

Comal Independent School District

NEWS RELEASE

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CISD board approves budget, name of new elementary

The Comal ISD Board of Trustees held a public hearing at the Aug. 26 board meeting on the 2010-11 budget and tax rate in which the board proposed a \$125 million general fund budget (net Chapter 41) and a six-cent increase to the debt service tax rate (raising it from 27 cents to 33 cents). No one from the community spoke during the time allotted for public participation.

The board approved the budget, which is a \$2.3 million increase from the 2009-10 budget due to additional staff for a new school (Clear Spring Elementary), other new campus staff, computer replacement within the Technology Department and additional buses for the Transportation Department.

In addition to approving the general fund, the board also approved the debt service fund (\$36,458,654) and the child nutrition budget (\$8,050,063).

The board also discussed the proposed six-cent increase to the debt service tax rate, which the trustees will not take action on until the Sept. 30 meeting. Administration proposed the increase as a result of property growth values dropping significantly over the last few years and slower enrollment. The 2010-11 certified property growth values are at negative one percent, which is a 20 percent decrease since 2008-09. The six-cent increase will be needed in addition to the board opting to use \$4.8 million from the debt service fund balance.

“We have to have a debt service tax rate that will allow us to pay off our bonds according to the schedule that was set when they were issued, so our board only has two options in making this decision,” said Comal ISD Superintendent Dr. Marc Walker.

“They can either raise the debt service tax rate to 39 cents, which is the rate that we have

to have to pay off our bonds, or they can set it at 33 cents by buying it down with money from the debt service fund balance, which is what they are opting to do.”

Several of the board members voiced their concern and hesitation in raising the debt service tax rate, but they also stated that the state is forcing the district to do it because of the current funding formula. Board members also pointed out that the district is already helping its taxpayers with a 20 percent homestead exemption and that taxpayers who are 65 and older can freeze their property values and will not have to pay any additional school property taxes if the tax rate is increased.

“Through our last two bond issues, we have been able to provide our students and staff with great facilities that I believe we are all proud of and glad to have,” said Comal ISD Board of Trustees President Carol Kendall Keller. “We managed those bonds well by providing more for our communities than what we originally planned to provide. We don’t want to raise taxes, but we are doing what the state is forcing us to do. If we don’t raise it, the state will. We’re fortunate to be able to use money from our debt service fund balance to buy the rate down.”

Should the board approve the 33-cent debt service tax rate in September, homeowners who received a one percent decline in the taxable value of their home (average taxable value of \$169,815 for 2010-11) would see an annual increase of about \$74 or about \$6 monthly. Homeowners whose home value did not change would see an annual increase of about \$103, and homeowners who received a one percent increase in their taxable value would see a \$128 annual increase in their property taxes.

The district’s debt service tax rate, or interest and sinking (I&S) tax rate, is partnered with the maintenance and operations (M&O) tax rate, which is set and will remain at \$1.04. The debt service tax rate solely supports the district’s bonds and debts, and the M&O tax rate supports the district’s general budget. The two are exclusive of each other and taxes collected on the debt service side cannot be used for general funds. Should the board approve the 33-cent debt service tax rate in September, the district’s total tax rate will be \$1.37.

Factors considered in the estimation of revenue for the general fund include property values and student enrollment. Property values and tax collections impact both local and state revenue estimates. Property growth value increases have declined significantly since the more than 21.1 percent property growth value increase in 2006-07, and the negative one percent decrease for 2010-11. An increase in student enrollment is the only opportunity for increased revenue. Budgeted enrollment growth for the 2010-11 school year is 483 students or 2.9 percent.

In addition to approving the 2010-11 budget on Aug. 26, the board also approved the name of the district's newest elementary school, which is scheduled to open at the start of the 2011-12 school year.

Kinder Ranch Elementary, which will be located near the intersection of Borgfeld and Bulverde roads in northern Bexar County, will relieve overcrowding at Timberwood Park and Specht elementary schools.

The estimated construction cost of the two-story elementary school is \$16 million. The campus will have many energy saving green school features such as geothermal heating and cooling, rain water harvesting with on-site storage, and a living roof.

The campus is one of two elementary schools left to be built using funding from the district's \$205.85 million Bond 2008. Originally, a new elementary in Canyon Lake off of FM 306 near Sattler was supposed to precede the elementary school in Kinder Ranch, but due to Comal ISD's demographics showing greater need for schools in the fast-growing southwest region of the district, the construction of a new elementary in Canyon Lake has been postponed until a future bond issue. Instead, an elementary school will be built in the Indian Springs subdivision on the east side of Highway 281 in Bexar County. Comal ISD still has the FM 306 site, which will be used in the future.

To review the adopted budget and the public hearing power point presentation, please visit http://www.comalisd.org/Fiscal_Information/Default.asp. The full report from the August board meeting may also be reviewed at http://www.comalisd.org/News/News_Releases2.asp.