



# Argyle ISD

School Funding Referendum  
(VATRE)

# Who We Are

**Argyle ISD**, located in the heart of DFW, is a fast-growing district serving over **6,000 students** across **7 campuses** encompassing **35 square miles**.

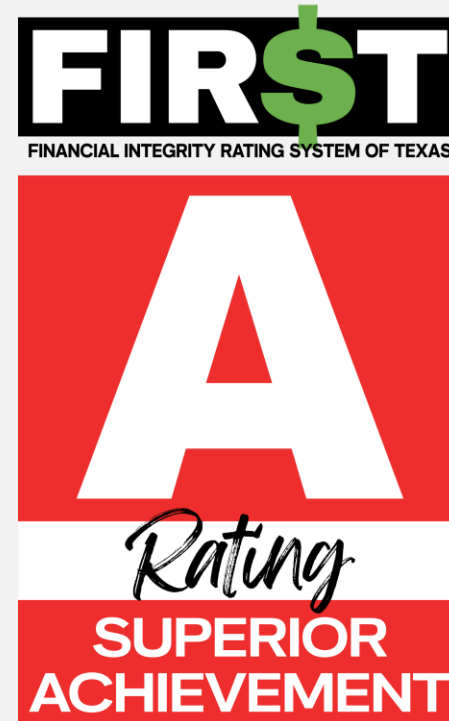
Known for **academic excellence** and **extracurricular success**, we've earned...

- **13 UIL Lone Star Cup titles**
- **18-Time UIL Academic Champions**
- **Over 100 Elementary UIL Medalists in 2023-24**
- **8-Time Marching Band State Champions**
- **25 UIL Athletic Team State Championships**
- **8 National Merit Semifinalists since 2022**
- **35 College Board Recognition Awards in 2024**



# Excellence in Financial Management

- Honored for exceptional transparency and accessibility of financial information.
- **Rated "A" for Superior Achievement for 22 consecutive years.**
- Awarded "**Transparency Stars**" by the Texas Comptroller in 2023 for Traditional Finances and Debt Obligations.
- Completed the **State Efficiency Audit Report** (VATRE Prerequisite)



# Why are we here?





# A Statewide School Funding Crisis

School districts **across Texas have adopted deficit budgets** because of lack of action at the **state level** to update **outdated funding formulas**. Some districts have **cut student programs and educational staff** to reduce costs.

- **Fox 4:** Texas school districts making cuts after state fails to pass funding increase
- **Houston Public Media:** Amid a lack of state funding, challenges lie ahead for Houston-area school districts in multi-million dollar budget deficits
- **KERA:** North Texas school districts face millions in budget cuts, closures & layoffs to fend off deficits
- **KXAN:** 'At what cost?': Many Central Texas districts make cuts as they face million-dollar deficits
- **WFAA:** North Texas school districts are stretching financially for the 2024-25 school year



# Potential Strategies to Balance Budget

- ☐ **Pause staff raises** for teachers, staff, and support
- ☐ **Increase class-size ratios** across all levels **and caseloads** for support staff
- ☐ Reevaluate, modify or **eliminate ratios for enrollment-based staffing matrix**
- ☐ Analyze, **eliminate low-enrollment programs and classes**
- ☐ **Increase fees** in non-core programs and activities
- ☐ Modify **busing qualification** criteria





# **What is a VATRE?**

**AKA: School Funding Referendum**





# What is a Voter-Approval Tax Rate Election?

A Voter-Approval Tax Rate Election (VATRE) is a special election that gives the community the power to decide whether to approve a new tax rate for their school district.

## Why does it matter?

It impacts the funding available for school programs, staff, and student services.



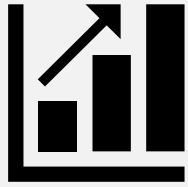
# What is Argyle ISD's history of a Voter-Approval Tax Rate Election?

In 2012, Argyle ISD voters approved a then-called **Tax Ratification Election**. At the time, election dates were chosen by school districts.

Since 2019, Argyle ISD has consistently lowered the Maintenance & Operations tax rate.

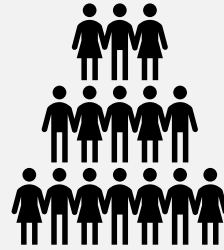


# Why is AISD Holding a School Funding Referendum?



**20%**

**Rising  
Inflation Since  
2019-2020**



**76%**

**Increased Student  
Population Since  
2019-2020**



**69%**

**Increased Staff  
Population Since  
2019-2020**

- **No increase to the state's student funding allotment since 2019**



# The Impact of Inflation

- **Rising Fuel Prices:** Since 2019-2020, fuel costs have surged, significantly increasing transportation expenses for the district.
- **Increased Utility Rates:** The cost of electricity, water, and gas has risen sharply, putting additional strain on the district's operational budget.
- **Rising Insurance Premiums:** Since 2019-2020, the cost of insuring school properties and liability coverage has escalated.

## Utilities



51%

Increase

## Fuel



44%

Increase

## Insurance



45%

Increase



# Fast-Growth District

As our student population continues to grow, we are hiring additional staff to support and serve our expanding community.

# 12%

Average Growth rate of student population, over the last five years.



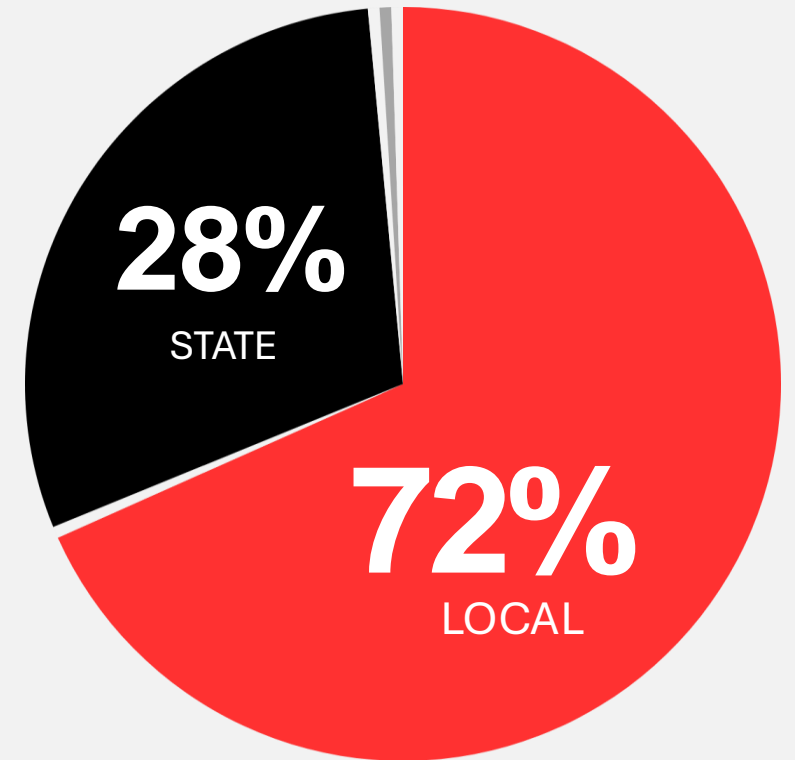
# Understanding School Finance



# How are schools funded?

Public schools in the state of Texas are funded from three main sources: **local school district property taxes, state funds, and federal funds.**

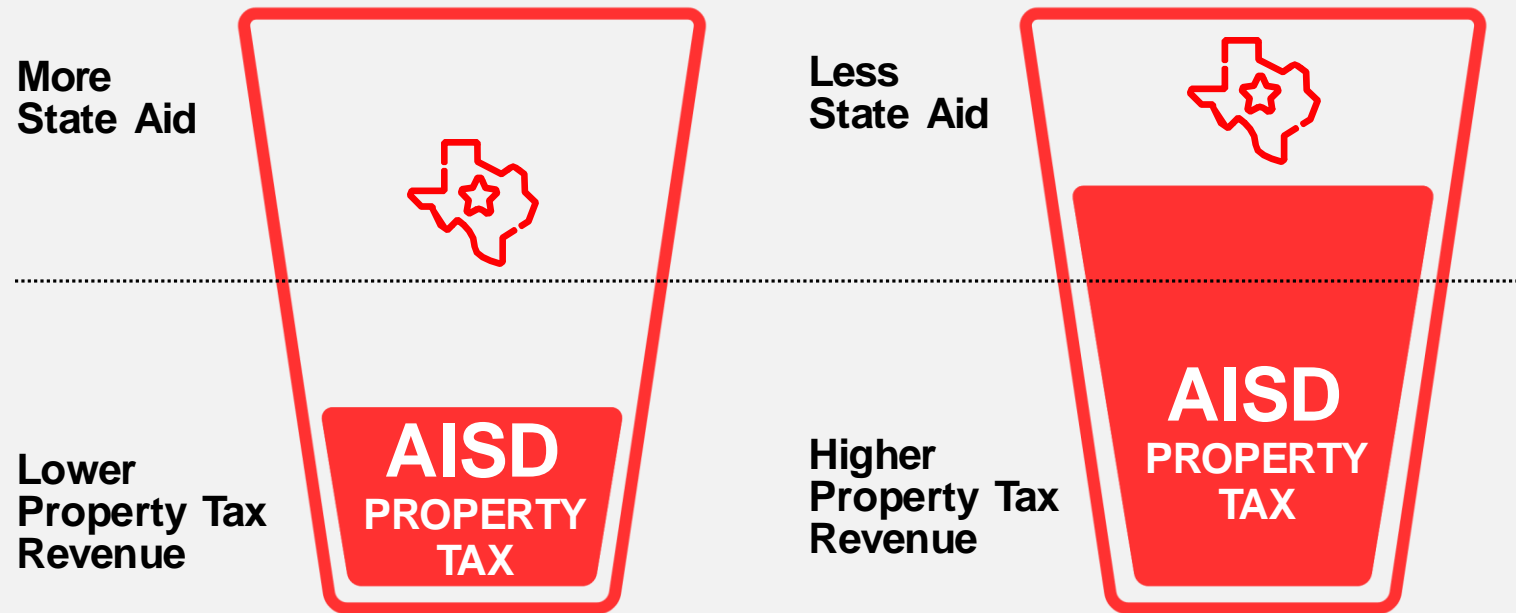
- **Local/Other:** Property taxes make up 72% of Argyle ISD's operating budget.
- **State:** The state provides 28% of the budget, but this amount is shrinking as property values in the district rise.
- **Federal:** Federal funds cover specific reimbursements and account for just .002% of the budget.





# School Taxes by the Glass

Local property taxes fill the glass first, and the state fills in any space that is left.



*\*This creates a relationship between local and state funds where when local tax collections increase, state funds to a school district decrease.*



# How are taxes applied to the budget?

School budgets and tax rates are made up of two parts: **Maintenance and Operation (M&O)** and **Interest and Sinking (I&S)**. The money generated from each part can only be used for specific types of expenses.

## M&O

- **Purpose: Funds the day-to-day operations of the school district.**

- Teacher and staff compensation
- Instruction
- Classroom supplies
- Utilities
- Transportation

### Similar to things like:

car fuel, routine maintenance, groceries, clothing, cleaning supplies, and utilities like electricity and water



## I&S

- **Purpose: Pays for the district's debt, including bonds issued for major capital projects, like:**

- New school construction
- Major renovations/Facility upgrades
- Furniture, equipment and/or purchase of land

### Similar to things like:

a new home, house renovations, kitchen appliances, new mechanical systems or a new car

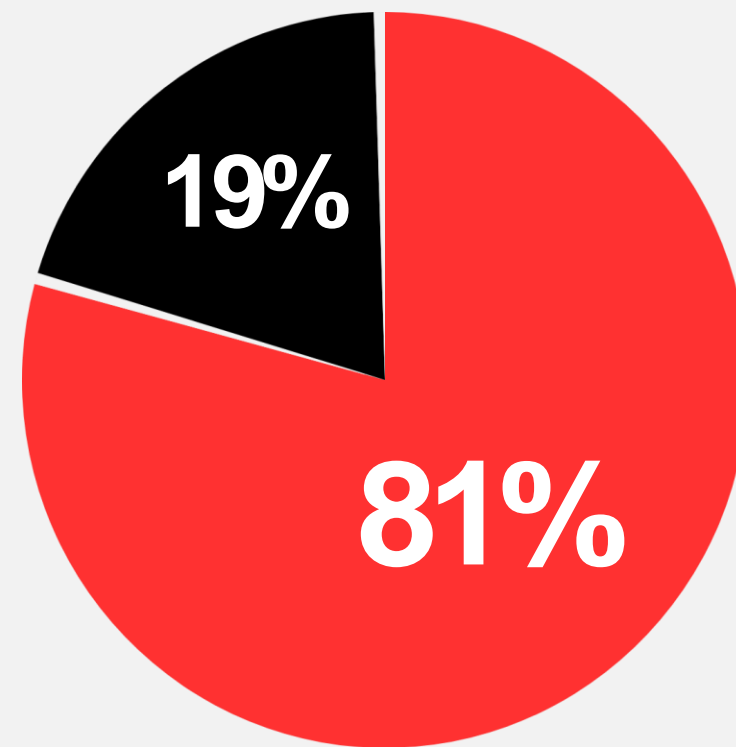


# How is the money spent?

The general fund, derived from the M&O tax rate, covers the district's operating budget, supporting daily operations, and is divided into the following main areas:

**Salaries & Benefits:** 81%, is dedicated to salaries & benefits for educators and staff members.

**Campuses & Departments:** The remaining 19% is allocated to campuses & departments, supporting various operational needs across schools and administrative units within the district.



Salaries / Benefits



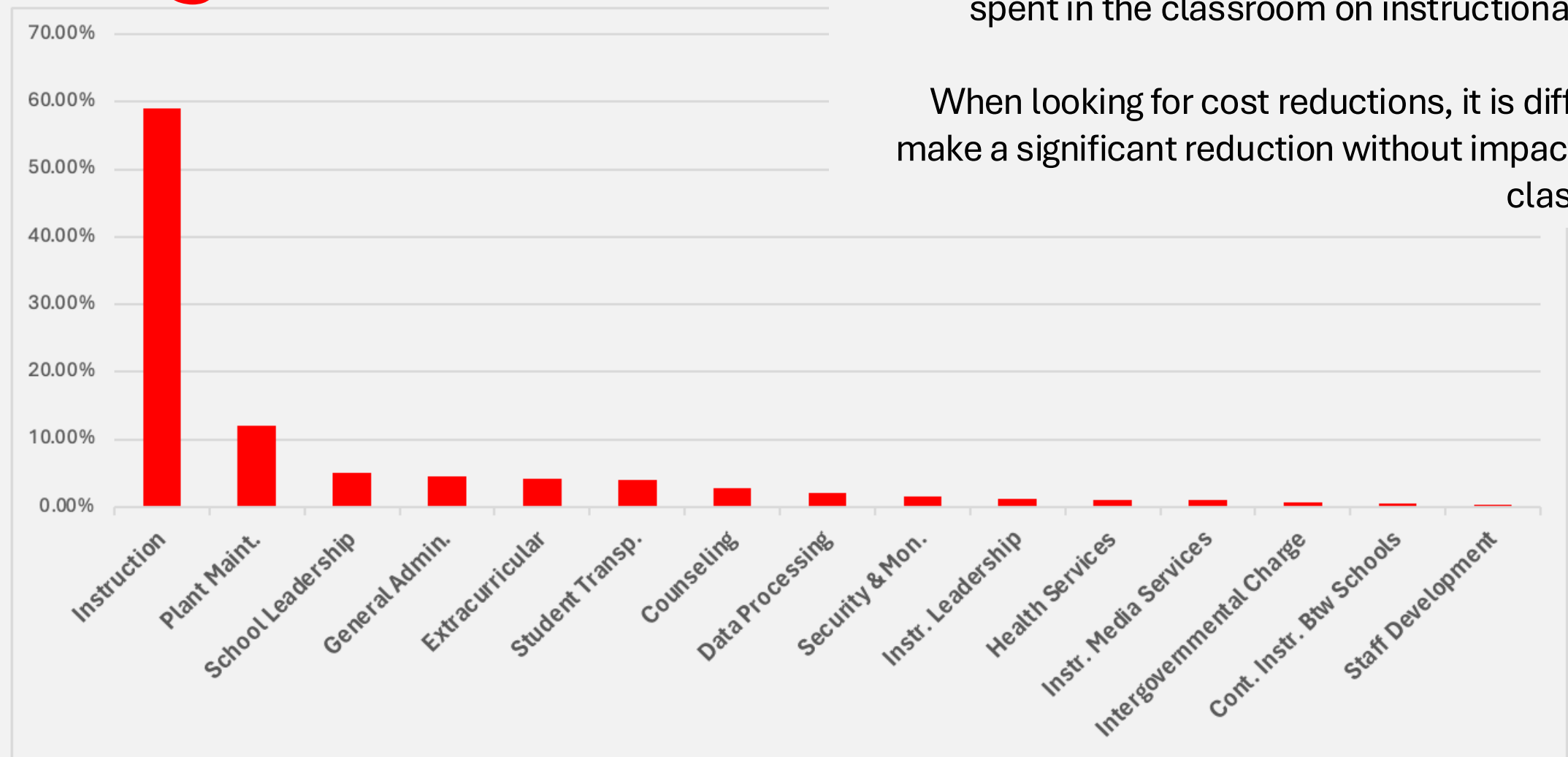
Campus / Dept.



# Budget Breakdown

A breakdown of the district's budget is represented in the graph below. A large portion of each dollar is spent in the classroom on instructional costs.

When looking for cost reductions, it is difficult to make a significant reduction without impacting the classroom.



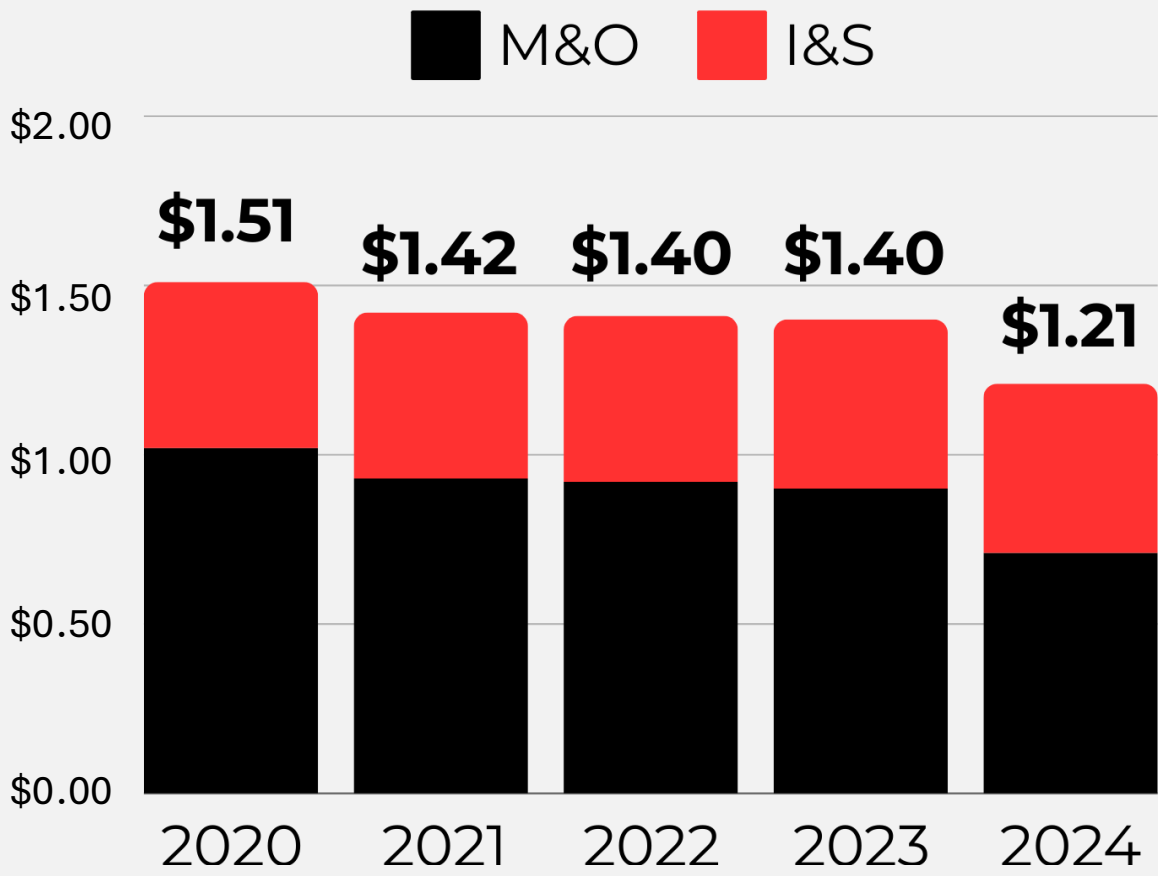
# Underfunded or Unfunded State Mandates

While the state has not updated funding levels since 2019, it has also **required districts to pay for new programs**. This decreases the funding going to teachers or the classroom.

Required Program	District Cost
Security Mandates	483% more than the state allotment
Special Education	151% more than the state allotment



# Argyle ISD Tax Rate



**2023-2024:**  
**M&O Tax Rate** **Decreased** by  
\$0.1854.  
**Resulting Decrease:** \$1,090.42 in  
school taxes for the average  
homeowner.



**Since 2022:**  
**Average Homeowner's Taxes** will  
still be **\$637.55 lower** even with  
the proposed increase.



# What Happens in a VATRE?





# VATRE IMPACT

## If Approved:

- The M&O tax rate increases to the proposed rate of \$0.7869.
- **More funding becomes available for specific district needs.**
- AISD will recommend future competitive compensation for teachers and staff.

## If NOT Approved:

- The tax rate stays the same.
- The district may need to consider cuts or adjustments to its budget such as:
  - **Class Size Increases**
  - **Program Reductions or Eliminations**
  - **Staff reductions**

*\*Reduced resources and support could negatively impact student achievement and outcomes*



# Cost to Taxpayers, If Approved...

Increase in M&O Tax Rate:

- \$0.077 cent increase per \$100 of taxable home value

$$\begin{array}{rcccl} \text{PROPOSED AISD} & & \text{AISD CURRENT} & & \text{TOTAL PROPOSED} \\ \text{M\&O TAX RATE} & & \text{I\&S TAX RATE} & & \text{ISD TAX RATE} \\ \$0.7869 & + & \$0.50 & = & \$1.2869 \end{array}$$

## Monthly Impact on Homeowners:

If approved, the tax rate impact for Argyle ISD taxpayers would be an **increase of \$6.42 per month for every \$100,000 of taxable home value.**

*\*For homeowners 65 and older whose property taxes are frozen, this increase will not affect their taxes unless they have made significant improvements to their homes.*



# What will I see on my ballot?

ARGYLE INDEPENDENT SCHOOL DISTRICT – PROPOSITION A –  
SPECIAL ELECTION FOR TAX RATE RATIFICATION

<div>[ ] FOR</div> <div>[ ] AGAINST</div>	)	RATIFYING THE AD VALOREM TAX RATE OF \$1.2869 PER \$100 VALUATION IN THE ARGYLE INDEPENDENT SCHOOL DISTRICT FOR THE CURRENT YEAR, A RATE THAT WILL RESULT IN AN INCREASE OF 10.4 PERCENT IN MAINTENANCE AND OPERATIONS TAX REVENUE FOR THE DISTRICT FOR THE CURRENT YEAR AS COMPARED TO THE PRECEDING YEAR, WHICH IS AN ADDITIONAL \$6,915,000.
	)	
	)	
	)	
	)	
	)	
	)	
	)	



# With the proposed School Funding Referendum...

Argyle ISD will retain

**\$2,500,000**

*to address budget priorities.*

# Planned Use of VATRE Funds

## 2024 - 2025

**Initial Allocation: \$2,500,000**

- **Staff Retention Payment: \$890,000**
  - One-time supplemental payment for 24-25 school year currently taken out of fund balance.
- **2% Mid-Point Pay Increase: \$885,000**
  - Ongoing annual increase in salaries.
- **Budget Deficit Offset: \$400,000**
  - Reduces the remaining budget shortfall.
- **Classroom Ratios & Future Pay Increases: \$325,000**
  - Supports maintaining **elementary class size ratios (22:1)** and future salary increases.

**Argyle ISD**

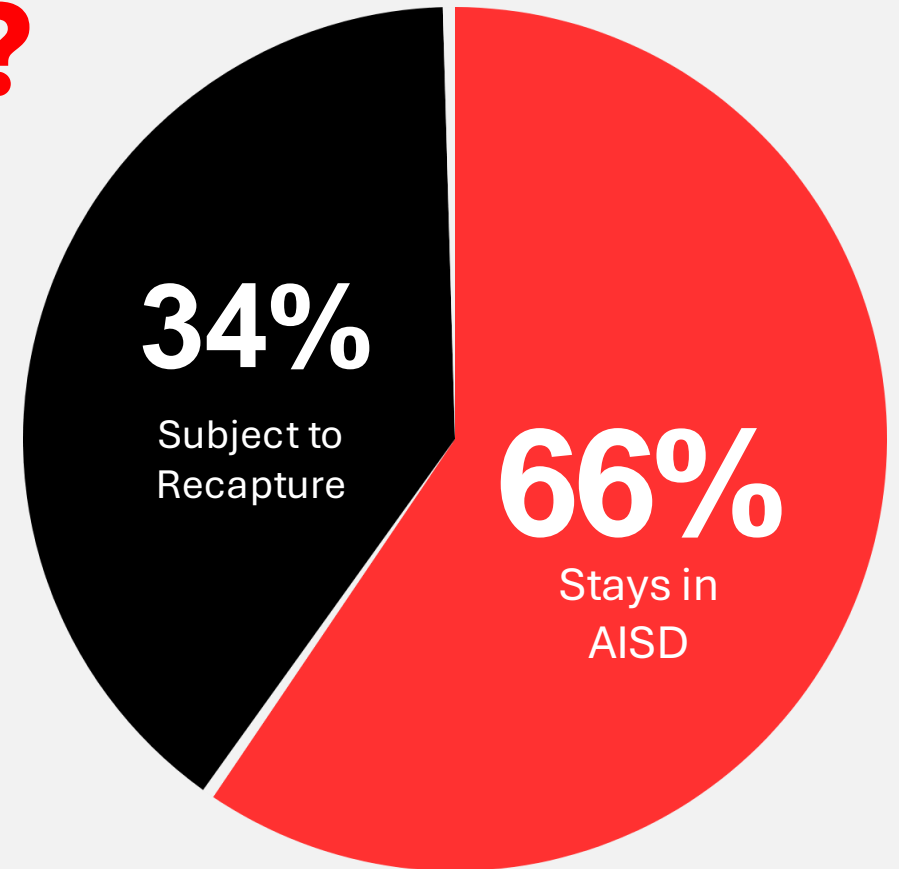
## 2025 - 2026

- **Ongoing 2% Pay Increase: \$885,000+**
  - Recurring salary increase, adjusted for additional staff.
- **2%-4% Recurring Pay Increase**
  - As determined by the Board of Trustees.
  - 1% = \$450,000
- **Potential Budget Deficit Balance**
  - Addresses any remaining shortfall IF no additional state support.
- **Additional Full-Time Teachers: ~\$68,000 per employee**
  - Ensures maintaining **elementary class size ratios (22:1)** and any possible campus support positions



# What about Recapture?

Proposition A would bring about \$3.8 million in new revenue to Argyle ISD. Argyle ISD would keep about \$2.5M and the remainder would be subject to recapture by the state.



# Surrounding Districts

District Name	School Funding Referendum
Grapevine Colleyville ISD	2024
Northwest ISD	2024
Coppell ISD	2024
Celina ISD	2024
Frisco ISD	2024
Rockwall ISD	2024
Midlothian ISD	2024
Lewisville ISD	2023 - Passed
Argyle ISD	





# Voting Information

Deadline to register to vote:

October 7, 2024

Early Voting:

October 21– November 1, 2024

Election Day:

November 5, 2024



# Questions?



For more information about the  
School Funding Referendum,

Visit:

[www.argyleisd.com](http://www.argyleisd.com)

