

Good afternoon, Madam Chair Shapiro, Mr. Chairman Averitt, members of the Senate Education Committee and members of the Senate Finance Subcommittee on General Government Issues

My name is George Torres and I am the Deputy Superintendent for Business for the Northside Independent School District in San Antonio.

I am here today in support of an increase in the yield on IFA & EDA funding so that more districts benefit from the program and so that districts can meet facilities needs at lower tax rates. In addition, I am speaking in support of an increase in the tax rate limitation in the EDA program so that the state's fastest growing districts can have access to continued state support.

Northside Independent School District, located in the Northwest quadrant of San Antonio, is a fast-growth district because of its exploding student enrollment and increasing property tax base. With 88,596 students, Northside is the state's fourth largest school district, and enrollment is projected to approach 100,000 in the next four years. In the past seven years the student enrollment has grown from 65,717 to 88,596, an increase of 22,879 students. That represents a 35 percent increase in the study body.

The growth isn't expected to slow down any time soon. The district is 355 square miles, of which 60% is developed. Right now, one out of every two homes built in Bexar County is located in Northside ISD and the district is a destination for both residents and businesses.

Located within the boundaries of Northside are giant economic generators such as the South Texas Medical Center, USAA, SeaWorld, and Fiesta Texas, as well as major corporations like QVC Network, Citicorp, The American Funds, and Chase Manhattan. Microsoft is currently constructing a \$550 million dollar data center in the district.

In terms of growth, the taxable tax base has increased by \$3.5 billion in 2006-07 (18% increase), \$4.5 Billion in 2007-2008 (20% increase) and \$3.5 billion in 2008-2009 (13%). Current total taxable value is estimated to be \$30.8 billion.

This month, for the 2008-2009 school year, we opened five new schools: Brandeis High School, Vale Middle School, and Carnahan, Forester, and

Scarborough ES. We will open 12 new schools over the next three years to accommodate an enrollment that is growing by about 3,000 students a year. Fortunately, in the last five bond elections, NISD voters have approved \$1.9 billion in bonds to build new schools and renovate and expand existing schools.

New Single Housing Sales in-prior years were:

- 2002 4,085
- 2003 4,856
- 2004 5,762
- 2005 6,455
- 2006 6,957
- 2007 4,733 (estimate)

With the housing “slowdown” we expect to have one to three years (starting with 2007-2008) with home sales below 5,000 but then rebound to the 5,000 to 6,000 range until the district is built out.

Of course, new single family housing sales lead to more students. Our studies estimate that an average neighborhood of 100 new single family homes yields 28 elementary students, 13 middle school students, and 15 high school students for a total of 56 students in grades K through 12.

Why our immediate future may remain one of exceptionally high growth:

- We have teachers who care and family friendly schools
- Quality instructional programs (Exemplary and Recognized campuses)
- A Board of Trustees that is conscious of the bottom line and community desires
- Quality facilities

Combine these factors with developable land, utilities, and building industry, it creates a powerful draw, making NISD a “magnet” district.

I share this background information with you so that you can better understand our financial situation.

The adopted tax rate for 2008 is \$1.04 for M&O and \$0.2625 for I&S for total tax rate of \$1.3025. In 2007-2008 the district qualified for \$15 million in IFA & EDA funding, in 2008-2009 the amount will be less than \$5 million and in 2009-2010 the district will no longer receive any IFA or EDA funding. The state funding received in the past represented a partnership on

the part of local and state efforts to help reduce the I&S tax rate. Due to the fact we will no longer be receiving state funding, there will be more reliance on local taxes to repay the district debt. The total debt expenditures for this year will be \$101,446,464.

Northside and other fast growth districts need continued state support and less reliance on local taxpayers to support our facilities needs. Northside is fortunate to have had voter support on its past bond issues, but we fear that support soon may diminish given the increasing burden they are expected to shoulder.

Texas needs to recommit itself to the infrastructure needs of public schools. Two programs, the Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA), provide state support to school districts for facilities. However, these programs have not received legislative attention in many years and are in need of improvement. We respectfully request:

- Increasing the yield on IFA and EDA so that more districts benefit from the program and so that districts can meet facilities needs at lower tax rates.
- Increasing the tax rate limitation in the EDA program so that the state's fastest growing districts can have access to continued state support.

I will be happy to address any questions the committee may have.

Thank you for your time and consideration.