



CALALLEN ISD

PROMOTING EXCELLENCE • CREATING THE FUTURE

23-24 BUDGET PRESENTATION #2

TAX RATE AND COLLECTIONS INFORMATION

Calallen ISD | August 14, 2023

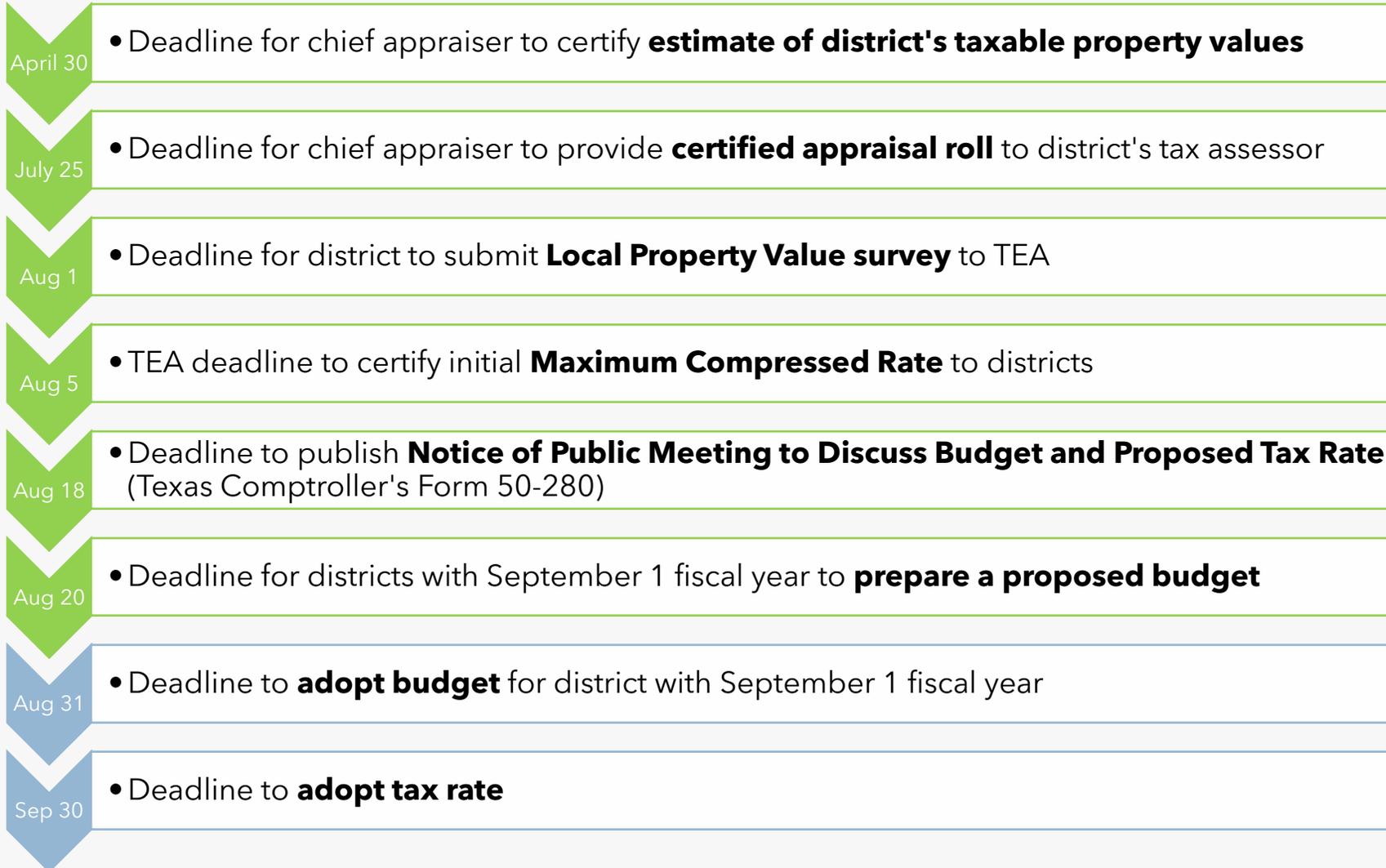
Calallen ISD
Budget Calendar
Fiscal Year 2023-2024
Tax Year 2023 and Fiscal Year 2024

Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
March - June		Review of 2022-2023 Budgets Estimate actual revenues and expenditures Submission of 2023-2024 budget requests	Assistant Superintendent Assistant Superintendent Principals and Directors
Late April		2023 <u>Estimated</u> Tax Values to CISD	Appraisal District
June	June 12, 2023 Regular Meeting	Budget Workshop w/ Board Legislative Update and Preliminary Budget Information	Supt/Asst Supt Board of Trustees
July	July 17, 2023 Regular Meeting	Budget Workshop w/ Board Preliminary Budget Information & Compensation Plan Adopt Compensation Plan & Raises for 2023-2024	Supt/Asst Supt Board of Trustees
July 25th		2023 <u>Certified</u> Tax Values to CISD	Appraisal District
Early August		Tax Value Data Collection Due to TEA TEA Issues Tier 1 Tax Rate for the District	Assistant Superintendent TEA
Early August	August 14, 2023 Regular Meeting	Budget Workshop w/ Board Presentation of Notice to Set Tax Rate and Preliminary Budget *Board may adopt a tax rate lower than what is published	Supt/Asst Supt
August 17th		Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Corpus Christi Caller Times *Must be published 10-30 days before hearing, 2023-2024 deadline August 18, 2023	Assistant Superintendent
Late August	August 28, 2023 Special Meeting	Conduct Hearing to Set the Tax Rate and Adopt the Budget Conduct Special Meeting to Approve: Final Budget Amendments for 2022-2023 Set Tax Rate for Tax Year 2023 Adopt Budgets for 2023-2024	Supt/Asst Supt Board of Trustees

2023-24 BUDGET CALENDAR



BUDGET AND TAX RATE TIMELINE



REMINDERS

- Tax Rate and Budget Information Posted on District Website – **Board member's name and official contact information**
- The board must include as an **appendix to the district's budget the tax rate calculation forms** used by the district to calculate the district's no-new-revenue tax rate and voter-approval tax rate.
 - Texas Comptroller Form 50-884 Tax Rate Calculation Worksheet for School Districts with Chapter 313 Agreements
- **Taxpayers entitled to an injunction** prohibiting the district from adopting a tax rate or collecting taxes if district fails to comply with laws regarding:
 - Computation, Publication, or Posting Requirements
 - Calculation and Adoption Requirement





PUBLIC BUDGET & TAX RATE NOTIFICATION

*2023-2024 Notice of Public Meeting to Discuss
Budget and Proposed Tax Rate*

*Published: Corpus Christi Caller Times - August
17, 2023 Edition*

***Meeting Scheduled August 28, 2023 at
5:30pm***

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Calallen ISD will hold a public meeting at 5:30 PM, August 28, 2023 in Calallen ISD Central Administration Office, 4205 Wildcat Dr., Corpus Christi, Texas 78410. **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	\$0.769500/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.250400/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

Comparison of Proposed Budget with Last Year's Budget

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

Maintenance and operations	-2.50 % decrease
Debt Service	4.67 % increase
Total Expenditures	-1.60 % decrease

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

	<u>Preceding Tax Year</u>	<u>Current Tax Year</u>
Total appraised value* of all property	\$3,601,742,130	\$4,071,220,058
Total appraised value* of new property**	\$47,417,957	\$48,223,643
Total taxable value*** of all property	\$2,808,671,380	\$2,853,732,616
Total taxable value*** of new property**	\$36,137,675	\$33,696,128

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

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

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

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$108,930,000

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$0.942900	\$0.243000	\$1.185900	\$7,004	\$4,824
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.745320	\$0.255900	\$1.001220	\$5,921	\$5,895
Proposed Rate	\$0.769500	\$0.250400	\$1.019900	\$6,137	\$6,089

*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	\$227,193	\$269,285
Average Taxable Value of Residences	\$176,066	\$140,489
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.185900	\$1.019900
Taxes Due on Average Residence	\$2,087.97	\$1,432.85
Increase (Decrease) in Taxes		\$-655.12

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 \$1.020244. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.020244.

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)	\$20,644,071
Interest & Sinking Fund Balance(s)	\$951,778

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.



PROPERTY TAX INFORMATION

2023 Certified Tax Values, Proposed Tax Rates,
and Collections Information

- *THIS BILL REQUIRES A NOVEMBER GENERAL ELECTION BEFORE IT BECOMES LAW, HOWEVER IT STIPULATES THAT SCHOOL DISTRICTS & TAX COLLECTORS CALCULATE 2023 TAXES AS IF IT PASSES*
- District Financial Impacts
 - Decrease in Taxable Property Value of approximately \$280M
 - Lower M&O property value = less tax rate compression
 - Lower I&S property value = higher rate to make bond payments
 - M&O and I&S Hold Harmless Provision

CISD Impact: **Loss of \$259M**
Net Taxable Value



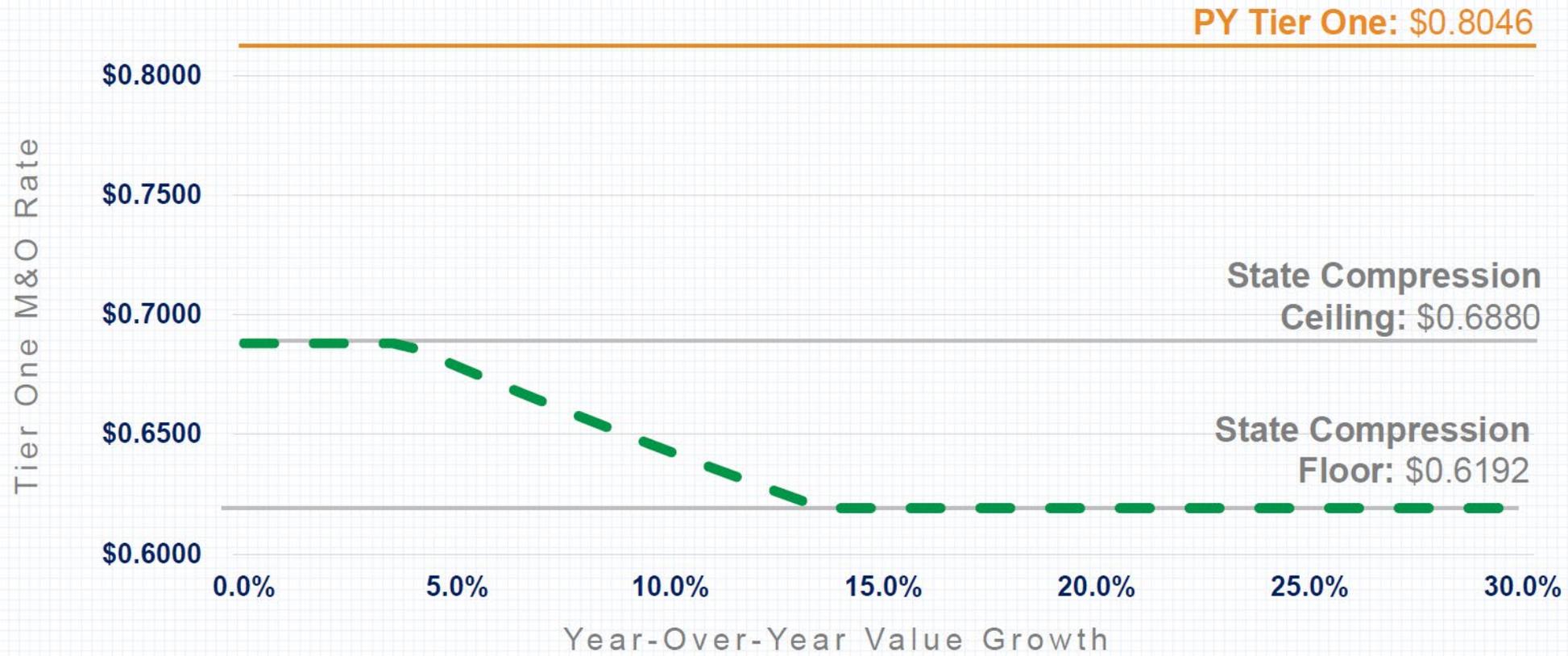
PENDING
\$100,000
HOMESTEAD
EXEMPTION
IMPACTS



M&O Tier One Compression

EXAMPLE ISD

TY 2023 POST-SB2



M&O TAX RATE COMPRESSION HISTORY

Fiscal Year	Tax Year	Statewide Compression %	Tier 1 Tax Rate Ceiling	Additional Local Compr.	Maximum M&O Tax Rate	Calallen ISD M&O Tax Rate
2018-19	2018	N/A	1.00	N/A	<u>1.1700</u>	1.1700
2019-20	2019	93%	0.93	N/A	<u>1.0683</u>	1.0683
2020-21	2020	91.64%	0.9164	>4.01% Value Growth	1.0864	0.9915
2021-22	2021	91.34%	0.9134	>2.8% Value Growth	1.0834	0.9896
2022-23	2022	89.41%	0.8941	>4.36% Value Growth	1.0641	0.9429
2023-24	2023	68.80%	0.6880	>4.43% Value Growth	0.8580	0.7695



TAX RATE HISTORY

	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022	Tax Year 2023
M&O Tier One Tax Rate	0.93	0.8532	0.8513	0.8046	0.6312
M&O Tier Two Tax Rate	0.1383	0.1383	0.1383	0.1383	0.1383
Golden Pennies	0.08	0.08	0.08	0.08	0.08
Copper Pennies	0.0583	0.0583	0.0583	0.0583	0.0583
Total M&O Tax Rate	1.0683	0.9915	0.9896	0.9429	0.7695
Total I&S Tax Rate	0.243	0.243	0.243	0.243	0.2504



2023 TAX RATES

Category	2023 Tax Rate	Notes
M&O Tax Rate	0.7695	
MCR Rate (Tier 1)	0.6312	Calculated by TEA
Enrichment Tax Rate	0.1383	Compressed by HB3 from 0.17
Required Calculated Rates		
No-New-Revenue Tax Rate	1.008579	Calculated by Comptroller Tax Calculation Worksheet
No-New-Revenue M&O Tax Rate	1.001830	Calculated by District Administration
Voter-Approval Tax Rate (VATR)	1.020244	Calculated by Comptroller Tax Calculation Worksheet
Rate to Maintain	1.001220	Calculated by District Administration using Region 13 Template (Omar's Template)
Published Tax Rate	0.7695 + 0.2504 = 1.0199	



2023 TAX RATE ADOPTION

- The Proposed Tax Rate **EXCEEDS** the No-New-Revenue Tax Rate

- **Special Motion Language Required**

- "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue tax rate) percent increase in the tax rate."

- Footnote on agenda item and board motion language

- *"For clarification purposes, the tax rate is not increasing from tax year 2022 to tax year 2023, instead it is decreasing from 1.1859 to 1.0199, a difference of 16.6 cents. The Board is adopting a tax rate for 2023 which exceeds the no-new-revenue (NNR) tax rate, and is therefore, required by law, to use the specific motion language above. The percent increase in the motion language is equal to the percent that the adopted tax rate exceeds the NNR tax rate, not the percent increase or decrease when compared to last year's tax rate."*

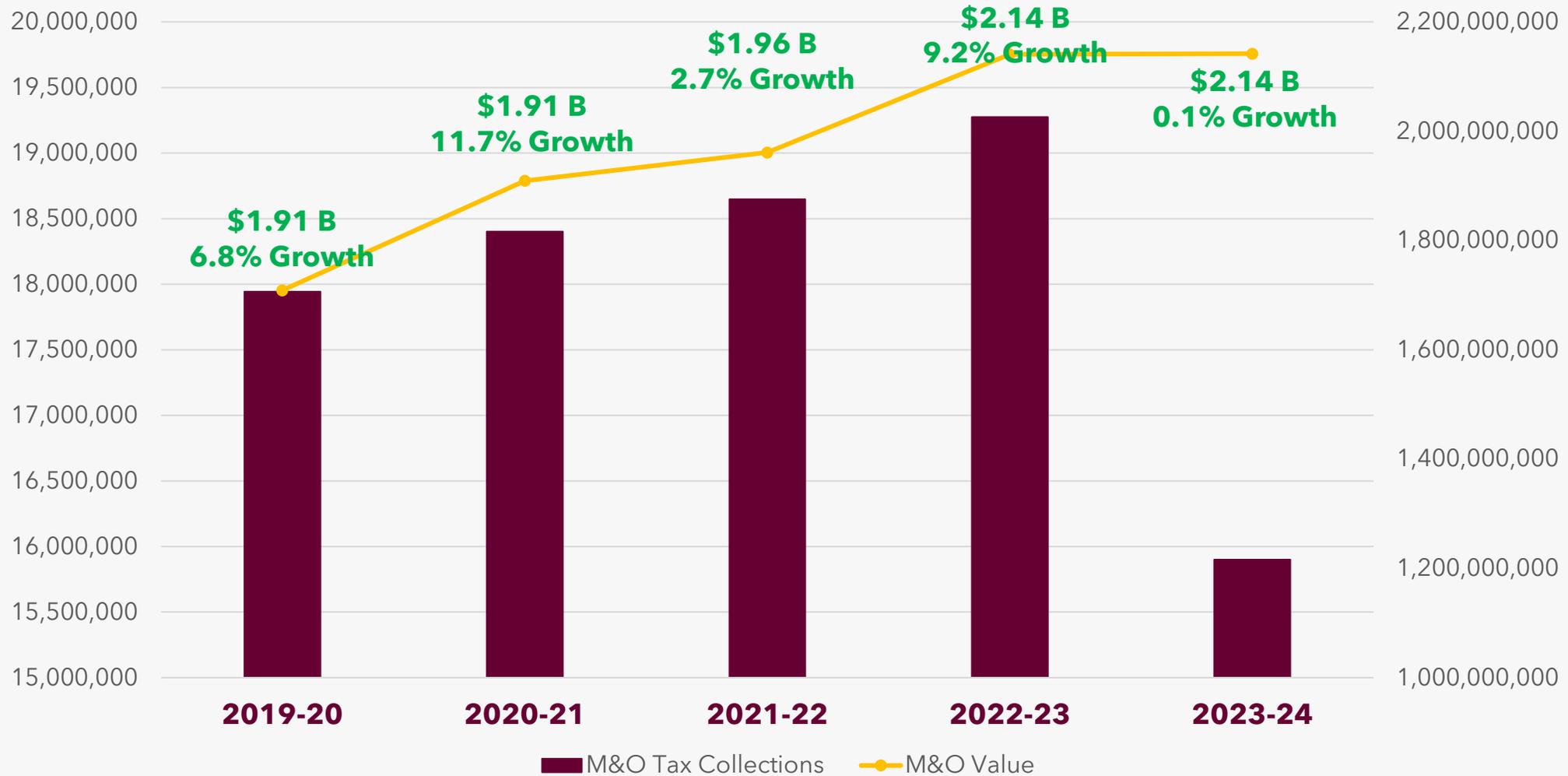


PROPERTY TAX VALUES, RATES, & COLLECTIONS

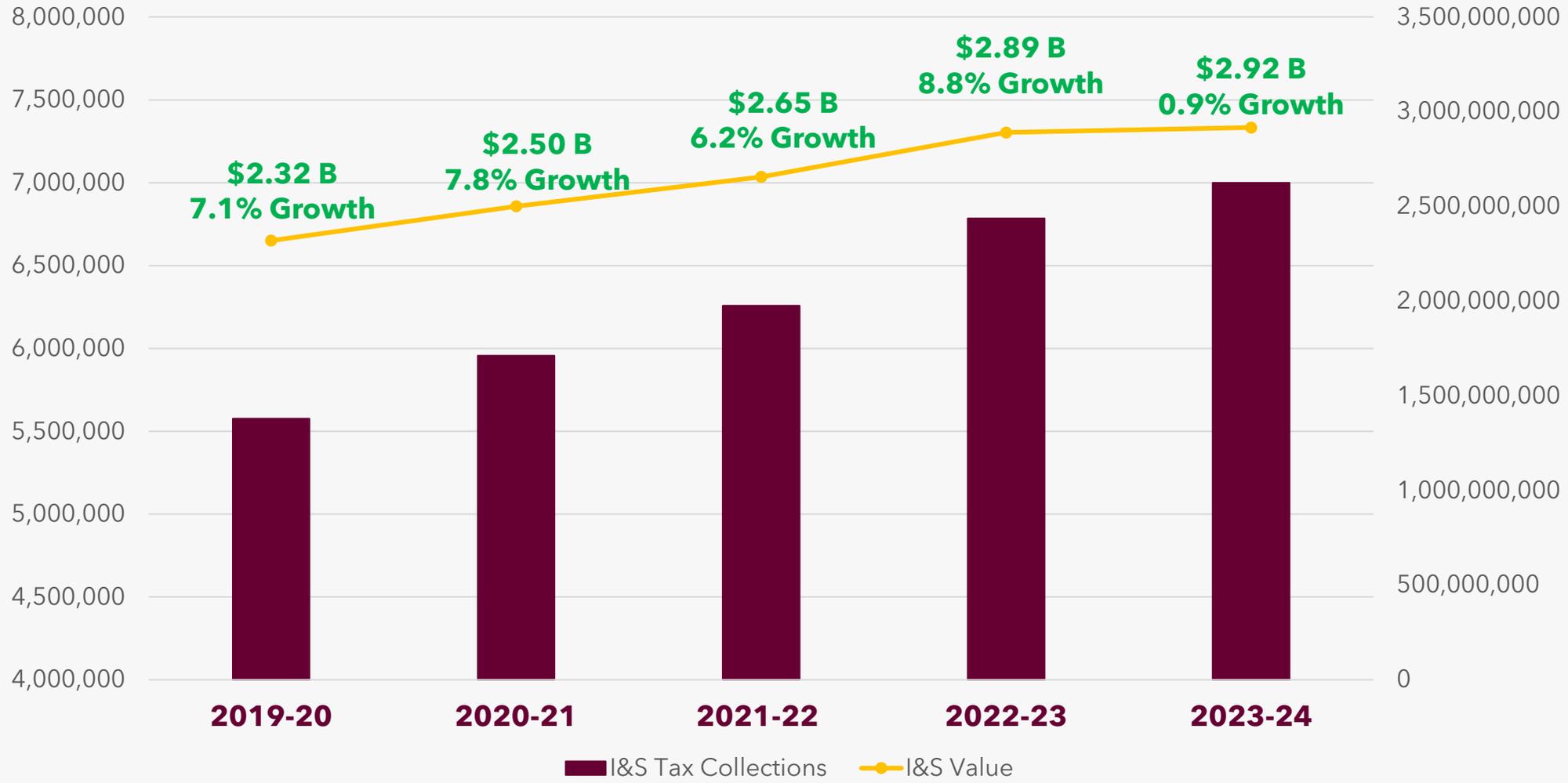
	2021-22 Certified	2022-23 Certified	2023-24 Certified
M&O Value	\$1,961,195,798	\$2,140,887,378	\$2,142,045,020
Value Growth	2.7%	9.2%	0.1%
Tax Rate	0.9896	0.9429	0.7695
Tax Rate Compression	(\$0.0019) -0.2%	(\$0.0467) -4.7%	(\$0.1734) -18.4%
Tax Collections	\$18,649,201	\$19,273,499	\$15,900,000
Collections Growth	1.3%	3.3%	-17.5%
I&S Value	\$2,655,460,491	\$2,889,950,191	\$2,916,319,523
Value Growth	6.2%	8.8%	0.9%
Tax Rate	0.243	0.243	0.2504 (+0.74 cents)
Tax Collections	\$6,257,816	\$6,779,445	\$7,000,000



M&O PROPERTY VALUES & COLLECTIONS HISTORY



I&S PROPERTY VALUES & COLLECTIONS HISTORY



IMPACT TO DISTRICT HOMEOWNERS

	2022 Certified Values	2023 Certified Values	Difference
Average Home Value	\$227,193	\$269,285	+\$42,092
Average HS Exemption	\$51,127	\$128,796	+\$77,669
Average Home Taxable Value	\$176,066	\$140,489	-\$35,577
M&O Tax Rate	0.9429	0.7695	-0.1734
M&O Tax	\$1,660.13	\$1,081.06	-\$579.07
I&S Tax Rate	0.243	0.2504	+0.0084
I&S Tax	\$427.84	\$351.79	-\$76.05
Total Tax Due on Average Home Value	\$2,087.97	\$1,432.85	-\$655.12



WHAT ARE PROPERTY VALUES USED FOR?

- **TO DETERMINE TAX RATE COMPRESSION:**

- District's report the **certified net taxable value** to TEA by 8/1. Year-over-year growth determines amount of Tier One tax rate compression.

- **TO DETERMINE STATE AID & RECAPTURE:**

- **Comptroller T2 value** from the Property Value Study determines the local share of the District's entitlement (how much property taxes are poured into our cup).

- **TO DETERMINE TAX COLLECTIONS:**

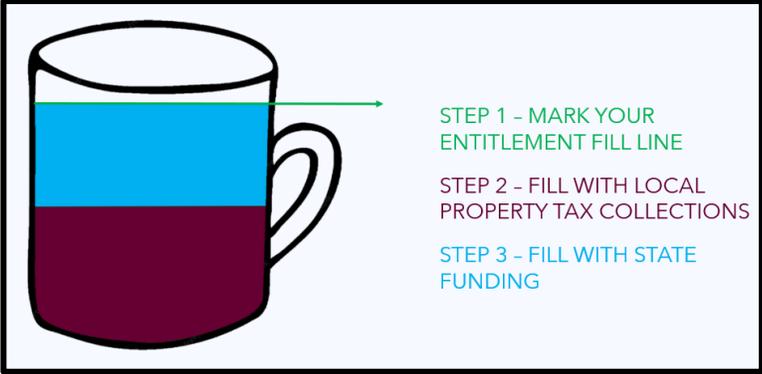
- Uses the **certified net taxable value** and adopted tax rate to calculate tax collections. Relies on historical collections rates, and



WHAT ARE PROPERTY VALUES USED FOR?

- **FSP FUNDING BASED ON:**
 - Comptroller T2 value

- **ACTUAL COLLETIONS BASED ON:**
 - Certified net taxable value and adopted tax rate



	FSP State Funding (Entitlement Line)	Local Tax Collections (Local Fill)
Higher T2 Value than Certified Value	2,000,000,000 X 0.7695 tax rate = \$15,390,000 Local Assignment in FSP Entitlement	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Actual Tax Collections
Lower T2 Value than Certified Value	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Local Assignment in FSP Entitlement	2,000,000,000 X 0.7695 tax rate = \$15,390,000 Actual Tax Collections



BOARD DISCUSSION OF PROPERTY VALUES

- **Required by Audit Schedule L-1:** Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?

	FY 2021-22	FY 2022-23	FY 2023-24 PROPOSED
Property Value used for Local Collection (LCPV) **Certified M&O Value	1,961,195,798	2,140,887,378	2,142,045,020
M&O Tax Rate	0.9896	0.9429	0.7695
Local M&O Tax Collections	\$18,438,411	\$19,111,330	\$15,750,000
Property Values used for State Calculations (SCPV) **T2 Values	1,898,957,755	2,074,850,774	2,070,544,815
WADA	4,937	5,089	5,115
Wealth per WADA	\$397,244	\$420,689	\$418,777
State Aid FSP/ASF	\$17,845,114	\$17,723,235	\$22,710,324





QUESTIONS,
COMMENTS, and
DISCUSSION....