

2025-2026 VATER Discussion

August 8, 2025



Mission: All Judson ISD students will receive a quality education enabling them to become successful in a global society
Vision: Judson ISD is Producing Excellence!

Agenda



- What is a Voter-Approval Tax Rate Election (VATRE)?
- Why Are We Considering a VATRE?
- Tax Rate Trend
- What Does This Mean for Taxpayers?
- Estimated Revenue Impact
- What Happens if VATRE Fails?
- Legal and Election Timeline
- Next Steps

What is a Voter-Approval Tax Rate Election?



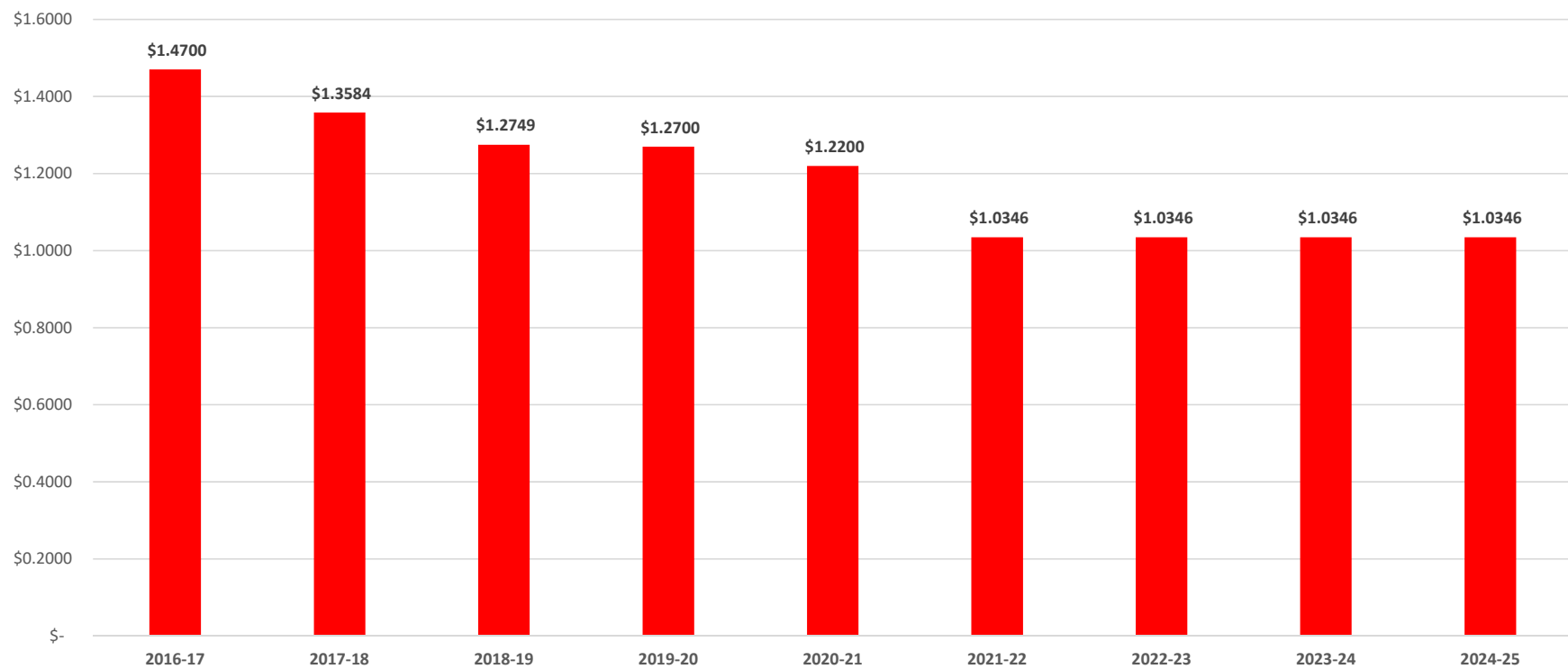
- Voter-Approval Tax Rate Election: it's a public election required by Texas law when a school district adopts a Maintenance & Operations (M&O) tax rate that exceeds the voter-approval tax rate calculated by the state.
- Under Texas Education Code Chapter 26, a school district must hold a Voter-Approval Tax Rate Election (VATRE) if it adopts a Maintenance & Operations (M&O) tax rate that exceeds the voter-approval tax rate calculated using the state's formula.
- House Bill 3 (2019) dramatically restructured school finance.
 - It compressed M&O tax rates statewide to reduce local property tax burdens.
 - It introduced the Tier I and Tier II tax structure:
 - Tier I is state-determined and compressed annually & Tier II includes “Golden” and “Copper” pennies.

Why Are We Considering a VATRE?



- Budget Deficits - \$38M
- Inflationary Pressures
- Lack of state funding
- Frozen Tier II Pennies in the M&O Tax Rate

Tax Rate Trend



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What Does This Mean for Taxpayers?



\$250,000 House						
Tax Rate (per \$100)	Estimated Taxes with \$100K Homestead	Estimated Taxes with \$140K Homestead	Homestead Savings (\$140K vs. \$100k)	TRE Difference from Current Law (Annual)	TRE Difference from Current Law (Monthly)	Estimated Taxes with No Homestead
\$ 0.9996	\$ 1,499.40	\$ 1,099.56	\$ (399.84)	\$ -	\$ -	\$ 2,499.00
\$ 1.0346	\$ 1,551.90	\$ 1,138.06	\$ (413.84)	\$ (361.34)	\$ (30.11)	\$ 2,586.50
\$ 1.0446	\$ 1,566.90	\$ 1,149.06	\$ (417.84)	\$ (350.34)	\$ (29.20)	\$ 2,611.50
\$ 1.0546	\$ 1,581.90	\$ 1,160.06	\$ (421.84)	\$ (339.34)	\$ (28.28)	\$ 2,636.50
\$ 1.0646	\$ 1,596.90	\$ 1,171.06	\$ (425.84)	\$ (328.34)	\$ (27.36)	\$ 2,661.50
\$ 1.0746	\$ 1,611.90	\$ 1,182.06	\$ (429.84)	\$ (317.34)	\$ (26.45)	\$ 2,686.50
\$ 1.0846	\$ 1,626.90	\$ 1,193.06	\$ (433.84)	\$ (306.34)	\$ (25.53)	\$ 2,711.50
\$ 1.0946	\$ 1,641.90	\$ 1,204.06	\$ (437.84)	\$ (295.34)	\$ (24.61)	\$ 2,736.50
\$ 1.1046	\$ 1,656.90	\$ 1,215.06	\$ (441.84)	\$ (284.34)	\$ (23.70)	\$ 2,761.50
\$ 1.1146	\$ 1,671.90	\$ 1,226.06	\$ (445.84)	\$ (273.34)	\$ (22.78)	\$ 2,786.50
\$ 1.1196	\$ 1,679.40	\$ 1,231.56	\$ (447.84)	\$ (267.84)	\$ (22.32)	\$ 2,799.00

What Does This Mean for Taxpayers?



\$350,000 House						
Tax Rate (per \$100)	Estimated Taxes with \$100K Homestead	Estimated Taxes with \$140K Homestead	Homestead Savings (\$140K vs. \$100k)	TRE Difference from Current Law (Annual)	TRE Difference from Current Law (Monthly)	Estimated Taxes with No Homestead
\$ 0.9996	\$ 2,499.00	\$ 2,099.16	\$ (399.84)	\$ -	\$ -	\$ 3,498.60
\$ 1.0346	\$ 2,586.50	\$ 2,172.66	\$ (413.84)	\$ (326.34)	\$ (27.20)	\$ 3,621.10
\$ 1.0446	\$ 2,611.50	\$ 2,193.66	\$ (417.84)	\$ (305.34)	\$ (25.45)	\$ 3,656.10
\$ 1.0546	\$ 2,636.50	\$ 2,214.66	\$ (421.84)	\$ (284.34)	\$ (23.70)	\$ 3,691.10
\$ 1.0646	\$ 2,661.50	\$ 2,235.66	\$ (425.84)	\$ (263.34)	\$ (21.95)	\$ 3,726.10
\$ 1.0746	\$ 2,686.50	\$ 2,256.66	\$ (429.84)	\$ (242.34)	\$ (20.20)	\$ 3,761.10
\$ 1.0846	\$ 2,711.50	\$ 2,277.66	\$ (433.84)	\$ (221.34)	\$ (18.45)	\$ 3,796.10
\$ 1.0946	\$ 2,736.50	\$ 2,298.66	\$ (437.84)	\$ (200.34)	\$ (16.70)	\$ 3,831.10
\$ 1.1046	\$ 2,761.50	\$ 2,319.66	\$ (441.84)	\$ (179.34)	\$ (14.95)	\$ 3,866.10
\$ 1.1146	\$ 2,786.50	\$ 2,340.66	\$ (445.84)	\$ (158.34)	\$ (13.20)	\$ 3,901.10
\$ 1.1196	\$ 2,799.00	\$ 2,351.16	\$ (447.84)	\$ (147.84)	\$ (12.32)	\$ 3,918.60

What Does This Mean for Taxpayers?



\$550,000 House						
Tax Rate (per \$100)	Estimated Taxes with \$100K Homestead	Estimated Taxes with \$140K Homestead	Homestead Savings (\$140K vs. \$100k)	TRE Difference from Current Law (Annual)	TRE Difference from Current Law (Monthly)	Estimated Taxes with No Homestead
\$ 0.9996	\$ 4,498.20	\$ 4,098.36	\$ (399.84)	\$ -	\$ -	\$ 5,497.80
\$ 1.0346	\$ 4,655.70	\$ 4,241.86	\$ (413.84)	\$ (256.34)	\$ (21.36)	\$ 5,690.30
\$ 1.0446	\$ 4,700.70	\$ 4,282.86	\$ (417.84)	\$ (215.34)	\$ (17.95)	\$ 5,745.30
\$ 1.0546	\$ 4,745.70	\$ 4,323.86	\$ (421.84)	\$ (174.34)	\$ (14.53)	\$ 5,800.30
\$ 1.0646	\$ 4,790.70	\$ 4,364.86	\$ (425.84)	\$ (133.34)	\$ (11.11)	\$ 5,855.30
\$ 1.0746	\$ 4,835.70	\$ 4,405.86	\$ (429.84)	\$ (92.34)	\$ (7.70)	\$ 5,910.30
\$ 1.0846	\$ 4,880.70	\$ 4,446.86	\$ (433.84)	\$ (51.34)	\$ (4.28)	\$ 5,965.30
\$ 1.0946	\$ 4,925.70	\$ 4,487.86	\$ (437.84)	\$ (10.34)	\$ (0.86)	\$ 6,020.30
\$ 1.1046	\$ 4,970.70	\$ 4,528.86	\$ (441.84)	\$ 30.66	\$ 2.55	\$ 6,075.30
\$ 1.1146	\$ 5,015.70	\$ 4,569.86	\$ (445.84)	\$ 71.66	\$ 5.97	\$ 6,130.30
\$ 1.1196	\$ 5,038.20	\$ 4,590.36	\$ (447.84)	\$ 92.16	\$ 7.68	\$ 6,157.80

What Does This Mean for Taxpayers?



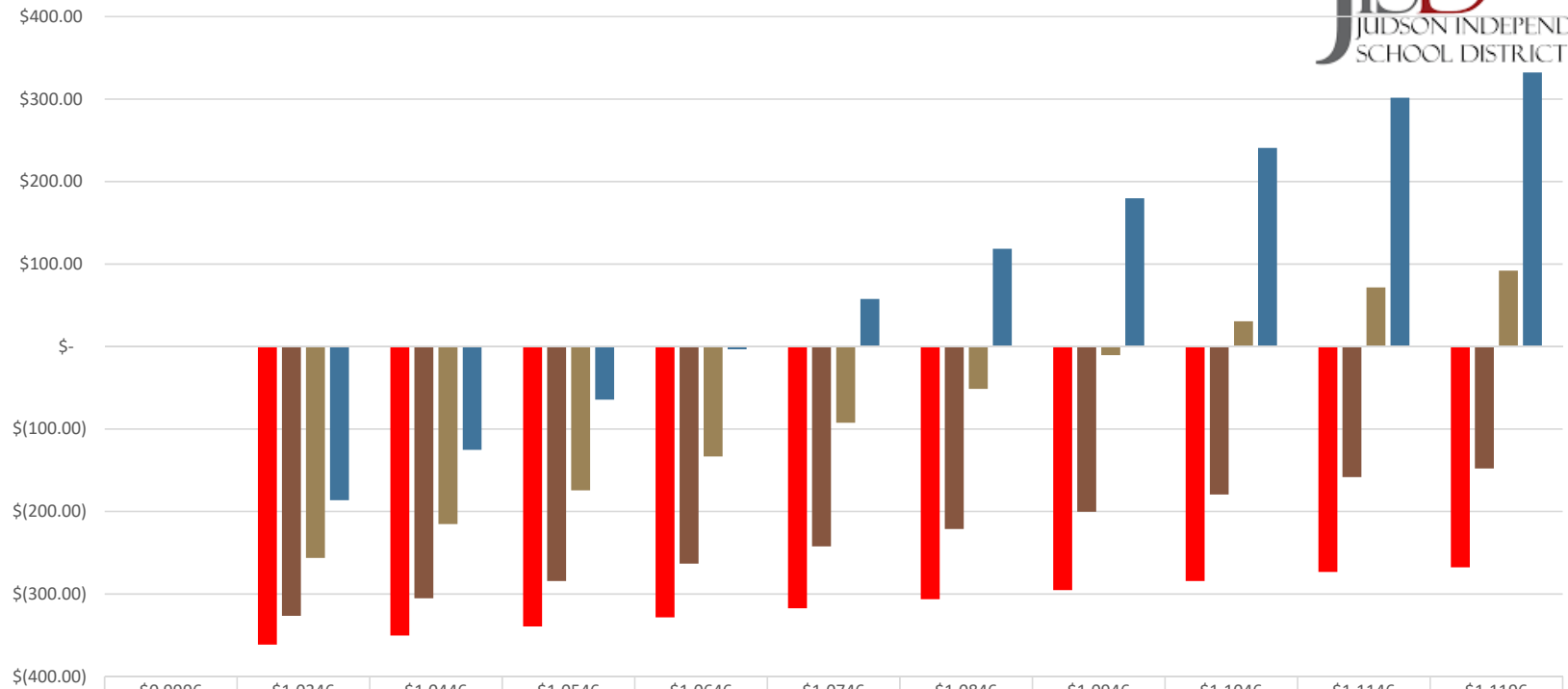
\$750,000 House						
Tax Rate (per \$100)	Estimated Taxes with \$100K Homestead	Estimated Taxes with \$140K Homestead	Homestead Savings (\$140K vs. \$100k)	TRE Difference from Current Law (Annual)	TRE Difference from Current Law (Monthly)	Estimated Taxes with No Homestead
\$ 0.9996	\$ 6,497.40	\$ 6,097.56	\$ (399.84)	\$ -	\$ -	\$ 7,497.00
\$ 1.0346	\$ 6,724.90	\$ 6,311.06	\$ (413.84)	\$ (186.34)	\$ (15.53)	\$ 7,759.50
\$ 1.0446	\$ 6,789.90	\$ 6,372.06	\$ (417.84)	\$ (125.34)	\$ (10.44)	\$ 7,834.50
\$ 1.0546	\$ 6,854.90	\$ 6,433.06	\$ (421.84)	\$ (64.34)	\$ (5.36)	\$ 7,909.50
\$ 1.0646	\$ 6,919.90	\$ 6,494.06	\$ (425.84)	\$ (3.34)	\$ (0.28)	\$ 7,984.50
\$ 1.0746	\$ 6,984.90	\$ 6,555.06	\$ (429.84)	\$ 57.66	\$ 4.81	\$ 8,059.50
\$ 1.0846	\$ 7,049.90	\$ 6,616.06	\$ (433.84)	\$ 118.66	\$ 9.89	\$ 8,134.50
\$ 1.0946	\$ 7,114.90	\$ 6,677.06	\$ (437.84)	\$ 179.66	\$ 14.97	\$ 8,209.50
\$ 1.1046	\$ 7,179.90	\$ 6,738.06	\$ (441.84)	\$ 240.66	\$ 20.06	\$ 8,284.50
\$ 1.1146	\$ 7,244.90	\$ 6,799.06	\$ (445.84)	\$ 301.66	\$ 25.14	\$ 8,359.50
\$ 1.1196	\$ 7,277.40	\$ 6,829.56	\$ (447.84)	\$ 332.16	\$ 27.68	\$ 8,397.00

What Does This Mean for Taxpayers?



Summary					
Tax Rate (per \$100)	TRE Difference from Current Law (Annual) -\$250k	TRE Difference from Current Law (Annual) -\$350k	TRE Difference from Current Law (Annual) -\$550k	TRE Difference from Current Law (Annual) -\$750k	Homestead Savings (\$140K vs. \$100k)
\$ 0.9996	\$ -	\$ -	\$ -	\$ -	\$ (399.84)
\$ 1.0346	\$ (361.34)	\$ (326.34)	\$ (256.34)	\$ (186.34)	\$ (413.84)
\$ 1.0446	\$ (350.34)	\$ (305.34)	\$ (215.34)	\$ (125.34)	\$ (417.84)
\$ 1.0546	\$ (339.34)	\$ (284.34)	\$ (174.34)	\$ (64.34)	\$ (421.84)
\$ 1.0646	\$ (328.34)	\$ (263.34)	\$ (133.34)	\$ (3.34)	\$ (425.84)
\$ 1.0746	\$ (317.34)	\$ (242.34)	\$ (92.34)	\$ 57.66	\$ (429.84)
\$ 1.0846	\$ (306.34)	\$ (221.34)	\$ (51.34)	\$ 118.66	\$ (433.84)
\$ 1.0946	\$ (295.34)	\$ (200.34)	\$ (10.34)	\$ 179.66	\$ (437.84)
\$ 1.1046	\$ (284.34)	\$ (179.34)	\$ 30.66	\$ 240.66	\$ (441.84)
\$ 1.1146	\$ (273.34)	\$ (158.34)	\$ 71.66	\$ 301.66	\$ (445.84)
\$ 1.1196	\$ (267.84)	\$ (147.84)	\$ 92.16	\$ 332.16	\$ (447.84)

TRE Difference from Current Law



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Estimated Revenue Impact



Proposed Tax Rate	Increase in Revenue	New Deficit
0.9996	\$ -	\$ 37,959,000
1.0346	\$ 12,341,000	\$ 25,618,000
1.0446	\$ 13,761,000	\$ 24,198,000
1.0546	\$ 15,206,000	\$ 22,753,000
1.0646	\$ 15,625,000	\$ 22,334,000
1.0746	\$ 18,071,000	\$ 19,888,000
1.0846	\$ 19,492,000	\$ 18,467,000
1.0946	\$ 20,938,000	\$ 17,021,000
1.1046	\$ 22,360,000	\$ 15,599,000
1.1146	\$ 23,797,000	\$ 14,162,000
1.1196	\$ 24,530,000	\$ 13,429,000

What Happens if VATRE Fails?



- No access to the additional revenue
- Potential cuts or reduced services
- Potential for schools closure
- Challenges for retaining staff or maintaining programs

Legal and Election Timeline



- Required board actions
- Notice deadlines and publication rules – August 8th
- Election date – Nov 5th , 2025
- Early voting period – October 20th, 2025

Next Steps



- Community Forums
- Create a VATRE Messaging Plan
- Public Hearing for presentation of Efficiency Audit
- Post the Efficiency Audit on Judson ISD's Website

Thank you



Additional Link

<https://www.judsonisd.org/>

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Question?

Please ask question



Discussion

Wrap-up Discussion

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