

Board Book



Fabens ISD

Public Meeting to Discuss Tax Rate

Wednesday, August 16, 2023

6:00 PM

Public Tax Rate Meeting
Wednesday, August 16, 2023 6:00 PM

821 NE G Avenue - Central Office Board
Room - Fabens, TX
821 NE G AVENUE, P O BOX 697
FABENS, TX 79838

Agenda

1. **Call to Order, Roll Call, Pledge of Allegiance, Mission and Vision Statements**
2. **Communication and Visitors**
3. **Public Meeting to Discuss 2023 - 2024 Fabens ISD Tax Rate**
4. **Adjourn**

**FABENS I.S.D.
BOARD OF TRUSTEES**

Date: 8/16/2023 Presented By: Board President
Call to Order, Roll Call, Pledge of
Allegiance, Mission and Vision
Subject: Statement Related Page(s) N/A

Action

**BACKGROUND INFORMATION:
CALL to ORDER, ROLL CALL,
PLEDGE OF ALLEGIANCE, VISION and
MISSION STATEMENTS**

The August 16, 2023 Tax Meeting is called to order at _____.

Let the minutes show that:

- 1) all members are in attendance

OR

- 2) _____ is (are) not in
attendance.

Reason: () Illness () Family Emergency
() Out of Town () Other _____

_____(name) will lead us in the reciting of the Pledge of
Allegiance

VISION STATEMENT

Working together, Fabens ISD creates a positive and lasting impact through multiple learning opportunities.

MISSION STATEMENT

All students of the District will be prepared to be successful, lifelong global learners.

FABENS ISD
BOARD OF TRUSTEES

Date: 8/16/2023 Presented By: Board President
Subject: Communication and Visitors Related Page(s) N/A

Action

BACKGROUND INFORMATION:

The Board President will allow anyone who has signed the sheet to address the Board at this time. According to board policy BED (Local):

“The Board encourages comments from citizens of the district or employees. The Board asks that comments pertain to public education issues and be no longer than 15 minutes combined.

“Remember that the Board may not discuss any issues that are not posted on our agenda

“The board will not hear complaints or concerns regarding individual employees or students at this time. The district has a policy outlining procedures for bringing complaints or concerns about specific individuals to the attention of the district and ensuring that they are addressed in a timely manner.

“Copies of our district policies on public participation in meetings and filing complaints are available at the Office of the Superintendent.”

Finally, please be aware that rules of decorum will be enforced during the public comment period. Personal attacks, name-calling, and rude or slanderous remarks will not be tolerated. Each participant is legally responsible for the content and consequences of his/her own statements.

**PROPOSED 2023-2024
TAX RATE FOR
PUBLISHING PUBLIC
HEARING**

AUGUST 16, 2023





I&S and M&O

- Interest and Sinking (I&S) Tax Rate is the tax rate levied by districts to pay for any bond debt that may have been issued to fund the construction of schools and facilities. The I&S tax rate is capped at \$0.50 per \$100 of property value.
- Maintenance and Operations (M&O) Tax Rate is the tax rate levied by districts to fund the operations and maintenance of schools, including maintenance tax notes, and contracts to finance movable equipment.



Proposed 2023-2024 Tax Rate

According to House Bill 3, school district M&O rates will be compressed to the lower of the state compressed rate or the local compressed rate beginning in tax year 2020 when property values increase more than 2.5%. The more property values grow, the lower the compressed or base M&O tax rate. Prior to HB3, state aid was based on prior year values and there was a funding lag. **With current values, there is no longer a funding lag.**

Districts will report their property values in late July 25, 2023, to TEA and TEA will calculate the local district's compressed tax rates in August. The Fisd budget is based on a 2.24% property increase value calculated by the TEA worksheet.

Based on the data we have from the El Paso County Appraisal District and the TEA tools we have estimated, we are proposing the compressed rate.

**Disclosure: FY23-24 are projected
TEA will assign the final TAX RATE by 8/31**



Proposed 2023-2024 Tax Rate

- Fabens ISD is estimating M&O to be 0.7910 .
- The **M&O=0.7910** and **I&S=0.33211** (no change is made to this rate base on our current debt payment, and we need accurate values)
- **Total=1.1231**

FY- 2023-2024





Proposed 2023-2024 Tax Rate

Notice of Public Meeting to Discuss Budget and Proposed Tax Rate proposing the M&O Tax Rate at .79100 and the I&S Rate at .3321= 1.12310

- El Paso Central Appraisal District will release certified property values on July 25, 2023
- TEA will set the final M&O Rates by August 31, 2023
- State Comptroller will set T2 Values in FY2023 Preliminary Values will be released December 2023

SS#2 - R2
07/18/23

Notice of Public Meeting to Discuss
Budget and Proposed Tax Rate

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	1.00540	0.33210	1.33750	1,678	11,283
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service					
Proposed Rate	0.79100	0.33210	1.12310	1,326	11,155

* The Interest and Sinking Fund tax revenue is used to pay for bonded debt on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.



PROPOSED TAX RATE FY 2023-2024 (PRELIMINARY RATE PROPOSAL)

The House, Senate pass a property tax relief package, This means it will be a 100K homestead exemption and taxes to be reduced by 10.7 Cents (.107) reduction in the taxes rate. So, for example, if our rate is .9333 it would be more like .8333 M&O Only, But taxpayers homestead went from 40k to 100k so their value is 80k they won't pay taxes

	FY 2022-2023 Adopted Rate	FY 2023-2024 Rate Proposed	Difference
M & O	\$ 1.0054	\$.7910	\$ <0.2144>
I & S	\$.3321	\$.3321	\$ <0>
Total	\$ 1.3375	\$1.1231	\$ <0.2144>



THANK YOU.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$ 1.0054	\$ 0.3321 *	\$ 1.3375	\$ 1,678	\$ 10,922
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ 0.7749	\$ 0.3321 *	\$ 1.1070	\$ 1,385	\$ 11,137
Proposed Rate	\$ 0.7910	\$ 0.3321 *	\$ 1.1231	\$ 1,446	\$ 11,404

* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

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

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$ 110,689	\$ 128,100
Average Taxable Value of Residences	\$ 46,630	\$ 0
Last Year's Rate Versus Proposed Rate per \$100 Value	\$ 1.3375	\$ 1.1231
Taxes Due on Average Residence	\$ 624	\$ 0
Increase (Decrease) in Taxes		\$ (624)

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

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.1231. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.1231.

Fund Balances

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

Maintenance and Operations Fund Balance(s)	\$ 12,373,734
Interest & Sinking Fund Balance(s)	\$ 680,366

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

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

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

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Fabens Independent School District will hold a public meeting at August 16, 2023 at 6:00PM in the Fabens ISD Administration Building at 821 NE "G" Avenue, Fabens, Texas 79838. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

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

Maintenance Tax \$ 0.7910 /\$100 (Proposed rate for maintenance and operations)

School Debt Service Tax

Approved by Local Voters \$ 0.3321 /\$100 (proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

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

Maintenance and operations	<u>3.28</u>	% increase	or		% (decrease)
Debt service		% increase	or	<u>1.49</u>	% (decrease)
Total expenditures	<u>2.88</u>	% increase	or		% (decrease)

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

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$ <u>360,846,195</u>	\$ <u>419,162,925</u>
Total appraised value* of new property**	\$ <u>1,886,650</u>	\$ <u>2,089,526</u>
Total taxable value*** of all property	\$ <u>252,403,898</u>	\$ <u>242,888,060</u>
Total taxable value*** of new property**	\$ <u>1,750,150</u>	\$ <u>2,025,230</u>

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

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

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

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$ 20,388,744

* Outstanding principal.

**FABENS ISD
BOARD OF TRUSTEES**

Date: 8/16/2023 Presented By: Presiding Officer

Subject: Adjourn Related Page(s) N/A

Action

ADJOURN

If there is no further business may I have a motion to adjourn:

Motion by: _____

Second by: _____

Vote:

Motion Carries: _____

This meeting is adjourned at _____ p.m.