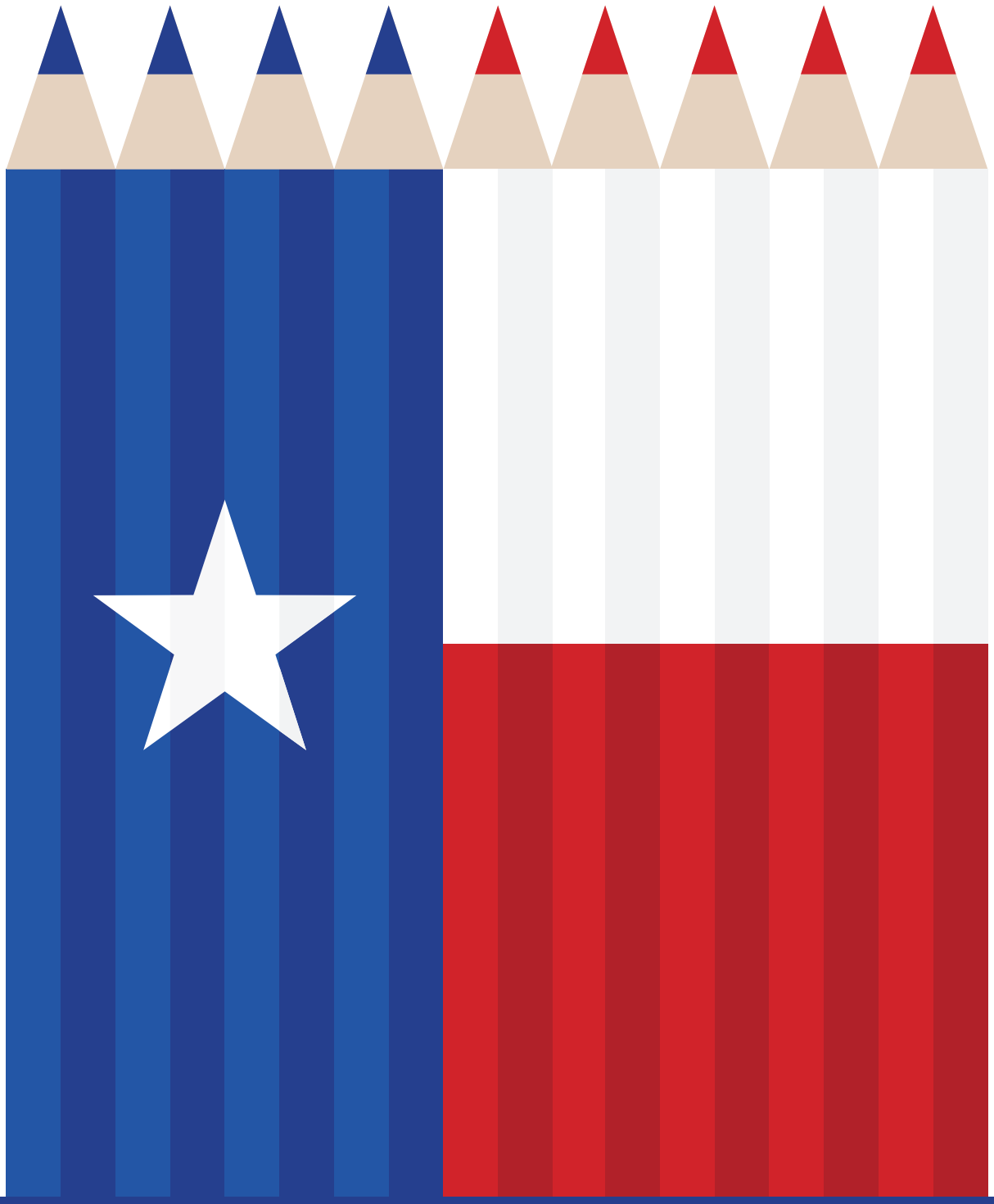
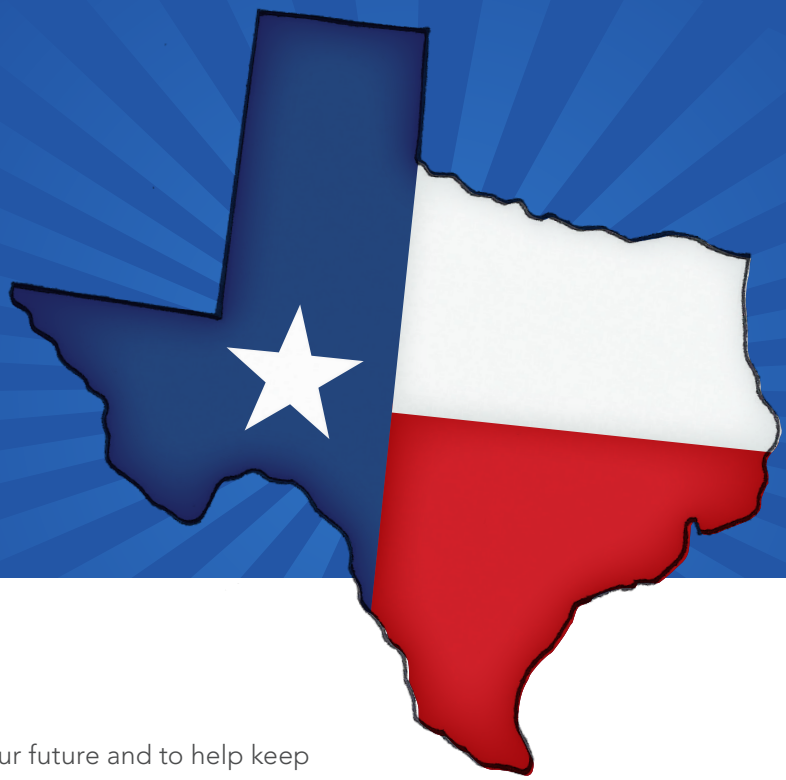


INVESTING IN A

BETTER TEXAS

Invested in Our Great State of Texas



Our public schools work hard to positively shape our future and to help keep the Texas economy strong. It is the most basic role of our public school system – to educate the future generations that will be responsible for sustaining and advancing our state, our nation and our world.

Providing an effective, well-rounded education to each and every student requires public school districts to provide a variety of staff, programs, facilities and equipment, including:

- Teachers, principals, counselors, cafeteria workers, librarians, school bus drivers, administrators and maintenance staff
- Books, software, apps and technology devices
- Electricity, water and other utilities
- Food services
- School buildings
- School buses and other district vehicles
- Extracurricular programs, equipment and facilities

Providing all of this to 5 million (and growing) Texas students is an expensive operation, which is a financial responsibility shared by ***three sources:***

1. FEDERAL GOVERNMENT
2. STATE GOVERNMENT
3. LOCAL COMMUNITIES

This report was developed to light-heartedly explain the complex topic of public school finance. As it will demonstrate, the revenue generated by these three sources is not enough to meet the many demands of our public schools, making debt a necessary tool in the financial management of our school districts.

It will also demonstrate how Texas' funding structure makes it difficult for our fastest growing school districts to utilize debt effectively, further compounding their challenges of providing a quality education to every student.

Understanding the Financial Structure of Texas Public Schools

There are three sources of funding for Texas public schools.

1. FEDERAL GOVERNMENT

Texas school districts receive about 10 percent of their revenue from various federal grants and formulas, which are primarily earmarked for programs to support disadvantaged students and students with disabilities.

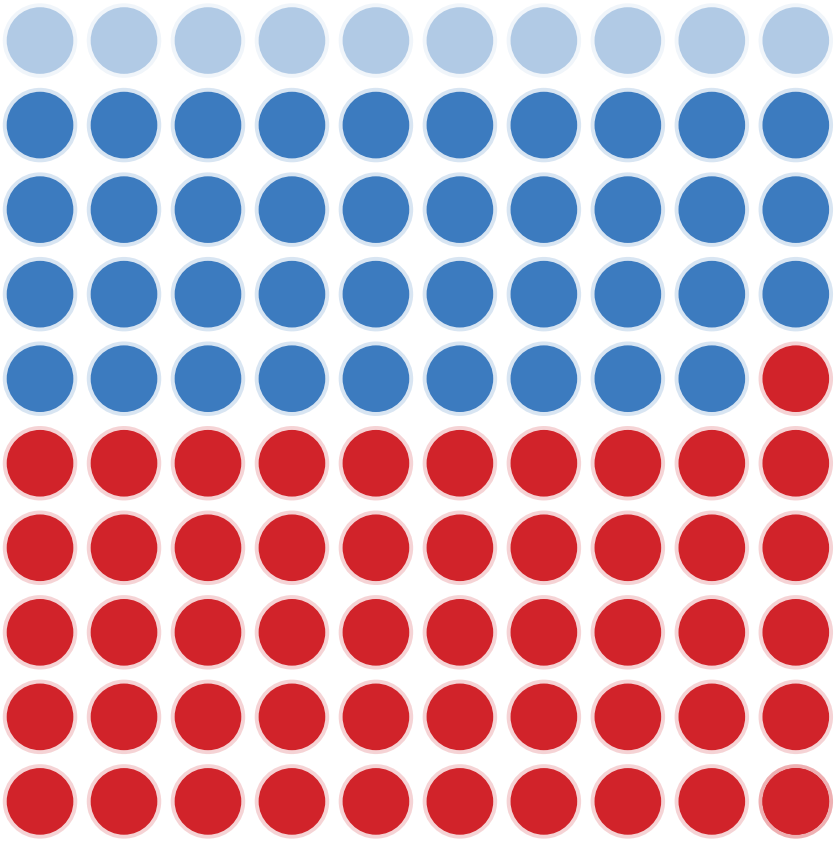
2. STATE GOVERNMENT

School districts receive about 39 percent of their funding from the state. State revenue is not divided equally to the 1,000+ Texas school districts but is distributed using a complicated formula based on a variety of factors, like property wealth, student enrollment and demographics.

3. LOCAL COMMUNITIES

The remaining 51 percent of a school district's revenue comes from their local citizens in the form of property taxes.

PUBLIC SCHOOL FUNDING FOR 2014-2015 SCHOOL YEAR



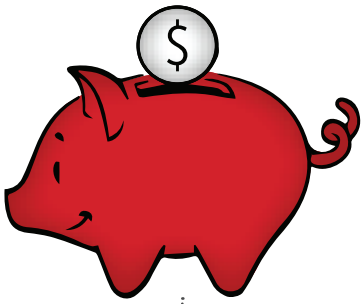
Federal: 10% *State: 39%* *Local: 51%*

Since local property taxes are a primary source of funding for school districts, understanding how they work is important to understanding the overall concept of public school finance and debt.

Breaking Down Local Property Taxes

About half of a school district's revenue comes from its local citizens through property taxes. A school district's tax rate is comprised of ***two parts****:*

LOCAL PROPERTY TAXES



SCHOOL DISTRICT TAX RATE

1.

M&O

MAINTENANCE & OPERATIONS TAX RATE

Funds the day-to-day maintenance and operations of the district

2.

I&S

INTEREST & SINKING TAX RATE

Funds debt repayment for the purchase of "big ticket" items

1.

M&O

TAX RATE

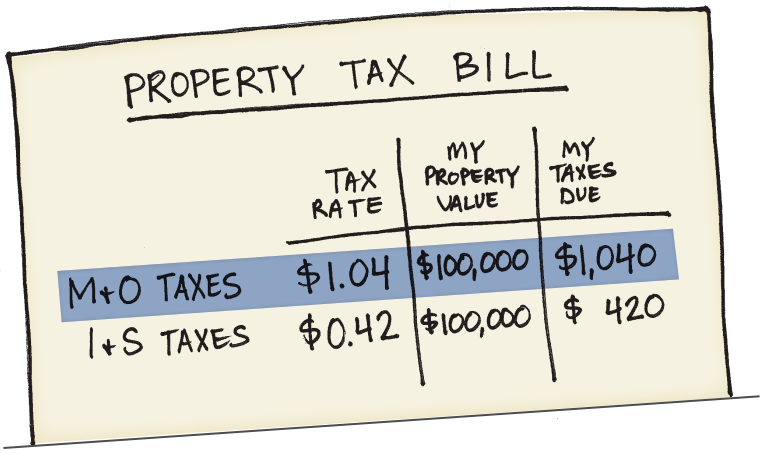
DAY-TO-DAY MAINTENANCE AND OPERATIONS

- Salaries (for teachers and other staff)
- Facility repairs and maintenance
- Bus repairs, maintenance and fuel
- Food services
- School supplies and materials
- Utilities (electricity, water, etc.)

FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

- House repairs
- Car fuel and routine services
- Groceries
- Cleaning supplies
- Utilities (electricity, water, etc.)

FOR EXAMPLE:



2.

I&S

TAX RATE

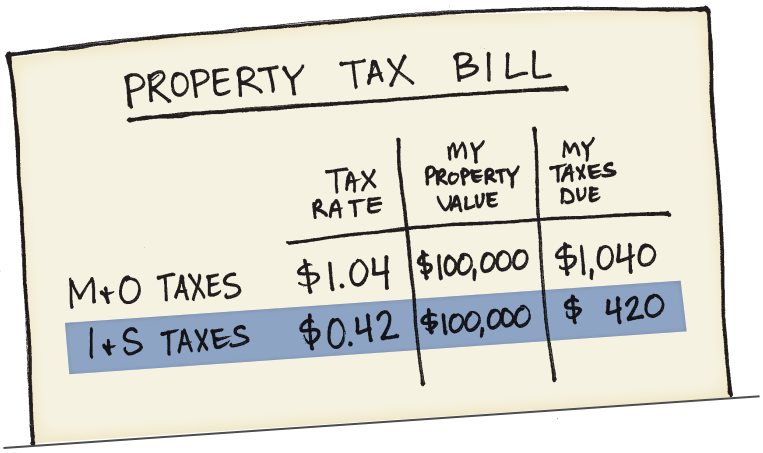
DEBT REPAYMENT FOR BIG TICKET ITEMS

- New building construction
- Existing building renovations
- Land
- Program-specific equipment
- Technology
- School buses

FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

- New home purchase
- House renovations
- Land for a home
- New kitchen appliances
- New home computer
- New car

FOR EXAMPLE:



Note: I&S funds may <u>ONLY</u> be used to repay debt. They may not be used for salaries, utilities or other day-to-day expenses.

Making Sense of Raising Cents

Raising the M&O and the I&S Tax Rates

M&O

MAINTENANCE &
OPERATIONS TAX RATE

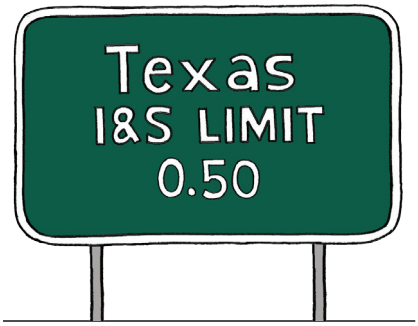
A school district's M&O tax rate is capped at $1.04 per $100 of property value. If the district wants to raise the tax rate beyond that, it must receive voter approval in a Tax Ratification Election (TRE) and can only go as high as $1.17.

Why would a school district need to raise the M&O tax rate?

The simplest answer is, for many school districts, the funding they receive and the funding they are able to generate through the $1.04 local tax rate is not enough for them to operate.

I&S

INTEREST &
SINKING TAX RATE



If a school district wants to levy an I&S tax rate, it must receive voter approval in a Bond Election.

What is a Bond Election?

School districts are required by law to ask their local voters for permission to issue bonds (debt), which are used to fund the purchase of "big ticket" items, like new school facilities. A school board calls a Bond Election, and voters decide whether or not they want to issue bonds for identified needs. If voters approve the Bond Election, the school district then may raise they I&S tax rate to repay the debt.

The I&S tax rate is capped at $0.50 per $100 of property value.

Questioning Debt

Texas public school districts are routinely questioned, and oftentimes criticized, for taking on large amounts of debt. This next section will explore the reasons districts take on debt, and why debt levels are appropriate in order to address the many challenges they face.

What kind of debt does a school district have?

In most cases, Texas school districts' debt takes the form of bonds. School districts issue bonds to pay for "big ticket" items, like facilities and school buses.

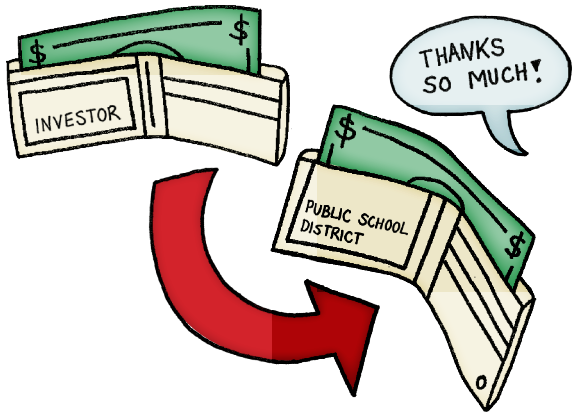
WHAT IS A BOND?

A bond is a debt investment in which an investor loans money to a school district, with interest, for a defined period of time. Essentially, it's similar to a family taking out a mortgage for the purchase of their home. Most school districts structure their debt repayment to match the life of the asset. As an example, a district will finance new school buildings over 20+ years, while financing new school buses over 10 years.

WHAT IS A BOND ELECTION?

School districts are required by law to ask their local voters for permission to sell bonds. A school board calls a bond election, and voters decide whether or not they want to issue bonds (debt) for identified needs.

If voters approve the bond election, the school district then may raise the I&S tax rate to repay the debt to investors.



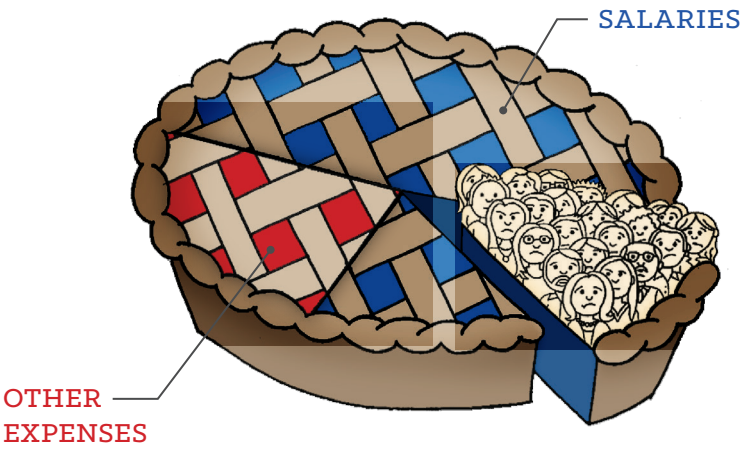
Why can't school districts use M&O funds to pay for "big ticket" items instead of debt?

The question does seem logical enough. But really, it's the equivalent of asking:

"Why can't the average citizen pay cash for a new house or car?"

Basically, there are only enough M&O funds to cover a district's day-to-day operating expenses. Over 75 percent of a school district's M&O budget pays for salaries. The remainder of the budget pays for fuel, utilities, supplies, materials, professional development, travel and nominal capital expenditures. To allocate some of those funds to pay for "big ticket" items, a district would have to cut other costs.

As an example, in order to pay for a $10 million classroom addition with their M&O budget, a school district would have to make substantial cuts – like 250 teachers.



QUESTIONING DEBT

THE BIG QUESTION

Why can't school districts just "pay as they go" for "big ticket" items to avoid debt? Address some needs now and some needs later?

Most districts can't wait to address their needs as funds become available.

To understand why, let's look at the three main categories of large-scale needs of a school district:

1. AGING NEEDS
2. EVOLVING NEEDS
3. GROWTH NEEDS

Usually, needs that fall into these categories require debt to address them.

1. AGING NEEDS

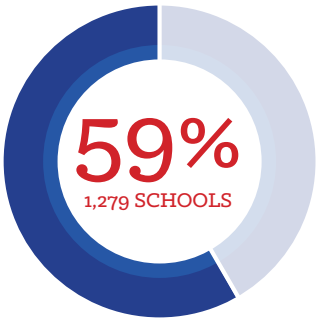
A primary reason school districts issue debt is to address needs related to the aging of capital assets, like facilities, buses and technology.

As one might imagine, a significant percentage of a district's aging needs are specifically related to the aging of facilities. Most districts do a good job maintaining their facilities over time with their M&O budget. But, as facilities age, their needs become too great and too costly to address with M&O dollars alone. This is especially important to remember because Texas has a lot of old buildings.

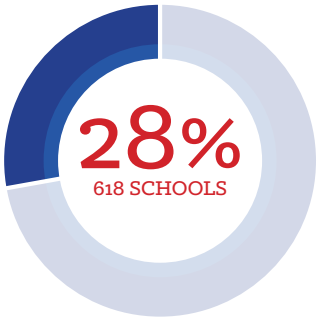
In 2014, 137 Texas school districts provided the following information about 2,170 school facilities:

YEAR OF CONSTRUCTION	AGE OF BUILDING (YEARS)	NUMBER OF BUILDINGS
Prior to 1920	Over 96	79
1920-1929	87-96	92
1930-1939	77-86	107
1940-1949	67-76	123
1950-1959	57-66	217
1960-1969	47-56	298
1970-1979	37-46	363
1980-2014	2-36	891

REPORTED SCHOOLS THAT ARE 34-YEARS-OLD OR MORE:



REPORTED SCHOOLS THAT ARE 54-YEARS-OLD OR MORE:



EXAMPLES OF AGING NEEDS:

1. Half of an elementary school's HVAC units need to be replaced because:

- They are 20-years-old and have reached the end of their useful life.
- They are inefficient and cost more money to operate than newer units.
- They frequently malfunction, causing the campus to be without air conditioning.
- Replacement parts no longer exist.

Replacing these units would cost approximately $500,000 – a difficult investment to make using funds in a district's M&O budget.

2. The roof on a campus needs to be replaced because:

- It is 20-years-old and has deteriorated.
- Rain events cause leaks.
- Leaks cause facility damage.

Replacing a roof on a campus can be a costly task, which again, often exceeds the limits of the district's M&O budget.

EFFECTS OF DELAYING SOLUTIONS UNTIL "FUNDS ARE AVAILABLE" IN THE M&O BUDGET:

- Disruption of education
- Increases in operational and maintenance costs
- Safety concerns

In addition to facility needs, a district can also have aging needs related to other capital assets that are critical to their daily operations, like buses, furniture and technology. And, much like facilities, school districts cannot wait to address these needs and find it challenging to fund necessary purchases through their M&O budget.

2. EVOLVING NEEDS

As humans, technology and societies evolve over time, new and unanticipated needs arise that challenge whether something is still effective or acceptable. So, when something, like a building for example, no longer meets current needs, it is thought to have "evolving needs."

– REAL WORLD SCENARIOS –

SIGNIFICANT CHANGES THAT CREATE EVOLVING NEEDS:

1. Changes to district facility standards
2. Changes in instructional delivery methods
3. Changes to safety and security objectives
4. Changes to the Texas Education Code
5. Changes to facility codes and regulations

We will explore each of these briefly to illustrate their significance in the debt conversation.

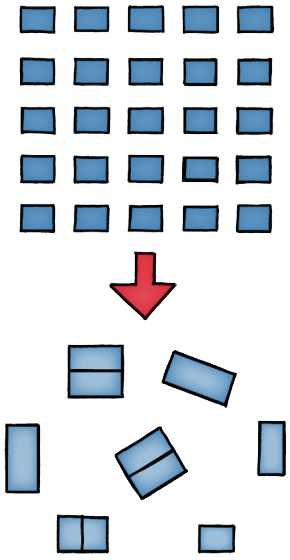
1. Changes to district facility standards

Over time, advancements in technologies have resulted in more maintenance-friendly and energy-efficient products. One example, lighting, has evolved to use less energy, while providing more longevity. Lighting systems today are equipped with features like dimming controls, occupancy sensors and daylight harvesting, allowing for better management of energy consumption and the ability to cut energy costs significantly. If a school district changes their facility standards to include such lighting systems, their existing facilities would have a significant "evolving need" for new lighting – a major upfront expense that most districts could not afford out of their M&O budget, but one that would create significant savings to this budget over time. Therefore, changing lighting standards to reduce utility and life cycle costs could require a district to issue debt.

2. Changes in instructional delivery methods

Today's students are not like those from 20, or even 10 years ago. Our fast-paced, technology-driven world gives students access to an endless world of devices and information. This reality has created an "evolving need" to provide a different learning environment for today's students. One that has the flexibility to accommodate different learning styles, engages students in collaboration with one another and incorporates technology that is part of today's world and workplace. Providing this more effective environment for our 21st century learners costs money, which often requires debt investments.

TRADITIONAL "SIT AND GET" INSTRUCTIONAL APPROACH



COLLABORATIVE & FLEXIBLE INSTRUCTIONAL APPROACH THAT ENGAGES EACH UNIQUE LEARNER

3. Changes to safety and security objectives

As school districts respond to today's societal changes and demands for increasing safety and security in school facilities, deficiencies in their existing facilities come to the forefront.

Environmental safety and security improvements can involve any combination of:

- Major space renovations
- Additions
- Network infrastructure renovations, and/or
- Installment of technology systems

Understandably, these upgrades are expensive and often require districts to take on debt.

4. Changes to the Texas Education Code

The Texas Education Code includes all laws and rules passed by the Texas Legislature that govern education in the state.

As an example, House Bill 5, passed by the Legislature in 2013, made substantial changes to the state's curriculum and graduation requirements. Put very simply, the requirements revolve around "endorsements," which are basically tracks of study that focus on specific subject areas, like:

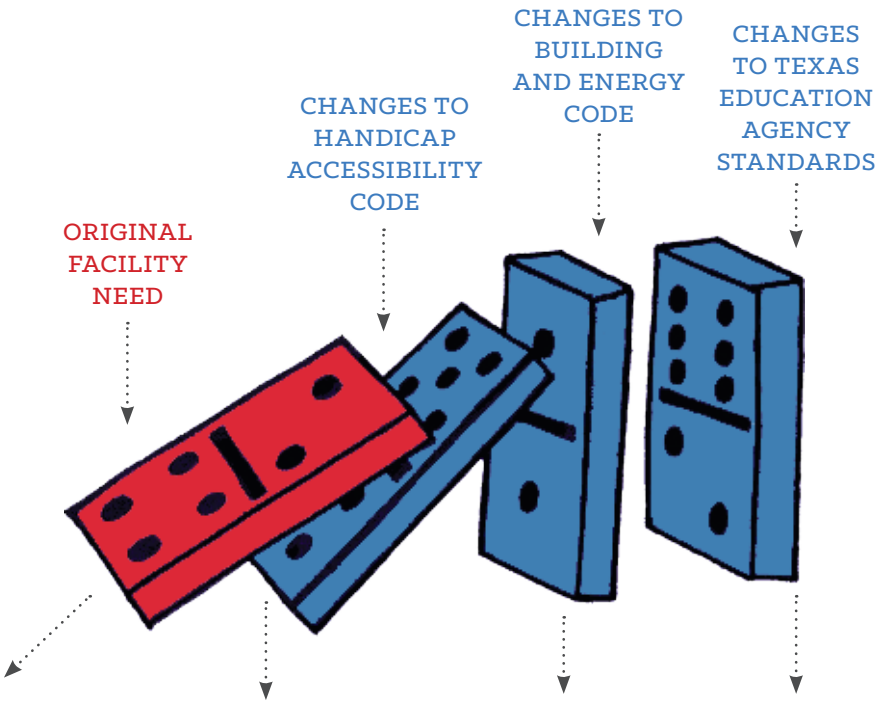
- Science, Technology, Engineering and Math (STEM)
- Business and Industry
- Arts and Humanities

To meet these new requirements, most districts are having to offer new, specialized courses, which often require new furniture, technology, equipment and square footage upgrades.

Unfortunately, no extra funding was provided to help school districts respond to these new state requirements, so districts that need to improve their current provisions are having to rely on debt investments.

5. Changes to facility codes and regulations

A single improvement to an existing facility can jump-start a series of other needs that are required due to updated codes and regulations. These needs are considered "domino effect" needs because, like lined-up dominoes, they automatically fall onto a district's list of priorities, and they have no choice but to address them. They can also have significant dollars associated with them. Let's look at an example to explain this domino effect.



Original facility need identified by a district:

A district will have 200 new middle schoolers moving to the area next year, so they will need to build an addition to their middle school to house these new students.

Estimated project cost:
$10 million

Domino effect need:

This building, however, was originally built in 1975, before handicap accessibility (ADA) standards existed, so all entrances, ramps, restrooms and various other spaces do not comply with ADA. By law, addressing all of the non-compliant spaces is also required.

New est. project cost:
ADD $500,000
= $10.5 million

Domino effect need:

Also, due to its age, this building is non-compliant with current building codes, so areas of the building may have to be renovated to meet new codes. As an example, a new fire sprinkler system may have to be installed across the campus.

New est. project cost:
ADD $3,000,000
= $13.5 million

Domino effect need:

TEA Design Standards, implemented in 1999, require all middle school classrooms to be at least 700 square feet. All of the existing classrooms in the building are less than 650 square feet. Significant remodeling is needed to bring those classrooms up to state requirements.

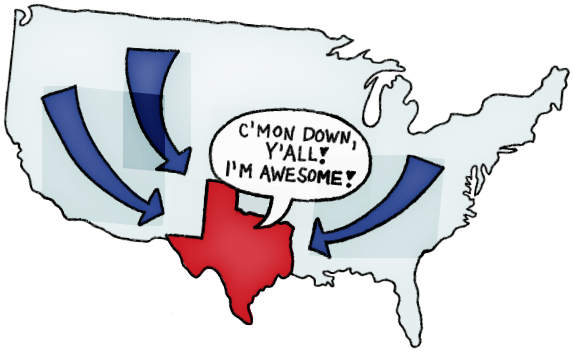
New est. project cost:
ADD $2,000,000
= $15.5 million

MORAL OF THE STORY

What started off as a fairly straightforward need for the district suddenly became a long list of needs that comes with a very different price tag.

3. GROWTH NEEDS

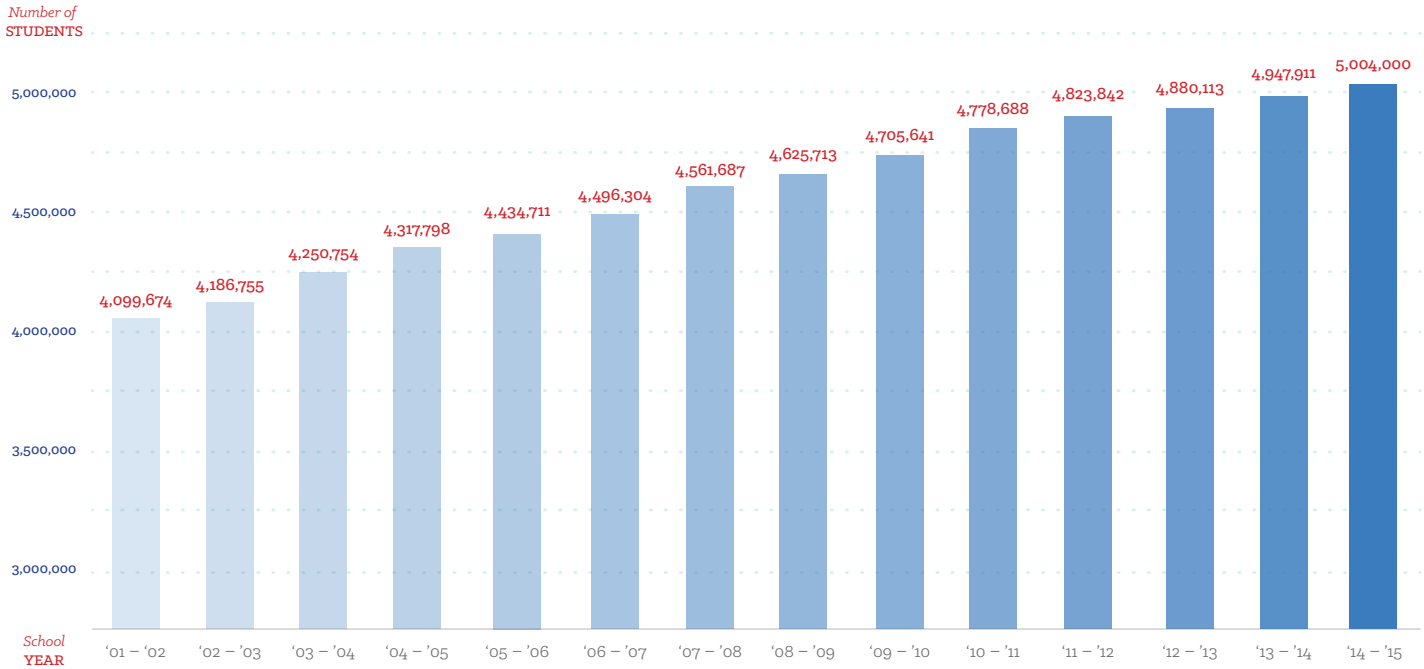
As Texans are very much aware… Texas is growing! Texas has a booming economy and is a great place to live, so people are flocking here by the hundreds-of-thousands!



In fact, about 500,000 people move to Texas each year! That's more than 1,300 people per day!

MORE PEOPLE = MORE PUBLIC SCHOOL ENROLLMENT

TEXAS SCHOOL DISTRICT ENROLLMENT



TO FURTHER PUT THE GROWTH INTO PERSPECTIVE:

Between 2001 and 2015 (13 years), the number of students served by public school districts in Texas grew by

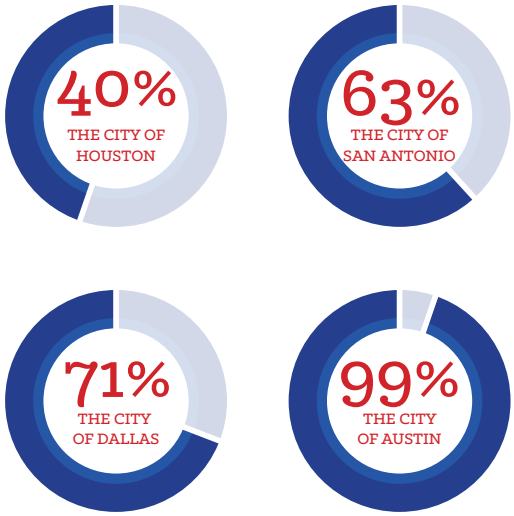
904,326

which is about

4x Houston ISD

(the largest school district in Texas)

or



and by the way

904,326 is also (roughly) the number of students served in the entire state of Wyoming

If the total growth were divided equally, that would mean the Texas public school system grew by

69,564 EACH YEAR

which is approximately equivalent to

3x Midland ISD

or

TWICE THE SIZE OF THESE CITIES:

DEL RIO • LA PORTE • LUFKIN

4X THE SIZE OF THESE CITIES:

PAMPA • STEPHENVILLE • NEDERLAND

6X THE SIZE OF THESE CITIES:

HIDALGO • LAKEWAY • SNYDER

and by the way

99% of school districts in Texas have less than 69,564 students

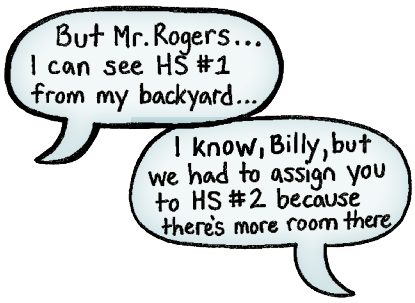
When Public School Enrollment Grows, SCHOOL DISTRICT NEEDS GROW

*School districts address the pressures of growth in various, oftentimes creative ways, before asking their taxpayers for more money. However, these are usually only **temporary fixes** and not always the best, long-term solution for their district as a whole.*

EXAMPLES OF TEMPORARY FIXES:

SHARING CLASSROOMS

School districts often first deal with overcrowding by finding ways to use every inch of a campus for 100 percent of the school day. This includes asking teachers to share and switch classrooms or even use non-traditional spaces for classrooms, such as cafeterias, stages and even hallways.



ADJUSTING ATTENDANCE BOUNDARIES

Reclassifying which students attend which school is a regular reality for a growing school district. By shifting boundary lines and redistributing students, school districts can relieve overcrowding at growing campuses, even if it means a student must travel further from home to get to their new school.

UTILIZING PORTABLE BUILDINGS

Adding portable buildings to an existing campus for use as overflow is an option to add needed capacity. However, these temporary fixes are costly at approximately $100,000 a piece, and they create safety concerns and educational inequities compared to their permanent facility counterparts.

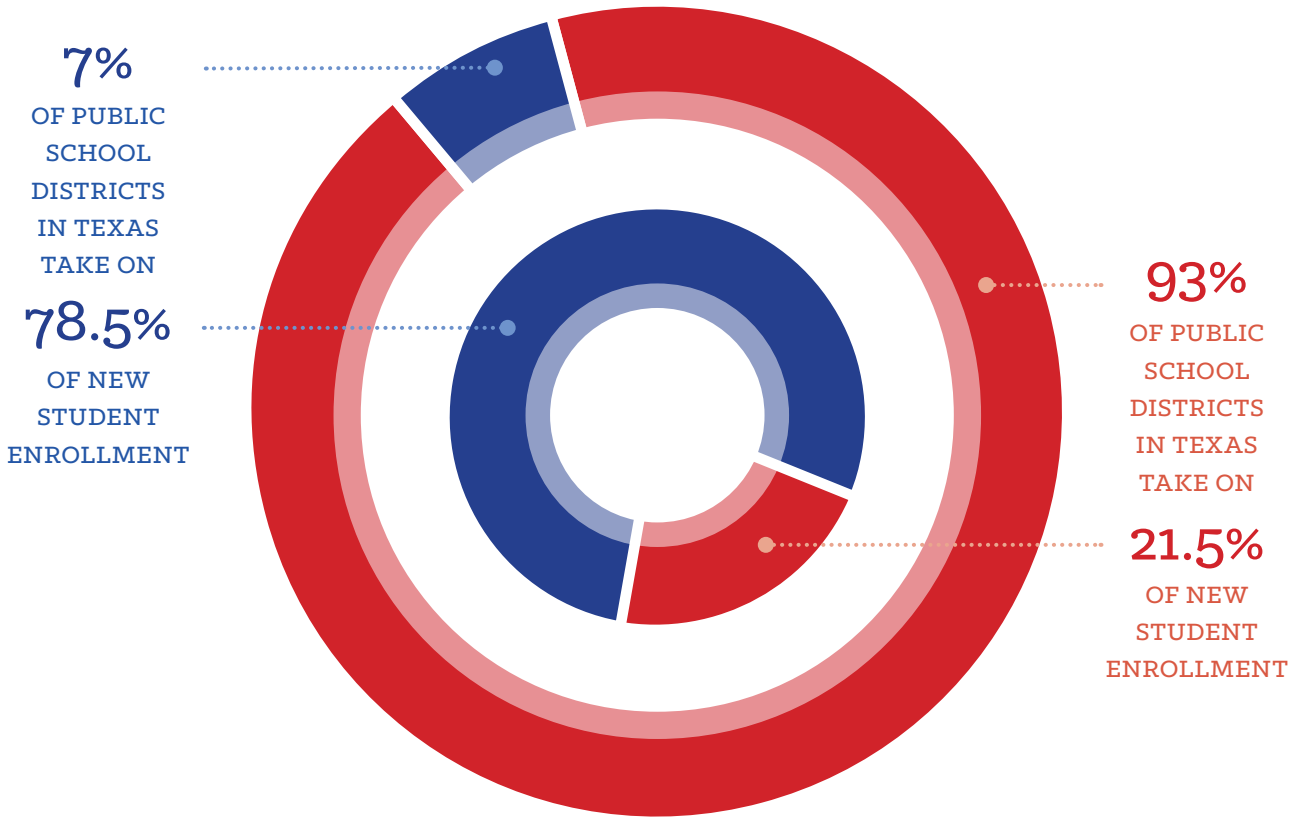
INCREASING CLASS SIZES

Class size limitations are enforced by the Texas Education Agency in order to ensure an appropriate teacher-to-student ratio in every classroom in the state. School districts can submit waivers to go above the maximum class size should they have unanticipated enrollment growth, lack of facilities, lack of teachers or financial hardships. Though compromising the amount of student-teacher interaction, districts often turn to this option as a way to accommodate a growing student population.

Not All School Districts Grow Equally

Some districts are adding thousands of students each year, and they are constitutionally obligated to provide a quality education for these students.

A district like Frisco ISD that has added 55 schools in 15 years cannot wait until they have the money available. They have to begin the conversation and make the necessary plans years before the students are even in Frisco ISD, or they simply won't be able to function on a daily basis. (On average, it takes 12-14 months to construct a new elementary school and 24-28 months to construct a new high school.)



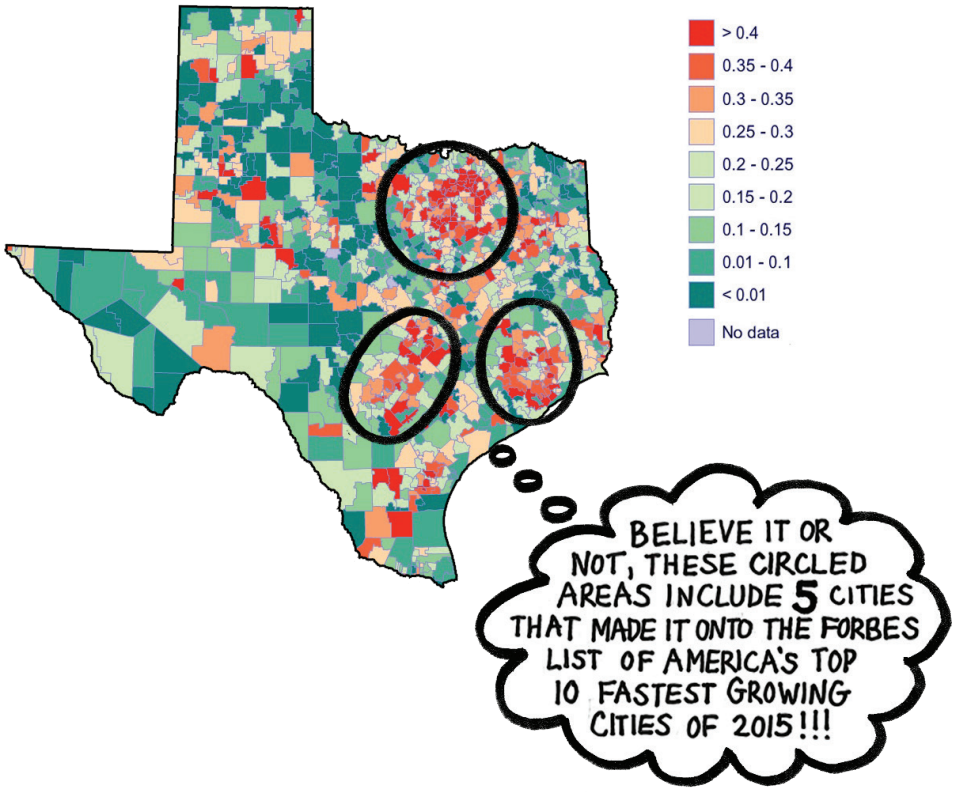
ENROLLMENT IN TEXAS PUBLIC SCHOOL DISTRICTS

Not All Debt Levels Grow Equally

Public school districts that see the most enrollment growth have the greatest amount of immediate capital needs. Understandably, this often results in larger amounts of debt in these districts.

TEXAS SCHOOL DISTRICTS I&S TAX RATE

Fiscal Year 2016



HIGHER DEBT = HIGHER TAX RATES

therefore

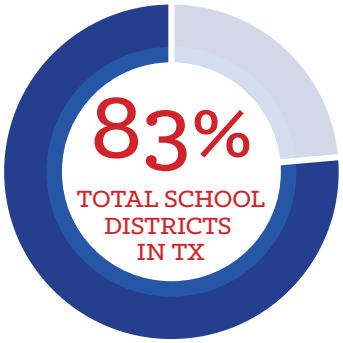
TAX RATES ARE HIGHER
WHERE ENROLLMENT GROWTH IS HIGHER

By the Numbers

847

The number of school districts that have an I&S tax rate to pay off bond debt

=



$0.23

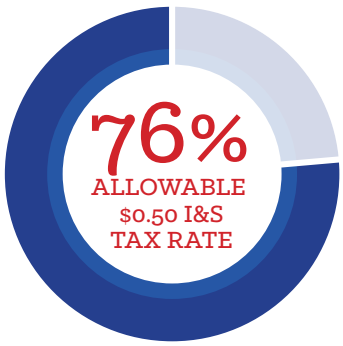
The average I&S tax rate for all 812 school districts with an I&S tax rate

=

$0.38

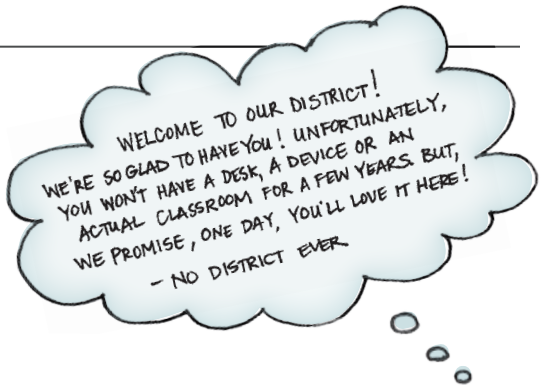
The average I&S tax rate for school districts that have over 50 percent growth in a 10-year period

=



More Students, Less Debt Capacity

As we've learned, school districts can rarely use M&O tax dollars to fund the many big tickets items they need to address age, evolution and growth, making I&S tax dollars a survival tool.



With this in mind, it's important to remember that both the M&O and I&S tax rates have a limit (see page 11).

Translation: When a school district reaches their I&S tax limit, they find themselves without the financial means to address any large scale need that may arise.

Obviously, tax limits are intended to protect tax payers, but they also create challenging and frustrating situations, especially when communities have the desire to contribute more money, but they legally can't.

NOW, THE QUESTION IS...

Do school districts have too much debt?

The short answer is "no."

Here are three reasons why...

1. SCHOOL DISTRICT DEBT IS PROPORTIONAL TO TAXABLE VALUES

2. SCHOOL DISTRICTS ARE RECEIVING LESS STATE ASSISTANCE TO PAY OFF DEBT

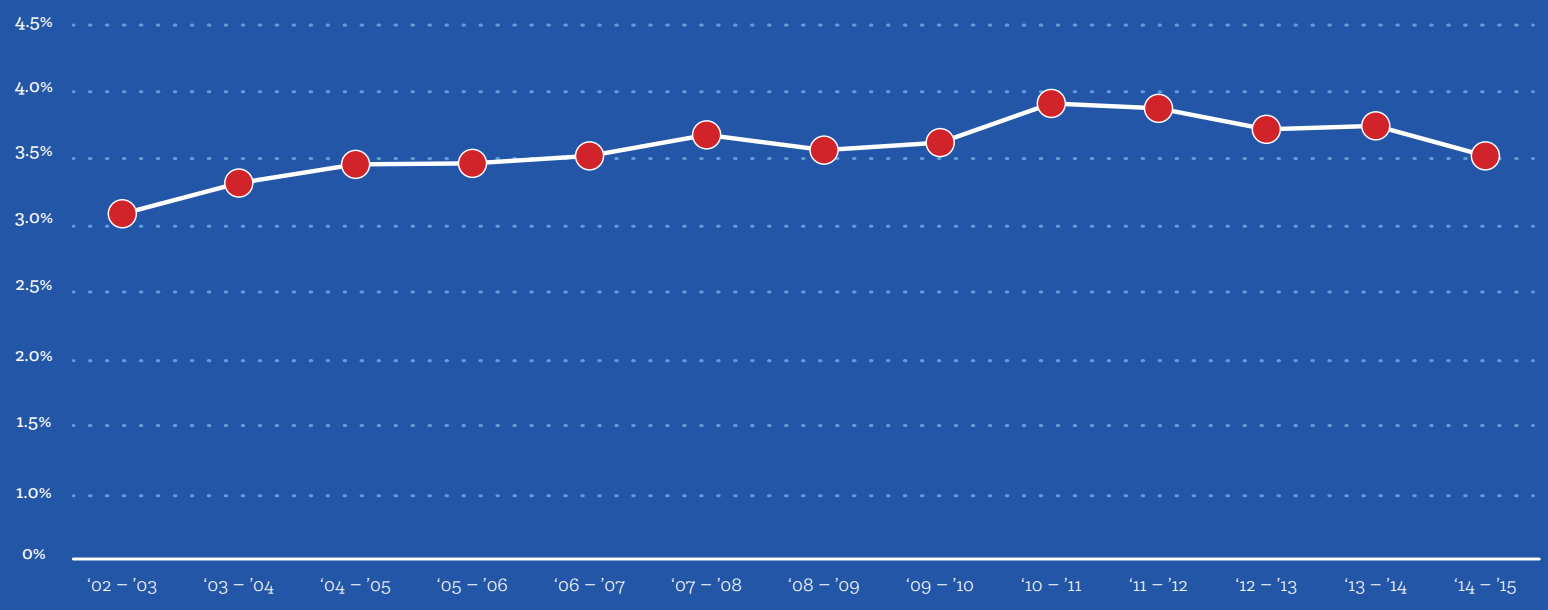
3. "HIGH" DEBT IS DIRECTLY RELATED TO HIGH CONSTRUCTION COSTS

1.

School district debt is proportional to taxable values.

Over the last decade, the ratio of debt to taxable values has continued to be proportional. In other words, school district debt has increased as the value of taxable properties in their districts (residential and commercial) have increased.

AVERAGE RATIO OF SCHOOL DISTRICTS' LONG-TERM DEBT TO TAXABLE VALUES

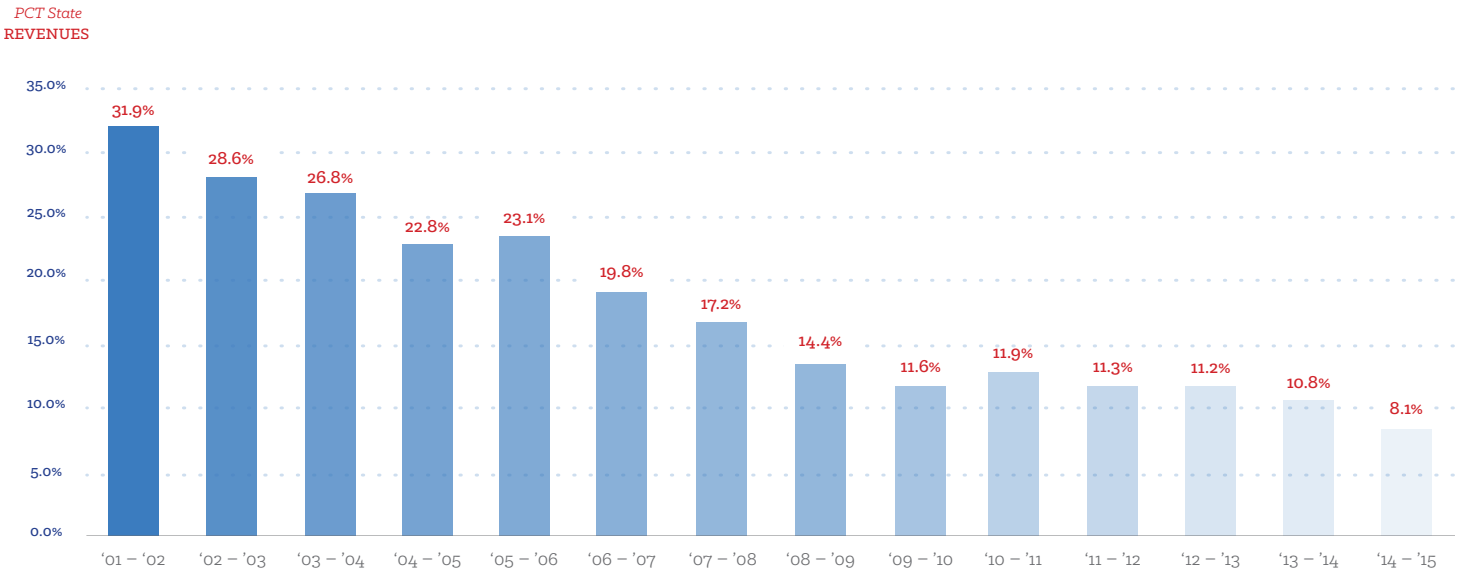


2.

School districts are receiving less state assistance to pay off debt.

- 58 percent of Texas school districts do not receive any support from the state to relieve debt payments
- Since 2001-2002, financial support from the state is down by 23.8 percent

PERCENT OF STATE REVENUES APPLIED TO SCHOOL DISTRICT DEBT PAYMENTS



Texas is the ONLY state to rank in the Top 10 for growth and school construction expenditures, while receiving less than 10 percent assistance from the state!

	TOTAL ENROLLMENT CHANGE		TOTAL SCHOOL CONSTRUCTION (BILLIONS OF $)		STATE SHARE OF TOTAL SCHOOL CONSTRUCTION
1.	Nevada (45.4%)	1.	California ($134)	1.	Hawaii (100%)
2.	Georgia (26.6%)	2.	**TEXAS ($107.8)**	2.	Rhode Island (78%)
3.	Colorado (26.6%)	3.	New York ($84.1)	3.	Massachusetts (67%)
4.	**TEXAS (26.3%)**	4.	Florida ($59.1)	4.	Wyoming (63%)
5.	Arizona (24.7%)	5.	Pennsylvania ($42.3)	5.	Delaware (57%)
6.	Florida (23.9%)	6.	Illinois ($41.4)	6.	Connecticut (57%)
7.	North Carolina (22.8%)	7.	Ohio ($35)	7.	Alaska (37%)
8.	Delaware (18.2%)	8.	Georgia ($32.8)	8.	New York (36%)
9.	Virginia (17.3%)	9.	New Jersey ($27)	9.	Iowa (35%)
10.	Utah (16.2%)	10.	Michigan ($26.6)	10.	Kentucky (33%)
11.	California (14.2%)	11.	Massachusetts ($25.5)	11.	New Jersey (32%)
12.	New Jersey (14.0%)	12.	Washington ($25)	12.	Maine (28%)
13.	Idaho (13.0%)	13.	Virginia ($22)	13.	California (28%)
14.	Washington (12.8%)	14.	North Carolina ($21.9)	14.	Ohio (27%)
15.	Tennessee (12.7%)	15.	Minnesota ($20.5)	15.	Maryland (26%)
16.	South Carolina (10.9%)	16.	Indiana ($20)	16.	Minnesota (22%)
17.	Maryland (10.1%)	17.	Arizona ($17.2)	17.	Alabama (22%)
18.	Oklahoma	18.	Maryland	18.	Arizona (21%)
19.	Illinois	19.	South Carolina	19.	New Mexico (20%)
20.	Oregon	20.	Connecticut	20.	Vermont (19%)
21.	Arkansas	21.	Colorado	21.	New Hampshire (19%)
22.	Kansas	22.	Missouri	22.	Florida (15%)
23.	Nebraska	23.	Wisconsin	23.	Pennsylvania (15%)
24.	Massachusetts	24.	Alabama	24.	Washington (14%)
25.	Kentucky	25.	Tennessee	25.	Georgia (12%)
26.	Connecticut	26.	Nevada	26.	Arkansas (12%)
27.	Alaska	27.	Iowa	27.	**TEXAS (9%)**
28.	Indiana	28.	Oregon	28.	West Virginia (9%)
29.	Missouri	29.	Kansas	29.	South Carolina
30.	Hawaii	30.	Kentucky	30.	Kansas
31.	Wisconsin	31.	Louisiana	31.	North Carolina
32.	New Mexico	32.	Utah	32.	Utah
33.	Alabama	33.	New Mexico	33.	Virginia
34.	New Hampshire	34.	Oklahoma	34.	Illinois
35.	Iowa	35.	Mississippi	35.	Colorado
36.	Minnesota	36.	Arkansas	36.	Mississippi
37.	Mississippi	37.	Nebraska	37.	North Dakota
38.	New York	38.	Alaska	38.	Montana
39.	Rhode Island	39.	Hawaii	39.	Oklahoma
40.	Pennsylvania	40.	Delaware	40.	Michigan
41.	South Dakota	41.	New Hampshire	41.	Nevada
42.	Wyoming	42.	Idaho	42.	Indiana
43.	West Virginia	43.	West Virginia	43.	Missouri
44.	Ohio	44.	Maine	44.	Wisconsin
45.	Montana	45.	Wyoming	45.	Tennessee
46.	Vermont	46.	South Dakota	46.	Oregon
47.	Michigan	47.	Montana	47.	Louisiana
48.	Maine	48.	Rhode Island	48.	Nebraska
49.	North Dakota	49.	North Dakota	49.	Idaho
50.	Louisiana	50.	Vermont	50.	South Dakota

from 1994 to 2013

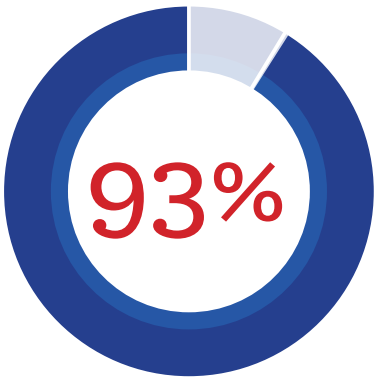
3.

"High" debt is directly related to high construction costs.

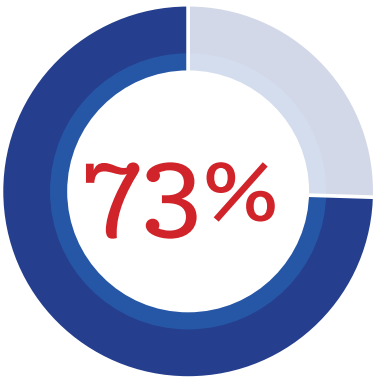
School districts, like everyone else, are greatly impacted by rapidly rising construction costs, making it more expensive to build and renovate facilities each year. (The market rate of inflation is 5 to 8 percent per year. As an example, delaying a $20 million elementary school for one year could cost a district $1 to $1.6 million more.)

FROM 2011 TO 2014:

HIGH SCHOOL CONSTRUCTION COSTS INCREASED BY:



MIDDLE SCHOOL CONSTRUCTION COSTS INCREASED BY:

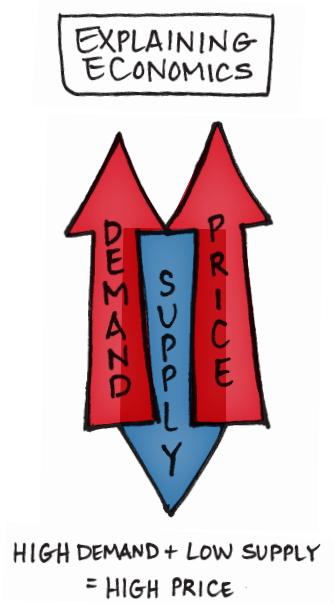


Important Footnote:

Construction costs are far exceeding the consumer price index (CPI) they are so often measured against. The CPI is a collection of data that measures monthly changes in the price levels of various consumer goods and services are purchased by households, like groceries, gasoline, car insurance, etc.

EXAMPLES OF WHY CONSTRUCTION COSTS INCREASE:

- Natural disasters
- Environmental concerns
- Capitalism
- War
- Politics
- Legislation
- *Supply and demand*



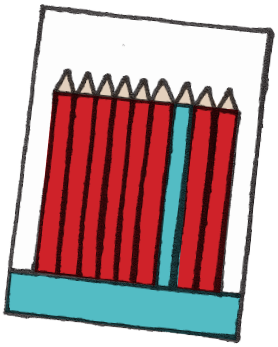
Economics 101: Supply and Demand

By law, public school districts are limited to two dates each year when they can hold a bond election in their local community – the general election date in May and the general election date in November.

In doing this, the Texas Legislature created a supply and demand challenge, causing school construction costs to increase with every election cycle. It's simple economics, really… Forcing all construction projects to enter the market at the same time twice each year results in a saturated construction market, significantly higher prices for materials and labor and a more expensive construction project at the end of the day.

Reference the report, "Texas Schools Aren't Average" *for a more in-depth look at construction cost differences for schools around the state of Texas.*

www.fastgrowthtexas.org/facilities-report/



In Conclusion

Debt is a necessary tool to address the many challenges of providing a quality public education to the 5 million+ students in Texas. Currently, there is no other way for our school districts to fund facilities and other "big ticket items" they need.

DEBT IS NECESSARY BECAUSE OF:

THE FINANCIAL STRUCTURE OF THE TEXAS PUBLIC SCHOOL SYSTEM

School districts receive little financial help from the state and federal governments, so they heavily depend on local property taxes.

However, M&O taxes do not create enough funds to cover all of the large-scale needs of school districts, causing them to issue debt that is repaid by increasing taxes on their local citizens.

THE INCREASING NUMBER OF LARGE-SCALE NEEDS

School districts have an extensive list of aging, evolving and growth needs that only gets longer as our world becomes more complex.

THE INCREASING COST OF LARGE-SCALE NEEDS

School districts are greatly affected by increasing construction costs, making it more expensive to build.

DEBT IS WORTH IT BECAUSE OF:

THE FUTURE

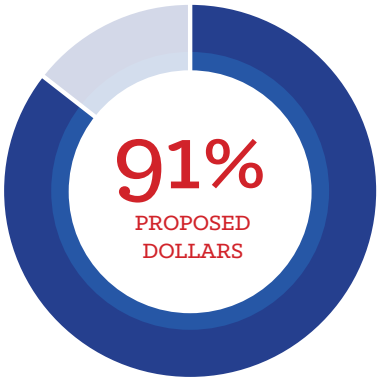
In order to provide an effective, well-rounded education that prepares students to positively contribute to the advancement of our state, Texas public school districts must have the financial means to provide safe, current and meaningful learning experiences for all students. Since borrowing money is often the only way for districts to truly accomplish this, it makes sense to think of public school district debt as a vital investment towards a better future for all Texans.

Finally

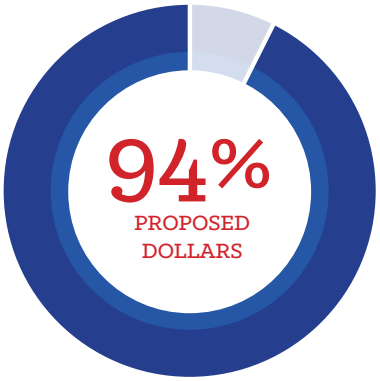
Issuing debt is ultimately a local decision. Voters are given the opportunity to vote for or against issuing debt to meet their local school districts' needs. When school districts do their homework, involve their local community in the decision-making process and communicate their needs effectively, voters typically understand and support issuing debt to provide their students with appropriate facilities, equipment and technology.

The data shows voters are supporting local bond elections across the state.

In May 2016, Texas voters
APPROVED 91%
of the combined dollar amount that was proposed in school district bonds, across the state



In November 2016, Texas voters
APPROVED 94%
of the combined dollar amount that was proposed in school district bonds, across the state



This is evidence that voters see the value in supporting their local schools and are choosing to ***invest in a Better Texas****.*