

# Lubbock ISD Tax Ratification Election



## NO TAX INCREASE

The Lubbock 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, just as it has for the last 10 years.**

Shifting these two pennies will allow Lubbock ISD to leverage additional state funds. These two "Golden Pennies" will bring more than **\$5.5 million in state and local revenue to Lubbock ISD's operating budget.**

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

Lubbock ISD Tax Rate			
Tax Rate	Current	With TRE	+/-
M & O	\$1.040	\$1.060	0.020
Debt Service	\$0.195	\$0.175	(0.020)
<b>Total</b>	<b>\$1.235</b>	<b>\$1.235</b>	<b>0.000</b>

## ELECTION DAY

August 30 | Early Voting August 18-26

## WHAT IS THE MONEY FOR?



### Instructional Technology

- Technology is an increasingly important asset in the classroom. Tools such as iPads and Chromebooks can be purchased with cash instead of financing in a bond.



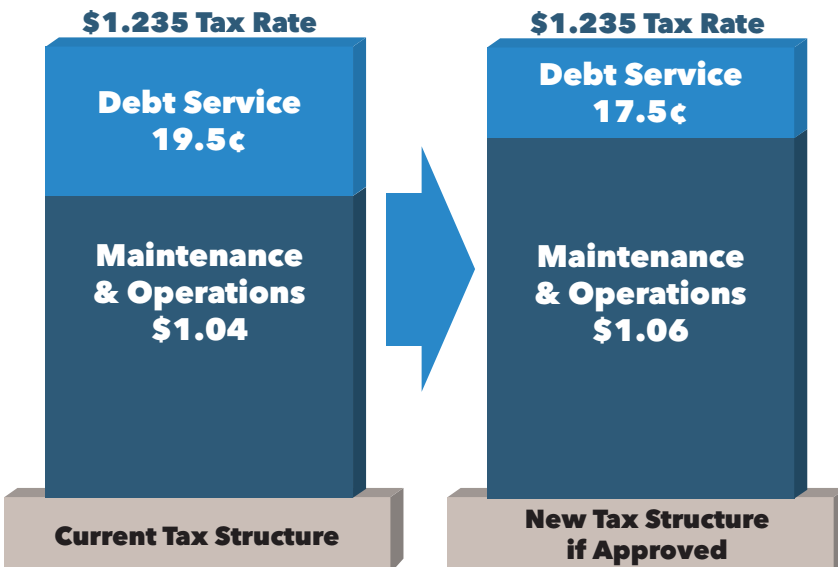
### Priority Facility Projects

- Address classroom space issues
- Facility needs such as parking lots and HVAC replacements



### Priority One-Time Instructional Expenditures

- Additional library materials
- Supplementary instructional resources



## 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), as well as 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.

# Lubbock ISD Tax Ratification Election



**\$961,830**

Local Revenue Per Penny

**\$1,802,944**

State Revenue Per Penny

**\$5,529,548**

Total Revenue with Proposed Two Penny Tax Shift



Financial  
Integrity  
Rating  
System  
of Texas



Texas Comptroller  
Leadership Circle Gold Member

## 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 Lubbock ISD proposing an increase to the tax rate?**

A: No, the district is not proposing an increase to the overall tax rate of \$1.235. Through sound financial management, 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 several million dollars in additional state funding.

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

A: By increasing the M & O tax rate above \$1.04, Lubbock ISD is able to access what is referred to as the “Golden Pennies.” The Golden Pennies have a greater weight in state funding formulas than any other part of the tax rate and, therefore, bring more state revenue to the district.

**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, five of the eight school districts in Lubbock County already receive additional revenue from “golden pennies.”

**Q: So what’s the bottom line for Lubbock ISD if voters approve this tax shift?**

A: Lubbock ISD will have access to \$5.5 million in the Maintenance and Operations budget to pay cash for instructional technology, priority capital projects and one-time instructional expenditures.

**Q: What happens if the voters do not pass the TRE?**

A: The district tax rate will remain at its current level of \$1.235.