

JUDSON ISD
Preliminary Draft Budget
2026-2027



**2026-2027 PRELIMINARY BUDGET
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2026-2027 Preliminary Budget Underlying Budget Assumptions

1. Student Enrollment

The budget is based on a declining student enrollment of 22,342 for the 2026–2027 school year.

2. Average Daily Attendance (ADA)

The estimated Refined ADA for 2026–2027 is 20,107 based on a projected ending Refined ADA for 2025-2026 20,372.

3. Weighted Average Daily Attendance (WADA)

The estimated WADA for 2026–2027 is 30,144. WADA is used in several state funding formulas to account for the additional costs of educating students with different needs.

4. Property Values and Tax Rate

Based on an estimated 1.25% increase in taxable values. The District’s estimated Tier I Maximum Compressed Rate (MCR) will remain at \$0.6169. The estimated voter-approved Tier II rate is \$0.05, resulting in an estimated Maintenance & Operations (M&O) tax rate of \$0.6669 for the 2026 tax year.

5. Debt Service (I&S) Tax Rate

The Interest & Sinking (I&S) portion of the tax rate is estimated at \$0.3127, which will generate sufficient revenue to cover existing bonded debt payments and the planned refunding of eligible bonds.

6. Budget Amendments

Limit the budget amendments for FY26-27 that withdraws from our fund balance.

7. Next-Level Urgent Care

The estimated cost for Next-Level Urgent Care of \$520,000 is needed for the remaining calendar year 2026 (July 2026 - December 2026). Renewing Next-Level Urgent Care services contract for the calendar year 2027, this cost is estimated at \$520,000 for January 2026 - June 2026. With the \$250,000 reimbursement to our District in March 2027 from our Blue Cross Blue Shield health insurance 2nd year contract, the estimated cost is \$270,000 after this reimbursement. This is a total of \$790,000 (\$520,000 + \$250,000) for Fiscal Year 2026-2027.

8. VATRE Analysis

We have 3 golden pennies and 9 copper pennies we can access through a Voter-Approval Tax Ratification Election. Golden pennies from \$0.06 - \$0.08 generates approximately \$3.7MM each and copper pennies \$0.09 - \$0.17 generates approximately \$1.3MM each

JUDSON ISD GENERAL OPERATING FUND

2026-2027 Preliminary Budget Summary

May 14, 2026

	<i>Revised Budget</i>	<i>Projected Actuals</i>	<i>Projected Budget</i>	<i>Change from Projected Actuals</i>
Revenues	2025-2026	2025-2026	2026-2027	
Tax Collections	90,588,866	89,566,371	91,735,880	2,169,509
State Funding	133,812,028	134,017,727	128,300,637	(5,717,090)
Other Local Revenue	6,412,710	6,807,048	5,055,000	(1,752,048)
Other State Funding TRS On Behalf	14,752,562	14,762,143	11,020,662	(3,741,481)
Federal Revenue (SHARS \ Medicaid) & E-Rate	1,710,000	1,643,938	1,481,898	(162,040)
Other Resources	-	-	-	-
Estimated Revenues	247,276,166	246,797,227	237,594,077	(9,203,150)
Expenditures	2025-2026	2025-2026	2026-2027	
Payroll	231,012,212	226,748,000	195,864,732	(30,883,268)
Total Payroll Expense	231,012,212	226,748,000	195,864,732	(30,883,268)
Campus Based Allocations	2,707,114	1,669,570	2,013,369	343,799
Department Based Allocations	43,065,749	40,657,517	39,715,976	(941,541)
Total Non Payroll Expense	45,772,863	42,327,087	41,729,345	(597,742)
Estimated Expenditures	276,785,075	269,075,087	237,594,077	(31,481,010)
Beginning Fund Balance	\$ 86,547,088	\$ 86,547,088	\$ 50,469,228	\$ (36,077,860)
Inc/Dec in Fund Balance	\$ (29,508,909)	\$ (22,277,860)	\$ -	\$ 22,277,860
8900s Other Uses	\$ 11,300,000	\$ 13,800,000	\$ -	\$ 13,800,000
Estimated End-of-Year Fund Balance	45,738,179	50,469,228	50,469,228	-
Estimated Non-spendable	932,564	932,564	932,564	-
Restricted/Committed	1,578,675	-	-	-
Estimated Unassigned Fund Balance	43,226,940	49,536,664	49,536,664	-
% Operating of Unassigned Fund Balance	15.62%	18.41%	20.85%	2.44%
Average Monthly Expenditures	23,065,423	22,422,924	19,799,506	(2,623,418)
# Months Operating of Unassigned Fund Balance	1.87	2.21	2.50	0

Judson ISD
General Operating Fund
2026-2027 Preliminary Budget Summary Explanation

The preliminary 2026–2027 General Operating Fund budget reflects a significant improvement in the district’s financial position compared to prior years and demonstrates progress toward stabilizing district operations through expenditure reductions and strategic financial planning.

Revenue Overview:

The district is projecting approximately \$237.6 million in total revenues for 2026–2027, which is a decrease of approximately \$9.2 million from the current year’s projected actual revenues.

Key revenue observations include:

- Tax collections are projected to increase by approximately \$2.2 million, reflecting continued growth in taxable values within the district.
- State funding is projected to decrease by approximately \$5.7 million, likely due to changes in student enrollment, attendance trends, recapture calculations, and/or state funding formulas.
- Other local revenue and federal revenues are also projected to decline modestly.
- The reduction in TRS On-Behalf (Texas paid portion of employee retirement and healthcare benefits) revenue reflects lower state-paid retirement benefit allocations due to the decrease in payroll. It is an in-and-out transaction with revenue and expenditures that has no net impact on the district’s fund balance or operational cash flow.

Expenditure Overview:

The district is projecting \$237.6 million in expenditures, representing a substantial reduction of approximately \$31.5 million compared to current year projected actual expenditures.

The largest factor contributing to this reduction is payroll expense reductions totaling approximately \$30.9 million, indicating significant staffing adjustments, attrition management, reorganization efforts, and operational efficiencies implemented by the district.

Additional expenditure highlights include:

Slight increases in campus-based allocations to support student and campus operations. Departmental expenditures were reduced by approximately \$941,000. Overall, the non-payroll expenditure decreased by approximately \$598,000.

The proposed budget is currently presented as a balanced budget, with projected revenues matching projected expenditures.

The district's financial fund balance position shows measurable improvement compared to prior budget cycles.

Key fund balance indicators include:

- Estimated ending fund balance for 2026–2027 is projected at approximately \$50.5 million.
- Estimated unassigned fund balance is projected at approximately \$49.5 million.
- The district's unassigned fund balance percentage is projected to improve approximately 20.85% of operating expenditures.

Months of operating reserve improve from:

1.87 months in the revised 2025–2026 budget to 2.21 months in projected actuals, and to approximately 2.50 months in the 2026–2027 preliminary budget.

This improvement indicates that the district is rebuilding financial reserves and improving cash flow stability.

The district will continue monitoring enrollment, attendance, state funding updates, staffing needs, and taxable value growth throughout the budget development process before adoption of the final budget.

Overall, this preliminary budget positions Judson ISD on a more stable financial path with a balanced budget, an incremental increase in the fund balance, while maintaining support for campus and student performance outcomes.

**Judson ISD
General Operating Fund
Budgeted Expenses vs Actuals Expenses Analysis**

Fiscal Year	Budgeted Expenditures	Actual Expenditures	Remaining Balance	% Spent
2016-2017	\$ 203,890,235	\$ 189,563,167	\$ 14,327,068	92.973%
2017-2018	\$ 230,768,599	\$ 211,802,831	\$ 18,965,768	91.781%
2018-2019	\$ 218,519,667	\$ 204,152,579	\$ 14,367,088	93.425%
2019-2020	\$ 214,591,607	\$ 205,379,504	\$ 9,212,103	95.707%
2020-2021	\$ 220,847,782	\$ 202,574,762	\$ 18,273,020	91.726%
2021-2022	\$ 247,335,346	\$ 208,013,915	\$ 39,321,431	84.102%
2022-2023	\$ 273,705,445	\$ 246,177,646	\$ 27,527,799	89.943%
2023-2024	\$ 275,139,779	\$ 268,266,643	\$ 6,873,136	97.502%
2024-2025	\$ 280,249,344	\$ 273,798,041	\$ 6,451,303	97.698%
Est. 2025-2026	\$ 276,785,075	\$ 269,075,087	\$ 7,709,988	97.214%

Judson ISD
General Operating Fund
Budgeted Expenditures vs. Actual Expenditures Explanation

This analysis compares the District's annual budgeted expenditures to actual expenditures over a 10-year period and measures the remaining balance between planned spending and actual spending activity.

The purpose of this analysis is to evaluate:

- Budget accuracy
- Spending controls
- Financial discipline
- Operational forecasting effectiveness
- Long-term expenditure trends

Overall, the District has historically demonstrated the ability to operate within its approved budget authority. In every fiscal year presented, actual expenditures remained below budgeted expenditures, resulting in positive remaining balances each year.

This indicates actual expenditures are now tracking much closer to budgeted levels. In addition, historical trends demonstrate that the district spends less than actual budgeted expenditures year after year. These trends point to our ability to adopt a balanced budget and utilize anticipated savings to incrementally increase the district's fund balance.

The District is still:

- Operating within approved budgets
- Avoiding expenditure overruns
- Demonstrating expenditure monitoring and financial oversight
- Maintaining budgetary compliance

Judson ISD Net Taxable Value History



Tax Year	Taxable Value	Growth
2016	8,192,510,476	9.29%
2017	8,929,763,228	9.00%
2018	9,917,538,075	11.06%
2019	10,742,429,172	8.32%
2020	11,051,434,701	2.88%
2021	12,001,029,291	8.59%
2022	13,714,436,311	14.28%
2023	14,648,563,793	6.81%
2024	14,673,172,047	0.17%
2025	14,129,394,435	-3.71%
2026	14,264,663,256	0.96%

Judson ISD Net Taxable Value History Explanation

Over the past decade, Judson ISD has experienced significant long-term growth in its tax base. The district's net taxable value increased from approximately \$8.2 billion in 2016 to approximately \$14.3 billion in 2026. This reflects an overall increase of more than \$6 billion in taxable property value over the ten-year period.

Net Taxable Value is the total value of all taxable property in the school district after exemptions and adjustments are removed.

Growth Rate is the percentage increase/decrease in a school district's taxable property values from one year to the next.

The blue bars represent the district's total net taxable value each year, while the gray line reflects the annual percentage growth rate.

From 2016 through 2022, the district experienced strong and consistent property value growth. Annual increases ranged from approximately 8% to 14%, with the highest growth occurring in 2022 at 14.28%.

This period of rapid growth was driven by factors such as:

- Rising residential and commercial development
- Increased market property valuations
- Regional economic expansion
- Strong housing demand in the area

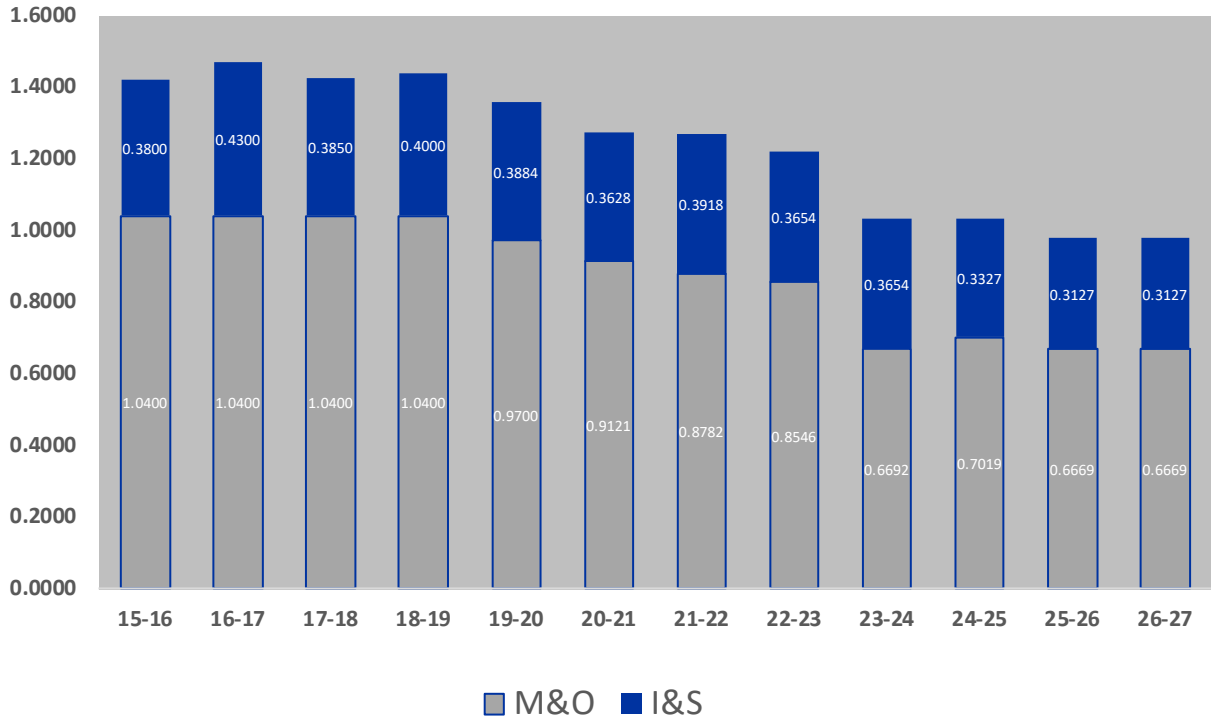
In 2023 and 2024, growth began to stabilize. While taxable values still increased (the blue bars), the growth percentage (the gray lines) slowed significantly to 6.81% in 2023 and only 0.17% in 2024. This indicates the district was entering a period of normalization after several years of unusually high valuation increases.

In 2025, the district experienced a decline in taxable value growth of negative 3.71%. This occurs because property values softened due to market corrections, higher interest rates, homestead exemption impacts, or state legislative changes affecting taxable value calculations. In 2025, Texas voters approved to increase the \$100K homestead exemption to \$140K.

In 2026, the district rebounded slightly with positive growth of 0.96%, indicating stabilization within the local property tax base, though at a much slower pace than prior high-growth years. The state of Texas approved additional funding to offset a loss in revenue to districts due to the change in homestead exemption.

This data is important because taxable value growth directly impacts the district's local revenue capacity under the Texas school finance system.

Judson ISD Tax Rate History



Fiscal Year	M&O	I&S	Total Tax Rate
15-16	1.0400	0.3800	1.4200
16-17	1.0400	0.4300	1.4700
17-18	1.0400	0.3850	1.4250
18-19	1.0400	0.4000	1.4400
19-20	0.9700	0.3884	1.3584
20-21	0.9121	0.3628	1.2749
21-22	0.8782	0.3918	1.2700
22-23	0.8546	0.3654	1.2200
23-24	0.6692	0.3654	1.0346
24-25	0.7019	0.3327	1.0346
25-26	0.6669	0.3127	0.9796
26-27	0.6669	0.3127	0.9796

Judson ISD Tax Rate History Explanation

This chart shows the district's tax rate history over the last 10 years and how both the Maintenance & Operations (M&O) tax rate and Interest & Sinking (I&S) tax rate have changed over time.

M&O (Maintenance & Operations) supports the district's day-to-day operations such as payroll, utilities, transportation, instructional programs, and campus operations.

I&S (Interest & Sinking) is used to pay debt obligations, including bonds for facilities, renovations, and major capital projects.

The overall tax rate has steadily decreased from \$1.42 in 2015-2016 to approximately \$0.98 in 2025-2026 and 2026-2027, with the highest tax rate year being in 2017-2018 at \$1.47.

The overall reduction in tax rate over the ten-year period can be attributed to the following factors:

- Growth in the district's taxable property values
 - As local funding increases due to property values, state funding decreases. Thus, balancing the funding that the state allocates each year. This is known as tax rate compression. As property values increase, the tax rate is compressed by the state to balance the amount of funding that the district receives.
- Legislative changes affecting school finance –
 - HB 2
 - Compression, or additional requirements for districts to receive state funding. For example, applying to the state to receive grant funds, such as the LIFT grant.
 - Limited discretion for districts to use the basic allotment.
- Strategic financial management by the district
 - Decisions related to use of disaster pennies
 - Board decisions to adjust I&S rates.
- Debt restructuring and monitoring of bond obligations

JUDSON ISD CHILD NUTRITION FUND

2026-2027 Preliminary Budget Summary

April 14, 2026

<i>2026-2027</i>	<i>Revised Budget</i>	<i>Projected Actuals</i>	<i>Proposed Budget</i>	<i>Change from Projected Actuals</i>
<i>Revenues</i>	<i>2025-2026</i>	<i>2025-2026</i>	<i>2026-2027</i>	
Local Sources	1,540,000	1,524,607	1,543,206	18,599
State Funding	72,261	146,382	146,382	-
Federal Revenue (School Meal Program Reimbursement)	17,308,463	17,239,690	17,305,136	65,446
Estimated Revenues	\$18,920,724	\$18,910,679	\$18,994,724	\$84,045
<i>Expenditures</i>	<i>2025-2026</i>	<i>2025-2026</i>	<i>2026-2027</i>	
Payroll	\$8,085,051	\$7,896,758	\$7,447,291	-\$449,467
Non-Payroll	\$14,018,443	\$13,026,119	\$12,721,412	-\$304,707
Estimated Expenditures	\$22,103,494	\$20,922,877	\$20,168,703	-\$754,174
Increase (Decrease) in Fund Balance	-\$3,182,770	-\$2,012,198	-\$1,173,979	\$838,219
Beginning Fund Balance	\$6,410,239	\$6,410,239	\$4,398,041	-\$2,012,198
Estimated End-of-Year Fund Balance	\$3,227,469	\$4,398,041	\$3,224,062	-\$1,173,979
# Months Operating of Unassigned Fund Balance	2	3	2	

JUDSON ISD INTEREST & SINKING FUND

2026-2027 Preliminary Budget Summary

April 14, 2026

<i>2026-2027</i>	<i>Revised Budget</i>	<i>Projected Actuals</i>	<i>Proposed Budget</i>	<i>Change from Projected Actuals</i>
Revenues	2025-2026	2025-2026	2026-2027	
Tax Collections	48,335,325	42,207,406	42,829,123	621,717
State Funding	7,264,675	13,142,376	10,946,836	(2,195,540)
Estimated Revenues	\$55,600,000	\$55,349,782	\$53,775,959	\$0
Expenditures	2025-2026	2025-2026	2026-2027	
Debt Services Expenses	55,600,000	54,573,182	53,860,655	(712,527)
Estimated Expenditures	\$55,600,000	\$54,573,182	\$53,860,655	(\$712,527)
Beginning Fund Balance	\$44,376,385	\$44,376,385	\$45,152,985	776,600
Increase/Decrease of Fund Balance	\$0	\$776,600	-\$84,696	\$861,295
Estimated End-of-Year Fund Balance	\$44,376,385	\$45,152,985	\$45,068,289	-\$84,696