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News Release

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State funding shortfall results in district budget decisions

As a direct result of the anticipated significant drop in State funding for public education, the Spring Branch ISD Board of Trustees took action last night to adopt several measures that will reduce costs for the school district. These cuts, which are necessitated by the budget decisions being made in Austin, will have a significant impact on the ability of SBISD to provide a quality education for our students over time.

The measures approved by the SBISD Board are expected to reduce expenses for the 2011-12 school year by more than \$17.5 million (roughly 7% of the district's general revenue budget) and will result in the elimination of approximately 350 positions (about 7% of employees) within SBISD. Roughly 70% of the eliminated positions are in non-teaching roles; about 30% of the eliminated positions are teachers. The District would not be making these reductions in the absence of the extreme funding reductions from the State.

Over the last three months, SBISD has worked aggressively to identify opportunities for these personnel reductions to be handled through attrition. However, the magnitude of the proposed State budget cuts has forced us to take far more difficult steps. SBISD plans to move as quickly as possible to inform impacted individuals and will continue to provide information and additional details.

"This is not what SBISD wants to be doing, but given the significant reduction in proposed funding in the State, the district needs to act in preparation for the 2011-12 school year. State law requires us to notify employees of contract action by April 15, 2011, far before the end of the Legislative Session," said Superintendent of Schools Duncan F. Klussmann.

Since 2003, SBISD has eliminated or reduced 195 non-teaching positions and reduced Departmental budgets by approximately \$5 million. During the same period, we have added 108 teaching and counseling positions. Since 2008, we have used an estimated \$14.7 million from our Fund Balance to maintain the SBISD educational program.

SBISD continues to work to encourage the State to find a long-term solution that will allow for the proper funding of public education. The current State revenue shortfall is driven largely by the flawed changes made to public education funding in 2006, as well as the economic downturn.

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In 2006, all state property taxpayers were told by the Texas Legislature that their property taxes would be lowered and that the funding loss to our schools would be made up through other taxes and revenue sources, including a new business or "margins" tax. The promise to make up for that funding loss has not been kept. The margins tax has produced significantly less revenue than expected and this has created a structural, or continuing, deficit for schools that must be addressed by the Texas Legislature. And now, despite the fact that our taxpayers will continue to pay the same amount in property taxes, the State is providing far less in per student funding to a system that already ranked 44th in the country in public education expenditures.

Much talk in Austin has focused on the lack of efficiency in school districts and it has been implied that these proposed reductions in funding can be accomplished solely through more efficient operations. In Spring Branch, we strive for efficiency with our 4.5 out of 5 point rating in the Texas Comptroller's statewide efficiency study of school districts, known as FAST, or Financial Allocation Study for Texas. Based on what is being discussed in Austin, we are not being given any credit for our efficiency.

SBISD Board of Trustees President Mike Falick states, "The reductions in State funding break the State's promise made in 2006 and will present extraordinary challenges for Spring Branch to continue to provide the quality of education for our students that our community expects and deserves.

"For many years, the SBISD Administration and Board have had a rigorous budgeting process that has been focused on making sure every dollar was wisely spent with the goal of improving student performance. The unfortunate result of the State's funding reduction is that SBISD does not have way to reduce costs without a significant impact on the classroom. This is indeed a sad day for Spring Branch and for Texas, and it is my hope that the Legislature hears the pleas of our community and communities around the State that these severe cuts in funding, which will damage the future of Texas, should not be allowed to stand," the Board President also added.

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