

Dripping Springs ISD 2018 Bond Referendum Frequently Asked Questions

How is the district able to finance the bond without raising the tax rate?

Economic growth in the form of new construction and increased property values results in additional revenues from the same tax rate. The district is able to maintain the same tax rate to pay off existing bond issues and the projected cost of this bond.

If the tax rate stays the same, does that mean homeowners' tax bills will not increase?

No, the total amount of tax bills is a product of the tax rate and the certified property value (per \$100). A property owner's tax bill will increase if the assessed value increases or if the tax rate increases from one year to the next.

When property values increase, doesn't the district's revenue rise accordingly?

Yes and no. On the Debt Service side (I&S), rises in property values do lead to increased revenues. Those increased revenues can be used to retire existing debt early or fund principal and interest payments on new bond issues. The increased revenue from property values on the debt side are the reason the district can ask for voter approval on this bond without an increase on the tax rate. The taxes generated from the I&S tax rate are **not** subject to recapture so the district keeps **all** of those revenues.

On the Maintenance & Operations side (M&O), rises in property values lead to increased tax revenues; however these increases are offset by reductions in state aid and increases in recapture payments. Current state funding formulas for school districts take into account student numbers and revenues from tax collections and are structured such that districts do not fully benefit from increased property values.

Are all schools benefitting from the proposed package?

Yes, at least to some degree all schools will benefit, as technology and maintenance improvements touch all schools. Because Sycamore Springs Elementary and Sycamore Springs Middle School are new, there aren't any major projects at those campuses.

Where will Elementary #5 be built?

The location of Elementary #5 has not yet been determined, but the preferred area would be north of 290, between RR12 and Sawyer Ranch Road. The district is looking at options. The district also currently owns property at RR12 and E. Mt. Gainor Road (24 acres) and Sawyer Ranch Road and Darden Hill Road (155 acres). In addition, \$9 million for land acquisition is included in this bond.

What middle school would Elementary #5 attend?

Attendance zone decisions won't be determined until the year before the school opens (to have the most up-to-date demographic projections). However, with five elementary schools and

three middle schools, it is likely that until a third middle school is constructed, students at elementary #5 will matriculate to two different middle schools.

What happens if the bond is not approved?

Most likely, the long-range facility planning process will continue. Decisions will be made about another bond referendum, including what projects would be included and when it would occur. The planning work that was completed in the fall would provide the foundation for future discussions, and potentially save time in the process.

In terms of what it means at the campus level, school buildings generally can handle student enrollment of up to about 120 percent of the facility's capacity by using space differently and sometimes creatively! However, once enrollment surpasses that point, portable buildings would be leased or purchased and placed on school property to accommodate overflow.

What is the added cost for moving Walnut Springs and converting that building to an Admin Building vs. simply building a new Admin building?

Taking into consideration many factors, the difference is about \$9 million more to take the option included in the bond package (moving WSE campus, converting WSE to Admin) vs. building a new Administration Building. The bond option puts a majority of the dollars into building a new facility for Walnut Springs Elementary students, and spends much less money on building new administrative space.

Why build a new school for Walnut Springs Elementary when the current school is fine?

The idea for the proposed move to the DSMS site was built on the desire for combination campuses of elementary schools and middle schools where possible, the opportunity to obtain a new administration building without the cost of new construction, and recognition of the fact that development near WSE is surrounding that campus more tightly over time.

Isn't the space in Walnut Springs too large for admin building?

Plans called for 68,000 square feet for the Administrative Building and child care facility. The Walnut Springs building is 110,000 square feet, which opens up space for some other potential uses. Examples of potential use include: district professional development or community meeting space, expansion capabilities for the day care, future growth for office space among administrative departments, and the availability of space if all or some of the DSISD Maintenance Offices that are currently located behind Dripping Springs Middle School move to the more central location.

How will the new Walnut Springs Elementary building be designed in relation to Dripping Springs Middle School?

During the planning process, architects did some rough sketches to make sure that the WSE relocation was feasible. However, the actual design of the school has not occurred yet. It will be adjacent to the existing building but could be located in a few different areas. Part of the design process also will include determining how much shared space (like the kitchen) is possible.

Would DSMS-WSE be operated separately or as one school?

Dripping Springs Middle School and Walnut Springs Elementary will be separate schools, each with a front office, principal, etc. The model will be similar to how Sycamore Springs Elementary and Sycamore Springs Middle School operate.

Will capacity at Dripping Spring Middle School suffice until Middle School #3 is built?

The enrollment projections will be taken into consideration during the design process. As is the general practice, construction of new schools is timed so that existing schools reach 120 percent capacity before a new school is opened. DSMS currently is designed as a 1,200-student school so there likely will be modifications to convert it to an 850-student school.

What are advantages to having an elementary school and a middle school on the same property? What are the drawbacks?

Having a shared campus for elementary school and a middle school allows for collaboration opportunities between students and staff. Older students mentor younger students, younger students who are prepared for accelerated instruction have easy access to middle school courses, and elementary teachers and middle school teachers have frequent interaction to work on vertical alignment. In some cases, there is a potential cost savings by sharing certain facilities such as the kitchen, but these benefits are more likely to be seen with a new campus rather than the addition of one school adjacent to another existing structure as is proposed in this bond. Based on the Sycamore Springs experience, the drawbacks are mainly logistical, and will try to be addressed in the planning process: things like parking, traffic, and scheduling.

Would students at the stand-alone elementary schools be at a disadvantage?

It is true that, because the district does not need the same number of middle schools and elementary schools, some stand-alone elementary schools will exist. Each of these would be paired with a combination campus and students at the stand-alone schools would have opportunities for things like accelerated instruction at their corresponding middle school. This would also follow feeder patterns.

How does the proposed Dripping Springs TIRZ/Town Center project work into this plan?

Dripping Springs ISD is a partner in the TIRZ/Town Center project. Because most of the land proposed for the Town Center is owned by the district, DSISD's involvement is critical for the project. If the bond is approved and the administration building moves to the Walnut Springs campus, DSISD would be located on the edge of the Town Center, and remain as a partner with the City of Dripping Springs, the Dripping Springs Community Library, and Hays County. In fact, the DSISD administrative relocation would open up space in the Town Center complex to be used for other purposes.

Would DSISD sell the property where the current Administration Building is located if district offices moved into the repurposed Walnut Springs Elementary?

The district would lease the land, which would be a key parcel if the Town Center project becomes a reality. In addition to use by the city, county and library, there also is potential space

for commercial use, which could generate revenue for the district (and would not be subject to recapture).

Are security measures included in this bond package?

Security in schools is a priority in our district and DSISD has taken many steps in recent years, including several types of training for staff in emergency preparedness and response, coordination with local law enforcement and emergency responders, and improvements in security cameras, access systems, etc. DSISD does regular security assessments of all facilities. While there are no security-related items in the proposed bond package, the district would pay for security improvements separately.

Does the current bond address the decision to eventually move to a second high school?

No. The expansion of Dripping Springs High School to 2,500 students has been planned and will occur whether or not a second high school is eventually built. The one high school/two high school conversation will occur as part of the next planning cycle, probably in two-three years.

When the swap was done (2007 bond/2010 open) it was prompted by land limitations at current DSMS site; isn't that still an issue?

The amount of property for a combined campus of an elementary school and a middle school is not as large as what would have been required to expand the high school. The current Dripping Springs High School site is just over 100 acres and the DSMS property is 55 acres. Because the high school includes facilities such as the ag barn, baseball/softball complex, spaces for career technology like the auto shop, it requires a larger footprint. In addition, the high school has two full-size competition fields; the middle school only has one. In terms of projected student capacities for schools based on the proposed bond projects, the expanded DSHS would accommodate 2,500 students and the DSMS and WSE combined capacities would be 1,700 students.

Wasn't the turf at Tiger Stadium replaced a part of the 2014 bond program?

No, the stadium was built around an existing field. The turf at Dripping Springs Middle School was installed in 2008 and both turf fields at DSHS were installed in early 2010. The industry standard for useful life for turf is 8-10 years. If the bond is approved, the field at DSMS likely would be scheduled earlier than the field at DSHS. The timing of turf fields being replaced is based on useful life over the next four years.

Where would expansion to the high school be physically located?

When the high school-middle school swap occurred following the 2007 bond program, a future wing was planned connecting the end of the ag/auto tech building to the fine arts wing, basically closing off what currently is the open end of the courtyard. A two-story structure would provide the added classroom space that is proposed as part of the current bond program to bring classroom space to capacity for 2,500 students. In addition, the proposed package includes a "flex space" for wrestling, cheer and dance among other programs; the most likely location for that would be the grassy area at the corner of the building to the right of the flagpole if facing the school.

How does opening a new school impact operating costs for the district?

Just as was done with the opening of Sycamore Springs Elementary and Sycamore Springs Middle School in 2017, the district plans for increased operating costs for new buildings. While many teachers come from other schools, some would need to be hired, in addition to positions like the principal, counselor, registrar, nurse, etc. Support personnel like Child Nutrition staff and custodians would be added too. Other new costs include utilities and supplies. These expenditures come from the district's General Fund (M&O side of the tax rate).

Is revenue collected on the I&S or Debt Service side of the tax rate subject to recapture?

No, all revenue collected from the \$.35 cents of the I&S tax rate is earmarked to repay debt and remains in the district and is used solely for that purpose. Revenue from the Maintenance and Operations side of the tax rate is subject to recapture; in 2017-18 DSISD is expected to send \$5.2 million in tax revenues back to the state.

How much can property owners expect the school district portion of their tax bill to increase in the future?

Approval of the bond is not expected to raise the current tax rate. Therefore, any increase in actual tax bills would be due to increases in taxable property values. Property values have increased the last four years and based on current projections, this trend is expected to increase.

What was the outcome of the 2014 bond program?

The \$92.4 million bond package that was approved by voters in May of 2014 is essentially complete. It was completed on time and on budget. Major projects included the construction of Sycamore Springs Elementary and Sycamore Springs Middle School, construction of Tiger Stadium around the existing competition field, construction of the Tiger baseball/softball complex, technology upgrades, and maintenance improvements.

Will lessons learned from the Sycamore Springs combined campus model be applied to planning future combined campuses?

The Sycamore Springs Elementary/Middle School concept was a fairly novel concept and a first for DSISD. Many features that were incorporated into the design have been very positive additions to the learning environment. However, some logistical challenges have occurred, including parking and traffic. The experience and knowledge gained through the design and construction process of Sycamore Springs all will be valuable if this combined campus model is replicated.

Will there be more bonds proposed in the future and what would they include?

The proposed 2018 bond will not cover anticipated growth beyond the year 2023. Many factors will determine the timing, scope, and size of future bonds. Based on projected growth in student enrollment, it is likely that new facilities at all levels (elementary, middle high school) will be addressed the next round of facility planning/bond program.

Were there items discussed by the steering committee that were left out of the final bond package?

Yes, the Bond Steering Committee started with a list of close to \$170 million and set priorities in order to reduce the total package to \$132 million.

What would the length of the bonds be?

Bonds would range in maturity length with the max being 30 years. (Majority would be structured to mature in 25 or 30 year increments.)

Can bonds be paid off early?

Bonds can be paid off early when the call date is reached or through redemption. The latest tax law changes now prohibit advance refundings or the paying off of debt prior to the call date.

What is the district's total debt?

The district's total outstanding debt (principal/interest) is \$270,270,775.

What other property is owned by the district?

DSISD currently owns two parcels of land: 150 acres at the intersection of Sawyer Ranch Road and Darden Hill Road (on the south side of Darden Hill Road) and 24 acres northwest of the intersection of RR12 and Mt. Gainor Road.