

The Texas Conservative Alliance
Restoring Individual Freedom and Liberties to the Citizenry of Texas

Road Map to Defeat Bond Programs

I. Identify Current Debt Obligations of District(s)

- a. It is imperative for taxpayers to know and understand any outstanding debt obligation(s) the district has **BEFORE** a bond program is considered or passed.
- b. Many time districts just pile on additional debt that has been carried over year after year and has not been eliminated. This is true picture of the district's inability to manage taxpayer dollars.
- c. Many districts in Texas have huge "off balance sheet" debt with long term lease purchase agreements for energy conservation projects that have terms from 15-20 years. These lease purchase agreements may have a value from \$1.0 mil to \$100 mil dollars in value! These lease purchase agreements are hidden from taxpayers but are real operating cost that have been deferred into the future. These are currently being challenged in court now for fraud and corruption in many districts across the state. Find out from the district(s) financial officer if the district has a contract in place and is still making debt payments to the financial institution that financed the project. This will raise some eyebrows when you ask this question. Further whether off balance sheet or on balance sheet debt, it has a compound cumulative required interest payment from which there is not enough money to ever pay off the debt.

II. NEW KEY IMPORTANT ITEM RECENTLY EXPOSED.

- a. Chapter 45 of the Texas Education Agency Code Limits the Bond Amount that Can Be Put Forth by School Board Members
- b. ALL school districts are limited to a CAP of 25% of the TOTAL EXISTING SCHOOL DEBT INCLUDING THE AGGREGATE OF ALL EXISTING BOND DEBT!
 - i. Example: A district with a total outstanding bond debt of \$100,000,000.00 dollars cannot advertise for a bond amount greater than \$25,000,000.00 dollars.
- c. All bond debt issued in Texas must be approved by the Attorney General of Texas!
- d. School districts have violated this statute and rule for decades in Texas.

III. Notify the Central Appraisal District (County Tax Accessor)

- a. Contact the tax accessor's office and discuss the proposed bond dollar amount with them. Request a written breakdown and how the bond(s) program will impact property taxes.
- b. Find out what if any funds that are presumed to be collected by the district as a result of a Chapter 313 agreement the district may be using to leverage the bond program and pass it. Chapter 313 agreements currently allow school districts to issue huge tax exemptions for businesses. These are in the 80-95% range!

IV. Request a Breakdown of Each Item Being Proposed in the Bond(s)

- a. This is the single most important tool taxpayers have to defeat bond programs
- b. In the state of Texas school districts have been for decades developing and passing bond programs on nothing more than a good guess and guidance from contractors and consultants involved in the projects and who benefit financially from bond projects.
- c. Under state law ALL expenditures over \$50,000.00 in value MUST have a minimum of three competitive bids.
- d. School districts have been engaging in unlawful tactics and teaming up with construction companies to project cost(s) based on some idea of what they believe or presume cost should be.
- e. The first step to defeating or delaying a bond program is to ask for the breakdown of cost for **each item** such as a new school building, a renovation to an existing building or facility, or the demolishing of an existing building or facility.
- f. A breakdown of cost(s) for each new school building or project should look like this:
 - i. **Engineering and Design**
 1. Cost for the feasibility study, master planning and etc. to develop the bond program.
 2. All cost for architectural and design
 3. All cost for the Mechanical, Electrical and Plumbing design
 - ii. **Civil and Groundwork**, including surveying and permits required to build on the property.
 - iii. **General Construction** cost for the building including foundation, walls, roof, windows, doors, locks, exterior finish, steel erection, insulation, and paint just to name a few.
 - iv. **Mechanical, Plumbing and Electrical** including Air Conditioning systems, control systems, plumbing pipe and fixtures, electrical systems including conduit, wire, lighting.
 - v. **Interior Finish Out** including paint, carpet, trim, furniture, fixed cabinets, laboratory, and sports equipment.
 - vi. **Miscellaneous** including intercom systems, IT infrastructure, computers, projectors, smart screens, security systems and etc.
 - vii. **Guaranteed Pricing** all bids submitted must be locked in and guaranteed to the end of the project. Many school projects are not, and cost are escalated due to change orders and bad planning. It is the school district and board members responsibility to safeguard the value of the taxpayer's money. Due diligence and hard work are needed.

A Breakdown of each item being proposed as listed above should be accompanied by the competitive bids acquired by the district(s) to establish the true and real cost of the bond program. The cost of the total bond program must be broken down as shown above to have

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true transparency of the project cost. A single large number does not provide the resolution required to verify real and accurate cost. If a district cannot provide this level of transparency to the public and taxpayers, they cannot lawfully advertise and propose a bond and hold a bond election.

It is imperative that elected board members have sufficient knowledge in building construction and practices. It also imperative that board members have hands on experience with financing and project cost ranging from multi-million to over one billion dollar amounts such as many of the bond programs being advertised by districts.

- V. Identify Conflicts of Interest** find out if any board member(s) have ties with any contractor bidding on the project. This includes the general contractor and any subcontractors. Any prior relationship personal or business must be disclosed to the public by law.

- VI. Has the district(s) entered into a Chapter 313 agreement regarding tax abatements for companies engaged in Solar Energy in their county?**
 - a. Chapter 313 have been allowed over the past several years and are being challenged now by taxpayers. These agreements allow local school districts to issue tax exemptions to entities that build solar farms within the taxing jurisdiction of the respective school districts.
 - b. School districts make the pitch to taxpayers that large portions of the bond program and debt will be funded by tax revenue levied on the unexempted value of the solar farm being built. They use this as strong-arm tactic and to leverage their position on the bond to win over taxpayers. These tax dollars are not guaranteed by anyone! If the solar farm and project goes into default for financial reasons or is destroyed by a hailstorm or fire and the value drops, the taxpayers of the district will have to make up for the shortfall in tax revenue to repay the debt on the bond(s).

- VII. Request Copies of Board Meeting Agenda(s) and Meeting Minutes**
 - a. Request minute meetings and meeting agendas to determine how much time and effort was spent by the district and board members to develop the bond program. Large bond programs take years to develop and to perform due diligence. This has been lacking in Texas schools for many years.

- VIII. Identify Existing Schools, Buildings or Facilities to be Demolished**
 - a. Find out if any existing buildings are being demolished or repurposed.
 - b. While older buildings may not be appealing to many, they still have value and can be renovated and updated in many cases and used for many more years to come.
 - c. Many of the older buildings are built much better than new ones.

IX. Bond Program Final Cost

- a. The advertised cost of bond programs is misleading.
- b. School districts only advertise the principal amount for the bond they are proposing to taxpayers.
- c. School districts and consultants deliberately by design and with intent refuse to include the interest for the bonds to be issued or the term limits for the bond program.
- d. The true cost of the bond program is not known until the last debt payment is made on the bonds.
- e. When school officials fail to retire bond principal debt, they have obligated taxpayers to repay they re-issue bonds at the current and higher bond rates which increase the cost of the bond projects as much as double as what was proposed and advertise by the district to taxpayers. This is straight up fraud and corruption by school officials.
- f. A breakdown and list of bond dollar amounts is crucial to know and understand the final cost of the project. With the current economic situation in the state these numbers will vary significantly.

How School Districts Misrepresent and Misguide Taxpayers in Texas

1. School officials misrepresent the REAL cost of bond programs by only advertising the dollar amount they are asking for without the interest payments calculated, rate of bonds issued and term.
2. Are vague about the location of where voting will take place.
3. Are deliberately vague with the information provided on signs and advertisements for bond programs being put forth.
4. Each sign posted by a school district must include the following language stated clearly- **“THIS IS A PROPERTY TAX INCREASE”**
5. Will set up early voting very early before the actual official voting day. For example, will have early voting start and stop a week before the actual voting day which causes taxpayers to forget the actual voting date and not show up.
6. The actual voting day is on a weekend and not during the normal work week schedule. Another tactic used to keep people from showing up to vote. Many taxpayers will simply not bother to show up because they have plans and family commitments for the weekend.

Signs Posted by Taxpayers Opposing Bond Referendums

1. Signs posted by taxpayers should have the following information included to convey the true cost of any new bond package being proposed and any existing bond debt the district currently has.

2. If possible, include an estimated dollar amount of the interest to retire the bond debt over a specific period of time. Example: bond rate -6.5% and 30-year term. Use an amortization calculator to calculate the total cost of the bond package and impact to taxpayers.
3. Go to the following link to see an example of how a bond package can be calculated- [School Bond Ponzi Scheme 2025 Color\(Rev.3\).xlsx](#)

Attention Taxpayers of Itasca!!

**Vote No! for the \$34,000,000.00 Million Dollar Bond Program!!
You Can't Afford This!**

Do Not Put Your Home in Jeopardy with Higher Property Taxes!

This Does NOT Include the Interest on the Bonds!

**The District Currently Has \$8,255,000.00 in Outstanding Debt
Principal That Has Not Been Repaid Since 2014.**

**Three Federal Complaints Were File in February and March by
Taxpayers Regarding the Financial Status of the Itasca ISD and
Conduct of School Officials**

Learn More at: [Commonsenselaw.org](https://commonsenselaw.org)

**Taxpayers Must Follow Through!
Follow The Following Steps Below!**

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Filing a Criminal Complaint

In the state of Texas every taxpayer has a legal right and civic duty to be involved in the process to expose fraud and corruption by elected public officials including school officials. This includes the superintendent of schools, business manager(s) and school board trustees. Based on the information provided above every taxpayer in Texas living within the taxing jurisdiction of a school district that has violated the rules and statutes that govern school officials regarding the conduct and actions pertaining to the financial matters of the district(s). School officials have gotten away for decades with fraud and corruption surrounding school finances, budgets, contracts, purchasing, and bond referendums put forth by school districts.

If the school district where you live has violated any of the items or areas listed above in this document, you have legal grounds to file a criminal complaint(s) and take necessary actions to expose and hold accountable those school officials that have acted in a manor(s) that are not conducive to the normal and expected conduct of elected public servants. Elected school board members and trustees have two roles to fulfill and to uphold. They are elected to serve the school district and to serve the taxpayers and to safeguard the value and use of public funds collected via ad-valorem taxes. School board members and officials do not have the authority to put taxpayers in financial duress or in jeopardy of losing their personal property by proposing bond projects and obligating taxpayers to repay debt that exceed the financial ability of capacity taxpayers. For decades in Texas school board members and the superintendent of schools across Texas have placed taxpayers in financial harm and duress that has resulted in bankruptcy and foreclosure of their homes.

What You Need to File a Criminal Complaint

This is an example of what a taxpayer needs to file a criminal complaint against a school district that has violated the 25% CAP rule in Chapter 45 of the TEA Code.

Your specific complaint may be different but follow the same basic steps. It would be appropriate to file a criminal complaint against individuals being the School District Superintendent (Accounting Fraud, Bond Fraud and Fraud by Omission), School District Board (Accounting Fraud & Bond Fraud) Attorney Ken Paxton (violations of Texas Education Act & violating Texas Property Tax Code, and Glen Hegar Texas State Comptroller (violating Texas Education Act and Texas Property Tax Code), joint and severally liable.

We have discovered a pattern and practice across the U.S. wherein the following information is purposefully hidden from the public (fraud by omission). The documents that are hidden by the School Districts are:

1. Bond Schedule
2. Sources and Uses

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3. Note the Balance Sheet
 4. Hidden Investment Pools
 5. Amortization Schedules
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1. A blank draft copy of a complaint available at this link. Control Click-[Criminal-Complaint_Violation-of-25-Bond-Cap-in-Texas-by-ISDs.doc](#)
 2. Copy of the currently stated outstanding bond debt the district has. Available from the following:
 - a. **School district financial office.** Needs to be a certified value by accounting firm or from the most recent annual financial report
 - b. **Texas Bond Review Board Website:** [Independent School Districts - Texas BRB Data Center](#)
 - i. Scroll down or enter the school district name to access the existing reported debt.
 - c. **Foundation School Program** (TEA Website): [Foundation School Program](#)
 - i. Select-Existing Debt Allotment Eligible Debt Service Report
 - ii. Then select the school year: 2023-2024
 - iii. Then enter the school district name
 3. Copy of the advertised proposed bond amount put forth by the school board.
 - a. From the districts website
 - b. Local newspaper
 - c. Social Media Outlet
 - d. Posted Signs by the District
 4. Copy of the meeting minutes from the school board meeting when the board voted for the bond referendum.
 5. Copy of Chapter 45 of the TEA Code with Requirements for School District:
https://commonsenselaw.org/wp-content/uploads/2025/04/EDUCATION-CODE-CHAPTER-45.-SCHOOL-DISTRICT-FUNDS_Highlighted.pdf
 6. Copies of any formal letters pertaining to school bonds, debt, payment history, notes, details, CUSIPS (bonds) sent to the district to obtain records or information.
 7. Copies of any responses or letters from school officials pertaining to unresolved issues or failure to cooperate with written requests.

Gather all the information listed above. Develop a list of events and the process in chronological order detailing any efforts made to get the information that has been requested. Use the names

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and dates of letters, phone calls or verbal conversations. Put your complaint in written form that clearly states the facts, issues and violations committed by school officials. Provide as much detail as possible so your complaint is easily understood. Your complaint does not have to be in “lawyer” language, it just needs to be clearly stated. If you have access to a lawyer or para-legal for help, use their help if needed.

I hope this helps. Please pass this along to anyone interested and feel free to contact me at any time.

Jeff Mashburn
Texas Conservative Alliance
Commonsenselaw.org
Email: jeffm.tca@yahoo.com
Cell: 817-983-3641