UNITED INDEPENDENT SCHOOL DISTRICT
INFORMATIONAL ITEM

TOPIC: ___Board Discussion of Property Values to comply with FIRST Indicator 20___

SUBMITTED BY: _Samuel D. Flores_ **OF:** _Division of Finance_

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: _____ August 17, 2022 _____

Informational Item:

In order to comply with TEA's FIRST Indicator 20 (Financial Integrity Rating System of Texas), we are providing the following in regards to our values.

According to House Bill 3, school district M&O tax rates will be compressed to the lower of the state compressed rate or the local compressed rate beginning in tax year 2022 when property values increase more than 2.5%. The more property values grow, the lower the compressed or base M&O tax rate. **Prior to HB3, state aid was based on prior year values and there was a funding lag. With current values, there is no longer a funding lag.**

The Texas Education Agency has calculated the State Compressed rate for the Tax Year 2022 to be $0.8941. Districts have reported their property values in July to TEA and TEA will calculate the local district's compressed tax rates. The Webb County Appraisal District has submitted Certified Values indicating United ISD will have a 34.73% increase in property values. Based on the data we have at this time, we have estimated a local compressed M&O rate of approximately $0.8046.