

Schertz-Cibolo-Universal City ISD considers tax hike, cites drop in state funding

By **Steve Miller** - May 7, 2018

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The Schertz-Cibolo-Universal City Independent School District is **considering a tax increase of four percent**, claiming state funding for its schools has dropped \$5.6 million in the past ten years.

The district in suburban San Antonio would join several others around the state, adopting property tax increases which must be passed by voters after school board approval.

The proposed increase of five cents on the Schertz-Cibolo-Universal City ISD's maintenance and operations levy would move the district's rate from \$1.49 per \$100 property valuation to \$1.54 per \$100.

School districts and their advocates point to the state's funding structure for public schools, which they contend is not providing enough to support their enrollments and costs.

SCUC Superintendent Greg Gibson **claims that enrollment is expected to fall**, a reversal of projections of spiraling growth two years ago. When the district was selling a \$137 million bond

program, it told voters that the district would **grow by 4,000 in the next decade, according to a demographer's projections.**

"We import the demographer data, we use this data to plan," Wayne Pruski, SCUC executive director of facilities planning and development, said at the time.

Gibson added that the proposed package was a prudent measure to accommodate the influx of students.

"We only have projects in here that are related to student growth," Gibson said. "What we're trying to do is take care of things, like we recently renovated the press box. We did that not out of our bonding capacity, but we did that out of our savings account, if you will, our maintenance and operation fund balance. I think we will continue to do that. There is probably not enough in that to do large-scale projects, so we'll always have to do smaller projects."

Voters approved the package in November 2016 but the growth has yet to come, although the district's state funding has increased.

The district's **most recent bond disclosure** shows a 25 percent increase in state sources of funding between 2012 and 2016 to \$64.7 million.

At the same time, enrollment in the district increased nine percent to 15,384 as the district increased its number of employees — by 13 percent — to 1,904. Enrollment in October was 15,653.

Removing the debt service for the voter approved bonds, the district's spending has remained about the same from 2012 to 2016, adjusted for inflation. Between 2009 and 2013, as enrollment increased 19 percent, the district cut expenditures by 25 percent.

Gibson declined an interview request.

Since 2006, 637 school districts have held tax ratification elections; 78 percent of them have passed, a marked increase in the decade previous, when 108 districts put the notion on a ballot and 16 percent, or 17 measures, passed.

The increase comes as lawmakers have changed the laws regarding taxation, giving the public more say in the taxes.

“School districts don’t hold tax ratification elections unless they are confident they will pass,” said Sheryl Pace, senior analyst at [Texas Taxpayers and Research Association](#), which supports the current method of school financing.

Before 2006, she said, districts could raise taxes six cents per \$100 valuation without a vote. Now, anything over four cents takes a vote.

Districts are funded through a combination of state money, federal allotment and local revenue. As a district’s property values increase, its state funding is pulled back, a formula that should allow a district to maintain its spending. If it can’t control its spending or costs go up, a district will resort to a tax increase.

“There are so many different reasons for losing funding for a school district,” Pace said. “For example, they lose it because of increased property values in the district. They can say ‘well, the state is not giving us money to use anymore.’ But actually it is a shift between funding sources.”

Advocates for public education want the state to [provide money equal to property tax revenue](#), and contend that the formula for school funding is, in part, based on calculations made over two decades ago.

“Our school finance system is much like an old cabin built in the 40s that is in need of serious renovation,” Chandra Villanueva, program director at the Center for Public Policy Priorities in Austin, told a state school finance committee last year.

Enrollment projections like those at SCUC have been skewed most recently by the increase in charter schools, which draw students from traditional public schools.

Charter schools had 273,000 students at the end of the 2016-17 school year, a ten percent increase from the previous year and a 236 percent increase in the past decade.

Financial officers say the loss of students impacts districts, as charters can pop up within months, putting a dent in budgets that have been in the works for over a year.

“We can compete very nicely with charter schools, academically” Mark Youngs, chief financial officer in the Keller ISD, [told The Texas Monitor in March](#). “But we can’t compete with someone