
- Grades 9-12: SSHS
- Alternative School Campus: Austin

2021

- Lamar renamed Rowena Johnson Primary

2023-2024 SSISD Initiatives

1. **Advance Accountability**

- Campus configuration
- Highly qualified teachers
- Teacher professional development

2. **Advance Staff Compensation**

- Competitive
- Retain
- Recruit

3. **Advance Facilities**

- Improve learning spaces
- Improve working spaces

QUESTION FROM MEETING #2:

*“What does the
SSISD
administration
recommend?”*

OUR PRIORITIES

1. Address deficiencies in critical building infrastructure
2. Address building inefficiencies and inequities by creating long-term facility and utilization plan
3. Maintain and improve safety and security
4. Address space and utilization challenges at SSHS

QUESTION FROM MEETING #2:

*“What does the
SSISD
administration
recommend?”*

OUR RECOMMENDATION

1. **New K-5 Elementary School at SSES property (600-student capacity)**
2. **New K-5 Elementary School at site TBD (600-student capacity)**
3. **Renovations at Barbara Bush Elementary (Required library renovations for 600-student capacity and playground updates for ADA compliance)**
4. **Renovations at Bowie Elementary School (for 400-student capacity in K-5 and playground updates for ADA compliance)**
5. **Additional district-wide safety and security measures**
6. **Land acquisition for new elementary school**
7. **Renovations for special programs staff relocation to Johnson or Travis campus**

QUESTION FROM MEETING #2:

“What does the SSISD administration recommend?”

OUR RECOMMENDATION



1

MAJOR
PROJECTS

New K-5 Elementary
New K-5 Elementary
Land acquisition



2

MODERATE PROJECTS
+ DEALBREAKERS

Renovations at Barbara Bush
Renovations at Bowie
Renovations at Travis or Johnson



3

MINOR
PROJECTS

Safety & Security

Project Details and Additional Information

Project details, costs, and additional information will be provided at Meeting #4.

Committee members will have the opportunity to “build-a-bond” using tax rate scenarios, bonding capacity, and project costs at this meeting.

Election Information and Updates



Recent Election Results - November 7, 2023

District	Amount	Prop	Summary	For	Against
Canton ISD	\$102,625,000	A	New Construction: High School	1331 (55.3%)	1074 (44.7%)
Canton ISD	\$12,075,000	B	New Construction: Multi-Purpose Center	1251 (52.2%)	1146 (47.8%)
Chapel Hill ISD (Titus)	\$9,300,000	A	Renovations and Additions to Existing Facilities	334 (49.5%)	340 (50.5%)
Collinsville ISD	\$16,000,000	A	Renovations and Additions to Existing Facilities	349 (51.9%)	324 (48.1%)
Como-Pickton ISD	\$29,500,000	A	New Construction: CTE Facility and Gym	367 (63.1%)	215 (36.9%)
Greenville ISD	\$120,000,000	A	New Construction: Middle School	2432 (49.1%)	2519 (50.9%)
Greenville ISD	\$36,400,000	B	New Construction: Early Childhood Center	2437 (48.9%)	2551 (51.1%)
Greenville ISD	\$32,600,000	C	Renovations to Existing Facilities (High School)	2275 (46.4%)	2633 (53.6%)
Longview ISD	\$291,894,025	A	New Construction, Renovations, and Additions	2696 (48.1%)	2904 (51.9%)
Longview ISD	\$67,821,235	B	Multi-Purpose Center	2588 (46.3%)	3006 (53.7%)
Pine Tree ISD	\$55,000,000	A	New Construction and Renovations and Additions to Existing Facilities	1483 (59%)	1031 (41%)

Bond Election Results for Comparable Districts 2022-2023

District	Enrollment (22-23)	County	Election Date	Amount	Description	Prop	Votes For	Votes Against
Bullard ISD	2886	Smith	May 2022	\$82,000,000	School Building	1	827 (59.5%)	562 (40.5%)
Bullard ISD	2886	Smith	May 2022	\$21,000,000	Athletic Facilities Improvements	2	765 (55.1%)	623 (44.9%)
Caddo Mills ISD	2642	Hunt	May 2023	\$240,000,000	School Building	1	875 (69.4%)	385 (30.6%)
Caddo Mills ISD	2642	Hunt	May 2023	\$50,000,000	Athletic Facilities Improvements	2	811 (64.6%)	445 (35.4%)
Canton ISD	2303	Van Zandt	Nov 2023	\$102,625,000	School Building	A	1331 (55.3%)	1074 (44.7%)
Canton ISD	2303	Van Zandt	Nov 2023	\$12,075,000	Multi-Purpose Center	B	1251 (52.2%)	1146 (47.8%)
Chapel Hill ISD	3308	Smith	May 2023	\$94,840,000	School Building & Security	1	1009 (56.3%)	782 (43.7%)
Chapel Hill ISD	3308	Smith	May 2023	\$13,595,000	Multi-Purpose Center	2	954 (53.5%)	828 (46.5%)
Chapel Hill ISD	3308	Smith	May 2023	\$5,485,000	Capital Improvements	3	983 (55.2%)	799 (44.8%)
Community ISD	4143	Collin	May 2022	\$595,604,000	School Building	1	970 (60.2%)	640 (39.8%)
Greenville ISD	5422	Hunt	Nov 2023	\$120,000,000	School Building	A	2432 (49.1%)	2519 (50.9%)
Greenville ISD	5422	Hunt	Nov 2023	\$36,400,000	School Building	B	2347 (47.9%)	2551 (52.1%)
Greenville ISD	5422	Hunt	Nov 2023	\$32,600,000	School Building Improvements	C	2275 (46.4%)	2633 (53.6%)
Quinlan ISD	2784	Hunt	May 2023	\$25,000,000	School Building	1	649 (65.6%)	340 (34.4%)
Wills Point ISD	2765	Van Zandt	May 2022	\$71,965,000	School Building	1	914 (45.8%)	1082 (54.2%)

Ballot Requirement: Property Tax Language

House Bill 3 Requirement (2019)

All school bond ballots must include language that states:

“THIS IS A PROPERTY TAX INCREASE.”

regardless of the district’s ability to fund the debt at the same I&S rate.

Ballot Language Comparison

Bond Election Propositions

	2016-2019		2020-2023	
Total	515 Propositions		1010* Propositions	
Approved	386	74.95%	630	62.38%
Defeated	129	25.05%	380	37.62%

*There were 56 cancelled elections during this timeframe. Those elections are not included in the percentage calculation.



School Finance 101

Sulphur Springs Independent
School District

How do we pay for Sulphur Springs ISD?

OPERATING BUDGET (M&O)

Tax Rate is \$0.6809 per \$100

- Staff Salaries
- Utilities
- Other Costs to Operate SSISD

DEBT BUDGET (I&S)

Tax Rate is \$0.3105 per \$100

- Debt Payments
 - Construction
 - Capital Improvements
 - Land Purchases



\$0.9914 total Tax Rate for 2023

Additional Resource

- Bond 101 Handout

BOND
PLANNING COMMITTEE

BOND 101

ABOUT SCHOOL BOND ELECTIONS

WHAT IS A BOND?
A bond is similar to a home mortgage. It is a contract to repay borrowed money with interest over time. Bonds are sold by a school district to competing lenders to raise funds to pay for the costs of construction, renovations and equipment. Most school districts in Texas utilize bonds to finance renovations and new facilities.

HOW CAN BOND FUNDS BE USED?
Bond funds can be used to pay for new buildings, additions and renovations to existing facilities, land acquisition, technology infrastructure and equipment for new or existing buildings. Bonds cannot be used for salaries or operating costs such as utility bills, supplies, building maintenance, fuel and insurance.

WHY DO DISTRICTS CALL A BOND ELECTION?
School districts are required by state law to ask voters for permission to sell bonds to investors in order to raise the capital dollars required for projects such as building a new school. Essentially, the voters are giving permission for the district to take out a loan and pay that loan

back over an extended period of time. A school board calls a bond election to decide whether or not they will approve proposed projects.

HOW DOES SULPHUR SPRING ISD DECIDE WHEN TO CALL AN ELECTION AND WHAT TO INCLUDE?
In order to realize SSISD's mission and ensure we have funding for modern learning spaces and equipment for our students. As our facilities age, we want to ensure our current requirements and expectations for the community we serve. The district assessment data, a life cycle replacement schedule, and input from the Bond Committee before determining what to include. A May 2024 bond election is needed to continue funding capital projects needed to maintain safety and address systems that have reached their useful life.

SULPHUR SPRINGS ISD BOND HISTORY

2005	2009	MAY 2022
\$9.93 Million (PASSED)	\$48.4 Million (PASSED)	\$93 Million (FAILED)
	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> SSISD'S last successful bond election was 14 years ago! </div>	\$81.5 Million (FAILED)

BOND PROCESS

ASSESS
Needs

REVIEW
Financial Data

STUDY
Enrollment & Efficiencies

★
BOND PLANNING
Committee

CONSIDER & CALL
Election

EDUCATE
Voters

ELECTION
May 4, 2024

SSISD SELLS BONDS
Following Bond Approval

The Bond Planning Committee is critical to the long-term success of Sulphur Springs ISD. Committee members evaluate, assess and prioritize facility needs to help ensure we are providing the best learning environments possible for all SSISD students. Input from committee members is extremely valuable as we plan for the future.

ABOUT SCHOOL DISTRICT TAX RATES

ABOUT SCHOOL TAXES
Public school taxes involve two figures, which divide the school district budget into two "buckets."

The first bucket is the Maintenance and Operations budget (M&O), which funds daily costs and recurring or consumable expenditures such as teacher and staff salaries, supplies, food and utilities. In Sulphur Springs ISD, payroll makes up 79.5% of expenditures.

The second bucket is the Interest and Sinking Fund (I&S), also known as Debt Service, and that is used to repay debt for capital improvements approved by voters through bond elections. Proceeds from a bond issue can be used for the construction and renovation of facilities, the acquisition of land and the purchase of capital items such as equipment, technology and transportation. By law, I&S funds cannot be used to pay M&O expenses, which means that voter-approved bonds cannot be used to increase teacher salaries or pay rising costs for utilities and services.

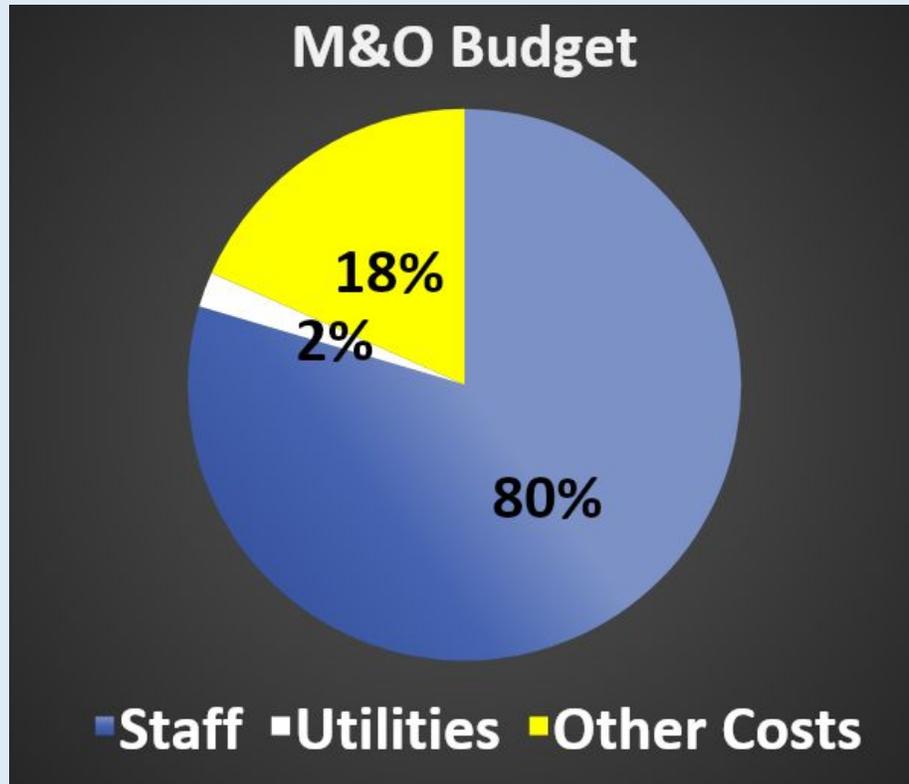
TAX RATE HISTORY

Year	M&O	I&S	TOTAL
2018-2019	\$1.04	\$0.31048	\$1.35048
2019-2020	6.97	\$0.31048	\$1.28048
2020-2021	8.8409	\$0.31048	\$1.25138
2021-2022	8.872	\$0.31048	\$1.18248
2022-2023	8.8348	\$0.3108	\$1.1651
2023-2024	8.8809	\$0.3108	\$0.9914

BOND
PLANNING COMMITTEE



M & O BUDGET (General Operating)



BUDGET ITEMS	BUDGET DOLLARS
STAFF COSTS	\$36,812,839
UTILITIES	\$ 947,900
OTHER COSTS	\$ 8,494,662
TOTAL BUDGET:	\$46,255,401

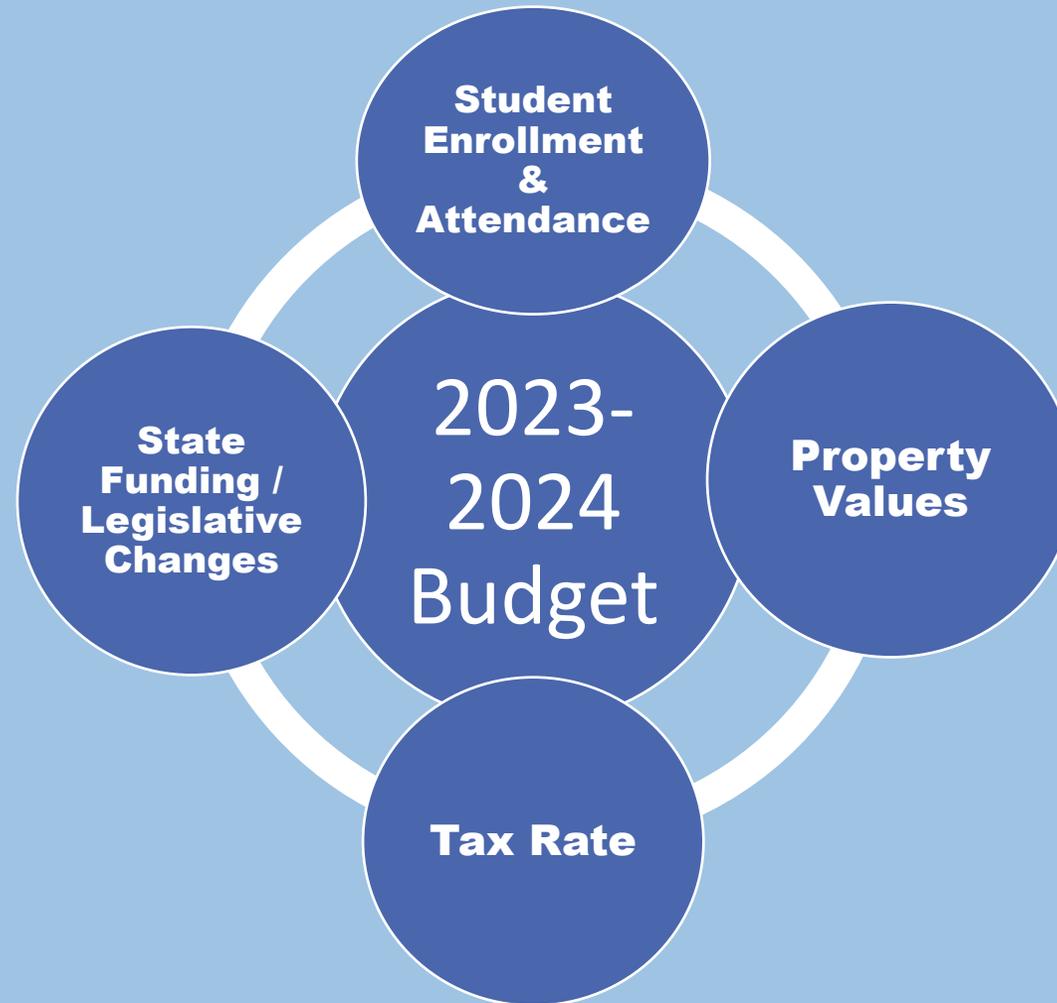


I & S BUDGET (Debt Service)

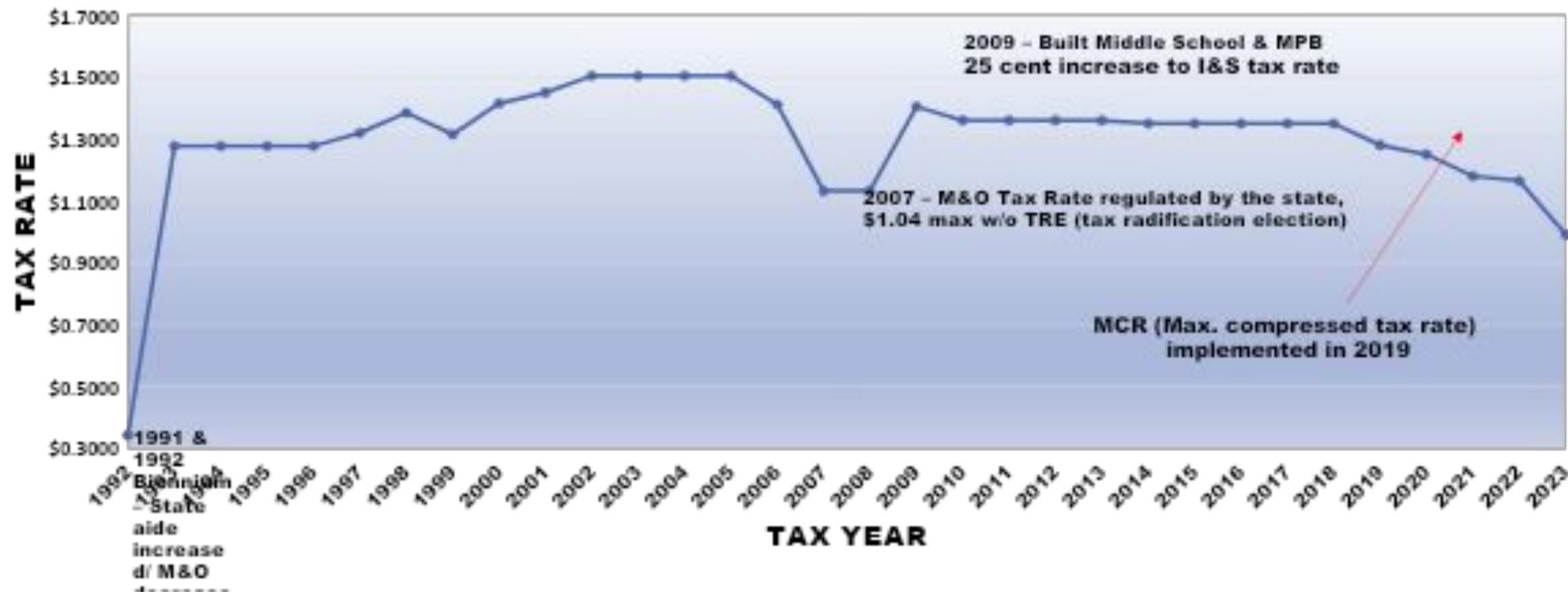
YEAR	2000 TAX NOTES	2004 TAX NOTES	2005 BONDS	2009 BONDS	2012 REFUND (2000 & 2004 Bonds)	2013 REFUNDING (2005 Bonds)	2017 REFUNDING (2009 Bonds)	TOTAL DEBT	I&S TAX RATE
2010	\$815,000	\$1,380,000	\$9,655,000	\$48,220,000				\$60,070,000	\$ 0.3205
2011	\$670,000	\$1,230,000	\$9,370,000	\$48,045,000				\$59,315,000	\$ 0.3205
2012			\$9,070,000	\$47,965,000	\$1,590,000			\$58,625,000	\$ 0.3205
2013			\$665,000	\$47,105,000	\$1,245,000	\$7,870,000		\$56,885,000	\$ 0.3205
2014			\$340,000	\$46,220,000	\$895,000	\$7,750,000		\$55,205,000	\$ 0.3105
2015				\$45,310,000	\$540,000	\$7,620,000		\$53,470,000	\$ 0.3105
2016				\$44,370,000	\$365,000	\$6,945,000		\$51,680,000	\$ 0.3105
2017				\$2,060,000	\$185,000	\$6,260,000	\$40,870,000	\$49,375,000	\$ 0.3105
2018				\$1,050,000	\$0	\$5,555,000	\$40,535,000	\$47,140,000	\$ 0.3105
2019						\$4,645,000	\$40,125,000	\$44,770,000	\$ 0.3105
2020						\$3,710,000	\$38,600,000	\$42,310,000	\$ 0.3105
2021						\$2,740,000	\$38,000,000	\$40,740,000	\$ 0.3105
2022						\$1,740,000	\$37,375,000	\$39,115,000	\$ 0.3105
2023						\$705,000	\$36,720,000	\$37,425,000	\$ 0.3105
2024						\$0	\$35,770,000	\$35,770,000	
						Pay off in 2024	Pay off in 2039	\$0	

\$12,583,000 saved thru Refunding from 2012 – 2017

WHAT IMPACTS BUDGET DOLLARS?



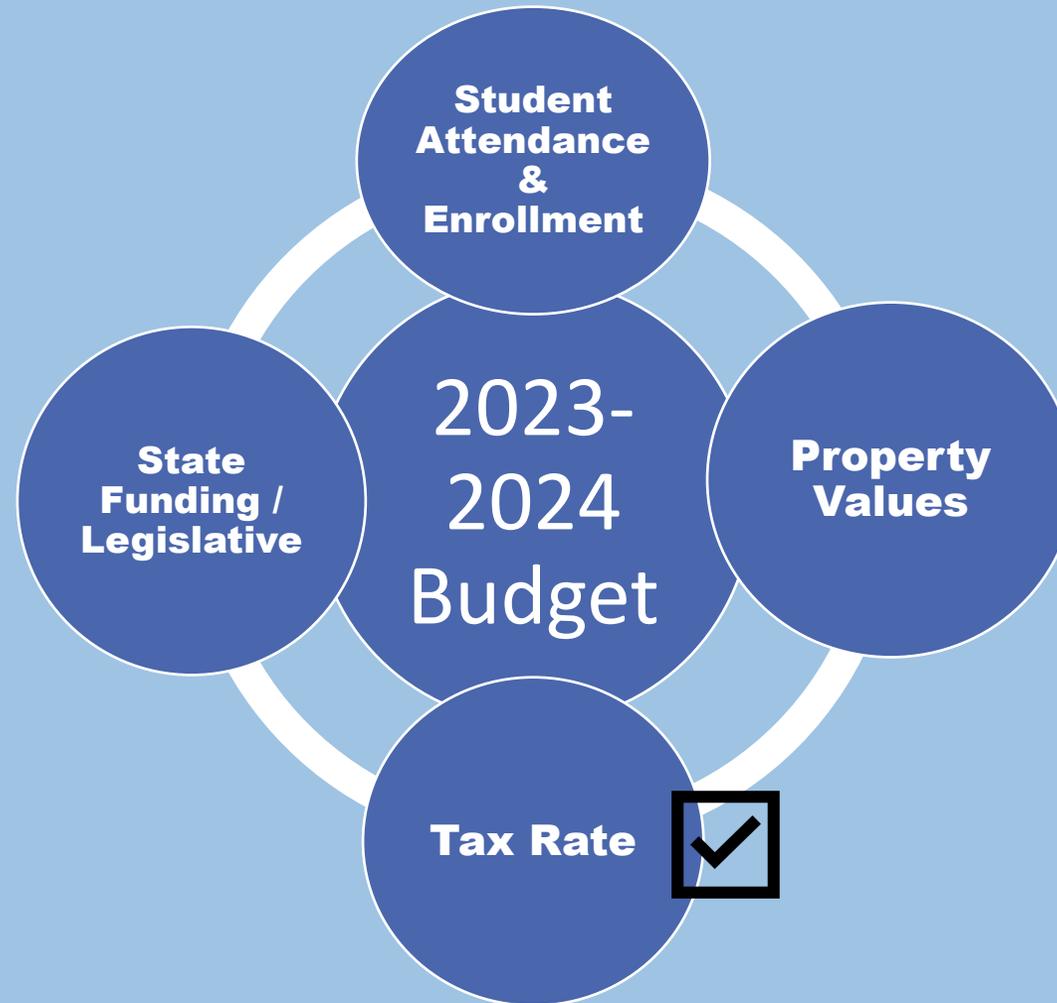
SULPHUR SPRINGS ISD TOTAL TAX RATE 32 YEARS OF HISTORY



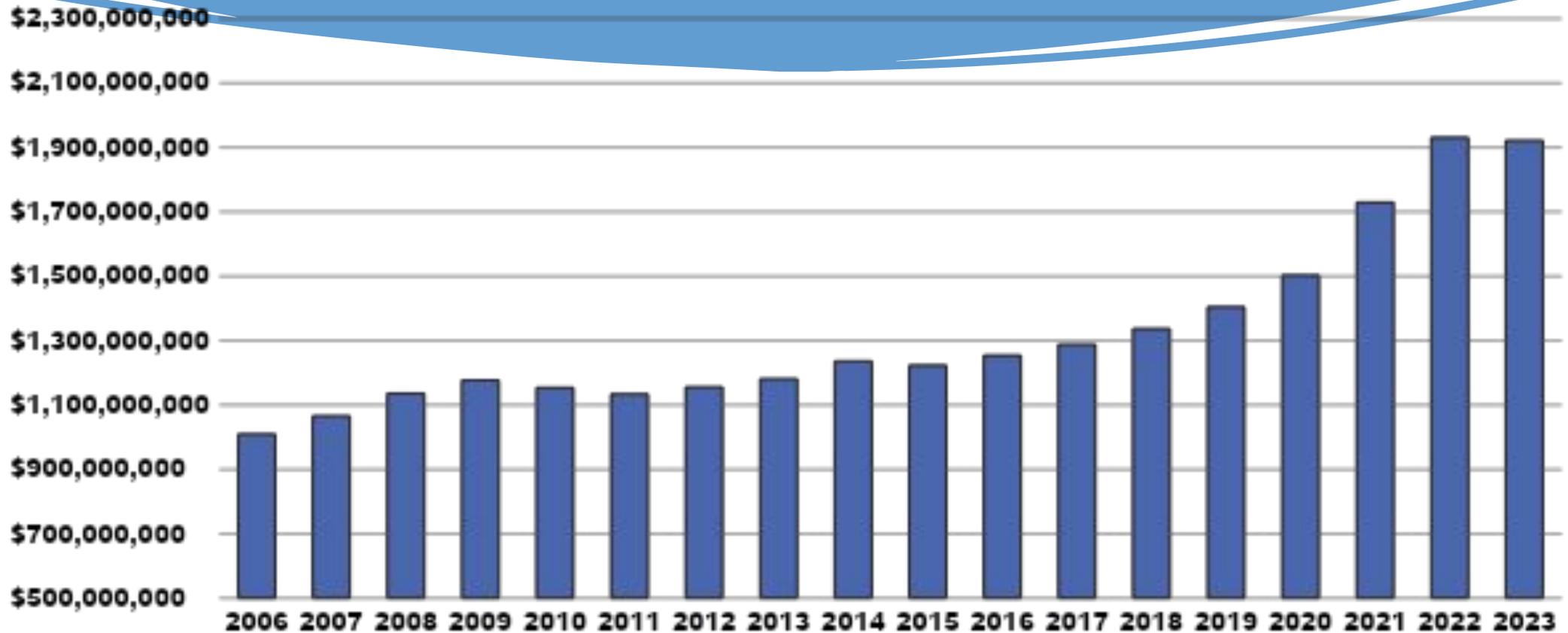
2022 TAX RATES COMPARED TO OTHER DISTRICTS

DISTRICT:	M&O	I&S	TOTAL
COMO-PICKTON	\$0.8546	\$0.0000	\$0.8546
SALTILLO	\$0.8546	\$0.0000	\$0.8546
HALLSVILLE	\$0.8914	\$0.1150	\$1.0064
MOUNT VERNON	\$0.8546	\$0.1604	\$1.0150
SULPHUR BLUFF	\$1.0044	\$0.0700	\$1.0744
GREENVILLE	\$0.8646	\$0.2384	\$1.1030
MOUNT PLEASANT	\$0.8622	\$0.2970	\$1.1592
SULPHUR SPRINGS	\$0.8546	\$0.3105	\$1.1651
NORTH HOPKINS	\$0.9429	\$0.2315	\$1.1744
MILLER GROVE	\$0.9429	\$0.2900	\$1.2329
PINE TREE	\$0.9806	\$0.3019	\$1.2825
CUMBY	\$0.9429	\$0.4800	\$1.4229
COMMERCE	\$0.9429	\$0.5000	\$1.4429

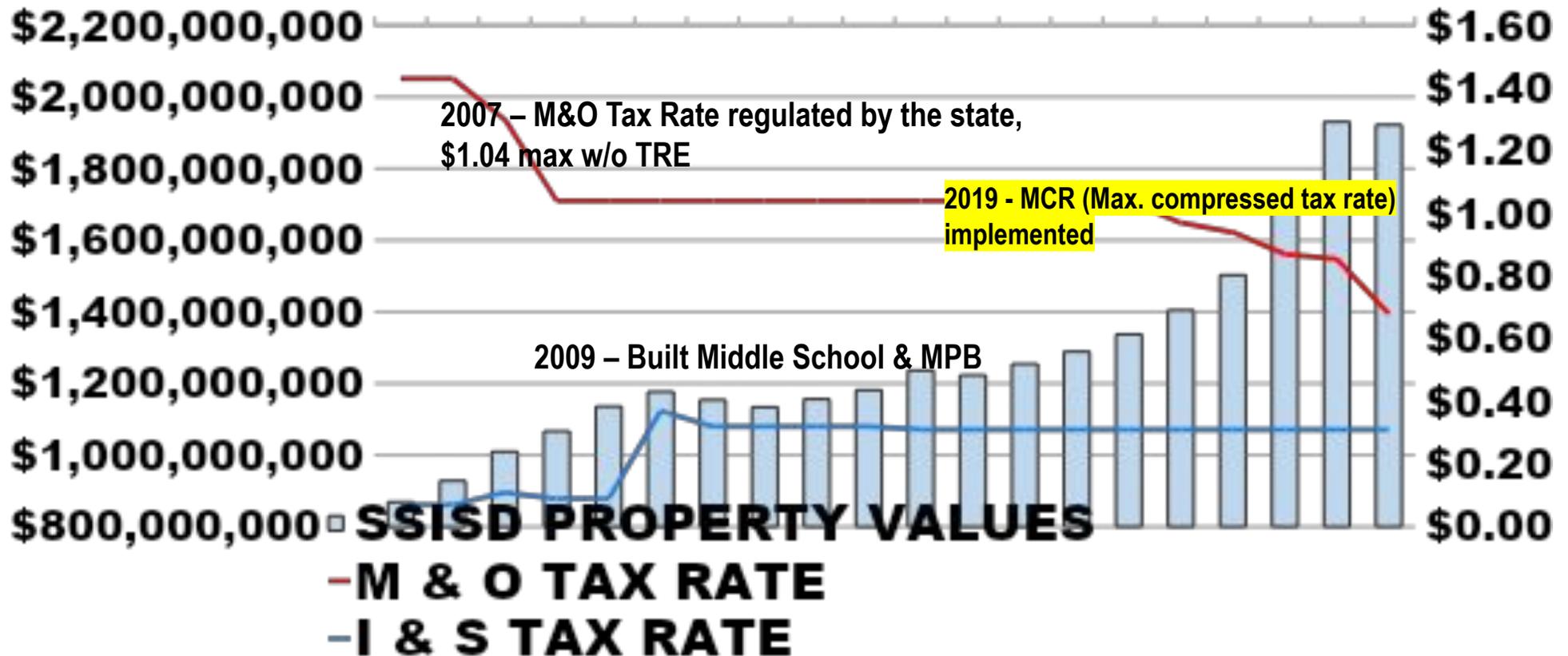
WHAT IMPACTS BUDGET DOLLARS?



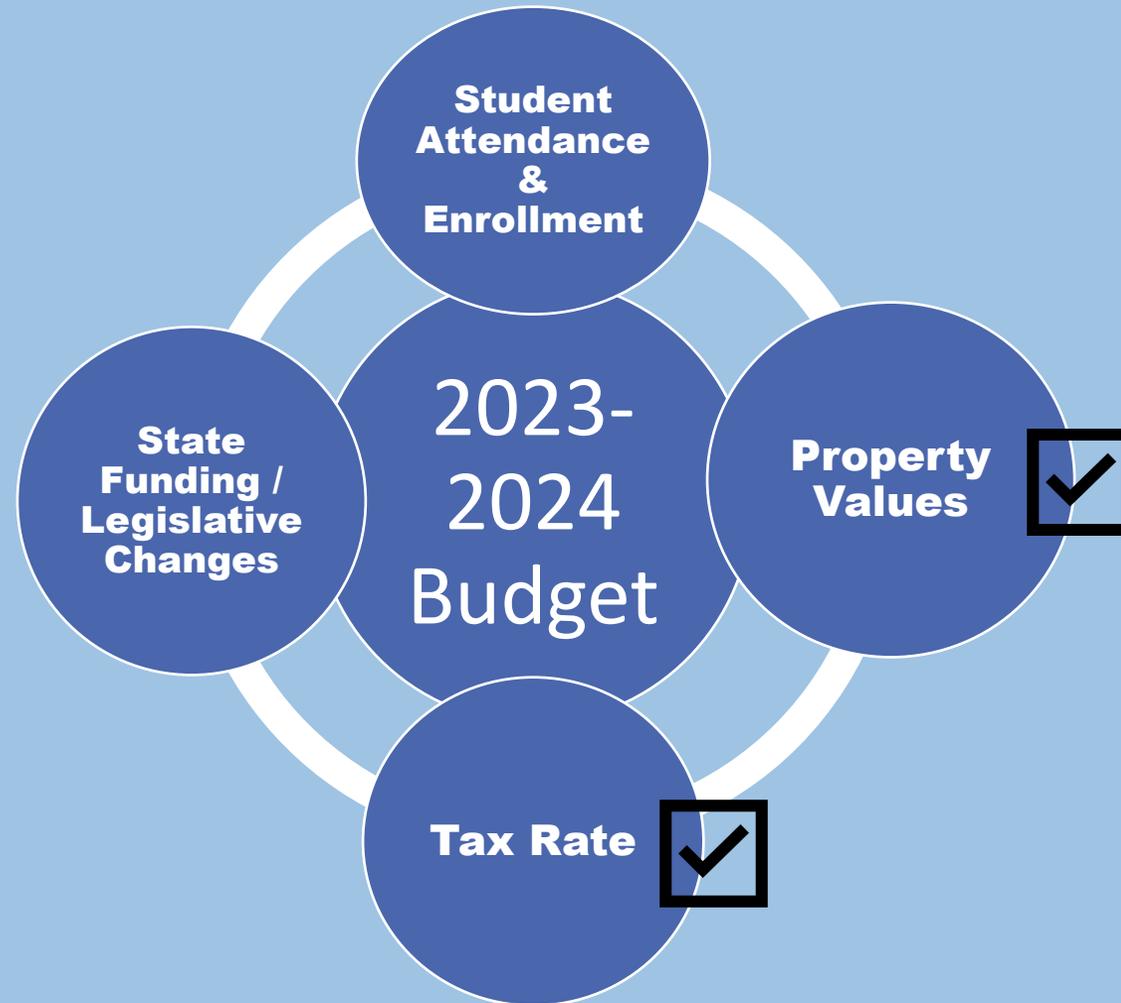
PROPERTY VALUES



HOW Property Values AFFECT Tax Rate



WHAT IMPACTS BUDGET DOLLARS?



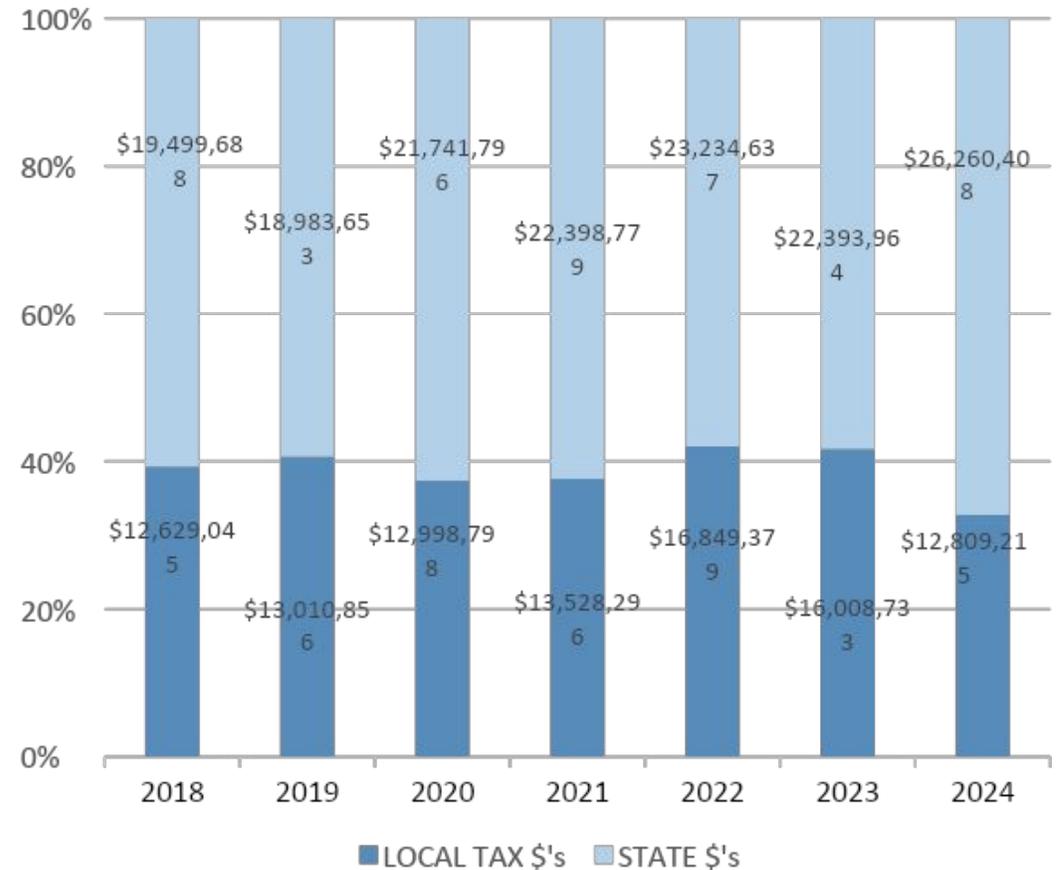
STUDENT ENROLLMENT & ATTENDANCE IMPACTS STATE FUNDING

State determines how much state funding districts are entitled to receive based on:

- Attendance (ADA)
- Full Time Equivalents (FTE's)
 - ✓ Sp Ed
 - ✓ Comp Ed
 - ✓ Bilingual
 - ✓ CTE
 - ✓ Gifted/Talented
- Tax Effort

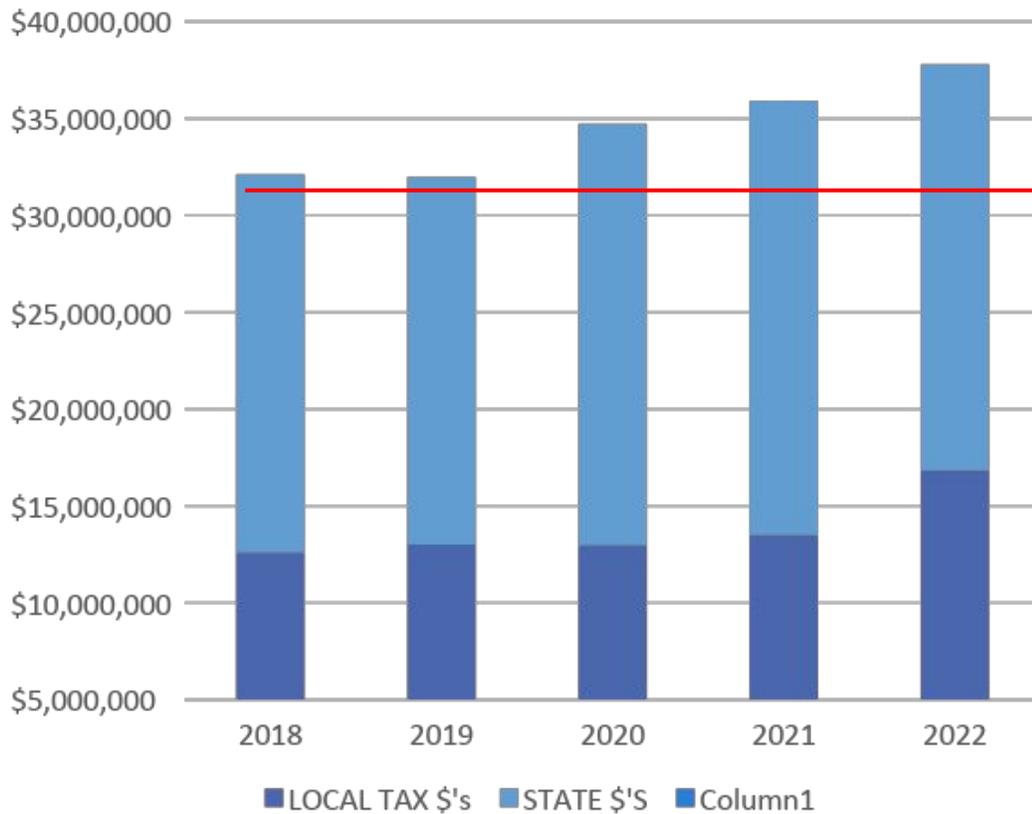
BASIC ALLOTMENT - \$6160/year per student
 \$36.88 per student per day

- Absent: \$0 from the state

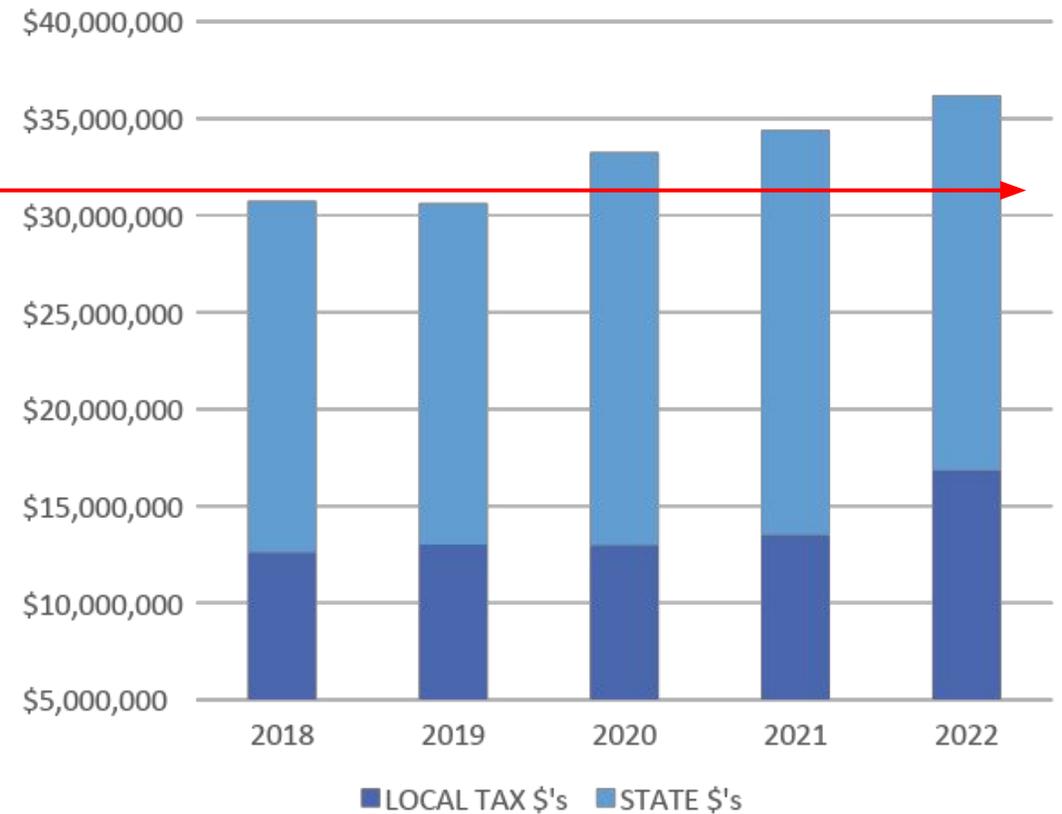


STATE MONEY LOST DUE TO STUDENT ABSENCES

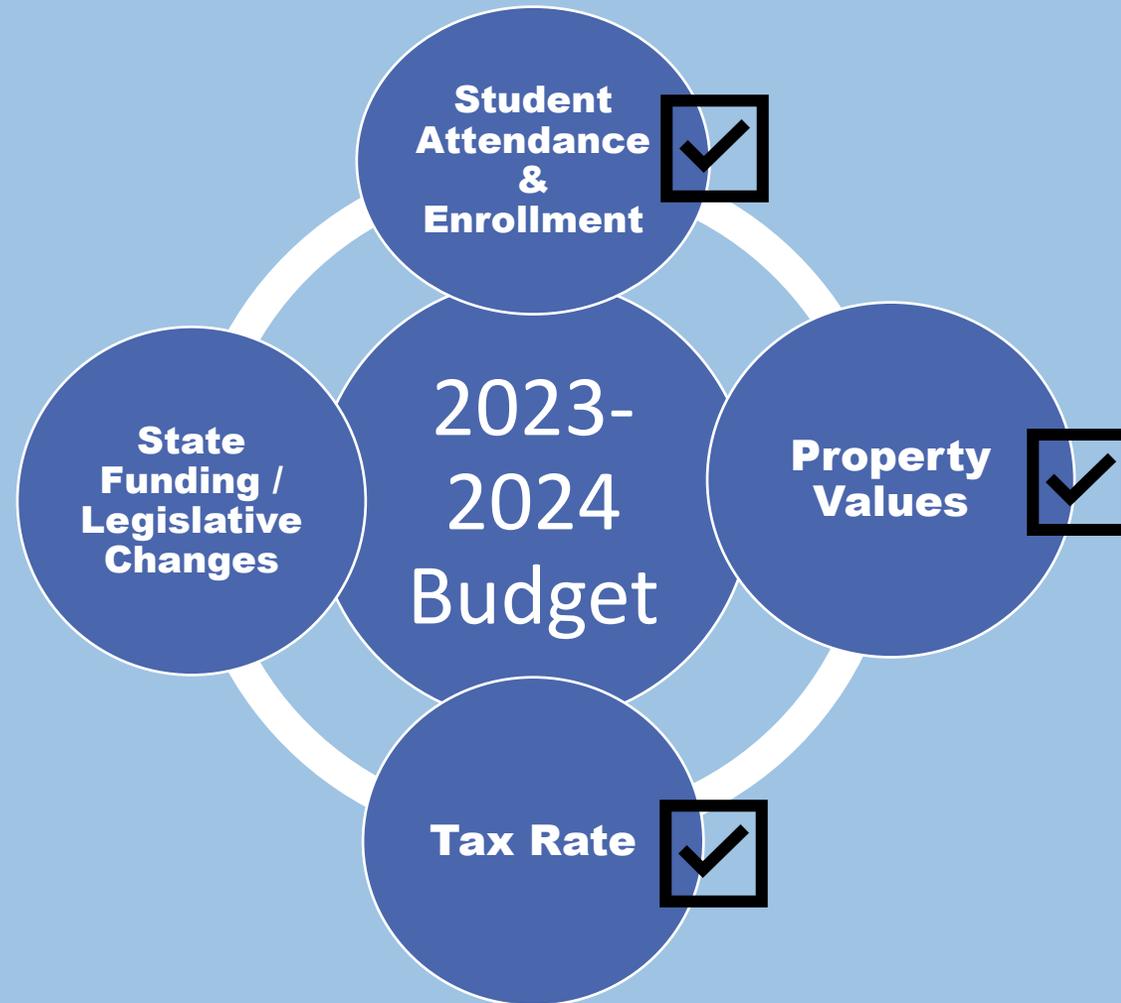
STUDENT ATTENDANCE **94%**



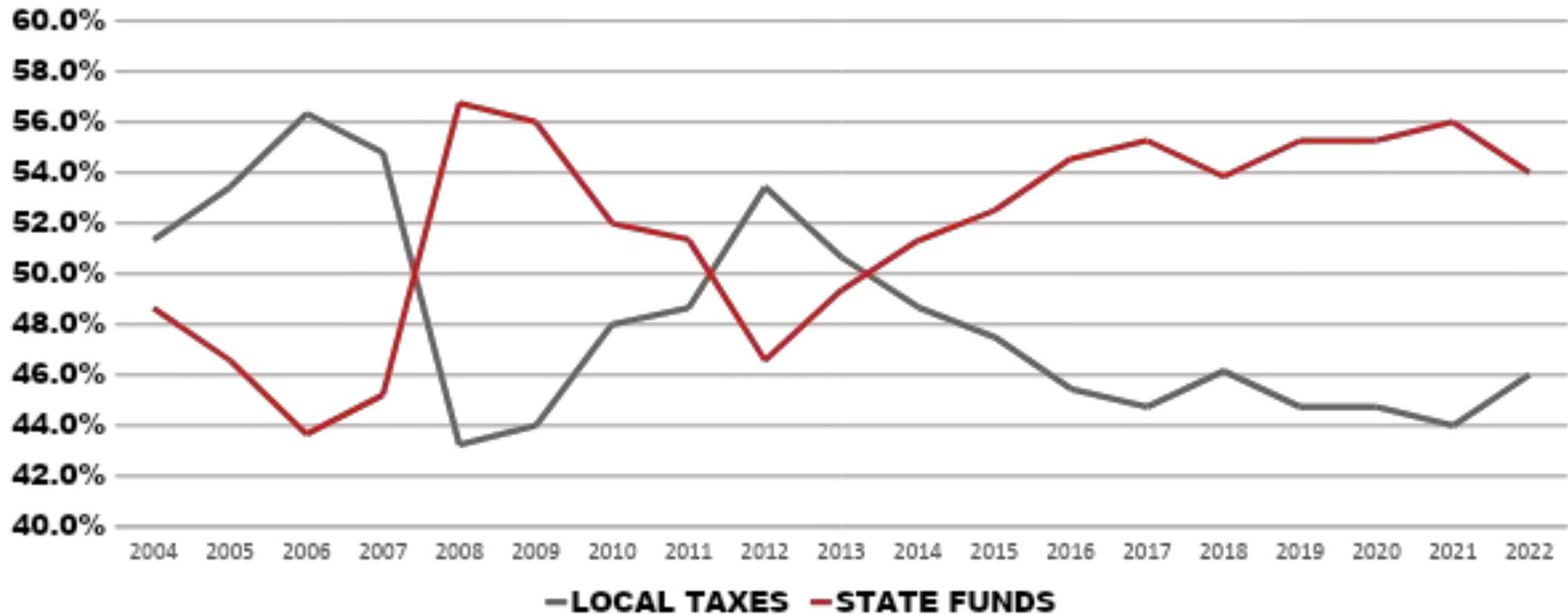
STUDENT ATTENDANCE **90%**



WHAT IMPACTS BUDGET DOLLARS?



SSISD LOCAL TAXES vs. STATE FUNDS



SSISD LOCAL TAXES vs STATE FUNDS

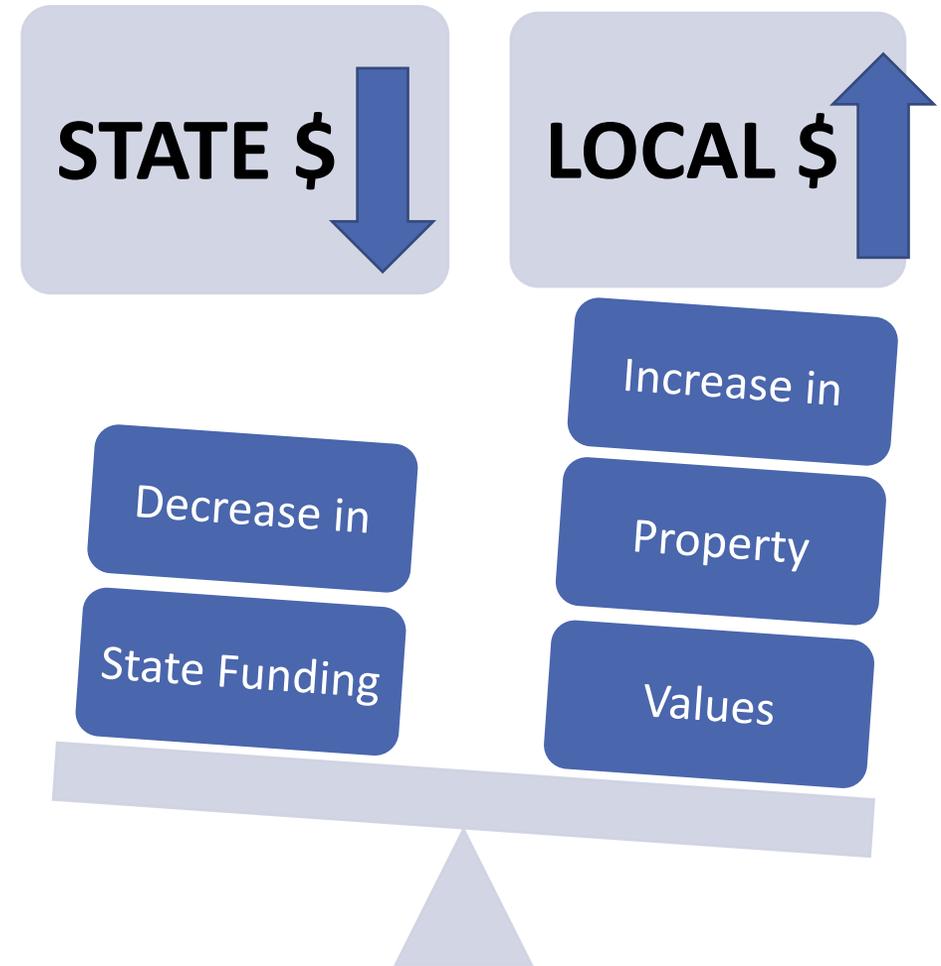
- State funding is not adjusted to account for increased costs and inflation.
- As property values increase, state funding actually decreases.

EFFECTIVE 2007:

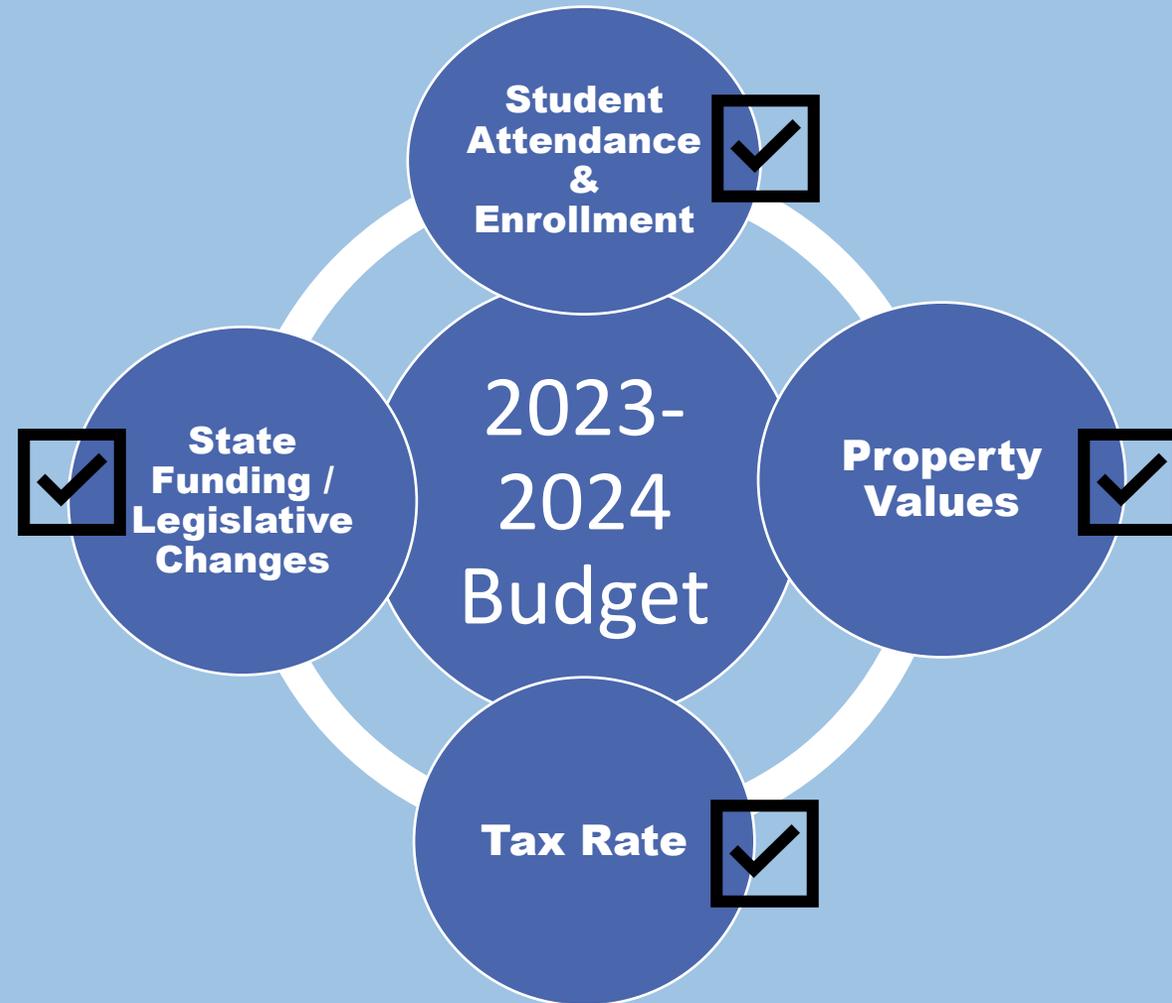
- State regulates district M&O tax rate to \$1.04. State did not supplement dollar for dollar what was lost in taxes. (M&O reduced from \$1.30 to \$1.04)

EFFECTIVE 2019:

- State implements MCR (max. compressed rate). As property values increase, state decreases tax rate. (M&O from \$1.04 to \$0.97 to \$0.68 now.)
- The State benefits when property values increase – not the district.



WHAT IMPACTS BUDGET DOLLARS?





Sulphur Springs Independent School
District

Sherry McGraw – Business Manager



Bond Analysis

November 14, 2023

Bond Capacity

What factors are considered when determining capacity?



Property Tax Base

Debt Tax Rate

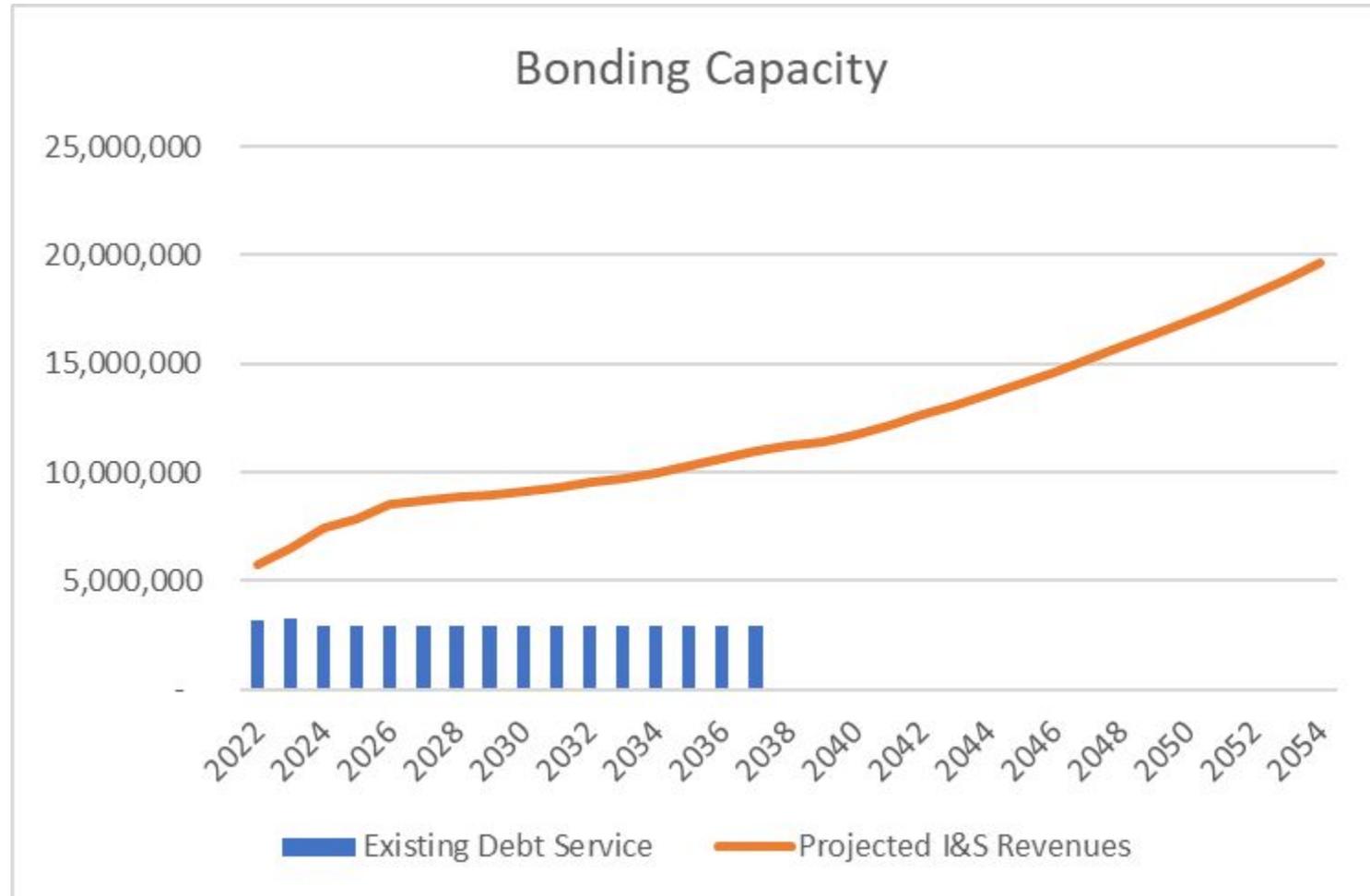
Term

Repayment Structure

Paying Off Existing

Bonds

What Can SSISD Afford?



Capacity



Used existing surplus to pay off \$5,950,000 in bonds early!



Leverage new industry (solar farms) for a no-tax-rate-increase bond!

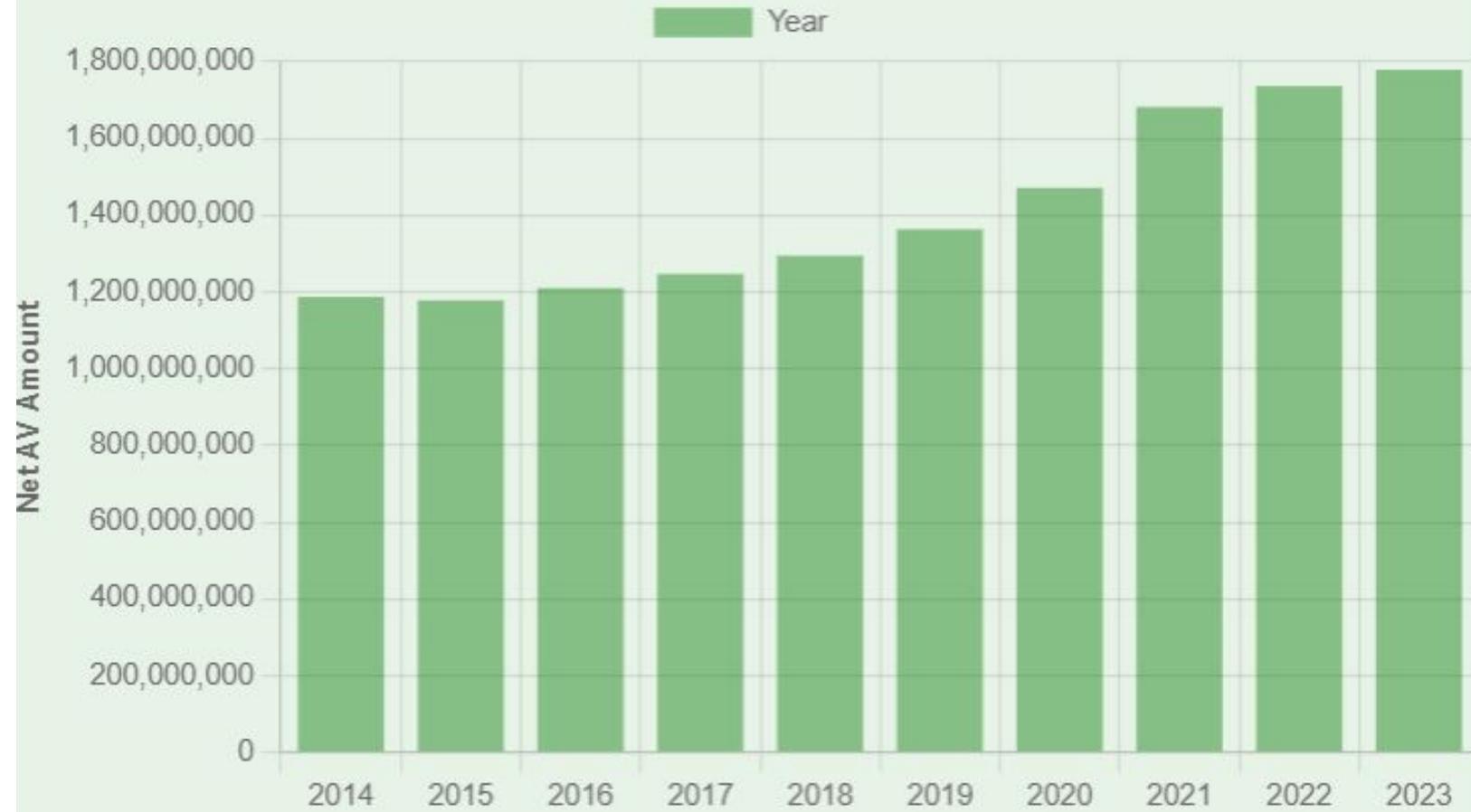


May 2024 election – up to \$150m financed over a 30-year term!



Bonds will be rated AAA by virtue of the State's Bond Guarantee Program!

Assessed Valuation per Year

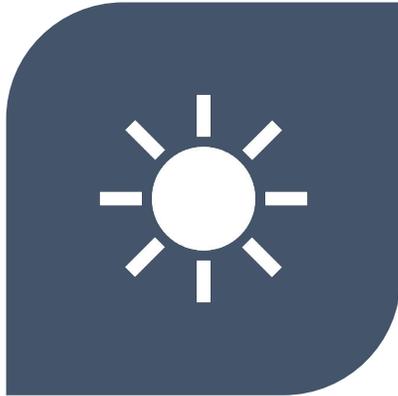


STATE OF TEXAS PROPOSITION 4

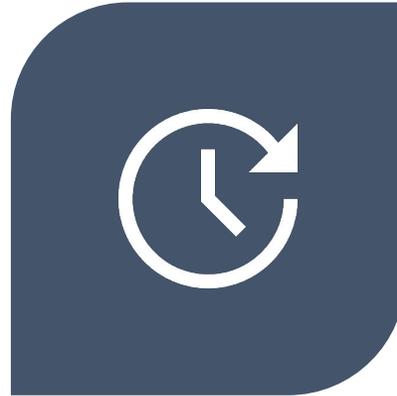
Raising the homestead exemption for homeowners from \$40,000 to \$100,000



Scenario Timeline for May 2024 Bond Election



\$___ MILLION SOLD IN
JULY 2024



TAX BILLS RECEIVED IN
OCTOBER 2024



TAXES DUE IN
JANUARY 2025

LAST DAY TO CALL A BOND ELECTION IS FEBRUARY 16, 2024



Questions

Answers



Campus Tour

Meeting #4: Monday, Nov. 27

Douglass Early Childhood Learning Center

5:30 pm

We Will Learn More About:

- ✓ Construction Costs and Escalation
- ✓ Proposed Project Analysis and Costs
- ✓ Defining Consensus
- ✓ Build-a-Bond