



## Discussion Item

**Date:** May 4, 2026

**Division:** Finance

**Subject:** 2026-27 Property Taxes, Tax Compression, FY 27 General Operating Budget, and Compensation Update (M&O Funds)

### Background Information:

- Under current law, the school district must submit locally estimated property growth rates to calculate estimates of comptroller-certified property values used for state funding (i.e., "T2" property values) through the Local Property Value Survey (LPVS) in late July (dates to be determined by TEA). With this data submission, the Texas Education Agency will set the Maximum Compressed Tier I Tax Rate (MCR) for the District.
- Variables that need weekly review through the summer:
  - Timeline of Notice of Appraised Value Notices
  - Properties Under Protest
  - Tracking and Monitoring Preliminary and Certified Totals on the Denton Central Appraisal District (DCAD) site
  - Budgeting process for DCAD
- The District is in the initial stages of planning for the 2026-27 budget. Revenue parameters drive compensation considerations.
- Discuss compensation considerations for the 2026-27 school year to narrow the District's plan.

### Administrative Consideration:

- The Chief Financial Officer will provide timely updates on Property Taxes and Compression and the effects on the 2026-27 general operating budget until tax rate adoption in August or possibly September.
- The Chief Financial Officer will work closely with the Chief Appraiser from the Denton Central Appraisal District to arrive at the best tax appraisal variables to use in LISD's 2026-27 annual budget adoption process.
- The Board will receive 2026-27 Budget Projection Updates at the June and August work sessions or workshop.