

Tax Rate Notification

Public school taxes include two (2) components. The first tax rate is in the Maintenance and Operations budget (M&O) and helps fund the daily operations of the District including recurring or consumable expenditures such as teacher and staff salaries, supplies, food, gas and utilities. Approximately 83.5 percent of the district's M&O budget goes to teacher and staff salaries. The second component is the Interest and Sinking budget (I&S), also known as Debt Service, is used to repay the debt for long-term capital improvements approved by voters through bond elections.

The 2022 Red Oak ISD's M&O tax rate is \$0.9429 and the I&S tax rate is \$0.3481 for a total tax rate of \$1.2910 per \$100 of certified property value. The table below shows the district's tax rate for five years.

TAX YEAR	FISCAL YEAR	M&O	I&S	TOTAL TAX RATE
2022	2022-2023	\$0.9429	\$0.3481	\$1.2910
2021	2021-2022	\$0.9603	\$0.3653	\$1.3256
2020	2020-2021	\$0.9939	\$0.3653	\$1.3592
2019	2019-2020	\$1.0683	\$0.3700	\$1.4383
2018	2018-2019	\$1.1700	\$0.3700	\$1.5400

The Red Oak ISD 2022 tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 16.09% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$158.10.

The Red Oak ISD School Board did NOT increase the maintenance and operations tax rate. The School Board voted to lower the maintenance and operation tax rate from \$0.9603 per \$100 of property valuation for the 2021-2022 school year to \$0.9429 per \$100 of property valuation for the 2022-2023 fiscal year. The School Board also voted to reduce the interest and sinking tax rate by \$0.0172 (4.71%) from \$0.3653 per property in the 2021-2022 school year to \$0.3481 in the 2022-2023 school year.

This change in the maintenance and operations tax rate is consistent with the House Bill 3 legislation passed in May 2019 in the 86th Legislative Session. Although the Red Oak ISD's tax rate has gone down by over 19% over the four (4) years, including the 2022 tax year, the overall property values in Ellis County have continued to go up due to more taxable property being developed and the escalation in the housing market. Under the Foundation School Program funding model, if the State certified taxable property values increase, the amount of state funding will decrease. Also, if the District does not adopt the tax rate approved by TEA, additional reductions in state funding will occur. In order to provide a balanced budget, based on the reduction in state funding, the voter-approved tax rate was adopted to maintain adequate funding for the 2022-2023 school year.

A sixteen (16) year history of the tax rates for the fiscal year is:

