

Aledo ISD

School Finance Basics



September 26, 2022

Two Parts of the District's Tax Rate/Budget



Maintenance & Operations (M&O)

(subject to recapture)



Day-to-Day Operational Expenses

Teacher and Staff Salaries, Classroom Supplies, Utilities,
Bus Transportation Costs

Interest & Sinking (I&S)

(not subject to recapture)



Debt Service Expenses

Annual Principal & Interest Payments on Bonds Approved
by District Voters

Voter approved bond funds may not be used to pay for
M&O expenses, such as hiring additional teachers.

Bond funds from a successful bond election may only be
used for the construction/renovation of facilities, the
acquisition of land, and the purchase of capital items such
as equipment, technology, and buses.

General Fund Revenues



Local Revenues

- Property Taxes
- Other Local Revenues
 - Athletic Revenues, Interest Income, etc.

State Revenues

- State Aid Funding

Federal Revenues

- School Health and Related Services (SHARS)

Tax Revenues vs State Revenues



General Fund

Increased Tax
Revenue (local
funds get heavier)

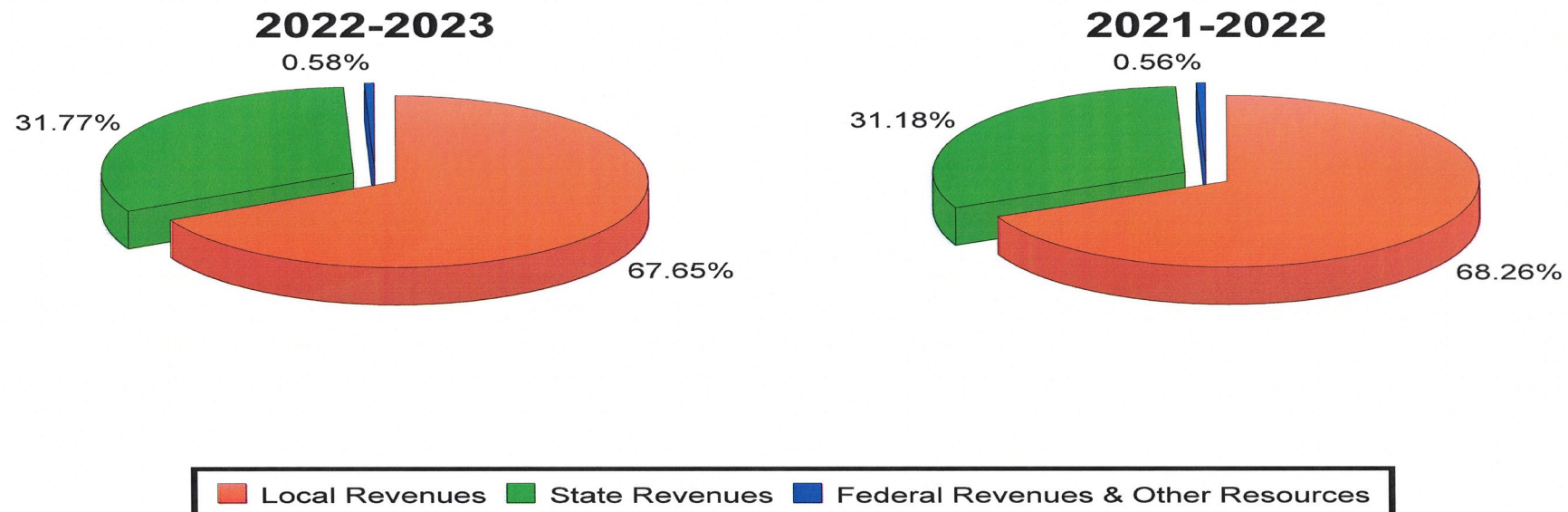


Decreased State
Revenue (state
funds get lighter)

General Fund Revenues by Source



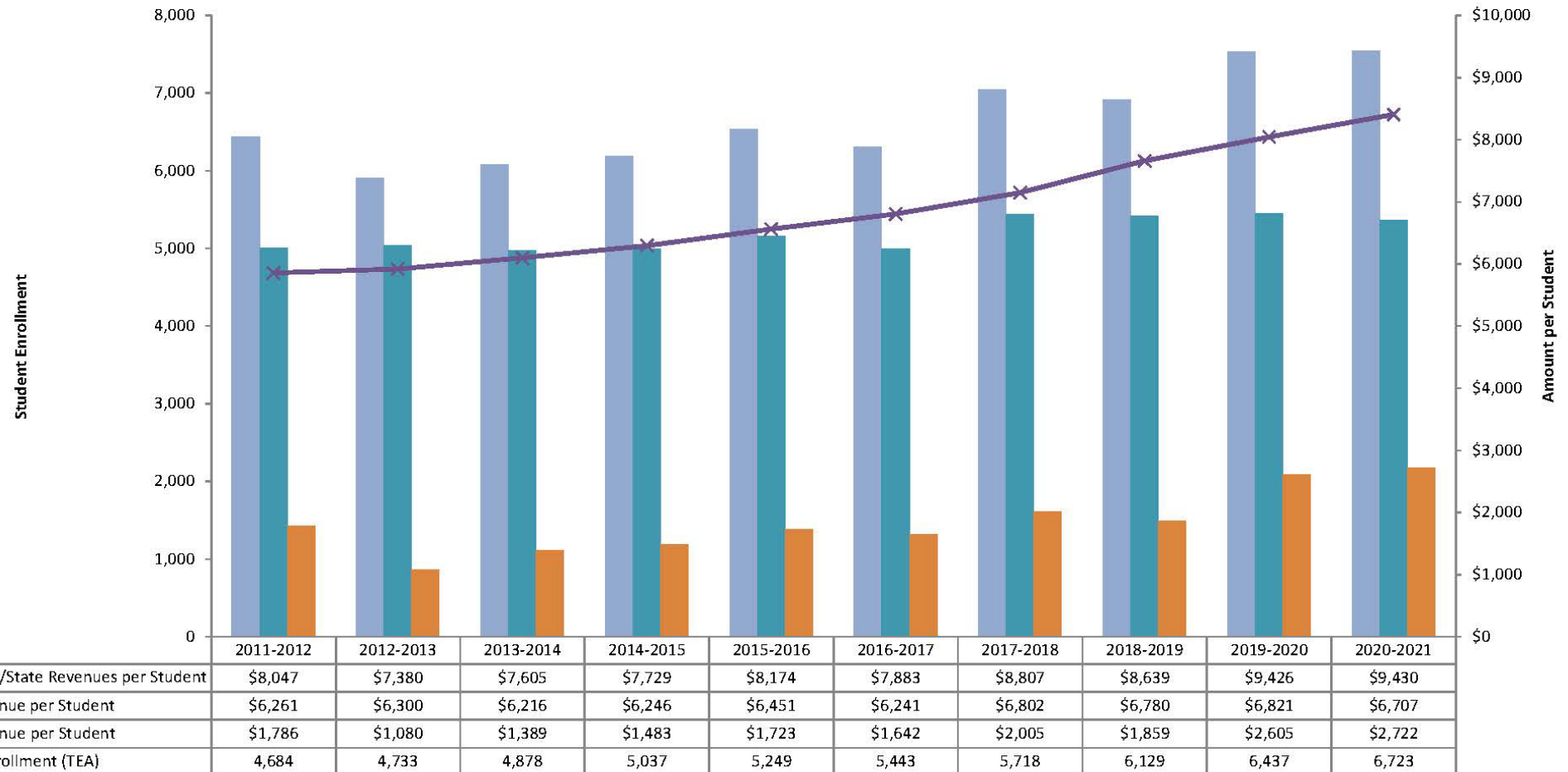
Aledo ISD Total Revenues by Source General Fund



General Fund Revenues per Student



Aledo ISD General Fund Local and State Revenue Per Student

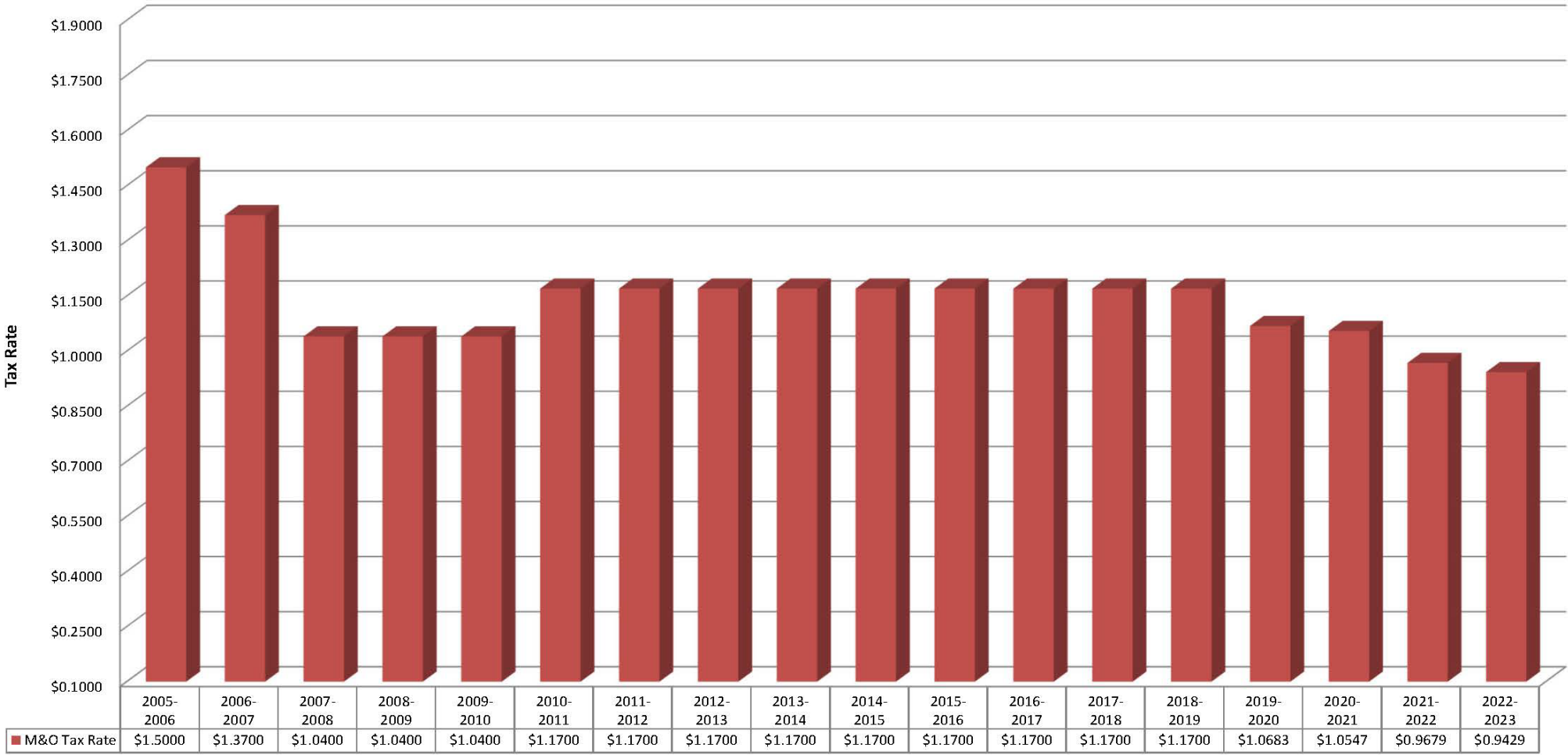


Note: Data sources are Texas Education Agency and annual Aledo ISD audit reports.

Historical M&O Tax Rates



Aledo ISD M&O Tax Rates



Recapture (Robin Hood) Payments



Under the current school finance system, Aledo ISD is a Chapter 41/49 District and subject to recapture payments to the State of Texas in the General Fund.

Historical Recapture Payments:

- 2010-2011: \$1,531,297 (4.69% of actual expenditures)
- 2011-2012: \$3,216,254 (9.22% of actual expenditures)
- 2012-2013: \$844,580 (2.43% of actual expenditures)
- 2013-2014: \$740,207 (1.98% of actual expenditures)
- 2014-2015: \$759,607 (1.92% of actual expenditures)
- 2015-2016: \$783,253 (1.89% of actual expenditures)
- 2016-2017: \$880,568 (2.12% of actual expenditures)
- 2017-2018: \$857,599 (1.84% of actual expenditures)
- 2018-2019: \$1,109,096 (2.19% of actual expenditures)
- 2019-2020: \$258,842 (0.46% of actual expenditures)
- 2020-2021: \$251,135 (0.42% of actual expenditures)
- 2021-2022: \$348,258 (0.48% of budgeted expenditures)

Total: \$11,580,696

Debt Service Fund

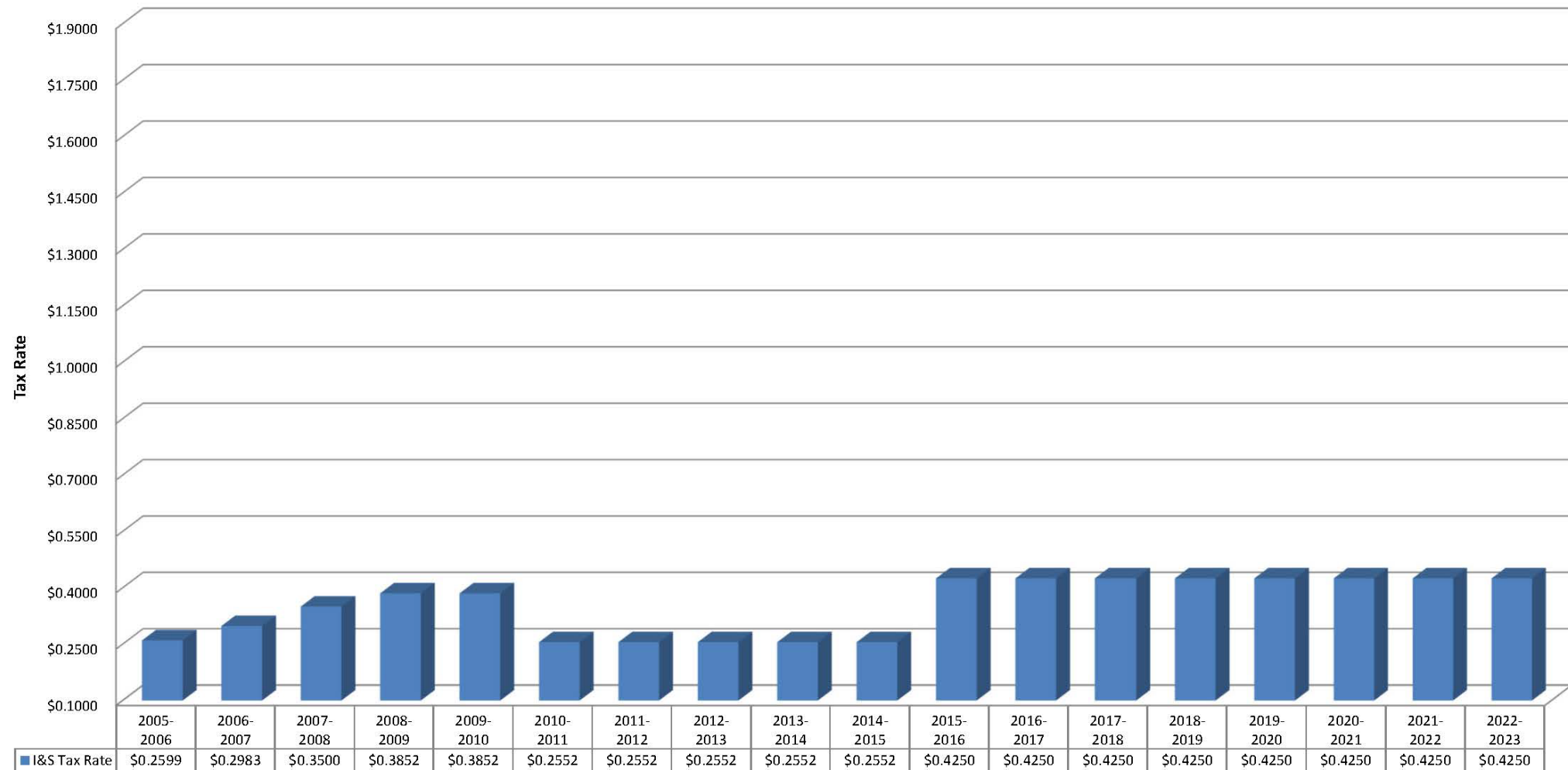


- Local taxpayers fund 98.72% of 2021-2022 debt service payments through the I&S portion of the District's tax rate.
- The remaining 1.28% is state revenues attributable to the increased homestead exemption hold-harmless.
- In the Debt Service Fund, the District keeps 100% of property tax collections.
- With the current school finance system, the only way for Aledo ISD to fund the construction/renovation of facilities is with a voter approved bond election.

Historical I&S Tax Rates



Aledo ISD I&S Tax Rates



Overall School Taxes Paid



2018 Average Market Home Value - \$319,961
2018 Average Taxable Home Value - \$290,165



School Taxes Paid
\$4,628.13

2018-2019 Tax Rate = \$1.5950

2022 Average Market Home Value - \$407,049
2022 Average Taxable Home Value - \$359,033



School Taxes Paid
\$4,911.21

2022-2023 Tax Rate = \$1.3679



5 Year Change:

Total tax rate has decreased \$0.2271

Average market home value has increased \$87,088

Average taxable home value has increased \$68,868

Property Value Growth



Valuation x \$0.4250/100

=

Amount of taxes available to pay off
voter-approved bonds used for
capital projects



Valuation x \$0.4250/100

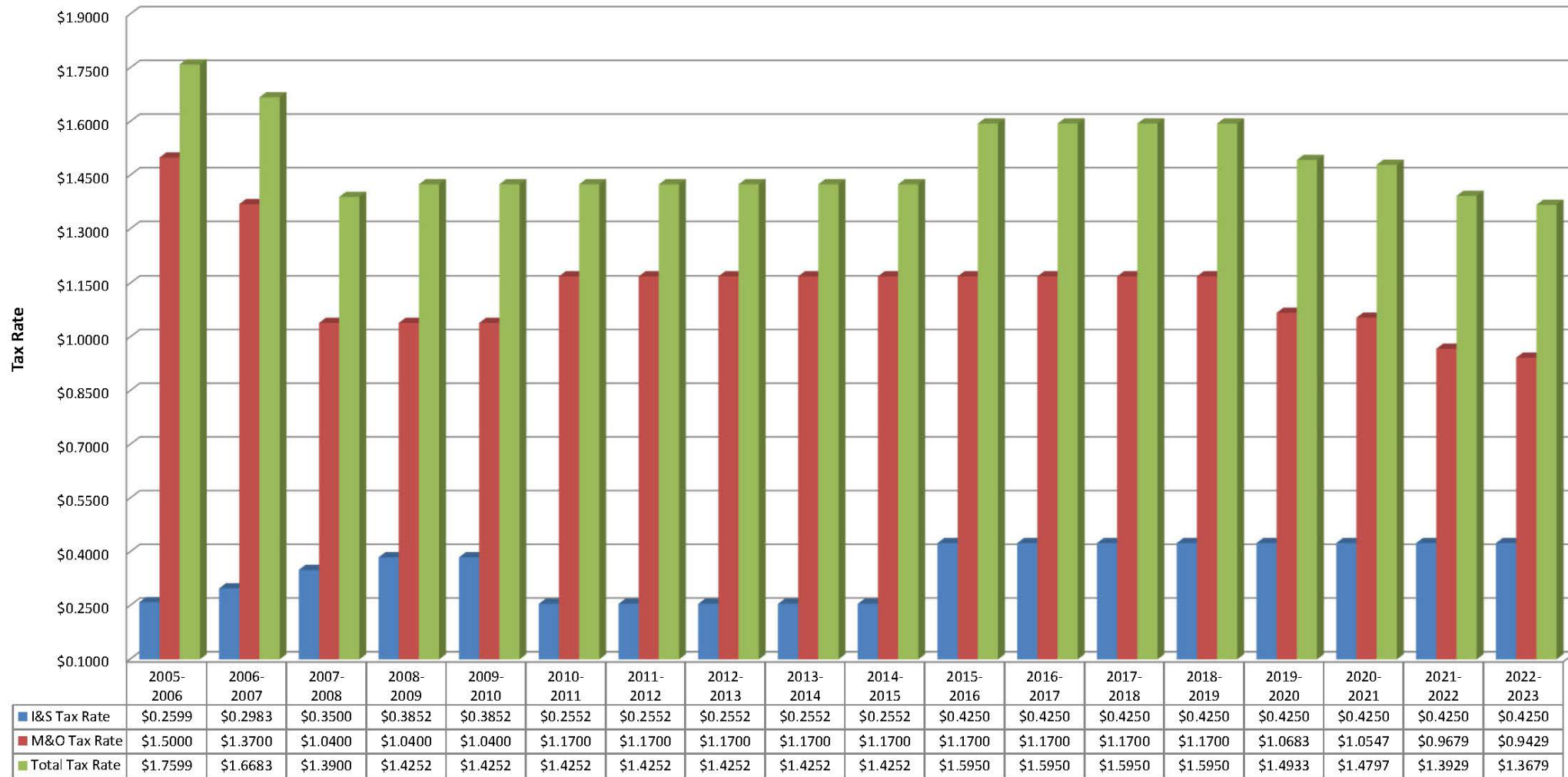
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Significantly more value in the system leading
to more taxes available to pay off voter-
approved bonds used for capital projects

Historical Tax Rates



Aledo ISD Tax Rates



Questions?



Contact Info:

Earl H. Husfeld, CPA

Chief Financial Officer

ehusfeld@aledoisd.org

817-441-5111, ext 1006

