

BUSHLAND ISD

Tax

Ratification

Election

What is a Tax Ratification Election or TRE?

A **Tax Ratification Election (TRE)** is a special election, called by the Board of Trustees, asking the voters to approve a tax rate that is above the \$1.04 maintenance and operations tax rate allowed by state law. This is sometimes referred to as a **Rollback Election**.

\$1.04 is our current rollback rate.

What does BISD plan to do with the extra revenue?

- Provide competitive employee salaries and additional staff in critical areas
- Enhance ALL core curriculum programs, co-curricular programs, and extra-curricular programs for grades Pre-K through 12th Grade (e.g. Reduce class size, more intervention for struggling students, upgrade science and ag equipment, band uniforms, student meals, install phones in all classrooms, etc.)
- Maintain & replace equipment (e.g. copy machines, laminators, washers/dryers, etc.)
- Facility improvements (e.g. student lockers, storage units, portable classrooms, etc.)
- Implement additional safety and security measures

If it passes, how will the TRE affect my home taxes?

* Projected 2016 Taxes					
** M&O Rate of \$1.17 and \$.213					
Appraised Home Value	Taxed value after \$25K Homestead Exemption	2016 Taxes	2016 Taxes	Annual Increase From 2015	Monthly Increase from 2015
		Cost Per Year	Cost Per Month		
		TAX Rate \$1.383			
\$100,000	\$75,000	\$ 1,037	\$ 86	\$ 86	\$ 7
\$125,000	\$100,000	\$ 1,383	\$ 115	\$ 115	\$ 10
\$150,000	\$125,000	\$ 1,729	\$ 144	\$ 144	\$ 12
\$175,000	\$150,000	\$ 2,075	\$ 173	\$ 172	\$ 14
\$200,000	\$175,000	\$ 2,420	\$ 202	\$ 201	\$ 17
\$225,000	\$200,000	\$ 2,766	\$ 231	\$ 230	\$ 19
\$250,000	\$225,000	\$ 3,112	\$ 259	\$ 259	\$ 22
\$275,000	\$250,000	\$ 3,458	\$ 288	\$ 287	\$ 24
\$300,000	\$275,000	\$ 3,803	\$ 317	\$ 316	\$ 26
\$325,000	\$300,000	\$ 4,149	\$ 346	\$ 345	\$ 29
\$350,000	\$325,000	\$ 4,495	\$ 375	\$ 374	\$ 31
\$375,000	\$350,000	\$ 4,841	\$ 403	\$ 402	\$ 34
\$400,000	\$375,000	\$ 5,186	\$ 432	\$ 431	\$ 36

* Please note: These estimates do not reflect any increase in the appraised property values.

** If you are 65 or older your current tax rate is frozen.

Why a TRE now?

In 2006, The state reduced district property tax cap from \$1.50 to \$1.04

At the same time, the state legislature changed the way property taxes are collected, which also created Target Revenue for districts.

The state promised to make up the lost funding with increased fees and other taxes. BUT, these underperformed, meaning they fell far short of compensating for the lost property tax revenue.

In 2011, the state reduced education funding by \$4 billion, and declared an end to Target Revenue in 2017-18.

As part of the change in property tax calculations, school districts must hold a special **tax ratification election**, or **TRE**, to increase taxes beyond a limit specified by law.

Will the revenues raised by the tax increase be recaptured by the state under the ‘Robin Hood’ school funding plan?

Yes, a portion of the revenue generated would be recaptured by the state.

One penny will generate between **\$65,000** and **\$70,000** in additional revenue for our general fund (M & O).

The total **13 cents** increase would boost the general fund approximately **\$900,000**.

If the TRE passes, can the M&O tax rate of \$1.17 ever be lowered?

Yes, the M&O tax rate can be lowered in subsequent years. By law, in the first year when a TRE is passed, the tax rate must be set at the rate stated in the TRE. Each year afterwards, the tax rate will be set at a rate that will balance the adopted budget for that year, but it will never go above \$1.17

Are there any other options for off-setting the budget deficit?

To meet the needs of our school and community, BISD is exercising all options to increase revenue, cut costs, and stabilize the budget .

One strategy is to continue using funds from the District's Fund Balance (emergency savings) to cover the deficit. The emergency savings are used for unexpected expenses.

A **second** strategy is to reduce the budget by reducing maintenance and operating expenses, including personnel and/or programs costs.

Examples of cost reductions over the past few of years:

- Travel for staff development (\$800 - \$1,000 per convention)
- Absorbed 6 professional positions throughout the district
- Supply budgets (\$50,000)
- Eliminate meals for students in extra- and co-curricular activities
- Salary freeze for all staff district-wide (two years)

A **third** strategy is based on student enrollment. School districts are funded based on the number of students not only enrolled but also are in attendance each day...more students...more revenue.

Through the Transfer policy, we have 191 non-resident students (not including employee kids) who attend our schools (fifteen students per grade level average), which results in \$1.5 million in additional funding each year.

The **fourth** strategy is a **TRE** (Tax Ratification Election).

Bushland ISD has several completed and ongoing construction projects. Why couldn't the District use the money for those projects to cover the budget deficit?

Funding for construction and renovation projects was approved by voters as part of the District's 2013 bond election. **State law prohibits bond revenue from being used for maintenance and operating expenses, such as salaries, utilities, and insurance.** The District cannot use bond funds to pay for every-day expenses.

What happens if voters do not pass the TRE?

If the proposed tax rate is not approved through the tax ratification election (TRE), Bushland ISD will have to reduce the budget expenditures. The District will implement cost saving measures, which could include: freezing salaries, reducing salaries, not filling vacant positions, program changes, and reduction of staff members.

I'm over 65. Will my taxes increase?

Tax bills for residents who are receiving the Over-65 or Disabled homestead exemptions are frozen at the tax rate in place when the exemption was granted and will not go up. Their school taxes will never go up unless the homeowner makes significant improvements to the homestead.

What are the eligibility guidelines for Voting ?

1. Must be registered to vote at least 30 days prior to election date
www.votetexas.gov/register-to-vote/
2. US citizen
3. Resident of the District
4. 18 years of age
5. You are not a convicted felon

When is the TRE (Tax Ratification Election)?

November 8, 2016

Polls will be open between 7:00 a.m. and 7:00 p.m.

What are the dates for Early Voting?

Potter County Residents

Coffee Memorial Blood Center (Closest Location)

October 24 - 28 (Monday-Friday)	12:00 pm – 5:00 pm
October 29 (Saturday)	12:00 pm – 5:00 pm
October 30 (Sunday)	12:00 pm – 5:00 pm
October 31 - Nov. 4 (Mon.-Fri.)	12:00 pm – 5:00 pm

Randall County Residents

Region 16 ESC (Closest Location)

October 24 – 8 (Monday-Friday)	8:00 am – 5:00 pm
October 31 - Nov. 4 (Monday-Friday)	7:00 am – 7:00 pm

For a complete list of voting locations and times please visit our website at www.Bushlandisd.net and go to the TRE information tab.