

Levelland ISD

Tax Ratification Election Facts



NO TAX RATE INCREASE

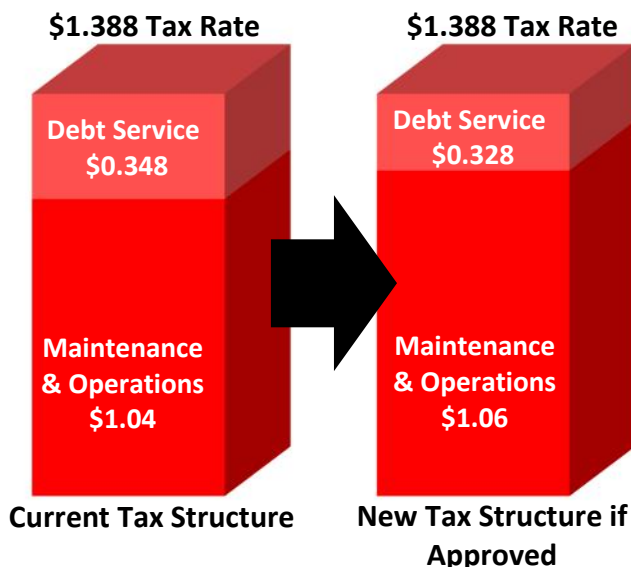
The Levelland Independent School District will ask voters to decide whether the district can shift two cents from the Debt Service tax rate to the Maintenance and Operations tax rate. The shifting of two pennies does not increase the overall tax rate. LISD will keep the tax rate the same.

Shifting these two pennies will allow Levelland ISD to leverage additional state funds. These two pennies will bring in an additional \$556,000 in state and local revenue to Levelland ISD's operating budget for the 2018-2019 School Year **WITHOUT** increasing the tax rate in 2018-19.

This new revenue will allow Levelland ISD to maximize state resources and implement a pay-as-you-go model for priority instructional and facility needs and offer competitive pay to staff.

Levelland ISD Tax Rate

Tax Rate	Current	With TRE	+/-
M&O	\$1.04	\$1.06	0.02
Debt Service	\$0.348	\$0.328	(0.02)
Total	\$1.388	\$1.388	0.00



ELECTION DAY

August 14 | Early Voting July 30th – August 10th

WHAT IS THE MONEY FOR?



Competitive Compensation Plan

- Retaining instructional staff is as difficult as ever in an era of teacher shortages. Having a competitive pay structure helps ensure we retain teachers and other District staff.



Priority Facility & Asset Projects

- Facility needs such as deferred maintenance and repairs
- Asset Projects such as new fleet vehicles to replace an aging fleet

What is a Tax Ratification Election (TRE)?

Texas school boards are charged with adopting a budget and tax rate each year. The tax rate is meant to levy in property taxes the funds needed for day-to-day operations of the district, the Maintenance and Operations tax rate (M&O), and funds to pay any district debt, which is called the Interest and Sinking (I&S) tax rate. The I&S rate is often referred to as the “debt service” tax rate. Districts exceeding \$1.04 per \$100 valuation in their Maintenance and Operations tax rate must seek voter approval to do so. The election is called a Tax Ratification Election, or TRE.



FREQUENTLY ASKED QUESTIONS

Q: Why are there two tax rates?

A: The Maintenance and Operations (M&O) tax rate funds district operations – salaries, utilities, supplies, etc. The Interest & Sinking (I&S) tax rate, also known as the “debt service” tax rate, can only go to pay for bond projects approved by the voters.

Q: Is Levelland ISD proposing an increase to the tax rate?

A: No, the district is not proposing an increase to the overall tax rate of \$1.388. The district is able to take two cents from the I&S tax rate which pays debt, and shift them to the Maintenance and Operations tax rate, which pays operating costs. The overall tax rate stays exactly the same, but by moving two cents to the Maintenance and Operations Tax Rate, the district is able to access hundreds of thousands of dollars.

Q: How does the tax rate shift generate extra state funds?

A: The additional two cents, or golden pennies designated for a district’s M&O budget, have a greater weight in state funding formulas than any other part of the tax rate. Because of this, more funds are generated via the pennies when designated in M&O

Q: Will this planned shift in the tax rate extend the time it will take LISD to pay its existing debt?

A: No. The schedule to pay off the debt will remain unchanged.

Q: Do other school districts in our area get the extra state funding?

A: Yes, four of the six school districts in Hockley County already receive additional revenue from “Golden and Copper Pennies”.

Q: Why is an election needed if the tax rate is not changing?

A: The shift of two pennies would change Levelland ISD’s M&O tax rate from \$1.04 to \$1.06 and requires voter approval even though the I&S rate would drop from \$0.348 to \$0.328 and the district’s overall tax rate would remain the same.

Q: What happens if the voters approve or don’t approve this election?

A: If voters approve the election, Levelland ISD will have access to an additional \$556,000 in funding for the M&O budget while keeping the overall tax rate the same. If voters do not approve the election, Levelland ISD will not be able to generate these additional funds

**Additional local
revenue generated
annually: \$215,000**

**Additional state
revenue generated
annually: \$341,000**



**Total additional annual
revenue generated for
LISD:
\$556,000**