

A Letter from Keller ISD Board President Cindy Lotton

As KISD Board President, I am proud of the fact that we have so many gifted administrators. One of those talented administrators is Mark Youngs, Deputy Superintendent of Business Operations. One of Mark's greatest abilities is to bring highly complicated issues, such as school finance, to the Board of Trustees in understandable ways. The Board likes to call it "School Finance 101" (for me, it should be called "School Finance for Dummies!"). Mark recently spent some time helping me, once again, understand the complex issues of school finance in Texas and I wanted to share some of these issues with you in the March Board letter to the community.



The tax rate is composed of two parts: the Maintenance and Operations (M&O) portion, which is used for day-to-day expenses to run the district; and the Interest and Sinking (I&S) portion, which is the tax dollar amount used for principle and interest payments on voter-approved bonds. In 2005, the Texas Legislature created a target revenue or "snapshot" for KISD. At the time, school districts were only allowed to tax their communities at a maximum rate of \$1.50 per \$100 in property value. KISD's "snapshot" was a combined tax rate of \$1.43 per \$100 in property value.

The "snapshot" yielded a spending allotment of \$4,909 per KISD student. This target revenue amount has not been adjusted for inflation and has remained constant for the past three years. Because the Board of Trustees was fiscally conservative and kept the tax rate as low as possible, KISD now faces difficult financial issues that some neighboring districts do not. For example, our neighbors to the west, in Northwest ISD, were taxing at the maximum rate of \$1.50 at the time of the snapshot. As a result, NWISD receives \$6,460 per student allotment from the state. Anyone who owns a calculator can quickly see that the difference multiplies exponentially. A difference of \$1,551 per student would mean an additional \$48 million for Keller ISD students!

Please understand that I am not angry with the great folks in the NWISD, envious maybe, but not angry! The problem is not with NWISD, it is in Austin with the state funding system. Newspapers across Texas have called the funding system "broken" and "a mess."

Another broken piece in this funding system is the state allotment following appraisals. When property values increase and taxes go up, the state lowers the amount granted to the district. As a result, the bulk of the money for education in Texas continues to come in on the backs of the property owners, not from the state.

KISD has worked diligently over the past two years to continue to provide an exceptional education for its students with the money it is provided. In 2008-09, the Board adopted a \$4.9 million deficit budget in order to ensure that employees received a raise. The money came from the fund balance, the district's savings account. This year, the Board directed the administration to bring a balanced budget, and that no deficit budget options would be adopted. District administrators had to make tough spending cuts in order to meet the request of the Board. As you know, many cuts were made in the district's operating budget of the district, including vehicle replacement, library books, reserve staff allocations, library books, adult travel and the high school scheduling options. District-wide individual campus budgets were also cut significantly.

No one has enjoyed the financial stress that school funding issues have placed on our district. The Board has observed all levels of administration working diligently to provide the same level of educational opportunities for KISD students on less money every year. Everyone in the district is feeling the “pinch” of a tightened budget. But the question remains, “What can the community do about school funding problems?” Elected State Officials need to hear from you, the tax payers. Legislators need to understand that tax payers can no longer live with the current funding system to educate their children.

Another possible solution is a Tax Ratification Election, or Rollback Election. Senate Bill 1024 has allowed districts to come to their voters for a tax increase of up to \$0.13 per \$100 valuation. This would raise the M&O tax rate in Keller ISD to \$1.17, yielding approximately \$13 million dollars in revenue for the next 2 to 3 years. This increase would cost the average KISD taxpayer \$260 per year (\$22 a month) on a \$200,000 home.

I am fully aware that the present economy has been difficult for everyone. None of us are exempt from the pressure of trying to do more with less. The KISD Board of Trustees and administration are committed to delivering the best possible education for our students on the tax dollars we are given.

I hope that you have a better understanding of the issues of school finance in Keller ISD. I know that, ultimately, the taxpayers, business community and KISD will all work together to achieve the goal of educational excellence for all of our students, no matter what it takes!

Our community members have never let our children down and I believe that they never will.