



ACEVATRE & BOND

2022



On August 18, 2022, the Pflugerville ISD Board of Trustees unanimously voted to call for an Attendance Credit Election (ACE), a Voter Approval Tax Rate Election (VATRE), and a \$367,604,000 bond election to be held on November 8, 2022.



Agenda

- ★ Introduction
- ★ ACE
- ★ VATRE
- ★ Bond Process Overview
- ★ Bond Proposal
- ★ Tax Information
- ★ Next Steps





Introduction

Introduction

Our community is facing:

- Fast-growing local industry
- Higher than ever property appraisal values
- Nationwide teacher shortage

The following ACE, VATRE and bond referendum were 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.**



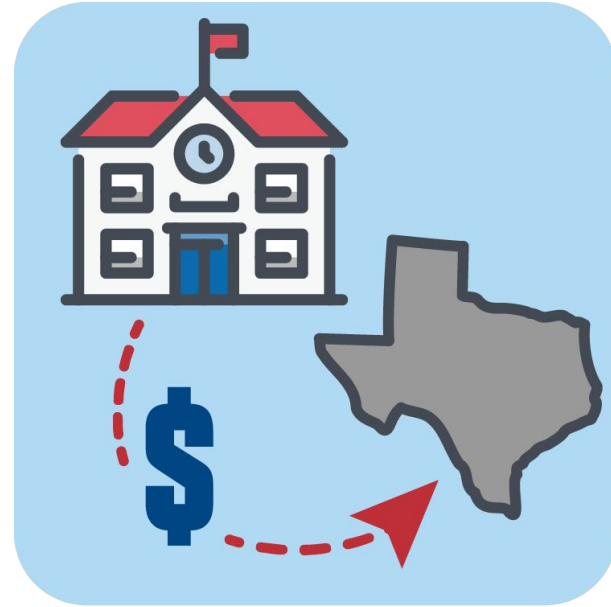
Attendance Credit Election (ACE)

What is an Attendance Credit Election?

An ACE is a state required, one-time election that asks voters to approve Pflugerville ISD paying its mandatory recapture payments to the state.

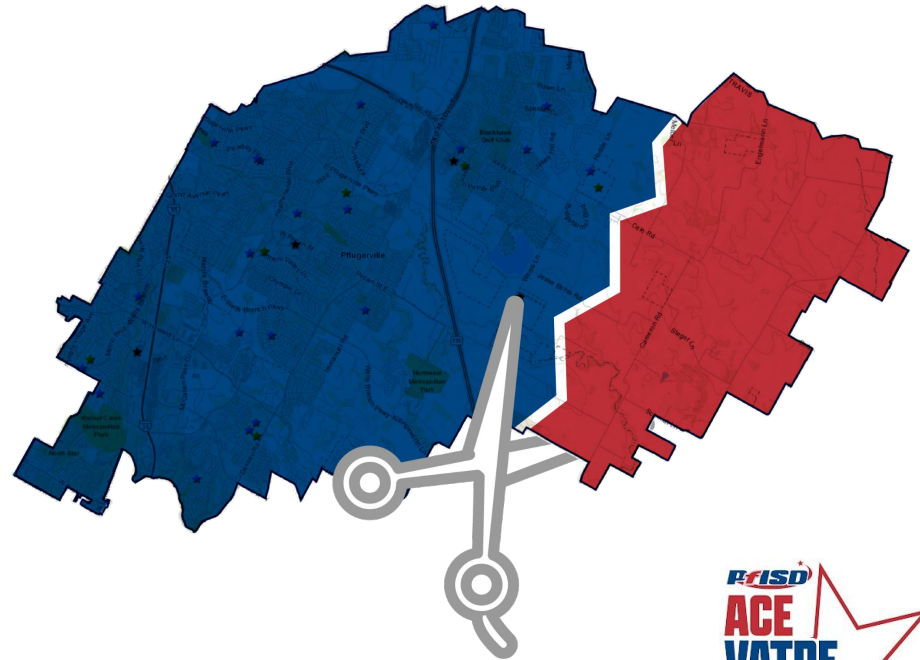
This system of redistributing wealth among districts is commonly referred to as the “Robin Hood” system.

The ACE will be presented to voters as PfISD Ballot Proposition A.

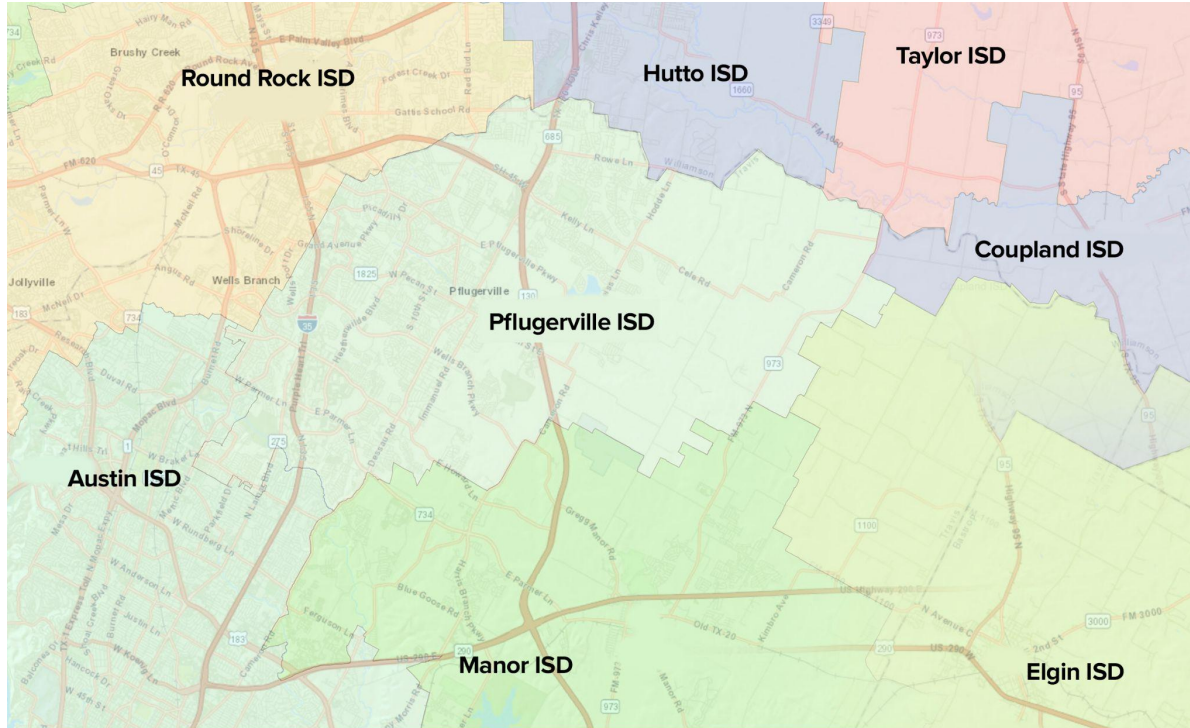


If ACE does not pass,

- ★ TEA will identify a portion of land within PfISD to detach and send to a nearby school district in order to reduce PfISD's total property value.
- ★ The portion of PfISD land chosen by TEA will be annexed to the new school district.
- ★ If any students live in this annexed area, they will attend the new school district and the annexed area will be taxed by the new school district.
- ★ At this time, district officials do not know which portion(s) of land could be chosen by TEA for detachment.
- ★ If property values continue to increase, we will be required to pay recapture payments anyway.



School District Boundaries



If ACE is Approved,

- ★ PfISD will be able to make the mandatory recapture payments required due to the increase in its property tax wealth through the purchase of attendance credits.
- ★ PfISD will retain all of the land and students within its current boundaries.
- ★ Business as usual.



What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION A - SPECIAL ELECTION FOR ATTENDANCE CREDIT PURCHASE

- [] FOR) AUTHORIZING THE BOARD OF TRUSTEES OF PFLUGERVILLE
) INDEPENDENT SCHOOL DISTRICT TO PURCHASE ATTENDANCE
) CREDIT FROM THE STATE WITH LOCAL TAX REVENUES.
)
)
[] AGAINST)
)



Voter Approval Tax Rate Election (VATRE)



VATRE Overview

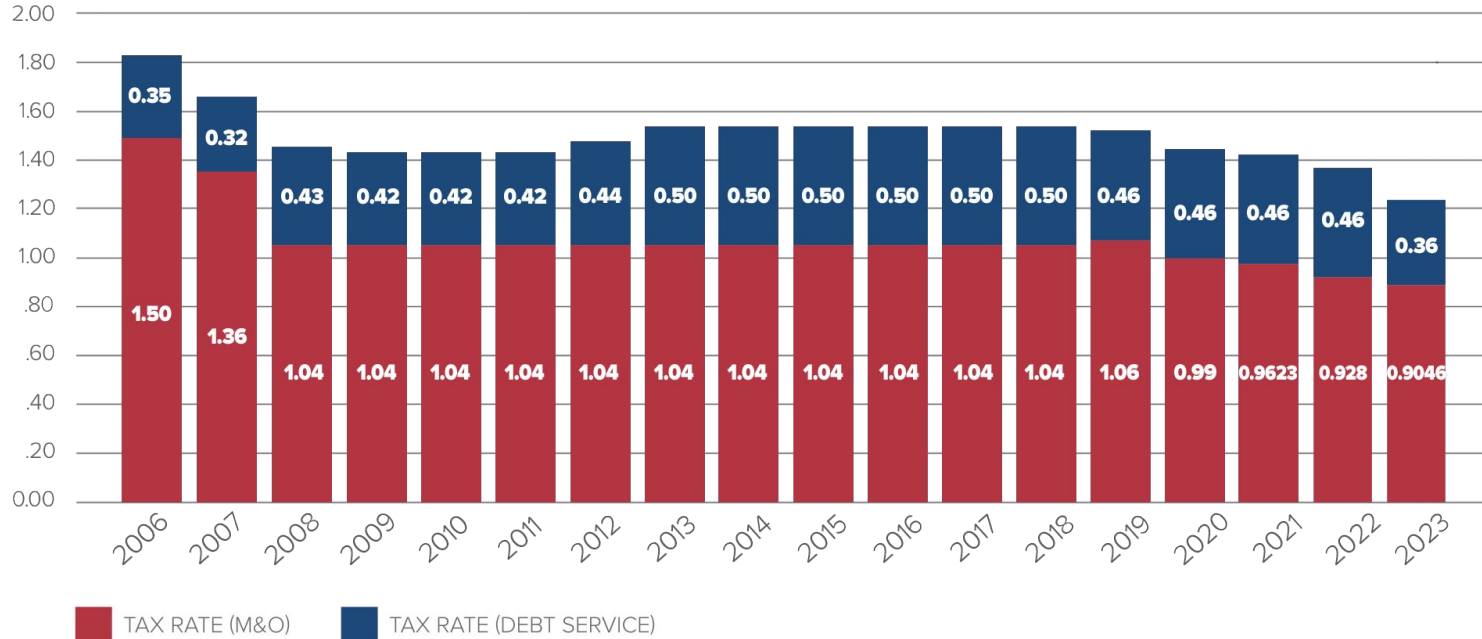
On August 18, the Board of Trustees adopted the 2022-2023 PfISD tax rate at \$1.2646, the lowest it has been in over 30 years.

The Board lowered the I&S tax rate by 10 cents and the VATRE asks voters to approve four of those cents be added back to the M&O rate.

The VATRE will be presented to voters as PfISD ballot Proposition B.



PfISD Tax Rate History & Proposed 2023 Tax Rate



If Not Approved,

- ★ With the M&O tax decrease of 6 cents due to HB3 compression, and the Board decreasing the I&S rate by 10 cents, homeowners will see a 16 cent decrease on their overall tax rate in this fiscal year.



If Approved,

- ★ The election asks for an additional 4 pennies to be added to the M&O tax rate.
- ★ If passed, homeowners will still see a 12 cent decrease on their overall tax rate in this fiscal year, the lowest tax rate in 30 years; AND
- ★ this will result in an additional \$6.9 Million for PfISD to be spent on daily operations like teacher salaries, utilities, and instructional materials.



How can we add pennies to the M&O rate while decreasing the overall tax rate?

The board of trustees voted to lower the I&S tax rate by ten cents. Additionally, due to House Bill 3 compression, the PfISD M&O tax rate was reduced by 6 cents.

Both of these factors contribute to the district's ability to add four cents to the M&O rate, with voter approval, while still lowering the overall tax rate by 12 cents in this fiscal year.



Pflugerville ISD Tax Rate

$$\begin{array}{r} \text{21-22 M\&O} \\ \text{TAX RATE} \\ \hline \$0.928 \end{array} + \begin{array}{r} \text{21-22 I\&S} \\ \text{TAX RATE} \\ \hline \$0.46 \end{array} = \begin{array}{r} \text{21-22 PfISD TOTAL} \\ \text{TAX RATE} \\ \hline \$1.3880 \end{array}$$

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

$$\begin{array}{r} \text{22-23 M\&O} \\ \text{TAX RATE} \\ \text{w/o VATRE} \\ \hline \$0.8646 \end{array} + \begin{array}{r} \text{22-23 I\&S} \\ \text{TAX RATE} \\ \text{w/o VATRE} \\ \hline \$0.36 \end{array} = \begin{array}{r} \text{22-23 PfISD} \\ \text{TAX RATE w/o VATRE} \\ \hline \$1.2246 \end{array}$$



What will I See on my Ballot?

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

- [] FOR
- [] AGAINST
-) RATIFYING THE AD VALOREM TAX RATE OF \$1.2646 PER \$100
 -) VALUATION IN PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
 -) FOR THE CURRENT YEAR, A RATE THAT WILL RESULT IN AN
 -) INCREASE OF 21.37 PERCENT IN MAINTENANCE AND OPERATIONS
 -) TAX REVENUE FOR THE DISTRICT FOR THE CURRENT YEAR AS
 -) COMPARED TO THE PRECEDING YEAR, WHICH IS AN ADDITIONAL
 -) \$38,146,329.
 -)
 -)



Will the district really receive an additional \$38 Million due to the VATRE?

We expect to receive an additional \$28.6 million in tax collections due to increased property value, **without the VATRE.**

Roughly \$10.2 million of that money would be given back to the state in the form of recapture, AND our state aid is reduced proportionally. The net effect of increased property tax revenue to the district without a VATRE is \$0.

With the approval of the VATRE, the district anticipates receiving an additional \$6.9 million to it's M&O budget.

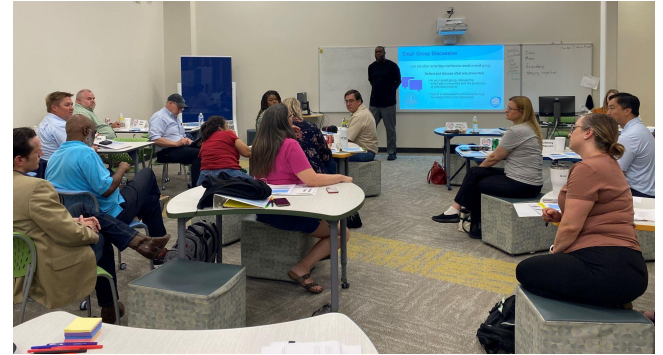


Bond Process Overview

Bond Process

The bond process began with the formation of the 2022 Citizens Facilities Advisory Committee. This committee was charged with evaluating PfISD's facility needs including:

- ★ Growth and capacity
- ★ Aging conditions
- ★ Land acquisition and banking
- ★ Evolving educational delivery and programming
- ★ Energy efficiency and sustainability



CFAC Overview

The 34- member CFAC met 8 times over the course of several months to evaluate the needs in PfISD by:

- ★ Touring campuses
- ★ Studying recent demographic reports and projections
- ★ Studying the district's financials and learning how school finance works
- ★ Conducting a community survey
- ★ Hearing from multiple PfISD departments about their needs and Considerations.

The CFAC reached consensus and presented their recommendation to the Board of Trustees on August 4, 2022.



District Input and Considerations

The CFAC recommended a \$323,680,000 bond election to include items such as:

- ★ Renovations and updates to aging campuses
- ★ Purchase of future land sites
- ★ Technology Devices and Related Infrastructure
- ★ Performing Arts Improvements
- ★ Athletic venue improvements
- ★ District-wide CTE Center

Additionally, the PfISD Superintendent recommended an additional \$43.9 million to purchase land and build affordable teacher housing due to increasing teacher shortages and the escalating price of real estate in Central Texas.





Bond Proposal

What's Proposed

Proposition C

General Bond

Design, Construction, Acquisition, Expansion, Improvement and Equipment of School Buildings in the District and Purchase of the Necessary Sites, and Buses

\$190,280,000

Proposition D

Technology

Teacher and Student Devices
Related Network Security
Related Infrastructure Improvements

\$54,000,000

Proposition E

Performing Arts Renovations & Upgrades

PHS PAC Renovation
PAC Lighting at CHS, HHS, WHS

\$3,000,000

Proposition F

Stadium Renovations & Upgrades

HHS Scoreboard
Pfield Wiring & Microphones

\$400,000

Proposition G

Career & Technology Education (CTE) Center

Centralized location for advanced CTE programming, offered to students from all 4 High Schools

\$76,000,000

Proposition H*

Teacher Housing

Purchase land and construct 75-100 unit housing complex for teachers.

\$43,924,000

*Recommended by Superintendent





Proposition C: School Buildings, Infrastructure, and Improvements - \$190,280,000

- ★ District-wide safety and security upgrades
- ★ Additions and renovations at multiple campuses, including elementary, middle, and high school campuses
- ★ The purchase of land for future projects
- ★ HVAC and mechanical upgrades
- ★ Capital improvement projects designed to address aging conditions and equity across campuses



Proposition D: Technology \$54,000,000

- ★ Devices for students and staff
- ★ Related District-wide network security upgrades & infrastructure improvements





Proposition E: Performing Arts Improvements

\$3,000,000

- ★ Pflugerville High School Performing Arts Center renovations
- ★ PAC Lighting upgrades at CHS, HHS & WHS





Proposition F: Stadium Improvements \$400,000

- ★ Wiring of the Pfield for headsets and microphones
- ★ Hendrickson High School scoreboard replacements



Proposition G: District- wide Career and Technical Education (CTE) Center - \$76,000,000

This project would

- ★ Provide a centralized location for advanced CTE programming, expanding offerings to students at all high schools.
- ★ Create additional instructional space by moving CTE programs to a centralized location, freeing up classroom space at high school campuses.
- ★ Provide more real-world applicable learning and certification opportunities for PfISD high school students.



Proposition H: Affordable Teacher Housing \$43,924,000

This project is expected to include:

- ★ the purchase of land
- ★ the construction of 75-100 1, 2, and 3 bedroom units only to be used for teachers (as per SB30).

If approved, an application process and associated rules would be enacted to allow for proper use of the PfISD affordable housing units.

We have not outlined the usage plan for the units, but we anticipate they will be used for recruiting new teachers to the area, as well as for current teachers in PfISD.

What's Proposed

If all bond propositions are approved by voters, the **overall PfISD tax rate is not expected to increase**. The tax rate for this fiscal year has been set, and assuming passage of the VATRE, will decrease by 12 cents per \$100 of taxable value.

However, due to recent legislation, school districts are required to include the language, "THIS IS A PROPERTY TAX INCREASE" on all bond propositions, even when the district is not expecting a rate increase.

SECTION 1.008. Section 45.003, Education Code, is amended by adding Subsections (b-1) and (d-1) and amending Subsections (d) and (f) to read as follows:

(b-1) The ballot proposition under Subsection (b) must include the following statement: "THIS IS A PROPERTY TAX INCREASE."



What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION C

[] FOR

[] AGAINST

)
) THE ISSUANCE OF \$190,280,000 SCHOOL BUILDING BONDS FOR THE
) DESIGN, CONSTRUCTION, ACQUISITION, REHABILITATION,
) RENOVATION, EXPANSION, IMPROVEMENT AND EQUIPMENT OF
) SCHOOL BUILDINGS IN THE DISTRICT AND THE PURCHASE OF THE
) NECESSARY SITES THEREFOR AND THE PURCHASE OF NEW SCHOOL
) BUSES, AND LEVYING AND IMPOSITION OF TAXES SUFFICIENT TO
) PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE
) COSTS OF ANY CREDIT AGREEMENTS. REQUIRED STATEMENT FOR
) ALL SCHOOL DISTRICT BOND PROPOSITIONS PURSUANT TO
) SECTION 45.003, TEXAS EDUCATION CODE: THIS IS A PROPERTY TAX
) INCREASE.
)

What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION D

- [] FOR
- [] AGAINST
-) THE ISSUANCE OF \$54,000,000 SCHOOL BUILDING BONDS FOR THE
 -) DESIGN, CONSTRUCTION, ACQUISITION, REHABILITATION,
 -) RENOVATION, EXPANSION, IMPROVEMENT AND UPGRADING OF
 -) TECHNOLOGY SYSTEMS AND RELATED INFRASTRUCTURE AND
 -) EQUIPMENT, AND LEVYING AND IMPOSITION OF TAXES SUFFICIENT
 -) TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE
 -) COSTS OF ANY CREDIT AGREEMENTS. REQUIRED STATEMENT FOR
 -) ALL SCHOOL DISTRICT BOND PROPOSITIONS PURSUANT TO
 -) SECTION 45.003, TEXAS EDUCATION CODE: THIS IS A PROPERTY TAX
 -) INCREASE.
 -)
 -)
 -)

What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION E

- [] FOR
- [] AGAINST
-) THE ISSUANCE OF \$3,000,000 SCHOOL BUILDING BONDS FOR THE
 -) DESIGN, CONSTRUCTION, ACQUISITION, REHABILITATION,
 -) RENOVATION, EXPANSION, IMPROVEMENT AND EQUIPMENT OF
 -) PERFORMING ARTS FACILITIES IN THE DISTRICT, AND LEVYING
 -) AND IMPOSITION OF TAXES SUFFICIENT TO PAY THE PRINCIPAL OF
 -) AND INTEREST ON THE BONDS AND THE COSTS OF ANY CREDIT
 -) AGREEMENTS. REQUIRED STATEMENT FOR ALL SCHOOL DISTRICT
 -) BOND PROPOSITIONS PURSUANT TO SECTION 45.003, TEXAS
 -) EDUCATION CODE: THIS IS A PROPERTY TAX INCREASE.
 -)
 -)
 -)

What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION F

- [] FOR
- [] AGAINST
-) THE ISSUANCE OF \$400,000 SCHOOL BUILDING BONDS FOR THE
 -) DESIGN, CONSTRUCTION, REHABILITATION, RENOVATION,
 -) EXPANSION, IMPROVEMENT AND EQUIPMENT OF STADIUM
 -) FACILITIES IN THE DISTRICT, AND LEVYING AND IMPOSITION OF
 -) TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON
 -) THE BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS.
 -) REQUIRED STATEMENT FOR ALL SCHOOL DISTRICT BOND
 -) PROPOSITIONS PURSUANT TO SECTION 45.003, TEXAS EDUCATION
 -) CODE: THIS IS A PROPERTY TAX INCREASE.
 -)
 -)

What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION G

[] FOR

[] AGAINST

-) THE ISSUANCE OF \$76,000,000 SCHOOL BUILDING BONDS FOR THE
-) DESIGN, CONSTRUCTION, ACQUISITION, REHABILITATION,
-) RENOVATION, EXPANSION, IMPROVEMENT AND EQUIPMENT OF A
-) DISTRICT-WIDE CAREER AND TECHNICAL EDUCATION CENTER,
-) AND LEVYING AND IMPOSITION OF TAXES SUFFICIENT TO PAY THE
-) PRINCIPAL OF AND INTEREST ON THE BONDS AND THE COSTS OF
-) ANY CREDIT AGREEMENTS. REQUIRED STATEMENT FOR ALL
-) SCHOOL DISTRICT BOND PROPOSITIONS PURSUANT TO SECTION
-) 45.003, TEXAS EDUCATION CODE: THIS IS A PROPERTY TAX
-) INCREASE.
-)
-)

What will I See on my Ballot?

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT - PROPOSITION H

- [] FOR
- [] AGAINST
-) THE ISSUANCE OF \$43,924,000 SCHOOL BUILDING BONDS FOR THE
 -) DESIGN, CONSTRUCTION, ACQUISITION, REHABILITATION,
 -) RENOVATION, EXPANSION, IMPROVEMENT AND EQUIPMENT OF
 -) HOUSING FOR TEACHERS AND THE PURCHASE OF THE NECESSARY
 -) SITES THEREFOR, AND LEVYING AND IMPOSITION OF TAXES
 -) SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE
 -) BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS. REQUIRED
 -) STATEMENT FOR ALL SCHOOL DISTRICT BOND PROPOSITIONS
 -) PURSUANT TO SECTION 45.003, TEXAS EDUCATION CODE: THIS IS A
 -) PROPERTY TAX INCREASE.
 -)
 -)

Bond Oversight Committee

If approved, PfISD has already established its first Bond Oversight Committee to receive regular progress reports.

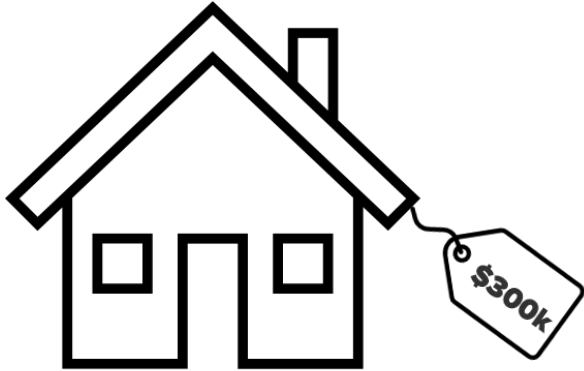
The Bond Oversight Committee is made up of parents and community members who were part of the Citizens Facility Advisory Committee. Members will include:

- Harold Flenoy
- Kevin James
- Janet Hodges
- Jeannette McGowan
- Melody Ryan
- Kenneth Thompson
- Charlie Torres

Tax Information

Estimated Tax Impact

It is estimated that if all ballot propositions are approved by voters, the PfISD tax rate will **decrease** by 12 cents.



That equates to a savings of \$370.20 per year on a \$300,000 home.

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.

These values are unrelated to the PfISD 2022 ballot measures and will be unaffected by the approval or rejection of any of these measures.



Next Steps

What will you see on your ballot?

For the November 2022 election, PfISD will have 8 Ballot Propositions that voters will have the opportunity to approve or reject.

- ★ Proposition A: ACE
- ★ Proposition B: VATRE
- ★ Proposition C: \$190,280,000 for School Building Infrastructure and Improvements
- ★ Proposition D: \$54M for Technology Devices and Related Infrastructure
- ★ Proposition E: \$3M for Performing Arts Facility Renovations
- ★ Proposition F: \$400K for Stadium Improvements
- ★ Proposition G: \$76M for a District-wide CTE Center
- ★ Proposition H: \$43,924,000 for Affordable Teacher Housing



Voting Information

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

Deadline to register to vote: **Tuesday, October 11**

Early Voting: **October 24 - November 4**

Election Day: **Tuesday, November 8**



Register to Vote!



Want to Know More?

- ★ Please visit www.pfisd.net/election2022 for more information.
- ★ Please reach out if you have questions or concerns.



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Learn More



Q&A



ACEVATRE & BOND

2022

Thank you!