2025-26 Budget Hearing

PRESENTED BY FINANCIAL SERVICES

AUGUST 18, 2025

Katy Independent School District

Board Timeline for Budget

- ☑ January: Introduction and budget parameters
- ☑ February: Long-Term Debt Plan/projections – Debt Service Fund
- ☑ March: Initial look at budget projections – General Fund
- ☑ April: Austin/Legislative Update
- ☑ May : Closer look at projections
- ☑ July: Preliminary Budgets All Funds
- ❑ August: Official Budget 2025-26 and Final Amended Budget 2024-25

Katy Independent School District

2025-26 Budget Overview

The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that this budget be prepared and adopted by August 31 by the Board of Trustees.

Katy Independent School District

NOTICE OF PUBLIC MEETING

TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Katy Independent School District will hold a public meeting at 5:00 p.m., August 18, 2025, in the Boardroom, Education Support Complex, 6301 South Stadium Lane, Katy, Texas 77494. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

Katy Independent School District

2025-26 Budget Overview

Enrollment Growth

0.5%



New Campuses

Elementary #47
James & Mitzi Cross

Elementary #48
Alfred & Ann Boudny

Tax Base Growth

-2.1%*



*Assumes passage of additional $40K increase to Homestead Exemption

Katy Independent School District

2025-26 Budget Overview

Salary Increase

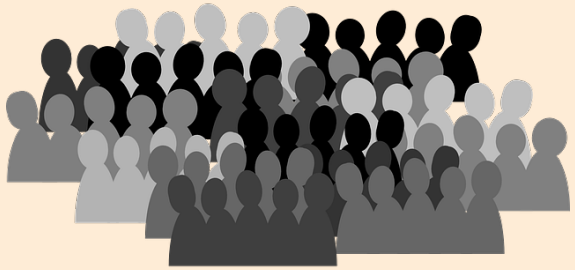
$2,500 &

$5,000

3%

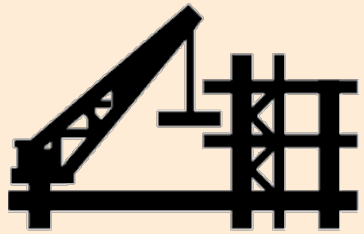
M&O Tax Rate

$0.7271



I&S Tax Rate

$0.3900



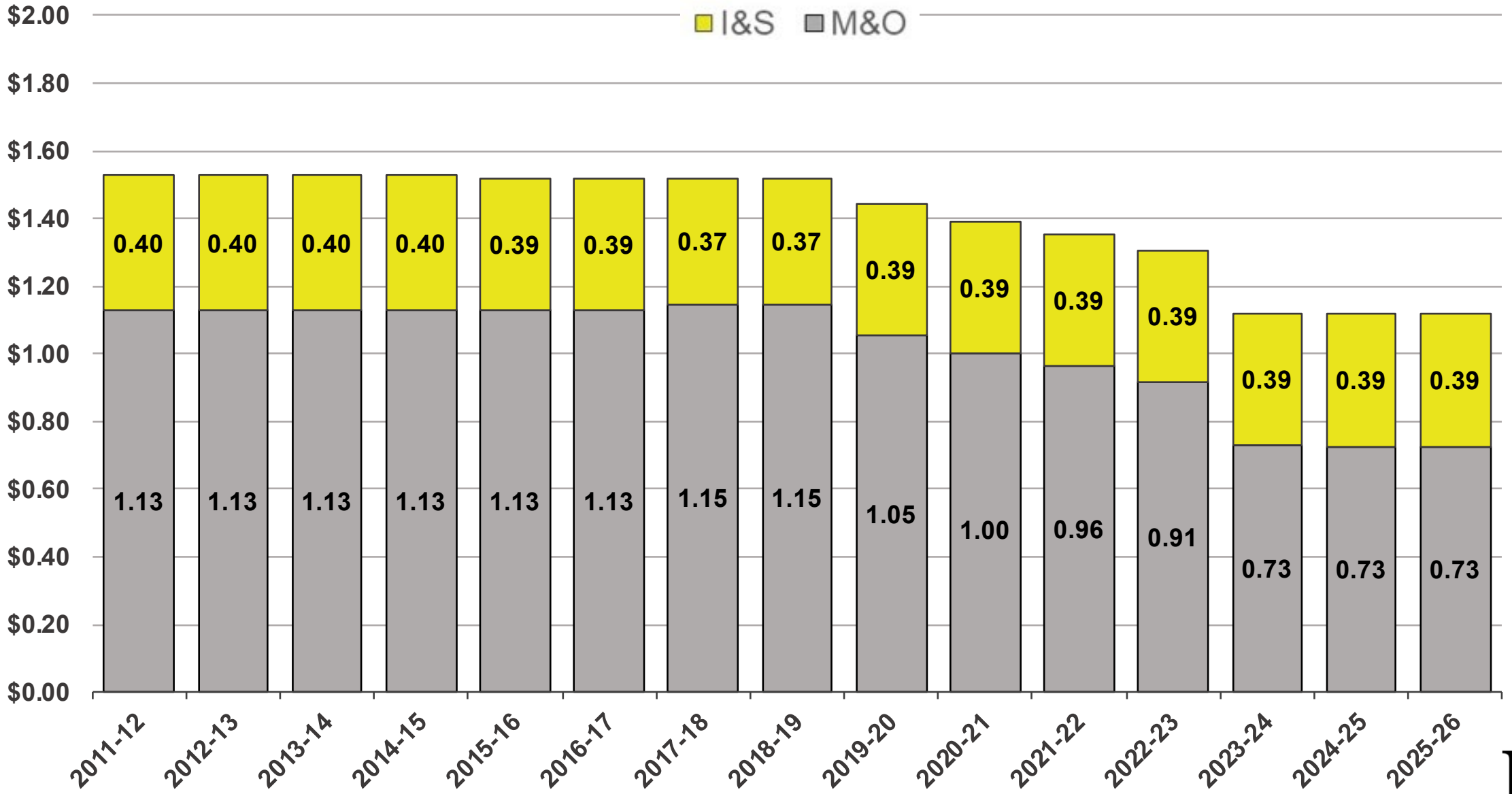
Katy Independent School District

2025-26 Budget Overview

- Maintain a balanced budget
- Maintain a competitive compensation plan
- Maintain our health care program (avoid TRS-Active Care)
- High priority on student and staff safety

Katy Independent School District

Tax Rates



**Tax Rates are adopted in September*

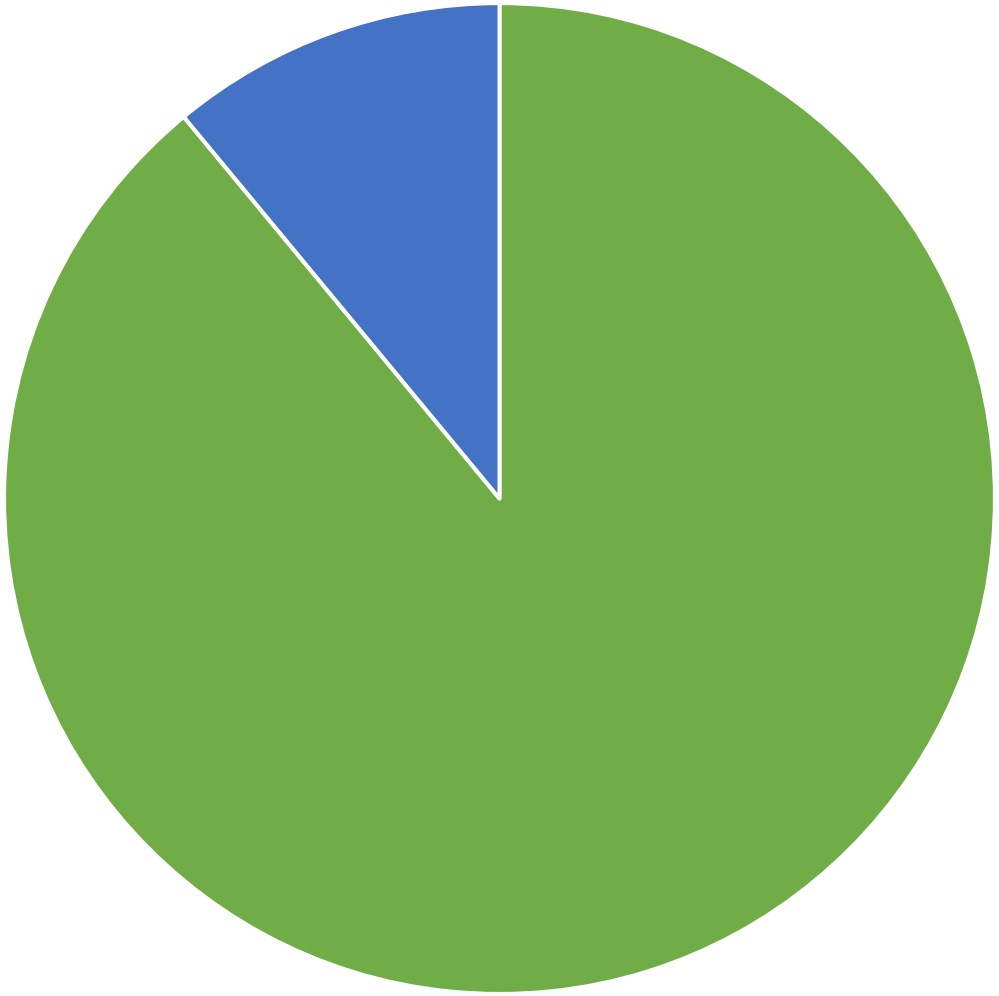
Katy Independent School District

2025-26 General Fund

Katy Independent School District

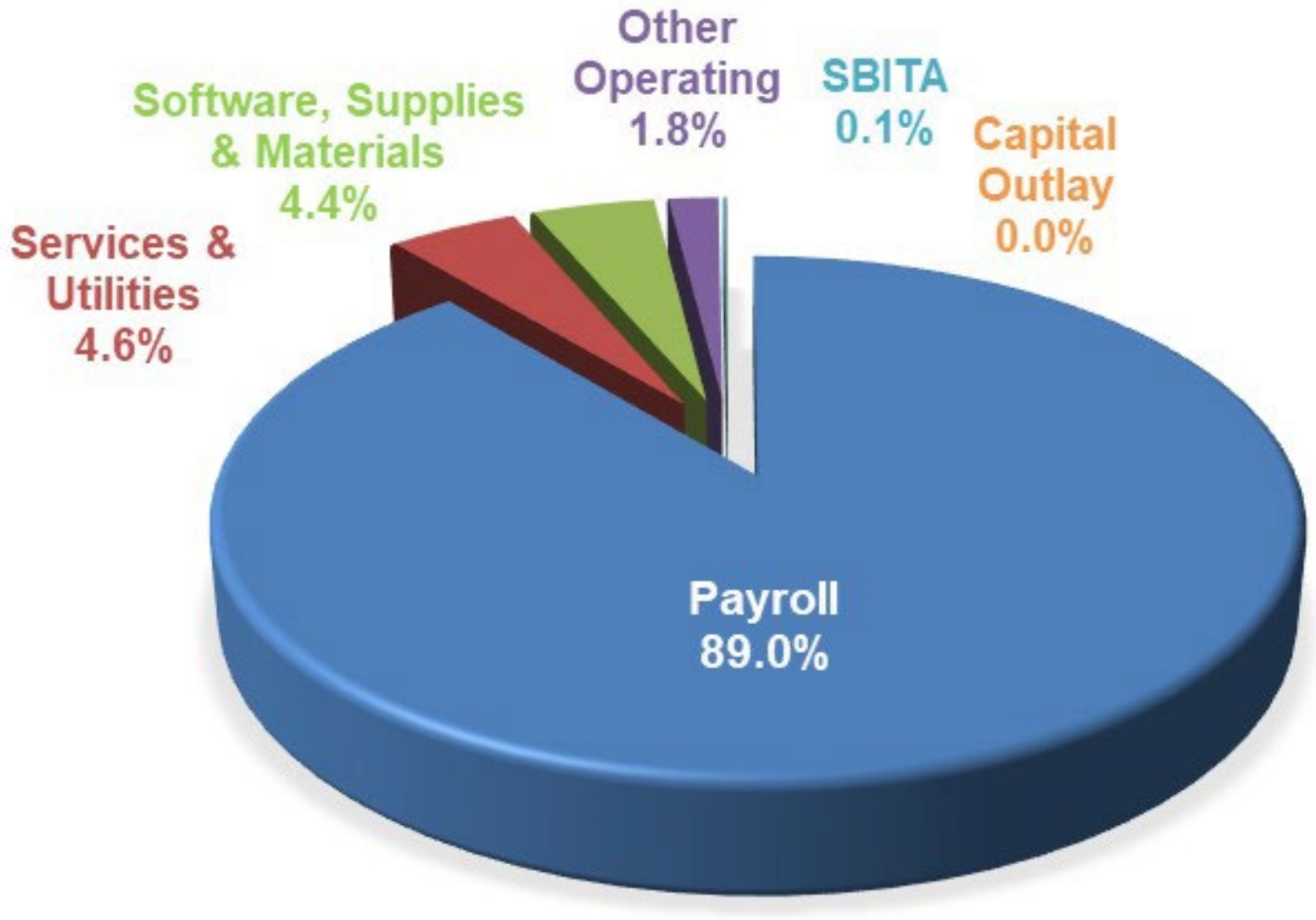
2025-26 General Fund - Components

- **Salary & Benefits – 89%**
- **Non-Payroll – 11%**



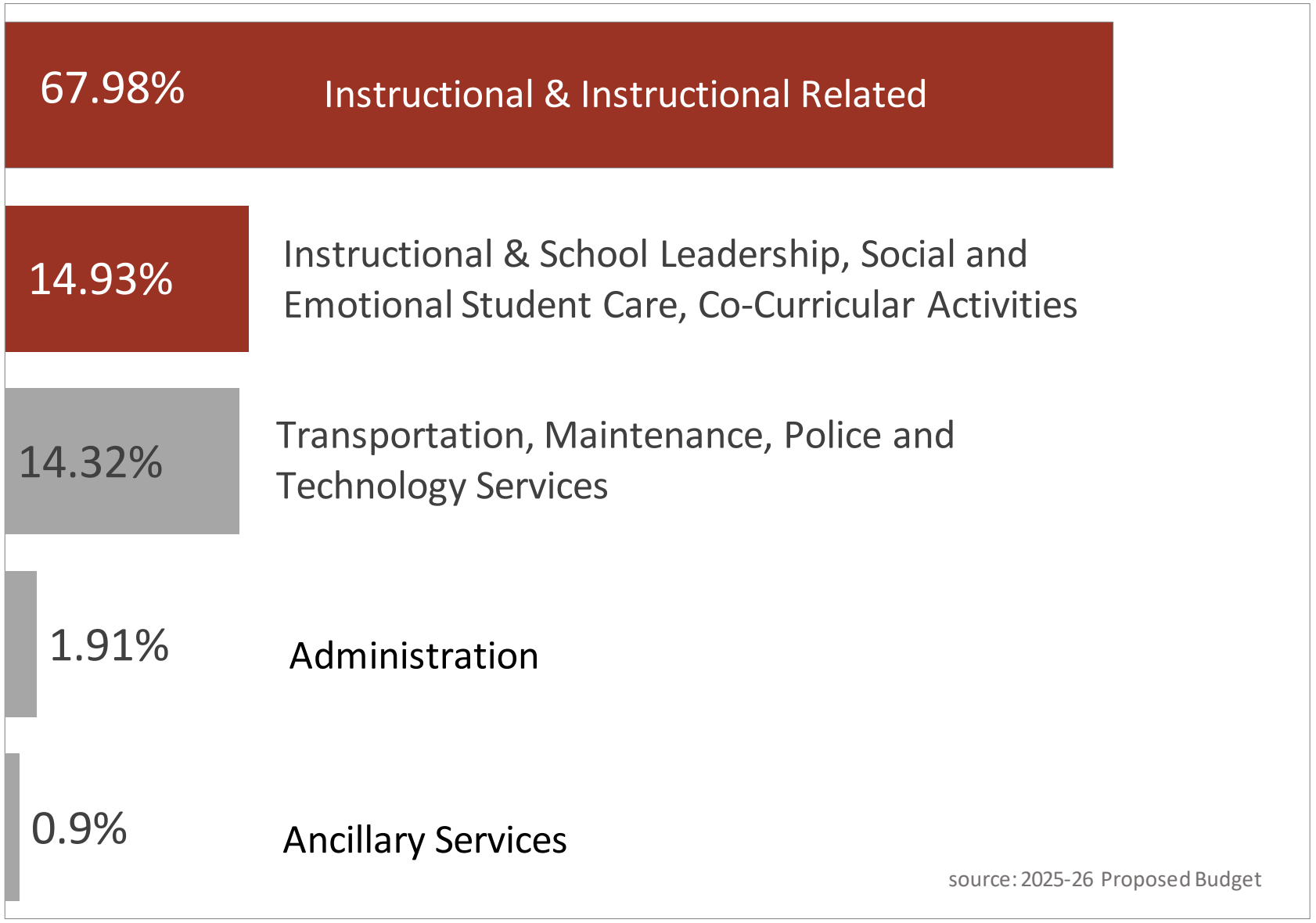
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2025-26 General Fund - Overview



Katy Independent School District

83% of Budget is spent in the Classroom



Katy Independent School District

2025-26 General Fund

Budgeted Fund Balance at September 1, 2025	**$ 357,161,685**
Revenues	
Property Taxes and Other Local Revenues	433,255,181
State Program Revenues	688,474,606
Federal Program Revenues	6,991,000
Total Revenues	**1,128,720,787**
Expenditures	
Payroll Costs	1,023,935,366
Purchased and Contracted Services	53,361,715
Supplies and Materials	50,696,535
Other Operating Expenses	20,741,185
SBITA	1,502,810
Capital Outlay	346,570
Total Expenditures	**1,150,584,181**
Operating Transfers In (Out)	**(3,000,000)**
Net Change to Fund Balance	**(24,863,394)**
Budgeted Fund Balance at August 31, 2026	**$ 332,298,291**

Katy Independent School District

2025-26 Food Service Fund

Katy Independent School District

2025-26 Food Service Fund

Budgeted Fund Balance at September 1, 2025	**$**	**17,428,067**
Revenues		
Local Revenues		18,070,000
State Program Revenues		220,000
Federal Program Revenues		33,691,752
Total Revenues		**51,981,752**
Expenditures		
Payroll Costs		23,723,595
Purchased and Contracted Services		155,342
Supplies and Materials		35,059,047
Other Operating Expenses		66,500
Capital Outlay		2,100,000
Total Expenditures		**61,104,484**
Operating Transfers In (Out)		
Net Change to Fund Balance		**(9,122,732)**
Budgeted Fund Balance at August 31, 2026	**$**	**8,305,335**

Katy Independent School District

2025-26 Debt Service Fund

Katy Independent School District

2025-26 Debt Service Fund

Budgeted Fund Balance at September 1, 2025	$62,877,861
REVENUE ESTIMATES	
Property Taxes & Other Local Revenues	215,212,415
Interest Earnings	4,500,000
Existing Debt (EDA) Instructional Facilities Allotment (IFA)	
Additional State Aid For Homestead Exemption (ASAHE)	28,343,608
Total Revenues	**248,056,023**
Expenditures	
Principal Payments - General Obligation Bonds	142,595,000
Interest Payments - General Obligation Bonds	113,403,095
Bank Fees - Trust Department and Other	390,000
Total Expenditures	**256,388,095**
Net Change to Fund Balance	(8,332,072)
Budgeted Fund Balance at August 31, 2026	**$54,545,789**

Katy Independent School District

2025-26 Summary – All Funds

Katy Independent School District

2025-26 Summary – All Funds

		General Fund	Food Service Fund	Debt Service Fund	Total
	Fund Balance at September 1, 2025	$357,161,685	$17,428,067	$62,877,861	$437,467,613
	Revenues				
5700	Property Taxes and Other Local Revenues	433,255,181	18,070,000	219,712,415	671,037,596
5800	State Program Revenues	688,474,606	220,000	28,343,608	717,038,214
5900	Federal Program Revenues	6,991,000	33,691,752		40,682,752
	Total Revenues	1,128,720,787	51,981,752	248,056,023	1,428,758,562
	Expenditures				
6100	Payroll Costs	1,023,935,366	23,723,595		1,047,658,961
6200	Purchased and Contracted Services	53,361,715	155,342		53,517,057
6300	Supplies and Materials	50,696,535	35,059,047		85,755,582
6400	Other Operating Expenses	20,741,185	66,500		20,807,685
6500	Debt Payments & SBITA	1,502,810		256,388,095	257,890,905
6600	Capital Outlay	346,570	2,100,000		2,446,570
	Total Expenditures	1,150,584,181	61,104,484	256,388,095	1,468,076,760
	Operating Transfers In (Out)	(3,000,000)			(3,000,000)
	Excess (Deficiency) of Revenues	(24,863,394)	(9,122,732)	(8,332,072)	(42,318,198)
	Fund Balance at August 31, 2026	$332,298,291	$8,305,335	$54,545,789	$395,149,415

Katy Independent School District

2025-26 Summary – All Funds

		General Fund	Food Service Fund	Debt Service Fund	Total
	Revenues				
5700	Property Taxes and Other Local Revenues	$ 433,255,181	$ 18,070,000	$ 219,712,415	$ 671,037,596
5800	State Program Revenues	688,474,606	220,000	28,343,608	717,038,214
5900	Federal Program Revenues	6,991,000	33,691,752		40,682,752
	Total Revenues	**1,128,720,787**	**51,981,752**	**248,056,023**	**1,428,758,562**
	Expenditures				
11	Instruction	753,195,783			753,195,783
12	Instructional Resources and Media Services	11,135,081			11,135,081
13	Curriculum and Instructional Staff Development	16,232,873			16,232,873
21	Instructional Leadership	9,503,783			9,503,783
23	School Leadership	62,661,451			62,661,451
31	Guidance, Counseling and Evaluation Services	61,279,560			61,279,560
32	Social Work Services	1,362,988			1,362,988
33	Health Services	13,258,656			13,258,656
34	Student (Pupil) Transportation	32,829,531			32,829,531
35	Food Services		61,004,484		61,004,484
36	Co-curricular/Extracurricular Activities	23,754,246			23,754,246
41	General Administration	21,933,998			21,933,998
51	Plant Maintenance and Operations	97,317,130	100,000		97,417,130
52	Security and Monitoring Services	14,240,439			14,240,439
53	Data Processing Services	20,412,423			20,412,423
61	Community Services	749,322			749,322
71	Debt Service & SBITA	1,502,810		256,388,095	257,890,905
81	Facilities Acquisition and Construction	973,931			973,931
93	Payments to Fiscal Agents	1,150,176			1,150,176
95	Payments to Juvenile Justice Education Progra	75,000			75,000
97	Payments to Tax Increment Fund				
99	Intergovernmental	7,015,000			7,015,000
	Total Expenditures	**1,150,584,181**	**61,104,484**	**256,388,095**	**1,468,076,760**
	Operating Transfers In (Out)	**(3,000,000)**			**(3,000,000)**
	Excess (Deficiency) of Revenues	$ (24,863,394)	$ (9,122,732)	$ (8,332,072)	$ (42,318,198)

Katy Independent School District

2025-26 What's Next

- **Expect Budget Amendments**
  - Likely to amend budget to reflect final values
  - Timing Amendments
  - TEA Rulemaking & Interpretations
  - Closely Monitor all expenditures
  - Prior year property value audit(s)
  - We must plan under current law.
- **Legislative Session**
  - Special Session?

Katy Independent School District

Board Timeline for Budget

- ☑ January: Introduction and budget parameters
- ☑ February: Long-Term Debt Plan/pro[illegible]ions [illegible]ice Fund
- ☑ March: Initial look at bu[illegible]t proje[illegible]ons [illegible]al Fund
- ☑ April: Austin [illegible]
- ☑ M[illegible]: Close[illegible]k [illegible]ns
- ☑ [illegible]ly: [illegible]imi[illegible]y [illegible]gets All[illegible]nds
- ☑ August: [illegible]icial B[illegible]get 2025-26 and Final Amended Budget 2024-25

COMPLETED

Katy Independent School District

Investing in Excellence
Empowering Tomorrow
Thank you

Katy Independent School District