



The Midland Chamber of Commerce urges citizens to vote in favor of the Tax Ratification Election (TRE) proposed by the Midland Independent School District (MISD). This TRE is essential for the financial health of MISD, the education of our children, and the growth of our city. Currently, for the 2016-2017 school year MISD has a \$25 million deficit.

There are two primary factors that have caused this deficit. The first is the large property valuation drop in Midland County from July 2015 to July 2016. This drop in property values will result in a significant drop in tax revenues for MISD. The second is the \$50 million recapture payment (aka – “Robinhood”) that MISD is required to send to the State since they are considered a “Chapter 41” (property wealthy) school district. Even with the large property valuation drop, MISD is still considered by the State to be a property wealthy district. The detrimental impact of the recapture classification and payment is unacceptable. Lobbying for change in this area should be a goal of all Midlanders.

MISD is by no means asking the community to relieve this entire burden through the TRE. MISD has already moved to reduce its deficit by \$6 million through difficult, but financially necessary cuts to their budget. MISD is also proposing to use more than \$2 million from its reserve fund to reduce the budget deficit. Further, it was announced on July 24, 2016 that the Scharbauer Foundation would donate \$10 million to MISD to help with this urgent need. This donation is extremely generous and speaks to the importance of education to the people of Midland.

Even with the \$6 million in cuts and the \$10 million donation, MISD still needs support from the community to alleviate the undue strains placed on our educational system by the remaining deficit. Passing the proposed tax increase is how the community can support MISD. The only way MISD can raise their revenue is by raising taxes. Currently, the Maintenance and Operation (M&O) Tax Rate is \$1.04. To raise the M&O Tax Rate MISD must call a TRE. Under the proposed TRE, MISD is asking for support of a \$1.09 M&O Tax Rate.

MISD also levies a tax called the School Debt Services Tax. In past years this tax was set at \$.10. MISD can lower this rate without an election. They have agreed to lower that tax rate this year to \$.08. Without this lower rate, but with the proposed TRE, the total tax rate for MISD would have been \$1.19. Instead, the total tax rate MISD is seeking approval for is \$1.17

The Midland Chamber of Commerce believes it is essential that our Chamber, its Members and the Midland community support the TRE to ensure our children receive a quality education. If the TRE fails then MISD will have to cut at least an additional \$6 million from their budget. These cuts will directly affect Midland’s students in the classroom, and in turn, our community’s future workforce. If we as the Midland community fail to support the proposed TRE, the negative workforce impact on our community could be detrimental for years to come.