

Budget Overview & Calendar 2025-2026

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Presenter:

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Here, We Grow Giants

AGENDA

LEGISLATIVE UPDATE



- **89th Legislative Session: January 14th – June 2nd**
- **Rep. Dustin Burrows elected Speaker of the House**
- **Sen. Brandon Creighton appointed chair of Senate Education Committee**
- **Vouchers**
 - **Gov. Abbott declared vouchers “emergency item”**
 - **Senate Bill 2 (Voucher Bill) – passed out of committee along party lines at 9-2**
 - **Fiscal note increasing to nearly \$4 billion by 2030**
 - **House has not yet filed its voucher bill**

FINANCIAL STATISTICS

- Texas House policy analyst Eva Deluna said in June the basic allotment would have to be \$7,500 to account for inflation (\$6,160 since 2019)
- Texas per student funding is \$4,000 below national average according to National Education Association
- Special education weights, safety allotment, and pre-k funding have not increased since 2019, while costs have increased astronomically to provide these services & unfunded mandates
- The state continues to claw back funds from as far back as 2011



BUDGET SHORTFALLS CONTINUE TO PLAGUE TEXAS SCHOOL DISTRICTS

- The Houston Chronicle estimated area school district shortfalls totaled **\$857 million for the 2024-25 school year**
- Aldine ISD proposes closing 7 schools to battle \$98 million budget deficit
- Houston ISD doubles its 2025 budget deficit forecast to \$250 million – potentially spurring layoffs
- Spring ISD deficit \$13 million
- Cy-Fair ISD deficit \$138 million
- Midland ISD deficit \$41 million
- Austin ISD deficit \$92 million
- Coppell ISD deficit \$9 million





BUDGET GOALS AND ASSUMPTIONS

- **Goals**
 - **Decrease overall payroll, operating, and program costs**
 - **Explore employee compensation package & remain competitive**
- **Assumptions**
 - **Flat average daily attendance**
 - **Monitor any new revenue sources and/or unfunded mandates from the legislature**



PRIMARY BUDGET DRIVERS

- **Revenues**
 - Average daily attendance
 - Property values
 - Peripheral revenue sources (often temporary)
- **Expenditures**
 - Payroll comprises in excess of 80% of total budget

Year	Enrollment	ADA	%
2020	23,815	22,205	95.35%
2021	23,104	21,249	93.26%
2022	23,949	21,543	93.37%
2023	24,431	21,981	93.10%
2024	24,108	21,853	93.90%
2025*	23,969	21,727	93.90%
*Estimate			



AVERAGE DAILY ATTENDANCE

BUDGET ACCOMPLISHMENTS – BUDGETS 2024 & 2025

2024-2025 Budget

Provided 4% general pay increase

Successfully implemented \$13 million in budget reductions, including:

- Closed non-campus positions districtwide
- Adjusted high school and junior school schedules
- Applied staffing ratios to elementaries

2023-2024 Budget

Successfully implemented \$12 million in budget reductions, including:

- Closed nearly 100 positions
- Made reductions without layoffs
- Reduced departmental budgets



2025-26 BUDGET CHALLENGES

- No additional funding since 2019
- Inflation (rose 22% over 5 years)
- Teachers leaving the profession and competition is fierce
- More competition from charter schools



2025-26 Budget Estimate - for Illustrative Purposes Only

Year 3 of Budget Reductions

As of 02.03.25 and subject to change

Board adopted budget deficit for 2024-25	(1,800,000)
Board adopted lower tax rate 2024-25	(1,500,000)
Transfer in from Ch. 313 and FTZ "savings account" in 2024-25	(11,800,000)
District contribution to health insurance 2025-26 school year	(3,500,000)
Decrease in ADA	(640,000)
Increase in investment earnings	2,500,000
School consolidation	2,195,610
2% General pay increase (estimate only)	(5,217,074)
Reductions required to balance budget (439 positions @ \$45k)	(19,761,464)
Transfer in from Ch. 313, FTZ, Workers Comp "savings account" in 2025-26*	13,500,000
Subtotal	(6,261,464)
Reductions required to balance budget (139 positions @ \$45k)	6,261,464
Balanced budget	-

***CAUTION: *\$13.5 million will need to be made up in 2026-27 budget as these are one-time "savings account" funds**

2025-2026 BUDGET CALENDAR

	DATE	DESCRIPTION	ACTIVITY
FEBRUARY	3	Board Agenda Item: Superintendent's Report - 2025-26 Budget Overview	Initiation of budget process - discussion of FY 2025-26 budget calendar and budget planning criteria and assumptions.
	4	Budget Prep - HR, Finance, Committee Meeting #1	Meet with Committee - Discuss budget reduction plan
	12	Budget Prep - HR, Finance, Committee Meeting #2	Meet with Committee - Discuss budget reduction plan
	17	Board Meeting	HR Update
	19	Budget Prep - HR, Finance, Committee Meeting #3	Meet with Committee -Finalize budget reduction plan
	24	Present Budget Reduction Plan to Executive Council w/ Committee	Present \$16.5 million budget reduction plan - Bring committee members
MARCH	3	Board Agenda Item: Superintendent's Report - 2025-26 Budget Update	Present proposed budget reduction plan to the board
	10-14	DISTRICT CLOSED - SPRING BREAK	
	24?	Special Meeting - Board Budget Reduction Workshop #1	Board and Administration
APRIL	1	Special Meeting - Board Budget Reduction Workshop #2 (if needed)	Board and Administration
	7	Board Agenda Item: Board Budget Workshop #3 (Superintendent Report) (Top 10)	Discuss operating expenditures and Compensation Plan options; Board Action: Approve 2025-26 budget reduction plan.
	30	Receive preliminary taxable values	Review values.
MAY	3	Election Day	Saturday
	5	Board Agenda Item: Board Budget Workshop #4 (5:30-6:30pm)	General Fund and Compensation Plan - TASB Study
	19	Board Agenda Item: Board Budget Workshop #5 (Superintendent Report); Consider 2024 Compensation Plan	Board Action: Approve 2024 Compensation Plan - notify TASB; Discuss General Fund, Debt Service, and Food Service
JUNE	2	Board Agenda Item: Budget Workshop #6 (if needed, 5:30-6:30pm)	General Fund, Debt Service, and Food Service
	16	Public Hearing & Adoption of Budget	Board Action: The district will hold a public hearing on the proposed 2025-26 budget and Board will consider budget adoption
AUG	31	HCAD & CCAD Provide Preliminary Certification Values	The district will receive certified property values from both county appraisal districts
OCT	October	Tax Rate Adoption	Board Action: Board approves the adoption of the M&O and I&S tax rates for 2024



Questions?