

BUDGET UPDATE

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Chief Financial Officer

April 15, 2025



HOUSE UPDATES

- ★ **House “Texas Two Step” - Moving forward with adjustments**
 - **Pairing HB2 (school finance) with HB3 (ESA’s)**
 - **Increase basic allotment from \$6,160 to ~~\$6,380~~ \$6,550**
 - **Must use 40% on compensation (75% of that must be spent on teachers, nurses, counselors, librarians)**
 - **Adjusting for inflation since 2019 would be ~ \$1,300 increase to the basic allotment vs \$390**
 - **Expansion of Teacher Incentive Allotment**

APRIL

- ★ Indications are that this week will be very eventful
 - HB3 - should pass in the House on Wednesday
 - ESA bill - should pass in the House on Wednesday
- ★ Financial models (“runs”) coming out shortly

CURRENT SESSION

SB2	HB3 ✓
<ul style="list-style-type: none">- \$10K per student- \$1,500 additional for special needs	<ul style="list-style-type: none">- 85% of the statewide average of state and local funding (~11K)- Up to \$30K for students with disabilities
80% to be filled with students who previously attended public schools and either low income/disability unless not committed	<ol style="list-style-type: none">1. Students with disabilities from families earning up to 500% of the federal poverty level (around \$156,000 for a family of four).2. Low-income families who earn up to 200% of the poverty level (approximately \$62,400 for a family of four).3. Families earning between 200% and 500% of the poverty level.4. Families earning above 500% of the poverty level.

PROPERTY VALUES

- ★ Comptroller values for 2024 released January 31
- ★ Value appeal process for 2024 started by MVBA
- ★ April - Preliminary 2025 values → Should arrive April 25th
- ★ 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**

BUDGET SCENARIO

- **With no additional funding:**
 - **No pay raises**
 - **Costs of opening of Adelton** **\$1.4MM**
 - **Transition of (2) INTER to MS** **\$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

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**
- **This delay appears to be indicative of negotiations behind the scenes**
- **Moving forward we hope to see the House and the Senate remain in alignment and pass with current House funding language, at a minimum**
- **No guarantees until it clears the Governor's desk**

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 (last year to this year saw a 60% increase)**
 - **Student growth**

BUDGET & TAX RATE

- **Other items of note:**

April 25	Preliminary Taxable Values
May 13	Budget Development Presentation #4
June 1	Publish Notice of Public Meeting to Discuss Budget and 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?

