



Agenda of Board Workshop

The Board of Trustees McAllen Independent School District

A Board Workshop of the Board of Trustees of the McAllen Independent School District will be held Wednesday, September 10, 2025, beginning at 5:30 PM Dr. Ricardo Chapa Board Room/Administration Building of the McAllen Independent School District, 2000 North 23rd Street, McAllen, TX 78501.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENT(S)**
3. Report Regarding Fiscal Year 2025–26 Tax Rate Context & Bond Capacity 2
Scenarios by Estrada Hinojosa
Item Submitted: Lorena Garcia, Deputy Superintendent Business and Operations
Presenter: Dr. René Gutiérrez, Superintendent
4. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Pursuant to Texas Government Code 551.127, a member or employee of a governmental body is authorized to participate remotely in a meeting of the governmental body through a videoconference call, as long as a quorum of the governmental body is physically present at the location of the Board Meeting. Any video conference conducted pursuant to this section will comply with the technical requirements of this section.

Pursuant to Texas Government Code 551.129, the Board of Trustees may use a telephone conference call, video conference call, or communications over the internet to conduct a public consultation with its attorney in an open meeting of the governmental body, or, a private consultation with its attorney in closed meeting of the governmental body.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on September 4, 2025 by 4:30 P.M. Natalia Goza, on behalf of the Board of Trustees

**BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT**


MEETING DATE: September 10, 2025

Attachment:

SUBMITTED BY: 
JOEL GARCIA (Sep 4, 2025 15:51:35 CDT)

SUPERVISOR: *Lorena Garcia*
LORENA GARCIA (Sep 4, 2025 16:40:39 CDT)

Approved for presentation to the Board of Education:


RENE GUTIERREZ (Sep 4, 2025 16:44:12 CDT)



FY 2025-2026 Proposed Tax Rate Bond Capacity Options

September 2025



Purpose

- Review proposed FY 2025–26 tax rate
- Present bond capacity options
- Align with facilities needs and community priorities
- Discuss timeline for a potential May 2026 bond election

Background: Intentional Fiscal Stewardship

- Annual defeasances retired debt early
- Preserved and increased bonding capacity
- Saved taxpayers interest costs
- Fully compliant

Tax Rate History

- 2017–18: \$1.1550
- 2018–19: \$1.1550
- 2019–20: \$1.1528
- 2020–21: \$1.1386
- 2021–22: \$1.1370
- 2022–23: \$1.0964
- 2023–24: \$1.0011
- 2024–25: \$0.9966



- **Proposed 2025–2026: \$0.9322**
 - Down \$0.0644 from 2024–2025

Proposed FY 2025–26 Tax Rate

- **Maintenance & Operations (M&O): \$0.8022**
 - State compression: \$0.6322
 - Enrichment Pennies (VATRE): \$0.1700

- **Interest & Sinking (I&S): \$0.1300**
 - Utilizes defeasance and I&S fund balance to pay off all remaining debt.

- **Total Tax Rate: \$0.9322**

Facilities Planning Update

- Facilities Forecast Advisory Committee (community members)
- MGT Consulting: Comprehensive facilities assessment
- Upcoming town halls for community input
- Alignment of facility priorities with bond capacity and tax rate stewardship

Bond Capacity Options – Overview

- **Option A: \$0.1300 I&S → \$220M capacity**
 - **Option B: \$0.1616 I&S → \$290M capacity**
- TOTAL TAX RATE PROJECTION:
AT OR BELOW
2025-2026 TAX RATE
\$0.9322**

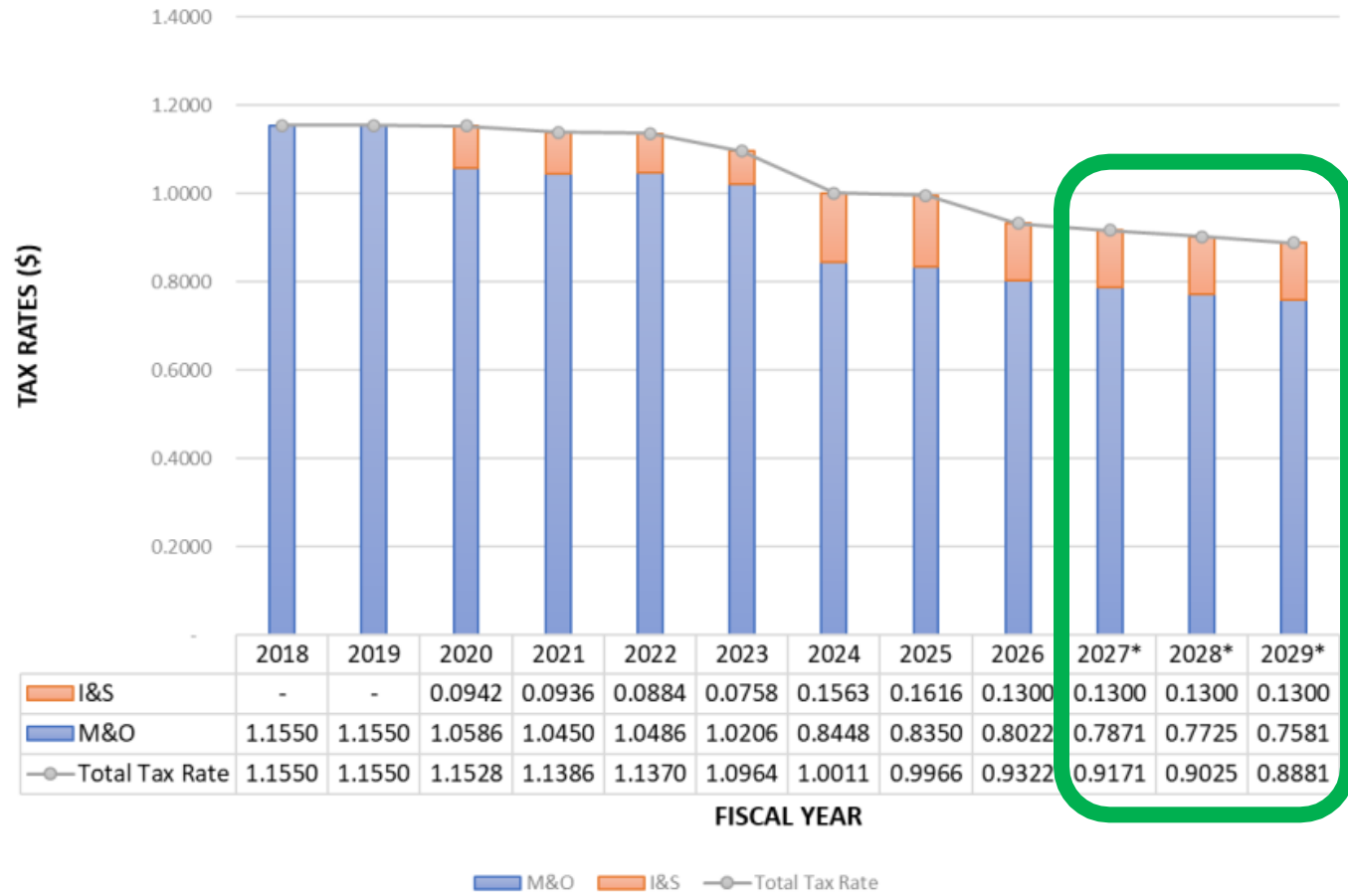
Assumptions:

- 2025-2026 Total Tax Rate: \$0.9322
- 2025-2026 I&S Tax Rate: \$0.1300
- 2025-2026 Taxable Assessed Value: \$9,122,212,466
- 1-5% TAV growth in 2027-2040
- 96% tax collections
- Current Market Rates + 25 and 50 bps = 5.05-5.37% interest rate
- Bonds sold in tranches starting in summer 2026
- Anticipated state M&O compressions based on TAV growth with current law

Option A: \$220M Bond Capacity

- Total Tax Rate at \$0.9322 and decreases with anticipated compressions.
- I&S maintains at \$0.1300
- Capacity: \$220M
- Sold in two tranches:
 - Summer 2026
 - \$100M
 - Summer 2027
 - \$120M

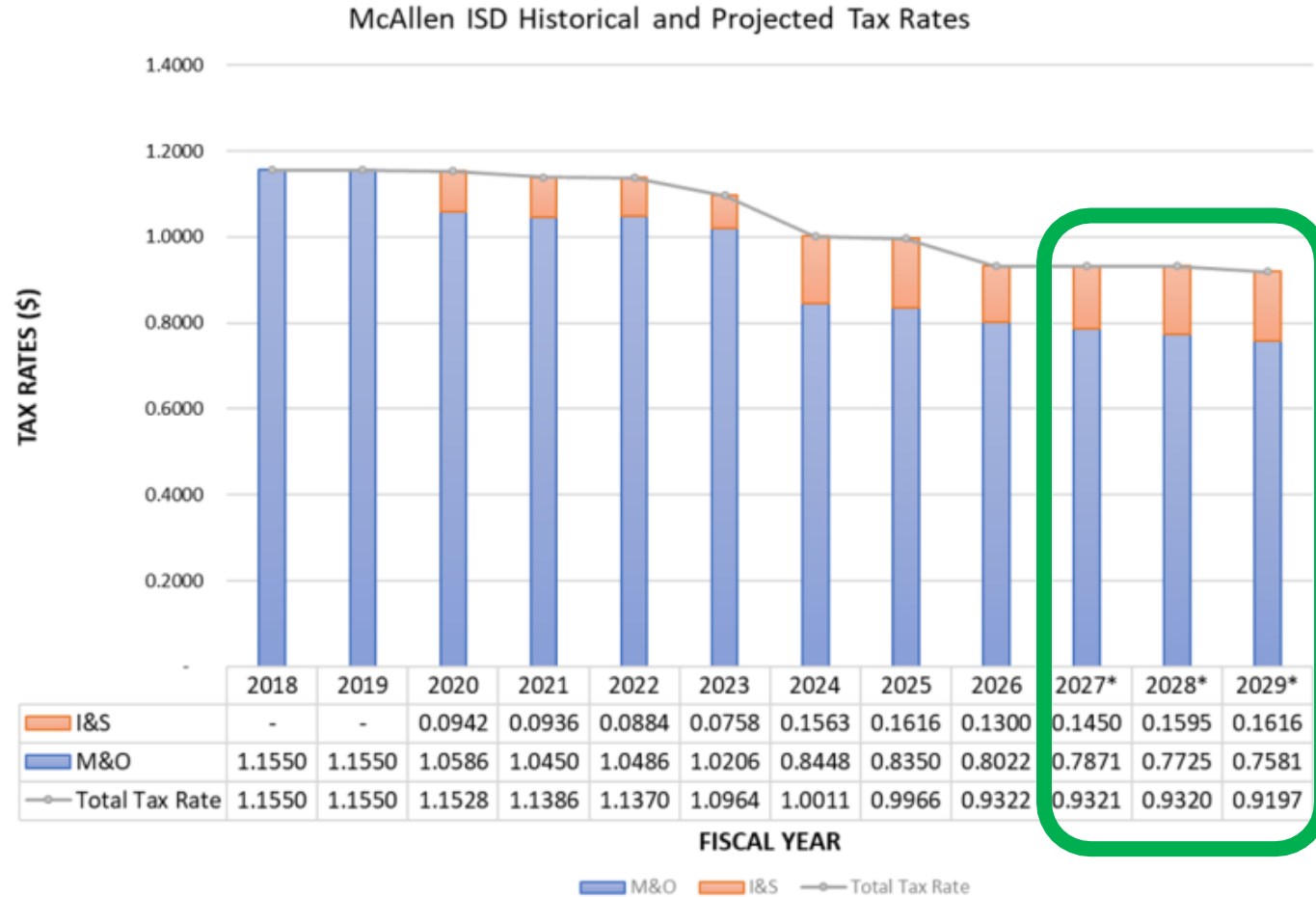
McAllen ISD Historical and Projected Tax Rates



*Total Tax Rate anticipated to decrease with M&O compressions. From \$0.9322 to \$0.8881 in FY 2029.

Option B: \$290M Bond Capacity

- Total Tax Rate at \$0.9322 and decreases with anticipated compressions.
- I&S phase into \$0.1616
- Capacity: \$290M
- Sold in three tranches:
 - Summer 2026
 - \$100M
 - Summer 2027
 - \$120M
 - Summer 2028
 - \$70M

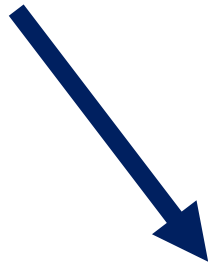


*Total Tax Rate anticipated to decrease with M&O compressions. From \$0.9322 to \$0.9197 in FY 2029.

Decision Matrix – Bond Options

Option A –

- I&S Rate: \$0.1300
- \$220M capacity
- Issued in tranches
- Straightforward option



Option B –

- I&S Rate: \$0.1616
- \$290M capacity
- Issued in tranches
- Dependent on TAV growth + compression for issuance over \$220 million



**TOTAL TAX RATE PROJECTION:
AT OR BELOW 2025-2026 TAX RATE**

\$0.9322

Key Takeaways

- **Past:** Defeased debt, saved interest, preserved and increased bond capacity

- **Present:** FY 2025–2026 proposed rate:
 - \$0.8022 M&O
 - \$0.1300 I&S
 - \$0.9322 Total

- **Future:** Bond Options:
 - Option A - \$220M
 - Option B - \$290M
 - Both Options propose a total tax rate at or below \$0.9322 for FY 2026. Option B phases to \$0.9197 in FY 2029

Election Timeline – May 2026

- District to Determine Projects and Costs.
- Estrada Hinojosa will present tax rate impact scenario with final variables.
- Work with Bond Counsel to determine Propositions:
 - The construction, acquisition, and equipment of school buildings, purchase of new school buses, and purchase of sites for school buildings;
 - the construction, acquisition, or equipment of a stadium with seating capacity for more than 1,000 spectators;
 - the construction, acquisition, or equipment of a natatorium;
 - the construction, acquisition, or equipment of another recreational facility other than a gymnasium, playground, or play area;
 - the construction, acquisition, or equipment of a performing arts facility;
 - the construction, acquisition, or equipment of housing for teachers as determined by the district to be necessary to have a sufficient number of teachers for the district; and
 - an acquisition or update of technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility.
- **Election:** May 2, 2026
- **Call Deadline:** February 13, 2026 (TEC §3.005(c))
- **Steps:** Finalize assessment, town hall, prepare ballot
- **Reminder:** Any bond authorization subject to voter approval

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