



# New Braunfels ISD

## Financial Impact and Considerations

## November 2021 Bond Election

April 20, 2021

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# New Braunfels ISD

School taxes involve two different rates.

## Maintenance & Operations (M&O)

Used for daily operations:  
salaries, textbooks,  
electricity, fuel, supplies,  
etc.

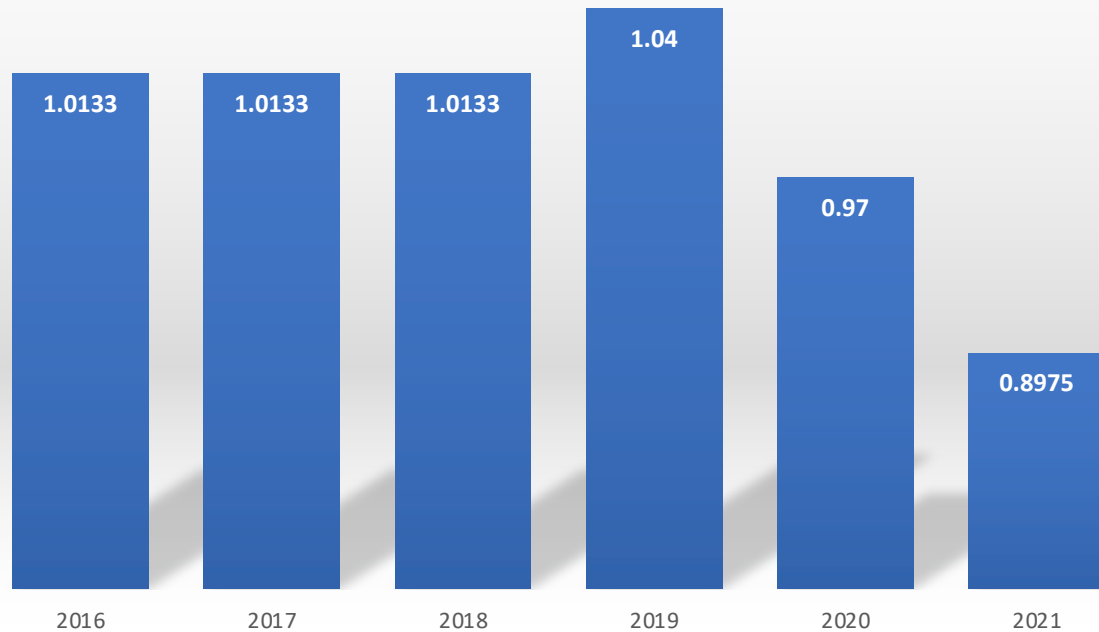




**NEW BRAUNFELS**

# New Braunfels ISD

M&O Tax Rate



The New Braunfels ISD M&O Tax Rate was consistent for several years until a one-year increase in 2019 and then steady declines the past two years because of property tax compression from the state.

Though the rate is not finalized for 2021-2022, the belief is that this trend will continue albeit at a lower rate – possibly a couple of pennies continued decline.





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# New Braunfels ISD

School taxes involve two different rates.

**Maintenance &  
Operations  
(M&O)**

Used for daily operations:  
salaries, textbooks,  
electricity, fuel, supplies,  
etc.

**Interest & Sinking**

**(I&S)**

Used for debt repayment:  
Bond elections **only** affect the  
I&S rate.





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# New Braunfels ISD

School taxes involve two different rates.

**Maintenance &  
Operations  
(M&O)**

**\$0.8975**

**Interest & Sinking  
(I&S)**

**\$0.3258**





**NBISD**

# New Braunfels ISD

School taxes involve two different rates.

**Maintenance &  
Operations  
(M&O)**

**\$0.8975**

**Interest & Sinking  
(I&S)**

**\$0.3258**

**NBISD Total Tax Rate: \$1.2233**





**NEW BRAUNFELS**

# New Braunfels ISD

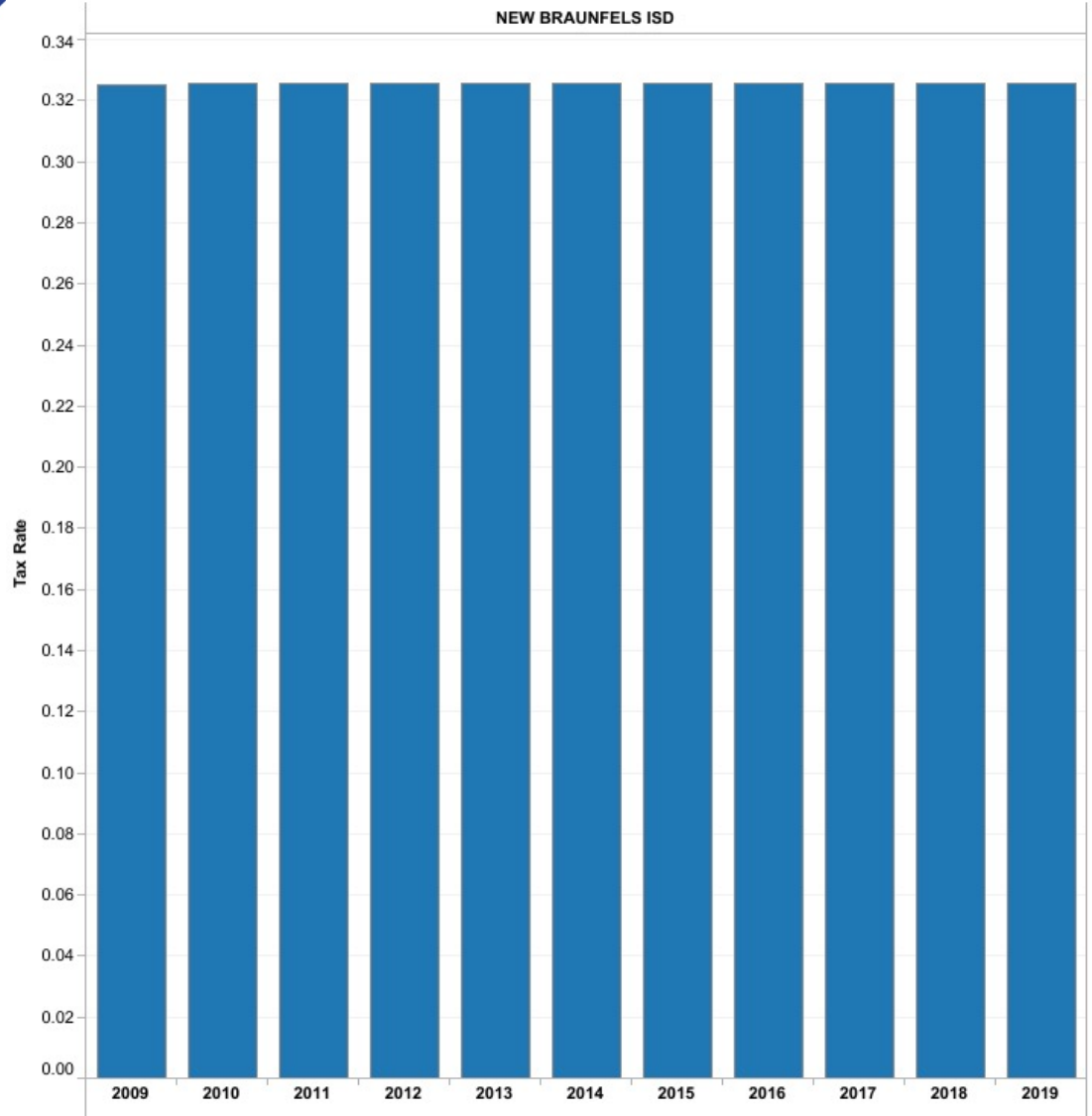
- Proceeds from a bond can be used for:
  - the construction and renovation of facilities
  - the acquisition of land, and
  - the purchase of capital items such as equipment
- They **CANNOT** be used as part of the general operating budget or to give raises.





**NEW BRAUNFELS**

**Tax Rates by District**  
Source: TEA GASB 34 Schedule J1



# New Braunfels ISD

The New Braunfels ISD I&S Tax Rate has remained the same since 2010 at \$0.3258. In 2009 it was \$0.3250.

Though this chart only goes through 2019, the same rate (\$0.3258) has been in place for 2020 and 2021.

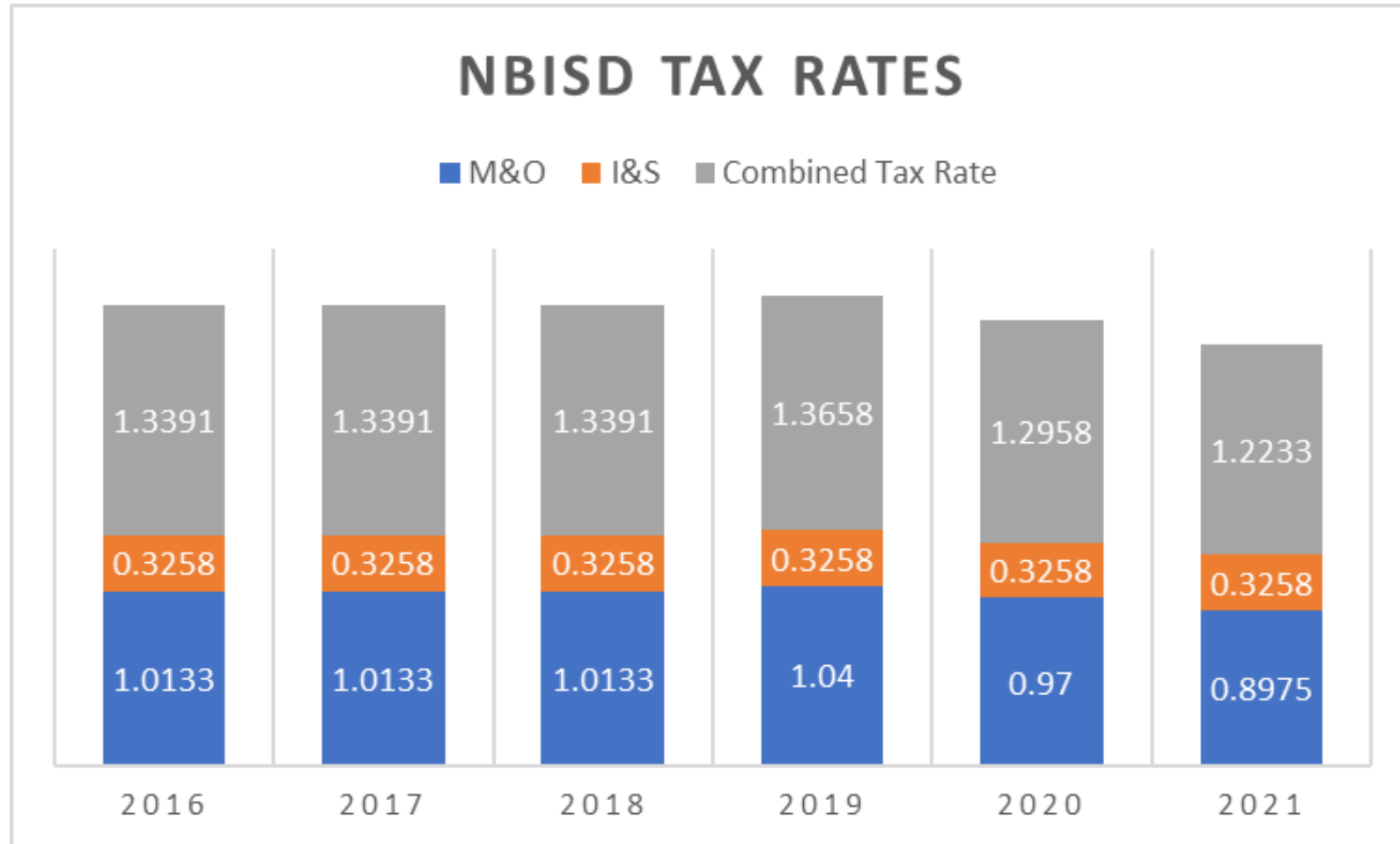






# New Braunfels ISD

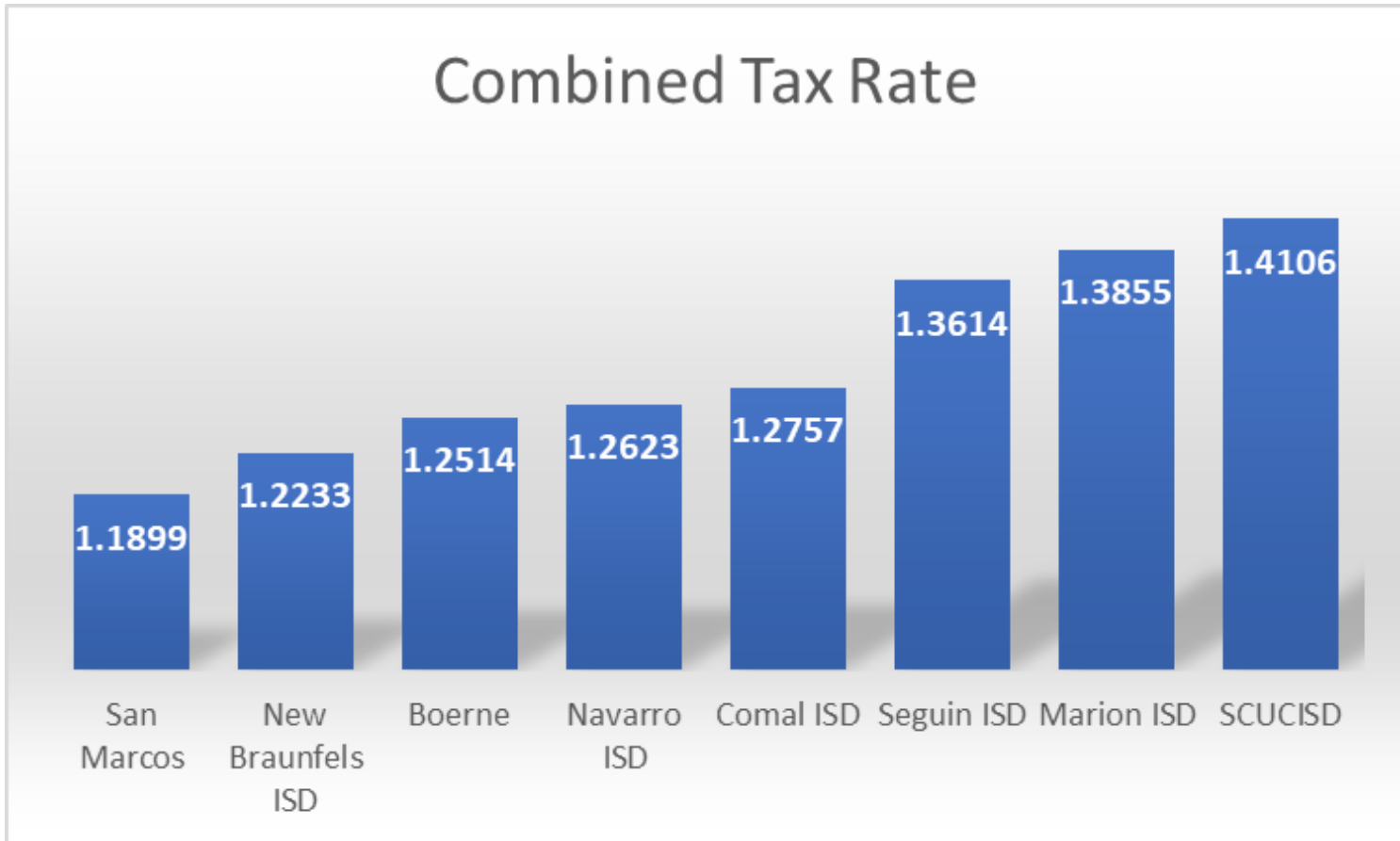
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# New Braunfels ISD



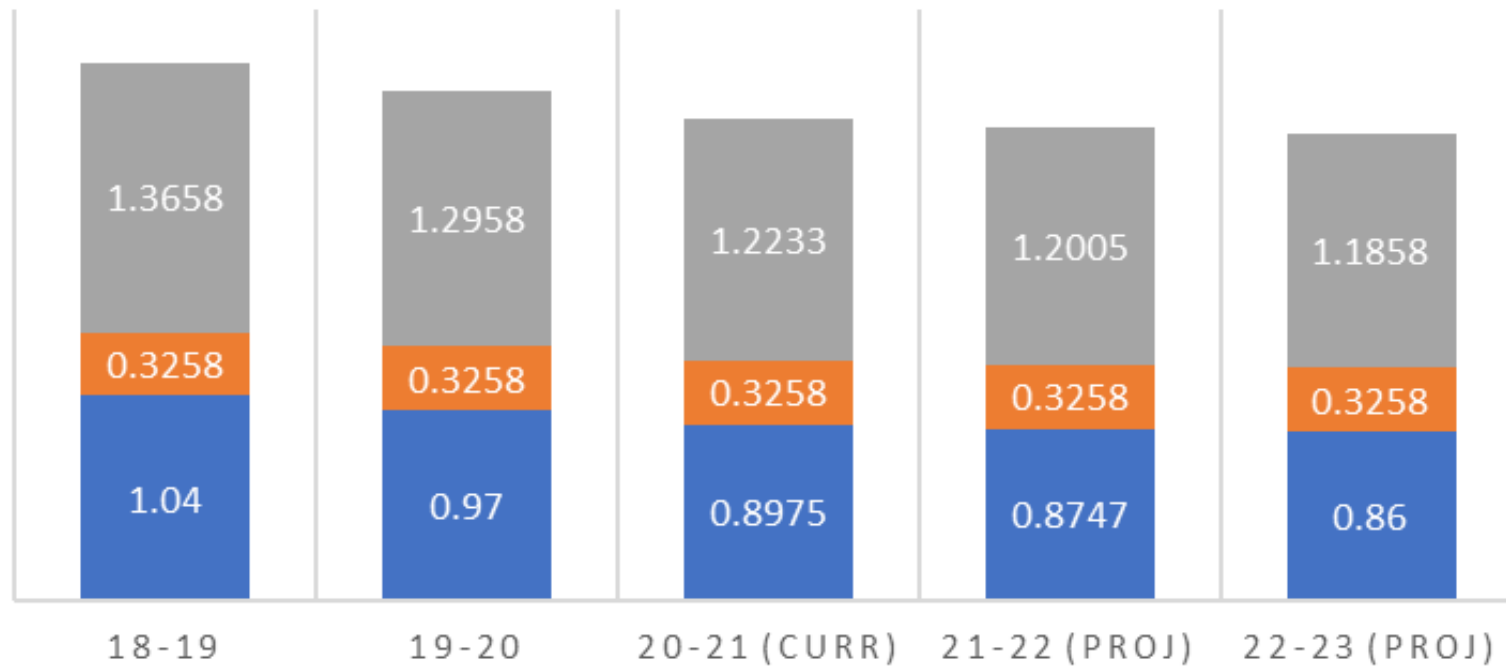


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# New Braunfels ISD

## NBISD TAX RATES

■ M&O ■ I&S ■ Total



We anticipate the M&O tax rate decreasing \$0.02 for next year and another \$0.015 for the following year. Again, these are projections and not in stone.





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## New Braunfels ISD

The following bond values were provided by the NBISD financial advisor back in March.





# New Braunfels ISD

## November 2021 Bond

- Zero I&S tax increase \$215,400,000 total issuance
- \$0.01 I&S tax increase \$257,390,000
- \$0.02 I&S tax increase \$287,400,000
- \$0.03 I&S tax increase \$311,300,000



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# New Braunfels ISD

- \$0.01 adds approximately \$42 million

Year	M&O	I&S (w/ .03)	Total
20-21 (Curr)	0.8975	0.3258	1.2233
21-22 (Proj)	0.8747	0.3258	1.2005
22-23 (Proj)	0.86	0.3358	1.1958

- \$0.02 adds approximately \$72 million

Year	M&O	I&S (w/ .02)	Total
20-21 (Curr)	0.8975	0.3258	1.2233
21-22 (Proj)	0.8747	0.3258	1.2005
22-23 (Proj)	0.86	0.3458	1.2058

- \$0.03 adds approximately \$96 million

Year	M&O	I&S (w/ .03)	Total
20-21 (Curr)	0.8975	0.3258	1.2233
21-22 (Proj)	0.8747	0.3258	1.2005
22-23 (Proj)	0.86	0.3558	1.2158





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## New Braunfels ISD

A question you may ask is why does the 2<sup>nd</sup> penny provide less return than the 1<sup>st</sup> penny?





# New Braunfels ISD

A question you may ask is why does the 2<sup>nd</sup> penny provide less return than the 1<sup>st</sup> penny?

- The debt is structured to allow for future bond issues.
- The annual payment is generally decreasing in future years for capacity.
- The first amount of bonds we could issue, actually with no tax rate increase, is larger because we are able to use up that capacity, we had structured in from the previous issues.
- Each additional penny increase has less capacity to work with.







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## New Braunfels ISD

The question is how does this affect our average home owner?

The average home's taxable value in NBISD is \$242,679.





# New Braunfels ISD

Total Value	Total Tax Rate	Total Tax
\$242,679	1.1858	\$ 2,877.69
	1.1958	\$ 2,901.96
	1.2058	\$ 2,926.22
	1.2158	\$ 2,950.49
	1.2233	\$ 2,968.69

One penny is \$24.27 difference to the average homeowner in New Braunfels ISD.



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# New Braunfels ISD

\*\*\*\*\* Please remember that for property owners with a “65 and Older Homestead Exemption”, taxes are frozen at their present rate for as long as they own and occupy their home, unless they make improvements such as an addition.





# New Braunfels ISD

Thank you!!

Questions???

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