OLTON ISD

Does a School Bond Program Make Sense for Our Community?

Understanding how schools can fund capital improvements in Texas

COMMUNITY INFORMATION PRESENTATION
9/14 , 10/5 & 10/19

The Committee

Community members helping identify needs and priorities

Members nominated by individuals of the Board and approved 10/20/25:

Alcorn, Troy Don
Allen, Chelsi
Azam, David
DeBerry, Amber
Francis, Andrew
Green Lucy
Guerrero, J.J.
Ibanez, Daniel

Light, Jay
Lopez, Jerry
Magallanes, Susan
Maxwell, Connie
McFadden, Mark
Neinast, Blake
Parkey, Josh

Redwine, Brittany
Rejino, Aaron
Reyes, Reyna
Ruiz, Lupe
Sanchez, Alfonzo
Smith, Zepplin
Synatschk, Alton

Charge: Determine by Spring 2026 if the community believes a bond issue is the right option to fund capital projects over a short term to address school needs — and, if so, develop a priority list with a generalized budget.

Six meetings were held between October 2025 & May 2026.

School Finance: Two Buckets of Money

Understanding what each funding stream can — and cannot — pay for

M&O • Maintenance & Operations

Pays for daily costs like teacher salaries, utilities, fuel, insurance, and supplies.

Current rate: $0.7381 per $100 valuation
VATRE asking: $0.7954 per $100 valuation

I&S • Interest & Sinking

Pays for school buildings, major repairs, and long-term improvements — through savings on the M&O side or bonds.

Current rate: $0.0000 per $100 valuation

Think of them as two separate buckets — one for today's operations, one for long-term capital needs.

School Finance: Two Buckets of Money

Why a bond creates a separate path for capital needs

M&O

Full — daily operations

I&S

Empty — capital improvements

- One bucket (M&O) is full and can't hold any more. Trying to get help through Voter Approved Tax Rate Election (VATRE).
- One bucket (I&S) is empty.
- The community gets a say if anything goes in the I&S bucket & why (Bond Election in November 2026).
- Cannot use the I&S bucket for M&O things, but can use M&O bucket to fund I&S things.
- Approximately 80% of ISDs passed a deficit budget: Littlefield, Sudan, S-E, Anton, Lubbock, Cooper, Plainview. (Olton was not one of them).

Maintenance & Operations Tax Rate

Most M&O dollars are already committed to keeping school operations running

~80%

of M&O money goes directly to salaries and associated expenses.

State vs. Local Share

About 18% of funding is local / 10% Feds, 72% from the State

Savings for capital

The Board has a designated fund balance of ~$1 million of M&O dollars for certain capital items. About 45% was used for the May 2025 hailstorm insurance deductible.

Why a Bond Can Help

Create space

Allows you to transfer some funds from one bucket to the other, creating space in the M&O bucket.

Protect classrooms

Protects classroom funding by using a different and allowable funding source.

Reduce risk

Short term reduces risk & provides accountability.

A targeted bond can separate long-term capital needs from classroom operations

Bonds Protect Our Schools and Our Budget

Capital funding helps preserve the dollars used for day-to-day education

Keep classroom dollars

Keeps M&O money in the classroom.

Respond to unexpected costs

May hailstorm: deductible of $450,000. We had $550,000 in damage.

Plan responsibly

Allows the district to plan responsibly for the future.

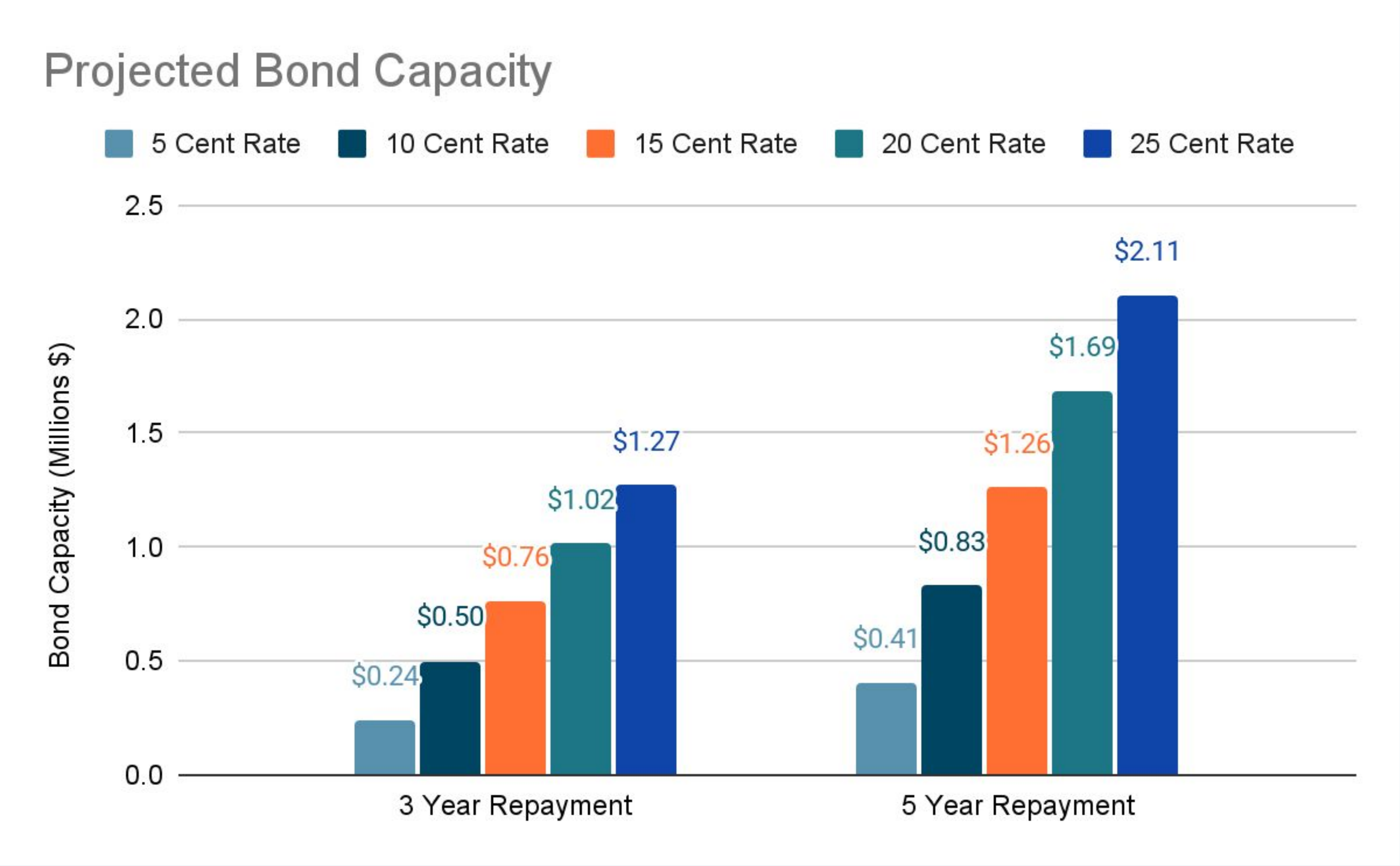
Maintain facilities

Helps ensure our facilities stay safe, functional, and efficient.

Bonds make it possible to maintain and modernize schools without sacrificing educational quality.

How Big of an I&S Bucket?

Illustrating repayment capacity at different tax-rate levels



The goal is not to maximize borrowing — it is to match the project list to an affordable, accountable plan.

Bond Project List

Priorities identified by the community committee and accepted by the Board

- Route Bus & SPED Lift Bus
- Band Trailer, Instrument Lockers, Acoustical Wall Treatment
- Creation of Girls Restroom/Changing Area in Ag/Welding Shop
- Auditorium Lighting, Sound, Curtain Replacement
- Exhaust Ventilation for Ag/Welding Shop
- High School Hallway Painting
- Pre-K Playground Equipment Replacement
- Junior High Flooring Replacement South Hall
- Student Restroom Renovation for High School/Webb

WHAT IS THE PROJECTED COST?

$1.6 MILLION

2026 No I & S	2027–28 1st year of I & S	5 YEARS Total I & S

To be paid over the course of 5 years.

Estimated need of $0.205 of I & S Tax Rate to support.

Tax Rate Increase would occur with your 2027-28 bill.
Last payment in 2031-32 school year.

Tax Rate would increase to roughly $0.99 per $100 valuation (assuming VATRE passes).

Local Control, Local Decision

The community has a direct voice in whether a bond moves forward

1 • Voters decide

Only voters can approve a bond.

2 • Transparency

The goal is to ensure the district will be transparent about needs and finances.

3 • Priorities

The Community Committee determined the projects recommended and the Board accepted them.

START SMALL. EARN TRUST. MAINTAIN OUR FACILITIES.

Passing a bond is a local decision — with community input and trust at the center.