



# The FACTS: How is the school district funded?

Eanes Independent School District

## How is the district funded?

Eanes ISD is funded primarily through **local school property taxes**, supplemented with money from the state, based on a per-student formula that takes into account special circumstances, such as limited English proficiency, special education, etc. But how much a district can tax is dictated by the State, and because EISD is a recapture, or Robin Hood, district, the state claims **a larger and larger portion of local tax dollars**.

As local tax revenue goes up, the state's portion of funding goes down. **A growing portion of local tax dollars is taken by the State and used for budget items not related to public education.**

**GENERAL FUND** revenue is largely controlled by the state.



## The General Fund

The General Fund is financed largely through the Maintenance and Operations (M&O) tax but also relies on state funds and some dollars from other sources.

Eanes ISD uses the General Fund to pay for the **day-to-day operations of the district**, including payroll, programming, maintenance, security, supplies, etc. Recapture (Robin Hood) is paid from the General Fund, **reducing the dollars available for district operations**.

**That makes the General Fund something less than reliable because of outside - state - control over much of those dollars.**

## The Bond Program

Approved by voters, bond funds finance capital improvements and are paid back over time.

**Bond proceeds can only be spent on what voters approve, and by law cannot be used for operational expenses like salaries.**

When you see our school district renovating or expanding schools but hear the district voice concern over funding (GENERAL FUND), it's because BOND FUNDS are at work in a positive way.

Eanes ISD actively seeks to manage its debt obligations either by retiring debt early or by refinancing when conditions are favorable. Over the last several years, the District has eliminated millions of dollars of debt for its taxpayers using these methods.

## The Debt Service Fund

Debt Service is financed through a separate part of the overall tax rate, the Interest and Sinking (I&S) tax. Debt Service pays for **the district's debt**, taken on through the sale of bonds for capital improvement projects such as school renovations, technology, school buses, etc. **Funds for Debt Service can only be used for that purpose - they cannot be used for operational expenses.**



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## Taxes for education should fund education

The State effectively uses your tax dollars to reduce the amount it would otherwise contribute to public education from other sources. **How?** The State uses money collected through recapture (Robin Hood) - your local school property tax dollars - to help fund its share of public education, replacing its contribution and freeing up State dollars to be used elsewhere, such as roads, health care, prisons and other state services. **It's all important, but we believe your public education tax dollars should stay in public education.**

## EISD's Tax Rate

### Low tax rate.

Not only is Eanes ISD's total tax rate of \$1.0046 **one of the lowest in the area**, our senior citizens can "freeze" their tax bill whenever they file an Over-65 Exemption.

**For the owner of a \$500,000 home that qualifies for exemptions, the estimated 2022 tax bill is \$4,621.**

Of that \$4,621 in tax, about \$2,634, will go to the state in the form of recapture/Robin Hood.

### Area Tax Rates

	M&O	+	I&S	=	Total
HAYS	0.8546	+	0.4877	=	1.3423
DRIPPING SPRINGS	0.9429	+	0.35	=	1.2929
LEANDER	0.9446	+	0.33	=	1.2746
PFLUGERVILLE	0.9046	+	0.36	=	1.2646
LAKE TRAVIS	0.8846	+	0.3275	=	1.2121
ROUND ROCK	0.8546	+	0.208	=	1.0626
<b>EANES</b>	<b>0.8846</b>	<b>+</b>	<b>0.12</b>	<b>=</b>	<b>1.0046</b>
AUSTIN	0.8836	+	0.116	=	0.9996

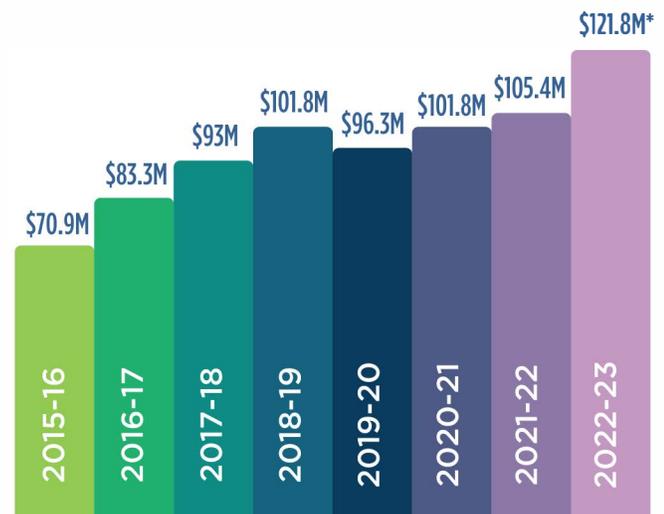
## Tax Burden Comparison

Tax on a \$500,000 Home

DRIPPING SPRINGS	\$5,947
LEANDER	\$5,863
ROUND ROCK	\$4,888
EANES	\$4,621
AUSTIN	\$4,602
LAKE TRAVIS*	\$4,497

\*Offers additional Homestead Exemption

## Recapture Payments



\*Projected Payments

## A Responsible Steward

EISD continues to be a responsible steward of the community's tax dollars. The Finance Department **consistently earns state and national awards** for its sound practices.

**Financial Integrity Rating System of Texas (FIRST)** - Superior Achievement; has received the states highest rating every year

**Standard & Poor's and Fitch Rating** - AA/AA+ Bond Rating