

Allen ISD Tax Ratification Election

October 8, 2011
Early Voting Begins
September 21

What Is A Tax Ratification Election?

The Allen ISD Board of Trustees has called a tax ratification election or TRE. A TRE election is required when a school district raises the tax rate above its rollback rate. Voters will vote "for" or "against" approving the ad valorem tax rate of \$1.67 per \$100 of value in the district for the current year, a rate that is \$.13 higher per \$100 valuation than the district's rollback rate.

Tax Ratification Election Summary

The Board has set the tax rate to offset some of the funding that has been lost through state cuts in school funding. Additional funds, if approved by voters, would be used to hire classroom teachers, to meet enrollment growth and to lower class sizes that have been increased due to the same state cuts. The Texas Legislature cut funding for public schools by \$4 billion in 2011. Locally, Allen ISD will lose \$21 million over the next two years in state funding due to the state cuts.

Anticipating major cuts in funding, the Allen Independent School District reduced its 2011-2012 budget by \$4.5 million in May. These cuts included the elimination of 44 teaching positions and 40 more support positions in Allen. Class sizes were increased in grades K-12 and cuts were made to energy consumption, non-campus administration and maintenance expenses.

Allen ISD Continues To Face Funding Shortage

The school district is also handicapped by a state funding formula that sends the district the lowest amount of funding per student in Collin County. At the same time, Allen student enrollments continue to grow, putting a strain on class size numbers and related expenses. The tax increase would generate approximately \$10 million in revenue for the school district.

Why Did The State Reduce Funding To Allen ISD?

The State of Texas reduced all school district tax rates by approximately one third in 2006. The Allen ISD maintenance and operation (M&O) tax rate, for example, was lowered by 46 cents from \$1.50 in 2005 to \$1.04 by 2007. The M&O tax rate has remained at \$1.04 since 2007. At the time the state reduced school taxes, it created other revenue options such as business taxes to make up for the reduction. Unfortunately, those revenue sources never materialized. This is the primary reason that the state recently experienced a large deficit in public education funding and subsequently cut education funds by \$4 billion during the 2011 legislative session.

Since 2006, Allen ISD has received funding based on a funding formula that gives our schools less money per student than neighboring school districts. The district currently receives the lowest amount of funding per student in Collin County as is shown in the chart on page two.

The school district has been able to balance its budget through a combination of cost cutting and the use of reserve funds since 2007. The new state cuts to Allen ISD funding over the next two years are too large to be absorbed by the use of reserve funds or budget cuts alone. As a result, the 2011-2012 budget was reduced by a total of \$4.5 million. This leaves a deficit of \$4.5 million in the current budget without a tax increase. The Board of Trustees has set a tax rate that will close the gap between state funding and the cost of maintaining a growing school district.

What Is The New Tax Rate?

The tax rate approved by the Board of Trustees for 2011-2012 is \$1.67 per \$100 of value. The total tax rate is divided into two different components. The maintenance and operation (M&O) rate is \$1.17. The debt service tax rate is \$0.50. The new tax rate will generate an additional \$10 million in revenue per year specifically for operating expenses and not construction projects.

Tax Rate History By Year

2004-05 - \$1.94	2005-06 - \$1.91	2006-07 - \$1.77	2007-08 - \$1.47	2008-09 - \$1.47
2009-10 - \$1.54	2010-11 - \$1.54	2011-12 - \$1.67		

For More Information Visit www.allenisd.org/tre

Allen ISD Tax Ratification Election October 8, 2011

Page Two

What Has Allen ISD Done To Address the Deficit?

Because of the state cuts, the school district froze salaries and reduced the staff by 44 teachers and 40 support staff members this year. These measures saved the district approximately \$3 million. Because the school district is still growing and is now operating with less teachers, class sizes have been increased in grades 5-12. The district is also seeking a waiver from the State to increase class numbers in grades K-4.

Energy consumption will be reduced through a new green program on all campuses and maintenance - groundskeeping contracts have been re-negotiated to save money. Other cost cutting measures have included reductions in non-student travel and a ten percent across-the-board cut for all schools and departments. Department budgets were also cut by 10% in 2009 and another 10% in 2010. The total reduction was \$1.5 million.

Allen Ranks Lowest In Collin County For State Funding Per Student

Since 2006, Allen ISD has received funding based on a funding formula that gives our schools less money per student than neighboring school districts. The district currently receives the lowest amount of funding per student in Collin County as is shown in the chart below.

Collin County School District Funding Per Student

Prosper ISD	\$9,104 per student	Farmersville	\$7,362 per student	Community ISD	\$6,891 per student
Blue Ridge ISD	\$8,697 per student	Melissa ISD	\$7,197 per student	Wylie ISD	\$6,788 per student
Lovejoy ISD	\$8,513 per student	Princeton ISD	\$7,146 per student	Frisco ISD	\$6,721 per student
Celina ISD	\$7,539 per student	Plano ISD	\$7,007 per student	Allen ISD	\$6,462 per student
Anna ISD	\$7,372 per student	McKinney ISD	\$6,969 per student		

How Do Projects Such As The Stadium And Career Center Affect The Tax Rate?

School districts are authorized to levy two types of property taxes: a maintenance and operation (M&O) tax to pay for teacher and support staff salaries, supplies, utilities and contracted services for example; and interest and sinking fund tax, sometimes called the I&S tax. The I&S tax is used to finance capital projects such as school construction, the auditorium, stadium as well as the purchase of school buses. Each fund has a separate tax rate and state law prohibits funds from being mixed between them. Therefore, no funds from current or future construction projects can be used for maintenance and operation expenditures such as salaries.

How Will Funds From The TRE Be Used?

The TRE funds will be used in three ways. The school district will lower class sizes by hiring additional teachers. The hiring of additional teachers will also allow the district to staff for enrollment growth which is adding 500-600 students each year. Finally, the TRE will allow Allen ISD to maintain the current level of programs currently provided to Allen students.

How Would Allen ISD Balance The Budget Without The Tax Ratification Election?

Specific actions that could be taken if the tax rate remains at \$1.54 include:

1. Reducing 80 - 100 teachers at the end of the 2011-2012 school year meaning larger class sizes in grades K-12.
2. The number of students per classroom would average 23-24 in grades K-4, 28 in grades 5-8 and 35-45 in grades 7-12.
3. Co-curricular and extracurricular programs would be operated over their capacity.
4. Providing less support for students such as tutoring and pull-out programs.
5. Delaying the opening of Elementary School #17 in northwest Allen.
6. Reducing some services such as bus routes and crossing guards.

When Is The TRE Election? Where Do I Vote?

The TRE Election Day is Saturday, October 8 from 7 a.m. - 7 p.m. at the Allen ISD Administration Building only.

Early Voting Locations & Times

AIISD Administration Building or City of Allen Courts Building; September 21-24, 26-30, October 3-4 (8 a.m. - 5 p.m.)

For more information email: publicinfo@allenisd.org or call 972-727-0510 or visit www.allenisd.org/tre