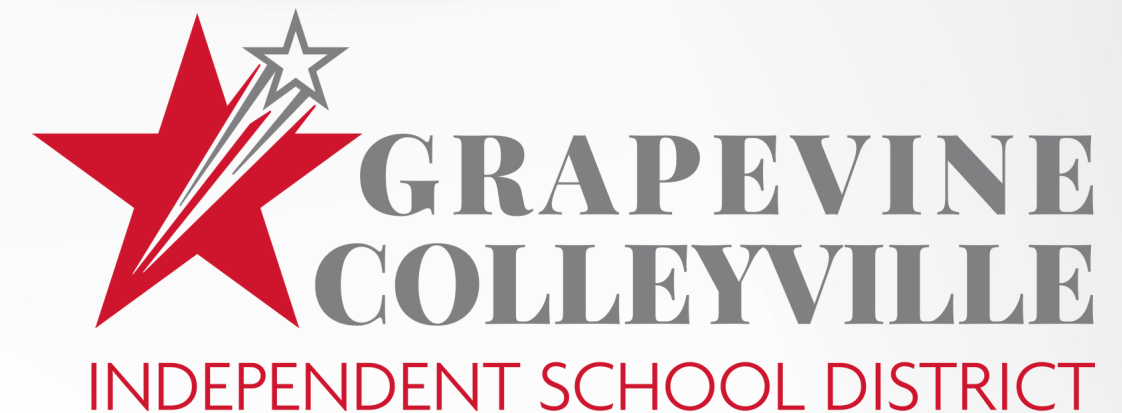


Tax Rate Presentation

September 29, 2025

David Johnson, CFO



Proposed Tax Rate Comparison to Prior Year

Year	M&O Tax Rate	I&S Tax rate	Combined Tax Rate	Reduction on Average Residence (\$450K)
2024-2025 Tax Rate	\$.7369	\$.1864	\$.9233	
2025-2026 Proposed	\$.7122	\$.1564	\$.8686	
Decrease in Rate	(\$.0247)	(\$.03)	(\$.0547)	(\$246)

Tax Rate Adoption

Actual Tax Rate Adoption

- The **ACTUAL** total tax rate proposed is \$.0547/\$100 valuation **LOWER** than the prior year rate
 - The Maintenance and Operations (M&O) Tax is proposed to be \$.7122/\$100 valuation
 - The Interest and Sinking Tax is proposed to be \$.1564/\$100 valuation

School Funding for Maintenance and Operations is based on one M&O Rate, but two components:

- Tier I is determined by the state, and must be adopted by the District
 - State compression based on property value growth
 - The current year proposed reduction is \$.0247/\$100 valuation
- Tier II is “enrichment,” aka “Golden Pennies,” and is determined by the Board/Community
 - \$.08/\$100 valuation, and increased from \$.05/\$100 valuation in the fall of 2024 from the Voter Approved Tax Ratification Election (VATRE)
 - No proposed reduction in this rate - \$.08 is the maximum number of “Golden Pennies”

The Interest and Sinking Tax Rate:

- Can only be used to pay for bonded debt
- Cannot be used to pay for operating expenses - e.g. salaries, utilities, transportation, etc.
- Proposed reduction is due to availability of fund balance & Board Policy CCA Local
- Presented and discussed at August 25 board meeting & September 9 Finance Committee meeting
- Current year proposed reduction is \$.03
- Projected to reduce property taxes assessed \$17MM over the next 2 years

Tax Rate Adoption

Tax Rate Adoption requires the use of the “No-New-Revenue Rate” calculation for Board motion language

- The “No-New-Revenue Rate” is the property tax rate that keeps the **Total Tax Revenue** the same as the prior year, before considering growth from new property added to the tax roll.
- Schools funding is based on tax **EFFORT** (pennies per \$100/valuation), not tax **REVENUE**

The Tax Rate Resolution requires the use of the “No-New-M&O Revenue Rate” calculation for resolution language

- Looks at the M&O tax rate needed to generate the same amount of revenue as prior year
- The additional revenue (Teacher Retention Allotment, Staff Retention Allotment, etc.) from House Bill 2 would allow the district to drop the M&O Tier II tax rate to generate the same amount of revenue
- The District would not propose to lower revenue

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.5 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$ 25.45.

Thank You

Questions?

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