

Comal Independent School District

NEWS RELEASE

Contact: Julie Jerome
830.221.2621

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School board mulls fund balance, future bonds

The topic was the same, but the context was different during Tuesday's budget workshop of the Comal ISD Board of Trustees. The school board continued its work to address a projected \$16.8 million budget gap, but discussion of the use of fund balance was colored by the inevitable enrollment growth anticipated over the next decade.

"The board has set the direction for cuts in the operations budget," said Dr. Marc Walker, superintendent of Comal ISD. "We have cut \$11 million and we will supplement that with fund balance (to get to \$16.8 million). We have done all we can do until we see what the revenue side looks like from the state."

The \$11-million budget reduction includes the elimination of 65 teaching positions and 72 non-teaching positions. All but four of the 65 teaching positions have been accounted for through retirements and resignations. In addition, each campus and department operating budget has been reduced by 10 percent.

Dr. Walker sought direction from the board in terms of needed capital expenditures after the 2011-13 biennium, particularly given enrollment projections in several pockets of the district.

"We are going to have some amount of trouble," he said. "There are other things we can do. We can build less and rezone more, but transportation will cost more."

The school board talked about the timing and contents of a future bond package, which will probably be in May 2013, called for by enrollment growth. An elementary

school on FM 306, a high school on the west side of the district and a middle school on the east side and west side of the district are options.

Through consensus, the school board agreed to gather constituents' input on the future bond issue and wait on the revenue picture from Austin, directing administration to present scenarios at future board meetings.

Walker also asked for board input regarding the use of the district's \$57 million fund balance toward facilities. Currently, \$5.8 million is earmarked to help fill the gap in the operations budget.

"We will continue to use the \$5.8 million in fund balance each year unless something changes," he said. However, other capital expenditures such as technology, buses and inflation (fuel and utilities, for example) will need to be addressed beginning in 2012-13. Priorities listed for the fund balance through 2015 total \$42 million, leaving \$15 million in the district's savings account.

"(The fund balance) is not going to last," said Bill Swint, board member. "Let's look at what we have to do now. If the state comes back with a better figure, maybe we have some options."

"We have raised the fund balance by about \$40 million over the last five years, purposely, relentlessly, culturally," said David Spencer, board member. "But I don't want to limit our thinking in terms of reimbursements of future bonds."

He said that given the discussion in the Texas Legislature about directing districts in the use of their fund balances, making a local decision to use it for construction projects "would be prudent to do before we have to go back and recover it through a bond."