

PFISD
VATRE  **2023**



On August 17, 2023, the Pflugerville ISD Board of Trustees unanimously voted to call for a Voter Approval Tax Rate Election (VATRE) to be held on November 7, 2023.



VATRE Overview

Approval of the VATRE will provide:

- Additional \$10.7 million in funding
- Higher pay for ALL Pflugerville ISD teachers and staff
- A decrease in the school tax rate AND a decrease in the avg. property owners' tax bill.*

** Pending simultaneous approval of SB 2, also on the November ballot. SB 2 proposes changing the homestead exemption from \$40,000 to \$100,000.*



Introduction



Introduction

Our community is facing:

- Fast-growing local industry
- Higher than ever property appraisal values
- Nationwide teacher shortage
- Low Attendance Rates
- Inflation

The following VATRE was carefully considered, thoughtfully researched, and are humbly presented to you, our community, for your consideration.



School Finance 101

Public school taxes are divided into two “buckets.”

Maintenance & Operations (M&O)

Day-to-day operations and expenses for:

- Salaries
- Utilities
- Consumables
- Minor Repairs
- Fuel



Interest & Sinking (I&S)

Principal and interest payments on debt issued for:

- New construction
- Renovations
- Heating and AC Systems
- Roofing
- Technology
- Buses
- Land

School Tax Rate Overview

General Operating Fund

Maintenance & Operations (M&O)

- The annual district budget is passed by the Board of Trustees.
- 82% of the district's M&O budget goes to teacher and staff salaries.

Debt Service Fund

Interest & Sinking (I&S)

- I&S funds may only be used to repay debt.
- Cannot be used for salaries, utilities or other day-to-day expenses.

For the average citizen, this is similar to:



Groceries | House Repairs | Utilities
Car Fuel | Routine Services



Mortgage | Home Renovation
Land | Major Appliances | New Car

A Balancing Act

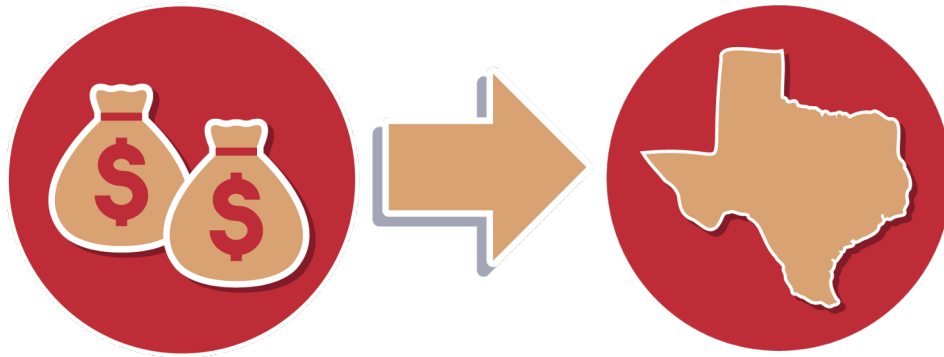
The amount of money the state provides is based on several factors, including student attendance, property tax collections and property values. When property tax revenue increases, the amount of funds received from the state decreases – **PfISD does NOT benefit.**



Recapture

Due to a rapid increase in local property values, PfISD is now a "recapture" district and, as a result, is forced to send money back to the State of Texas.

PfISD sent \$17 million of its taxpayer dollars to the State of Texas last year.



Recapture

The funding loss has forced the district to make hard budgeting decisions over the past several years.

Over the past three years:

- PfISD has decreased staff budgets and positions every year.
- PfISD has decreased student programs.

PfISD has considered:

- Closing campuses and consolidating campuses to save on operations expenses.
- Implementing student fees for extra-curricular activities.



Voter Approval Tax Rate Election (VATRE)



VATRE Overview

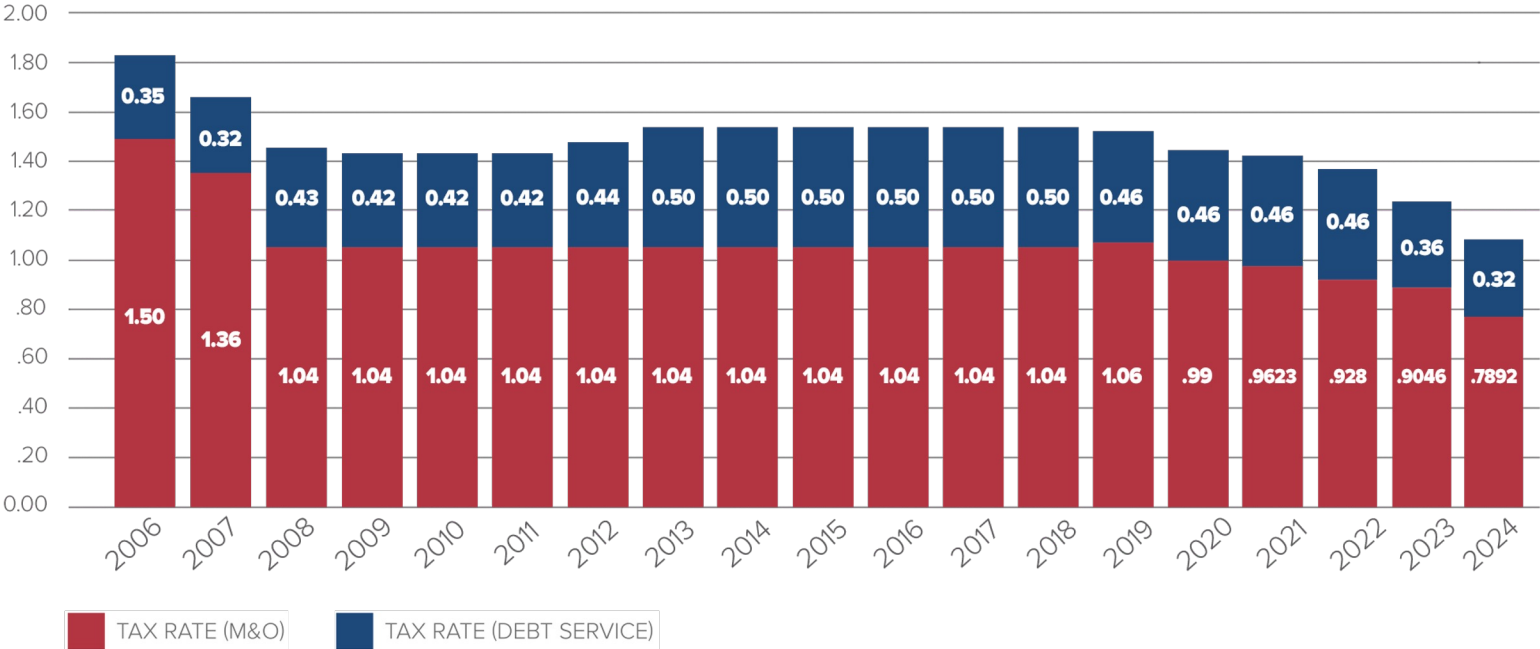
On August 17, the Board of Trustees adopted the 2023-2024 PfISD tax rate at \$1.1092, the lowest it has been in over 30 years.

The State Legislature has compressed our M&O tax rate by 18 cents and the PfISD Board of Trustees lowered the I&S tax rate by 4 cents for a total of a 22 cent decrease.

The VATRE asks voters to approve 7 of those cents be added back to the M&O rate.



PfISD Tax Rate History & Proposed 2024 Tax Rate



If Not Approved,

- ★ With the M&O tax decrease of 18 cents due to HB3 compression, and the Board decreasing the I&S rate by 4 cents, homeowners will see a 22 cent decrease on their overall PfISD tax rate in this fiscal year, AND
- ★ The district will not generate any additional funds for salaries or student programming.



If Approved,

- ★ If passed, homeowners will still see a 15-cent decrease in their overall PfISD tax rate in this fiscal year, the lowest tax rate in 30 years; AND
- ★ this will result in an additional \$10.7 Million for PfISD to be spent on daily operations like teacher salaries, utilities, and instructional materials.



Pflugerville ISD Tax Rate

$$\begin{array}{r} \text{22-23 M\&O} \\ \text{TAX RATE} \\ \hline \$ 0.9046 \end{array} + \begin{array}{r} \text{22-23 I\&S} \\ \text{TAX RATE} \\ \hline \$ 0.36 \end{array} = \begin{array}{r} \text{22-23 PfISD TOTAL} \\ \text{TAX RATE} \\ \hline \$ 1.2646 \end{array}$$

$$\begin{array}{r} \text{Proposed 23-24} \\ \text{M\&O TAX RATE} \\ \hline \$0.7892 \end{array} + \begin{array}{r} \text{Proposed 23-24} \\ \text{I\&S TAX RATE} \\ \hline \$0.3200 \end{array} = \begin{array}{r} \text{Proposed 23-24} \\ \text{PfISD TOTAL TAX RATE} \\ \hline \$1.1092 \end{array}$$

$$\begin{array}{r} \text{23-24 M\&O} \\ \text{TAX RATE} \\ \text{w/o VATRE} \\ \hline \$0.7192 \end{array} + \begin{array}{r} \text{23-24 I\&S} \\ \text{TAX RATE} \\ \text{w/o VATRE} \\ \hline \$0.3200 \end{array} = \begin{array}{r} \text{23-24 PfISD} \\ \text{TAX RATE w/o VATRE} \\ \hline \$1.0392 \end{array}$$



What will I See on my Ballot?

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION A -
SPECIAL ELECTION FOR TAX RATE RATIFICATION**

<p>[] FOR</p> <p>[] AGAINST</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>RATIFYING THE AD VALOREM TAX RATE OF \$1.1092 PER \$100 VALUATION IN PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT FOR THE CURRENT YEAR, A RATE THAT WILL RESULT IN AN INCREASE OF -5.55 PERCENT IN MAINTENANCE AND OPERATIONS TAX REVENUE FOR THE DISTRICT FOR THE CURRENT YEAR AS COMPARED TO THE PRECEDING YEAR, WHICH IS AN ADDITIONAL -\$12,140,454.</p>
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What does that mean?

The ballot language is saying that the VATRE tax rate will provide \$12.1 million (or 5.55%) **LESS** M&O tax revenue this year than last year.

Without the VATRE, PfISD will receive \$30.5 million (or 13.9%) LESS tax revenue than last year.



Tax Information

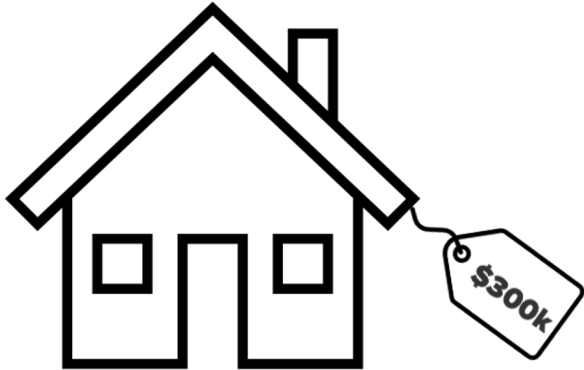


Estimated Tax Impact

Regardless of whether the VATRE passes, PfISD Taxpayers will have a lower tax rate.

If approved, the average PfISD taxpayer's tax bill will decrease by \$650 per year.

If not approved, the average PfISD taxpayer's tax bill will decrease by \$831 per year.



That's a difference of \$15 per month to taxpayers, and will provide \$10.7M in funding for your school district.



Important Note

Pflugerville ISD does not set property values, only the school district tax rate. Your property values are determined by your County Appraisal District.

Your property values are unrelated to the PfISD 2023 election and are not affected by the approval or rejection of the VATRE.



Next Steps



Voting Information

Make your voice heard in the November election!
Your community, your voice, your choice.

Deadline to register to vote: **Tuesday, October 10**

Early Voting: **October 23 - November 3**

Election Day: **Tuesday, November 7**



Register to Vote!



Want to Know More?

- ★ Please visit www.pfisd.net/vatre for more information.
- ★ Please reach out if you have questions or concerns.



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Learn More



Q&A





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Thank you!