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State surplus may help Cy-Fair taxpayers

Homeowners could hold on to tax break

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June 19, 2009, 9:49PM

The odds that homeowners in the Cypress-Fairbanks school district can keep their special property tax discount improved Friday thanks to a decision by Texas Education Commissioner Robert Scott.

In a memo to school districts, Scott said he has decided to use an unexpected surplus in school funding to help districts such as Cy-Fair that give an optional homestead exemption.

Cy-Fair school district spokeswoman Kelli Durham said late Friday afternoon that she was unsure how Scott's move would affect the school district's budget woes and whether the optional exemption would remain.

Superintendent David Anthony said last week he planned to ask the school board to eliminate the optional 20 percent exemption because the district was facing a \$28.8 million deficit.

An agenda for a special school board meeting Thursday says the board "will consider removal or reduction of the optional homestead exemption."

The agenda, e-mailed to the media late Friday, also said the board will consider eliminating positions and terminating employment contracts.

State Sen. Dan Patrick, who helped hatch the deal with Scott, said Cy-Fair should be able to overcome its deficit through budget cuts, rather than revoking the optional 20 percent homestead exemption. He said the district should receive an extra \$10 million from the state.

"We found a legitimate pocket of money that the taxpayers and Cy-Fair school district is entitled to, and the commissioner has agreed to let us tap into it," said Patrick, R-Houston.

The last time a state surplus was used to help school districts with optional homestead exemptions was about a decade ago, Patrick said.

The commissioner has limited options under state law for spending surplus funds, said Rep. Scott Hochberg, vice chairman of the House Public Education Committee.

"Typically what happens is you hold (the extra money) for next year to make sure you have enough," said Hochberg, D-Houston.

Premature move?

Debbie Ratcliffe, a spokeswoman for the Texas Education Agency, which Scott runs, said the surplus is mostly a result of student enrollment statewide growing less than the agency estimated.

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The amount of the surplus was not available late Friday afternoon, but the extra money is expected to benefit about 200 districts that offer the optional homestead exemption.

Hochberg said the commissioner's decision on spending the surplus seems premature. School funding for next year is still in flux, he said, because the U.S. Department of Education has not signed off on Texas' plan to spend federal stimulus dollars on raises for teachers.

"It seems to me that first we better make sure we have the stimulus money we think we're getting before he goes and spends additional funds," said Hochberg, who authored the main school finance bill this legislative session.

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