

2025-26 Budget Update

January 30, 2025



Keller ISD is Not Alone

Denton ISD prepares for bigger classes and fewer teachers in the new school year

KATY ISD FACES POTENTIAL \$13M BUDGET SHORTFALL, SUPERINTENDENT URGES TEXAS LAWMAKERS FOR FUNDING

Northwest ISD adopts \$15.8 million deficit in 2024-25 budget

Lewisville ISD may close, consolidate 20 campuses due to budget woes

Lake Travis ISD cuts over \$1 million in special education funding due to financial woes

Plano ISD board votes to close four schools, citing budget concerns

Leander ISD could fall short nearly \$30M for next year's budget

Frisco ISD officials OK \$963M budget with \$30.8M potential shortfall



Circumstances Outside of District Control

- Inflation
- Insufficient and Complex State Funding Formula
- State “Robin Hood Scheme”
- Underfunded Mandates
- Flattening Enrollment and Student Attendance



School Cost Inflation 2019 vs. 2024

Schools, just like our households and businesses, have seen increased costs for fuel, insurance, utilities, and supplies. In addition, districts have continued to provide salary increases in order to retain and hire quality staff.



Fuel



Insurance



Utilities



Transportation



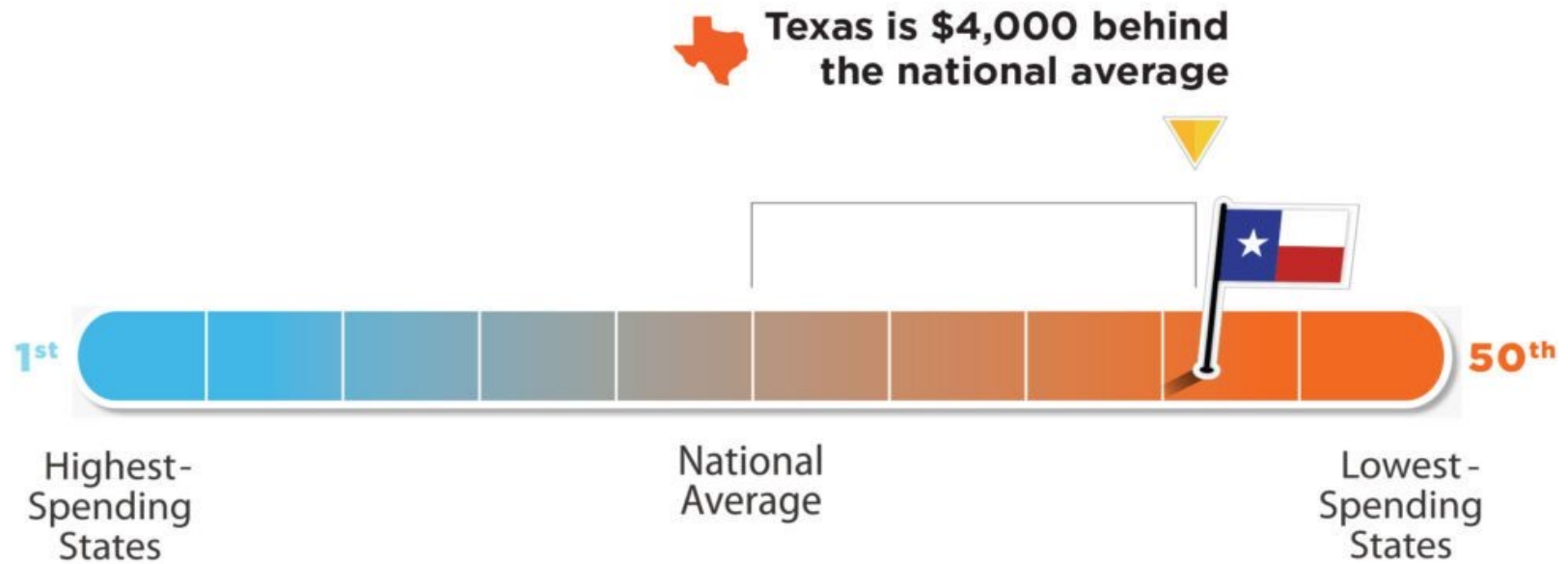
Staffing

Average inflation since August 2019 has increased by 23% according to the Consumer Price Index. The basic student allotment would need to be raised by over \$1400 to maintain 2019 funding levels.



Texas School Funding

Texas Ranks in the Bottom 10 in Per Pupil Spending



[Texas Public School Funding | Money for Schools - RYHT \(raiseyourhandtexas.org\)](http://www.raiseyourhandtexas.org)

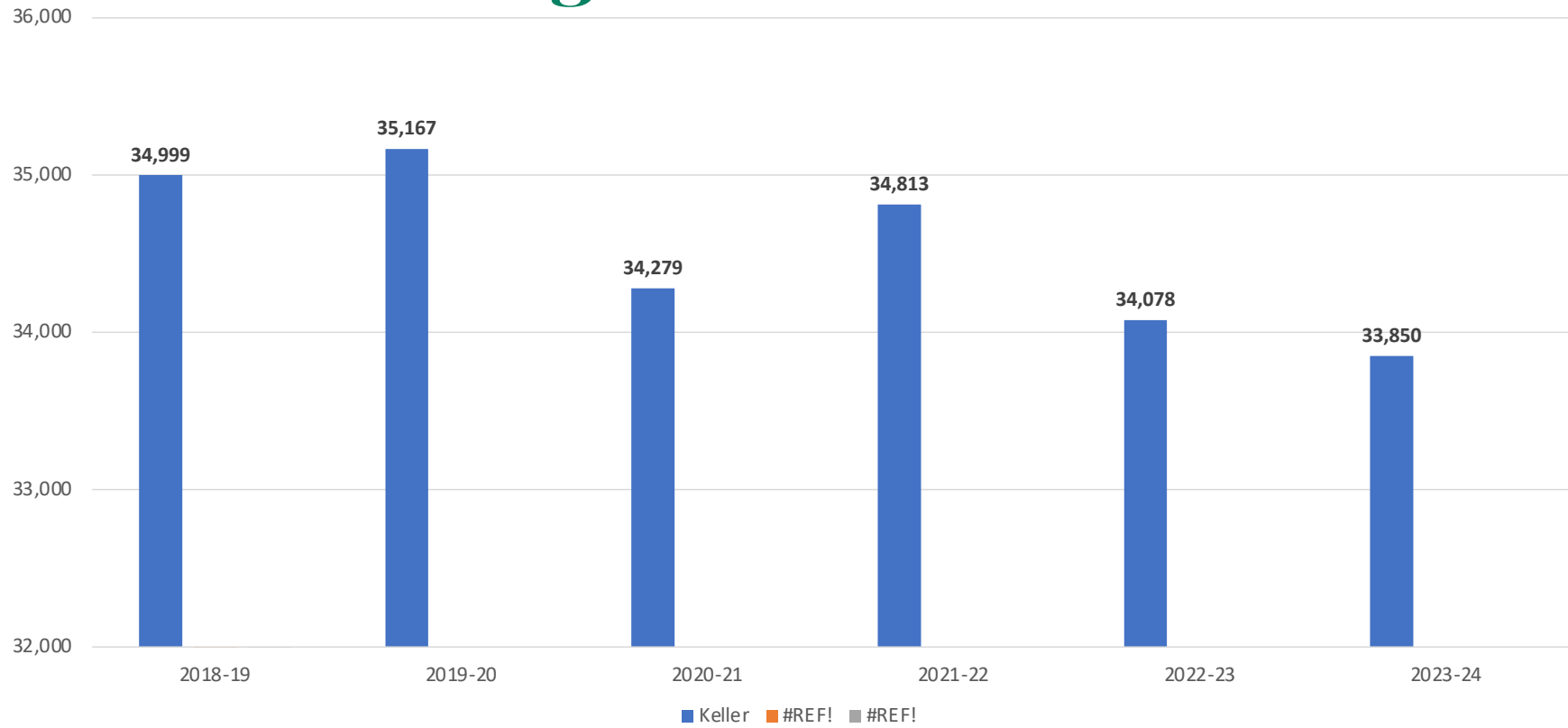


Underfunded Mandates from the State

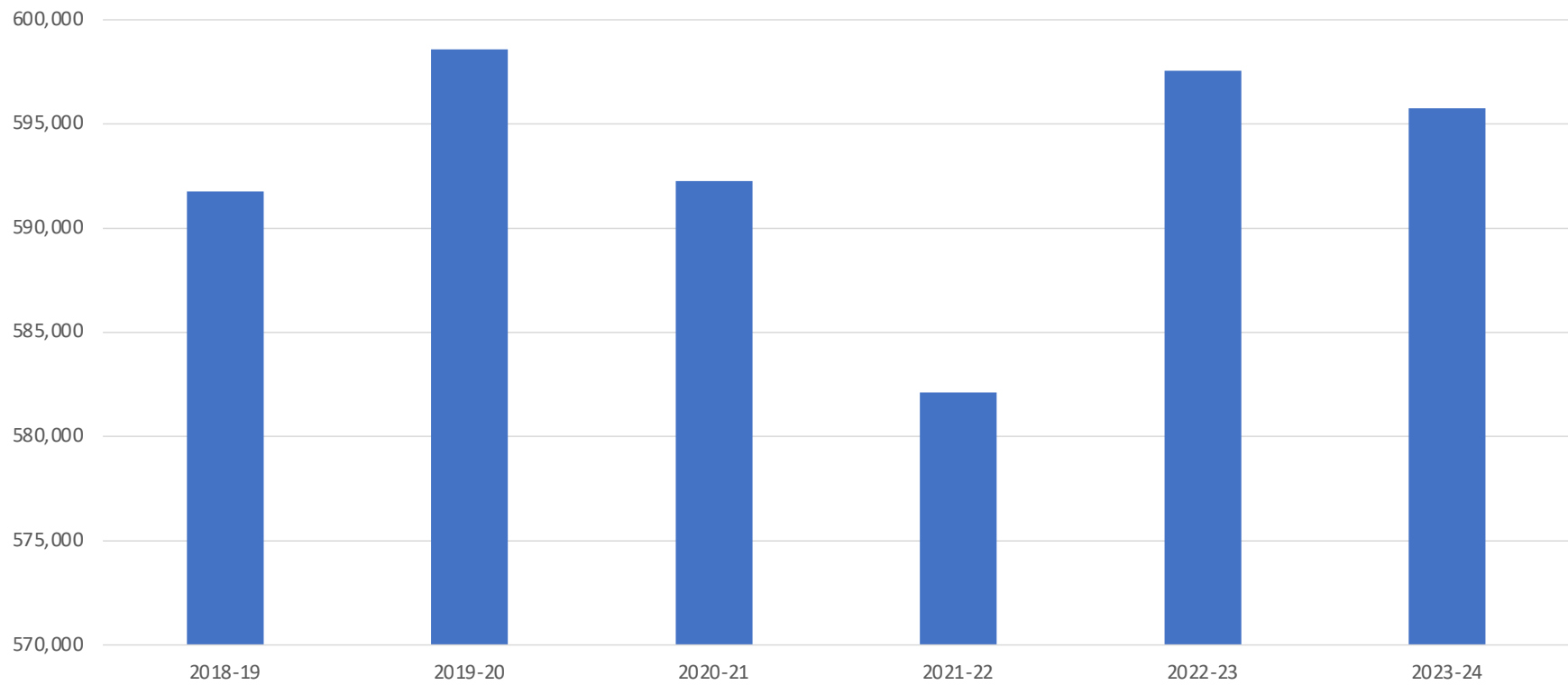
- Special Education Program Spending Exceeds State Funding Requirement \$28 million
- HB3 (2019) Full Day Pre-K, Teacher Compensation, Reading Academies, Counseling, CCMR \$11.5 million
- STAAR Technology \$5 million
- HB 3 (2023) Safety & Security Requirements Above Funding \$4 million
- Dyslexia Program Spending Exceeds State Funding Requirement \$2.5 million
- Gifted & Talented Program Spending Exceeds State Funding Requirement \$1.0 million



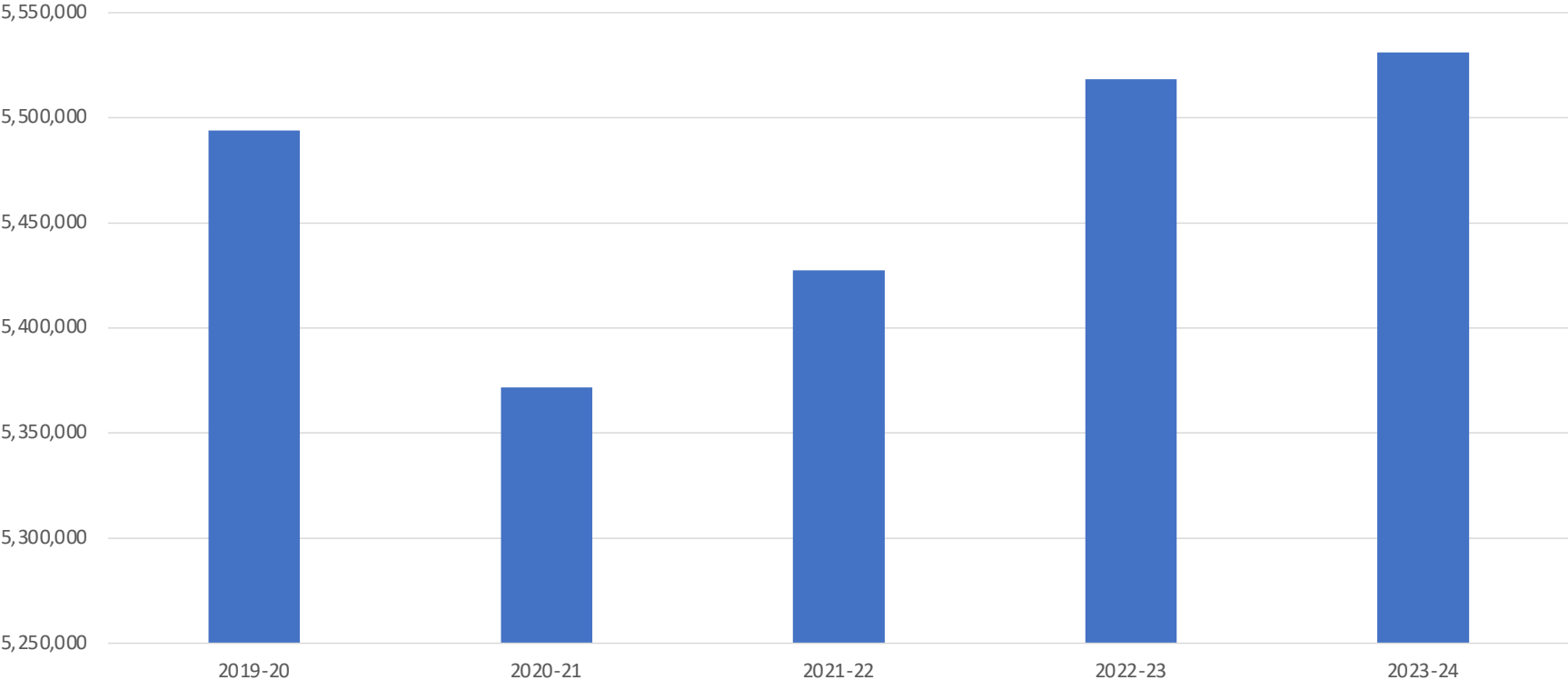
KISD Declining Enrollment



Region 11 Enrollment

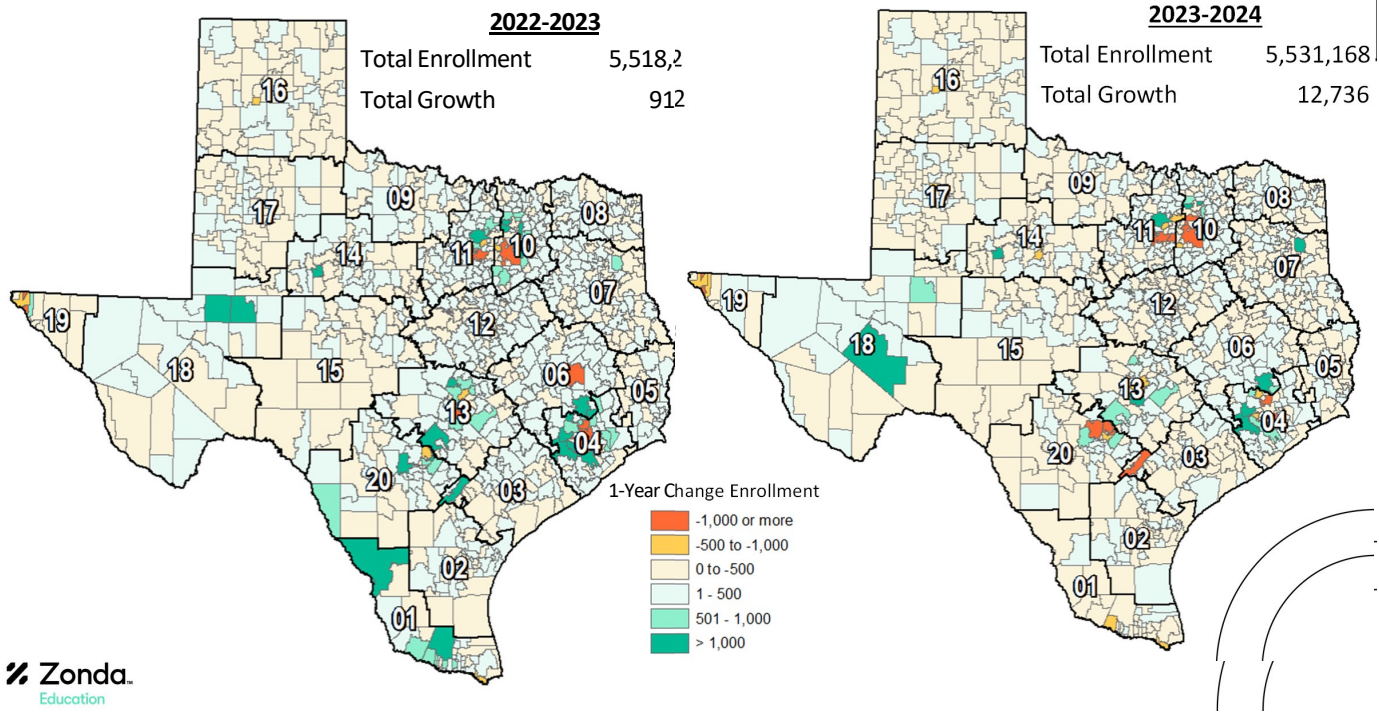


State Enrollment

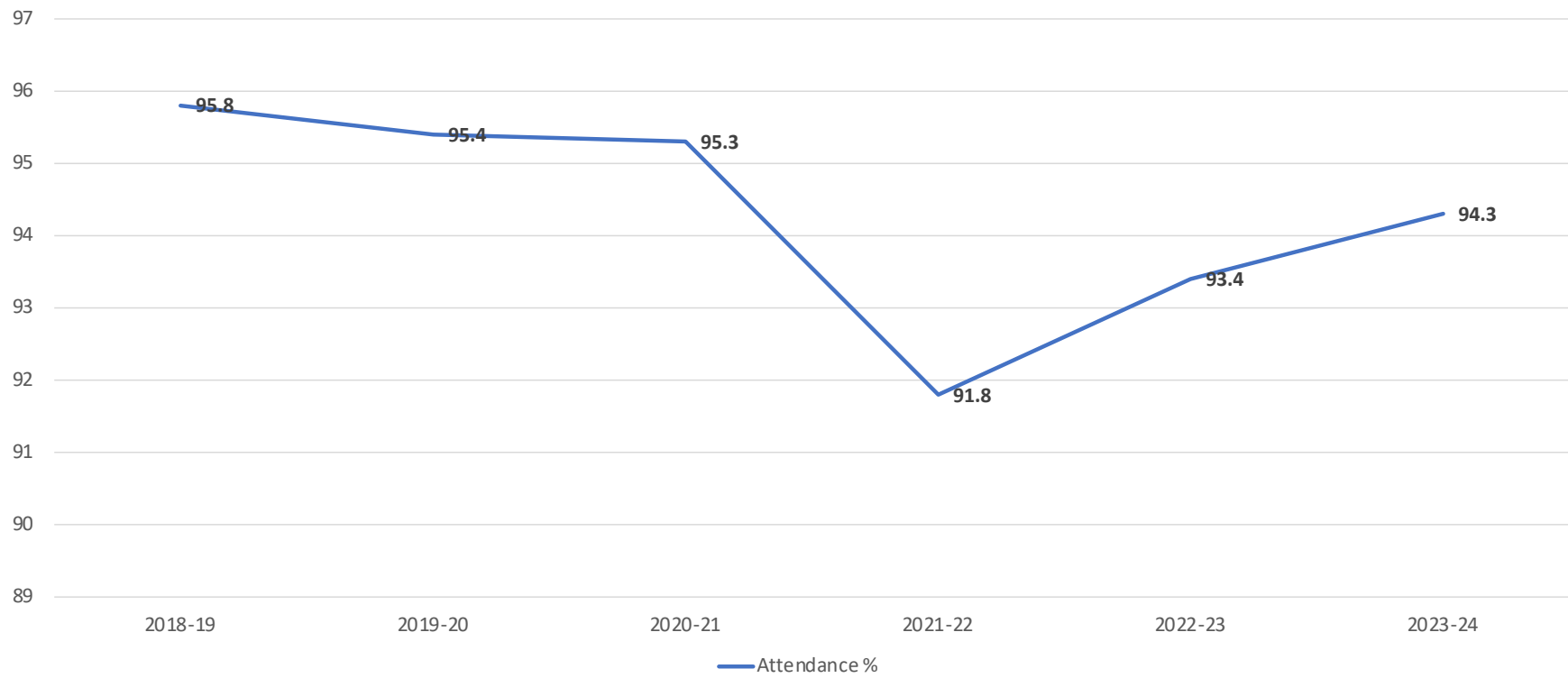




State Enrollment Trends



Declining Attendance



2023-2024 Budget Efficiencies

Budget Reductions	Total Amount \$17,691,369
Central Administration Cuts	\$3,891,243
Staffing Efficiencies to Offset Declining Enrollment	\$4,517,500
Elimination of Vacant Positions	\$3,000,000
Withheld 10% of Department Budgets	\$6,282,626



2024-2025 Budget Efficiencies

Total Budget Reductions	\$27,330,281.95
Central Office Administration	\$1,662,788
District Level/Central Office Support Staff	\$3,182,000
Campus Administration and Counselors	\$1,494,769
Media Specialists Shared Staffing Model	\$1,470,000
Elementary Fine Arts Shared Staffing Model	\$1,400,000
Staffing Efficiencies to Offset Declining Enrollment	\$11,900,000
Elimination of Program Redesign Positions	\$5,429,000
Department Budgets	\$791,724



2025-2026 Budget Assumptions

- Balanced Budget
- Enrollment-Decline of 450 students
- ADA Attendance at 94%
- No increase to the basic allotment of \$6160-has not changed since 2019
- TAD projects flat property value growth
- Tax Rate is adopted in August once final property values are received and the state releases the district's maximum compressed tax rate (MCR).



2025-2026 Budget Planning Projections

Preliminary Budget Deficit	(\$9,435,000)
Armed Security	(\$1,500,000)
Teacher Incentive Allotment Program Cost	(\$150,000)
Staff Salary Increase (1% increase = \$3,000,000)	
Increase in professional services/TAD	(\$750,000)
Reduced Enrollment projection for 25-26	(\$2,700,000)
HVAC/Facility Repairs	(\$1,500,000)
Increase in utilities	(\$200,000)
Increase in transportation/fuel	(\$1,000,000)
Increase in Property Insurance	(\$750,000)
Ongoing reduction in SHARS funding	(\$600,000)
Athletic Facility repairs	(\$285,000)



Proposed 2025-2026 Budget Efficiencies

- Efficiencies to Offset Declining Enrollment \$7,068,500
- Department Budgets \$800,000
- Program Consolidation \$1,566,500

Total Proposed Budget Reductions \$9,435,000



QUESTIONS ?

