

VOTER INFORMATION DOCUMENT¹
DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT – PROPOSITION A

Ballot Language – Dripping Springs ISD Proposition A (“Proposition A”)		
<input type="checkbox"/>	FOR) “THE ISSUANCE OF \$223,700,000 OF BONDS FOR THE DESIGN, CONSTRUCTION, ACQUISITION, CAPITAL IMPROVEMENT AND RENOVATION, AND EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT, INCLUDING A NEW ELEMENTARY SCHOOL CAMPUS, EXPANSION OF A CURRENT MIDDLE SCHOOL CAMPUS, DESIGN OF NEW ELEMENTARY SCHOOL, NEW MIDDLE SCHOOL AND NEW HIGH SCHOOL CAMPUSES, RENOVATIONS AND IMPROVEMENTS AT SCHOOL CAMPUSES, SAFETY AND SECURITY IMPROVEMENTS, AND VARIOUS SYSTEM INFRASTRUCTURE REPAIRS, REPLACEMENTS, AND IMPROVEMENTS, FOR THE PURCHASE OF NECESSARY SITES FOR SCHOOL BUILDINGS, AND FOR THE PURCHASE OF NEW SCHOOL BUSES, AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE.”
<input type="checkbox"/>	AGAINST	

Information Regarding the Debt Obligations (Bonds) Proposed Under Proposition A		
Principal Amount of the Debt Obligations Proposed Under Proposition A	Estimated Interest on the Debt Obligations Proposed Under Proposition A²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition A on Time and in Full
\$223,700,000.00	\$112,359,400.00	\$336,059,400.00

Information Regarding the Outstanding Debt Obligations (Bonds) of Dripping Springs ISD as of February 15, 2023³		
Principal Amount of the Outstanding Debt Obligations of Dripping Springs ISD	Estimated Remaining Interest on the Outstanding Debt Obligations of Dripping Springs ISD	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of Dripping Springs ISD on Time and in Full
\$255,349,935.40	\$130,562,096.08	\$385,912,031.48

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (Bonds) Proposed Under Proposition A
If the bonds authorized by Proposition A are approved, based on the assumptions set forth under “ <i>Assumptions Utilized in Calculating the Estimated Tax Impact</i> ” below, Dripping Springs ISD estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition A would be approximately \$0.00.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, Dripping Springs ISD intends to issue the bonds authorized by Proposition A in a manner and in accordance with a schedule to be determined by the Board of Trustees based upon a number of factors, including, but not limited to, the then-current needs of Dripping Springs ISD, demographic changes, prevailing market conditions, then-current market interest rates, the use of capitalized interest, availability of other revenue sources to pay debt service, assessed valuations of property in Dripping Springs ISD, tax collection percentages, and management of Dripping Springs ISD’s short-term and long-term interest rate exposure. The estimated tax impact is derived, in part, from projections obtained from Dripping Springs ISD’s financial advisor. Actual results may vary from the assumptions used in calculating the estimated tax impact. For the purposes of estimating the maximum annual increase in taxes identified in this table, Dripping Springs ISD utilized the following major assumptions:

- (1) Dripping Springs ISD has assumed the issuance of a single series of bonds issued in 2023. For the purposes of these projections, it has been assumed that bonds issued under Proposition A would be amortized over 30 years as shown in the following schedule.

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code. It is provided solely in satisfaction of the statutory requirements. The information contained in this Voter Information Document is based on certain assumptions, and actual results may vary from such assumptions. **The Voter Information Document is not intended to, and does not, create a contract with the voters.**

² Dripping Springs ISD has assumed the bonds will bear interest at an estimated rate of 4.00% based on current market conditions and the amortization schedule described in the Assumptions Utilized in Calculating the Estimated Tax Impact. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects Dripping Springs ISD’s outstanding debt obligations as of February 15, 2023, the date the Board of Trustees approved an order calling the election.

The following is an estimated pro forma amortization schedule based on these assumptions. It shows Dripping Springs ISD's currently outstanding bonds and the bonds authorized under Proposition A:

Calendar Year Ending	Outstanding Debt Service	Series 2023 Debt Service	Total Debt Service
2023	\$6,399,429	\$ -	\$6,399,429
2024	19,605,834	17,189,800	36,795,634
2025	17,265,134	27,373,700	44,638,834
2026	17,268,834	29,709,600	46,978,434
2027	19,850,759	22,001,300	41,852,059
2028	19,852,009	22,004,500	41,856,509
2029	19,850,884	22,007,000	41,857,884
2030	19,853,634	8,155,500	28,009,134
2031	19,846,466	8,155,500	28,001,966
2032	19,849,460	8,155,200	28,004,660
2033	19,851,724	8,159,300	28,011,024
2034	14,007,320	8,157,600	22,164,920
2035	14,009,796	8,155,000	22,164,796
2036	14,010,084	8,156,200	22,166,284
2037	14,012,222	8,155,900	22,168,122
2038	14,010,727	8,158,800	22,169,527
2039	14,009,031	8,159,600	22,168,631
2040	14,014,409	8,158,100	22,172,509
2041	14,010,784	8,159,000	22,169,784
2042	14,013,402	8,157,000	22,170,402
2043	14,012,862	8,156,800	22,169,662
2044	14,013,354	8,158,000	22,171,354
2045	8,074,250	8,155,300	16,229,550
2046	8,071,625	8,158,300	16,229,925
2047	8,076,125	8,156,600	16,232,725
2048	8,071,875	8,154,900	16,226,775
2049	-	8,157,700	8,157,700
2050	-	8,159,500	8,159,500
2051	-	8,155,000	8,155,000
2052	-	8,158,700	8,158,700
2053	-	8,160,000	8,160,000
	\$385,912,031	\$336,059,400	\$721,971,431

(2) Dripping Springs ISD has assumed the bonds would bear interest at an estimated rate of 4.00% for the bonds.

(3) Dripping Springs ISD has assumed that the taxable assessed value within Dripping Springs ISD will grow at a rate of 10% per year for years 2024 through 2027, followed by a growth rate of 8% per year for years 2028 and 2029, followed by a growth rate of 6% in 2030, followed by a growth rate of 4% in 2031, followed by a growth rate of 2% in 2032, followed by a growth rate of 1% per year for years 2033 through 2037, and then no growth for the remaining life of the bonds. Dripping Springs ISD has assumed a tax collection percentage of 99%.

(4) In calculating the tax impact on a residence homestead, Dripping Springs ISD applied the \$40,000 state mandated homestead exemption to the assessed valuation, resulting in a taxable assessed valuation of \$60,000 on a residence homestead with an appraised value of \$100,000. Dripping Springs ISD did not apply any other exemptions in connection with this calculation. A homeowner may qualify for exemptions not considered in calculating the tax impact, such as exemptions for the elderly and disabled.

(5) Based on the amortization schedule for Dripping Springs ISD's currently outstanding debt obligations and forecasted amounts of property tax revenue to be collected each year, Dripping Springs ISD estimates that the bonds to be authorized under Proposition A may be paid without an increase to Dripping Springs ISD's current tax rate.

(6) The estimated tax impact does not assume the availability of the Permanent School Fund Guarantee for the bonds issued under Proposition A.