

SCHOOL BOARD CALLS TAX RATIFICATION ELECTION, \$253M BOND ELECTION FOR NOV. 7

During its regular meeting August 15, the Lake Travis school board adopted a total tax rate of \$1.4275 per \$100 of assessed property valuation to fund the district's 2017-2018 budget, triggering an election to be held November 7.

The tax rate is comprised of two funds, Maintenance and Operations (M&O) and Interest and Sinking (I&S). For 2016-2017, the district's M&O tax rate was \$1.04 and its I&S tax rate was 0.3675, resulting in a total tax rate of \$1.4075. State law dictates that a school district must hold a tax ratification election—or TRE—when asking voters to consider raising the tax rate. However, Lake Travis ISD will ask voters to consider increasing the M&O tax rate while simultaneously decreasing the I&S tax rate by the same amount.

"This particular election is also referred to as a 'Penny Exchange,'" said Johnny Hill, Lake Travis ISD Assistant Superintendent for Business, Financial and Auxiliary Services. "Through a voter-approved TRE or penny exchange, we can move two pennies to the M&O tax rate by taking those same two pennies from the I&S tax rate, netting a total tax rate of \$1.4075. Although the total tax rate assessed to local homeowners would not increase as a result of the penny exchange, Lake Travis ISD could see an additional \$2.1 million annually in state aid. Additionally, these funds are not subject to recapture."

According to Mr. Hill, should voters reject the proposal, the M&O tax rate would 'roll back' to the previous rate of \$1.04.

"Our total tax rate would remain the same as it has for the past six years at \$1.4075, whether or not voters approve the election," added Mr. Hill. "Either way, the result of this penny exchange election will have no impact on our 2017 total tax rate in comparison to our 2016 total tax rate."

In June, trustees approved an order calling a \$253 million bond election also to be decided by district voters on November 7. The major components of the bond program include the following:

- Middle School #3
- Middle School #3 Offsite Utilities & Road Construction
- Elementary School #7
- District and Campus Improvements
- District Transportation (including installation of seat belts)
- Land & Development for Future Facilities
- Closing Costs, Administrative Costs & Contingency

"Although our local school district tax rate will not change as a result of these two elections, an increase in property value will inevitably result in an increase in a homeowner's tax bill, regardless of a flat tax rate," said Dr. Brad Lancaster, Lake Travis ISD Superintendent of Schools. "The good news for our local taxpayers is that we can present the bond election and TRE without increasing our total tax rate. That is a rare occurrence in school elections and a highly-significant position for our taxpayers. The zero impact to our current tax rate comes as a result of our district paying down our current debt early. In fact, over the past six years, LTISD has saved its taxpayers more than \$38.7 million in interest through aggressive debt management, resulting in increased capacity for future bond programs."

According to demographer Population and Survey Analysts (PASA), student enrollment at Lake Travis ISD has increased by approximately 76% since 2007. Considering a moderate growth rate scenario, projections indicate a continued increase of more than 60% during the next 10 years, resulting in a district-wide enrollment of nearly 16,000 students.

Additional information on the bond and tax ratification elections, including an itemized list of projects, is available on the [Lake Travis ISD website](#).

Early voting begins October 23.

*-prepared by Marco Alvarado,
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In a recent Board meeting, the Lake Travis Chamber of Commerce Board of Directors approved, by unanimous vote, to support the LTISD Bond and TRE on the November 2017 ballot.

As the leading organization supporting the business community, the LT Chamber recognizes the extraordinary growth the district and community are experiencing and want to ensure suitable funding is provided for the district to continue to produce a talented, educated and dynamic workforce.

*- Laura Mitchell, IOM
Lake Travis Chamber of Commerce President*