



CALALLEN INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES AGENDA ITEM

MEETING DATE: August 25, 2025

AGENDA ITEM TITLE: Consider adoption of 2025 Tax Rate for Calallen ISD

PRESENTER: Kelsey Ramos, Assistant Superintendent of Finance & Operations

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|--|---------------------------------------|--|
| <input type="checkbox"/> Presentation/Communications | <input type="checkbox"/> Consent | <input checked="" type="checkbox"/> Action |
| <input type="checkbox"/> Informational Report | <input type="checkbox"/> Old Business | <input type="checkbox"/> Discussion Only |

SUMMARY: The District is required by law to adopt a tax rate after formally adopting the budget before September 30, 2025.

The 2025 Tax Rate will apply to taxes collected during the 2025-2026 Fiscal Year. The proposed 2025 Tax Rate presented to the Board is:

Proposed Tax Rate is: \$0.7695 (M&O) + \$0.2708 (I&S) = **\$1.0403**

Recapture Districts:** A District notified that its local revenue level exceeds its entitlement may not adopt its tax rate until the Commissioner certifies that the district has reduced its local revenue level. ***The District received the Commissioner's certification on August 7, 2025.

****Option 2:** In absence of the redemption of \$495,000 on the Bond Series 2016 program, the calculated 2025 debt rate would be \$0.234756, or a reduction of \$0.036044 in I&S tax rate year-over-year.

*****89th Legislative Session Senate Bill 4 Impacts:** This bill, among other provisions, provides additional state aid if the state and local revenue used to service eligible debt is less than it would have been without the increase in the homestead exemption (also known as ASAHE, or hold harmless). The bill would also ***reduce a portion of the additional state aid should total calculated state and local revenue for debt service and required eligible debt service exceed the "minimum" required debt service payment.*** Pursuant to new provisions included within SB 4, the District is projected to ***forgo an estimated \$473,465 in ASAHE hold harmless state funding assistance*** by maintaining a higher I&S tax rate than needed to meet its "minimum" bond payment requirements.

DISTRICT PRIORITIES:

PRIORITY 1: Building and Sustaining a Culture of Performance and Preparedness for Life Beyond High School	N/A
PRIORITY 2: Building and Sustaining a Culture of Faculty and Staff Commitment	N/A
PRIORITY 3: Increasing Community Engagement and Commitment	N/A
PRIORITY 4: Ensuring Effective and Efficient Operations	4.1 Strong Financial Stewardship

RECOMMENDATION: The Administration recommends that the Board adopt the proposed 2025 tax rate as presented (Option 1) based on the recommendation of the District's Financial Advisor, BOK Financial Securities, Inc.

MOTION LANGUAGE: ☐ No specific language required.

Option 1 – Approve as Proposed: I move that the property tax rate be increased by the adoption of a tax rate of 1.0403, which is effectively a 6.77 percent increase in the tax rate.

Option 2 – Approve without Bond Redemption: I move that the property tax rate be increased by the adoption of a tax rate of 1.004250 which is effectively a 3.07 percent increase in the tax rate.

For clarification purposes, the M&O tax rate is not increasing from tax year 2024 to tax year 2025, instead it remains the same at 0.7695. The Board is adopting a tax rate for 2025 which exceeds the no-new-revenue tax rate, and is therefore, required by law, to use the specific language on our motion and ordinance. The percentage increase in the motion language and on the ordinance is equal to the percentage that the adopted tax rate exceeds the no-new-revenue tax rate, not the percent increase or decrease when compared to last year's tax rate or taxes imposed.

FUNDING SOURCE AND FINANCIAL IMPACT: ☒ Not Applicable