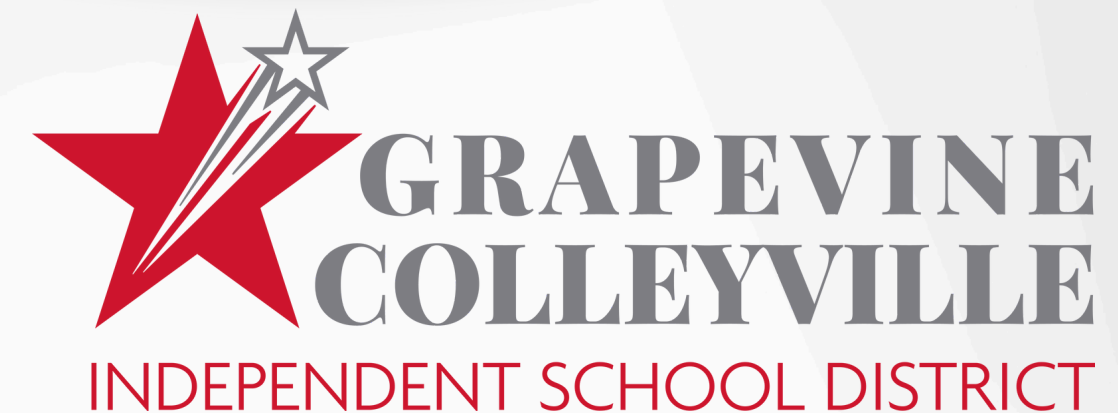



Public Hearing to Discuss Proposed Budget and Tax Rate

June 16, 2025

David Johnson, CFO



Agenda

- Revenue and Expenditures Assumptions
 - 2025–2026 General Fund Budget
 - 2025–2026 Debt Service Fund Budget
 - 2025–2026 Nutrition Service Fund Budget
 - Next Steps
- 
- Two thick, parallel red diagonal stripes extending from the bottom right corner towards the top right of the slide.

General Fund Budget – Revenue

HB2 was the School Finance Bill, and received final approval by the House on May 23, preliminary financial models were received on May 29, and signed by the Governor on June 4, 2025

Moak Casey, school finance consultants, provided financial projection model based on information released

- Very preliminary on amounts, a substantial amount of interpretation on legislative language still exists
- No spending requirements detailed in information released
- Further analysis will likely impact budgeted amounts as presented, possible changes indeterminable
- May require future amendments

State Formula Funding Model used based on current law/current funding formula

- Based on current tax rate (\$.7369/\$100 Valuation) & current values (\$20.6MM)
 - No substantive information to calculate otherwise
- Additional Funding of \$6.1MM from the 89th Legislative Session included - final amounts TBD
- Based on enrollment from demographic study; ADA based on historical rates
- TIF factored at May, 2025 Values
- Recapture of \$31MM based on current law

Tax Revenue and Recapture are likely to change after SB4 and SB23 are approved by voters in November 2025

- SB 4 to increase the Homestead Exemption from \$100,000 to \$140,000
- SB 23 to increase the over-65 & Disabled Homestead Exemption from \$10,000 to \$60,000
- Both options will be voted on in the November election
- These proposed changes have not been incorporated into the amounts presented

General Fund Budget – Revenue (cont'd)

Other significant items:

- Interest Income budgeted \$2.7MM
- Federal Flood Control budgeted \$1.4MM

Note: Tax Rate Adoption for M&O in August/September 2025

- **Receipt of Certified Values on July 25, 2025 from Tarrant Appraisal District and Dallas Appraisal District**
- **Approval of a “Maximum Compressed Rate” by the Texas Education Agency in early August**
 - **For compression to occur, overall taxable values have to increase**

Enrollment Projections

	Snapshot		Snapshot/		Snapshot	iUniversity	Funding
	<u>Enrollment</u>	<u>ADA</u>	<u>ADA</u>		<u>iUniversity</u>	<u>Completers</u>	<u>ADA</u>
2019-2020	13,283	12,237	92.1%		951	926	13,162.68
2020-2021	12,726	11,966	94.0%		1,208	1,164	13,129.48
2021-2022	12,673	11,713	92.4%		1,340	1,299	13,011.67
2022-2023	12,541	11,519	91.8%		1,252	1,222	12,740.67
2023-2024	12,241	11,343	92.7%		1,332	1,296	12,638.06
2024-2025	12,136	11,240	92.6%		1,412	1,384	12,623.59
2025-2026	12,072	11,156	92.4%		1,550	1,519	12,675.47
2026-2027	11,980	11,071	92.4%		1,600	1,568	12,639.45
2027-2028	11,895	10,993	92.4%		1,650	1,617	12,609.89
2028-2029	11,901	10,998	92.4%		1,700	1,666	12,664.44
2029-2030	11,779	10,886	92.4%		1,750	1,715	12,600.69

2025-2026 Snapshot enrollment based on demographic projections from SDS Demographers

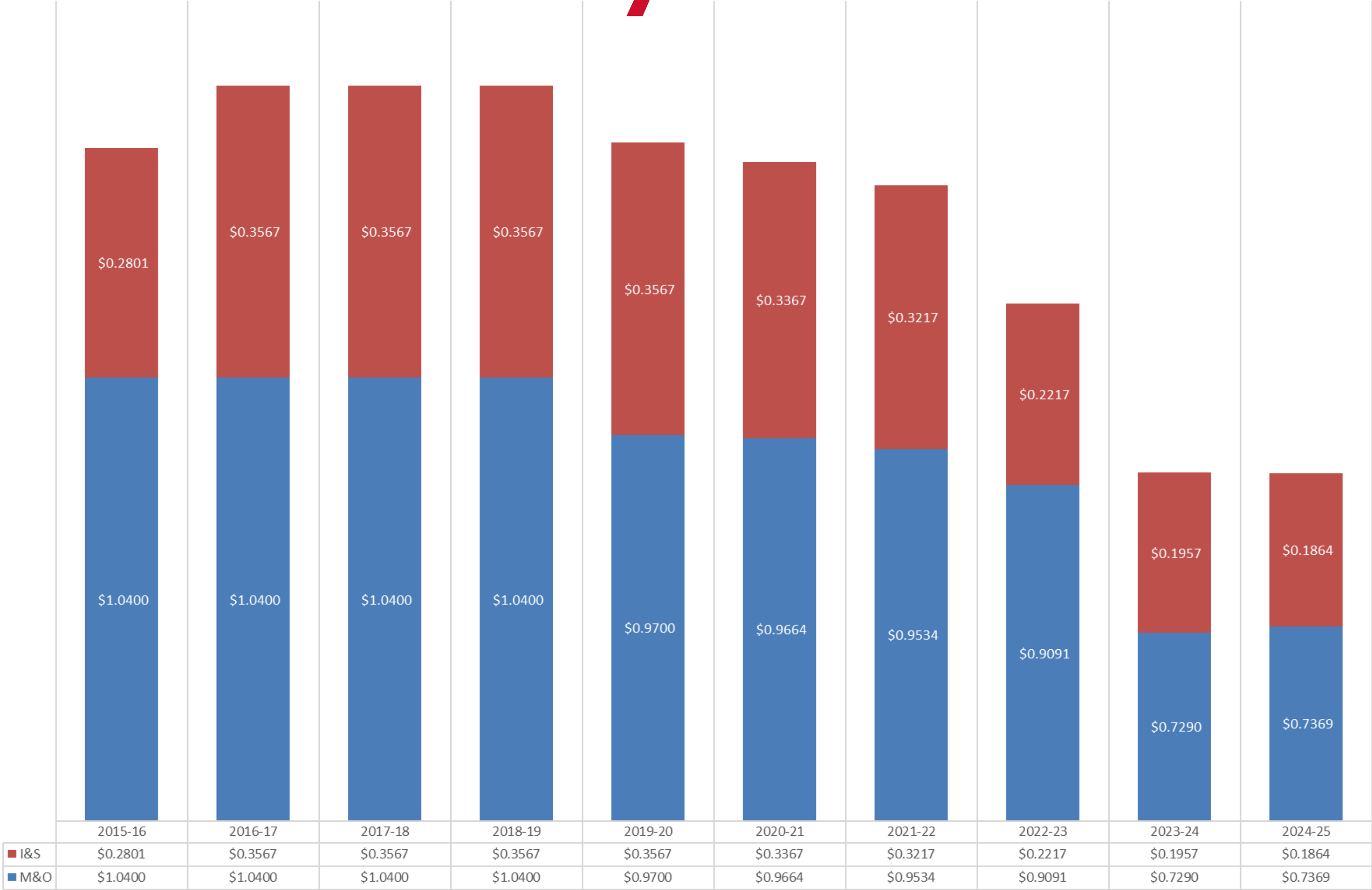
The Snapshot/ADA is not the actual attendance percentage, it is a measure of enrollment in the fall as compared to the ADA for the school year. Revenue for iUniversity students is generated from students that complete the full year.

Taxable Valuation

Tax Year	Preliminary Net Taxable Estimate	Certified Net Taxable Value	Certified Value Increase/(Decrease) over Prior Year	Percentage Increase/(Decrease) over Prior Year for Certified
2020 Tarrant County	\$17,572,595,305	\$15,931,012,956		
2021 Tarrant County	17,578,553,223	16,401,145,561	470,132,605	3.0%
2022 Tarrant County	18,825,206,740	17,611,293,244	1,210,147,683	7.4%
2023 Tarrant County	21,484,753,518	19,222,799,342	1,611,506,098	9.2%
2024 Tarrant County	22,534,287,603	21,891,557,634	2,668,758,292	13.9%
2025 Tarrant County*	\$21,325,349,653			

*Note: Values shown from information provided by Tarrant Appraisal District, and assume SB4 and SB 23 passing (total amount of \$1.06BB); Certified Values will be released on July 25, 2025.

Tax Rate History



General Fund Budget – Expenditures

Raises included in the proposed General Fund Budget

- Teacher Retention Allotment for teachers 3+ years
- 1.5% of Midpoint Increase for all other employees

An underspending allowance has been incorporated into Expenditures:

- The percentage is approximately 1.7% of budgets net of TIF and Recapture
- The underspending amount is typical with underspending variances
- If underspending doesn't occur in the estimate incorporated into the budget, a deficit could occur
- The reductions have been incorporated into the payroll category in amounts as presented

Proposed General Fund Budget – Revenues

	2024-2025 Original Budget	2025-2026 Proposed Budget
5700 Local Revenue	\$167,367,156	\$165,380,318
5800 State Revenue	15,264,870	29,687,000
5900 Federal Revenue	2,664,346	2,048,493
Total Revenue	\$185,296,372	\$197,115,811

**These amounts for 2025-2026 include all taxes before recapture, 100% of the revenue attributable to the TIF, and the estimated increase in state funding from the recent legislative session.

Proposed General Fund Budget – Expenditures

Function	2024-2025	2025-2026
	Original Budget	Proposed Budget
11 Instruction	\$86,373,225	\$87,885,963
12 Library	1,518,456	1,551,049
13 Professional Development & Curriculum	728,546	554,371
21 Instructional Leadership	3,783,378	3,535,500
23 School Leadership	8,614,847	9,094,940
31 Counseling Services	5,771,468	6,447,875
32 Social Work Services	166,394	169,191
33 Health Services	1,816,346	1,809,715
34 Student Transportation	3,977,158	4,101,900
36 Extra-Curricular	3,948,178	4,256,007
41 General Administration	4,244,704	4,546,735
51 Maintenance & Facilities	15,985,584	17,223,794
52 Security	522,940	3,237,432
53 Technology	1,710,100	1,725,710
61 Extended Care	2,948,707	2,625,124
71 Debt Service	0	596,411
91 Recapture	34,825,656	31,136,749
97 TIF Payment	6,929,410	15,536,759
99 Other Intergovernmental Charge	959,744	1,080,586
TOTAL	\$184,824,841	\$197,115,811

Function:

State Law requires Districts to approve Budgets at the Functional Level

Total Expenditures \$197,115,811

Proposed General Fund Budget – Recap

	2024-2025 Original Budget	2025-2026 Proposed Budget
Total Revenues	\$185,296,372	\$197,115,811
Total Expenditures	184,824,841	197,115,811
Excess of Revenues over Expenditures	\$471,531	\$0

Debt Service Fund Budget

Preliminary Debt Service Fund Revenue is based on current year values & the current tax rate of \$.1864/\$100 Valuation

Expenditures for the 2025-2026 are based on current Debt Service Schedule

Principal: \$16,945,659.07

Interest: \$26,867,104.26

Debt Service Fund paying agent fees: \$15,000

The 2025-2026 Debt Service Fund Budget will need to be amended in September/October 2025:

- Receipt of Certified Values on July 25, 2025
 - Necessary to determine the tax rate for Debt Service Fund, which will determine tax revenue
- The Bond Refunding transaction approved by the Board in the April, 2025 board meeting
- An analysis after the aforementioned information is received for Board Policy CCT - use of excess fund balance in reducing the tax rate

Note: Tax Rate Adoption for I&S in August/September 2025


Receipt of Certified Values on July 25, 2025 from Tarrant Appraisal District and Dallas Appraisal District

Proposed Debt Service Fund Budget

	2024-2025 Original Budget	2025-2026 Proposed Budget	Difference
<u>Revenues</u>			
Local & Intermediate Sources	\$39,973,429	\$43,227,089	\$3,253,660
State Sources	2,935,873	2,741,841	(194,032)
Total Revenues	\$42,909,302	\$45,968,930	\$3,059,628
<u>Expenditures</u>			
71 - Principal	16,574,935	16,945,659	370,724
71 - Interest	24,767,275	26,867,104	2,099,829
71 - Debt Service Fees	23,000	15,000	(8,000)
Total Expenditures	\$41,365,210	\$43,827,763	\$2,462,553
Excess of Revenues over Expenditures	\$1,544,092	\$2,141,167	

Nutrition Service Fund Budget


Preliminary Child Nutrition Funds Budget

- Volume based on reduced enrollment
 - Includes HS price increases (\$0.20 breakfast, \$0.55 lunch)
 - Includes PK-8 price increases (\$0.10 breakfast, \$0.20 lunch)
 - Includes some a la carte price increases
 - Bond funds will be used for equipment over \$10,000
- 

Proposed Nutrition Service Fund Budget

	2024-2025 Original Budget	2025-2026 Proposed Budget	Difference
<u>Revenues</u>			
Local & Intermediate Sources	\$4,474,361	\$4,275,119	(\$199,242)
State Sources	77,573	17,500	(60,073)
Federal Sources	2,550,579	2,205,505	(345,074)
Total Revenues	\$7,102,513	\$6,498,124	(\$604,389)
<u>Expenditures</u>			
35 - Food Service	\$6,981,638	\$6,474,697	(\$506,941)
51 - Maintenance	21,631	700	(20,931)
Total Expenditures	\$7,003,269	\$6,475,397	(\$527,872)
Excess of Revenues over Expenditures	\$99,244	\$22,727	

Budget Process Timeline

- December
 - Calendar presented to Board
 - January
 - Preliminary student projections established (Demographer)
 - February
 - Campuses & departments budget process
 - Training & work-sessions (campuses & depts)
 - Staffing projections & salary study
 - Revenue projections
 - Budget planning update with Board
 - March
 - Campuses & departments budgets due
 - Initial presentation to the Board
 - April
 - Budget submissions reviewed
 - Receive preliminary tax values
 - Budget update with the Board
 - Budget work session with DEC
 - May
 - Receive preliminary tax values
 - Preliminary budget presented to Board
 - Review legislative outcomes, modifications if needed
 - June
 - Public hearing on proposed budget
 - Board adopts budget
 - August/September
 - Board adopts tax rate
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Thank You

Questions?

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