

PROPOSITION A

TAX RATE ELECTION INFORMATION

ELECTION DAY: NOVEMBER 4, 2025



WHAT: 12¢

WHY:

(1) Basic Student Allotment Funding Remained Flat from 2019 to the End of Fiscal Year 2025, and Has Not Kept Pace with Post-Pandemic Inflation: The basic allotment (per student funding) remained, from 2019 to the summer of 2025, \$6,160 per student, per year. The legislature did not increase the amount during its sessions in 2021 or 2023. In 2025, the legislature increased the amount by \$55 per student for fiscal year 2026. This is not an amount that is commensurate with annual inflation.

(2) The District Has Offset Inflation-Related Increased Costs Without a Commensurate Increase in Funding by Using the District's Fund Balance, which is Now Critically Low: The district's fund balance is similar to a savings account, used primarily to have available cash in the event of unplanned expenses and also to cover payroll and other expenses while it awaits annual tax revenue collections or state funding payments. Per TEA guidelines, the district's general fund balance should be maintained at an amount equal to about three months of monthly operating expenses, which is \$67 million for Hays CISD at present. The district has used fund balance cash each year since 2021, while awaiting legislative funding relief that did not materialize, to maintain current educational services, programs, and staffing formulas.

(3) The District's Allowable Operational Tax Rate (Without Voter Approval) Has Compressed in Recent Years: The portion of the district's tax rate for operations has been compressed by state formula in recent years, dropping the total tax rate more than 31 cents per hundred dollars in taxable valuation of property located in the district since 2020.

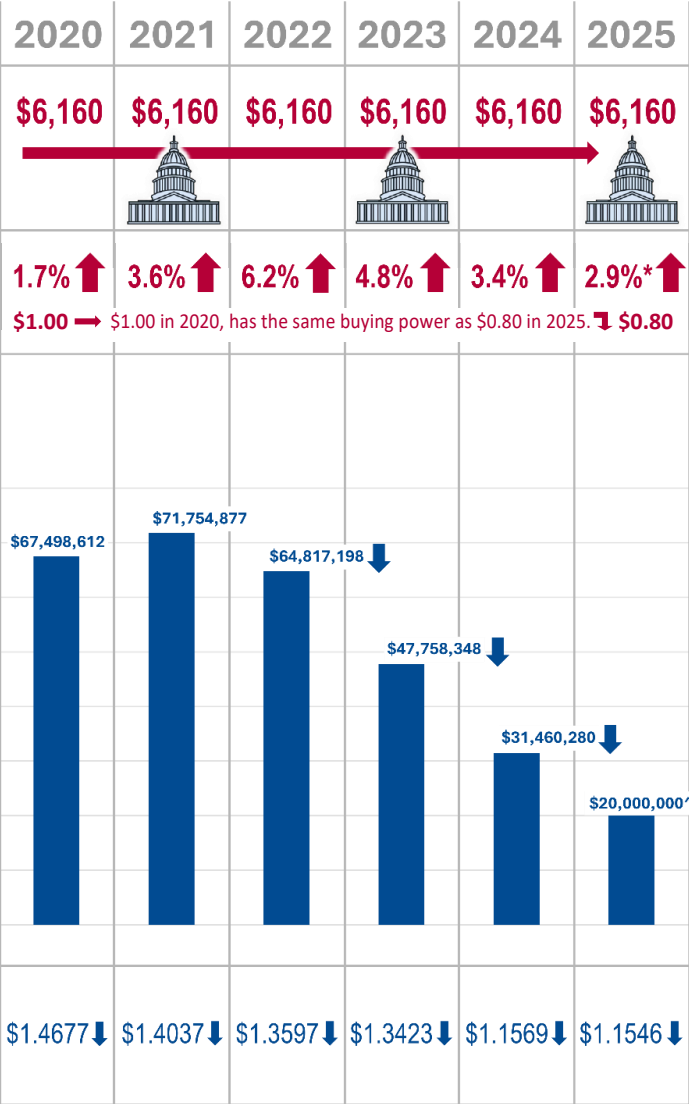
In Texas, if a school district adopts a budget and operations tax rate that is above what the state calculates for the district, voters must approve the higher rate. Following this summer's 89th Texas Legislature, Hays CISD has a clearer picture of the operating revenue that will be provided to the district under the state's basic funding formula. In that context, Hays CISD, like many other districts in the state have done, is asking voters in November to consider a voter-approved tax rate election (VATRE or TRE) measure that increases the operations tax rate by 12 cents to create a total district tax rate of \$1.2746, which is higher than the district's 2025 and 2024 fiscal year rates, but lower than that of 2023 and prior recent years.

Basic Student Allotment. The basic student allotment (per student funding) is the primary way Texas public schools are funded at the state level.

US Inflation Rate. According to the U.S. Bureau of Labor Statistics, inflation has continued to grow since the pandemic.

Hays CISD Fund Balance. Per TEA guidelines, the Fund Balance account should be about \$67 million to ensure the district can make payroll and pay bills.

Hays CISD Tax Rate Has Decreased. The district's total tax rate has compressed, dropping more than 31 cents since 2020.



Funding data represents the fiscal years ending June 30th. Inflation data is from the US Bureau of Labor Statistics: percentages are for calendar years and dollar example is CPI inflation – June 2020 to June 2025. *Represents the first two quarters for 2025. ^Projected fund balance because 2025 is not yet audited.

WHAT IF: IT PASSES

The district projects an additional 12-cent tax rate increase would generate an estimated \$26,238,548 more in annual operating revenue. This calculation includes a \$40,000 increase in homestead property tax exemption that will also be considered by voters in November. If voters approve the new Hays CISD tax rate, the district, as presented at a Board of Trustees meeting, expects to:

- Provide retroactive cost-of-living increases for teachers and staff from the start of this fiscal year for employees not included in legislative teacher raises.
- Provide retroactive cost-of-living raises for the start of this school year for teachers and staff above legislative funding for those whom the 89th Texas Legislature did include.
- Avert the need for across-the-board, districtwide elementary class size increases (Currently, class sizes are increased only in certain circumstances.)
- Rebuild the fund balance to at least the minimum recommended level and fund mandates that are not currently funded by the state.

IT DOESN'T

The district would need to make significant cuts in staffing and programming to create a surplus budget to rebuild the Fund Balance. Hays CISD, as presented at a Board of Trustees meeting, would:

- Expect to make significant cuts in staffing beyond what can be accomplished through attrition.
- Consider increasing class sizes districtwide beyond current levels and practices.
- Expect to cut some special programming and educational services.
- Consider increases in fees or adding new fees for certain services to generate revenue.

WHEN & WHERE:

Early voting begins October 20, 2025, and runs through October 31, 2025. Election Day is Tuesday, November 4, 2025. Voters must cast ballots in their home counties: Hays, Caldwell, or Travis. Visit the district website for more election information:



www.hayscisd.net/propA