



Voter-Approval Tax Rate Election

November 2, 2021

Tax Rate Components

- School districts total tax rate is comprised of Maintenance & Operations (M&O) and Interest & Sinking (I&S) tax rates
- In Texas, funding of public education is by means of local taxes and state funds and is based on daily student attendance and attendance in certain programs
- Amount of local tax revenue generated is based on property value appraisal and total tax rate levied
- Property values used to determine homeowners annual tax payments include a 20% local Optional Homestead Exemption resulting in tax savings of \$25 million

Allowable Uses

M&O Tax Rate

- Predominantly for staff salaries and benefits (85% of budget)
- Student services
- Contracted services
- Instructional materials and supplies
- Staff development
- Utilities
- Maintenance of facilities

I&S Tax Rate

- Can only be used for payment of principal and interest on bonds sold to construct and furnish school district facilities
- Early redemption of callable bonds resulting in interest savings
- Cannot be used for operational costs such as staff, supplies and instructional materials

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$ 557,361	\$ 649,536
Average Taxable Value of Residences	\$ 416,795	\$ 455,485
Last Year's Rate Versus Proposed Rate per \$100 Value	\$ 1.323900	\$ 1.230100
Taxes Due on Average Residence	\$ 5,517.95	\$ 5,602.92
Increase (Decrease) in Taxes		\$ 84.97

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Note: Lake Travis ISD taxes due based on average home taxable value

2017 Tax Rate Election (TRE) Approved by LTISD Voters

- Moved 2 pennies from I&S tax rate to M&O tax rate
- Total tax rate remained unchanged
- \$2.1 million remained local
- Funding used to maintain operating budget after loss of additional state aid due to tax relief effort in 2006

School
Finance
Funding
Changes with
Passage of
HB3 in 2019

- School district tax rate compression each year due to property value growth
- School districts can access two additional Golden Pennies (tax revenue not subject to state recapture) with approved voter ratification
- Voter approval of tax rate election has no effect on the compressed tax rate due to the District's intent to lower the I&S tax rate to offset the increase to the M&O tax rate

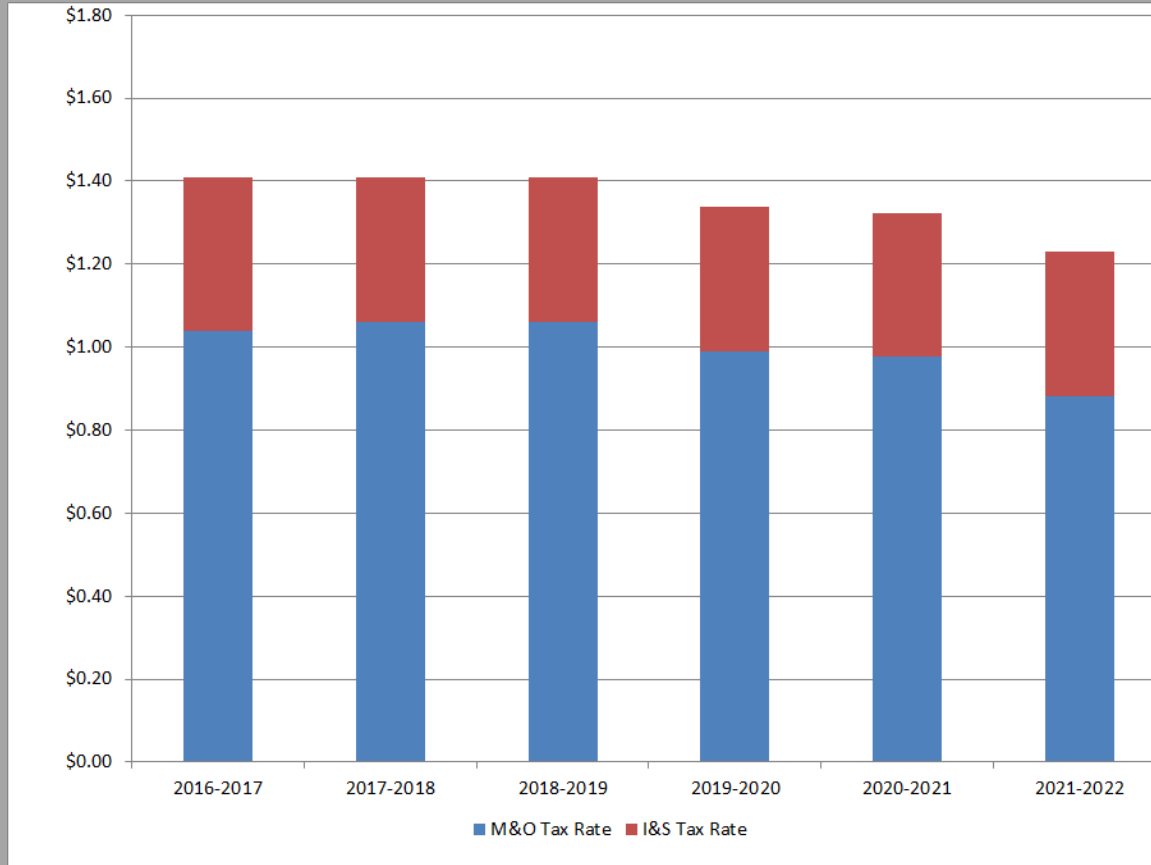
Lake Travis ISD Tax Rate History

	M&O	I&S	Total
2016-2017	\$1.0400	\$0.3675	\$1.4075
2017-2018 *	\$1.0600	\$0.3475	\$1.4075
2018-2019	\$1.0600	\$0.3475	\$1.4075
2019-2020	\$0.9900	\$0.3475	\$1.3375
2020-2021	\$0.9764	\$0.3475	\$1.3239
2021-2022*	FAIL \$0.8826	\$0.3475	\$1.2301
	PASS \$0.9026	\$0.3275	

**Voter approval of two Golden Pennies*

Note: School district tax rate compression each year due to percentage of property value growth

Lake Travis ISD Tax Rate History

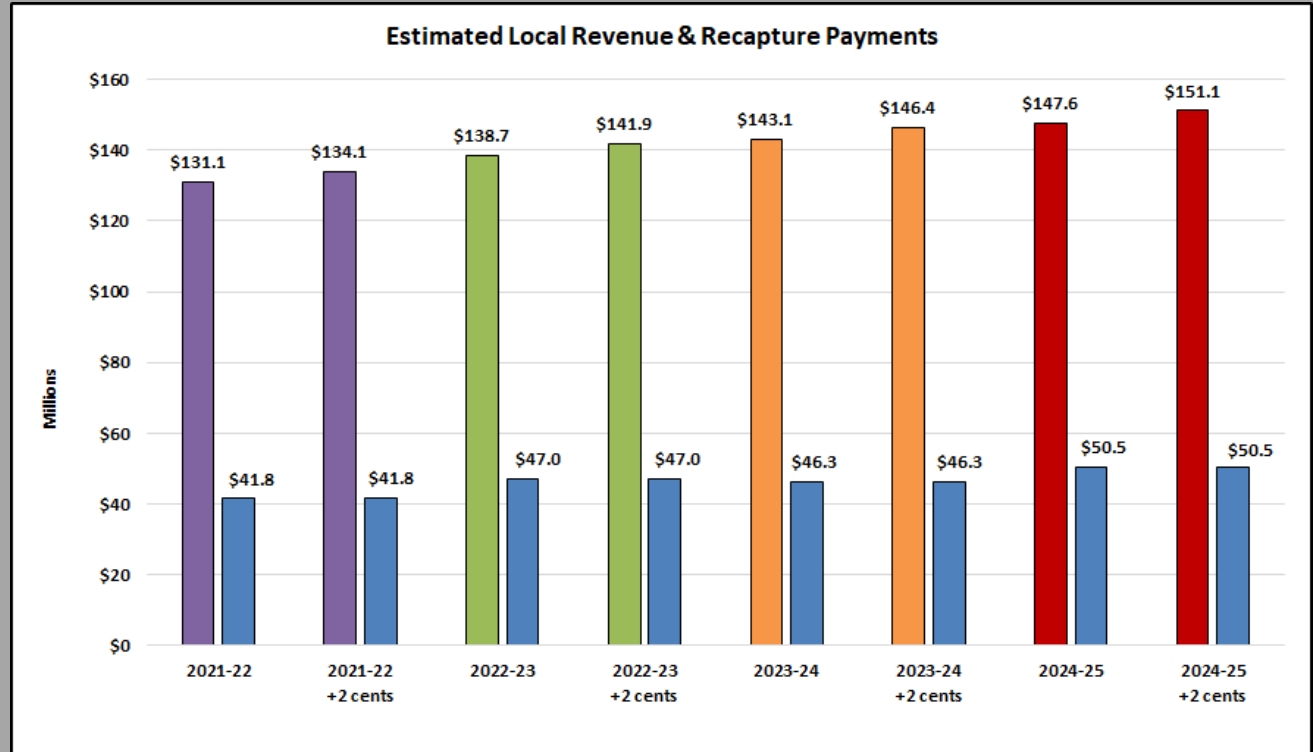


Note:
Tax rate continues to decrease each year since 2019

State Recapture “Robin Hood”

- Texas uses local property taxes collected by school districts to fund state government including public education
- State legislature equalizes wealth per student in school districts across the state by recapturing local tax revenue from property wealthy districts to fund property poor districts
- School finance formula used to fund education allows for eight pennies to be free from recapture by the State
- Lake Travis ISD currently has six pennies approved by voters that are not subject to recapture and tax revenue collected remains in the district operating budget

Note: Two additional Golden Pennies with approved voter ratification increases the amount of local revenue retained in general operating budget.



2021 Proposed Voter-Approval Tax Rate Election

- Total tax rate stays the same so taxpayers get the advantage of the M&O tax rate compression
- Increase of local revenue generated by additional two pennies is allowed to remain in the operating budget
- \$3 million will stay local annually
- I&S tax rate decrease has minimal impact on future bond capacity due to continued property value growth

Potential Uses of Additional Funds

- Sustain additional instructional support positions for students and staff and tutorial services for accelerated learning once federal funding has been depleted
- Safety net against possible loss of Fast Growth Allotment of \$2.7 million if student growth slows down
- Balance general operating budget when no new state funding is allocated through legislation
- Maximize opportunities available in the current school funding formula for the benefit of Lake Travis ISD students and programs

VATRE
Election
Ballot
Language

“RATIFYING THE AD VALOREM TAX RATE OF \$1.2301 PER \$100 VALUATION IN THE LAKE TRAVIS INDEPENDENT SCHOOL DISTRICT FOR THE CURRENT YEAR, A RATE THAT WILL RESULT IN AN INCREASE OF 2.3 PERCENT IN MAINTENANCE AND OPERATIONS TAX REVENUE FOR THE DISTRICT FOR THE CURRENT YEAR AS COMPARED TO THE PRECEDING YEAR, WHICH IS AN ADDITIONAL \$3,000,000.”

About the Election

Early Voting: October 18 - 29

Election Day: Tuesday, November 2



[Watch our VATRE Explainer Video](#)

More info: www.ltidschools.org/vatre



Got Questions?

Email us: info@litisdschools.org