



NEWS RELEASE

*Glen Rose Independent School District
1102 Stadium Drive · Glen Rose, TX 76043*

August 26, 2020

FOR IMMEDIATE RELEASE

The Glen Rose ISD Board of Trustees held a public meeting on August 24, 2020 to review and approve the projected revenue and expenditure budgets for the 2020-2021 school year and the proposed tax rate for the tax year 2020.

Glen Rose ISD proposed a 6.4 cent decrease in the tax rate, dropping from \$1.039 to \$0.975. The total tax rate of \$0.975 adopted by the Board of Trustees is comprised of the Maintenance & Operation tax rate at \$0.8747 and the Interest & Sinking tax rate at \$0.1003. Prior to this decrease, Glen Rose ISD had the fourth lowest Maintenance & Operations tax rate in the state of Texas.

Glen Rose ISD Director of Finance, Kayla O'Quinn, presented board members with projected revenues and expenditures for the 2020-2021 budget cycle. The proposed general operating budget is \$27,622,636, which is an increase of 3.5% from 2019-2020. This increase was primarily driven by the increase in recapture and increases in salaries due to new positions necessary to cover student population growth and raises. Glen Rose ISD will send approximately \$5.7 million to the state in "Robin Hood" payments (recapture) as a Chapter 49 school district. This is an increase of 12% over the amount sent to the state 2019-2020 and an increase of 68% since the 2018-2019 school year.

The 86th Texas Legislature passed House Bill 3 which made significant changes to the school finance system and reduced the amount of revenue that Glen Rose ISD retains per student by approximately 30%. This reduction is being done through a 5-year phase out. The district will see a \$1.2 million reduction in state aid in 2020-2021 with this being year two of the five-year phase out. Despite this loss in revenue, the proposed general operating revenue budget increased by \$979,766 over the 2019-2020 projected revenue budget. This increase is primarily driven by "golden penny" revenue and per student revenue growth.

House Bill 3 also provided property tax relief. The Tier 1 Maintenance & Operations tax rate is set by TEA and any school district taxing below that rate is penalized through a reduction in funding. In 2019-2020, GRISD was taxing below the Tier 1 rate, and therefore, the District's per student revenue was reduced by \$515,410. Through House Bill 3 there was statewide property tax compression for school year 2020-2021 based upon property value growth. The Tier 1 tax rate was reduced for the 2020-2021 school year as part of the statewide property tax compression. As a result of this reduction, GRISD will no longer be penalized for taxing below the Tier 1 rate. Additionally, the District was able to access five "golden pennies" which will generate approximately \$1.2 million in revenue that is not subject to "Robin Hood" or recapture, allowing GRISD to retain more of our local tax dollars.

In June of 2020, Glen Rose ISD sold the Unlimited Tax Refunding Bonds, Series 2020 to refund the existing Unlimited Tax Refunding Bonds at a lower interest rate. The District was able to save \$926,030 over the remaining life of the bonds, which enabled the District to drop the Interest & Sinking tax rate by 3.87 cents.