

BUDGET UPDATE

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HOUSE UPDATES

- ★ House “Texas Two Step” - Moving forward with adjustments (**One step?**)
 - Pair HB2 (school finance) with HB3 (ESAs)
 - Increase basic allotment from \$6,160 to \$6,55**5**
 - Must use 40% on compensation (**75%** of that must be spent on teachers, nurses, counselors, librarians)

SENATE UPDATES



MAY

- ★ **ESA bill signed into law by governor on May 3**
- ★ **School finance bill sitting in Senate**
 - **Potential compromise coming between House and Senate versions this week under SB26**
- ★ **HB9 - Increase of business personal property exemption to \$250K**
- ★ **SB4 - Increase of homestead exemption to \$140K**
- ★ **SB1453 - I&S rate > rate needed for minimum debt service would require 60% board approval**

HOME STRETCH

- ★ Every day moving forward is critical for timing
- ★ May 15th - Last day for a bill to be voted out by the House with 2nd reading
- ★ Calendars Committee controls much of the destiny of any pending bill

PROPERTY VALUES

- ★ Comptroller values for 2024 released January 31
- ★ Value appeal process for 2024 started by MVBA
- ★ April - Preliminary 2025 values  2.5% INCREASE
- ★ July 25 - Certified 2025 values

BUDGET PROCESS

- **Required:**
 - **Teacher FTEs for growth**
 - **Opening of Adelton Elementary**
 - **Conversion of (2) intermediate to middle schools**
- **Priorities:**
 - **Teacher and support staff pay increases**
 - **Support needs (MTSS, social workers, APs, etc.)**
 - **Special education needs**
 - **Streamlining campus allocations (increasing with new funding)**

BUDGET SCENARIO

- **With no additional funding:**
 - **No pay raises**
 - **Costs of opening of Adelton** **\$1.4MM**
 - **Transition of (2) Intermediate to Middle** **\$350K**
 - **Growth positions for 480 students** **\$1.13MM**
 - **Includes (4) MTSS coaches**
 - **Special Education needs** **\$670K**

BUDGET SCENARIO

- **With no additional funding**
 - **Revenue** **\$139,747,000**
 - **Expenditures** **\$139,747,000**
 - **Net** **\$0**

PROPOSED BUDGET

		General Fund	Child Nutrition	Debt Service	Total
5700	Local Sources	\$64,803,794	\$2,623,594	\$35,249,833	\$102,677,221
5800	State Sources	\$73,831,578	\$50,000	\$3,000,000	\$76,881,578
5900	Federal Sources	\$1,112,420	\$7,958,364		\$9,070,784
Total Revenues		\$139,747,792	\$10,631,958	\$38,249,833	\$188,629,583

PROPOSED BUDGET

Expenditures		General Fund	Child Nutrition	Debt Service	Total
11	Instruction	\$79,128,153			\$79,128,153
12	Library & Media Services	\$1,144,727			\$1,144,727
13	Curriculum & Staff Development	\$1,840,990			\$1,840,990
21	Instructional Administration	\$1,866,955			\$1,866,955
23	School Administration	\$7,976,937			\$7,976,937
31	Guidance & Counseling Services	\$4,649,746			\$4,649,746
32	Social Services	\$443,256			\$443,256
33	Health Services	\$1,423,463			\$1,423,463
34	Student Transportation	\$9,853,602			\$9,853,602
35	Food Services		\$10,631,958	\$34,590,012	\$45,221,970
36	Co-Curricular Activities	\$4,477,347			\$4,477,347
41	General Administration	\$4,787,729			\$4,787,729
51	Maintenance & Operations	\$13,820,606			\$13,820,606
52	Security & Monitoring Services	\$2,916,003			\$2,916,003
53	Data Processing Services	\$1,873,955			\$1,873,955
61	Community Services	\$267,150			\$267,150
71	Debt Services	\$1,049,500			\$1,049,500
81	Facilities Acquisition & Construction	\$1,000			\$1,000
93	Payments to SSA	\$435,510			\$435,510
95	Payments to JJAEP	\$90,709			\$90,709
99	Other Intergovernmental Charges	\$1,700,454			\$1,700,454
	Total Appropriations/Expenditures	\$139,747,792	\$10,631,958	\$34,590,012	\$184,969,762
	Net Change in Fund Balances	\$0	\$0	\$3,659,821	\$3,659,821

TAX RATE

ASSUMPTIONS

- ★ Additional tax rate compression for M&O all but certain
 - Likely between \$.01/\$100 and \$.03/\$100
 - Calculated by TEA in early August
- ★ I&S rate of \$.405/\$100 - to be firmed up by July

BUDGET PROCESS

FEBRUARY		
February	CFO	Analyze enrollment and average daily attendance projections for 2025-26 Prepare and refine early budget/revenue assumptions and projections Distribute 2025-26 budget allocation letters to Campus Budget Managers Conduct budget training sessions with Secretaries and Principals as needed Model compensation scenarios within forecasted budget parameters
MARCH		
March 14	Legislative	60-day deadline for bill filing
	CFO	Distribute 2025-26 budget allocation letters to Department Budget Managers Deadline for new position and reclassification requests to Cabinet
March 24		Deadline for Campus and Department submission/approval of 2025-26 operating budgets
APRIL		
April 7	CFO	Finalize review of preliminary budget with Superintendent
April 15	Board Meeting	2025-26 Budget Development Presentation #1 Possible consideration of new positions for the 2025-26 school year
April 25	BCAD	Receive preliminary certified property value estimates from BCAD for 2025-26
MAY		
May 13	Board Meeting	2025-26 Budget Development Presentation #2 Consideration of approval for the Board President to call the public hearing for the purpose of discussing the 2025-26 budget and tax rate
June 2	Legislative	Sine Die



WHAT TO WATCH

- Despite being in agreement both philosophically and with aligned budget bills (in total) we have been delayed
(delays continue - hopeful for this week)
- This delay appears to be indicative of negotiations behind the scenes (confirmed)
- Moving forward we hope to see the House and the Senate remain in alignment and pass with current House funding language, at a minimum (looking less likely)
- No guarantees until it clears the Governor's desk

WHAT TO WATCH

- ★ Despite HB19 not moving forward we have to watch out for the same language being tacked onto another bill that does move forward.
- ★ Our plan is to proceed with the sale of the remaining authorization of \$89MM.
- ★ If this legislation doesn't proceed, we delay until Spring 2026.
- ★ If it passes, we move forward this summer (implications on I&S tax rate TBD).

WHAT TO WATCH

- **Other items of note:**
 - **Release of TRS ActiveCare medical insurance rates has been pushed to early June as additional funding has been requested to offset rising costs**
 - **Property/Casualty rates for next year TBD (8% rate increase in addition to value growth - positive news)**
 - **Student growth**

BUDGET & TAX RATE

April 25	Preliminary Taxable Values
May 13	Budget Development Presentation #4
June 1	Publish Notice of Public Meeting to Discuss Budget & Tax Rate
June 17	Adopt Budget (by June 30 deadline)
July 25	Certified Property Values from BCAD
August 5	Preliminary Maximum Compressed Rates Released by TEA
August 20	Proposed Tax Rate Presented
Sept 16	Adopt Tax Rate

THANK YOU!

Are there any questions?

