



AN EARLY COLLEGE DISTRICT

BROWNSVILLE

INDEPENDENT SCHOOL DISTRICT



VATRE

(VOTER APPROVAL TAX RATIFICATION ELECTION)

WORKSHOP

August 29, 2023

12:00 PM

BISD Boardroom

1900 E Price Road

Brownsville, TX 78521

Dr. Rene Gutiérrez, Superintendent of Schools

Dr. Nereida Cantu, Deputy Superintendent

Mr. Alex Cespedes, Chief Financial Officer



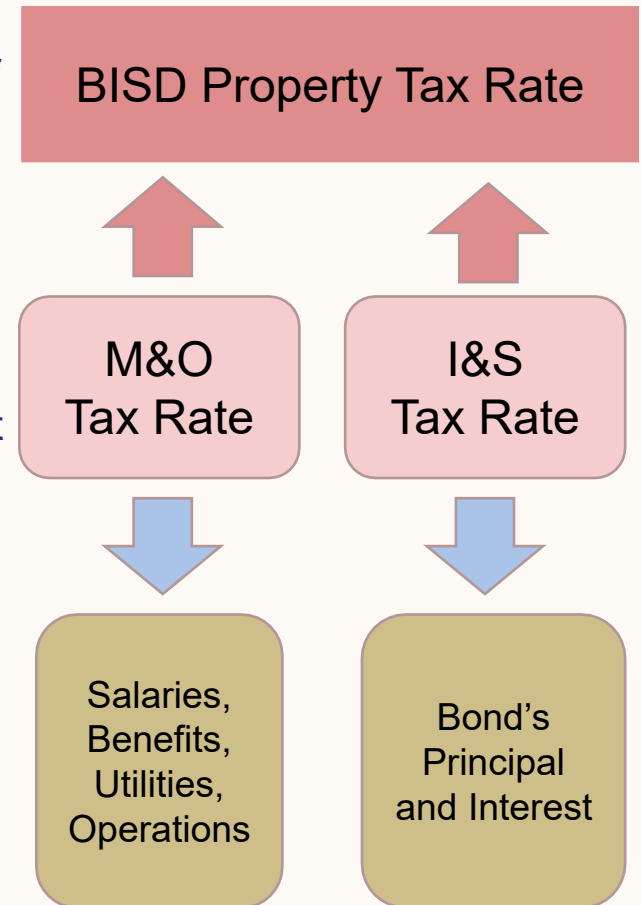
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TAX RATE COMPONENTS

- I. A district's property tax rate consists of a Maintenance and Operations (M&O) tax rate and, if applicable, an Interest and Sinking (I&S) tax rate.
- II. The M&O tax rate is composed of two formulas:
 - I. Tier One – Also known as the Maximum Compressed Rate (MCR)
 - II. Tier Two – Also known as the enrichment pennies (Golden and Copper)
- III. The I&S tax rate provides funds for payments on the debt that finances a district's facilities.
- IV. The calculation of state funding for school districts is tied to tax effort; thus, tax rates provide an essential component in the state's school finance formulas.





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VOTER APPROVAL TAX RATE ELECTION

Pursuant to Texas Tax Code, Chapter 26, §26.08(n), the maximum rate districts can adopt without going to the voters for a Voter Approval Tax Rate Election is the **SUM** of the following:

- I. The district's Tier One maximum compressed rate (MCR);
plus
- II. The greater of:
 - i. Five golden pennies; or
 - ii. The district's Tier Two voter-authorized enrichment pennies set in the prior year, less any pennies adopted under disaster provisions (Texas Tax Code § 26.042(e), (f) and (g)).
- III. The district's current I&S Tax Rate



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VOTER APPROVAL TAX RATE ELECTION

2022-2023	
MCR (Tier One):	\$ 0.894100
Enrichment Pennies (Tier Two):	\$ 0.119700
Disaster Pennies:	\$ 0.043000
Total M&O Tax Rate:	\$ 1.056800
I&S Tax Rate:	\$ 0.151890
2022-2023 Adopted M&O Tax Rate	\$ 1.208690

2023-2024	
MCR (Tier One):	\$ 0.619200
Enrichment Pennies (Tier Two):	\$ 0.127000
Additional TRE Pennies (Tier Two):	\$ 0.043000
Total M&O Tax Rate:	\$ 0.789200
Total I&S Tax Rate:	\$ 0.241764
2023-2024 Adopted Tax Rate:	\$ 1.030964



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PURPOSE OF VATRE

Use 100% of funding generated through the TRE for the following:

- 2.00% Increase to Teacher Salaries
- 2.00% Increase to Classified Employee Salaries
- 2.00% Increase to Administration Salaries
- Decompression (Approx. \$2.6M)

Projected Funding from M&O VATRE				
	WADA	Pennies	\$/Penny	Total
Golden	49,267	0.0000	\$ 126.21	\$ -
Copper	49,267	0.0430	\$ 49.28	\$ 10,439,874
(Less Local)		0.0430	\$ 730,000.00	\$ (3,139,000)
			State Aid	\$ 7,300,874
			Local Aid	\$ 3,139,000
			Total State & Local Aid	\$ 10,439,874



TASB SALARY STUDY

- TASB presented a Pay System Maintenance Review on 04/05/2023
- The 2.00% salary increase for Teachers will be based on the market median salary presented by TASB (\$59,685)
- This will result in a \$1,200 salary increase for all Teachers if the VATRE is approved
- Teacher pay equity adjustments

Teacher Salary Comparison 2022-23

District	Student Enrollment	Number of Teachers	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Average Teacher Salary	Max Yrs Credit	Last % Increase
1 Edinburg CISD**	33,540	2,311	\$57,000	\$58,500	\$61,310	\$63,310	\$66,510	\$63,310	25	4.0%
2 San Antonio ISD**	44,710	3,064	\$55,609	\$56,746	\$57,785	\$58,839	\$60,248		30	
3 Mission CISD	13,990	941	\$55,500	\$57,050	\$59,550	\$62,750	\$66,000	\$59,788	25	3.5%
4 Pharr-San Juan-Alamo ISD**	29,250	2,135	\$55,425	\$57,125	\$59,425	\$61,775	\$65,950		25	
5 North East ISD	59,830	4,172	\$55,300	\$55,800	\$57,200	\$58,900	\$61,750	\$57,958	25	2.0%
6 Donna ISD	12,768	927	\$55,050	\$57,050	\$59,518	\$62,018	\$65,018	\$60,034	29	3.0%
7 La Joya ISD	24,163	1,835	\$55,000	\$56,450	\$58,250	\$60,810	\$63,579	\$61,730	20	2.5%
8 Weslaco ISD	15,639	988	\$53,500	\$56,030	\$59,535	\$62,625	\$65,100	\$63,745	32	3.0%
9 Harlingen CISD	17,037	1,218	\$53,500	\$55,090	\$58,190	\$60,790	\$62,990	\$58,434	25	2.6%
10 Sharyland ISD	9,665	631	\$52,600	\$53,600	\$55,850	\$57,446	\$60,896	\$54,396	25	4.0%
11 McAllen ISD	20,158	1,502	\$52,150	\$54,310	\$57,580	\$60,000	\$62,930	\$59,197	20	3.0%
12 Laredo ISD	19,757	1,463	\$52,000	\$55,200	\$59,078	\$61,861	\$63,451	\$61,202	35	1.8%
13 Los Fresnos CISD	10,462	712	\$52,000	\$53,900	\$55,900	\$57,800	\$60,700	\$59,251	23	4.0%
14 United ISD	41,192	2,558	\$51,200	\$54,100	\$58,050	\$60,939	\$62,847	\$59,685	30	2.8%
15 San Benito CISD	9,140	672	\$50,000	\$54,778	\$56,889	\$59,195	\$62,538	\$59,622	25	2.0%
Brownsville ISD	37,851	2,756	\$53,000	\$54,900	\$57,072	\$60,176	\$63,650	\$60,036	35	7.1%
Median			\$53,500	\$55,800	\$58,190	\$60,810	\$62,990	\$59,685	25	3.0%



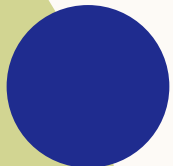
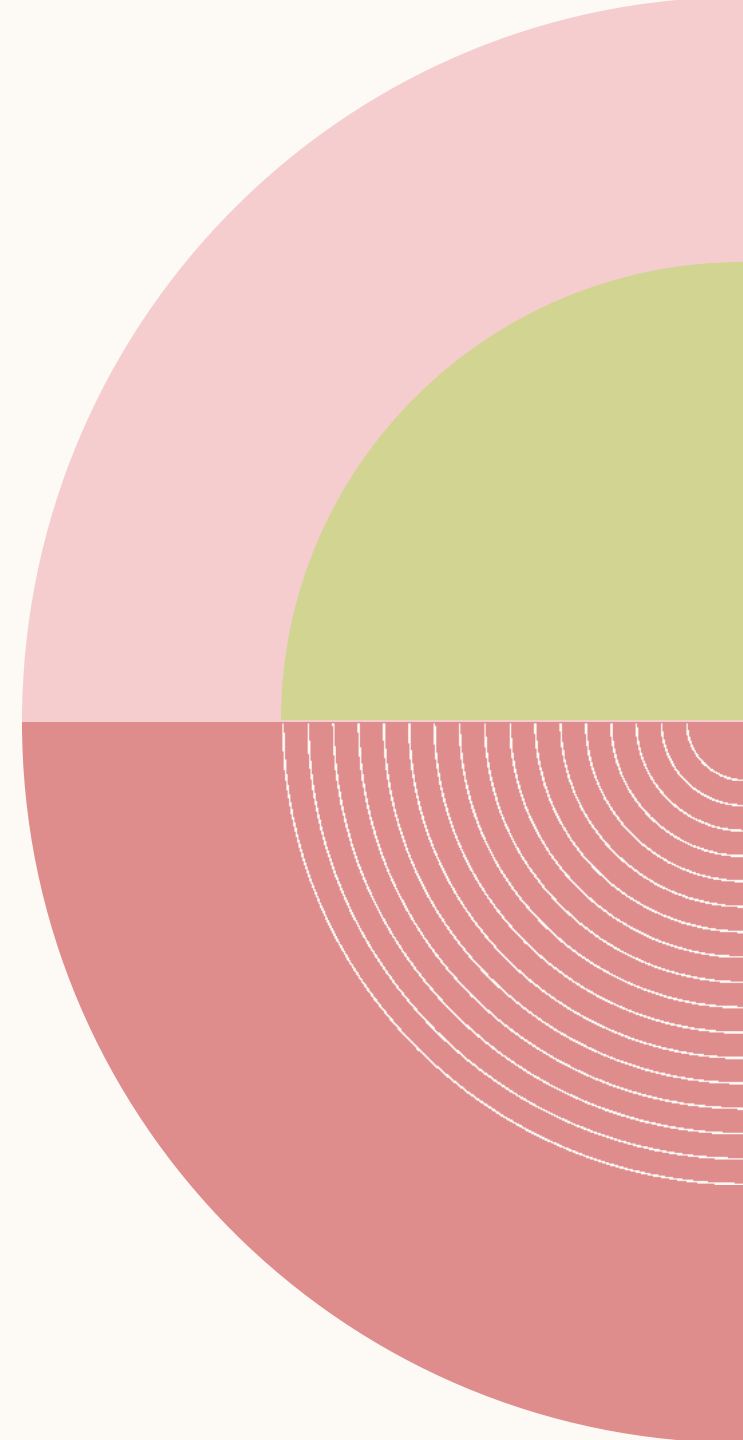
TASB SALARY STUDY

Recommendation

- Adopt a general pay increase (GPI) to improve market position
- For teacher structure, general pay increase (GPI) calculated as a percentage of market median salary
- For other pay groups, GPI calculated as a percentage of employee's pay grade midpoint

Model 1

- 2% GPI for teachers and non-teachers
- \$1,200 teacher pay increase
- Adjustments to address pay compression





TASB SALARY STUDY

2023-2024 AUXILIARY PLACEMENT SCALE

- Provide adjustments to address market differences and maintain equity
- Placement scales are used to establish a minimum rate for new hires based on experience approved by the district
- Placement scale adjustments will be applied for nonexempt staff
 - Spread pay through the range to midpoint at 15 years to address pay compression

Range Position	2023-2024	Pay Grades									
		2	3	4	5	6	7	8	9	BD	BDT
Minimum	0	\$15.00	\$15.50	\$16.00	\$16.50	\$18.31	\$20.15	\$21.16	\$24.33	\$16.85	\$17.85
	1	\$15.08	\$15.58	\$16.08	\$16.58	\$18.40	\$20.25	\$21.27	\$24.45	\$16.93	\$17.94
	2	\$15.15	\$15.66	\$16.16	\$16.67	\$18.49	\$20.35	\$21.37	\$24.57	\$17.02	\$18.03
	3	\$15.23	\$15.73	\$16.24	\$16.75	\$18.58	\$20.45	\$21.48	\$24.69	\$17.10	\$18.12
	4	\$15.30	\$15.81	\$16.32	\$16.83	\$18.68	\$20.55	\$21.58	\$24.82	\$17.19	\$18.21
	5	\$15.38	\$15.89	\$16.40	\$16.91	\$18.77	\$20.65	\$21.69	\$24.94	\$17.27	\$18.30
	6	\$15.45	\$15.97	\$16.48	\$17.00	\$18.86	\$20.75	\$21.79	\$25.06	\$17.36	\$18.39
	7	\$15.53	\$16.04	\$16.56	\$17.08	\$18.95	\$20.86	\$21.90	\$25.18	\$17.44	\$18.47
	8	\$15.60	\$16.12	\$16.64	\$17.16	\$19.04	\$20.96	\$22.01	\$25.30	\$17.52	\$18.56
	9	\$15.68	\$16.20	\$16.72	\$17.24	\$19.13	\$21.06	\$22.11	\$25.42	\$17.61	\$18.65
	10	\$15.75	\$16.28	\$16.80	\$17.33	\$19.23	\$21.16	\$22.22	\$25.55	\$17.69	\$18.74
	11	\$15.83	\$16.35	\$16.88	\$17.41	\$19.32	\$21.26	\$22.32	\$25.67	\$17.78	\$18.83
	12	\$15.90	\$16.43	\$16.96	\$17.49	\$19.41	\$21.36	\$22.43	\$25.79	\$17.86	\$18.92
	13	\$15.98	\$16.51	\$17.04	\$17.57	\$19.50	\$21.46	\$22.54	\$25.91	\$17.95	\$19.01
	14	\$16.05	\$16.59	\$17.12	\$17.66	\$19.59	\$21.56	\$22.64	\$26.03	\$18.03	\$19.10
	15	\$16.13	\$16.66	\$17.20	\$17.74	\$19.68	\$21.66	\$22.75	\$26.15	\$18.11	\$19.19
	16	\$16.20	\$16.74	\$17.28	\$17.82	\$19.77	\$21.76	\$22.85	\$26.28	\$18.20	\$19.28
	17	\$16.28	\$16.82	\$17.36	\$17.90	\$19.87	\$21.86	\$22.96	\$26.40	\$18.28	\$19.37
	18	\$16.35	\$16.90	\$17.44	\$17.99	\$19.96	\$21.96	\$23.06	\$26.52	\$18.37	\$19.46
	19	\$16.43	\$16.97	\$17.52	\$18.07	\$20.05	\$22.06	\$23.17	\$26.64	\$18.45	\$19.55
20	\$16.50	\$17.05	\$17.60	\$18.15	\$20.14	\$22.17	\$23.28	\$26.76	\$18.54	\$19.64	
Midpoint	20	\$17.65	\$18.80	\$19.65	\$20.37	\$22.61	\$24.88	\$26.12	\$30.04	\$20.43	\$21.64



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Teacher Salary Comparison 2023-2024

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2	Edinburg CISD	33,540	2,311	\$57,250				
3	Mission CISD	13,990	941	\$57,150				
4	North East ISD	59,830	4,172	\$57,000	\$58,600	\$60,550	\$62,350	\$64,650
5	Pharr-San Juan-Alamo ISD	29,250	2,135	\$55,425	\$57,125	\$59,425	\$61,775	\$65,950
6	La Joya ISD	24,163	1,835	\$55,000	\$56,450	\$58,250	\$60,810	\$63,579
7	Weslaco ISD	15,639	988	\$55,000	\$57,670	\$61,120	\$64,310	\$66,985
8	Brownsville ISD	36,836	2,756	\$54,000	\$55,700	\$57,968	\$60,526	\$64,022
9	Harlingen CISD	17,037	1,218	\$54,000	\$55,990	\$58,490	\$61,390	\$63,590
10	Donna ISD	12,768	927	\$53,500	\$55,300	\$57,768	\$60,268	\$63,268
11	Point Isabel ISD	1,968		\$53,200	\$54,750	\$56,550	\$59,450	\$62,750
12	Los Fresnos CISD	10,462	712	\$53,000	\$54,900	\$57,300	\$59,600	\$62,500
13	Sharyland ISD	9,665	631	\$52,600	\$53,600	\$55,850	\$57,446	\$60,896
14	United ISD	41,192	2,558	\$52,500	\$55,650	\$59,750	\$62,632	\$64,779
15	McAllen ISD	20,158	1,502	\$52,150	\$54,310	\$57,580	\$60,000	\$62,930
16	Laredo ISD	19,757	1,463	\$52,000	\$55,200	\$59,078	\$61,861	\$63,451
17	San Benito CISD	9,140	672	\$52,000	\$55,550	\$57,300	\$59,700	\$63,000
18	Rio Hondo ISD	1,602		\$50,500	\$51,650	\$53,150	\$55,250	\$58,541



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TAX RATE HISTORY

- Taxpayers will still see a **DECREASE** of approximately **\$0.18** in the **BISD** tax rate.
- The last time Brownsville ISD adopted a tax rate lower than **\$1.03** was in 1992 (**\$0.40**).

Property Tax Information Rate per \$100 Valuation

Tax Year	Fiscal Year	Maintenance & Operations	Debt Service	Total Tax Rate	Increase/Decrease
2023	2023-2024*	\$ 0.789200	\$ 0.241764	\$ 1.030964	-\$0.18
2022	2022-2023	\$ 1.056800	\$ 0.151890	\$ 1.208690	\$0.03
2021	2021-2022	\$ 1.039300	\$ 0.135700	\$ 1.175000	\$0.00
2020	2020-2021	\$ 1.025400	\$ 0.150472	\$ 1.175872	-\$0.01
2019	2019-2020	\$ 1.057000	\$ 0.129706	\$ 1.186706	-\$0.08
2018	2018-2019	\$ 1.152500	\$ 0.112500	\$ 1.265000	\$0.00
2017	2017-2018	\$ 1.152500	\$ 0.112500	\$ 1.265000	\$0.11
2016	2016-2017	\$ 1.152500	\$ -	\$ 1.152500	\$0.00
2015	2015-2016	\$ 1.152500	\$ -	\$ 1.152500	\$0.01
2014	2014-2015	\$ 1.040000	\$ 0.102155	\$ 1.142155	

*Proposed Tax Rate



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POTENTIAL PROPERTY TAX SAVINGS

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$125,000	\$156,250	\$156,250
Maximum Taxable Value (Before Exemptions)	\$125,000	\$137,500	\$137,500
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$85,000	\$37,500	\$37,500
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$1,027	\$387	\$370
Savings in Property Taxes from Previous Year	\$641		
Difference VATRE Approved & Not Approved			\$16

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$150,000	\$187,500	\$187,500
Maximum Taxable Value (Before Exemptions)	\$150,000	\$165,000	\$165,000
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$110,000	\$65,000	\$65,000
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$1,330	\$670	\$642
Savings in Property Taxes from Previous Year	\$659		
Difference VATRE Approved & Not Approved			\$28



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POTENTIAL PROPERTY TAX SAVINGS

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$175,000	\$218,750	\$218,750
Maximum Taxable Value (Before Exemptions)	\$175,000	\$192,500	\$192,500
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$135,000	\$92,500	\$92,500
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$1,632	\$954	\$914
Savings in Property Taxes from Previous Year		\$678	
Difference VATRE Approved & Not Approved			\$40

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$200,000	\$250,000	\$250,000
Maximum Taxable Value (Before Exemptions)	\$200,000	\$220,000	\$220,000
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$160,000	\$120,000	\$120,000
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$1,934	\$1,237	\$1,186
Savings in Property Taxes from Previous Year		\$697	
Difference VATRE Approved & Not Approved			\$52



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POTENTIAL PROPERTY TAX SAVINGS

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$225,000	\$281,250	\$281,250
Maximum Taxable Value (Before Exemptions)	\$225,000	\$247,500	\$247,500
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$185,000	\$147,500	\$147,500
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$2,236	\$1,521	\$1,457
Savings in Property Taxes from Previous Year	\$715		
Difference VATRE Approved & Not Approved			\$63

	2022-2023	VATRE APPROVED 2023-2024	VATRE <u>NOT</u> APPROVED 2023-2024
Home Market Value	\$250,000	\$312,500	\$312,500
Maximum Taxable Value (Before Exemptions)	\$250,000	\$275,000	\$275,000
Less: Homestead Exemption	(\$40,000)	(\$100,000)	(\$100,000)
Taxable Value	\$210,000	\$175,000	\$175,000
Brownsville ISD Tax Rate	\$1.208690	\$1.030964	\$0.987964
Estimated Property Taxes	\$2,538	\$1,804	\$1,729
Savings in Property Taxes from Previous Year	\$734		
Difference VATRE Approved & Not Approved			\$75



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SUMMARY

M&O Rate

- VATRE for an additional 4.3 enrichment pennies (Tier Two) in M&O tax rate can generate an additional \$10.4 million (30% paid from local, 70% paid from State)
- Requires voter approval (November 7, 2023 General Election)

I&S Rate

- A defeasance resolution to add additional pennies to the I&S tax rate can generate approximately \$7.5 million to pay off certain early-redeemable defeased obligations.

Building capacity to strengthen the district's future ability to maintain facilities and operate efficiently.



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TIMELINE

- **August 21, 2023** Adopt Tax Rate and Call Election for VATRE
- **August 29, 2023** VATRE Workshop
- **October 7, 2023** Efficiency audit Completed
- **October 8, 2023** Efficiency audit results posted to District website
- **TBD** Hold open meeting to discuss efficiency audit results (before VATRE)
- **November 7, 2023** Election Day



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QUESTIONS?

