

SBISD

Proposed budget includes salary increase

By RUSTY GRAHAM
rgraham@hcnonline.com

Spring Branch ISD staff will likely get a 2 percent raise next year, even as the district keeps looking for ways to reduce spending.

Trustees Monday also sought to clarify what several said were misleading statements being made in the community about the district's deficit budgets and the homestead exemption for district taxpayers.

Trustee Mike Falick said he thinks that some see Spring Branch's deficit like the federal government's deficit, which borrows money to make up the difference between revenue and spending.

"In Spring Branch we use money we already have," he

SBISD
Continued from Page 1A

said. "We do not borrow money to make budget."

The district has used some of its fund balance — its cash reserve — to make up differences between revenues and expenditures for several years, as it has seen state funding decrease, by \$37 million over the current biennium.

The district is in the second year of its own two-year budget cycle, where the brunt of cuts were taken in the first year and included the elimination of nearly 350 staff positions. Superintendent Duncan Klussmann said, in response to a question from Falick, that maybe double that number would have been eliminated if the district had not decided to use reserves this year.

The pay raises should be possible while decreasing overall expenditures by 1.1 percent, Karen Wilson, associate superintendent of finance, said during a public hearing on the 2013 budget.

Klussmann said he thinks the raises are important, even in a tight budget.

"The spread (between teacher salaries) around area districts is pretty narrow," said Klussmann. "I always say that Spring Branch has great kids, but it really great teachers too," and that he doesn't want to lose teachers because of salaries.

Toward the end of the budget discussion board president Susan Kellner said that the district has no intention of eliminating the 20 percent homestead exemption Spring Branch ISD gives district homeowners.

"There seems to be some chatter out there about our commitment to the homestead exemption," she said. "This board has never considered eliminating the exemption. It's radioactive."

She said that community members participating earlier this year in financial discussions with the board wanted to know if there were any other revenue options. The idea of reducing or eliminating the homestead exemption was presented then dismissed by the group as being unfair to homeowners.

Position 3 trustee candidate Kay Peeples' yard signs read "Save Your Homestead Exemption" across the top. And both Peeples and Position 2 trustee candidate Kelly Tronzo have been critical of the district's deficit spending. Both attended Monday's meeting, but neither commented afterward.

Because of uncertainty surrounding public education financing during last year's leg-

'CHOICE' CLASS RANK POLICY ADOPTED

Spring Branch ISD trustees Monday approved the third and final reading of its new class rank policy, which looks a lot like the interim policy the district used this year. Seniors will have until Oct. 15 to decide whether rank will be reported on their transcripts to colleges, other than those in the top 10 percent as required by Texas law for state schools. The policy ends a year-and-a-half process that nearly saw reporting of class rank eliminated entirely. "We'll collect data and see if (the policy) is doing what it's supposed to do — get more of our kids into the colleges of their choice," said board president Susan Kellner.

Trustees also adopted a resolution stating opposition to standardized testing such as the STAAR tests implemented this year by the state. Superintendent Duncan Klussmann said that other districts have passed similar resolutions and that the resolutions will help give parents going to Austin to lobby legislators and state agencies more clout. The resolution states that the district supports accountability, but current policy "distracts teachers from preparing kids for higher education."

islative session — funding was ultimately reduced by \$5.2 billion overall — Spring Branch budgeted for a two-year cycle, mirroring the state's biennial budget cycle.

Klussmann said the district knew that it would take the largest hit from the state this year, so it planned to use more of its reserves to make up the difference.

He said priorities in the 2013 budget were to maintain current class size (already larger than Spring Branch would like, Klussmann said), maintain full-day pre-K, maintain current student programs and to begin implementing the district's new strategic initiative.

The original 2013 budget would have spent \$20 million from the district reserves, a number that's been whittled down to \$10.8 million in the preliminary budget, including the 2 percent salary increases, leaving an estimated \$48.8 million in the fund balance.

Klussmann said that as a governmental entity, the district can't keep making up deficits by using reserves. "In 2014 we'll have to balance the budget," he said. "We can only deficit spend for so long."

During the public hearing Wilson said that the 2013 budget assumes no increase in the district's \$1.3945 tax rate (\$1.09 maintenance and operations; \$.3045 interest and sinking) and a 2 percent increase in property values. The actual tax rate is set in the fall, after the district receives its certified tax roll. The \$1.09 tax rate has not changed since 2008; the \$.3045 since 2010.

The budget also assumes a reduction in state funds of \$14.2 million, made less severe by an unanticipated 1,133-student bump in enrollment, she said.

Per district policy, the fund balance (reserves) should be 19 percent of total expenditures, Wilson said. The \$48.4 million is 19.5 percent of budgeted expenditures in 2013. The district uses its fund balance to cover payroll in the fall, before tax collections start coming in around the first of each year.

Wilson said the debt ser-

EARLY VOTING ENDS MAY 8

Early voting continues through May 8 for area elections. Election day is May 12.

Spring Branch ISD

7 a.m.-7 p.m. M-F; 8 a.m.-noon Saturday

■ Administration Building, 955 Campbell
■ Coleman Coliseum, 1050 Dairy Ashford
■ Holy Spirit Lutheran Church, 7901 Westview
■ *Piney Point Village, 7676 Woodway

* 8 a.m.-4 p.m. Fri.; 7 a.m.-7 p.m. May 7-8. No Saturday hours.

CANDIDATES

Position 2: Kelly Tronzo, Chris Gonzalez

Position 3: Katherine L. Dawson, Kay Overly Peeples, Eric Charles Waligura

Position 4: Chris Vierra (unopposed)

Hilshire Village

9 a.m.-5 p.m. May 4; 7 a.m.-7 p.m. May 7-8. No Saturday hours.

■ Hilshire Village City Hall

CANDIDATES

Mayor: Marc Grosz, Shannon Whiting

Piney Point Village

■ Piney Point Village, 7676 Woodway

8 a.m.-4 p.m. Fri.; 7 a.m.-7 p.m. May 7-8. No Saturday hours.

CANDIDATES

Mayor: Chris Walker, Lee Butler
Position 4: Henry Kollenberg (I), Bobby Orr Jr.

vice fund is "very healthy," including a \$27.9 million contingency fund, \$7.9 million over what's called for in the original service plan and after adding a 13th school to the rebuild list.

She said the plan was always to supplement debt service tax revenue with interest earnings to repay bonds, to keep the tax rate low. She said \$3.7 million out of \$6.4 million earned interest has been transferred so far.

Only one speaker made comments during the public hearing.

Warren Matthews, former chair of the Spring Branch Education Foundation and a member of the district finance team that met earlier this year, said that he supports the district's handling of the financial shortfalls that are "driven by the state" and not the district.

