



**Educate. Inspire. EMPOWER!**

## **BUDGET PARAMETERS 2025-2026 SCHOOL YEAR**

### **Purpose:**

To develop parameters that enable the district to provide a financially solvent budget that meets all short-term and long-term obligations and is aligned to the vision, mission, and goals alignment with the G-PISD balanced scorecard.

### **Opening Statement:**

As the board of trustees prepares to adopt a budget and tax-rate for the upcoming 2025-2026 school year, the following factors will be under continuous analysis during the budget development process:

1. Enrollment & Demographic Trends
2. Current Fiscal Year Budget
3. Revenue Projections
4. Chapter 313 Limitation Agreements
5. Improving the Cost-Effectiveness of Operational Expenditures
6. Long-Range Compensation Plan

### **Key Budget Development Personnel:**

- Dr. Michelle Cavazos - Superintendent of Schools
- Dr. Ismael Gonzalez III - Assistant Superintendent for Business-Finance & Operations
- Mr. Albert Silguero - Director of Business Services

## ASSUMPTIONS AND CONSIDERATIONS

### Enrollment & Demographic Trends

ASSUMPTION	CONSIDERATIONS	FINANCIAL IMPLICATIONS
Enrollment Growth  <a href="#">Demographics Study 2024</a>	<ul style="list-style-type: none"> <li>• Projecting 1.6% increase for upcoming school year (80 more students)</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in state funding                             <ul style="list-style-type: none"> <li>○ \$492,800 = 80 students x \$6,160 (Basic Allotment)                                     <ul style="list-style-type: none"> <li>▪ This does not include Special Population weights</li> </ul> </li> </ul> </li> <li>• Additional staffing may be necessary                             <ul style="list-style-type: none"> <li>○ 22:1 Ratio</li> <li>○ Approximately six (4) new teacher positions                                     <ul style="list-style-type: none"> <li>▪ Average teacher pay: \$75,000</li> <li>▪ Total cost: \$300,000</li> </ul> </li> </ul> </li> </ul>
Demographic Changes  <a href="#">PEIMS Snapshot Fall 2024</a>	<ul style="list-style-type: none"> <li>• Economically Disadvantaged Population Decrease</li> <li>• Special Education Program Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Program and services delivered to specialized student groups will be budgeted based on needs</li> </ul>
Out of District Transfers/ Mobility Rate	<ul style="list-style-type: none"> <li>• Prior 5 years: Transfer IN students exceed transfer OUT students                             <ul style="list-style-type: none"> <li>▪ Approx. \$210K net revenue</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• No Homestead Tax Revenue Earned by G-PISD                             <ul style="list-style-type: none"> <li>○ Approximately \$2,000 annually per household</li> </ul> </li> <li>• Currently Tuition FREE</li> </ul>
Continuous Improvement on Average Daily Attendance (ADA)	<ul style="list-style-type: none"> <li>• Key state funding source</li> <li>• Maintain 94% or better district-wide                             <ul style="list-style-type: none"> <li>○ Prior Yr.: 93%</li> </ul> </li> <li>• Projected ADA for 2024-2025 = 4,500</li> </ul>	<ul style="list-style-type: none"> <li>• Annual budget is based on enrollment                             <ul style="list-style-type: none"> <li>○ Basic Allotment: \$6,160</li> </ul> </li> <li>• 1% of attendance increase equals approximately \$308,000 in regular program allotment</li> </ul>

**Current Fiscal Year Budget**

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
<p>Approximately 20% Cost Increase for Property Insurance</p>	<ul style="list-style-type: none"> <li>• Insurance premiums continue to rise                             <ul style="list-style-type: none"> <li>○ 2024 premium: \$1.8M</li> </ul> </li> <li>• Adding additional facilities in upcoming fiscal year                             <ul style="list-style-type: none"> <li>○ All-Purpose Practice Facility</li> <li>○ Wildcat Park</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• No additional State Funding to Support Cost Increase                             <ul style="list-style-type: none"> <li>○ 2025 projected premium: \$2.2M</li> </ul> </li> </ul>
<p>Maintenance &amp; Operations Cost Increase Due to New Facilities</p>	<ul style="list-style-type: none"> <li>• Wildcat Park</li> <li>• All-Purpose Practice Facility</li> </ul>	<p>2025-2026 projections:</p> <ul style="list-style-type: none"> <li>• Utilities                             <ul style="list-style-type: none"> <li>○ \$50K</li> </ul> </li> <li>• Property Insurance                             <ul style="list-style-type: none"> <li>○ 200K</li> </ul> </li> </ul>
<p>98% Tax Collections for both M&amp;O and I&amp;S</p>	<ul style="list-style-type: none"> <li>• Ensure Bond Obligation Payments</li> <li>• Defease Eligible Bonds</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure adopted budget receivables</li> </ul>
<p>No Change in State Funding</p>	<ul style="list-style-type: none"> <li>• Ongoing Uncertainty from Legislative Session</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of deficit budget</li> </ul>
<p>Child Nutrition – All Kids Eat FREE</p> <p><a href="#">FOOD SERVICE OVERVIEW.pptx</a></p> <p><a href="#">Food Service Department Webpage</a></p>	<ul style="list-style-type: none"> <li>• Consider funding availability to continue to support FREE meals:                             <ul style="list-style-type: none"> <li>○ General Fund Balance</li> <li>○ Workers Compensation Fund Balance</li> </ul> </li> <li>• 2023-2024 SY Actual District Contribution:                             <ul style="list-style-type: none"> <li>○ \$451K</li> </ul> </li> <li>• 2024-2025 SY Budgeted District Contribution:                             <ul style="list-style-type: none"> <li>○ \$1M</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Increase in Free and Reduced student population</li> <li>• Plan to continue for upcoming school year via Workers Compensation Fund Balance and Prior Year(s) Budget Efficiency</li> <li>• 2025-2026 SY Projected District Contribution:                             <ul style="list-style-type: none"> <li>○ \$1.2M</li> </ul> </li> </ul>

## Revenue Projections

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Potential changes in State Funding	<ul style="list-style-type: none"> <li>Pending legislative guidance</li> <li><a href="#">School Finance Overview</a></li> </ul>	<ul style="list-style-type: none"> <li>Currently operating with a budget deficit in general fund                             <ul style="list-style-type: none"> <li>Approximately \$13.8M</li> </ul> </li> </ul>
5% Taxable Value Growth Annually	<ul style="list-style-type: none"> <li>Historical trend for G-PISD</li> <li>Residential Development Ongoing</li> <li>Business, Commercial, Industry Growth</li> </ul>	<ul style="list-style-type: none"> <li>As local revenues increase, state revenue decreases (Recapture)</li> </ul>
Recapture (Chapter 49)	<ul style="list-style-type: none"> <li>As Chapter 313 limitation agreements reach year 11, full valuation will be subject for M&amp;O tax revenue</li> <li>HB3 Formula Transition Grant expired after 23-24                             <ul style="list-style-type: none"> <li><a href="#">FTG Overview</a></li> </ul> </li> <li>Property Wealthy School District as per TEA</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Program Overview</a></li> <li>Projected Recapture Payment for 25-26:                             <ul style="list-style-type: none"> <li>\$16M</li> </ul> </li> </ul>
HB 3 Tax-Rate Compression	<ul style="list-style-type: none"> <li>Projected property value growth, thus upcoming M&amp;O tax-rate compression</li> <li>2024-2025 Tax Rate:                             <ul style="list-style-type: none"> <li>M&amp;O: \$0.7626</li> <li>I&amp;S: \$0.3400</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>M&amp;O: \$.01 cent equals approximately \$350,000</li> <li>I&amp;S: \$.01 cent equals approximately \$1.6M</li> <li>2025-2026 Projected Tax Rate:                             <ul style="list-style-type: none"> <li>M&amp;O: \$0.7626</li> <li>I&amp;S: \$0.3400</li> </ul> </li> </ul>
Federal Funding (ESSA) <a href="#">ESSA Overview</a>	<ul style="list-style-type: none"> <li>All campuses are currently considered Title I - Schoolwide</li> </ul>	<ul style="list-style-type: none"> <li>Revenues based on annual estimates of income and poverty statistics via census bureau</li> </ul>
Special Populations <a href="#">State Allotments Overview</a> <a href="#">TEA Guidelines 2024-2025 SOF</a>	<ul style="list-style-type: none"> <li>Must meet required threshold spending per program</li> </ul>	<ul style="list-style-type: none"> <li>Funding based on student demographics submitted to TEA through PEIMS</li> </ul>

## Chapter 313 Limitation Agreements

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
<p>Receive Projected Revenue Protection and Supplemental Payments</p> <p><a href="#">Ch. 313 Program Overview</a></p>	<ul style="list-style-type: none"> <li>As 10-year agreements close, payments will continue to reduce annually</li> <li>2024-2025 projected payments to district: \$16M</li> </ul>	<ul style="list-style-type: none"> <li>Future projections: <ul style="list-style-type: none"> <li>25-26: \$17M</li> <li>26-27: \$12M</li> </ul> </li> </ul>
<p>Previous Approved Chapter 313 Limitation Agreements Pending</p>	<ul style="list-style-type: none"> <li>CC Liquefaction (Stage 4B)</li> <li>CC Liquefaction (Stage 4A)</li> <li>CC Liquefaction (Stage 3C)</li> <li>CGRP 04, LLC (Solar Farm)</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Anticipated Financial Analysis Link</a></li> </ul>
<p>Consider Property Valuation Tax Appeals from Industry</p>	<ul style="list-style-type: none"> <li>Set-aside fund balance allocation to cover any losses</li> </ul>	<ul style="list-style-type: none"> <li>Litigation and Tax Settlements Annual Set-Aside: <ul style="list-style-type: none"> <li>\$6M</li> </ul> </li> </ul>
<p>Industry Growth in G-PISD Boundaries</p>	<ul style="list-style-type: none"> <li>No longer subject to Chapter 313 as of 12-31-22</li> <li>Subject to new HB5 Chapter 403 for all future inquiries</li> </ul>	<ul style="list-style-type: none"> <li>Monitor general fund budget to reduce re-occurring cost currently being covered by Chapter 313 revenue protection and supplemental payments</li> </ul>

## Long-Range Compensation Plan

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Basic Services Staffing Due to Growth	Staffing average cost: <ul style="list-style-type: none"> <li>• Teacher = \$75,000</li> <li>• Administrator = \$110,000</li> <li>• Auxiliary = \$45,000</li> <li>• Paraprofessional = \$55,000</li> </ul>	District administration continue to assess compensation plan periodically with Long-Range Compensation Committee
Staffing	<ul style="list-style-type: none"> <li>• Leading surrounding regions in wages earned</li> </ul>	N/A
Pay Raises  <a href="#">Compensation Handbook</a>	<ul style="list-style-type: none"> <li>• 2024-2025               <ul style="list-style-type: none"> <li>○ 1% pay increase from mid-point</li> <li>○ \$2,000 Retention Stipend</li> </ul> </li> </ul>	2025-2026 SY <ul style="list-style-type: none"> <li>• Upcoming meeting with Committee to discuss considerations</li> </ul>
Employee Benefits	<ul style="list-style-type: none"> <li>• Health Insurance District Contribution per Employee:               <ul style="list-style-type: none"> <li>○ \$325.00 Monthly</li> </ul> </li> <li>• Voluntary Insurance Products Offered via TPA, First Financial <a href="#">Link</a></li> <li>• Employer Paid Benefits:               <ul style="list-style-type: none"> <li>○ Workers Compensation</li> <li>○ Employee Assistance Program (EAP)</li> <li>○ iLock 360 (Identity Theft)</li> <li>○ Life Insurance: \$10K</li> </ul> </li> <li>• Tenure Incentive Based on Years of Service with GPISD               <ul style="list-style-type: none"> <li>○ Year 0 = \$30.00</li> <li>○ Year 20 = \$900.00</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Potential changes for the upcoming school year</li> <li>- Changes based on increases from TRS</li> </ul>
Stipends/Allowances	<ul style="list-style-type: none"> <li>• Bilingual Teachers: \$5,000</li> <li>• Special Ed. Teachers: \$2,500</li> <li>• Master's Degree: \$1,000</li> <li>• Other stipend allocations:               <ul style="list-style-type: none"> <li>○ UIL Sponsors</li> <li>○ Extra-Curricular</li> <li>○ Athletic Coach</li> </ul> </li> <li>• Phone Allowance</li> <li>• Travel Allowance</li> </ul>	

## Improving the Cost-Effectiveness of Operational Expenditures

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Campus Budgets	<ul style="list-style-type: none"> <li>• Enrollment by campus (snapshot data)</li> <li>• Based on per pupil allotment</li> <li>• 2024-2025 total campus allocations                             <ul style="list-style-type: none"> <li>○ \$789,517</li> </ul> </li> </ul> <p>Allocations:</p> <ul style="list-style-type: none"> <li>• Basic Allotment</li> <li>• Library</li> <li>• Staff Development</li> <li>• Health Services</li> <li>• Physical Education</li> <li>• State Compensatory</li> <li>• Gifted &amp; Talented</li> <li>• Special Education</li> <li>• Dyslexia</li> <li>• Career &amp; Technical</li> <li>• Bilingual</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain campus budget allocations ensuring cost-effectiveness across all areas</li> </ul>
Department Budgets	<ul style="list-style-type: none"> <li>• Needs assessment drives budget allocation</li> <li>• Conduct resource allocation study identifying areas to reduce expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce department/operating expenditures based on needs assessments</li> </ul>
Prioritize Federal Programs Funding – Title I	<ul style="list-style-type: none"> <li>• Current Title I Budget                             <ul style="list-style-type: none"> <li>○ \$670K</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ N/A</li> </ul>
Continuous Evaluation of Safety & Security to Ensure Optimal Services	<ul style="list-style-type: none"> <li>• Security Services                             <ul style="list-style-type: none"> <li>○ 7 – School resource officers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Projected state funding                             <ul style="list-style-type: none"> <li>○ \$134K</li> </ul> </li> <li>• BOND 2023                             <ul style="list-style-type: none"> <li>○ \$2M</li> </ul> </li> </ul>
Monitor and Manage Property Insurance Inflation	<ul style="list-style-type: none"> <li>• Coastal proximity</li> <li>• <a href="#">5-Year History</a></li> <li>• 2022-2024 Premium                             <ul style="list-style-type: none"> <li>○ \$1.5M</li> </ul> </li> <li>• 2024-2025 Premium                             <ul style="list-style-type: none"> <li>○ \$1.8M projection                                     <ul style="list-style-type: none"> <li>▪ Adding ECC &amp; Agriscience Facility</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Anticipated premium increase for 2025-2026                             <ul style="list-style-type: none"> <li>○ 20% increase</li> </ul> </li> </ul>

## Fund Balance Management

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
<p>Monitor and safeguard general fund balance annually to ensure state compliance and fiscal responsibility</p> <p><a href="#">Fund Balance Overview.pdf</a></p>	<ul style="list-style-type: none"> <li>The general fund is operating with approximately \$12M deficit in the current 2024-2025 school year.</li> <li>Infusion of fund balance was caused by Chapter 313 Limitation Agreements (revenue protection and supplemental payments)                             <ul style="list-style-type: none"> <li>Future agreements are no longer include school district incentives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Significant reduction to general fund balance over the next 8 years resulting in non-compliance with state standards relating to school finance</li> </ul>
Unassigned Fund Balance	<ul style="list-style-type: none"> <li>Six (6) Months of Operating Cost</li> </ul>	<ul style="list-style-type: none"> <li>\$54,610,927</li> </ul>
Assigned Fund Balance	<ul style="list-style-type: none"> <li>Litigation and Tax Settlements</li> </ul>	<ul style="list-style-type: none"> <li>\$6,000,000</li> </ul>
	<ul style="list-style-type: none"> <li>Insurance deductibles</li> </ul>	<ul style="list-style-type: none"> <li>\$3,000,000</li> </ul>
	<ul style="list-style-type: none"> <li>Claims and judgements</li> </ul>	<ul style="list-style-type: none"> <li>\$500,000</li> </ul>
	<ul style="list-style-type: none"> <li>Disaster Recovery</li> </ul>	<ul style="list-style-type: none"> <li>\$18,000,000</li> </ul>
	<ul style="list-style-type: none"> <li>Ten-Year Capital Replacement Plan</li> </ul>	<ul style="list-style-type: none"> <li>\$15,000,000</li> </ul>
	<ul style="list-style-type: none"> <li>Capital Improvement Contingency</li> </ul>	<ul style="list-style-type: none"> <li>\$5,000,000</li> </ul>
	<ul style="list-style-type: none"> <li>“All Kids Eat FREE” Food Services (2023-2024)</li> </ul>	<ul style="list-style-type: none"> <li>\$1,200,000</li> </ul>
Committed Fund Balance	<ul style="list-style-type: none"> <li>All-Purpose Practice Facility</li> </ul>	<ul style="list-style-type: none"> <li>\$44,832,093</li> </ul>



## Long-Range Facility Planning

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Approved BOND Projects Underway	<ul style="list-style-type: none"> <li>• Monitor progress for all projects</li> <li>• Ensure scope of project(s) are within allocated budget</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of M&amp;O may emerge with newer facilities</li> <li>• Additional Staffing</li> </ul>
Monitor and Maintain 10-Year Replacement Plan	<ul style="list-style-type: none"> <li>• Technology Equipment</li> <li>• Student and Teacher Devices</li> <li>• Uniforms</li> <li>• Buses</li> <li>• Maintenance Fleet</li> <li>• Deferred Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Budget accordingly via:               <ul style="list-style-type: none"> <li>○ BOND Funds</li> <li>○ General Fund</li> </ul> </li> </ul>
District Planning for Future BOND	<ul style="list-style-type: none"> <li>• Update Facility Condition Assessments</li> <li>• Development of committee including all stakeholder groups</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Land Acquisition	<ul style="list-style-type: none"> <li>• Consider purchase of land for future needs of the district</li> </ul>	<ul style="list-style-type: none"> <li>• Expensed either through general fund balance or future bond</li> </ul>
Residential Growth	<ul style="list-style-type: none"> <li>• Three (3) active single-family developments (306 lots)</li> <li>• 116 multi-family units under construction</li> <li>• 863 future single-family lots are currently planned</li> <li>• Primarily located in WCA and SFA zones</li> </ul>	<ul style="list-style-type: none"> <li>• Future elementary campus</li> <li>• Explore land acquisition               <ul style="list-style-type: none"> <li>○ Local "land" real estate market: \$100,000 - \$150,000 per acre</li> </ul> </li> </ul>