



UNITED INDEPENDENT SCHOOL DISTRICT INFORMATIONAL ITEM

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

SUBMITTED BY: Laida P. Benavides, CPA **OF:** Division of Finance

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: July 21, 2020

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 2020 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 comptroller's estimate is a 4.01% increase in statewide property values for tax year 2020 resulting in a M&O compressed tax rate of \$.9164 as compared to \$.93 in tax year 2019. Districts will report their property values in late July to TEA and TEA will calculate the local district's compressed tax rates the first week in August. The Webb County Appraisal District has submitted updated preliminary values indicating United ISD will have a 10.3% decrease in property values. Based on the data we have at this time, we have estimated a local compressed M&O rate of approximately \$.9164. We will update the board when we receive our final certified values from the Webb County Appraisal District.