



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

9A. Discussion/Possible Action

Date: July 28, 2008

SUBJECT: APPROVAL OF TAX LEVY ORDINANCE FOR 2008-09 FISCAL YEAR

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Revenue from Local Taxes

Background Information:

1. Tax rate must be set before September 30
2. Required Ordinance to set tax rate
3. The Ordinance must include the individual Maintenance and Operations (M&O) rate, Debt Service (I&S) rate and the combined rate.
4. The recent 79th Legislature enacted a law that has been interpreted by the comptroller's office to require all taxing entities to calculate an effective tax rate and make a statement in the adopted ordinance, the motion to approve and a web posting to include a statement if the tax rate will exceed the effective tax rate.

Administrative Considerations:

1. The total effective tax rate for the 2007-2008 fiscal year is \$1.4853. The tax rate recommended to be adopted is \$1.3574 and will not exceed the effective rate.
2. The General Fund rate is being recommended to be set at \$1.04 which represents no increase in the M&O rate from last year.
3. Set the Debt Service Tax Rate at \$0.3924 and utilize \$2,133,790 from the Debt Service fund balance to support the district's 2008-2009 fiscal year obligations for previously approved bonds voted by the public.
4. The administration recommends that a combined tax rate of \$1.4324 to be set which represents a \$0.075 increase from the total 2007 tax rate.

5. Because the dollars generated from this years rate will be greater than last years, additional wording will be required for the ordinance and the same wording will need to be posted on the district's web-site. The wording is as follows:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

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The administration recommends the Board of Trustees approve the Tax Levy Ordinance for the 2008-2009 school year that establishes the combined tax rate of \$1.4324 of which \$1.04 will be for Maintenance and Operations and \$0.3924 will be for Debt Service and use \$2,133,790 from the interest earned from the District's Bond funds and use \$4,905,157 of last year's fund balance for the Maintenance and Operation Fund.

Respectfully submitted,
Kent Morrison
Chief Financial Officer