



August 21st, 2023

Joint City and School Board Meeting

STAFFORD MUNICIPAL SCHOOL DISTRICT

BUDGET BOOK

FISCAL YEAR 2023-2024



1633 STAFFORDSHIRE ROAD, STAFFORD, TX 77477 | 281-261-9200 | WWW.STAFFORDMSD.ORG

STAFFORD MSD

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CITIZEN'S GUIDE TO OUR BUDGET

WHAT IS THE STAFFORD MSD BUDGET?

The SMSD budget is an annually revised document that describes the financial performance and the detailed financial allocations made to maintain campus and department operations for the proposed budget year.

WHAT IS THE PURPOSE OF A BUDGET?

The objective of the budget is to communicate the financial plan about operations to the public, the Stafford Board of Trustees, the Stafford City Council and all members of the organization for each budget year.

WHAT ARE PROPERTY TAXES?

Property taxes are funds that are levied, assessed, and collected annually (ad valorem taxes) for the further maintenance of schools in the district and to pay bonds issued by SMSD.

WHAT IS A TAX RATE?

It is the amount of dollars levied per \$100 of taxable value (after exemptions). The resulting amount is called Ad Valorem Taxes.

WHAT IS AD VALOREM TAX?

Ad Valorem Tax is the Property Tax (after exemptions) that is placed on all the property within the district's jurisdiction. The appraised value is determined by the Fort Bend County Appraisal District and the Harris County Appraisal District. SMSD has a maintenance and operations tax of \$.8546 by law without a Tax Ratification Election for FY 22-23/ For FY23-24, the rate has gone down to .6927. The debt service rate is \$.215224. The total tax rate is \$.6927 + .2152 = \$.907924.

HOW ARE PROPERTY TAXES CALCULATED?

They are calculated by taking the taxable value (after exemptions) divided by 100 and multiplied by the tax rate:

Average Taxable Value	\$ 207,018
Less 20% Homestead Exemption	41,404
<u>Less \$100,000 State Exemption</u>	100,000
Total Taxable Value	\$ 65,614

SMSD Proposed Tax Rate \$0.907924/per \$100 valuation
\$65,614 = **\$656** x \$0.908 = **\$596** Total Property Tax Due Per Year
\$100

WHAT IS THE EFFECT OF A ONE PENNY INCREASE IN TAXES FOR A RESIDENTIAL OWNER?

The effect is \$6 per year. (**\$656** x \$0.918) = \$602 minus **\$596** = \$6 per year

WHERE CAN I GET ADDITIONAL INFORMATION ABOUT STAFFORD DISTRICT BUDGET?

- SMSD Web Page: <http://www.staffordmsd.org>
- Contact by email: christina.campos@staffordmsd.org
- Write: Stafford Municipal School District
C/O Communications Office
1633 Staffordshire Road, Stafford, Texas 77477



INTRODUCTORY
INFORMATION

Stafford Municipal School District

*Principal
Officials*

**BOARD OF
TRUSTEES**

Trustee Name

Manuel Hinojosa, President

Ash Hamirani, Vice President

Jacqueline Jean- Baptiste, Secretary

Dawn Reichling

Patricia Soza Montelongo

Suzette Thompson

Adam Sanchez

CITY COUNCIL

Council Member

Ken Mathew, Mayor

Alice Chen

Virginia Rosas

William Bostic

Christopher Caldwell

Xavier Herrera

Tim Wood

Term Expires

2027

2024

2024

2025

2025

2026

2026

ADMINISTRATIVE OFFICIALS

Name of Official

Position

Years at SMSD

Dr. Robert Bostic

Superintendent

9 yrs

Dr. Almus Kadir

Chief Academic Officer

4 yrs

Dr. Dawn Dubose

Chief of Schools

4 yrs

Christina Ordóñez-Campos,CPA

Chief Financial Officer

6 months

OFFICIAL ISSUING REPORT

<u>Name of Official</u>	<u>Position</u>	<u>Years at SMSD</u>
Christina Ordóñez-Campos, CPA	Chief Financial Officer 19+ years in education	6 months

Stafford Municipal School District

*Consultants and
Advisors*

AUDITORS

Whitley Penn LLP
3737 Buffalo Speedway Suite 1600
Houston, Texas
77098

BOND COUNSEL

Orrick Inc.
609 Main Street, Suite
40th Floor
Houston, Texas 77002

DEPOSITORY BANK

Frost National Bank
3531 South Main Street
Stafford, Texas 77477

FINANCIAL ADVISOR

RBC Capital Markets
1001 Fannin Street, Suite 1200
Houston, Texas 77002

GENERAL COUNSEL

Spalding Nichols Lamp
Langlois
3700 Buffalo
Speedway Suite 500
Houston, Texas 77098



Robert Bostic, Ph.D.
Superintendent of Schools

Board of Trustees
Manuel Hinojosa
President

Ash Hamirani
Vice President

Jacqueline Jean-Baptiste
Secretary

Dawn Reichling

Patricia Soza Montelongo

Suzette Thompson

Adam Sanchez

August 21st, 2023

Members of the City Council
City of Stafford
1633 Staffordshire
Stafford, Texas 77477

Members of the Board of Trustees
Stafford Municipal School District
1633 Staffordshire
Stafford, Texas 77477

Dear Trustees:

We are pleased to present the Stafford Municipal School District's Annual Budget for fiscal year 2023-2024. This budget presents the district's finance and operations plan.

Introduction

In accordance with State requirements, we are presenting our projected budget to the Board of Trustees and to the City of Stafford community. We encourage you and our citizens to engage in positive dialogue in fine tuning our budget proposal for 2023-2024. Given the limited resources, our staff has developed a financial plan for the 2023-2024 General Fund, Debt Service Fund, and Food Service Fund Budgets. The development, review and consideration of the 2023-2024 budgets were completed with a detailed review of every revenue and expenditure item within the context of the department's mission, goals and financial policies. This document provides information on each of the fund budgets.

The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the district, in order to facilitate financial decisions that support the educational goals of the school district. This budget's main focus is the education of Stafford MSD children and its instructional program with the fiscal resources available to the district. This budget addresses the essential needs of the district by directing resources to those areas that will assist our staff in carrying out the mission of SMSD.

With this budget, we are continuing to use a combination of site based budgeting and program budgeting. Budget allocations were made based on projected funding, and schools and departments were requested to prioritize their allocations based on their needs assessment. Furthermore, the district utilized program budgeting model to identify costs by function and program intent. The district also utilized its District and Campus Improvement Plan in the development of priorities and allocation for FY 2023-2024.

This budget document is the first step towards achieving these goals. It includes sound, prudent fiscal policies that will ensure the delivery of efficient and effective instructional programs. Stafford MSD is proposing a ***balanced budget approach*** for the General Fund, the Debt Service Fund and the Food Services Fund. Our financial plan and strategies are provided next in our report.

About Stafford MSD

Hidden between the metropolis of Houston and the growing East Fort Bend County, Stafford Municipal School District maintains its small-school environment while addressing educational needs of the 21st century. What began as a grassroots mission with 547 students has evolved into a mid-sized, 3A public school district with an enrollment over just 3,355.

The tree-lined complex is home to five campuses, addressing instructional needs of students from full-day Pre-Kindergarten through 12th grade. SMSD facilities are designed to allow all of its students to attend elementary and secondary schools without the disruption of ever-changing school attendance zones. Dual Language programs in Vietnamese-English and Chinese English are available at Kindergarten, 1st, and 2nd grades. All classrooms are equipped with instructional technology including computers, interactive white boards, and projectors.

The district prides itself in allowing students to participate in as many school activities and organizations as possible, provided that high academic standards are maintained. Students can participate in UIL academic competition in addition to UIL athletic programs including football, baseball, softball, basketball, volleyball, track, power-lifting, and cross-country. The district also is one of the very few 3A districts to offer boys and girls soccer and swimming. Stafford High School athletes have been named not only to all-district and all-state athletic teams but also to Academic All-State teams. The Mighty Spartan Band earned UIL Sweepstakes recognition for three consecutive years and Choir students earn places in area, region, and state choirs. The choral department also annually presents a full-scale musical production which includes students from kindergarten to 12th grade. FFA, JROTC, and DECA students have participated at state, national and international competitions.

As the only municipal school district in the state, the district partners with the City of Stafford by utilizing the city's municipal swimming pool and the Stafford Civic Center, both located within the district's complex. These facilities allow extension in curriculum by offering swimming lessons to second and fourth graders and by allowing the performing arts a formal venue for student functions. The city also provides use of the Stafford Centre, a full-performance venue, for fine arts programs and banquets and underwrites the cost for

all high school juniors to prepare for SAT college entrance exams through a comprehensive SAT Preparatory Course.

Mission Statement

The Stafford MSD mission statement is as follows:

The mission of SMSD, a diverse and visionary learning community, is to prepare each student to become a critical thinker and an ethical, productive citizen, in the pursuit of excellence through an unwavering commitment to provide multiple life and learning experiences led by dedicated professional using innovative teaching techniques in an engaging learning environment.

SMSD shared beliefs

- . . . everyone can learn.
- . . . morality and integrity are important.
- . . . everyone is worthy of respect.
- . . . applied knowledge creates opportunities.
- . . . everyone has the responsibility to use resources efficiently.
- . . . work ethic is a key to success.
- . . . optimism fuels momentum.
- . . . individuals have the potential to become leaders.
- . . . fun is a positive component for life-long learning.
- . . . creativity flourishes in a safe environment that promotes innovation and self-expression.
- . . . trust is vital.
- . . . understanding diversity strengthens a community.
- . . . service to others promotes community and builds character.
- . . . everyone deserves fair and equal access to education.

Seven Strategic Areas

1. We will develop and implement a program that will address college and career readiness.
2. We will implement innovative, engaging, nonconventional, instructional, and enrichment activities to achieve the mission and objectives.
3. We will energize and integrate all aspects of our diverse community, businesses and parents into full support and implementation of the mission and objectives.
4. We will identify, attract, train and retain highly-qualified professionals who expand their jobs beyond official boundaries.
5. We will supplement existing school funding by development and fostering a financially supportive relationship with the SMSD business community while using creative approaches to research alternative funding sources to accomplish the mission and objectives.
6. We will continuously adapt our infrastructure to create an engaging learning environment.
7. We will make technology a priority and make sure it is flexible and reflective of current trends.

Strategic planning objective

1. 100% of SMSD students participate annually in at least one community service project and complete a minimum of 30 hours required for graduation.

2. 100% of SMSD students engage in problem-based learning every semester.
3. 100% of SMSD students participate annually in history or science fairs.
4. 100% of SMSD students demonstrate ethical behavior.
5. 100% of SMSD students graduate college and/or career ready.

Budget Process and Significant Changes

Legal Requirements in Preparing the Budget

The Texas Education Code requires that a local education agency prepare a budget of anticipated expenditures and revenues on or before August 20. The Board is required to adopt a budget before August 31. The budget must be itemized in detail according to classification (object) and purpose of expenditure (function) and be prepared according to General Accepted Accounting Principles.

The budget must be legally adopted before the adoption of the tax rate. The president of the Board of Trustees must call a public meeting of the Board of Trustees giving ten days public notice in a newspaper for the adoption of the budget. Any taxpayer in the district may be present and participate in the meeting. The budget must be adopted by the Board of Trustees, inclusive of budget amendments no later than August 31.

Budget Development Process

The budget development process comprises three stages: planning, preparation, and evaluation. The first phase, planning, involves defining the mission, goals, and objectives of campuses, divisions, and the district.

Once these plans and programs have been established, the preparation phase of budgeting begins by allocating resources to support them. During this phase, individual, as well as group training workshops, were held with principals and department directors to guide them in developing their budgets. Statistics, trends and budget to actual data have been utilized to make accurate projections and decisions for the district. The Human Resources Department played an important role assisting the Business Office in the budget process as they provided input in the development of compensation plans, stipend plans, and salary budgets utilizing established staffing guidelines.

Evaluation is the last step of the district's budget cycle, in which information is compiled and analyzed to assess the performance of each individual campus and department, as well as the district as a whole. This evaluation is carried out during the external audit process and the strategic planning process annual update.

The budgeting process for Stafford MSD was initiated on June 20, 2023, meeting through a joint meeting with SMSD Board and the Stafford City Council. The purpose of the joint meeting was to begin working very diligently with the administration to ensure that all financial resources are allocated effectively. As required by State law, a public hearing on the budget and tax rate will be held on August 21, 2023, at 7:00

P.M. in the Stafford Civic Center. Notice will be provided as required by Section 44.003 of the Texas Education Code. In addition, the district will concurrently post a summary of the proposed budgets on the SMSD website as required by Section 44.0041 of the Texas Education Code.

The following calendar was scheduled and followed to review financial data over an eight-month period prior to adoption of the budget by the City Council and the Stafford MSD Board of Trustees.

2022-2023 Budget Workshop Calendar – Joint Body

- | | |
|------------------------|---|
| Monday June 20, 2023 | Budget Workshop – first meeting with the Board to discuss budget projections and goals |
| Monday, July 26, 2023 | Budget Workshop – second meeting with the Board to discuss budget projections and salary increases |
| Monday August 17, 2023 | Budget Workshop – third meeting with the Board and Council to discuss detailed budget and personnel projections |
| Monday August 21, 2023 | Special Meeting – public hearing on tax rates followed by adopting tax rate in accordance with TEC 11.303 |

CITY OF STAFFORD CITY COUNCIL



Ken Mathew
Mayor
[Email Ken Mathew](#)
[More Information](#)



Alice C. Chen
Council Member - Position 1
[More Information](#)



Virginia Rosas
Council Member - Position 2
[More Information](#)



Tim Wood
Council Member - Position 6
[More Information](#)



William K. Bostic Jr.
Council Member - Position 3
[More Information](#)

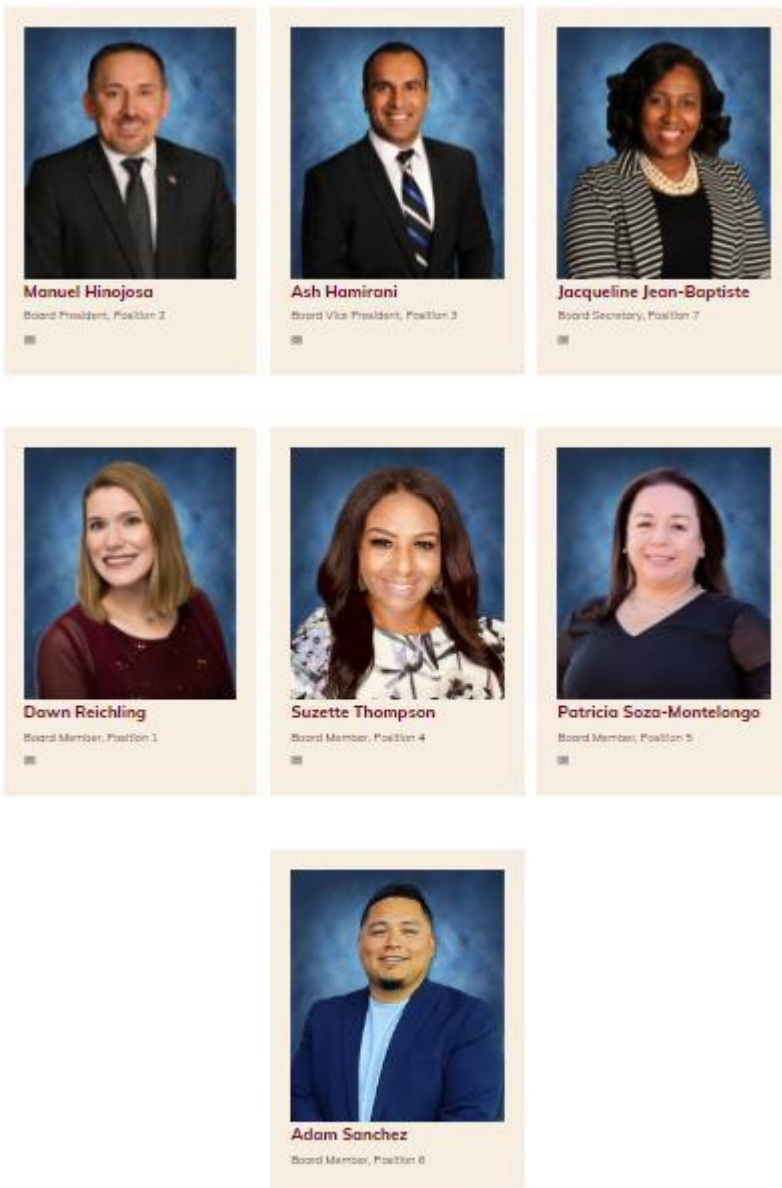


Christopher Caldwell
Council Member - Position 4
[Email](#)
[More Information](#)



Xavier Herrera
Mayor Pro Tem - Position 5
[More Information](#)

STAFFORD MSD BOARD OF TRUSTEES



Budget Document Purpose and Basis for Presentation

This document, as a whole and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present the financial plan and the results of operations of the district. This document was prepared in the format necessary to meet the requirements of the Association of School Business Officials (ASBO) *Meritorious Budget Award* program and the Government Finance Officers Association (GFOA) *Distinguished Budget Presentation Award* program. To receive these awards, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. These awards are for a period of only one year.

ASBO and GFOA presented their Budget Presentation Awards to Stafford Municipal School District for its 2009/2010, 2010/2011, 2011/2012 and 2012/2013. For Fiscal year 2013-2014, the GFOA also awarded the Budget Document to Stafford MSD.

However, the primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the Stafford Municipal School District to facilitate financial decisions.

Budget Document Sections

The district's budget is organized into four major sections: *Introductory, Organizational, Financial, and Informational*. All sections include sub-sections that assist the reader in understanding all areas that drive the annual budget of Stafford Municipal School District.

The ***Introductory Section*** provides a complete overview of the entire budget document. The Introductory Section is the budget in narrative form (charts, tables and graphs are used to assist the reader in this section as well as all other sections and sub-sections). This section includes the following sub-section: *introductory information*.

The ***Organizational Section*** describes SMSD – who we are, where we are located, how our organization is structured, how our financial system functions and the budgets thereto, and the significant areas that impact the finances of the District. This section informs the reader on the district's budget policies and development process, long range goals, and the budget calendars used to adequately prepare and review the budget document. This section of the budget document includes the following sub-sections: *district information, enrollment information, academic information, accounting information, and significant budget and financial information*.

The ***Financial Section*** is typically what we consider to be “the budget.” This section is organized in a hierarchal order starting with the general fund. Charts, tables and graphs explain significant budget data. Included in this section are schedules for the General Fund, School Nutrition Fund and Debt Service Fund. Schedules are also provided that focus on key financial trends and the direct impact on the district's fund balance. This section includes the following sub-sections: *budget information, general fund information, food service information, debt service information, construction fund information, grant information, and financial accountability information*.

The ***Informational Section*** is the final section of the budget document. This section is full of explanatory information such as account code explanations, terms often used in school finance, and other district-related information. This final section includes the following sub-sections: *performance measures section, personnel information, department information, tax information, and additional information*.

Amending the Budget

A budget is an estimate of planned expenditures and expected revenues. Many changes can take place between estimating for the proposed budget in March and April and the start of the new fiscal year in September. Program and operational changes will mean budget changes. These changes to the budget are made in the form of budget amendments. Any increase or decrease in the budget requires board approval. Changes to revenues also require budget adjustments before the end of the year. *Changes to expenditure between budget functions required board action.* All other changes are submitted by campuses and departments to the Business Office for review and processing.

Significant Changes

The District's MCR rate has experienced several levels of compression since the passing HB3 (2019) and this year was no exception due to statewide property value growth & other factors that contributed to additional compression. Also, no additional funding for our schools were included in any of the bills passed by the 88th legislature. SB 2 provided tax relief to homeowners by increasing the homestead exemption to \$100,000. The district also lost its transitional grant allotment this year. These changes and pressures affected our FY2023-2024 general fund revenues significantly. A Voter Approved Tax Rate Election (VATRE) will most likely be needed to replace some of this lost funding.

Major Goals and Objectives of Budget Process

The following major goals and objectives have driven the budget process so that the focus is curriculum:

- To adopt a budget that is both consistent with SMSD's mission and strategic plan, achieving financial integrity and national recognition for excellence in academics by maximizing benefits from resources available.
- Provide resources necessary to support the SMSD curriculum and SMSD activities.
- Provide a compensation package that recruits, attracts, and retains highly qualified staff.
- Provide resources necessary to reach the goals established in all campus improvement plans as well as the district improvement plan; and
- Provide programs and opportunities for all students to exceed their educational goals.

Budget Highlights

Summary of Proposed Budgets

The District utilizes *Governmental, Proprietary, and Fiduciary fund types*. The District’s Governmental fund type is comprised of General Funds, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The Proprietary Fund includes the Internal Service Fund. The Fiduciary fund type includes Agency Funds. It is important to note that the Department approves the annual budgets for the General Fund, Internal Service Fund and Debt Service Funds. Agency Funds and Special Revenue Funds adopt project-length budgets which do not correspond to the District’s fiscal year end and are not subject to Board approval; the information presented on these funds is for information purposes only.

The annually adopted budget includes the general, food service, and debt service funds (which also serve as the highest area of public interest). The annual budget serves as the foundation for the district’s financial planning and control. SMSD maintains budgetary controls throughout all of its financial systems in order to ensure compliance with legal provisions embodied in the appropriations approved by the Board and City Council.

The following table presents a comparison of the proposed expenditures for General Funds with a comparison of the estimated expenditures for fiscal year 2023-2024. The budget prepared for governance approval is as follows:

	General Fund	Food Service Fund	Debt Service Fund	Total Annual Budget
Estimated Revenues	\$ 36,136,611	\$ 2,438,658	\$ 9,110,792	\$ 47,686,061
Appropriations	\$ 36,136,611	\$ 2,438,658	\$ 9,110,792	\$ 47,686,061
Excess of Estimated Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -

The construction fund and grant entitlements have been included in this budget document for informational purposes only – not for formal approval. The total **proposed tax rate** for 2023/24 is **\$.0907924** per \$100 of valuation.

General Fund Summary

The general fund serves as the district’s primary operating fund. It accounts for all financial resources of the district except those required to be accounted for in another fund.

The 2022 tax rate for the general fund is currently **\$1.0993** which is the maximum tax rate allowable for SMSD without calling for a tax ratification election (TRE). District administration has plans to request the calling of a TRE for FY 2023/2024. Under current tax code, 17 additional pennies are available; The District is currently using 5 pennies. Only 3 additional pennies would be free of recapture – the other 9 cents would result in 80% of new collections staying in Stafford and remaining 20% going to the State for redistribution.

Stafford MSD is considered a “property wealthy” school district for the 2023/2024 school year. The district has exceeded the property wealth level set by the State each and every year since the start of “Robin Hood” or “*Chapter 41*” and the 87th Legislative session did not change this status for the upcoming biennium.

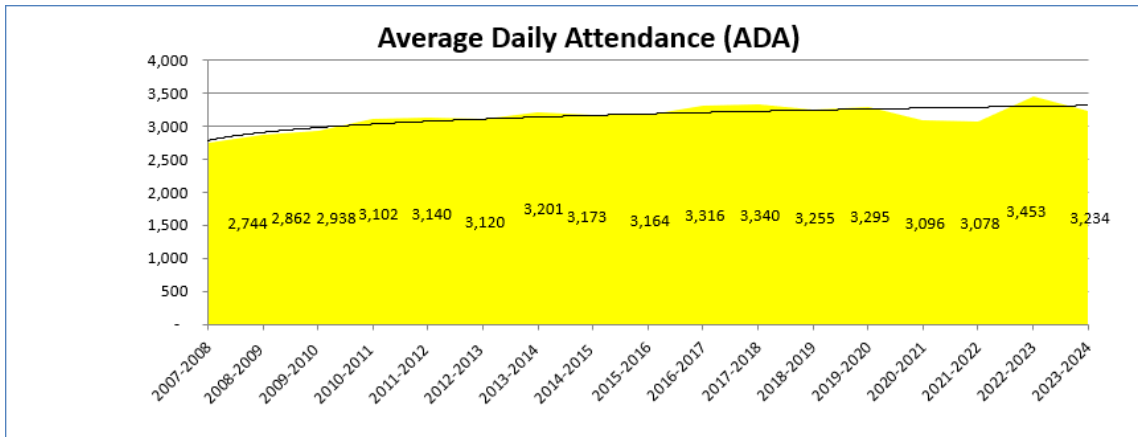
Here’s a summary of the state funding elements for FY2023-2024:

- ✓ the basic allotment remained at \$6,160,
- ✓ an increased guaranteed yield for the first level of Tier II from \$98.56 to \$126.21,
- ✓ an increased school safety allotment from \$9.72 per ADA to \$10 & \$15,000 per campus

A 20% local homestead exemption (LHE) is currently offered to the taxpayers. The SMSD Board of Trustees approved the continuation of this tax benefit for the Stafford homeowners for the 2023 tax year. Legislation passed in July 2023 would raise the state’s homestead exemption to \$100,000; voters will have to approve the changes on election day in November. The increase in this exemption will reduce local taxes and the State of Texas will provide additional State Aid to replace lost local revenues.

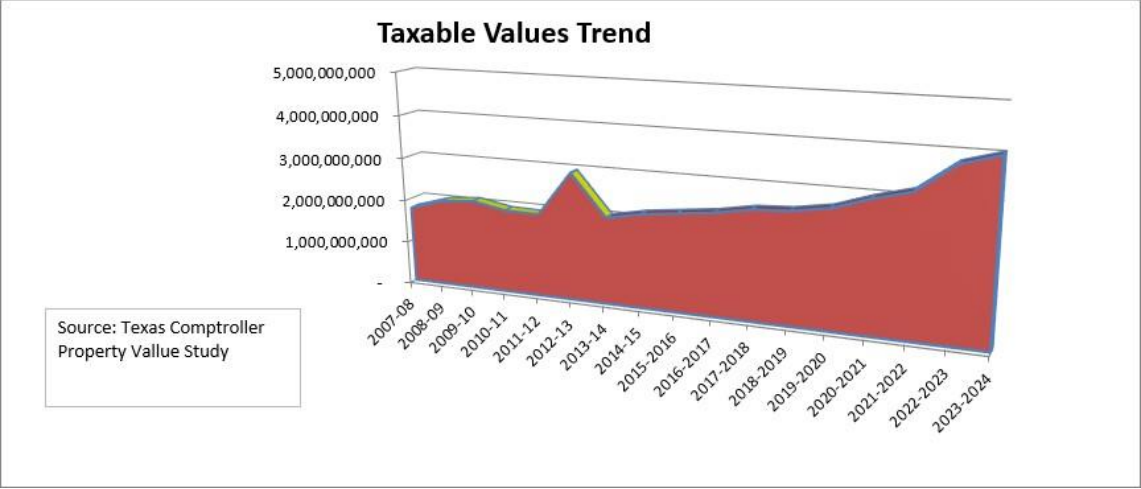
Cash reserves will be limited in the fall based on prior trends; it is projected that a \$6,000,000 Tax Anticipation Note will be necessary to cover operating expenditures for the months of September to December.

Taxable values from the Fort Bend CAD are in-line with forecasts made during the Vision and Planning (V&P) process. It was anticipated that the final 2023 taxable values will increase from 2022. While taxable values, under a hold harmless school finance system, have very little positive or negative net impact on SMSD, they impact the debt service tax rate.



The district’s enrollment has remained constant over the last school year while taxable values continued to climb (a major contributing factor to Chapter 41 status) up until the 2010 tax year. In 2011 through 2021, there were slight increases in taxable values. The charts below identify these trends accordingly. For FY 2023-2024, a projection of 3,300 ADA was used to calculate the state funding.

For fiscal year 2023-2024 (tax year 2022), values of \$4,026,173,175 were used to calculate the local effort for the maintenance and operations tax efforts in the funding template. It was also used to calculate the necessary interest and sinking tax rate to meet the debt service obligations.



MCR

The state implemented a Maintenance Compressed Rate to reduce taxes when property values increase. The MCR is a function of preliminary values and the local home optional homestead exemption. The MCR for FY 22-23 was .8546 plus 5 golden pennies. The adopted maintenance rate for FY 22-23 was .8546.

Below is the calculation for FY 23-24:


User: christina.ordonezcampos

Foundation School Program
STAFFORD MSD (079910)
County-District Number:
School Year:

[\[Exit\]](#)

[District Profile \(/fsp/DistrictProfile.aspx\)](#) [Programs \(/fsp/Programs/ProgramsHome.aspx\)](#) [School District State Aid Reports \(/fsp/Reports/ReportSelection.aspx\)](#)

FSP Home (/fsp/Default.aspx) > Programs (/fsp/Programs/ProgramsHome.aspx) > Local Property Value Survey (/fsp/LpvSurvey/LpvSurveyHome.aspx) > Local Property Value Survey

Local Property Value Survey [Help \(/Help/FSPLocalPropertyValueSurvey/Complete_the_Survey.htm\)](#)

The LPV Survey module closed for 2023-2024 data entry on 8/4/2023.

Status: Approved
Last Updated: 8/2/2023 11:00:21 AM
Last Updated By: namrata.parikh

Contact Information

Approving Superintendent (Required)	Program Contact (Optional)
First Name: <input type="text" value="Robert"/>	First Name: <input type="text" value="Christina"/>
Last Name: <input type="text" value="Bostic"/>	Last Name: <input type="text" value="Ordonez-Campos"/>
Email: <input type="text" value="rbostic@staffordmsd.org"/>	Email: <input type="text" value="christina.campos@staffordmsd.org"/>
Phone: <input type="text" value="(281) 261-9202"/>	Phone: <input type="text" value="(281) 261-9361"/>


Survey Information

Tax Year 2022 Value Lost to the Local Optional Homestead Exemption	<input type="text" value="\$122,223,044"/>
Tax Year 2022 Comptroller Certified School District Taxable Values for M&O Purposes (T2)	<input type="text" value="\$3,833,878,153"/>
Chief Appraiser's July 25th Certified School District Taxable Values from the Certified Appraisal Roll.	
For Tax Year 2022	<input type="text" value="\$3,785,977,768"/>
For Tax Year 2023	<input type="text" value="\$4,167,698,738"/>
Local Property Value Growth %:	10.08%
Tax Year 2023 property value no longer subject to a limitation on appraised value under Chapter 313, Tax Code :	<input type="text" value="\$0"/>
Tax Year 2023 property value no longer subject to a limitation on appraised value under Chapter 311, Tax Code :	<input type="text" value="\$0"/>
Total Exemption expiry (E) (per TEC §48.2551 (a)):	<input type="text" value="\$0"/>
Growth net of expiring 313 or 311 agreements %:	10.08%
Local Optional Homestead Exemption Value Loss for Tax Year 2023:	<input type="text" value="\$131,477,690"/>
Local Optional Homestead Exemption value change:	<input type="text" value="\$9,254,646"/>
Tax Year 2023 Projected Comptroller School District values For M&O purposes(T2)	<input type="text" value="\$4,217,360,192"/>
Prior Tax Year Max Compressed Rate (PY MCR):	0.8046
Local preliminary MCR - lesser of $1.025 \times (\text{TY}2022\text{DPV} + \text{E}) \times \text{PY MCR} + \text{TY}2023 \text{ T2}$ or PY MCR :	0.7497
TY 2023 State Compression Percentage (lesser of PY State MCR or $(0.8941 * (1.025/1.0443)) - 0.0825$):	0.7950
TEC §48.2552 Tax Year 2023 Limitation on maximum compressed tax rate $0.7950 \times .90$:	0.7155
MCR (lesser of state or local compression) (greater of local compression limitation under TEC §48.2552):	0.7497

All MCR calculations and surveys must be approved by the Texas Education Agency.
Below is the approval from TEA:

 Wed 8/2/2023 11:00 AM
namrata.parikh@tea.texas.gov
LPV Survey approval

To  Bostic, Robert;  Campos, Christina

 You replied to this message on 8/2/2023 12:52 PM.
If there are problems with how this message is displayed, click here to view it in a web browser.

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Robert Bostic and Christina Ordonez-Campos,

Namrata Parikh has APPROVED the LPV Surveys.

Please contact Namrata Parikh at (512) 463-6220 or taxprograms@tea.texas.gov if you need further information or guidance.

Regards,

The TEA FSP System

Texas Education Agency
 Tax Year 2023 (School Year 2023-2024)
Preliminary Maximum Compressed Tax Rates (MCR)
 August 3, 2023

District ID	District Name	LPVS MCR (88-R)	SB 2 Reduction (88-2)	Tax Year 2023 MCR
074911	SAVOY ISD	0.7155	-0.0963	0.6192
094902	SCHERTZ-CIBOLO-U CITY ISD	0.7241	-0.1049	0.6192
207901	SCHLEICHER ISD	0.7566	-0.1070	0.6496
075903	SCHULENBURG ISD	0.7507	-0.1070	0.6437
129910	SCURRY-ROSSER ISD	0.7155	-0.0963	0.6192
083901	SEAGRAVES ISD	0.7155	-0.0963	0.6192
008902	SEALY ISD	0.7379	-0.1070	0.6309
094901	SEGUIN ISD	0.7786	-0.1070	0.6716
083903	SEMINOLE ISD	0.7155	-0.0963	0.6192
012901	SEYMOUR ISD	0.7155	-0.0963	0.6192
152909	SHALLOWATER ISD	0.7155	-0.0963	0.6192
242902	SHAMROCK ISD	0.7950	-0.1070	0.6880
108911	SHARYLAND ISD	0.7235	-0.1043	0.6192
210903	SHELBYVILLE ISD	0.7155	-0.0963	0.6192
101924	SHELDON ISD	0.7155	-0.0963	0.6192
204904	SHEPHERD ISD	0.7570	-0.1070	0.6500
091906	SHERMAN ISD	0.7155	-0.0963	0.6192
143903	SHINER ISD	0.7155	-0.0963	0.6192
047905	SIDNEY ISD	0.7155	-0.0963	0.6192
115902	SIERRA BLANCA ISD	0.7950	-0.1070	0.6880
100904	SILSBEE ISD	0.7618	-0.1070	0.6548
023902	SILVERTON ISD	0.7205	-0.1013	0.6192
019909	SIMMS ISD	0.7191	-0.0999	0.6192
205906	SINTON ISD	0.7155	-0.0963	0.6192
049909	SIVELLS BEND ISD	0.7567	-0.1070	0.6497
013905	SKIDMORE-TYNAN ISD	0.7182	-0.0990	0.6192
152903	SLATON ISD	0.7633	-0.1070	0.6563
249908	SLIDELL ISD	0.7355	-0.1070	0.6285
001909	SLOCUM ISD	0.7155	-0.0963	0.6192
011904	SMITHVILLE ISD	0.7563	-0.1070	0.6493
110906	SMYER ISD	0.7155	-0.0963	0.6192
026903	SNOOK ISD	0.7155	-0.0963	0.6192
208902	SNYDER ISD	0.7530	-0.1070	0.6460
071909	SOCORRO ISD	0.7950	-0.1070	0.6880
015909	SOMERSET ISD	0.7155	-0.0963	0.6192
026902	SOMERVILLE ISD	0.7155	-0.0963	0.6192
218901	SONORA ISD	0.7765	-0.1070	0.6695
015908	SOUTH SAN ANTONIO ISD	0.7155	-0.0963	0.6192
085903	SOUTHLAND ISD	0.7381	-0.1070	0.6311
015917	SOUTHSIDE ISD	0.7628	-0.1070	0.6558
015912	SOUTHWEST ISD	0.7155	-0.0963	0.6192
098904	SPEARMAN ISD	0.7919	-0.1070	0.6849
170907	SPLENDORA ISD	0.7155	-0.0963	0.6192
101920	SPRING BRANCH ISD	0.7950	-0.1070	0.6880
117907	SPRING CREEK ISD	0.7441	-0.1070	0.6371
092907	SPRING HILL ISD	0.7472	-0.1070	0.6402
101919	SPRING ISD	0.7178	-0.0986	0.6192
140907	SPRINGLAKE-EARTH ISD	0.7950	-0.1070	0.6880
184902	SPRINGTOWN ISD	0.7155	-0.0963	0.6192
063903	SPUR ISD	0.7579	-0.1070	0.6509
229905	SPURGER ISD	0.7280	-0.1070	0.6210
079910	STAFFORD MSD	0.7497	-0.1070	0.6427
127906	STAMFORD ISD	0.7950	-0.1070	0.6880
156902	STANTON ISD	0.7155	-0.0963	0.6192
072903	STEPHENVILLE ISD	0.7499	-0.1070	0.6429

General Fund

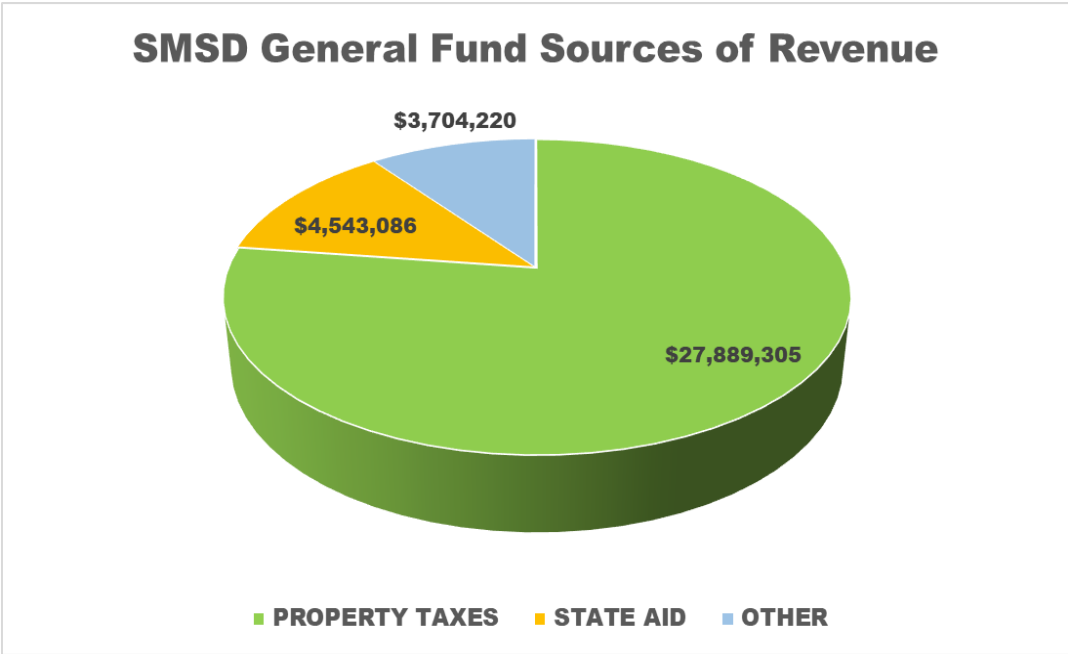
For FY2023-2024, salaries and benefits account for approximately 87% of the general fund’s budget.

The district administration has been closely reviewing all contract renewals, non-renewals, and terminations since February. Positions that have been vacated due to an employment action (resignation, retirement, non-renewal, or termination) have been analyzed by district administration, using appropriate data (enrollment forecasts, staffing ratios, etc.), to see if attrition can be used for the position. Final staffing decisions have been made by the Superintendent so master schedules could be prepared so campuses/departments can prepare for the start of the 2023/2024 school year.

SMSD has prepared the budget for the Board and City Council to consider with the following key assumptions as follows:

- Be balanced and implement the proposed budget cuts and spending freezes
- Retain the 20% local homestead exemption
- Address all federal and state mandates
- Meet SMSD’s capacity and growth needs
- Manage the District’s resources efficiently and effectively
- Restore fund balance

Local property taxes continue to be the most significant revenue source for the District. The graph below shows that 27.8 million (or 77%) of the general fund’s FY2023-2024 revenue is related to property taxes.



Revenue Sources

The pro-active review of budgeted items and the increase in property values has allowed the district administration to continue funding the following items in the budget:

- Implement a balance budget approach
- Instructional Focus
- Low student to teacher ratio
- C-Scope curriculum
- Dual Language Program
- Reading Recovery Program
- Quest Academy
- STEM Academy
- Multiple career pathways
- Wide selection of extra-curricular activities
- Longevity pay program

The general fund budget currently includes the following financial highlights:

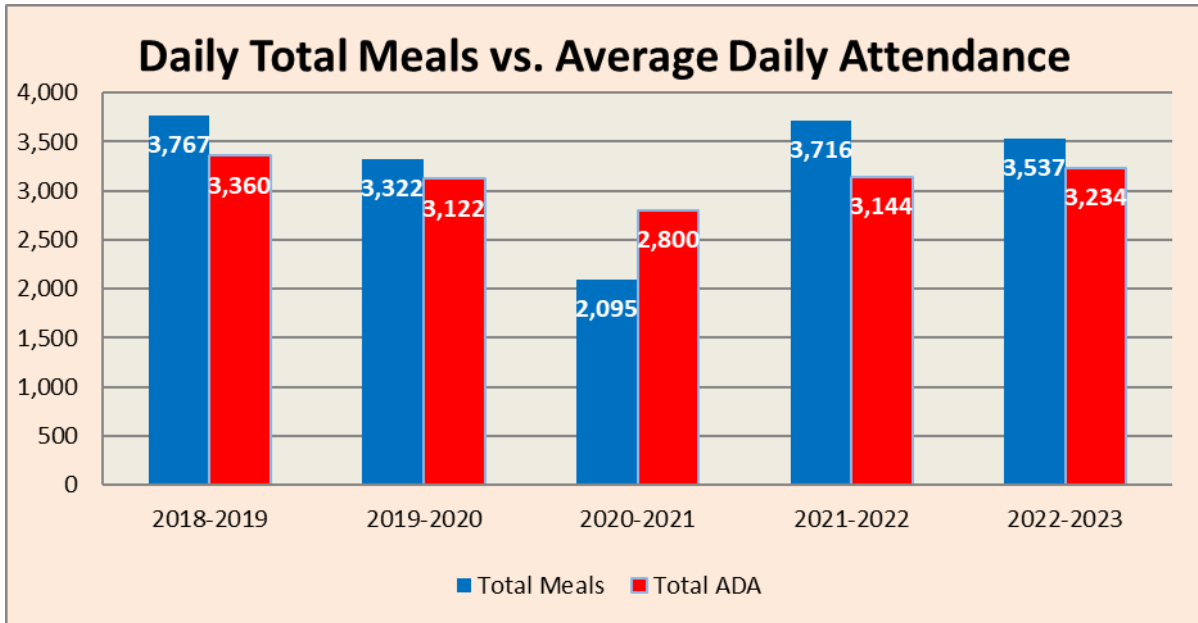
✓ Total Estimated Revenues (Inflows)	\$36,136,611
✓ Total Appropriations (Outflows)	\$36,136,611
✓ Excess Est. Revenues over ✓ Appropriations	\$0
✓ M&O Tax Rate per \$100 valuation ✓ (.6427 MCR +5 pennies)	\$.6927
Local Homestead	20%

Food Service Fund Summary

Stafford Municipal School District cafeteria operations continue to demonstrate financial self-sufficiency through fiscal year 2023-2024. The food service fund has remained self-sufficient for several years and is projected to remain revenue neutral for 2023-2024.

The mission of the Stafford Municipal School District Child Nutrition Program and Fuel Café is to set the stage for the learning environment by encouraging student participation in the program and fostering an environment where students want to make healthy food and lifestyle choices. The strategy to achieve this goal was the development of Fuel Café which has been implemented at all five district cafeterias.

The chart below depicts an identifiable trend when comparing ADA levels versus the meals served by school year.

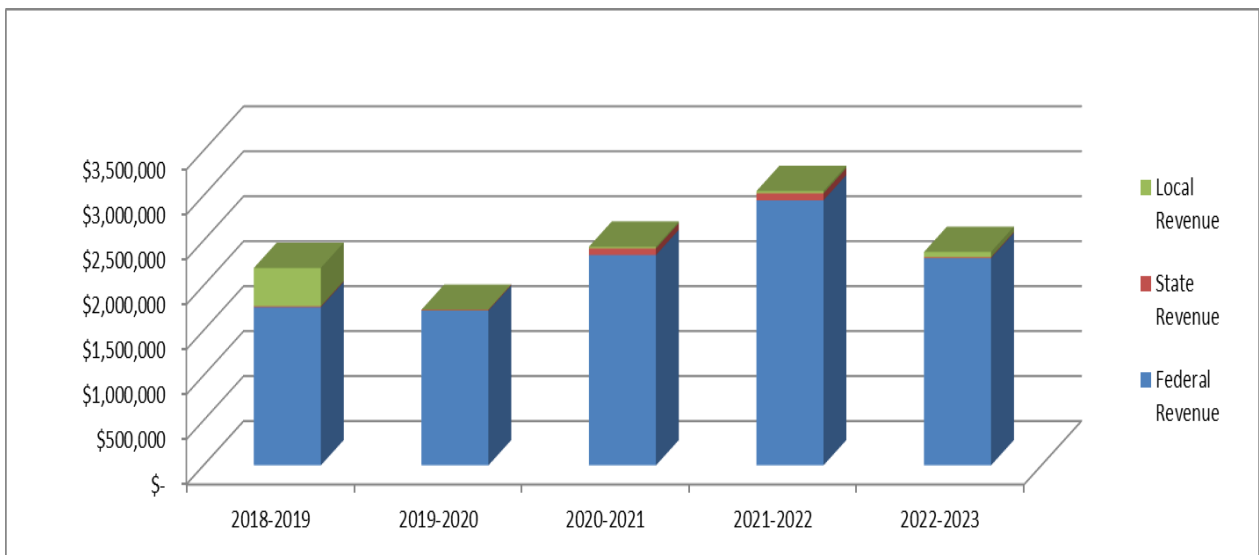


The child nutrition budget was prepared based on static enrollment and based on federal lunch and breakfast reimbursement. Students are offered a free lunch under the comprehensive lunch program.

Assumptions for expenditures includes year two of the pay plan amendment approved by the board in November 2022 and a 2% increase in food costs.

Food Service Fund Summary (continued)

The trend for revenues by major category is as follows:



Efficient management of the food service program will allow it to continue funding the following initiatives and/or district directives:

- Manager Academy at ESC Region 4

- Staff development – Employee certification program
- Attendance based employee incentive program
- \$100,000 indirect cost allocation
- Outsourcing of maintenance related services

The following summary is based upon the factors stated above:

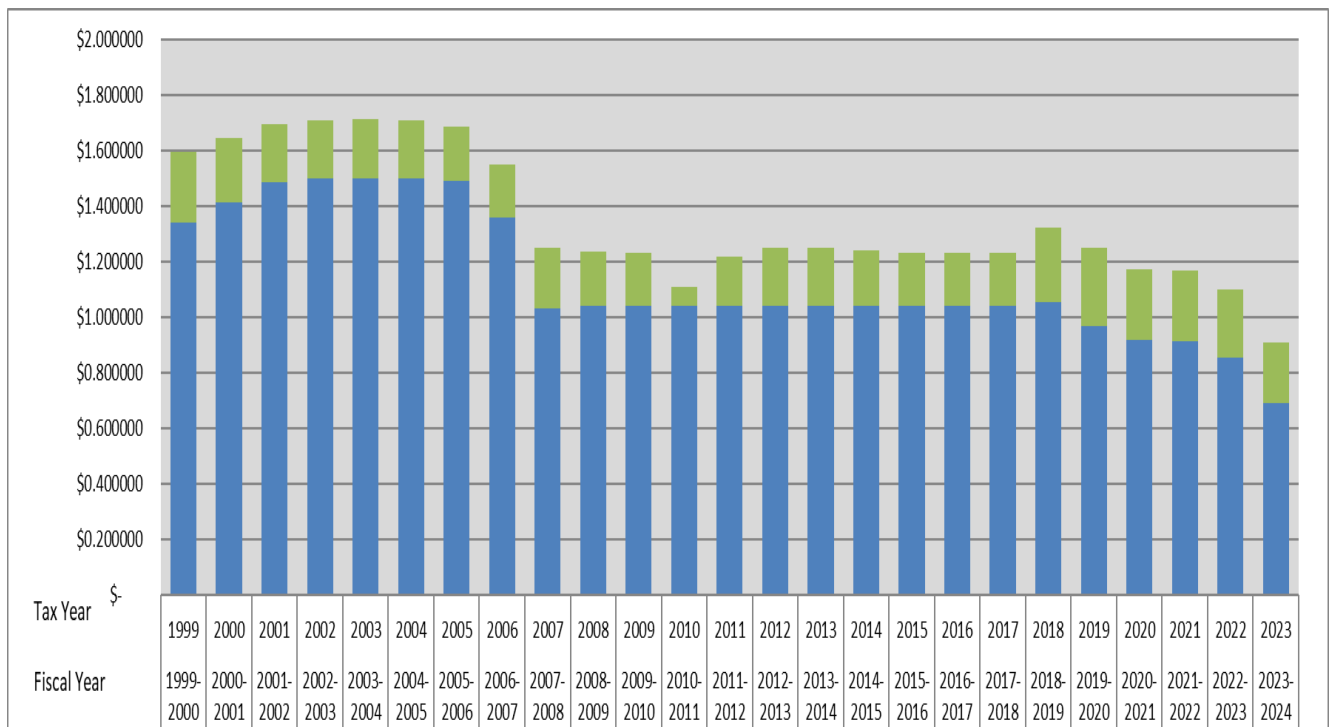
✓ Total Estimated Revenues	\$2,438,658
✓ Total Appropriations	\$2,438,658
✓ Excess Est. Revenues over ✓ Appropriations	\$ -0-
✓ Avg. number of meals served	

Debt Service Fund Summary

The debt service fund (commonly referred to as the ‘Interest and Sinking Fund’ or the ‘I&S fund’) is almost entirely funded by local property tax collections.

The Vision and Planning Committee met for over a year and recently all four propositions on the May 14, 2011 ballot were approved by the Stafford voters. The four propositions total \$49.9 million, and bonds were issued. The Debt Service rate is set to meet the bond obligations. For the 2023-2024 the recommended tax rate is **\$0.215224** and is based upon the repayment bond schedule provided by our financial advisor.

The graph below identifies the adopted tax rates from 1999-2000 to 2022-2024 and proposed tax rate for 2023-2024.



Below are the historical Interest and sinking tax rates:

\$.215224



The district is currently forecasting that appraised values will increase 2% per year for the next five fiscal years after 203-2024. The three-bond series that are outstanding at the end of the current fiscal year 2023, are Series 2014, 2016A and 2016B, 2018, 2019A and 2019B. The total outstanding debt (including interest) as of 8-31-2023 is **\$149,500,086**.

The total amount of principal and interest owed on all Series is identified below:

**Stafford Municipal School District
Outstanding Unlimited Tax Debt Service by Series**

<u>FYE</u>	<u>Unlimited Tax Ref Bonds, Series 2014</u>	<u>Unlimited Tax Ref Bonds, Series 2016A</u>	<u>Unlimited Tax Ref Bonds, Series 2016B</u>	<u>Unlimited Tax School Bldg Bonds, Series 2018</u>	<u>Unlimited Tax School Bldg Bonds, Series 2019A</u>	<u>Unlimited Tax Ref Bonds, Taxable Series 2019B</u>	<u>Total Annual Debt Service</u>
2024	\$ 860,750.00	\$ 387,200.00	\$ 220,800.00	\$ 2,519,350.00	\$ 489,450.00	\$ 2,478,726.40	\$ 6,956,276.40
2025	862,350.00	386,250.00	220,800.00	2,524,350.00	486,200.00	2,475,976.40	6,955,926.40
2026	863,200.00		385,800.00	2,588,350.00	487,700.00	2,630,476.40	6,955,526.40
2027			1,929,200.00	3,127,850.00	488,700.00	1,234,226.40	6,779,976.40
2028			1,930,600.00	3,127,450.00	489,200.00	1,229,226.40	6,776,476.40
2029			1,929,200.00	3,126,700.00	489,200.00	1,224,226.40	6,769,326.40
2030				3,067,950.00	488,700.00	3,054,226.40	6,610,876.40
2031				3,063,950.00	487,700.00	3,052,476.40	6,604,126.40
2032				3,070,350.00	486,200.00	3,050,976.40	6,607,526.40
2033				3,064,350.00	486,600.00	3,054,476.40	6,605,426.40
2034				3,061,350.00	486,600.00	3,057,476.40	6,605,426.40
2035				3,066,150.00	486,200.00	3,049,726.40	6,602,076.40
2036				3,063,350.00	485,400.00	3,053,705.80	6,602,455.80
2037				3,066,850.00	484,200.00	3,055,218.00	6,606,268.00
2038				2,171,100.00	487,600.00	3,054,263.00	5,712,963.00
2039				2,170,850.00	485,400.00	3,050,840.80	5,707,090.80
2040				2,173,350.00	487,800.00	3,049,951.40	5,711,101.40
2041				2,168,350.00	484,600.00	3,056,440.60	5,709,390.60
2042				4,686,100.00	486,000.00		5,172,100.00
2043				4,685,350.00	486,800.00		5,172,150.00
2044				4,685,600.00	487,000.00		5,172,600.00
2045				4,686,200.00	486,600.00		5,172,800.00
2046				4,685,400.00	485,600.00		5,171,000.00
2047				4,688,000.00	484,000.00		5,172,000.00
2048				613,600.00	486,800.00		1,100,400.00
2049					488,800.00		488,800.00
Totals	\$ 2,586,300.00	\$ 773,450.00	\$ 6,616,400.00	\$ 78,952,250.00	\$ 12,659,050.00	\$ 47,912,636.40	\$ 149,500,086.40

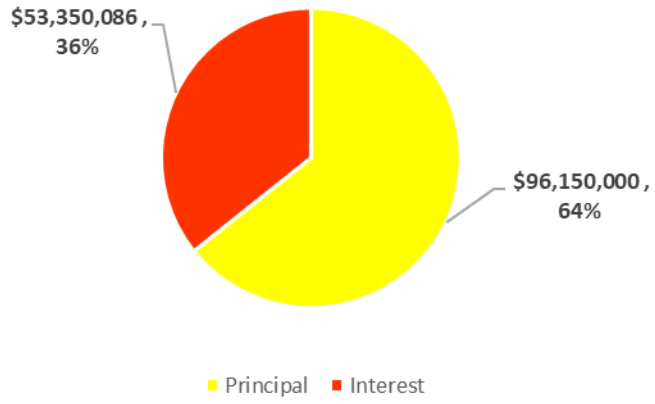
Note: Debt service payments reflect payments from September 1 through August 31.

For FY2023-2024, the property values increased by 10%, thus there is a option to paydown future call bonds by defeasing the bonds. By reducing the tax rate, the district will be able to retire a preliminary amount of \$1,825,000. A resolution for the defeasance will be required to be approved by the Board and the City Council.

The budget includes the following financial highlights:

✓ Total Estimated Revenues	\$9,110,792
✓ Total Appropriations	\$9,110,792
✓ Excess Est. Revenues over Appropriations	\$0
✓ I&S Tax Rate per \$100 valuation	\$.215224
✓ Local Homestead	20%

**Total Debt \$149,500,086 Million
As of 8 -31-2023**



Aggregate Budget Summary

The following table has been prepared to compare the budget for fiscal year 2023/2024 to the un-audited financial statements for fiscal year 2022/2023:

Account Name	General Fund		Food Service Fund		Debt Service Fund	
	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024
Revenues:						
Local Revenues	\$ 32,177,589	\$ 28,692,094	\$ 59,157	\$ 61,122	\$ 9,543,752	\$ 8,801,792
State Revenues	5,316,015	6,383,216	9,996	10,000	107,303	309,000
Federal Revenues	613,435	1,061,301	2,506,696	2,367,536	-	-
Total Revenues	\$ 38,107,039	\$ 36,136,611	\$ 2,575,850	\$ 2,438,658	\$ 9,651,055	\$ 9,110,792
Expenses:						
11 Instruction	\$ 22,422,058	\$ 19,879,968			\$ -	\$ -
12 Library and Media	400,151	354,711			-	-
13 Staff Development	300,473	266,352			-	-
21 Instruction Leadership	1,240,744	1,099,848			-	-
23 School Leadership	2,546,746	2,257,543			-	-
31 Counseling Services	1,059,017	938,757			-	-
33 Nursing Services	411,540	364,807			-	-
34 Student Transportation	1,092,486	968,426			-	-
35 Food Services	-	-	\$ 3,087,945	\$ 2,338,658		
36 Extra-curricular	1,425,744	1,263,840			-	-
41 Administration	2,762,770	2,449,036			-	-
51 Plant Maintenance	4,993,321	4,426,291	100,000	100,000	-	-
52 Security Services	522,288	462,978			-	-
53 Technology Services	840,693	745,226	-	-	-	-
61 Community Development	121,568	107,763	-	-	-	-
71 Debt Service	180,380	159,897	-	-	9,367,752	9,110,792
91 Chapter 41 Costs	1,943,438	-	-	-	-	-
93 Deaf Education Coop	38,328	33,976	-	-	-	-
95 JJAEP Costs	10,604	9,404	-	-	-	-
99 Other intergovernmental Charges	392,340	347,787				
Total Expenditures	\$ 42,704,691	\$ 36,136,611	\$ 3,187,945	\$ 2,438,658	\$ 9,367,752	\$ 9,110,792
Other Resources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Surplus (Deficit)	\$ (4,597,652)	\$ (0)	\$ (612,095)	\$ -	\$ 283,303	\$ -

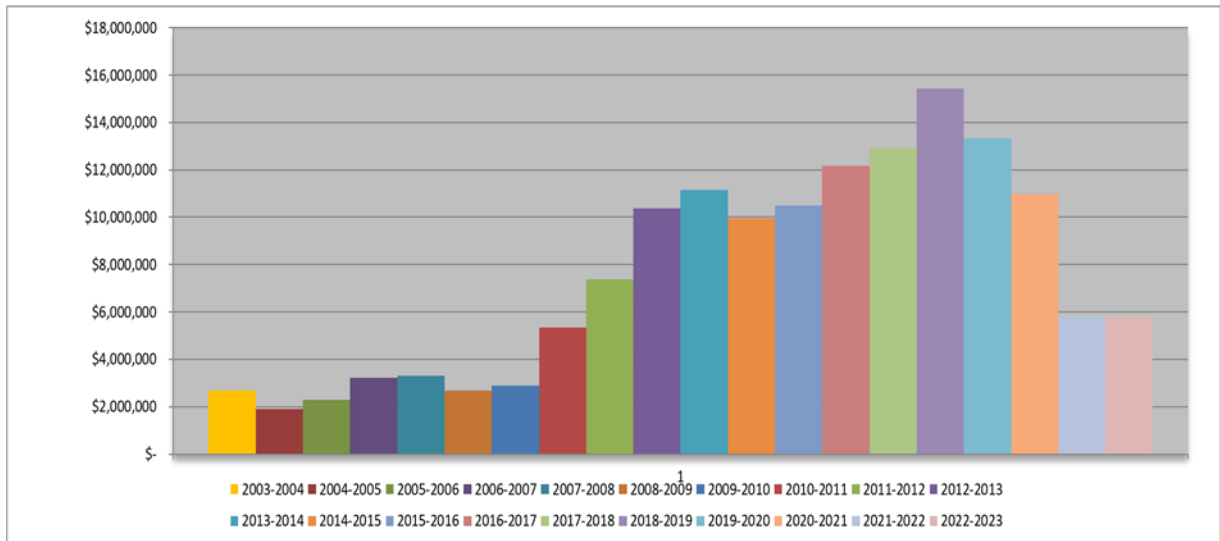
Analysis of Fund Balance

In the past, Stafford MSD had a positive fund balance of over 2 to 5 months of operations. During various fiscal years, the district used fund balance to address shortfall of revenues due to low enrollment and state aid. Since fiscal year 2022-2023, the district has issued a Tax Anticipation Note to bridge the gap between the collection of cash receipts and the fall cash needs – fiscal year 2023-2024 will not be an exception. Below is a historical analysis of the audited fund balance, general fund expenditures and months of operating fund balance.

**Stafford Municipal School District
Historical Fund Balance Analysis
General Fund**

<u>Audit Year</u>	<u>Enrollment</u>	<u>Ending Fund Balance</u>	<u>General Fund Exp's</u>	<u>Months of Fund</u>	
				<u>Balance</u>	<u>Net Change</u>
2002-2003	2,810	\$ 3,743,301	\$ 24,326,727	1.85	\$ (536,659)
2003-2004	2,834	\$ 2,674,721	\$ 24,671,675	1.30	\$ (1,068,580)
2004-2005	3,010	\$ 1,898,804	\$ 24,244,782	0.94	\$ (775,917)
2005-2006	3,100	\$ 2,288,660	\$ 24,841,510	1.11	\$ 389,856
2006-2007	3,024	\$ 3,214,230	\$ 27,168,967	1.42	\$ 925,570
2007-2008	2,908	\$ 3,300,241	\$ 24,770,016	1.60	\$ 86,011
2008-2009	3,049	\$ 2,676,887	\$ 25,603,458	1.25	\$ (623,354)
2009-2010	3,140	\$ 2,879,316	\$ 23,248,439	1.49	\$ 202,429
2010-2011	3,172	\$ 5,360,167	\$ 26,443,260	2.43	\$ 2,480,851
2011-2012	3,357	\$ 7,382,211	\$ 22,137,316	4.00	\$ 2,022,044
2012-2013	3,343	\$ 10,361,422	\$ 24,137,811	5.15	\$ 2,979,211
2013-2014	3,479	\$ 11,165,608	\$ 25,517,617 *	5.25	\$ 804,186
2014-2015	3,412	\$ 9,964,613	\$ 28,379,268 *	4.21	\$ (1,200,995)
2015-2016	3,400	\$ 10,502,394	\$ 28,203,646	4.47	\$ 537,781
2016-2017	3,537	\$ 12,156,593	\$ 28,484,567	5.12	\$ 1,654,199
2017-2018	3,604	\$ 12,912,427	\$ 30,266,240	5.12	\$ 755,834
2018-2019	3,589	\$ 15,419,045	\$ 30,756,171	6.02	\$ 2,506,618
2019-2020	3,512	\$ 13,338,693	\$ 35,021,787	4.57	\$ (2,080,352)
2020-2021	3,225	\$ 10,974,010	\$ 37,062,261	3.55	\$ (2,364,683)
2021-2022	3,514	\$ 5,786,041	\$ 38,267,190	1.81	\$ (5,187,969)
2022-2023	3,600	\$ 5,786,041	\$ 40,381,391	1.72	\$ -
2023-2024	3,234	\$ 30,999	\$ 42,704,691	0.01	\$ (5,755,042)

Ending Fund Balance by School Year



Enrollment Statistics, Trends, and Forecasts

Stafford MSD’s enrollment over each of the past few school years has increased steadily, and the demographic and economic disadvantage populations have steadily climbed as well. The tables below depict the past, present student body makeup of the District:

STAFFORD MSD ENROLLMENT STATISTICS, TRENDS and FORECAST

SNAPSHOT DATA

FY 2013 – FY 2023

Ethnic Group	2012/2013		2013/2014		2014/2015		2015/2016		2016/2017		2017/2018		2018/2019		2019/2020		2020/2021		2021/2022	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
African American	1,353	40.4	1405	40.4	1377	40.4	1376	40.5	1489	42.1	1512	42.0	1,480	41.3	1,468	41.8	1,359	41	1,447	41.19
White	239	7.1	240	6.9	229	6.7	221	6.5	207	5.8	192	5.4	214	5.9	187	5.9	163	4.9	179	5.09
Asian/Pacific	317	9.5	279	8.0	252	7.4	240	7.0	225	6.4	246	6.8	215	6.0	216	6.1	206	6.3	256	7.28
Hispanic	1434	42.8	1545	44.4	1544	45.3	1549	45.6	1604	45.4	1644	45.6	1,667	46.5	1,631	46.4	1,579	47.6	1,623	46.20
Native American	10	0.3	10	0.3	10	0.3	14	0.4	11	0.3	10	0.3	10	0.3	10	0.3	9	0.3	8	0.23
Total Enrollment	3,351	100.00	3,479	100.00	3,411	100.00	3,400	100.00	3,531	100.00	3,604	100.00	3,586	100.00	3,511	100.00	3,316	100.00	3,511	100.00
Economic Disadvantage		68.3		69.0		67.8		68.7		68.7		70.9		72.7		73.6		70.1		74.12

Ethnic Group	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		2027/2028		2028/2029		2029/2030		2030/2031		2031/2032	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
African American	1,470	40.3%																		
White	113	3.10%																		
Asian/Pacific	261	7.17%																		
Hispanic	1,718	47.2%																		
Native American	78	3%																		
Total Enrollment	3,640	100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00
Economic Disadvantage		77%																		

Staffing Summary

After a careful review of district staffing formulas and comparing staff counts to our PEER districts and the state average, SMSD has used attrition with several positions (including teachers) in order to address maximizing staffing.

From a regular education perspective, the cuts will impact student to teacher ratios as follow:

Campus	<u>2020/21 Ratio</u>	<u>2021/2022 Ratio</u>	<u>2022/2023 Ratio</u>
High School	25:1	25:1	25:1
Middle School	24:1	24:1	24:1
Intermediate School	22:1	22:1	22:1
Elementary School	22:1	22:1	22:1
Primary School	20:1	20:1	20:1

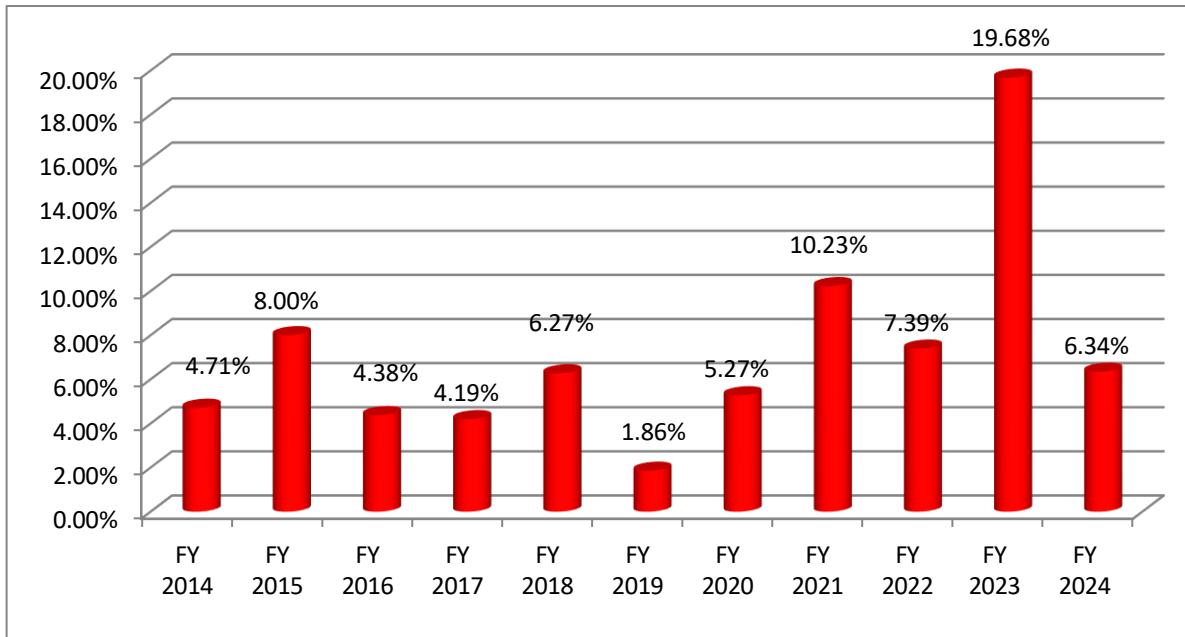
Taxable Valuations, Collection Rate, and Tax Rate

The Fort Bend County Appraisal District issued preliminary values for Stafford MSD on May 2023. The tax rate notice is required to be published in a Fort Bend County newspaper at least 10 days and no more than 30 days prior to the public hearing as required by law.

The preliminary certified taxable values released by the Fort Bend County Appraisal District indicate an **6.34%** increase from the 2022 tax year (fiscal year 2022-23). Overall, the general and debt service fund budgets have been prepared based upon **\$3,785,977,768** of taxable valuations (a percentage of values are still under protest, so SMSD is projecting accordingly).

Based upon the certified values, the tax rate recommended for 2023/2024 is **\$0.907924** (\$.6927 M&O and \$0.215224 for I&S) which is lower from the \$1.0993 tax rate approved for 2022-2023. The following chart identifies the taxable valuation trend over the last ten years:

Increase (Decrease) in Taxable Values *



* Increase from final to preliminary.

On average, the district collected between 98.50% and 109.32% of the levy each of the last ten fiscal years (current and delinquent taxes combined). Given the increased values and higher rates of collection, a tax collection rate of 100% has been used to estimate the anticipated current and delinquent tax collections for each fund.

Future Budget Years

The district's budgeting process is more than just funding the next fiscal year's operations. The Board of Trustees, City Council, and District's administrative team anticipate major budget concerns two to four years into the future.

The budget is intended to provide a potential financial outcome based on known fixed costs and an estimate of variable costs. There are several assumptions that have been made in forecasting the financial impact of the next biennium (2023-2025), and they are as follows:

- ✓ Student enrollment stays relatively the same each year
- ✓ Student attendance rate stays relatively the same each year (96%)
- ✓ The economic disadvantaged rate grows at approximately 1.5% per year
- ✓ Assumes that the Tax Ratification Election is approved above the 5 golden pennies. A total of 12 additional pennies will be needed in the fall 2023 for FY 2023-2024.
- ✓ Funding tiers are brought up to \$6,160 per student as a result of a successful the 88rd Legislative Session
- ✓ No new unfunded mandates were introduced during the 88^d Legislative Session

- ✓ Assessed valuations increase at the rate of 2.0% per year past calendar 2023
- ✓ Each golden penny is valued at approximately \$460,000 each year and \$230,000 for cooper pennies
- ✓ The combined current and delinquent tax collection rate will be 100.0%
- ✓ All current programs & course offerings are maintained each year (i.e. Kickstart, Auto Tech, SEAL Academy, Choir, etc.)
- ✓ No catastrophic events occur
- ✓ The electricity contract that became effective May 1, 2021 includes a \$0.0357358 per kwh rate for base usage and it extends through April 30, 2031
 - The market rate on investments in pool accounts increases to average annual return of 1% per year
 - Inflationary considerations are given to utilities, insurance, and other fixed costs each year
 - Staff counts will remain constant each year
 - Increased costs for new facilities
 - 20% local homestead exemption is maintained

The district plans to continue conducting staffing/management reviews throughout each of the next several fiscal years to ensure that all operations are efficient and compliant. To supplement revenues, the district shall continue to promote the Limited Open Enrollment (LOE) program but maintain strict criteria for acceptance.

For the 2024-26 biennium, there are several unknowns so the district will be evaluating available options to maintain its fiscal strength. Among the items to consider include, but are not limited to, the following:

- Stipends and/or extra days
- Eliminate DAEP, Dual Language, and/or Pre-K routes
- After-school Program
- Staffing levels
- Furloughs
- Adding Pre-K 3 program
- Sale of district-owned land
- Reduce or eliminate number of local days provided to employees
- Require employees to fund cost of substitutes for personal leave days
- Elimination of sports few 3A districts participate in (or sports SMSD has little student participation)

Other Considerations

Tables, charts, and graphs have been prepared to provide a user-friendly approach to those who gain more insight visually. Other key factors which are part of the budget process are:

- No significant non-routine capital expenditures are included in the 2023/24 budget
- The 2023/2024 budget includes the purchase of property, casualty, worker's compensation, unemployment, and student insurance
- ADA is calculated on a 96% attendance rate which is a half a percent better than the State average

Allocation of Human and Financial Resources

The budget for Stafford MSD is people intensive. Over 77% of the budget is comprised of salaries and benefits so it is imperative to the continued financial health of the district to monitor staff levels during the staff allocation process. Student to teacher ratios is reviewed systematically during the year and all support services are analyzed regularly to ensure ratios are acceptable to State averages.

Financial resources are distributed to each campus based upon average daily attendance (ADA) and special population and program needs. Student needs, such as instructional supplies, come from these budget allocations. Other costs, such as fuel and utilities, are based upon historical trends, special requests, and relative information.

Financial Approach

It is the intent of the Stafford Municipal School District administration to conservatively estimate the reasons anticipated under anticipated new law and to update once the finance templates are made readily available with comprehensive and accurate assumptions and values.

Conclusion

The budget is a dynamic document which often must be adjusted due to changing conditions. We welcome any suggestions for improving the budget process. If you have any questions, please contact Christina Ordóñez-Campos, CPA, CFO at christina.campos@staffordmsd.org or 281-261-9361.

/S/

Christina Ordóñez-Campos, CPA, Chief Financial Officer

/S/

Dr. Robert Bostic, Superintendent

APPENDIX

Assessment Roll Grand Totals Report

FBORIONTEST

Tax Year: 2023 As of: Certification

S11 - Stafford MSD (ARB Approved Totals)

Number of Properties: 7929

Land Totals

Land - Homesite	(+)	\$126,891,085		
Land - Non Homesite	(+)	\$557,510,643		
Land - Ag Market	(+)	\$2,501,965		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$686,903,693	(+)	\$686,903,693

Improvement Totals

Improvements - Homesite	(+)	\$926,254,803		
Improvements - Non Homesite	(+)	\$2,155,715,076		
Total Improvements	(=)	\$3,081,969,879	(+)	\$3,081,969,879

Other Totals

Personal Property (2184)		\$1,263,916,060	(+)	\$1,263,916,060
Minerals (0)		\$0	(+)	\$0
Autos (46)		\$4,798,117	(+)	\$4,798,117
Total Market Value	(=)	\$5,037,587,749		\$5,037,587,749
Total Homestead Cap Adjustment (2321)			(-)	\$98,405,486
Total Exempt Property (1030)			(-)	\$367,055,573

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$2,501,965		
Ag Use (5)	(-)	\$9,828		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$2,492,137	(-)	\$2,492,137
Total Assessed	(=)		(-)	\$4,569,634,553

Exemptions

(HS Assd 665,904,078)

(HS) Homestead Local (2475)	(+)	\$130,218,323		
(HS) Homestead State (2475)	(+)	\$236,329,673		
(O65) Over 65 Local (963)	(+)	\$0		
(O65) Over 65 State (963)	(+)	\$8,940,604		
(DP) Disabled Persons Local (64)	(+)	\$0		
(DP) Disabled Persons State (64)	(+)	\$586,739		
(DV) Disabled Vet (53)	(+)	\$552,500		
(DVX) Disabled Vet 100% (28)	(+)	\$4,764,082		
(DVXSS) DV 100% Surviving Spouse (4)	(+)	\$822,426		
(FRSS) First Responder Surviving Spouse (1)	(+)	\$115,853		
(PRO) Prorated Exempt Property (5)	(+)	\$11,435		
(SOL) Solar (6)	(+)	\$138,974		
(FP) Freeport (65)	(+)	\$305,166,878		
(AUTO) Lease Vehicles Ex (14)	(+)	\$1,409,868		
(HB366) House Bill 366 (102)	(+)	\$118,049		
(PC) Pollution Control (6)	(+)	\$1,013,300		
Total Exemptions	(=)	\$690,188,704	(-)	\$690,188,704
Net Taxable (Before Freeze)	(=)			\$3,879,445,849

Assessment Roll Grand Totals Report

FBORIONTEST

Tax Year: 2023 As of: Certification

S11 - Stafford MSD (Under ARB Review Totals)

Number of Properties: 691

Land Totals

Land - Homesite	(+)	\$618,038		
Land - Non Homesite	(+)	\$16,639,473		
Land - Ag Market	(+)	\$1,547,113		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$18,802,622	(+)	\$18,802,622

Improvement Totals

Improvements - Homesite	(+)	\$2,087,319		
Improvements - Non Homesite	(+)	\$57,520,098		
Total Improvements	(=)	\$59,607,417	(+)	\$59,607,417

Other Totals

Personal Property (468)		\$45,973,613	(+)	\$45,973,613
Minerals (0)		\$0	(+)	\$0
Autos (147)		\$22,334,353	(+)	\$22,334,353
Total Market Value			(=)	\$146,718,005
Total Homestead Cap Adjustment (5)				(-) \$176,610
Total Exempt Property (0)				(-) \$0

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$1,547,113		
Ag Use (6)	(-)	\$6,748		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$1,540,365		(-) \$1,540,365
Total Assessed			(=)	\$145,001,030

Exemptions

(HS Assd 1,326,534)

(HS) Homestead Local (5)	(+)	\$265,307		
(HS) Homestead State (5)	(+)	\$500,000		
(O65) Over 65 Local (2)	(+)	\$0		
(O65) Over 65 State (2)	(+)	\$20,000		
(PRO) Prorated Exempt Property (1)	(+)	\$0		
(SOL) Solar (17)	(+)	\$306,090		
(AUTO) Lease Vehicles Ex (14)	(+)	\$7,788,008		
(HB366) House Bill 366 (31)	(+)	\$27,636		
Total Exemptions	(=)	\$8,907,041		(-) \$8,907,041
Net Taxable (Before Freeze)			(=)	\$136,093,989



Harris Central Appraisal District

13013 Northwest Freeway
Houston TX 77040
Telephone: (713) 812-5800

P.O. Box 920975
Houston TX 77292-0975
Information Center: (713) 957-7800



Office of Chief Appraiser

August 3, 2023

Stafford MSD Board of Trustees
President Manual Hinojosa
Stafford MSD
1625 Staffordshire
Stafford, TX 77477-0000

Board of Directors

Mike Sullivan, Chairman
Martina Lemond Dixon, Secretary
Al Odom, Assistant Secretary
Ann Harris Bennett, Director
Tax Assessor-Collector, Ex-Officio Director
Jim Robinson, Director
Jonathan Cowen, Director
Kathy Blueford-Daniels, Director

Re: 2023 Sec. 26.01(a-1) Estimate
Stafford MSD

Chief Appraiser
Roland Altinger
Deputy Chief Appraiser
Jason Cunningham
Taxpayer Liaison Officer
Teresa S. Terry

Dear Sir:

As required by Texas Tax Code Sec. 26.01(a-1), we have prepared an estimate of taxable value for the above taxing jurisdiction for 2023. This is a supplemental certified estimate to account for the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023.

While we have taken our best estimate of potential hearing loss into account, 2023 protests are still being received and formal hearings held during the next several months may cause further value reductions. Also, if fewer protests are filed, your value could possibly increase.

Your final taxable value will also be impacted by late-filed exemption applications, late applications for productivity valuation, correction motions under Tax Code Sec. 25.25, immediate residential homestead exemptions granted pursuant to Tax Code Sec. 11.42(f), and possible post-ARB appeals through binding arbitration, appeals to district court, or appeals to the State Office of Administrative Hearings.

Given these limitations, the estimated 2023 taxable value for the taxing unit identified above is:

\$10,633,877

The enclosed worksheet also provides additional estimated values that may be useful in your tax rate calculations.

Please do not hesitate to contact your HCAD jurisdiction coordinator or my office if you have questions regarding this estimate or other matters affecting appraisal district operations.

Sincerely,

Roland Altinger
Chief Appraiser

2023 Tax Rate Calculation Worksheet

School Districts without Chapter 313 Agreements

Form 50-859

Stafford Municipal School District School District's Name	281-261-9361 Phone (area code and number)
1633 Staffordshire Stafford Texas 77477 School District's Address, City, State, ZIP Code	www.staffordmsd.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.	2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 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	\$ 3,722,110,746
2.	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. ²	\$ 134,573,080
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 3,587,537,666
4.	2022 total adopted tax rate.	\$ 1.099300 /\$100
5.	2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value.	
	A. Original 2022 ARB values:	\$ 309,811,790
	B. 2022 values resulting from final court decisions:	– \$ 273,188,860
	C. 2022 value loss. Subtract B from A. ³	\$ 36,622,930
6.	2022 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2022 ARB certified value:	\$ 621,810,478
	B. 2022 disputed value:	– \$ 621,810,478
	C. 2022 undisputed value. Subtract B from A. ⁴	\$ 0
7.	2022 Chapter 42-related adjusted values. Add Line 5 and 6.	\$ 36,622,930
8.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 3,624,160,596
9.	2022 taxable value of property in territory the school deannexed after Jan. 1, 2022 Enter the 2022 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>2022 taxable value lost because property first qualified for an exemption in 2023 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 freepport goods-in-transit, or temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value.</p> <p>A. Absolute exemptions. Use 2022 market value: \$ 0</p> <p>B. Partial exemptions. 2023 exemption amount or 2023 percentage exemption times 2022 value: + \$ 3,059,281</p> <p>C. Value loss. Add A and B. ⁶</p>	<p>\$ 3,059,281</p>
11.	<p>2022 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 2023. Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2022.</p> <p>A. 2022 market value. \$ 0</p> <p>B. 2023 productivity or special appraised value: - \$ 0</p> <p>C. Value loss. Subtract B from A. ⁷</p>	<p>\$ 0</p>
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 3,059,281
13.	Adjusted 2022 taxable value. Subtract Line 12 from Line 8.	\$ 3,621,101,315
14.	Adjusted 2022 total levy. Multiply Line 4 by Line 13 and divide by \$100.	\$ 39,806,766
15.	Taxes refunded for years preceding tax year 2022. Enter the amount of taxes refunded by the district for tax years preceding tax year 2022. 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 2022. This line applies only to tax years preceding tax year 2022. ⁸	\$ 87,410
16.	<p>Adjusted 2022 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 2022 from the result.</p>	\$ 39,894,176
17.	<p>Total 2023 taxable value on the 2023 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 \$ 4,028,020,406</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: - \$ 0</p> <p>C. Total 2023 value. Subtract B from A.</p>	<p>\$ 4,028,020,406</p>
18.	<p>Total value of properties under protest or not included on certified appraisal roll. ¹²</p> <p>A. 2023 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 \$ 138,031,117</p> <p>B. 2023 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 + \$ 153,997,779</p> <p>C. Total value under protest or not certified. Add A and B.</p>	<p>\$ 292,028,896</p>
19.	2023 tax ceilings. Enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ¹⁵	\$ 159,664,232

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.	2023 total taxable value. Add Lines 17C and 18C. Subtract Line 19.	\$ 4,160,385,070
21.	Total 2023 taxable value of properties in territory annexed after Jan. 1, 2023. Include both real and personal property. Enter the 2023 value of property in territory annexed by the school district.	\$ 0
22.	Total 2023 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2022. 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, 2022, and be located in a new improvement.	\$ 93,609,622
23.	Total adjustments to the 2023 taxable value. Add lines 21 and 22.	\$ 93,609,622
24.	Adjusted 2023 taxable value. Subtract line 23 from line 20.	\$ 4,066,775,448
25.	2023 NNR tax rate. Divide line 16 by line 24 and multiply by \$100.	\$ 0.980978 /\$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.	2023 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	\$ 0.642700 /\$100
27.	2023 enrichment tax rate. Enter the greater of A and B. ²⁶ A. Enter the district’s 2022 enrichment tax rate, minus any required reduction under Education Code Section 48.202(f) \$ 0.000000 /\$100 B. \$0.05 per \$100 of taxable value \$ 0.050000 /\$100	\$ 0.050000 /\$100
28.	2023 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	\$ 0.692700 /\$100

¹⁸ (Reserved for expansion)
¹⁹ (Reserved for expansion)
²⁰ Tex. Tax Code §26.08(n)
²¹ Tex. Edu. Code §48.2551(a)(3)
²² Tex. Tax Code §26.08(j) and Tex. Edu. Code §45.0032
²³ Tex. Edu. Code §§48.202(a-1)(2) and 48.202(f)
²⁴ Tex. Edu. Code §45.0021(A)
²⁵ Tex. Edu. Code §11.184(b)
²⁶ Tex. Edu. Code §11.184(b-1)
²⁷ Tex. Edu. Code §§48.255, 48.2551(b)(1) and (b)(2)
²⁸ Tex. Tax Code §26.08(n)(2)
²⁹ Tex. Edu. Code §45.003(e)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
29.	<p>Total 2023 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, 2022, verify if it meets the amended definition of debt before including it here.</p> <p>Enter debt amount: \$ <u>9,057,707</u></p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ <u>0</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>0</u></p> <p>D. Adjust debt: Subtract B and C from A. \$ <u>9,057,707</u></p>	
30.	Certified 2022 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ <u>87,410</u>
31.	Adjusted 2023 debt. Subtract line 30 from line 29D.	\$ <u>8,970,297</u>
32.	<p>2023 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 2023 anticipated collection rate certified by the collector. ³¹ <u>100.18</u> %</p> <p>B. Enter the 2022 actual collection rate <u>100.18</u> %</p> <p>C. Enter the 2021 actual collection rate <u>102.39</u> %</p> <p>D. Enter the 2020 actual collection rate <u>103.64</u> %</p>	<u>100.18</u> %
33.	<p>2023 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>8,954,179</u>
34.	2023 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>4,160,385,070</u>
35.	2023 debt rate. Divide Line 33 by Line 34 and multiply by \$100.	\$ <u>0.215224</u> /\$100
36.	<p>2023 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>0.907924</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>

²⁹ Tex. Tax Code § 26.012(f)
³⁰ Tex. Tax Code §§26.012(10) and 26.04(b)
³¹ Tex. Tax Code §§26.04(h), (h-1) and (h-2)
³² Tex. Tax Code §26.04(b)
³³ Tex. Tax Code §26.08(g)
³⁴ Tex. Tax Code § 26.045(d)
³⁵ Tex. Tax Code § 26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
38.	2023 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 4,160,385,070
39.	Additional rate for pollution control. Divide line 37 by line 38 and multiply by \$100.	\$ 0.000000 /\$100
40.	20223 voter-approval tax rate, adjusted for pollution control. Add line 36 and line 39.	\$ 0.907924 /\$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.¹⁵ 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.	2022 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1.099300 /\$100
42.	2022 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.	\$ 0.000000 /\$100
43.	Increase in 2022 tax rate due to disaster (disaster pennies). Subtract Line 42 from Line 41.	\$ 0.000000 /\$100
44.	2023 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).	\$ 0.907924 /\$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue Tax Rate	\$ 0.980978 /\$100
Enter the 2023 NNR tax rate from Line 25.	
Voter-Approval Tax Rate	\$ 0.907924 /\$100
As applicable, enter the 2023 voter-approval tax rate from Line 36, Line 40 or Line 44. Indicate the line number used: <u>36</u>	

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.¹⁶

print here ▶ Christina Ordóñez-Campos, CPA, Chief Financial Officer
 Printed Name of School District Representative

sign here ▶ 
 School District Representative

Date 08/09/2023

¹⁵ Tex. Tax Code §26.042(f) and Tex. Edu. Code § 45.0032(d)
¹⁶ Tex. Tax Code §26.04(c)

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Stafford Municipal School District will hold a public meeting at 7:00pm, August 21, 2023 in Stafford Civic Center, 1415 Constitution, Stafford TX 77477. **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	\$0.812700/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.215224/\$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	-19.00 % decrease
Debt Service	-12.00 % decrease
Total Expenditures	-12.00 % 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	\$4,537,946,380	\$4,728,553,803
Total appraised value* of new property**	\$101,666,974	\$128,513,044
Total taxable value*** of all property	\$3,670,793,098	\$4,028,020,406
Total taxable value*** of new property**	\$71,597,799	\$93,609,622

*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* \$96,150,000

*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	\$0.854600	\$0.244700	\$1.099300	\$11,841	\$724
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.721960	\$0.172630	\$0.894590	\$10,463	\$1,319
Proposed Rate	\$0.812700	\$0.215224	\$1.027924	\$12,087	\$1,548

*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	\$281,308	\$308,773
Average Taxable Value of Residences	\$185,046	\$207,018
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.099300	\$1.027924
Taxes Due on Average Residence	\$2,034.21	\$2,127.99
Increase (Decrease) in Taxes		\$93.78

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 \$0.907924. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$0.907924.

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)	\$30,999
Interest & Sinking Fund Balance(s)	\$3,930,419

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](https://www.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.

FY2023-2024 Funds Required for Adoption

Fund Number	Fund Description	FY23-24 Projected Beginning Fund Balance	FY23-24 Projected Revenues	FY23-24 Projected Expenses (Appropriations)	FY23-24 Projected Ending Fund Balance
199	General Fund (f)	\$ 30,999	\$ 36,136,611	\$ 36,136,611	\$ 30,999
240	Child Nutrition	951,400	2,438,668	2,438,668	951,400
599	Debt Service Fund	3,918,765	9,110,792	9,110,792	3,918,765
TOTALS		\$ 4,901,164	\$ 47,686,061	\$ 47,686,061	\$ 4,901,164

Tax Rate and Other Information for the Notice of Budget and Tax Rate Hearing
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Maintenance & Operation	\$	0.692700	*** It does not include the 12 cents from the VATRE -- with the VATRE the rate would be \$0.8127 ***
Debt Service		0.215224	
Total Proposed Tax Rate	\$	0.907924	*** Tax rate per \$100 valuation *** It does not include the 12 cents from the VATRE -- with the VATRE the rate would be \$1.027924 ***

*** A budget amendment will be brought forward in November once the VATRE passes to increase the budget to reflect the new revenue from the 12 cents. ****

(f) There's a probability that the general fund ends FY2022-2023 with a negative fund balance.

General Fund Revenue FY23 Projections and FY24 Proposed Budget

*** Assumes ADA of 3,300. ***

Revenue Account	Account Title	FY22-23 Amended Budget	FY22-23 Year-to-Date Actuals	FY22-23 08/31 Projection	FY23-24 Proposed Budget
5710	TAX COLLECTIONS	\$ 31,317,724	\$ 31,495,436	\$ 31,044,709	\$ 27,889,305
5739	TUITION AND FEES	203,619	239,997	246,097	203,619
5742	INVESTMENT EARNINGS	97,047	450,143	459,630	292,593
5743	RENT	5,000	19,105	20,000	12,418
5749	LOCAL MISCELLANEOUS	152,000	307,282	307,282	199,733
5752	ATHLETIC GATE RECEIPTS	86,466	91,912	91,912	86,466
5769	MISC REVENUE FROM OTHER SOURCES	224,790	7,960	7,960	7,960
	TOTAL LOCAL REVENUES	\$ 32,086,646	\$ 32,611,834	\$ 32,177,689	\$ 28,692,094
5810	FOUNDATION SCHOOL PROGRAM	\$ 4,821,715	\$ 3,602,588	\$ 3,469,718	\$ 4,543,086
5829	MISC. STATE REVENUE	-	6,167	6,167	-
5831	TRS ON-BEHALF BENEFIT	1,840,130	-	1,840,130	1,840,130
	TOTAL STATE REVENUES	\$ 6,661,845	\$ 3,608,755	\$ 5,316,015	\$ 6,383,216
5929	INDIRECT COST REVENUE	\$ 250,000	\$ 60,615	\$ 80,615	\$ 470,077
5931	SCHOOL HEALTH & RELATED SERVICES	210,000	184,685	184,685	491,225
5949	MISC. FEDERAL REVENUE	100,000	348,135	348,135	100,000
	TOTAL FEDERAL REVENUES	\$ 560,000	\$ 593,435	\$ 613,435	\$ 1,061,301
	TOTAL REVENUES	\$ 39,308,491	\$ 36,814,023	\$ 38,107,039	\$ 36,136,611

Child Nutrition Fund Revenue FY23 Projections and FY24 Proposed Budget

Revenue Account	Account Title	FY22-23 Amended Budget	FY22-23 Year-to-Date Actuals	FY22-23 08/31 Projection	FY23-24 Proposed Budget
5729	MISCELLANEOUS REVENUE	\$ 2,500	\$ 1,141	\$ 1,141	\$ 2,600
5742	INVESTMENT EARNINGS	1,000	534	534	\$ 1,040
5751	LOCAL FOOD SERVICE RECEIPTS	25,000	57,482	57,482	\$ 57,482
	TOTAL LOCAL REVENUES	\$ 28,500	\$ 59,157	\$ 59,157	\$ 61,122
5829	MISC. STATE REVENUE	\$ 10,000	\$ 9,996	\$ 9,996	\$ 10,000
5831	TRS ON-BEHALF BENEFIT	-	-	-	\$ -
	TOTAL STATE REVENUES	\$ 10,000	\$ 9,996	\$ 9,996	\$ 10,000
5921	SCHOOL BREAKFAST REVENUE	\$ 539,915	\$ 537,607	\$ 547,607	\$ 561,512
5922	SCHOOL LUNCH REVENUE	1,467,580	1,516,849	1,526,849	\$ 1,526,283
5923	USDA DONATED COMMODITIES	182,554	-	182,554	\$ 179,291
5939	DEPT. OF AGRICULTURE	25,000	249,686	249,686	\$ 100,450
	TOTAL FEDERAL REVENUES	\$ 2,216,049	\$ 2,304,142	\$ 2,506,696	\$ 2,367,536
	TOTAL REVENUES	\$ 2,253,549	\$ 2,373,296	\$ 2,575,850	\$ 2,438,658

Child Nutrition Fund Expenditures FY23 Projections and FY24 Proposed Budget

Function Number	Function Title	FY22-23 Amended Budget	FY22-23 Year-to-Date Actuals	FY22-23 08/31 Projection	FY23-24 Proposed Budget
35	Food Services	\$ 3,087,945	\$ 2,797,386	\$ 3,087,945	\$ 2,338,658
51	Plant Maintenance & Operations	100,000	83,354	100,000	100,000
TOTAL EXPENSES		\$ 3,187,945	\$ 2,880,740	\$ 3,187,945	\$ 2,438,658

Debt Service Fund Revenue FY23 Projections and FY24 Proposed Budget

Revenue Account	Account Title	FY22-23 Amended Budget	FY22-23 Year-to-Date Actuals	FY22-23 08/31 Projection	FY23-24 Proposed Budget
5710	TAX COLLECTIONS	\$ 9,333,752	\$ 9,015,820	\$ 9,333,752	\$ 8,665,292
5742	INVESTMENT EARNINGS	5,000	206,447	210,000	136,500
5749	MISC. REVENUE	-	-	-	-
	TOTAL LOCAL REVENUES	\$ 9,338,752	\$ 9,222,267	\$ 9,543,752	\$ 8,801,792
5829	EXISTING DEBT ALLOTMENT	\$ 29,000	\$ 107,303	\$ 107,303	\$ 309,000
	TOTAL STATE REVENUES	\$ 29,000	\$ 107,303	\$ 107,303	\$ 309,000
	TOTAL REVENUES	\$ 9,367,752	\$ 9,329,570	\$ 9,651,055	\$ 9,110,792

*** Assumes ADA of 3,300. ***

Debt Service Fund Expenditures FY23 Projections and FY24 Proposed Budget

Function Number	Function Title	FY22-23 Amended Budget	FY22-23 Year-to-Date Actuals	FY22-23 08/31 Projection	FY23-24 Proposed Budget
71	Principal on Long-Term Debt	\$ 5,256,376	\$ -	\$ 5,256,376	\$ 2,965,000
71	Interest on Long-Term Debt	\$ 4,110,126	\$ 2,055,063	\$ 4,110,126	\$ 3,991,276
71	Debt Service Fees	\$ 1,250	\$ 1,250	\$ 1,250	\$ -
73	Issuance Costs & Fees	\$ -	\$ -	\$ -	\$ 2,154,516
TOTAL EXPENSES		\$ 9,367,752	\$ 2,056,313	\$ 9,367,752	\$ 9,110,792

FY2023-2024 Cash Defeasance

SOURCES AND USES OF FUNDS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Dated Date 08/15/2024
Delivery Date 08/15/2024

Sources:

	0.00
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Uses:

Refunding Escrow Deposits:	
Cash Deposit	1,635,000.24
SLGS Purchases	186,851.00
	1,821,851.24
Delivery Date Expenses:	
Cost of Issuance	100,000.00
Other Uses of Funds:	
Additional Proceeds	-1,921,851.24
	0.00

SUMMARY OF REFUNDING RESULTS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Dated Date	08/15/2024
Delivery Date	08/15/2024
Arbitrage yield	
Escrow yield	4.909998%
Value of Negative Arbitrage	-18,348.76
Bond Par Amount	
Par amount of refunded bonds	1,825,000.00
Average coupon of refunded bonds	3.764275%
Average life of refunded bonds	1.871
PV of prior debt to 08/15/2024	1,953,550.00
Net PV Savings	31,698.76
Percentage savings of refunded bonds	1.736918%

SAVINGS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Date	Prior Debt Service	Refunding Net Cash Flow	Savings	Present Value to 08/15/2024 @ 0.0000000%
08/31/2025	869,950.00		869,950.00	869,950.00
08/31/2026	870,800.00		870,800.00	870,800.00
08/31/2027	7,600.00		7,600.00	7,600.00
08/31/2028	7,600.00		7,600.00	7,600.00
08/31/2029	197,600.00		197,600.00	197,600.00
	1,953,550.00	0.00	1,953,550.00	1,953,550.00

Savings Summary

PV of savings from cash flow	1,953,550.00
Less: Prior funds on hand	-1,921,851.24
Net PV Savings	31,698.76

ESCROW REQUIREMENTS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Period Ending	Interest	Principal Redeemed	Total
08/15/2024		1,635,000	1,635,000.00
02/15/2025	3,800.00		3,800.00
08/15/2025	3,800.00		3,800.00
02/15/2026	3,800.00		3,800.00
08/15/2026	3,800.00	190,000	193,800.00
	15,200.00	1,825,000	1,840,200.00

ESCROW DESCRIPTIONS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate	
Aug 15, 2024:	SLGS	Note	08/15/2026	02/15/2025	186,851	4.910%	4.910%
					186,851		

SLGS Summary

SLGS Rates File	14AUG23
Total Notes	186,851.00

ESCROW COST

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Type of Security	Maturity Date	Par Amount	Rate	Cost	Total Cost
SLGS	08/15/2026	186,851	4.910%	186,851	186,851.00
		186,851		186,851	186,851.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
08/15/2024	186,851	1,635,000.24	1,821,851.24	4.909998%
	186,851	1,635,000.24	1,821,851.24	

ESCROW CASH FLOW

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Date	Principal	Interest	Net Escrow Receipts	Present Value to 08/15/2024 @ 4.9099978%
02/15/2025		4,587.19	4,587.19	4,477.27
08/15/2025		4,587.19	4,587.19	4,369.99
02/15/2026		4,587.19	4,587.19	4,265.28
08/15/2026	186,851.00	4,587.19	191,438.19	173,738.46
	186,851.00	18,348.76	205,199.76	186,851.00

Escrow Cost Summary

Purchase date	08/15/2024
Purchase cost of securities	186,851.00
Target for yield calculation	186,851.00

ESCROW STATISTICS

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:						
1,821,851.24	1.883	4.909998%	4.879775%	1,840,200.00	-18,348.76	
1,821,851.24				1,840,200.00	-18,348.76	0.00

Delivery date 08/15/2024

SUMMARY OF BONDS REFUNDED

Stafford Municipal School District
 \$0.215224 I&S Tax Rate

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
U/L Tax Ref Bds Ser 2014, 2014:					
SERIAL	08/15/2025	3.000%	805,000	08/15/2024	100.000
	08/15/2026	4.000%	<u>830,000</u>	08/15/2024	100.000
			1,635,000		
U/L Tax Ref Bds Ser 2016B, 2016B:					
SERIAL	08/15/2029	4.000%	190,000	08/15/2026	100.000
			<u>1,825,000</u>		

PRIOR BOND DEBT SERVICE

Stafford Municipal School District
\$0.215224 I&S Tax Rate

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
02/15/2025		32,475	32,475	
08/15/2025	805,000	32,475	837,475	
08/31/2025				869,950
02/15/2026		20,400	20,400	
08/15/2026	830,000	20,400	850,400	
08/31/2026				870,800
02/15/2027		3,800	3,800	
08/15/2027		3,800	3,800	
08/31/2027				7,600
02/15/2028		3,800	3,800	
08/15/2028		3,800	3,800	
08/31/2028				7,600
02/15/2029		3,800	3,800	
08/15/2029	190,000	3,800	193,800	
08/31/2029				197,600
	1,825,000	128,550	1,953,550	1,953,550