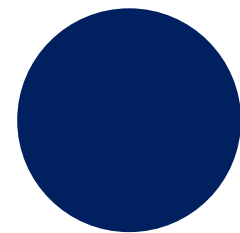
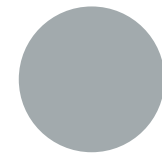


# FISCAL YEAR 27 BUDGET UPDATE

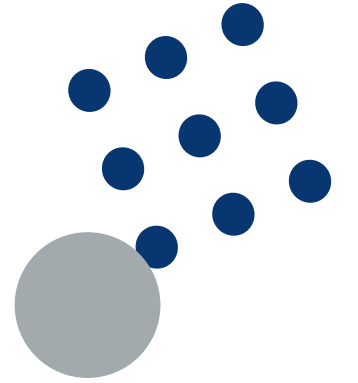
June 9, 2026



[www.killeenisd.org/budgetplanning](http://www.killeenisd.org/budgetplanning)



# FUNDING OF SCHOOL DISTRICTS



## Property Taxes

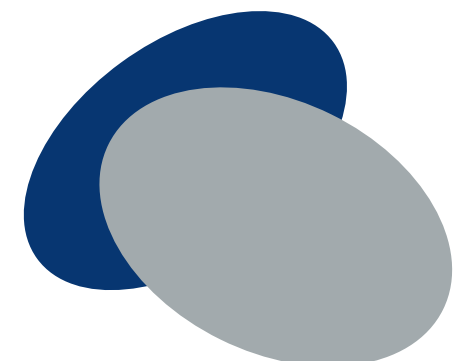
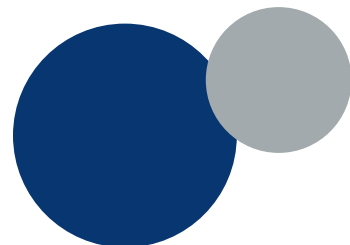
- Values determined by Bell County Appraisal District
- Tax rate comprised of:
  - Maintenance and Operations (M&O)
  - Interest and Sinking (I&S)
- M&O rate capped
  - Compression
- Local optional 3-2-1 Discount
  - October payment discount 3%
  - November payment discount 2%
  - December payment discount 1%

## State Aid

- Legislative state funding formula
  - Values used determined by State Comptroller
- Influenced by:
  - Enrollment
  - Average Daily Attendance (ADA)
  - Special populations
  - Enrichment pennies
  - Property value growth
- Not adjusted for inflation
  - Basic allotment = \$6,215

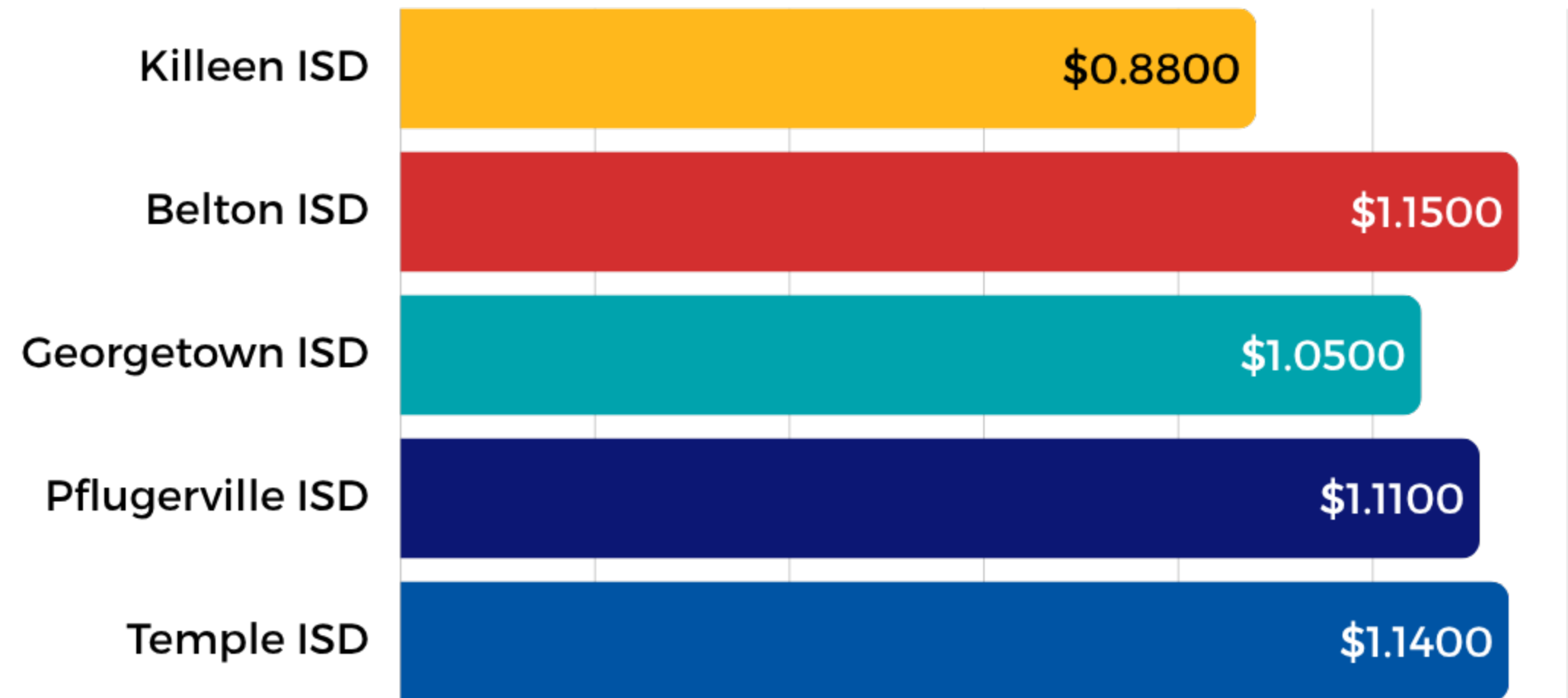
## Federal

- Impact Aid
  - Federally connected student survey completion count
- School Health and Related Services (SHARS)
  - Medicaid eligible special education student count
- Indirect Cost Recovery
  - Grant administrative fee recovery

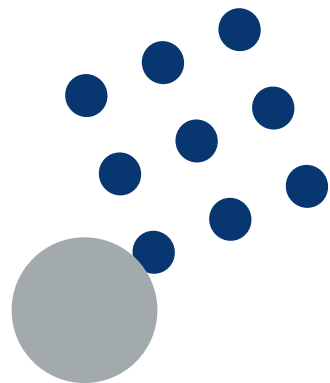


# LOWEST TAX RATES IN THE REGION

Killeen ISD has historically operated from a position of financial strength **while maintaining one of the lower tax rates in the region.**



**Tax Rates Around Central Texas**



# PROPERTY TAX 3 -2-1

## DISCOUNT IMPACT

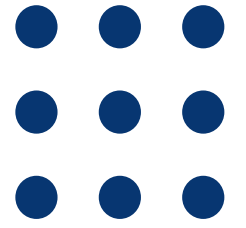
Early-payment discount for taxpayers.

Lowers annual property tax revenue with only a portion offset through state funding

\$2.8 million revenue loss

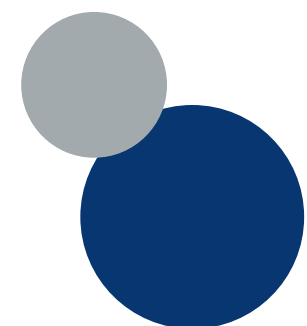


# PROPERTY TAX RATE IMPACT ON MEDIAN VALUE RESIDENCE



	3% Discount Paid in October		2% Discount Paid in November		1% Discount Paid in December		No Discount Paid in January	
Median Taxable Value of Residence *	251,961		251,961		251,961		251,961	
less: \$140,000 Homestead Exemption	(140,000)		(140,000)		(140,000)		(140,000)	
Net Taxable Value	111,961		111,961		111,961		111,961	
Total Current Tax Rate	\$	0.8778	\$	0.8778	\$	0.8778	\$	0.8778
Taxes Due on Median Taxable Value Residence	\$	982.79	\$	982.79	\$	982.79	\$	982.79
less: applicable 3-2-1 discount	\$	(29.48)	\$	(19.66)	\$	(9.83)	\$	-
Net Taxes Due on Average Residence for Killeen ISD	\$	953.31	\$	963.14	\$	972.97	\$	982.79
Saving Due to Discount	\$	29.48	\$	19.66	\$	9.83		

\* Source: Bell County Tax Appraisal District





### NO BOND SINCE 2018

KISD has invested responsibly in students, staff and facilities **without asking voters to approve a bond since 2018.**



### HIGHEST TEACHER PAY

Starting teacher salary pay for 2025-26 school year was **\$59,160, the highest in Region 12.**



### CASH-IN-LIEU & LONGEVITY PAY

Longevity stipends for every **five-year increment** that staff choose to continue their career with KISD.

---

**Statewide  
enrollment dropped  
approximately**

**1.4%**

**falling below**

**5.5M students**



---

# **Researchers** warn the trend is likely to continue....

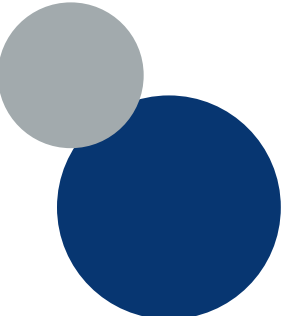
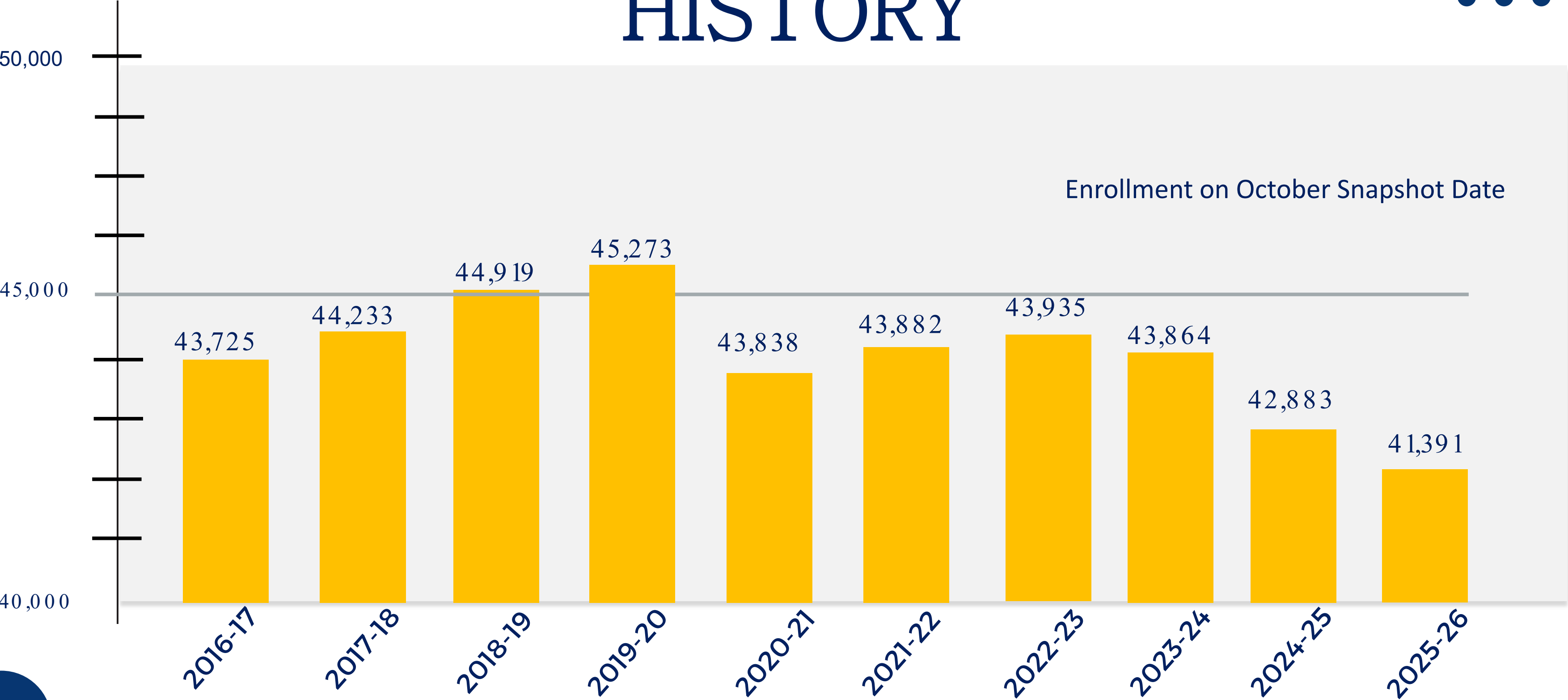
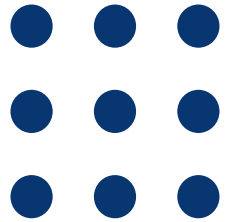
Texas public schools could lose another

# 100,000

# students

by the end of the decade if current patterns persist.

# ENROLLMENT HISTORY



# ADA IMPACT

Current year ADA is 93.1%

If ADA were to increase to 95.0%

Would generate an additional  
\$4.95 million projected revenue



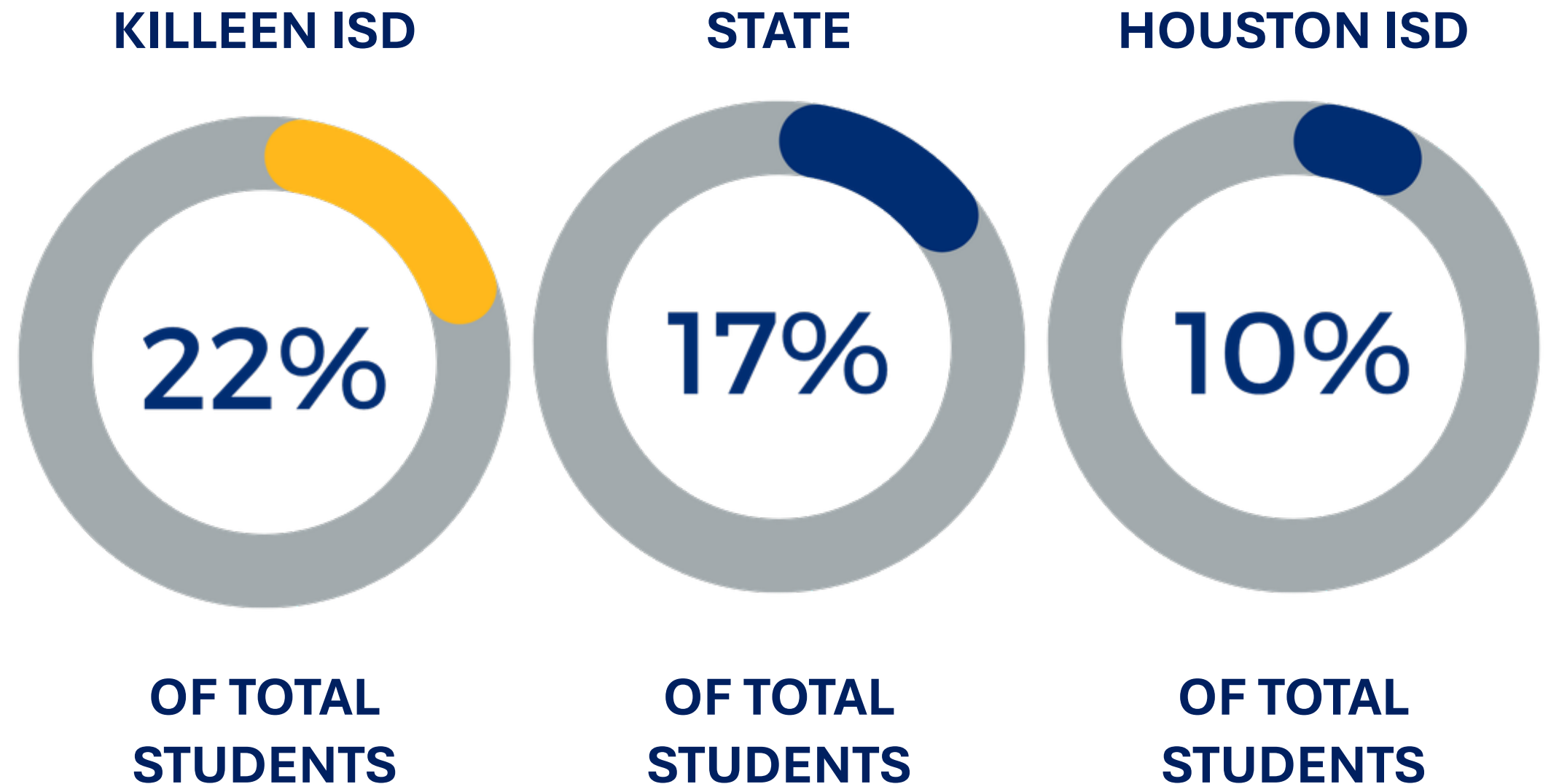
# 1 IN 5

**KILLEEN ISD STUDENTS  
RECEIVES SPECIAL  
EDUCATION SERVICES**



**KISD HAS ONE OF THE  
LARGEST SPED  
POPULATIONS IN THE STATE**

## HOW KILLEEN ISD COMPARES



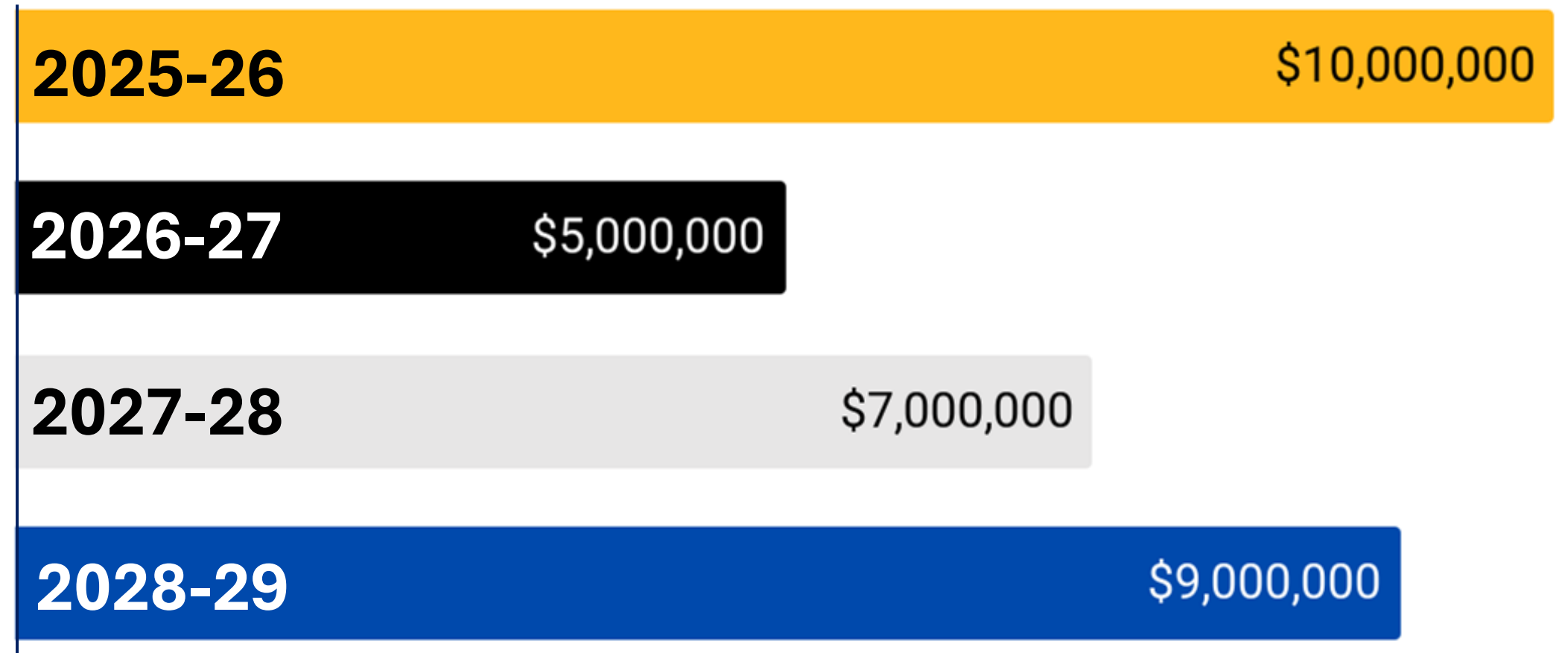
# AT THE SAME TIME...

Our federally connected student population has **dropped from nearly 70% in the early 1990s to below 30% present day.**



# THIS MEANS...

KISD is projected to **lose approximately \$31 million** in federal Impact Aid funding over the next five years **while continuing to absorb rising costs** tied to transportation, insurance, utilities, special education and facility maintenance.



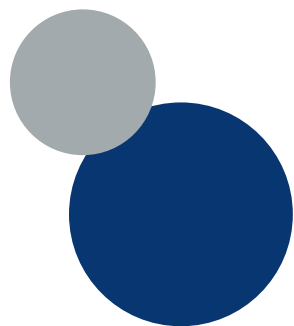
After all hold harmless payments are exhausted, \$50m annually.

# SHARS FEDERAL REVENUE

Year	Revenue (in millions)	Increase / (Decrease)	Percent Change
2021-22	5.83	(0.20)	-3.3%
2022-23	6.30	0.47	8.1%
2023-24	3.19	(3.11)	-49.4%
2024-25	1.20	(1.99)	-62.4%
2025-26	0.25	(0.95)	-79.2%



Note: 2025-26 as of 5/31/2026

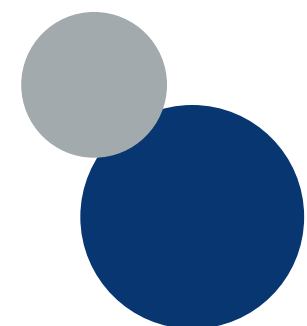
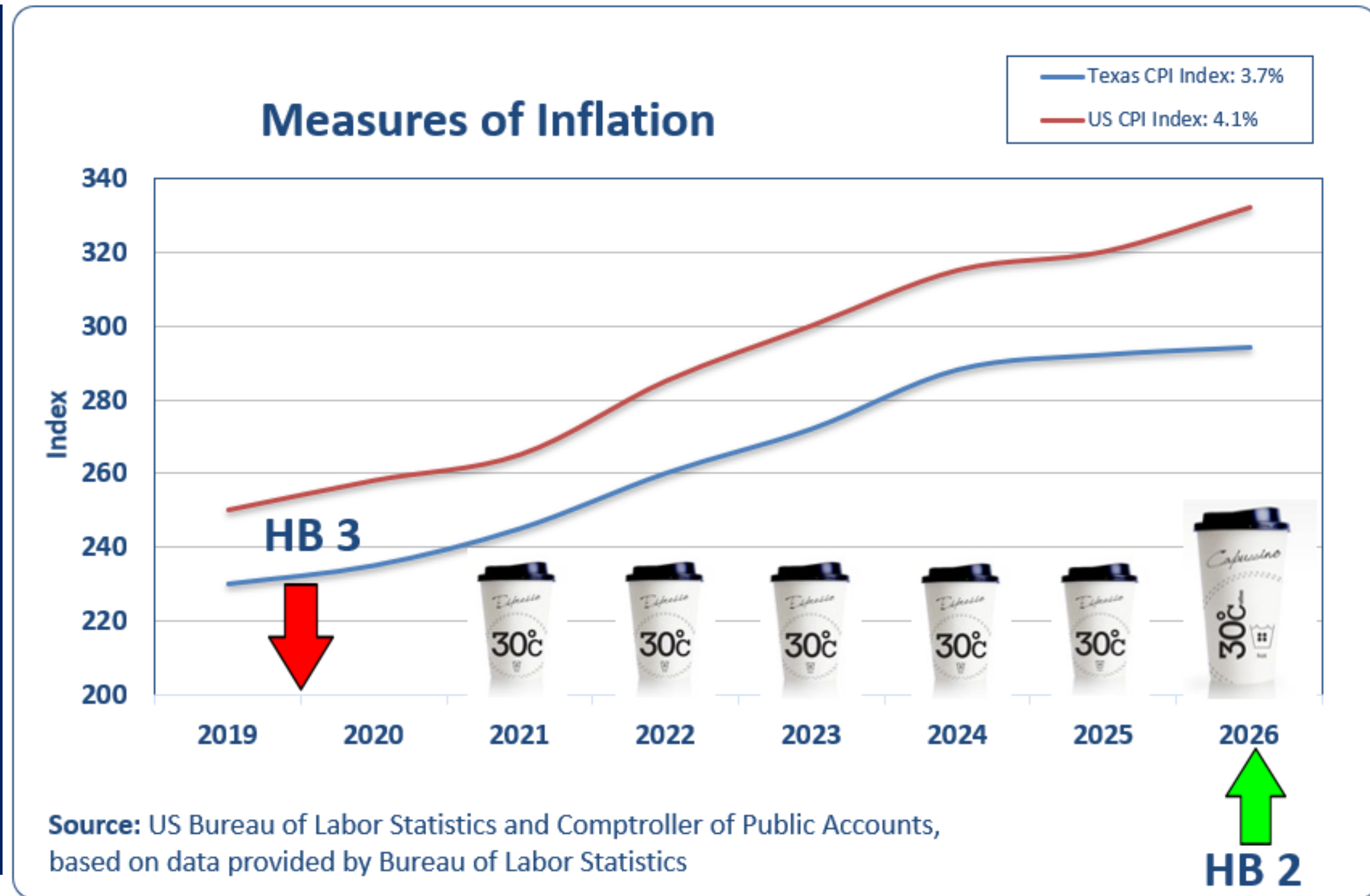


# FACTORS IMPACTING PROJECTED BUDGET



## IMPACT OF INFLATION

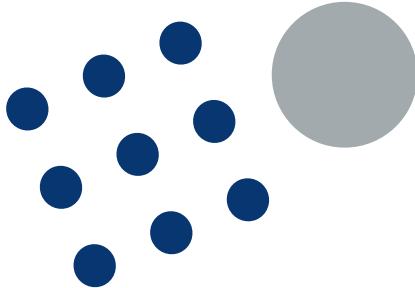
Increased costs due to general inflation is borne by the district (unless formulas are changed)



# Public Education is Facing New Financial Realities

Districts across Texas are facing:

- rising costs
- enrollment declines and
- changing funding realities



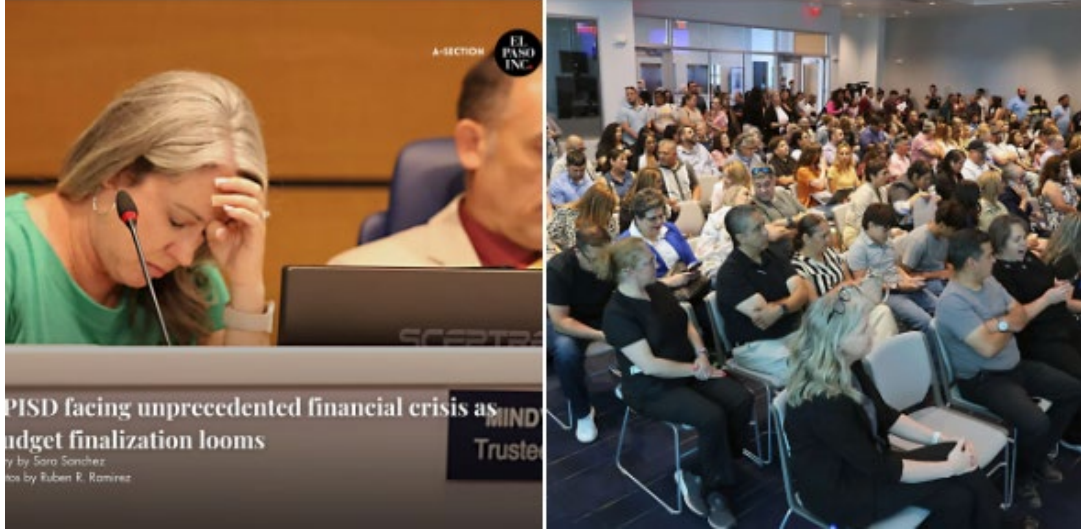
**El Paso Inc.**  
May 20 at 1:43 PM · 🌐

The El Paso Independent School District is facing an unprecedented financial crisis as the board searches high and low for somewhere to place the blame.

Despite closing schools, sunsetting hundreds of positions, reducing central office staff and other cost-cutting measures, EPISD overspent its 2025-26 budget by \$52.7 million.

Read more: <https://bit.ly/4nZAxXj>

Subscribe for more local news and entertainment: <https://bit.ly/4e9hGpv>



**The Dallas Morning News**  
December 17, 2025 · 🌐

Mesquite ISD will slash at least \$24 million in its budget for the 2026-27 school year, which includes eliminating hundreds of positions, superintendent Ángel Rivera said Tuesday at a district staff meeting.

Read more: [https://bit.ly/45eNI3w?utm\\_medium=social...](https://bit.ly/45eNI3w?utm_medium=social...)



**Houston Chronicle**  
20h · 🌐

The 44,000 student-district located in southeast Houston is facing a projected \$48.4 million budget deficit and may consider more school consolidations in the future.



HOUSTONCHRONICLE.COM  
This Houston-area district is closing 2 schools amid enrollment, budget woes

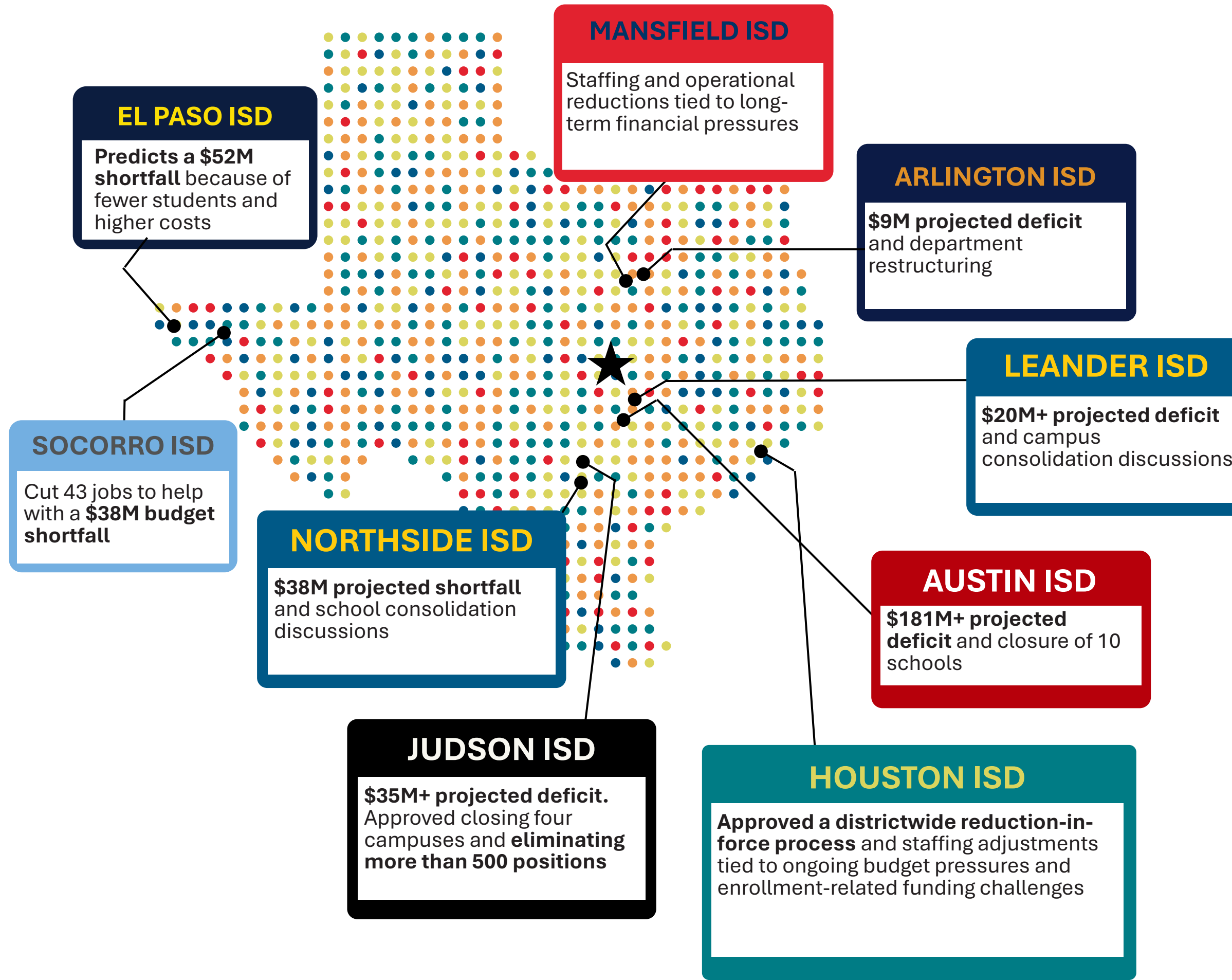
**Austin American-Statesman**  
May 22 at 12:35 PM · 🌐

Staff members learned this week if their position is proposed to be cut next year, as Austin ISD weighs a \$181 million budget deficit.

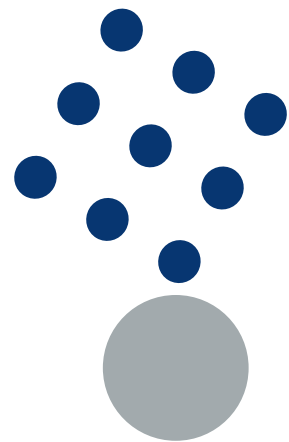
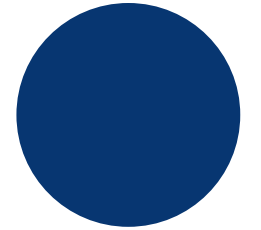


STATESMAN.COM  
Austin ISD trustees say budget cuts will worsen teacher effectiveness

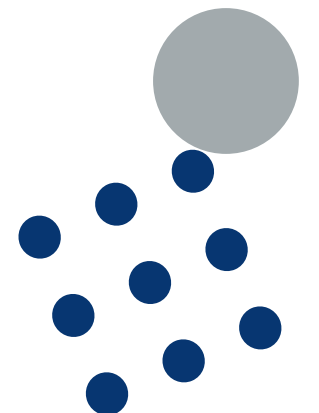
# WHAT'S HAPPENING ACROSS TEXAS?



# KEY BUDGET CONSIDERATIONS



- Declining in enrollment and average daily attendance
- Continued decrease in Impact Aid revenue
- Decrease in SHARS revenue
- State mandates without sufficient funding
- State funding increases not keeping up with inflation
- Use of Strategic Facilities Plan for 1.25% Capital Improvement Plan



# 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 through 5th six-weeks ADA  
Impact Aid federal revenue \$7mm 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 BUDGET

## FY 2026 General Fund Adopted Budget

Local	\$ 90,796,277
State	358,661,335
Federal	66,782,505
<b>Total Revenues</b>	<b>\$ 516,240,117</b>

## FY 2027 General Fund Projected Revenues

	Current Projection	Difference
Local	\$ 98,886,689	\$ 8,090,412
State	345,817,678	(12,843,657)
Federal	61,782,505	(5,000,000)
<b>Total Revenues</b>	<b>\$ 506,761,872</b>	<b>\$ (9,478,245)</b>

# GENERAL FUND

## 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

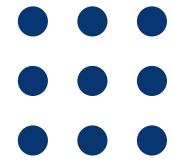
Finalize proposed budgets and tax rates (budget must be adopted before the adoption of the tax rate)

# BUDGET ADOPTION EVENT DATES



Activity	Date
Budget Planning Presentation - Revenues & Key Assumptions	06/09/26
Budget Planning Presentation - Expenditures & Fund Balance	06/16/26
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](mailto:budget.planning@killeenisd.org)



[www.killeenisd.org/budgetplanning](http://www.killeenisd.org/budgetplanning)

