



PROP A

OPERATIONS FUNDING

Background Information

To eliminate a \$16 million structural deficit, Northwest ISD **increased class sizes and reduced student program staffing** for 2025-2026.

If approved by voters, an operations funding election would:

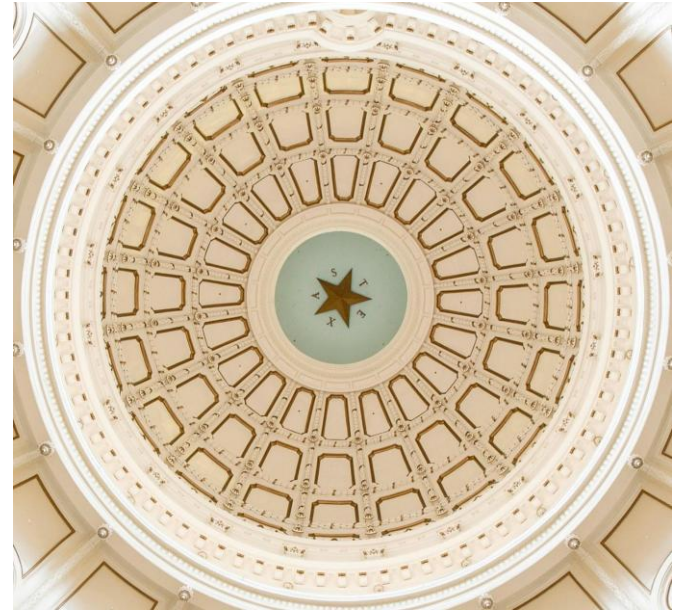
- Decrease class sizes by increasing teacher and program staffing
- Continue to provide teacher and staff raises
- Still decrease the M&O tax rate compared to 2024 through state-mandated tax compression



What About New State Funding?

In the 89th Texas Legislative Session, Northwest ISD received millions of dollars in new funding totaling around \$15 million. Most of that funding was **required by law to be used on salaries**, with no ability to be used for class sizes.

Northwest ISD and other school districts received minimal new funding to be used for class sizes and other local decisions. **Only \$2 million was non-restricted funding from a minor increase in the basic allotment.**



A Statewide School Funding Crunch

- Cypress Fairbanks ISD: \$77 million deficit budget, reduced more than 600 positions
- Dallas ISD: \$127 million proposed deficit budget for 2025-2026
- Denton ISD: \$19 million deficit budget, increasing class sizes proposed
- Eagle Mountain-Saginaw ISD: \$10 million deficit, analyzing efficiency adjustments
- Judson ISD: \$48 million deficit, considering cutting librarians, increasing class sizes
- Keller ISD: \$9.4 million budget shortfall after previously cutting \$45 million
- Lewisville ISD: \$4.5 million deficit budget following successful VATRE, closing five campuses
- McKinney ISD: \$22 million deficit budget, planning student program cuts
- Round Rock ISD: \$16 million deficit budget, analyzing reductions
- Socorro ISD: \$38 million budget deficit, reducing more than 300 positions

What Would an Approved Election Fund?



Smaller Class Sizes



Student Program Staffing



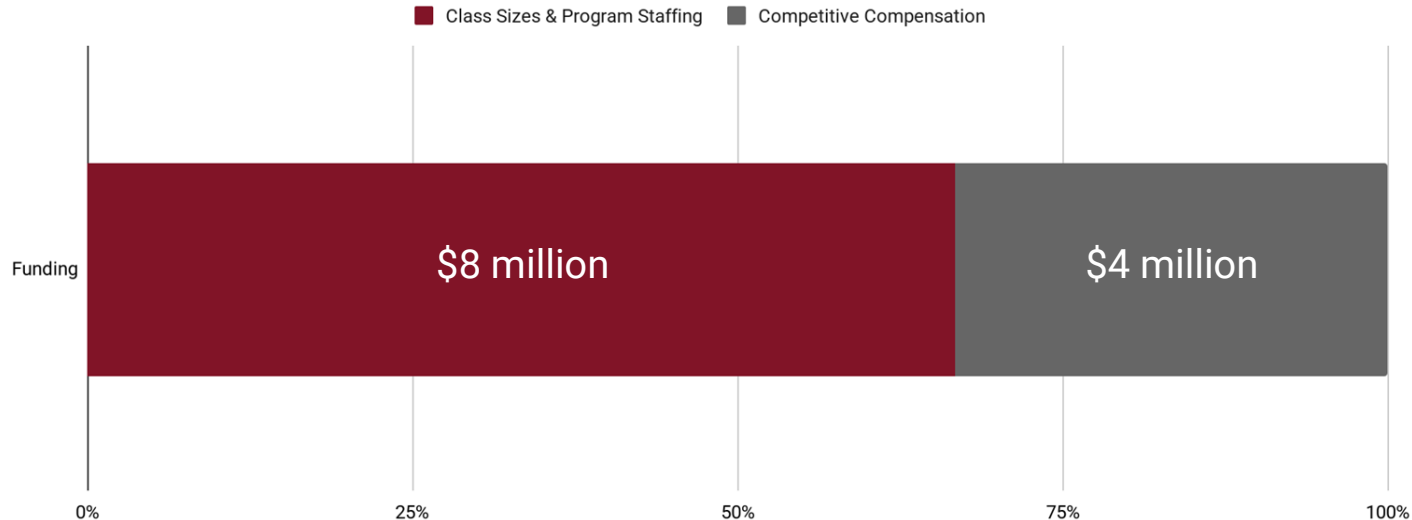
Competitive Compensation



FUNDING PROPOSAL

Operations Funding Plan

If Proposition A in the fall election is approved by voters, Northwest ISD projects to generate at least **\$12 million in new revenue**, which will be **used in the manner seen below**.



FUNDING PROPOSAL
Class Sizes & Student Programs: \$8 million


If approved by voters, \$6 million in funding of \$8 million for student programs would be used to **implement smaller class sizes in Northwest ISD schools.**

This would impact all campus levels by **hiring additional teachers to open new class sections** to relieve large classes, particularly in secondary core subjects.



FUNDING PROPOSAL

Class Sizes & Student Programs: **\$8 million**

Proposed Class Size Reductions

Elementary Schools

Decrease the following grade levels from 24 students per class:

- **Second Grade:** 22 students per class
- **Third Grade:** 23 students per class
- **Fourth Grade:** 23 students per class

Classes in kindergarten to second grade will remain at 22 students per class, while fifth grade will remain 25 students per class.

Middle Schools

Decrease the number of students a teacher sees per day from 180 students to 172.5 students. NISD will focus on core subjects, **where some classes are projected to exceed 36 students.**

High Schools

Decrease the number of students a teacher sees per day from 180 students to 172.5 students. NISD will focus on core subjects, **where some classes are projected to exceed 40 students.**

FUNDING PROPOSAL

Class Sizes & Student Programs: **\$8 million**



If approved by voters, **\$2 million of the \$8 million** for student programs would be used to **restore some staffing cuts in fine arts programs** and **maintain current academic, athletic and fine arts programs.**

Northwest ISD plans to implement the following fine arts staffing model at middle schools:

- **Band:** Director, assistant director
- **Choir:** Director, assistant director
- **Theatre:** Director
- **Orchestra:** Director
- **Art:** Two teachers

This model would **restore some fine arts programs at the high school level**, pending student interest, such as jazz band.

FUNDING PROPOSAL
Competitive Compensation: \$4 million


Northwest ISD intends to use **\$4 million** generated from a successful operations funding to continue providing competitive teacher and staff raises. This priority was set to **retain and attract high-quality teachers and staff.**



What is a VATRE?

Also Known as an Operations Funding Election

What is an Operations Funding Election, or VATRE?

State law requires a school district to pass a **Voter-Approval Tax Rate Election** to increase the maintenance and operations tax rate above a prescribed amount set by the state. It is the **only local option to increase M&O tax revenue**.

Operations Funding Election (VATRE)

Funds Daily Operations
Example: Student Programs, Class Sizes



Bond Election

Funds Capital Projects
Example: School Buildings, Large-Scale Technology



Proposal & Tax Rate Information

If approved by voters, the M&O tax rate would decrease by **0.0038 cents compared to 2024**, unlocking three “golden pennies.” Combined with the **homestead exemption increasing** from \$100,000 to \$140,000, the average taxpayer **would see a decrease of about \$448 on their annual school district property tax bill.**



Maintenance & Operations

Salaries, Utilities, Supplies, etc.
Similar To: Groceries, Utilities, Services

Last Year's Rate: \$0.6669

Proposed Rate: \$0.6631



Interest & Sinking

Buildings, Renovations, Land, etc.
Similar to: Mortgage, Car Payment

Current Rate: \$0.421

Proposed Rate: Unchanged



Tax Rate Without VATRE Approval

If voters do not approve the VATRE, the tax rate would decrease by **an additional 3 cents because of tax rate compression**. Instead of a decrease of about \$448 on the average homeowner's tax bill, the average homeowner's tax bill would decrease by about \$556.

Tax Rate Difference Based on Election Outcomes

Proposed M&O Tax Rate with VATRE Approval:

\$0.6669

Proposed M&O Tax Rate without VATRE Approval:

\$0.6331

Taxes Paid Difference Compared to 2024

Tax Decrease (2025 to 2024) with VATRE Approval:

\$448.84

Tax Decrease (2025 to 2024) without VATRE
Approval:

\$556.84

*Based on a \$500,000 home, the average approximate value in Northwest
ISD.*

Local Tax Dollars Staying Local

The 2025 VATRE proposes using the **final three “golden pennies” available to school districts.**

Golden pennies mean all funding remains within the district – **local tax dollars staying local.** Every cent generated from the election will remain in Northwest ISD.



Recapture annually takes billions of local tax dollars and redistributes them.

Golden pennies are exempt from recapture – funds they generate stay in the local school district.



Area Starting Teacher Salaries

The chart to the right represents top-ranking starting teacher salaries in the **western portion of the Dallas-Fort Worth metroplex** for the 2024-2025 school year.

Mansfield ISD	\$64,700
Arlington ISD	\$64,600
Fort Worth ISD	\$63,000
Grand Prairie ISD	\$63,000
Birdville ISD	\$62,750
Irving ISD	\$62,618
Hurst-Euless-Bedford ISD	\$62,500
Castleberry ISD	\$62,025
Everman ISD	\$62,000
Crowley ISD	\$61,810
Cleburne ISD	\$61,500
Northwest ISD	\$61,500
Eagle Mountain-Saginaw ISD	\$61,350

Area VATRE Approvals

The chart to the right represents top-ranking starting teacher salaries in the western portion of the Dallas-Fort Worth metroplex for the 2024-2025 school year.

Districts that have passed operations funding elections to increase teacher salaries are highlighted in dark gray.

^ Hurst-Euless-Bedford ISD and Northwest ISD are both planning to propose operations funding elections for November.

Mansfield ISD	\$64,700
Arlington ISD	\$64,600
Fort Worth ISD	\$63,000
Grand Prairie ISD	\$63,000
Birdville ISD	\$62,750
Irving ISD	\$62,618
^Hurst-Euless-Bedford ISD	\$62,500
Castleberry ISD	\$62,025
Everman ISD	\$62,000
Crowley ISD	\$61,810
Cleburne ISD	\$61,500
^Northwest ISD	\$61,500
Eagle Mountain-Saginaw ISD	\$61,350



Area Per-Student Funding

The chart to the right represents the **operations funding per student by district**, using the same districts based on the top-ranking starting teacher salary.

Northwest ISD ranks **at the bottom of the area in per-student funding.**

Everman ISD	\$12,952
Castleberry ISD	\$12,569
Fort Worth ISD	\$12,174
Arlington ISD	\$11,452
Crowley ISD	\$11,430
Birdville ISD	\$11,306
Grand Prairie ISD	\$11,298
Irving ISD	\$11,167
Cleburne ISD	\$11,133
Eagle Mountain-Saginaw ISD	\$10,735
Mansfield ISD	\$10,600
Hurst-Euless-Bedford ISD	\$9,784
Northwest ISD	\$9,630



Area M&O Tax Rates

District	2024 M&O Rate	VATRE Pennies
Arlington ISD	\$0.8128	12
Birdville ISD	\$0.7869	12
Fort Worth ISD	\$0.7869	12
Mansfield ISD	\$0.7869	12
Keller ISD	\$0.7552	8.83
Eagle Mountain-Saginaw ISD	\$0.7492	8.23
Lewisville ISD	\$0.7469	8
Irving ISD	\$0.7179	5.1
Northwest ISD	\$0.6669	0

Northwest ISD has called an election for 3 VATRE pennies.

A photograph of a large group of graduates in caps and gowns, overlaid with a semi-transparent red filter. The graduates are seen from behind, with their caps and tassels visible. The text "Financial Information" is centered over the image in a white, bold, sans-serif font.

Financial Information

How Northwest ISD Budgets



Payroll

>80% of budget



Contracted Services

11% of budget



Supplies & Materials

5% of budget



Capital Outlay

<1% of budget



Other Operations

4% of budget

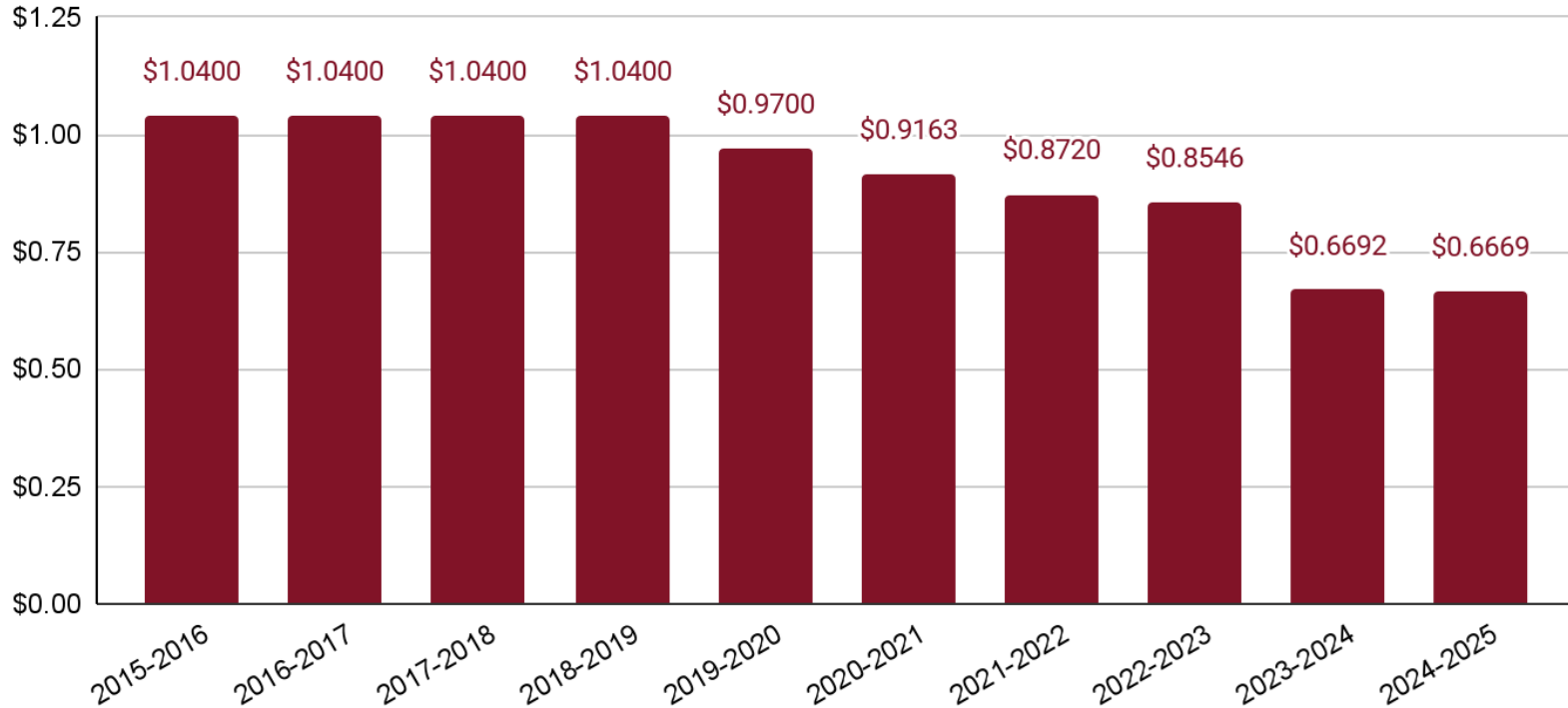
FACT

Northwest ISD's staffing model focuses on educators. Teachers compose 20% more of Northwest ISD's total staffing compared to the state average.

Source: Texas Academic Performance Reports



M&O Tax Rate History





Tax Rate Change Explanation

Year	M&O Rate	I&S Tax Rate	Total Tax Rate
2024-2025	\$0.6669	\$0.421	\$1.0879
2025-2026	\$0.6331	\$0.421	\$1.0541
2025-2026 With VATRE Approval	\$0.6631	\$0.421	\$1.0841

Tax Rate Difference with Voter Approval from 2025 to 2026:

$$1.0879 - 1.0841 = -0.0038 \text{ (Tax Rate Decrease)}$$



Tax Rate Change Explanation

<u>Period</u>	<u>M&O Tax Rate</u>	<u>I&S Tax Rate</u>
<u>Total Rate</u>		
24-25	0.6669	0.4210
	1.0879	
25-26 New Rate	0.6331	0.4210
	1.0541	
25-26 VATRE	0.6631	0.4210
	1.0841	



2025-2026 Tax Rate Explanation

M&O (Maintenance & Operations) Used for Daily Operations	I&S (Interest & Sinking) Used Only for Debt	TOTAL
<u>\$0.6631</u>	+ <u>\$0.4210</u>	= <u>\$1.0841</u> <i>per \$100 of property value</i>

Average Home Value:

\$500,000

Homestead Exemption:

(-\$100,000) in 2024; (-\$140,000) in 2025

Taxable Value:

\$400,000

Last Year's Tax Rate:

$((\$400,000 \times \$1.0879) \div 100) = \$4,351.60$

VATRE Rate:

$((\$360,000 \times \$1.0841) \div 100) = \$3,902.76$

Difference:

\$448.84 less annually compared to 2024

Ballot Language: Proposition A

FOR	_____
AGAINST	_____

NOTE: Because of required language, the ballot will say “an increase of” a negative number. Even with voter approval, homeowners’ taxes are projected to decrease.

Ratifying the ad valorem tax rate of **\$1.0841** per \$100 valuation in Northwest Independent School District for the current year, a rate that will result in an increase of **-0.543 percent** in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional **\$12,000,000**.



Voting Dates

Early Voting: October 20 - October 31

Election Day: Tuesday, November 4

Voting Time	Denton County	Tarrant County	Wise County
Early Voting	Any Early Voting Location in Denton Co.	Any County Vote Center	Any Early Voting Location in Wise Co.
Election Day	Precinct Location Only	Any County Vote Center	Precinct Location Only



Questions?

www.nisdtx.org/election



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