

CBAC Questions from Meeting #5 - November 26

Questions Asked	Response
If TRE fails, we roll back to what?	<p>A Tax Ratification Election is called after a tax rate is set by the Board that is above the current level. If such an election were to fail, the rate would revert back to the “rollback rate” defined in statute - Texas Tax Code Sec. 26.08 (n)(2) - as the lesser of:</p> <ol style="list-style-type: none">1) The state compressed rate (\$1.00 for LISD) plus \$0.04. For LISD, that would be \$1.04.2) The Calculated Effective M&O tax rate (for 2018 \$1.1262) plus \$0.04. For LISD, that would be \$1.1662.<ol style="list-style-type: none">a) Therefore, absent really unusual circumstances, the rollback rate for LISD would be \$1.04.
What is the natural growth of our budget?	<p>Not sure the definition of natural growth in this context. That said, each percentage point in salary increase for all employees costs about \$3.5 million. Staffing levels fluctuate with student enrollment. Other costs such as property and casualty insurance have risen sharply due to weather events and associated losses. Fuel costs are somewhat unpredictable. Utility costs are managed using long term contracts in the geographic areas of the District where competition is permitted. Other costs likely mirror the CPI or similar indices.</p>