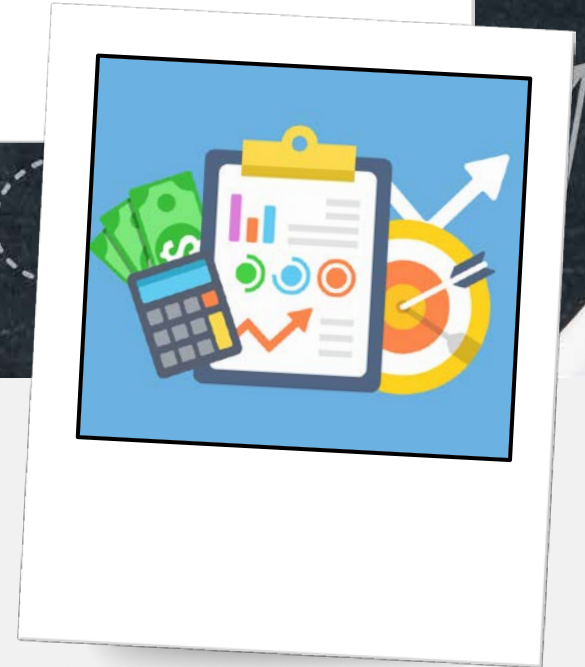


2021-22 Budget Presentation #2

*Tax Rate and Collections
Information*

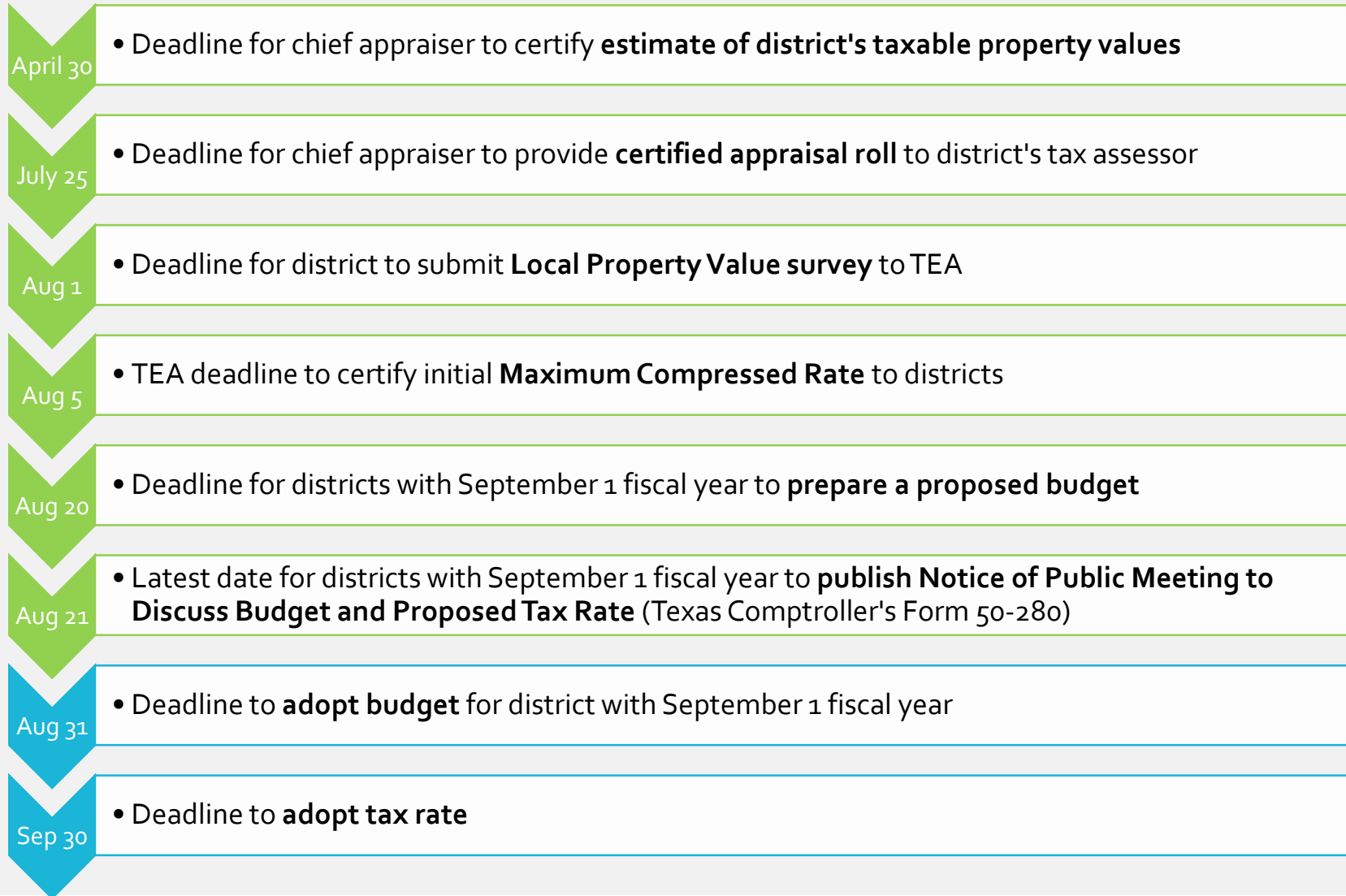
August 9, 2021



2021-22 Budget Calendar

Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
March - June		Review of 2020-2021 Budgets Estimate actual revenues and expenditures Submission of 2021-2022 budget requests	Director of Finance Director of Finance Principals and Directors
Late April		2021 <u>Estimated</u> Tax Values to CISD	Appraisal District
July	July 19, 2021 Regular Meeting	Budget Workshop w/ Board Legislative Update and Preliminary Budget Information Set salary scales for 2021-2022	Supt/Director of Finance Board of Trustees
Late July		2021 <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	Director of Finance TEA
Early August	August 9, 2021 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/Director of Finance
Mid August		Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Nueces Co Record Star *Must be published 10-30 days before hearing, 2021-2022 deadline August 13, 2021	Director of Finance
Late August	August 23, 2021 Special Meeting	Conduct Hearing to Set the Tax Rate and Adopt the Budget Conduct Special Meeting to Approve: Final Budget Amendments for 2020-2021 Set Tax Rate for Tax Year 2021 Adopt Budgets for 2021-2022 Adopt 2021-2022 Compensation Plan	Supt/Director of Finance Board of Trustees

Budget and Tax Rate Timeline



Public Tax Rate Notification



2021-22 Notice of Public Meeting to Discuss Budget and Proposed Tax Rate



NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Calallen ISD will hold a public meeting at 5:30 PM, August 23, 2021 in Calallen ISD Central Administration Office, 4205 Wildcat Dr., Corpus Christi, TX 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	\$0.989600/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.243000/\$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	4.86 % increase
Debt Service	4.99 % increase
Total expenditures	4.88 % increase

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	\$3,030,426,988	\$3,273,387,464
Total appraised value* of new property**	\$219,861,339	\$25,433,160
Total taxable value*** of all property	\$2,462,625,099	\$2,655,460,491
Total taxable value*** of new property**	\$212,961,497	\$17,709,907

*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* \$64,640,000

*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	\$0.991500	\$0.243000*	\$1.234500	\$6,250	\$4,980
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$1.001570	\$0.253560*	\$1.255130	\$6,563	\$4,838
Proposed Rate	\$0.989600	\$0.243000*	\$1.232600	\$6,714	\$4,937

*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	\$188,933	\$202,672
Average Taxable Value of Residences	\$162,047	\$171,431
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.234500	\$1.232600
Taxes Due on Average Residence	\$2,000.47	\$2,113.06
Increase (Decrease) in Taxes		\$112.59

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 \$1.238637. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.238637.

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)	\$21,293,322
Interest & Sinking Fund Balance(s)	\$705,707

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

New for 2021-22

- 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
- Tax Rate and Budget Information Posted on District Website – New requirements
 - **Each Board member's name and official contact information**

New for 2021-22

- **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
- HB 1525 requires **TEA to impose penalties for adopting tax rates not in compliance** with limitations and processed in state law
 - Reduce state aid to offset the revenue generated from excess taxation

Proposed Tax Rate Information

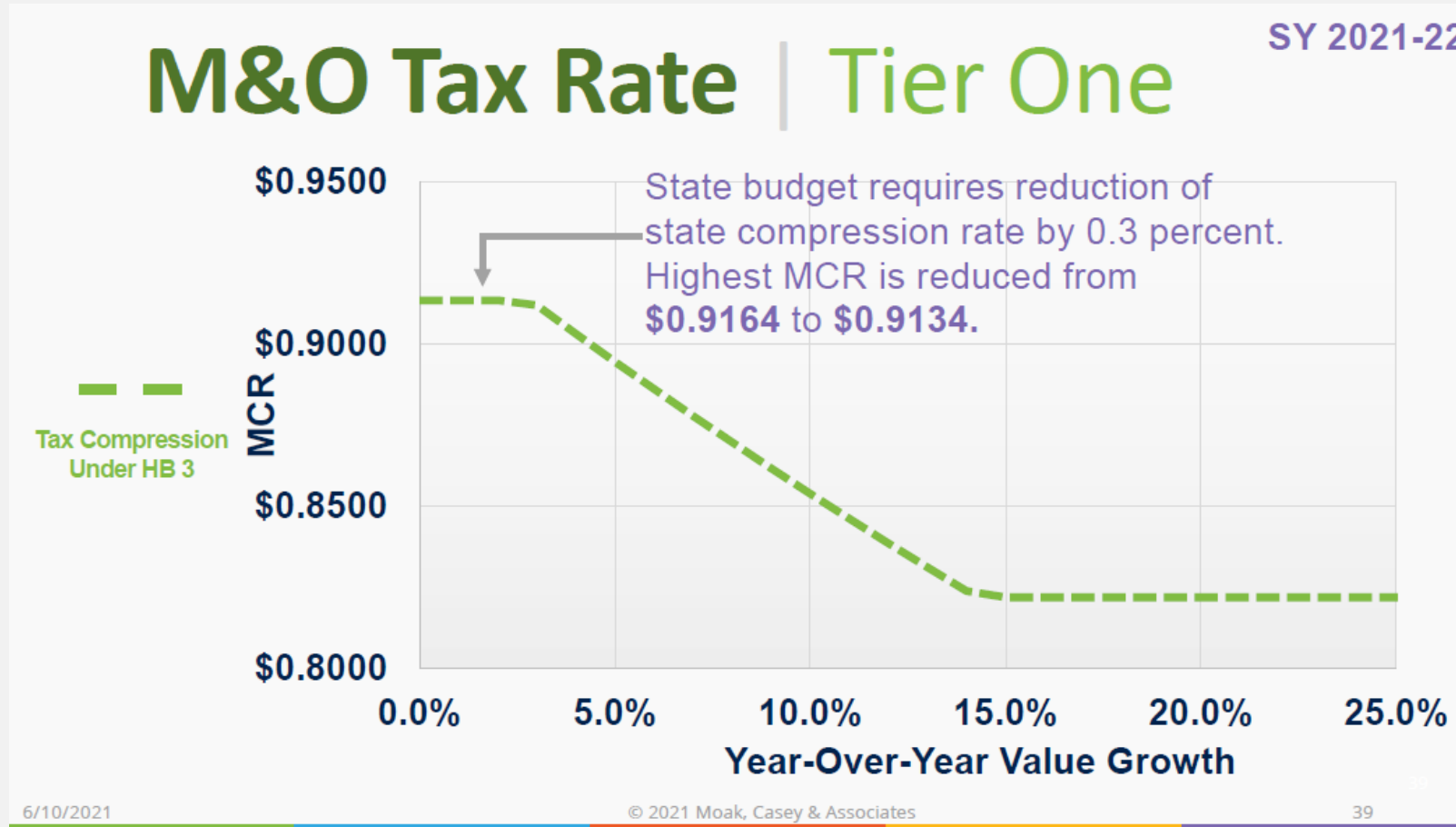


*2021-22 Proposed Tax Rate and
Associated Calculations*



2021-22 Tax Rate Compression

- **SB 1** requires that the state compression percentage be reduced by 0.3 percent



Calallen ISD Tax Rate History

	2018-19	2019-20 HB3 Year 1 7% Compression	2020-21 HB3 Year 2 2.5% Compression	2021-22 Proposed SB1 Year 1 0.30% Compression
M&O Tier I Tax Rate	1.00	0.93	0.8532	0.8513
M&O Tier II Tax Rate	0.17	0.1383	0.1383	0.1383
Golden Pennies	0.06	0.08	0.08	0.08
Copper Pennies	0.11	0.0583	0.0583	0.0583
Total M&O Tax Rate	1.17	1.0683	0.9915	0.9896
I&S Tax Rate	0.233	0.243	0.243	0.243

2021-22 Calallen ISD Tax Rates

Category	2021-22 Tax Rate	Notes
M&O Rate Breakdown		
MCR Rate (Tier 1)	0.8513	Calculated by TEA
Enrichment Tax Rate	0.1383	Compressed by HB3 from 0.17
Required Calculated Tax Rates		
No-New-Revenue Tax Rate	1.288968	Calculated by Comptroller Tax Calculation Worksheet
No-New-Revenue M&O Tax Rate	1.004697	Calculated by District Administration
Voter-Approval Tax Rate (VATR)	1.238637	Calculated by Comptroller Tax Calculation Worksheet
Rate to Maintain	1.255130	Calculated by District Administration using Region 13 Template (Omar's Template)
Published and Proposed Tax Rate	0.9896 + 0.243 = 1.2326	Board cannot adopt a higher rate without an VATRE election

2021-22 Calallen ISD Tax Rate Adoption

§26.05(b) of Property Tax Code Steps Required for Adoption of Tax Rate

Entity Name: Calallen ISD Chapter 313

Date: 08/05/2021 04:49 PM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate does not exceed the no-new-revenue tax rate. A motion to adopt an ordinance, resolution, or order setting the tax rate does not require the language about "tax increase" as stated in §26.05(b) of Property Tax Code.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

Calallen ISD Chapter 313 ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Tax Value and Collections Projections



2021-22 Certified Values and Projected Tax Collections



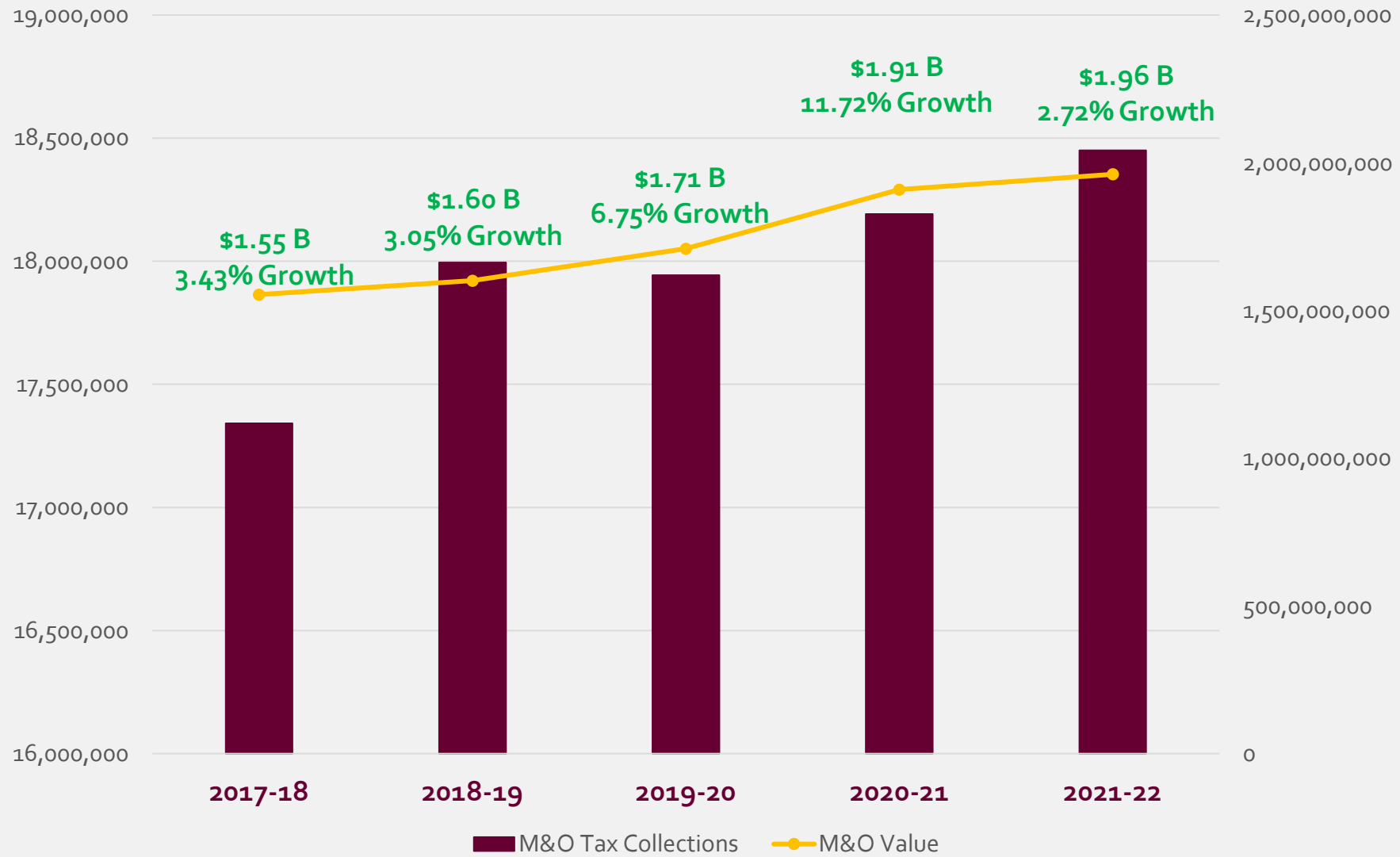
Property Tax Values, Rates, & Collections

	2019-20 Certified	2020-21 Certified	2021-22 July Estimates	2021-22 Certified
M&O Value	\$1,709,009,959	\$1,909,303,972	\$2,006,168,687	\$1,961,195,798
Value Growth	6.75%	11.72%	5.07%	2.72%
Tax Rate	1.0683	0.9915	0.9706	0.9896
Tax Collections	\$17,725,042	\$18,191,349	\$18,650,000	\$18,450,000
I&S Value	\$2,319,514,929	\$2,500,956,572	\$2,700,433,380	\$2,655,460,491
Value Growth	7.06%	7.82%	7.98%	6.18%
Tax Rate	0.233	0.243	0.243	0.243
Tax Collections	\$5,490,955	\$5,889,585	\$6,325,000	\$6,185,000

M&O Tax Values, Rates, & Collections

	2020-21 Certified	2021-22 Certified	Difference
M&O Value	\$1,909,303,972	\$1,961,195,798	2.72% Growth
M&O Tax Rate	0.9915	0.9896	99.8% Compression
M&O Tax Collections	\$18,191,349	\$18,450,000	\$260,000
Tax per \$100,000 Value	\$992	\$990	(\$2)

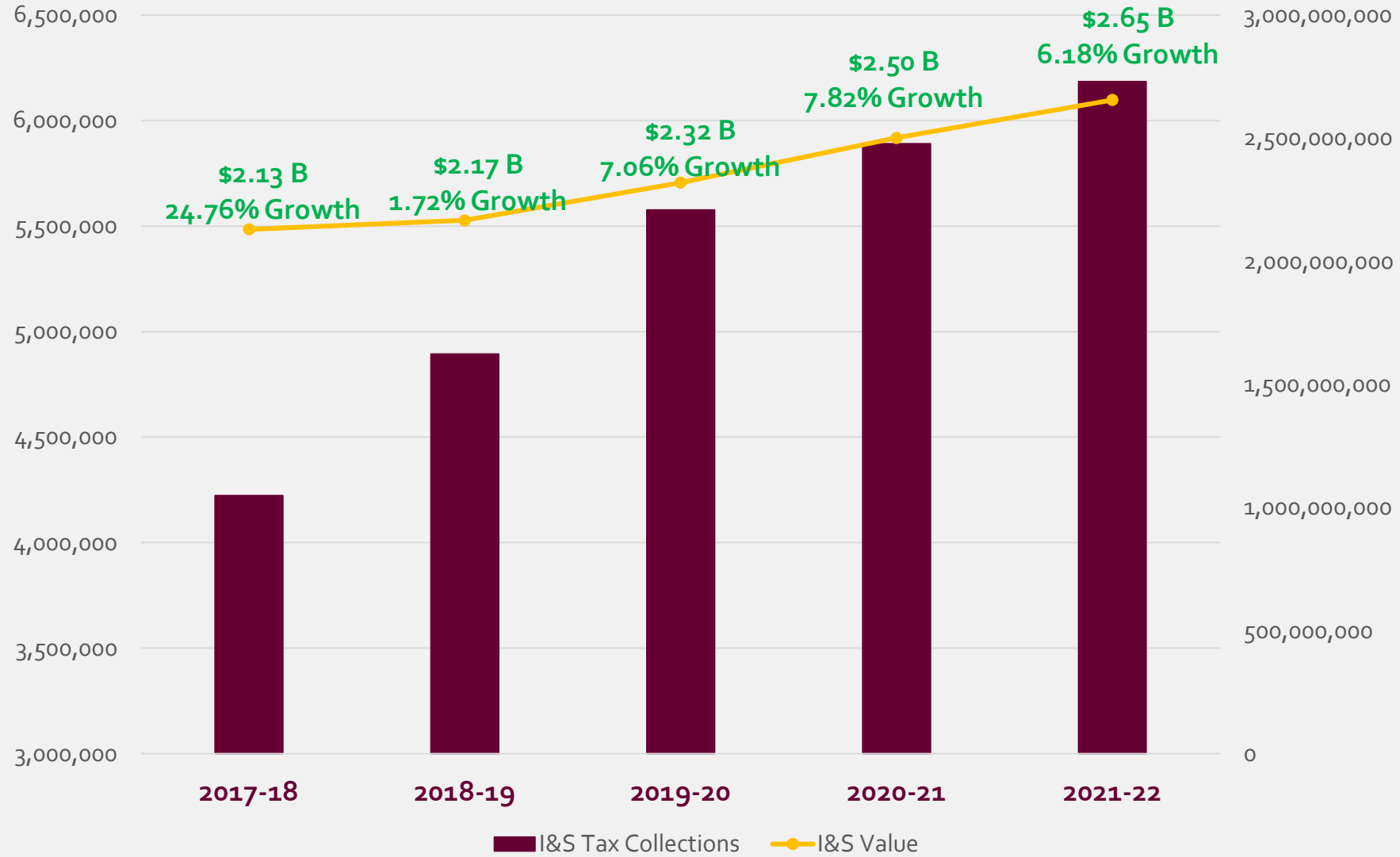
M&O Property Values & Collections History



I&S Tax Values, Rates, & Collections

	2020-21 Certified	2021-22 Certified	Difference
I&S Value	\$2,500,956,572	\$2,655,460,491	6.18% Growth
I&S Tax Rate	0.243	0.243	No change
I&S Tax Collections	\$5,889,585	\$6,185,000	\$296,000
Tax per \$100,000 Value	\$243	\$243	No change

I&S Property Values & Collections History



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 2019-20	FY 2020-21	FY 2021-22 Proposed
Property Values used for Local Collection (LCPV) **Certified M&O Value	1,709,009,959	1,909,303,972	1,961,195,798
M&O Tax Rate	1.0683	0.9915	0.9896
Local M&O Tax Collections	\$17,725,042	\$18,191,349	\$18,450,000
Property Values used for State Calculations (SCPV) **T2 Values	1,655,430,384	1,859,652,673	1,910,793,122
WADA	5,901	5,157	5,023
Wealth per WADA	\$289,613	\$370,235	\$390,443
State Aid FSP/ASF	\$19,588,517	\$19,904,355	\$18,447,097

Bond Redemption Discussion



*Discuss Potential February 2022
Prepayment on Callable Bonds*



Why Issue Bond Redemptions?

- Callable or redeemable bonds are bonds that can be redeemed or **paid off by the issuer prior to the bonds' maturity date**
- When an issuer calls its bonds, it pays investors the call price (usually the face value of the bonds) together with accrued interest to date and, at that point, stops making interest payments.
- Redemptions result in savings to the issuer by **reducing future interest costs and payments.**

Callable Bonds – As of August 31, 2021

Calallen ISD - Summary of Callable Unlimited Tax Bonds Outstanding - As of August 31, 2021						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Unlimited Tax School Building Bonds, Series 2018 [Short Call]	08/15/2021	\$ 5,760,000	\$ 5,760,000	2046 - 2048	2048	3.625%
Unlimited Tax Refunding Bonds, Series 2015	02/15/2025	8,420,000	5,405,000	2026 - 2029	2029	4.000%
Unlimited Tax Refunding Bonds, Series 2016	02/15/2025	8,450,000	8,450,000	2029 - 2033	2033	4.000%
Unlimited Tax Refunding Bonds, Series 2017	02/15/2026	8,850,000	8,850,000	2033 - 2037	2037	3.250% - 4.000%
Unlimited Tax School Building Bonds, Series 2018 [Long Call]	02/15/2027	27,480,000	23,880,000	2028 - 2045	2045	3.000% - 5.000%
Unlimited Tax Refunding Bonds, Series 2018-A	02/15/2027	5,680,000	3,050,000	2037 - 2038	2038	4.000%
Totals	---	\$ 64,640,000	\$ 55,395,000	---	---	---

Bond Redemption Figures

Preliminary, subject to change.

Prepared by BOK Financial Securities, Inc.

Calallen Independent School District Interest & Sinking Fund Budget - FY 2021/22

<u>Issue Description</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>	
Unlimited Tax Refunding Bonds, Series 2015	\$ -	\$ 322,000.00	\$ 322,000.00	
Unlimited Tax Refunding Bonds, Series 2016	-	338,000.00	338,000.00	
Unlimited Tax Refunding Bonds, Series 2017	-	345,525.00	345,525.00	
Unlimited Tax School Building Bonds, Series 2018	2,295,000.00	1,498,259.38	3,793,259.38	^(A) \$ 1,675,000.00 redemption
Unlimited Tax Refunding Bonds, Series 2018-A	1,280,000.00	221,500.00	1,501,500.00	\$ 1,541,350.00 savings
Total Debt Service Requirements	\$ 3,575,000.00	\$ 2,725,284.38	\$ 6,300,284.38	

^(A) Includes a \$1,675,000 prepayment on February 15, 2022.

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