

Tax Ratification Election (TRE)

- Maximizing State Resources
- No Tax Rate Increase
- Pay as You Go Model
 - Technology
 - Priority Projects
 - Priority One-time Instructional Expenditures



What is a TRE

- A Tax Ratification Election, or TRE, is required when a District exceeds the \$1.04 per \$100 valuation for the Maintenance and Operations tax-rate cap
- State law requires the District to seek voter approval to change the tax rate



School District Tax Structure

- Maintenance and Operations (M&O) \$1.04
 - General operations of the district
 - *Including staff salaries, utilities, supplies, etc.*
- Interest and Sinking (I&S) \$0.195 (Debt Service)
 - This tax is strictly limited to making bond payments
 - Known as debt service



Current vs Proposed Tax Rate

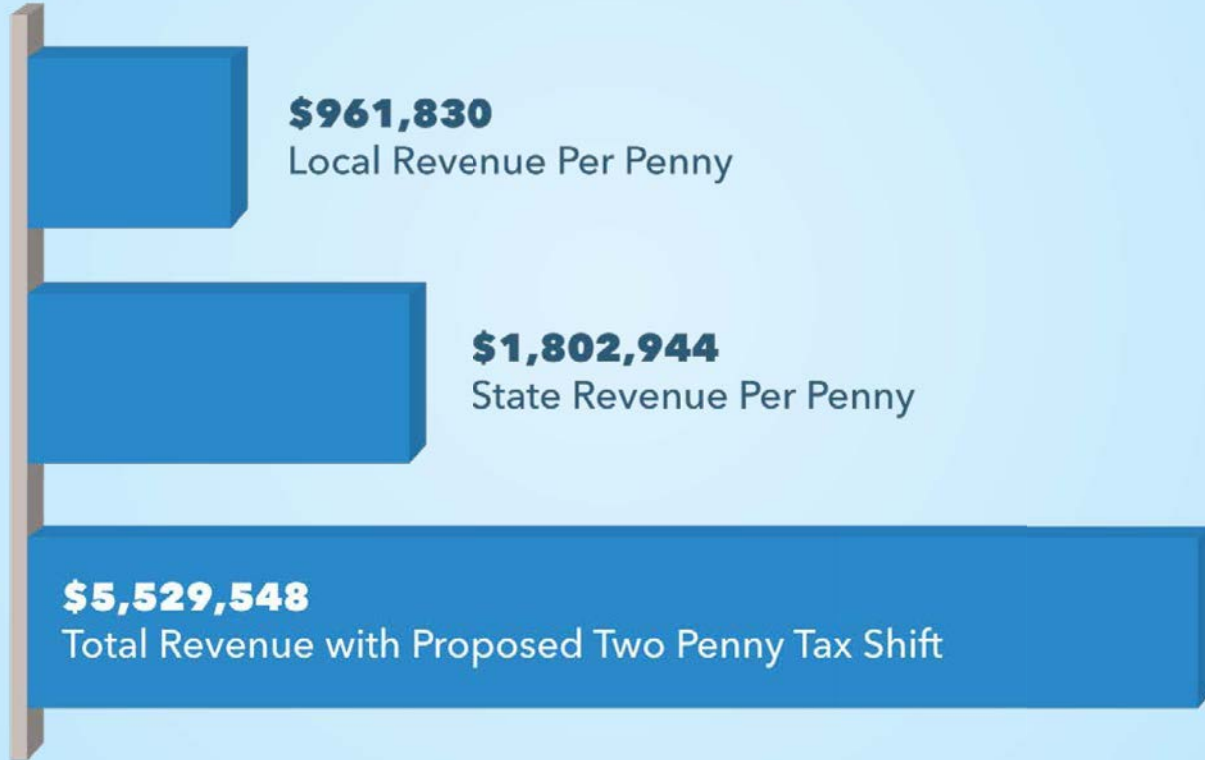
Lubbock ISD Tax Rate			
Tax Rate	Current	With TRE	+/-
Maintenance and Operations	\$1.040	\$1.060	0.020
Debt Service	\$0.195	\$0.175	(0.020)
Total	\$1.235	\$1.235	0.000

Effect of Tax Shift per \$0.01

	Debt Service	Maintenance and Operations – Golden Pennies
Local revenue per penny	\$961,830	\$961,830
State revenue per penny	\$0	\$1,802,944
Total Revenue Per Penny	\$961,830	\$2,764,774

Total Revenue for Two Pennies: **\$5,529,548**

Annual Revenue

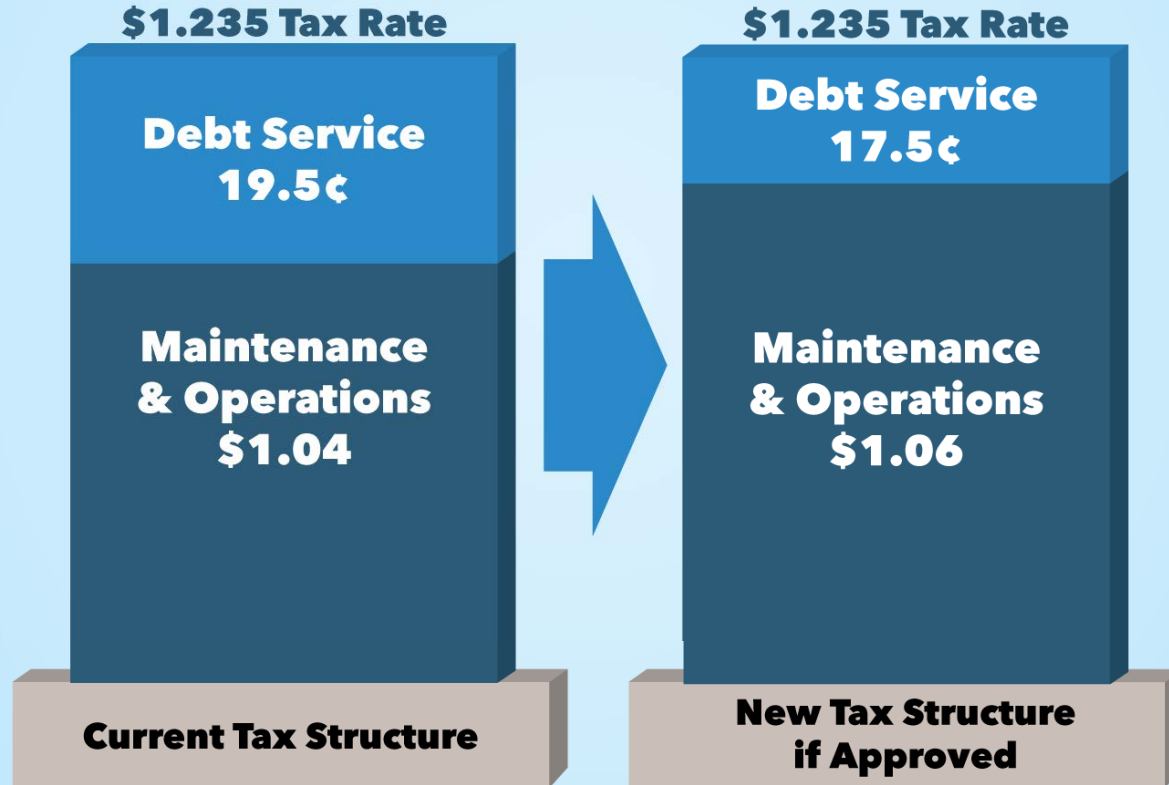


Wealth Comparison

	Lubbock ISD	Austin ISD
WADA (weighted ADA)	35,505	100,752
Local Property Value	\$9,619,203,237	\$78,455,576,980
Wealth per WADA	\$270,866	\$778,699

Revenue for each \$0.01 of tax rate over \$1.04		
Local Revenue	1 x \$27.09 x 35,505	\$961,830
State Revenue	1 x \$50.78 x 35,505	\$1,802,944
Total Revenue	1 x \$77.87 x 35,505	\$2,764,744

Current vs Proposed Tax Rate



Frequently Asked Questions

Q: Will this tax rate shift extend the LISD's debt payment schedule?

A: No, the debt payment schedule will be unchanged. For the most part, the debt cannot be paid off early.

Q: Could LISD just lower the tax rate?

A: Yes, but the district would be leaving several million dollars for the LISD operating budget on the table in Austin.



Frequently Asked Questions

Q: Could LISD have done this before now and what other Lubbock County districts get this extra money?

A: Five of eight Lubbock County school districts have already accessed the “golden pennies” and Lubbock ISD has only recently paid debt down to a point to make this recommendation to the board.

Q: How do increases to property appraisals impact school revenue?

A: Schools districts are different from city and county governments in that they do not realize any benefit from increased property values in their operating revenue.



Frequently Asked Questions

Q: Will Vote Centers be available for this election?

A: Voters will be able to use vote centers during Early Voting, but voters will only be able to vote at their precincts on Election Day because of recent changes to legal interpretations by the Secretary of State's Office .

