

LEWISVILLE ISD BOND 2008 FAQ

How is a school district funded?

Your public schools are funded by local property tax dollars (the school tax bill you pay annually) and are collected and managed in two accounts, or budgets.

1. The **Maintenance and Operations (M&O) budget** funds operations, including such things as salaries, learning materials, utility bills, insurance, fuel, transportation and cleaning supplies.
2. The **Interest & Sinking (I&S) budget** funds the design, construction, expansion and/or renovation of school buildings and may also be used to purchase school buses and technology. School districts must seek voter approval in the form of a bond election to fund these projects.

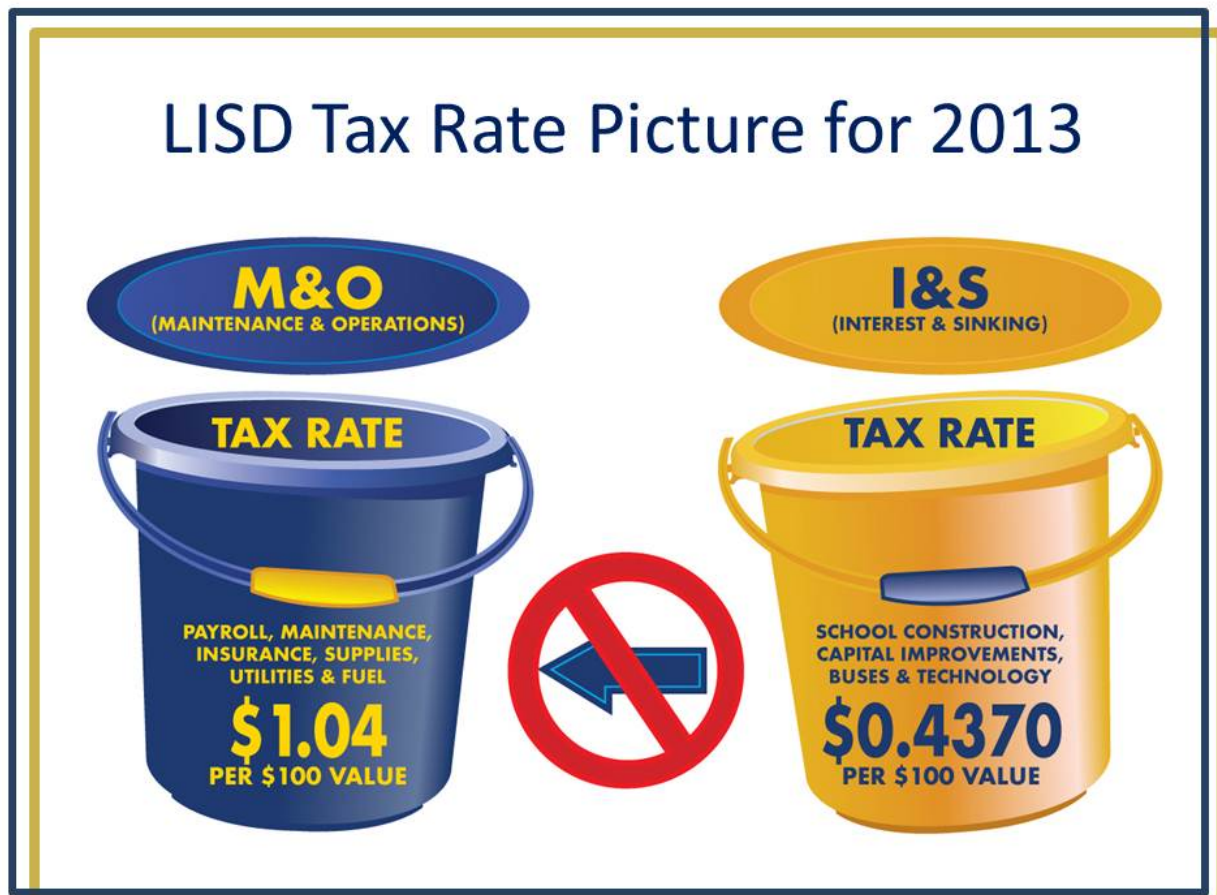
Are there restrictions on how M&O and I&S funds can be used?

Yes. M&O and I&S funds are intended to meet different needs. By state law, the two must be kept in separate accounts and they are audited to ensure dollars in each account are spent appropriately.

How is the tax rate set?

The Operations Budget (M&O) and the Debt Budget (I&S) each has its own tax rate. The **Operations tax rate** is capped by the state at \$1.04 per \$100 of assessed value. School districts can seek voter approval to raise the Operations tax rate by no more than 13 additional cents through a tax ratification election. The **Debt tax rate** is capped by the state at 50 cents per \$100 of assessed value and can only be assessed with voter approval, which is the purpose of a bond election.

LISD's current Operations tax rate is \$1.04 and its Debt tax rate is \$0.437. The total school tax rate is the combination of the Operations and Debt rates, which in LISD is \$1.477 per \$100 of assessed value.



What is a bond election?

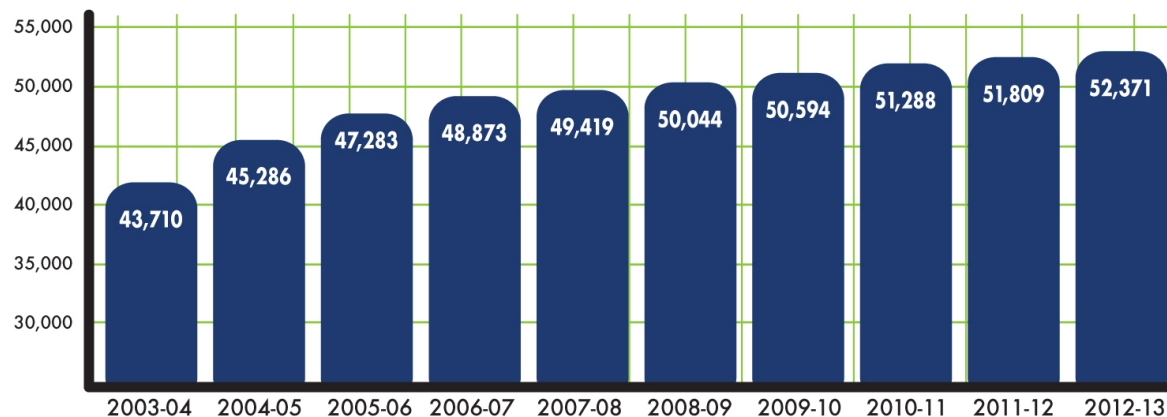
A bond election is a vehicle to raise funds for the building and maintenance of school facilities and associated infrastructure. A successful bond election grants school leaders permission to sell bonds to investors, which generates the funding for construction. Investors are paid interest over the life of the investment.

Why would a school district borrow money to build?

School districts do not have funds available in their regular operating budget to build schools and the state offers no funding support for such projects. In the same way a homeowner borrows 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 build schools.

How many students does LISD serve?

Although the district has more than doubled over the last 20 years, from 25,000 students in 1993 to 52,000 today, the rate of growth has varied widely across the district, and more recently has slowed as a result of the struggling economy. [Demographers predict district-wide enrollment will continue increasing annually and reach 60,000 students over the next 10 years.](#)



Why do we need to invest money in our school buildings?

With hundreds or even thousands of students in LISD buildings daily, wear and tear is always an issue. Just like your home, systems and structures wear down over time. Roofs, floors, and heating and cooling systems need to be replaced. Space is used different today than originally intended, so walls need to be moved and spaces reconfigured.

Doesn't commercial growth offset the need for additional taxes to fund construction?

LISD receives no new revenue resulting from increasing property values or new businesses opening in our district. As districts receive more local tax dollars, the state decreases its share of funding.

What did LISD voters approve in the 2008 bond election?

LISD voters approved a package totaling \$697.7 million to fund new schools, renovations, and other facilities as follows:

- Three elementary schools \$86.7 million
- Five elementary school additions \$20.8 million
- Two middle school additions \$9.9 million

• Milliken conversion to middle school	\$13 million
• Delay MS conversion to community education site and home for Special Education Department	\$3 million
• One 9th/10th grade campus	\$56.4 million
• Three 9th grade campuses	\$158.7 million
• Six high school additions	\$19.1 million
• Three HS fine arts renovations	\$3.8 million
• One stadium at Marcus HS	\$27.2 million
• One west side natatorium	\$20.1 million
• One east side career center	\$13.7 million
• Land acquisition for future schools	\$26.8 million
• District-wide improvements	\$68.5 million
• Technology infrastructure/equipment	\$63 million
TOTAL	\$697.7 million

What if the 2008 LISD bond election had failed?

Costly portable buildings would have been purchased and put in place to accommodate additional students at existing campuses. Core spaces like cafeterias would not have been expanded, which means more lunch periods starting earlier and ending later. Also, the need does not go away if a bond fails. The district would have come back to voters some time in the future and construction costs would likely have increased during the interim.

What projects were funded and completed with 2008 bond dollars?

Most of the projects included in the 2008 bond election proposal have been completed on time and within budget. A bond plan represents a school district's best effort to accurately project its facilities needs over a period of time based on a number of factors, including existing building conditions, space capacities, revenue projections and enrollment projections. LISD enlisted the professional services of architects, engineers, a school financial advisor and a demographer to generate an appropriate bond plan with the understanding that the plan may adapt to changes in the forecast.

[Link to Excel Spreadsheet](#)

Why did the district decide to rebuild Lewisville High School?

With the downturn in the economy driving enrollment projections lower than projected, LISD redirected money originally budgeted for additional classroom space toward rebuilding Lewisville High School. Although money had been budgeted in the bond plan to bring LHS up to fire code, remove asbestos and make improvements campus wide, the Board of Trustees felt further investment in the old campus was not the best use of tax dollars. The \$30 million pricetag for the LHS improvements would have been more than half the cost of building completely new. Therefore, the Board voted to invest \$26 million combined with the \$30 million to build a new Lewisville High School. A renovated LHS would have lasted the community a few more years, but the new building will last much longer and provides the district with valuable energy efficiency and better student services.

Why has LISD invested funds in technology infrastructure?

The number of technology devices in the hands of students has increased dramatically over the last decade, and will only continue to increase in the future. As more students travel the information superhighway, infrastructure improvements ensure the pathways to get there are big enough to service

everyone's needs. These upgrades have alleviated congestion on the network and will help meet future demand. Just like widening the freeway to allow more traffic to travel at faster speeds, our students and teachers can access online resources and internal data without experiencing delays.

Have the facilities improvements addressed energy efficiency?

Yes. Renovations and upgrades at our existing facilities have not only enabled us to comply with new energy code requirements, but also has reduced overall energy costs. Energy efficiency puts dollars back in the operating budget and into classrooms. Energy improvements have included: upgraded insulation of exteriors such as roofing, walls and windows; more efficient air conditioning and heating equipment; efficient lighting and sensors; and use of low flow toilets and urinals.

Why did LISD request funds for a new stadium?

In order to provide equity among all of our high schools, the new stadium was built at Marcus High School, which was the only high school that did not previously have a stadium on campus.

Which of the projects in the bond plan were tabled for future consideration?

Due to enrollment growth that did not occur as expected, LISD tabled the second new middle school and the four elementary school additions identified in the original 2008 bond plan. Sticking to the plan and building these new spaces would have resulted in new, but empty, space that LISD would have had to heat, cool, clean and maintain.

Why were some of the projects so far under the original budget?

Between 2008 and 2010 the construction industry saw reductions in construction costs by as much as 30 percent. A struggling economy hits the construction industry hard. Workers and materials are plentiful and the construction industry is hungry for work. The best time for a school district to build is during an economic slump, when they are able to get the most for every dollar.

How did LISD determine what to include in the 2008 bond election?

LISD monitors its facilities closely, keeping detailed records of existing facility conditions and space shortages in the form of a Long Range Facilities Plan. During the 2008 bond planning process, with assistance from architects and engineers, LISD identified the improvements required to maintain healthy and appropriate school buildings, developed a cost estimate for each project, prioritized the projects, then surveyed campus principals and staff. LISD hired a demographer to forecast enrollment projections and an architectural firm to develop a space capacities study. Merging the results of both helped identify how much new space would be required to accommodate anticipated enrollment growth and approximately where that new space should be located.

What was the tax impact of the 2008 bond election?

The I&S tax rate impact resulting from this bond election was projected to be no more than 13 pennies per \$100 of assessed value, or \$250 a year on a home valued at \$200,000. The actual tax rate impact was less than projected at only 9.7 pennies per \$100 of value, or \$194 a year on a home valued at \$200,000.

How did the bond election affect taxes for senior citizens age 65 or over?

Your tax rate and dollar amount were frozen if you were 65 years of age or over when the bond election passed in 2008. **It did not affect your tax bill.** If you've turned 65 years old since 2008, your tax rate and dollar amount you pay would have been frozen the year you turned 65, if you filed for your senior citizen exemption with the County Appraisal District. NOTE: Senior citizens must request this status to

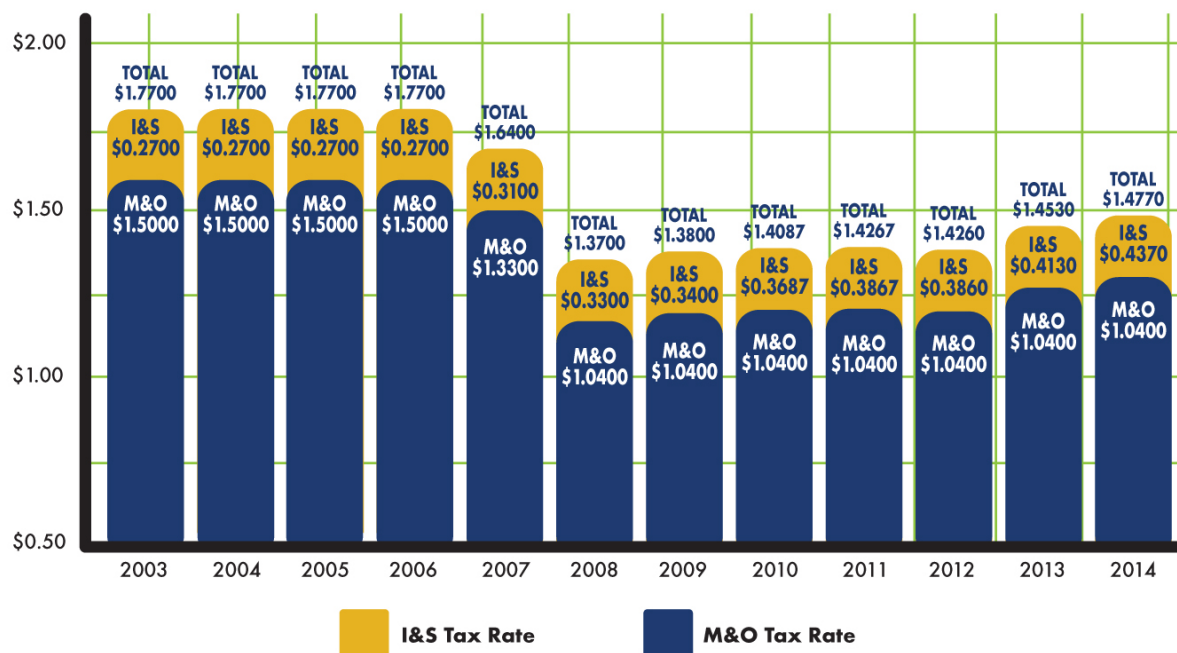
qualify. To request your Over 65-Exemption, contact the Denton Central Appraisal District by email at DCAD@dentoncad.com or by calling 940.349.3800. You may choose to download your Senior Citizen exemption form at <http://www.dentoncad.com/docs/forms/2013/homestead.pdf>.

How long does the district have to repay the bonds?

The district uses 20 years for repayment of bonds for construction of facilities, even though the life of the buildings is much longer. Bonds used to purchase technology are paid in five years or less. Currently, the maturity for all bonds outstanding is nine years. The district matches the maturity of the bonds with the facilities they are used to fund.

Have my school taxes increased, decreased or remained steady?

Your total tax rate is actually lower today than it was 10 years ago. Lewisville ISD sets your tax rate. It has no control over property values. The total school tax rate is the combination of the Operations tax rate (M&O) and the Debt tax rate (I&S), which in LISD is \$1.4770 per \$100 of assessed value, roughly 30 cents lower than LISD's 2004 tax rate of \$1.77.



Did the economic downturn affect the bond plan?

Yes. The economic crash in 2008 has caused growth in LISD to be slower than expected, which means not as many new classrooms were needed as initially planned. Rather than build new space that would sit empty, the school district reallocated some funds designated for the five elementary school additions and the second new middle school to address serious facilities issues at Lewisville High School by rebuilding that campus.

Why do we acquire land and not build a school on it immediately?

Buying property prior to needing the school built is called land banking. Land banking allows a district to purchase land at today's price and hold the land until a school needs to be built. If the district waits to purchase land until a new school is needed it will be much more difficult to find a large enough piece of land and inflation will cause the price of the land to rise considerably.

Could we have used some bond money to hire more teachers?

No. By law, bond money can only be used for capital projects, including new facility construction, renovation, purchase of school buses or technology.

What's wrong with a 50 year old school building?

Though they have served our community well, many older schools do not meet current safety, air quality and building requirements, nor do they meet appropriate space requirements as established by the State of Texas Education Code. The cost for repairing, renovating and modernizing these older schools would often nearly equal the cost of building them new. A good example of this is the district's decision to rebuild Lewisville High School.

When was the last bond election?

A growing school district like LISD requires a bond election every few years to provide funds for new schools to accommodate student enrollment. The last bond election prior to 2008 was in 2005 for \$199.5 million and funded construction of Killian Middle School, Lakeland Elementary rebuild, 15 campus additions, land acquisition for future school sites and district-wide capital improvements to existing campuses and technology.