

# Agenda of Budget Workshop

## The Board of Trustees Jarrell ISD

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A Budget Workshop of the Board of Trustees of Jarrell ISD will be held April 2, 2025, beginning at 6:00 PM in the Jarrell ISD Administration, 504 N. 5th Street, Jarrell, TX 76537.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. Call to Order, Establishment of Quorum
2. Pledge to American and Texas Flags
3. Public Comments
4. Appreciation of Service Recognition
5. Administer Oath of Office for Newly Appointed Board Member, Place 2 presented by Diane Hodde
6. Budget Workshop #3 2
7. Adjourn to Closed Session: The Board may recess into Closed Session for purposes permitted by the Texas Open Meetings Act, Tex. Gov't Code Sections 551.001 et seq., 551.071, 551.072, 551.073, 551.074, 551.075, 551.076, 551.082, 551.083, 551.084
  - A. Discussion of Personnel and Additional Administrator Contracts, Gov't. Code 551.074
  - B. Discussion of Purchase, Exchange, Lease or Value of Real Property, Tex. Gov't Code 551.072
8. Return to Open Session and Take Action if Needed on Closed Session Items
  - A. Possible Action on Personnel
    1. Consideration and Possible Action on Additional Administrator Contracts
    2. Consideration and Possible Action on Approving Additional Positions
    3. Consideration and Possible Action on Accepting Resignations
    4. Consideration and Possible Action on Employing Personnel
  - B. Consideration and Possible Action on Purchase, Exchange, Lease or Value of Real Property
9. Adjournment

# Jarrell ISD

## FY 25-26 Budget Workshop #3

2



**Robert Navarro**  
**Chief Financial Office**  
Special Board Meeting  
April 2, 2025

# Agenda

1. Legislative Updates
2. Impact of Vouchers - Study
3. Current Budget Status 24-25
4. ADA and Tax Revenue Estimates 25-26
5. Summary Rev and New Expense Estimates 25-26
6. Looking Forward
7. Recap

# Legislative Update

## Governor's Emergency Items

1. **Property Tax Reform - at least \$10 billion**
2. Water infrastructure
3. **Teacher Pay**
4. **Expanding Career Training**
5. **School Choice**
6. Bail reform
7. Texas Cyber Command



**EMERGENCY ITEM:  
RAISE TEACHER  
PAY**

# Legislative Update cont'd

## Governor's Teacher Pay Recommendations

1. Increase teacher salaries through a direct appropriation in teacher pay and other compensation strategies

2. Invest \$750 million in 2026-2027 to expand the Teacher Incentive Allotment, bringing more teachers into the merit pay program sooner and increasing merit pay amounts overall

## Teacher Incentive Allotment



# Legislative Update Cont'd

## Major Bills on the Move

1. **SB 2** and **HB 3** (Vouchers)
2. **SB 12** (Parental Rights)
3. **SB 26** (Teacher Pay and TIA)
4. **SB 27** (Teacher Bill of Rights)
5. **HB 2** (School Funding/Teacher Workforce)
6. **SB 568** (Special Education Funding)
7. **SB 4** and **HB 8** (Tax Compression and Homestead Exemption)
8. **HB 120** (Junior ROTC)
9. **HB 20** (Applied Science Pathways)
10. **SB 10** (10 Commandments)
11. **SB 11** (Prayer)
12. **SB 19** (Taxpayer Funded Lobbying)

# Legislative Update Cont'd

## The ongoing cost of property tax relief

1. **SB 4 by Sen. Bettencourt** increases homestead exemption from \$100,000 to \$140,000
2. **HB 8 by Rep. Meyer** provides additional tax rate compression of 3.31 cents for about \$2.6 billion (an additional 6.8 cents occurs automatically) and additional business exemptions in HB 9 for about \$700 million.

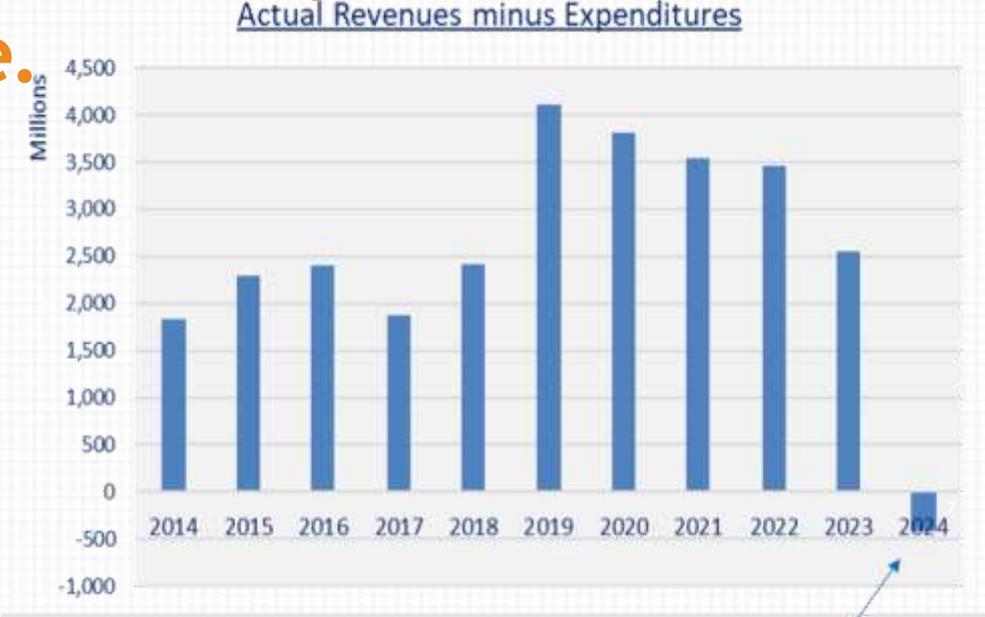
**\$51 Billion**

included in the proposed state budget for property tax relief passed since 2019

The Legislature knows how to pass bold, complex, and costly measures when it's a priority

\*Funding needed to get Texas to national average in per student funding: **\$48 billion**

# TEA reported to DOGE committee in House that districts operated at deficit in aggregate.



8

In 2024, 510 ISDs finished the 2023-24 school year with deficit spending.

Source: TEA

# Impact of Vouchers - Study

## Vouchers Fail Students and Taxpayers

### A comparison of district schools and private school vouchers

	Public School Districts	Private School Vouchers
Required to accept all students	✓	✗
Require annual assessment aligned to state curriculum to track student progress	✓	✗
Public reporting and accountability for use of taxpayer funds	✓	✗
Public reporting and accountability for student performance	✓	✗
Require closure or state management for multiple years of low performance	✓	✗
Comply with federal protections for students with disabilities	✓	✗



# Impact of Vouchers – Study cont'd

## Students Don't Stay in Voucher Programs, Costs Escalate



**61%** of students in Florida Tax Credit Scholarship program stay for two years or less



Arizona's universal school voucher program that was estimated to cost only **\$65 million** cost over \$700 million

# Impact of Vouchers – Study cont'd

## State Funding for Your Public Schools Will Be Diminished

As funding for voucher programs have expanded in other states, the overall portion of state funding for public schools has decreased.

\*While Florida increased its spending on three voucher programs by 313 percent from fiscal year 2008 to fiscal year 2019, the state decreased its per-pupil funding for public education over this time period by 12 percent, from \$9,799 in fiscal 2008 to \$8,628 in fiscal 2019.

The 49 other states, on average, increased per-pupil spending over this time period by 9.6 percent.



**VOUCHER**



**PER STUDENT FUNDING**



# Impact of Vouchers – Study cont'd

## HB3 Fiscal Note

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$10,815,140)
2027	(\$1,000,000,000)
2028	(\$3,072,973,954)
2029	(\$3,171,752,915)
2030	(\$3,981,223,564)

13

This analysis assumes that the cost of the ESA program in fiscal year 2027 would be limited to **\$1.0 billion**, including administrative costs. In subsequent years and based on assumptions outlined above, this analysis assumes the cost of the ESA program could be **\$3.3 billion** in fiscal year 2028, **\$3.7 billion** in fiscal year 2029, and **\$4.8 billion** in fiscal year 2030.

# Current Budget Status – 24-25

Jarrell ISD Statement of Unaudited Revenues and Expenditures  
Budget vs. Actual as of March 28, 2025

Obj / Func	Description	Annual Budget (Amend)	YTD Actual	YTD Encumbrance	Variance	Amount Exp by June	Net total
5700	<b>REVENUES:</b> REVENUE-LOCAL & INTERMED	22,934,662.00	(22,059,719.00)	-	874,943.00	975,000.00	23,034,719.00
5811	STATE PROGRAM REVENUES	20,899,140.00	(11,091,855.00)	-	9,807,285.00	10,416,041.00	21,507,896.00
5900	FEDERAL PROGRAM REVENUES	200,000.00	(159,771.11)	-	40,228.89	-	159,771.11
<b>5000</b>	<b>Total Revenues</b>	<b>44,033,802.00</b>	<b>(33,311,345.11)</b>	<b>-</b>	<b>10,722,456.89</b>	<b>11,391,041.00</b>	<b>44,702,386.11</b>
	<b>EXPENDITURES:</b>						
11	INSTRUCTION	\$ (24,202,848)	\$ 15,454,214	\$ 322,633	\$ (8,426,001)	\$ 24,502,848.00	\$ 24,502,848
12	INSTRUCTIONAL RESOURCES	\$ (418,749)	\$ 289,061	\$ 13,086	\$ (116,602)	\$ 418,749.00	\$ 418,749
13	STAFF DEVELOPMENT	\$ (1,776,545)	\$ 1,156,861	\$ 16,841	\$ (602,843)	\$ 1,776,545.00	\$ 1,776,545
21	INSTRUCTIONAL LEADERSHIP	\$ (151,453)	\$ 113,517	\$ 569	\$ (37,367)	\$ 151,453.00	\$ 151,453
23	SCHOOL LEADERSHIP	\$ (2,525,874)	\$ 1,909,278	\$ 9,240	\$ (607,356)	\$ 2,525,874.00	\$ 2,525,874
31	GUIDANCE AND COUNSELING SVS	\$ (1,590,539)	\$ 1,143,748	\$ 7,617	\$ (439,174)	\$ 1,590,539.00	\$ 1,590,539
33	HEALTH SERVICES	\$ (542,242)	\$ 289,917	\$ 5,690	\$ (246,635)	\$ 542,242.00	\$ 542,242
34	PUPIL TRANSPORTATION-REGULAR	\$ (2,079,755)	\$ 1,366,491	\$ 48,906	\$ (664,358)	\$ 2,079,755.00	\$ 2,079,755
36	CO-CURRICULAR ACTIVITIES	\$ (1,183,370)	\$ 866,925	\$ 36,344	\$ (280,101)	\$ 1,183,370.00	\$ 1,183,370
41	GENERAL ADMINISTRATION	\$ (1,966,766)	\$ 1,411,126	\$ 66,141	\$ (489,499)	\$ 1,966,766.00	\$ 1,966,766
51	PLANT MAINTENANCE & OPERATION	\$ (5,007,531)	\$ 3,832,530	\$ 409,744	\$ (765,257)	\$ 5,007,531.00	\$ 5,207,531
52	SECURITY & MONITORING	\$ (849,332)	\$ 568,835	\$ 20,228	\$ (260,269)	\$ 849,332.00	\$ 849,332
53	DATA PROCESSING	\$ (1,176,360)	\$ 892,325	\$ 33,845	\$ (250,190)	\$ 1,176,360.00	\$ 1,176,360
93	Other Inter-govt Charges	\$ (337,438)	\$ 194,144	\$ 200	\$ (143,094)	\$ 337,438.00	\$ 337,438
99	OTHER GOVT CHARGES - WCAD	\$ (225,000)	\$ 175,417	\$ -	\$ (49,583)	\$ 225,000.00	\$ 225,000
<b>6000</b>	<b>Total Expenditures</b>	<b>\$ (44,033,802.00)</b>	<b>\$ 29,664,389.00</b>	<b>\$ 991,084.40</b>	<b>\$ (13,378,328.60)</b>	<b>\$ 44,333,802.00</b>	<b>\$ 44,533,802.00</b>

# Current Budget Status – 24-25

## 24-25 Financial Items to Note:

1. Enrollment Continuing to grow.
2. PO Deadline has closed, except for Bond and Activity Items
3. Salary forecast totals include accruals through August

# Tax Value Estimates – 25-26 Forecast

Property Values	2023 TAX YEAR Final Values	2024 TAX YEAR PRELIMINARY	2025 TAX YEAR ESTIMATED
State Certified Property Value ("T2" value) @ \$100K Exemption	3,067,563,839	3,460,339,317	3,737,166,462
State Certified Property Value ("T8" value) @ \$100K Exemption	3,067,563,839	3,460,339,317	3,737,166,462
State Certified Property Value ("T1" value) @ \$100K Exemption	3,480,279,262	3,920,310,661	4,233,935,514
State Certified Property Value ("T7" value) @ \$100K Exemption	3,480,279,262	3,920,310,661	4,233,935,514
State Certified Property Value ("T13" value) @ \$100K Exemption	3,586,299,262	4,039,305,661	4,362,450,114
State Certified Property Value ("T14" value) @ \$100K Exemption	3,586,299,262	4,039,305,661	4,362,450,114
State Certified Property Value ("T16" value) @ \$100K Exemption	3,656,979,262	4,118,635,661	4,448,126,514
State Certified Property Value ("T17" value) @ \$100K Exemption	3,221,656,039	3,611,536,506	3,900,459,426

# Tax Revenue Estimates

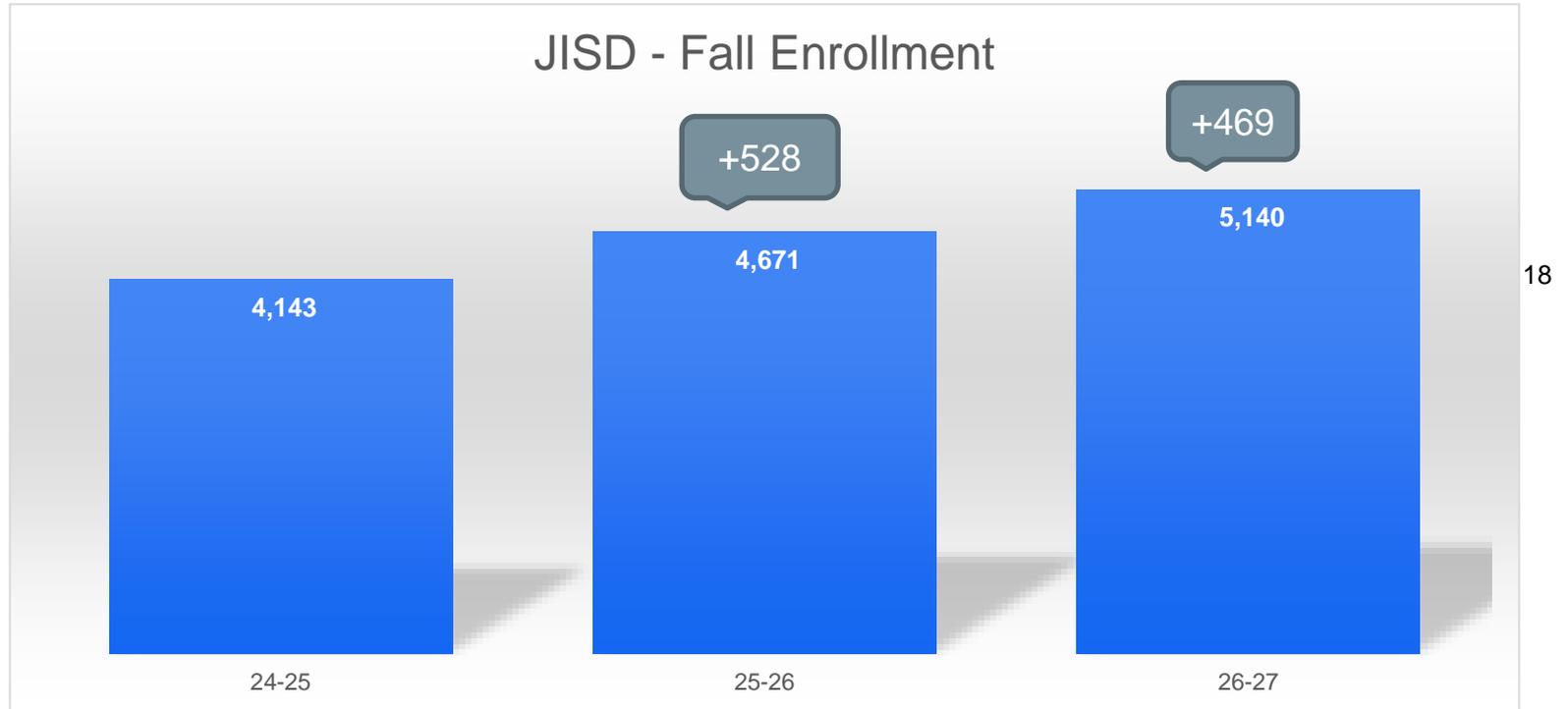
## Tax Revenue Estimates:

Funding Elements		SB 2	SB 2	24-25 Law Cont'd
Students		2023-24	2024-25	2025-26
Property Values				
6.	Prior Year State Certified Property Value ("T2" value)	2,933,730,953	3,067,563,839	3,460,339,317
7.	Current Year State Certified Property Value ("T2" value)	3,067,563,839	3,460,339,317	3,737,166,462

17

Tax Rates and Collections				
8.	M&O Tax Rate	0.66920	0.66690	0.63540
9.	Tier I M&O Tax Rate	0.61920	0.61690	0.58540
10.	Maximum Compressed Tax Rate	0.61920	0.61690	0.58540
11.	M&O Tax Collections	19,589,307	22,260,000	23,745,956
12.	I&S Tax Rate (used only for Notice purposes)	Not Needed	Not Needed	Not Needed
13.	I&S Tax Collections	14,587,604	22,240,000	24,464,000
14.	Total Tax Collections	34,176,911	44,500,000	48,209,956
15.	Total Tax Levy	N/A	N/A	N/A

# Enrollment Estimates – 25-26 Forecast



# State Revenue Estimates

Funding Components				
16.	District Basic Allotment	\$6,160	\$6,160	\$6,160
17.	ASF ADA (Prior-year ADA)	\$3,041	\$3,392	\$3,797
18.	Per Capita Rate	\$423,747	\$622,196	\$400,000
Program Intent Codes - Allotments				
Tier I Subchapter B & C Allotments		2023-24	2024-25	2025-26
19.	11-Regular Program Allotment 48.051	\$17,968,338	\$20,130,053	\$22,600,671
20.	Small and Mid-size Allotment 48.101	\$936,337	\$872,520	\$752,133
21.	23-Total Special Education Adjusted Allotment 48.102 (Sper	\$5,051,298	\$5,633,378	\$6,138,277
22.	37-Dyslexia Allotment 48.103	\$196,504	\$196,504	\$196,504
23.	24-Total Comp Ed Allotment 48.104 (Spend 55%)	\$3,424,376	\$3,425,509	\$3,759,106
24.	25-Total Bilingual Education Allotment 48.105 (Spend 55%)	\$574,262	\$489,997	\$538,997
25.	22-Total Career & Technology Allotment 48.106 (Spend 55%)	\$2,348,002	\$2,589,332	\$2,820,788
26.	11-Public Education Grant 48.107	\$1,189	\$1,189	\$1,308
27.	36-Early Education Allotment 48.108	\$632,115	\$867,121	\$953,833
28.	21-Gifted & Talented Allotment 48.109	\$71,828	\$66,375	\$73,059
29.	38-College, Career, or Military Readiness Outcomes Bonus	\$15,000	\$55,000	\$55,000
30.	Fast Growth Allotment 48.111	\$1,184,844	\$1,370,399	\$1,545,306
31.	Teacher Incentive Allotment 48.112	\$0	\$0	\$0
32.	Mentor Program Allotment 48.114	\$0	\$0	\$0
33.	School Safety Allotment 42.168	\$138,904	\$142,970	\$147,050

# State ADA Revenue Estimates

M&O State Aid		2023-24	2024-25	2025-26
47.	199/5812 - Foundation School Fund	\$15,033,489	\$16,100,629	\$20,124,019
48.	199/5811 - Available School Fund	\$1,288,526	\$2,110,587	\$1,518,804

## Total Revenue Estimates

ADDITIONAL INFO: (Not on TEA's Summary of Finances)		2023-24	2024-25	24-25 Law Cont'd 2025-26
<b>SUMMARY OF TOTAL STATE/LOCAL M&amp;O REVENUE:</b>				
55.	M&O Rev From State (not including Fund 599 & I&S Hold Ha	\$16,322,014	\$18,211,216	\$21,513,731
56.	Gross M&O Rev From Local Taxes	\$19,589,307	\$22,260,000	\$23,745,956
57.	Tier 1 Recapture	\$0	\$0	\$0
58.	Recapture - Copper Penny Level	\$0	\$0	\$0
59.	Chapter 48 Funding Credit Against Recapture	\$0	\$0	\$0
60.	Net M&O Revenue From Local Taxes	\$19,589,307	\$22,260,000	\$23,745,956
61.	Less: Credit Balance Due State (only if Line 55 is less than z	\$0	\$0	\$0
62.	<b>Net TOTAL STATE/LOCAL M&amp;O REVENUE</b>	<b>\$35,911,321</b>	<b>\$40,471,216</b>	<b>\$45,259,687</b>

<b>FYI: Total State/Local M&amp;O Revenue per ADA</b>	<b>\$10,587</b>	<b>\$10,659</b>	<b>\$10,647</b>
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# New Expense Estimates 25-26

## Jarrell ISD Estimated Revenues and Expenditures 25-26 Budget Forecast

Obj / Func	Description	Annual Budget (Amend)	25-26 Added	25-26 Estimates
5700	<b>REVENUES:</b> REVENUE-LOCAL & INTERMED	22,934,662.00	1,485,956.00	24,420,618.00
5800	STATE PROGRAM REVENUES	20,899,140.00	3,302,515.00	24,201,655.00
5900	FEDERAL PROGRAM REVENUES	200,000.00	(100,000.00)	-
<b>5000</b>	<b>Total Revenues</b>	<b>44,033,802.00</b>	<b>4,688,471.00</b>	<b>48,622,273.00</b>
	<b>EXPENDITURES:</b>			
6000	<b>Total Budget Expenditures 24-25</b>	<b>\$ 44,033,802</b>	<b>\$ 44,033,802</b>	<b>\$ 44,033,802</b>
	<b>Estimated Expense Additions 25-26</b>			
	<b>JRSM:</b>			
	JRMS - New Opening - Admins - 10		\$ 444,000	\$ 444,000
	<b>District Growth Needs:</b>			
	DCE - Teacher - 7		\$ 403,200	\$ 403,200
	IES - 4		\$ 230,400	\$ 230,400
	JMS/JRMS - 6		\$ 345,600	\$ 345,600
	JHS - 3		\$ 172,800	\$ 172,800
	SPED		\$ 245,000	\$ 245,000
	<b>Other:</b>			
	Salary Increase 3%		\$ 1,100,000	\$ 1,100,000
	Utilities Increase		\$ 750,000	\$ 750,000
	Liability Insurance		\$ 250,000	\$ 250,000
	Employee Insurance Costs		\$ 300,000	\$ 300,000
	Unknown Costs		\$ 250,000	\$ 250,000
	<b>Total Expenditures with new Costs</b>			<b>\$ 48,524,802</b>
	<b>Current Forecasted 25-26 Budget</b>			<b>\$ 97,471</b>

# Looking Ahead

- Monitor Legislative Updates for impact to District
- Look for additional efficiencies and savings to 25-26 Budget
- Work with Principals and department heads to finalize their budgets

# Recap

1. Legislative update
2. Reviewed Impact of Vouchers
3. Current Budget Status 24-25
4. ADA and Tax Revenue deep dive review
5. Rough Estimates for 25-26 Budget Forecast – additional updates as we tie up numbers

