

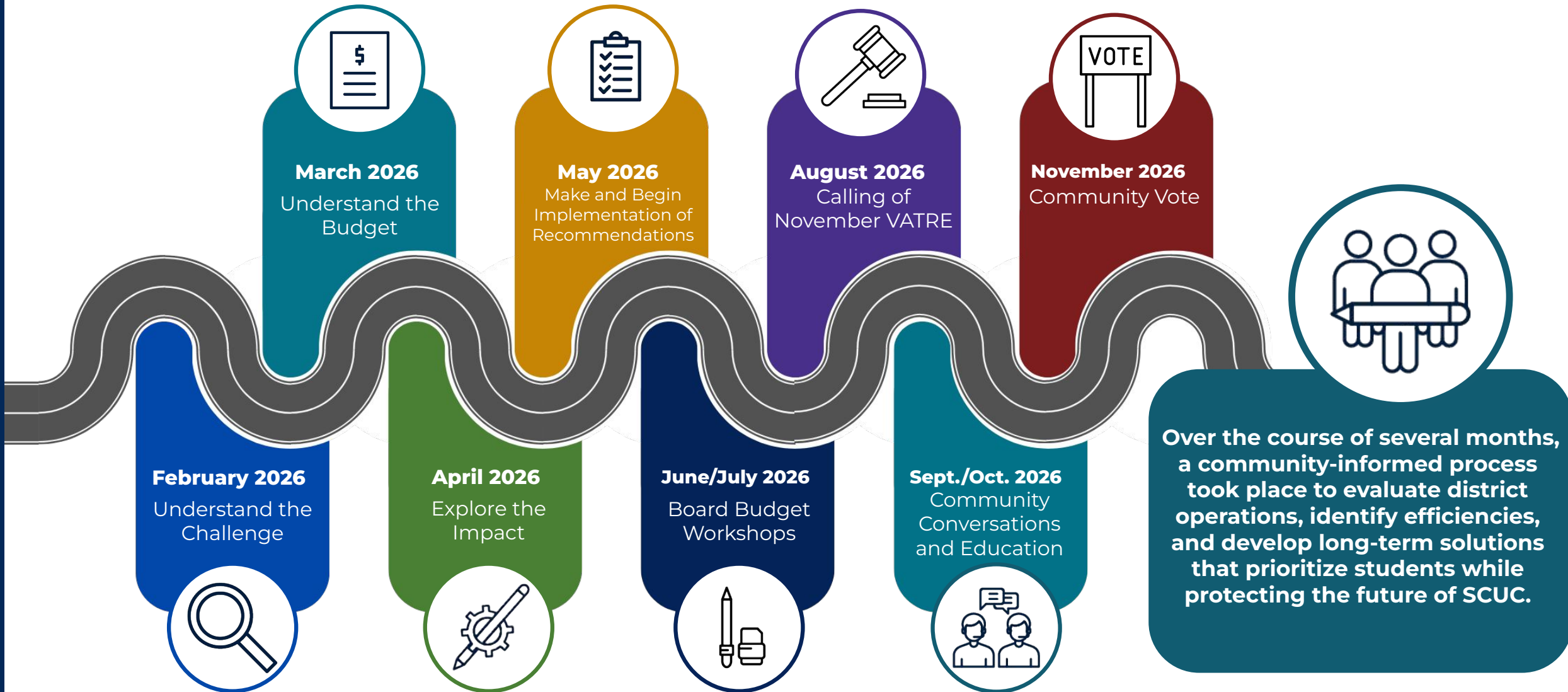
A faded background image of a graduation ceremony. In the foreground, a young woman with long dark hair, wearing a black graduation cap and gown, is smiling and waving her right hand. Behind her, other graduates in caps and gowns are visible, though out of focus.

Charting a Sustainable Future

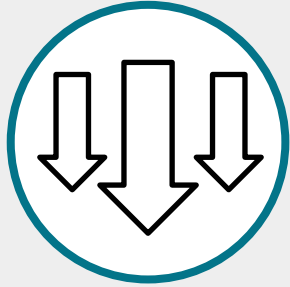
Building a financially sustainable path forward

Operational Sustainability Committee
August 18, 2026

Charting a Sustainable Future



Why This Work Began



Enrollment Pressures

3,000 students who live within SCUC boundaries attend elsewhere.



Rising Costs

Insurance, utilities, safety, technology and other operational expenses continue to increase.



State Funding Limitations

State funding has not kept pace with operational costs.



These challenges, along with a failed VATRE in November 2025 , require SCUC to proactively evaluate operations and long-term sustainability.

The Community Was Invited Into the Process

The Operational Sustainability Committee (OSC) was created to serve as an advisory council to understand the challenge before recommending solutions.

OSC Members included:

- ✓ Parents
- ✓ Teachers
- ✓ District Leaders
- ✓ Community Members
- ✓ Campus Leaders
- ✓ Trustee Representation

Committee Charge

Develop an understanding of SCUC finances, major factors that drive budget decisions, and make recommendations that allow SCUC to sustain operational finances long-term.



Five Meetings. One Purpose.

A step-by-step process to understand, evaluate and recommend solutions for SCUC ISD's long-term financial sustainability.

Feb. 11		Understand the Challenge	We educated the committee on SCUC's financial realities and factors creating financial pressure.
Feb. 25		Understand the Budget	We examined the budget structure, what can and cannot be changed and how SCUC compares to similar districts.
Mar. 25		Explore the Impact	We reviewed potential efficiencies and discussed the impact of possible reductions on students, staff and programs.
April 15		Prioritize Solutions	We narrowed options and identified savings opportunities while recognizing difficult decisions remained.
May 13		Make Recommendations	Recommendations were finalized and shared as part of the district's ongoing budget development process.

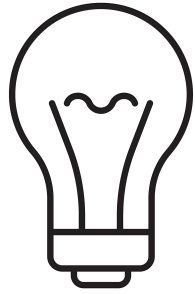


Every decision was centered around balancing savings and student impact.

What We Learned

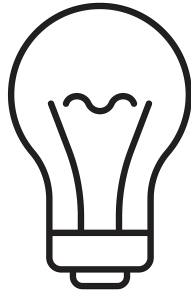


We listened. We learned. We are committed to making responsible, student-centered decisions .



Reality #1

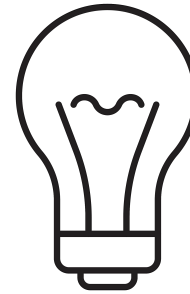
SCUC ISD already operates lean.



Reality

#2

There are no easy solutions.



Reality

#3

Every decision impacts people.



Reality

#4

Cost savings alone will not solve the structural funding challenges.

Expenditure Categories

Campus Support - Teachers, Paraprofessionals, Principals, Asst. Principals, Instructional coaches

Non-Campus/Administration - Directors, Coordinators, Supervisors

Programs - Fine Arts, Athletics, CTE, Advanced Academics

Operational Adjustments - Utilities, Safety & Security, Bus Routes, Travel expenses, Property Insurance, Software, Health Plan



Each category was reviewed through the lens of its potential impact to students, staff, and the community.

Review of Expenditure Reductions

Campus Support	\$845,000
Non-Campus/Administration	\$785,000
Programs	\$523,000
Operational Adjustments	\$3,897,000



Total Expenditure Reductions: \$6,050,000

Campus-Based + Non-Campus/Administration = \$1,630,000

Total Payroll by Location



Campus-Based Staff
\$106 Million



**Non-Campus/
Administration**
(Malish & MDLC)
\$26 Million

Cost Reductions and/or Cost Avoidance by Position



Campus-Based Staff
15 positions out of 1,497 = **\$845K**
**All Staff were offered positions aligned with certification*



**Non-Campus/
Administration** = **\$785K**
10 positions out of 425



Campus Staff reductions represent 1% of total salaries.

Non-Campus/Administration reductions represent 3% of total salaries.

Positions by Category

Campus-Based Positions	Non-Campus-Based/Administration	
Librarians (9) Intermediate Interventionists (3) Special Education Transition Coaches (2) DAEP/A. Steele Counselor	Executive Director of Secondary Education Director of Counseling Asst. Director of Maintenance Accountant Mental Health Counselor	Special Education Clerks (2) Technology Technician Instructional Technology Coordinator Communication Specialist



Additionally, after the OSC concluded, other non-campus based positions became vacant and have not been filled.

Programs



Communities in Schools

\$376K



**DoDEA (Military Transition
Services)**

\$117K



International Baccalaureate

\$30K



**Total Reductions/
Cost Avoidance**

\$523,000

Operational Adjustments



OSC

\$2,155,000



District Administration

\$1,742,000



**Total Reductions/
Cost Avoidance**

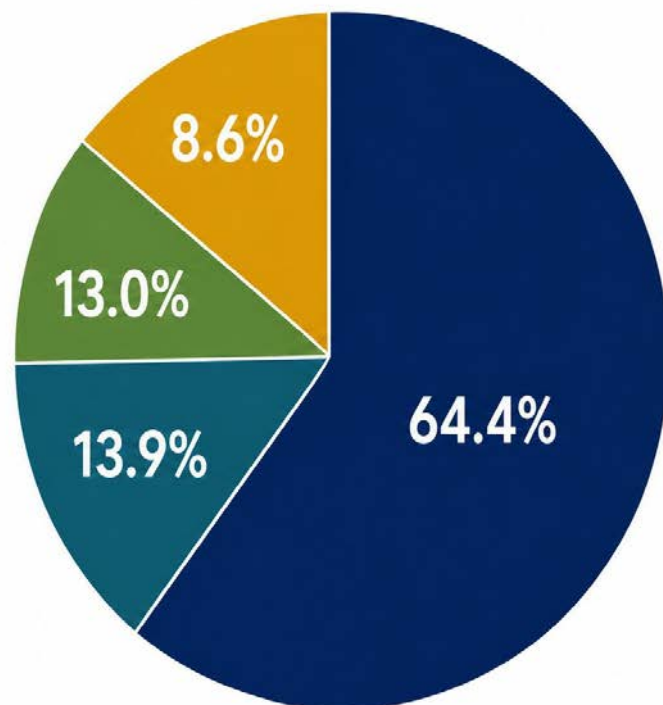
\$3,897,000

Major Operational Adjustments

- Suspend Equipment Replacement – \$630,000
- Restructure Property Insurance – \$260,000
- Restructure Self-Funded Health Insurance – \$800,000
- Non-recurring costs – \$800,000
- Reduce Non-Instructional Software – 250,000
- Adjust HVAC Setpoints – \$100,000
- Federal Grant Indirect Costs (revenue enhancement) – \$300,000
- Trim Professional Development – \$120,000

Total Overview of Savings by Category

Breakdown by Percentage Total



Operational Efficiencies
\$3,897,000 | 64.4%

Campus Support
\$845,000 | 13.9%

Non-Campus/Administration
\$785,000 | 13.0%

Programs
\$523,000 | 8.6%



**Total Reductions/
Cost Avoidance**

\$6,050,000

The Work Isn't Finished

Operational efficiencies help close the gap, but challenges remain.



**Initial Deficit after
Failed VATRE in
Nov. '25**

~\$8 million



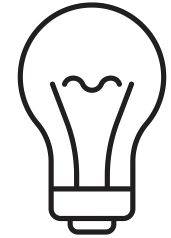
**Add'l State
Funding Changes
in Jan'26**

Increased Deficit to
~\$14.5 million



**Operational
Adjustments
Identified**

\$6 million in
reductions



**Long-Term
Solutions Still
Required**



Over the course of several months, a community-informed process took place to evaluate district operations, identify efficiencies and develop long-term solutions that prioritize students while protecting the future of SCUC ISD.

Three Ways to Get More Revenue



These three strategies represent the only ways to generate additional revenue for districts to support student success.



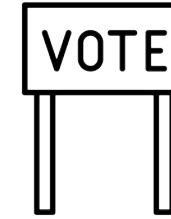
Add Students

Increase enrollment to generate additional funding.



Increase to the Basic Allotment

An increase from the State of Texas to the basic allotment.



Access Tier 2 Tax Rate Pennies (VATRE)

Access pennies available for matching at the state-level through a VATRE.

Long-Term Solution #1 - Add More Students



Add Students

Increase enrollment to generate additional funding.



Limited Open Enrollment (K-6)

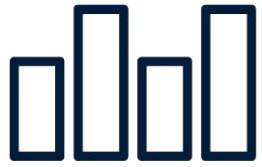


Pre-K Three Program



“Win Them Back” Campaign

Long-Term Solution #2 - Increase to Basic Allotment



Increase to the Basic Allotment

An increase from the State of Texas to the basic allotment.



89th Legislative Session

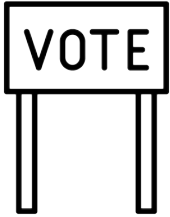
Increases to funding were offset by property tax relief leaving SCUC ISD with relatively no new revenue



Continued Focus on Legislative Advocacy

with our representatives in Austin, Texas.

Long-Term Solution #3 - VATRE



Access Tier 2 Tax Rate Pennies (VATRE)

Access pennies available
for matching at the
state-level through a
VATRE

A VATRE allows our district to access additional Tier 2 Pennies that are available for matching by the state.



State Match Advantage

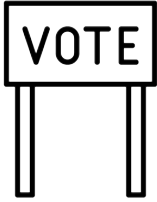
The state matches our local pennies at a rate that generates additional revenue for SCUC ISD.



Requires Voter Approval

A VATRE requires approval from our community through a tax rate election.

Accessing Available Tier 2 Tax Rate Pennies



Access Tier 2 Tax Rate Pennies (VATRE)

Access pennies available for matching at the state-level through a VATRE

GOLDEN PENNIES



3 Available

\$ \$2.2M Each

Calculator icon Potential Revenue:
\$6.6M

Checkmark icon Highest level of state matching available.

COPPER PENNIES



9 Available

\$ \$900K Each

Calculator icon Potential Revenue:
\$8.1M

Checkmark icon Additional locally generated funding with state support.

3 Golden Pennies (\$6.6M) + **9** Copper Pennies (\$8.1M) = **\$14.7M** Potential Annual Revenue

Effect of VATRE on Average SCUC

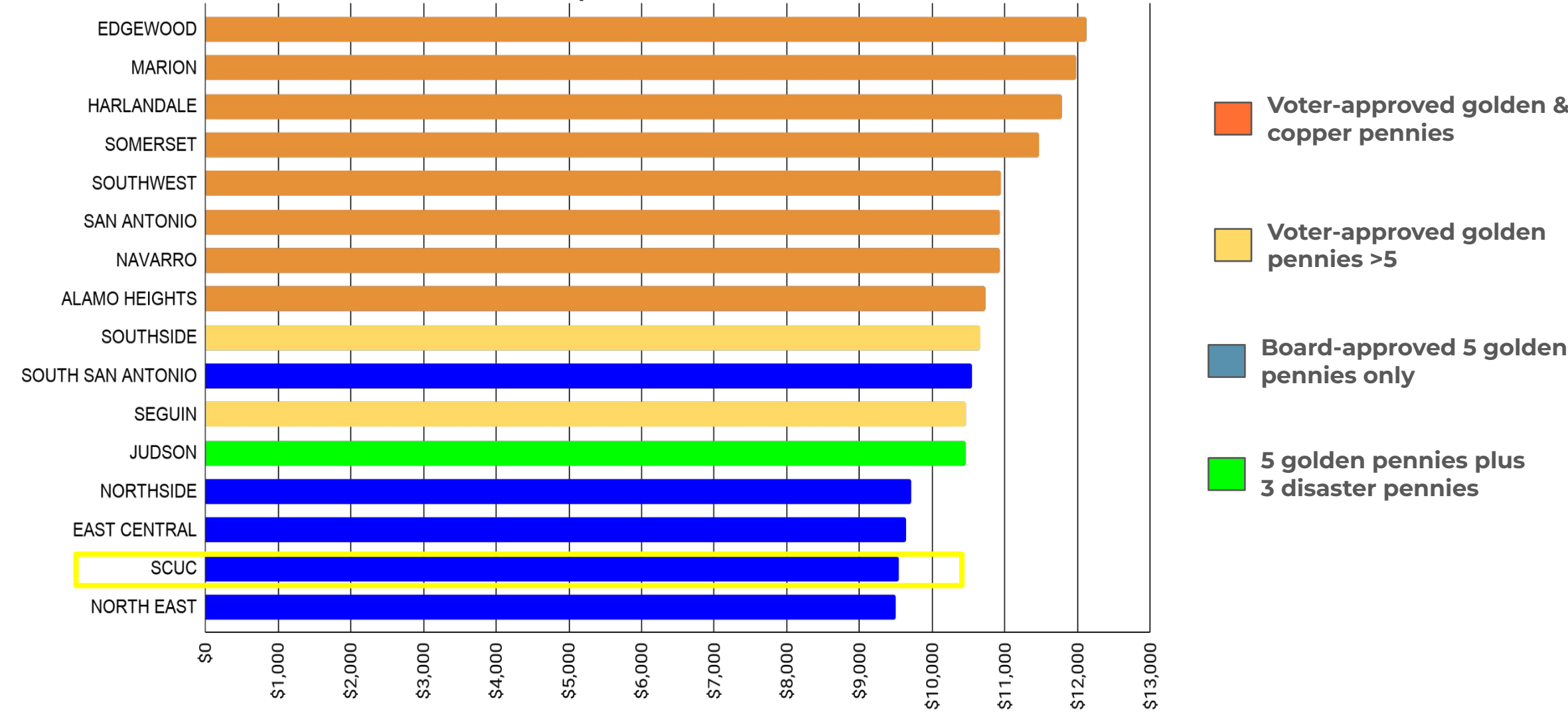
Homeowner *The median homestead in SCUC has a market value of \$316,465 and a taxable value of \$176,465.*

	2026-2027 Taxes with No VATRE	2026-2027 Taxes with No VATRE	Difference
M&O Rate	\$0.6669	\$0.7869	\$0.1200
I&S Rate	\$0.4100	\$0.4100	\$0.0000
Total Rate	\$1.0769	\$1.1969	\$0.1200
M&O Taxes	\$1,177	\$1,389	\$212
I&S Taxes	\$723	\$723	\$0
Total Taxes	\$1,900	\$2,112	\$212

\$212 per Year; \$17.67 per Month

Doing More with Less

Revenue per Student



Revenue Per Student Comparison

The districts below are among the remaining districts in our area that have not yet access all available Tier 2 tax rate pennies through a voter-approved tax rate election (VATRE).

District	Revenue Per Student	Texas Rank (out of 1,019)
South San ISD	\$10,546	839
Northside ISD	\$9,710	971
East Central ISD	\$9,645	977
SCUC ISD	\$9,539	989
North East ISD	\$9,501	992

State Average: \$10,828 per student

2027-2028 Cost Reductions/Cost Avoidance*

Campus Support

- Reduced workdays for Dyslexia Instructors – \$38,000

Programs

- Continued Phase Out of International Baccalaureate – \$90,000

Operational Adjustments

- Change security from SROs to SCUC ISD Police – \$1,124,000
- Eliminate hazardous routing for high schools – \$58,000
(dependent on condition of FM1103)



Projected Total: \$1,310,000

**These reductions are planned with or without a successful VATRE.*

If VATRE 2026 Fails - Items OSC Reviewed

Campus Based	Non-Campus/ Administration	Programs	Operational Adjustments
• Reduce support staff such as Instructional Coaches	• Reduce central office positions such as content coordinators	• Reductions in travel for fine arts/cheer/dance/athletics	• Close elementary school • Leave payout at retirement • Cut bus hazardous routes for high schools • Eliminate Sub Contracted Services



If VATRE 2026 Fails - Not OSC Reviewed

Campus Based	Non-Campus/ Administration	Programs	Operational Adjustments
• Increase class sizes	• Freeze all non-campus-based hiring • Reduce special education staff support such as SPED coordinators	• Reductions in athletics and fine arts staff (K-12)	• Close Allison Steele





VATRE 2026 Communication Plan



Voter Education Communication Plan

August 14-16	Voter Survey Completed	A survey of 300 registered voters tested awareness, concerns and which information requires clearer explanation.
August 17	Election Called + Public Notice	News Feed article shared on website and Facebook after the Board called the Local Operations Funding Election (aka VATRE).
August 18	Staff + Families Notified	Messages to families and staff, including employee guidance, to inform of the called election and more info to come
Week of Sept. 14	8-week Voter Education Campaign Launch	Will include website, social media, internal communications, targeted voter outreach. print and digital advertising, streaming, radio/podcasts, presentations and election reminders.

About the Voter Survey

How It Was Conducted

300 Registered Voters

- Phone and text survey
- Conducted Aug. 14–16
- Respondents balanced across voter profiles
- Participation closed as categories were filled

What Was Tested

Six message themes

- Student outcomes & programs
- Recruiting & retaining staff
- Special education and safety
- State and local funding
- Budget mgmt + OSC work
- Election and tax facts

What We Learned

Information matters

- Students and staff created the strongest connection
- Participation and access was key
- State funding was an important fact
- OSC work added context and credibility



When voters received more information, support increased from 41% to 55%, reinforcing the importance of clear, factual voter education.

Communication Priorities

- **The connection between staff and student success**
 - Student success and programs depends on staff
 - Competitive pay affects recruiting and retention
- **How local approval unlocks additional state funding**
 - Approximately 46% of funds will come from the state
- **What the district has already reduced through the OSC process**
 - More than \$6 million already cut; additional cuts would be considered without more revenue
- **Why bond funds cannot pay for daily operations**
- **The tax impact and potential budget outcomes**

Group Discussion + Feedback

Take 3 minutes to independently answer the following questions prior to sharing with your group; you don't have to have a response for each question.

- 1. What are you hearing?**
- 2. What information and/or resources would be helpful?**
- 3. What will motivate people to participate?**
- 4. How do we reach them?**

Upcoming Meetings / Milestones

A Look Ahead

Last Day to Register to Vote

October 5

Early Voting

October 19-30

Election Day

November 3

OSC Meeting #2 - 2026-2027

November 10

OSC Meeting #3 - 2026-2027

May 18



The 3 Ps



Purpose

Every student experiences a strong sense of belonging, receives high-quality instruction and support, achieves academic growth, and is prepared for their next step.



People

SCUC attracts and retains exceptional employees by investing in the employee experience.



Partnerships

Families and the community are engaged as trusted partners in our success.



Everything we do is rooted in our Purpose, our People, and our Partnerships.

Title

Table Option	
Content	Content
Content	Content
Content	Content

Title



- **Point 1**
 - **Point 2**



Transition Header



Google Form Feedback



❖ Google Form Feedback



Google Form Feedback

