

Plainview ISD

Tax Ratification Election Facts

What is a Tax Ratification Election (TRE)?

Texas school boards are charged with adopting a budget and tax rate each year. The tax rate levies funds needed for day-to-day operations of the district, the Maintenance & Operations (M & O) tax rate. On August 5, the Plainview ISD Board of Trustees called for a tax increase of \$0.13 cents per \$100 of property evaluation to the M & O rate to allow the district to meet the increasing expense of operation. This will increase the M & O tax rate from **\$1.04 to \$1.17** per \$100 of property evaluation. This increase triggered a Tax Ratification Election, or TRE, to ratify the higher rate adopted by the Board of Trustees.

If approved, the TRE will generate for Plainview schools approximately

\$1.4 million in local funds

and

\$1.9 million in state funds

The tax rate for those who have filed for an exemption as an over 65 and/or disabled homeowner WILL NOT increase.

Election Day
October 6, 2016

See www.plainviewisd.org for early voting and election day locations and times.

How to calculate the annual tax increase

(Appraised value - Homestead Exemption) x .0013

On a \$125,000 house that would be:

$(\$125,000 - \$25,000) \times .0013 = \$130.00$ each year

$\$130.00 \div 12 \text{ months} = \10.83 month



Less than \$11 per month

on a \$125,000 home;

Less than \$5.50 per month

on a \$75,000 home.

How does our current tax rate compare to other area school districts?

Tax Rate used for school year 2015-2016			
	M&O Rate	I&S Rate	Total Tax Rate
Lubbock-Cooper	1.0400	0.4987	1.5387
Frenship	1.0401	0.4600	1.5001
Abernathy	1.1700	0.3300	1.5000
Kress	1.1700	0.2750	1.4450
Hale Center	*1.0400	0.3312	1.3712
Muleshoe	1.0400	0.3100	1.3500
Floydada	1.1700	0.1367	1.3067
Lubbock ISD	1.0400	0.1950	1.2350
Petersburg	1.1700	0.0000	1.1700
Tulia	1.1600	0.0000	1.1600
Lockney	1.1400	*0.0000	1.1400
Olton	1.0400	0.0800	1.1200
Plainview	1.0400	0.0000	1.0400
Springlake-Earth	1.0400	0.0000	1.0400

*Note Lockney passed two bonds in May 2016. Their 2016-2017 total tax rate will be 1.2844. Hale Center has a TRE set for Oct. 8 to set their M & O rate to \$1.17 and their I & S rate to \$0.29.

Frequently Asked Questions

How long has the Plainview ISD tax rate been \$1.04?

The current tax rate has been in place since 2006-2007.

Why are there two tax rates?

The Maintenance and Operations (M & O) tax rate funds district operations – salaries, utilities, maintenance, 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.

How does increasing the M & O tax rate generate extra state funds?

By increasing the M & O rate above \$1.04, we are able to access what is referred to as the two ‘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 into the district.

What impact will the increase in the tax rate have on an individual homeowner?

- ◆ On a \$125,000 home with a \$25,000 homestead exemption, the \$0.13 increase in taxes would equate to an increase of about \$11.00 per month; on a \$75,000 home with a \$25,000 homestead exemption, the taxes would increase less than \$5.50 per month.
- ◆ The tax rate for those who have filed for over 65 and/or disabled homeowners exemptions WILL NOT go up. These tax rates are frozen. There will be no increase for anyone with these exemptions.

Why do our schools need an increase in funding?

- ◆ **Maintain Math and Reading coaches at elementary and middle school campuses that have boosted student success** . These positions were put in place to address instructional needs of students, but at the current tax rate the budget is not adequate to maintain these positions.
- ◆ **Balance the Budget** - Looking at the tax rate, Plainview ISD ties Springlake-Earth as the lowest funded districts in our area. Because of the instructional needs of our students and the high quality programs offered for the past two years, the district has been operating under a deficit budget.
- ◆ **Need to keep salaries competitive with area districts in order to attract highly-qualified teachers**. The district competes for new teachers with schools districts in our area that have higher starting salaries. This results in a smaller applicant pool and less choice in who is hired to fill vacancies.
- ◆ **Retention of “best” educators**. Training and mentoring new teachers into high-quality teachers requires an investment of time and money. Currently the district is experiencing a trend where teachers we have invested in, leave the district after a few years for higher paying jobs in other districts. Our turnover rate this year was approximately 20%.
- ◆ **Keep current employees whole** - 86% of Plainview ISD staff will see a health insurance increase this year of between 2.3% - 13%, depending on the plan. Only the 14% of staff on a high deductible plan will not see an increase in premiums.

What happens if voters do not pass the TRE?

The school district will need to adopt a new budget based on the \$1.04 tax rate with budgets cuts made as necessary.

Of the 42 Texas school districts listed by TexasISD.com as holding TRE elections, 30 have passed, 3 failed to pass, 9 will come before voters in the weeks ahead.