

# Public Meeting to Discuss the Proposed Tax Rate

August 20, 2019

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EL PASO INDEPENDENT  
SCHOOL DISTRICT



# Proposed Tax Rates for 2019-20

## M&O Rate \$1.06835

- Supports the District's General Fund
- Used for maintenance and operations of the District.
- Under House Bill 3 the State compressed all Districts with a \$1.17 tax rate to \$1.06835.

## I&S Rate \$0.20

- Supports the District's Debt Service Fund
- Used only for the payment of bonded debt and related fees.
- The District issued Unlimited Tax School Building Bonds, Series 2019 on 1-30-2019. Proceeds from the bond sale were \$250 million.



# Proposed Tax Rates for 2019-20

<b>School Year 2019-20</b>	<b>M&amp;O Rate</b>	<b>I&amp;S Rate</b>	<b>Total Tax Rate</b>
<b>Adopted tax rates (2018 values) for school year 2018-19.</b>	<b>\$1.1700</b>	<b>\$.1400</b>	<b>\$1.3100</b>
<b>Proposed tax rates (2019 values) for the 2019-20 school year.</b>	<b>\$1.06835</b>	<b>\$.20000</b>	<b>\$1.26835</b>
<b>Proposed Change in Tax Rates</b>	<b>(\$.10165)</b>	<b>\$.06000</b>	<b>(\$.04165)</b>



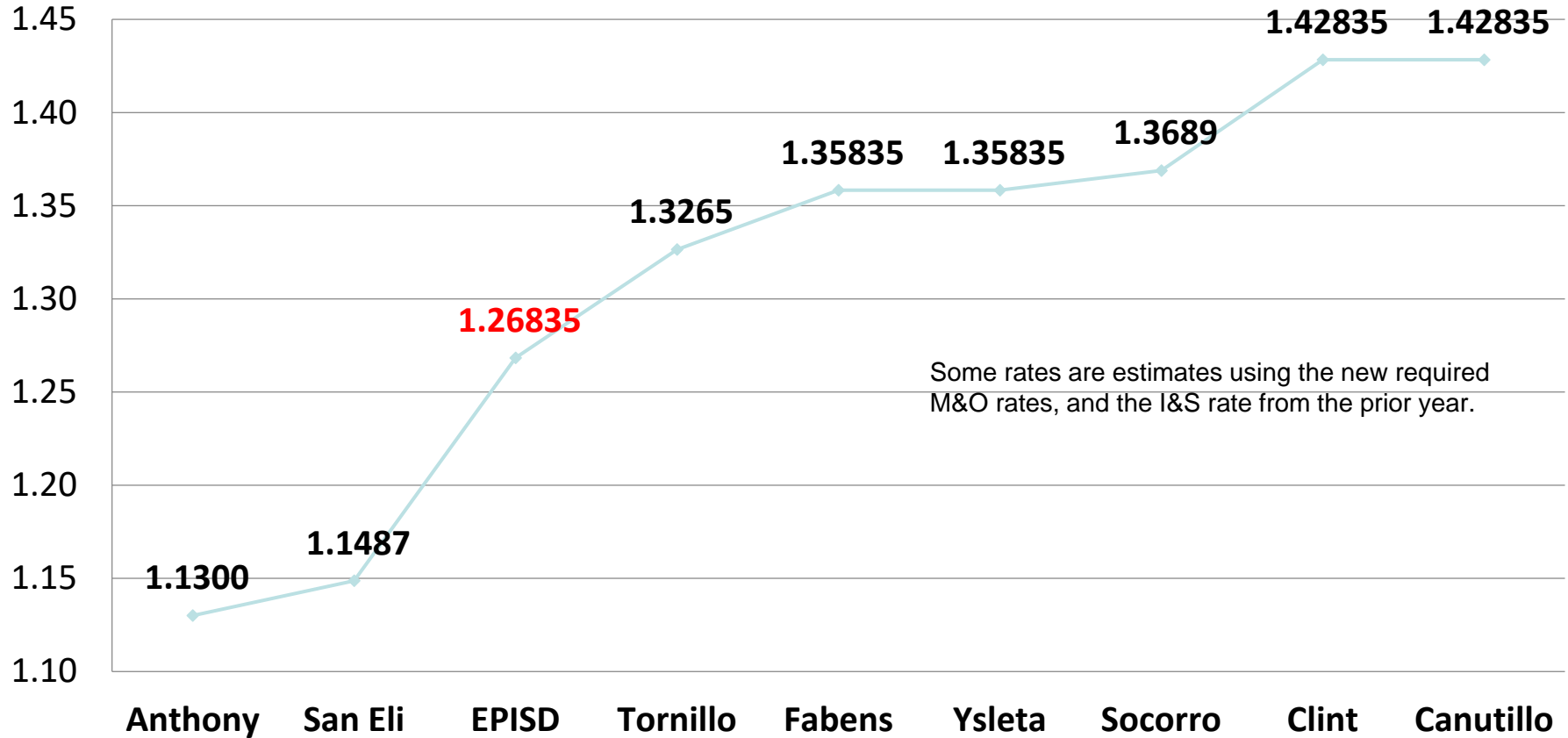
# Tax Decrease on a Residence in EPISD

Net Taxable Value	Decrease in Taxes
\$100,000	\$41.65
\$120,910 (District Average)	\$50.36
\$150,000	\$62.48
\$200,000	\$83.30
\$300,000	\$124.95



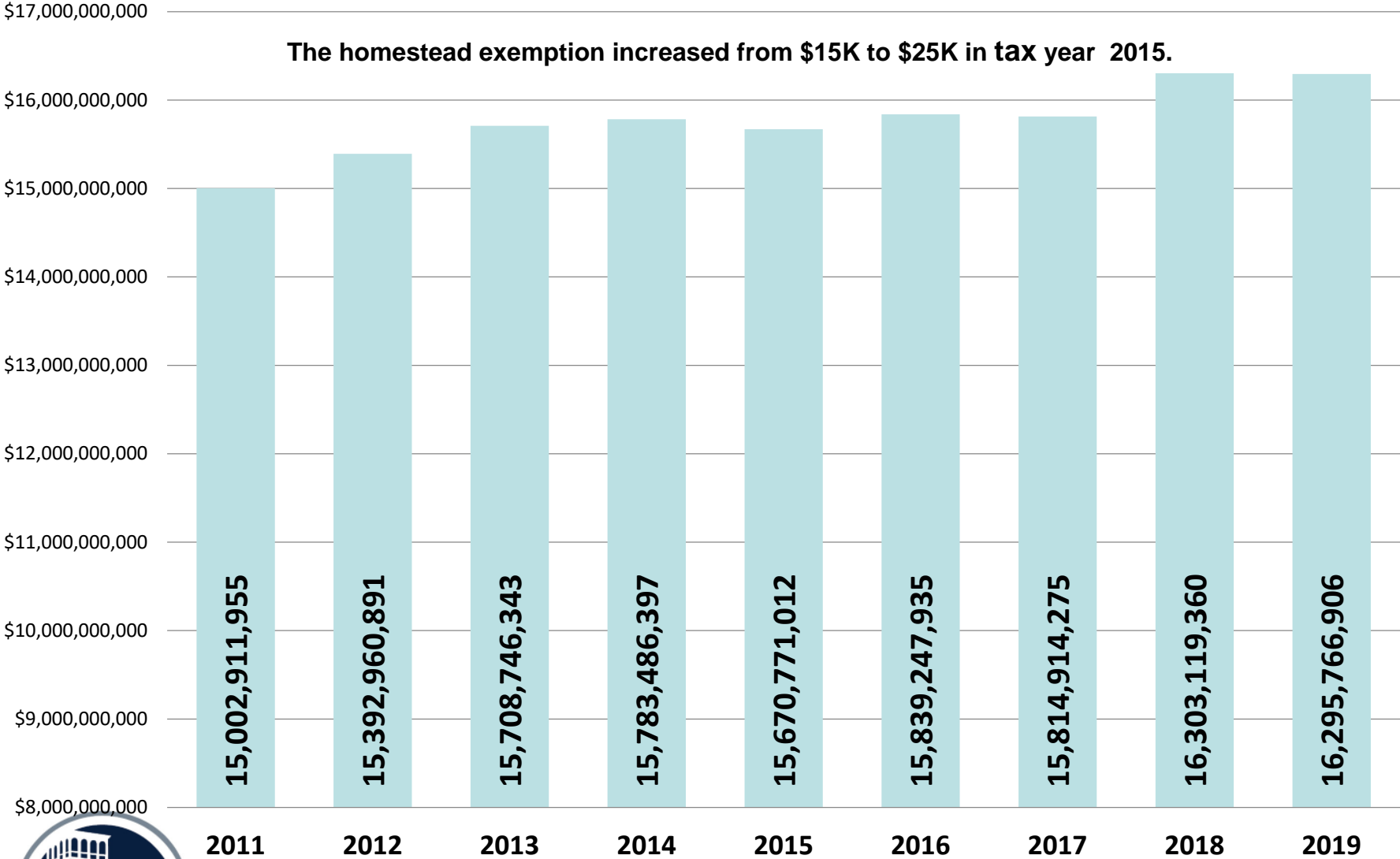
# Proposed Regional Tax Rates for 2019-20

## Total Tax Rates



# Annual Certified Property Values

The homestead exemption increased from \$15K to \$25K in tax year 2015.



# 2019 Debt Service Fiscal Year 2019–20

Date: 08/06/2019 1:10 PM

The district plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or other resources, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Bonded Debt	13,136,571	37,340,735	300,000	50,777,306

Total required for 2019 debt service	\$50,777,306
-Amount (if any) paid from the General Fund (Transfer to Debt Service Fund)	\$15,500,000
-Amount (if any) paid from State funding (EDA and IFA funding)	\$2,243,099
-Excess collections last year (None per City Tax Office)	\$0
=Total to be paid from taxes in 2019	\$33,034,207
+Amount added in anticipation that the unit will collect less than 100% of its taxes in 2019	\$0
=Total debt levy supported by property taxes	\$33,034,207

# NOTICE OF PUBLIC MEETING TO DISCUSS PROPOSED TAX RATE

The El Paso Independent School District will hold a public meeting at 5:00 PM, August 20, 2019 in Board Room, 6531 Boeing Drive, El Paso Texas. **The purpose of this meeting is to discuss the school district's tax rate that will be adopted. Public participation in the discussion is invited.**

**The school district has elected to adopt a tax rate before receiving the certified appraisal roll from the chief appraiser(s) of the appraisal district(s) and before adopting a budget. In accordance with Texas Tax Code, Section 26.05(g), the chief appraiser(s) of the appraisal district(s) in which the school district participates has (have) certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by the Texas Tax Code, Section 26.01(e). In accordance with the Texas Education Code, Section 44.004(j), following adoption of the tax rate, the school district will publish notice and hold another public meeting before the school district adopts a budget.**

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	\$1.0684/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	\$0.2000/\$100 (proposed rate to pay bonded indebtedness)

### 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	\$22,526,894,248	\$22,628,388,409
Total appraised value** of new property***	\$185,292,784	\$147,503,328
Total taxable value**** of all property	\$16,995,645,741	\$16,973,898,370
Total taxable value**** of new property***	\$129,634,781	\$130,315,445

\*All values identified are based on estimate(s) of taxable value received pursuant to Section 26.01(e), Tax Code.

\*\*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\* \$720,880,164

\*Outstanding principal.

### Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
<b>Last Year's Rate</b>	\$1.1700	\$0.1400*	\$1.3100	\$4,058	\$5,554
<b>Rate to Maintain Same Level of Maintenance &amp; Operations Revenue &amp; Pay Debt Service</b>	\$1.0740	\$0.2192*	\$1.2932	\$4,078	\$6,010
<b>Proposed Rate</b>	\$1.0684	\$0.2000*	\$1.2684	\$4,069	\$6,686

\*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	\$145,149	\$146,510
Average Taxable Value of Residences	\$119,684	\$120,910
Last Year's Rate Versus Proposed Rate per \$100	\$1.3100	\$1.2684
Taxes Due on Average Residence	\$1,567.86	\$1,533.62
Increase (Decrease) in Taxes		\$-34.24

**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 \$1.2923. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.2923.**

### 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)	\$58,000,000
Interest & Sinking Fund Balance(s)	\$6,000,000

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.



## TAX YEAR 2019 - TAX RATES

### I. Proposed Tax Rate Decrease

This is the proposed increase in the tax rate from school year 2018-19 to school year 2019-20.

	Current	Proposed	Variance	Percent
M&O	1.1700	1.06835	(0.10165)	-8.69%
I&S	0.1400	0.20000	0.06000	0.4286
Total	1.3100	1.26835	(0.04165)	-3.18%

### II. Voter Approval Rate (Rollback Rate)

This is a calculated maximum rate allowed by law without voter approval. This is the voter approval rate calculated with the 2019 certified values.

	Rollback	Proposed	Variance	Percent
M&O	1.06835	1.06835	-	0.00%
I&S	0.22390	0.20000	(0.02390)	-10.67%
Total	1.29225	1.26835	(0.02390)	-1.85%

### III. Effective Tax Rate

This is a calculated rate that would provide the school district with about the same amount of revenue in the year before, on property taxed in both years. If property values rise, the effective tax rate will go down. The percentage increase in the Effective Tax Rate is not required in the Motion setting this year's tax rate. It is found on line 23 of the Comptroller's Rate Worksheet.

	Rate	Proposed	Variance	Percent
Total Rate	1.34470	1.26835	(0.07635)	-5.68%

### IV. Effective M&O Tax Rate

This is the M&O rate that when imposed on the current year's taxable value, yields state and local revenue per student equal to the state and local revenue per student for the preceding year (per WADA) The Effective M&O Tax Rate increase is not required in the Resolution adopting this year's tax rate. It calculated using the State Funding Template.

	Rate	Proposed	Variance	Percent
M&O Rate	1.11430	1.06835	(0.04595)	-4.12%

### V. Maximum I&S Rate

The maximum I&S Rate communicated to the voters during the 2016 Bond election.

Tax Yr.	I&S Rate	Maximum	Var Max	Inc. From Prior
2016	0.1650	0.3530	0.1880	-
2017	0.2400	0.3530	0.1130	0.0750
2018	0.1400	0.2530	0.1130	(0.1000)
2019	0.2000	0.2530	0.0530	0.0600

# Questions?

