

Why we oppose this Bond Proposition

As a voters and parents of children within the Lovejoy school district, we all have equal shares in Lovejoy ISD and we are committed to making it the best school district in the State of Texas. As a small school district, we need to assure that proper planning is being done to manage our limited resources. These limited resources should be directed towards the Academic success of our children.

When the School proposes to increase our debt burden and increase our taxes to pay for this debt, it is our responsibility to educate ourselves on the proposal and determine if this spending is in the best interest of the community.

After looking at the details of this proposal, we have determined that there are several problems with it.

- First, \$76 million is a lot of money, and it exhausts our capacity to borrow for the next 10 years. So we have to make certain that the money is allocated prudently. **However**, the controls over how this money can be spent are very weak.
 - Funds are non-specific and can be allocated to any project that the School District desires.
 - With a pot of money this large, Special Interests will begin to lobby for a piece of it. This is already happening.
 - For instance, an above-ground pool for which no plan has been presented. The Administration does not know where the pool will be located, and they don't know whether or not partners will be involved to help pay for it. We know that millions are allocated to it, but there is no plan. Additionally, this pool will have no locker rooms, no showers, no dressing rooms, no restrooms, no heating, no cooling—a very uncomfortable experience. So it is easy to imagine that this is only the beginning of the spending on this pool. Also, this will take at least \$100,000 in yearly maintenance. This is equal to (2) teacher salaries, and in a small school like Lovejoy, every teacher is a critical resource.
 - A Press-Box expansion for the Football Stadium. This benefits very few people, and only for a very limited number of days per year. Consider also that the elevator that is part of this Press-Box expansion was actually a project that was slated for a previous bond issue, and we're not sure where that money went.
 - The list of potential projects on which this money will be spent are poorly defined.
 - For instance, \$15 million has been allocated to "Technology", but according to the Superintendent, there is no plan for how this money will be spent. Said another way, this 20% of the bond spend is undefined.
 - Most of these classroom additions included in the list of projects are not needed for over 5 years. 5 years is an important because demographers do not feel comfortable making projections beyond this time window. So this is another 14% of the bond issue that is poorly defined.
 - \$11.4 Million in Locker Room expansions. This is a very confusing story—the Superintendent is positioning this as something that is *urgent* and needed today, but

he is also saying that the construction is not scheduled to begin for over 5 years. This is another 15% of the total Bond Issue that is very poorly defined.

- Add in the above-ground pool and Press-Box expansion and we have at least 45% of the total Bond Issue that is not properly defined or planned.
- Second, as mentioned earlier, the money that is spent on facilities will create demands on the Maintenance and Operations side of the budget. Lovejoy ISD is currently operating at a loss of over \$800 per-student, and the Administration has offered no plan for balancing this budget, other than a flawed tuition plan. So the additional maintenance burden will exacerbate the problems on the M&O side of the budget. We fully anticipate that the district will be coming to us with further tax increases to balance the M&O budget. In fact, this has been discussed by the School Board. For this reason, we view this 2.5 cent increase as step 1 of an ultimate 13.5 cent tax increase.
- Our tax rates are high. After this tax increase, LISD will have a higher tax-rate than 97% of the school districts in the State of Texas. Controlling tax rates is in all of our interests because we are taxed by so many different agencies. Lovejoy is just one of them.
- LISD is currently heavily indebted on a per-capita basis. LISD owes over \$250 million in Principal and Interest. This is more debt per-capita than 98% of the school districts in Texas. This is \$70k per student today, and could increase to \$90k as a result of this bond issue. Carrying this amount of debt handicaps our flexibility in dealing with unforeseen circumstances. For instance, a significant decrease in growth rate that we experienced in 2008 that is accompanied by lowering property values on which to create tax revenue. It is important to maintain a healthy cushion for emergency borrowing, and Lovejoy is not in an emergency situation at this time.

The Solution

It is in the best interest of Lovejoy to Vote "AGAINST" this Bond Proposal. In doing this, it is our expectation that the Administration will advance another proposal that is well-defined and that meets the Needs of Lovejoy.

- An acceptable proposal would be for a shorter duration, perhaps 5 years, and
- Would be for a much lower amount.
- The projects on which the money would be spent must have a clearly stated plan – the Citizens must know what they are voting to purchase, and must see a real need rather than an Optional Want.

There are two election times each year in which another proposal could be advanced, and there is plenty of time to prepare a more acceptable plan.