August 6, 2026

Discussion of Potential Bond and Voter-Approval Tax Rate Election (VATRE)

Purpose

Review proposed 2026 Bond considerations and discuss the financial impacts of the approved 2022–2023 VATRE and proposed 2026–2027 VATRE, including tax rate options, taxpayer impacts, and the tax rate to be adopted on August 17, 2026.

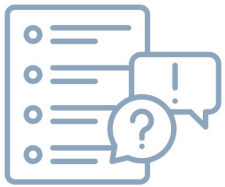
Discussion of Potential Bond Election

Three Part Series

Putting The Pieces Together

1

Part 1 – July 23



The Context: Why This Conversation?

Establish the long-term financial and operational context

2

Part 2 – July 30



The Projects: CFAC Recommendations

Present the work of the Citizens' Facility Advisory Committee

3

Part 3 – Aug 6



The Path Forward

Address questions and discuss next steps

Planning Lenses



What does the next 4-years look like?

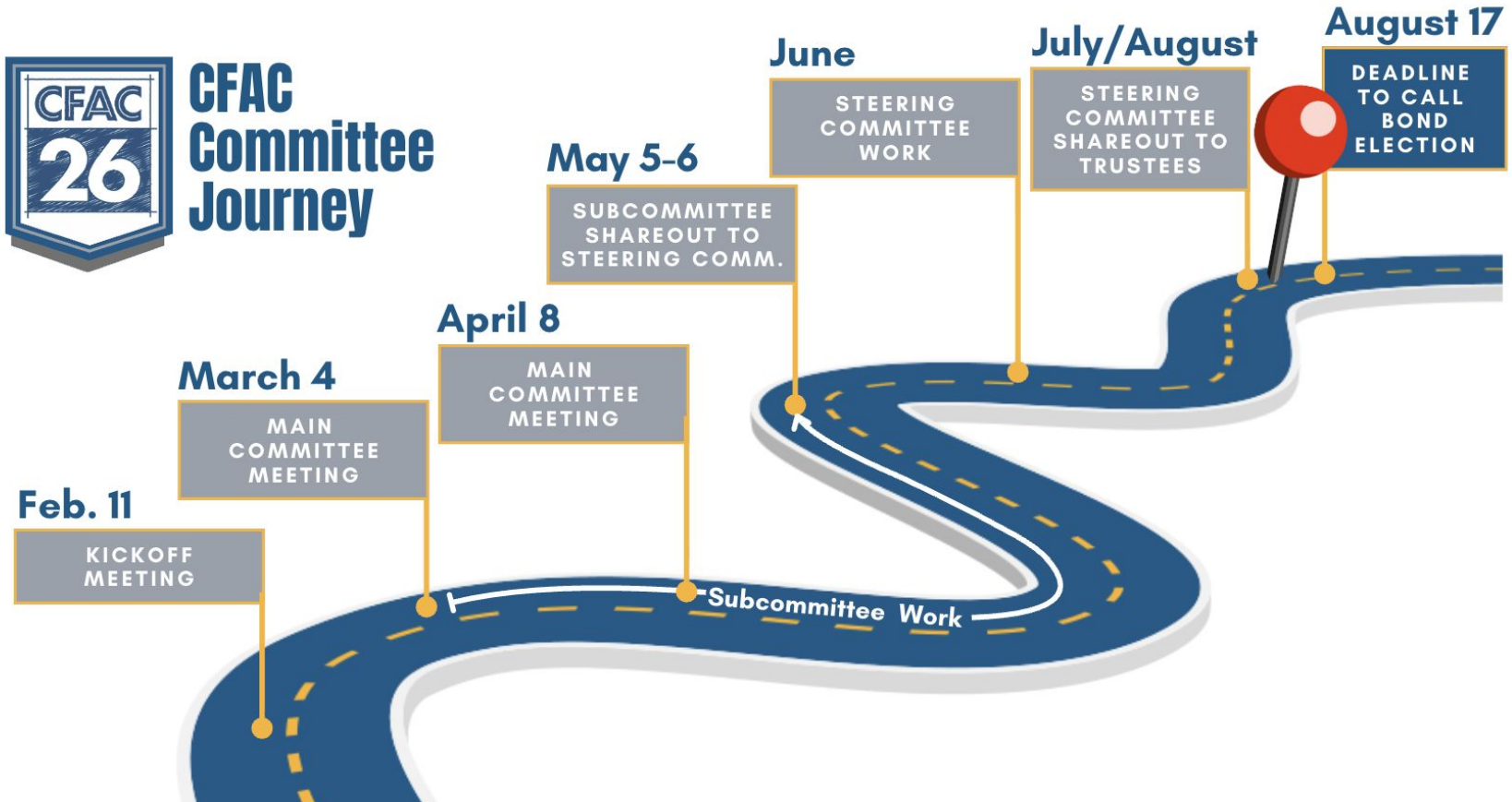
- How do these projects fit together?
- Why were they sequenced this way?
- Why do summer construction windows matter?



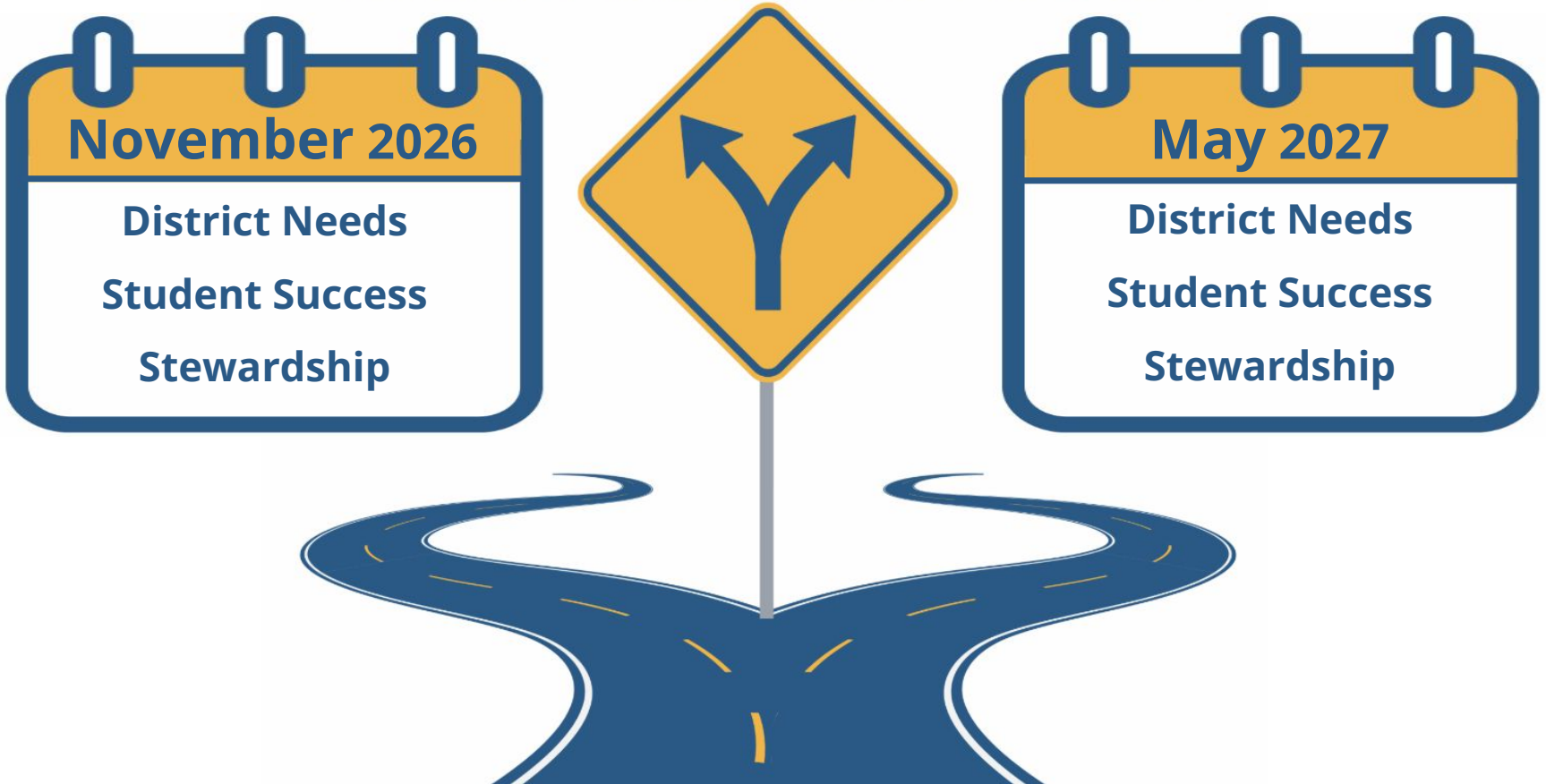
What does the next 4-years look like?

- How do these projects fit together?
- Why were they sequenced this way?
- Why do summer construction windows matter?

Timeline


CFAC 26
CFAC Committee Journey
Feb. 11
KICKOFF MEETING
March 4
MAIN COMMITTEE MEETING
April 8
MAIN COMMITTEE MEETING
May 5-6
SUBCOMMITTEE SHAREOUT TO STEERING COMM.
June
STEERING COMMITTEE WORK
July/August
STEERING COMMITTEE SHAREOUT TO TRUSTEES
August 17
DEADLINE TO CALL BOND ELECTION
Subcommittee Work

THE FORK IN THE ROAD



THE FORK IN THE ROAD

What Doesn't Change

- ✔ The capital needs remain
- ✔ The facilities continue to age
- ✔ Students continue learning
- ✔ Stewardship remains our responsibility
- ✔ Administration's responsibility remains the same



What Does Change

- ✔ Election Timing
- ✔ Implementation Timeline Shifts
- ✔ Operational Risk Exposure
- ✔ Financing Strategy Changes
- ✔ Project sequencing

Moving Forward Together: Aligning Strategy, Timing, and Stewardship



If *May 2027* Is the Path Forward, Our Focus Must Be:

Preserve the Planning Process
- Honor the work and recommendations of the CFAC
- Avoid restarting a process that has already been completed

Use the Additional Time Intentionally
- Continue refining project scope, sequencing, and implementation plans
- Provide additional clarity on impacts to costs and timelines
- Strengthen communication and community understanding

Manage the Risks of Delay
- Utilize bond savings strategically for critical timing needs
- Monitor aging facilities and infrastructure conditions
- Recognize that deferred projects remain future obligations

Maintain Momentum Toward Action
- Establish clear milestones leading to a May consideration
- Position the District to act when the Board determines the timing is right

Moving Forward Together: Aligning Strategy, Timing, and Stewardship

What Must Be Bridged During the Six Months?

Need / Project	Deferment Impact	Nov. → May Approximate Cost
Bus replacements	SB546: First order- State seat belt compliance (Initial Order)	**$2,000,000**
Student technology device replacement	Device lifecycle / instructional continuity (Initial Order)	**$12,400,000**
BDA radio antennas	First Round: Required safety infrastructure (Initial Order)	**$2,300,000**
HVAC Chiller Replacement (VHS)	Preventive replacement / failure exposure	**$1,500,000**
HVAC Classroom Unit ONLY*	Aging facility conditions; deferral shifts work to incremental classroom replacement	**$75,000 per classroom***
	Total Six-Month Bridge	**$17,800,000 +**

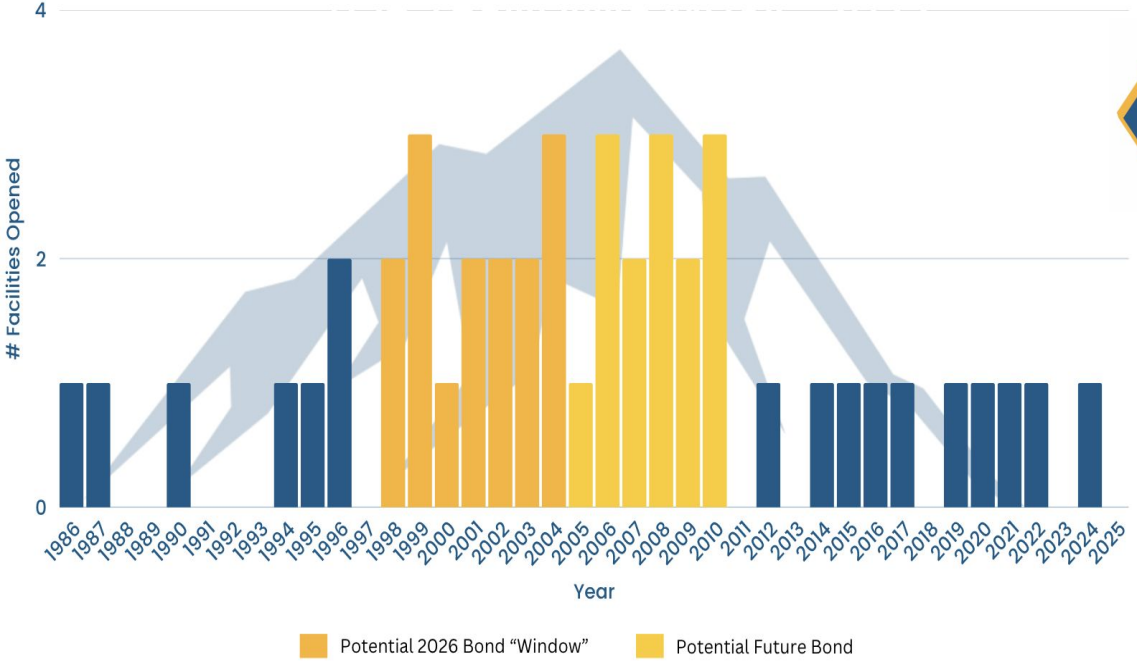




Utilization of Bond Savings would require Bond Oversight Committee Consideration

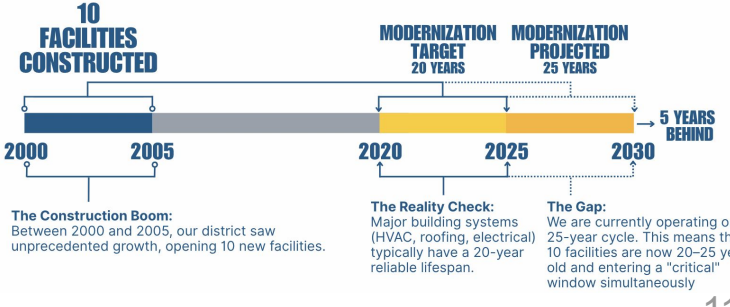
*This exposure is not included in the Six-Month Bridge total because the number of classrooms requiring emergency replacement over the deferment period is not known. Replacement would only be on an As-Needed basis. Any overage beyond bond savings would require M&O funding.

What Those Investments Created



47%

Of the district's 49 campuses will reach their "Modernization Window" within the next 10 years



The difference will not be made by the road we choose...



The difference will be made by how we walk it together...



Walking Forward Together

Administration Will:

✔ Preserve the integrity of the CFAC recommendations

✔ Continue refining implementation

✔ Manage risk intentionally

✔ Keep the Board informed

Board Will Provide:

✔ Strategic direction

✔ Timing

✔ Priorities

✔ Governance

Discussion of Potential Voter-Approval Tax Rate Election (VATRE)

Topics for Board Consideration



- Financial impact of the previous and a potential VATRE
- Discuss tax rate options
- Impact of the tax rate options on the average homeowner
- Tax rate to adopt at the August 17, 2026 Board Meeting

2022 VATRE – What Voters Approved

3 Golden Pennies

- No recapture on Golden Pennies
- 100% of the local revenue remains with the District



6 of the 9 Remaining Copper Pennies

- Copper Penny revenue is subject to the state's school finance formulas
- A portion of the revenue is subject to recapture and returned to the state



2022 VATRE – What Voters Approved



Tax Rate Impact

- The VATRE was paired with a reduction in the I&S tax rate of 13.5 pennies.
- M&O tax revenue supports district operations and programs, while I&S revenue is used to pay debt associated with facilities.

The Board and Administration Committed to the following, if the VATRE Passed:

- Provide a 5% pay increase for teachers, nurses and counselors
- Provide a 4% pay increase for all other staff
- Reduce the need for significant reductions to programs and personnel

*I&S - Interest and Sinking
*M&O - Maintenance and Operations

2022 VATRE Expenditures

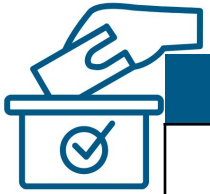
Breakdown

2022 VATRE: The Board and Community's Commitment to Our Employees

- Over **$30 million** invested in employee pay increases.
- Supported pay increases over **three consecutive school years**.
- Helped strengthen recruitment and retention across the district.

The 2022 VATRE demonstrated an important point of reference and how voter-approved funding can directly support employee pay increases, but it also established a new baseline for ongoing operating costs.

Ongoing Financial Challenges



Funding Pressures	
Basic Allotment:	No meaningful increase since 2019; the recent increase was offset by funds intended to increase the Golden Penny yield.
Unfunded Mandates:	Increasing costs associated with special education, safety and security, prekindergarten, dyslexia, and the TRS contribution increase associated with the Teacher Retention Allotment.
Inflationary Costs:	Continued increases in health and property insurance, utilities, contracted services, and everyday operating supplies.
Expiration of ESSER Funding:	Positions previously supported with temporary federal funds continue to be needed and have shifted to the General Fund.
Enrollment Flattening:	Slower enrollment growth limits the District's ability to generate revenue.

*ESSER - Elementary and Secondary School Emergency Relief

School Cost Inflation 2020-2021 vs. 2025-2026



Fuel

+82%



Property/Casualty Insurance

+124%



Electricity

+30%



Maintenance Supplies

+130%



Vehicle Services

+142%



Health Insurance

+75%

3-Year Budget Impact – No Pay Increases

	Adopted 2026-2027	Projected 2027-2028	Projected 2028-2029
PROJECTED ENROLLMENT	41,841	41,711	41,880
REVENUE:			
State Revenue	$ 122,379,307	$ 118,289,572	$ 120,629,050
Local Revenue	340,798,514	340,598,514	340,598,514
Federal Revenue	2,757,000	2,757,000	2,757,000
VATRE Revenue Estimate	-	-	-
TOTAL ESTIMATED REVENUES:	$ 465,934,821	$ 461,645,086	$ 463,984,564
EXPENDITURES:			
Total Payroll Expenditures	$ 410,815,429	$ 412,886,493	$ 417,620,644
Total Operating Expenditures	$ 54,486,190	55,205,140	$ 56,512,623
Recapture	10,885,260	11,088,784	11,255,117
Recapture (additional from VATRE pennies)	-	-	-
TOTAL OPERATING/PAYROLL EXPENDITURES:	$ 476,186,879	479,180,417	$ 485,388,384
RESULTS FROM OPERATIONS:	$ (10,252,058)	$ (17,535,330)	$ (21,403,820)
TOTAL TRANSFERS IN/OUT:	$ 350,000	$ 350,000	$ 350,000
TOTAL SURPLUS/DEFICIT:	$ (9,902,058)	$ (17,185,330)	$ (21,053,820)
BUDGET PARAMETER			
Budget Deficit Threshold - 3.0%	13,651,487	13,516,689	13,581,883
Deficit (Exceeding)/Within Budget Parameter	$ 3,749,429	$ (3,668,642)	$ (7,471,937)

	VATRE PASSES 2026-2027	VATRE PASSES 2027-2028	VATRE PASSES 2028-2029
PROJECTED ENROLLMENT	41,841	41,711	41,880
REVENUE:			
State Revenue	$ 122,379,307	$ 118,289,572	$ 120,629,050
Local Revenue	340,798,514	340,598,514	340,598,514
Federal Revenue	2,757,000	2,757,000	2,757,000
VATRE Revenue Estimate, assuming action by Board and approval by community	12,066,324	12,066,324	12,066,324
TOTAL ESTIMATED REVENUES:	$ 478,001,145	$ 473,711,410	$ 476,050,888
EXPENDITURES:			
Total Payroll Expenditures	$ 410,815,429	$ 412,886,493	$ 417,620,644
Total Operating Expenditures	$ 54,486,190	55,205,140	$ 56,512,623
Recapture	10,885,260	11,088,784	11,255,117
Recapture (additional from VATRE pennies)	5,360,916	5,360,916	5,360,916
TOTAL OPERATING AND PAYROLL EXPENDITURES:	$ 481,547,795	484,541,333	$ 490,749,300
RESULTS FROM OPERATIONS:	$ (3,546,650)	$ (10,829,922)	$ (14,698,412)
TOTAL TRANSFERS IN/OUT:	$ 350,000	$ 350,000	$ 350,000
TOTAL SURPLUS/DEFICIT:	$ (3,196,650)	$ (10,479,922)	$ (14,348,412)
BUDGET PARAMETER			
Budget Deficit Threshold - 3.0%	13,852,649	13,717,851	14,104,701
Deficit (Exceeding)/Within Budget Parameter	$ 10,655,999	$ 3,237,928	$ (243,711)

3-Year Budget Impact/2% Pay Increase in 2027-2028

	Adopted 2026-2027	Projected 2027-2028	Projected 2028-2029
PROJECTED ENROLLMENT	41,841	41,711	41,880
REVENUE:			
State Revenue	$ 122,379,307	$ 118,289,572	$ 120,629,050
Local Revenue	340,798,514	340,598,514	340,598,514
Federal Revenue	2,757,000	2,757,000	2,757,000
VATRE Revenue Estimate	-		
TOTAL ESTIMATED REVENUES:	$ 465,934,821	$ 461,645,086	$ 463,984,564
EXPENDITURES:			
2% Pay increase	-	6,800,000	-
Total Payroll Expenditures	$ 410,815,429	$ 419,686,493	$ 424,420,644
Total Operating Expenditures	$ 54,486,190	55,205,140	$ 56,512,623
Recapture	10,885,260	11,088,784	11,255,117
Recapture (additional from VATRE pennies)	-		
TOTAL OPERATING AND PAYROLL EXPENDITURES:	$ 476,186,879	485,980,417	$ 492,188,384
RESULTS FROM OPERATIONS:	$ (10,252,058)	$ (24,335,330)	$ (28,203,820)
TOTAL TRANSFERS IN/OUT:	$ 350,000	$ 350,000	$ 350,000
TOTAL SURPLUS/DEFICIT:	$ (9,902,058)	$ (23,985,330)	$ (27,853,820)
BUDGET PARAMETER			
Budget Deficit Threshold - 3.0%	13,651,487	13,516,689	13,581,883
Deficit (Exceeding)/Within Budget Parameter	$ 3,749,429	$ (10,468,642)	$ (14,271,937)

	VATRE PASSES 2026-2027	VATRE PASSES 2027-2028	VATRE PASSES 2028-2029
PROJECTED ENROLLMENT	41,841	41,711	41,880
REVENUE:			
State Revenue	$ 122,379,307	$ 118,289,572	$ 120,629,050
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TOTAL TRANSFERS IN/OUT:	$ 350,000	$ 350,000	$ 350,000
TOTAL SURPLUS/DEFICIT:	$ (3,196,650)	$ (17,279,922)	$ (21,148,412)
BUDGET PARAMETER			
Budget Deficit Threshold - 3.0%	13,852,649	13,717,851	13,783,046
Deficit (Exceeding)/Within Budget Parameter	$ 10,655,999	$ (3,562,072)	$ (7,365,366)

With or Without a VATRE the Work Continues



Strategic Planning Committee:

Continue evaluating opportunities to increase revenue, including:

- Career and Technical Education (CTE):Continue exploring opportunities to expand CTE offerings and associated revenue.
- Average Daily Attendance (ADA): Continue the ADA initiative throughout the 2026–2027 school year.
- Open Enrollment: Continue the open-enrollment initiative throughout the 2026–2027 school year. Additional Days School Year (ADSY): Evaluate the feasibility and potential impact of implementing ADSY for summer 2027.
- Teacher Incentive Allotment (TIA): Continue planning for implementation; anticipate 2-3 years for full implementation.

Continue evaluating opportunities to decrease expenditures, including:

- Revisit and evaluate all previously identified expenditure-reduction ideas.
  Identify additional opportunities for efficiencies and cost reductions.

With or Without a VATRE the Work Continues



Strategic Planning Committee:

Engage campus and department leadership earlier in the process:

- Involve principals and department leaders earlier in budget and strategic planning discussions.
  Provide opportunities for leaders to contribute ideas, identify potential efficiencies, and help communicate district priorities to their teams.

Increase staff understanding and engagement:

- Create opportunities to educate campus and department staff about the district's financial realities and challenges.
  Solicit additional ideas and recommendations from staff.
  Provide opportunities for staff to ask questions and address key concerns

Increase community understanding:

- Consider opportunities to provide information about the district's financial position, explain strategic priorities and gather community input

Budget & Tax Rate Adoption Timeline





- ✔ Publish notice of the budget and proposed tax rate meeting - June 4, 2026
- ✔ Post a summary of the proposed budget – June 4, 2026
- ✔ Hold the public meeting – June 18, 2026
- ✔ Adopt the budget – June 18, 2026
- ✔ Post the adopted budget – July 6, 2026
- ✔ Republish notice of the budget and proposed tax rate – August 6, 2026



- Adopt the tax rate – August 17, 2026
  - Required language in Ordinance and on the district's website
- Last day to call special election for VATRE – August 17, 2026
- Efficiency audit - Must be posted by October 2, 2026 and the Board must hold an open meeting to discuss the results
- Conduct VATRE – November 3, 2026

2026 Certified Values Decline; No MCR Compression

Valuation Stage	Taxable Value (Freeze Adjusted)	% Change vs. 2025 Certified
2025 Certified Value	$41,449,145,714	—
2026 Preliminary Value	$41,130,497,255	-0.77%
2026 Certified Value ↘	$40,925,042,843	**-1.26%**

The Texas Education Agency (TEA) has certified LISD 2026-2027 Maximum Compressed Rate **(MCR)** at **$0.6169**. Due to declining values, no compression was triggered.

2026-2027 Tax Rate Details



Golden Pennies ($0.08)

Unrecaptured revenue pennies that remain 100% within the local school district funding pool. Golden pennies generate additional state aid for LISD.

Copper Pennies ($0.06 + $0.03)

The 8/6/2026 notice incorporates **+3 additional copper pennies** requiring voter approval via VATRE. A portion of the copper pennies are recaptured.

Debt Service ($0.33)

Remains **$0.3300** per $100 to service debt on **existing** voter-approved bonds. The rate of $0.3300 is currently the maximum allowable debt service rate without penalty to hold harmless funding. If a **potential** Bond Election is held in November 2026, an increase in the I&S tax rate will be needed in 2027-2028.

Tax Rate Component	Adopted/ Budget Notice 6/4/2026	Proposed/ Tax Rate Notice 8/6/2026 (VATRE)	Variance
MCR (HB 3) Determined by TEA	$0.6169	$0.6169	—
Golden Pennies Existing	$0.0800	$0.0800	—
Copper Pennies Existing	$0.0600	$0.0600	—
Copper Pennies Additional (VATRE)	-	**$0.0300**	+$0.0300
Maintenance & Operations Rate (M&O)	$0.7569	$0.7869	+$0.0300
Debt Service Rate (I&S)	$0.3300	$0.3300	—
Total Property Tax Rate	**$1.0869**	**$1.1169**	+$0.0300

Impact on Taxpayer (No VATRE)



$460,292
AVG TAXABLE VALUE

$1.0869
TAX RATE

-$110.53 / yr
NET CHANGE VS. 25-26

2026 certified values show a **decline** in average taxable value from $470,461 in 2025-2026

The tax rate, with no VATRE, will maintain the current **M&O** tax rate.
No change to the **I&S** tax rate.

Maintaining the tax rate, the average annual tax bill changes by **-$110.53/year** compared to 2025-2026, or roughly **-$9.21/month**

VATRE Impact on Taxpayer



$460,292
AVG TAXABLE VALUE

$1.1169
VATRE TAX RATE

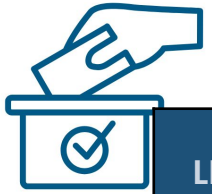
+$27.56 / yr
NET CHANGE VS. 25-26

2026 certified values show a **decline** in average taxable value from $470,461 in 2025-2026

A successful VATRE will increase the **M&O** tax rate by **3 pennies**.
No change to the **I&S** tax rate.

With a successful VATRE, the average annual tax bill changes by **+$27.56/year** compared to 2025-2026, or roughly **+$2.30/month**

Impact on Taxpayer



LISD Avg Value Home:	2025–2026	2026–2027 (No VATRE)	2026–2027 (Successful VATRE)
Average Taxable Value	**$470,461**	**$460,292**	**$460,292**
LISD Tax Rate (per $100 value)	$1.0869	$1.0869	$1.0869 + **$0.03** = $1.1169
Estimated Annual Tax Bill	**$5,113.45**	**$5,002.92**	**$5,141.00**
Annual Change vs. 2025–2026	—	**-$110.53 / year -$9.21 / month**	**+$27.56 / year +$2.30 / month**

VATRE Impact on LISD Budget



$6,705,408

TOTAL POTENTIAL M&O REVENUE INCREASE with 3 CENT VATRE

3 Copper Pennies Available to Access

Net Yield per Copper Penny

Each additional penny generates a net tax revenue yield of **$2,235,136** after accounting for state recapture.

State Recapture Impact

Recapture in the amount of **$(1,786,972)** per penny is sent back to the state out of the gross revenue of $4,022,108.

Revenue Growth

Approval of the 3 remaining copper pennies unlocks maximum local funding capability for district operations beginning in 26-27.

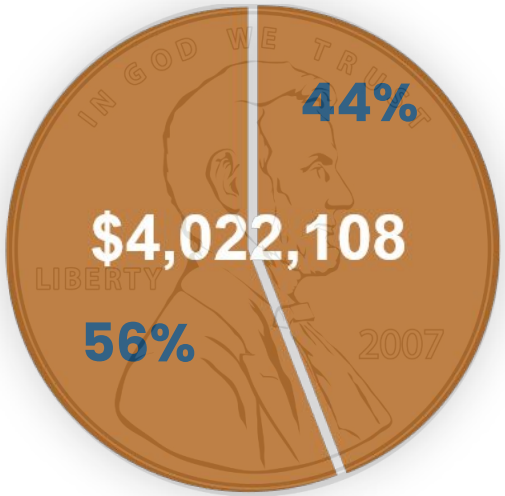
VATRE Penny Breakdown

PER PENNY GROSS TAX REVENUE

Copper Penny - Net Yield

$2,235,136

56% STAYS IN LISD



Copper Penny - Due to State

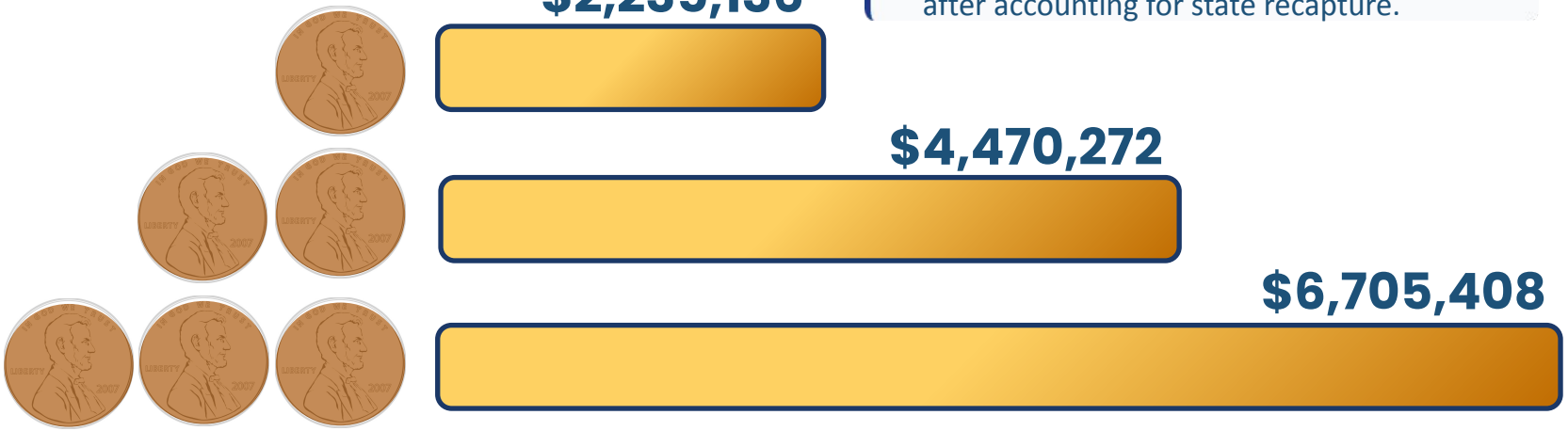
$1,786,972

44% RECAPTURED

Cumulative Net Revenue Available

Net Yield per Copper Penny

Each additional copper penny generates a net tax revenue yield of **$2,235,136** after accounting for state recapture.



Budget Impact of Successful VATRE

	Adopted 2026-2027	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029
PROJECTED ENROLLMENT	41,841	41,841	41,711	41,880
REVENUE:				
State Revenue	$ 122,379,307	$ 122,379,307	$ 118,289,572	$ 120,629,050
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Federal Revenue	2,757,000	2,757,000	2,757,000	2,757,000
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EXPENDITURES:				
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Deficit (Exceeding)/Within Budget Parameter	$ 3,749,429	$ 10,655,999	$ 3,237,928	$ (243,711)

Net Revenue Impact

+$6,705,408

Net Revenue Increase

Calculation Breakdown

VATRE Est. Revenue:

+$12,066,324

Additional Recapture:

-$5,360,916

This shows the actual budget increase staying in LISD after state recapture is deducted.

Budget Impact of Successful VATRE/2% Pay Increase in 2027-2028

	Adopted 2026-2027	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029
PROJECTED ENROLLMENT	41,841	41,841	41,711	41,880
REVENUE:				
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TOTAL ESTIMATED REVENUES:	$ 465,934,821	$ 478,001,145	$ 473,711,410	$ 476,050,888
EXPENDITURES:				
2% Pay increase	-		6,800,000	-
Total Payroll Expenditures	$ 410,815,429	$ 410,815,429	$ 419,686,493	$ 424,420,644
Total Operating Expenditures	$ 54,486,190	$ 54,486,190	55,205,140	$ 56,512,623
Recapture	10,885,260	10,885,260	11,088,784	11,255,117
Recapture (additional from VATRE pennies)	-	5,360,916	5,360,916	5,360,916
TOTAL OPERATING AND PAYROLL EXPENDITURES:	$ 476,186,879	$ 481,547,795	491,341,333	$ 497,549,300
RESULTS FROM OPERATIONS:	$ (10,252,058)	$ (3,546,650)	$ (17,629,922)	$ (21,498,412)
TOTAL TRANSFERS IN/OUT:	$ 350,000	$ 350,000	$ 350,000	$ 350,000
TOTAL SURPLUS/DEFICIT:	$ (9,902,058)	$ (3,196,650)	$ (17,279,922)	$ (21,148,412)
BUDGET PARAMETER				
Budget Deficit Threshold - 3.0%	13,651,487	13,852,649	13,717,851	13,783,046
Deficit (Exceeding)/Within Budget Parameter	$ 3,749,429	$ 10,655,999	$ (3,562,072)	$ (7,365,366)

Net Revenue Impact

+$6,705,408

Net Revenue Increase

Calculation Breakdown

VATRE Est. Revenue:

+$12,066,324

Additional Recapture:

-$5,360,916

This shows the actual budget increase staying in LISD after state recapture is deducted.

Deficit exceeds 3% Budget Parameter requiring additional revenue generation or expenditure reductions

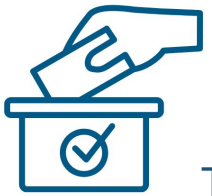
Statute Language for Ballot



…..a rate that will result in an increase of _____ **(insert percentage increase in maintenance and operations tax revenue under the adopted tax rate as compared to maintenance and operations tax revenue in the preceding tax year)** percent in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional $____ **(insert dollar amount of increase in maintenance and operations tax revenue under the adopted tax rate as compared to maintenance and operations tax revenue in the preceding tax year)."**

Ballot calculations are based on comparisons to the prior year's actual revenue.

VATRE Official Ballot Language



The calculation for **additional revenue** reflects GROSS TAX COLLECTIONS budgeted over prior year actual. **It does NOT take the increase in recapture into account.**

"Ratifying the ad valorem tax rate of **$1.1169** in **Leander Independent School District** for the current year, a rate that will result in an increase of **3.72** percent in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional **$12,066,324**."

Sample Ballot

[NEW] The ballot must include, at the top of the proposition in capital letters of the same font size as the rest of the proposition, "THIS IS A TAX INCREASE" (added by S.B. 1025, 89th legislative session).

For Leander Independent School District (Name of School District) Date November 3, 2026 (Date of Election)

OFFICIAL BALLOT

THIS IS A TAX INCREASE

Place an **X** in the square beside the statement indicating the way you wish to vote..... ☐ FOR ☐ AGAINST

Ratifying the ad valorem tax rate of $ 1.1169 (Tax rate adopted for current year) in Leander Independent School District (Name of Taxing Unit)

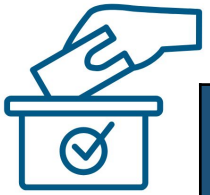
for the current year, a rate that will result in an increase of 3.72% (insert percentage increase in maintenance and operations tax revenue under the adopted rate as compared to maintenance and operations tax revenue in the preceding tax year) percent in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional

$ 12,066,324 (insert dollar amount of increase in maintenance and operations tax revenue under the adopted tax rate as compared to maintenance and operations tax revenue in the preceding tax year).

The required calculations are comparisons to the **prior year.**

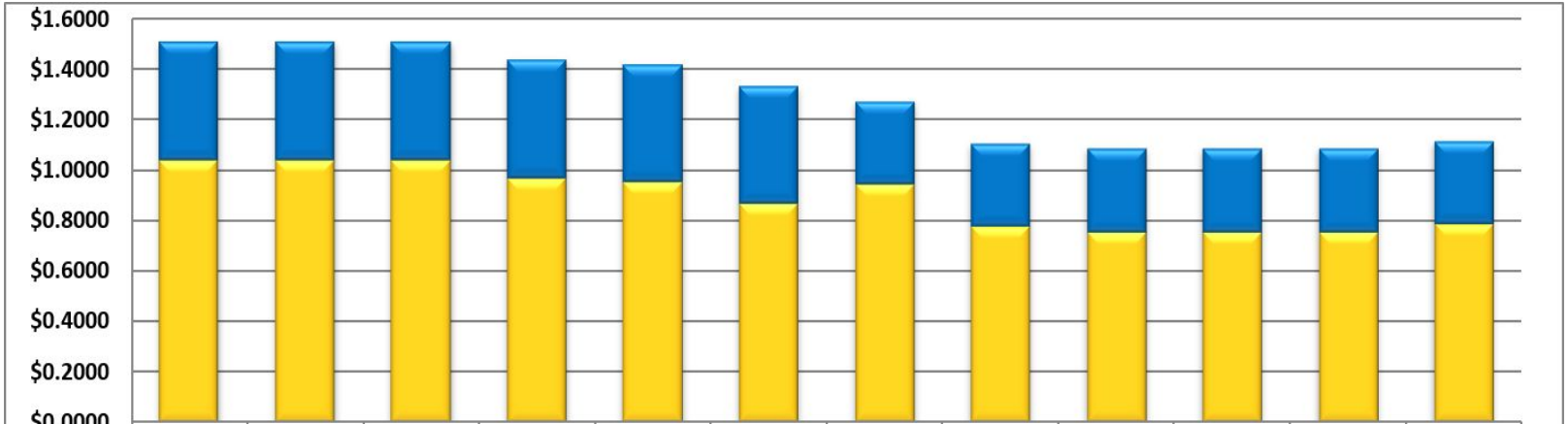
This number reflects <u>GROSS TAX COLLECTIONS</u> budgeted over prior year actual. **It does NOT take the increase in recapture into account.**

Revenue Reality – Successful 3¢ VATRE



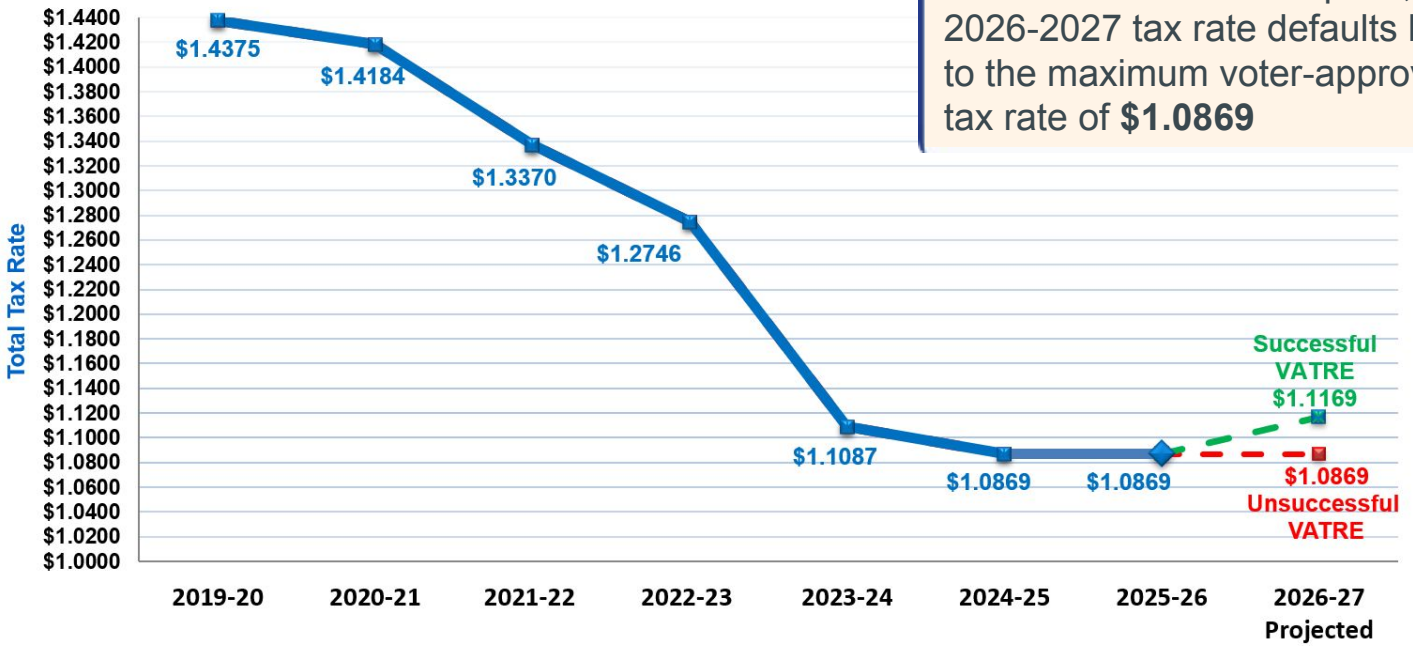
	2025-2026 Projected Actual	2026–2027 Successful VATRE	Difference	
M&O Taxes – Current	$324,615, 986	$336,682,290	$12,066,324	<--Ballot Language
Recapture	(10,891,192)	$(16,252,108)	$(5,360,916)	<--Not Recognized in Ballot Language
NET Revenue	$313,724,774	$320,430,182	$6,705,408	<--NET Revenue Gain

Tax Rate History



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 Published June	2026-27 Published August
I&S	$0.4719	$0.4719	$0.4700	$0.4675	$0.4650	$0.4650	$0.3300	$0.3300	$0.3300	$0.3300	$0.3300	$0.3300
M&O	$1.0400	$1.0400	$1.0400	$0.9700	$0.9534	$0.8720	$0.9446	$0.7787	$0.7569	$0.7569	$0.7569	$0.7869
Total	$1.5119	$1.5119	$1.5100	$1.4375	$1.4184	$1.3370	$1.2746	$1.1087	$1.0869	$1.0869	$1.0869	$1.1169

Tax Rate History Pending VATRE Outcome



Should the VATRE not pass, the 2026-2027 tax rate defaults back to the maximum voter-approved tax rate of **$1.0869**

Ongoing Financial Challenges

Administration continues to evaluate opportunities to increase revenue and strengthen the District's financial position:



Expand Career & Technical Education (CTE) offerings



Increase Average Daily Attendance (ADA)



Expand Open Enrollment



Implement Teacher Incentive Allotment (TIA)



Evaluate Additional Days School Year (ADSY)

Why Consider a VATRE Now?



A successful VATRE would provide the district with additional local revenue to:

- **Minimize the need for future reductions** by strengthening the district's financial position.
- **Support employee retention** by creating an opportunity to provide a **one-time retention bonus in December.**
- **Provide greater financial flexibility** to address ongoing operational needs while continuing to evaluate opportunities to increase revenue and control expenditures.

Summary



The District fulfilled its commitment when the voters passed the VATRE in 2022 by:

- **Provided staff pay increases in 2022–23, 2023–24, and 2024–25**
- **Maintained affordable employee health insurance rates while continuing to offer multiple healthcare plan options**
- **Implemented necessary reductions while minimizing disruption to programs and services across the District**

A VATRE is one tool in the District's financial strategy—The District will continue to exercise fiscal responsibility and pursue ongoing efforts to improve its financial position.

By law, a VATRE election must be held on the November uniform election date.

Next Steps (Final Steps)?



Decision on what tax rate to adopt, which determines if a special election must be called on August 17

Adopt a tax rate on August 17, 2026

DISCUSSION