

# JUNCTION ISD

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VOTER APPROVED TAX RATIFICATION ELECTION INFORMATION (VATRE)

# WHAT CAN YOU EXPECT FROM THIS SESSION

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- Types of Taxes Schools can Levy
- What is a Voter Approved Tax Ratification Election
- Why is JISD Asking for Voter Approval for the Proposed Rate
- Review Historical Tax Rates
- JISD Goals for Additional Funds
- Question and Answer Session

# TWO TYPES OF SCHOOL TAXES

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## I. Maintenance and Operation (M/O Tax)

A tax meant to levy in property taxes the funds needed to pay for the day-to-day operations of the district

Examples:

- Salaries
- Building/Grounds Maintenance
- Instructional Programs
- Co/Extra Curricular Programs
- Utility Bills

# SECOND TYPE OF SCHOOL TAX

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## 2. Interest and Sinking (I/S Tax)

Often called the Debt Services Tax Rate- Funds to pay for district debt

Typically utilized to pay for large expenses such as facility renovation or construction

Bonds are sold for specific purposes: construction, renovations, buses, portable buildings, land, technology, and the cost of issuing bonds.

**\*\*Must have voter approval\*\***

# VOTER APPROVED TAX RATIFICATION ELECTION

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- Districts exceeding the set state maximum M/O tax rate per \$100 evaluations must seek voter approval to do so. Approval is obtained through an election referred to as a Voter Approved Tax Ratification Election.

Referred to as a **VATRE**

Why is Junction ISD seeking voter approval through a VATRE?



# MAINTENANCE AND OPERATION TAX RATE

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2019-2020 School Year Tax Rate (last year): **\$0.97**

In 2020-2021 (this year) *because the State compressed JISD's tax rate*, the maximum M&O tax rate JISD can levy is \$0.8892 without voter approval. Anything above \$0.8892 must be approved by the voters.

Without voter approval= **\$0.8892**

With voter approval= **\$1.0092**

Voters approve/disapprove of the tax rate above **\$.8892** through what is called a Voter Approved Tax Ratification Election or a (VATRE)

# TAKE A LOOK AT FACTS

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- JISD has had one of the lowest tax rates in the State of Texas since 2006

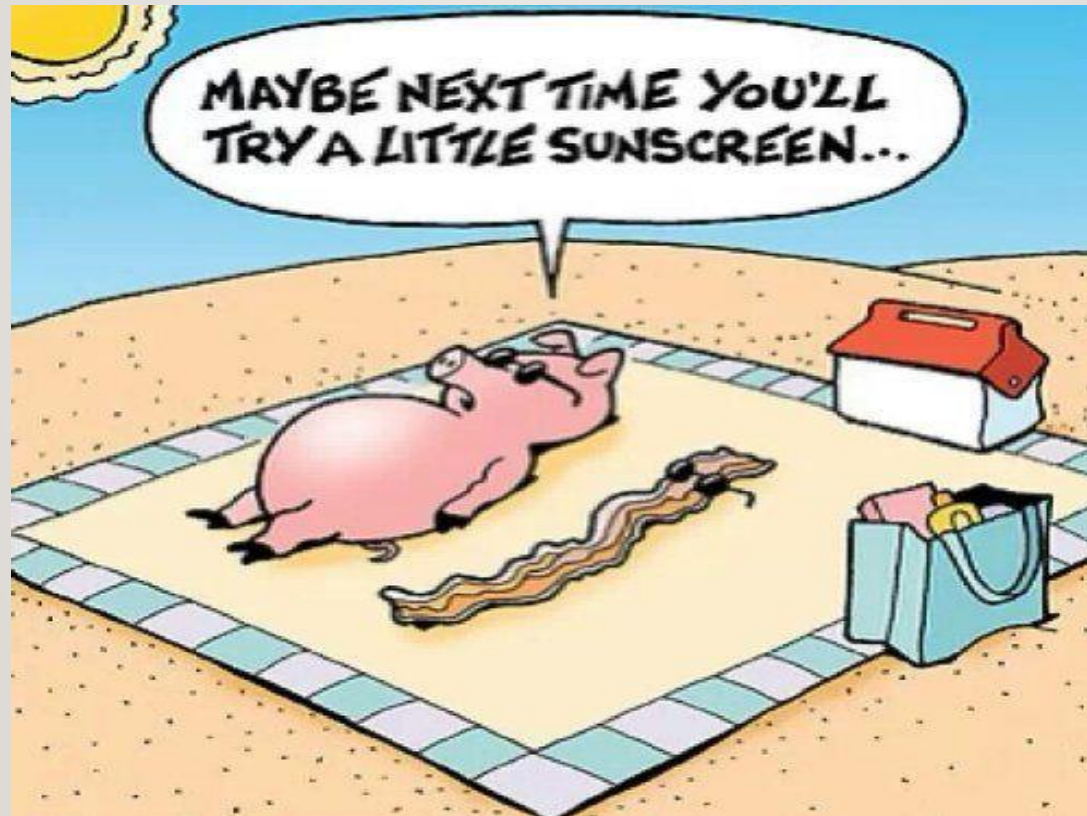
In Region 15, there are **42 public school districts**

From 2006-2019~~ **100%** of them had a **higher M/O tax rate than Junction ISD**

In addition to having a higher M/O tax rate for 13 years, at least **60%** of those district utilized **voter approved I/S dollars** for an average of **\$.18 above their M/O tax rate**

WE LIVE IN A PAY NOW OR PAY LATER WORLD

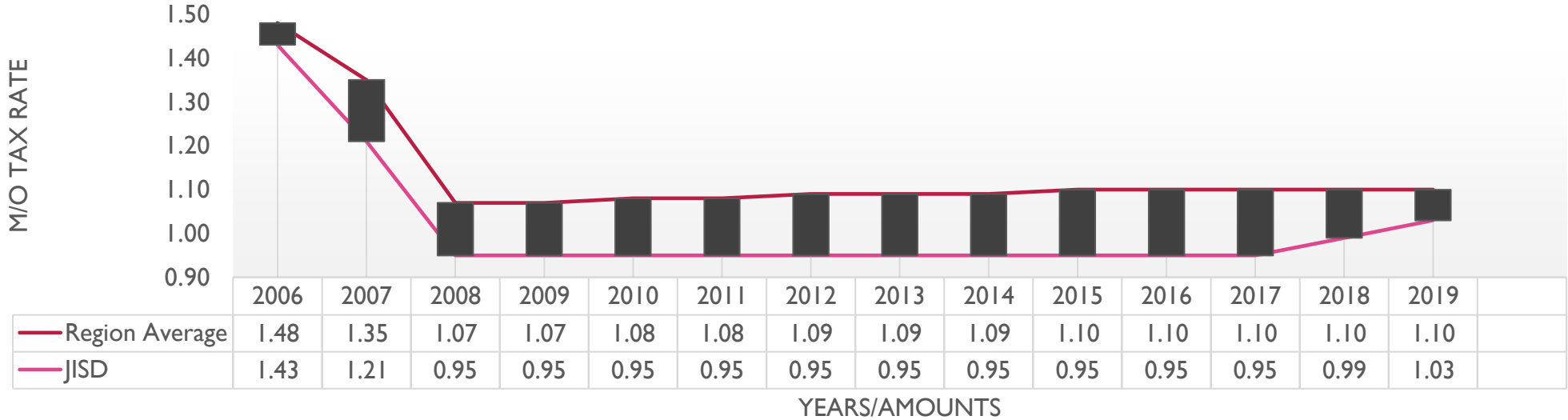
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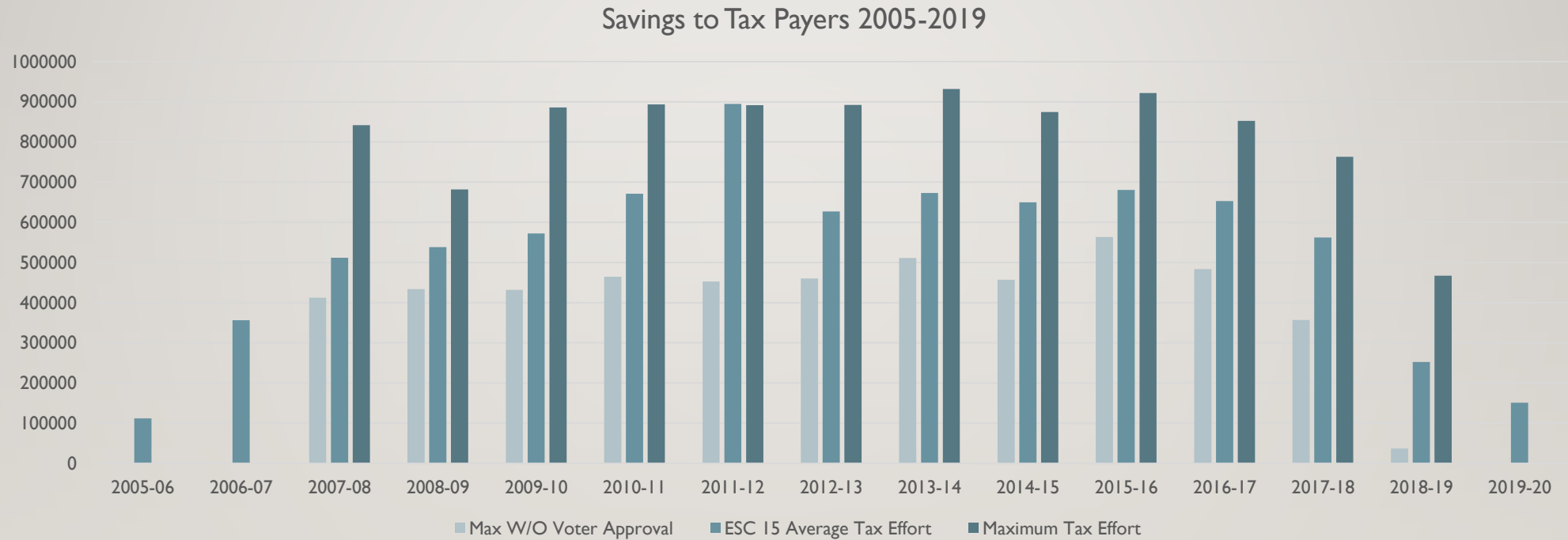
# TAX RATE HISTORY

JISD Tax Rate Comparison to Region 15 Districts



Region Average JISD

# ESTIMATED SAVINGS TO LOCAL TAXPAYERS



# ESTIMATED SAVINGS TO LOCAL TAXPAYERS

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- Had JISD maintained a tax effort equivalent to the maximum allowed without voter approval they would have collected **\$5,064,981** more in local and state funding.
- Had JISD maintained a tax effort equivalent to the average of the other Region 15 districts they would have collected **\$7,904,554** more in local and state funding.
- Had JISD maintained a tax effort equivalent to the maximum tax effort allowed with voter approval they would have collected **\$9,897,402** more in local and state funding.

# GOOD STEWARDS- FINANCIALLY

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- **JISD** has received a **SUPERIOR** rating on the 2018-2019 Financial Integrity Rating System of Texas (FIRST Report)
- The FIRST System is what the State of Texas uses to rate each school district on how it is managing its financial responsibilities.



# GOOD STEWARDS- ACADEMICALLY

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**Academically** we have compared well with the other districts in our region

2016-2017	<b><u>6 points lower</u></b> than Region 15 average (All tests combined)
2017-2018	<b><u>3 points higher</u></b> than Region 15 average (All tests combined)
2018-2019	<b><u>2 points higher</u></b> than Region 15 average (All tests combined)
2019-2020	NO STAAR TESTS GIVEN

**Our staff is keeping pace despite fewer resources**



# FOUR MAIN GOALS FOR VATRE FUNDS

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Establish a sustainable Full Day **Pre Kindergarten Program** for ALL JISD 4-year-old students

Establish a sustainable **Competitive Pay Scale** for district employee

To address identified **Safety and Security** needs

Address **Deferred Maintenance** projects

# FULL DAY PRE KINDERGARTEN FOR ALL 4-YEAR-OLDS

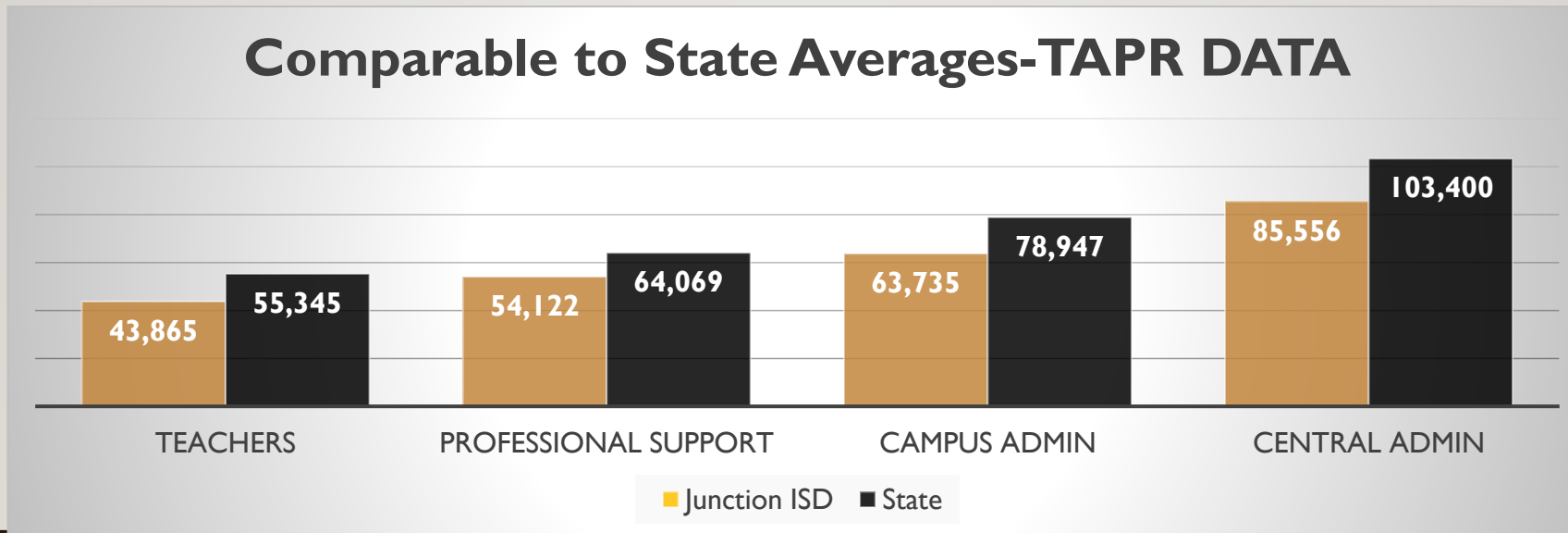
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- Currently JISD partners with Head Start to offer a **PART-TIME** (less than 75,600 minutes) pre k program for 3- and 4-year old's
  - 3- and 4-year old's that qualify by income are served by Head Start
  - 4-year old's that do not qualify pay a tuition to participate in JISD's pre-kindergarten program.
  - Our goal is to get all 4-year old's into JISD's stand alone **FULL-DAY** (75,600 minutes) pre-kindergarten program before our waiver expires in 2 years
  - Head Start pays for about 50% of 2 teachers salary and pays for 2 instructional aides so the partnership is financially beneficial.
- The City of Junction has no community day care center

# JUNCTION ISD PAY SCALES

Junction ISD is currently using the State Minimum Pay Scale released in 2019

Many district in our region pay above the State Minimum Pay Scale





# **PHYSICAL SAFETY AND SECURITY-** **19 NON-CONTIGUOUS BUILDINGS**

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- **Goals**

- Secure entrances of each building by controlling access electronically
- Replace old exterior doors that are damaged or less functional
- Install security glass or bullet proof film in highly vulnerable areas such as cafeteria
- Security fencing in key areas to reduce the number of access points
- More robust training for school guardians

# MAINTAIN AND UPDATE TECHNOLOGY PROGRAM

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- Chromebooks- and cases to protect them
- Projection Systems
- Document Cameras
- Speaker Systems
- Furniture to compliment the equipment
- Hardware
- Software

# ...TECHNOLOGY CONTINUED

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- Video production equipment
- Servers
- Airconditioning to protect the servers
- Intra-Building Cabling
- Inter-Building Cabling
- Fiber
- Hotspots

**ALL REOCCURRING COSTS**

# DEFERRED MAINTENANCE

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- 1931 Rock Gym (minor renovations made in 1963 and 2010)
- 1940 Old Head Start Building (currently storage)
- 1946 High School and HS Auditorium
- C1960 Ag Building- (storage addition in 2006)
- 1960 Cafeteria Kitchen (mostly original equipment)
- 1960's Weight Room (part of rock gym renovated in 1960's (new addition in 2010)
- 1963 East to West Wing of Elementary School

# ...DEFERRED MAINTENANCE CONTINUED

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- 1985 Middle School
- 1985 Band Hall- (addition erected in 2015)
- 1985 Elementary Gym (no A/C)
- 1987 HS Science Building/ District Administration Building (was a library converted to science classroom- no proper ventilation system/HVAC system connected to other rooms)
- 1987 North to South Wing of Elementary

# ... DEFERRED MAINTENANCE CONTINUED

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- 2001 High School Gym- not constructed to be climate controlled (A/C inadequate)
- 2011 Cafeteria Dining Room Addition (cold joint that leaks)
- 3 Portable buildings that are used for classes and office space

# ADDITIONAL NEEDS IF MONEY ALLOWED

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\$1.5 million-	HVAC Needs
\$100,000+ -	Storm Drainage
\$36,000+ -	Gas lines (HVAC)
\$495,000 (+-)	Chip Seal Parking Lots
\$120,000 (+-)	Track
\$40,000 (+-)	Football Scoreboard

# ... DEFERRED MAINTENANCE CONTINUED

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- **Facility Study Revealed:**

- \$1,589,478- HVAC
- \$996,773- ADA
- \$638,862- Painting
- \$630,137- Lighting
- \$343,761- Electrical



# REMEMBER THE WHAT IF'S PAGE? -SINCE 2006-

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## ESTIMATED SAVINGS TO TAXPAYERS

- Maximum allowed without voter approval they would have collected **\$5,064,981** more in local and state funding.
- Average of the other Region 15 districts they would have collected **\$7,904,554** more in local and state funding.
- Maximum tax effort allowed with voter approval they would have collected **\$9,897,402** more in local and state funding.

Money isn't everything...  
But it sure keeps the kids in touch.



# THE SHAPE OF OUR FACILITIES DOES MATTER

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- *When learning is taking place in inadequate facilities, there tends not to be as clear a focus on academics, and the learning environment is less likely to be perceived as orderly and serious. Where school buildings are shabby and inadequate, there is less likely to be the kind of community engagement that supports teaching and learning. Teacher attitudes and behaviors are related as well, as teachers are less likely to show enthusiasm for their jobs and to go the extra mile with students to support their learning when they teach in buildings they judge to be of poor quality.*
- Uline, C., & Tschannen-Moran, M. (2008). The walls speak: The interplay of quality facilities, school climate, and student achievement. *Journal of Educational Administration*, 46(1), 55-73, at 66.

# ...INTERESTING INFORMATION

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JISD is asking for an M/O tax rate of \$1.0092 which is almost **2.5 cents lower** than the M/O tax rate for the 2018-2019 school year **which was set at \$1.033** per \$100 evaluation.

**LOWER THAN IT WAS 2 YEARS AGO**

JISD's tax rate from the 2019-2020 was \$0.97 per \$100 evaluation

JISD is asking to set the 2020-2021 tax rate at \$1.0092 per \$100 evaluation

According to the Truth in Taxation Notice, this would be roughly a

**\$39 increase for a \$100,000 property.**

# QUESTIONS... PAGE 1

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## **Doesn't the pipeline help the school district financially?**

The pipeline does help local values, but it does not necessarily increase the amount of money the District nets. Generally, when local revenues increase, state revenues decrease. JISD receives roughly the same amount of money but it just comes from a different source.

## **What if the VATRE does not pass?**

JISD could make it through the current (2020-2021) school year without significant adjustments but we could be very challenged in the 2021-2022 school year to pass a balanced budget if the State follows the current plan to remove more than \$500,000 in transitional allotment money designed to get schools through the HB3 compliance requirements.

# QUESTIONS... PAGE 2

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**Wasn't JISD's M&O tax rate just recently higher than the \$1.00092 that they are asking for now?**

Yes. *JISD's tax rate was \$1.0333 for the 2018-2019 school year* prior to the state compressing it to .97 (.93 MCR + .04 JISD allowable = .97 2019-2020). This compression compelled the JISD Board of Trustees to approve the tax rate of 1.0092 in order to maintain current programs, sustain current salaries and plan to set aside funds to improve the district as a whole. JISD Board is seeking tax ratification by voters to uphold the 1.0092 tax rate as required by law. We are seeking required approval (ratification) of an allowable rate created by the State of Texas imposing regulated property tax compression.

# QUESTIONS... PAGE 3

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If the Voter Approved Tax Ratification Election (VATRE) did pass, what would that mean to the taxpayers?

\$40,000 property= \$48 increase or \$4 per month

\$60,000 property= \$72 increase or \$6 per month

\$80,000 property= \$96 increase or \$8 per month

\$100,000 property= \$120 increase or \$10 per month

From last school year to this school year it would mean a \$39 increase per \$100,000

# QUESTIONS... PAGE 4

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## **I am over 65 years old; how will this impact my taxes?**

The over-65 homestead exemption permanently freezes the amount paid for school property taxes. School property taxes will never increase after obtaining an over-65 exemption, unless the property is renovated, or the owner moves to a more valuable home. Renovations include upgrading a kitchen or bathroom, but replacing expensive items, such as a roof or an HVAC unit, are not renovations and will not increase property taxes.



# JISD VOTER APPROVED TAX RATIFICATION ELECTION

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## Q & A

# JISD VOTER APPROVED TAX RATIFICATION ELECTION

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EARLY VOTING:

October 13<sup>th</sup>-30<sup>th</sup>

ELECTION DATE:

NOVEMBER 3, 2020

LOCATION:

KIMBLE COUNTY COURTHOUSE

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**THANK YOU  
FOR ATTENDING**

