



VATRE/Bond Election Subcommittee

September 16, 2024

Agenda



- Introductions
- Tax Rate History
- Bond Election Background
- Tax Rate Election Background

Introductions - “Why are we here?” Activity



Instructions: Take **3-5 minutes** to reflect quietly and write down your reason(s) for choosing to join this sub-committee.

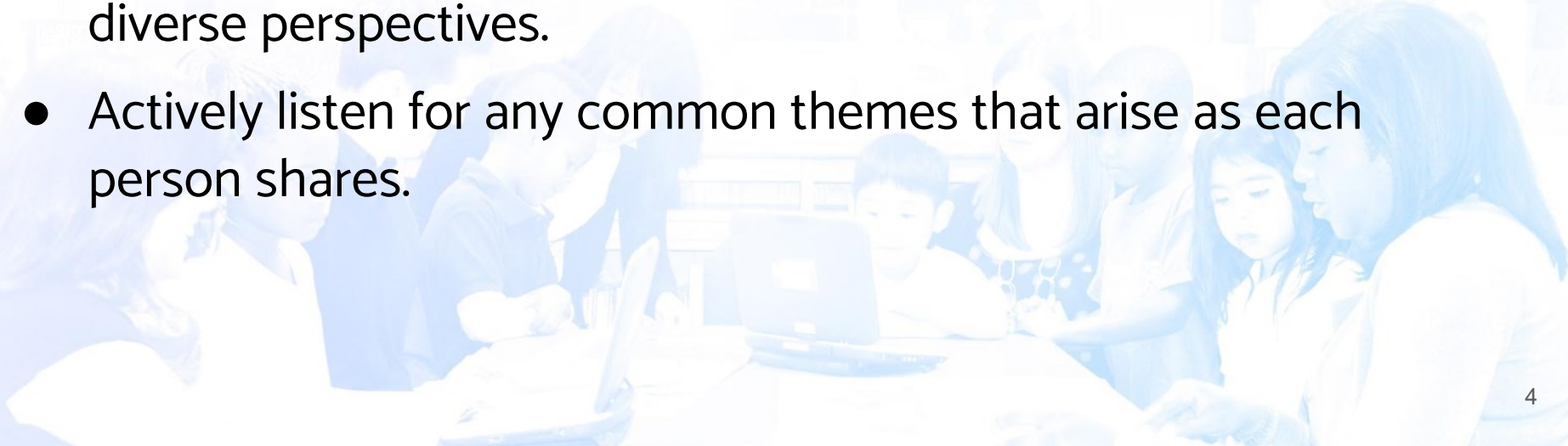
- What motivated you to choose this committee?
- Why do you think this work is important?
- What personal or professional experiences led you to want to contribute?
- What impact do you hope to make through this work?

Introductions - Sharing Circle



Sharing Circle: Let's go around the room and briefly share your reflections (**1-2 minutes each**).

- No right or wrong answers—this is about understanding diverse perspectives.
- Actively listen for any common themes that arise as each person shares.



Introductions - Common Ground



- Did you hear any similar goals, experiences or values mentioned in the introductions?
- Did you hear more diverse opinions and reasons for being on the committee than common themes?



Subcommittee Expectations



Role & Purpose

- **Objective:** Provide feedback, ask crucial questions and offer strategic direction to support informed decision-making on key district finance-related topics.
- **Members:** A diverse group of community members, parents, and district employees across various levels of the organization, working collaboratively to enhance district decisions.

Subcommittee Responsibilities

- **Feedback:** Actively participate by offering perspectives from your unique role (community, parent, or district employee) to inform decisions.
- **Questions:** Ask clarifying questions to ensure all financial implications are understood.
- **Direction:** Collaborate with fellow subcommittee members to provide informed recommendations that align with district goals.

Subcommittee Expectations



Goals for Decision-Making

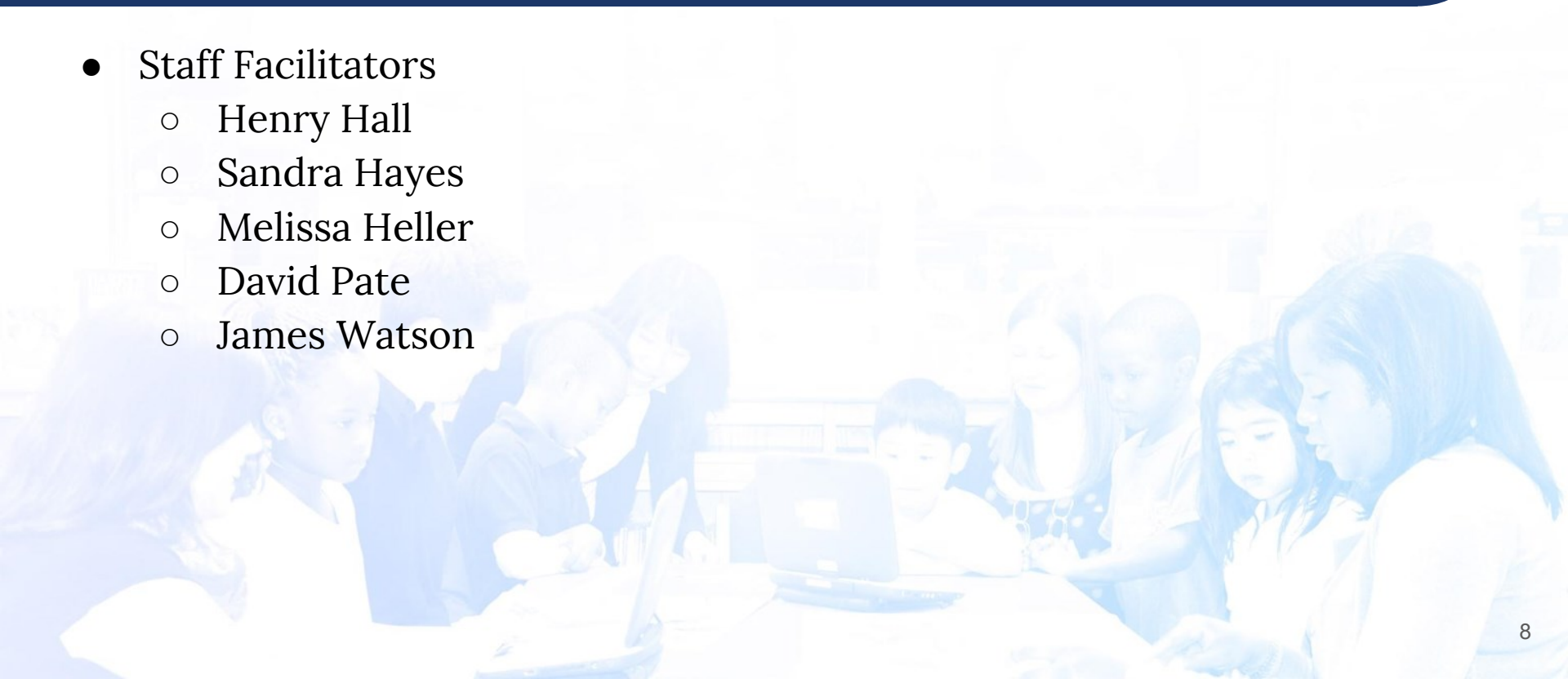
- **Transparency:** Ensure all budgetary and financial processes are clear and well-communicated to the community.
- **Equity:** Prioritize equitable access and resource distribution across programs and staffing.
- **Sustainability:** Focus on long-term financial health while balancing immediate needs.

Your input is critical to ensuring informed, responsible, and community-driven financial decisions for the district!

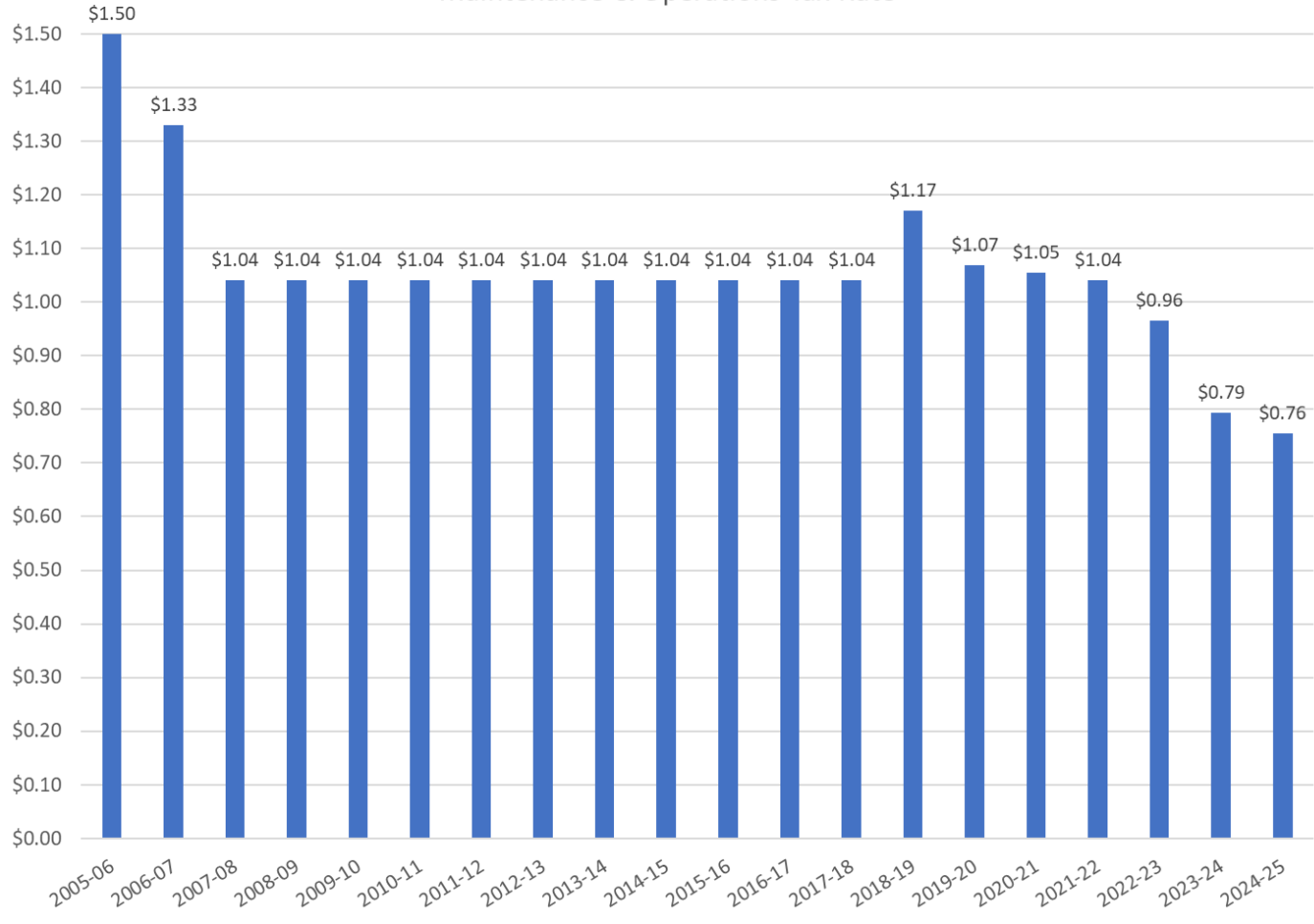
Voter Approval Tax Rate Election/Bond Election



- Staff Facilitators
 - Henry Hall
 - Sandra Hayes
 - Melissa Heller
 - David Pate
 - James Watson



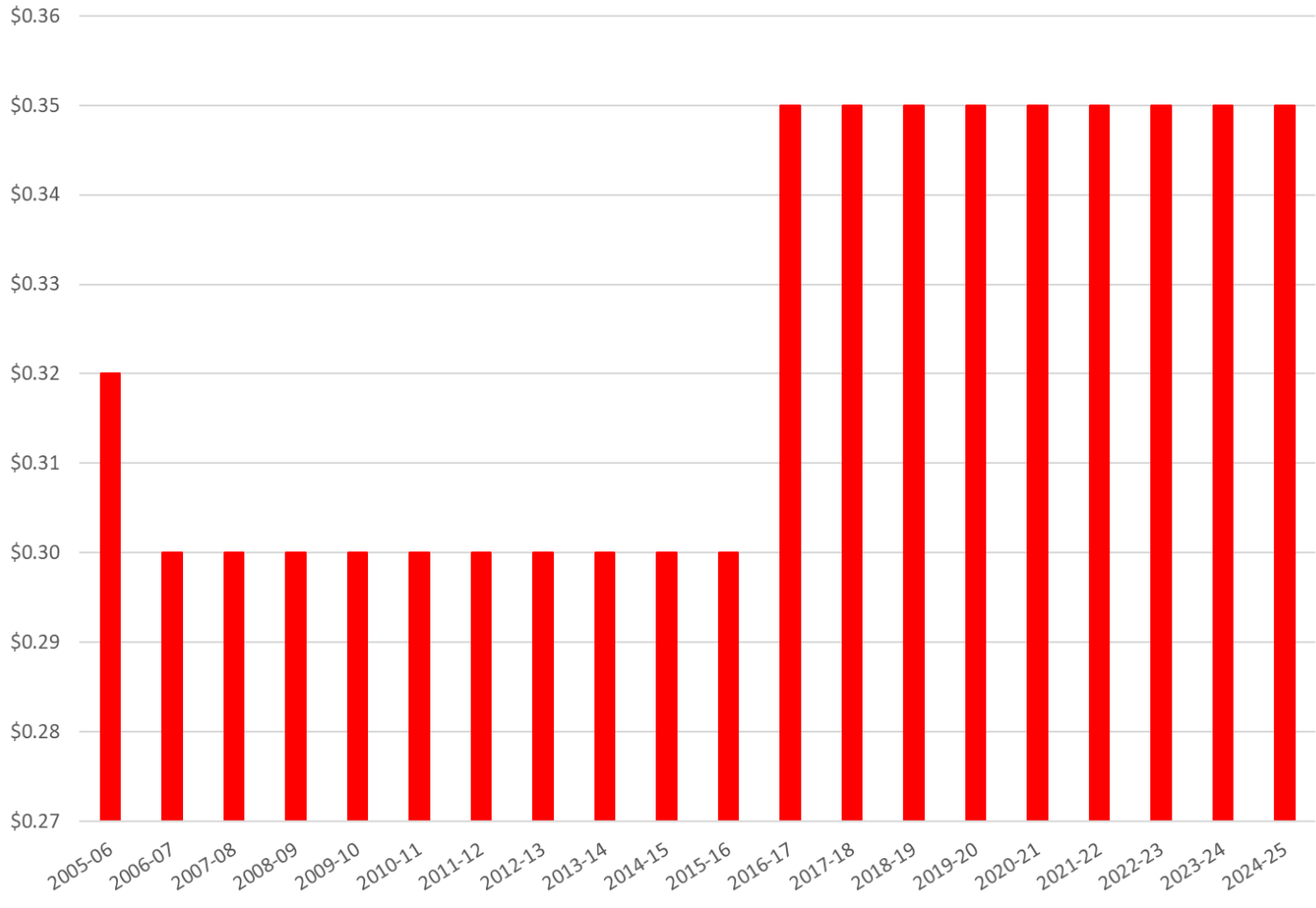
Maintenance & Operations Tax Rate



Tax rates rounded to 2 decimals

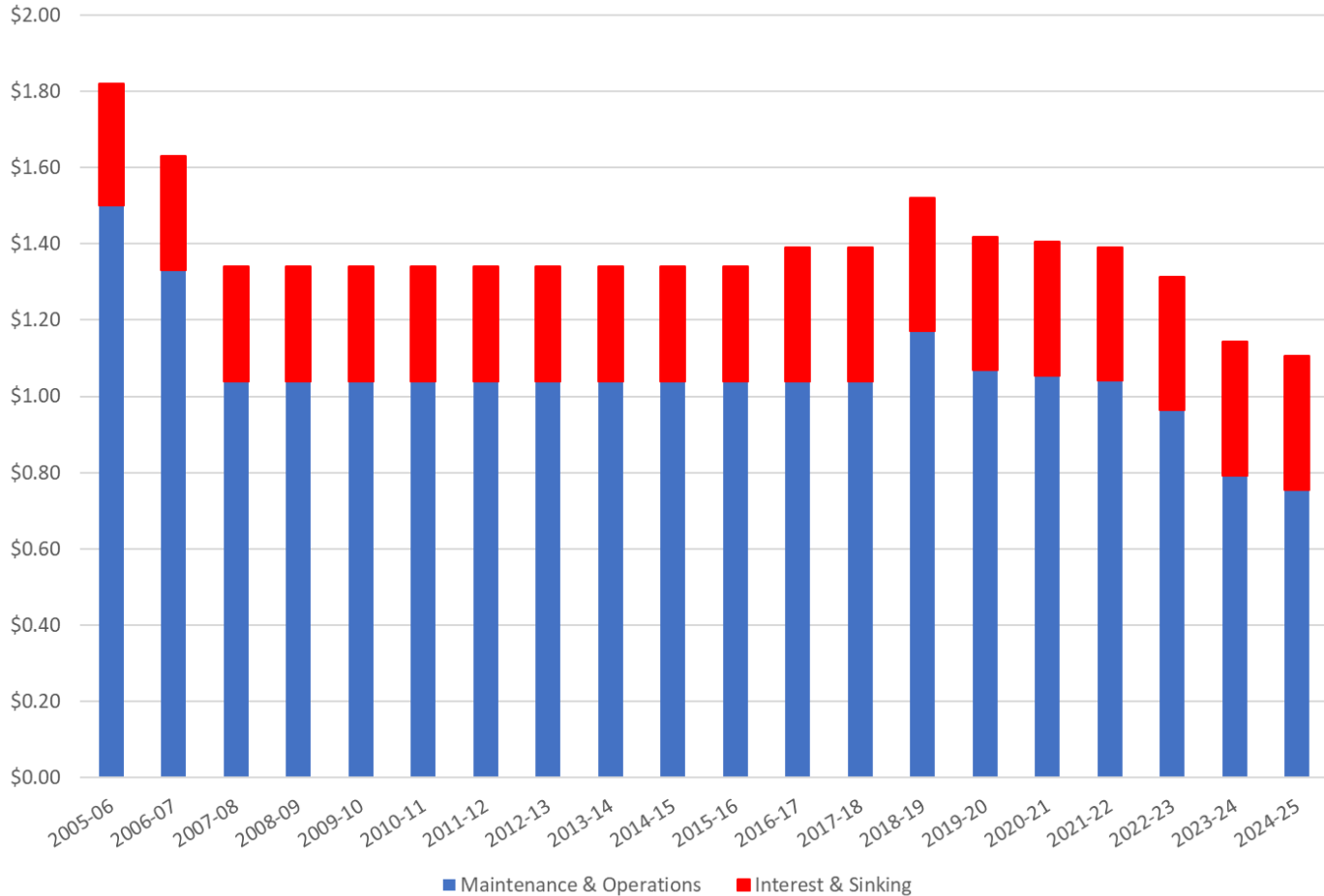
24-25 tax rate is proposed

Interest & Sinking Tax Rate



24-25 tax rate is proposed

Total Tax Rate



24-25 tax rate is proposed

Previous Bond Elections



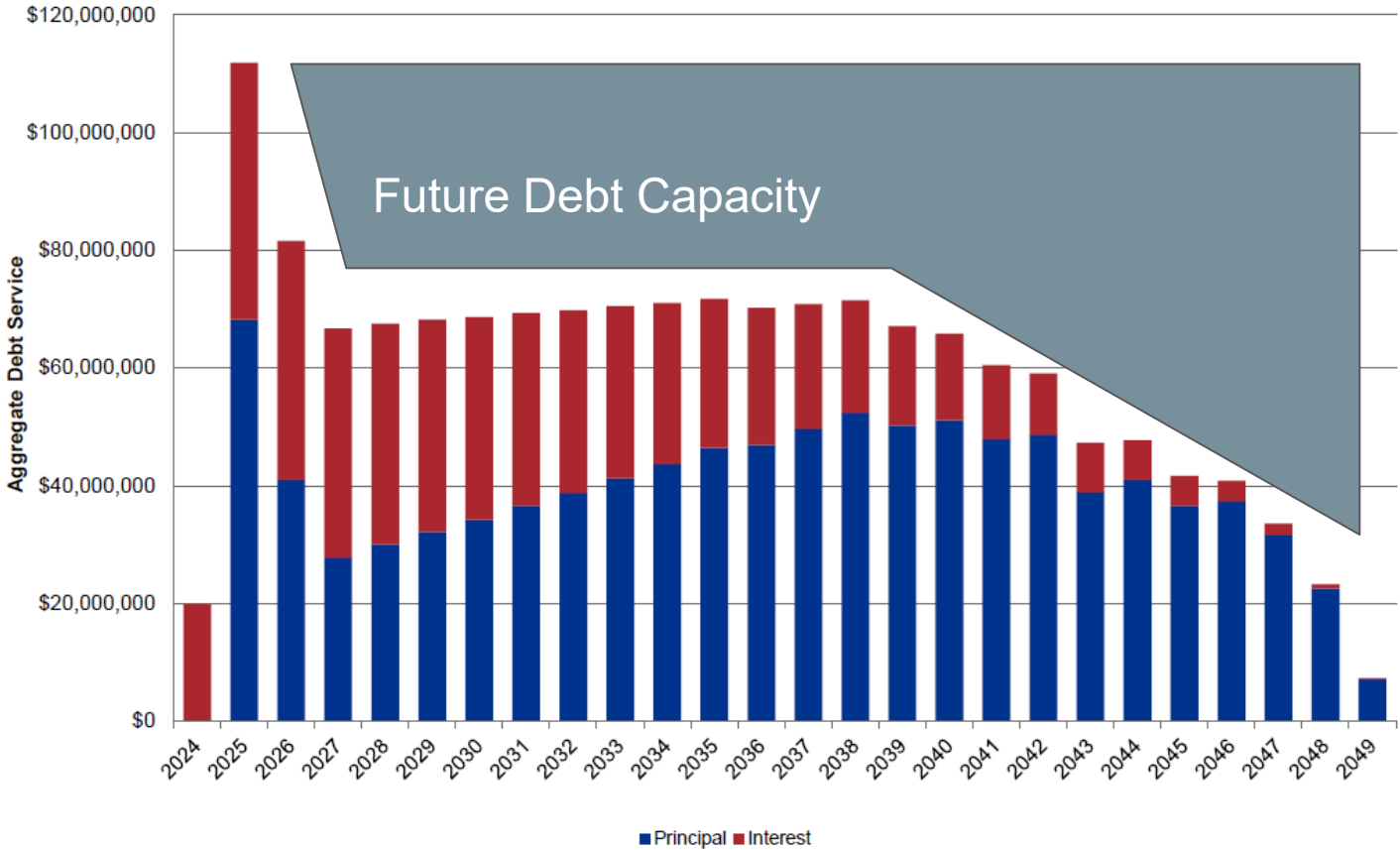
Year	Proposition	Amount	% In Favor
2021	General	\$694,000,000	63.1%
2021	Technology	\$56,000,000	63.2%
2016	General	\$437,085,000	66.98%
2011	General	\$170,000,000	72.56%
2006	General	\$145,435,000	76.4%
2001	General	\$351,670,000	85.8%
2001	Refund M&O	\$18,000,000	86.9%

2021 total of the 2 propositions = \$750M

**Richardson Independent School District
All Outstanding General Obligation Debt
As of July 1, 2024**

\$25M of bonds left to issue from the 2021 election.

\$73M of bonds callable in February 2025.



Other Bond Information



- Bonds issued with a 25 year life
- I&S tax revenue can only be used for bond repayment
- I&S tax revenue cannot be used for operating costs like salaries and utilities
- RISD has the highest bond rating given to Texas school districts by Moody's and S&P
 - Moody's - Aaa (only 7 districts in Texas have this rating)
 - S&P - AA+ (only 4 districts in Texas have this rating, S&P does not rate any Texas school district AAA)
- Bond elections can be held on the May or November general election dates

Voter Approval Tax Rate Election (VATRE)



- RISD voters approved a Tax Ratification Election in November 2018 increasing the Maintenance & Operations (M&O) tax rate from \$1.04 to \$1.17.
- The Texas Legislature passed HB3 in 2019 and began M&O tax rate compression.
- VATRE can only be held on November general election date
- Earliest possible VATRE is November 4, 2025

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
M&O	\$1.17	\$1.06835	\$1,0547	\$1.0409	\$0.9646	\$0.7931
I&S	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Total	\$1.52	\$1.41835	\$1.4047	\$1.3909	\$1.3146	\$1.1431

Voter Approval Tax Rate Election (VATRE)



- RISD can go to the voters only on the November general election date in a VATRE to request the voters approve an increase in the Maintenance & Operations tax rate of a maximum of \$0.0317
- Required to have an efficiency study performed by an external party
- Based on 24-25 data the passage of a \$0.0317 VATRE will provide the following estimated revenue increase

M&O Only	\$0.7552	\$0.7869	Change
Tax Revenue	\$237,236,995	\$248,194,545	\$10,957,550
State Revenue	\$124,381,432	\$123,865,246	(\$516,186)
Recapture	(\$5,537,876)	(\$8,586,392)	(\$3,048,516)
Net Revenue	\$356,080,551	\$363,473,399	\$7,392,848

What information do you want/need to provide feedback to answer the following questions

- Should RISD conduct a VATRE for the additional \$0.0317?
- Should RISD conduct a bond election earlier than May 2026?