

Union Hill ISD

**Considering a
Tax Ratification Election (TRE)**

Dr. Troy Batts, Superintendent

July 12, 2018

**Union Hill ISD's opportunity
to generate
an additional \$340,000
with a \$0.13 tax increase**

Union Hill ISD voters can maximize State Aid for our students

- The way Union Hill ISD voters can maximize state funding for our children is by approving the rate of \$1.17 for M&O, adopted by the Board of Trustees, in an election to ratify the school tax rate.

The opportunity to generate additional funds occurs now.

- Union Hill ISD can generate an additional \$340,000 in M&O funds this year by increasing the M&O rate from \$1.04 to \$1.17, an increase of \$0.13.
- Union Hill ISD will still have an M&O rate that is \$0.33 lower than its 2005 M&O rate of \$1.50.
- At \$1.17, Union Hill ISD cannot increase its M&O tax rate without a change in state law.

Tax Ratification Election needed to increase M&O tax rate above \$1.04

- If the Union Hill ISD wants to adopt a \$1.17 M&O tax rate, and the additional \$340,000 it generates, it needs voter approval of its total rate at a TRE

Leaving Money on the Table

- If the Board does not adopt the \$1.17 the voters will not have the opportunity to generate the additional funds. The \$340,000 is left on the table at a time that it is needed.

Accessing the highest funded enrichment pennies ever provided by the state

- The Union Hill penny earns \$8,431
- The first 2 of the 13 pennies give Union Hill students access to \$59,704, the wealth of Austin
- The next 11 of the 13 pennies give Union Hill students access to \$17,948, the wealth that Dallas had in 2005
- In all, these 13 pennies will provide 189 state dollars for every 100 Union Hill ISD dollars—for a total of \$340,000

Investing in Union Hill Students

- In all, these 13 pennies will provide 189 state dollars for every 100 Union Hill ISD dollars—for a total of \$340,000
- \$100 from 13 Union Hill TRE Pennies
- \$189 from State Aid for the 13 Pennies
- \$289 more to spend on our students, that only costs us \$100 in local taxes
- A Return on Investment of 189 %

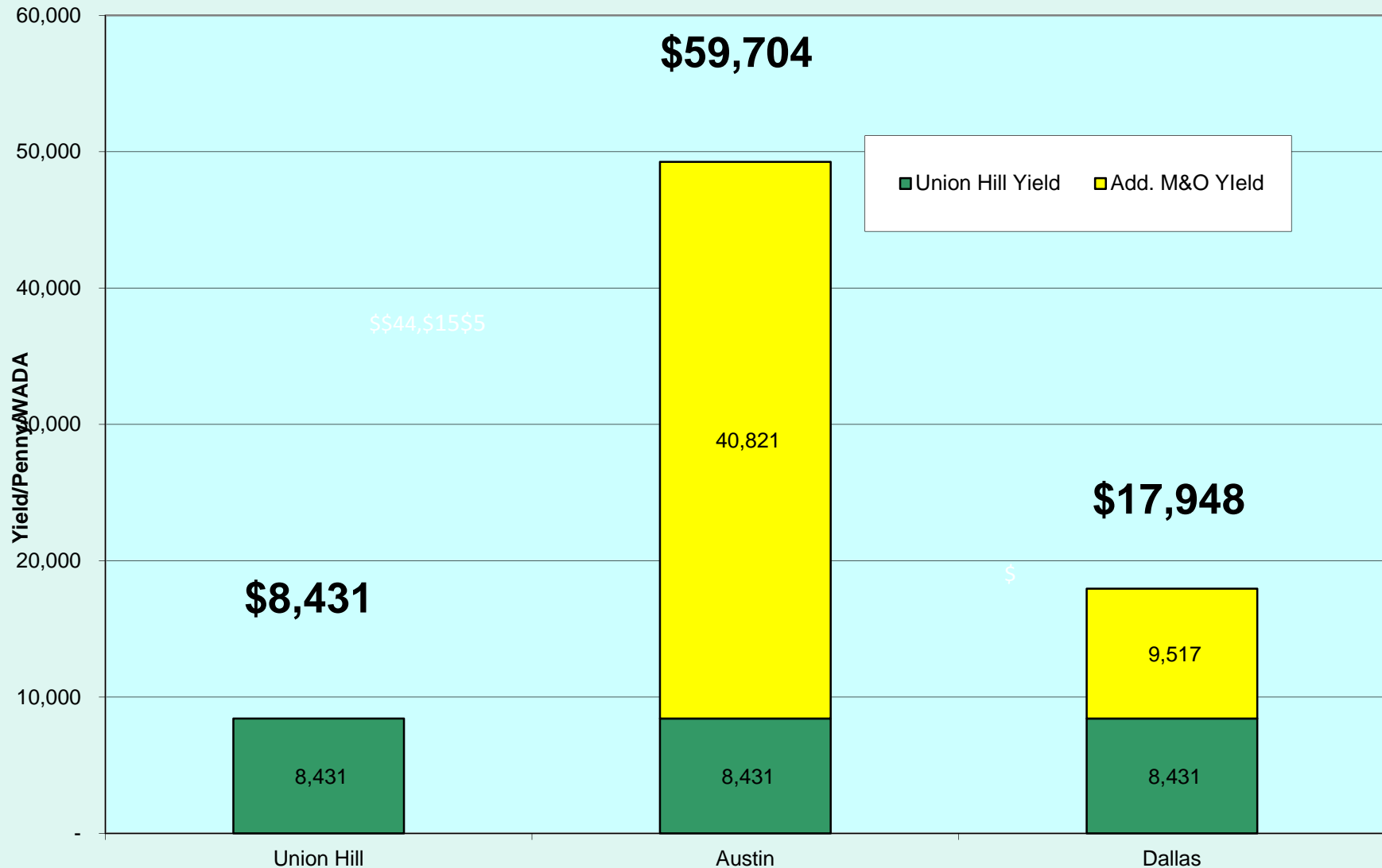
The 6 Golden Austin Pennies

- Austin ISD's Yield per WADA • \$106.28
- Union Hill's WADA • 562
- Union Hill's Guarantee per Penny • \$59,704
- Union Hill's Share • \$ 8,431
- State's Share • \$51,274
- Yield on investing a penny with the state • \$51,274
- Amount invested • \$ 8,431
- Percentage yield • 608.18%

The 11 Silver Dallas Pennies

- Dallas ISD's 2005 Yield per WADA • \$31.95
- Union Hill's WADA • 562
- Union Hill's Guarantee per Penny • \$17,948
- Union Hill's Share • \$ 8,431
- State's Share • \$ 9,518
- Yield on investing a penny with the state • \$ 9,518
- Amount invested • \$ 8,431
- Percentage yield • 112.89%

Union Hill, Austin, Dallas, Yield/Penny



A Great Investment

- **Bank investments produce about 2% return on investment (ROI)**
- **The 6 Golden Austin pennies produce a 608% ROI**
- **The 11 Silver Dallas pennies produce a 113% ROI**
- **There are few investments that a person can make that will produce any comparable ROI with the state providing the guarantee.**

What can \$340,000 additional dollars do for Union Hill ISD?

- Improve our financial position for future growth
- Improve salary and benefits for all staff in order to attract and retain highly qualified staff
- Maintain and upgrade current facilities

Impact of Proposed Tax Rate



- | | <u>2017/18</u> | <u>2018/19 Proposed Rate</u> |
|------------|----------------|------------------------------|
| • Avg Home | \$ 101,045 | \$ 102,169 |
| • Taxable | \$ 76,316 | \$ 77,925 |
| • Tax Rate | \$ <u>1.04</u> | \$ <u>1.17</u> |
| • Tax | \$ 793.69 | \$ 911.72 |
- Tax Increase \$118.03 Per Year (\$9.84 per month)

Economic Development

- Economists say that a dollar bounces around in local economy about 7 times. What other activity could have the positive economic impact on our community that \$340,000 can have?

Previous HB 1 TREs

- In the 12 years of HB1, 575 ISDs have called one or more TREs. The voters in 500 of the ISDs ultimately approved the rate adopted by the board. The voters approved the tax rates in 87% of the ISDs.
- 57% of the ISDs in Texas have called TREs. TREs have been approved by voters in 50% of the ISDs in Texas.

TRE Ballot Language

- In the TRE, voters will vote **for** or **against** “approving the ad valorem tax rate of **\$1.17** per \$100 valuation in the Union Hill ISD for the current year, a rate that is \$0.13 per \$100 valuation higher than the rollback tax rate, for the purpose of *generating an additional \$340,000 at a final tax rate of \$1.17.*”

Two Possible Results of the TRE

- If the majority vote **for** the **\$1.17** the district **will receive over \$340,000** in additional funds this year and every year thereafter.

If a majority vote **against** the tax rate of **\$1.17** the district will **not have access to over \$340,000** in additional funds this year and every year thereafter.

Taxes still Frozen on Over 65 and Disabled Homesteads

- Tax bills on Over 65 or Disabled Homesteads will not go up. They will never go up unless improvements are made to the homestead.

2017 ISD Tax Rates in Upshur and Wood Counties
ranked lowest to highest

Rank	District	M&O	I&S	Total
1	UNION HILL ISD	1.04000	0.00000	1.04000
2	YANTIS ISD	1.04000	0.07820	1.11820
3	MINEOLA ISD	1.17000	0.00000	1.17000
4	WINNSBORO ISD	1.17000	0.00000	1.17000
5	NEW DIANA ISD	1.11000	0.08000	1.19000
6	GILMER ISD	1.17000	0.05000	1.22000
7	ALBA-GOLDEN ISD	1.17000	0.06000	1.23000
8	HARMONY ISD	1.17000	0.07240	1.24240
9	BIG SANDY ISD	1.04000	0.20940	1.24940
10	ORE CITY ISD	1.17000	0.16500	1.33500
11	HAWKINS ISD	1.04000	0.30000	1.34000
12	QUITMAN ISD	1.17000	0.26000	1.43000
13	UNION GROVE ISD	1.17000	0.34980	1.51980
	Average			1.25037
	Pennies Below Average			0.21037

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12	QUITMAN ISD	1.17000	0.26000	1.43000
13	UNION GROVE ISD	1.17000	0.34980	1.51980
	Average			1.26037
	Pennies Below Average			0.09037

The Ethics Commission

- ISDs may not use employee time or ISD funds to encourage voters to ratify or not ratify the TRE tax rate.
- ISDs may provide factual, unbiased information to the public about the TRE and information related to the TRE.
- Employee time and district funds may be used by the ISD to provide factual information to the public about the TRE.

The results of **approving the \$1.17 tax rate** are:

1. Significant additional dollars **(\$340,000)**
2. The average residential homestead tax bill will increase \$ 118.03 per year (\$9.84 per month).
3. **A \$0.13 increase in the tax rate.**
4. Significant economic development in the Union Hill Community
5. Students will benefit from the highest levels of funding ever provided by the state that guarantee Union Hill students the same funding as students in Austin and Dallas.

Results of not approving the \$1.17 tax rate

- **1. The district will not gain an additional \$340,000 in state aid this year.**
- 2. Students will not benefit from the highest levels of funding ever provided by the state that guarantee Union Hill students the same funding as students in Austin and Dallas.
- 3. The opportunity for significant economic development in the Union Hill Community will be missed.

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