

# Preliminary General Operating Budget

---

*May 5, 2025*



# Preliminary General Fund 2025-2026

DESCRIPTION	ADOPTED BUDGET
Local Revenues	\$516,184,490
State Revenues	583,089,022
Federal Revenues	7,500,000
Total Revenues	\$1,106,773,512
Expenditures	\$1,156,887,283
Surplus (Deficit)	(\$50,113,771)

# Funding of School Districts

## Property Taxes

- Values determined by Harris Central Appraisal District (HCAD)
- Tax rate comprised of:
  - Maintenance and Operations (M&O)
  - Interest and Sinking (I&S)
- M&O rate capped
  - Voter-Approval Tax Rate Election
- Local optional homestead exemption
  - 20%

## State Aid

- Legislative state funding formula
  - Values determined by Comptroller
- Influenced by:
  - Enrollment
  - Average Daily Attendance (ADA)
  - Special populations
  - Enrichment pennies
  - Property wealth
- Not adjusted for inflation
  - Basic allotment = \$6,160

# Components of Tax Rate

## Maintenance & Operations

- Generates local funds for M&O expenditures in the general operating budget (General Fund)
  - Salaries
  - Contracted Services
  - General Supplies
  - Other Operating
  - Capital Outlay

## Interest & Sinking

- Generates funds required to service the district's debt (Debt Service Fund)
  - Debt approved by voters in bond referendum (election)
  - Must be used for principal and interest payments on debt
  - Cannot be used for general operations

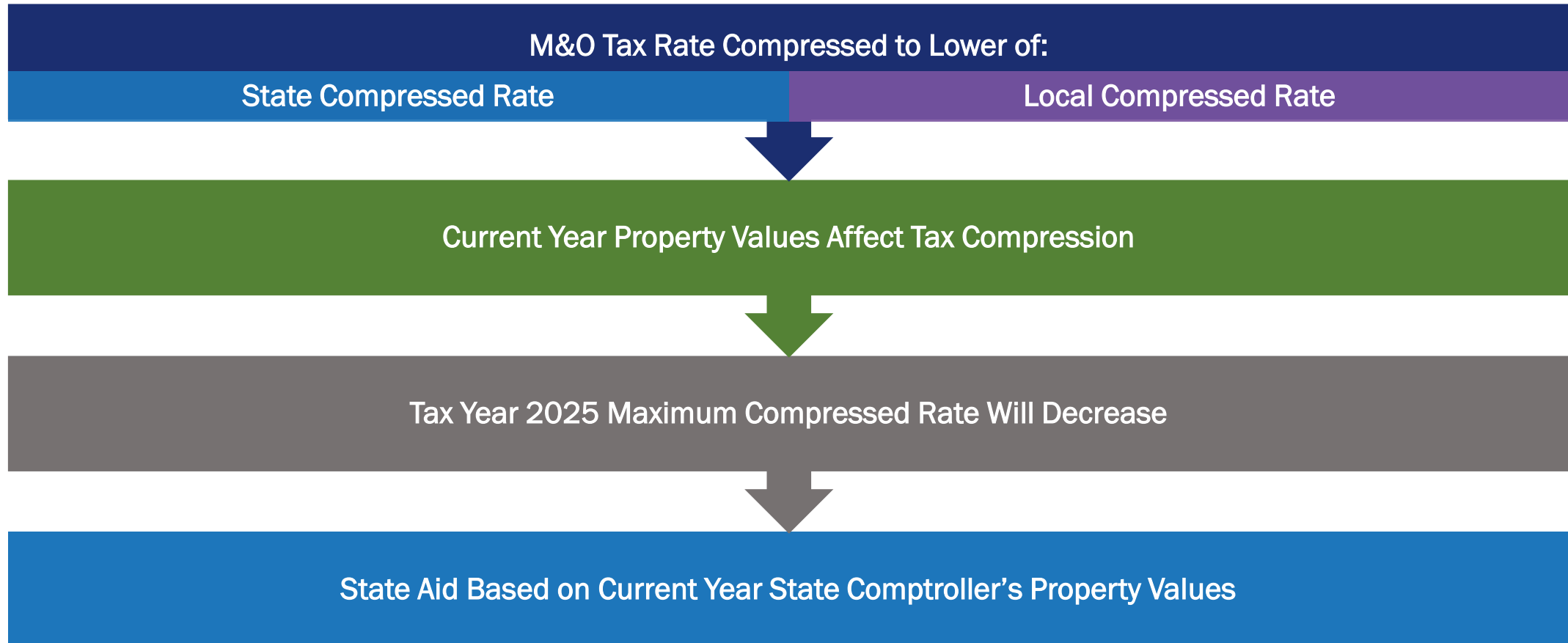
# Taxable Property Values (HCAD)

BUDGET YEAR	TAX YEAR	TAXABLE VALUE*	PERCENT CHANGE
2021-2022	2021	\$59,808,214,665	5.72%
2022-2023	2022	\$66,045,107,036	10.43%
2023-2024	2023	\$67,876,479,100	2.77%**
2024-2025	2024	\$74,205,870,415	9.32%
2025-2026	2025	\$76,711,608,128	3.38%

\* Certified values as of April 2025 except for 2024-2025 (preliminary certified)

\*\*Percent change affected by SB2 increase in state mandated homestead exemption to \$100,000 and over 65 frozen values

# Property Values and Tax Compression



### **\$350,000 Home (State)**

- Reduction of \$100,000 in taxable value
- Decrease of \$1,087 in property taxes\*

### **\$350,000 Home (Optional)**

- Reduction of **additional** \$70,000 in taxable value
- Decrease of **additional** \$761 in property taxes\*

### **Impact of Optional Homestead Exemption**

- Reduction of \$8.5B in taxable value
- Decrease of \$63M in M&O property taxes\*

\*Based on 2024 tax rate

# **Impact of Homestead Exemption**

# Student Enrollment

---

BUDGET YEAR	ACTUAL ENROLLMENT	ENROLLMENT CHANGE	PERCENT CHANGE
2021-2022	117,217	1,416	1.22%
2022-2023	118,010	793	0.68%
2023-2024	118,470	460	0.39%
2024-2025	117,929*	(541)	(0.46%)
2025-2026	116,806**	(1,123)	(0.95%)

\* Enrollment as of October 2024 Snapshot

\*\* Budget estimate



BUDGET YEAR	AVERAGE DAILY ATTENDANCE
2018-2019	95.38%
2019-2020	95.44%*
2020-2021	94.75%*
2021-2022	92.59%
2022-2023	92.93%
2023-2024	92.94%
2024-2025	93.56%**

\* ADA/Attendance Hold Harmless  
\*\* As of 5<sup>th</sup> six weeks

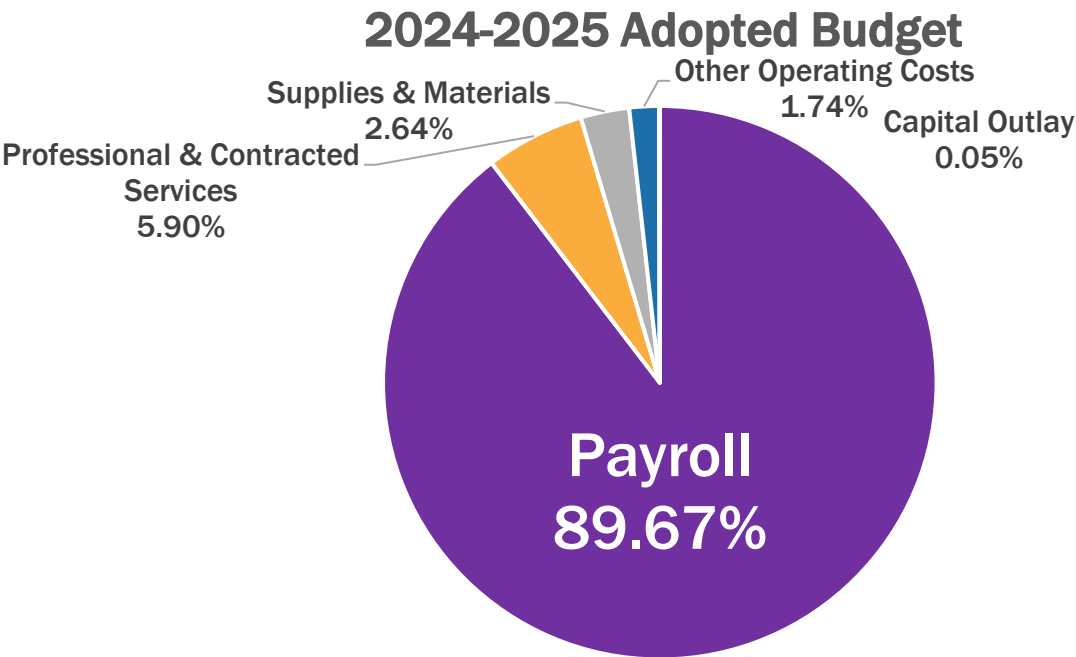


# Average Daily Attendance

---

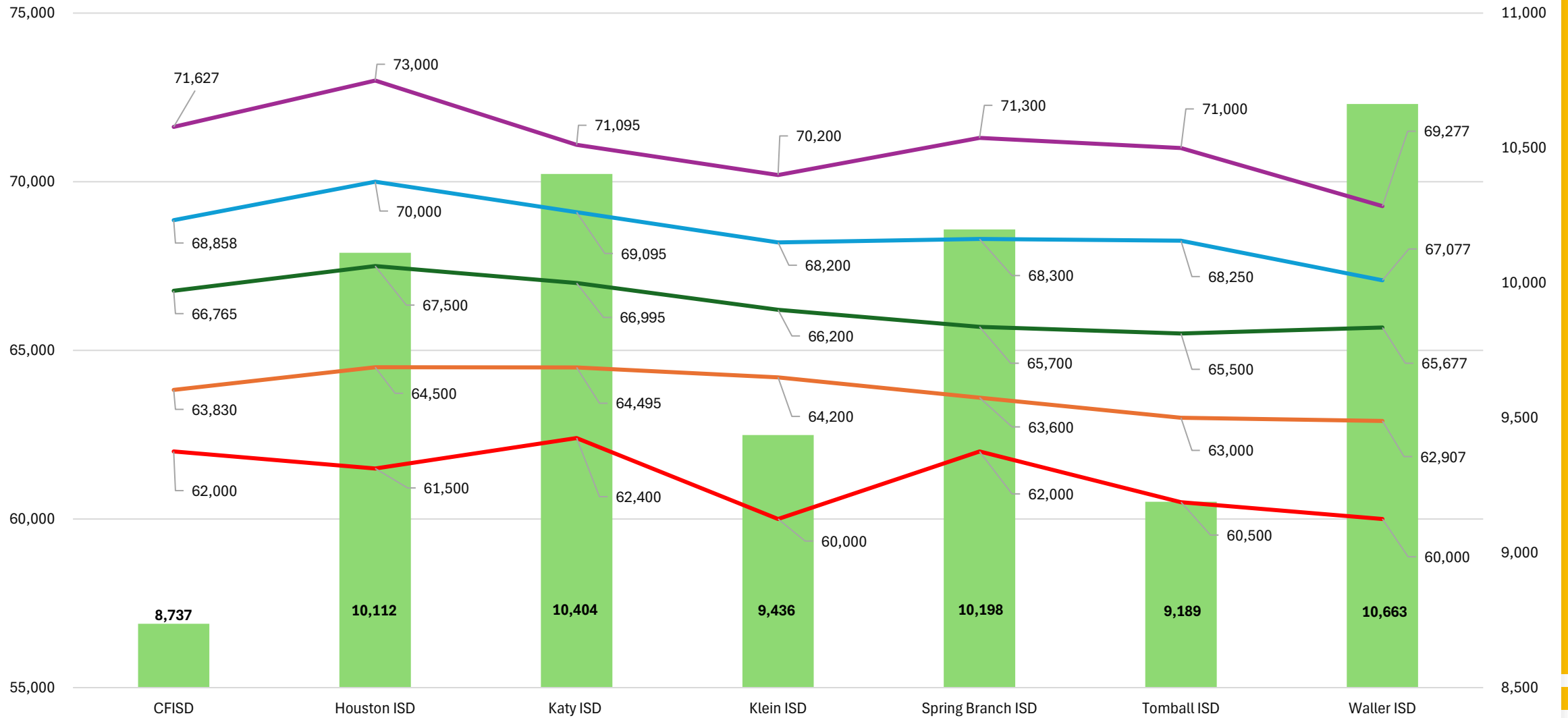
# General Fund Expenditures

---



■ Payroll   ■ Professional & Contracted Services   ■ Supplies & Materials   ■ Other Operating Costs   ■ Capital Outlay

# Teacher Salaries Compared to State & Local Tax Revenue Per ADA - 2023-2024



Revenue Per Pupil (ADA)

0-Year Salary

5-Year Salary

10-Year Salary

15-Year Salary

20-Year Salary

Source: TEA Summary of Finances

Source: Each District's Salary Schedule from District Website

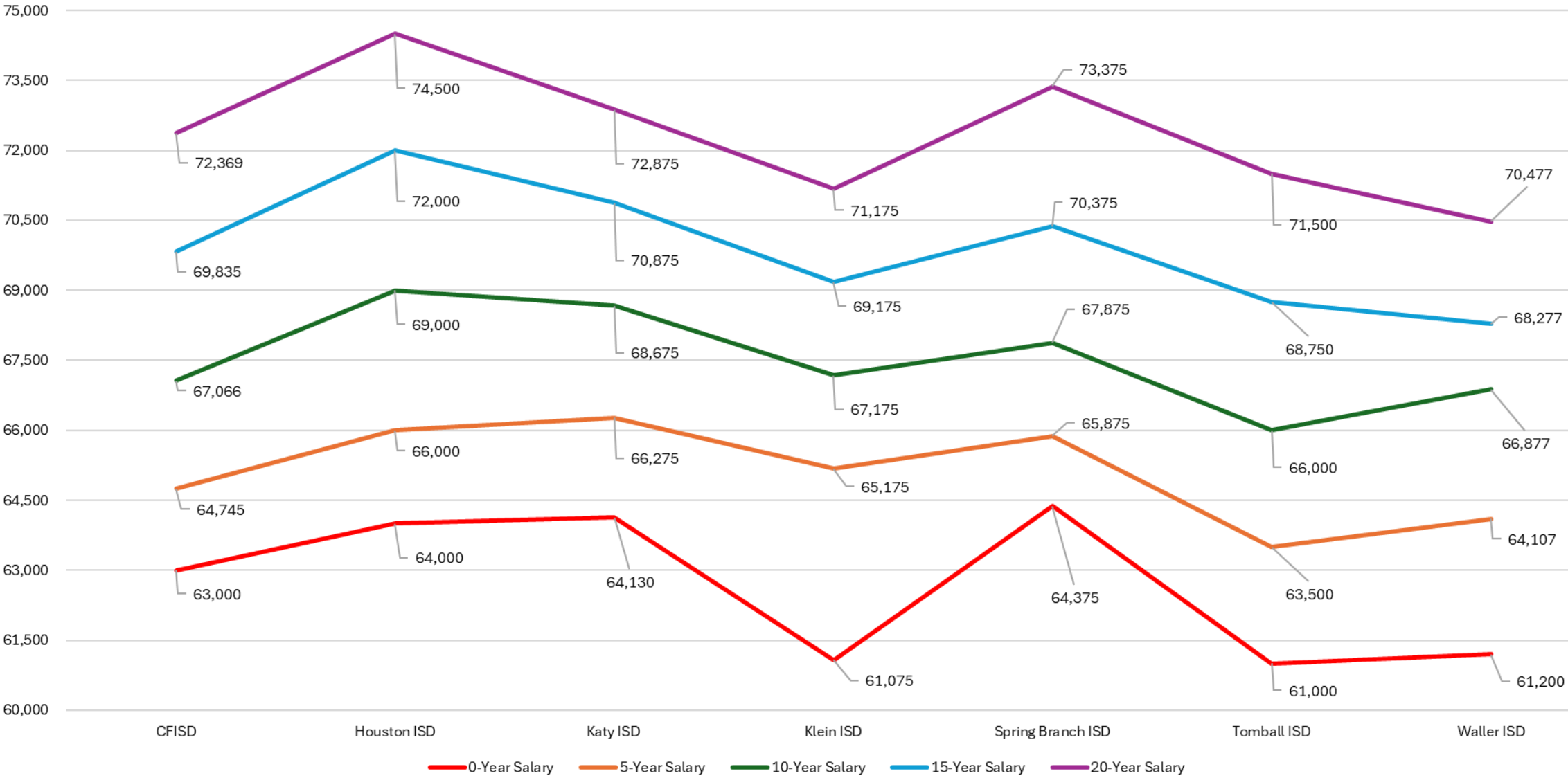
Teacher Salaries Compared to State & Local Tax Revenue Per Enrollment - 2023-2024



Source: TEA Summary of Finances

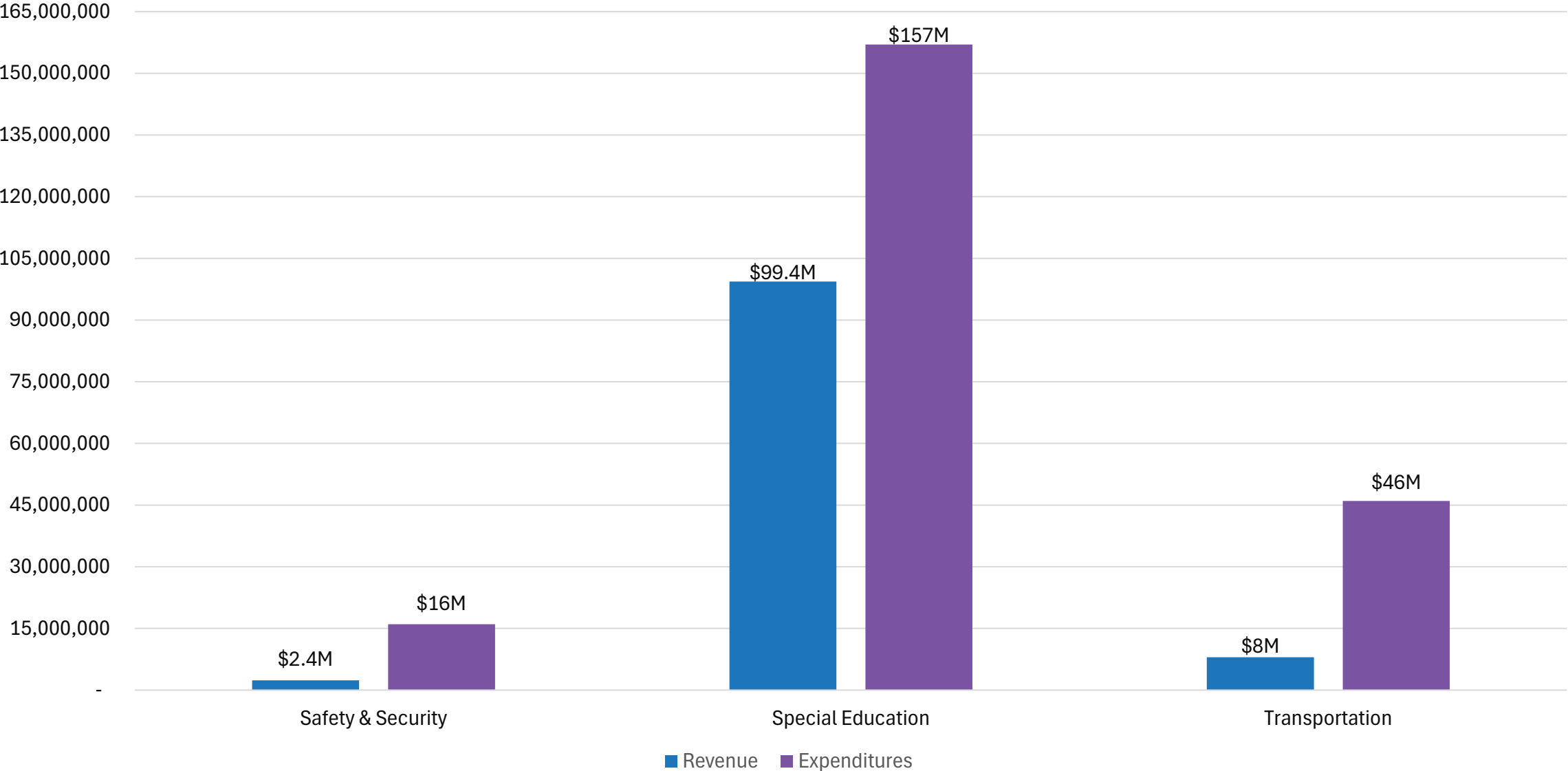
Source: Each District's Salary Schedule from District Website

Teacher Salary Comparison - 2024-2025



Source: Each District's Salary Schedule from District Website

CFISD Priorities for the 89th Legislative Session



# Fund Balance

The total accumulation of operating surpluses and deficits

## Importance of adequate fund balance

- Manage cash flow low points
  - Majority of tax collections in December and January
  - Reimbursement from federal funds
  - Fund disasters until reimbursed by insurance/federal funding
- Mitigate current and future risks such as revenue shortfalls and unanticipated expenditures
  - Declines in enrollment/ADA

## How much fund balance is needed

- Minimum of 4 months for June 30 year end

## How is fund balance replenished

- Operating surplus

## Estimated months in fund balance at 6/30/2026

- 4.94 months (current law)

# Food Service Fund and Bond Fund

## Food Service Fund

- Subsidized with federal reimbursements
- Restrictions on use of funds
  - Child Nutrition Program
  - Cannot be used for general operations

## Bond Fund (Capital Projects)

- Proceeds from bond issues
- Restrictions on the use of funds
  - Must be spent on construction/renovation of facilities, equipping of facilities, technology, and buses in the bond program
  - Cannot be used for general operations



DESCRIPTION	DATE
Department Budget Packets	January
2025-26 Enrollment Projections	February
Update Enrollment Projections	March
Staffing Allocations to Campuses	March
Determine Paid Pre-K Availability	April
Budget Updates	March, April, May
Special-Called Budget Workshop	May 22, 2025
Budget Public Hearing/Adoption	June



# 2025-2026 Budget Timeline

---

# Questions?

---