



FOR IMMEDIATE RELEASE

September 3, 2020

Gregory-Portland Independent School District

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G-PISD Board of Trustees Approve Tax Rate Decrease for 2020

Gregory-Portland ISD taxpayers will benefit from the second consecutive year of decline in the school district's total tax rate, a result of impacts related to factors in the state school finance formula including local industrial development.

"Our total tax rate was \$1.35 in 2018, and that had been the standard amount for many years with few exceptions," said Board President Victor Hernandez. "Then, in 2019 we were able to approve a total tax rate at \$1.26 ... and now it will be \$1.21 for 2020. Rapid industrial growth in our area essentially makes us a unique school district compared to others across the state when it comes to finance. For example, this year we were able to provide raises for teachers and staff and still decrease the total tax rate for taxpayers. For now, it's a win-win situation."

Hernandez said he understands "that may not always be the case" in the future, with projected state budget cuts looming as a result of COVID-19 impacts and the eventual need for G-PISD to make recapture payments to the state in future years.

"We have a great team of district leaders in G-PISD and they are making the right decisions now to prepare for the future. The school finance system is complex and things will change over time, but I know I speak for our entire School Board when I say I'm very proud to be a part of this team ... just as I'm equally proud to be a parent, and a taxpayer, residing in this school district."

Superintendent Dr. Michelle Cavazos said this will likely not be the last decrease in the total tax rate for G-PISD taxpayers. "The projections we've received from renowned financial experts, Moak, Casey & Associates, have shown that our total tax rate should continue to decline for at least a few years. The only caveat may be if the state chooses to substantially change its finance system for school districts, but we understand that is not likely with the information we have as of this time."

Cavazos also said the district plans to keep its community informed as the finance situation changes due to the district's Chapter 49 status as defined by the state: A designation for districts that experience rapid growth and revenue increases, but will soon be required to pay much of it back to the state via recapture payments. "My last position was with Austin ISD, a district that has been making state recapture payments for many years. G-PISD will be making those payments in excess of millions within the next decade, and we are trying to carefully plan for that reality.

"In the meantime, the state formula as well as our current situation does allow for tax rate decreases with more likely to follow ... and we are glad to provide it for our taxpayers, especially during the current pandemic when some have been out of work or otherwise in need of relief."

G-PISD Trustees voted unanimously (7-0) to approve a recommendation to decrease the total tax rate for 2020 to \$1.2130 at a regular meeting on August 17, 2020. Additionally, in 2019 and 2020, the district made an adjustment to the Interest & Sinking (I&S) rate while decreasing the total tax rate. Financial management practices like these have resulted in the district being able to pay off more than \$22 Million in bond debt early, and have also saved taxpayers \$15 million in interest costs from past bonds.

ATTACHMENT: Provided on Page 2 is a listing of G-PISD tax rates for the last 14 years.



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G-PISD Tax Rates – Last 14 Years

Fiscal Year	M&O Rate	I&S Debt Service Rate	Compressed (Total) Rate
2007	1.37	.24	1.61
2008	1.04	.32	1.36
2009	1.17	.19	1.36
2010	1.17	.19	1.36
2011	1.17	.20	1.37
2012	1.17	.20	1.37
2013	1.17	.18	1.35
2014	1.17	.18	1.35
2015*	1.17 1.12	.18	1.35 1.30
2016	1.17	.18	1.35
2017	1.17	.18	1.35
2018	1.17	.18	1.35
2019	1.06835	.20**	1.26835
2020	0.9630	.25**	1.2130

*2015 – In this year, a state-mandated change to the funding formula resulted in an automatic decrease to the M&O rate that caused an unexpected decrease in the total tax rate for that year.

**I&S Debt Service Rate(s) – In 2019 and 2020, with total tax rate declines in progress, G-PISD was able to also adjust its I&S rate to advance in paying off debt from past school bonds. The early pay-offs are one example of financial management practices that have resulted in G-PISD paying over \$22 Million in bond debt early, and saving taxpayers \$15 million in interest costs.

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