

LTISD Upcoming Bond - Discussion Document

August 9, 2022

Mission *(partial excerpt, emphasis added)*

The mission of the Lake Travis Independent School District is to educate all students by teaching a comprehensive curriculum which emphasizes scholastic excellence. **The District will serve as a model of educational excellence by making use of the combined skills of students, teachers, support staff, involved parents and citizens through the efficient use of resources.**

Our citizens are being asked to invest in education. One person's "investment" is another person's high-interest credit card.

– Brian Thiemer

Why are Bonds Issued?

Bonds are similar to a mortgage on a home. Voters provide the School District with the authority to issue bonds for sale up to a specific amount. The School District sells them when funds are needed for capital projects.

Principal and interest on the bonds are repaid over an extended period of time with funds from the debt service taxes collected from taxpayers.

Bonds are typically used to fund capital projects:

- Construction and renovation of facilities
- Acquisition of land,
- Purchase of equipment, school buses or vehicles for security purposes

Advantages include the ability to spread the cost of purchases over the life of the asset and taxes that are levied are not subject to recapture formulas that reduce state funding based on General Fund tax revenues.

Current LTISD Current Bond Picture

Reported for FY 2021,

CIB (Current Interest Bond) Debt was \$347,555,000

CIB Interest Outstanding was \$197,276,973 Source: Texas Bond Review Board website

As presented at the June 15, 2022 Board Meeting:

Lake Travis ISD – Unlimited Tax Debt Profile

Lake Travis Independent School District					
Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity
U/L Tax Sch Bldg Bds, Series 2012	\$ 143,120,000	\$ 6,175,000	3.000% - 3.625%	Anytime	02/15/2042
U/L Tax Ref Bds, Series 2013	104,600,000	3,690,000	N/A	N/A	02/15/2023
U/L Tax Ref Bds, Series 2017	82,905,000	81,040,000	4.000% - 5.000%	02/15/2027	02/15/2040
U/L Tax Sch Bldg Bds, Series 2018A	108,735,000	80,265,000	4.000% - 5.000%	02/15/2027	02/15/2048
U/L Tax Sch Bldg Bds, Series 2019	9,275,000	82,570,000	3.750% - 5.000%	02/15/2025	02/15/2046
U/L Tax Ref Bds, Taxable Series 2020	64,450,000	63,065,000	1.651% - 2.071%	02/15/2030	02/15/2036
Totals	\$ 513,085,000	\$ 316,805,000			

Defeasance Candidates

With defeasance (if approved), using 06/15/2022 data:

OUTSTANDING PAR AMOUNT \$230,365,000 with final maturities ranging from 02/15/2023 to 02/15/2046

2018 Bond and What We've Learned

Requests were \$392 Million. 28 Member Committee. Dr. Brad Lancaster, LTISD Superintendent
 Bond \$253 Million. Unofficial results (as published 11/7/2017):

For: 4,319 (74.5%)

Against: 1,482 (25.5%)

Advertised as:

Construction of Middle School #3	New school buses, including installation of seat belts
Construction of Elementary School #7	Technology
Upgrades, renovations and repairs to existing facilities	Land for future facilities and utilities

What taxpayers may not know:

\$800,000 Reallocation	LTMS Wastewater project funded
\$400,000 Reallocation	In-sourced police department: Police vehicles, training, police uniforms (from FOIA info - not public disclosure), and possibly more funded. Not reported on website but \$353K spent shown in Board BoardBook for June 2022 meeting
\$76M Original Budget; now \$79M with \$2.5M bal to complete	Middle School #3 was opened in Aug 2019 and reported as a completed project on website. Financial statements show continued spend (as of June 2022)
Overruns Shown - <u>WHY</u> is not	FCA Projects (\$23M), Elem School #7 (\$2.5M), Middle School #3 (\$3M)

2022 Bond



Requests were not cut (per published information). 58 Member Committee, incl. 15 district support staff, non-voting members. 7 repeat from 2017 Committee. Dr. Paul Norton, LTISD Superintendent.

Bond proposed \$703 Million.

Initially Advertised as:

New High School	Campus and District Renovations and Improvements
New Elementary School #8	Facilities Condition Assessment Projects
New Elementary School #9	Technology
Lake Travis HS Additions and Upgrades	Land

This bond will propel our District taxpayer debt level to \$1 Billion Dollars.

2022 Bond Summations

From Committee Member's post on FB 2022 LTISD Bond Information Page:



Item	Sum of Budget	% of Total
New HS	\$ 236	34%
Elem #8	51	7%
Elem #9	55	8%
LTHS Additions and Upgrades	85	12%
Campus and District Renovations and Improvements	166	24%
Facilities Condition Assessments Projects	39	6%
Technology	55	8%
Land	15	2%
TOTAL	\$ 702	100%

From summarizing detail available from Long Range Planning Committee Meeting #4: April 12, 2022

Link: <https://www.ltisdschools.org/Page/4566>



Row Labels	Sum of Budget	Rank (Hi to Lo)	% of Total
Assessment Work	\$38,746,968	4	5.51%
Athletic Infrastructure	\$79,222,968	2	11.27%
Bond Admin	\$19,500,000	5	2.77%
Buses and Vehicles	\$9,828,500	9	1.40%
Cafeteria	\$3,915,972	15	0.56%
Copy Machines	\$735,300	25	0.10%
Curriculum and Instructional Materials	\$1,800,000	19	0.26%
District Technology	\$40,503,240	3	5.76%
Facilities Environment	\$2,370,000	17	0.34%
Fine Arts	\$2,680,000	16	0.38%
Furniture	\$1,605,366	21	0.23%
Land	\$15,000,000	7	2.13%
Millwork	\$5,025,677	11	0.71%
New or Expanded Building	\$423,488,542	1	60.24%
Parking Lot	\$1,169,616	23	0.17%
Playground	\$4,532,376	13	0.64%
Portables	\$1,200,000	22	0.17%
Restrooms	\$4,460,149	14	0.63%
Safety and Security	\$6,319,976	10	0.90%
Shade Structures	\$1,663,800	20	0.24%
Signage	\$709,756	26	0.10%
Special Programs	\$4,925,000	12	0.70%
Storage	\$1,958,400	18	0.28%
Traffic Mgmt	\$15,860,508	6	2.26%
Uniforms	\$972,000	24	0.14%
Campus Technology	\$14,806,870	8	2.11%
Grand Total	\$703,000,984		100.00%

Note: Assessment Work detailed estimates not broken out to allow proper categorization

2022 Bond Summations

To comply with Texas State Law, 3 propositions have been proposed:

Proposition		
A	School Facilities, Sites, Buses	\$548,410,330
B	School Technology	60,790,110
C	School Stadium Facilities	93,799,560
	TOTAL	\$703,000,000



Requested detail on what was in each (July 25);
have not received as of today (Aug 2)

Also, Dir of Communications said “about \$100 million in the bond for safety and security.”
Requested detail on that – same dates and status

Bond Propositions

Proposition A

THE ISSUANCE OF **\$548,410,330** OF BONDS BY THE LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT FOR SCHOOL FACILITIES, THE NECESSARY SITES FOR SCHOOL FACILITIES, AND NEW SCHOOL BUSES, AND THE LEVYING OF A TAX IN PAYMENT THEREOF. THIS IS A PROPERTY TAX INCREASE.

Proposition B

THE ISSUANCE OF **\$60,790,110** OF BONDS BY THE LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT FOR SCHOOL TECHNOLOGY IMPROVEMENTS AND THE LEVYING OF A TAX IN PAYMENT THEREOF. THIS IS A PROPERTY TAX INCREASE.

Proposition C

THE ISSUANCE OF **\$93,799,560** OF BONDS BY THE LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT FOR SCHOOL STADIUM FACILITIES AND THE LEVYING OF A TAX IN PAYMENT THEREOF. THIS IS A PROPERTY TAX INCREASE.

Total - \$703,000,000

Road to \$1,000,000,000 in Debt - Concerns

1	Impact to Operating Expense - undisclosed <u>tax increase</u> for M&O	\$2.22M deficit in FY 2022-23 budget ; approx. 8 new bldgs., 8 renovations - staff, insurance, utilities, etc.
2	Lack of Due Diligence - Committee set budget from Debt Capacity perspective, not considering M&O and did not review estimates during process	Potential for overlap or over estimation not reviewed; \$50M 2 nd Elem; \$900K Concession Stand; \$5M in millwork, \$500K door hardware in addition to \$39M FCA
3	Lack of community buy-in on vision, especially on athletic spend (\$94M)	\$44M for Competition Arena; \$3M for 2 nd Barn; \$1.2M for Golf bays, putting green; \$16M for Stadium, etc.
4	Lack of Due Diligence - Committee did not review technology estimates during process (\$55M)	\$55M waved through; \$2.5M for new Middle School technology; consultant report not published (FOIA rqst)
5	Lack of Due Diligence - Committee did not review FCA estimates during process (\$39M)	Details of FCA analysis and estimates not available to Committee, Trustees, or public (FOIA rqst)
6	Non-capital items are included (\$2.8M)	Athletic uniforms and curriculum - up to 40 years of interest on these?
7	Lack of Transparency in reporting and Accountability in overrun	MS #3 - opened 2019; overbudget (\$1.4M); reported as Complete but expenditures still being booked (\$2.4M est)
8	Lack of Policy and Accountability to maintain what voters supported	2018 bond monies reallocated - uniforms, training for Police Force (non-cap) and LTMS Wastewater, Contingency

Long-Range Planning Summary

We Have Time

We have capacity **NOW** to fix overcrowding at Rough Hollow and Bee Cave (at 85% with 2 below 70%); Mr. Norton has said No.

Five year “cycle” cited, but it is not a requirement per Pam Sanchez, LTISD Asst. Superintendent of Business Services.

High School needed but not until 2027-2028

Capacity	Current	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Build-Out
Bee Cave 850	825	935	1,037	1,104	1,209	1,301	1,381	1,459	1,529	1,564	1,572	1,614
Lake Pointe 800	783	790	785	824	856	879	903	925	943	955	961	999
Lake Travis 950	768	764	798	815	794	794	791	790	793	794	800	842
Lakeway 850	566	586	598	589	597	611	611	612	613	613	615	621
Rough Hollow 850	897	1,057	1,154	1,198	1,220	1,211	1,200	1,200	1,203	1,203	1,203	1,215
Serene Hills 850	565	616	640	634	629	654	654	661	667	672	674	680
West Cypress 850	609	629	661	687	716	758	824	893	976	1,074	1,176	1,967
Elementary 6,000	5,013	5,377	5,673	5,851	6,021	6,277	6,364	6,540	6,724	6,875	7,001	7,938

Rezoning can solve overcrowding

Elem #8 Elem #9

Capacity = 3,600	Current	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Bee Cave MS	832	845	912	991	1,064	1,147	1,208	1,287	1,327	1,350	1,370	1,415
Hudson Bend	978	962	941	952	979	982	1,009	990	1,002	978	972	996
Lake Travis MS	856	923	988	1,107	1,176	1,223	1,249	1,286	1,340	1,387	1,453	1,902
Middle School	2,666	2,730	2,841	3,050	3,219	3,352	3,466	3,563	3,669	3,715	3,795	4,313

Capacity = 3,500	Current	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Lake Travis HS	3,666	3,791	3,892	3,895	3,936	4,027	4,198	4,446	4,639	4,851	4,973	5,532

Additional HS capacity needed

Current Student Counts Improve Situation

	Capacity	Projection Data (Prev Sld)		FOIA	Diff from	% Chg	Diff from	% Chg	Diff from	%
		Orig Current	2022-23	Current	Orig Current	fr Orig Current	Projection	fr Projection	Capacity	Capacity
Bee Cave	850	825	935	871	46	6%	(64)	-7%	21	102%
Lake Pointe	800	783	790	712	(71)	-9%	(78)	-10%	(88)	89%
Lake Travis	950	768	764	708	(60)	-8%	(56)	-7%	(242)	75%
Lakeway	850	566	586	532	(34)	-6%	(54)	-9%	(318)	63%
Rough Hollow	850	897	1,057	919	22	2%	(138)	-13%	69	108%
Serene Hills	850	565	616	587	22	4%	(29)	-5%	(263)	69%
West Cypress	850	609	629	548	(61)	-10%	(81)	-13%	(302)	64%
Elementary	6,000	5,013	5,377	4,877	(136)	-3%	(500)	-9%	(1,123)	81%
Bee Cave MS	1,200	832	845	829	(3)	0%	(16)	-2%	(371)	69%
Hudson Bend	1,200	978	962	907	(71)	-7%	(55)	-6%	(293)	76%
Lake Travis MS	1,200	856	923	884	28	3%	(39)	-4%	(316)	74%
Middle School	3,600	2,666	2,730	2,620	(46)	-1%	(110)	-4%	(980)	73%
LT HS	3,500	3,666	3,791	3,760	94	3%	(31)	-1%	260	107%
All Campuses	13,100	11,345	11,898	11,257	(88)		(641)		(1,843)	

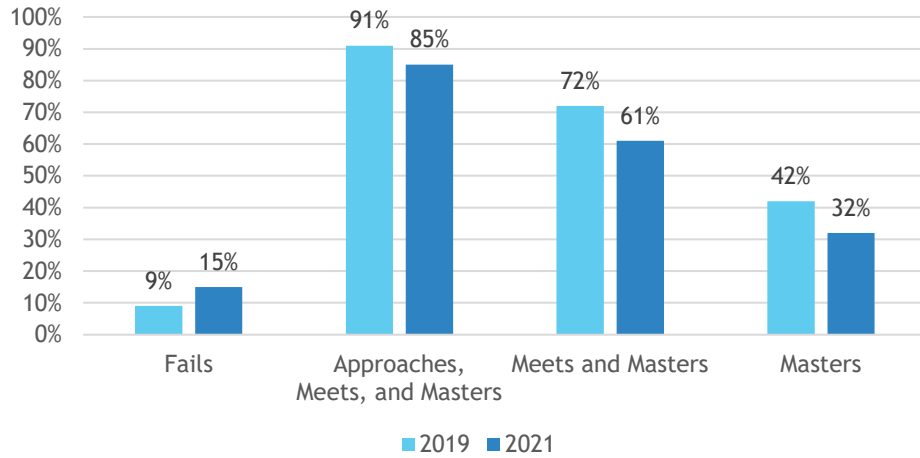
Key Takeaways:

- 1) Elementary enrollment is 9% less than projection
- 2) Current state Elementary % of available capacity improves from 83% to 81%
- 3) Reinforces that Elementaries are not needed now, rezoning is needed
- 4) HS enrollment is 1% less than projection; they say capacity not needed until 2027-28

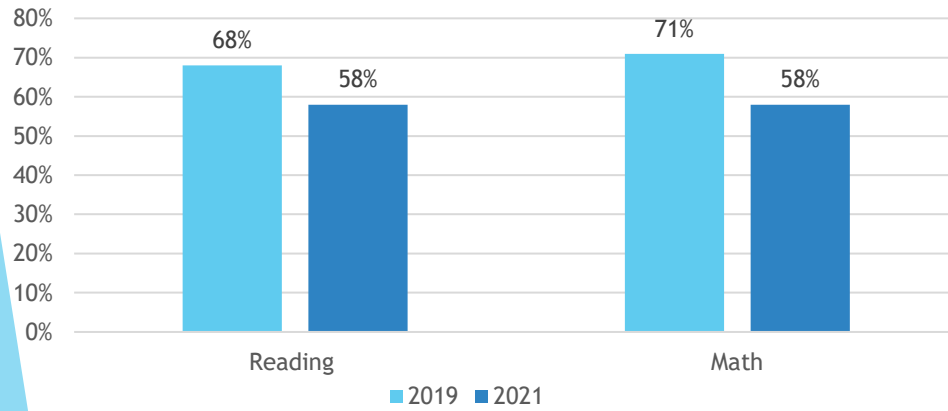
ACADEMIC PERFORMANCE



LTISD STAAR Performance - All Grades, All Subjects



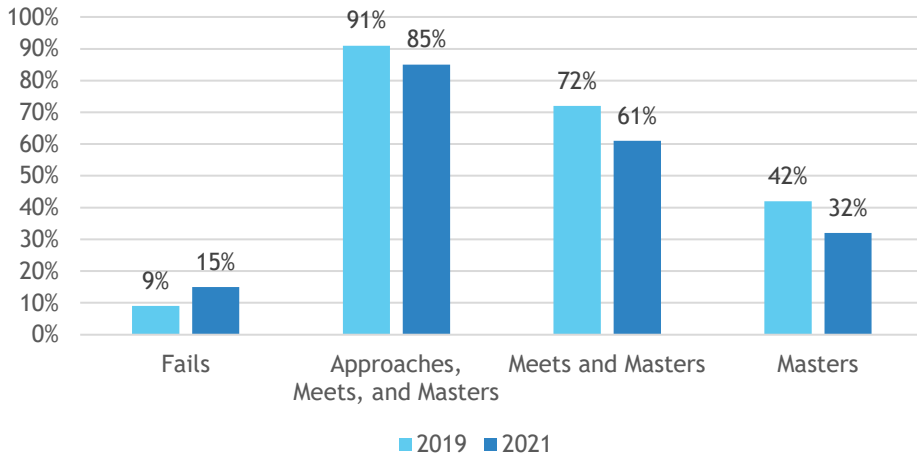
LTISD STAAR Performance - 3rd thru 8th Grade Meets or Above, incl EOC



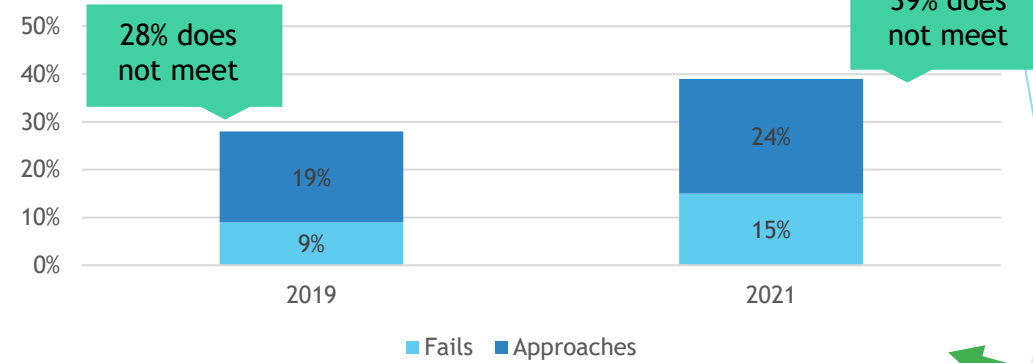
ACADEMIC PERFORMANCE



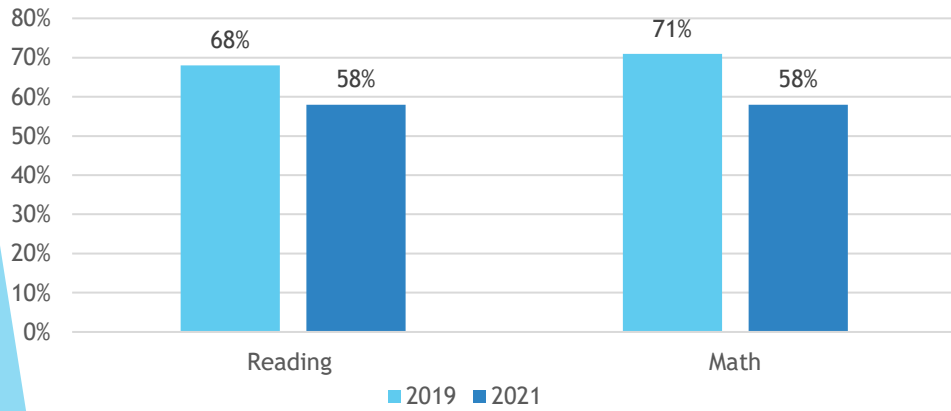
LTISD STAAR Performance - All Grades, All Subjects



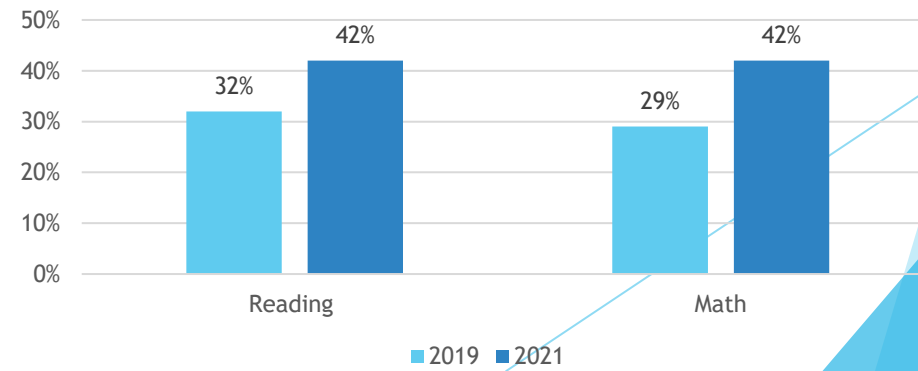
LTISD STAAR Performance - All Grades, All Subjects Does Not Meet



LTISD STAAR Performance - 3rd thru 8th Grade Meets or Above, incl EOC



LTISD STAAR Performance 3rd thru 8th Grade Does Not Meet, incl EOC



Same data, Different recap

THE BIG PICTURE



WHAT WE WANT	WHAT WE GOT	WHAT WE NEED
Academic Excellence	<ul style="list-style-type: none"> • Declining academic scores • Unhappy students, teachers, parents and voters 	<ul style="list-style-type: none"> • More focus on core education • Performance improvement actions and measures
Smart Financial Management	<ul style="list-style-type: none"> • Covered-up tax increases • \$2.22M deficit in upcoming budget • Pay issues for hard working service personnel and a bus driver crisis • Salary increases for highly paid Admin personnel 	<ul style="list-style-type: none"> • Spending aligned with economic situation and Must-Haves with ROE vs. Nice-to-Haves • Transparency in operations spending outlook and tax implication! • Due diligence with estimates, communication • Non-tax solutions to needs
Efficient Use of Resources	<ul style="list-style-type: none"> • Unnecessary overcrowding in Elementary Schools, underutilization in others • “Pork” comingled with good projects 	<ul style="list-style-type: none"> • Relief of elementary overcrowding NOW • Pencils sharpened and bond reworked • Method to approve the HS without the “Pork”

What Can You Do

- Write to Leadership@LTISDSchools.org today!
- Raise awareness of upcoming bond with voters
- Study LTISD website that has this information
- Come to next LTISD Board Meeting on August 17, 2022 and speak for 1 - 3 mins
- Watch LTISDTransparency.org - organizing content for both the known and not known
- Invite me (AustinDogLover@outlook.com or through We the People connections) to talk at a local organization meeting
- Provide me with LTISD organization contact info (anywhere voters are)
- Ask questions on FB 2022 LTISD Bond Information Page
- Engage on other LTISD FB and social pages
- Study and vote! You have choices for A, B, C - all, some or none



Website: LTISDTransparency.org

There is no getting around it, paying the same rate for a longer period of time is a tax increase.

James V. Shuls, Distinguished Fellow of Education Policy, Show-Me Institute

THE TEXAS CONSTITUTION

ARTICLE 7. EDUCATION

Sec. 1. SUPPORT AND MAINTENANCE OF SYSTEM OF PUBLIC FREE SCHOOLS.

A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools.

QUESTIONS

Thank you for your time and interest!