

Lewisville ISD

FY 26 Budget/Compensation Forecast

April 7, 2025



Overview

- FY 26 Projection Including Compensation
- Compensation, Benefits and Substitute System



FY 26 Budget Forecast Considerations



Things to Consider for Next Year

- Will continue to have a declining enrollment
- Compensation increases to remain competitive
- Legislative session funding changes
- Revenue/Reduction Opportunities
- **Our T2 Values are projected higher in our scenarios for tonight, because of not knowing where they are going to land for FY 25 at this time. The higher the T2 value the less state share of your funding.**



FY 26 Revenue Assumptions



**Enrollment
Projection**

2025-26: 46,402



Estimated ADA

2025-26: 43,891



Property Values -

T2: 59,428,234,724

T2: 60,870,667,606



M&O Tax Rate

2025-26: \$0.7262

99% Collections



I&S Tax Rate

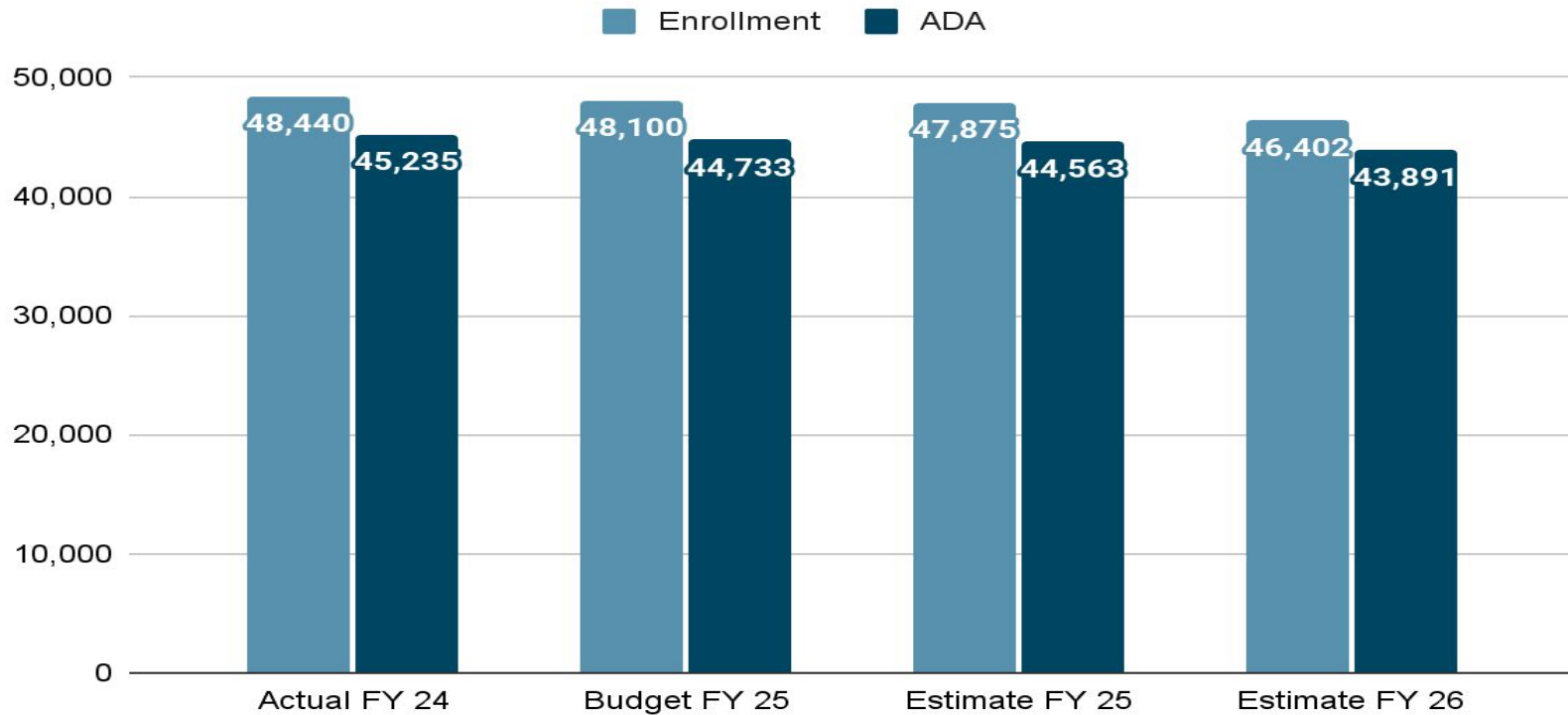
2025-26: \$0.3709

99% Collections

The T2 property value assumption includes both a 3% and 5.5% increase from the FY 25 preliminary value received in January 2025 from the Comptroller.



Declining Enrollment and ADA



Current Law: Funding Impact of Declining Enrollment and 3% Property Value Growth

	FY 25 Adopted	FY 26 Estimated	Funding Difference
Enrollment	48,100	46,402	
ADA	44,733	43,891	
Property Taxes	\$424,755,712	\$427,815,090	\$3,059,378
State Funding	\$81,669,103	\$40,703,824	(\$40,965,279)
Recapture	(\$12,879,209)	(\$12,646,708)	\$232,501
Net Funding	\$493,545,606	\$455,872,206	(\$37,673,400)



Current Law: Funding Impact of Declining Enrollment and 5.5% Property Value Growth

	FY 25 Adopted	FY 26 Estimated	Funding Difference
Enrollment	48,100	46,402	
ADA	44,733	43,891	
Property Taxes	\$424,755,712	\$438,198,951	\$13,443,239
State Funding	\$81,669,103	\$33,970,552	(\$47,698,551)
Recapture	(\$12,879,209)	(\$13,271,282)	(\$392,073)
Net Funding	\$493,545,606	\$458,898,221	(\$34,647,385)



CSHB2 Assumptions for Funding Runs

	TASBO	MoakCasey
ADA	43,883.91	43,953.37
Property Values (T2)	\$60,870,667,606	\$61,407,800,652
Property Value Growth	5.5%	6.4%
M&O Tax Rate	\$0.7262	\$0.7211
Net Increase in Funding	\$28,530,631	\$24,626,757



Tier 1 Entitlement Increase-CSHB2

State Aid Calculation:

Regular Program Allotment (Subch B)	\$230,570,944	\$245,355,931	\$14,784,987
Small-MidSize Allotment (Subch C)	\$0	\$0	\$0
Special Education Allotment (after ECI set-aside) (Subch C)	\$76,131,712	\$81,029,263	\$4,897,551
Special Education Evaluation Allotment (Subch C)	\$0	\$2,498,000	\$2,498,000
Dyslexia Allotment (Subch C)	\$2,680,832	\$2,852,736	\$171,904
Compensatory Education Allotment (Subch C)	\$27,098,677	\$29,425,129	\$2,326,452
Bilingual Education Allotment (Subch C)	\$7,854,845	\$9,878,413	\$2,023,568
Career/Technology Allotment (Subch C)	\$28,113,197	\$29,915,911	\$1,802,713
Public Education Grant Allotment (Subch C)	\$0	\$0	\$0
Early Education Allotment (Subch C)	\$5,169,472	\$6,076,733	\$907,261
College, Career, & Military Readiness Outcomes Bonus (Subch C)	\$4,501,000	\$4,551,000	\$50,000
Fast Growth Allotment (Subch C)	\$0	\$0	\$0
Gifted & Talented Allotment (Subch C) after proration to statewide cap of \$100m	\$925,021	\$925,021	\$0
Fine Arts Allotment (Subch C)	\$0	\$134,546	\$134,546
Teacher Incentive Allotment (Subch C)	\$78,671	\$87,896	\$9,225
School Safety Allotment (Subch C)	\$1,353,839	\$1,700,522	\$346,683
Mentor Program Allotment (Subch C)	\$0	\$0	\$0
Rural Pathways Excellence Partnership (R-PEP) Allotment & Outcomes Bonus	\$0	\$0	\$0
Transportation Allotment (Subch D)	\$3,563,580	\$3,616,232	\$52,652
NIFA (Subch D)	\$0	\$0	\$0
Dropout Recovery School & Residential Placement Allotment (Subch D)	\$46,367	\$46,367	\$0
Tuition Allotment (Subch D)	\$0	\$0	\$0
College Preparatory Exam Reimbursement Allotment (Subch D)	\$194,229	\$194,229	\$0
Industry Certification Exam Reimbursement Allotment (Subch D)	\$25,006	\$25,006	\$0

Subtotal - Tier 1 Entitlement

\$388,307,391

\$418,312,935

\$30,005,544



Salary Increase Scenarios

2025/2026 Salary Increase Scenarios

Job Family	1% MIDPOINT	2% MIDPOINT	3% MIDPOINT	2% MIDPOINT + \$1,000 ONE Time Pay	\$1,000 One Time Pay
Teacher/Nurse/Librarian	\$2,474,764	\$5,054,039	\$7,689,324	\$9,015,039	\$3,961,000
Administrative Support	\$145,850	\$293,107	\$441,772	\$721,107	\$428,000
ESD	\$25,358	\$50,937	\$76,737	\$260,937	\$210,000
Instructional Support	\$202,401	\$406,722	\$612,963	\$1,172,722	\$766,000
Technology	\$78,615	\$158,003	\$238,161	\$268,003	\$110,000
Auxiliary	\$91,812	\$184,454	\$277,926	\$396,454	\$212,000
Administrator/Professional	\$691,937	\$1,390,629	\$2,096,143	\$2,199,629	\$809,000
Grand Total	\$3,710,739	\$7,537,891	\$11,433,027	\$14,033,891	\$6,496,000
Child Nutrition	\$96,928	\$194,758	\$293,490	\$675,758	\$481,000

* Data as of January 24, 2025

FY 26 Budget Reduction Considerations

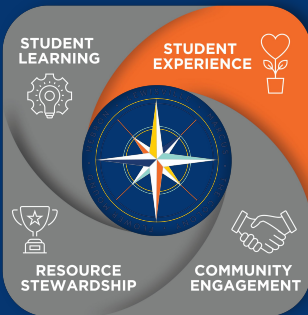
From March Board Work Session: Work with Board Program and Budget Review Committee
Identify areas for additional reduction to address \$11M-\$14M in revenue loss from enrollment decline.



Budget Reduction Guiding Principles Passed by Board Budget Resolution March 2024



- Protect quality of learning environment and instruction
- Safety and Security of Students and Staff



- Minimize negative impacts to students
- Be intentional in opportunities and pathways for students to be successful



Budget Reduction Guiding Principles Passed by Board Budget Resolution March 2024



- Increasing efficiency of course offerings and electives as overall student enrollment is stabilizing
- Right-sizing facilities to enrollment/creating levels of efficiencies for buildings
- Do our best to make any reductions through attrition as certification allows



- Protecting and preserving the intellectual capital and expertise that has built the systems of LISD to be the exceptional provider of education in our community



How are other districts handling budget reductions with lack of increase to Basic Allotment?

- MS Schedule changes to teachers teaching 7 out of 8
- GT model redesign - remove pull-out instruction and/or consolidate GT classes with other classes
- Re-assign instructional coaches to classrooms
- Change Librarian staffing models
- Increase class sizes
- Reduce middle school athletic tournaments
- Revise fine arts staffing models
- Charge a fee for athletics
- Reduce operating budgets at campus and departments
- Increase facility rental fees
- Attendance campaigns
- Reduce transportation between campuses - move teachers across campus teaching assignments instead of students
- Make coaches get CDL to drive buses



Program and Budget Review Board Committee Recommendations

For the 2025-26 school year:

- Staff HS campuses at the higher class size ranges on the staffing analyzer
- Adjust 5th grade class size in staffing analyzer from 24.5:1 to 25:1
- Implement changes to HS Library Aide Staffing Model
- Implement changes to staffing for District Level Social Workers and Behavior Interventionists
- Reduce parent notes for excusing absences from 10 to 5
- Increase cost of VLA courses beginning in Summer 2026
- Implement changes to Permanent Sub staffing models
- Already in progress - taking substitute staffing in-house

The committee recommended for further study to determine possible changes for the 2026-27 year:

- HS Counselor staffing model and ratios
- HS Fine Arts and Athletic staffing models



Possible Scenarios

	Using 3% Increase to FY25 Prelim T2 Values and No Enrollment Decline	Using 5.5% increase to FY25 Prelim T2 Values and No Enrollment Decline
FY 26 Projected Beginning Deficit	\$32,669,110.00	\$32,744,853.00
3% Raise	\$11,433,027.00	\$11,433,027.00
Total Before Reductions	-\$44,102,137.00	-\$44,177,880.00
School Retirements	\$2,500,000.00	\$2,500,000.00
Budget Reduction Savings	\$8,980,000	\$8,980,000
Total Savings	\$11,480,000.00	\$11,480,000.00
Projected Deficit w/out Legislature Help	-\$32,622,137.00	-\$32,697,880.00
C SHB2 Potential Funding	\$28,530,631.00	\$28,530,631.00
New deficit/surplus	-\$4,091,506.00	-\$4,167,249.00

If FY 25, has a \$4.5M adopted deficit, and you add a \$5M loss in enrollment that puts your new deficit at almost \$10M coupled with T2 values decreasing your state share of funding.



Possible Scenarios

	Using 3% Increase to FY25 Prelim T2 Values-ADA proj to decline by 672	Using 5.5% increase to FY25 Prelim T2 Values-ADA proj to decline by 672
FY 26 Projected Beginning Deficit	\$37,673,400.00	\$34,647,385.00
3% Raise	\$11,433,027.00	\$11,433,027.00
Total Before Reductions	-\$49,106,427.00	-\$46,080,412.00
School Retirements	\$2,500,000.00	\$2,500,000.00
Budget Reduction Savings	\$8,980,000	\$8,980,000
Total Savings	\$11,480,000.00	\$11,480,000.00
Projected Deficit w/out Legislature Help	-\$37,626,427.00	-\$34,600,412.00
CSHB2 Potential Funding	\$28,530,631.00	\$28,530,631.00
New deficit/surplus	-\$9,095,796.00	-\$6,069,781.00

If FY 25, has a \$4.5M adopted deficit, and you add a \$5M loss in enrollment that puts your new deficit at almost \$10M coupled with T2 values decreasing your state share of funding.



Next Steps on FY 26 Budget Forecast

- Waiting on legislative session to determine next steps regarding compensation
- Provide update at each work session throughout the remainder of the Spring



Discussion

