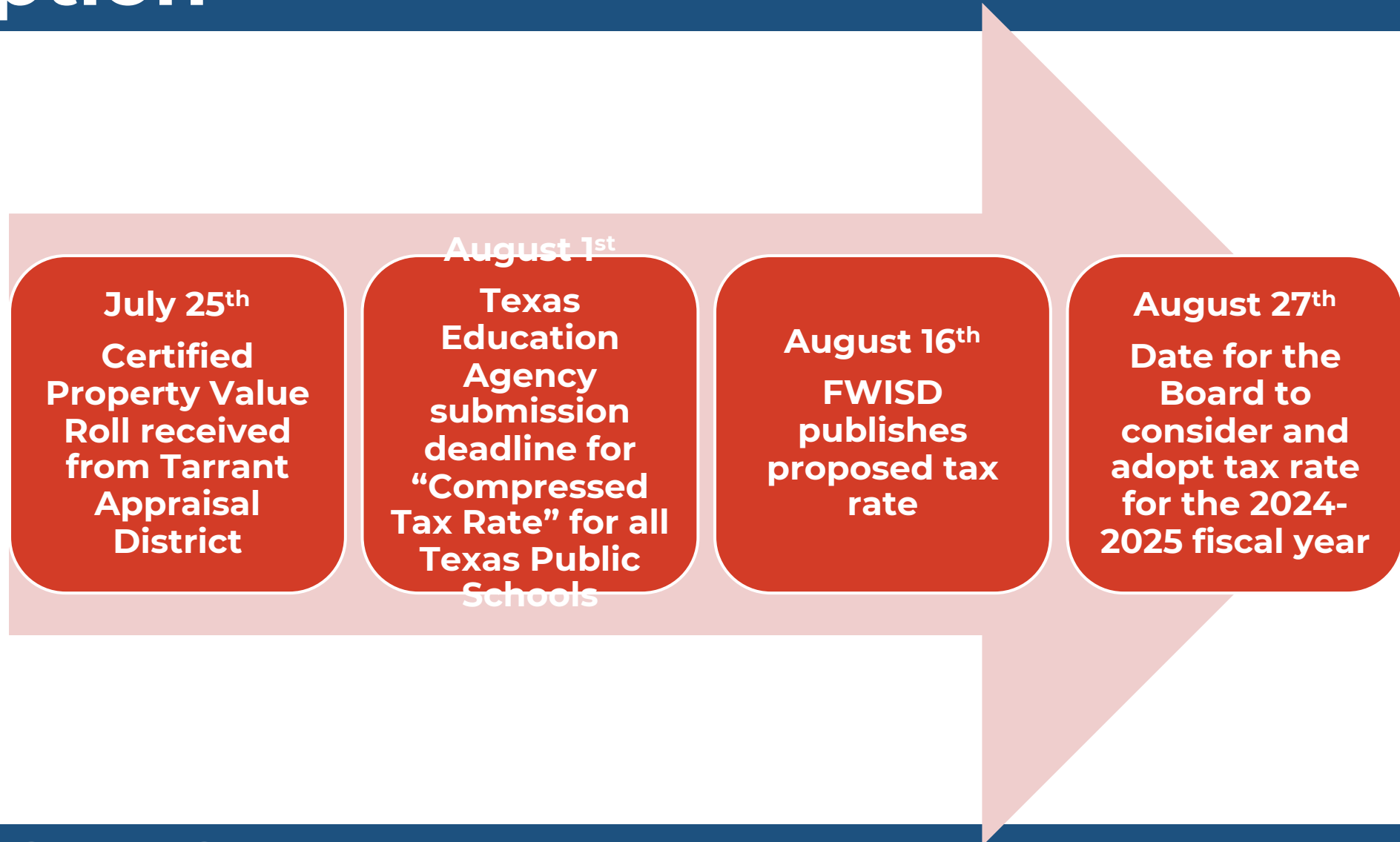


2024 - 2025 Tax Rate Adoption

Board of Trustees Meeting
August 27, 2024

Fort Worth
INDEPENDENT SCHOOL DISTRICT

On Track...to 2024-2025 Tax Rate Adoption



Proposed 2024-25 Tax Rate for M&O

Decrease over prior year

Tier	Adopted Rate 2023-24	Proposed Rate 2024-25	Net Change
Maintenance & Operations (M&O) Rate	\$0.7904	\$0.7869	(\$0.0035)

MCR (lesser of state or local compression) (greater of local compression limitation under TEC §48.2552)

\$0.6169

*Preliminary MCR
approved by TEA on
August 5, 2024.*

Plus Enrichment Pennies

\$0.1700

Proposed M&O Rate

\$0.7869

Proposed 2024-25 Tax Rates

Flat over prior year

Tier	Adopted Rate 2023-24	Proposed Rate 2024-25	Net Change
Maintenance & Operations (M&O) Rate	\$0.7904	\$0.7869	(\$0.0035)
Interest & Sinking (I&S) Rate	\$0.2720	\$0.2755	\$0.0035
Total Tax Rate	\$1.0624	\$1.0624	(\$0.000)
<i>No New Revenue Tax Rate</i>		\$1.026798	

Tax Rate Highlights

- **Last year's tax rate** is the actual rate the school district used to determine property taxes last year.
- This year's **no-new-revenue tax rate** (formerly referred to as the effective tax rate) would impose the same total taxes as last year if you compare properties taxed in both years, less improvements made to those properties. It does not account for impacts in state aid or recapture that would occur if the rate was adopted.
- This year's **voter-approval tax rate** (formerly referred to as the rollback tax rate) is the highest tax rate the school district can set before it must hold a tax ratification election.
- This year's **proposed tax rate** exceeds the rate to maintain same level of maintenance & operations revenue and pay debt service. The vote to adopt the tax rate must a record vote and must have at least 60 percent of the members of the governing body vote in favor of the resolution. This applies to all members and is not restricted to just members that are present.

Proposed 2024-25 Tax Rates

3.47% Increase from Prior Year

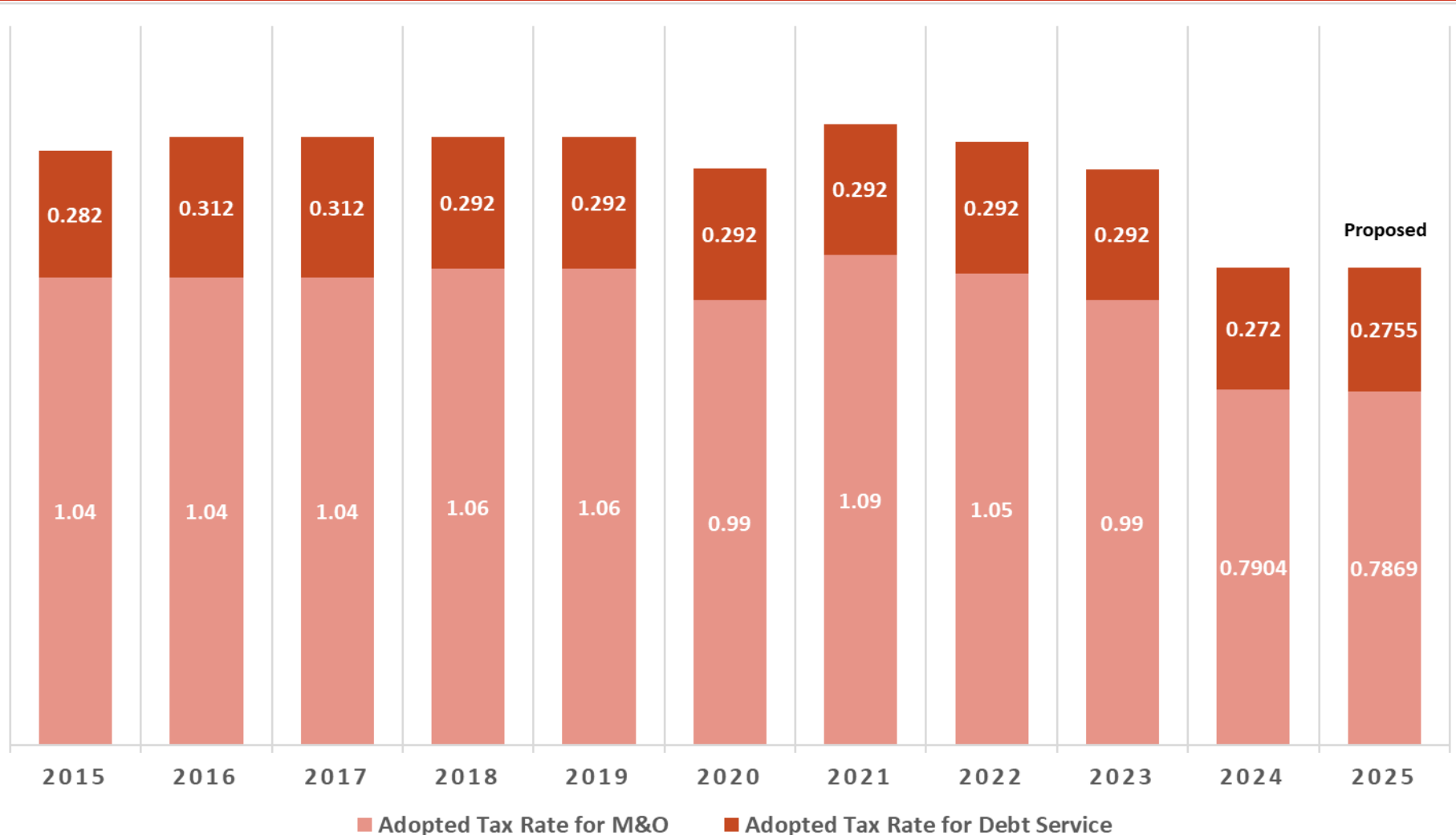
Comparison of Total Tax Rates

No-New-Revenue Total Tax Rate	\$1.026798
This year's proposed total tax rate	\$1.062400
This year's proposed rate minus NNR	\$0.035602
% Change in Total Tax Rate	3.47%

A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:

“I move that the property tax rate be increased by the adoption of a tax rate of \$1.0624, which is effectively a 3.47 percent increase in the tax rate.”

History of M&O and Debt Service Tax Rates for FWISD from 2015 to 2024 and Proposed 2025



2025 - \$0.7869
(M&O Rate) +
\$0.2755 (I&S
Rate) = \$1.0624
combined total
rate

2024 - \$1.0624
combined rate

Comparison of Surrounding District's Tax Rate

District	City	County	Adopted 2023-2024 Tax Rate	Proposed 2024-2025 Tax Rate
Carroll ISD	Southlake	Tarrant	1.00250	0.99690
Fort Worth ISD	Fort Worth	Tarrant	1.08240	1.06240
Keller ISD	Keller	Tarrant	1.08750	1.08750*
Everman ISD	Everman	Tarrant	1.32711	1.09415
Azle ISD	Azle	Tarrant	1.02500	1.10200
Arlington ISD	Arlington	Tarrant	1.11560	1.11560
Birdville ISD	Haltom City	Tarrant	1.20310	1.20080

Eagle

*Proposed rate unavailable

Mountain Saginaw

Tarrant

1.24720

1.24720*

Saginaw ISD

FORT WORTH ISD

Approve Agreement for the Purchase of Attendance Credit (Option 3 Agreement) and Delegate Contractual Authority to the Superintendent

Board of Trustees Meeting

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Background

- On July 15, 2024, the District received notice that, pursuant to Texas Education Code (TEC),¹ §§48.257 and 49.004, it was determined by the Texas Education Agency (TEA or agency) that FWISD's Tier One local share under TEC, §48.256, will exceed the district's entitlement under TEC, §48.266(a)(1), less the district's distribution from the state available school fund, *and/or* the district's Tier Two local share described by TEC, §48.266(a)(5)(B), will exceed the amount described by TEC, §48.202(a-1)(2), for school year 2024–2025.
- Based on these estimates, the District's estimated local yield per penny per student in weighted average daily attendance (WADA) exceeds the Tier Two (level two) guaranteed yield of \$49.28. The district will be *required* to reduce its excess local revenue level for the 2024–2025 school year using one or more of the statutory options available.

TEXAS EDUCATION AGENCY: Division of State Funding
Official Notification to Districts: 2024-2025 SCHOOL YEAR
 Local Revenue in Excess of Entitlement

CDN=220905 DISTRICT NAME=FORT WORTH ISD

REPORT 1: TIER ONE EXCESS REVENUE	
(A) Tier One Entitlement	\$569,946,329
(B) ASF Allotment	\$39,091,509
(C) Estimated 2024 State Certified District Property Value (DPV)*	\$53,957,838,596
(D) Tier One Tax Rate	0.6179
(E) Local Fund Assignment = DPV * Tier One Tax Rate / 100	\$333,405,485
(F) Tier One Excess Local Revenue = E -(A-B)	\$0
(G) Compressed M&O Tax Collections	\$401,820,812
(H) Adjustment for collections if (G-F-(A-B)) < 0	(\$0)
(I) Tier One Excess Local Revenue after adjustment for collections = F+H	\$0
=====	
=====	
REPORT 2: TIER TWO LEVEL TWO EXCESS REVENUE	
(A) Tier Two Guaranteed Yield under 48.202(f)	\$49.28
(B) Estimated 2024 State Certified District Property Value	\$53,957,838,596
(C) Estimated 2024-2025 Chapter 48 WADA	91,810.542
(D) Estimated Chapter 48 2024-2025 local yield per penny per WADA***	\$58.77
(E) Tier Two Level Two Entitlement	\$49,089,995
(F) Tier Two Level Two Local Revenue	\$58,544,255
(G) If F-E is greater than 0, then Excess Revenue** = F-E	\$9,454,260

**Estimated TEA
Amount = \$9.5
million**

**District calculated
revised amount =
\$8.2 million**

*Note 1: The 2024 DPV is estimated by applying the comptroller growth assumption of 2.87 percent to the 2023 tax year DPV.

**Note 2: Calculated values are estimates until data items are final.

***Note 3: District exceeds Tier Two Guaranteed Yield of \$49.28

Options to Reduce Local Revenue in Excess of Entitlement

A district with local revenue in excess of entitlement has the following five options available to reduce the district's revenue level under TEC, Chapter 49:

- 1) Consolidation with another district as provided by Subchapter B;
- 2) Detachment of territory as provided by Subchapter C;
- 3) **Purchase of average daily attendance credit as provided by Subchapter D (“Option 3”);**
- 4) Education of nonresident students as provided by Subchapter E (“Option 4”); and/or
- 5) Tax base consolidation with another district as provided by Subchapter F.

Note: Districts have historically selected Option 3. Successful elections conducted under TEC, former Chapter 41, carry over into TEC, Chapter 49; the administration recommendation is Option 3.

Steps to complete process....



- 1. Submit the district intent/choice selection form through Texas Education Agency Login (TEAL).**
- 2. Submit the Option 3 Netting Contract to the board for approval inclusive of school board delegation of authority to the superintendent to obligate the school district under TEC, Chapter 49**
- 3. Upon approval, the superintendent submits the approved contract via the Excess Local Revenue module of the online Foundation School Program (FSP) system in Texas Education Agency Login (TEAL).**

Emerging Issues

TAD Adopted 2024-25 Reappraisal Plan...

1

That considers a property's previous property appraisals, settlements and reductions in value when subsequently appraising that same property's property value.

3

That does not reappraise residential property values for Tax Year 2025 at current property values except for new improvements and construction.

2

That requires Chief Appraiser to only appraise, residentially coded properties, every two years within the parameters allowed by state law.

4

That requires Chief Appraiser to obtain and rely on clear and convincing evidence of the market value of a residentially coded property whose market value is increased above a threshold value of 5% or more than the market value as determined in the prior year's appraisal role.

Plan of Finance for 2024-25

- **The District has developed a debt model that maintains the \$0.292 threshold that aligns with the objectives of the 2021 Bond Program**
- **In February 2025, the District has a refunding opportunity available due to the Series 2015 Bonds**
 - \$93,050,000 is available to call
 - Current potential savings 4.594%, NPV \$4.274 million

*Proposed rate unavailable

Questions?

Fort Worth

INDEPENDENT SCHOOL DISTRICT