

VOTER-APPROVAL TAX RATE ELECTION (VATRE)

MAY 6, 2024

GENERAL FUND REVENUE BUDGET 2023-2024

Account	2023-2024 Original Budget	Description	2024-2025 Projected Budget
57xx	\$279,496,182	Tax Revenue	\$278,251,634
58xx	\$18,614,428	State Revenue	\$18,192,132
Total		Total Revenue	\$296,443,776
62xx	\$19,500,000	Recapture	\$7,532,138
Net	\$278,610,610	Net	\$288,911,628

2024-2025 Projected Budget	\$288,911,628
<u>2023-2024 Amended Budget</u>	<u>\$278,610,610</u>
Additional Revenue	\$10,301,018

24-25 PROJECTED BUDGET DEFICIT

Description	Cost	Balance
Additional Revenue		\$10,301,018
Budget Items approved	\$24,574,373	-\$14,273,355

FUND BALANCE

	Fund Balance	Percentage of Operating
2019	\$ 99,134,726	44.4%
2020	\$ 90,062,710	40.2%
2021	\$ 83,823,552	34.0%
2022	\$ 99,904,957	38.7%
2023	\$ 111,215,675	36.4%
2024	\$ 107,215,675	35.1%
2025	\$ 92,215,675	28.0%*

3 months operating = 25%

4 months operating = 33%

5 months operating = 42%

*based on a deficit of \$15M



FUNDING STATISTICS FROM COMMUNITY IMPACT

Compensation Stats

- Average Texas teacher salary = \$62,463 which is \$9,000 below national average
- With inflation, Texas teacher salaries are down 6% from 2015
- National averages among 50 states:
 - 29th in teacher salary with national average of \$71,699
 - 34th for support staff salary with national average of \$33,756

FUNDING STATISTICS FROM COMMUNITY IMPACT

Student Funding Stats

- Texas spends an average of \$12,781 per student (includes debt service). This includes basic allotment which is \$6,160 per student which is used to fund daily operations and salaries. No increase to this since 2019.
- Per student spending in Texas has dropped 2.5% since 22-23 while national average has increased 2.9%. Texas spends \$5,220 less per child than the national average.
- National averages among 50 states:

46th for per-student funding, with national average of \$18,001

BUDGET PRIORITIES NEXT YEAR – NO FUNDING CHANGE

Budget Priorities:

1. Protect Student Programs

- Growth Budget (**Minimize hiring to reduce staff**)
- Ratio Discussions (**Must increase class size ratios**)
- Program change discussions (**Look at programs to cut or reduce**)

2. Maximize Compensation for Staff

- Max raise for staff (**No raise**)
- Pay Scale Adjustment (**No changes or increases to pay scale**)
- Look at Stipends across all disciplines (**No changes or increase**)

3. Protect Fund Balance

- Historical Analysis (**Balanced budget**)

SCHOOL DISTRICT TAXES INVOLVE TWO FIGURES

General Operating Fund

(Maintenance & Operations)

Day-to-day operations and expenses

FOR SCHOOL DISTRICTS, THIS INCLUDES:

- Staff Salaries
- Utilities
- Supplies
- Repairs
- Fuel



FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

- Groceries
- Utilities
- Minor home repairs
- Routine services
- Car fuel

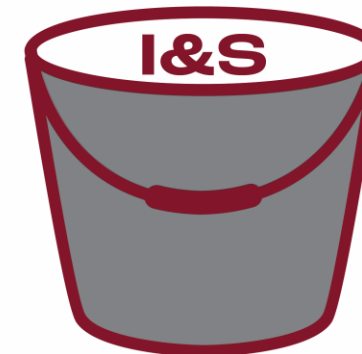
Debt Services Fund

(Interest & Sinking)

Principal and interest payments on debt issued

FOR SCHOOL DISTRICTS, THIS INCLUDES:

- New construction
- Renovations
- HVAC Systems
- Roofing
- Technology



FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

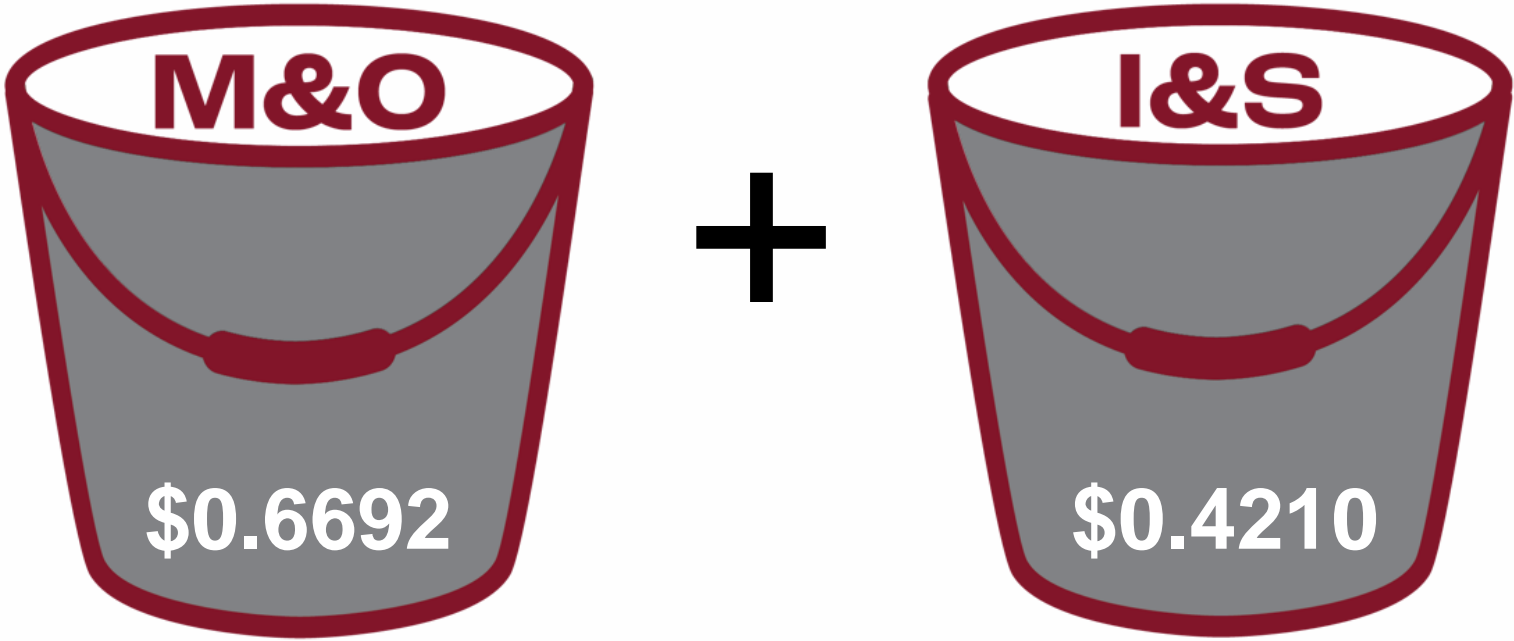
- Mortgage
- Home renovation
- Major appliances
- Land
- Car

VATRE – Election for M&O Only

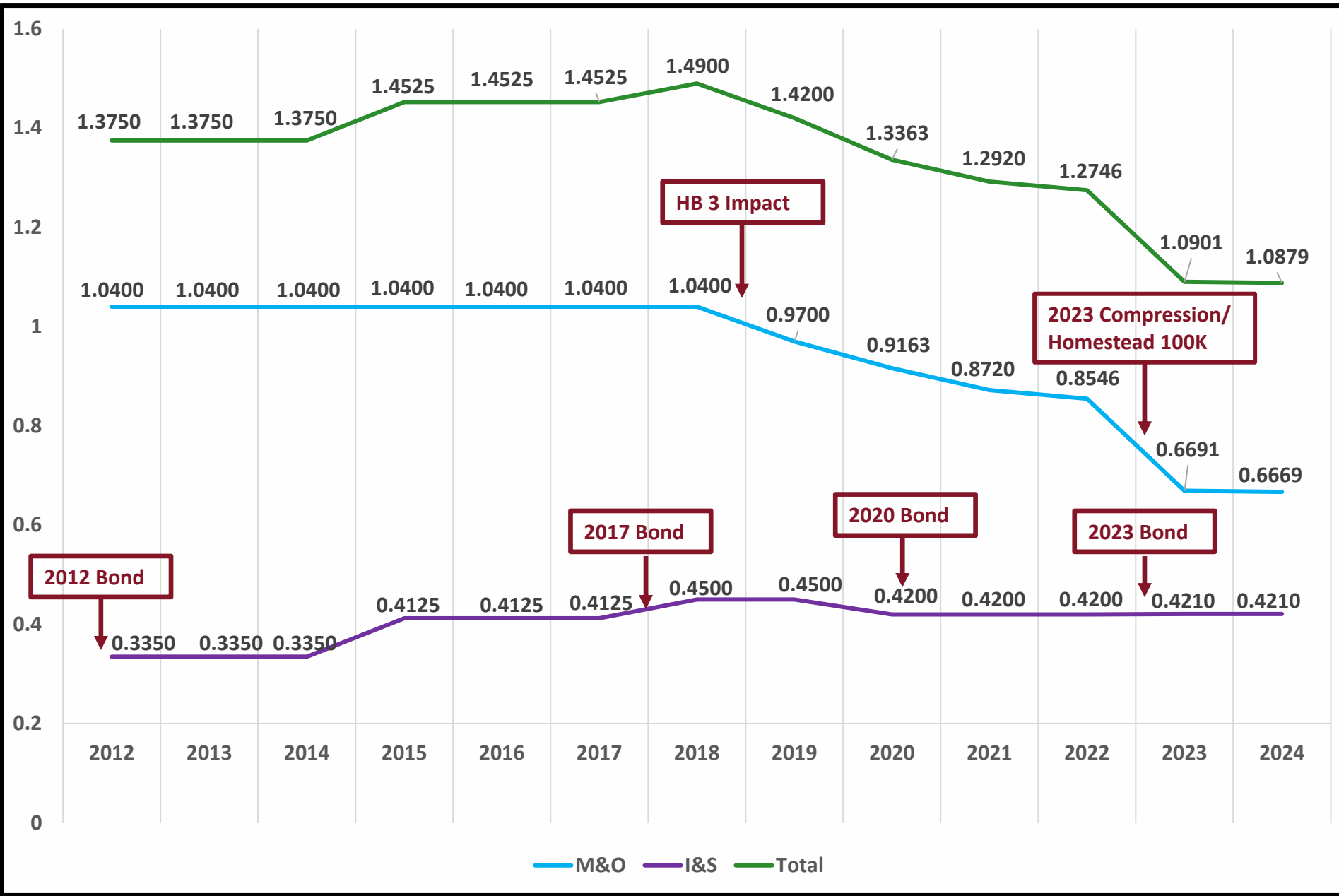
Bond Election – Election for I&S Only

ONE TAX RATE, TWO BUCKETS

NISD CURRENT TAX RATE \$1.0902



NISD Tax Rate History



<u>Tax Year</u>	<u>M&O</u>	<u>I&S</u>	<u>Total</u>
2012	1.0400	0.3350	1.3750
2013	1.0400	0.3350	1.3750
2014	1.0400	0.3350	1.3750
2015	1.0400	0.4125	1.4525
2016	1.0400	0.4125	1.4525
2017	1.0400	0.4125	1.4525
2018	1.0400	0.4500	1.4900
2019	0.9700	0.4500	1.4200
2020	0.9163	0.4200	1.3363
2021	0.8720	0.4200	1.2920
2022	0.8546	0.4200	1.2746
2023	0.6691	0.4210	1.0901
2024	0.6669	0.4210	1.0879

NISD Tax Rate History

WHAT IS A VATRE

Maintenance and Operations Tax Rate (.6669) can only be used for daily operations which includes teacher salaries, supplies, contracted services and maintenance/utilities.

School Districts are allowed up to 8 Golden Pennies that are not subject to recapture. Currently, the district has access to 5 Golden Pennies which leaves .6169 (current floor) for the remaining tax rate which is set by the State.

WHAT IS A VATRE

For a School District to receive the remaining 3 Golden Pennies or any additional Copper Pennies, the School District must ask the tax payers to say yes to a Voter Approved Tax Rate Election (VATRE).

Northwest would be asking the voters to approve the additional 3 Golden Pennies to increase the districts revenue and keep all the money in the district. The other .6169 pennies are subject to recapture and some of that money is paid back to the state. None of the Golden Pennies are subject to recapture.

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2012	1.0400	0.3350	1.3750
2013	1.0400	0.3350	1.3750
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2015	1.0400	0.4125	1.4525
2016	1.0400	0.4125	1.4525
2017	1.0400	0.4125	1.4525
2018	1.0400	0.4500	1.4900
2019	0.9700	0.4500	1.4200
2020	0.9163	0.4200	1.3363
2021	0.8720	0.4200	1.2920
2022	0.8546	0.4200	1.2746
2023	0.6691	0.4210	1.0901
2024	0.6969	0.4210	1.1179

NISD Tax Rate History

GENERAL FUND PROJECTED REVENUE BUDGET 2024-2025

Account	2024-2025 Projected Budget	Description	2024-2025 VATRE Budget
57xx	\$278,251,634	Tax Revenue	\$290,723,592
58xx	\$18,192,132	State Revenue	\$21,536,485
Total	\$296,443,776	Total Revenue	\$312,260,077
62xx	\$7,532,138	Recapture	\$8,096,960
Net	\$288,911,628	Net	\$304,163,117
Deficit	(\$14,273,355)	Surplus	\$978,134

2024-2025 VATRE Budget	\$304,163,117
<u>2024-2025 Projected Budget</u>	<u>\$288,911,628</u>
Additional Revenue	\$15,251,489



BUDGET PRIORITIES NEXT YEAR WITH VATRE

Budget Priorities:

1. Protect Student Programs

- Growth Budget (**Minimize hiring to reduce staff**)
- Ratio Discussions (**Must increase class size ratios**)
- Program change discussions (**Look at programs to cut or reduce**)

2. Maximize Compensation for Staff

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3. Protect Fund Balance

- Historical Analysis (**Balanced budget**)

HOW WILL A VATRE HELP?

All money from VATRE will go directly to compensation of teachers and staff while maintaining the current high standards for all NISD programs by increasing the Maintenance and Operations budget approximately \$15 million.

MAINTENANCE AND OPERATIONS TAX REVENUE



If approved by voters, a **\$0.03** Maintenance and Operations increase could provide funds for **Teacher and Staff Pay Raises.**

MAINTENANCE AND OPERATION TAX REVENUE



HOW WILL VATRE EFFECT TAXPAYERS?

Average Home Value is approximately \$500,000

	Current	VATRE
Value =	\$500,000	\$500,000
Homestead Exempt=	\$100,000	\$100,000
Taxable Value=	\$400,000	\$400,000
Tax Rate (per 100)=	1.0879	1.1179
Total Taxes=	\$4,351.60	\$4,471.60
Yearly Difference =		\$120
Monthly Difference =		\$10

VATRE TIMELINE

Dates	Action	Guidelines
July 5th	Select auditor for efficiency audit	4 months prior to election day
August 9th	Latest day to publish notice of public meeting	10 - 30 days prior to the public meeting
August 19th*	Last day to order general election/tax rate	Budget and tax rate must be adopted prior to election c
October 5th	Efficiency audit posted on website	No later than 30 days before election
October 5th	No later than 3 months after auditor appointm	Efficiency audit completed
November 5th	Election Day	Go Vote!

*Board Meeting is set for Tuesday, August 13th.

QUESTIONS