

CLEAR CREEK ISD

VATRE  **BOND**

2023

PRESENTATION SLIDES AND NOTES



**Our
Promise**



**EACH STUDENT
ACHIEVES, CONTRIBUTES,
AND LEADS
WITH INTEGRITY**



**IN A
SAFE AND NURTURING
ENVIRONMENT**



**WITH THE
SPIRIT OF EXPLORATION**

The Clear Creek Independent School District is home to 40,000 students and 5,000 employees. We are proud to offer quality education and unique programs which allow children to reach their highest potential.

We are grounded in our promise to this community to help children achieve, contribute and lead with integrity in a safe and nurturing environment surrounded by the spirit of exploration.

However, we are at a financial crossroads which is why you will see three propositions on the November 7th ballot.

School Funding Accounts



Monthly
Operating
Bills



Savings
Account



Capital
Projects

A little financial housekeeping to begin. We have three accounts essentially like you do at home. We have our checking account which is used to pay our monthly bills like electricity, property insurance, fuel, for us, salaries and other day-to-day operational costs. We have our savings account which is really determined by how much we can put away from our checking account. And we have our debt account. This is how we pay our school bond debt.

I am going to spend some time on our checking account in school speak, that is our General Fund, and this fund is regulated by State law.

\$6,160 Basic Allotment Funds



Salaries



School Safety Staff



Utilities



Fuel

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Inflation Impact on CCISD



+81%
General Insurance
Policies



+33%
Fuel



+29.5%
School
Security



+12%
Paper



+17%
Garbage



+17%
Health Insurance

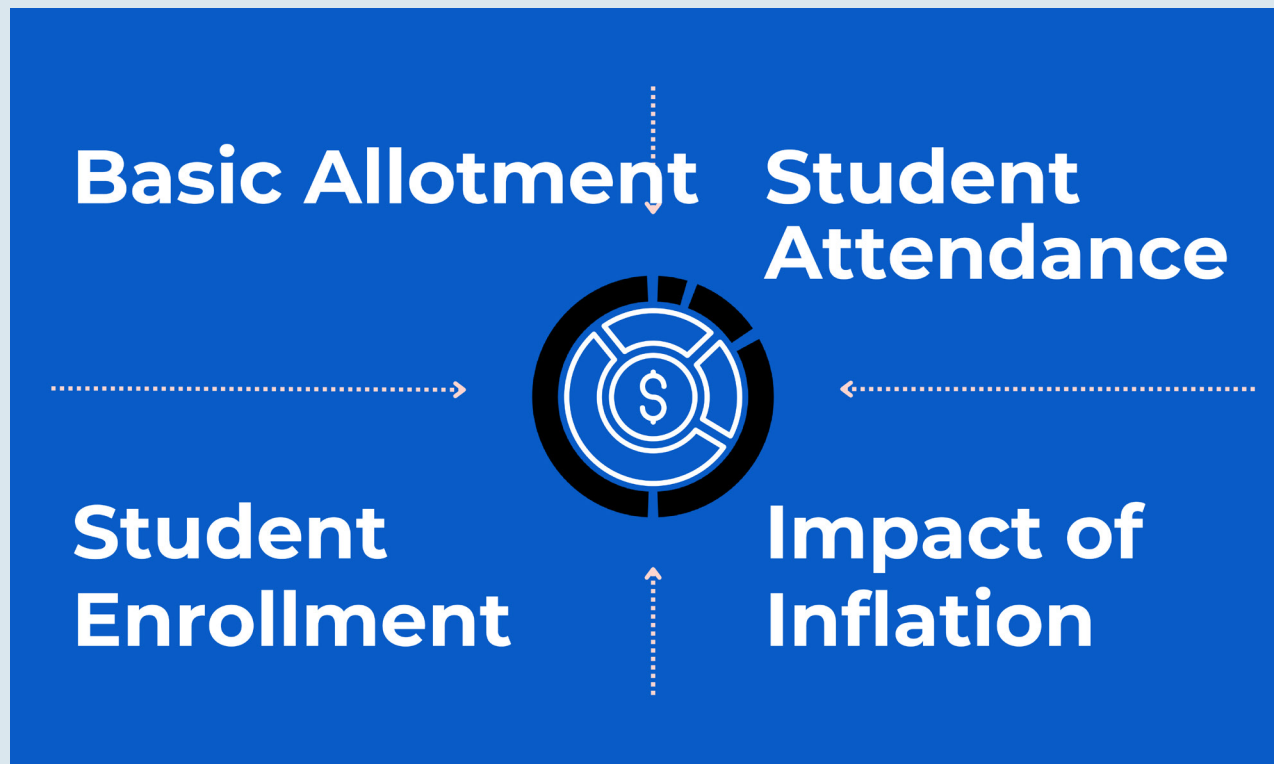


+12%
Food Cost

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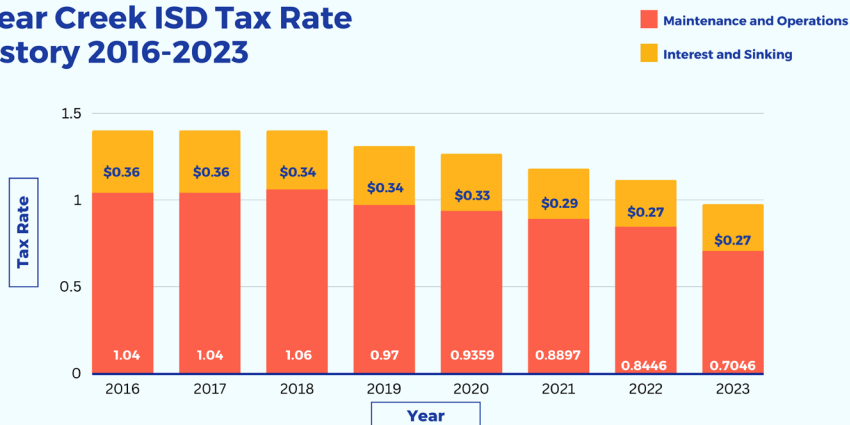
By State Law, we are provided \$6,160 per student and the percentage of that total amount is determined by the percentage of time students attend school on average. This per-student allotment pays for salaries, school safety, utilities, fuel, and property insurance. That basic allotment has not increased since 2019 and while we were hopeful the Legislature would have increased it during this past session. They did not.

As you know from home, inflation has had an impact on our ability to balance the budget. For example, our general insurance policies such as for windstorm and property has gone up 81% since 2019.



So, there are four factors that have come into play on our financial outlook. First, the Basic Allotment has not increased since 2019. Second, our student enrollment numbers are not growing the way they used to be, and we are seeing an enrollment decline. Third, student attendance. While it is improving, we have not fully recovered to pre-pandemic levels of an average of 95% which means we are not receiving the full basic allotment per student. Fourth, inflation as you saw.

Clear Creek ISD Tax Rate History 2016-2023



CCISD MAINTAINANCE AND OPERATIONS TAX RATE IS THE SECOND LOWEST IN HOUSTON AND THE FOURTH LOWEST IN TEXAS

General Fund Budget

	FY 2023 Adjusted	FY 2024 Projected	FY 2025 Projected
Local Revenues	261,210,896	268,732,000	274,932,000
State Revenues	81,693,262	77,751,000	69,993,016
Federal Revenues	10,130,000	10,130,000	8,450,000
Other Sources	2,775,000	725,000	225,000
Transfer from Savings Account	9,198,000	-	-
Total Revenues	\$ 365,007,158	\$ 357,338,000	\$ 353,600,016
Expenditures	\$ 365,007,158	\$ 374,744,182	\$ 385,345,182
Deficit	-	(\$ 17,406,182)	(\$ 31,745,166)

Currently, Clear Creek ISD has the second lowest tax rate for operations in the greater Houston area and the fourth lowest in the State. As you can see, your tax rate has gone down year after year.

This is our financial outlook under those four conditions. As you can see for the last two years, we have been pulling from our savings account to balance the budget. This past school year, we pulled more than \$9 million. There is not enough in that savings account to continue to balance the budget in future years. For this fiscal year, we are facing a \$17 million deficit and we are projecting a \$31 million deficit the following year.

Seek Voter Approval for a Tax Rate Increase

Before Cutting \$17-\$31 Million Through

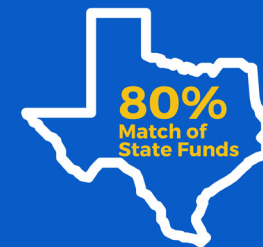
- Reducing Program Offerings for Students
- Increasing Class Sizes
- Eliminating or Reducing Specialty Programs and Transportation



Golden Pennies



\$17.5 Million



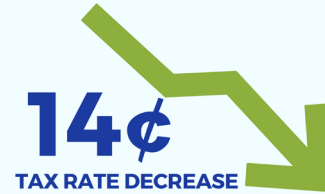
This financial picture was analyzed by a Strategic Budget Sprint Team consisting of school board members, business leaders, parents, students, and educators. In lieu of significant budget reductions such as reducing staff and student programs and increasing class sizes, the Budget Sprint Team recommended that CCISD seek voter authorization for a tax rate increase to pay for daily operations.

For the first time in Clear Creek ISD history, we will be asking voters to consider a three-cent tax rate increase on the operations tax rate to balance the budget. These three pennies are called “Golden Pennies” because each one comes with up to 80% matching state funds. And all those funds stay local.

This November, the State is also seeking voter authorization to increase the homestead exemption from \$40,000 to \$100,000 which is great news for taxpayers. Additionally, the Legislature passed the historic property tax relief bill which will result in a 17-cent tax rate decrease for CCISD homeowners. Although it is technically a tax rate increase, Clear Creek ISD is asking voters to consider sharing three of those 17 cents back with the district to balance the budget.

On November 7th voters will see Proposition A on the ballot. This is to seek voter authorization for those three pennies. If it passes, your tax rate will be reduced by 14 cents. As a tax impact, it adds up to approximately \$80.00 less in that property tax relief savings on a home valued at \$385,000. It will allow us to balance the budget. If Proposition A fails, taxpayers will see the full 17 cents property tax rate cut which will equate to approximately \$750 savings on a home valued at \$385,000.

We will need to have larger conversations on how to reduce \$31 million from the budget. To put this in perspective, in 2011 when the state reduced funding to public education, Clear Creek ISD lost about \$17 million which resulted in the loss of 130 positions through attrition.



The CCISD Total Tax Rate will be 14 Cents Lower than Last Year with Voter Approval of the Tax Rate Election

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Proposition A

If approved by voters in November, the VATRE will cost a taxpayer approximately \$80.00 from their tax savings from the historic property tax relief bill.



FOR

- Reduces the tax rate by 14 cents
- Saves \$670* on annual taxpayer bill
- Generates \$17.5 million in funding



AGAINST

- Reduces the tax rate by 17 cents
- Saves \$750* on annual taxpayer bill
- Does not generate additional funding to address a budget shortfall

CCISD VATRE AND BOND 2023

*calculations are based on a \$385,000 home

Now, I would like to move over to the other side of the tax rate... the one we use to pay off long term debt- school bonds. The last school bond program we held was in 2017 and I am proud to say that the two last schools to be renovated are complete and opened this year. There are no major renovations on the November 7th ballot. We have two propositions for voters to consider.

Proposition B is a \$265 million bond to fund priority repairs and replace things like roofs, chillers, surveillance cameras, secure vestibules, life safety equipment and school buses. Each campus would receive funds under this proposal. The Bond would expand our cybersecurity capabilities and further protect student information from malware. It would replace athletic and fine arts equipment and expand the East Ag facility to meet program demands for more pens.

Proposition C is a \$37 million instructional technology bond. By law, instructional technology must be on its own proposition. This would fund the continuation of our 1-to-1 program where students in grades 2 through 12th receive a laptop. It will also fund assistive technology for students with special needs and projectors for classrooms.

Bond Proposition



Proposition B: School Improvements

\$265 million school bond proposal

\$0.0 Cent I&S Tax Rate Increase per \$100 valuation

- Priority repairs and replacements of school systems such as HVAC, roofs, life safety, security, and school buses
- Expand cybersecurity capabilities
- Replace musical instruments and athletic equipment
- Expand the East Agriculture Facility to meet program demand

CCISD VATRE AND BOND 2023

Bond Proposition



Proposition C: Instructional Technology

\$37 million technology bond proposal

Short term bonds.

\$0.0 Cent I&S Tax Rate Increase per \$100 valuation

- Purchase student and staff computers

CCISD VATRE AND BOND 2023



PROPOSITIONS B & C

WILL NOT INCREASE THE TAX RATE

CCISD can fund these projects at the current debt rate of \$0.27 per \$100 valuation of a home.

Homeowners 65 and Older

WILL NOT See a Tax Increase**

***With a 65 and older homestead exemption*

CCISD VATRE AND BOND 2023

School Funding Accounts



Monthly Operating Bills
Proposition A



Capital Projects
Proposition B&C

CCISD VATRE AND BOND 2023

Both proposition B&C will not result in a tax rate increase. We can fund these projects through the existing bond tax rate of 27-cents.

And for Proposition A, B &C, homeowners 65 and older would not see a tax impact. Proposition A would result in approximately an \$80.00 reduction of that historic property tax rate relief bill and no other tax rate increase for the bond propositions.

In conclusion, Proposition A is funding for the daily operations of the district.

Proposition B and C is to fund major capital projects.



Vote November 7

Last Day to Register to Vote
Tuesday, October 10

For more information visit [ccisd.net/electioncentral](https://www.ccisd.net/electioncentral)

Scan the QR code
to learn more

CLEAR CREEK ISD
VATRE  BOND
2023



To learn more about Proposition A-C, including what bond projects are for your school, scan this QR code or visit www.ccisd.net/electioncentral. Be an informed voter and go to the polls on November 7th. The last day to register to vote is October 10th.