FOR IMMEDIATE RELEASE
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Community Conversation with the SFDRCISD Board of Trustees

The San Felipe Del Rio CISD Board of Trustees is hosting a community-wide forum on Tuesday, July 24th to share important information which could increase funding from the State and improve the District’s annual budget. In a presentation provided by the administration during a board workshop held on June 25th, the Board of Trustees learned that SFDRCISD could receive more funding from the State of Texas if the District changes the manner in which it allocates its tax rate. Currently, all property owners are assessed at the $1.1598 tax rate for every $100 value of their home or property. For SFDRCISD, the revenue received by this tax collection is separated into two distinct funds. The primary fund, Maintenance and Operations (M&O), generates $1.04 of the total assessed tax rate. The State of Texas requires districts to use these funds primarily for salaries, transportation and the maintenance of buildings. The second fund, Interest and Sinking (I&S), receives the remaining $0.1198 (nearly 12 cents), for the payment of the District’s outstanding debt. (Fig. 1)

If the SFDRCISD’s Maintenance and Operations tax rate ($1.04 tax rate) was changed to include the amount of revenue that goes into the Interest and Sinking fund ($0.1198), then the SFDRCISD’s total revenue could boost by roughly $3.5 million for 2018/2019; and $1.6 million for future years. (Fig. 2) How could this happen? Simply stated, the State increases their assistance when the local tax collections efforts on the M&O side are increased.

By “swapping” the $0.1198 pennies from the Interest & Sinking (I&S) rate and combining it with the Maintenance & Operation (M&O) tax rate, the District would only have one tax rate at $1.1598. (Fig. 3) Texas law allows school districts to use either their I&S or M&O funds to pay for debt. In this case, the District’s debt will be paid through the M&O fund.
Although the tax “swap” provides a way to increase our funding from the state without making local taxpayers pay more, Texas law indicates that any school district that adopts a Maintenance & Operations (M&O) tax rate above $1.04 must hold a Tax Ratification Election, or “TRE”, to provide voters the opportunity to approve or ratify, the adjusted tax rate. If voters approve the Tax Swap, this additional tax effort on the M&O tax rate would provide SFDRCISD with more state aid for its daily operating costs.

**Seeking our Community’s Input**

The predominant message in the presentation to the Board is that in SFDRCISD, property owners would not see an increase to the current overall tax rate ($1.1598) if the District seeks to move forward with a Tax Ratification Election. In contrast to a bond election, a TRE in SFDRCISD would allow for the restructuring of the manner in which the District collects taxes (the tax rate distributed between the M&O and I&S funds) and not an increase to the rate taxpayers currently pay. Because this undertaking involves voters to go to the polls, the SFDRCISD Board of Trustees is interested in providing participants with a brief presentation and an opportunity to receive feedback from the community’s taxpayers (parents, relatives, friends, business and social groups of all ages). A “Community Conversation” with the SFDRCISD Board of Trustees will be held on Tuesday, July 24th at 6:00 p.m. in the SFDRCISD Student Performance Center and Administration Building Auditorium. Plenty of parking is available in the visitor’s parking lot, the staff parking lot located off of Garfield Ave., and at Garfield Elementary school.