

**WACO INDEPENDENT SCHOOL DISTRICT
SPECIAL MEETING
WISD Conference Center
115 S 5th Street
Waco, Texas 76701**

Thursday, August 11, 2022 - 7:00 PM

A Special Meeting of the Board of Trustees of Waco Independent School District will be held August 11, 2022, beginning at 7:00 PM in the WISD Conference Center, 115 S 5th Street, Waco, Texas.

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

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

AGENDA

1. **Call to Order**
2. **Public Comments on Agenda Items**
3. **Consent Agenda: Consider and Take Appropriate Action**
 - 3.A. Resolution Identifying Hazardous Traffic Conditions
4. **Consider, Discuss and Take Appropriate Action Regarding the 2022-2023 Compensation Plan**
Presenter: Dr. Daniel Lopez
5. **Presentation and Discussion of the Proposed Budget and Tax Rate for the 2022-2023 Fiscal Year**
Presenter: Sheryl Davis
6. **Consider, Discuss and Take Appropriate Action on Order Authorizing the Issuance from Time to Time of Waco Independent School District Unlimited Tax School Building Bonds in an Aggregate Principal Amount Not to Exceed \$75,000,000; Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; Authorizing the Execution and Delivery of One or More Purchase Contracts and Paying Agent/Registrar Agreements Relating to Such Bonds; Approving the Preparation of One or More Official Statements; and Enacting Other Provisions Related Thereto**
Presenter: Sheryl Davis
7. **Consider, Discuss and Take Appropriate Action Regarding the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2022-2023 Fiscal Year, Setting the Proposed Tax Rate and the Date, Time, and Place for the Public Meeting**
Presenter: Sheryl Davis

8. **Announcements**
9. **Adjournment**

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 11, 2022

Contact Person: Gloria Barrera

RE: Resolution Regarding Hazardous Traffic Conditions

Background Information:

Texas Education Code 42.155(d) allows Districts to obtain supplemental state funding for transporting regular, otherwise ineligible students, who live within two miles of their school but who would be subject to hazardous traffic conditions if they walked to school. No more than 10% of the District’s routes may be designated as “hazardous” for state funding purposes. Using a standardized matrix with various safety and traffic criteria, the Transportation Department evaluates the hazardous walk-out areas in the District to ensure that students have a safe walking path to school and annually makes recommendations for the adoption of a resolution regarding Hazardous Traffic Conditions.

The Administration has identified the following hazardous routes for the 2022-2023 school year which are included in the proposed Resolution:

1. Alta Vista Elementary- New Road between I-35 and Robinson Road; Robinson Road between New Road and Primrose Drive; Primrose Drive between I-35 and Robinson Road
2. Bells Hills Elementary- South Valley Mills Drive between Clay Avenue and I-35; South 26th between Clay Avenue and I-35; Speight Avenue between South Valley Mills Drive and 18th and 17th; Dutton Avenue between South Valley Mills Drive and South 26th; Clay Avenue between South Valley Mills Drive and South 18th and 17th Street
3. Brook Avenue Elementary School- North 18th Street between Trice Avenue and Herring Avenue; Trice Avenue between 18th Street and 15th Street
4. Cedar Ridge Elementary School- Lake Shore Drive between College Drive and Park Lake Drive; North 19th/18th Street between Lyle Avenue and Lake Shore Drive; Herring Ave between 18th Street and 4th Street.
5. Crestview Elementary School- Bosque Boulevard between Lake Air and 36th Street; North 36th Street between Waco Dr. and Bosque Boulevard; Valley Mills between Waco Dr. and Lake Air; Lake Air between Valley Mills and Bosque Boulevard; Waco Dr. between Valley Mills and 36th Street.
6. Dean Highland Elementary School- Lyle Avenue between North 18th Street and McArthur Avenue; Herring Avenue between North 18th and McArthur; 26th Street between Maple and Herring Ave
7. J. H. Hines Elementary School- I-35 between Martin Luther King Boulevard and Forrest Street; Martin Luther King Blvd between Waco Dr and I-35; East Waco Drive between Martin Luther King Blvd and Clifton Street; Faulkner Lane between Martin Luther King Blvd and Garrison Ave.

8. Kendrick Elementary School- New Road between Beverly Drive and Bagby Avenue; Memorial Drive between New Road and South Valley Mills Drive
9. Mountainview Elementary- Cobbs Dr. between Valley Mills and Lake air
10. Parkdale Elementary- Sanger Ave between Valley Mills and Hwy 6; Bosque Blvd between Hwy 6 and Valley Mills; Valley Mills Dr between Sanger Ave and Bosque Blvd.
11. South Waco Elementary- S. 18th St. between I-35 and Lasalle Ave; LaSalle Ave Between 23rd and 12th; Garden between Boyd and 15th.
12. West Avenue Elementary- N 18th St and 17th between Bosque Blvd and W. Waco Dr; Waco Dr between 22nd and 5th.
13. Cesar Chavez MS- Valley Mills between Beverly and I-35; Lasalle between University Parks and the Circle
14. Indian Springs MS- Waco Dr. between 5th Street and University Parks; 5th Street between Waco Dr. and Washington; University Park Dr. between Washington Ave. and Waco Dr.
15. Tennyson MS- Sanger Ave. between Hwy6 and Valley Mills; Hwy 6 between Hwy84 and Bosque Blvd.; Hwy 84 between Hwy 6 and Valley Mills; Valley Mills between Hwy 84 and Bosque Blvd.
16. Waco High- 18th between Waco Dr. and Lyle Ave; Lyle Ave. between 18th St. and 41st; Cobbs between 41st and Valley Mills; Valley Mills between Ridgewood Dr and Waco Dr; Lake Air between Cobbs and Valley Mills; Waco Dr. between Valley Mills and 18th; New Rd. between Valley Mills and Cobbs; Bosque Blvd. between Valley Mills and 18th.
17. University High- I-35 between Hwy6 and Valley Mills; Hwy 6 between I-35 and N. Robinson Dr.; N. Robinson Dr. between Hwy 6 and Lasalle Ave.

Fiscal Implications:

The Resolution regarding hazardous traffic conditions allows the District to secure transportation funding based on hazardous traffic conditions. The designated routes do not exceed 10% of our regular routes.

Administrative Recommendation(s):

Approve the Resolution regarding Hazardous Traffic Conditions as presented.

RESOLUTION REGARDING HAZARDOUS TRAFFIC CONDITIONS

WHEREAS, Texas Education Code 42.155(d) allows the Board of Trustees of the Waco Independent School District to obtain supplemental state funding for transporting regular, otherwise ineligible students who live within two miles of their school but who would be subject to hazardous traffic conditions if they walked to school;

WHEREAS, the TEA handbook of School Transportation Allotments requires the Board to adopt language providing the definition of hazardous traffic conditions applicable to the District and identifying the specific hazardous areas for which such funding is requested;

WHEREAS, the Board acknowledges the Texas Education Code 42.155(d) provisions stating that a hazardous condition exists where no walkway is provided and students must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of the Waco Independent School District has defined hazardous traffic conditions in the same manner as stated in Texas Education Code 42.155(d) and has identified the following specific hazardous areas in which such conditions exist:

1. Alta Vista Elementary- New Road between I-35 and Robinson Road; Robinson Road between New Road and Primrose Drive; Primrose Drive between I-35 and Robinson Road
2. Bells Hills Elementary- South Valley Mills Drive between Clay Avenue and I-35; South 26th between Clay Avenue and I-35; Speight Avenue between South Valley Mills Drive and 18th and 17th; Dutton Avenue between South Valley Mills Drive and South 26th; Clay Avenue between South Valley Mills Drive and South 18th and 17th Street
3. Brook Avenue Elementary School- North 18th Street between Trice Avenue and Herring Avenue; Trice Avenue between 18th Street and 15th Street
4. Cedar Ridge Elementary School- Lake Shore Drive between College Drive and Park Lake Drive; North 19th/18th Street between Lyle Avenue and Lake Shore Drive; Herring Ave between 18th Street and 4th Street.
5. Crestview Elementary School- Bosque Boulevard between Lake Air and 36th Street; North 36th Street between Waco Dr. and Bosque Boulevard; Valley Mills between Waco Dr. and Lake Air; Lake Air between Valley Mills and Bosque Boulevard; Waco Dr. between Valley Mills and 36th Street.
6. Dean Highland Elementary School- Lyle Avenue between North 18th Street and McArthur Avenue; Herring Avenue between North 18th and McArthur; 26th Street between Maple and Herring Ave
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between Martin Luther King Blvd and Clifton Street; Faulkner Lane between Martin Luther King Blvd and Garrison Ave.

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13. Cesar Chavez MS- Valley Mills between Beverly and I-35; Lasalle between University Parks and the Circle
14. Indian Springs MS- Waco Dr. between 5th Street and University Parks; 5th Street between Waco Dr. and Washington; University Park Dr. between Washington Ave. and Waco Dr.
15. Tennyson MS- Sanger Ave. between Hwy6 and Valley Mills; Hwy 6 between Hwy84 and Bosque Blvd.; Hwy 84 between Hwy 6 and Valley Mills; Valley Mills between Hwy 84 and Bosque Blvd.
16. Waco High- 18th between Waco Dr. and Lyle Ave; Lyle Ave. between 18th St. and 41st; Cobbs between 41st and Valley Mills; Valley Mills between Ridgewood Dr and Waco Dr; Lake Air between Cobbs and Valley Mills; Waco Dr. between Valley Mills and 18th; New Rd. between Valley Mills and Cobbs; Bosque Blvd. between Valley Mills and 18th.
17. University High- I-35 between Hwy6 and Valley Mills; Hwy 6 between I-35 and N. Robinson Dr.; N. Robinson Dr. between Hwy 6 and Lasalle Ave.

ADOPTED THIS 11th DAY OF AUGUST, 2022.

WACO INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

Waco Independent School District
Board of Trustee Meeting Agenda Item

Date: August 11, 2022

Contact Person: Dr. Daniel Lopez

RE: Consider, Discuss and Take Appropriate Action Regarding the 2022-2023 Compensation Plan

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Background Information:

Per DEA (LOCAL), the Superintendent is required to recommend an annual compensation plan. On May 27, 2022, general pay increases including salary and stipend adjustments were approved by the Board. In order to finalize the compensation plan, the Administration recommends the following:

- Changes to temporary/extra duty rate schedule with new extra duty rates for library media specialists, professional special education services (SLP Assistant), special education evaluation services (SLP, LSSP, and Diagnostician), and summer school testing specialist/coordinator. Rates were updated for assistant principals working on a temporary basis.
- Increased daily and long-term rates for non-degreed, degreed, and certified teacher substitutes, and paraprofessional substitutes.
- An additional \$5 per day for substitutes working on Mondays and Fridays.
- Amended stipend schedule with newly created stipends for specialized health science teachers, lead registered nurse, and stipends for Transformation Zone (executive coach/chief academic officer and master teacher II).
- Increasing the district contribution for health insurance effective January 1, 2023, by 6.5%, from \$428 to \$456 per employee, per month, and continuing the \$41.667 monthly (\$500 annually) contribution to a flexible spending account for any employee who waives insurance coverage.

The goal of the District is to keep a zero-premium employee-only plan. The proposed 6.5% increase in health care contribution will cost an estimated \$626,000. A similar increase is proposed to be passed on to the employee, contributing an additional \$281,000. Premiums, and any proposed plan changes, will be presented to the District's employee insurance committee in the coming weeks.

Fiscal Implications:

The estimated cost of the proposed substitutes, temporary/extra duty salary increases, and stipends, is \$110,000. The District's contribution for health benefits will cost an estimated \$626,000. Increased costs are included in the proposed budget for 2022-2023.

Administrative Recommendation(s):

Approve the 2022-2023 employee compensation plan as presented.

2022-2023

Temporary Worker and Extra Duty Rate

Classification	Position	Rate	Rate Type
Auxiliary	Temporary Pool - Cafeteria Worker	\$10.38	Hourly Rate
Auxiliary	Temporary Pool - Custodian	\$10.38	Hourly Rate
Auxiliary	Temporary Pool - Student Worker	\$10.38	Hourly Rate
Athletics			
Auxiliary	Game Help - 25 Second Clock	\$16.25	Hourly Rate
Auxiliary	Game Help - Announcer	\$17.50	Hourly Rate
Auxiliary	Game Help - Chain Crew	\$11.25	Hourly Rate
Auxiliary	Game Help - Field Gate	\$11.25	Hourly Rate
Auxiliary	Game Help - Game Clock	\$15.00	Hourly Rate
Auxiliary	Game Help - Parking Attendant	\$10.00	Hourly Rate
Auxiliary	Game Help - Parking Supervisor	\$20.00	Hourly Rate
Auxiliary	Game Help - Pass/Band Gate	\$11.25	Hourly Rate
Auxiliary	Game Help - Pitch Counter (Baseball)	\$10.00	Hourly Rate
Auxiliary	Game Help - Porch Gate	\$13.75	Hourly Rate
Auxiliary	Game Help - Press Box Coordinator	\$8.50	Hourly Rate
Auxiliary	Game Help - Pressbox Host/Ushers	\$20.00	Hourly Rate
Auxiliary	Game Help - Pressbox Technician	\$8.50	Hourly Rate
Auxiliary	Game Help - Scoreboard	\$8.50	Hourly Rate
Auxiliary	Game Help - Concessions Cashier	\$10.00	Hourly Rate
Auxiliary	Game Help - Concessions Worker	\$8.50	Hourly Rate
Auxiliary	Game Help - Ticket Seller	\$11.25	Hourly Rate
Auxiliary	Game Help - Ticket Taker	\$8.50	Hourly Rate
Auxiliary	Game Help - Video Board	\$13.75	Hourly Rate
Campus			
Professional	Teachers	\$30.00	Hourly Rate
Professional	Curriculum Writer	\$30.00	Hourly Rate
Professional	Counselor	\$30.00	Hourly Rate
Professional	Library Media Specialist	\$25.00	Hourly Rate
Professional	Librarian	\$30.00	Hourly Rate
Professional	Nurse (RN)	\$30.00	Hourly Rate
Paraprofessional	Nurse (LVN)	\$20.70	Hourly Rate
Professional	After School Program Coordinator (Professional)	\$25.75	Hourly Rate
Professional	Professional (Instructional - Non Teacher; Instructional Specialist)	\$25.00	Hourly Rate
Professional	Professional (Non Instructional)	\$25.00	Hourly Rate
Professional	Professional Special Education (SLP Assistant)	\$30.00	Hourly Rate
Professional	Special Education Evaluation Services (SLP, LSSP, Diagnostician)	\$35.00	Hourly Rate
Professional	Specialist (Professional)	\$16.00	Hourly Rate
Paraprofessional	Aide, After School Care	\$14.14	Hourly Rate
Paraprofessional	Aide, Instructional	\$14.14	Hourly Rate
Paraprofessional	Clerk, Office/Receptionist	\$12.85	Hourly Rate
Paraprofessional	Secretary, Elementary	\$14.14	Hourly Rate
Paraprofessional	Secretary, Secondary	\$15.55	Hourly Rate
Professional	Assistant Principal, Elementary	\$325.00	Daily Rate
Professional	Assistant Principal, Middle School	\$340.00	Daily Rate
Professional	Assistant Principal, High School	\$375.00	Daily Rate

Professional	Principal	Negotiated	
Centralized Services			
Paraprofessional	Administrative Assistant - Central Office	\$15.55	Hourly Rate
Paraprofessional	Office Clerk/Receptionist	\$12.85	Hourly Rate
Paraprofessional	Specialist (Para) - Central Office	\$15.55	Hourly Rate
Paraprofessional	Student Internship	\$10.00	Hourly Rate
Paraprofessional	Technician Technology	\$18.82	Hourly Rate
Paraprofessional	Videographer (WISD TV)	\$20.00	Hourly Rate
Professional	Administrator, Central Office	Negotiated	
Summer School			
Professional	Teachers	\$30.00	Hourly Rate
Professional	Summer School Administrator, Elementary	\$32.00	Hourly Rate
Professional	Summer School Administrator, Middle	\$35.00	Hourly Rate
Professional	Summer School Administrator, High School	\$38.00	Hourly Rate
Professional	Summer School Testing Specialist/Coordinator	\$30.00	Hourly Rate
Professional	Teachers (Summer School/Non Compensatory)	\$25.00	Hourly Rate
Paraprofessional	Paraprofessional	Regular Hourly Rate if working in the same paraprofessional position as in the regular school year	
Tutors			
Paraprofessional	Tutor - High School Peer	\$10.00	Hourly Rate
Professional	Tutor - Non-Degreed (Minimum 9 hours in Core Content)	\$17.00	Hourly Rate
Professional	Tutor - Degreed (Minimum of 9 hours in Core Content)	\$22.00	Hourly Rate
Professional	Tutor - Degreed/Certified Teacher (TX SBEC or Other State)	\$30.00	Hourly Rate
Professional	Tutor - Music Degreed	\$30.00	Hourly Rate
<p><i>Note: Any temporary employment position not listed above will be paid the current minimum hourly wage.</i></p> <p><i>Current full-time non-exempt employees who work more than 40 hours in a workweek, must be paid time and one-half of their regular hourly rate for each hour worked over 40. Each work week stands alone for the purpose of determining an employee's regular hourly rate of pay for that week. If an employee is not paid on an hourly basis, that person's regular hourly rate must be calculated based on his or her total pay and hours worked for that week. As a rule, an employee who works two or more jobs at different rates of pay must receive overtime pay that equals time and one-half of the weighted average of all rates of pay for all hours worked in that work week.</i></p>			

Waco ISD
2022-2023 Substitute Pay Information

Position/Degree	2021-2022 Rate	2022-2023 Proposed Rate
Substitute Aide or Paraprofessional Positions High School Diploma or GED	\$77 per day	\$80 per day
Long Term Substitute Paraprofessional/Aide – after 10 th consecutive day in the same assignment (long term rate starts on day 11)	\$80 per day	\$85 per day
Substitute Teacher – 30+ College Hours (previously 40+)	\$80 per day	\$100 per day
Long Term Substitute Teacher – Non-Certified with 30+ College Hours – after 10 th consecutive day in the same assignment (long term rate starts on day 11)	N/A	\$115 per day
Substitute Teacher – Bachelor’s Degree	\$90 per day	\$100 per day
Long Term Substitute Teacher – Non-Certified with Bachelor’s Degree – after 10 th consecutive day in the same assignment (long term rate starts on day 11)	\$115 per day	\$125 per day
Substitute Teacher – Texas or Out of State Certification	\$100 per day	\$125 per day
Long Term Substitute Teacher with Teacher Certification – after 10 th consecutive day in the same assignment (long term rate starts on day 11)	\$130 per day	\$150 per day
Substitute Nurse – LVN or RN	\$135 per day	\$150 per day
Substitute Professional (Non-Teacher Campus Role) – Counselor, Instructional Specialist, Behavior Interventionist, etc. – Must have appropriate credentials and be approved by Human Resources	\$135 per day	\$150 per day
Substitute Principal or Assistant Principal – Must have appropriate certification (Principal or Mid-Management), previous experience as a Principal or AP, and be approved by Human Resources	Rate set by HR	Rate set by HR
Substitute Central Office Administrator or Professional – Must have appropriate credentials	Rate set by HR	Rate set by HR

- Substitutes with less than 30 college hours, a high school diploma, or GED are only allowed to substitute in paraprofessional/clerical positions
- All paraprofessional/clerical positions are paid at \$80 per day, regardless of degree or certification. A paraprofessional substitute is a non-teacher position such as an instructional aide, office/clerical worker, or secretary.
- Substitutes working as a teacher or aide in a special education classroom earn an additional \$5 per day
- Substitutes working on Mondays and Fridays earn an additional \$5 per day
- Substitutes earn incremental pay the more they work
 - \$10 per day in addition to the daily rate after working 30 cumulative days (beginning on the 31st day)
 - \$20 per day in addition to the daily rate after working 60 cumulative days (beginning on the 61st day)
 - NOTE: Incremental pay will carry over to the 2022-2023 school year from 2021-2022 (based on number of days worked in 2021-2022)

**Waco Independent School District
2022-2023 Stipend Schedule**

A stipend form must be completed and submitted to Human Resources by the appropriate principal and/or district administrator. All stipends are subject to certification and schedule verification. Stipends are prorated based on the number of sections taught in the subject/content area. Most annual stipends are paid over 24 paychecks for the year, unless otherwise noted.

Stipend Description	Stipend Amount
High School - Content/Critical Shortage	
Math / Physics High School Stipend (CERTIFIED ONLY)	\$8,000
Science High School Stipend (CERTIFIED ONLY)	\$8,000
Engineering High School (Funded out of CTE Budget)	\$8,000
English I and II High School (prorated per section)	\$1,400
High School - Special Programs	
Specialized Health Science Teacher (GWAHCA Only) - Requires appropriate licensure/certification meeting industry standards for the following courses/certification pathways: Community Health Worker (CHW); Certified Nurse Assistant (CNA); Certified Clinical Medical Assistant (CCMA); Pharmacy Technician (CPhT); or Clinical Ethics	\$6,000
Health Science Teacher (WHS and UHS Only) - Requires appropriate licensure/certification meeting industry standards	\$4,000
Welding	\$4,500
Future Educators Academy Teacher - Two teachers from each WHS and UHS - Grow Your Own Grant Funded for 22-23 and 23-24 only - Must teach Principles of Education, Instructional Practices and/or Practicum	\$2,500
High School - Fine Arts	
High School Band Director (207 Day Calendar) - Includes Lead Cluster Responsibilities	\$16,000
High School Assistant Band Director (207 Day Calendar)	\$7,500
High School Mariachi Band Director	\$3,000
High School Steel Drum Director	\$1,500
Color Guard/Flag Corps	\$2,000
Jazz/Stage Band	\$2,000
ROTC Marching Guards (207 day calendar)	\$3,000
High School Choir Director	\$6,000
High School Assistant Choir Director	\$4,000
High School Show Choir Director	\$1,000
High School Orchestra Director (Multi Campuses)	\$8,500
High School Theater Arts Director	\$6,000
High School Assistant Theater Arts Director	\$4,000
Performing Arts Facility Manager	\$3,000
High School Extracurricular, UIL & Other Academic Activities/Programs	
Cheerleader Sponsor, Varsity	\$5,000
Cheerleader Sponsor, Asst. Varsity	\$3,000
Drill Team Sponsor, Varsity	\$4,500
Drill Team Sponsor, Asst. Varsity	\$3,000
High School Yearbook Sponsor	\$2,000
High School Student Council Sponsor	\$1,500
High School UIL Coordinator	\$2,000
High School UIL Debate Sponsor	\$1,500
High School UIL Speech Sponsor	\$1,500
High School UIL Academic Contest Sponsor (per event)	\$700

High School Academic Decathlon Sponsor	\$3,000
High School Assistant Academic Decathlon Sponsor	\$1,500
High School Mock Trial Sponsor	\$3,000
Middle School - Fine Arts	
Math Stipend Middle School (MATH CERTIFIED ONLY)	\$6,000
Science Middle School Stipend (SCIENCE CERTIFIED ONLY)	\$6,000
Math & Science Middle School (GENERALIST CERTIFIED) - Stipend amount will be prorated based on the number of sections taught in the content area	50% of the content stipend, maximum of \$3,000
Middle School - Fine Arts	
Middle School Band Director	\$6,000
Middle School Assistant Band Director	\$4,000
Middle School Choir Director	\$3,000
Middle School Orchestra Director – Per Campus	\$2,000
Middle School Theater Arts Director	\$3,000
Middle School Extracurricular, UIL & Other Academic Activities/Programs	
Middle School Cheerleader Sponsor	\$2,000
Middle School UIL Coordinator	\$1,000
Middle School UIL Academic Contests (per event)	\$400
Elementary - Content/Critical Shortage, Special Programs & Other Academics/UIL	
Elementary Bilingual Teacher (CERTIFIED ONLY)	\$6,000
ESL - Elementary (CERTIFIED ONLY)	
1 to 6 Students or up to 25% of Students Assigned to Teacher	\$500
7-12 Students or 26 to 50% of Students Assigned to Teacher	\$1,000
13-18 Students or 51 to 75% of Students Assigned to Teacher	\$1,500
19-23+ Students or 76% to 100% of Students Assigned to Teacher	\$2,000
Choral Music - Cluster Lead Teacher (Elementary)	\$4,000
Elementary School UIL Coordinator	\$500
Campus - Various Levels - Academics, Special Programs & Other Extracurriculars/Academic Activities/UIL	
Discipline Alternative (DAEP) Classroom Teacher	\$1,000
Foreign Languages (CERTIFIED)	\$3,000
ESL - Secondary (CERTIFIED ONLY)	
1% to 25% Students Served	\$500
26% to 50% Students Served	\$1,000
51% to 75% Students Served	\$1,500
76% to 100% Students Served	\$2,000
New Teacher Campus Coordinator (1 per campus, paid annually in June)	\$1,000
Safe School Student Coordinator (Must be paid by campus budget and duties performed outside of work hours)	\$1,150
History Fair Campus Coordinator	\$500
Non-UIL Advanced Competition (outside of contract period)	\$500
Transformation Waco	
Master Teacher I, Transformation Waco	\$13,000
Master Teacher II, Transformation Waco	\$16,000
TIA Teacher Expert, Transformation Waco	\$750
Executive Coach/Chief Academic Officer, Transformation Waco	\$35,000
Opportunity Culture	
Multi-Classroom Leader (MCL)	\$13,000
Multi-Classroom Leader (MCL) II	\$16,000
Master Team Reach Teacher (MTRT)	\$5,000
Team Reach Teacher (TRT)	\$2,500

Reach Associate (RA)	\$1.3369 per hour added to hourly rate of pay (equivalent of \$2000 stipend)
Teacher Leadership	
Grade Level Chair, Elementary (Grades PK-5)	\$1,000
Campus Specials Chair, Elementary (Grades PK-5)	\$1,000
Department Chair, Secondary (Core, Special Ed, Fine Arts)	\$1,000
Reading Recovery Teacher Leader - Stipend covers extra days worked or attending training outside of regular contracted work days	\$13,000
Special Education Program Areas	
Special Education SAIL Teacher	\$4,000
Special Education Self-Contained PPCD, Achieve, Aspire	\$3,000
Special Education Visually Impaired Teacher	\$6,000
Special Education Inclusion/Resource Teacher with Core Content Cert	\$1,500
RDSPD Teacher with Deaf Ed Certification	\$1,000
Special Olympics Coach	\$2,500
Bilingual/Translator Diagnostician*	\$3,000
Bilingual/Translator Speech Pathologist*	\$3,000
Bilingual/Translator LSSP*	\$3,000
Bilingual/Translator ARD Facilitator*	\$3,000
*Must possess appropriate professional certification(s); be proficient in Spanish (understand, read, write, speak, and translate); have the ability to conduct and facilitate Special Education related meetings between staff, students and parents; and complete all required documentation/paperwork and related processes within certification area.	
District - Various Levels - Academics & Special Programs	
Bilingual/Translator Dyslexia Specialist - Must possess appropriate professional certification(s) including bilingual teaching credentials; be proficient in Spanish (understand, read, write, speak, and translate); have the ability to conduct and facilitate dyslexia assessments and instruct bilingual students, conduct related meetings between staff, students and parents; and complete all required documentation/paperwork and related processes within certification area.	\$3,000
Gifted & Talented Itinerant Teacher (CERTIFIED)	\$2,000
Counselor, Lead High School	\$1,000
Counselor, Lead Middle School	\$1,000
Counselor, Lead Elementary	\$1,000
Lead Speech Language Pathologist (ASHA certified)	\$2,000
Lead Elementary Art Teacher	\$1,000
Lead Secondary Art Teacher	\$1,000
Lead Physical Education Teacher	\$2,000
Lead Parent as Teacher (PAT Program)	\$2,000
Lead Registered Nurse (RN)	\$2,000
Suspend Kids to School / Saturday Diversion Program Oversight	\$7,000
PDS Mentor Stipend (Baylor) - paid bi-annually in December and May	Various Amounts - Assigned by Baylor School of Education
New Teacher Mentor Stipend - paid annually in June	\$500 per assigned mentee
Athletic Stipends	
HS Campus Athletic Coordinator (1 Boys, 1 Girls Per Camp)	\$7,000

Head Varsity Coach	
Baseball	\$8,000
Basketball	\$9,000
Cross Country	\$7,000
Golf (Year Round)	\$6,000
Powerlifting	\$3,000
Soccer	\$8,000
Softball	\$8,000
Tennis	\$7,500
Track	\$7,000
Volleyball	\$8,000
Football Offensive/Defensive Coordinator*	\$8,500
Assistant Varsity/JV/9th Coach	
Baseball, Varsity Asst.	\$5,000
Baseball, JV/9 th	\$4,000
Basketball, Varsity Asst.	\$5,000
Basketball, JV/9 th	\$4,000
Football, Varsity Asst.*	\$6,500
Football, JV/9 th **	\$5,500
Powerlifting, Varsity Asst.	\$2,000
Soccer, Varsity Asst.	\$5,000
Soccer, JV/9 th	\$4,000
Softball, Varsity Asst.	\$5,000
Softball, JV	\$4,000
Tennis, Asst.	\$3,500
Track/Cross Country, Asst.	\$3,000
Volleyball, Varsity Asst.	\$5,000
Volleyball, JV/9 th	\$4,000
After School Single Sport Assistant (except football)	\$2,000
*Includes \$1,000 for football related responsibilities: 15 days report prior to first day for teachers and \$500 for football spring training (if applicable).	
**Includes \$500 for football related responsibilities: 15 days early report (if applicable)	
Middle School Athletics	
Athletic Coordinator, Middle School (1 Boys, 1 Girls per school)	\$2,000
Basketball, Middle School	\$2,000
Cross Country, Middle School	\$2,000
Football, Middle School	\$2,000
Golf, Middle School	\$2,000
Head Football, Middle School	\$3,500
Soccer, Middle School	\$1,600
Tennis, Middle School	\$2,000
Track, Middle School	\$2,000
Volleyball, Middle School	\$2,000
Single Sport (After School), Middle School	\$1,200
Miscellaneous Athletic Stipends	
Audio-Visual - Athletic Support	\$7,000
Photographer - Athletic Support	\$3,000
Tournament Coordination	\$700

Recruiting Stipends	
New Special Education Teacher Signing Incentive: New-to-Waco ISD Special Education Teacher hired by August 4, 2022; requires new teacher to hold both Special Education and Core Content Certifications (one-time payment on September 15th check)	\$1,500
Baylor/Tarleton New Teacher Recruitment and Retention Incentive: Recent graduate of Baylor or Tarleton State Universities, newly hired as a zero-year teacher who has served at least one semester in the past two (2) years as an intern, teacher assistant, resident assistant, etc. on a Waco ISD campus. Teacher is eligible for a \$500 retention incentive when returning for the following school year. (Both are a one-time stipend paid out in the August 31st check)	\$500
Relocation Reimbursement Assistance: Newly hired teachers relocating to Waco from 250-499 miles may be approved for reimbursement of up to \$500; those greater than 500 miles may be approved for reimbursement of up to \$750. Request must be made in advance and approved by Human Resources (limited number are available). Receipts are required when submitting request for payment.	\$500 to \$750

Teacher Incentive Allotment (TIA) Supplemental Pay

For any funds received by Waco ISD for a designated teacher under the Teacher Incentive Allotment (TIA), 75%, less the TRS deduction (both employee and district) and any other applicable payroll taxes or deductions, will be paid to the designated teacher. The other 15 % will be paid equally to the other high performing teachers on the designated teacher’s campus.

The remaining 10% will be collected at the district level and used for training/ support, expansion, administrative expenses, and professional development.

Employees who resign or retire: Should the district receive funding for a designated teacher who has resigned or retired, the district will forward payment to the retired teacher if the retired teacher notifies the district in writing by May 15. If an employee resigns, the funds will be redistributed to designated teachers and other high performing teachers from the campus the employee was assigned.

Updated 8/11/2022

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 11, 2022

Contact Person: Sheryl Davis

RE: Presentation and Discussion of the Proposed Budget and Tax Rate for the 2022-2023 Fiscal Year

=====

Background Information:

On or before a date set by the State Board of Education, the superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the district for the following fiscal year. The budget must be prepared according to generally accepted accounting principles; rules adopted by the State Board of Education; and adopted policies of the board of trustees.

The administration will present information on the proposed budgets for funds included in the official budget as well as three funds for which the District is the fiscal agent. Information will also be presented on the proposed tax rate including a review of the draft notice for publication.

Fiscal Implications:

None

Administrative Recommendations:

Action will be taken in a separate item to approve the proposed tax rate and set the date of the public hearing on the proposed budget and tax rate.

Waco Independent School District

Official Budget

2022-2023

	General Fund	Child Nutrition Fund	Debt Service Fund	Memorandum Total
Revenues:				
Local and Intermediate Source Revenue	\$ 83,931,600	435,000	24,679,348	109,045,948
State Program Revenue	65,954,671	-	221,700	66,176,371
Federal Program Revenue	8,090,727	9,485,099	-	17,575,826
Total Revenues	157,976,998	9,920,099	24,901,048	192,798,145
Appropriations:				
Instruction	88,908,434	-	-	88,908,434
Instructional Resources and Media Services	558,313	-	-	558,313
Instructional Staff Development and Curriculum Development	4,368,265	-	-	4,368,265
Instructional Leadership	4,131,369	-	-	4,131,369
School Leadership	10,144,781	-	-	10,144,781
Guidance, Counseling and Evaluation Services	5,785,954	-	-	5,785,954
Social Work Services	806,369	-	-	806,369
Health Services	1,501,102	-	-	1,501,102
Student Transportation	3,761,600	-	-	3,761,600
Food Services	-	10,978,538	-	10,978,538
Extracurricular Activities	5,686,449	-	-	5,686,449
General Administration	7,323,927	-	-	7,323,927
Plant Maintenance and Operations	17,617,917	-	-	17,617,917
Security and Monitoring Services	2,765,386	-	-	2,765,386
Data Processing Services	4,289,383	-	-	4,289,383
Community Services	487,519	-	-	487,519
Debt Service	345,000	-	24,896,048	25,241,048
Facilities Acquisition and Construction	-	-	-	-
Payments to Shared Services Arrangement	345,000	-	-	345,000
Payments to Juvenile Justice Alternative Education Program	650,000	-	-	650,000
Payments to Tax Increment Fund	25,000	-	5,000	30,000
Other Intergovernmental Charges	808,424	-	-	808,424
Total Appropriations	160,310,192	10,978,538	24,901,048	196,189,778
Excess (Deficiency) of Estimated Revenues Over Appropriations	(2,333,194)	(1,058,439)	-	(3,391,633)
Other Financing Sources/(Uses)	(1,030,292)	-	-	(1,030,292)
Net Change in Fund Balance	(3,363,486)	(1,058,439)	-	(4,421,925)
Fund Balance, beginning of year	49,216,340	4,095,930	3,991,178	57,303,448
Fund Balance, end of year	45,852,854	3,037,491	3,991,178	52,881,523
Non-spendable Fund Balance	(400,123)	-	-	(400,123)
Restricted Fund Balance:				
Retirement of Long-term Debt	-	-	(3,991,178)	(3,991,178)
National School Lunch and Breakfast Program	-	(3,037,491)	-	(3,037,491)
Other Restricted Fund Balance	(1,195,000)	-	-	(1,195,000)
Committed Funds	(5,840,000)	-	-	(5,840,000)
Unassigned Fund Balance	\$ 38,417,731	-	-	38,417,731

General Fund

	2020-2021	2021-2022		2022-2023	Change from Adopted	
	Audited	Adopted	Amended	Projected		Proposed
Revenues:						
Local and Intermediate Source	\$ 73,103,342	75,266,353	78,981,743	79,315,226	83,931,600	8,665,247
State Programs	87,413,464	85,574,609	85,574,609	78,823,669	65,954,671	(19,619,938)
Federal Programs	4,469,012	3,908,900	3,908,900	4,732,808	8,090,727	4,181,827
Total Revenues	164,985,818	164,749,862	168,465,252	162,871,703	157,976,998	(6,772,864)
Expenditures:						
Instruction and Instructional-Related Services:						
Instruction	86,215,758	89,278,274	90,228,067	84,219,387	88,908,434	(369,840)
Instructional Resources & Media Services	919,653	963,609	1,066,696	972,346	558,313	(405,296)
Instructional Staff & Curriculum Development	4,083,940	4,526,701	4,591,665	4,116,097	4,368,265	(158,436)
Instructional and School Leadership:						
Instructional Leadership	4,065,839	3,619,018	3,810,220	3,748,635	4,131,369	512,351
School Leadership	9,968,069	10,130,698	10,266,475	9,850,545	10,144,781	14,083
Student Support Services:						
Guidance, Counseling and Evaluation Services	4,990,633	5,451,254	5,237,278	5,475,695	5,785,954	334,700
Social Work Services	809,269	897,678	951,889	917,201	806,369	(91,309)
Health Services	1,555,123	1,562,518	1,562,007	1,435,370	1,501,102	(61,416)
Student Transportation	3,375,332	3,789,590	4,487,668	2,721,936	3,761,600	(27,990)
Food Services	-	-	38,290	38,290	-	-
Extracurricular Activities	4,608,652	5,408,768	5,727,116	5,634,291	5,686,449	277,681
General Administration	5,684,608	6,838,759	7,010,899	6,230,142	7,323,927	485,168
Non-Student Based Support Services:						
Plant Maintenance and Operations	18,127,818	17,091,637	21,198,328	19,171,648	17,617,917	526,280
Security and Monitoring Services	2,482,856	2,652,597	2,883,443	2,775,593	2,765,386	112,789
Data Processing Services	2,927,905	3,876,226	3,888,229	3,692,940	4,289,383	413,157
Community Services	646,517	528,187	650,991	542,169	487,519	(40,668)
Debt Services	-	-	-	-	345,000	345,000
Facilities Acquisition and Construction	5,145,251	40,183	6,373,856	5,385,909	-	(40,183)
Intergovernmental Charges:						
Payments to Shared Services Arrangement	330,000	345,000	345,000	345,000	345,000	-
Payments to Juvenile Justice Alternative Education Program	295,918	700,000	700,000	650,853	650,000	(50,000)
Payments to Tax Increment Fund	7,049,304	6,533,499	8,133,499	7,914,375	25,000	(6,508,499)
Other Intergovernmental Charges	704,473	820,288	820,288	721,825	808,424	(11,864)
Total Expenditures	163,986,918	165,054,484	179,971,904	166,560,247	160,310,192	(4,744,292)
Revenues Over/(Under) Expenditures	998,900	(304,622)	(11,506,652)	(3,688,544)	(2,333,194)	(2,028,572)
Other Financing Sources/(Uses)	(136,111)	(689,443)	(689,443)	(638,353)	(1,030,292)	(340,849)
Revenues/Sources Over/(Under) Expenditures/Uses	862,789	(994,065)	(12,196,095)	(4,326,897)	(3,363,486)	(2,369,421)
Fund Balance Beginning of the Year	52,680,447	53,543,236	53,543,236	53,543,236	49,216,339	(4,326,897)
Fund Balance End of the Year	53,543,236	52,549,171	41,347,141	49,216,339	45,852,853	(6,696,318)
Nonspendable, Restricted or Committed Funds	(17,859,018)	(3,400,000)	(17,859,018)	(7,435,123)	(7,435,123)	(4,035,123)
Unassigned Fund Balance	\$ 35,684,218.8	49,149,171	23,488,123	41,781,216	38,417,730	(10,731,441)
Unassigned Fund Balance as a Percent of Expenditures	21.8%	29.8%	13.1%	25.1%	24.0%	

**Waco Independent School District
Other Proposed Budgets
2022-2023**

	Greater Waco Advanced Academies		McLennan Co.	Regional	<i>Memorandum</i> Total
	Health Care Academy	Manufacturing Academy	Challenge Academy	Day School for the Deaf	
Revenues:					
Local and Intermediate Source Revenue	\$ 969,000	1,033,600	818,000	530,000	3,350,600
State Program Revenue	58,179	57,490	107,234	51,416	274,319
Total Revenues	\$ 1,027,179	1,091,090	925,234	581,416	3,624,919
Appropriations:					
Instruction	\$ 967,860	835,654	581,635	1,004,508	3,389,657
Instructional Staff and Curriculum	10,200	7,400	-	2,200	19,800
Instructional Leadership	260,677	165,461	-	-	426,138
School Leadership	-	-	205,047	-	205,047
Guidance, Counseling and Evaluation Svcs	88,402	188,425	75,552	-	352,379
Health Services	-	-	200	-	200
Plant Maintenance and Operations	75,040	104,150	7,300	-	186,490
Payments to Shared Services Arrangement	-	-	55,500	20,000	75,500
Total Appropriations	\$ 1,402,179	1,301,090	925,234	1,026,708	4,655,211
Excess (Deficiency) of Estimated Revenues Over					
Appropriations	\$ (375,000)	(210,000)	-	(445,292)	(1,030,292)
Other Financing Sources/(Uses)	375,000	210,000	-	445,292	1,030,292
Net Change in Deferred Revenue	\$ -	-	-	-	-
Deferred Revenue, beginning of year	-	-	234,812	-	234,812
Deferred Revenue, end of year	\$ -	-	234,812	-	234,812



2022-2023



Proposed Budget & Tax Rates

August 11, 2022





Agenda



- **Legal Requirements and Overview of the Budget Process**
- **Enrollment, Average Daily Attendance and Hold Harmless Provisions**
- **2022 Local Property Values and Proposed Tax Rates**
- **General Fund, Overview, Transformation Zone, Issues Impacting the Budget, & Fund Balances**
- **Other Adopted Budgets**



Legal Requirements & Overview of the Budget Process





Legal Requirements

- **Budgets must be developed in accordance with generally accepted accounting principles, i.e., modified accrual basis, revenues are recognized when received and expenditures are recognized when services are rendered or goods received**
- **For districts with a September 1 through August 31 fiscal year, a proposed budget must be prepared no later than August 20th**
- **Public hearing must be held prior to the adoption of the budget and tax rate**
- **Minimum ten day notice must be published in the local newspaper and on district's website in required formats**
- **Budget must be adopted by August 31st**
- **Last day to adopt a tax rate is September 30th or 60 days after certification of roll**
- **Budget must be adopted prior to the approval of the tax rate**

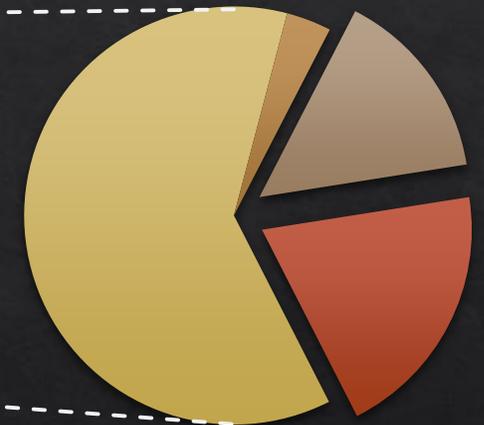
Legal Requirements

- **Budgets included in the “Official Budget” and required to be adopted by the Board of Trustees:**
 - **General Fund (includes Transformation Zone)**
 - **Child Nutrition Fund**
 - **Debt Service Fund**
- **Other local special revenue fund budgets approved by the Board include:**
 - **Greater Waco Advanced Academies**
 - **McLennan County Challenge Academy (JJAEP)**
 - **Regional Day School Program for the Deaf**

Governmental Funds



Special Revenue Funds



■ General Fund ■ Debt Service ■ Special Revenue

■ Child Nutrition Programs
■ Other Federal Funds
■ State Grants
■ Local Grants & Programs



Factors Influencing the Budget Process

**Student
Enrollment &
Attendance**

**Property Values
& Collections**

**Available Federal
Funding**

**Recruitment &
Retention**

**After Effects of
Pandemic**

Inflation



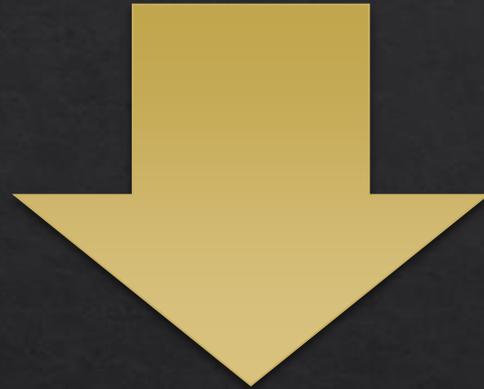
Budget Goals





Funding of School Districts

**Approximately
94% of General
Operating
Funds revenue
comes from
two sources**



**Property
Values / Taxes**

**State
Foundation
School
Program Aid**

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Funding of School Districts

Property Taxes

- **Values determined by McLennan County Appraisal District**
- **Tax rate comprised of:**
 - **Maintenance & Operations (M&O)**
 - **Interest & Sinking (I&S)**
- **M&O rate capped**
 - **Voter-Approval Tax Rate Election (can get additional enrichment pennies)**

State Foundation School Pgm

- **State funding formulas set by the legislature**
- **Basic allotment of \$6,160 is not adjusted for inflation**
- **Allotments are impacted by:**
 - **Enrollments**
 - **Average Daily Attendance (ADA)**
 - **Special populations**
 - **Enrichment pennies**
 - **Property values / wealth**



Enrollment, Average Daily Attendance & Hold Harmless Provisions

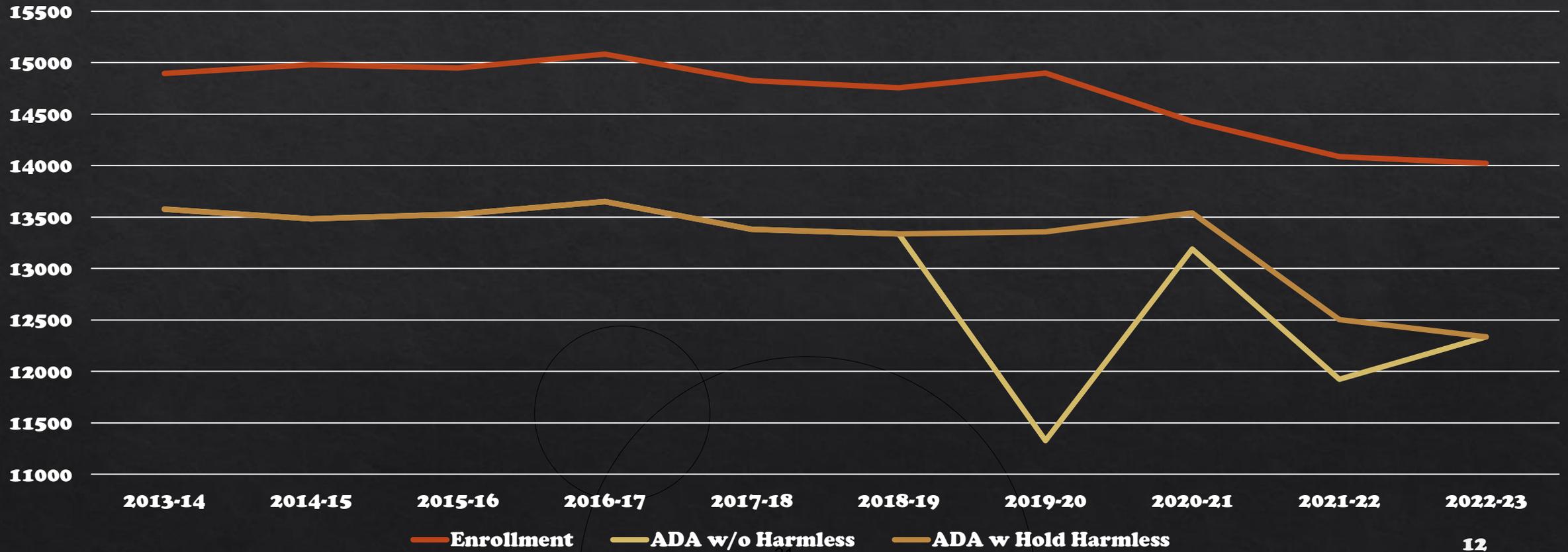
Enrollment & Average Daily Attendance

School Year	Fall PEIMS Enrollment	Total ADA per PEIMS Submission	Final ADA as Percent Fall PEIMS	TEA Summary of Finances ADA *w Hold Harmless	ADA Utilized for Budget Purposes	* State Hold Harmless Provisions
2014-2015	14,978	13,484	90.0%	13,484	13,453	
2015-2016	14,946	13,528	90.5%	13,528	13,452	
2016-2017	15,081	13,649	90.5%	13,649	13,455	
2017-2018	14,823	13,379	90.3%	13,379	13,669	
2018-2019	14,758	13,334	90.4%	13,334	13,301	
2019-2020	14,796	11,329	76.6%	13,354*	13,257	First 4 six weeks actual ADA with last two based on 2017-2018 ADA patterns
2020-2021	14,428	12,925	89.6%	13,538*	13,241	Received funding based on 2019-2020 ADA w 3-year trend of 100.4%, 13,537.681, difference came from ESSER funds
2021-2022	14,086	11,922	84.6%	12,501*	13,261	First 4 six weeks based on target percentage attendance rate from 2019-2020, 5 th & 6 th actual
2022-2023	14,020		88.5%		12,337	Nothing proposed at this time



Enrollment & Average Daily Attendance

Ten Year Trend in Enrollment & Average Daily Attendance





Other Student Counts for Funding Purposes

Program	2020-21*	2021-22*	2022-23
Bilingual ADA:			
Bilingual Program	2610.281	2635.894	2574.361
Dual Language Immersion Students (1-way or 2-way)	2.638	82.945	96.581
Career & Technology FTEs: (old law)	1129.703		
Not in Approved Program of Study (new in 2021-2022)		74.210	65.711
Levels 1 & 2 Approved Program of Study (new in 2021-2022)		592.882	588.694
Levels 3 & 4 Approved Program of Study (new in 2021-2022)		515.503	492.194
Advanced Career & Technology (eliminated in 2021-2022)	0		
Career, College, or Military Readiness	30	39	39
Compensatory Education - Educationally Disadvantaged Students Living in:			
Economically Disadvantaged Census Blocks - Tier 1	435	817	817
Economically Disadvantaged Census Blocks - Tier 2	652	778	778
Economically Disadvantaged Census Blocks - Tier 3	1779	1123	1123
Economically Disadvantaged Census Blocks - Tier 4	4598	4805	4805
Economically Disadvantaged Census Blocks - Tier 5 (including Homeless)	5693	5228	5228

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* All attendance-based counts have been recalculated based on applicable hold harmless rules for the fiscal year



Other Student Counts for Funding Purposes

Program	2020-21*	2021-22*	2022-23
Dropout Recovery School and Residential Placement Facility ADA	7.604	3.322	3.322
Dyslexia Enrollment	1037	1055	1055
Early Education ADA (grades kindergarten - third)	5253.598	4723.723	4592.516
Gifted & Talented Enrollment (reinstated for 2021-2022)		1521	1521
Pregnant Students FTEs	7.937	2.661	2.529
Special Education Weighted FTEs:			
Homebound	0.382	0.650	0.659
Hospital Class	0.382	0.000	0.000
Speech Therapy	20.804	28.250	28.715
Resource Room	162.363	220.820	226.336
Self-contained Mild/Moderate/Severe	99.986	120.456	119.484
Off Home Campus	1.899	0.000	0.000
Vocational Adjustment Class	10.851	5.541	5.281
Residential Care and Treatment	1.988	0.774	1.538
Special Education Mainstream ADA	434.616	529.037	554.888

* All attendance-based counts have been recalculated based on applicable hold harmless rules for the fiscal year



2022 Local Property Values & Proposed Tax Rates



2022 Local Property Values

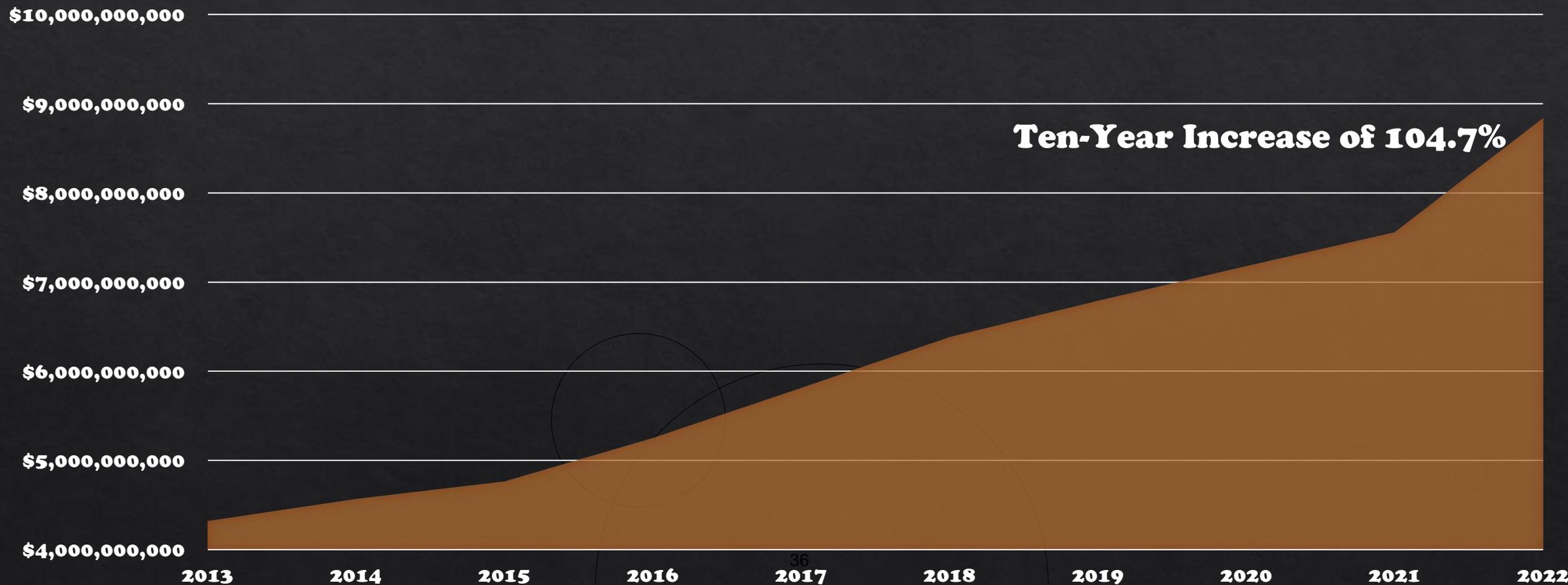
Tax Year	Net Taxable Values		Value Adjustment	Percent Change from:	
	Preliminary	Certified		Preliminary	Prior Year's
2015	5,033,516,985	4,764,656,779	(268,860,206)	-5.34%	+4.29%
2016	5,337,750,193	5,251,460,667	(86,289,526)	-1.62%	+10.22%
2017	5,952,976,568	5,744,499,011	(208,477,557)	-3.50%	+9.39%
2018	6,530,822,722	6,341,596,283	(189,226,439)	-2.90%	+10.39%
2019	7,014,667,561	6,827,446,082	(187,221,479)	-3.21%	+7.66%
2020	7,587,072,447	7,247,140,447	(339,932,000)	-4.48%	+6.74%
2021	7,421,037,502	7,557,152,053	136,114,551	+1.83%	+4.28%
2022	10,191,374,271	8,838,221,086	(1,353,153,185)	-13.84%	+16.95%

Original estimate from April 30th was a 31.9% increase



2013 - 2022 Certified Property Values

Ten Year Trend





Impact of \$40,000 Homestead Exemption

Homestead Exemption Amount	Total Homestead Exemptions	Net Taxable Value	Freeze Taxable Value (includes Transfer Adjustment)	Freeze Adjusted Taxable Value	Net Taxable Value Under ARB Review
\$ 25,000	\$ 360,264,049				
\$ 40,000	\$ 550,519,141	\$ 8,838,221,086	\$ 779,690,020	\$ 8,058,531,066	\$ 80,891,816

Homeowner will see an additional \$15,000 increase in their homestead exemption

Total impact on the District is a decrease in net taxable value of \$190,255,092



Other Effective Rate Assumptions

Property Count		41,939
New Value		
Total New Value - Market		\$ 215,949,380
Total New Value – Taxable		\$ 200,244,746
New Exemptions Value Loss		\$ 37,253,763
Average Homestead Value	Last Year	This Year
Count of Homestead Residences		13,791
Average Market Value	\$ 168,892	\$ 216,342
Average Homestead Residences Exemptions	\$ 38,987	\$ 84,003
Average Taxable	\$ 129,905	\$ 132,339

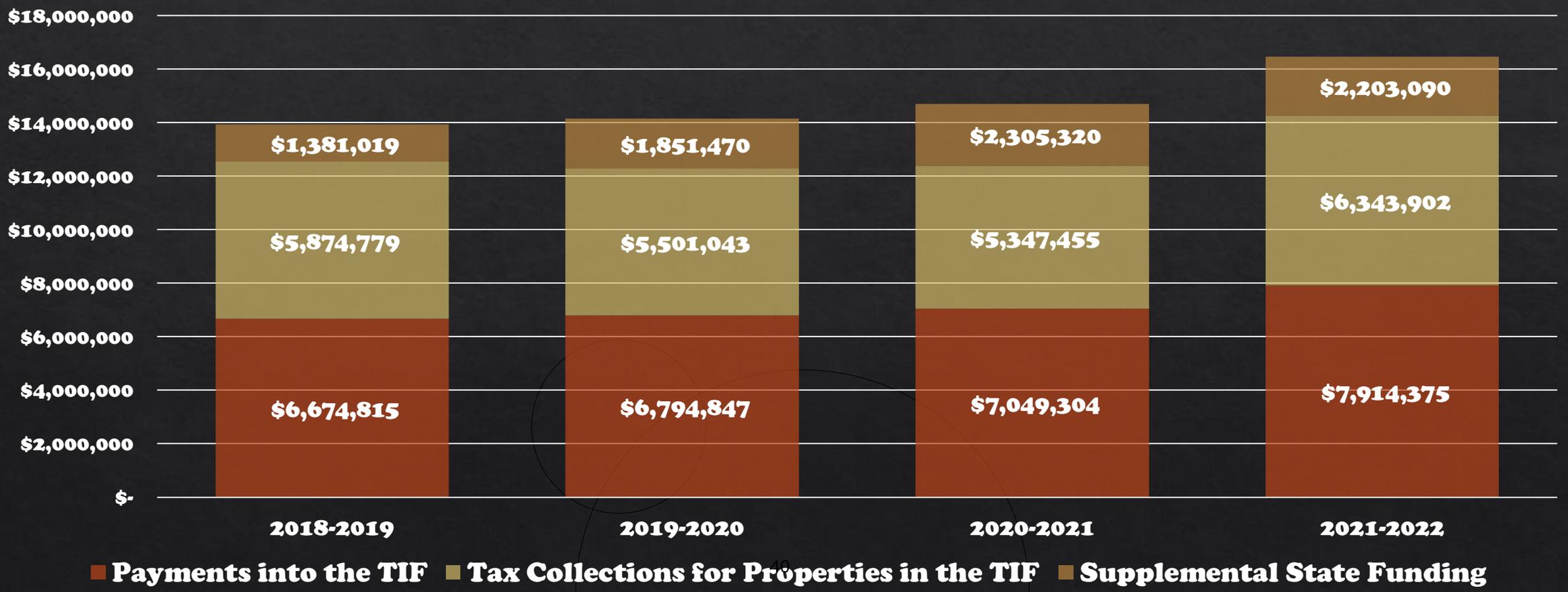
2022 Maintenance & Operations Tax Rate

Description	M&O
District's Adopted M&O Tax Rate for Tax Year 2021 (per \$100 valuation)	\$ 1.024400
2021 Appraisal District Certified Taxable Property Values	7,557,152,053
2022 Appraisal District Certified Taxable Property Values	8,838,221,086
Central Appraisal District Value Growth	16.95%
2022 Comptroller Estimated Certified School District Value	8,361,751,496
Prior Year Maximum Compressed Tax Rate (MCR)	0.886100
Local Preliminary Maximum Compressed Tax Rate	0.776600
2022 State Compression Percentage	0.894100
Maximum Compressed Tax Rate (lesser of state or local compression)	0.804600
Golden Pennies (<i>previously voter approved</i>)	0.080000
Copper Pennies (<i>previously voter approved</i>)	0.058300
Total M&O Tax Rate for Tax Year 2022 (per \$100 valuation)	\$ 0.942900

Decrease in the M&O tax rate of \$0.081500

Impact of the Tax Increment Fund (TIF)

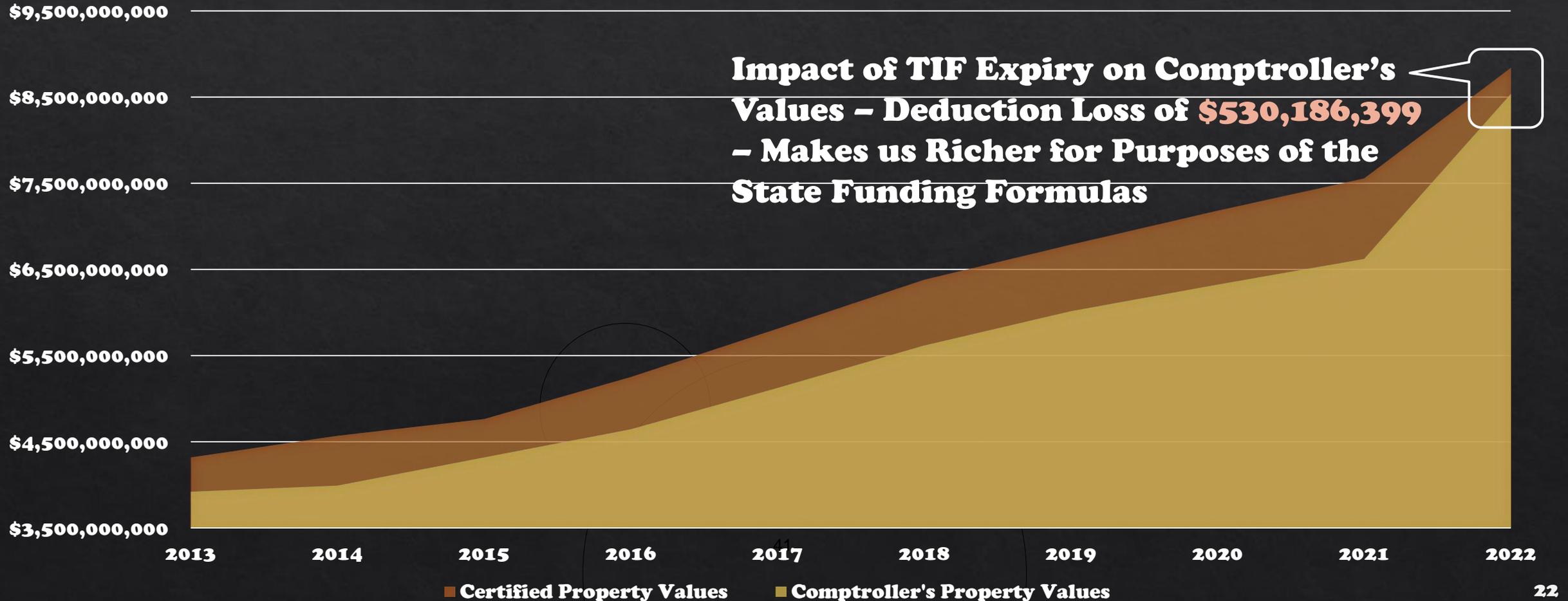
General Fund





Local Values Compared to Comptroller's

Ten Year Trend



2022 Interest & Sinking Tax Rate

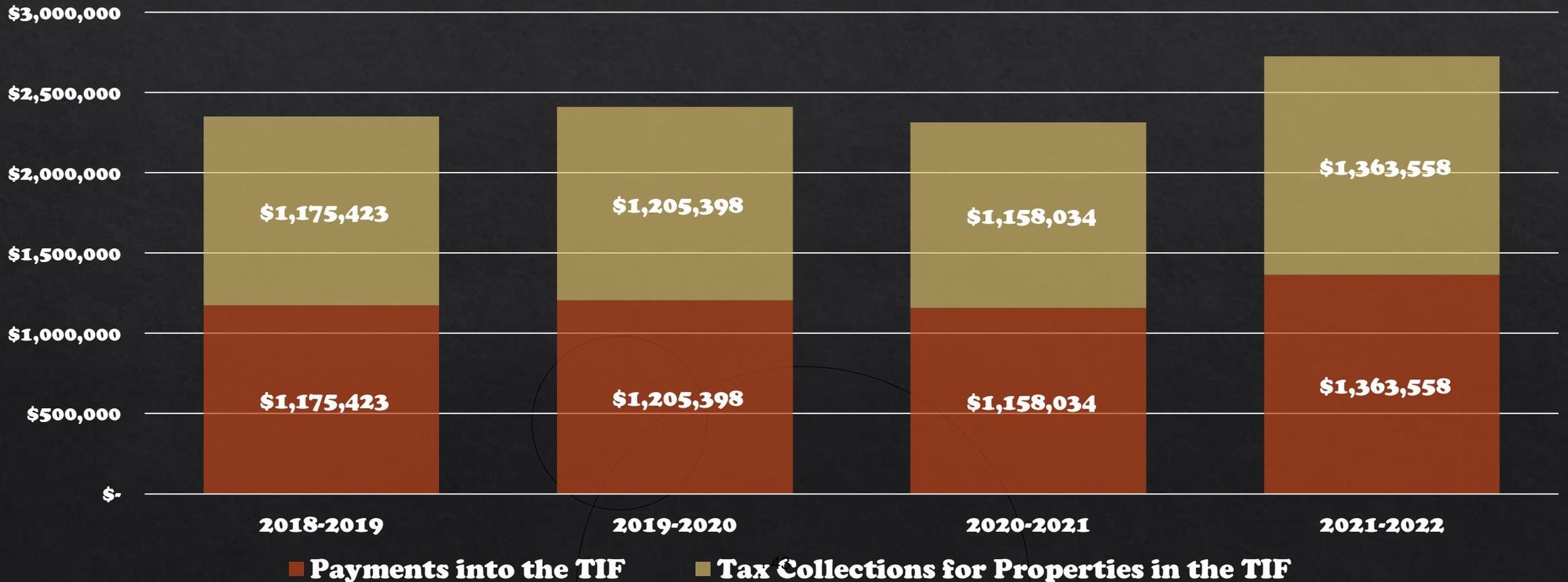
Description	M&O
District's Adopted I&S Tax Rate for Tax Year 2021 (per \$100 valuation)	\$ 0.220240
Original Debt Service Requirements for Fiscal Year 2022-2023	\$ 10,448,317
Add: \$200 million in Unlimited Tax School Building Bonds – Issued February	9,922,732
Add: \$75 million in Unlimited Tax School Building Bonds – Issued August	4,495,000
Total Debt Service Requirements for Fiscal Year 2022-2023	\$ 24,866,049
Less: Unencumbered fund balance	(644,200)
State Aid received for paying principal and interest on bonded debt	(221,669)
Adjusted Debt Service Requirements	\$ 24,000,180
2022 Anticipated Collection Rate	100.00%
Total I&S Tax Rate for Tax Year 2022 (per \$100 valuation)	\$ 0.298969
Total Combined Tax Rate for Tax Year 2022 (per \$100 valuation)	\$ 1.241869

Increase in the I&S tax rate of \$0.078729

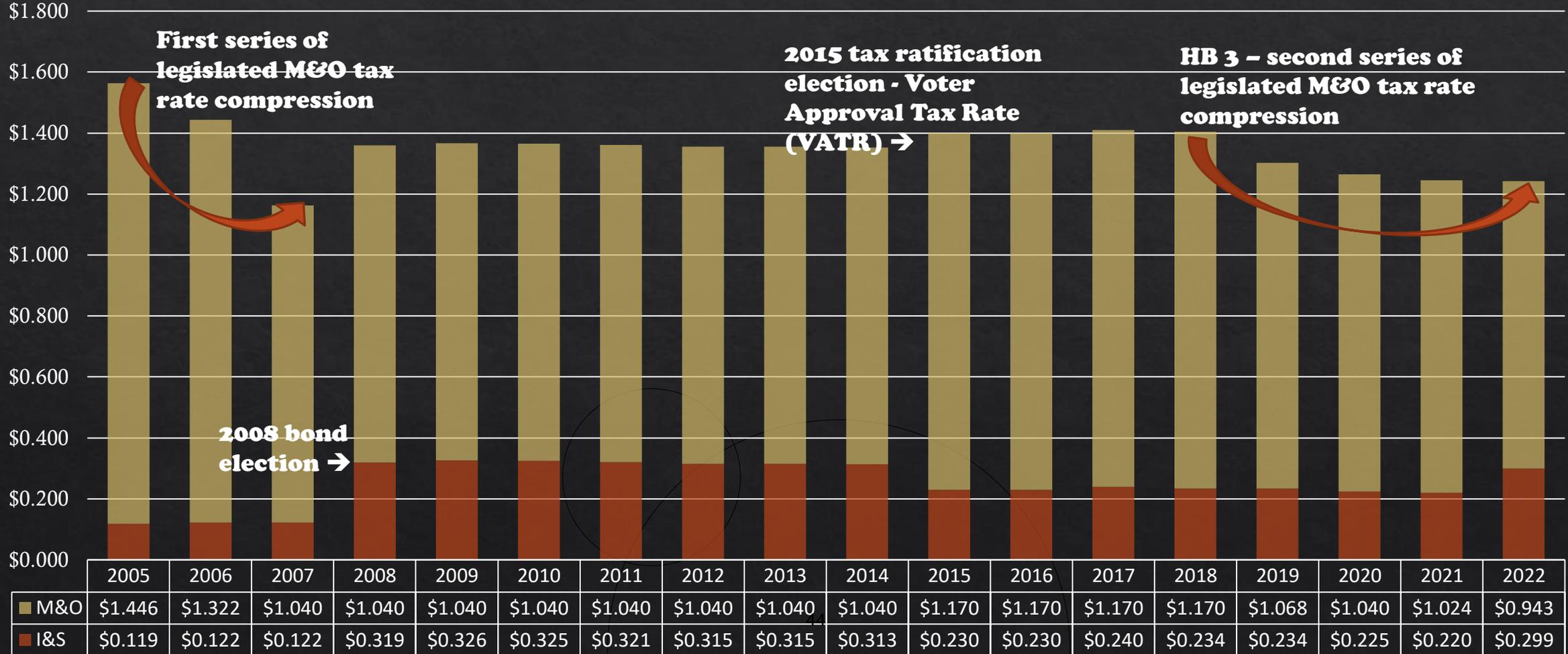
Decrease in the combined tax rate of \$0.002771

Impact of the Tax Increment Fund (TIF)

Debt Service Fund



Property Tax Rates 2005 to Present





2022 -2023 General Fund Proposed Budget



General Fund Revenues

1 Interplay between local property tax collections ↑ & State aid ↓

Revenue Source	2021-2022 Adopted	2021-2022 Projected	2022-2023 Proposed	Variance from Adopted
Local Property Tax Collections	\$ 69,502,581	\$ 67,830,768	\$ 81,805,900	+ \$ 12,303,319
Other Local Revenue	2 5,763,772	11,484,459	2,125,700	- 3,638,072
State Foundation School Program	78,313,994	71,570,219	58,788,960	- 19,525,034
Teacher Retirement On-Behalf	7,260,615	7,251,950	7,165,711	- 94,904
Indirect Cost Recovery Federal Programs	1,338,400	1,818,393	1,814,000	+ 475,600
Medicaid Reimbursements	2,338,000	2,664,606	2,758,000	+ 420,000
Other Direct Federal Programs	232,500	249,809	3,518,727	3 + 3,286,227
Total General Fund Revenue	\$ 164,749,862	\$ 168,465,252	\$ 157,976,998	- 6,772,864
Aid to Contract to Operate District Campuses	1,811,265	1,763,174	1,615,038	- 196,227

Impact on expenditure side:

- 2** No payments into the TIF - reduction of \$7.9 million
- 3** E-Rate purchases – increase of \$3.2 million

Transformation Zone Allocations

Allocation	G. W. Carver Middle	Indian Spring Middle	Alta Vista Elementary	Brook Avenue Elementary	J. H. Hines Elementary	Total
Enrollment	426.000	504.000	543.000	352.000	379.000	2,204.000
Average Daily Attendance	384.183	467.776	476.677	329.359	333.665	1,991.660
Tier I Allotments	\$ 4,009,318	\$ 4,811,362	\$ 4,766,462	\$ 3,339,169	\$ 3,454,969	\$ 20,381,280
Tier II Allotments	492,344	590,835	585,321	410,050	424,271	2,502,821
Charter School Facilities Allotment	69,629	84,780	86,393	59,693	60,473	360,968
Total FSP Revenue	\$ 4,571,291	\$ 5,486,977	\$ 5,428,176	\$ 3,808,912	\$ 3,939,713	\$ 23,245,069
Zone Special Education Services	(349,901)	(408,538)	(200,773)	(124,696)	(286,719)	(1,370,627)
Zone Management	(159,995)	(192,044)	(190,336)	(133,312)	(137,890)	(813,577)
Net After Zone Reallocations	\$ 4,061,395	\$ 4,886,395	\$ 5,047,067	\$ 3,550,904	\$ 3,515,104	\$ 21,060,864
Optional Purchased Services	(467,552)	(515,598)	(217,107)	(134,689)	(122,154)	(1,457,099)
Administrative Services	(709,070)	(910,660)	(606,200)	(484,728)	(620,179)	(3,330,837)
Net Campus FSP Revenue	\$ 2,884,773	\$ 3,460,137	\$ 4,223,760	\$ 2,931,488	\$ 2,772,771	\$ 16,272,929
TRS On-Behalf Payments	\$ 197,519	\$ 215,144	\$ 200,924	\$ 150,711	\$ 183,478	\$ 947,776

Significant Expenditure Reductions & Increases

Increases – Cost Impact on General Fund	
Salary Increases w/ Adjustments	\$2.7 million
Benefit Rate Adjustments:	
Group Health Insurance	\$0.6 million
Teacher Retirement	\$0.4 million
Utility Rate Adjustments	\$0.7 million
Other Insurance (Liability, Property)	\$0.1 million
E-Rate Purchases (offset by revenue)	\$3.2 million
Safety	\$0.2 million
Special Education	\$1.1 million
Technology Licensing	\$0.3 million
Operating transfers	\$0.3 million

Reductions – Cost Impact on General Fund	
Staff Reductions	\$3.1 million
Administrative/Professional (-9)	
Auxiliary (-2)	
Paraprofessional (-69)	
Professional (+13)	
Teacher (-21)	
Transfer of Dyslexia Teachers to ESSER	\$0.8 million
Expiration of Tax Increment Funds	\$7.9 million

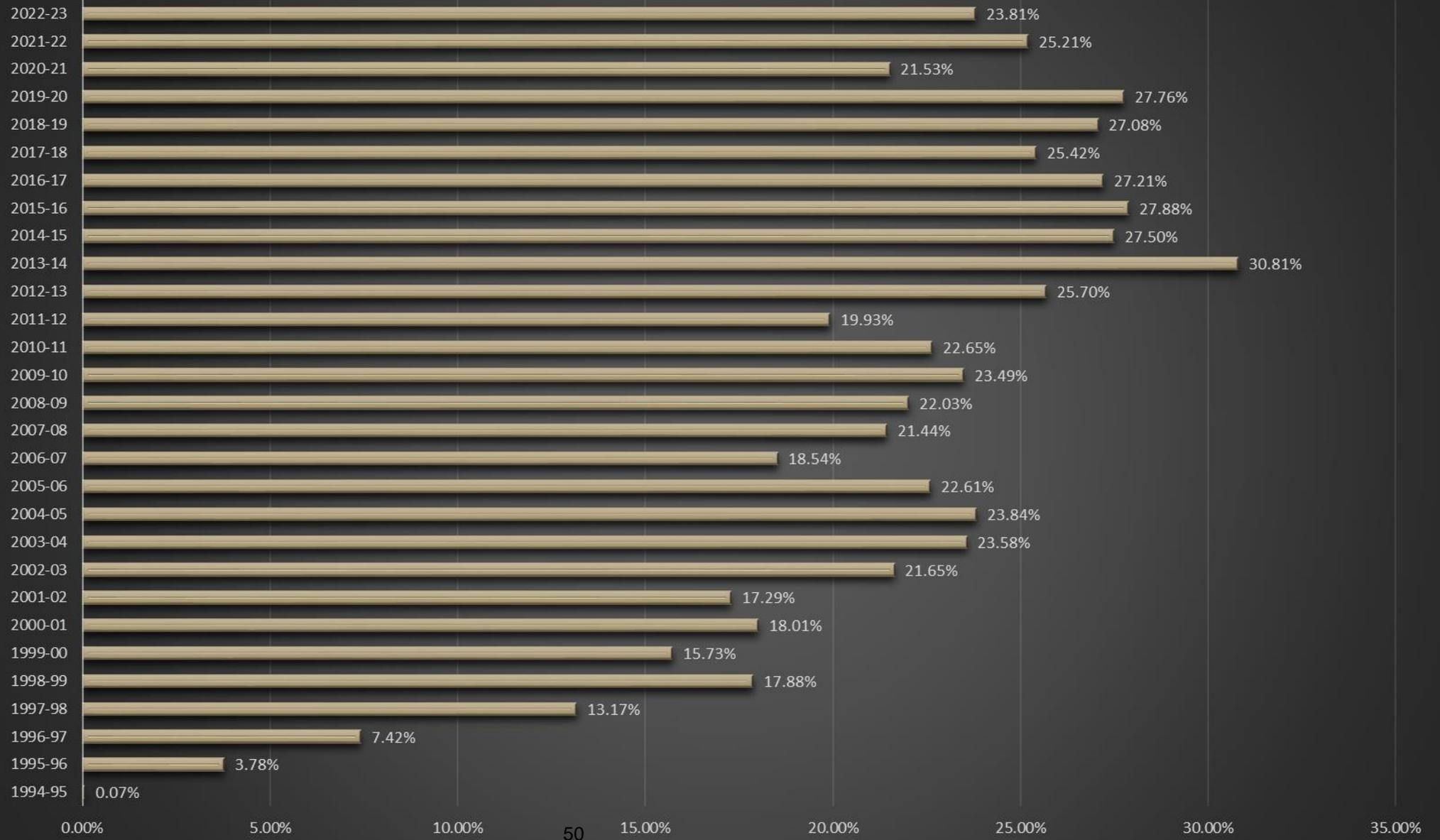
General Fund Overview

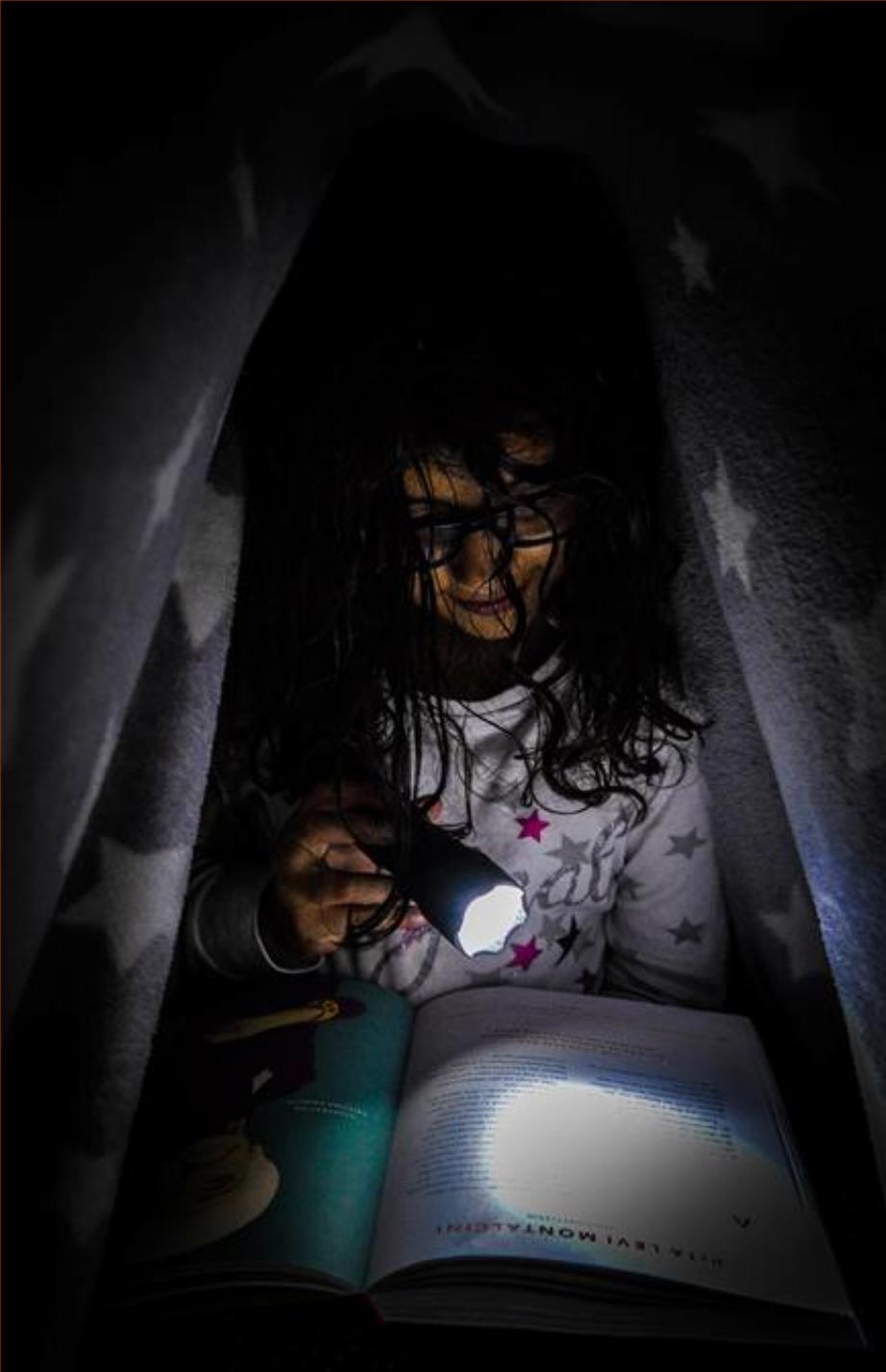
	2020-2021	2021-2022		2022-2023	Change from Adopted	
	Audited	Adopted	Amended	Projected		Proposed
Revenues:						
Local and Intermediate Source	\$ 73,103,342	75,266,353	78,981,743	79,315,226	83,931,600	8,665,247
State Programs	87,413,464	85,574,609	85,574,609	78,823,669	65,954,671	(19,619,938)
Federal Programs	4,469,012	3,908,900	3,908,900	4,732,808	8,090,727	4,181,827
Total Revenues	164,985,818	164,749,862	168,465,252	162,871,703	157,976,998	(6,772,864)
Expenditures:						
Instruction and Instructional-Related Services	91,219,351	94,768,584	95,886,428	89,307,830	93,835,012	(933,572)
Instructional and School Leadership	14,033,908	13,749,716	14,076,695	13,599,181	14,276,150	526,434
Student Support Services	15,339,009	17,109,808	18,004,248	16,222,782	17,541,474	431,666
Administrative Support Services	5,684,608	6,838,759	7,010,899	6,230,142	7,323,927	485,168
Non-Student Based Support Services	23,538,579	23,620,460	27,970,000	25,640,181	24,672,686	1,052,226
Community Services	646,517	528,187	650,991	542,168	487,519	(40,668)
Debt Services	-	-	-	-	345,000	345,000
Facilities Acquisition and Construction	5,145,251	40,183	6,373,856	5,385,909	-	(40,183)
Intergovernmental Charges	8,379,695	8,398,787	9,998,787	9,632,053	1,828,424	(6,570,363)
Total Expenditures	163,986,918	165,054,484	179,971,904	166,560,246	160,310,192	(4,744,292)
Revenues Over/(Under) Expenditures	998,900	(304,622)	(11,506,652)	(3,688,543)	(2,333,194)	(2,028,572)
Other Financing Sources/(Uses)	(136,111)	(689,443)	(689,443)	(638,353)	(1,030,292)	(340,849)
Revenues/Sources Over/(Under) Expenditures/Uses	862,789	(994,065)	(12,196,095)	(4,326,896)	(3,363,486)	(2,369,421)
Fund Balance Beginning of the Year	52,680,447	53,543,236	53,543,236	53,543,236	49,216,340	(4,326,896)
Fund Balance End of the Year	53,543,236	52,549,171	41,347,141	49,216,340	45,852,854	(6,696,317)
Nonspendable, Restricted or Committed Funds	(17,859,018)	(3,400,000)	49(17,859,018)	(7,435,123)	(7,435,123)	(4,035,123)
Unassigned Fund Balance	\$ 35,684,218	49,149,171	23,488,123	41,781,217	38,417,731	(10,731,440)
Unassigned Fund Balance as a Percent of Expenditures	21.8%	29.8%	13.1%	25.1%	24.0%	

Fund Balance

This chart shows the unassigned fund balance as a percent of actual or budgeted expenditures.

District policy requires an unassigned fund balance of 20%.





Other Board Adopted Budgets





2022-2023 Child Nutrition Fund

Total Fund Balance – Beginning		\$ 4,095,930
Revenues		9,920,099
Local	\$ 435,000	
Federal	9,485,099	
Expenditures		10,978,538
Expenditure over Revenues		(1,058,439)
Total Fund Balance – Ending		\$ 3,037,491
Fund Balance as a Percent of Expenditures		27.7%
Limitation – Excess Fund Balance		25.0%
Excess Fund Balance		\$ 292,856



2022-2023 Debt Service Fund

Total Fund Balance – Beginning		\$ 3,991,178
Revenues		24,901,048
Local	\$ 24,679,348	
State	221,700	
Expenditures		24,901,048
Expenditure over Revenues		(1,058,439)
Total Fund Balance – Ending		\$ 3,991,178
Fund Balance as a Percent of Expenditures		16.0%
Outstanding Debt as of August 31, 2022		\$ 385,660,000

Special Revenue Funds Adopted by Board

	Greater Waco Advanced Academies		McLennan Co.	Regional	Memorandum
	Health Care	Manufacturing	Challenge	Day School	Memorandum
	Academy	Academy	Academy	for the Deaf	Total
Revenues:					
Local and Intermediate Source Revenue	\$ 969,000	1,033,600	818,000	530,000	3,350,600
State Program Revenue	58,179	57,490	107,234	51,416	274,319
Total Revenues	\$ 1,027,179	1,091,090	925,234	581,416	3,624,919
Appropriations:					
Instruction	\$ 967,860	835,654	581,635	1,004,508	3,389,657
Instructional Staff and Curriculum Development	10,200	7,400	-	2,200	19,800
Instructional Leadership	260,677	165,461	-	-	426,138
School Leadership	-	-	205,047	-	205,047
Guidance, Counseling and Evaluation Svcs	88,402	188,425	75,552	-	352,379
Health Services	-	-	200	-	200
Plant Maintenance and Operations	75,040	104,150	7,300	-	186,490
Payments to Shared Services Arrangement	-	-	55,500	20,000	75,500
Total Appropriations	\$ 1,402,179	1,301,090	925,234	1,026,708	4,655,211
Excess (Deficiency) of Estimated Revenues Over Appropriations	\$ (375,000)	(210,000)	-	(445,292)	(1,030,292)
Other Financing Sources/(Uses)	375,000	210,000	-	445,292	1,030,292
Net Change in Deferred Revenue	\$ -	-	-	-	-
Deferred Revenue, beginning of year	-	-	234,812	-	234,812
Deferred Revenue, end of year	\$ 54	-	234,812	-	234,812



Dates for Approval of Tax Rate & Budget



August 11: Board meeting to discuss budget and proposed tax rate and set date for public meeting to discuss

August 12: Post notices of public meeting, proposed budget and tax rate

August 25: Public meeting to discuss budget and proposed tax rate

August 25: Adopt budget and tax rate

Summary Comparison of the Proposed Budget for the Waco ISD

	2021-2022		2022-2023	
	Enrollment	14,086	Enrollment	14,020
	Revised Budget*		Proposed Budget	
	Aggregate	Per Pupil	Aggregate	Per Pupil
Instruction				
11 Instruction	\$ 90,906,020	\$ 6,454	\$ 88,908,434	\$ 6,342
12 Instructional Resources, Media Services	\$ 1,058,506	\$ 75	\$ 558,313	\$ 40
13 Curriculum Development & Staff Development Payments to Fiscal Agents for Shared Service	\$ 4,599,512	\$ 327	\$ 4,368,265	\$ 312
93 Arrangements	\$ 345,000	\$ 24	\$ 345,000	\$ 25
95 Payment to Juvenile Justice AEP	\$ 700,000	\$ 50	\$ 650,000	\$ 46
Total Instruction	\$ 97,609,038	\$ 6,930	\$ 94,830,012	\$ 6,764
Instructional Support				
21 Instructional Leadership	\$ 3,794,779	\$ 269	\$ 4,131,369	\$ 295
23 School Leadership	\$ 10,256,703	\$ 728	\$ 10,144,781	\$ 724
Total Instructional Support	\$ 14,051,482	\$ 998	\$ 14,276,150	\$ 1,018
Student Support				
31 Guidance & Counseling, Evaluation	\$ 5,237,651	\$ 372	\$ 5,785,954	\$ 413
32 Social Work Services	\$ 951,889	\$ 68	\$ 806,369	\$ 58
33 Health Services	\$ 1,562,007	\$ 111	\$ 1,501,102	\$ 107
34 Student Transportation	\$ 4,487,668	\$ 319	\$ 3,761,600	\$ 268
35 Food Services	\$ 13,862,331	\$ 984	\$ 10,978,538	\$ 783
36 Co-curricular/ Extra-curricular Activities	\$ 5,727,922	\$ 407	\$ 5,686,449	\$ 406
Total Student Support	\$ 31,829,468	\$ 2,260	\$ 28,520,012	\$ 2,034
Central Administration				
41 General Administration	\$ 7,083,249	\$ 503	\$ 7,323,927	\$ 522
Total General Administration	\$ 7,083,249	\$ 503	\$ 7,323,927	\$ 522
District Operations				
51 Plant Maintenance & Operations	\$ 21,141,175	\$ 1,501	\$ 17,617,917	\$ 1,257
52 Security and Monitoring	\$ 2,900,953	\$ 206	\$ 2,765,386	\$ 197
53 Data Processing	\$ 4,606,678	\$ 327	\$ 4,289,383	\$ 306
Total District Operations	\$ 28,648,806	\$ 2,034	\$ 24,672,686	\$ 1,760
Ancillary Services				
61 Community Service	\$ 684,794	\$ 49	\$ 487,519	\$ 35
Total Community Services	\$ 684,794	\$ 49	\$ 487,519	\$ 35
Debt Service				
71 Debt Service	\$ 16,521,124	\$ 1,173	\$ 25,241,048	\$ 1,800
Total Debt Services	\$ 16,521,124	\$ 1,173	\$ 25,241,048	\$ 1,800
Capital Outlay				
81 Facilities Acquisition & Construction	\$ 6,373,856	\$ 452	\$ -	\$ -
Total Capital Outlay	\$ 6,373,856	\$ 452	\$ -	\$ -
Other				
97 Payments to Tax Increment Funds	\$ 9,604,228	\$ 682	\$ 30,000	\$ 2
99 Inter-governmental Charges Not Defined in Other Codes	\$ 820,288	\$ 58	\$ 808,424	\$ 58
Total Other	\$ 10,424,516	\$ 740	\$ 838,424	\$ 60
Total	\$ 213,226,333	\$ 15,137	\$ 196,189,778	\$ 13,994
Object Code 6491-Statutorily Required Public Notice	\$ 19,181	\$ 1	\$ 19,600	\$ 1
Object Code 6214-Fees Paid to Organizations or Associations that Advocate on Behalf of the District	\$ 1,000	\$ -	\$ 5,000	\$ -

*2021-2022 Budget as of August 5, 2022

Waco Independent School District
Board of Trustees Meeting Agenda Item

Date: August 11, 2022

Contact Person: Davis/ Collins

RE: Consider, Discuss, and Take Appropriate Action on Order Authorizing the Issuance from Time to Time of Waco Independent School District Unlimited Tax School Building Bonds in an Aggregate Principal Amount Not to Exceed \$75,000,000; Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; Authorizing the Execution and Delivery of One or More Purchase Contracts and Paying Agent/Registrar Agreements Relating to Such Bonds; Approving the Preparation of One or More Official Statements; and Enacting Other Provisions Related Thereto

=====

Background Information:

After the issuance of \$200,000,000 in unlimited tax school building bonds in February, the District has voter authorization for another \$155,000,000. At this time the Administration wishes to issue an additional \$75,000,000 in order to include the resulting debt service in the 2022 I&S tax rate. Issuing bonds at this time will accommodate the acceleration of planned projects as deemed advisable.

It is anticipated that the remaining bonds will be issued early in 2023, depending on the market and interest rate environment.

The District's bond counsel, Robert Collins, will be present to discuss the new issue bonds. A copy of the draft bond order is attached for your review.

Fiscal Implications:

The issuance of the bonds will be accounted for in a capital projects fund and will cover the costs associated with the construction of the projects previously approved by the Board of Trustees and identified in promoting the bond election. Debt service on this issue is projected at \$1,555,000 for principal and \$2,940,000 in interest for the 2022-2023 fiscal year.

Administration Recommendation:

The Administration recommends that the Board of Trustees approve the Order Authorizing the Issuance from Time to Time of Waco Independent School District Unlimited Tax School Building Bonds in an Aggregate Principal Amount Not to Exceed \$75,000,000; Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; Authorizing the Execution and Delivery of One or More Purchase contracts and Paying Agent/Registrar Agreements Relating to Such Bonds; Approving the Preparation of One or More Official Statements; and Enacting Other Provisions Related Thereto.

ORDER

AUTHORIZING THE ISSUANCE OF

WACO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS WHICH MAY BE
ISSUED IN ONE OR MORE SERIES

Adopted: August 11, 2022

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Exhibit A – Form of Bond

AN ORDER AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF WACO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS; LEVYING A TAX AND PROVIDING FOR THE SECURITY AND PAYMENT THEREOF; PROVIDING FOR THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE PURCHASE CONTRACTS AND PAYING AGENT/REGISTRAR AGREEMENTS RELATING TO SUCH BONDS; APPROVING THE PREPARATION OF ONE OR MORE OFFICIAL STATEMENTS; AND ENACTING OTHER PROVISIONS RELATED THERETO

WHEREAS, the voters of the District have approved school building bonds voted pursuant to the Constitution and the laws of the state of Texas, including particularly Chapter 45 of the Texas Education Code, as amended (“Chapter 45”), at an election held within the District on November 2, 2021 (the “Election”); and

WHEREAS, at said Election, the voters authorized the amount of school building bonds set forth below in the following schedule; and

<u>Purpose</u>	<u>Election Date</u>	<u>Amount Voted</u>	<u>Amount Previously Issued</u>	<u>Amount Authorized to be Issued⁽¹⁾</u>	<u>Authorized but Unissued Balance⁽¹⁾</u>
School Buildings	November 2, 2021	\$355,000,000	\$200,000,000	\$75,000,000	\$80,000,000

(1) Unless otherwise designated in a Pricing Certificate. May include premium received on the Bonds allocated to voted authorization, as set forth in a Pricing Certificate.

WHEREAS the Board of the District does hereby determine that the school building bonds in an amount not to exceed \$75,000,000, including any premium charged against voted authority, should be issued out of the school building bonds voted at the Election; and

WHEREAS, the actual amount issued therefrom pursuant to this Order from time to time and the balance that remains after the issuance of the school building bonds authorized in this Order shall be indicated in the Pricing Certificate for each series or subseries of Bonds; and

WHEREAS, the Board has found and determined that it is necessary and in the best interest of the District and its citizens that it authorize by this Order the issuance and delivery of such bonds for constructing, improving, renovating and equipping school buildings of the District, and the purchase of necessary sites therefor and purchasing school buses and paying the costs of issuing the Bonds at this time; and

WHEREAS, the Board has found and determined that all facilities to be acquired, constructed, renovated, improved or equipped pursuant to Proposition A of the Election Order

will be used predominantly for required classroom instruction and essential administrative operations for faculty and staff; and

WHEREAS, the Board hereby finds and determines that it is necessary and in the best interest of the District and its citizens that it authorize by this Order the issuance and delivery of its bonds at this time, and

WHEREAS, the District has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore qualifies as an “Issuer” under Chapter 1371 of the Texas Government Code, as amended (“Chapter 1371”); and

WHEREAS, pursuant to Chapter 1371, the District desires to delegate the authority to effect the sale of the Bonds from time to time to the Authorized Officer; and

WHEREAS, the meeting at which this Order is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; NOW, THEREFORE

BE IT ORDERED BY THE BOARD OF TRUSTEES OF WACO INDEPENDENT SCHOOL DISTRICT:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided in this Order, or unless the context clearly requires otherwise, the following terms shall have the meanings specified below:

“Authorized Officer” means the Superintendent or Chief Financial Officer of the District or their designee.

“Board” means the Board of Trustees of the District.

“Bond” means any of the Bonds.

“Bond Counsel” means Bracewell LLP.

“Bonds” means the District’s bonds authorized to be issued by Section 3.01.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Chapter 1371” means Chapter 1371, Texas Government Code, as amended.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Dated Date” means the date designated as the date of the Bonds in the Pricing Certificate.

“Debt Service” means, collectively, all amounts due and payable with respect to the Bonds representing the principal, premium, if any, and the interest due on the Bonds, payable at the times and in the manner provided herein and in the Pricing Certificate.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Order, its corporate trust office or at such other location as may be designated in the Pricing Certificate or such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the District and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Financial Obligation” shall have the meaning given to such term in Section 12.01 of this Order.

“Fiscal Year” means such fiscal year of the District as shall be set from time to time by the Board.

“Initial Bond” means the Initial Bond authorized by Section 3.02.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid, as designated in the Pricing Certificate.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“MSRB” shall have the meaning given to such term in Section 12.01 of this Order.

“Order” means this Order.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means, with respect to each series or subseries of Bonds, the Paying Agent/Registrar designated in the Pricing Certificate, or any successor thereto.

“Paying Agent Registrar Agreement” means, with respect to each series or subseries of Bonds, the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the District relating to the Bonds.

“Pricing Certificate” means, with respect to each series or subseries of Bonds, the pricing certificate or pricing certificates setting forth the final terms of the Bonds, as directed by and pursuant to the Order, to be executed by the Authorized Officer.

“Purchase Contract” means, if any series or subseries of Bonds are sold in a negotiated sale, the purchase contract between the District and the Underwriters providing for the sale of such Bonds to the Underwriters.

“Purchaser” means, if any series or subseries of Bonds are sold in a competitive sale, the initial purchaser of such Bonds designated in the Pricing Certificate.

“Record Date” means the close of business on the last Business Day of the month next preceding an Interest Payment Date or such other date as specified in the Pricing Certificate.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Register” means the Bond register required by Section 3.06(a).

“Representation Letter” means the Blanket Letter of Representations between the District and DTC.

“Representative” shall have the meaning given to such term in Section 7.01 of this Order.

“Rule” shall have the meaning given to such term in Section 12.01 of this Order.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the date that is fifteen (15) days after the Special Record Date, as described in Section 3.03(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, as described in Section 3.03(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of Debt Service or money set aside for the payment of Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means, if any series or subseries of Bonds are sold in a negotiated sale, the underwriters designated in the Purchase Contract relating to such Bonds.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Order.

(c) All article and section references shall mean references to the respective articles and sections of this Order unless designated otherwise.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Constitution and laws of the State, there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax, with respect to the Bonds, on each one hundred dollars valuation of taxable property within the District, at a rate sufficient, without limit as to rate or amount, to pay Debt Service when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the District most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of Debt Service when due and as payable in accordance with the terms of the Bonds and this Order.

(d) Any money received by the District with respect to the Bonds as state assistance pursuant to the instructional allotment or as state assistance with existing debt, each as authorized by Chapter 46, Texas Education Code, shall be deposited in the interest and sinking fund as required by Sections 46.009 and 46.035, Texas Education Code, respectively. The District will take into account the balance in the Interest and Sinking Fund when it sets its debt service tax rate each year.

(e) To the extent required, and for so long as required, the District covenants to comply with the provisions of Section 45.0031 and to not set a tax rate for a year until the District has credited to the account of the Interest and Sinking Fund the amount of State assistance received or to be received in accordance with the terms of Section 45.0031.

(f) To the extent the District has available funds which may be lawfully used to pay Debt Service and such funds are on deposit in the Interest and Sinking Fund in advance of the time when the Board is scheduled to set a tax rate for any year, then such tax rate which otherwise would be required to be established pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of such funds then on deposit in the Interest and Sinking Fund.

(g) If the lien and provisions of this Order shall be released in a manner permitted by Article X hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption, and said taxes are hereby irrevocably pledged to pay Debt Service and to no other purpose; such tax shall be assessed and collected each such year; the proceeds of such tax shall be credited to the interest and sinking fund designated for the Bonds; and the proceeds of such tax shall be appropriated and applied to Debt Service on the Bonds.

Section 2.02. Application of Chapter 1208, Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under Section 2.01, and such pledge thereto is valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the District under Section 2.01 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds the perfection of a security interest in said pledge, the

District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. One or more series or subseries of the District's bonds as may be designated and having such title or titles as may be specified in the respective Pricing Certificates for each such series or subseries, are hereby authorized to be issued and delivered, from time to time, in accordance with the Constitution and laws of the State of Texas, including particularly Chapter 45, Texas Education Code, and Chapter 1371. The designation for each such series or subseries of Bonds shall contain information identifying the Bonds as Waco Independent School District Unlimited Tax Bonds. The Bonds shall be issued in a total aggregate principal amount not to exceed \$75,000,000 (including premium on the Bonds allocated to voted authorization) for the purpose of acquiring, constructing, renovating, improving and equipping school buildings of the District, including a new Waco High School, a new G.W. Carver Middle School, a new Tennyson Middle School, a new Kendrick Elementary School, and the purchase of necessary sites for school buildings, and paying costs of issuing the Bonds. The respective Pricing Certificate for each such series or subseries of Bonds shall reflect the amount of the authorization utilized and remaining under this Order.

Section 3.02. Date, Denomination, Maturities, and Interest.

(a) The Bonds shall be dated the Dated Date as set forth in the Pricing Certificate and shall be in fully registered form without coupons.

(b) The Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in the denomination of \$5,000 principal amount or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered IB-1.

(c) The Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Dated Date, unless otherwise provided in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) Debt Service shall be paid in lawful money of the United States of America.

(b) Interest on each Bond shall be paid by check dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of each Bond shall be paid to the Owner thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) If the date for the payment of Debt Service is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the District to be used for any lawful purpose. Thereafter, neither the District, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the District by the President or Vice President and the Secretary of the Board, by their manual or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the District whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the District, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, the Initial Bond, representing the entire principal amount of the Bonds designated in the Pricing Certificate, to be payable in stated installments to the Representative or its designee, to be executed by manual or facsimile signatures of the President or Vice President and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Representative or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with Section 3.09. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

(a) The District, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Bond for the purpose of making and receiving payment of the principal, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the District shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office the Register in which, subject

to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Order.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Section 3.07. Cancellation. All Bonds paid or redeemed before Stated Maturity in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Order, shall be cancelled upon the making of proper records regarding such payment, exchange or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.08. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Owner of such Bond to

pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount and bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the District to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the District and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the District and shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.09. Book-Entry Only System.

(a) To the extent so designated in the Pricing Certificate, the definitive Bonds shall be initially issued in the form of a fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Order. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, of any amount with respect to Debt Service. The Paying Agent/Registrar shall pay all Debt Service only to or upon the order of the respective Owners, as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of, Debt Service to the extent of the sum or sums so paid. No person other than an Owner, shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the District or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the District or the Paying Agent/ Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, as applicable, in accordance with the provisions of this Order.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments of Debt Service on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption.

(a) The Bonds shall be subject to redemption at the option of the District at such times, in such amounts, in such manner and at such redemption prices as may be designated and provided for in the Pricing Certificate.

(b) The District, at least 45 days before any redemption date for the Bonds, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Bonds designated as “Term Bonds” in the Pricing Certificate (“Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the District, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the District, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the District shall determine the maturities and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or any other customary random selection method.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Order, shall authenticate and deliver exchange Bonds in an aggregate principal amount equal to the unredeemed principal amount of the Bond so surrendered, such exchange being without charge.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The District reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the District shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the interest and sinking fund or otherwise

received by the Paying Agent/Registrar from the District and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Order and subject, in the case of an optional redemption under Section 4.02, to any conditions or rights reserved by the District under Section 4.05(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the District defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the District fails to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

Section 4.08. Lapse of Payment. Money set aside for the redemption of the Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The Authorized Officer is hereby authorized to select and appoint the initial Paying Agent/Registrar for each series of Bonds, and the initial Paying Agent/Registrar shall be designated in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver or cause the execution and delivery by the President and Secretary of the Board, one or more Paying Agent/Registrar Agreements, specifying the duties and responsibilities of the District and the Paying Agent/Registrar, in the substantially final form presented herewith and hereby approved, with such changes as may be necessary or desirable to conform to the terms of the Bonds and approved by the Authorized Officer, such approval to be evidenced by the execution thereof.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and

legally authorized to serve and perform the duties and services of paying and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are outstanding, the District will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Order.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the District will promptly appoint a replacement.

Section 5.04. Termination. The District reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) forty-five (45) days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor paying agent/registrar has assumed the duties of paying agent/registrar for the Bonds.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the District will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, the Assignment form and the Certificate of the Permanent School Fund Guarantee to appear on each of the Bonds (i) shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an

opinion of counsel) thereon as, consistently herewith, may be determined by the District or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 6.02. CUSIP Registration. The District may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the District nor bond counsel to the District are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each definitive Bond over the certification of the Secretary of the Board, which may be executed in facsimile.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds, Official Statement.

(a) The Bonds shall be sold to the Underwriters or the Purchasers at a negotiated or a competitive sale in one or more series or subseries from time to time in accordance with the terms of this Order. As authorized by Chapter 1371, the Authorized Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds and in carrying out the other procedures specified in this Order, including determining whether the Bonds shall be sold pursuant to a negotiated or competitive sale and, in accordance with this Section 7.01, the Purchaser or Underwriters of the Bonds, the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, from time to time, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Bonds to be issued by the District, the rate of interest to be borne by each maturity of the Bonds, the Interest Payment Dates, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District and shall be subject to mandatory sinking fund redemption, acquisition of the Permanent School Fund Guarantee for the Bonds, whether or not the Bonds will be designated as qualified tax-exempt obligations, whether the Bonds will be issued as tax-exempt or taxable bonds, the selection of the Underwriters and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; subject to the following conditions:

(i) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the limits described in that Section;

(ii) the Bonds shall not bear interest at a rate greater than the maximum rate authorized by Chapter 1204, Texas Government Code, as amended;

(iii) the Pricing Certificate for each series or subseries of Bonds issued for the purposes described in Section 3.01, from time to time, shall indicate the amount of authorized but unissued bonds that remain available to the District from the Election following the issuance of the Bonds approved in the Pricing Certificate;

(iv) the Bonds shall mature not later than August 15, 2052; and

(v) prior to delivery of the Bonds to the Underwriters or Purchasers, the Bonds must have been rated by a national recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations.

If Bonds are sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the District a bond purchase contract (the "Purchase Contract"), providing for the sale of such Bonds to the Underwriters, in such form as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Contract in accordance with the terms of the Pricing Certificate and this Order, such approval being evidenced by its execution thereof by the Authorized Officer. If the Bonds are sold in a competitive sale, the Authorized Officer is authorized to, in conformity with this Order, approve the terms, conditions and specifications for the sale of the Bonds in the Notice of Sale. The Authorized Officer is further authorized to award the sale of the Bonds to the purchaser submitting a bid form conforming to the specifications set forth in the Notice of Sale which produces the lowest true interest cost to the District. All officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Bonds shall initially be registered in the name of the Underwriter or Representative (if the Bonds are sold in a negotiated sale) or to the Purchaser (if the Bonds are sold in a competitive sale), as applicable, or such other entity as may be specified in the Pricing Certificate.

(b) The authority granted to the Authorized Officer under Section 7.01(a) shall expire on the date that is three hundred and sixty-five (365) days from the date of adoption of this Order, unless otherwise extended by the Board by separate action.

(c) The Authorized Officer is hereby authorized and directed to cause to be prepared on behalf of the District one or more Preliminary Official Statements and Notices of Sale (to be used if the Bonds are sold in a competitive sale) for use in the initial offering and sale of the Bonds. The District hereby authorizes the Authorized Officer to approve the final form and content and distribution of the Preliminary Official Statements and the Notices of Sale prepared for use in the initial offering and sale of the Bonds and to certify or otherwise represent that the Preliminary Official Statement is a "deemed final" official statement as of its date (except for the

omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with such changes, modifications and completions as may be required upon pricing and approved by the Authorized Officer (the "Official Statement"). The use and distribution of a Preliminary Official Statement in the public offering of the Bonds by the Underwriters or the Purchasers, as applicable, are hereby authorized. The District hereby authorizes the preparation of a final Official Statement (the "Official Statement") reflecting the terms of the Purchase Contract (if the Bonds are sold in a negotiated sale) or the winning bid form (if the Bonds are sold in a competitive sale) and other relevant information. The use of such final Official Statement by the Underwriters or Purchaser, as applicable (in the form and with such appropriate variations as shall be approved by the Authorized Officer) is hereby approved and authorized and the proper officials of the District are authorized to sign such Official Statement. The Secretary of the Board is hereby authorized and directed to include and maintain a copy of the Preliminary Official Statement and the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

(d) The President or Vice President of the Board, the Authorized Officer and all other officers of the District are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Order, including, without limitation, making application for the guarantee of the permanent school fund for the Bonds from the Texas Education Agency. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the District is hereby authorized and directed to issue a check of the District payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

(e) The obligation of the Underwriters or the Purchasers to accept delivery of the Bonds is subject to, among other conditions specified in the Purchase Contract, the Underwriters or the Purchasers being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the District, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Authorized Officer is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Representative under and subject to the general supervision and direction of the Authorized Officer, or, in his absence, any officer of the Board, against receipt by the District of all amounts due to the District under the terms of sale.

Section 7.03. Deposit of Proceeds. The proceeds from the sale of the Bonds shall be deposited as set forth in the Pricing Certificate.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; INVESTMENTS

Section 8.01. Creation of Funds.

(a) (a) The District hereby establishes, with respect to each series or subseries of Bonds issued pursuant to this Order, the following special funds or accounts, which shall be maintained at an official depository of the District; provided, the designation of such funds shall be modified as appropriate in the Pricing Certificate to the extent required to conform to the final designation of the name of the Bonds:

(i) “Waco Independent School District Unlimited Tax School Building Bonds, Interest and Sinking Fund.”

(ii) “Waco Independent School District Unlimited Tax School Building Bonds, Construction Fund.”

Section 8.02. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of Debt Service.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay Debt Service as such becomes due and payable.

Section 8.03. Construction Fund.

(a) Money on deposit in the Construction Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01.

(b) All amounts remaining in the Construction Fund after the accomplishment of the purposes for which the Bonds are hereby issued, including investment earnings of the Construction Fund, shall be deposited into the Interest and Sinking Fund.

Section 8.04. Security of Funds. All moneys on deposit in the Interest and Sinking Fund shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

Section 8.05. Investments.

(a) Money in the Interest and Sinking Fund and Construction Fund, at the option of the District, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.06. Investment Income. Income derived from investment of any fund created by this Order shall be credited to such fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each date on which Debt Service is due on the Bonds, there shall be made available to the Paying Agent/Registrar, out of the interest and sinking fund, money sufficient to pay such Debt Service when due.

Section 9.02. Other Representations and Covenants.

(a) The District will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order and in each Bond; the District will promptly pay or cause to be paid Debt Service on the dates and at the places and manner prescribed in such Bond; and the District will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order.

(b) The District is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the District in accordance with their terms.

Section 9.03. Federal Tax Matters.

(a) General. The provisions of this Section 9.03 shall apply to all Bonds issued pursuant to this Order unless the Authorized Officer specifically determines in any Pricing Certificate that this Section 9.03 does not apply to such series of Bonds. The District covenants not to take any action or omit to take any action that, if taken or omitted would cause the interest on the Bonds to be includable in gross income, for federal income tax purposes. In furtherance thereof, the District covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the District in connection with the Bonds.

(b) No Private Activity Bonds. The District covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be "private activity bonds" within the meaning of

section 141 of the Code. Furthermore, the District will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The District covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The District covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The District covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The District covenants that, if the District does not qualify for an exception to the requirements of section 148(f) of the Code, the District will comply with the requirement that certain amounts earned by the District on the investment of the gross proceeds of the Bonds, be rebated to the United States.

(g) Information Reporting. The District covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

(h) Record Retention. The District covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the District will not be required to comply with any of the federal tax covenants set forth above if the District has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Order, the District’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the District, this Order serves as the District’s official declaration of intent to use proceeds of the Bonds to reimburse itself from proceeds of the Bonds issued in the maximum amount for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. The District reserves the right to defease, refund or discharge the Bonds in any manner now or hereafter permitted by law.

ARTICLE XI

PERMANENT SCHOOL FUND GUARANTEE

Section 11.01. Permanent School Fund Guarantee. The District will apply for and expects to receive approval from the Texas Commissioner of Education (the “Commissioner”) for payment of the principal of and interest on certain series of the Bonds, as specified in the Pricing Certificate relating to such Bonds (the “PSF Guaranteed Bonds”), to be guaranteed by the Permanent School Fund of the State of Texas, subject to compliance with the Texas Education Agency’s rules and regulations. If the PSF Guaranteed Bonds are defeased, the guarantee of the PSF Guaranteed Bonds will be removed in its entirety and, in case of default and in accordance with Texas Education Code §45.061, the Comptroller of Public Accounts will withhold the amount paid, plus interest, from the first state money payable to the District in the following order: foundation school fund, available school fund. In connection with the guarantee of the PSF Guaranteed Bonds by the Permanent School Fund, the District, hereby certifies and covenants that

(a) a certified copy of this Order, the Pricing Certificate for such PSF Guaranteed Bonds and copies of the Official Statement shall be furnished to the Division of State Funding, School Facilities and Transportation, within ten (10) calendar days of the date of sale of the PSF Guaranteed Bonds;

(b) following any determination by the District that it is or will be unable to pay maturing or matured principal or interest on the PSF Guaranteed Bonds, the District will take all action required by Subchapter C of Chapter 45 of the Texas Education Code, as amended, including, but not limited to, the giving of timely notice of such determination to the Commissioner; and

(c) the District will notify the Division of State Funding in writing within ten (10) calendar days of the defeasance of any PSF Guaranteed Bonds.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2 12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 12.02. Annual Reports.

(a) The District shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the District, financial information and operating data with respect to the District of the general type included in the final Official Statement, being information of the type described in the Pricing Certificate, including financial statements of the District if audited financial statements of the District are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the District within 12 months after the end of each fiscal year, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Texas State Board of Education or such other accounting principles as the District may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the District shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the District changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB’s Internet Web site or filed with the SEC.

Section 12.03. Material Event Notices.

(a) The District shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the District;
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
15. Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or

other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (A) any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the District, and (B) the District intends the words used in the immediately preceding clauses (15) and (16) in this Section and in the definition of Financial Obligation in this Order to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

(b) The District shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the District to provide required annual financial information and notices of material events in accordance with Section 12.02 and subsection (a) above. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 12.04. Limitations, Disclaimers and Amendments.

(a) The District shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the District remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Article X that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN

CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the District in observing or performing its obligations under this Article shall comprise a breach of or default under the Order for purposes of any other provisions of this Order.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

(e) The provisions of this Article may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the District so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XIII

DEFAULT AND REMEDIES

Section 13.01. Events of Default. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an Event of Default:

(i) the failure to make payment of Debt Service when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the District, which default materially and adversely affects the rights of the Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the District.

Section 13.02. Remedies for Default.

(a) Upon the happening of any Event of Default, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 13.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the District or the Board.

ARTICLE XIV

AMENDMENTS TO ORDER AND PRICING CERTIFICATE

Section 14.01. Amendments to Order and Pricing Certificate.

(a) The District reserves the right to amend this Order or the Pricing Certificate, or both, without the consent of or notice to any registered owners of the Bonds in any manner not detrimental to the interest of the Owners for the purpose of curing any ambiguity, inconsistency, manifest error, formal defect or omission in this Order or the Pricing Certificate, or both.

(b) The District reserves the right, but only with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then outstanding, to amend, add to, or rescind any of the provisions of this Order or the Pricing Certificate, or both.

(c) Without the consent of the Owners of all of the Bonds then outstanding, no amendment, addition or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, (ii) reduce the principal amount thereof, the redemption price, or the rate of interest or yield to maturity thereon, or in any other way modify the terms of payment

of the principal of and interest on the Bonds; (iii) give any preference to any Bonds over any other Bond, or (iv) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition or rescission.

Section 14.02. Nonsubstantive Changes to Order and Pricing Certificate. With the concurrence of the Authorized Officer, Bond Counsel is authorized to make such nonsubstantive changes to this Order and to the Pricing Certificate to the extent required to comply with the rules and requests of the Attorney General of Texas in connection with his approval of the Bonds.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Changes to Order. The Authorized Officer, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Order if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 15.02. Partial Invalidity. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 15.03. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Bonds.

PASSED, APPROVED AND EFFECTIVE on August 11, 2022.

Secretary, Board of Trustees
Waco Independent School District

President, Board of Trustees
Waco Independent School District

[SEAL]

EXHIBIT A
FORM OF BOND

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
McLennan County

WACO INDEPENDENT SCHOOL DISTRICT
[UNLIMITED TAX _____ BOND
SERIES _____¹]

INTEREST RATE: MATURITY DATE: CLOSING DATE: CUSIP NUMBER:
_____ % _____ _____ _____

Waco Independent School District (the "District"), in McLennan County, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the maturity date specified above, the sum of

_____ DOLLARS

unless the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on _____² and _____³ of each year, commencing _____⁴.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at

¹ Insert from Pricing Certificate.

² Insert from Pricing Certificate.

³ Insert from Pricing Certificate.

⁴ Insert from Pricing Certificate.

the corporate trust office of _____⁵, _____⁶, Texas, or such other location designated by the Paying Agent/Registrar (the “Designated Payment/Transfer Office”), of the Paying Agent/ Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the special payment date of the past due interest (the “Special Payment Date,” which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof, dated as of _____⁷, issued in the aggregate principal amount of \$ _____⁸, (herein referred to as the “Bonds”), issued pursuant to a certain order (the “Bond Order”) adopted by the Board of Trustees of the District and a pricing certificate executed pursuant to the Bond Order (the “Pricing Certificate,” and, together with the Bond Order, the “Order”), for the purpose of acquiring, constructing, renovating, improving and equipping school buildings of the District, including a new Waco High School, a new G.W. Carver Middle School, a new Tennyson Middle School, a new Kendrick Elementary School, and the purchase of necessary sites for school buildings, and paying costs of issuing the Bonds.

The Bonds and the interest thereon are payable from the proceeds of a direct and continuing ad valorem tax levied, without limit as to rate or amount, against all taxable property in the District sufficient, together with certain available funds of the District on deposit in the interest and sinking fund for the Bonds, to provide for the payment of the principal of and

⁵ Insert from Pricing Certificate.

⁶ Insert from Pricing Certificate.

⁷ Insert from Pricing Certificate.

⁸ Insert from Pricing Certificate.

interest on the Bonds, as described and provided in the Order. The District has reserved the option to redeem the Bonds maturing on and after _____⁹, in whole or in part before their respective scheduled maturity dates, on _____¹⁰, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the District shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other method that results in random selection the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

[Bonds maturing on _____¹¹ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the District, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>Term Bonds Maturing</u> _____	
<u>Redemption Date</u> <small>¹²</small>	<u>Principal Amount</u> <small>¹³</small>
_____	_____

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the District, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

Not less than thirty (30) days prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

In the Order, the District reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the

⁹ Insert from Pricing Certificate.

¹⁰ Insert from Pricing Certificate.

¹¹ Insert from Pricing Certificate.

¹² Insert from Pricing Certificate.

¹³ Insert from Pricing Certificate.

redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the District retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the District in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The District, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the District nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, without limit as to rate or amount, which when collected shall be appropriated exclusively to the timely payment of the principal of and interest on the Bonds; and that the total indebtedness of the District, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the District has caused this Bond to be duly executed under its official seal in accordance with law.

Secretary, Board of Trustees
Waco Independent School District

President, Board of Trustees
Waco Independent School District

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Order. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

14

As Paying Agent/Registrar

Dated: _____

By: _____

¹⁴ Insert from Pricing Certificate.

(c) Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) Statement of Permanent School Fund Guarantee.

The following statement shall only appear on or be attached to each Bond guaranteed by the Permanent School Fund Guarantee:

PSF CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Waco Independent School District of its Unlimited Tax School Building Bonds, Series _____¹⁵, dated _____¹⁶, in the principal amount of \$_____¹⁷ is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.

[Name of Commissioner]
Commissioner of Education State of Education

¹⁵ Insert from Pricing Certificate.

¹⁶ Insert from Pricing Certificate.

¹⁷ Insert from Pricing Certificate.

(e) Initial Bond Insertions

(i) The Initial Bond shall be in the form set forth in paragraphs (a), (c) and (d) of this Section, except that, in the event there is more than one maturity of Bonds:

1. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and "CUSIP NO. _____" deleted;

2. in the first paragraph the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____¹⁸ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year	Principal Amount	Interest Rate
------	------------------	---------------

(Information to be inserted from the Pricing Certificate); and

3. the Initial Bond shall be numbered IB-1.

4. The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

¹⁸ Insert from Pricing Certificate.

Waco Independent School District
Board of Trustee Meeting Agenda Item

Date: August 11, 2022

Contact Person: Sheryl Davis

RE: Consider, Discuss and Take Appropriate Action Regarding the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2022-2023 Fiscal Year, Setting the Proposed Tax Rate and the Date, Time, and Place for the Public Meeting

=====

Background Information:

In accordance with Texas Education Code Section 44.004, NOTICE OF BUDGET AND TAX RATE MEETING; BUDGET ADOPTION, when the budget has been prepared under section 44.002, the president shall call a meeting of the Board of Trustees for the purpose of adopting a budget for the succeeding fiscal year. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. The president shall provide for the publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or biweekly newspaper published in the district.

Inasmuch as the budget has been prepared as required under Section 44.002, the Board of Trustees should consider the proposed tax rate and set the date, time, and place to invite public discussion on the proposed 2022-2023 budget and the 2022 tax rate to support the proposed budget.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown on the notice unless the district publishes a revised notice containing the same information and comparisons and holds another public meeting to discuss the revised notice.

A public notice of the date of the meeting will be published in the Waco Tribune between the 30th and 10th day prior to the public meeting. A copy of the notice, to be published, is attached along with the tax rate calculation forms used by the District's designated officer, the Assistant Superintendent of Finance and Operations, to calculate the District's no-new-revenue tax rate and voter-approval tax rate.

Fiscal Implications:

None

Administrative Recommendations:

The administration recommends that the Board of Trustees approve the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2022-2023 fiscal year, setting the proposed tax rate and the date, time, and place for the public meeting, August 25, 2022 at 6:00 p.m. at the Waco ISD Administration Building.

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Waco ISD will hold a public meeting at 7:00 PM, August 25, 2022 in Waco ISD Administration Building Conference Center 115 South 5th St Waco TX 76701. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$0.942900/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.298969/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	-22.39 % decrease
Debt Service	44.10 % increase
Total Expenditures	-16.57 % decrease

Total Appraised Value and Total Taxable Value (as calculated under Section 26.04, Tax Code)

	<u>Preceding Tax Year</u>	<u>Current Tax Year</u>
Total appraised value* of all property	\$10,564,989,345	\$12,660,090,530
Total appraised value* of new property**	\$93,805,360	\$215,949,380
Total taxable value*** of all property	\$6,735,883,560	\$8,058,531,066
Total taxable value*** of new property**	\$88,810,816	\$200,244,746

*Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$385,660,000

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$1.024400	\$0.220200	\$1.244600	\$6,621	\$5,460
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.968500	\$0.309780	\$1.278280	\$8,235	\$4,576
Proposed Rate	\$0.942900	\$0.298969	\$1.241869	\$8,523	\$4,585

*The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both.

The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$168,892	\$216,342
Average Taxable Value of Residences	\$129,905	\$132,339
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.244600	\$1.241869
Taxes Due on Average Residence	\$1,616.80	\$1,643.48
Increase (Decrease) in Taxes		\$26.68

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.241869. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.241869.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment.

Maintenance and Operations Fund Balance(s)	\$49,216,300
Interest & Sinking Fund Balance(s)	\$3,991,200

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

2022 Tax Rate Calculation Worksheet

School Districts without Chapter 313 Agreements

Form 50-859

Waco ISD
 School District's Name
 PO Box 27 Waco, TX 76703
 School District's Address, City, State, ZIP Code

254-755-9440
 Phone (area code and number)
<https://www.wacoisd.org>
 School District's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submit the rates to the governing body by Aug. 7 or as soon thereafter as practicable. Tax Code Section 26.04(e-1) does not require school districts to certify the tax rate calculations.

This worksheet is for **school districts without Chapter 313 agreements only**. School districts that have a Chapter 313 agreement should use Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School Districts with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form. Use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

All other taxing units should use Comptroller Form 50-856 *Tax Rate Calculation, Taxing Units Other Than School Districts or Water Districts*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The Texas Education Agency (TEA) provides detailed information on and guidance to school districts in calculating their tax rates. Please review and rely on information provided by TEA when completing this worksheet. Additionally, the information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The no-new-revenue (NNR) tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue if applied to the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2021 total taxable value. Enter the amount of 2021 taxable value on the 2021 tax roll today. Include any adjustments since last year's certification; exclude one-fourth and one-third over-appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2). ¹	\$ 7,142,789,823
2.	2021 tax ceilings. Enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ²	\$ 824,665,152
3.	Preliminary 2021 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 6,318,124,671
4.	2021 total adopted tax rate.	\$ 1.244640 /\$100
5.	2021 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.	
	A. Original 2021 ARB values:	\$ 180,510,226
	B. 2021 values resulting from final court decisions:	– \$ 161,681,015
	C. 2021 value loss. Subtract B from A. ³	\$ 18,829,211
6.	2021 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2021 ARB certified value:	\$ 368,506,141
	B. 2021 disputed value:	– \$ 55,275,921
	C. 2021 undisputed value. Subtract B from A. ⁴	\$ 313,230,220
7.	2021 Chapter 42-related adjusted values. Add Line 5 and 6.	\$ 332,059,431
8.	2021 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 6,650,184,102
9.	2021 taxable value of property in territory the school deannexed after Jan. 1, 2021 Enter the 2021 value of property in deannexed territory. ⁵	\$ 0

¹ Tex. Tax Code § 26.012(14)

² Tex. Tax Code § 26.012(14)

³ Tex. Tax Code § 26.012(13)

⁴ Tex. Tax Code § 26.012(13)

⁵ Tex. Tax Code § 26.012(15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
10.	<p>2021 taxable value lost because property first qualified for an exemption in 2022 If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport goods-in-transit, or temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2022 does not create a new exemption or reduce taxable value.</p> <p>A. Absolute exemptions. Use 2021 market value: \$ <u>18,061,844</u></p> <p>B. Partial exemptions. 2022 exemption amount or 2022 percentage exemption times 2021 value: + \$ <u>209,447,011</u></p> <p>C. Value loss. Add A and B. ⁶</p>	\$ <u>227,508,855</u>
11.	<p>2021 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2022. Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2021.</p> <p>A. 2021 market value. \$ <u>0</u></p> <p>B. 2022 productivity or special appraised value: - \$ <u>0</u></p> <p>C. Value loss. Subtract B from A. ⁷</p>	\$ <u>0</u>
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ <u>227,508,855</u>
13.	Adjusted 2021 taxable value. Subtract Line 12 from Line 8.	\$ <u>6,422,675,247</u>
14.	Adjusted 2021 total levy. Multiply Line 4 by Line 13 and divide by \$100.	\$ <u>79,939,185</u>
15.	<p>Taxes refunded for years preceding tax year 2021. Enter the amount of taxes refunded by the district for tax years preceding tax year 2021. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. ⁸</p>	\$ <u>729,642</u>
16.	<p>Adjusted 2021 levy with refunds. Add Line 14 and Line 15. ⁹</p> <p>Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of taxes the governing body dedicated to the junior college district in 2021 from the result.</p>	\$ <u>80,668,827</u>
17.	<p>Total 2022 taxable value on the 2022 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 19). These homesteads include homeowners age 65 or older or disabled. ¹⁰</p> <p>A. Certified values.¹¹ \$ <u>8,757,329,270</u></p> <p>B. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ <u>0</u></p> <p>C. Total 2022 value. Subtract B from A.</p>	\$ <u>8,757,329,270</u>
18.	<p>Total value of properties under protest or not included on certified appraisal roll. ¹²</p> <p>A. 2022 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹³ \$ <u>47,858,023</u></p> <p>B. 2022 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value not on the roll. ¹⁴ + \$ <u>0</u></p> <p>C. Total value under protest or not certified. Add A and B.</p>	\$ <u>47,858,023</u>
19.	<p>2022 tax ceilings. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ¹⁵</p>	\$ <u>777,544,769</u>

⁶ Tex. Tax Code § 26.012(15)
⁷ Tex. Tax Code § 26.012(15)
⁸ Tex. Tax Code § 26.012(13)
⁹ Tex. Tax Code § 26.012(13)
¹⁰ Tex. Tax Code §§ 26.012, 26.04(c-2)
¹¹ Tex. Tax Code § 26.012(6)
¹² Tex. Tax Code § 26.01(c) and (d)
¹³ Tex. Tax Code § 26.01(c)
¹⁴ Tex. Tax Code § 26.01(d)
¹⁵ Tex. Tax Code § 26.012(6)(B)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
20.	2022 total taxable value. Add Lines 17C and 18C. Subtract Line 19.	\$ <u>8,027,642,524</u>
21.	Total 2022 taxable value of properties in territory annexed after Jan. 1, 2021. Include both real and personal property. Enter the 2022 value of property in territory annexed by the school district.	\$ <u>0</u>
22.	Total 2022 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2021. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1, 2021, and be located in a new improvement.	\$ <u>200,244,746</u>
23.	Total adjustments to the 2022 taxable value. Add lines 21 and 22.	\$ <u>200,244,746</u>
24.	Adjusted 2022 taxable value. Subtract line 23 from line 20.	\$ <u>7,827,397,778</u>
25.	2022 NNR tax rate. Divide line 16 by line 24 and multiply by \$100.	\$ <u>1.030595</u> /\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. Most school districts calculate a voter-approval tax rate that is split into three separate rates.¹⁸

- Maximum Compressed Tax Rate (MCR):** A district’s maximum compressed tax rate is defined as the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment.¹⁹
- Enrichment Tax Rate :**²⁰ A district’s enrichment tax rate is defined as any tax effort in excess of the district’s MCR and less than \$0.17. The enrichment tax rate is divided into golden pennies and copper pennies. School districts can claim up to 8 golden pennies, not subject to compression, and 9 copper pennies which are subject to compression with any increases in the guaranteed yield.²¹
- Debt Rate:** The debt rate includes the debt service necessary to pay the school district’s debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The MCR and Enrichment Tax Rate added together make up the school district’s maintenance and operations (M&O) tax rate. Districts cannot increase the district’s M&O tax rate to create a surplus in M&O tax revenue for the purpose of paying the district’s debt service.²²

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate (disaster pennies) in the calculation this year. This adjustment will be made in Section 4 of this worksheet.

A district must complete an efficiency audit before seeking voter approval to adopt a M&O tax rate higher than the calculated M&O tax rate, hold an open meeting to discuss the results of the audit, and post the results of the audit on the district’s website 30 days prior to the election.²³ Additionally, a school district located in an area declared a disaster by the governor may adopt a M&O tax rate higher than the calculated M&O tax rate during the two-year period following the date of the *declaration without conducting an efficiency audit*.²⁴

Districts should review information from TEA when calculating their voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
26.	2022 maximum compressed tax rate (MCR). TEA will publish compression rates based on district and statewide property value growth. Enter the school districts’ maximum compressed rate based on guidance from TEA. ²⁵	\$ <u>0.804600</u> /\$100
27.	2022 enrichment tax rate. Enter the greater of A and B. ²⁶ A. Enter the district’s 2021 enrichment tax rate, minus any required reduction under Education Code Section 48.202(f) \$ <u>0.138300</u> /\$100 B. \$0.05 per \$100 of taxable value \$ <u>0.0500</u> /\$100	\$ <u>0.138300</u> /\$100
28.	2022 maintenance and operations (M&O) tax rate. Add Lines 26 and 27. Note: M&O tax rate may not exceed the sum of \$0.17 and the district’s maximum compressed rate. ²⁷	\$ <u>0.942900</u> /\$100

¹⁶ [Reserved for expansion]
¹⁷ [Reserved for expansion]
¹⁸ Tex. Tax Code §26.08(n)
¹⁹ Tex. Edu. Code §48.2551(a)(3)
²⁰ Tex. Tax Code §26.08(j) and Tex. Edu. Code §45.0032
²¹ Tex. Edu. Code §548.202(a-1)(2) and 48.202(f)
²² Tex. Edu. Code §45.0021(a)
²³ Tex. Edu. Code §11.184(b)
²⁴ Tex. Edu. Code §11.184(b-1)
²⁵ Tex. Edu. Code §548.255, 48.2551(b)(1) and (b)(2)
²⁶ Tex. Tax Code §26.08(n)(2)
²⁷ Tex. Edu. Code §45.003(e)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
29.	<p>Total 2022 debt to be paid with property tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ul style="list-style-type: none"> (1) Are paid by property taxes; (2) Are secured by property taxes; (3) Are scheduled for payment over a period longer than one year; and (4) Are not classified in the school district’s budget as M&O expenses. <p>A. Debt includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.</p> <p>Enter debt amount: \$ <u>24,866,049</u></p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ <u>644,200</u></p> <p>C. Subtract state aid received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program. - \$ <u>221,669</u></p> <p>D. Adjust debt: Subtract B and C from A.</p>	\$ <u>24,000,180</u>
30.	Certified 2021 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ <u>0</u>
31.	Adjusted 2022 debt. Subtract line 30 from line 29D.	\$ <u>24,000,180</u>
32.	<p>2022 anticipated collection rate. If the anticipated rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ³⁰</p> <p>A. Enter the 2022 anticipated collection rate certified by the collector. ³¹ <u>100.00</u> %</p> <p>B. Enter the 2021 actual collection rate <u>98.00</u> %</p> <p>C. Enter the 2020 actual collection rate <u>106.00</u> %</p> <p>D. Enter the 2019 actual collection rate <u>96.00</u> %</p>	<u>100.00</u> %
33.	<p>2022 debt adjusted for collections. Divide Line 31 by Line 32.</p> <p>Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, add the amount of taxes the governing body proposes to dedicate to the junior college district in 2022 to the result.</p>	\$ <u>24,000,180</u>
34.	2022 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>8,027,642,524</u>
35.	2022 debt rate. Divide Line 33 by Line 34 and multiply by \$100.	\$ <u>0.298969</u> /\$100
36.	<p>2022 voter-approval tax rate. Add Lines 28 and 35.</p> <p>If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system’s abolition to the sum of Lines 28 and 35. ³²</p>	\$ <u>1.241869</u> /\$100

SECTION 3: Voter-Approval Tax Rate Adjustment for Pollution Control

A school district may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The school district’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The school district must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a school district that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
37.	<p>Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³³ The school district shall provide its tax assessor with a copy of the letter. ³⁴</p>	\$ <u>0</u>

²⁸ Tex. Tax Code § 26.012(7)
²⁹ Tex. Tax Code §§26.012(10) and 26.04(b)
³⁰ Tex. Tax Code §§26.04(h), (h-1) and (h-2)
³¹ Tex. Tax Code §26.04(b)
³² Tex. Tax Code §26.08(g)
³³ Tex. Tax Code § 26.045(d)
³⁴ Tex. Tax Code § 26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
38.	2022 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>8,027,642,524</u>
39.	Additional rate for pollution control. Divide line 37 by line 38 and multiply by \$100.	\$ <u>0</u> /\$100
40.	2022 voter-approval tax rate, adjusted for pollution control. Add line 36 and line 39.	\$ <u>1.241869</u> /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment in Year Following Disaster

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate in the calculation this year.³⁵ As such, it must reduce its voter-approval tax rate for the current tax year.

This section applies to a school district in a disaster area that adopts a tax rate greater than its voter-approval tax rate without holding an election in the prior year, as provided for by Tax Code Section 26.042(e).

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
41.	2021 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>1.244640</u> /\$100
42.	2021 voter-approval tax rate. If the school district adopted a tax rate above the 2021 voter-approval tax rate without holding an election due to a disaster, enter the voter-approval tax rate from the prior year's worksheet.	\$ <u>0</u> /\$100
43.	Increase in 2021 tax rate due to disaster (disaster pennies). Subtract Line 42 from Line 41.	\$ <u>0</u> /\$100
44.	2022 voter-approval tax rate, adjusted for prior year disaster. Subtract Line 43 from one of the following lines (as applicable): Line 36 or Line 40 (school districts with pollution control).	\$ <u>1.241869</u> /\$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue Tax Rate..... \$ 1.030595 /\$100
 Enter the 2022 NNR tax rate from Line 25.

Voter-Approval Tax Rate..... \$ 1.241869 /\$100
 As applicable, enter the 2022 voter-approval tax rate from Line 36, Line 40 or Line 44. Indicate the line number used: 36

SECTION 6: School District Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the school district. By signing below, you certify that you are the designated officer or employee of the school district and have calculated the tax rates in accordance with requirements in Tax Code and Education Code.³⁶

print here → Randy H Riggs
 Printed Name of School District Representative

sign here → 
 School District Representative

Date 8-5-2022

³⁵ Tex. Tax Code §26.042(f) and Tex. Edu. Code § 45.0032(d)
³⁶ Tex. Tax Code §26.04(c)