

# The FACTS: How is the school district funded?

Spring Branch Independent School District

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SBISD is funded primarily through **local school property taxes**, supplemented with money from the state, based on a per-student formula that takes into account special circumstances, such as limited English proficiency, special education, etc. But how much a district can tax is dictated by the State, and because SBISD is a recapture, or Robin Hood, district, the state claims **a larger and larger portion of local tax dollars**.

Further, as local tax revenue goes up, the state's portion of funding goes down. **A growing portion of local tax dollars is taken by the State and used for budget items not related to public education.**

**GENERAL FUND** revenue is largely controlled by the state.



## The General Fund

The General Fund is financed largely through the Maintenance and Operations (M&O) tax but also relies on state funds and a smattering of dollars from other sources.

SBISD uses the General Fund to pay for the **day-to-day operations of the district**, including payroll, programming, maintenance, security, supplies, etc. Recapture (Robin Hood) is paid from the General Fund, **reducing the dollars available for district operations**.

**That makes the General Fund something less than reliable because of outside – state – control over much of those dollars.**

## The Bond Program

Approved by voters, bond funds finance capital improvements and are paid back over time. **Bond proceeds can only be spent on what voters approve, and by law can't be used for operational expenses like salaries.**

When you see our school district building new schools but hear the district voice concern over funding (GENERAL FUND), it's because BOND FUNDS are at work in a positive way.

SBISD is wrapping up the **\$597.1 million** bond program approved by district voters in 2007. **SBISD's Bond Program – under local control – is strong and healthy.**

## The Debt Service Fund

Debt Service is financed through a separate part of the overall tax rate, the Interest and Sinking (I&S) tax. Debt Service pays for **the district's debt**, taken on through the sale of bonds for capital improvement projects such as new school buildings, major renovations, technology, school buses, etc. **Funds for Debt Service can only be used for that purpose – they cannot be used for operational expenses.**

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### A Responsible Steward

SBISD continues to be a responsible steward of the community's tax dollars. The Finance Department **consistently earns state and national awards** for its sound practices.

- **Financial Integrity Rating System of Texas (FIRST)** – Superior Achievement (15 years)
- **Gold Leadership Circle Award** – Texas Comptroller's Office (6 years)
- **Distinguished Budget Presentation Award** – Government Finance Officers Association (7 years)
- **Certificate for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR)** – Government Finance Officers Association (multiple)
- **Award of Merit for Purchasing and Operations** – Texas Association of School Business Officials (4 years)
- **Standards of Excellence Award** – Texas Association for School Nutrition (for Child Nutrition Services)

## Taxes for education should fund education

The State effectively uses your tax dollars to reduce the amount it would otherwise contribute to public education from other sources. **How?** The State uses money collected through recapture (Robin Hood) – your local school property tax dollars – to help fund its share of public education, replacing its contribution and freeing up State dollars to be used elsewhere, such as roads, health care, prisons and other state services. **It's all important, but we believe your public education tax dollars should stay in public education.**

### Tax Burden Comparison

Tax on a \$500,000 Home

**KATY** 7,204

**FORT BEND** 6,365

**ALIEF** 6,199

**CY-FAIR\*** 5,400

**SBISD\*** 5,229

**HOUSTON\*** 4,525

\* Offer Homestead Exemption

### SBISD's TAX RATE

#### Low tax rate. Full exemptions.

Not only is Spring Branch ISD's total tax rate of \$1.3945 **one of the lowest in the area**, but the district is one of only a few to offer every exemption allowed by law, including the **full 20 percent Homestead Exemption**. This exemption lowers the tax burden for district residents and our senior citizens can "freeze" their tax bill whenever they file their Over-65 Exemption.

**For the owner of a \$500,000 home that qualifies for full exemptions, the estimated 2016 tax bill is \$5,229. Of that \$5,229 in tax, about \$889 (17 percent), will go to the state in the form of recapture/Robin Hood.**