



Bond Planning Committee Meeting 1

August 27, 2009

The first meeting of the GCISD Bond Planning Committee was held at 6 p.m. on Thursday, August 27, 2009, at the Professional Development and Education Center. Forty-one members of the 53-member committee were present.

Welcome and Committee Operations and Procedures

Paula Barbaroux, GCISD Chief Operations Officer and Administrative Facilitator/ Advisor to the Committee, welcomed committee participants and described how they will serve to represent the overall GCISD community. She discussed the importance of each member's role in the process and thanked them for their commitment. She reviewed the meeting schedule and timelines. Sub-committees begin meeting in October and members will have the opportunity to request the sub-committee on which they would like to serve.

Overview of District's Mission & Beliefs

GCISD Superintendent Dr. Kay Waggoner welcomed committee participants and thanked them for their commitment to this process. She shared the District's Beliefs and Mission Statement, which reads, "The mission of Grapevine-Colleyville Independent School District is to be THE BEST." She discussed how this statement provides expectations for excellence in District programs and services, and how facilities are a key component in providing the educational environment necessary to sustain and enhance current programs and services.

School Finance

Dr. Waggoner provided an overview of the current school funding formula using a PowerPoint Presentation. Key points included:

- Revenue is comprised of state and local funding. Student enrollment and property values are the primary factors that influence funding. Districts receive state funding based on student enrollment, and local funding is based on area property values, which are used to define a district's wealth. "Property-wealthy" districts are subject to recapture (Robin Hood) payments to the state. Although many believe funding inequalities due to recapture were resolved in the 2006 special legislative session, Robin Hood remains intact and still impacts maintenance and operations budgets of property-wealthy districts.
- GCISD student enrollment is 13,703, which represents a small decline each year since 2006-2007 (13,903). Declining enrollment results in less state funding.

- Property values are \$10.5 billion, which represents an increase each year since the early 1990s. However, revenue from property value growth over a certain percentage goes to the state, not local districts. Therefore, when enrollments decline and property values increase, there is no benefit to the District. GCISD continues to “give money away” at a rate very similar to that as in years past.
- Tax Rate is comprised of two parts – Maintenance and Operations (M&O) and Debt Service. M&O is subject to recapture and Debt Service is not.
 - In the 79th Legislative Session in 2006, changes were made to the funding formula to allow school districts to levy an additional 13 cents for M&O with voter approval (Tax Ratification Election, a.k.a. TRE). The additional pennies would be subject to recapture, which would amount to approximately 45% in GCISD.
 - Challenges in the 79th Legislative Session included the Hold Harmless Formula Cap, Target Revenue, funding inequities, no accommodation for inflation, no relief from property value growth, and recapture stipulation on voter-approved M&O funding.
 - The 81st Legislative Session in 2009 provided districts some relief. Beginning for 2009-2010, every district received \$120 per student. In GCISD, that equals \$1.8 million. Providing a 3% raise to employees costs \$2.5 million.

The GCISD Budget

Dr. Waggoner provided an overview of the GCISD Budget. For 2009-2010, the district’s M&O budget equals \$142 million – \$106.5 million is operating, \$28 million is recapture (Robin Hood), and \$7 million is Tax Increment Finance system obligations. The Debt Service budget, which is not subject to recapture, is \$28 million. GCISD’s tax rate is \$1.29. Of that, 25 cents is Debt Service (50 cents is maximum allowed for Debt Service). GCISD has not implemented a tax increase for the past four years. The 2009-2010 school year is the second year the district will operate in a deficit at \$3.7 million (M&O).

In September 2005, voters approved a \$107.9 million bond referendum by a 2:1 approval rate. The program has positively impacted every campus and facility, and included a new elementary school, renovations and additions to existing campuses, and critical improvements to facilities. Through favorable pricing, interest earnings, and solid management, the District has been able to maximize every dollar approved to deliver a complete program under budget and with a smaller impact on taxpayers than originally proposed. The program is in the final phase of construction and completion.

A New Bond Program

Dr. Waggoner outlined considerations for future elections and provided rationale for why a new bond program is the most affordable and prudent method for maintaining and expanding facilities, programs and services. A bond program must be used to fund capital improvements such as facilities (i.e. “bricks and mortar”), technology, and safety and security equipment. Bond monies cannot be used for operational costs of the district and are not subject to recapture. Debt can be structured so that it is synonymous with the purchase and not financed over 30 years.

A TRE will fund operational costs including salaries, transportation, electricity/utilities, etc. TRE monies are subject to recapture.

Committee's Charge

Dr. Waggoner discussed several aspects of the Committee's charge/purpose. The BPC will review results of a community telephone survey conducted in July 2009. The BPC will evaluate financial capacity options and requests submitted from across the District, and establish priorities. Then, the committee's members will prepare a single proposition for May 2010 and present a formal recommendation to the GCISD Board of Trustees in February 2010.

Bond Planning Committee Website

Ms. Barbaroux announced that the BPC website is operational, and asked members to encourage friends and neighbors to visit the site and provide feedback.

Activity

Ms. Barbaroux led the committee in an ice-breaker activity. Each participant shared name, profession, and representation (whether attending as a business owner, community leader, parent or non-parent, organizational or campus affiliation, or District representative). Participants also shared unique facts about themselves. The activity was unable to be concluded due to time and will be continued at the September 10, 2009, meeting.

The meeting adjourned at 7:32 p.m. The next meeting is scheduled for Thursday, September 10, 2009, 6-7:30 p.m. at the Professional Development and Education Center.

Handouts provided:

- GCISD Beliefs, Vision, Mission and Goals
- PowerPoint Presentation by Dr. Waggoner
- Structure of Bond Planning Committee
- Bond Planning Committee commitment form and meeting schedule
- BPC Operational Rules
- BPC Leadership Roles and Responsibilities
- Membership Roster
- GCISD Contact Information
- BPC Bond Website Introduction Letter from Dr. Waggoner
- 2005 Bond Report Card (first installment)
- Draft Agenda for BPC Meeting 2, scheduled for September 10, 2009