

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Pensions, Investments & Financial Services
For HB 187

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Hearing Date: April 5, 2023 8:00 AM

Cathy Stein, Dalworthington Gardens Alderman
City of Dalworthington Gardens
Dalworthington Gardens, TX

Thank you to the Pensions, Investments, and Financial Services Committee members for allowing cities a means of giving input on legislation that would impact them and for your consideration of that input. H.B. 187 Local Debt Elections (Landgraf) carries a very real risk of hurting cities by limiting their ability to hold an election only once per year on the issuance of debt (GO bonds). This would be true whether the once a year election was the November or the May uniform election date. With other filed legislation that appears to be moving towards curtailing the issuance of debt through CO bonds, that would only leave cities with the opportunity to issue bond debt through GO bonds (through the election process).

What would happen if a city was faced with a need or opportunity that required the issuance of debt to implement a project that became apparent in September of a given year? Because lead times are required to put a measure on the ballot, it would be too late to place the measure on the upcoming November uniform election date. (The last day to order an election on a measure for the November election date is in August.) If H.B. 187 passed, which includes language that disallows an emergency requiring an early election, a city would not be able to ask its citizens to vote for 14 months. This could prove detrimental to the city and its citizens. If the May uniform election option is retained then a vote would be able to happen in 8 months.

By having the current lead times in place for a bond measure to be placed on a ballot it ensures that bond elections cannot be snuck onto the ballot at the last minute. This allows for citizen awareness and participation.

By retaining the ability to hold bond elections in both November and May a city retains the flexibility to raise funds needed to serve their citizens in a timely fashion.

Both transparency and expediency are served in the existing process. Please do not advance H.B. 187 out of committee.

Bradley Schnautz, Dr.
Grapevine-Colleyville ISD
Grapevine, TX

Grapevine-Colleyville ISD has many concerns with the proposal of HB 187. This proposition for approval of the issuance of bonds or other debt being restricted on the November uniform election date is a disservice to the taxpayers across the state.

Allowing only one date for bond approval will increase costs to taxpayers. A single election date will result in more bonds coming to market at the same time, which means districts will flood an already tight architecture and construction market with work as all districts will come online with similar timelines. This will drive up costs to the districts and taxpayers due to the high demand. By flooding the bond market, interest rates are also likely to increase, and also cost taxpayers more over the course of time.

A single election date could also further delay project completion due to the overlap in all architecture and construction projects, causing school districts to face a displacement of students or staff if projects are not completed in a timely and deadline-driven manner, typically strategically planned during school breaks when students and staff do not need access to the facilities. Districts with urgent needs early on in the year would have to wait until November to take action, which could have a negative impact on the district's ability to meet the needs of our students and staff.

For decades, Texas law authorized ISDs to hold bond elections on any date. The law was changed to allow bond elections on four uniform election dates, which has since been modified to two uniform election dates each year. HB 187 would restrict bond elections to the November general election date, which continues to remove local control of the elected trustees of ISDs.

In our conversations with school districts across the state, we have not found a single one in support of this bill. We urge the legislature to not further restrict bond elections as this is in the best financial interest of all school districts and the constituents.

Keith Bryant, Superintendent
Lubbock-Cooper ISD
Lubbock, TX

My name is Keith Bryant, and I am the superintendent of Lubbock-Cooper ISD. I am testifying on behalf of Lubbock-Cooper ISD in opposition of HB 187. LCISD is a fast-growing district with an enrollment of 8,000 students - almost triple the number of students the district boasted just 15 years ago. We anticipate this growth trend to continue for the foreseeable future, and we are tasked with accommodating not only today's students, but students for decades to come.

First and foremost, HB 187 impedes local control. District voters elect school boards, charging trustees with representing their interests and school needs. Removing the flexibility of a school board to call for a bond election in May or November is removing the local control due taxpayers upon electing a board.

A bond election is a significant step for a school district, one that is thoroughly researched and considered from a number of angles and logistical viewpoints. In a growing district like Lubbock-Cooper, the timing of a bond election has a critical effect on construction timelines. In the past decade, timelines for building completions have steadily increased. Construction projections are approximately two years for secondary campuses and 18 months for elementary campuses. In many cases, a May bond election is necessary to ensure a new campus is completed in the summer and open to students in August.

This isn't the only factor districts must consider when planning for construction. The costs of materials and labor are steadily increasing with little relief in sight. A six-month delay on a bond election, like the waiting period HB 187 would impose, would almost certainly result in significant price hikes. This would force districts to either ask more of taxpayers or exclude significant portions of bond proposals already carefully planned to stretch dollars while providing students the safe and comfortable learning environments they deserve. Bond proposals are not frivolous in nature; they are often designed to serve school communities with functional facilities for the better part of a century.

The flexibility to call bond elections in May or November is imperative for districts facing rapid growth or necessary updates. It allows for practical logistics and responsible stewardship of taxpayer dollars.

Another essential component of a bond election is accountability to taxpayers. A district sets the tax rate for the upcoming year in August; taxpayers know then what to anticipate and can plan accordingly. In the event of a November election, the tax rate changes just before the beginning of a new year. Taxpayers would have little lead time to prepare for potential tax adjustments.

On behalf of school districts across Texas, I urge you to consider the importance of allowing districts to maintain the flexibility of holding bond elections in either May or November to best serve our students, taxpayers, and school communities as a whole.

Rick Ramirez, Intergovernmental Relations Manager
City of Sugar Land
Sugar Land, TX

I am writing to express my opposition to HB 187 by Landgraf, which would require cities to hold bond elections in November instead of allowing them on the May uniform election date.

HB 187 would create unnecessary operational and budgetary/fiscal impacts to our city. Requiring the City to pay for an additional election in November, when we could consolidate it with a May election, would impose an unnecessary financial burden on our local government.

Furthermore, there is no inherent difference between November bond elections and May bond elections in regards to their passage. The outcome of a bond election, regardless of the month it is held in, depends on various factors such as the campaign efforts of the proponents and opponents, the quality of the bond proposal, and the attitudes and opinions of the voters. While I understand that this bill is intended to increase voter turnout by consolidating local debt elections with the November general election, I believe that it does more harm than good.

Therefore, I strongly urge you to vote against H.B. 187 and to support measures that make it easier for residents to participate in local democracy.

Hearing Date: April 5, 2023 8:00 AM

Matt Smith, Dr.

Belton ISD

Belton, TX

Chair Capriglione and House Pensions, Investments & Financial Services Committee,

I write this public comment today in opposition to HB 187 filed by Rep. Landgraf. This proposed legislation would reduce local control by trustees, ultimately costing taxpayers more money, by creating a uniform election date for bond elections in Texas.

In May 2022, Belton ISD voters approved the passage of a bond package to address safety and security, new facilities to address our fast growth, and renovations to aging facilities. The bond package totaled \$173,825,000 and we were still able to lower our Interest & Sinking (I&S) tax rate in August. This bond addressed significant needs for Belton ISD and we remained thoughtful stewards of our tax-payer trust by reducing the tax rate.

If Belton ISD was required to hold the election in November 2022, just a mere six-months later, our Chief Financial Officer and our district Financial Advisor estimate that it would have cost our district and our taxpayers an additional \$12,400,000. In addition, this estimate is likely low because we cannot consider the increased demand on contractors and service providers if all school district bond elections were held on the same date throughout the state.

In summary, please oppose HB 187. Passage of this legislation would cost taxpayers more money and would, once again, reduce the control of our locally elected officials. Through local control and the choice between May and November election dates, we can make thoughtful plans that best serve our local communities.

Sincerely,

Matt Smith, Ed.D.

Superintendent

Belton ISD