



PROMOTING EXCELLENCE • CREATING THE FUTURE

2024-2025 BUDGET PRESENTATION #3

TAX RATE AND COLLECTIONS
INFORMATION

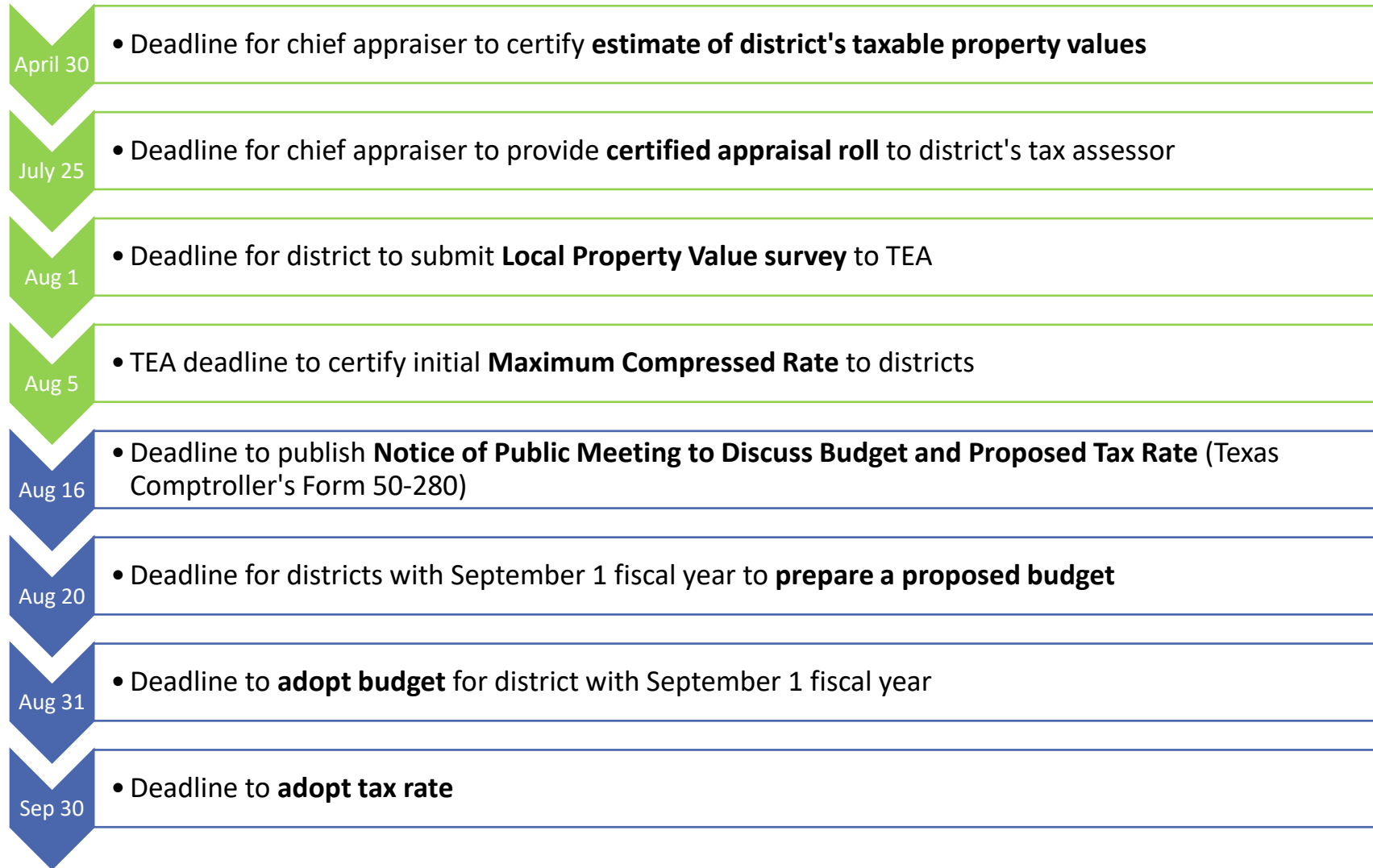
Calallen ISD | August 12, 2024

Calallen ISD
Budget Calendar
Fiscal Year 2024-2025
Tax Year 2024 and Fiscal Year 2025

Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
March - June		Review of 2023-2024 Budgets Estimate actual revenues and expenditures Submission of 2024-2025 budget requests	Assistant Superintendent Assistant Superintendent Principals and Directors
Late April		2024 <u>Estimated</u> Tax Values to CISD	Appraisal District
July	July 15, 2024 Regular Meeting	Budget Workshop w/ Board Preliminary Budget Information & Compensation Plan TASB Salary Study Recommendations	Supt/Asst Supt Board of Trustees
July	July 24, 2024 Special Meeting	Budget Workshop w/ Board Adopt Compensation Plan & Raises for 2023-2024	Supt/Asst Supt Board of Trustees
July 25th		2024 <u>Certified</u> Tax Values to CISD	Appraisal District
Early August		Tax Value Data Collection Due to TEA TEA Issues Tier 1 Tax Rate for the District	Assistant Superintendent TEA
Early August	August 12, 2024 Regular Meeting	Budget Workshop w/ Board Presentation of Notice to Set Tax Rate and Preliminary Budget *Board may adopt a tax rate lower than what is published	Supt/Asst Supt
August 15th		Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Corpus Christi Caller Times *Must be published 10-30 days before hearing, 2024-2025 deadline August 16, 2024	Assistant Superintendent
Late August	August 26, 2024 Special Meeting	Conduct Hearing to Set the Tax Rate and Adopt the Budget Conduct Special Meeting to Approve: Final Budget Amendments for 2023-2024 Set Tax Rate for Tax Year 2024 Adopt Budgets for 2024-2025	Supt/Asst Supt Board of Trustees

2024-25 BUDGET CALENDAR

BUDGET AND TAX RATE TIMELINE



TAX REMINDERS

- Tax Rate and Budget Information Posted on District Website – **Board member's name and official contact information**
- The board must include as an **appendix to the district's budget the tax rate calculation forms** used by the district to calculate the district's no-new-revenue tax rate and voter-approval tax rate.
 - Texas Comptroller Form 50-884 Tax Rate Calculation Worksheet for School Districts with Chapter 313 Agreements
- **Taxpayers entitled to an injunction** prohibiting the district from adopting a tax rate or collecting taxes if district fails to comply with laws regarding:
 - Computation, Publication, or Posting Requirements
 - Calculation and Adoption Requirement



PUBLIC BUDGET & TAX RATE NOTIFICATION

*Published: Corpus Christi Caller Times – August
15, 2024 Edition*

Meeting Scheduled August 26, 2024 at 5:30pm

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Calallen ISD will hold a public meeting at 5:30 PM, August 26, 2024 in Calallen ISD Administration Office, 4205 Wildcat Dr., Corpus Christi, Texas 78410. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$0.769500/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.270800/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	-0.11 % decrease
Debt Service	17.57 % increase
Total Expenditures	2.26 % increase

Total Appraised Value and Total Taxable Value (as calculated under Section 26.04, Tax Code)

	<u>Preceding Tax Year</u>	<u>Current Tax Year</u>
Total appraised value* of all property	\$4,008,801,002	\$4,204,942,845
Total appraised value* of new property**	\$46,584,842	\$54,766,652
Total taxable value*** of all property	\$2,793,659,748	\$2,793,326,921
Total taxable value*** of new property**	\$31,108,609	\$49,300,188

*Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$119,065,000

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$0.769500	\$0.250400	\$1.019900	\$6,033	\$6,141
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.741440	\$0.295110	\$1.036550	\$8,015	\$4,595
Proposed Rate	\$0.769500	\$0.270800	\$1.040300	\$7,448	\$4,875

*The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both.

The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$269,161	\$287,545
Average Taxable Value of Residences	\$169,161	\$187,545
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.019900	\$1.040300
Taxes Due on Average Residence	\$1,725.27	\$1,951.03
Increase (Decrease) in Taxes		\$225.76

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.040300. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.040300.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment.

Maintenance and Operations Fund Balance(s)	\$18,670,805
Interest & Sinking Fund Balance(s)	\$1,568,896

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

A graduation cap sits on a glass jar filled with coins. The background features a dark silhouette of a crowd of people, suggesting a graduation ceremony. The overall scene is set against a light, textured background.

PROPERTY TAX INFORMATION

*Property Value, Tax Rate, and
Collections Projections*

PROPERTY TAX VALUES, RATES, & COLLECTIONS

	2022-23 Certified Tax Year 2022	2023-24 Certified Tax Year 2023	2024-25 Certified Tax Year 2024
M&O Value	\$2,155,983,400	\$2,142,045,020	\$2,806,807,106
Value Growth	9.9%	-0.6%	31.0%**
Tax Rate	0.9429	0.7695	0.7965
Tax Rate Compression	(\$0.0467) or -4.7%	(\$0.1734) or -18.4%	No Change
Tax Collections	\$19,273,499	\$14,937,325	\$19,800,000
I&S Value	\$2,905,046,213	\$2,916,319,523	\$2,998,635,679
Value Growth	9.3%	0.4%	2.8%
Tax Rate	0.243	0.2504	0.2708
Tax Collections	\$6,779,445	\$6,771,984	\$7,500,000

** Tax Year 2024 M&O Value Growth is predominately due to expiring Chapter 313 agreements which added \$573.5M to the values. Growth net of these expiring Chapter 313 agreements is 3.36%.

M&O TAX RATE COMPRESSION HISTORY

Fiscal Year	Tax Year	Tier 1 State Compr. %	Tier 1 Tax Rate Ceiling	Additional Local Compr.	Maximum M&O Tax Rate	Calallen ISD M&O Tax Rate
2018-19	2018	N/A	1.00	N/A	<u>1.1700</u>	1.1700
2019-20	2019	93%	0.93	N/A	<u>1.0683</u>	1.0683
2020-21	2020	91.64%	0.9164	>4.01% Value Growth	1.0864	0.9915
2021-22	2021	91.64% + \$0.03	0.9134	>2.8% Value Growth	1.0834	0.9896
2022-23	2022	89.71% + \$0.03	0.8941	>4.36% Value Growth	1.0641	0.9429
2023-24	2023	79.50% + \$0.1070	0.6880	>4.36% Value Growth	0.8580	0.7695
2024-25	2024	68.55%	0.6855	>4.36% Value Growth	0.8555	0.7695

2024 TAX RATES

Category	2023 Tax Rate	Notes
M&O Tax Rate	0.7695	
MCR Rate (Tier 1)	0.6312	Calculated by TEA
Enrichment Tax Rate	0.1383	Compressed by HB3 from 0.17
Required Calculated Rates		
No-New-Revenue Tax Rate	1.075520	Calculated by Comptroller Tax Calculation Worksheet
No-New-Revenue M&O Tax Rate	0.741440	Calculated by District Administration using Region 13 Template (Omar's Template)
Voter-Approval Tax Rate (VATR)	1.040300	Calculated by Comptroller Tax Calculation Worksheet – Cannot adopt a higher rate
Rate to Maintain	1.036550	Calculated by District Administration using Region 13 Template (Omar's Template)
Published Tax Rate	0.7695 + 0.2708 = 1.0403	

2024 TAX RATE ADOPTION

- The Proposed Tax Rate **EXCEEDS** the No-New-Revenue M&O Tax Rate
 - Tax Rate Resolution Language Required
 - District Website Homepage Language Required
 - "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE M&O RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(INSERT AMOUNT.)"
 - Footnote on agenda item and board motion language
 - *"For clarification purposes, the tax rate is not increasing from tax year 2023 to tax year 2024. The Board is adopting a tax rate for 2024 which exceeds the no-new-revenue M&O tax rate, and is therefore, required by law, to use the specific motion language above. The percent increase in the motion language is equal to the percent that the adopted tax rate exceeds the no-new-revenue M&O tax rate, not the percent increase or decrease when compared to last year's tax rate."*

2024 TAX RATE ADOPTION

- The Proposed Tax Rate Raises MORE M&O Taxes
 - Tax Rate Resolution Language Required
 - District Website Homepage Language Required
 - "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."
- The Proposed Tax Rate EXCEEDS the Rate to Maintain
 - Supermajority Record Vote Require

IMPACT TO DISTRICT HOMEOWNERS

	2023 Certified Values	2024 Certified Values	Difference
Average Home Value	\$269,161	\$287,545	+\$18,384
HS Exemption	\$100,000	\$100,000	No change
Average Home Taxable Value	\$169,161	\$187,545	+\$18,384
M&O Tax Rate	0.7695	0.7695	No change
M&O Tax	\$1,301.69	\$1,443.16	+\$141.46
I&S Tax Rate	0.2504	0.2708	+0.0204
I&S Tax	\$423.58	\$507.87	+\$84.29
Total Tax Due on Average Home Value	\$1,725.27	\$1,951.03	+\$225.76

WHAT ARE PROPERTY VALUES USED FOR?

- **TO DETERMINE TAX RATE COMPRESSION:**
 - District's report the certified net taxable value to TEA by 8/1. Year-over-year growth determines amount of Tier One tax rate compression.
- **TO DETERMINE STATE AID & RECAPTURE:**
 - Comptroller T2 value from the Property Value Study determines the local share of the District's entitlement (how much property taxes are poured into our cup).
- **TO DETERMINE TAX COLLECTIONS:**
 - Uses the certified net taxable value and adopted tax rate to calculate tax collections. Relies on historical collections rates, and

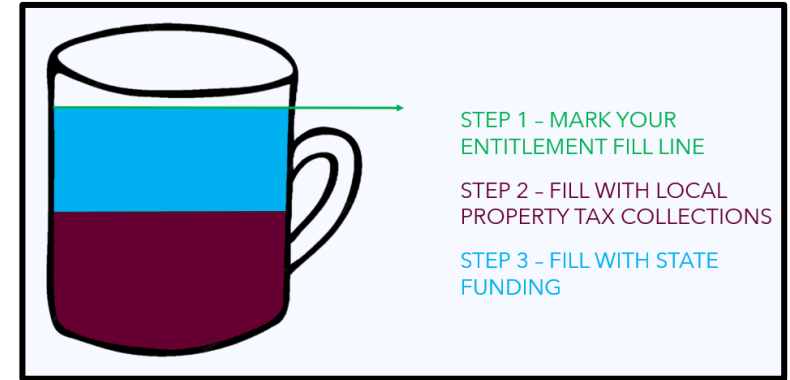
WHAT ARE PROPERTY VALUES USED FOR?

- **FSP FUNDING BASED ON:**

- Comptroller T2 value

- **ACTUAL COLLETIONS BASED ON:**

- Certified net taxable value and adopted tax rate



Scenario	FSP State Funding (Entitlement Line)	Local Tax Collections (Local Fill)
Higher T2 Value than Certified Value	2,000,000,000 X 0.7695 tax rate = \$15,390,000 Local Assignment in FSP Entitlement	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Actual Tax Collections
Lower T2 Value than Certified Value	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Local Assignment in FSP Entitlement	2,000,000,000 X 0.7695 tax rate = \$15,390,000 Actual Tax Collections

BOARD DISCUSSION OF PROPERTY VALUES

- **Required by Audit Schedule L-1:** Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?

	FY 2022-23	FY 2023-24 PROPOSED	FY 2024-25 PROPOSED
Property Value used for Local Collection (LCPV) **Certified M&O Value	2,140,887,378	2,142,045,020	2,806,807,106
M&O Tax Rate	0.9429	0.7695	0.7695
Local M&O Tax Collections	\$19,111,330	\$14,937,325	\$19,750,000
Property Values used for State Calculations (SCPV) **T2 Values	2,074,850,774	2,050,499,333	2,694,254,141
WADA	5,089	5,038	5,090
Wealth per WADA	\$420,689	\$406,989	\$529,292
State Aid FSP/ASF	\$17,723,235	\$22,080,000	\$17,800,000

GENERAL FUND EXPENSES & FUND BALANCE

	2023-24 Year End Estimate	2024-25 Budget Est July 2024	2024-25 Proposed Budget
Total Revenue	\$43,274,340	\$42,268,201	\$42,128,080
Total Expense	(\$45,640,000)	(\$46,305,000)	(\$46,292,110)
Net Roll/Loss	(\$2,365,660)	(\$4,036,799)	(\$4,164,030)
Beg Fund Balance	\$21,036,465	\$21,036,465	\$21,036,465
End Fund Balance	\$18,670,805	\$16,999,666	\$16,872,435



QUESTIONS, COMMENTS, AND DISCUSSION...