

KILLEEN ISD

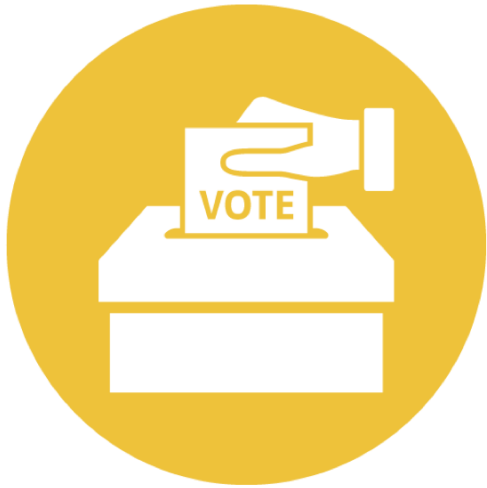


2018 BOND

**The Killeen ISD
Board of Trustees
unanimously approved
calling a \$426 million
bond election, consisting
of two propositions, to be
held on May 5, 2018.**



What is a bond?



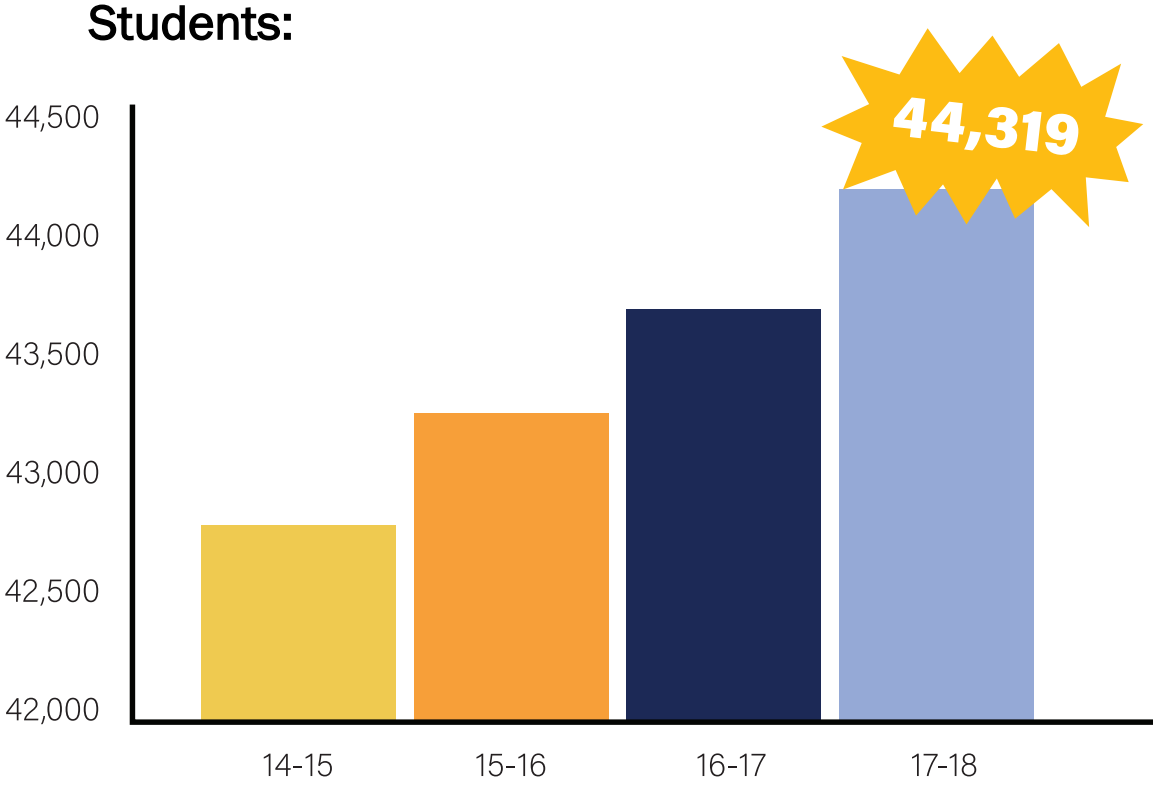
- A bond is similar to a home mortgage. It is a contract to repay borrowed money with interest over time.
- Bond elections allow communities to vote to give the Board of Trustees authority to sell bonds to pay for items such as new school construction, renovations, capital projects, and land acquisition.
- By law, bonds are not allowed to be used for general operation budgets or salaries.



How Did We Arrive Here

Background on the Process

KISD Demographics



44,319 Students

26th largest school district in Texas

7,000+ Employees

2nd Largest Employer in area

- Federally Connected – 39%
- Student Mobility – 28.5%



KISD Bond History

- Killeen ISD's last bond was 16 years ago.

1975

\$8.275 million

1988

\$21 million

1992

\$46.325 million

1998

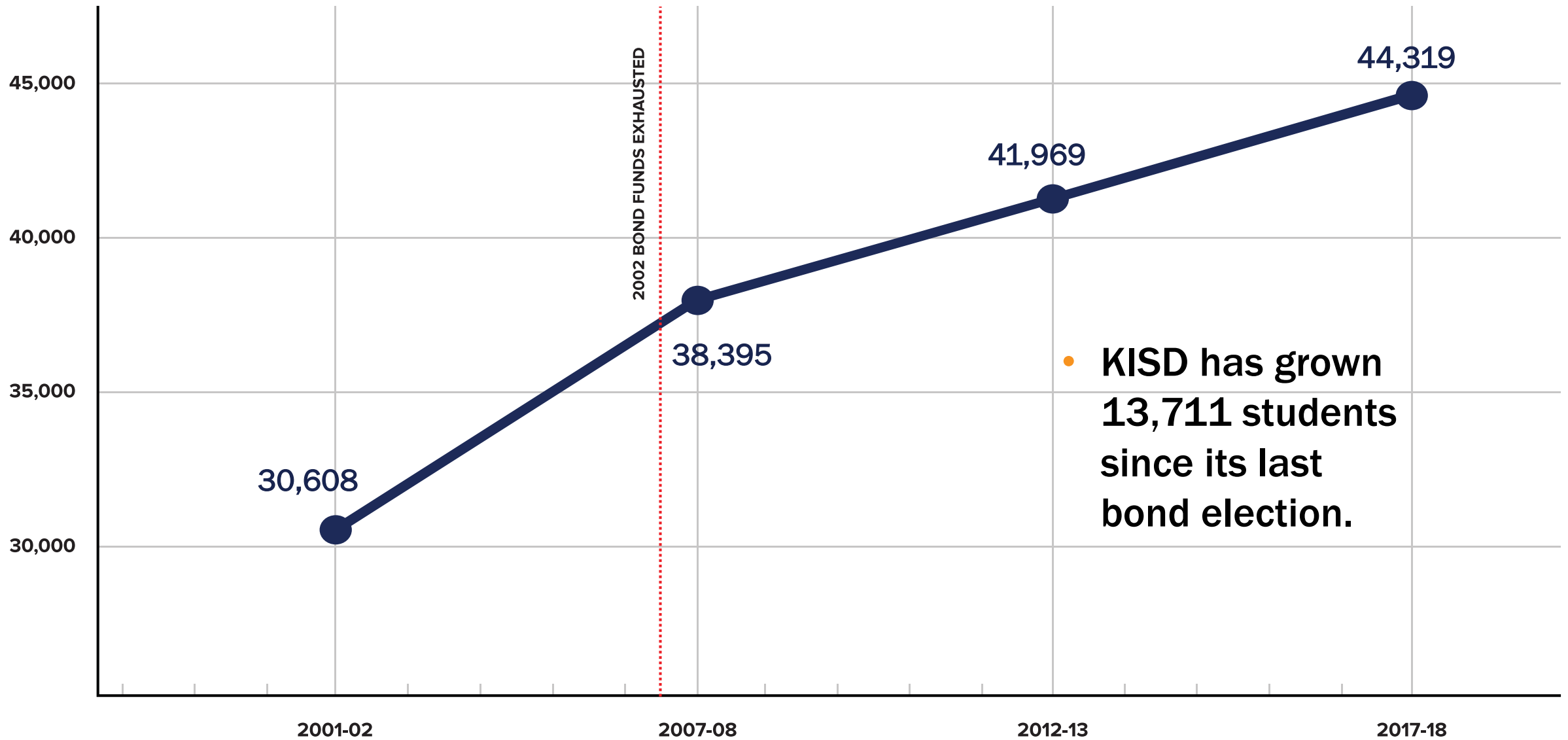
\$80.285 million

2002

\$98.72 million

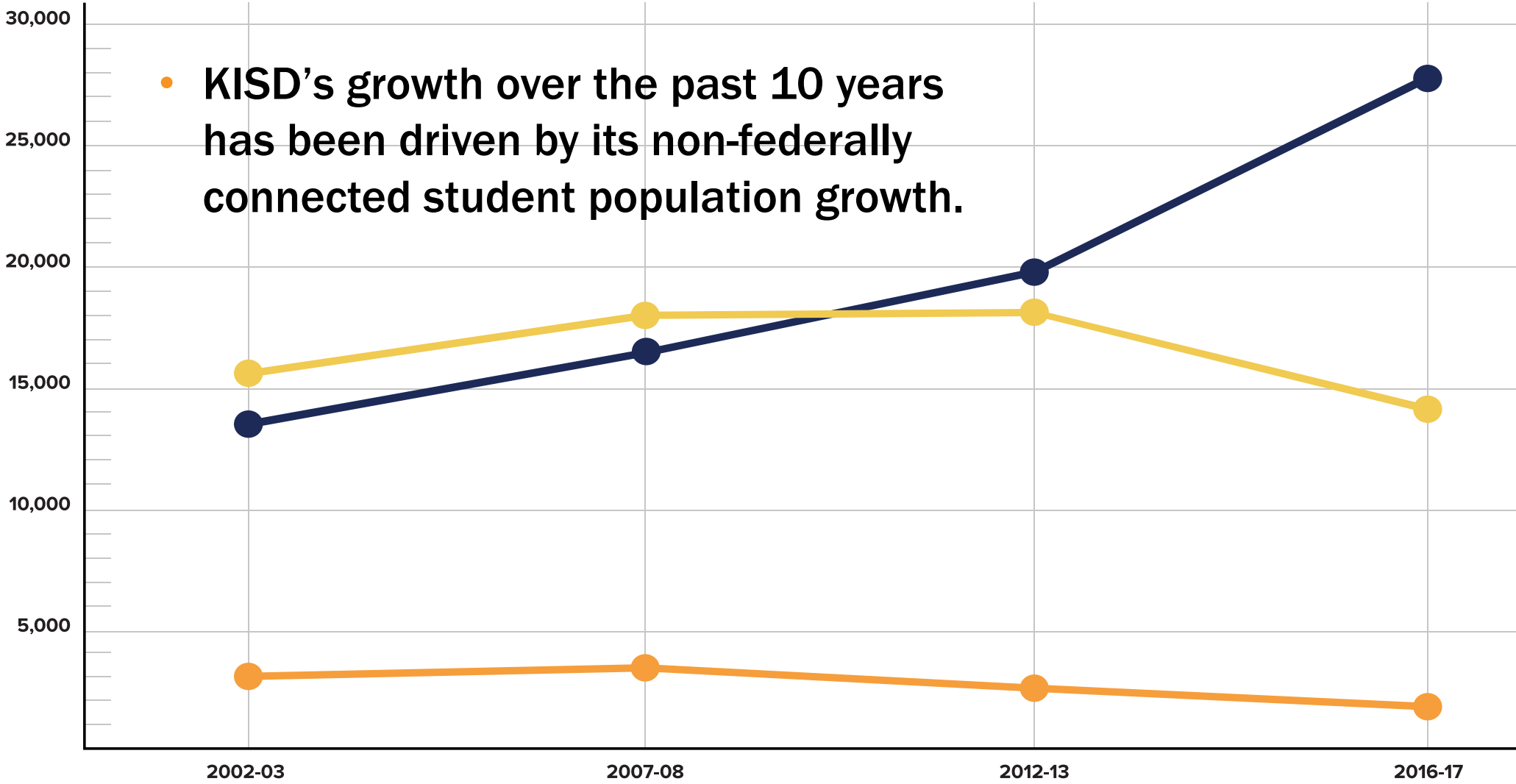


Student Enrollment Growth

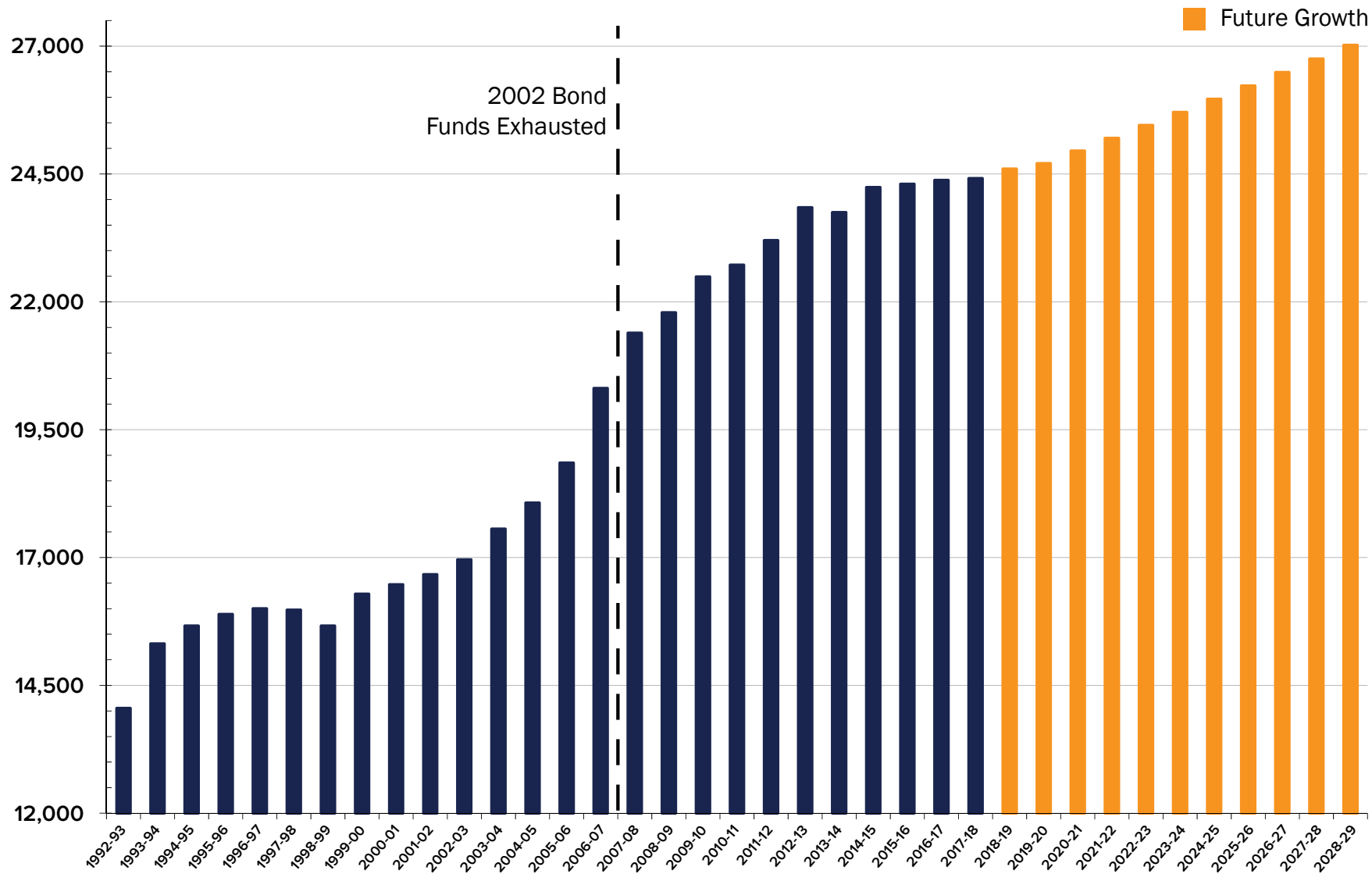


Historical Enrollment by Military Affiliation

● ACTIVE DUTY ● CIVILIAN WORKER ON FEDERAL PROPERTY ● CIVILIAN, NON-FEDERAL

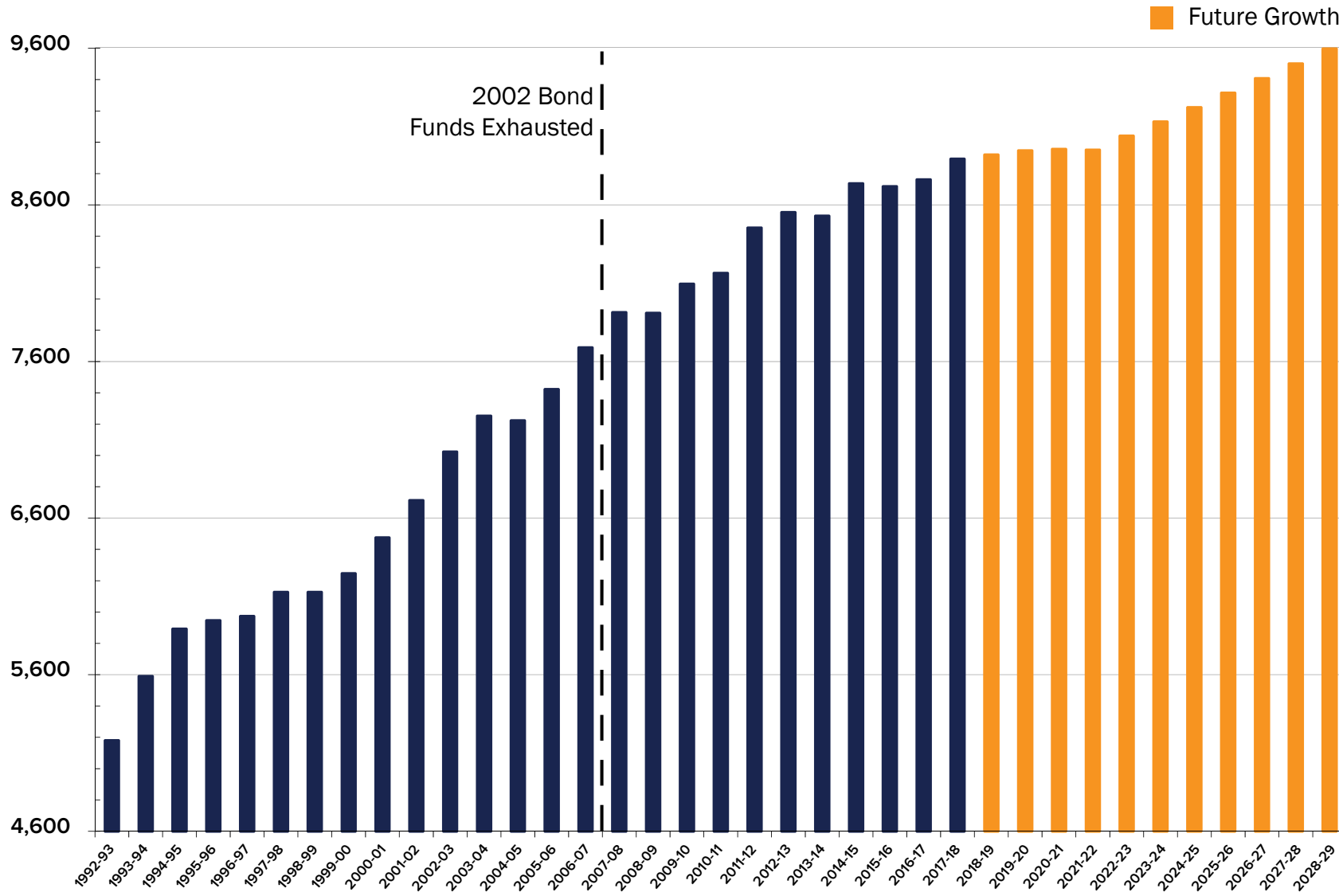


Elementary Historical & Projected Enrollment



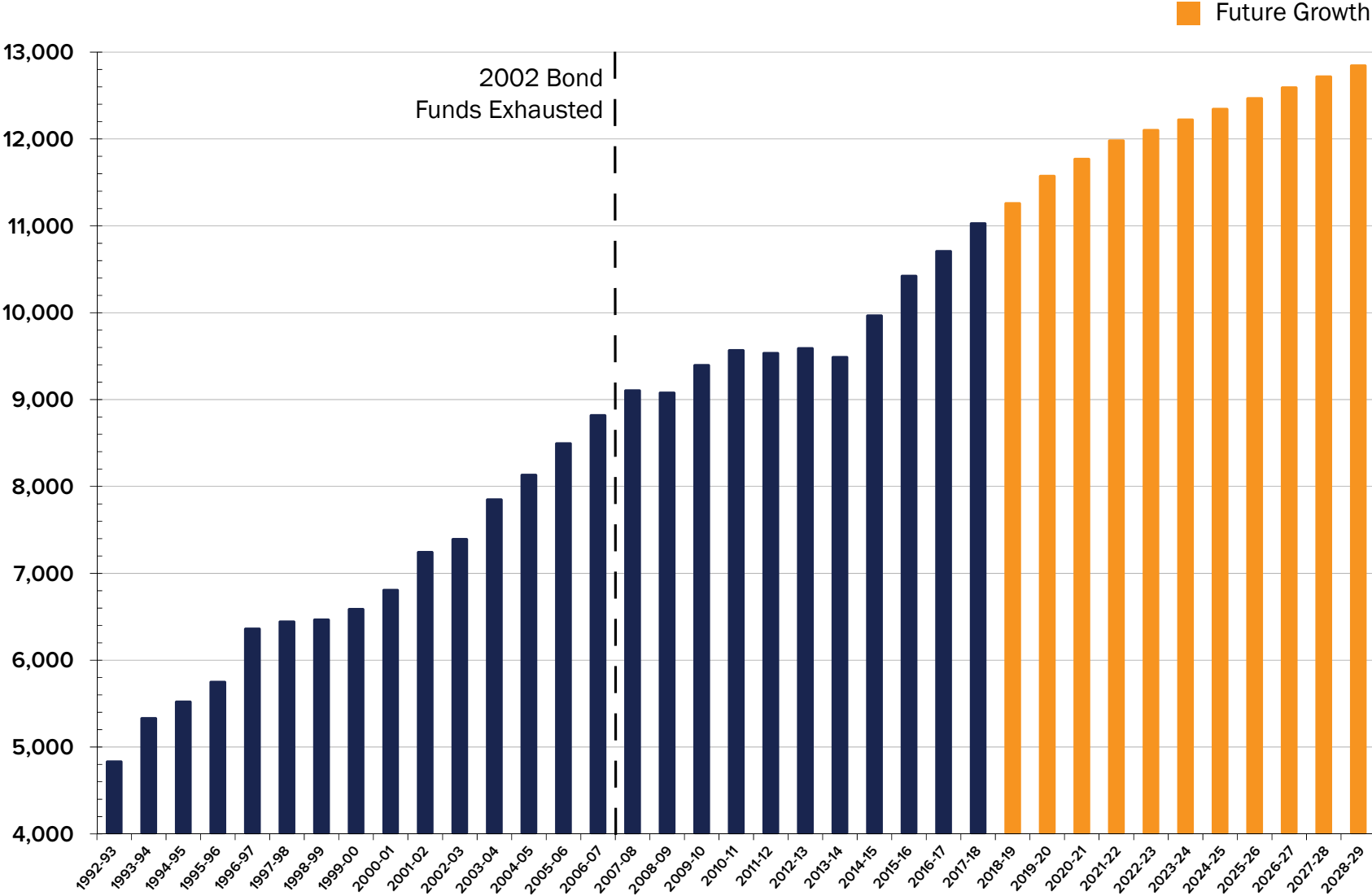
- Grown by **4,106** elementary students since 2007-08
- Projected to grow by an additional **2,338** students in the next 10 years

Middle School Historical & Projected Enrollment



- Grown by **1,205** middle school students since 2007-08
- Projected to grow by an additional **609** students in the next 10 years

High School Historical & Projected Enrollment



- Grown by **2,209** high school students since 2007-08
- Projected to grow by an additional **1,690** students in the next 10 years

Projects Completed From Designated Fund Balance

- **Total Completed Since 2002 Bond Funds Exhausted: \$232.5 million**

2017	Roy J Smith MS	2011	Pathways HS
2017	Alice W Douse ES	2011	Technology Bldg
2015	Satellite Transportation	2011	Timber Ridge ES Addition
2014	Mt View ES Addition	2011	Kitchen Additions & Renovations
2014	New Fowler ES	2010	Willow Springs ES Addition
2014	Warehouse Addition	2009	Cavazos ES
2013	HS Science Labs (\$5.5mm grant)	2009	KHS Addition
2013	Reeces Creek ES Addition	2009	Patterson MS
2012	Career Center	2008	Bus Maintenance Facility
2011	New Haynes ES	2007	Iduma ES Addition
		2007	New Meadows ES (half funded)



Current Portable Classroom Buildings

232 portable buildings (some of them doubles) for a total of 290 total portable classrooms district-wide

Elementary
133 Portable Classrooms

Middle
69 Portable Classrooms

High
59 Portable Classrooms



High School Population

- Despite efforts to alleviate crowding at the high schools by opening the Early College High School and Career Center, 3 of the district's 4 comprehensive high schools are over capacity.

	Ellison HS	Harker Heights HS	Killeen HS	Shoemaker HS
Planning Capacity	2,179	2,011	2,275	2,011
17-18 Enrollment Snapshot <i>without ECHS or Career Center students</i>	2,278	2,337	2,179	2,062
Available Capacity	-99	-326	96	-51
# Portable Classrooms	17	14	5	9



Planning for the May 2018 Bond

- KISD completed the following over a multi-year process

**Comprehensive
Facilities
Assessment**

**Student Enrollment
Growth Study**

**Academic Strategic
Planning with the
Community**

**Financial Analysis of
District & Potential
Bond Issuance**

**Scientific
Community Opinion
Survey**

**Citizen's Bond
Steering Committee
Process &
Recommendation**



Bond Steering Committee



- Diverse cross-section of residents and taxpayers charged to study the needs of the district and make recommendations to the Board of Trustees
- Met four times for approximately 2-2.5 hours each
- Rotated locations throughout the district to see various campus types, ages and conditions first-hand
- Meetings were open to the public and all meeting content was posted to www.KilleenISDBSC.org



The Bond Steering Committee Process

The Committee engaged in discussions about:

Existing Facility
Conditions

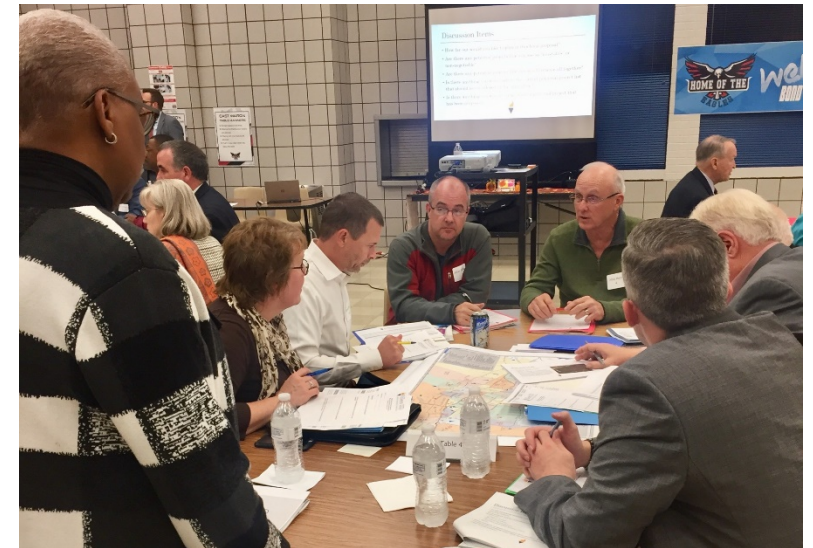
Demographics
and Enrollment
Projections

School Finance

Bonding
Capacity &
Impact of
Potential Bond

Results of a
Community
Opinion Survey

Building Needs,
Potential
Solutions & Cost
Analysis



Upon completion of their analysis and prioritization of needs, members reached unanimous consensus on a recommendation to the Board of Trustees to call for a bond election for \$426 million.



What's Proposed



The Bond Proposal

May 2018 Bond Proposal

A

Proposition A

- \$235,000,000
- Addressing Safety, Security and Accessibility and Providing New Schools for Growth

B

Proposition B

- \$191,000,000
- Addressing Existing District Facilities through Renovations and New School Replacements

Total Bond Proposal: \$426,000,000



District-wide Safety, Security & Accessibility



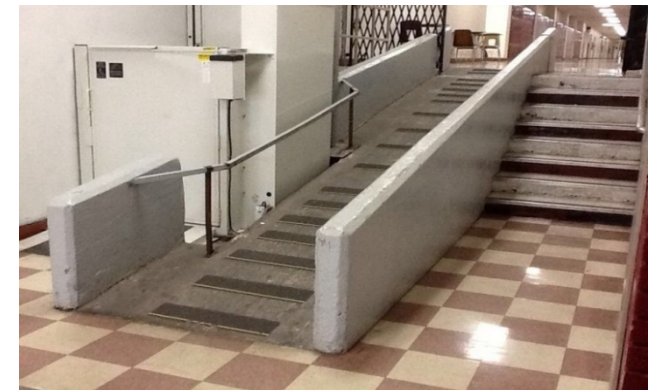
SAFETY & SECURITY: \$4,250,000

- Upgrades to existing facilities to address student and teacher safety and security including improved intercoms, controlled access devices, perimeter fencing and shade structures for outdoor play at elementary schools



ACCESSIBILITY: \$14,750,000

- Upgrades to existing facilities to meet compliance with the Americans with Disabilities Act including renovations to ramps, entrances, door hardware and restrooms



New Schools for Growth

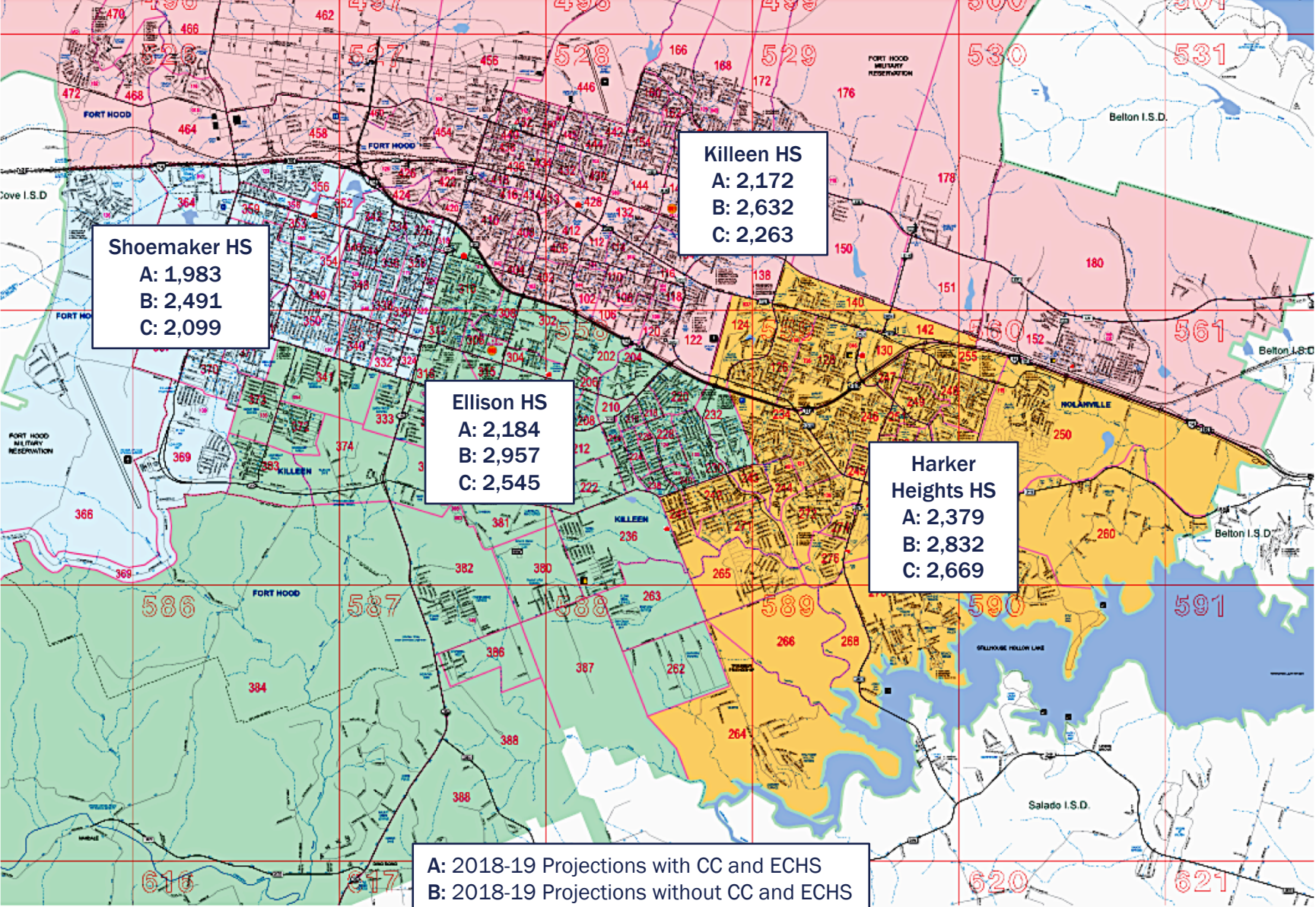


NEW HIGH SCHOOL #6: \$171,000,000

- Planning Capacity: 2,500
- Grades: 9-12
- Comprehensive Campus with Potential STEM Programming
- Targeted Opening Date: 2022
- To be located on district-owned property on Chaparral Road



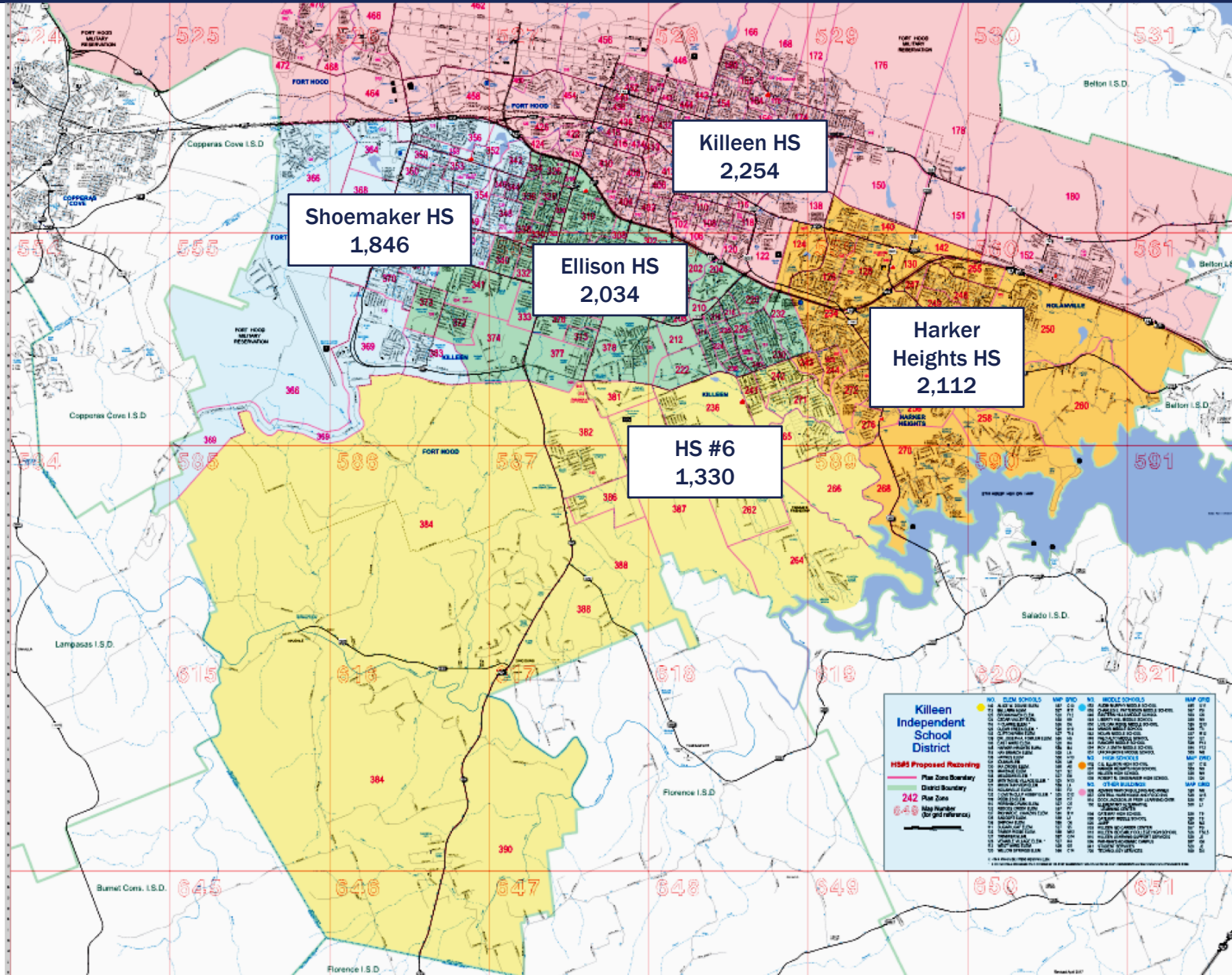
Projected Numbers in Current High School Zoning



A: 2018-19 Projections with CC and ECHS
 B: 2018-19 Projections without CC and ECHS
 C: 2022-23 Projections with CC and ECHS



Potential Zoning with Proposed HS #6 and 2022-23 Estimates



NEW ELEMENTARY SCHOOL #36:

\$45,000,000

- Planning Capacity: 1,050
- Grades: Pre-K through 5th
- Targeted Opening Date: 2022
- Location to be determined



New Replacement Schools



NEW EAST WARD & WEST WARD ELEMENTARY CONSOLIDATION: \$44,000,000

- Construction of a new elementary school on the existing East Ward site to serve East Ward & West Ward students
- Fairway to temporarily house East Ward students during construction
- Planning Capacity: 1,050
- Grades: Pre-K through 5th
- Targeted Opening Date: 2021



East Ward ES AGE: 65 | CAPACITY: 610 | PORTABLES: 5



West Ward ES AGE: 64 | CAPACITY: 600



New Replacement Schools



NEW PERSHING PARK, SUGAR LOAF & PARTIAL BELLAIRE ELEMENTARY CONSOLIDATION: \$51,000,000

- Construction of a new elementary school to serve Pershing Park, Sugar Loaf and partial Bellaire students
- New school constructed on the existing Pershing Park site next to the existing campus
- Planning Capacity: 1,050
- Grades: Pre-K through 5th
- Targeted Opening Date: 2021



Pershing Park ES AGE: 55
CAPACITY: 704 | PORTABLES: 9



Sugar Loaf ES AGE: 52
CAPACITY: 487 | PORTABLES: 2



Bellaire ES AGE: 51
CAPACITY: 595 | PORTABLES: 7



Renovated Schools



CLIFTON PARK ELEMENTARY ADDITIONS & RENOVATIONS & PARTIAL BELLAIRE ELEMENTARY CONSOLIDATION: \$21,000,000

- Classroom additions to replace portable buildings and to accommodate additional students, including about 300 students from Bellaire
- Major interior and exterior renovations including building system replacements, interior finish replacements, site improvements and code compliance upgrades
- Use Nolan MS as temporary swing campus
- Targeted Opening Date: 2021



Clifton Park ES AGE: 55
CAPACITY: 704 | PORTABLES: 8



Bellaire ES AGE: 51
CAPACITY: 595 | PORTABLES: 7



Renovated Schools

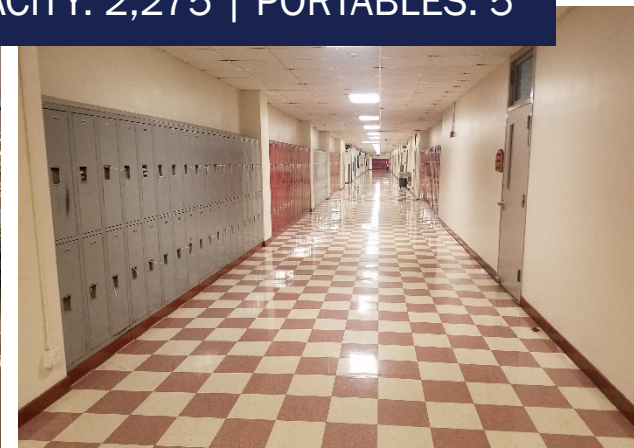


KILLEEN HIGH SCHOOL ADDITIONS & RENOVATIONS: \$75,000,000

- Classroom additions to replace portable buildings
- Major interior and exterior renovations including building system replacements, interior finish replacements, site improvements and code compliance upgrades
- Programmatic expansions to improve equity and efficiencies
- Targeted Completion Date: 2021



Killeen HS AGE: 53 | CAPACITY: 2,275 | PORTABLES: 5



May 2018 Bond Proposal

Proposition A	\$235,000,000
District-wide Safety, Security & Accessibility	\$19,000,000
New High School #6	\$171,000,000
New Elementary School #36	\$45,000,000
Proposition B	\$191,000,000
New East Ward & West Ward Elementary Consolidation	\$44,000,000
New Pershing Park, Sugar Loaf & Partial Bellaire Elementary Consolidation	\$51,000,000
Clifton Park Elementary Additions & Renovations & Partial Bellaire ES Consolidation	\$21,000,000
Killeen High School Additions & Renovations	\$75,000,000
Total Bond Proposal	\$426,000,000

Proposed costs are estimated turnkey project budgets and include escalation, soft costs, furniture, and more.



Official Ballot

KILLEEN INDEPENDENT SCHOOL DISTRICT - PROPOSITION A

[Addressing Safety, Security and Accessibility and Providing New Schools for Growth]

- FOR) The issuance of \$235,000,000 school building bonds for the
) construction, acquisition and equipment of school
) buildings in the District, including high school and
) elementary school buildings, District-wide Americans with
) Disabilities Act upgrades and safety and security upgrades,
) and the purchase of the necessary sites for school buildings,
) and levying of the tax in payment thereof
- AGAINST)

KILLEEN INDEPENDENT SCHOOL DISTRICT - PROPOSITION B

[Addressing Existing District Facilities through Renovations and New School Replacements]

- FOR) The issuance of \$191,000,000 school building bonds for the
) construction, acquisition and equipment of school
) buildings in the District, including the rehabilitation,
) renovation, expansion, improvement and consolidation of
) District facilities, and levying of the tax in payment thereof
- AGAINST)



Approximate Portable Classroom Decommissioning

Elementary

**24 of Current 133
Portable
Classrooms**

Middle

**55-60 of Current
69 Portable
Classrooms**

High

**45-50 of Current
59 Portable
Classrooms**



Potential Project Timeline

PLANNED OPENINGS

Fall 2018	Spring 2019	Fall 2019	Spring 2020	Fall 2020	Spring 2021	Fall 2021	Spring 2022	Fall 2022
ECHS Year 4 Begins Ag Science Barn		ES #35		MS #14	New East Ward & West Ward Consolidation Clifton Park Additions & Renovations & Partial Bellaire Consolidation	Killeen HS Additions & Renovations New Pershing Park, Sugar Loaf & Partial Bellaire Consolidation		HS #6 ES #36

KEY Funded with Designated Fund Balance

Proposed May 2018 Bond Projects



How It's Financed

Tax Information

Current KISD Tax Rate FY 2018

Maintenance & Operations (M&O)

Daily operations:
teacher salaries, electricity,
fuel, supplies, etc.

83 percent of the district's
M&O budget goes to
personnel salaries and
related costs.

Interest & Sinking (I&S)

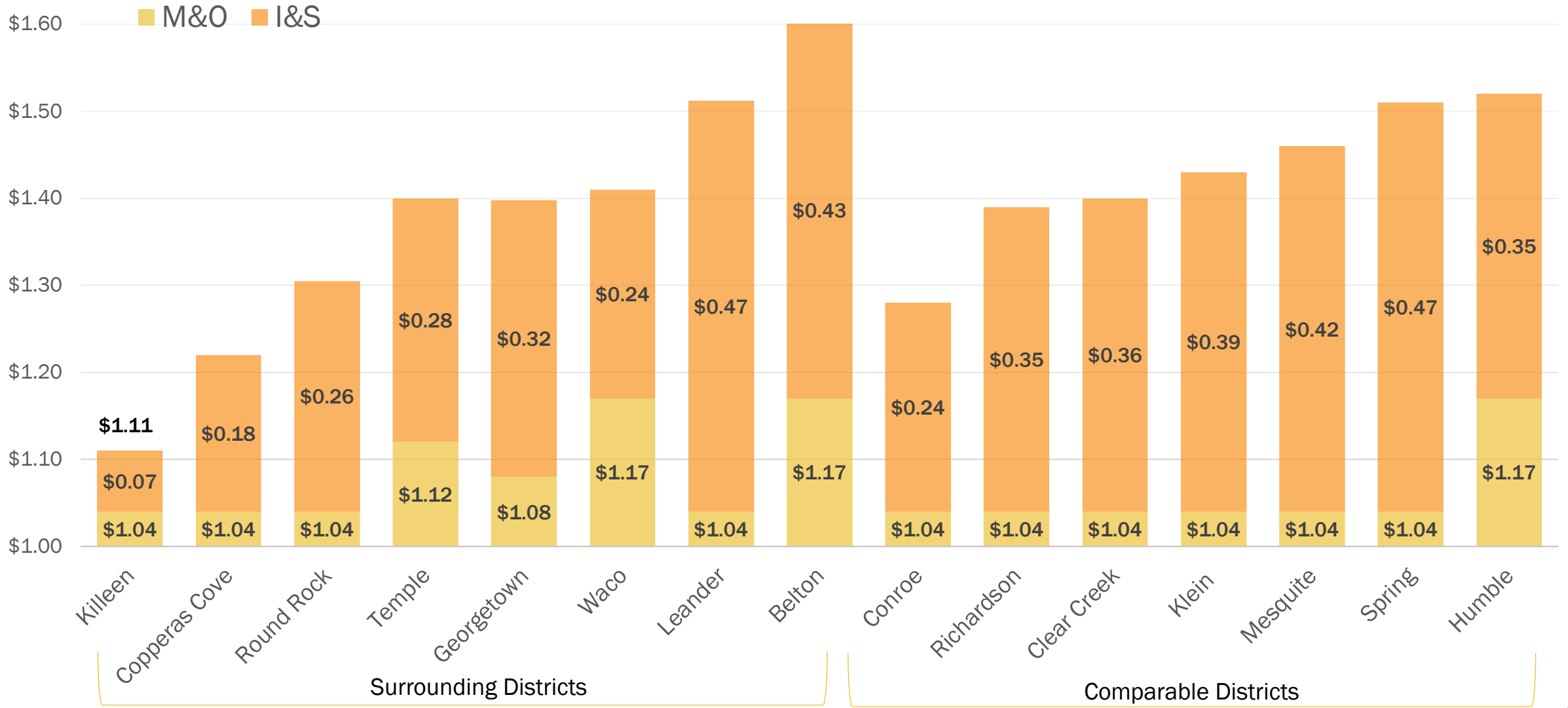
Used for debt repayment;
bond elections only
affect this rate.

I&S funds cannot by
law be used to pay
M&O expenses.

$$\begin{array}{r} \text{M\&O} \\ \text{TAX RATE} \\ \hline \$1.04 \end{array} + \begin{array}{r} \text{I\&S} \\ \text{TAX RATE} \\ \hline \$0.07 \end{array} = \begin{array}{r} \text{TOTAL} \\ \text{TAX RATE} \\ \hline \$1.11 \\ \text{per \$100 of taxable} \\ \text{property value} \end{array}$$



Tax Rate Comparison



State Funding for Debt Service

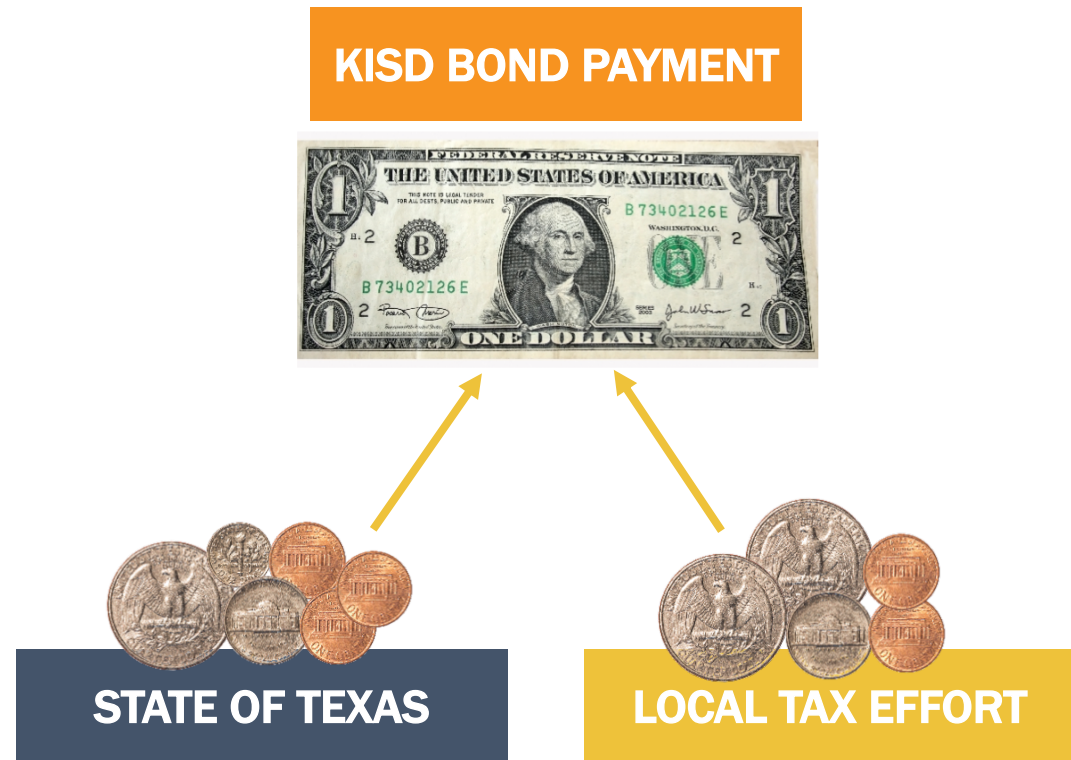
- **Instructional Facilities Allotment (IFA)**

For 2017 biennium, local tax values must be below \$350,000 per student in average daily attendance (ADA) for the District to receive IFA, paid up to \$250 per ADA. KISD's local tax value is approximately \$175,000 per ADA.

- **Existing Debt Allotment (EDA)**

Currently, the guaranteed yield for EDA provides \$35 per student in ADA per penny of tax effort and is eligible for up to 29 cents on the debt service tax rate.

KISD expects to receive 43 cents per \$1 in debt service from the state if a potential bond program is approved.



Tax Rate Analysis

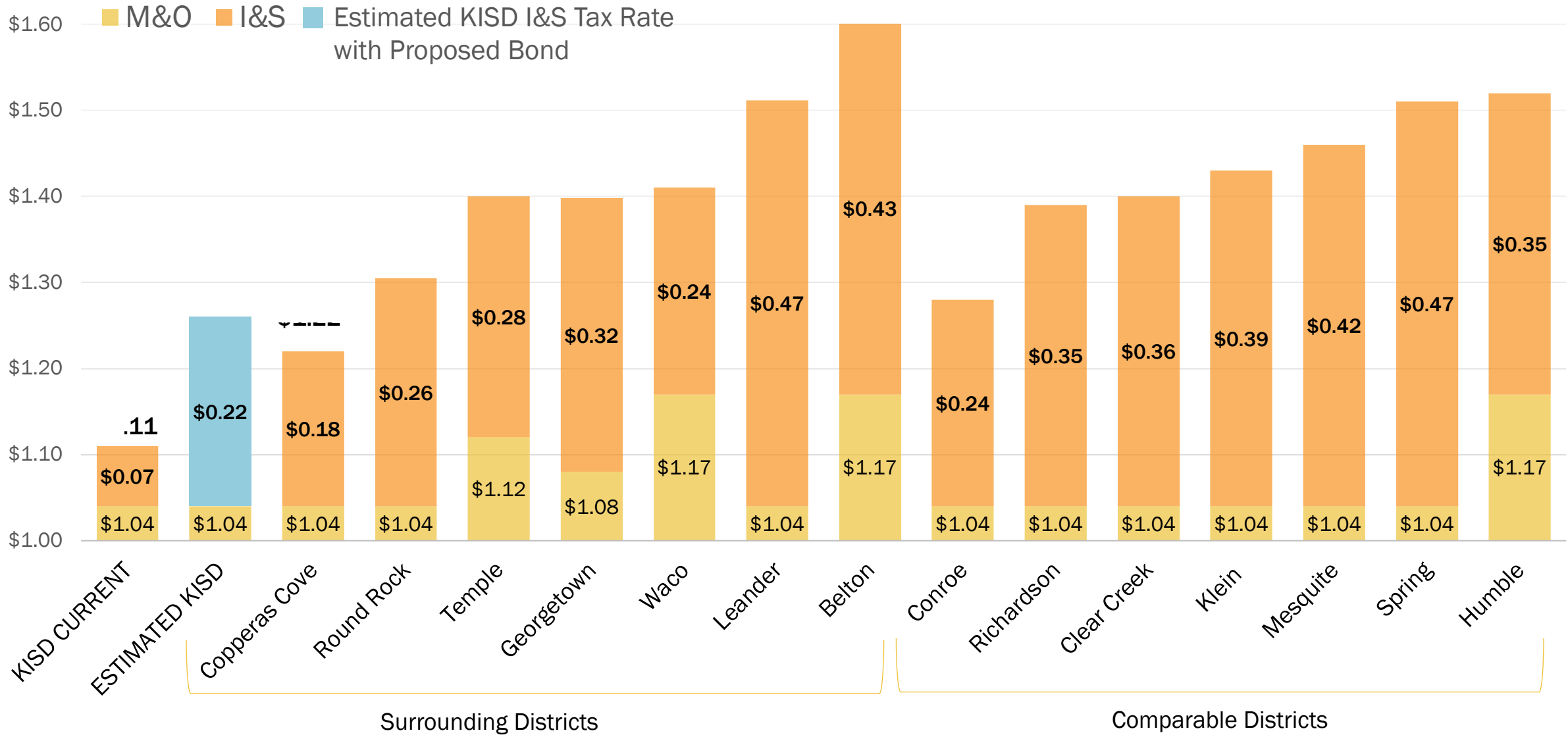
The estimated maximum tax impact of a \$426 million bond would be 15 cents for a total I&S rate of 22 cents, and an overall total tax rate of \$1.26.

	<u>Total Proposal</u> \$426 million	Proposition A \$235 million	Proposition B \$191 million
Estimated I&S Tax Rate Increase – 2018/19	\$0.15	\$0.083	\$0.067

Analysis assumes EDA funding, an amortization period of 25 years and an interest rate of 4.72% (1% above current market rates).



Estimated Tax Rate in Comparison to Other School District Tax Rates



Estimated Tax Impact

Market Home Value	Estimated Monthly Tax Impact for Total Proposal*
\$100,000	\$9.38
\$143,000 (Approx. KISD Average)	\$14.75
\$150,000	\$15.63
\$200,000	\$21.88
\$250,000	\$28.13
\$300,000	\$34.38

*Assumes \$25,000 Homestead Exemption



Homeowners Age 65 & Over

- Killeen ISD property taxes for citizens age 65 or older would not be affected by the bond election as a result of the tax ceiling **.
- Under state law, the dollar amount of school taxes imposed on the **residence homestead** of a person 65 years of age or older cannot be increased above the amount paid in the first year after the person turned 65, **regardless of changes in tax rate or property value** *.

*Exception if improvements are made to the residence homestead

**Taxpayer will need to file for the (over 65) Homestead Exemption



Cast Your Vote



Voting Information

Official Ballot

KILLEEN INDEPENDENT SCHOOL DISTRICT - PROPOSITION A

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) and the purchase of the necessary sites for school buildings,
) and levying of the tax in payment thereof
- AGAINST)

KILLEEN INDEPENDENT SCHOOL DISTRICT - PROPOSITION B

[Addressing Existing District Facilities through Renovations and New School Replacements]

- FOR) The issuance of \$191,000,000 school building bonds for the
) construction, acquisition and equipment of school
) buildings in the District, including the rehabilitation,
) renovation, expansion, improvement and consolidation of
) District facilities, and levying of the tax in payment thereof
- AGAINST)



Voting

EARLY VOTING

Monday, April 23 – Tuesday, May 1, 2018

8:00 a.m. to 5:00 p.m.

except weekends and extended hour days open

7:00 a.m. to 7:00 p.m.

ELECTION DAY

Saturday, May 5, 2018

7:00 a.m. to 7:00 p.m.

Vote at your designated precinct location.

Early Voting Locations

Main Location:

- Killeen ISD Administration Building
 - *Extended hours April 25 & 26*

City of Killeen:

- Killeen City Hall
- Killeen Community Center
- Killeen Lions Park Senior Center
 - *Extended hours April 23 & May 1*

City of Harker Heights:

- Harker Heights City Hall
 - *Extended hours April 24 & 30*



Voting

Who Can Vote?

- Any registered voter who resides within the school district boundaries

When's the final day to register to vote?

- Thursday, April 5, 2018

What to Bring?

- An approved form of photo ID



Thank You! Questions?

More Information:

www.KilleenISDBond.org