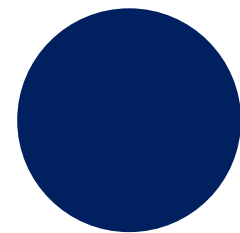
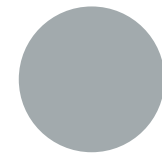
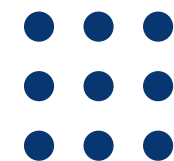


FISCAL YEAR 27 BUDGET UPDATE

June 23, 2026



www.killeenisd.org/budgetplanning



DISCUSSION TOPICS



✓ Prior Meeting – Key Revenue Drivers

- Declining Enrollment and Average Daily Attendance
- Decrease in Impact Aid Revenue
- Decrease in SHARS Revenue
- Tax Rate Comparison
- 3-2-1 Property Tax Early Payment Discount

✓ Tonight's Meeting

- Alignment with Board Adopted Priorities
- Projected General Fund Budget for FY27
- Fund Balance Discussion
- General Pay Increase Discussion





ALIGNMENT WITH DISTRICT PRIORITIES




✓ **Student Achievement / Tier I Instruction**

- Campus Instructional Coaches elevated to Campus Instructional Specialists
- Additional District Instructional Coaches
- Additional Executive Directors of Schools

✓ **Targeted Professional Development**

- Two Additional Contract Days for Teachers

✓ **Accelerate Middle School Achievement**

- Middle School Block Scheduling
 - Additional Instructional/Admin Support at plurality schools
- 



ALIGNMENT WITH DISTRICT PRIORITIES



✓ **Specialized Learning**

- Reorganization per audit recommendations
- Facilitators to Assistant Principal Role
- Additional staffing to support programs

✓ **Safety & Security**

- Student Services Department Reorganization to support additional duties
- School Resource Officers at On-Post Schools
- School Bus Seat Belts (Approx. 1/3 of bus fleet)
- Smart Tag - monitor student ridership by student
- Minga – Digital Hall Pass
- X-Ray Scanners

✓ **Does not currently include a General Pay Increase**



GENERAL FUND

BUDGET ASSUMPTIONS

REVENUES

M&O tax rate of \$0.6682 for FY26; current M&O tax rate of \$0.6682 for FY25, \$0.6692 for FY24

Receive Certified Bell County Appraisal District (BellCAD) Values in late July

Homestead Exemption of \$140,000 (\$140,000 in FY26, \$100,000 in FY 25, \$100,000 in FY 24)

Budgeted property tax collections at 99% (99% in FY26)

Maintain early payment property tax discount (3-2-1 discount)

Investment revenue expected to remain flat or decrease slightly

State revenue based on student projections based on FY26 ADA

Impact Aid federal revenue \$5mm decrease based on FY25 letter from Department of Education (\$10mm decrease in FY26)

EXPENDITURES

Payroll costs will be based on initial approved staffing guidelines

General pay increase for employees

Starting teacher pay of \$59,160 (\$59,160 in FY26, \$58,000 in FY25, \$57,000 in FY24)

Longevity stipends at FY26 criteria

Health insurance benefit of \$425 per month if taking KISD insurance and \$200 per month for those not taking KISD insurance

Teacher staffing based on student projections at 24:1 for PK-4; 28:1 for grades 5-12

Student projections drive campus allocations

Eliminating PK3 program at on-post elementary schools

Maintaining 1.0/2.0 mile walk out for transportation routes

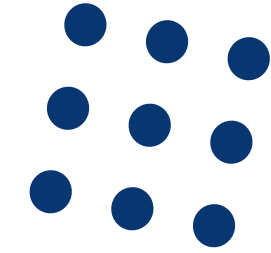
Teacher supply reimbursement remaining at \$200 per classroom teacher

Unfilled Positions (Vacancy) factor for FY27 at 95.0% (95% in FY26)

Transfers:

Maintaining Capital Improvement Projects at 1.25% of budgeted expenditures, budgeted as part of the Strategic Facilities Plan for FY27

GENERAL FUND REVENUES



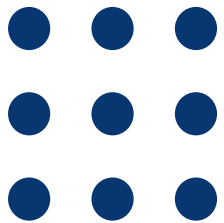
FY27 Working Budgeted Revenue

Local	19.5%	\$	99.0
State	68.3%		345.8
Federal	12.2%		61.8
Sources/Uses	0.0%		0.1
	<hr/>		<hr/>
	100.0%	\$	506.6
		<hr/>	<hr/>
		\$	506.6

Total Working Revenue

\$ 506.6

GENERAL FUND EXPENDITURES



Changes to FY27 Working Budget from FY26 Adopted Budget:

FY26 Adopted Budget:

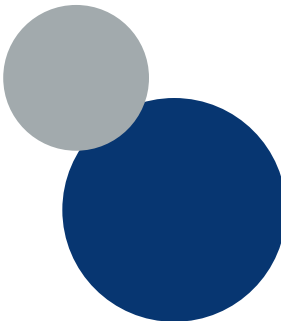
Staffing Snapshot Expenditures	\$	403.6
Non-Staffing Expenditures		116.9
Total	\$	<u>520.5</u>

Anticipated Expenditure Changes:

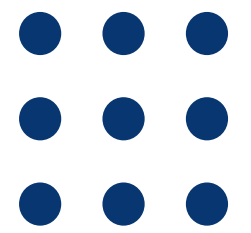
FY27 Planning:

Staffing Expenditure Changes

Staffing Snapshot Increases / (Decreases)	\$	(6.4)
Total		<u>(6.4)</u>



GENERAL FUND



EXPENDITURES & FUND BALANCE

Non-Staffing Expenditure Changes

School Resource Officers at On-Post Schools	0.9
School Bus Seat Belt Retrofit	2.8
Smart Tag	0.3
Dual Credit FAST program offset	(1.6)
Natatorium Fees	(0.5)
Other Changes < \$1 MM each	0.5
Total	<u>\$ 2.4</u>

Total Working Expenditures \$ 516.5

Fund Balance

Working Revenues	\$ 506.6
Working Expenditures	<u>516.5</u>
Total Working Net Change to Fund Balance	<u>\$ (9.9)</u>

GENERAL PAY INCREASE

DISCUSSION

GENERAL FUND ONLY

Option	Amount	Amended Budget Deficit
\$50/month = \$600 annual <i>(matches health insurance cost increase)</i>	\$ 3,428,678	\$ 13,399,291
1% All Employees	\$ 3,127,805	\$ 13,098,418
<i>Non -Exempt Staff</i> \$2,486,605		
<i>Exempt Staff</i> \$641,200		
\$14/hour minimum	\$ 348,099	\$ 10,318,712
1% All Employees (\$14/hr minimum)	\$ 3,310,604	\$ 13,281,217
\$15/hour minimum	\$ 1,203,322	\$ 11,173,935
1% All Employees (\$15/hr minimum)	\$ 4,020,269	\$ 13,990,882

Note: Pay increases for employees funded outside the General Fund will be charged to their respective funds.

FUND BALANCE

The total accumulation of operating surpluses/deficits since the beginning of an entity's existence.

Importance of Adequate Fund Balance

Manage Cashflow low points:

- Majority of tax collections in December and January
- Reimbursement from federal and state grants
- Declines in enrollment/ADA
- Fund disasters until reimbursed by insurance

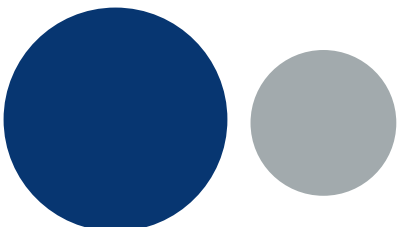
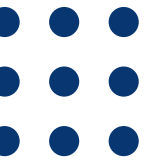
Mitigate risks such as revenue shortfalls and unanticipated expenditures

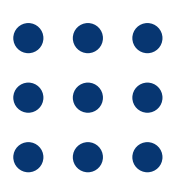
How much fund balance is needed

Minimum of three months of general operating expenditures

How is fund balance replenished

Operating surpluses





NEXT STEPS

Activity

Chief Appraiser provides certified appraised property value

Discussion of property values and tax rates (FIRST rating compliance item)

GPI scenarios discussion

Finalize compensation decisions

Move final salaries from proposal into budget planning worksheet

Balance Special Programs funding to ensure compliance with spending percentage requirements

Verify compliance with Maintenance of Effort (MOE)

Finalize preliminary proposed budgets, tax rates and updated assumptions

Submit Local Value Study to State Comptroller for Maximum Compressed Rate (MCR) calculations

Publish Notice of Budget and Tax Rate Meeting (must be 10-30 days before the date of the public hearing) in the newspaper

Post a summary of the proposed budgets and tax rates on district's website

Finalize proposed budgets and tax rates (budget must be adopted before the adoption of the tax rate)





BUDGET ADOPTION DATES

Activity	Date
Budget Planning Presentation - Expenditures & Fund Balance	06/23/26
Present preliminary proposed budgets, tax rates and updated assumptions	07/14/26
Chief Appraiser provides certified property values	07/25/26
Approved Maximum Compressed Rate (MCR) expected from TEA	08/05/26
Present near-final proposed budgets, near-final tax rates and updated assumptions	08/11/26
Publish Notice of Budget and Tax Rate Meeting (must be 10-30 days before the date of the public hearing) in the newspaper	08/12/26
Post a summary of the proposed budgets and tax rates on district's website	08/12/26
Meeting to vote to adopt proposed budgets and tax rates (budget must be adopted before the adoption of the tax rate)	08/25/26
First day of 2026-2027 fiscal year	09/01/26



THANK YOU!



budget.planning@killeenisd.org



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