

PLAINS ISD

811 Cowboy Way • P.O. Box 479 • Plains, TX 79355
(806) 456 -7401 Fax (806) 456 – 4325
www.plainsisd.net



August 31, 2023

To the Community of Plains ISD,

I am starting something new this year, I plan on writing a financial state of the district report to the community. This will let you know a little about where your school district stands financially.

We have challenged all staff and administrators this year to recognize and begin talking to our students and each other about what they see as each other's strengths. I hope to do the same thing here.

Since we will be adopting a budget and tax rate tonight, let's start with that. The board of trustees will be adopting a balanced budget tonight. This might not seem like a big deal, but the last two years we have adopted a deficit budget. Two years ago, this was a true deficit budget and the board chose to use fund balance to maintain the levels of service that we provide. The board is quite aware that when oil production drops that they need to have a fund balance established so that we do not have to make drastic cuts. This last year ends up not being a deficit year thanks to the community of Plains and their strong support in voting to approve our three cent VATRE (Voter Approved Tax Ratification Election) to get our last three golden pennies and oil production is up in our district! Due to the community support for this, we should put a little money in the bank to start replenishing our fund balance, but we will not know for sure how much until the auditors do their annual audit in October and report back to us in December!

Also, the board will be setting the tax rate tonight and there is some more good news! This next year your tax rate for the district will be **37 cents less than last year!** The pending vote in November for the state to raise the homestead exemption and compress the M&O (Maintenance & Operating) tax rate 18 cents and then our board's vote to lower the I&S (Interest & Sinking) tax rate 19 cents will create a lower school tax for all property owners. Of course, much of this depends upon appraisal values as well, but everyone should see a reduction in their school taxes. Not only that, but due to the board's management over the I&S (bond payment) tax rate and keeping it from fluctuating these past few years, Plains ISD will be able to pay off all their bonds this coming August a full seven years early. This amounts to over a \$4,000,000 saving for Plains ISD taxpayers on the interest charges that would have occurred had the board not done this currently and in the recent past! Again, thank you for your strong support of our school and our students! A big shout out should also go to our board members (current: Bill Robles, David Downs, Stacy Franklin, Shayne Griffiths, Brandi Lopez, Steven Bunch, and Pat Hogue and the just the past few years with Brad McWhirter, Vee Ann Carter, Shay Lowrey, Kyle Martin, Richard Gonzales, and Janie Pando) for their oversight and vision!

So bottom line on finance, we are lowering taxes, getting out of debt, putting money in the bank and the budget is balanced!

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Student enrollment and attendance is another item that we pay close attention to because this drives how much of our local taxes we get to keep and how much we have to pay back in recapture. Our recapture payment (money we must send to the state) for the year we just finished was just over \$11,700,000 which was about 66% of all taxes collected. The more our enrollment increases and the higher attendance we have the more of that money we get to keep. Our enrollment has been steadily increasing since 2020 (COVID) and we currently have 425 students enrolled. Our biggest problem is more with attendance as that rate continues to slowly drop. 96% attendance for the entire school is considered to be a good rate as we realize that kids do tend to get sick, etc. Our attendance rate has dropped into the 93% range. If we can get this up to 96%, it would be keeping \$130,000 for our district. We are exploring some ways to partner with the county in the future on attendance rate improvement to achieve this.

We are anticipating some additional help (or potential hurt) from the state legislature, but we are awaiting a special-called legislative session in October or November to address this. Due to this special session, the board has chosen to be conservative with expenditures until we find out how this legislative session will affect Plains ISD. We do have future plans, but we do not want to make a decision that in the long run would be detrimental to Plains ISD and cause potential hardship for the district and the taxpayers in the future.

Since coming to Plains, I have repeatedly said that I have never been around a community that helped their school so much. That is one of our school's greatest strengths is the support of the community. We hope to provide your children with all they need and will continue to do that. God bless Plains!

If you have questions about anything, please feel free to contact me.

Robert McLain

Plains ISD

Superintendent

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