

## 2023-2024 Adopted Budget

### Tax Information

#### **Ad Valorem Tax Law**

The appraisal of property within the District is the responsibility of each respective County Appraisal District (collectively, the “Appraisal District”) in which the District is located. Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under Title I of the Texas Tax Code (the “Property Tax Code”) to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used.

State law requires the appraised value of a residence homestead to be based solely on the property’s value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property’s appraised value in the preceding tax year, plus (b) the property’s appraised value in the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within each Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of each respective Appraisal District. Each Appraisal District is required to review the value of property within each respective Appraisal District at least every three years. The District may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the District by petition filed with the appropriate Appraisal Review Board. Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Certain residence homestead exemptions from ad valorem taxes for public school purposes are mandated by Section 1-b, Article VIII, and State law and apply to the market value of residence homesteads in the following sequence: \$25,000 (effective January 1, 2015); and an additional \$10,000 for those 65 years of age or older, or the disabled. A person over 65 and disabled may receive only one \$10,000 exemption, and only one such exemption may be received per family, per residence homestead. State law also mandates a freeze on taxes paid on residence homesteads of persons who are 65 years of age or older or disabled, to the extent that such persons are eligible for the \$10,000 exemption. Such residence homesteads shall be appraised and taxes calculated as on any other property, but taxes shall never exceed the amount imposed in the first year in which the property received the \$10,000 exemption. The freeze on ad valorem taxes on the homesteads of persons who are 65 years of age or older or disabled is also transferable to a different residence homestead. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. A “disabled” person is one who is “under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance”. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died, remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual’s spouse. Pursuant to a constitutional amendment approved by the voters on May 12, 2007, legislation was enacted to reduce the school property tax limitation imposed by the freeze on taxes paid on residence homesteads of persons 65 years of age or over or of disabled persons to correspond to reductions in local school district tax rates from the 2005 tax year to the 2006 tax year and from the 2006 tax year to the 2007 tax year (see “CURRENT PUBLIC SCHOOL FINANCE SYSTEM - General” herein). The school property tax limitation provided by the constitutional amendment and enabling legislation apply to the 2007 and subsequent tax years. The school property tax limitation provided by the constitutional amendment and enabling legislation apply to the 2007 and subsequent tax years.

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In addition, under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant either or both of the following:

- (i) An exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision;
- (ii) An exemption of up to 20% of the market value of residence homesteads; minimum exemption \$5,000.

After the exemption described in (i) above is authorized, such exemption may be repealed or decreased or increased in amount (a) by the governing body of the political subdivision or (b) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

The surviving spouse of an individual who qualifies for the exemption listed in (i) above for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse. On November 3, 2015, Texas voters approved an amendment to this law to provide for the exemption from ad valorem taxation for those surviving spouses of veterans who died before 2011, of which such amendment applies for the tax year beginning on or after January 1, 2016.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that a disabled veteran who receives from the United States Department of Veterans Affairs or its successor, 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Effective January 1, 2012 and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. In addition, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated at no cost by a charitable organization. Finally, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Effective January 1, 2018, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled, if a residence is donated by a charitable organization, to an exemption equal to the percentage of the veteran's disability, or at some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50% of the good faith estimate of the market value of the residence homestead made by the charitable donation as of the date the donation is made.

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Following the approval by the voters at a November 7, 2017 Statewide election (and effective as of January 1, 2018), the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residences homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j of the Texas Constitution provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by Section 11.253 of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or vessel and out-board motor, heavy equipment and manufactured housing inventory. Section 11.253 permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemption or the goods-in-transit exemption for items of personal property.

A city or county may create a tax increment financing district ("TIF") within the city or county with defined boundaries and establish a base value of taxable property in the TIF at the time of its creation. Overlapping taxing units, including school districts, may agree with the city or county to contribute all or part of future ad valorem taxes levied and collected against the "incremental value" (taxable value in excess of the base value) of taxable real property in the TIF to pay or finance the costs of certain public improvements in the TIF, and such taxes levied and collected for and on behalf of the TIF are not available for general use by such contributing taxing units. Prior to September 1, 2001, school districts were allowed to enter into tax abatement agreements to encourage economic development. Under such agreements, a property owner agrees to construct certain improvements on its property. The school district in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. School districts have been prohibited from entering into new tax abatement agreements since September 1, 2001. In addition, credit will not be given by the Commissioner of Education in determining a district's property value wealth per student for (1) the appraised value, in excess of the "frozen" value, of property that is located in a TIF created after May 31, 1999 (except in certain limited circumstances where the municipality creating the tax increment financing zone gave notice prior to May 31, 1999 to all other taxing units that levy ad valorem taxes in the TIF of its intention to create the TIF and the TIF was created and had its final project and financing plan approved by the municipality prior to August 31, 1999), or (2) for the loss of value of abated property under any abatement agreement entered into after May 31, 1993. Notwithstanding the foregoing, in 2001 the Legislature enacted legislation known as the Texas Economic Development Act, which provides incentives for school districts to grant limitations on appraised property values and provide ad valorem tax credits to certain corporations and limited liability companies to encourage economic development within the district. Generally, during the last eight years of the ten-year term of a tax limitation agreement, the school district may only levy and collect ad valorem taxes for maintenance and operation purposes on the agreed-to limited appraised property value. The taxpayer is entitled to a tax credit from the school district for the amount of taxes imposed during the first two years of the tax limitation agreement on the appraised value of the property above the agreed-to limited value.

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Additional State funding is provided to a school district for each year of such tax limitation in the amount of the tax credit provided to the taxpayer. During the first two years of a tax limitation agreement, the school district may not adopt a tax rate that exceeds the district's rollback tax rate (see "TAX INFORMATION - Public Hearing and Rollback Tax Rate" and "TAX INFORMATION – District Application of Tax Code"). The governing body of a political subdivision is prohibited from repealing or reducing the amount of an optional homestead exemption that was in place for the 2014 tax year (fiscal year 2015) for a period ending December 31, 2019.

### Tax Rate Limitations

A school district is authorized to levy maintenance and operation ("M&O") taxes subject to approval of a proposition submitted to district voters under Section 45.003(d) of the Texas Education Code, as amended. The maximum M&O tax rate that may be levied by a district cannot exceed the voted maximum rate or the maximum rate described in the next succeeding paragraph. The maximum voted M&O tax rate for the District is \$1.50 per \$100 of assessed valuation as approved by the voters at an election held on March 14, 1972 under Chapter 20, Texas Education Code (now codified at Section 45.003, Texas Education Code).

The maximum tax rate per \$100 of assessed valuation that may be adopted by the District may not exceed \$1.50. The State Compression Percentage is set by legislative appropriation for each State fiscal biennium or, in the absence of legislative appropriation, by the Commissioner. For a more detailed description of the State Compression Percentage, see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM - Local Funding for School Districts." Furthermore, a school district cannot annually increase its tax rate in excess of the district's "rollback tax rate" without submitting such tax rate to a referendum election and a majority of the voters voting at such election approving the adopted rate. See "TAX INFORMATION - Public Hearing and Rollback Tax Rate."

A school district is also authorized to issue bonds and levy taxes for payment of bonds subject to voter approval of a proposition submitted to the voters under Section 45.003(b)(1), Texas Education Code, as amended, which provides a tax unlimited as to rate or amount for the support of school district bonded indebtedness (see "THE BONDS – Security and Source of Payment").

Section 45.0031, Texas Education Code, as amended ("Section 45.0031"), requires a district to demonstrate to the Texas Attorney General that it has the prospective ability to pay its maximum annual debt service on a proposed issue of bonds and all previously issued bonds, other than bonds approved by district voters at an election held on or before April 1, 1991 and issued before September 1, 1992 (or debt issued to refund such bonds, collectively, "exempt bonds"), from a tax levied at a rate of \$0.50 per \$100 of assessed valuation before bonds may be issued. In demonstrating the ability to pay debt service at a rate of \$0.50, a district may take into account EDA and IFA allotments to the district, which effectively reduce the district's local share of debt service, and may also take into account Tier One funds allotted to the district. The District is required to deposit any State allotments provided solely for payment of debt service into the District's interest and sinking fund upon receipt of such amounts. In addition, the District must, prior to levying an interest and sinking fund tax rate that exceeds \$0.50 per \$100 of assessed valuation, credit to the interest and sinking fund other State assistance, including Tier One funds that may be used for either operating purposes or for payment of debt service, in an amount equal to the amount needed to demonstrate compliance with the threshold tax rate test and which is received or to be received in that year. Once the prospective ability to pay such tax has been shown and the bonds are issued, a district may levy an unlimited tax to pay debt service. Taxes levied to pay refunding bonds issued pursuant to Chapter 1207, Texas Government Code, are not subject to the \$0.50 tax rate test; however, taxes levied to pay debt service on such bonds (other than bonds issued to refund exempt bonds) are included in maximum annual debt service for calculation of the \$0.50 threshold tax rate test when applied to subsequent bond issues. The Bonds are issued for school building purposes pursuant to Chapter 45, Texas Education Code as new debt and are subject to the threshold tax rate test. Under current law, a district may demonstrate its ability to comply with the \$0.50 threshold tax rate test by applying the \$0.50 tax rate to an amount equal to 90% of projected future taxable value of property in the district, as certified by a registered professional appraiser, anticipated for the earlier of the tax year five years after the current tax year or the tax year in which the final payment for the bonds is due. However, if a district uses projected future taxable values to meet the \$0.50 threshold tax rate test and subsequently imposes a tax at a rate greater than \$0.50 per \$100 of valuation to pay for bonds subject to the test, then for subsequent bond issues, the Attorney General must find that the district has the projected ability to pay principal and interest on the proposed bonds and all previously issued bonds subject to the \$0.50 threshold tax rate test from a tax rate of \$0.45 per \$100 of valuation. The District has used projected property values to satisfy this threshold test. See "TAX INFORMATION – Tax Rate Limitations" herein.

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### Public Hearing and Rollback Tax Rate

In setting its annual tax rate, the governing body of a school district generally cannot adopt a tax rate exceeding the district's "rollback tax rate" without approval by a majority of the voters voting at an election approving the higher rate. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures and (2) a rate for debt service. The rollback tax rate for a school district is the lesser of (A) the sum of (1) the product of the district's "State Compression Percentage" for that year multiplied by \$1.50, (2) the rate of \$0.04, (3) any rate increase above the rollback tax rate in prior years that were approved by voters, and (4) the district's current debt rate, or (B) the sum of (1) the district's effective maintenance and operations tax rate, (2) the product of the district's State Compression Percentage for that year multiplied by \$0.06; and (3) the district's current debt rate (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM - Local Funding for School Districts" for a description of the "State Compression Percentage"). If for the preceding tax year a district adopted an M&O tax rate that was less than its effective M&O tax rate for that preceding tax year, the district's rollback tax for the current year is calculated as if the district had adopted an M&O tax rate for the preceding tax year equal to its effective M&O tax rate for that preceding tax year.

The "effective maintenance and operations tax rate" for a school district is the tax rate that, applied to the current tax values, would provide local maintenance and operating funds, when added to State funds to be distributed to the district pursuant to Chapter 42 of the Texas Education Code for the school year beginning in the current tax year, in the same amount as would have been available to the district in the preceding year if the funding elements of wealth equalization and State funding for the current year had been in effect for the preceding year.

Section 26.05 of the Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Before adopting its annual tax rate, a public meeting must be held for the purpose of adopting a budget for the succeeding year. A notice of public meeting to discuss budget and proposed tax rate must be published in the time, format and manner prescribed in Section 44.004 of the Texas Education Code. Section 44.004(e) of the Texas Education Code provides that a person who owns taxable property in a school district is entitled to an injunction restraining the collection of taxes by the district if the district has not complied with such notice requirements or the language and format requirements of such notice as set forth in Section 44.004(b), (c) and (d), and, if applicable, Subsection (i), and if such failure to comply was not in good faith. Section 44.004(e) further provides the action to enjoin the collection of taxes must be filed before the date the district delivers substantially all of its tax bills. A district may adopt its budget after adopting a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt its tax rate before receiving the certified appraisal roll. A district that adopts a tax rate before adopting its budget must hold a public hearing on the proposed tax rate followed by another public hearing on the proposed budget rather than holding a single hearing on the two items.

### Property Assessment and Tax Payment

Property within the District is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Effective January 1, 2016, the valuation of assessment of oil and gas reserves depends upon pricing information in either the standard edition of the Annual Energy Outlook or, if the most recently published edition of the Annual Energy Outlook was published before December 1 of the preceding calendar year, the Short-Term Energy Outlook report published in January of the current calendar year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first installment due on February 1 of each year and the final installment due on August 1.

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### Penalties and Interest

Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

| <u>Month</u> | <u>Penalty</u> | <u>Interest (b)</u> | <u>Total</u> |
|--------------|----------------|---------------------|--------------|
| February     | 6%             | 1%                  | 7%           |
| March        | 7              | 2                   | 9            |
| April        | 8              | 3                   | 11           |
| May          | 9              | 4                   | 13           |
| June         | 10             | 5                   | 15           |
| July         | 12             | 6                   | 18           |

After July, penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge.

Taxes levied by the District are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with tax liens of all other such taxing units. A tax lien on real property has priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty and interest. Except with respect to taxpayers who are 65 years of age or older or disabled. At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. The ability of the District to collect delinquent taxes by foreclosure may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

### District Application of Tax Code

The District does not grant an optional or additional exemption to the market value of the residence homestead of persons 65 years of age or older and the disabled. The District does not grant an additional exemption of 20% of the market value of residence homesteads. See Table 1 for a listing of the amounts of the exemptions described above. Ad valorem taxes are not levied by the District against the exempt value of residence homesteads for the payment of debt. The District does not tax nonbusiness personal property; and the District contracts with the Denton County Tax Collector's office for the collection of its own ad valorem taxes. The District has a tax abatement policy, but has no abatement agreements in place. The District does not permit split payments, and discounts are not allowed. The District does not tax freeport property. The District has opted to tax goods-in-transit. The District has not entered into any appraised value limitation agreements pursuant to the Texas Economic Development Act, Chapter 313, Texas Tax Code.

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### **Tax Increment Finance Zones**

The District participates in two Tax Increment Financing Reinvestment Zones (“TIRZ #1” and “TIRZ #2”). TIRZ #1 has an incremental value of \$44,482,480 and TIRZ #2 has an incremental value of \$118,834,939.

\*Source: Northwest ISD Official Statement

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### NORTHWEST INDEPENDENT SCHOOL DISTRICT ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY CURRENT AND FORECASTED

|        | Real Property    | Personal Property | Minerals        |                  | Total            | Total  |
|--------|------------------|-------------------|-----------------|------------------|------------------|--------|
| Fiscal | Assessed         | Assessed          | Assessed        | Less:            | Taxable          | Direct |
| Year   | Value            | Value             | Value           | Exemptions       | Value            | Rate   |
| 2026 * | \$47,290,556,627 | \$16,546,368,351  | \$1,852,914,169 | \$15,573,698,769 | \$50,116,140,379 | 1.0902 |
| 2025 * | \$42,991,415,115 | \$15,042,153,047  | \$1,684,467,426 | \$14,157,907,971 | \$45,560,127,617 | 1.0902 |
| 2024 * | \$39,083,104,650 | \$13,674,684,588  | \$1,531,334,024 | \$12,870,825,429 | \$41,418,297,834 | 1.0902 |
| 2023   | \$35,530,095,137 | \$12,431,531,444  | \$1,392,121,840 | \$11,700,750,390 | \$37,652,998,031 | 1.2746 |
| 2022   | \$28,732,922,424 | \$10,561,735,558  | \$841,284,023   | \$9,298,175,008  | \$30,837,766,997 | 1.2920 |
| 2021   | \$23,131,241,063 | \$9,175,830,845   | \$445,539,899   | \$7,226,998,727  | \$25,525,613,080 | 1.3363 |
| 2020   | \$20,058,653,032 | \$8,313,515,744   | \$374,008,410   | \$6,548,848,824  | \$22,197,028,362 | 1.4200 |
| 2019   | \$17,851,905,760 | \$6,750,091,428   | \$617,067,673   | \$5,357,866,481  | \$19,861,198,380 | 1.4900 |
| 2018   | \$13,312,469,751 | \$5,037,881,478   | \$659,928,810   | \$4,086,095,274  | \$14,924,184,765 | 1.4900 |
| 2017   | \$10,942,403,000 | \$3,071,844,000   | \$709,709,000   | \$2,303,447,000  | \$12,420,509,000 | 1.4525 |
| 2016   | \$9,644,355,000  | \$3,118,392,000   | \$1,296,365,000 | \$2,353,571,652  | \$11,705,540,348 | 1.4525 |
| 2015   | \$8,634,101,000  | \$2,576,109,000   | \$1,538,136,000 | \$1,131,418,151  | \$11,616,927,849 | 1.4525 |
| 2014   | \$7,866,040,000  | \$2,688,113,117   | \$1,380,696,000 | \$1,385,997,000  | \$10,548,852,117 | 1.4525 |

The Denton, Tarrant, and Wise Central Appraisal Districts ("CAD") certify the appraisal records by July 25th of every tax year based on property values as of January 1st of the tax year. All properties are assessed at 100% of market value. Valuations shown are certified assessed values reported by the appraisal district to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

The CAD certification of the 2023 Appraisal Records occurred in late July and the Denton County Tax Assessor-Collector calculated the rollback tax rate shortly thereafter. The Board of Trustees held the required public meeting and adopted the tax rate on August 28, 2023.

The Texas Comptroller of Public Accounts annually certifies the final value property values on or before July 1st of the following year. The Commissioner of Education uses the final values in the process of allocating state funds to school districts. This includes wealth equalization under the Texas Education Code Chapter 49 provisions.

\* 3 years of forecasted values represent a 13% growth rate.

\*Source: Official Statement August 1, 2023



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### NORTHWEST INDEPENDENT SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES CURRENT AND PRIOR YEARS

#### District Direct Rates

| <b>Fiscal</b> |  | <b>General</b>  |  | <b>Capital</b>  |  |              |
|---------------|--|-----------------|--|-----------------|--|--------------|
| <b>Year</b>   |  | <b>Purposes</b> |  | <b>Purposes</b> |  | <b>Total</b> |
| 2024          |  | 0.66920         |  | 0.42100         |  | 1.09020      |
| 2023          |  | 0.85460         |  | 0.42000         |  | 1.27460      |
| 2022          |  | 0.87200         |  | 0.42000         |  | 1.29200      |
| 2021          |  | 0.91630         |  | 0.42000         |  | 1.33630      |
| 2020          |  | 0.97000         |  | 0.45000         |  | 1.42000      |
| 2019          |  | 1.04000         |  | 0.45000         |  | 1.49000      |
| 2018          |  | 1.04000         |  | 0.45000         |  | 1.49000      |
| 2017          |  | 1.04000         |  | 0.41250         |  | 1.45250      |
| 2016          |  | 1.04000         |  | 0.41250         |  | 1.45250      |
| 2015          |  | 1.04000         |  | 0.41250         |  | 1.45250      |
| 2014          |  | 1.04000         |  | 0.33500         |  | 1.37500      |

The Board of Trustees adopted the tax rates on August 28th after giving appropriate public notice. School district tax rates consist of a Maintenance & Operations (M&O) and Interest & Sinking (I&S) tax rate.

Maintenance and Operations (M&O) tax rate: A local school district tax rate that raises revenue to be used to operate and maintain the district's schools. The 2023-2024 tax rate was compressed due to the 86th Legislature and was set at \$0.6692. House Bill 3, as required by the 2019 Legislature, required districts to lower their M&O rates.

Interest and Sinking (I&S) tax rate: A tax levied and money used by school districts to pay for voter approved bonded indebtedness, usually construction of facilities or other capital needs. The 2023-2024 I & S rate was set at \$.4210.

Note: Per \$100 of assessed valuation

Source: Official Statement August 1, 2023

**NORTHWEST INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
CURRENT AND PRIOR YEARS**

**Overlapping Rates**

| <b>Fiscal Year</b> | <b>Denton<br/>County</b> | <b>City of<br/>Fort<br/>Worth</b> | <b>Tarrant<br/>County</b> | <b>Town of<br/>Trophy<br/>Club</b> | <b>Trophy<br/>Club<br/>MUD 1 &amp;<br/>2</b> | <b>Wise<br/>County</b> | <b>City of<br/>Roanoke</b> | <b>City of<br/>Haslet</b> |
|--------------------|--------------------------|-----------------------------------|---------------------------|------------------------------------|--|------------------------|----------------------------|---------------------------|
| <b>2023</b>        | 0.21800                  | 0.71300                           | 0.22400                   | 0.43500                            | 0.09100                                      | 0.25500                | 0.34000                    | 0.29700                   |
| <b>2022</b>        | 0.23300                  | 0.73300                           | 0.22900                   | 0.44500                            | 0.10600                                      | 0.30800                | 0.37500                    | 0.28300                   |
| <b>2021</b>        | 0.22500                  | 0.74800                           | 0.23400                   | 0.44600                            | 0.10800                                      | 0.30800                | 0.37500                    | 0.62500                   |
| <b>2020</b>        | 0.22498                  | 0.74750                           | 0.23400                   | 0.44644                            | 0.10774                                      | 0.30750                | 0.37510                    | 0.24997                   |
| <b>2019</b>        | 0.22528                  | 0.78500                           | 0.23400                   | 0.44644                            | 0.11273                                      | 0.32250                | 0.37510                    | 0.29758                   |
| <b>2018</b>        | 0.22560                  | 0.78500                           | 0.23400                   | 0.44640                            | 0.11620                                      | 0.34640                | 0.37510                    | 0.30596                   |
| <b>2017</b>        | 0.23781                  | 0.80500                           | 0.24400                   | 0.45144                            | 0.12021                                      | 0.34640                | 0.37512                    | 0.33304                   |
| <b>2016</b>        | 0.24841                  | 0.83500                           | 0.25400                   | 0.47300                            | 0.13114                                      | 0.34640                | 0.37512                    | 0.29025                   |
| <b>2015</b>        | 0.26200                  | 0.85500                           | 0.26400                   | 0.48400                            | 0.13110                                      | 0.31390                | 0.37510                    | 0.28570                   |
| <b>2014</b>        | 0.27220                  | 0.85500                           | 0.26400                   | 0.49000                            | 0.13339                                      | 0.29890                | 0.37512                    | 0.29279                   |
| <b>2013</b>        | 0.28491                  | 0.85500                           | 0.26400                   | 0.49930                            | 0.13339                                      | 0.28890                | 0.37512                    | 0.32087                   |

Expenditures of the various taxing entities within the boundaries of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt was from information contained in "Texas Municipal Reports" published by the Municipal Advisory council of Texas. The above table reflects the estimated share of overlapping debt of the District.

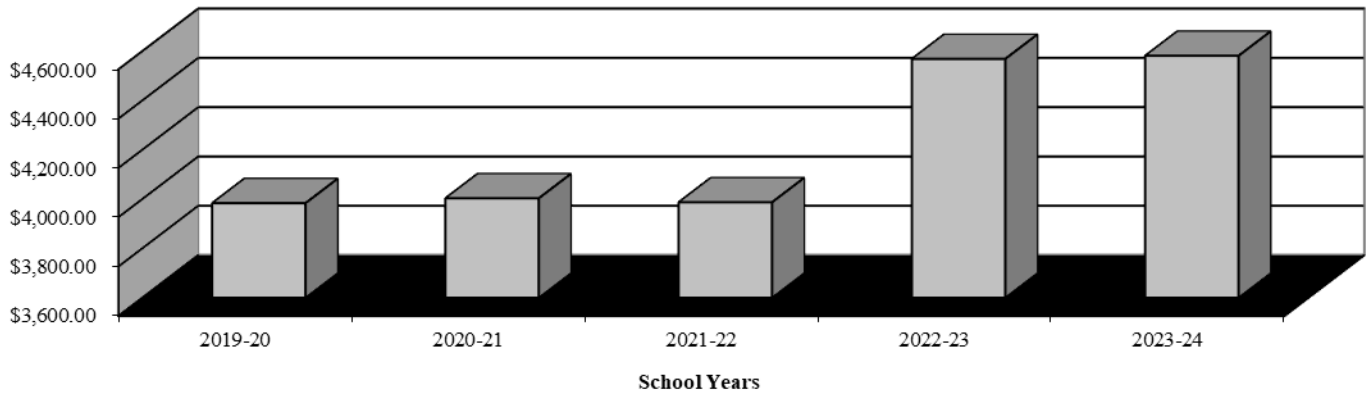
Note: Per \$100 of assessed valuation

Source: Official Statement August 1,2023

## 2023-2024 Adopted Budget

### NORTHWEST INDEPENDENT SCHOOL DISTRICT COMPARISON OF LEVY ON AVERAGE RESIDENCE BUDGET FOR THE YEAR ENDING JUNE 30, 2024

#### COMPARISON OF LEVY ON AVERAGE RESIDENCE



■ Taxes Due on Average Residence

#### COMPARISON OF LEVY ON AVERAGE RESIDENCE

|                                | Actual      | Actual      | Actual      | Actual      | Budget      |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Description                    | 2019-20     | 2020-21     | 2021-22     | 2022-23     | 2023-24     |
| <b>Residence:</b>              |             |             |             |             |             |
| Average Market Value           | \$ 311,625  | \$ 330,739  | \$ 334,835  | \$ 419,272  | \$ 552,605  |
| Average Taxable Value          | \$ 280,512  | \$ 299,557  | \$ 308,571  | \$ 358,426  | \$420,208   |
| Tax Rate per \$100 Value       | \$ 1.42000  | \$ 1.33630  | \$ 1.29200  | \$ 1.27460  | \$ 1.09020  |
| Taxes Due on Average Residence | \$ 3,983.27 | \$ 4,002.98 | \$ 3,986.73 | \$ 4,568.50 | \$ 4,581.11 |
| Increase (Decrease) in Taxes   | \$ -        | \$ 19.71    | \$ (16.25)  | \$ 581.76   | \$ 12.60    |

#### DISCUSSION

Property taxes are calculated by dividing the taxable property value by 100 and multiplying by the tax rate. Residential property owners are afforded a reduction of their taxes through a homestead exemption. In May of 2022, voters in the state of Texas approved an increase in the homestead exemption from \$25,000 to \$40,000, effectively reducing the amount of the taxable value of a primary homestead by \$15,000.

In addition to the homestead exemption, residents over 65 may have their school taxes frozen. School district taxes will not increase for residents over 65 on their designated primary residence unless the resident improves their property with renovations such as additional square footage or a swimming pool.

\*Source: Notice of Public Meeting

## 2023-2024 Adopted Budget

### NORTHWEST INDEPENDENT SCHOOL DISTRICT ALL OUTSTANDING UNLIMITED TAX DEBT BUDGET FOR THE YEAR ENDED JUNE 30, 2024

| <b>Year<br/>Ending</b> | <b>Series 2023<br/>Unlimited<br/>Tax School<br/>Building<br/>Bonds</b> | <b>Series 2022 A<br/>Unlimited<br/>Tax School<br/>Building<br/>Bonds</b> | <b>Series 2021<br/>Unlimited<br/>Tax School<br/>Building<br/>Bonds</b> | <b>Series 2020<br/>Unlimited<br/>Tax School<br/>Building<br/>&amp; Refunding<br/>Bonds</b> | <b>Series 2019<br/>Unlimited<br/>Tax School<br/>Building &amp;<br/>Refunding<br/>Bonds</b> | <b>Series 2018<br/>Unlimited<br/>Tax<br/>Building<br/>Bonds</b> |
|------------------------|--|--|--|--|--|---|
| 12/31/24               | 7,505,000  | 10,119,000   | 875,000  | 1,640,000  | 2,855,000  | 1,235,000   |
| 12/31/25               | -  | -  | 920,000  | 6,640,000  | 2,210,000  | 1,245,000   |
| 12/31/26               | -  | 2,465,000  | 1,575,000  | 5,075,000  | 2,465,000  | 1,255,000   |
| 12/31/27               | -  | 505,000  | 1,810,000  | 10,625,000   | 2,885,000  | 1,265,000   |
| 12/31/28               | -  | 3,525,000  | 2,260,000  | 29,140,000   | 3,050,000  | 1,275,000   |
| 12/31/29               | -  | 10,240,000   | 2,830,000  | 23,735,000   | 6,870,000  | 1,290,000   |
| 12/31/30               | 3,825,000  | 14,280,000   | 2,360,000  | 21,850,000   | 7,320,000  | 1,300,000   |
| 12/31/31               | 3,860,000  | 14,235,000   | 2,965,000  | 25,545,000   | 3,725,000  | 1,415,000   |
| 12/31/32               | 4,710,000  | 6,495,000  | 3,405,000  | 23,790,000   | 4,475,000  | 1,335,000   |
| 12/31/33               | 7,015,000  | 8,180,000  | 4,480,000  | 11,400,000   | 9,840,000  | 1,890,000   |
| 12/31/34               | 7,460,000  | 9,300,000  | 4,445,000  | 13,035,000   | 10,310,000   | 1,365,000   |
| 12/31/35               | 9,205,000  | 10,085,000   | 7,350,000  | 13,825,000   | 12,085,000   | 1,395,000   |
| 12/31/36               | 13,295,000   | 10,110,000   | 8,050,000  | 12,725,000   | 13,550,000   | 3,015,000   |
| 12/31/37               | 14,110,000   | 11,310,000   | 8,095,000  | 15,240,000   | 17,060,000   | 4,460,000   |
| 12/31/38               | 15,135,000   | 11,955,000   | 8,470,000  | 19,655,000   | 13,790,000   | 2,100,000   |
| 12/31/39               | 16,210,000   | 21,665,000   | 8,830,000  | 29,375,000   | 1,270,000  | 2,390,000   |
| 12/31/40               | 17,345,000   | 34,865,000   | 8,920,000  | 8,475,000  | 2,135,000  | 12,320,000  |
| 12/31/41               | 18,540,000   | 36,700,000   | 9,285,000  | 8,945,000  | 2,300,000  | 12,955,000  |
| 12/31/42               | 19,710,000   | 38,620,000   | 9,670,000  | 9,435,000  | 2,505,000  | 13,585,000  |
| 12/31/43               | 20,825,000   | 23,210,000   | 10,070,000   | 9,945,000  | 16,805,000   | 17,610,000  |
| 12/31/44               | 22,060,000   | 24,650,000   | 10,470,000   | 11,455,000   | 35,090,000   | -   |
| 12/31/45               | 31,090,000   | 29,590,000   | 14,935,000   | 33,735,000   | -  | -   |
| 12/31/46               | 38,780,000   | 24,860,000   | 24,695,000   | -  | -  | -   |
| 12/31/47               | 42,615,000   | 50,735,000   | -  | -  | -  | -   |
| 12/31/48               | 64,160,000   | 34,785,000   | -  | -  | -  | -   |
| 12/31/49               | -  | -  | -  | -  | -  | -   |
| 12/31/50               | -  | -  | -  | -  | -  | -   |
| 12/31/51               | -  | -  | -  | -  | -  | -   |
| <b>TOTAL</b>           | <b>377,455,000</b>   | <b>442,484,000</b>   | <b>156,765,000</b>   | <b>345,285,000</b>   | <b>172,595,000</b>   | <b>84,700,000</b>   |

\*Source: Analysis of Outstanding Debt as of August 1, 2023

# 2023-2024 Adopted Budget

## NORTHWEST INDEPENDENT SCHOOL DISTRICT ALL OUTSTANDING UNLIMITED TAX DEBT BUDGET FOR THE YEAR ENDED JUNE 30, 2024

| Series 2017<br>Unlimited<br>Tax School<br>Building &<br>Refunding<br>Bonds | Series 2016 A<br>Unlimited<br>Tax Refunding<br>Bonds | Series 2015<br>A&B<br>Unlimited<br>Tax<br>Refunding<br>Bonds | Series 2014<br>Unlimited<br>Tax School<br>Building<br>Bonds | Series 2013A<br>Unlimited Tax<br>School Building<br>& Refunding<br>Bonds | Series 2008<br>Unlimited<br>Tax School<br>Building &<br>Refunding<br>Bonds | Total<br>Principal |
|--|--|--|---|--|--|--------------------|
| 1,990,000  | 1,830,000  | 23,720,000   | 375,000   | 3,130,000  | 3,000  | 55,277,000         |
| 2,115,000  | 1,905,000  | 25,350,000   | 540,000   | -  | 3,000  | 40,928,000         |
| 2,345,000  | 2,105,000  | 25,880,000   | -   | -  | -  | 43,165,000         |
| 2,700,000  | 3,330,000  | 23,810,000   | 1,080,000   | -  | -  | 48,010,000         |
| 2,880,000  | 3,635,000  | 3,745,000  | 150,000   | -  | -  | 49,660,000         |
| 3,245,000  | 2,000,000  | -  | 240,000   | -  | -  | 50,450,000         |
| 1,265,000  | 3,000,000  | -  | 600,000   | -  | -  | 55,800,000         |
| 1,355,000  | 5,070,000  | -  | 710,000   | -  | -  | 58,880,000         |
| 1,890,000  | 13,245,000   | -  | -   | -  | -  | 59,345,000         |
| 3,100,000  | 15,430,000   | -  | -   | -  | -  | 61,335,000         |
| 3,515,000  | 14,100,000   | -  | -   | -  | -  | 63,530,000         |
| 4,870,000  | 6,885,000  | -  | -   | -  | -  | 65,700,000         |
| 8,630,000  | -  | -  | -   | -  | -  | 69,375,000         |
| 1,500,000  | -  | -  | -   | -  | -  | 71,775,000         |
| 4,600,000  | -  | -  | -   | -  | -  | 75,705,000         |
| -  | -  | -  | -   | -  | -  | 79,740,000         |
| -  | -  | -  | -   | -  | -  | 84,060,000         |
| -  | -  | -  | -   | -  | -  | 88,725,000         |
| -  | -  | -  | -   | -  | -  | 93,525,000         |
| -  | -  | -  | -   | -  | -  | 98,465,000         |
| -  | -  | -  | -   | -  | -  | 103,725,000        |
| -  | -  | -  | -   | -  | -  | 109,350,000        |
| -  | -  | -  | -   | -  | -  | 88,335,000         |
| -  | -  | -  | -   | -  | -  | 93,350,000         |
| -  | -  | -  | -   | -  | -  | 98,945,000         |
| -  | -  | -  | -   | -  | -  | -                  |
| -  | -  | -  | -   | -  | -  | -                  |
| -  | -  | -  | -   | -  | -  | -                  |
| 46,000,000   | 72,535,000   | 102,505,000  | 3,695,000   | 3,130,000  | 6,000  | 1,807,155,000      |

**2023-2024 Adopted Budget**

**NORTHWEST INDEPENDENT SCHOOL DISTRICT  
AGGREGATE DEBT SERVICE  
BUDGET FOR THE YEAR ENDED JUNE 30, 2024**

| <b>Date</b>  | <b>Principal</b>               | <b>Interest</b>                | <b>Total</b>                   |
|--------------|--------------------------------|--------------------------------|--------------------------------|
| 12/31/23     | -                              | 28,879,364                     | 28,879,364                     |
| 12/31/24     | 55,277,765                     | 81,269,577                     | 136,547,342                    |
| 12/31/25     | 40,927,569                     | 71,971,273                     | 112,898,842                    |
| 12/31/26     | 43,165,000                     | 69,599,317                     | 112,764,317                    |
| 12/31/27     | 48,010,000                     | 67,349,842                     | 115,359,842                    |
| 12/31/28     | 49,660,000                     | 64,939,092                     | 114,599,092                    |
| 12/31/29     | 50,450,000                     | 62,459,967                     | 112,909,967                    |
| 12/31/30     | 55,800,000                     | 59,922,850                     | 115,722,850                    |
| 12/31/31     | 58,880,000                     | 57,607,125                     | 116,487,125                    |
| 12/31/32     | 59,345,000                     | 55,577,760                     | 114,922,760                    |
| 12/31/33     | 61,335,000                     | 53,349,791                     | 114,684,791                    |
| 12/31/34     | 63,530,000                     | 50,907,420                     | 114,437,420                    |
| 12/31/35     | 65,700,000                     | 48,471,642                     | 114,171,642                    |
| 12/31/36     | 69,375,000                     | 45,933,983                     | 115,308,983                    |
| 12/31/37     | 71,775,000                     | 43,251,929                     | 115,026,929                    |
| 12/31/38     | 75,705,000                     | 40,472,252                     | 116,177,252                    |
| 12/31/39     | 79,740,000                     | 37,595,570                     | 117,335,570                    |
| 12/31/40     | 84,060,000                     | 34,448,248                     | 118,508,248                    |
| 12/31/41     | 88,725,000                     | 30,964,759                     | 119,689,759                    |
| 12/31/42     | 93,525,000                     | 27,370,546                     | 120,895,546                    |
| 12/31/43     | 98,465,000                     | 23,638,799                     | 122,103,799                    |
| 12/31/44     | 103,725,000                    | 19,585,845                     | 123,310,845                    |
| 12/31/45     | 109,350,000                    | 15,195,257                     | 124,545,257                    |
| 12/31/46     | 88,335,000                     | 11,051,775                     | 99,386,775                     |
| 12/31/47     | 93,350,000                     | 7,033,700                      | 100,383,700                    |
| 12/31/48     | <u>98,945,000</u>              | <u>2,443,625</u>               | <u>101,388,625</u>             |
| <b>Total</b> | <b><u>\$ 1,807,155,334</u></b> | <b><u>\$ 1,111,291,306</u></b> | <b><u>\$ 2,918,446,641</u></b> |

**Par Amounts of Selected Issues**

|             |   |                               |
|-------------|---|-------------------------------|
| Series 2023 | Unlimited Tax School Building Bonds               | 377,455,000                   |
| Series 2022 | Unlimited Tax School Building Bonds               | 442,484,000                   |
| Series 2021 | Unlimited Tax School Building Bonds               | 156,765,000                   |
| Series 2020 | Unlimited Tax School Building Bonds               | \$345,285,000                 |
| Series 2019 | Unlimited Tax School Building Bonds               | 172,595,000                   |
| Series 2018 | Unlimited Tax School Building Bonds               | 84,700,000                    |
| Series 2017 | Unlimited Tax School Building and Refunding Bonds | 46,000,000                    |
| Series 2016 | Unlimited Tax Refunding Bonds                     | 72,535,000                    |
| Series 2015 | Unlimited Tax School Building and Refunding Bonds | 102,505,000                   |
| Series 2014 | Unlimited Tax School Building and Refunding Bonds | 3,695,000                     |
| Series 2013 | Unlimited Tax School Building Bonds               | 3,130,000                     |
| Series 2008 | Unlimited Tax School Building Bonds               | 6,000                         |
|             | <b>Total</b>                                      | <b><u>\$1,807,155,000</u></b> |
|             |   |                               |

**2023-2024 Adopted Budget**

**NORTHWEST INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2024**

| <b>Taxing Jurisdiction</b>   | <b>Taxable Assessed Value</b> | <b>Total Tax Supported Debt</b> | <b>Estimated % Applicable</b> | <b>District Overlapping Tax Supported Debt</b> |
|--|-------------------------------|---------------------------------|-------------------------------|--|
| <b>Alpha Range WC&amp;ISD</b>  | \$50,685,078.00               | \$8,605,000.00                  | 100.00%                       | \$8,605,000.00                                 |
| <b>Argyle, Town of</b>   | \$1,095,623,284.00            | \$9,560,000.00                  | 2.26%                         | \$216,056.00                                   |
| <b>Belmont FWSD #1</b>   | \$922,452,978.00              | \$94,670,000.00                 | 30.35%                        | \$28,732,345.00                                |
| <b>Brookfield WC &amp; ISD</b>   | \$72,398,449.00               | \$6,350,000.00                  | 100.00%                       | \$6,350,000.00                                 |
| <b>Canyon Falls WC&amp;ID #2</b>   | \$428,808,365.00              | \$40,410,000.00                 | 81.83%                        | \$33,067,503.00                                |
| <b>Denton County</b>   | \$149,854,372,945.00          | \$652,580,000.00                | 11.89%                        | \$77,591,762.00                                |
| <b>Far North Fort Worth MUD</b>  | \$147,967,737.00              | \$30,630,000.00                 |                               | \$0.00   |
| <b>Flower Mound, Town of</b>   | \$14,674,528,445.00           | \$138,725,000.00                | 0.71%                         | \$984,947.50                                   |
| <b>Fort Worth, City of</b>   | \$102,129,922,986.00          | \$1,045,695,000.00              | 14.64%                        | \$153,089,748.00                               |
| <b>Grapevine, City of</b>  | \$11,373,684,991.00           | \$142,725,000.00                | 0.32%                         | \$456,720.00                                   |
| <b>Haslet, City of</b>   | \$1,385,012,271.00            | \$22,774,000.00                 | 100.00%                       | \$22,774,000.00                                |
| <b>Justin, City of</b>   | \$772,734,431.00              | \$19,565,000.00                 | 100.00%                       | \$19,565,000.00                                |
| <b>Keller, City of</b>   | \$6,929,084,947.00            | \$38,655,000.00                 | 0.37%                         | \$143,023.50                                   |
| <b>New Fairview MUD #1</b>   | \$70,060,007.00               | \$8,570,000.00                  |                               |  |
| <b>New Fairview, City of</b>   | \$301,032,171.00              | \$2,730,000.00                  | 67.18%                        | \$1,834,014.00                                 |
| <b>Newark, City of</b>   | \$88,241,964.00               | \$492,000.00                    | 100.00%                       | \$492,000.00                                   |
| <b>Northlake Municipal Mgmt.</b>   | \$421,751,939.00              | \$50,600,000.00                 | 100.00%                       | \$50,600,000.00                                |
| <b>Northlake Town of</b>   | \$2,060,248,111.00            | \$43,025,000.00                 | 91.39%                        | \$39,320,547.50                                |
| <b>Rhome, City of</b>  | \$224,892,935.00              | \$3,198,000.00                  | 100.00%                       | \$3,198,000.00                                 |
| <b>Roanoke, City of</b>  | \$3,345,665,914.00            | \$43,880,000.00                 | 100.00%                       | \$43,880,000.00                                |
| <b>Southlake, City of</b>  | \$9,861,498,095.00            | \$66,555,000.00                 | 3.39%                         | \$2,256,214.50                                 |
| <b>Tarrant County</b>  | \$262,706,197,581.00          | \$404,360,000.00                | 5.12%                         | \$20,703,232.00                                |
| <b>Tarrant County College</b>  | \$264,445,356,368.00          | \$610,315,000.00                | 5.35%                         | \$32,651,852.50                                |
| <b>Tarrant County Hospital</b>   | \$263,143,297,871.00          | \$448,410,000.00                | 5.35%                         | \$23,989,935.00                                |
| <b>Trophy Club MUD #1</b>  | \$2,286,609,906.00            | \$5,560,000.00                  | 78.94%                        | \$4,389,064.00                                 |
| <b>Trophy Club, Town of</b>  | \$2,703,231,646.00            | \$18,398,000.00                 | 98.83%                        | \$18,182,743.40                                |
| <b>Westlake, Town of</b>   | \$2,123,241,031.00            | \$48,874,000.00                 | 27.67%                        | \$13,523,435.80                                |
| <b>Wise County</b>   | \$11,258,856,928.00           | \$6,570,000.00                  | 13.72%                        | \$901,404.00                                   |
| <b>Total Overlapping Debt</b>  |                               |                                 |                               | \$607,498,548                                  |
| <b>Northwest ISD</b>   | \$37,652,998,031              | \$1,807,155,334                 | 100.00%                       | \$1,807,155,334                                |
| <b>Total Direct Debt</b>   |                               |                                 |                               | \$1,807,155,334                                |
| <b>Total Direct and Overlapping Tax Supported Debt</b>                               |                               |                                 |                               | \$2,414,653,882                                |
| <b>Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation</b> |                               |                                 |                               | 6.41%  |
| <b>Per Capita Direct and Overlapping Tax Supported Debt</b>                          |                               |                                 |                               | \$21,415                                       |

Note: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

Source: Northwest Independent School District OFFICIAL STATEMENT dated August 1, 2023

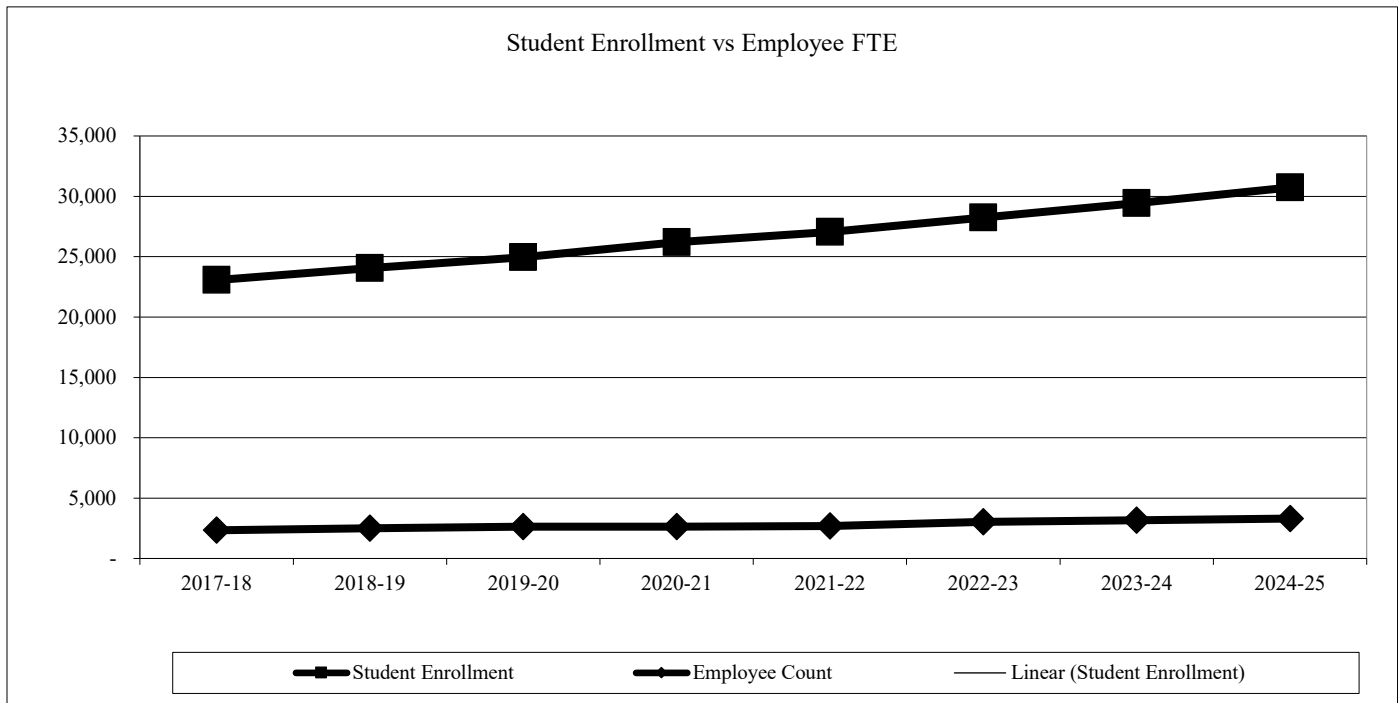
## 2023-2024 Adopted Budget

### Student Enrollment Projections

The annual enrollment projections are generated by Templeton Demographics. The enrollment projections are then reviewed by a District team before released to the campuses:

| <u>Department</u>                       | <u>Focus</u>                 |
|---|------------------------------|
| • Financial Services                    | Five-Year Financial Forecast |
| • Facilities, Planning and Construction | Capital Projects Forecast    |
| • Administrative Services               | Staffing Forecast            |

Templeton Demographics presents quarterly demographic reports to the Board of Trustees based on student geo-code, cohort and enrollment trends, housing market trends, charter school impact, mobility, and live birth rates. These findings create an understanding of the future residential developments' impact on the school district. The District is projected to grow to 30,527 students in 2023 - 2024 an increase of 1377 students.



### Student Enrollment Projections

| <u>Method</u>              | <u>Year</u> | <u>Total</u> | <u>(EC-5<sup>th</sup>)</u> | <u>(6<sup>th</sup>-8<sup>th</sup>)</u> | <u>(9<sup>th</sup>-12<sup>th</sup>)</u> |
|----------------------------|-------------|--------------|----------------------------|--|---|
| <b>Actual</b>              | 2019-20     | 25,263       | 12,043                     | 5,943                                  | 7,277                                   |
|                            | 2020-21     | 25,399       | 11,778                     | 6,065                                  | 7,556                                   |
|                            | 2021-22     | 27,612       | 13,035                     | 6,420                                  | 8,157                                   |
|                            | 2022-23     | 29,150       | 13,848                     | 6,665                                  | 8,637                                   |
| <b>Budget<br/>Forecast</b> | 2023-24     | 30,527       | 14,432                     | 7,037                                  | 9,058                                   |
|                            | 2024-25     | 32,018       | 15,227                     | 7,521                                  | 9,270                                   |
|                            | 2025-26     | 33,449       | 15,890                     | 8,121                                  | 9,438                                   |
|                            | 2026-27     | 34,930       | 16,626                     | 8,449                                  | 9,855                                   |

\*Source: Templeton Demographics 2021 2QTR



**2023-2024 Adopted Budget**

**NORTHWEST INDEPENDENT SCHOOL DISTRICT  
ENROLLMENT BY ORGANIZATION  
BUDGET FOR THE YEAR ENDING JUNE 30, 2024**

| <b>Description</b>                        | <b><u>Actual<br/>2019-20</u></b> | <b><u>Actual<br/>2020-21</u></b> | <b><u>Actual<br/>2021-22</u></b> | <b><u>Budget<br/>2022-23</u></b> | <b><u>Budget<br/>2023-24</u></b> |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Northwest High School                     | 1,908                            | 1,981                            | 2,171                            | 2,387                            | 2,799                            |
| Byron Nelson High School                  | 2,478                            | 2,620                            | 2,733                            | 2,843                            | 2,946                            |
| V. R. Eaton High School                   | 2,541                            | 2,712                            | 2,986                            | 3,237                            | 3,051                            |
| James M. Steele Accelerated High School   | 201                              | 232                              | 236                              | 237                              | 229                              |
| Alternative Education Campuses            | <u>45</u>                        | <u>34</u>                        | <u>37</u>                        | <u>50</u>                        | <u>33</u>                        |
| <b>Total High Schools</b>                 | <b><u>7,173</u></b>              | <b><u>7,579</u></b>              | <b><u>8,163</u></b>              | <b><u>8,754</u></b>              | <b><u>9,058</u></b>              |
| Medlin Middle School                      | 1,102                            | 1038                             | 994                              | 999                              | 1104                             |
| Gene Pike Middle School                   | 1,017                            | 1059                             | 1122                             | 1215                             | 1116                             |
| Chisholm Trail Middle School              | 490                              | 508                              | 597                              | 677                              | 761                              |
| John M. Tidwell Middle School             | 1,027                            | 1035                             | 1070                             | 1033                             | 1059                             |
| Truett Wilson Middle School               | 929                              | 964                              | 1298                             | 1386                             | 950                              |
| Leo Adams Middle School                   | 1,349                            | 1463                             | 1337                             | 1393                             | 1051                             |
| CW Worthington Middle School              | =                                | =                                | =                                | =                                | <u>996</u>                       |
| <b>Total Middle Schools</b>               | <b><u>5,914</u></b>              | <b><u>6,067</u></b>              | <b><u>6,418</u></b>              | <b><u>6,703</u></b>              | <b><u>7,037</u></b>              |
| Haslet Elementary School                  | 474                              | 517                              | 776                              | 1057                             | 652                              |
| Justin Elementary School                  | 577                              | 574                              | 600                              | 658                              | 621                              |
| Lakeview Elementary School                | 596                              | 536                              | 565                              | 548                              | 533                              |
| Roanoke Elementary School                 | 650                              | 595                              | 655                              | 637                              | 671                              |
| Seven Hills Elementary School             | 517                              | 517                              | 608                              | 708                              | 682                              |
| Samuel Beck Elementary School             | 806                              | 738                              | 762                              | 758                              | 684                              |
| W. R. Hatfield Elementary School          | 401                              | 409                              | 517                              | 588                              | 649                              |
| Prairie View Elementary School            | 482                              | 484                              | 597                              | 639                              | 643                              |
| Sonny and Allegra Nance Elementary School | 598                              | 596                              | 528                              | 558                              | 516                              |
| J. Lyndal Hughes Elementary School        | 679                              | 593                              | 680                              | 694                              | 661                              |
| Kay Granger Elementary School             | 785                              | 749                              | 732                              | 723                              | 709                              |
| Sendera Ranch Elementary School           | 639                              | 587                              | 586                              | 594                              | 775                              |
| O. A. Peterson Elementary School          | 766                              | 732                              | 678                              | 682                              | 695                              |
| Clara Love Elementary School              | 697                              | 656                              | 643                              | 709                              | 855                              |
| J. C. Thompson Elementary School          | 695                              | 680                              | 797                              | 907                              | 725                              |
| Carl E. Schluter Elementary School        | 882                              | 906                              | 683                              | 765                              | 717                              |
| Wayne A. Cox Elementary School            | 773                              | 745                              | 749                              | 796                              | 788                              |
| Lizzie Curtis Elementary School           | 608                              | 676                              | 607                              | 626                              | 703                              |
| Lance Thompson Elementary School          | 343                              | 466                              | 664                              | 907                              | 710                              |
| Berkshire Elementary                      | -                                | -                                | 554                              | 687                              | 569                              |
| Molly Livengood Carter Elementary School  | -                                | -                                | -                                | -                                | 458                              |
| Johnnie Daniel Elementary School          | =                                | =                                | =                                | =                                | <u>436</u>                       |
| <b>Total Elementary Schools</b>           | <b><u>11,968</u></b>             | <b><u>11,756</u></b>             | <b><u>12,981</u></b>             | <b><u>14,241</u></b>             | <b><u>14,452</u></b>             |
| <b>Total Enrollment</b>                   | <b><u>25,055</u></b>             | <b><u>25,402</u></b>             | <b><u>27,562</u></b>             | <b><u>29,698</u></b>             | <b><u>30,547</u></b>             |

**2023-2024 Adopted Budget**

**NORTHWEST INDEPENDENT SCHOOL DISTRICT  
EMPLOYEE (FTE) COUNT BY ORGANIZATION  
BUDGET FOR THE YEAR ENDING JUNE 30, 2024**

| <b>Description</b>                        | <b><u>Actual<br/>2019-20</u></b> | <b><u>Actual<br/>2020-21</u></b> | <b><u>Actual<br/>2021-22</u></b> | <b><u>Budget<br/>2022-23</u></b> | <b><u>Budget<br/>2023-24</u></b> |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Northwest High School                     | 163.60                           | 170.68                           | 161.70                           | 172.86                           | 179.43                           |
| Byron Nelson High School                  | 189.50                           | 188.60                           | 182.40                           | 195.00                           | 197.27                           |
| V. R. Eaton High School                   | 192.50                           | 200.00                           | 199.00                           | 214.66                           | 214.56                           |
| James M. Steele Accelerated High School   | 30.34                            | 31.00                            | 30.90                            | 22.80                            | 27.51                            |
| Alternative Education Campuses            | 5.53                             | 5.53                             | 12.00                            | 13.08                            | 16.11                            |
| Medlin Middle School                      | 93.10                            | 89.56                            | 82.20                            | 81.67                            | 83.33                            |
| Gene Pike Middle School                   | 88.49                            | 89.96                            | 87.10                            | 91.89                            | 91.35                            |
| Chisholm Trail Middle School              | 62.46                            | 64.49                            | 64.70                            | 67.88                            | 73.88                            |
| John M. Tidwell Middle School             | 85.31                            | 87.20                            | 82.20                            | 84.56                            | 85.02                            |
| Truett Wilson Middle School               | 82.79                            | 81.37                            | 91.90                            | 103.42                           | 85.38                            |
| Leo Adams Middle School                   | 102.69                           | 110.25                           | 100.10                           | 106.73                           | 93.66                            |
| C.W. Worthington Middle School            | -                                | -                                | -                                | 1.00                             | 77.14                            |
| Haslet Elementary School                  | 50.01                            | 56.70                            | 62.30                            | 86.59                            | 63.81                            |
| Justin Elementary School                  | 52.00                            | 56.45                            | 50.70                            | 58.27                            | 56.67                            |
| Lakeview Elementary School                | 59.38                            | 57.14                            | 56.60                            | 54.97                            | 54.89                            |
| Roanoke Elementary School                 | 58.41                            | 61.01                            | 56.40                            | 60.02                            | 62.95                            |
| Seven Hills Elementary School             | 57.11                            | 56.79                            | 58.60                            | 71.55                            | 72.87                            |
| Samuel Beck Elementary School             | 64.41                            | 58.81                            | 58.90                            | 60.28                            | 63.32                            |
| W. R. Hatfield Elementary School          | 47.01                            | 53.98                            | 50.80                            | 57.82                            | 67.75                            |
| Prairie View Elementary School            | 56.09                            | 63.62                            | 63.10                            | 72.74                            | 78.14                            |
| Sonny and Allegra Nance Elementary School | 54.22                            | 57.79                            | 51.70                            | 57.05                            | 64.54                            |
| J. Lyndal Hughes Elementary School        | 66.70                            | 62.74                            | 62.10                            | 68.47                            | 66.49                            |
| Kay Granger Elementary School             | 63.50                            | 61.26                            | 58.00                            | 59.82                            | 65.48                            |
| Sendra Ranch Elementary School            | 59.04                            | 59.71                            | 56.30                            | 65.40                            | 77.93                            |
| O. A. Peterson Elementary School          | 67.06                            | 67.31                            | 61.70                            | 65.74                            | 70.39                            |
| Clara Love Elementary School              | 66.85                            | 69.00                            | 61.30                            | 77.74                            | 88.15                            |
| J. C. Thompson Elementary School          | 62.30                            | 65.91                            | 66.60                            | 75.36                            | 78.32                            |
| Carl E. Schluter Elementary School        | 73.66                            | 81.81                            | 60.50                            | 69.11                            | 72.33                            |
| Wayne A. Cox Elementary School            | 68.50                            | 68.02                            | 65.40                            | 70.91                            | 71.78                            |
| Lizzie Curtis Elementary School           | 56.08                            | 66.24                            | 56.00                            | 62.60                            | 68.42                            |
| Lance Thompson Elementary School          | 39.47                            | 48.41                            | 57.30                            | 81.76                            | 62.63                            |
| Berkshire Elementary                      | -                                | -                                | 54.32                            | 69.84                            | 75.41                            |
| Molly Livengood Carter Elementary School  | -                                | -                                | -                                | 6.00                             | 55.93                            |
| Johnnie Daniel Elementary School          | -                                | -                                | -                                | 6.00                             | 52.53                            |
| Enhanced Services                         | 82.50                            | 18.80                            | 17.80                            | 18.80                            | 18.80                            |
| Cocurricular/Extracurricular Activities   | 12.00                            | 12.00                            | 13.50                            | 13.50                            | 13.50                            |
| Superintendent of Schools                 | 4.00                             | 4.00                             | 3.00                             | 3.00                             | 4.00                             |
| Communications                            | 8.00                             | 8.00                             | 10.00                            | 11.00                            | 11.00                            |
| Curriculum and Instruction                | 53.00                            | 20.00                            | 27.70                            | 28.70                            | 28.70                            |
| Legal Counsel                             | 2.00                             | 3.00                             | 3.00                             | 3.00                             | 3.00                             |
| Human Resources                           | 15.00                            | 15.00                            | 19.75                            | 19.75                            | 19.75                            |
| Financial Services                        | 22.50                            | 22.50                            | 22.50                            | 24.50                            | 24.50                            |
| Technology Services                       | 82.33                            | 50.25                            | 55.25                            | 60.25                            | 65.25                            |
| Facilities Planning, and Construction     | 72.95                            | 44.25                            | 53.00                            | 57.11                            | 64.36                            |
| Multi-Campus                              | 59.00                            | 16.88                            | 15.00                            | 20.00                            | 20.00                            |
| Transportation                            | -                                | -                                | 118.00                           | 133.00                           | 174.60                           |
| <b>Total Employees</b>                    | <b><u>2,631.90</u></b>           | <b><u>2,701.90</u></b>           | <b><u>2,844.10</u></b>           | <b><u>3147.80</u></b>            | <b><u>3416.11</u></b>            |

## 2023-2024 Adopted Budget

To measure the satisfaction level of our parents with the District's educational programs and services, Northwest ISD conducts a Parent Survey every other year. The results and input are used to determine measurements and strategies for campus action plans and the District Improvement Plan.

In November 2018, the parents and guardians of all Northwest Independent School District (NISD) students were invited to complete a parent satisfaction survey. The survey was available from November 26 – December 14, during which there were 2,700 individual responses. This represents an overall parent response rate of 11% of the total district enrollment. The responses represented all the various educational levels of NISD with 1.6% preschool representation, 46.7% elementary school representation, 26.8% middle school representation, and 24.8% high school representation. Survey topics included:

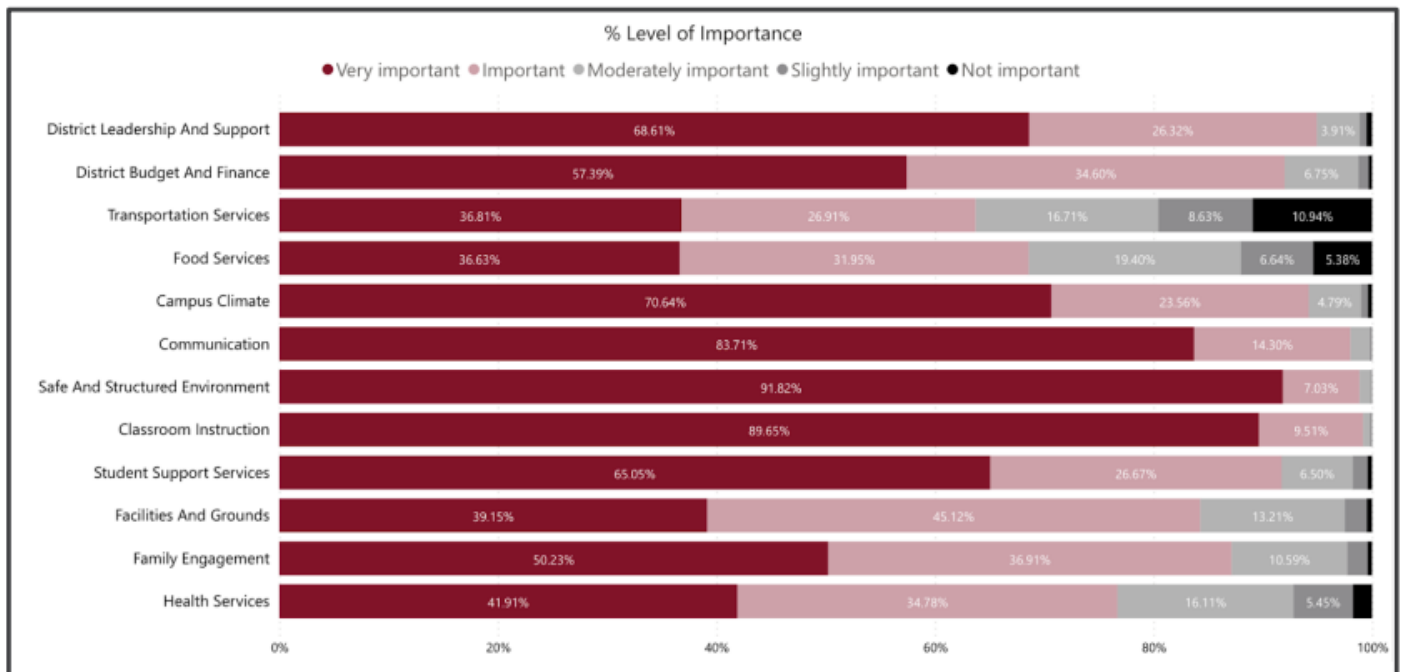
- School Climate
- Communications
- Safe and Orderly Environment
- Instructional Program
- Support Services

### Category Overview

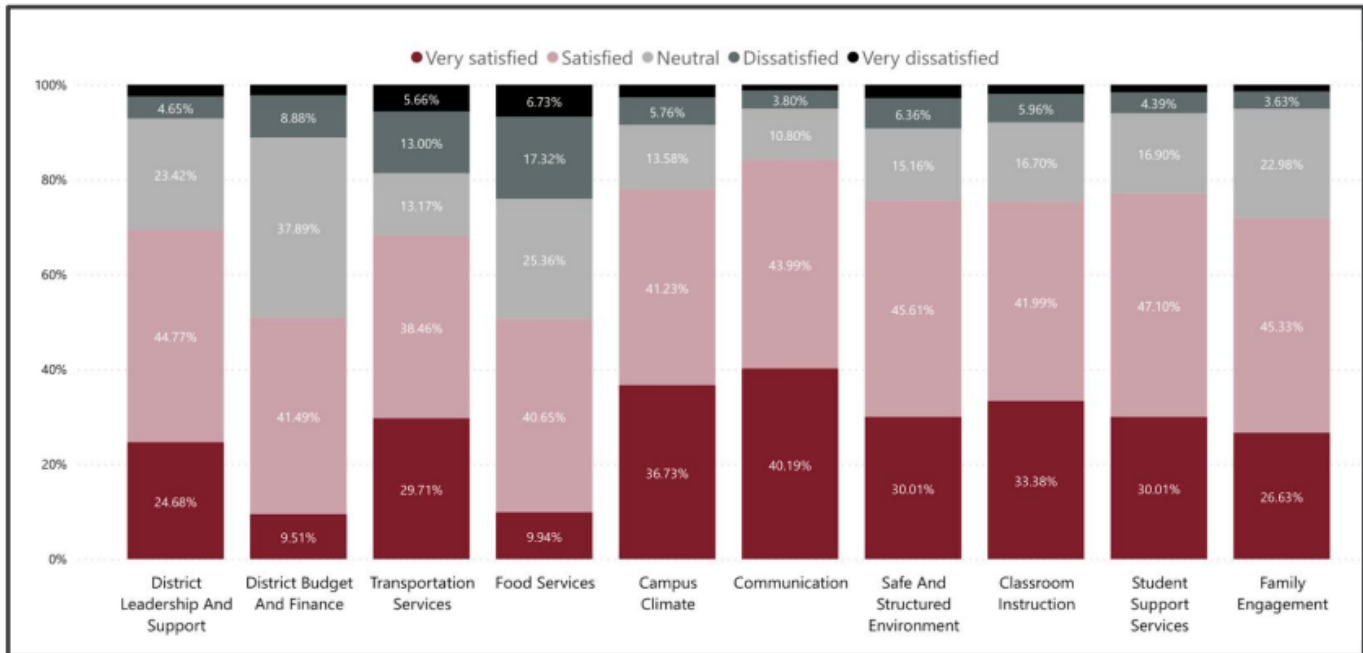
The Northwest ISD Family Survey opened February 6, 2023, and closed February 27, 2023. We will conduct this survey every other year to determine what district families value and their satisfaction in each area. We looked for areas where the district is succeeding and where it can improve. A total of 4,420 students were represented in this survey for an overall participation rate of 15%.

What we learned from families is that they remain extremely positive about Northwest ISD, as every category had higher satisfaction ratings than dissatisfaction ratings. All areas for improvement align with our district values and support our goals.

## WHAT FAMILIES VALUE



## FAMILY SATISFACTION RATES



## SUCCESSSES & TOP RATINGS

- **88%** of participating families are satisfied or very satisfied with **after-school care**.
- **84%** of families are satisfied or very satisfied with **district communication**.
- **82%** of families agree that they are aware that their child's campus has an **emergency response plan**.
- **82%** of families agree that teachers **hold and communicate high expectations for their children**.
- All **campus climate areas** have a dissatisfaction level **lower than 10%**.

## **Performance Measures – Texas Academic Performance Reports (TAPR)**

The Texas Academic Performance Reports (TAPR) gathers a wide range of information on the performance of students in each school and district in Texas every year. Performance is shown disaggregated by student groups, including ethnicity and low-income status. The reports also provide extensive information on school and district staff, programs, and student demographics. Given the impact of COVID-19, Governor Greg Abbott is using his statutory authority as the governor of Texas to suspend annual academic assessment requirements for the remainder of the 2019-2020 school year.

Texas provides annual academic accountability ratings to its public-school districts, charters, and schools. The ratings are based largely on performance on state standardized tests and graduation rates. The ratings examine student achievement, student progress, efforts to close the achievement gap and postsecondary readiness.

The Texas Academic Performance Reports (TAPR), formerly known as the Academic Excellence Indicator System (AEIS), pull together a wide range of information annually on the performance of students in each school and district in Texas. The reports, available back to the 2003–04 school year, provide extensive information on staff, programs, and demographics for each school and district.

### **State Ratings and Accountability System**

The Northwest Independent School District has consistently received a rating of “Superior Achievement” under the State of Texas School FIRST – financial accountability rating system. The Superior Achievement rating is the state’s highest, demonstrating the quality of the district’s financial management and reporting system. Northwest Independent School District’s School FIRST rating shows that the schools are accountable not only for student learning but also for achieving these results cost-effectively and efficiently.

This is the 22<sup>nd</sup> year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system of Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

### **School FIRST – Financial Integrity Rating System of Texas**

| <b><u>Description</u></b> | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> | <b><u>2020-2021</u></b> | <b><u>2021-2022</u></b> | <b><u>2022-2023</u></b> |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| School FIRST              | Superior                | Superior                | Superior                | Superior                | Superior                | Superior                |
| Rating                    | Achievement             | Achievement             | Achievement             | Achievement             | Achievement             | Achievement             |

## 2023-2024 Adopted Budget

### Texas Education Agency State Accountability

Texas provides annual [academic accountability ratings](#) to its public school districts, charters and schools. The ratings are based largely on performance on state standardized tests and graduation rates. The ratings examine student achievement, student progress, efforts to close the achievement gap and postsecondary readiness. A video available in [English](#) and [Spanish](#) provides a quick overview of the system.

To provide a broader examination of the overall performance of Texas school districts and charters, the [Texas Consolidated School Rating Report](#) combines the state's academic accountability and financial rating information with a new local component called Community and Student Engagement.

The [Texas Academic Performance Reports](#) (TAPR), formerly known as the [Academic Excellence Indicator System](#) (AEIS), pull together a wide range of information annually on the performance of students in each school and district in Texas. The reports, available back to the 2003–04 school year, provide extensive information on staff, programs, and demographics for each school and district.

Additional products that provide performance data are the [School Report Cards](#) and the [Texas Performance Reporting System](#).

| <b>Texas Accountability System</b><br><b>STAAR Percent at Approaches Standard or Above</b><br><b>All Grades</b> |  |  |  |  |  |
|---|--|--|--|--|--|
| <b><u>Description</u></b>   | <b><u>STAAR</u></b><br><b><u>2019-20</u></b> | <b><u>STAAR</u></b><br><b><u>2020-21</u></b> | <b><u>STAAR</u></b><br><b><u>2021-22</u></b> | <b><u>STAAR</u></b><br><b><u>2022-23</u></b> | <b><u>STAAR</u></b><br><b><u>2023-24</u></b> |
| <b>Reading</b>  | Not Rated                                    | 78%  | 83%  | 85%  | ---  |
| <b>Mathematics</b>  | Not Rated                                    | 78%  | 79%  | 79%  | ---  |
| <b>Writing</b>  | Not Rated                                    | %  | %  | %  | ---  |
| <b>Science</b>  | Not Rated                                    | 85%  | 84%  | 85%  | ---  |
| <b>Social Studies</b>   | Not Rated                                    | 85%  | 87%  | 83%  | ---  |
| <b>Economically Disadvantaged</b>   | 20.6%  | 21.6%  | 26.8%  | ---  | ---  |
| <b>Student/Teacher Ratio</b>  | 14.9   | 14.6   | 15.6   | ---  | ---  |
| <b>Teacher Turnover Rate</b>  | 13.1%  | 10.8%  | 19.8%  |  |  |

## 2023-2024 Adopted Budget

### Performance Measures – Financial Integrity Rating System of Texas (FIRST)

This is the 17th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

This rating shows that Northwest ISD is making the most of our taxpayers' dollars and the District schools are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.



Financial Integrity Rating System of Texas

#### 2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

|                                     |   |
|-------------------------------------|---|
| Name: <b>NORTHWEST ISD (061911)</b> | Publication Level 1: 8/4/2023 12:02:16 PM |
| Status: <b>Passed</b>               | Publication Level 2: 8/7/2023 3:01:39 PM  |
| Rating: A = Superior Achievement    | Last Updated: 8/7/2023 3:01:39 PM         |
| District Score: 98                  | Passing Score: 70                         |

#### DETERMINATION OF RATING

|   |   |        |
|---|---|--------|
| <b>A.</b>   | Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned. |        |
| <b>B.</b>   | Determine the rating by the applicable number of points.  |        |
|   | A = Superior Achievement  | 90-100 |
|   | B = Above Standard Achievement  | 80-89  |
|   | C = Meets Standard Achievement  | 70-79  |
|   | F = Substandard Achievement   | <70    |
| <b>No Rating =</b> A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41.<br><b>No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b><br><br>The school district receives an <b>F</b> if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis. |   |        |

## 2023-2024 Adopted Budget

### Risk Factors

A student is identified as being at risk of dropping out of school based on state-defined criteria. A student is defined as “economically disadvantaged” is he or she is eligible for free or reduce – price lunch or other public assistance.

| Dropout and Graduation Rates |              |                        |
|------------------------------|--------------|------------------------|
|                              | Dropout Rate | 4-year Graduation Rate |
| 2022                         | 0.9%         | 95.3%                  |
| 2021                         | 0.9%         | 97.0%                  |
| 2020                         | 0.6%         | 94.9%                  |
|                              |              |                        |
|                              |              |                        |
| Economically Disadvantaged   |              |                        |
|                              | District     | State                  |
| 2023                         | 26.8%        | 62%                    |
| 2022                         | 23.6%        | 60.6%                  |
| 2021                         | 21.5%        | 60.2%                  |
| 2020                         | 20.6%        | 60.3%                  |
|                              |              |                        |
|                              |              |                        |
| Teacher Rentention Rate      |              |                        |
|                              | District     | State                  |
| 2023                         | 80.2%        | 78.6%                  |
| 2022                         | 85.3%        | 82.3%                  |
| 2021                         | 89.2%        | 85.7%                  |
| 2020                         | 85.9%        | 83.2%                  |



**District, Student, and Staff Accomplishments**  
**District/Campus Accomplishments**

**Student Accomplishments**

- Northwest ISD recognized seven high school seniors from Byron Nelson High School, Northwest High School, and Eaton High School who achieved the status of National Merit Semifinalists in the 2023 annual competition. These seven students were part of approximately 16,000 Semifinalists in the 68<sup>th</sup> annual National Merit Scholarship Program.
- Northwest ISD takes great pride in the recognition of 118 juniors and seniors designated by the College Board as National Recognition Program. This acknowledgement is based on their exceptional academic accomplishments and outstanding performance on the PSAT and AP exams.
- The robotics team from Eaton High School participated in the University Interscholastic League's (UIL) Best Division Robotics Championships held in Frisco. The team secured first place for their marketing presentation, earned first place for displaying exceptional sportsmanship, and received an accolade for their outstanding software design.
- Fourteen students from James M. Steele Early College High School earn their associate degrees a full two weeks before they officially receive their high school diplomas. This remarkable accomplishment is possible through successful completion of 60 hours of dual credit coursework, fulfilling the criteria of Associate of Arts or Associate of Science degrees, and the second-largest class of graduates in the school's history.
- Northwest ISD sent a record-setting 11 Destination Imagination teams to the state tournament following a strong showing at the recent Greater Fort Worth Regional Tournament held in February. After scoring in the top six of their challenge group at the Lone Star Finals, four Northwest ISD Destination Imagination (DI) teams will advance to the elite Global Finals competition.
- Forty Northwest ISD students were recognized at the district's annual Fine Arts Breakfast and the seniors from all four of the district's high schools were awarded more than \$5.3 million in scholarships, the highest amount ever recorded by the program.
- Northwest ISD earned recognition as a top community for music education and was designated as a District of Distinction by the Texas Art Educators Association.
- Character.org, a national advocate and leader for the character education movement, has named Northwest ISD's Granger Elementary School a 2023 Texas School of Character. The program recognized Granger Elementary as a school that has demonstrated its use of character development to create a positive influence on academics, student behavior and climate.
- Elementary students across Northwest ISD competed in the 2023 Virtual Robotics Tournament for the fourth year. The teams that scored the highest overall for their challenges were crowned the tournament champions. Students had two months to complete their challenge and submit to compete against other schools virtually.
- Northwest ISD's three comprehensive high schools, Byron Nelson, Eaton, and Northwest, combined for fourteen nominations in the prestigious Betty Lynn Buckley Awards, one of the top theatre competitions in the state.
- Northwest ISD's Adams Middle School and Tidwell Middle School students were selected for the Texas Choral Directors Association (TCDA) Middle School All-State choir ensemble. This is the highest honor in Texas for middle school singers.
- Eaton High School senior Miranda Bauer made district history by becoming the first student to graduate from two separate academies- located at different campuses- offered through Northwest ISD. Bauer completed enough courses to fulfill requirements for both the Business Management & Entrepreneurship Academy and the Cosmetology Academy.
- The Northwest High School Texans earned the UIL 5A Girls Wrestling State Championship, making history with the first team wrestling title in both school and district history. Notably, their victory also marks the first team UIL state championship of any kind in school history.

## **2023-2024 Adopted Budget**

- Clay Martin made history by advancing his college education while enrolled in high school. Martin graduated with two associate degrees from Tarrant County College (TCC), through the school's accelerated program and partnership with Northwest ISD. The two degrees are in kinesiology and general education.
- Texas Music Educators Association (TMEA) All-State ensembles selected twelve students the highest honor a high school musician can achieve in Texas. The top-ranking musicians judged at the TMEA Area competitions qualify to perform in one of eighteen Texas All-State ensembles sponsored by the Band.

### **Staff Accomplishments**

- Northwest ISD honored Teachers of the Year for 2022-2023 on April 6, 2023, at the annual Inspire Celebration. Paola Morales of Roanoke Elementary School earned the Elementary Teacher of the Year, while Amberley Tanner of Steele Early College High School earned the Secondary Teacher of the Year recognition. All 31 Northwest ISD schools recognized their Exemplar Educators of the Year at this celebration after a rigorous evaluation of their leadership, motivation, and effectiveness in the classroom. In addition, 2023 Employees of the Year honored are Instructional Support - Frank Hempen (Steele Early College High School), Support Services - Courtney Rowe (Lakeview Elementary School) and Administrative Support- Angelica Jackson (Medlin Middle School).
- The Northwest ISD Safety and Security department received a recognition from Navigate360 for Excellence in School Safety & Wellness.
- Northwest ISD is proud to be among the educational institutions recognized by the Texas Association school Business Officials (TASBO) with the prestigious Award of Merit for Purchasing Operations for the eighth consecutive year. This award recognizes educational organizations for following best practices in purchasing operations.
- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwest Independent School District for its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2022, for the 21st time.
- The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Northwest Independent School District for its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2022, for the 19th time.

### **District/Campus Accomplishments**

Elementary schools across our district again held the annual Northwest Reads program, which invites community members to share their love of reading with young students. This year, more than 700 community members read books to children virtually because of the COVID-19 pandemic. Visitors were brought in over video chat and led reading sessions at each of Northwest ISD's 19 elementary schools. Childhood literacy continues to remain a focal point in our district, and we hope every student loves to read, across all ages and grade levels!

The National Parent Teacher Association named seven Northwest ISD schools – Justin, Hughes, Lance Thompson, and Lakeview elementary schools, Pike Middle School, and Northwest Byron Nelson high schools – to its list of 2020-22 Schools of Excellence. The schools were named to the list for maintaining positive community environments with their associations.

The design of Lance Thompson Elementary earned the Caudill Class recognition for 2020-2021 in the Texas Association of School Administrators' annual architecture competition, the top honor available for a school's architecture. Together, nearly 200 students, educators and district leaders envisioned a school with no boundaries, where learning was always on display. Biophilic design elements, connection to the outdoors, flexible small and large learning spaces, grade-level neighborhoods and an iconic, treehouse-inspired commons create a unique and inspirational academic experience.

All four high schools have been named to the U.S. News & World Report 2021 Best High Schools list.

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Niche.com ranks Northwest ISD among the top 100 school districts in Texas for the 2020-2021 school year. The website gave the district high marks in all categories, particularly academics, college prep, and clubs and activities.

The Northwest ISD Education Foundation presented 28 teaching grants to 17 campuses totaling \$61,846. For the first time ever, NEF also awarded a \$45,000 NISD all campus grant. All thirty campuses received a \$1,500 grant to support instruction in the classroom! NEF also awarded 41 scholarships to students across all four high schools totaling \$57,000.

Northwest ISD received the **Award of Merit for Purchasing Operations** with Recognized Status from the Texas Association of School Business Officials for the tenth consecutive year.

The Northwest ISD budget document was awarded the **Meritorious Budget Award** by ASBO for the 19<sup>th</sup> time.

The Government Finance Officers Association of the United States and Canada (**GFOA**) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Northwest Independent School District for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020 for the 19<sup>th</sup> time.

The Association of School Business Officials International (**ASBO**) awarded a **Certificate of Excellence in Financial Reporting** to Northwest Independent School District for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020 for the 17<sup>th</sup> time.

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## Northwest ISD Instructional Calendar

2023-2024 School Year – **REVISED 5/1/23**

\*Calendar is subject to change

| July 2023   |    |    |    |    |    |    | August 2023   |    |    |    |    |    |    | September 2023   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|---|----|----|----|----|----|----|--|----|----|----|----|----|----|
| Su  | M  | Tu | W  | Th | F  | Sa | Su  | M  | Tu | W  | Th | F  | Sa | Su   | M  | Tu | W  | Th | F  | Sa |
|   |    |    |    |    |    | 1  |   |    | 1  | 2  | 3  | 4  | 5  |  |    |    |    |    | 1  | 2  |
| 2   | 3  | 4  | 5  | 6  | 7  | 8  | 6   | 7  | 8  | 9  | 10 | 11 | 12 | 3  | 4  | 5  | 6  | 7  | 8  | 9  |
| 9   | 10 | 11 | 12 | 13 | 14 | 15 | 13  | 14 | 15 | 16 | 17 | 18 | 19 | 10   | 11 | 12 | 13 | 14 | 15 | 16 |
| 16  | 17 | 18 | 19 | 20 | 21 | 22 | 20  | 21 | 22 | 23 | 24 | 25 | 26 | 17   | 18 | 19 | 20 | 21 | ★  | 23 |
| 23  | 24 | 25 | 26 | 27 | 28 | 29 | 27  | 28 | 29 | 30 | 31 |    |    | 24   | 25 | 26 | 27 | 28 | 29 | 30 |
| 30  | 31 |    |    |    |    |    |   |    |    |    |    |    |    |  |    |    |    |    |    |    |
| July 3-7, 14, 21, 28   District Offices Closed<br>July 25, 26, 27   ENGAGE  |    |    |    |    |    |    | August 1, 2, 3   New to NISD Teachers Report<br>August 7-11, 14-15   All NISD Report for PL<br>August 16   1st Day of School  |    |    |    |    |    |    | September 4   Student-Staff Holiday<br>September 22   6-week UIL Grade Check   |    |    |    |    |    |    |
| October 2023  |    |    |    |    |    |    | November 2023   |    |    |    |    |    |    | December 2023  |    |    |    |    |    |    |
| Su  | M  | Tu | W  | Th | F  | Sa | Su  | M  | Tu | W  | Th | F  | Sa | Su   | M  | Tu | W  | Th | F  | Sa |
| 1   | 2  | 3  | 4  | 5  | 6  | 7  |   |    |    | 1  | 2  | 3  | 4  |  |    |    |    |    | 1  | 2  |
| 8   | 9  | 10 | 11 | 12 | 13 | 14 | 5   | 6  | 7  | 8  | 9  | 10 | 11 | 3  | 4  | 5  | 6  | 7  | 8  | 9  |
| 15  | 16 | 17 | 18 | 19 | 20 | 21 | 12  | 13 | 14 | 15 | 16 | 17 | 18 | 10   | 11 | 12 | 13 | 14 | 15 | 16 |
| 22  | 23 | 24 | 25 | 26 | 27 | 28 | 19  | 20 | 21 | 22 | 23 | 24 | 25 | 17   | 18 | 19 | 20 | 21 | 22 | 23 |
| 29  | 30 | 31 |    |    |    |    | 26  | 27 | 28 | 29 | 30 |    |    | 24   | 25 | 26 | 27 | 28 | 29 | 30 |
| October 13   End of 1st Quarter & Early Release<br>October 16   Student Holiday/Teacher Flex October<br>17   Beginning of 2nd Quarter                             |    |    |    |    |    |    | November 6   Student-Staff Holiday<br>November 7   Teacher Professional Learning<br>November 20-21   Student Holiday/Teacher Flex<br>November 22-24   Student-Staff Holiday |    |    |    |    |    |    | December 5-15   STAAR Testing Dates<br>December 21   End of 2nd Quarter & Early Release<br>December 22-29   Student-Staff Holiday  |    |    |    |    |    |    |
| January 2024  |    |    |    |    |    |    | February 2024   |    |    |    |    |    |    | March 2024   |    |    |    |    |    |    |
| Su  | M  | Tu | W  | Th | F  | Sa | Su  | M  | Tu | W  | Th | F  | Sa | Su   | M  | Tu | W  | Th | F  | Sa |
|   | 1  | 2  | 3  | 4  | 5  | 6  |   |    |    |    | 1  | 2  | 3  |  |    |    |    |    | 1  | 2  |
| 7   | 8  | 9  | 10 | 11 | 12 | 13 | 4   | 5  | 6  | 7  | 8  | 9  | 10 | 3  | 4  | 5  | 6  | 7  | 8  | 9  |
| 14  | 15 | 16 | 17 | 18 | 19 | 20 | 11  | 12 | 13 | 14 | 15 | 16 | 17 | 10   | 11 | 12 | 13 | 14 | 15 | 16 |
| 21  | 22 | 23 | 24 | 25 | 26 | 27 | 18  | 19 | 20 | 21 | 22 | 23 | 24 | 17   | 18 | 19 | 20 | 21 | 22 | 23 |
| 28  | 29 | 30 | 31 |    |    |    | 25  | 26 | 27 | 28 | 29 |    |    | 24   | 25 | 26 | 27 | 28 | 29 | 30 |
| January 1-5   Student-Staff Holiday<br>January 8-9   Teacher Professional Learning<br>January 10   Beginning of 3rd Quarter January<br>15   Student-Staff Holiday |    |    |    |    |    |    | February 19   Student-Staff Holiday   |    |    |    |    |    |    | March 8   End of 3rd Quarter & Early Release<br>March 11-15   Student-Staff Holiday/Spring Break<br>March 18-19   Teacher Professional Learning<br>March 20   Beginning of 4th Quarter<br>March 29   Student Holiday/Teacher Flex/Good Fri |    |    |    |    |    |    |
| April 2024  |    |    |    |    |    |    | May 2024  |    |    |    |    |    |    | June 2024  |    |    |    |    |    |    |
| Su  | M  | Tu | W  | Th | F  | Sa | Su  | M  | Tu | W  | Th | F  | Sa | Su   | M  | Tu | W  | Th | F  | Sa |
|   | 1  | 2  | 3  | 4  | 5  | 6  |   |    |    | 1  | 2  | 3  | 4  |  |    |    |    |    |    | 1  |
| 7   | 8  | 9  | 10 | 11 | 12 | 13 | 5   | 6  | 7  | 8  | 9  | 10 | 11 | 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 14  | 15 | 16 | 17 | 18 | 19 | 20 | 12  | 13 | 14 | 15 | 16 | 17 | 18 | 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 21  | 22 | 23 | 24 | 25 | 26 | 27 | 19  | 20 | 21 | 22 | 23 | 24 | 25 | 16   | 17 | 18 | 19 | 20 | 21 | 22 |
| 28  | 29 | 30 |    |    |    |    | 26  | 27 | 28 | 29 | 30 | 31 |    | 23   | 24 | 25 | 26 | 27 | 28 | 29 |
| April 9-30   STAAR Testing Dates  |    |    |    |    |    |    | May 1-3   STAAR Testing Dates<br>May 24   End of 4th Quarter/Early Release<br>May 24   Last Day of School<br>May 27 & 31   District Offices Closed                          |    |    |    |    |    |    | June 7, 14, 21, 28   District Offices Closed<br>June 19   Employee Flex Day/District Offices Closed  |    |    |    |    |    |    |

| IMPORTANT STUDENT DATES  |  | IMPORTANT STAFF DATES  |  |
|--|--|--|--|
| <b>Student and Staff Holidays</b><br>September 4, November 6, November 22-24, December 22-January 5, January 15, February 19, March 11-15<br><b>Student Holidays</b><br>October 16, November 20 & 21, March 29<br><b>Student Holidays – Teacher Professional Learning Days</b><br>November 7, January 8-9, March 18-19<br><b>STAAR Testing Dates</b><br>April 9-30<br><b>Early Release Days for Students</b><br>October 13, December 21, March 8, May 24 |  | <b>Student and Staff Holidays</b><br>September 4, November 6, November 22-24, December 22-January 5, January 15, February 19, March 11-15<br><b>Student Holiday – Teacher Flex Days</b><br>October 16 (Parent-Teacher Conf. Flex Days)<br>November 20-21, March 29, (Summer Professional Learning Flex Days – 18 hours)<br><b>All NISD Staff report – Professional Learning</b><br>August 7-11 and 14-15<br><b>Professional Learning Flex Days</b><br>November 7, January 8-9, March 18-19<br><b>These days count toward the total instructional minutes required by TEA.</b><br><b>STAAR Testing Dates</b><br>April 9-30<br><b>Engage Professional Learning Conference</b><br>July 25, 26, 27<br><b>New to NISD Teachers report</b><br>August 1, 2, 3 |  |

First Day of School – August 16, 2023

Last Day of School – May 24, 2024

Student Holidays – Students do not report to school.

## Education Terms and Abbreviations

**Academic Excellence Indicators System (AEIS):** A system of indicators established by the Legislature and adopted by the State Board of Education to help determine the quality of learning on a campus and in a school district. The indicators include passing rates on the state assessment tests, attendance, graduation rates, dropout rates, and scores on college entrance exams. The state will assess district and school performance compared with state-level standards. AEIS is the foundation for a school district's accountability rating.

**Accountability Ratings:** The Accountability Ratings System ranks campuses and districts as *exemplary*, *recognized*, *acceptable*, and *low performing* based on the percentage of students who pass the state assessment instruments and the dropout rate.

**Accrual Basis of Accounting:** A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

**Actual Tax Rate or Nominal Tax Rate:** The tax rate levied by school districts and used to calculate tax bills. (See "Effective Tax Rate.")

**Alternative Education Program (AEP):** The law governing AEPs requires school districts to set up an educational setting for students who engage in certain illegal conduct or for students who violate certain provisions of the school district's code of conduct. Students assigned to an AEP must be separated from students not included in that program. These programs have come to be called "disciplinary AEPs." Many school districts have established alternative education programs for dropout prevention and to address the unique needs of the small percentage of students who do not "fit" the traditional secondary schools. All AEPs must provide for students' educational and behavioral needs. Districts must allocate to an AEP the same expenditure per student that would be allocated to the student's school if the student was attending the student's regularly assigned program, including a special education program.

**Alternative Teacher Education Programs:** Some institutions of higher education, education service centers, and large school districts have been approved by the State Board for Educator Certification to operate alternative programs of preparation for teachers and administrators. These programs may involve university coursework or other professional development experiences, as well as intense mentoring and supervision during the candidate's first year in the role of educator. In addition, some regional education service centers offer alternative programs of preparation similar to the school-based programs.

**Association of School Business Officials International (ASBO):** The Association of School Business Officials International, founded in 1910, is a professional association which provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

**Available School Fund (ASF):** Created by the Texas Constitution of 1876, the ASF is made up of earnings from the Permanent School Fund and constitutionally dedicated motor fuel taxes and other miscellaneous revenue sources. The bulk of ASF revenue is distributed on a per-capita basis to all school districts. A portion provides funding for free textbooks and technology needs for schoolchildren.

**Basic Allotment:** The basic allotment is the initial or starting number that, after adjustment, is used to calculate foundation program costs and state aid to school districts. Currently, the basic allotment is \$2,537 per student.

**Budgetary Basis of Accounting:** The method used to determine when revenues and expenditures are recognized for budgetary purposes.

**Campus or Campus Program Charter:** A local school board may grant a charter to parents and teachers of a campus within the district if the board receives a petition signed by the parents of a majority of the students at the campus and a majority of teachers at the campus. The code also permits two or more campuses to form a cooperative charter program. Other charters are home-rule school district charters and open-enrollment charters.

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**Capital Appreciation Bond (CAB):** A bond that is issued at a deep discount and does not have a stated coupon rate. Both principal and interest are due and payable at maturity.

**Caps:** A general term that describes statutory limits on tax rates, revenues, or increases in school district expenditures.

**Chapter 49 District:** Refers to Chapter 49 of the Texas Education Code, which pertains to school districts with property wealth in excess of \$305,000 per weighted student and subject to reduction provisions.

**Chapter 49 Options:** Provides school districts with property wealth in excess of \$305,000 per weighted ADA with five options to reduce their property wealth to the \$305,000 threshold: (1) district consolidation by board action, (2) detachment and annexation of property by board action, (3) purchase of attendance credits from the state (voter approval required), (4) contract with other districts for educating their students (voter approval required), and (5) tax base consolidation (voter approval required).

**CISD:** Consolidated Independent School District.

**Compensatory Education:** The state compensatory education allotment provides additional financial support to school districts to teach educationally disadvantaged pupils and underachieving students. A program of compensatory education should provide additional services and instructional support, beyond the regular program, to help students compensate for academic deficiencies and includes programs for at-risk students. The allotment is based upon the number of students participating in the federal free or reduced-price lunch program.

**Completion Rate:** A longitudinal measure that shows the status of students expected to graduate, starting with their first attendance in ninth grade.

**Annual Comprehensive Financial Report (ACFR):** A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

**Conforming Textbook List:** One of two lists to which the State Board of Education assigns textbooks it adopts. This list includes textbooks that address all of the adopted Texas Essential Knowledge and Skills (TEKS) for the subject and grade level and that meet applicable physical specifications. (See "Nonconforming Textbook List.")

**Cost of Education Index (CEI) or Adjustment:** An index the state uses to adjust the basic allotment to account for geographic or other cost differences beyond local school district control. The current index has not been updated since 1990.

**County Appraisal District (CAD):** Each county (some multicounty) has established an appraisal district office that is responsible for maintaining taxable real and personal property records and placing a value on all property for taxation purposes. A chief appraiser, an individual appointed by an appraisal district board of directors, heads the CAD office. The appraisal district board is, in turn, elected by certain taxing entities.

**CSD or CCSD:** Common School District or Common Consolidated School. Generally, very small districts with three-member (CSD) or seven-member boards of trustees that govern district affairs. Taxing authority is held by the county commissioner's court.

**Denton Central Appraisal District (DCAD):** (See "County Appraisal District.")

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**Denton County Tax Assessor / Collector (DCTA/C):** The Tax Assessor/Collector is the constitutional office directed to assess and collect all ad valorem tax accounts as identified and valued by the Denton Central Appraisal District. The Denton County Tax Office also collects property taxes for 47 other taxing jurisdictions (school districts, cities and special districts).

**Debt Service:** (See "Interest and Sinking Fund.")

**Disciplinary Alternative Education Programs:** (See "Alternative Education Program.")

**Distinguished Budget Presentation Award (Budget Awards Program):** The Budget Awards Program is designed Government Finance Officers Association to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens. Since the program was first established in 1984, participation has grown from 113 to 912. During FY 2001, approximately 925 governments are expected to submit budgets to the program.

**District:** Northwest Independent School District.

**District-Level Decision-Making Process:** The school board annually approves district and campus performance objectives and assures that district and campus plans are mutually supportive and, at a minimum, meet the state's educational goals. Each district has a distinct improvement plan that is developed, evaluated, and revised each year by the superintendent, with the assistance of the district-level decision-making committee.

**Dropout:** A student is identified as a dropout if he or she is absent without an approved excuse or document transfer and does not return to school by the fall of the following year, or if he or she completes the school year but fails to reenroll the following school year. School districts report the status of all students enrolled in grades 7 through 12 in the district during the prior school year in one of two ways: as being in school or as having left school. The "leaver record" provides reasons for leaving school.

**Dropout Rate (Annual):** The annual dropout rate is the count of official dropouts summed across all grades (7 through 12) divided by the number of students summed across all grades (7 through 12). The annual dropout rate is different than a longitudinal rate, which compares the number of students who began school together in the seventh grade and who eventually graduate.

**Edgewood v. Meno:** The long-running school finance equity lawsuit formerly known as *Edgewood v. Kirby*, was filed in 1984 by a group of low-property wealth school districts (led by Edgewood ISD in San Antonio). At the center of the dispute was what constitutes an efficient system of school finance. In 1995, the Texas Supreme Court defined an efficient system of school finance as one that provides all districts with substantially equal access to operations and facilities funding necessary for the general diffusion of knowledge. The court held that Senate Bill 7, the 1993 school finance law, met this standard.

**Education Service Center (ESC):** Twenty intermediate education units located in regions throughout Texas that assist and provide services for local school districts.

**Educator Certification:** Everyone certified to teach in Texas must hold a bachelor's degree with coursework in three areas: (1) a broad general education, (2) an academic specialization(s), and (3) teaching knowledge and abilities. The exceptions to the degree requirement are certain career and technology certificates issued on the basis of work experience. Additionally, candidates for certification must demonstrate basic academic skills by passing tests in reading, mathematics, and writing before admission to a teacher-preparation program or must show evidence of these skills on other appropriate alternative assessments.

**Effective Tax Rate:** The tax rate that, if applied to the current local tax roll, would raise the same amount of revenue as in the previous year. This tax rate is an important element of the annual truth-in-taxation process.

**Electronic Textbooks:** This term includes computer software, interactive video- disc, magnetic media, CD-ROM, computer courseware, on-line services, an electronic medium, or other electronic means.



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**Equity:** In school finance, the term refers to fair or equal distribution of resources for schooling, taking into account student differences and school district characteristics. The standard used by the Texas Supreme Court is a taxpayer equity standard, which means similar revenue for similar tax effort. In other words, the school finance system is to be property wealth neutral: a district's property tax base should have little or no impact on its ability to finance the local share of the Foundation School Program.

**Facilities Funding:** The Legislature provides assistance to school districts for facilities construction in two ways. The Instructional Facilities Allotment (IFA) provides a state partnership with local districts in making debt service payments to retire bonds for construction of new facilities or renovations to existing facilities. Districts receiving aid are guaranteed \$35 per pupil per penny of tax effort. State aid is limited by appropriations and low-wealth districts have priority in receiving IFA funding. The Existing Debt Allotment provides state assistance to districts for existing debt that is not covered by IFA funding. The state guarantees \$35 per unweighted student per penny for up to 12 cents of tax effort. The commissioner of education has extended the tax cap to 29 cents for the 2002-03 school year.

**Financial Integrity Rating System of Texas (FIRST):** The 77th Legislative Session directed the commissioner of education, in consultation of the Comptroller's office, to "...develop and implement a financial accountability rating system for school districts in this state." In response to this directive, the Texas Education Agency (TEA) developed the Financial Integrity Rating System of Texas (FIRST), which was fully implemented in the 2003-04 school year using 2002-03 data.

**Foundation School Program (FSP):** A program for the support of a basic instructional program for all Texas schoolchildren. Money to support the program comes from the Permanent School Fund, Available School Fund, Foundation School Fund, state general revenue, and local property taxes. The state establishes a foundation level and sets, for each district, a calculated contribution level called the local fund assignment (LFA). The greater a district's property wealth, the higher the LFA. State aid makes up the difference between the LFA and the foundation level. (See also "Local Fund Assignment.") Currently, the FSP described in the Texas Education Code consists of three parts or tiers. The first tier provides funding for a basic program. The second tier provides a guaranteed-yield system so that school districts have substantially equal access to revenue sufficient to support an accredited program. The third tier equalizes debt service requirements for existing facilities debt.

**Foundation School Program Tax Rate:** This is the rate used in calculating state aid to school districts. It is calculated by dividing actual collections by the prior year's taxable value determined by the state property tax division of the state comptroller.

**Government Finance Officers Association (GFOA):** A professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. The association's nearly 15,000 members are dedicated to the sound management of government financial resources.

**Guaranteed Yield:** A school finance plan in which the state specifies a revenue yield that it will guarantee in terms of revenue per student per penny of local tax effort. The districts adopt tax rates and levy taxes. The state makes up the difference between what each district levies locally per student and the guaranteed-yield per student. High-wealth districts may raise all of their guaranteed-yield revenue from local tax sources. In Texas, this is commonly known as Tier 2 in the Foundation School Program. In 2002-03, the guarantee is \$27.14 per weighted student.

**Home-Rule School District Charters:** The Texas Education Code permits a school district to adopt a home-rule school district charter itself and break free from many state rules and regulations. Home-rule school districts must maintain satisfactory performance on the statewide accountability system. The concept is patterned after home-rule municipalities in Texas. Other charter programs include open-enrollment charters and campus, or campus program, charters. To date, no Texas school district has gone through the home-rule charter process.

**Independent School District (ISD):** The Texas Constitution permits the state Legislature to create school districts. Each district operates its schools and taxes property within the district to support, in part, the schools. The term independent refers to the fact that the school district is not a part of city or county government and has independent budgeting and taxing



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authority. In some states, cities or townships operate or fund schools in addition to providing other government services. ISDs are governed by locally elected boards of trustees.

**Individual Education Plan (IEP):** A document required by federal law that details the special education requirements for each disabled student and explains how the school intends to address the student's needs. An IEP is intended to help ensure that disabled students have equal access to public education in the least restrictive environment.

**Individuals with Disabilities Education Act (IDEA):** The 1997 IDEA strengthens academic expectations and accountability for the nation's 5.4 million children with disabilities.

**Instructional Facilities Allotment (IFA):** Since 1997, the IFA has provided districts funds to school districts to help pay for debt service. The mechanism for computing the state and local share of the IFA payment is a guaranteed-yield formula. Low-wealth school districts and school districts not already participating in the IFA program have priority in receiving IFA funding for construction or lease of new instructional facilities.

**Interest and Sinking Fund (I&S) Tax Levy:** Also called the debt service fund. A tax levied and money used by school districts to pay for bonded indebtedness, usually construction of facilities or other capital needs.

**Juvenile Justice Alternative Education Program (JJAEP):** In counties with populations greater than 125,000, the juvenile board must develop a juvenile justice AEP approved by the Texas Juvenile Probation Commission. In these larger counties, students who engage in conduct requiring expulsion under Chapter 37 of the Texas Education Code must be placed in a JJAEP.

**Local Fund Assignment (LFA):** The portion of the foundation program allotment required to be paid by school districts using the local property tax. The greater the property wealth of the district, the higher the LFA and the lower the amount of state aid the district will receive. (See also "Foundation School Program.")

**Maintenance and Operations Tax (M&O):** A local school district tax rate that raises revenue to be used for any legal purpose to operate and maintain the district's schools.

**Modified Accrual Basis of Accounting:** Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**Meritorious Budget Award (MBA):** The Meritorious Budget Award was designed by the Association of School Business Officials International and school business management professionals to enable school business administrators to achieve a standard of excellence in budget presentation. The program helps school systems build a solid foundation in the skills of developing, analyzing, and presenting a budget. The Meritorious Budget Award is only conferred to school systems that have met or exceeded the Meritorious Budget Award Program Criteria.

**Nonconforming Textbook List:** One of two lists to which the State Board of Education assigns textbooks it adopts. This list must include textbooks that address at least half of the adopted Texas Essential Knowledge and Skills (TEKS) for the subject and grade level and meet applicable physical specifications. (See "Conforming Textbook List.")

**Open-Enrollment Charters:** Open-enrollment charter schools may be established by private nonprofit organizations, colleges and universities, and other governmental entities that apply to the State Board of Education. The law authorizes the State Board to approve up to 215 open-enrollment charter schools. Law also provides for creation of college or university charter schools at "public senior colleges and universities." There is no limit on the number of these charter schools that may be granted. Other charter programs include home-rule school district charters and campus or campus program charters.

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**Permanent School Fund (PSF):** A perpetual trust fund created by the Texas Constitution in 1876. PSF earnings go into the Available School Fund, which the state apportions on a per-capita basis to districts for students enrolled in Texas public schools after funding state textbook purchases. PSF investments include U.S. Treasury bonds, Texas municipal bonds, school district building bonds, and securities. The State Board of Education administers the Fund under constitutional and statutory requirements.

**Premium Capital Appreciation Bond (PCAB):** A bond that is issued at a deep discount and does not have a stated coupon rate. Principal, interest and premium are all due and payable at maturity.

**Public Education Information Management System (PEIMS):** A data management system that includes information on student demographics, performance, teacher salaries, etc. The information for PEIMS is transmitted from local school districts to the Texas Education Agency by the education service centers.

**Public Information Act (PIA):** PIA defines public information as information collected, assembled, or maintained under a law or in connection with a governmental body's transaction of official business. PIA provides that public information must be made available to the public upon request during the normal business hours of the district, unless an exception applies that allows or requires that the information not be made public.

**Rollback:** Rollback is a taxpayer relief mechanism that allows local voters to contravene the school board's maintenance and operations (M&O) tax rate decision if it exceeds a certain level. If the school board adopts an M&O tax rate that exceeds the rollback tax rate, the district must call an election so voters can determine whether to ratify the adopted tax rate. The rollback rate is equal to the tax rate that would provide the same local taxes and state aid per weighted average daily attendance as was available the previous year plus \$0.06.

**School Board Authority:** Statute gives local school boards the exclusive power and duty to govern and oversee the management of the public schools. Powers and duties not specifically delegated to the Texas Education Agency or the State Board of Education are reserved for local trustees.

**State Board of Education (SBOE):** A 15-member body elected by general election (staggered, four-year terms) from various regions statewide to provide leadership and to adopt rules and policies for public education in the state. The board's primary responsibility is to manage the Permanent School Fund.

**Tax-Increment Financing:** Financing secured by the anticipated incremental increase in tax revenues, resulting from the redevelopment of an area.

**Teacher Retirement System (TRS):** TRS delivers retirement and related benefits authorized by law for members.

**Technology Allotment:** This allotment is part of the state textbook fund and can be used to purchase electronic textbooks or technological equipment that contributes to student learning or teacher training. The allotment is \$30 per ADA.

**Telecommunications Infrastructure Fund (TIF):** Created by the Legislature in 1995, the TIF has funded schools, libraries, and hospitals with \$1.5 billion for distance learning and information sharing.

**Texas Assessment of Academic Skills (TAAS):** A state-developed test administered each year to students in grades 3 through 8 and 10 (exit-level) to determine student achievement levels on state-established learning objectives. Replaced by the Texas Assessment of Knowledge and Skills (TAKS) effective for the 2002-03 school year.

**Texas Assessment of Knowledge and Skills (TAKS):** TAKS replaces the Texas Assessment of Academic Skills (TAAS), a criterion-referenced test used in Texas schools for 12 years. TAKS will begin in spring 2003, with tests in reading in grades 3 through 9; language arts in grades 10 and 11; mathematics in grades 3 through 11. The 11<sup>th</sup> grade exit-level test will assess English III, algebra I, geometry, biology, integrated chemistry and physics, early American and U.S. history,

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world geography, and world history. TAKS will be a more challenging examination for Texas students, according to the results of field tests.

**Texas Education Agency (TEA):** The administrative and regulatory unit for the Texas public education system managed by the commissioner of education. TEA is responsible for implementing public education policies as established by the Legislature, State Board of Education, and commissioner of education.

**Texas Education Code (TEC):** This code applies to all educational institutions supported in whole or in part by state tax funds.

**Texas Essential Knowledge and Skills (TEKS):** Subject-specific state learning objectives adopted by the State Board of Education. The state's academic tests. [see Texas Assessment of Knowledge and Skills (TAKS)] are aligned with the TEKS.

**Texas Open Meetings Act (TOMA):** TOMA makes school board meetings to discuss and decide public business accessible. The TOMA Decision requires governmental entities to provide prior public notice of what is to be discussed and where and when discussion will take place. Closed meetings are permitted only when specifically authorized by law. Civil and criminal penalties can result when a board violates provisions of this act.

**University Interscholastic League (UIL):** The governing organization for most public school extracurricular activities operated through The University of Texas at Austin. Rulemaking authority for the UIL lies with its members and the State Board of Education.

**Vouchers:** The use of taxpayer funds for private school education. Legislation was introduced during the 76th Legislative Session (1999) to implement a pilot program for certain students. Although the legislation failed, this issue may be an important one during the 78<sup>th</sup> Legislative Session in 2003.

**Wealth:** In school finance, the wealth of a district is measured in taxable value of property per weighted ADA.

**Weighted Students in Average Daily Attendance (WADA):** In Texas, students with special educational needs are weighted for funding purposes to help recognize the additional costs of educating those students. Weighted programs include special education, career and technology, bilingual, gifted and talented, and compensatory education. A weighted student count is used to distribute guaranteed-yield funding and establish Chapter 41 thresholds.

**Zero Tolerance:** This concept that student misbehavior in class will not be allowed was passed by the 1995 Legislature empowered teachers to remove from class students who disrupt the learning process.

**Source:** Texas Association of School Boards, *A Reporter's Guide to Texas Public Education*, with local district additions.

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