

**NOTICE OF MEETING OF THE BOARD OF TRUSTEES OF  
HARRIS COUNTY DEPARTMENT OF EDUCATION**

Notice is hereby given that a meeting of the Board of Trustees of Harris County Department of Education will be held on the **3rd day of August, 2020 at 11:00 AM** for the Board to conduct the business of that meeting. The meeting will be held in the Board Room of the Administration Building, 6300 Irvington Boulevard, Houston Texas. Such a meeting is a **SPECIAL BOARD MEETING**.

Texas Governor Greg Abbott temporarily suspended a number of open meetings provisions in response to the COVID-19 pandemic, allowing government entities, including HCDE, to conduct meetings by telephone or videoconference. Notice is hereby given that HCDE intends to conduct this regular meeting via videoconference. As required by the temporary suspension, HCDE:

- Has provided online written notice containing a free-of-charge videoconference link, as well as an electronic copy of any agenda packet, before conducting this meeting via videoconference; specifically, the public may use the following free-of-charge videoconference link: <https://zoom.us/j/99761287132?pwd=dkJVVE1JU0hVTFVvL2hhcGxKd01pUT09>; Meeting ID: 997 6128 7132; Password: 5jrjvu
- Will provide the public with access and a means to participate in the called meeting; and
- Will provide the public with access to a recording of the meeting.

The subjects to be discussed or considered or upon which any formal action might be taken are on the Agenda following.

Additionally, from time to time an issue will be raised concerning an item on our agenda that had not been anticipated. The issue, while within the scope of the agenda topic, may be one that is required or authorized by law to be considered in executive session rather than in public session. In order for the Board to consider such issue in executive session, rather than postpone consideration of it until the next board meeting, the Board lists below most if not all be all of the sections of the Open Meetings Act that address the purposes for which the Board may lawfully meet in executive/closed session. The Board's purpose is not to meet in executive session to consider matters not on the agenda for the meeting. Instead, its purpose is to efficiently and timely conduct its business in accordance with the law.

Therefore, if, during the course of the meeting on agenda items covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any item included in this notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at the date, hour, and place given in this notice or as soon after the commencement of the meeting covered by this notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and purposes authorized by Sections 551.071-551.084, inclusive, of the Open Meetings Act, including, but not limited to:

*Section 551.071 For the purpose of a private consultation with the Board's attorney on any or all subjects matters authorized by law.*

*Section 551.072 For the purpose of discussing the purchase, exchange, lease or value of real property.*

*Section 551.073 For the purpose of considering a negotiated contract for a prospective gift or donation.*

*Section 551.074 For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.*

*Section 551.076 To consider the deployment, or specific occasions for implementation of security personnel or devices.*

*Section 551.082 For the purpose of considering discipline of a public school child or children or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing.*

*Section 551.083 For the purpose of considering the standards, guidelines, terms or conditions the Board will follow, or instruct its representatives to follow, in consultation with representatives of employee groups in connection with consultation agreements provided for by Section 13.901 of the Texas Education Code.*

*Section 551.084 For the purpose of excluding witness or witnesses from a hearing during examination of another witness.*

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive session, then such final action, final decision, or final vote shall be at either: a) the open meeting covered by this notice upon the reconvening of this public meeting, or b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

*James Colbert Jr., County Superintendent*



**The Board of Trustees  
August 3, 2020  
Agenda of Special Meeting**

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A Regular Meeting of the Board of Trustees of Harris County Department of Education will be held August 3, 2020, beginning at 11:00 AM via videoconference.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. **Invocation** - Richard Cantu, Board Trustee
2. **Pledge of Allegiance to the US flag** - Andrea Duhon, Board Trustee
3. **Pledge of Allegiance to the Texas flag** - Andrea Duhon, Board Trustee
4. **Public Comment** - In lieu of a public appearance at the Board Meeting, members of the public may submit written comments to the Board via email prior to the beginning of the meeting addressed to [publiccomment@hcde-texas.org](mailto:publiccomment@hcde-texas.org), which will be provided to the Board. In your email, please state your name, address, topic, and comment.

#### **ACTION ITEMS**

1. **Consideration and Approval of an Order Authorizing Publication of Notice of Intention** to enter into a Contract for the Acquisition, Improvement and Equipment of Real Property.
2. **Consideration and Approval of a Resolution of Harris County Department of Education** Declaring Its Intention to Reimburse Certain Expenditures with Borrowing Proceeds.
3. **Consider possible action on certification of the anticipated debt collections rate for the tax year 2020, certification of the excess debt collection rate** for the tax year 2019 and the calculation of the 2020 No-New-Revenue Tax Rate and Voter-Approval Tax Rate calculation to be prepared by Harris County Tax Assessor/Collector.
4. **Consider approval of 2020 Certified Property Values and the submission of the no-new-revenue tax rate and voter-approval tax rate** using the certified estimate of taxable value and a plan to adopt tax rate of \$.0050 for Tax Year 2020 in accordance with the Truth in Taxation laws codified in Chapter 26 and amended by the 86th Legislature.
5. **EXECUTIVE SESSION**
6. **RECONVENE**
7. **ADJOURN**

A handwritten signature in blue ink, reading "James Colbert, Jr." in a cursive style.

James Colbert, Jr.  
County School Superintendent

**Special Board Meeting**

1.

**Meeting Date:** August 3, 2020  
**Title:** Asst Supt for Business  
**Submitted For:** Jesus Amezcua, Business Office  
**Recommended Action:** Approve  
**Submitted By:** Jesus Amezcua  
**HCDE Goal(s):** 1. Impact education/respond to evolving needs  
 4. Provide cost savings by leveraging tax dollars

**Additional Resource Personnel:** Dr. Jesus J. Amezcua, Asst Supt for Business; Rich Vela, Exec Director -Facilities  
**Facilities/Technology Approval Needed?:**

**Information**

**Posted Agenda Item:**

**Consideration and Approval of an Order Authorizing Publication of Notice of Intention** to enter into a Contract for the Acquisition, Improvement and Equipment of Real Property.

**Subject:**

Bonds, PFC, Notice,

**Rationale:**

HCDE has developed a capital improvement program. The Public Facilities Corporation will be utilized to issue revenue bonds, and enter into a contract with HCDE Board of Trustees to make annual lease payments composed of principal and interest payments to retire the PFC debt. The programs included in the program are the New AB East Campus, the HP East Middle School, and the Adult Ed Center. The projected total of the construction projects is \$30,581,882. The total amount of the bond issuance will depend on the market and interest rates, thus the maximum amount that is proposed is \$34M. The department will evaluate the market and determine the maximum principal of the bonds subject to the maximum established annual debt service payments of \$3.1M combined debt service payments for all bonds. It is projected that the current debt will be paid within 5 years, thus, the administration is projecting to issue the debt and stay within the current projected annual payments. Interest rates are low and projected to be low in the next 60 days. A public notice is required, and it is recommended that the notice be published and the market monitored to determine the best time to issue the bonds. Attached is a copy of the notice and the projected bond issuance of the revenue bonds which are backed by ISD contracts. It should be noted that HCDE has the capacity to issue the debt, the revenue required, and the fund balance sustainability to leveraged available current funds.

**Fiscal Impact**

**Attachments**

Notice  
CIP Summary

**Form Review**

Inbox	Reviewed By	Date
Assistant Superintendent - Business (Originator)	Jesus Amezcua	07/28/2020 11:07 AM
Purchasing Alternate	Kendra Jackson	07/28/2020 11:51 AM

**CERTIFICATE FOR ORDER**

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
HARRIS COUNTY DEPARTMENT OF EDUCATION §

The undersigned officers of the Harris County Board of School Trustees (the “Board”) of Harris County, Texas dba the Harris County Department of Education (the “Department”) hereby certify as follows:

1. The Board of the Department convened in a regular meeting on August 3, 2020, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to wit:

Eric Dick	President
Danyahel Norris	Vice-President
Amy Hinojosa	Position 1, Precinct 2
Andrea Duhon	Position 4, Precinct 3
Richard Cantu	Position 3, At Large
Don Sumners	Position 7, At Large
Mike Wolfe	Position 5, At Large

and all of such persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**ORDER AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO  
ENTER INTO A CONTRACT FOR THE ACQUISITION, IMPROVEMENT AND  
EQUIPMENT OF REAL PROPERTY**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be passed; and, after due discussion, said motion, carrying with it the passage of such Order, prevailed and carried by the following vote:

AYES: \_\_\_\_ NOES: \_\_\_\_ ABSTAIN: \_\_\_\_

2. That a true, full, and correct copy of such Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Order has been duly recorded in such Board’s minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board’s minutes of such meeting pertaining to the passage of such Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such Order would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the

public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended

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SIGNED AND SEALED this \_\_\_\_\_, 2020.

\_\_\_\_\_  
President  
Harris County Department of Education

(SEAL)



**ORDER AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ENTER INTO A CONTRACT FOR THE ACQUISITION, IMPROVEMENT AND EQUIPMENT OF REAL PROPERTY**

WHEREAS, the Harris County Board of School Trustees (the “Board”) of Harris County, Texas dba the Harris County Department of Education (the “Department”) has determined that it is in the best interests of the Department to enter into a lease/purchase contract (the “Lease/Purchase Contract”) for the use or purchase or other acquisition of real property or improvements to real property pursuant to the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, in accordance with the Notice of Intention set out in Exhibit A.

NOW THEREFORE, BE IT ORDERED BY THE HARRIS COUNTY BOARD OF SCHOOL TRUSTEES OF HARRIS COUNTY, TEXAS DBA HARRIS COUNTY DEPARTMENT OF EDUCATION THAT:

Section 1. The Board hereby finds and determines that the facts and recitations contained in the preamble of this Order are true and correct.

Section 2. The President of the Board is hereby authorized and directed to cause to be published, in a manner required by law, a Notice of Intention in substantially the form set forth in Exhibit A attached hereto.

Section 3. The Notice of Intention set forth in Exhibit A shall be published in English, Spanish, Vietnamese and Mandarin Chinese in a newspaper of general circulation in the Department, with the date of publication to be not less than 60 days before the expected date of adoption of the order authorizing the execution of the Lease/Purchase Contract.

Section 4. The President and other officers and agents of the Department are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this Order.

Section 5. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by the Open Meetings Law, Chapter 551, Texas Government Code.

Section 6. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

## **EXHIBIT A**

### **NOTICE OF INTENTION TO ENTER INTO A CONTRACT FOR THE ACQUISITION, IMPROVEMENT, AND EQUIPMENT OF REAL PROPERTY**

NOTICE IS HEREBY GIVEN that the Harris County Board of School Trustees (the “Board”) of Harris County, Texas dba the Harris County Department of Education (the “Department”) will consider approval of one or more lease/purchase contracts (collectively, the “Lease/Purchase Contract”) with the Harris County Department of Education Public Facility Corporation (the “Corporation”), each with a term not to exceed thirty (30) years, for the use or purchase or other acquisition of real property or improvements to real property, as more fully described below (the “Project”).

The Project will be subject to a mortgage and foreclosure in the event the Department fails to make payments under the Lease/Purchase Contract. The approval of the Lease/Purchase Contract is intended to provide for the issuance by the Corporation of bonds (the “Bonds”) in an amount sufficient to provide for (i) the acquisition of land and the construction, improvement and equipment and buildings to be used for the Project, (ii) funding any necessary reserve fund, and (iii) payment of the cost of issuance of the Bonds. Title to the Project will be retained by the Corporation until the Department has made all payments due under the Lease/Purchase Contract. The Lease/Purchase Contract shall be payable from interlocal contracts (the “Interlocal Contracts”) between the Department and certain school districts located within Harris County and surplus equalization tax revenues of the Department. The Lease/Purchase Contract will be subject to (A) annual appropriations by the contracting school districts of amounts required to make the payments due under the Interlocal Contracts and (B) annual appropriations by the Department of (1) amounts received by the Department pursuant to the Interlocal Contracts and (2) surplus equalization tax revenues of the Department.

The Project will consist of the construction and equipment of a new building at the Department’s ABS East Campus located at 7703 South Loop East, Houston, Texas 77012 to provide adaptive behavior services, the construction the construction and equipment of a new building at the Department’s Highpoint Campus located at 8003 E. Sam Houston Parkway North, Houston, Texas 77049 to provide alternative educational services and the construction and equipment of a new building at the Department’s Adult Ed Center located at 6515 Irvington and 629 King Street, Houston, Texas 7702 to provide adult education classes (including vocational classes). The total cost of the Project will not exceed \$54,000,000, of which approximately \$35,000,000 will be paid with the Bonds and approximately \$19,000,000 will be paid with maintenance tax notes for qualifying equipment of the Department as well as other lawfully available revenues of the Department.

# CAPITAL IMPROVEMENT PLAN

**FY 2020-2025**

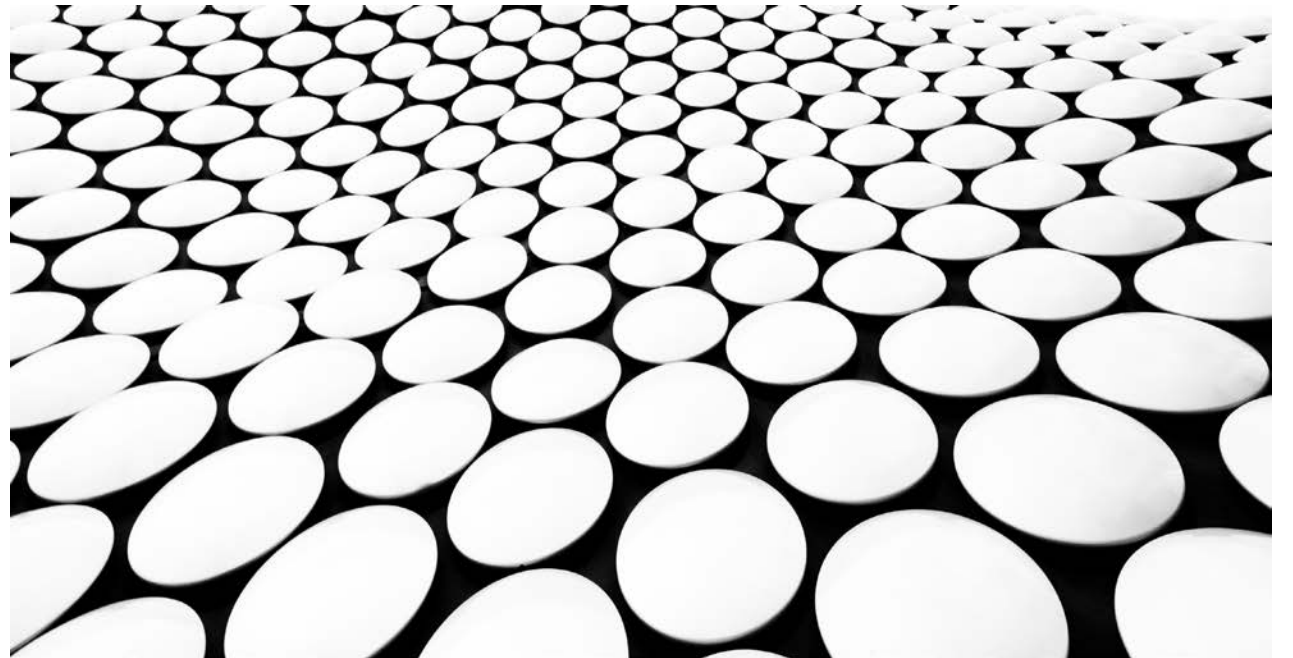
**UPDATE # 1**

James Colbert Jr. Superintendent  
Dr. Jesus J. Amezcua, Assistant Supt for  
Business

August 3, 2020



**Harris County**  
Department of  
**Education**



# ANALYSIS OF FEE REVENUES

## CAPACITY TO ISSUE REVENUE BONDS

Special Schools - AB East	\$3,469,001
Special Schools - AB West	3,193,600
Special Schools - Fortis Academy	196,250
Special Schools - HP East	2,094,473
School Based Therapy	10,033,388
Available Contracts for pledge	<b>\$18,986,712</b>

## DEBT SERVICE AMOUNT

Avg Debt Service (DS) amount budgeted	\$3,000,000
Minimum required 1.5 x DS	4,500,000
Available contracts	\$18,896,712

Strategy is to maintain \$3.1M annually payment. The first three years will go up to \$250,000 and then level of at \$3.1M.

- Sum of payments received of any contracts and ISD in HC for services Plus
- Any unintended equalization of tax receipts after all M&O

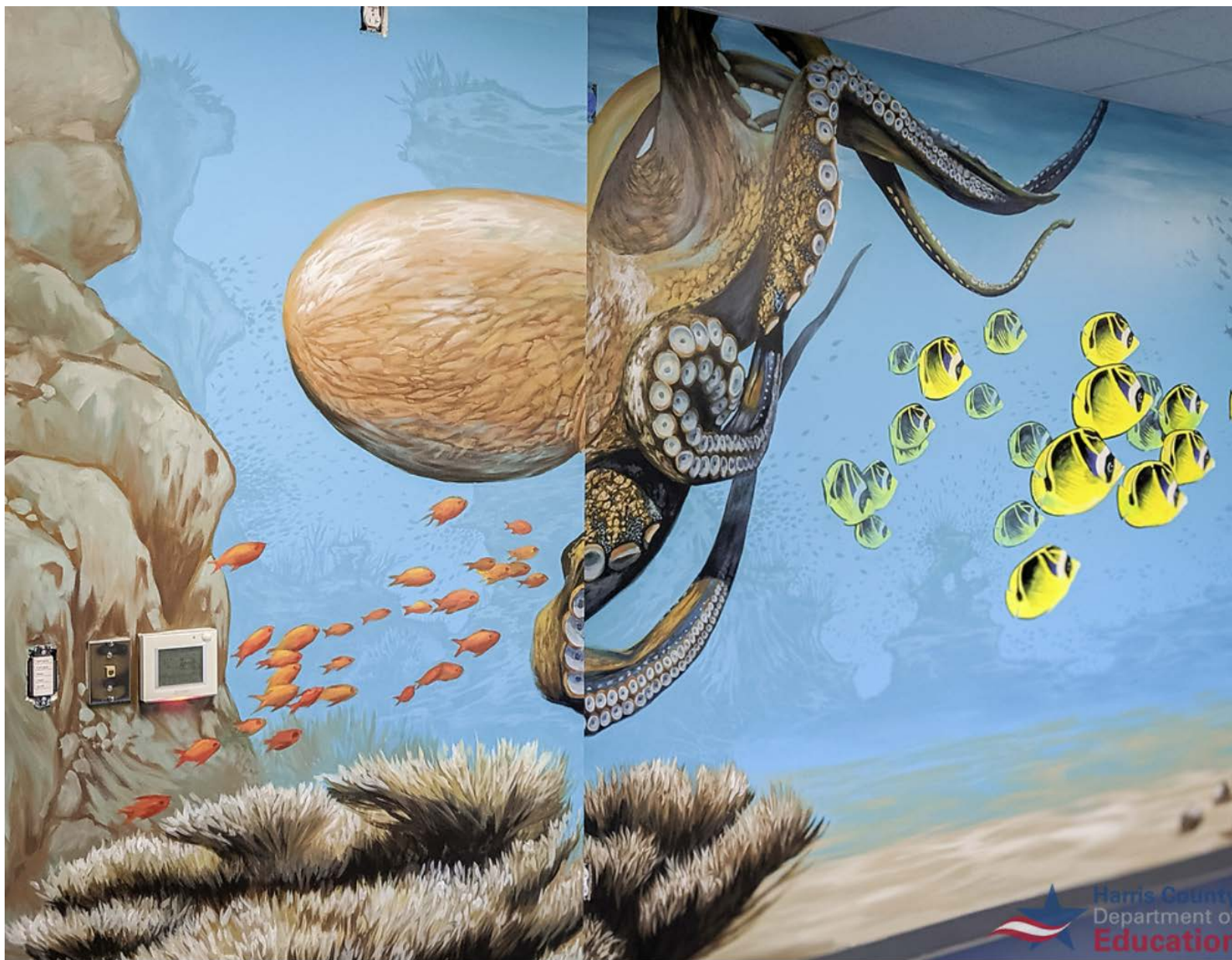
Must be 150% max of P&I      \$3.6M for debt repayment in fund balance.

# Analysis of Fund Balance Capacity to issue bonds

Fund Balance	\$31,132,401
Projected use of fund balance in F 21-22	11,588,164
Projected Ending Fund Balance	\$ 19,544,237

**- THE NEED -  
CAPITAL  
PROGRAM  
INCLUDES  
VARIOUS  
ASSUMPTIONS  
FOR FY 2021**





**5 MAJOR  
PROJECTS TO  
REINVENT  
HCDE  
REIMAGINED**





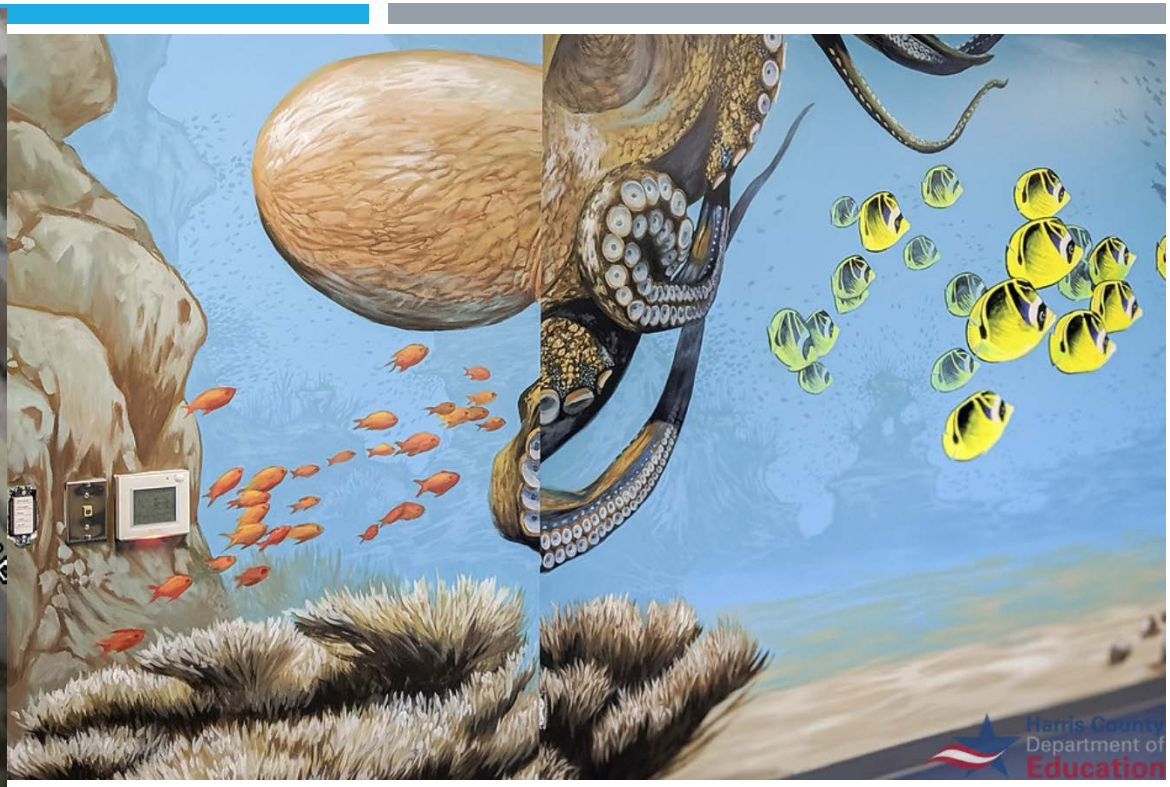
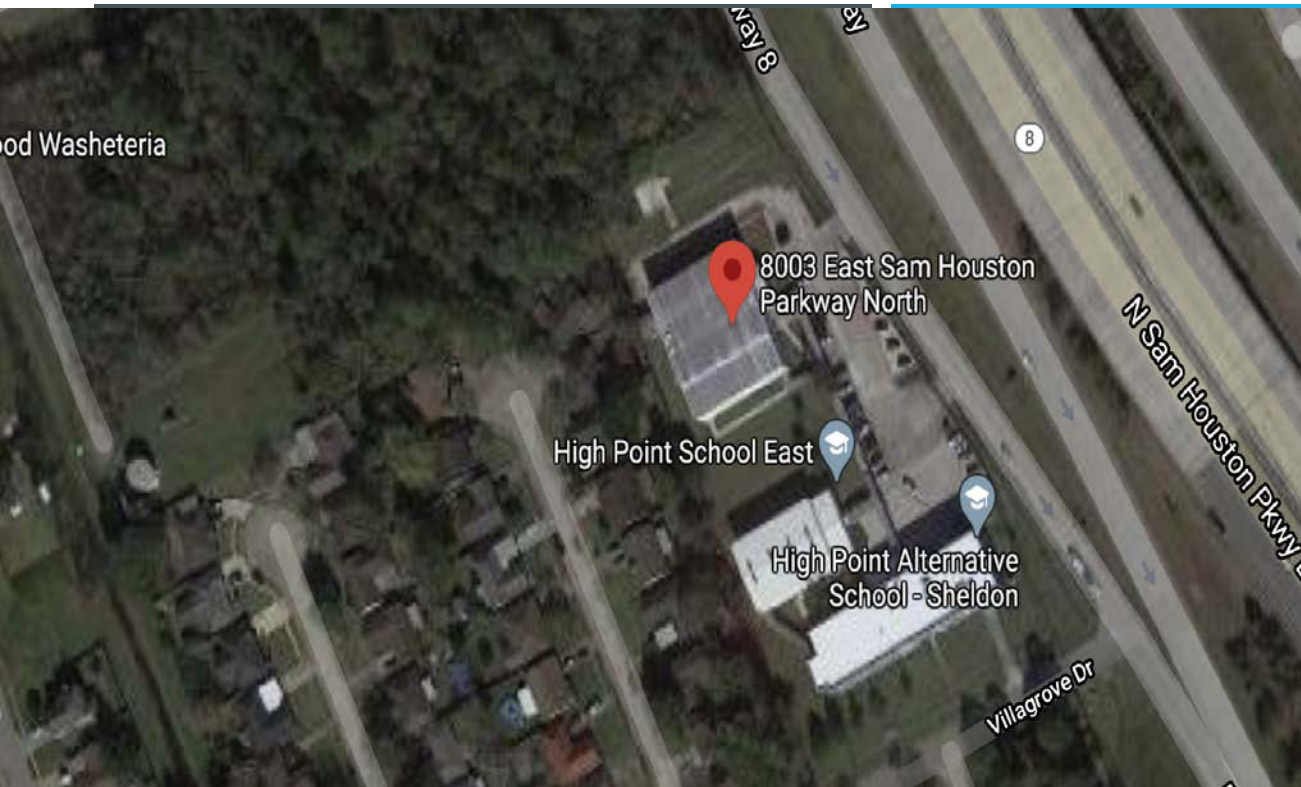


# A NEW AB EAST CAMPUS

TO COMPLEMENT AB WEST. AB EAST HAS EXCEEDED THEIR CAPACITY AND FACILITY IS NEEDED – 40,000 SQ. FEET

ADDRESS: 7703 SOUTH LOOP EAST, HOUSTON, TEXAS 77012





# A NEW HIGHPOINT EAST CAMPUS

TO PROVIDE ADEQUATE FACILITY FOR MIDDLE SCHOOL STUDENTS FACILITY NEEDED 13,750 SQ. FT.

ADDRESS: 8003 E. SAM HOUSTON PARKWAY NORTH, HOUSTON, TEXAS 77049



## **A NEW ADULT ED CENTER**

**FOR ADULT ED CLASSES AND WORKFORCE DEVELOPMENT  
- FACILITY IS NEEDED – 40,500 SQ. FT.**

### **ADDRESSES:**

**6515 IRVINGTON AND  
629 KING STREET, HOUSTON, TEXAS 77022.**

Lloyd St

Lloyd St

Lloyd St

Irvington Blvd

Irvington Blvd

King St

King St

King

HCDE English School

Renovate

Demolish

Harris County Education Department

Demolish

Empty House





**REMODELING FOR  
ADULT ED BUILDING AT ADULT ED CLASSES AND WORKFORCE DEVELOPMENT  
- FACILITY**

**\$1,500,000**

**626 LINDALE**

# UPDATE # 1 CAPITAL IMPROVEMENT PLAN – PHASE ONE

## \$52,446,770



Amount		Adjust Contingency Reduction	Revised	For Calc.	Revised PFC	\$ 5,000,000 Cost from HCDE	2 yrs Interest Earnings	Maint Tax Notes
7,916,645	15%		7,916,645	7,916,645	4,909,645	1,870,000	47,500	1,089,500
17,705,875	34%	600,000	17,105,875	17,105,875	12,943,640	2,000,000	103,235	2,159,000
17,558,750	34%	700,000	16,858,750	16,858,750	12,728,597	1,870,000	101,153	2,159,000
8,365,500	16%		8,365,500	8,365,500				8,365,500
			1,500,000	1,500,000				1,500,000
				600,000				600,000
					-			
51,546,770		1,300,000	51,746,770	52,346,770	30,581,882	5,740,000	251,888	15,873,000
Per LAN Report								
			51,746,770		52,446,770			
			2,000,000	1,000,000				
			1,500,000	1,000,000				
		-	3,500,000	2,000,000	-	5,740,000	251,888	15,873,000

# THE PUBLIC NOTICE

## NOTICE OF INTENTION TO ENTER INTO A CONTRACT FOR THE ACQUISITION, IMPROVEMENT, AND EQUIPMENT OF REAL PROPERTY

NOTICE IS HEREBY GIVEN that the Harris County Board of School Trustees (the “Board”) of Harris County, Texas dba the Harris County Department of Education (the “Department”) will consider approval of one or more lease/purchase contracts (collectively, the “Lease/Purchase Contract”) with the Harris County Department of Education Public Facility Corporation (the “Corporation”), each with a term not to exceed thirty (30) years, for the use or purchase or other acquisition of real property or improvements to real property, as more fully described below (the “Project”).

- The Project will be subject to a mortgage and foreclosure in the event the Department fails to make payments under the Lease/Purchase Contract. The approval of the Lease/Purchase Contract is intended to provide for the issuance by the Corporation of bonds (the “Bonds”) in an amount sufficient to provide for (i) the acquisition of land and the construction, improvement and equipment and buildings to be used for the Project, (ii) funding any necessary reserve fund, and (iii) payment of the cost of issuance of the Bonds. Title to the Project will be retained by the Corporation until the Department has made all payments due under the Lease/Purchase Contract. The Lease/Purchase Contract shall be payable from interlocal contracts (the “Interlocal Contracts”) between the Department and certain school districts located within Harris County and surplus equalization tax revenues of the Department. The Lease/Purchase Contract will be subject to (A) annual appropriations by the contracting school districts of amounts required to make the payments due under the Interlocal Contracts and (B) annual appropriations by the Department of (1) amounts received by the Department pursuant to the Interlocal Contracts and (2) surplus equalization tax revenues of the Department.

- The Project will consist of the construction of improvements and the expansion of the Department’s ABS East Campus located at 7703 South Loop East, Houston, Texas 77012, the construction of improvements and the expansion of facilities at the Department’s Highpoint Campus located at 8003 E. Sam Houston Parkway North, Houston, Texas 77049 and the construction of improvements and the expansion of facilities at the Department’s Adult Ed Center located at 6215 Irvington and 629 King Street, Houston, Texas 77022. The total cost of the Project will not exceed \$54,000,000, of which approximately \$35,000,000 will be paid with the Bonds and approximately \$19,000,000 will be paid with maintenance tax notes of the Department as well as other lawfully available revenues of the Department.

## 60 DAY NOTICE AMOUNTS

	Amount Projected	Notice Amount
PFC Revenue Bonds	\$30,581,882	\$35,000,000
Maintenance Notes	\$15,873,000	\$19,000,000

The Notice is a projection due to the uncertainty of the bond municipal & treasury market and Texas AG approval of types of project scope for revenue bonds and maintenance notes. Variables of interest, market and sustainability will determine the final numbers.



# WHAT IF?

- The Market goes up and interest costs are higher:

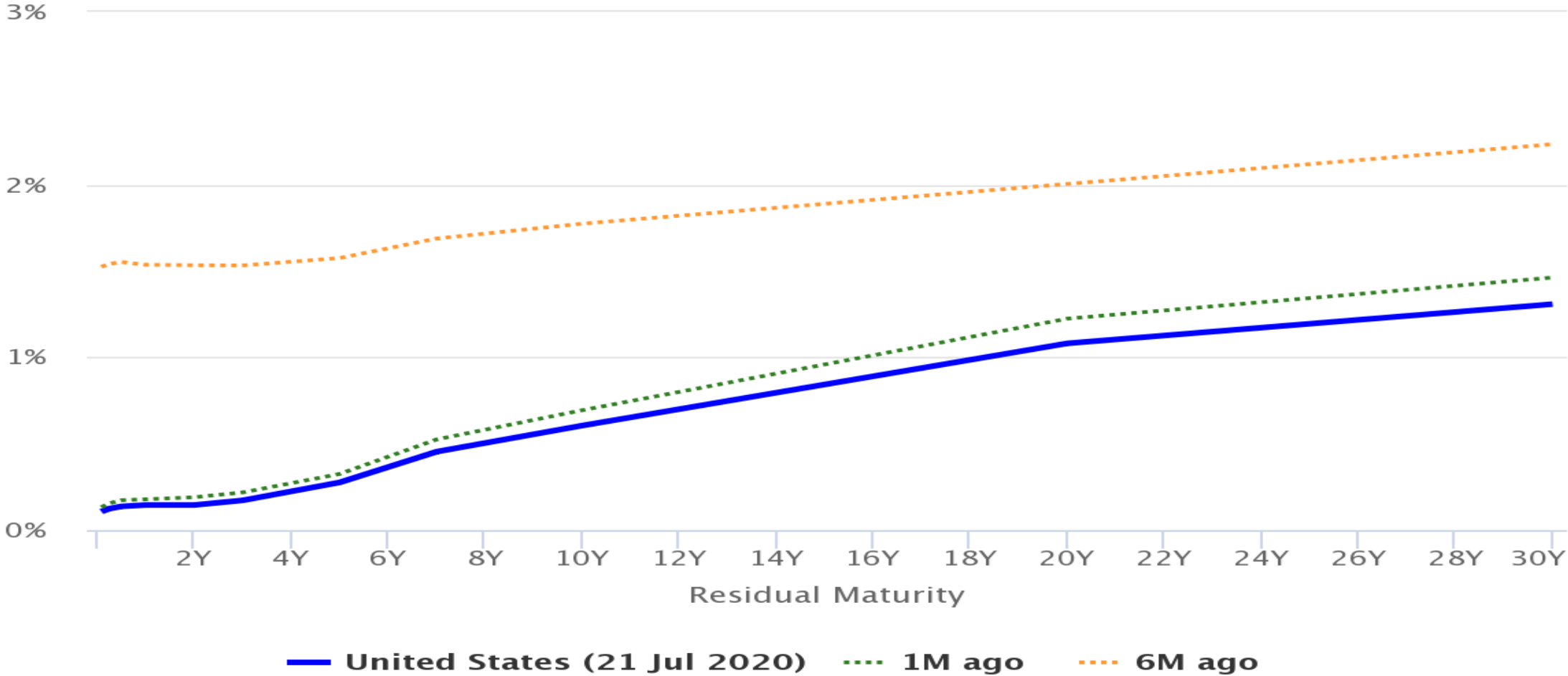
We may need to increase the principal to do the project or reduce the project scope.

- The Market goes down and interest costs are lower than projected:

We may need to decrease the principal to do the project OR fund additional projects.

# United States Yield Curve – 21 Jul 2020

United States Government Bonds



Highcharts.com

# MUNICIPAL / TREASURY YIELD COMPARISON

	7/13/2020		4/13/2020		7/15/2019	
	AAA	Treasury	AAA	Treasury	AAA	Treasury
	GO	Gross	GO	Gross	GO	Gross
1 year	0.22	0.16	0.86	0.27	1.14	1.95
5 year	0.38	0.30	0.89	0.44	1.20	1.84
10 year	0.81	0.64	1.10	0.76	1.58	2.09
20 year	1.33	1.11	1.74	1.19	2.08	2.39
30 year	1.53	1.33	1.93	1.39	2.28	2.61

## PFC BOND FOR **\$30,581,882**

- A PFC requires a financial advisor, bond counsel, real estate attorney, and underwriters.
- A PFC is a lease between the PFC and HCDE.
- A PFC requires a 60 Day Public Notice.
- A PFC requires title to the property.
- A PFC Bond requires approval by PFC and the HCDE Board as well. Often called double appropriation.



# SAMPLE PFC BOND

draft

## BOND PRICING

Harris County Department of Education  
Lease Revenue Bonds, Series 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	02/15/2024	655,000	4.000%	0.970%	110.035		65,729.25
	02/15/2025	675,000	4.000%	1.050%	112.581		84,921.75
	02/15/2026	715,000	4.000%	1.200%	114.531		103,896.65
	02/15/2027	830,000	4.000%	1.310%	116.399		136,111.70
	02/15/2028	860,000	4.000%	1.390%	118.233		156,803.80
	02/15/2029	900,000	4.000%	1.510%	119.518		175,662.00
	02/15/2030	935,000	4.000%	1.660%	118.224 C	1.871%	170,394.40
	02/15/2031	975,000	4.000%	1.760%	117.370 C	2.125%	169,357.50
	02/15/2032	1,010,000	4.000%	1.860%	116.523 C	2.337%	166,882.30
	02/15/2033	1,050,000	4.000%	2.010%	115.266 C	2.553%	160,293.00
	02/15/2034	1,095,000	4.000%	2.100%	114.520 C	2.699%	158,994.00
	02/15/2035	1,140,000	4.000%	2.200%	113.697 C	2.833%	156,145.80
	02/15/2036	1,190,000	4.000%	2.290%	112.962 C	2.945%	154,247.80
	02/15/2037	1,240,000	4.000%	2.390%	112.152 C	3.051%	150,684.80
	02/15/2038	1,285,000	4.000%	2.430%	111.830 C	3.113%	152,015.50
	02/15/2039	1,340,000	4.000%	2.470%	111.509 C	3.169%	154,220.60
	02/15/2040	1,395,000	4.000%	2.510%	111.189 C	3.219%	156,086.55
	02/15/2041	1,925,000	4.000%	2.550%	110.870 C	3.265%	209,247.50
	02/15/2042	2,000,000	4.000%	2.560%	110.790 C	3.293%	215,800.00
	02/15/2043	2,085,000	4.000%	2.570%	110.711 C	3.318%	223,324.35
	02/15/2044	2,170,000	4.000%	2.650%	110.077 C	3.373%	218,670.90
	02/15/2045	2,260,000	4.000%	2.700%	109.683 C	3.412%	218,835.80
		27,730,000					3,558,325.95



## FINANCING TIMELINE

- The PFC timeline is as follows:
- June – Feasibility Committee
- June – Board Update
- July - Feasibility Committee Update
- August Board Approval – and Public Notice Approval & Resolutions Approval
- October Negotiated Sale
- November– Bond Closing

**TIMELINE**

**ANALYSIS**

**STARTED IN**

**EARLY MARCH**

**HARRIS COUNTY DEPARTMENT OF EDUCATION**

**MAINTENANCE TAX NOTES, SERIES 2020**

**HCDE PUBLIC FACILITY CORPORATION**

**LEASE REVENUE BONDS, SERIES 2020**

**Timetable of Events**

<b>MARCH</b>					
<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>	<b>S</b>
2	3	4	5	6	7
9	10	11	12	13	14
16	17	18	19	20	21
23	24	25	26	27	28
30	31				

<b>MAY</b>					
<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>	<b>S</b>
				1	2
4	5	6	7	8	9
11	12	13	14	15	16
18	19	20	21	22	23
25	26	27	28	29	30

<b>JULY</b>					
<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>	<b>S</b>
		1	2	3	4
6	7	8	9	10	11
13	14	15	16	17	18
20	21	22	23	24	25
27	28	29	30	31	

<b>APRIL</b>					
<b>S</b>	<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>
			1	2	3
5	6	7	8	9	10
12	13	14	15	16	17
19	20	21	22	23	24
26	27	28	29	30	

<b>JUNE</b>					
<b>S</b>	<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>
	1	2	3	4	5
7	8	9	10	11	12
14	15	16	17	18	19
21	22	23	24	25	26
28	29	30			


  

<b>AUGUST</b>					
<b>S</b>	<b>M</b>	<b>T</b>	<b>W</b>	<b>Th</b>	<b>F</b>
2	3	4	5	6	7
9	10	11	12	13	14
16	17	18	19	20	21
23	24	25	26	27	28
30	31				

# TIMELINE

## 60 DAY NOTICE REQUIRED

- Participants
- HCDE Board
- HCDE PFC
- Financial Advisor
- Bond Counsel
- Underwriter(s)

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
8/3	<b>PFC Board Meeting</b> – Approve moving forward Projects, Notes and LR Bond transactions and approval of the 60-Day Notice and other related matters	HCDE, PFC, FA, BC
8/3	<b>HCDE Special Board Meetings</b> - Approve moving forward Projects, Notes and LR Bond transactions and approval of the 60-Day Notice and other related matters	HCDE, PFC, FA, BC
8/6	Request information for the offering documents from the HCDE	FA
8/10 	Publish required 60-day Notice (published on ____/20)	BC
8/19	Receive information from the HCDE for the offering documents	HCDE
8/21	Distribute RFP for underwriting services	FA
8/31	Due date for RFP for underwriting services	FA
9/2	Underwriter selection	HCDE, FA
9/3	Submit first draft of offering documents to working group	FA
9/3	Rating package to rating agency	FA
9/14	Receive comments from working group	HCDE, BC
9/15-16	Rating agency meeting/conference call	HCDE, FA
9/16	Submit second draft of offering documents to working group	FA
9/23	Comments on documents due from working group	HCDE, BC
9/25	Submit final draft of offering documents to working group	FA
9/29	Due diligence call	HCDE, FA, BC
10/1	Receive final comments from working group	HCDE, BC
10/5	Receive ratings	HCDE, FA



# TIMELINE

## NEGOTIATED SALE POTENTIAL CLOSING 11/17/2020

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
10/5	Print and distribute offering documents	HCDE, FA, BC
10/5	Agenda language and draft bond documents to the working group	BC
10/9	Notice – Day 60	
<b>10/15</b>	<b>Pricing/Bids Due – Maintenance Tax Notes and LR Bonds</b>	FA, P
<b>10/15</b>	<b>Special Board Meetings - PFC and HCDE – adopt resolution authorizing the sale of the Maintenance Tax Notes and the Lease Revenue Bonds and approve other related matters</b>	PFC, HCDE FA, BC
10/21	Submit final transcript to Attorney General	BC
10/22	Print and distribute final offering documents	FA
11/10	Prepare closing memorandum	FA
11/16	Pre-closing	BC, FA, P
11/17	Closing	HCDE, PFC, FA, BC, P

### *Financing Team Members:*

- HCDE- Harris County Department of Education
- PFC - HCDE Public Facility Corporation
- FA - Financial Advisor – USCA Municipal Advisors LLC
- BC - Bond Counsel – Orrick, Herrington & Sutcliffe LLP
- P - Purchasers/Underwriters – Maintenance Tax Notes: TBD, LR Bonds: TBD

# Harris County Department of Education & HCDE Public Facility Corp.

Lease Revenue Bonds, Series 2020

Maintenance Tax Notes, Series 2020

UPDATED

## Debt Service Analysis

Fiscal Year Ending	Taxable Assessed Valuation	Lease Revenue Bonds						Maintenance Tax Notes						District Contribution	TOTAL COMBINED DEBT SERVICE	Tax Year	
		Interlocal Contract Revenues Available	Outstanding Series 2014 Debt Service	Outstanding Series 2015 Debt Service	Outstanding Series 2016 Debt Service	Total Outstanding LR Debt Service	\$ 30,581,882 Series 2020* Debt Service	Combined Lease Revenue Debt Service	DS Coverage (MADS)	Outstanding Series 2009A Debt Service	\$ 15,873,000 Series 2020* Debt Service	Combined M-Tax Note Debt Service	Tax Rate @ 98.00% Collections				CAPI
2020	\$ 484,114,300,697	\$ 14,490,758	\$ 1,369,440	\$ 333,244	\$ 763,498	\$ 2,466,182	\$ -	\$ 2,466,182	5.88	\$ 451,429	\$ -	\$ 451,429	\$ 0.0001	\$ -	\$ -	\$ 2,917,611	2019
2021	484,114,300,697	14,490,758	1,363,900	336,849	766,864	2,467,613	970,550	3,438,163	4.21	451,429	479,325.00	930,754	0.0002	-	1,074,117	3,294,800	2020
2022	484,114,300,697	14,490,758	1,357,760	340,252	765,020	2,463,032	1,109,200	3,572,232	4.06	451,429	547,800.00	999,229	0.0002	-	1,270,261	3,301,200	2021
2023	484,114,300,697	14,490,758	1,351,020	343,451	763,008	2,457,479	1,109,200	3,566,679	4.06	451,429	547,800.00	999,229	0.0002	-	1,264,708	3,301,200	2022
2024	484,114,300,697	14,490,758	-	-	750,912	750,912	1,751,100	2,502,012	5.79	-	547,800.00	547,800	0.0001	-	-	3,049,812	2023
2025	484,114,300,697	14,490,758	-	-	758,648	758,648	1,744,500	2,503,148	5.79	-	547,800.00	547,800	0.0001	-	-	3,050,948	2024
2026	484,114,300,697	14,490,758	-	-	746,216	746,216	1,756,700	2,502,916	5.79	-	547,800.00	547,800	0.0001	-	-	3,050,716	2025
2027	484,114,300,697	14,490,758	-	-	-	-	1,840,800	1,840,800	7.87	-	1,282,800.00	1,282,800	0.0003	-	-	3,123,600	2026
2028	484,114,300,697	14,490,758	-	-	-	-	1,837,000	1,837,000	7.89	-	1,287,100.00	1,287,100	0.0003	-	-	3,124,100	2027
2029	484,114,300,697	14,490,758	-	-	-	-	1,841,800	1,841,800	7.87	-	1,280,200.00	1,280,200	0.0003	-	-	3,122,000	2028
2030	484,114,300,697	14,490,758	-	-	-	-	1,840,100	1,840,100	7.87	-	1,277,200.00	1,277,200	0.0003	-	-	3,117,300	2029
2031	484,114,300,697	14,490,758	-	-	-	-	1,841,900	1,841,900	7.87	-	1,273,000.00	1,273,000	0.0003	-	-	3,114,900	2030
2032	484,114,300,697	14,490,758	-	-	-	-	1,837,200	1,837,200	7.89	-	1,282,300.00	1,282,300	0.0003	-	-	3,119,500	2031
2033	484,114,300,697	14,490,758	-	-	-	-	1,836,000	1,836,000	7.89	-	1,280,000.00	1,280,000	0.0003	-	-	3,116,000	2032
2034	484,114,300,697	14,490,758	-	-	-	-	1,838,100	1,838,100	7.88	-	1,281,200.00	1,281,200	0.0003	-	-	3,119,300	2033
2035	484,114,300,697	14,490,758	-	-	-	-	1,838,400	1,838,400	7.88	-	1,275,900.00	1,275,900	0.0003	-	-	3,114,300	2034
2036	484,114,300,697	14,490,758	-	-	-	-	1,841,800	1,841,800	7.87	-	1,269,200.00	1,269,200	0.0003	-	-	3,111,000	2035
2037	484,114,300,697	14,490,758	-	-	-	-	1,843,200	1,843,200	7.86	-	1,270,900.00	1,270,900	0.0003	-	-	3,114,100	2036
2038	484,114,300,697	14,490,758	-	-	-	-	1,837,700	1,837,700	7.89	-	1,270,800.00	1,270,800	0.0003	-	-	3,108,500	2037
2039	484,114,300,697	14,490,758	-	-	-	-	1,840,200	1,840,200	7.87	-	1,273,800.00	1,273,800	0.0003	-	-	3,114,000	2038
2040	484,114,300,697	14,490,758	-	-	-	-	1,840,500	1,840,500	7.87	-	1,269,900.00	1,269,900	0.0003	-	-	3,110,400	2039
2041	484,114,300,697	14,490,758	-	-	-	-	2,304,100	2,304,100	6.29	-	-	-	-	-	-	2,304,100	2040
2042	484,114,300,697	14,490,758	-	-	-	-	2,300,600	2,300,600	6.30	-	-	-	-	-	-	2,300,600	2041
2043	484,114,300,697	14,490,758	-	-	-	-	2,303,900	2,303,900	6.29	-	-	-	-	-	-	2,303,900	2042
2044	484,114,300,697	14,490,758	-	-	-	-	2,303,800	2,303,800	-	-	-	-	-	-	-	2,303,800	2043
2045	484,114,300,697	14,490,758	-	-	-	-	2,305,200	2,305,200	-	-	-	-	-	-	-	2,305,200	2044
2046	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2045
2047	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2046
2048	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2047
<b>Total &gt;&gt;</b>		\$ 5,442,120	\$ 1,353,795	\$ 5,314,166	\$ 12,110,081	\$ 45,713,550	\$ 57,823,631	\$ 1,805,716	\$ 21,092,625	\$ 22,898,341					\$ 3,609,086	\$ 77,112,886	

\* Project fund amounts are shown in columns above. Par amounts will be approximately \$27,730,000 (Lease Rev) and \$13,695,000 (Notes).

## QUESTIONS AND FEEDBACK?

- Thank you.
- James Colbert Jr.  
Superintendent
- Dr. Jesus Amezcua, CPA, RTSBA,  
Assistant Supt for Business
- [jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)

**Special Board Meeting**

2.

**Meeting Date:** August 3, 2020  
**Title:** Asst Supt for Business  
**Submitted For:** Jesus Amezcua, Business Office  
**Recommended Action:** Approve  
**Submitted By:** Jesus Amezcua  
**HCDE Goal(s):** 1. Impact education/respond to evolving needs  
 2. Deliver value responsibly

**Additional Resource Personnel:** James Colbert, Dr. Amezcua  
 Amezcua  
**Facilities/Technology Approval Needed?:**

**Information**

**Posted Agenda Item:**

**Consideration and Approval of a Resolution of Harris County Department of Education** Declaring Its Intention to Reimburse Certain Expenditures with Borrowing Proceeds.

**Subject:**

Maintenance Notes, Bonds Fund Balance,

**Rationale:**

HCDE developed a capital improvement plan. Some of the projects are estimated to be financed through maintenance notes. These projects include the renovation of the Irvington building and the Adult Ed Center. In order to finance the PFC revenue bonds and the maintenance notes, the department is proposing to submit a reimbursement resolution to reimburse the project fund for funds spent from fund balance for renovation and equipment in Fy 19-20 and projected into Fy 20-21 and Fy 21-22. The estimated cost of the reimbursement will be \$4M depending on the total amount of the maintenance notes. Attached is a sample resolution, sample maintenance notes presentation and projects.

**Fiscal Impact**

**Attachments**

Resolution

Maintenance Notes Summary

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Assistant Superintendent - Business (Originator)	Jesus Amezcua	07/28/2020 11:09 AM
Purchasing Alternate	Kendra Jackson	07/28/2020 11:54 AM
Purchasing	Bill Monroe	07/28/2020 02:05 PM
Assistant Superintendent - Business (Originator)		
Form Started By: Jesus Amezcua		Started On: 07/24/2020 08:03 PM

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE HARRIS COUNTY  
DEPARTMENT OF EDUCATION EXPRESSING INTENT TO FINANCE  
EXPENDITURES TO BE INCURRED**

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
HARRIS COUNTY DEPARTMENT OF EDUCATION §

WHEREAS, the Harris County Department of Education (the “Department”) is a county-wide department of education and political subdivision of the State of Texas authorized to finance its activities by issuing and incurring obligations pursuant to the Texas Education Code, as amended, which may include obligations the interest on which is excludable from gross income for federal income tax purposes (“Tax-Exempt Obligations”), pursuant to Section 103 of the Internal Revenue of 1986, as amended (the “Code”); and

WHEREAS, the Department has made, within the last 60 days, and will continue to make payments with respect to the acquisition of the projects listed on Exhibit A attached hereto (the “Financed Facilities and Improvements”); and

WHEREAS, the Department reasonably expects to issue Tax-Exempt Obligations to reimburse itself for the costs associated with the Financed Facilities and Improvements; and

WHEREAS, the Department desires to reimburse itself for the costs associated with the Financed Facilities and Improvements from the proceeds of Tax-Exempt Obligations to be issued subsequent to the date hereof; and

NOW, THEREFORE, be it resolved that:

**Section 1.** The Department hereby declares its intent to reimburse itself for all costs paid within the last 60 days and that will be paid subsequent to the date hereof in connection with the acquisition of the Financed Facilities and Improvements from the proceeds of Tax-Exempt Obligations to be issued or incurred subsequent to the date hereof.

**Section 2.** The Department reasonably expects that the maximum principal amount of Tax-Exempt Obligations issued by the Department to finance costs associated with the Financed Facilities and Improvements will not exceed \$4,000,000.

**Section 3.** This Resolution will be kept in the books and records maintained by the Department with respect to the Tax-Exempt Obligations.

PASSED AND APPROVED this \_\_\_ day of \_\_\_\_\_, 2020.

HARRIS COUNTY DEPARTMENT OF  
EDUCATION

By: \_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary

## **EXHIBIT A**

### **Financed Facilities and Improvements**

Item or Fund - - Described by Character, Type or Purpose

Construction of improvements and the expansion of the Department's ABS East Campus located at 7703 South Loop East, Houston, Texas 77012; construction of improvements and the expansion of facilities at the Department's Highpoint Campus located at 8003 E. Sam Houston Parkway North, Houston, Texas 77049; construction of improvements and the expansion of facilities at the Department's Adult Ed Center located at 6515 Irvington and 629 King Street, Houston, Texas 77022; and improvements and renovations of other Department facilities.

# CAPITAL IMPROVEMENT PLAN

**FY 2020-2025**

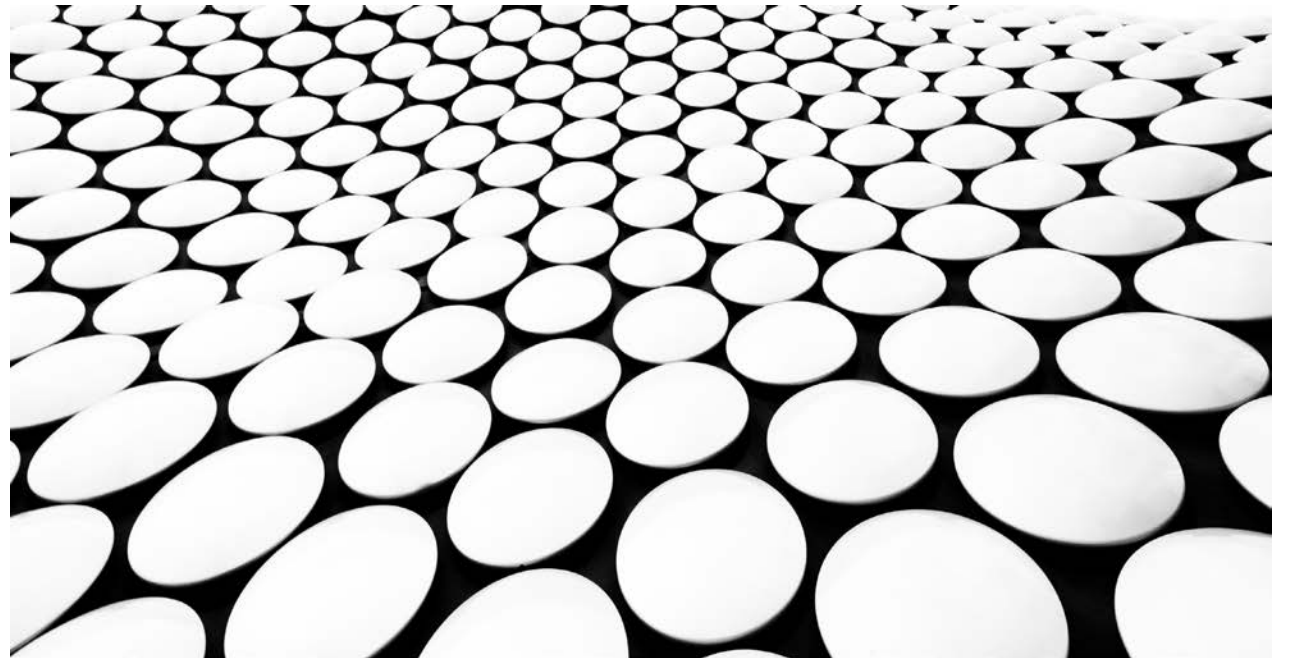
**UPDATE # 1**

James Colbert Jr. Superintendent  
Dr. Jesus J. Amezcua, Assistant Supt for  
Business

August 3, 2020



**Harris County**  
Department of  
**Education**





## DEBT SERVICE AMOUNT

Avg Debt Service (DS) amount budgeted	\$3,000,000
Minimum required 1.5 x DS	4,500,000
Available contracts	\$18,896,712

Strategy is to maintain \$3.1M annually payment. The first three years will go up to \$250,000 and then level of at \$3.1M.

- Sum of payments received of any contracts and ISD in HC for services Plus
- Any unintended equalization of tax receipts after all M&O

Must be 150% max of P&I      \$3.6M for debt repayment in fund balance.

# Analysis of Fund Balance Capacity to issue bonds

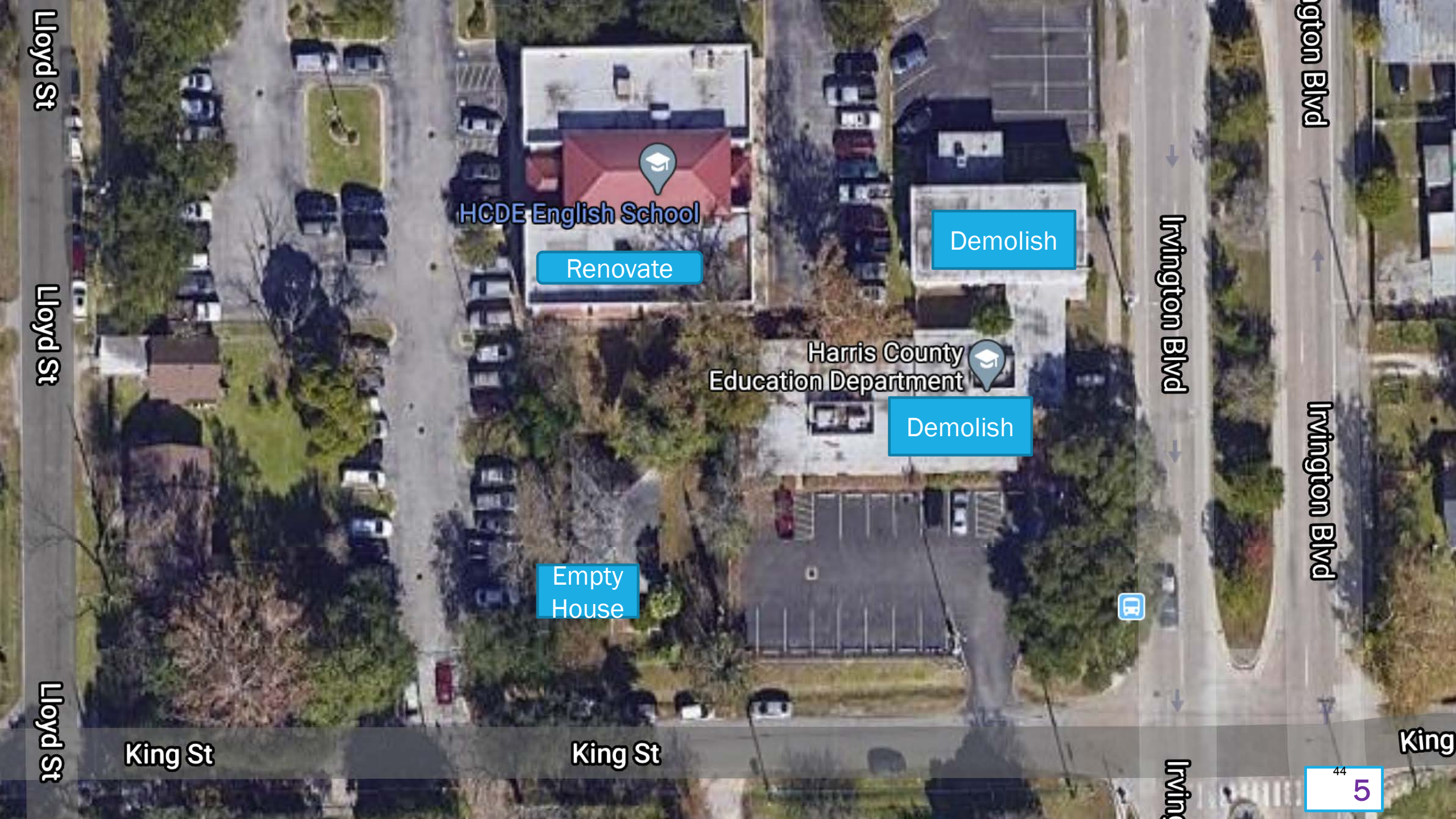
Fund Balance	\$31,132,401
Projected use of fund balance in F 21-22	11,588,164
Projected Ending Fund Balance	\$ 19,544,237



**REMODELING FOR  
ADULT ED BUILDING AT ADULT ED CLASSES AND WORKFORCE DEVELOPMENT  
- FACILITY**

**\$1,500,000**

**626 LINDALE**



Lloyd St

Lloyd St

Lloyd St

Irvington Blvd

Irvington Blvd

Irvington Blvd

King St

King St

King St

HCDE English School

Renovate

Demolish

Harris County  
Education Department

Demolish

Empty  
House

## HCDE IRVINGTON REIMAGINED

- Remodeling of the Irvington building
- Over 60,000 sq. ft. to modernize and reimagine HCDE.



# UPDATE # 1 CAPITAL IMPROVEMENT PLAN – PHASE ONE

## \$52,446,770



Amount		Adjust Contingency Reduction	Revised	For Calc.	Revised PFC	\$ 5,000,000 Cost from HCDE	2 yrs Interest Earnings	Maint Tax Notes
7,916,645	15%		7,916,645	7,916,645	4,909,645	1,870,000	47,500	1,089,500
17,705,875	34%	600,000	17,105,875	17,105,875	12,943,640	2,000,000	103,235	2,159,000
17,558,750	34%	700,000	16,858,750	16,858,750	12,728,597	1,870,000	101,153	2,159,000
8,365,500	16%		8,365,500	8,365,500				8,365,500
			1,500,000	1,500,000				1,500,000
				600,000				600,000
					-			
51,546,770		1,300,000	51,746,770	52,346,770	30,581,882	5,740,000	251,888	15,873,000
Per LAN Report								
			51,746,770		52,446,770			
			2,000,000	1,000,000				
			1,500,000	1,000,000				
		-	3,500,000	2,000,000	-	5,740,000	251,888	15,873,000

## MAINTENANCE NOTE ELIGIBILITY REQUIREMENT \$15,873,000

**MUST BE: Equipment, software, hardware, renovation, furniture and capital outlay.**

- Maintenance notes are **less expensive (About 50 to 75 basis points)** because of the tax levy requirement. Thus, we want to make sure that we use as many maintenance notes as needed.
- We are using some costs that we have used in the past by passing a **Reimbursement Resolution** and use fund balance for new projects
- We are also using budgeted amounts that qualify for maintenance notes and also move them to maintenance notes **freezing up fund balance money** for new construction costs.

# REIMBURSEMENT RESOLUTION

Account	Equipment	Equipment	Renovation	Renovation		Total	
id Ctr	AB East	HP East	Adult Ed	Irvington			
			1,500,000	8,365,500		9,865,500	
0,000	150,000	300,000				750,000	Cameras
5,000	115,000					230,000	Sensory Room Furniture- Equipment
0,000	400,000	200,000				1,000,000	Furniture
0,000	75,000	150,000				375,000	Contingency
0,000	60,000	60,000				180,000	Kitchend Equipment
	600,000					600,000	AB EAST Playground
<b>paid in FY 2020 June and July</b>							
	<b>1,316,551</b>						
				160,781		160,781	NPO Elevator
				532,000		532,000	AB West Playground
				92,753		92,753	HP East Gym Walls
				81,017		81,017	HP East Gym Floor
				250,000		250,000	Baytown Payment
				96,000		96,000	Head Start Capital Outlay -427
				104,000		104,000	Technology
<b>0-2021 Budget</b>		<b>FY 20-21 BUDGET</b>					
		<b>419,486</b>					
				50,000		50,000	Software - SAFE SCHOOLS
				10,000		10,000	Color Printer - COMM
				25,000		25,000	Document Software - HR
				49,086		49,086	Digital Dashboard RESEARCH
				49,000		49,000	Video Computer Workstations -COMM
				50,000		50,000	Laptops - ADULT ED
				10,000		10,000	Liteacy Center -Software ABEAST
				10,000		10,000	Literacy Center Software AWEST
				30,000		30,000	Funda,ental Five Training Software -HP E
				122,000		122,000	Head Start Capital Outlay
				14,400		14,400	Records Envision Software -RECORDS
<b>1-2022 Budget</b>		<b>FY 21- 22 BUDGET</b>					
		<b>1,136,463</b>					
				258,463		258,463	Technology Software
				175,000		175,000	Head Start Capital Outlay -Kitchen and C
				703,000		703,000	Roofing NPO
10,000	1,400,000	710,000	1,500,000	8,365,500	2,872,500	15,873,000	



## NEED (CK) CAPACITY (CK), MARKET (CK) - STRUCTURE

- HCDE does not have an interest and sinking tax rate.
- All funds used to pay debt come from current revenues and local taxes.
- **Maintenance Notes** are designed to be paid from local taxes and subject to a 20 yr. max.
- Maintenance notes are also used to purchase equipment, furniture, improvements, renovations, and services associated with operating expenses.
- **Public Facility Corporation Revenue Bonds** are issued for new projects as well as other maintenance needs. However, the maturity can be extended beyond 20 years. This type of financing is guaranteed by current revenues (i.e. fee for service revenues such as Special Schools, Therapy, Records Management and others. This type of bond is generally about 50 to 75 basis more expensive than maintenance notes due to higher credit risk).

# **\$14,373,000**

## **MAINTENANCE NOTES**

- For Irvington Project – renovation -
- For equipment, furniture and capital needs for three other projects.
- Adding \$1,500,000 for Adult Ed Renovation

**NEW Total**

# **\$15,873,000**



# SAMPLE MAINTENANCE NOTES

draft

## BOND PRICING

Harris County Department of Education  
Maintenance Tax Notes, Series 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	02/15/2027	675,000	4.000%	1.040%	118.211		122,924.25
	02/15/2028	705,000	4.000%	1.170%	119.939		140,569.95
	02/15/2029	730,000	4.000%	1.290%	121.446		156,555.80
	02/15/2030	760,000	4.000%	1.440%	122.374		170,042.40
	02/15/2031	790,000	4.000%	1.590%	120.911 C	1.783%	165,196.90
	02/15/2032	825,000	4.000%	1.740%	119.470 C	2.070%	160,627.50
	02/15/2033	860,000	4.000%	1.840%	118.520 C	2.274%	159,272.00
	02/15/2034	895,000	4.000%	1.880%	118.142 C	2.405%	162,370.90
	02/15/2035	930,000	4.000%	1.930%	117.672 C	2.526%	164,349.60
	02/15/2036	965,000	4.000%	1.970%	117.297 C	2.625%	166,916.05
	02/15/2037	1,005,000	4.000%	2.020%	116.831 C	2.719%	169,151.55
	02/15/2038	1,050,000	4.000%	2.060%	116.460 C	2.797%	172,830.00
	02/15/2039	1,090,000	4.000%	2.100%	116.090 C	2.867%	175,381.00
	02/15/2040	1,135,000	4.000%	2.140%	115.721 C	2.931%	178,433.35
		12,415,000					2,264,621.25

**SAMPLE  
MAINTENANCE  
NOTES**

DRAFT

BOND PRICING

Harris County Department of Education  
Maintenance Tax Notes, Series 2020


Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	02/15/2027	750,000	4.000%	1.040%	118.211		136,582.50
	02/15/2028	785,000	4.000%	1.170%	119.939		156,521.15
	02/15/2029	810,000	4.000%	1.290%	121.446		173,712.60
	02/15/2030	840,000	4.000%	1.440%	122.374		187,941.60
	02/15/2031	870,000	4.000%	1.590%	120.911 C	1.783%	181,925.70
	02/15/2032	915,000	4.000%	1.740%	119.470 C	2.070%	178,150.50
	02/15/2033	950,000	4.000%	1.840%	118.520 C	2.274%	175,940.00
	02/15/2034	990,000	4.000%	1.880%	118.142 C	2.405%	179,605.80
	02/15/2035	1,025,000	4.000%	1.930%	117.672 C	2.526%	181,138.00
	02/15/2036	1,060,000	4.000%	1.970%	117.297 C	2.625%	183,348.20
	02/15/2037	1,105,000	4.000%	2.020%	116.831 C	2.719%	185,982.55
	02/15/2038	1,150,000	4.000%	2.060%	116.460 C	2.797%	189,290.00
	02/15/2039	1,200,000	4.000%	2.100%	116.090 C	2.867%	193,080.00
	02/15/2040	1,245,000	4.000%	2.140%	115.721 C	2.931%	195,726.45
		13,695,000					2,498,945.05

Dated Date 09/01/2020  
 Delivery Date 09/30/2020  
 First Coupon 02/15/2021

# TIMELINE

## 60 DAY NOTICE REQUIRED

- Participants
- HCDE Board
- HCDE PFC
- Financial Advisor
- Bond Counsel
- Underwriter(s)

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
8/3	<b>PFC Board Meeting</b> – Approve moving forward Projects, Notes and LR Bond transactions and approval of the 60-Day Notice and other related matters	HCDE, PFC, FA, BC
8/3	<b>HCDE Special Board Meetings</b> - Approve moving forward Projects, Notes and LR Bond transactions and approval of the 60-Day Notice and other related matters	HCDE, PFC, FA, BC
8/6	Request information for the offering documents from the HCDE	FA
8/10 	Publish required 60-day Notice (published on ____/20)	BC
8/19	Receive information from the HCDE for the offering documents	HCDE
8/21	Distribute RFP for underwriting services	FA
8/31	Due date for RFP for underwriting services	FA
9/2	Underwriter selection	HCDE, FA
9/3	Submit first draft of offering documents to working group	FA
9/3	Rating package to rating agency	FA
9/14	Receive comments from working group	HCDE, BC
9/15-16	Rating agency meeting/conference call	HCDE, FA
9/16	Submit second draft of offering documents to working group	FA
9/23	Comments on documents due from working group	HCDE, BC
9/25	Submit final draft of offering documents to working group	FA
9/29	Due diligence call	HCDE, FA, BC
10/1	Receive final comments from working group	HCDE, BC
10/5	Receive ratings	HCDE, FA

# TIMELINE

## NEGOTIATED SALE POTENTIAL CLOSING 11/17/2020

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
10/5	Print and distribute offering documents	HCDE, FA, BC
10/5	Agenda language and draft bond documents to the working group	BC
10/9	Notice – Day 60	
<b>10/15</b>	<b>Pricing/Bids Due – Maintenance Tax Notes and LR Bonds</b>	FA, P
<b>10/15</b>	<b>Special Board Meetings - PFC and HCDE – adopt resolution authorizing the sale of the Maintenance Tax Notes and the Lease Revenue Bonds and approve other related matters</b>	PFC, HCDE FA, BC
10/21	Submit final transcript to Attorney General	BC
10/22	Print and distribute final offering documents	FA
11/10	Prepare closing memorandum	FA
11/16	Pre-closing	BC, FA, P
11/17	Closing	HCDE, PFC, FA, BC, P

### *Financing Team Members:*

- HCDE- Harris County Department of Education
- PFC - HCDE Public Facility Corporation
- FA - Financial Advisor – USCA Municipal Advisors LLC
- BC - Bond Counsel – Orrick, Herrington & Sutcliffe LLP
- P - Purchasers/Underwriters – Maintenance Tax Notes: TBD, LR Bonds: TBD

Harris County Department of Education & HCDE Public Facility Corp.

Lease Revenue Bonds, Series 2020

Maintenance Tax Notes, Series 2020

UPDATED

Debt Service Analysis

Fiscal Year Ending	Taxable Assessed Valuation	Lease Revenue Bonds						Maintenance Tax Notes										District Contribution	TOTAL COMBINED DEBT SERVICE	Tax Year
		Interlocal Contract Revenues Available	Outstanding Series 2014 Debt Service	Outstanding Series 2015 Debt Service	Outstanding Series 2016 Debt Service	Total Outstanding LR Debt Service	\$ 30,581,882 Series 2020* Debt Service	Combined Lease Revenue Debt Service	DS Coverage (MADS)	Outstanding Series 2009A Debt Service	\$ 15,873,000 Series 2020* Debt Service	Combined M-Tax Note Debt Service	Tax Rate @ 98.00% Collections	CAPI						
2020	\$ 484,114,300,697	\$ 14,490,758	\$ 1,369,440	\$ 333,244	\$ 763,498	\$ 2,466,182	\$ -	\$ 2,466,182	5.88	\$ 451,429	\$ -	\$ 451,429	\$ 0.0001	\$ -	\$ -	\$ 2,917,611	2019			
2021	484,114,300,697	14,490,758	1,363,900	336,849	766,864	2,467,613	970,550	3,438,163	4.21	451,429	479,325.00	930,754	0.0002	-	1,074,117	3,294,800	2020			
2022	484,114,300,697	14,490,758	1,357,760	340,252	765,020	2,463,032	1,109,200	3,572,232	4.06	451,429	547,800.00	999,229	0.0002	-	1,270,261	3,301,200	2021			
2023	484,114,300,697	14,490,758	1,351,020	343,451	763,008	2,457,479	1,109,200	3,566,679	4.06	451,429	547,800.00	999,229	0.0002	-	1,264,708	3,301,200	2022			
2024	484,114,300,697	14,490,758	-	-	750,912	750,912	1,751,100	2,502,012	5.79	-	547,800.00	547,800	0.0001	-	-	3,049,812	2023			
2025	484,114,300,697	14,490,758	-	-	758,648	758,648	1,744,500	2,503,148	5.79	-	547,800.00	547,800	0.0001	-	-	3,050,948	2024			
2026	484,114,300,697	14,490,758	-	-	746,216	746,216	1,756,700	2,502,916	5.79	-	547,800.00	547,800	0.0001	-	-	3,050,716	2025			
2027	484,114,300,697	14,490,758	-	-	-	-	1,840,800	1,840,800	7.87	-	1,282,800.00	1,282,800	0.0003	-	-	3,123,600	2026			
2028	484,114,300,697	14,490,758	-	-	-	-	1,837,000	1,837,000	7.89	-	1,287,100.00	1,287,100	0.0003	-	-	3,124,100	2027			
2029	484,114,300,697	14,490,758	-	-	-	-	1,841,800	1,841,800	7.87	-	1,280,200.00	1,280,200	0.0003	-	-	3,122,000	2028			
2030	484,114,300,697	14,490,758	-	-	-	-	1,840,100	1,840,100	7.87	-	1,277,200.00	1,277,200	0.0003	-	-	3,117,300	2029			
2031	484,114,300,697	14,490,758	-	-	-	-	1,841,900	1,841,900	7.87	-	1,273,000.00	1,273,000	0.0003	-	-	3,114,900	2030			
2032	484,114,300,697	14,490,758	-	-	-	-	1,837,200	1,837,200	7.89	-	1,282,300.00	1,282,300	0.0003	-	-	3,119,500	2031			
2033	484,114,300,697	14,490,758	-	-	-	-	1,836,000	1,836,000	7.89	-	1,280,000.00	1,280,000	0.0003	-	-	3,116,000	2032			
2034	484,114,300,697	14,490,758	-	-	-	-	1,838,100	1,838,100	7.88	-	1,281,200.00	1,281,200	0.0003	-	-	3,119,300	2033			
2035	484,114,300,697	14,490,758	-	-	-	-	1,838,400	1,838,400	7.88	-	1,275,900.00	1,275,900	0.0003	-	-	3,114,300	2034			
2036	484,114,300,697	14,490,758	-	-	-	-	1,841,800	1,841,800	7.87	-	1,269,200.00	1,269,200	0.0003	-	-	3,111,000	2035			
2037	484,114,300,697	14,490,758	-	-	-	-	1,843,200	1,843,200	7.86	-	1,270,900.00	1,270,900	0.0003	-	-	3,114,100	2036			
2038	484,114,300,697	14,490,758	-	-	-	-	1,837,700	1,837,700	7.89	-	1,270,800.00	1,270,800	0.0003	-	-	3,108,500	2037			
2039	484,114,300,697	14,490,758	-	-	-	-	1,840,200	1,840,200	7.87	-	1,273,800.00	1,273,800	0.0003	-	-	3,114,000	2038			
2040	484,114,300,697	14,490,758	-	-	-	-	1,840,500	1,840,500	7.87	-	1,269,900.00	1,269,900	0.0003	-	-	3,110,400	2039			
2041	484,114,300,697	14,490,758	-	-	-	-	2,304,100	2,304,100	6.29	-	-	-	-	-	-	2,304,100	2040			
2042	484,114,300,697	14,490,758	-	-	-	-	2,300,600	2,300,600	6.30	-	-	-	-	-	-	2,300,600	2041			
2043	484,114,300,697	14,490,758	-	-	-	-	2,303,900	2,303,900	6.29	-	-	-	-	-	-	2,303,900	2042			
2044	484,114,300,697	14,490,758	-	-	-	-	2,303,800	2,303,800	-	-	-	-	-	-	-	2,303,800	2043			
2045	484,114,300,697	14,490,758	-	-	-	-	2,305,200	2,305,200	-	-	-	-	-	-	-	2,305,200	2044			
2046	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2045			
2047	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2046			
2048	484,114,300,697	14,490,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2047			
<b>Total &gt;&gt;</b>		\$ 5,442,120	\$ 1,353,795	\$ 5,314,166	\$ 12,110,081	\$ 45,713,550	\$ 57,823,631	\$ 1,805,716	\$ 21,092,625	\$ 22,898,341	-	\$ 3,609,086	\$ 77,112,886							

\* Project fund amounts are shown in columns above. Par amounts will be approximately \$27,730,000 (Lease Rev) and \$13,695,000 (Notes).

## QUESTIONS AND FEEDBACK?

- Thank you.
- James Colbert Jr.  
Superintendent
- Dr. Jesus Amezcua, CPA, RTSBA,  
Assistant Supt for Business
- [jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)



**Special Board Meeting**

**3.**

**Meeting Date:** August 3, 2020

**Title:** Consider approval of Certification of the Collection Rates and Calculation of the Effective and Rollback Rates by Harris County Tax Assessor

**Submitted For:** Jesus Amezcua, Business Office      **Submitted By:** Jaime Martinez

**Recommended Action:** Approve      **HCDE Goal(s):** 1. Impact education/respond to evolving needs  
2. Deliver value responsibly  
4. Provide cost savings by leveraging tax dollars

**Additional Resource Personnel:** Dr. Jesus J. Amezcua, Asst Supt. for Business; Stephanie Barnett, Chief Accounting Officer      **Facilities/Technology Approval Needed?:** None

**Information**

**Posted Agenda Item:**

**Consider possible action on certification of the anticipated debt collections rate for the tax year 2020, certification of the excess debt collection rate for the tax year 2019 and the calculation of the 2020 No-New-Revenue Tax Rate and Voter-Approval Tax Rate calculation to be prepared by Harris County Tax Assessor/Collector.**

**Subject:**

**Consider possible action on certification of the anticipated debt collections rate for the tax year 2020, certification of the excess debt collection rate for the tax year 2019 and the calculation of the 2020 No-New-Revenue Tax Rate and Voter-Approval Tax Rate calculation to be prepared by Harris County Tax Assessor/Collector.**

**Rationale:**

In preparation of the 2020 Truth in Taxation calculations, the following information was received from the Harris County Tax Assessor/Collector.

The anticipated collection rate for 2020 is 98.27 % as calculated under Sec. 26.04(h) and is to be entered on line 35 of the 2020 No-New-Revenue Rate Worksheet.

Excess 2019 debt tax collections are \$0.00 and are to be entered on line 33 of the 2020 No-New-Revenue Rate Worksheet. The amount of taxes refunded in tax year 2019 for prior years is \$431,631.29. Included in the amount are refunds for court decisions, Sec 25-25(b) and (c) corrections and Sec 31.11 payment errors. The amount is to be entered on line 15 of the 2020 No-New-Revenue Rate Worksheet.

NOTE: Tax Year 2020 figures are still pending from Harris County Tax Assessor's Office. The collection rate for calendar year 2019 was 98.27% and the refunds for 2018 were \$\$501,647. It is anticipated that HCAD will certify the tax roll by late August to early September 2020

**Fiscal Impact**

**Attachments**

HCAD 2020 collection rate

**Form Review**



## ANN HARRIS BENNETT

Tax Assessor-Collector & Voter Registrar  
www.hctax.net

July 22, 2020

Mr. Jesus Amezcua  
Harris County Dept. of Education  
6300 Irvington Blvd.  
Houston, TX 77022-5618

Reference: Truth-In-Taxation

Dear Mr. Amezcua:

The following information is provided for the Harris County Dept. of Education's 2020 Truth-In-Taxation calculations, in accordance with the certification requirements of Sec. 26.04, Texas Property Tax Code (the Code), for use on the No-New-Revenue Tax Rate Worksheet.

In accordance with Sec. 26.04(h) of the Code, the anticipated collection rate of a taxing unit is equal to the lowest actual collection rate for any of the preceding three years. Your anticipated collection rate for 2020 is 98.27% based on the actual collection rates for the preceding three years of:

Tax Year 2017 = 98.98%  
Tax Year 2018 = 99.06%  
Tax Year 2019 = 98.27%

Based on Sec. 26.04(e)(3)(C) of the Code, your 2019 Excess debt amount to be used in the 2020 debt rate calculation is \$0.00 because the 2019 actual debt collections met the anticipated 2019 debt collection rate which was equal to 100%.

The amount to be entered on line 15 of the No-New-Revenue Tax Rate Worksheet is \$431,631.29. This amount represents prior year tax refunds issued in 2019 from court decisions, Sec. 25.25(b) and (c) corrections, and Sec. 31.11 payment errors.

The appraisal roll is expected to be certified by the Harris County Appraisal District in late August to early September 2020.

Should you have any questions, or need further assistance, please call Jessica Adkins our Jurisdiction Coordinator at (713) 274-8172.

We look forward to working with your District during the Truth-In-Taxation process.

Sincerely,

A handwritten signature in cursive script that reads "Ann Harris Bennett".

Ann Harris Bennett  
Harris County Tax Assessor-Collector & Voter Registrar

**Special Board Meeting**

4.

<b>Meeting Date:</b>	August 3, 2020		
<b>Title:</b>	Asst Supt for Business		
<b>Submitted For:</b>	Jesus Amezcua, Business Office	<b>Submitted By:</b>	Jesus Amezcua
<b>Recommended Action:</b>	Approve	<b>HCDE Goal(s):</b>	1. Impact education/respond to evolving needs 4. Provide cost savings by leveraging tax dollars
<b>Additional Resource Personnel:</b>	Dr. Jesus J. Amezcua, Asst Supt for Business; Stephanie Barnett, Chief Accounting Office	<b>Facilities/Technology Approval Needed?:</b>	

**Information**

**Posted Agenda Item:**

**Consider approval of 2020 Certified Property Values and the submission of the no-new-revenue tax rate and voter-approval tax rate** using the certified estimate of taxable value and a plan to adopt tax rate of \$.0050 for Tax Year 2020 in accordance with the Truth in Taxation laws codified in Chapter 26 and amended by the 86th Legislature.

**Subject:**

Certified values, tax rate, no new revenue rate, voter approval rate

**Rationale:**

HCDE held budget workshops, and the budget was adopted on July 15th, 2020. The budget was developed with the assumption of increase property values and a plan to adopt a tax rate not higher than \$.0050. The 2020 certified values were received, and the total projected values are \$511 billion of which \$392 billion are certified. There are \$118 billion yet to be certified. The non new tax rate is calculated at \$.004910 and the voter approved tax rate is estimated at \$.5328. The administration is recommending to propose a tax rate of \$.0050 for Tax Year 2020.

The laws require that the values, the calculated rates and the proposal to adopt a tax rate be submitted to the governing bdy by Aug 7th. Below is a synopsis of the Tax Code requirements and reminders from the Harris County Tax Office:

- **July 25**, the Tax Assessor-Collector will receive a certified estimate of the taxable value of property. The Tax Assessor-Collector shall calculate the no-new-revenue tax rate and voter-approval tax rate using the certified estimate of taxable value.
- **By August 7** the Tax Assessor-Collector submits the rates to the governing body.
- **Provided that the Governing Body does not want to adopt in excess of the voter-approval tax rate, they can decide at the next governing body meeting on or before the August 7 to wait for the certified appraisal roll.**
- If the **Governing Body** wants to exceed the voter-approval rate, then the following deadlines need to be met:
  - August 10 begin Internet posting or TV spots for 7 days of "Notice of Public Hearing"
  - August 12 publish in the newspaper the "Notice of Public Hearing"
  - August 18 public hearing to discuss the proposed rate
  - August 24 deadline to adopt a rate that exceeds the voter-approval rate
- If the **Governing Body does not** want to exceed the voter-approval rate, the Tax Assessor-Collector will re-calculate and re-submit the rates upon receipt of the appraisal roll. We can help update on a timeline to adopt upon receipt of the appraisal roll.

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**Fiscal Impact**

**Attachments**

HCTO Letter

Tax Code Summary

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**Form Review**

**Inbox**

Assistant Superintendent - Business (Originator)

Form Started By: Jesus Amezcua

Final Approval Date: 07/25/2020

**Reviewed By**

Jesus Amezcua

**Date**

07/25/2020 11:22 AM

Started On: 07/25/2020 11:04 AM

044 HARRIS CO EDUC DEPT  
 TAX YEAR: 2019

HARRIS COUNTY APPRAISAL DISTRICT  
 PROPERTY USE CATEGORY RECAP  
 CERTIFIED TO DATE ROLL 11

LAST UPDATED: 07/02/2020  
 DELV DATE: 07/17/2020

PROPERTY USE CATEGORY	UNITS	ACREAGE	MARKET	APPRAISED	PRODUCTIVITY	EXEMPTIONS	TAXABLE VALUE
A1 Real, Residential, Single-Family	1,123,308	243,221.4295	278,379,122,417	272,376,066,016	0	73,730,407,164	198,645,658,852
A2 Real, Residential, Mobile Homes	11,088	7,202.8747	576,756,296	549,637,086	0	97,058,570	452,578,516
B1 Real, Residential, Multi-Family	5,623	20,403.3099	42,745,989,516	42,744,933,987	0	50,269,645	42,694,664,342
B2 Real, Residential, Two-Family	7,095	1,115.9681	1,628,371,822	1,600,167,812	0	142,486,981	1,457,680,831
B3 Real, Residential, Three-Family	517	86.0503	142,522,393	140,710,343	0	10,090,986	130,619,357
B4 Real, Residential, Four- or More-Family	145	25.9363	46,355,675	45,969,394	0	1,025,270	44,944,124
C1 Real, Vacant Lots/Tracts	55,993	14,811.9918	2,963,941,511	2,903,542,338	0	40,170,578	2,863,371,760
C2 Real, Vacant Commercial	29,640	62,447.5362	7,513,740,924	7,476,154,051	0	54,233,512	7,421,920,539
C3 Real, Vacant	38,082	37,919.0529	961,142,356	912,954,022	0	15,307,225	897,646,797
D1 Real, Qualified Agricultural Land	5,440	176,843.1223	4,062,329,907	0	95,848,818	108,364	95,740,454
D2 Real, Unqualified Agricultural Land	2,839	36,608.2478	1,282,999,024	1,247,445,577	0	7,334,164	1,240,111,413
E1 Real, Farm & Ranch Improved	468	764.2485	169,167,536	164,497,582	0	41,226,136	123,271,446
F1 Real, Commercial	63,160	120,090.9296	120,229,983,994	120,037,752,415	0	459,573,370	119,578,179,045
F2 Real, Industrial	2,135	41,127.1044	35,337,471,646	35,337,471,646	0	2,278,937,638	33,058,534,008
G1 Oil and Mineral Gas Reserves	4,913	0.0000	125,782,330	125,782,330	0	1,623,630	124,158,700
G2 Real Property Other Mineral Reserves	1	0.0000	1,628,400	1,628,400	0	0	1,628,400
H1 Tangible, Vehicles	0	0.0000	0	0	0	0	0
H2 Tangible, Goods In Transit	0	0.0000	0	0	0	0	0
I1 Real, Banks	0	0.0000	0	0	0	0	0
J1 Real & Tangible Personal, Utility water	124	44.6171	9,730,729	9,730,729	0	0	9,730,729

044 HARRIS CO EDUC DEPT  
 TAX YEAR: 2019

HARRIS COUNTY APPRAISAL DISTRICT  
 PROPERTY USE CATEGORY RECAP  
 CERTIFIED TO DATE ROLL 11

LAST UPDATED: 07/02/2020  
 DELV DATE: 07/17/2020

PROPERTY USE CATEGORY	UNITS	ACREAGE	MARKET	APPRAISED	PRODUCTIVITY	EXEMPTIONS	TAXABLE VALUE
J2 Gas Companies	53	144.3758	464,159,510	464,159,510	0	0	464,159,510
J3 Electric Companies	1,825	6,464.5487	2,639,780,284	2,639,780,284	0	1,149,512	2,638,630,772
J4 Telephone Companies	175	231.1150	664,553,217	664,553,217	0	350	664,552,867
J5 Railroads	1,188	6,838.9674	452,505,565	452,505,565	0	26,885	452,478,680
J6 Pipelines	4,456	231.3343	1,017,856,335	1,017,856,335	0	7,743,170	1,010,113,165
J7 Major Cable Television Systems	12	0.0000	434,557,360	434,557,360	0	0	434,557,360
L1 Tangible, Commercial	155,240	0.0000	29,858,846,183	29,858,846,183	0	1,089,670,448	28,769,175,735
L2 Tangible, Industrial	14,409	0.0000	36,658,174,369	36,658,174,369	0	4,358,338,327	32,299,836,042
M1 Tangible, Nonbusiness Watercraft	0	0.0000	0	0	0	0	0
M2 Tangible, Nonbusiness Aircraft	0	0.0000	0	0	0	0	0
M3 Tangible, Mobile Homes	28,582	2.3142	417,297,730	416,808,463	0	47,789,854	369,018,609
M4 Tangible, Miscellaneous	0	0.0000	0	0	0	0	0
N1 Intangibles	0	0.0000	0	0	0	0	0
O1 Inventory	13,836	520.9614	532,309,609	532,309,609	0	3,040,036	529,269,573
O2 Inventory	3,547	9.4809	682,772,937	682,772,937	0	19,399,827	663,373,110
S1 Dealer Inventory	3,672	0.0000	1,499,288,395	1,499,288,395	0	4,344	1,499,284,051
U0 Unknown	0	0.0000	0	0	0	0	0
XA Public Property for Housing Indigent Persons	0	0.0000	0	0	0	0	0
XB Income Producing Personal Property (<\$500)	0	0.0000	0	0	0	0	0
XC Mineral Interest (<\$500)	0	0.0000	0	0	0	0	0

044 HARRIS CO EDUC DEPT  
 TAX YEAR: 2019

HARRIS COUNTY APPRAISAL DISTRICT  
 PROPERTY USE CATEGORY RECAP  
 CERTIFIED TO DATE ROLL 11

LAST UPDATED: 07/02/2020  
 DELV DATE: 07/17/2020

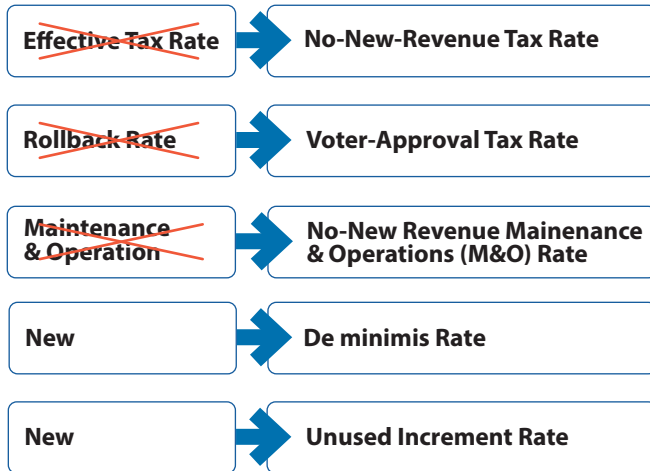
PROPERTY USE CATEGORY	UNITS	ACREAGE	MARKET	APPRAISED	PRODUCTIVITY	EXEMPTIONS	TAXABLE VALUE
XD Improving Property for Housing w/ Volunteer Labor	9	10.9801	2,146,446	2,146,446	0	2,146,446	0
XE Community Housing Development Organizations	45	203.6753	207,954,571	207,954,571	0	207,737,864	216,707
XF Assisting Ambulatory Health Care Centers	0	0.0000	0	0	0	0	0
XG Primarily Performing Charitable Functions	60	97.9141	52,968,807	52,968,807	0	52,968,807	0
XH Developing Model Colonia Subdivisions	0	0.0000	0	0	0	0	0
XI Youth Spiritual, Mental and Physical Development	37	290.2904	147,227,109	147,227,109	0	147,227,109	0
XJ Private Schools	550	2,417.2678	2,140,875,354	2,140,427,909	0	2,138,788,921	1,638,988
XL Economic Development Services to Local Community	6	2.6203	7,159,172	7,159,172	0	7,159,172	0
XM Marine Cargo Containers	0	0.0000	0	0	0	0	0
XN Motor Vehicles Leased for Personal Use	0	0.0000	0	0	0	0	0
XO Motor Vehicles (Income Production & Personal Use)	0	0.0000	0	0	0	0	0
XP Offshore Drilling Equipment Not In Use	0	0.0000	0	0	0	0	0
XQ Intracoastal Waterway Dredge Disposal Site	0	0.0000	0	0	0	0	0
XR Nonprofit Water or Wastewater Corporations	1	0.0000	54,190	54,190	0	54,190	0
XS Raw Cocoa and Green Coffee Held in Harris County	0	0.0000	0	0	0	0	0
XT Limitation on Taxes in Certain Municipalities	0	0.0000	0	0	0	0	0
XU Miscellaneous Exemptions	84	210.5099	648,539,168	648,539,168	0	648,539,168	0
XV Other Exempt (Incl Public, Religious, Charitable)	78,361	236,103.6745	51,350,659,415	51,350,629,815	0	51,231,065,180	119,564,635
<b>JURISDICTION TOTALS:</b>	<b>1,656,719</b>	<b>1,016,492.4495</b>	<b>\$626,056,722,202</b>	<b>\$615,553,163,142</b>	<b>\$95,848,818</b>	<b>\$136,892,702,843</b>	<b>\$478,756,309,117</b>

# Introducing a New TNT (Truth-In Taxation)

## New Terminology and Calculations

Senate Bill 2, 86th Legislative Session made several significant changes to the truth-in-taxation process.

Below is new terminology and calculations from this legislation.



**Under S.B.2, the calculation now looks like this:**

### (1) "NO-NEW-REVENUE TAX RATE"

means a rate expressed in dollars per \$100 of taxable value calculated to the following formula:

$$\text{NO-NEW-REVENUE} = \frac{(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY})}{(\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})}$$

### (2) "VOTER-APPROVAL TAX RATE"

means a rate expressed in dollars per \$100 of taxable value calculated to one of the following applicable formulas:

(A) For a special taxing unit:

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW REVENUE M\&O RATE} \times 1.08) + \text{CURRENT DEBT}$$

(B) For a taxing unit other than a special taxing unit:

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW-REVENUE M\&O RATE} \times 1.035) + \text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE}$$

## What adopted tax rates trigger an election or petition?

### ADOPTED TAX RATE IS:

<b>BELOW</b> voter-approval tax rate	No election required
<b>ABOVE</b> voter-approval tax rate but <b>BELOW</b> de minimis rate	Voters may petition for an election
<b>ABOVE</b> voter-approval tax rate; Taxing unit does not calculate a de minimis rate	Election required
<b>ABOVE</b> voter-approval tax rate and <b>ABOVE</b> the de minimis rate	Election required

## Revenue Threshold in Voter-approval Tax Rate

(or threshold over which voters must approve tax increases)

Taxing Unit	Voter-Approval Tax-Rate	Effective Date
Cities / Counties	3.5%	Jan. 1, 2020
Special Taxing Units*	8%	No Change
School Districts	2.5%	Sept. 1, 2020

\*Hospitals, Junior Colleges and Special Districts with M&O tax rate of 2.5 cents or less



## Where can I find more information?

Information is typically obtained from the resources below, but may be different for your organization.

## What information is available from my appraisal district?

1. Certified taxable values
2. Property value under protest
3. New real property and improvement value
4. Value of property lost
5. Captured appraisal values for tax increment financing (TIFs)
6. Property known, but not certified
7. Property with tax ceiling

## What information is available from my governing body?

1. Debt information
2. Unencumbered fund balance
3. TIF payments
4. Amount if transferring a function
5. Sales tax spent for no-new-revenue maintenance and operations
6. Enhanced indigent health care information
7. Criminal justice mandate information

## What information is available from Texas Comptroller of Public Accounts?

1. Railroad rolling stock value
2. Sales tax information (if applicable)

## What information is available from collectors?

1. Refund information
2. Excess collections

## Terms and Definitions

### No-new-revenue tax rate

(Last year's levy minus lost property levy) divided by (current total value minus new property value).

### Voter-approval tax rate for a special taxing unit

Voter-approval tax rate equals (no-new-revenue maintenance and operations tax rate times 1.08) plus current debt rate.

### Voter-approval tax rate for a taxing unit other than a special taxing unit

(No-new-revenue maintenance and operations tax rate times 1.035) plus current debt plus unused increment rate.

### No-new-revenue maintenance and operations rate

(Last year's levy minus last year's debt minus last year's junior college levy) divided by (current total value minus new property value).

### De minimis rate

The rate is equal to the sum of:

- (A) a taxing unit's no-new-revenue maintenance and operations rate;
- (B) the rate that when applied to a taxing current total value, will impose an amount of taxes equal to \$500,000, and
- (C) a taxing unit's current debt rate.

### Unused increment rate

A taxing unit that did not use all of its revenue growth may bank that unused growth as long as the taxing unit averaged below 3.5 percent of the voter-approval rate over three years. For the 2020 tax year, the unused increment rate is zero.

For more information, visit our website:  
[comptroller.texas.gov/taxes/property-tax](https://comptroller.texas.gov/taxes/property-tax)

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