



**RESOLUTION OF THE EANES INDEPENDENT SCHOOL DISTRICT
REGARDING THE 2017-18 TAX RATE**

WHEREAS, the Board of Trustees of the Eanes Independent School District (District) seeks to ensure a high-quality education program for all of its students;

WHEREAS, since 2011-12, the District has maintained a \$1.2125 tax rate, which includes \$1.04 for the Maintenance and Operations rate (M&O) and \$0.1725 for the Interest and Sinking rate (I&S);

WHEREAS, the M&O rate funds operation of schools, including teacher/staff compensation, staffing to maintain reasonable class sizes and instructional and program support, while the I&S rate funds repayment of bond debt;

WHEREAS, the State of Texas allows school districts to raise the M&O rate through the use of “Golden Pennies,” which are the pennies of tax effort for which a district is able to generate the highest level of supplemental funding, because revenues generated from Golden Pennies are not recapturable through “Robin Hood” legislation and local tax revenues generated from the Golden Pennies stay with the District;

WHEREAS, if the District accessed two Golden Pennies to raise the M&O rate from \$1.04 to \$1.06, the District would receive approximately \$2.8 million in additional unrecaptured revenue in the 2017-18 school year and a larger amount annually thereafter;

WHEREAS, in order to raise the M&O rate from \$1.04 to \$1.06 to access the Golden Pennies, the Board of Trustees must order a Tax Ratification Election (to be held on Nov. 7, 2017); and

WHEREAS, if voters approve the Golden Pennies, allowing the District to access additional local operating revenue, the Board of Trustees has identified an opportunity to reduce the I&S rate from \$0.1725 to \$0.14, which offsets the addition of the two Golden Pennies and lowers the Eanes ISD overall tax rate for property owners (residents and businesses).

NOW, THEREFORE BE IT RESOLVED THAT:

1. At the Nov. 7, 2017 Tax Ratification Election, voters will be asked to ratify a 2017-18 total tax rate of \$1.20. This tax rate is lower than the tax rate in 2016-17 even though the Maintenance and Operations rate will be adjusted to \$1.06 from \$1.04 through the addition of two Golden Pennies.
2. If voters approve a \$1.20 overall tax rate, the Interest and Sinking rate will decrease from \$0.1725 to \$0.14.
3. If approved by the voters, the 2017-18 tax rate of \$1.20 would generate an additional \$2.8 million to the District in the 2017-18 school year and a larger amount annually thereafter, none of which would be recaptured by the State through the “Robin Hood” school finance system.
4. Should voters not approve the tax rate at the Nov. 7, 2017 Tax Ratification Election, the 2017-18 overall tax rate and components will revert back to the 2016-17 rate of \$1.2125 (\$1.04 M&O and \$0.1725 I&S).

Adopted this the 21st day of August, 2017, by the Eanes ISD Board of Trustees.



Colleen Jones, Ph.D.
Eanes ISD Board President



Christie Bybee
Eanes ISD Board Secretary