NAVARRO INDEPENDENT SCHOOL DISTRICT

Subject: **Consideration of the No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service and Approval of a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required**

Date: August 31, 2026

Administrator Responsible/Position: **Paul Neuhoff, CFO**

A. Purpose of Agenda Item:

☐ Information Only ☑ Action Needed ☐ Receive Input

B. Authority for This Action:

☐ Local Policy ☑ Law or Rule ☐ N/A

C. Priority, Goal, or Need Addressed:

☐ Strategic Plan ☐ District/Campus Improvement Plan ☑ Other

Priorities

- ☐ **Priority 1:** Recruiting, Hiring, Coaching, and Retaining High Quality Teachers and Staff to Support Student Outcomes.
- ☐ **Priority 2:** Maximizing Academic Performance.
- ☐ **Priority 3:** Maximizing Co-Curricular and Extra-Curricular Opportunities, Performance, and Engagement.
- ☐ **Priority 4:** Planning, Preparing, and Maintaining Facilities and Environments for Learning.
- ☐ **Priority 5:** Obtaining and Maintaining Top Rated District Recognition

Board Goals for 2023-2028

- ☐ **Goal 1*:** The percent of 3rd grade students that score meets grade level or above on STAAR Reading will increase from 49% to 60% by June 2024, 65% for 2024-2025, 70% for 2025-2026, 75% for 2026-2027, 80% for 2027-2028. **(HB3 Required Goal)**
- ☐ **Goal 2*:** Increased overall student performance in mathematics to 85% Meets Standard by 2028. The percent of 3rd grade students that score meets grade level or above on STAAR Math will increase from 53% to 65% by June 2024, 70% for 2024-2025, 75% for 2025-2026, 80% for 2026-2027, 85% for 2027-2028. **(HB3 Required Goal)**
- ☐ **Goal 3*:**The percentage of graduates that meet the criteria for CCMR will increase from 72% to 88% by August 2024 and increase to 95% by 2028. **(HB3 Required Goal)**

D.

Summary: **Annually the Board must adopt a tax rate in order to fund the budget for the new fiscal year. Since the district is proposing an I&S rate that meets**

this condition, an additional motion will be required after the initial calculation is presented.

This item does NOT represent the adoption of the district's tax rate.

Background Information: **Section 26.04 of the Property Tax Code requires that the no-new-revenue tax rate and the voter-approval tax rate be submitted to the Board of Trustees by the designated officer or employee. The Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service defined Texas Education Code §44.004(c)(5)(A)(ii) also governs certain actions that must be taken during the tax rate adoption process.**

This item does not represent the adoption of the district's tax rate.

SB 1453 (2025) requires supermajority board approval (60%) to increase the proposed Interest & Sinking (I&S) rate above the minimum required debt amount. Since the district is proposing an I&S rate that meets this condition, an additional motion will be required after the initial calculation is presented.

E. Comments Received:

☑ LT ☐ DEIC ☑ Other

All agenda items are reviewed by the Superintendent's Leadership Team.

F. Administrative Recommendation: **The administration recommends approval of this item.**

G. Fiscal Impact and Cost: **Amount:** N/A

☑ Budget
☐ Bond
☐ Grant/Special Funds
☐ Other

H. Exhibits: **Preliminary No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service**

Tax Rate Calculation Worksheet (Minimum Required Debt Rate)

I. **Action:** **I move to approve/disapprove/postpone the No-New-Revenue (NNR) Tax Rate, ~~Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of~~ Maintenance & Operations Revenue & Pay Debt Service and Approval of a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required**

Motion by: ______________________ second by: ______________________

FOR: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
AGAINST: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
ABSTAIN: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson

MOTION CARRIED/DENIED/POSTPONED

New Requirement from SB 1453 (2025)

J.

Summary: **Since the district is proposing an I&S rate that exceeds the minimum required amount, an additional motion is required.**

Background Information: **Pursuant to Texas Tax Code §26.05(a-1), the Board of Trustees must first approve the proposed interest and sinking (I&S) tax rate used to pay debt service that exceeds the minimum debt service tax rate prior to adopting the tax rate. The following motion must be read aloud and must receive a 60 percent approval from the members of the board.**

"I move that Navarro Independent School District approve the proposal of an interest and sinking (I&S) rate to pay debt service that exceeds the minimum debt service tax rate as defined by the Texas Tax Code and the Texas Education Code. The Board finds that the District's minimum debt service tax rate is $0.4605 per $100 valuation, and that the proposed interest and sinking tax rate of $0.50000 used to pay debt service exceeds the minimum debt service tax rate by $0.0395 per $100 valuation. Additional revenue generated by the proposed rate will be used for lawful debt service purposes, including payment of scheduled or anticipated debt obligations."

K. Comments Received:

☑ LT ☐ DEIC ☑ Other

All agenda items are reviewed by the Superintendent's Leadership Team.

Administrative Recommendation: **The administration recommends approval of this item.**

L.

M. Fiscal Impact and Cost: **Amount:** N/A

- ☑ Budget
- ☐ Bond
- ☐ Grant/Special Funds
- ☐ Other

Exhibits: **Revised No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service**

Tax Rate Calculation Worksheet (Above Minimum Required Debt Rate)

N.

Action: **I move that Navarro Independent School District approve/disapprove/postpone the proposal of an interest and sinking (I&S) rate to pay debt service that exceeds the minimum debt service tax rate as defined by the Texas Tax Code and the Texas Education Code. The Board finds that the District's minimum debt service tax rate is $0.4605 per $100 valuation, and that the proposed interest and sinking tax rate of $0.50000 used to pay debt service exceeds the minimum debt service tax rate by $0.0395 per $100 valuation. Additional revenue generated by the proposed rate will be used for lawful debt service purposes, including payment of scheduled or anticipated debt obligations.**

Motion by: ____________________ second by: ____________________

FOR: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
AGAINST: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson
ABSTAIN: J. Frederick, D. Gilliam, L. Gosch, D. Reinhard, M. Sartain, C. Scheib, B. Stephenson

MOTION CARRIED/DENIED/POSTPONED