

SANTA FE INDEPENDENT SCHOOL DISTRICT



2025-2026 Proposed Budget

Santa Fe ISD, in partnership with our community, is an innovative district building a legacy of excellence.



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget

2025-2026 Proposed Budget Executive Summary

Revenues

- **Local Funding:**
Santa Fe ISD anticipates a decrease in local funding by approximately **\$500K**. This decline results from the increase in the homestead exemption, which is partially offset by proposed "disaster pennies" in the forecasted tax collections for the upcoming year. Additionally, cash reserves are expected to decrease for the same reason. Although the state has committed to offsetting this difference, the timing of the funds remains uncertain, pending the Texas Education Agency's (TEA) discretion.
 - **State Funding:**
An increase in state funding is expected, primarily due to the state's obligation under **House Bill 2 (HB2)**, which mandates a salary increase for teachers. However, this funding will be a direct offset to the additional expenditures tied to these salary increases. It is important to clarify that the state is not increasing overall funding but substituting local funding that was previously collected by the district.
 - **Federal Funding:**
Federal funding remains stable, with **HHSC reimbursements** not expected to increase, maintaining a lower level of support in the near future.
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Expenditures

- **Cost Management:**
The district has focused on reducing ongoing expenses and maximizing resource utilization, which included a **reduction in force** during the 2024-2025 school year. While challenging, this strategy resulted in reduced salary costs and other associated expenses, contributing to a balanced budget for the upcoming year.
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Inflation Impact

- The district continues to face **inflationary pressures**, particularly in areas such as utilities and technology. A significant portion of the **\$5.2MM** increase in expenditures can be attributed to higher electricity and maintenance costs, as well as rising technology-related expenses (e.g., software licensing). The district has mitigated some of these



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- increases by restructuring technological services and reducing reliance on contracted services.
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Salaries and Pay Schedules

- In response to the 89th Legislative session, the state mandated salary increases for teachers under **HB2**. Teachers with 3-4 years of experience will see an additional **\$4,000**, and those with 5+ years will receive **\$8,000**. While this is a positive development for teacher compensation, the increase did not extend to other district staff who also play critical roles in supporting students. To address this, the district is proposing a **2% pay increase** for non-teacher staff.
- The total cost of this compensation increase is **\$3.0MM**, of which the state will contribute **\$2.0MM**, specifically for teacher compensation.
- **Bonus and Incentive Provision:**
The adopted budget may be amended throughout the fiscal year as necessary to account for staff incentives and bonuses, contingent upon the availability of sufficient revenue and funding. The Board of Trustees reserves the right, at its sole discretion and in accordance with applicable laws and regulations, to authorize the allocation and distribution of incentive payments or holiday bonuses to district staff at any time during the fiscal year.

In the event such action requires a budget amendment, the Board will take the necessary steps to revise the budget accordingly to reflect the approved expenditures.

Disaster Pennies

- The district incurred significant **repair costs** as a result of **Hurricane Beryl** in July 2024. Several roofs and other buildings sustained damage that required urgent repairs, totaling approximately **\$1.6MM**. While FEMA assistance is anticipated, the timeline remains unclear. To recover some of these expenses, the district is requesting an increase in **disaster pennies** by **\$0.08**, which will help cover repair and insurance costs.
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Debt Services

- Due to the increase in the homestead exemption, the district expects a decrease in **tax collections** for the **Interest and Sinking (I&S) Fund** in the 2025 tax year. This shortfall is estimated to be nearly **\$2.0MM**. As a precaution, the district has prepared for a **\$4.8MM defeasance** in February 2025, which will allow for early debt repayment and savings on future interest costs. The I&S fund balance will be reduced from **\$8.1MM** to just under **\$5.0MM**.
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Nutrition Services

- **Revenue Decline:** The Nutrition Services department has experienced a significant decline in **revenue** due to reduced participation. Inflationary pressures on food costs have further exacerbated the situation. To remain within budget, the department has had to make difficult adjustments, including reductions in personnel. While these reductions are not ideal, they were necessary to ensure the department's financial stability.
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Conclusion

In summary, the proposed 2025-2026 budget reflects a commitment to fiscal responsibility, despite challenges such as inflation, reduced local funding, and unplanned disaster-related expenses. The district has taken proactive measures to balance its budget, including cost-reduction efforts and leveraging state funding to meet legislative requirements. However, uncertainties remain regarding FEMA reimbursement and the state's offset for reduced local tax collections.

We seek the board's approval for the proposed increases, including the **disaster pennies** adjustment, while continuing to monitor our financial position to ensure the district can sustain high-quality educational services for our students.



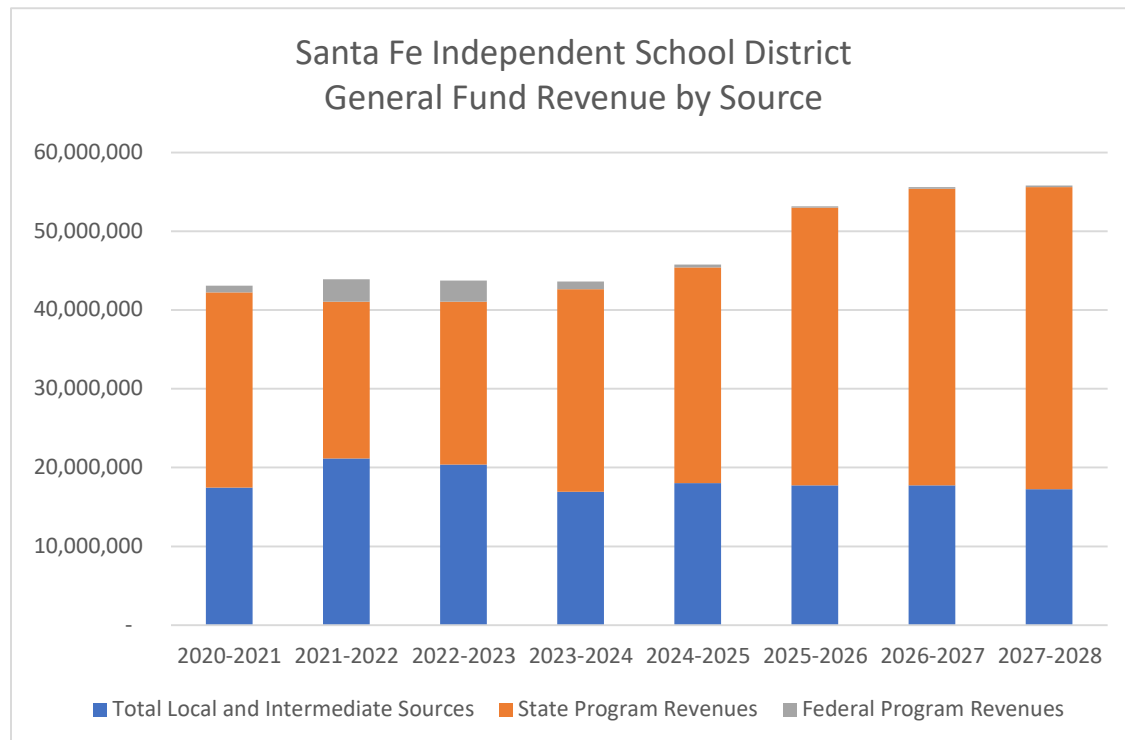
SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget

199 General Fund Budget

Revenues

	2020-2021	2021-2022	Actuals 2022-2023	2023-2024	2024-2025	Budget 2025-2026	Projections 2026-2027	2027-2028
REVENUES:								
5710 Property Taxes	16,933,668	20,459,871	18,957,958	15,296,611	16,923,162	16,772,465	16,775,048	16,331,508
5730 Tuition & Fees	270,240	355,054	336,811	346,123	345,404	293,485	293,531	285,770
5740 Other Local Revenue	184,107	285,293	878,660	1,109,050	602,793	508,082	508,160	494,724
5750 Co-Curricular Activities	58,374	67,679	192,152	174,549	158,299	148,319	148,342	144,420
5760 Miscellaneous Local Revenue	2,400	2,603	-	-	-	1,624	1,624	1,581
5700 Total Local and Intermediate Sources	17,448,789	21,170,500	20,365,581	16,926,332	18,029,659	17,723,975	17,726,704	17,258,003
5810 Foundation Funds	22,329,652	18,218,867	18,032,980	22,897,703	25,088,113	31,921,175	34,105,075	34,717,137
5820 State Programs	68,000	-	3,324	16,417	15,420	20,383	21,777	22,168
5830 Other State Funds	2,377,935	1,650,309	2,660,054	2,819,279	2,259,850	3,315,326	3,542,146	3,605,714
5800 State Program Revenues	24,775,586	19,869,176	20,696,357	25,733,399	27,363,383	35,256,884	37,668,997	38,345,019
5920 Federal revenue	348,729	1,238,482	391,355	328,847	33,228	52,618	52,618	52,618
5930 Federal revenue pass thru State	518,250	1,625,507	2,272,598	646,599	326,170	147,382	147,382	147,382
5940 Federal Revenue from Federal	-	-	-	-	-	-	-	-
5900 Federal Program Revenues	866,979	2,863,989	2,663,953	975,446	359,399	200,000	200,000	200,000
Total Revenues	43,091,354	43,903,665	43,725,892	43,635,177	45,752,441	53,180,859	55,595,702	55,803,022

This summary presents actual figures from the past five fiscal years, along with projections for the next two years. The budget is highlighted to illustrate the impact of House Bill 2 (HB2) from the 89th legislative session. The accompanying graph provides a visual representation of revenue, broken down by funding sources.





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Expenditures

This summary outlines the projected expenditures for the upcoming fiscal year, along with forecasts for the two subsequent years. These figures were budgeted approximately 18 months in advance. As actual conditions evolve, we anticipate making adjustments throughout the year to better align with the district's operational needs.

	Actuals				Adopted Budget		Proposed Budget		Projections	
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028		
EXPENDITURES:										
11 Instruction	22,149,206.00	22,835,019.00	24,935,372.23	24,978,732.30	23,316,477.00	27,318,037.00	28,613,710.54	27,481,410.90		
12 Instructional Resources and Media	413,083.00	413,688.00	418,077.30	410,800.04	404,496.00	412,809.00	410,915.62	468,697.24		
13 Curriculum and Instructional Staff Dev	1,337,587.00	1,286,700.00	1,363,071.37	1,239,415.89	1,156,884.00	1,161,547.00	1,175,235.45	1,432,490.15		
21 Instructional Leadership	380,481.00	462,675.00	566,381.34	589,187.85	259,092.00	460,135.00	389,812.32	511,130.75		
23 School Leadership	2,315,636.00	2,414,651.00	2,564,536.11	2,748,717.27	2,515,533.00	2,809,356.00	2,829,385.04	2,902,736.80		
31 Guidance, counseling and evaluation Services	1,194,094.00	1,178,081.00	1,229,060.16	1,317,815.52	933,103.00	1,198,124.00	1,082,005.62	1,334,429.71		
32 Social Work Services	96,542.00	98,038.00	122,880.04	122,781.25	115,686.00	116,076.00	125,383.67	126,877.28		
33 Health Services	448,434.00	462,859.00	501,194.63	512,104.20	385,365.00	394,015.00	385,492.25	512,413.12		
34 Student transportation	2,582,525.00	3,870,863.00	3,450,631.66	3,531,034.48	3,018,086.00	3,231,016.00	3,796,101.32	3,710,351.52		
35 Food Services	86,478.00	94,690.00	125,633.43	109,324.22	99,325.00	105,687.00	109,067.94	117,135.08		
36 Extracurricular Activities	1,041,529.00	1,332,017.00	1,128,254.44	1,149,859.80	1,135,954.00	1,124,144.00	1,038,857.31	1,307,555.17		
41 General Administration	2,067,932.00	2,369,826.00	2,216,111.74	2,126,461.45	1,926,417.00	1,917,332.00	1,842,417.04	2,392,630.57		
51 Facilities Maintenance and Operations	6,678,817.00	9,517,851.00	8,612,278.57	7,341,241.94	7,464,788.00	8,156,707.00	8,479,714.57	9,014,663.93		
52 Security and Monitoring Services	1,016,926.00	1,427,463.00	1,279,019.95	1,310,838.71	1,225,622.00	1,140,016.00	1,149,387.55	1,397,702.99		
53 Data Processing Services	1,168,918.00	1,396,282.00	1,633,945.71	1,681,390.19	1,686,424.00	1,339,585.00	1,422,065.35	1,682,037.26		
61 Community Services	162,385.00	157,873.00	175,231.23	202,142.17	130,916.00	176,644.00	164,629.28	189,926.33		
71 Principal in Long tem	-	-	0.34	400,000.00	1,745,722.00	1,700,000.00	2,207,632.34	709,186.91		
72 Interest in long term debt	-	-	-	87,057.00	-	-	9,923.74	16,079.25		
73 Bond Issuance Cost and Fees	-	-	-	91,935.08	-	-	10,479.80	16,980.22		
81 Community Services	-	-	24,597.66	-	85,049.00	85,049.00	117,440.25	35,851.54		
93 Payments to Fiscal Agent or SSA	147,387.00	68,672.00	55,395.72	97,145.98	81,013.00	81,013.00	77,901.05	102,281.84		
Total Expenditures	43,287,960.00	49,387,248.00	50,401,673.63	50,047,985.34	47,685,952.00	52,927,292.00	55,437,558.04	55,462,568.58		

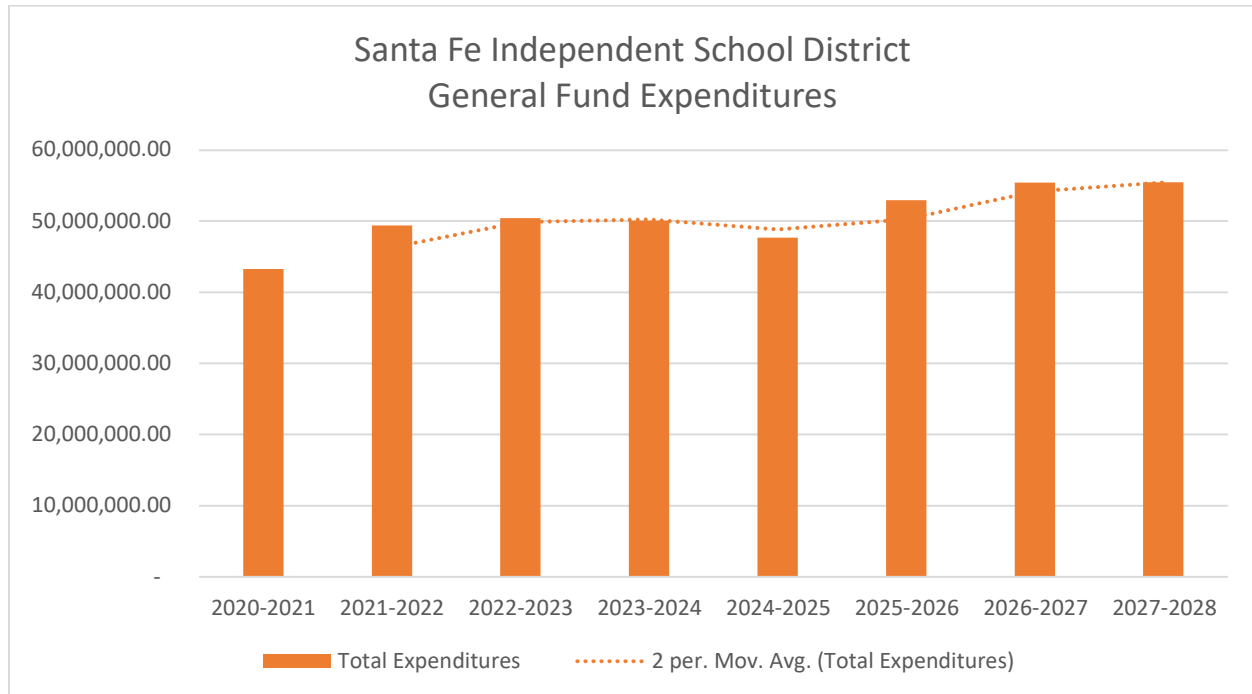
Accompanying the summary is a visual representation of expenditures over several years, highlighting both reductions and increases. The most recent increases are primarily driven by the state-mandated teacher pay raise enacted through House Bill 2 (HB2). This change will have a lasting impact on the district's budget.

It's important to note that the increase in expenditures exceeds the growth in offsetting revenues. While the state is covering the base salary increase, it is not funding the associated ancillary costs—such as Medicare, TRS contributions, and employee benefits. These additional expenses fall solely on the district.

This creates a structurally imbalanced financial position. Without corresponding revenue increases, it will be unsustainable to absorb these escalating costs in future years. As such the district will continue to make adjustments and absorptions as necessary to continue to provide such increases.



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget



The following section presents the 199 General Fund budget as submitted to the Board of Trustees, beginning with the Function Summary. In compliance with the Texas Education Code, the budget is organized by function—representing the areas of service where expenditures occur—and offset by projected district revenues.

Totals are compared to the prior year's adopted budget. The figures shown represent the Board-approved operating budget for Fiscal Year 2024–2025. These are not actuals; they reflect the original budget adoption and its anticipated impact on the fund balance, assuming no adjustments are made during the fiscal year. The projected fund balance is based on estimates extending roughly 18 months into the future and is subject to change. As a result, the data may become outdated by the time of publication.

Following the Function Summary is a breakdown of the 199 General Fund budget by object code and function. This section provides further detail by identifying both the functional area and the specific category (or object code) of each expenditure. While the data reflects the same budget, this view offers deeper insight into how resources are allocated across the district.

SANTA FE INDEPENDENT SCHOOL DISTRICT				
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES				
GOVERNMENTAL FUNDS PROPOSED BUDGET 2025-2026				
FOR YEAR ENDED JUNE 30, 2026 (PROPOSED BUDGET [A])				
Function Level Budget	2024-2025 Proposed Budget	2023-2024 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	17,723,975.00	18,121,965.00	(397,990.00)	-2.25%
Revenue - State funding	35,256,884.00	25,147,916.00	10,108,968.00	28.67%
Revenue - Federal funding	200,000.00	200,000.00	-	0.00%
	-	-		
Total Revenue	53,180,859.00	43,469,881.00	9,710,978.00	18.26%
11 - Instruction	27,318,037.00	23,316,477.00	4,001,560.00	14.65%
12 - Media Resources/Library	412,809.00	404,496.00	8,313.00	2.01%
13 - Professional Development Staff	1,161,547.00	1,156,884.00	4,663.00	0.40%
21 - Curriculum and Instruction	460,135.00	259,092.00	201,043.00	43.69%
23 - School Leadership	2,809,356.00	2,515,533.00	293,823.00	10.46%
31 - Guidance and Counseling	1,198,124.00	933,103.00	265,021.00	22.12%
32 - Social Workers	116,076.00	115,686.00	390.00	0.34%
33 - Student Health Services	394,015.00	385,365.00	8,650.00	2.20%
34 - Transportation	3,231,016.00	3,018,086.00	212,930.00	6.59%
35 - Cowan Café	105,687.00	99,325.00	6,362.00	6.02%
36 - Extracurricular	1,124,144.00	1,135,954.00	(11,810.00)	-1.05%
41- Administration	1,917,332.00	1,926,417.00	(9,085.00)	-0.47%
51 - Maintenance	8,156,707.00	7,464,788.00	691,919.00	8.48%
52 - Security	1,140,016.00	1,225,622.00	(85,606.00)	-7.51%
53 - Technology Services	1,339,585.00	1,686,424.00	(346,839.00)	-25.89%
61 - Community Services	176,644.00	130,916.00	45,728.00	25.89%
71 - Debt Service	1,700,000.00	1,745,722.00	(45,722.00)	-2.69%
81 - Capital Outlay	85,049.00	85,049.00	-	0.00%
93 - Shared Services	81,013.00	81,013.00	-	0.00%
Total Expenditures	52,927,292.00	47,685,952.00	5,241,340.00	9.90%
Adjusted Income/(Loss)	253,567.00	(4,216,071.00)	4,469,638.00	17.63
Projected Fund Balance - July 1 (Beginning)	8,699,012.00	12,915,083.00		
Changes in Fund Balance	253,567.00	(4,216,071.00)		
Fund Balance - June 30 (Ending)	8,952,579.00	8,699,012.00		
Days Operating	61.74	66.58		
Months Operating	2.03	2.19		

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Function/Object Level	2025-2026 Proposed Budget	2024-2025 Adopted Budget	Proposed Change in Object Level	% of Change
Function 11 - Instruction				
199 E 61XX Salaries	26,800,287.00	22,842,128.00	3,958,159.00	17.33%
199 E 62XX Contracted Svs	189,735.00	182,494.00	7,241.00	3.97%
199 E 63XX General Supplies	310,431.00	274,271.00	36,160.00	13.18%
199 E 64XX Misc Operating	17,584.00	17,584.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 11	27,318,037.00	23,316,477.00	4,001,560.00	17.16%
Function 12 - Media Resources/Library				
199 E 61XX Salaries	401,279.00	392,426.00	8,853.00	2.26%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	11,530.00	12,070.00	(540.00)	-4.47%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 12	412,809.00	404,496.00	8,313.00	2.06%
Function 13 - Professional Development/Staff				
199 E 61XX Salaries	1,101,747.00	1,096,424.00	5,323.00	0.49%
199 E 62XX Contracted Svs	20,700.00	20,700.00	-	0.00%
199 E 63XX General Supplies	15,500.00	15,500.00	-	0.00%
199 E 64XX Misc Operating	23,600.00	24,260.00	(660.00)	-2.72%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 13	1,161,547.00	1,156,884.00	4,663.00	0.40%
Function 21 Curriculum and Instruction				
199 E 61XX Salaries	431,750.00	232,707.00	199,043.00	85.53%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	20,500.00	20,500.00	-	0.00%
199 E 64XX Misc Operating	7,885.00	5,885.00	2,000.00	33.98%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 21	460,135.00	259,092.00	201,043.00	77.60%
Function 23 School Leadership				
199 E 61XX Salaries	2,778,658.00	2,484,835.00	293,823.00	11.82%
199 E 62XX Contracted Svs	8,848.00	8,848.00	-	0.00%
199 E 63XX General Supplies	9,950.00	9,950.00	-	0.00%
199 E 64XX Misc Operating	11,900.00	11,900.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 23	2,809,356.00	2,515,533.00	293,823.00	11.68%

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Function 31 Guidance and Counseling				
199 E 61XX Salaries	1,174,058.00	909,037.00	265,021.00	29.15%
199 E 62XX Contracted Svs	21,446.00	21,446.00	-	0.00%
199 E 63XX General Supplies	620.00	620.00	-	0.00%
199 E 64XX Misc Operating	2,000.00	2,000.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 31	1,198,124.00	933,103.00	265,021.00	28.40%
Function 32 Social Workers				
199 E 61XX Salaries	115,076.00	114,686.00	390.00	0.34%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	1,000.00	1,000.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 32	116,076.00	115,686.00	390.00	0.34%
Function 33 Student Health Services				
199 E 61XX Salaries	374,473.00	365,823.00	8,650.00	2.36%
199 E 62XX Contracted Svs	9,125.00	9,125.00	-	0.00%
199 E 63XX General Supplies	10,417.00	10,417.00	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 33	394,015.00	385,365.00	8,650.00	2.24%
Function 34 Transportation				
199 E 61XX Salaries	2,536,573.00	2,398,643.00	137,930.00	5.75%
199 E 62XX Contracted Svs	40,254.00	40,254.00	-	0.00%
199 E 63XX General Supplies	395,316.00	359,816.00	35,500.00	9.87%
199 E 64XX Misc Operating	183,873.00	219,373.00	(35,500.00)	-16.18%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	75,000.00	-	75,000.00	0.00%
Subtotal Function 34	3,231,016.00	3,018,086.00	212,930.00	7.06%
Function 35 Cowan Café				
199 E 61XX Salaries	51,687.00	45,325.00	6,362.00	14.04%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	54,000.00	54,000.00	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 35	105,687.00	99,325.00	6,362.00	6.41%

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Function 36 Extracurricular				
199 E 61XX Salaries	832,467.00	844,277.00	(11,810.00)	-1.40%
199 E 62XX Contracted Svs	100,190.00	100,190.00	-	0.00%
199 E 63XX General Supplies	76,315.00	76,315.00	-	0.00%
199 E 64XX Misc Operating	115,172.00	115,172.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 36	1,124,144.00	1,135,954.00	(11,810.00)	-1.04%
Function 41 Administration				
199 E 61XX Salaries	1,506,778.00	1,515,863.00	(9,085.00)	-0.60%
199 E 62XX Contracted Svs	297,558.00	297,558.00	-	0.00%
199 E 63XX General Supplies	29,037.00	29,037.00	-	0.00%
199 E 64XX Misc Operating	83,959.00	83,959.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 41	1,917,332.00	1,926,417.00	(9,085.00)	-0.47%
Function 51 Maintenance				
199 E 61XX Salaries	2,402,953.00	2,188,413.00	214,540.00	9.80%
199 E 62XX Contracted Svs	3,355,451.00	2,878,072.00	477,379.00	16.59%
199 E 63XX General Supplies	228,401.00	228,401.00	-	0.00%
199 E 64XX Misc Operating	2,162,296.00	2,162,296.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	7,606.00	7,606.00	-	0.00%
Subtotal Function 51	8,156,707.00	7,464,788.00	691,919.00	9.27%
Function 52 Security				
199 E 61XX Salaries	1,059,295.00	1,145,951.00	(86,656.00)	-7.56%
199 E 62XX Contracted Svs	29,123.00	29,123.00	-	0.00%
199 E 63XX General Supplies	26,905.00	26,905.00	-	0.00%
199 E 64XX Misc Operating	24,693.00	23,643.00	1,050.00	4.44%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 52	1,140,016.00	1,225,622.00	(85,606.00)	-6.98%

Santa Fe Independent School District
General Fund Proposed Budget 2025-2026
June 2025

Function 53 Technology Services				
199 E 61XX Salaries	723,384.00	876,694.00	(153,310.00)	-17.49%
199 E 62XX Contracted Svs	278,145.00	278,146.00	(1.00)	0.00%
199 E 63XX General Supplies	337,395.00	530,923.00	(193,528.00)	-36.45%
199 E 64XX Misc Operating	661.00	661.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 53	1,339,585.00	1,686,424.00	(346,839.00)	-20.57%
Function 61 Community Services				
199 E 61XX Salaries	169,547.00	123,819.00	45,728.00	36.93%
199 E 62XX Contracted Svs	40.00	40.00	-	0.00%
199 E 63XX General Supplies	4,200.00	4,200.00	-	0.00%
199 E 64XX Misc Operating	2,857.00	2,857.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 61	176,644.00	130,916.00	45,728.00	34.93%
Function 71 Debt Services				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	1,700,000.00	1,745,722.00	(45,722.00)	-2.62%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 71	1,700,000.00	1,745,722.00	(45,722.00)	-2.62%
Function 72 Interest on Long Term Debt				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 72	-	-	-	0.00%
Function 81 Facilities and Maintenance				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	85,049.00	85,049.00	-	0.00%
Subtotal Function 81	85,049.00	85,049.00	-	0.00%

Santa Fe Independent School District
General Fund Proposed Budget 2025-2026
June 2025

Function 93 Shared Services				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	67,000.00	67,000.00	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	14,013.00	14,013.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 93	81,013.00	81,013.00	-	0.00%
Total Expenditures	52,927,292.00	47,685,952.00	5,241,340.00	10.99%
Object Code summary				
199 E 61XX Salaries	42,460,012.00	37,577,051.00	4,882,961.00	12.99%
199 E 62XX Contracted Svc	4,417,615.00	3,932,996.00	484,619.00	12.32%
199 E 63XX General Supplies	1,530,517.00	1,652,925.00	(122,408.00)	-7.41%
199 E 64XX Misc Operating	2,651,493.00	2,684,603.00	(33,110.00)	-1.23%
199 E 65XX Misc Operating	1,700,000.00	1,745,722.00	(45,722.00)	-2.62%
199 E 66XX Capital Outlay	167,655.00	92,655.00	75,000.00	80.95%
	52,927,292.00	47,685,952.00	5,241,340.00	10.99%



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget

599 Debt Service (I&S) Fund Budget

The district carries long-term debt resulting from the issuance of bonds. These obligations are serviced twice annually—once in August and again in February—using revenue generated from the district’s debt service tax rate. This rate is levied on all taxable property within the district and collected by the tax office specifically to fund debt payments.

Periodically, our financial advisors identify opportunities to reduce future interest costs through early debt repayment, a process known as defeasance. For the 2025–2026 fiscal year, the district has allocated a portion of its fund balance to support a defeasance strategy, which is projected to save approximately \$2.2 million in interest expenses. This cost-saving measure is included in the adopted budget.

SANTA FE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICES PROPOSED BUDGET 2025-2026
FOR YEAR ENDED JUNE 30,2026 (PROPOSED BUDGET [A])

Function Level Budget	2025-2026 Proposed Budget	2024-2025 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	7,698,079.00	8,182,941.00	(484,862.00)	-6.30%
Revenue - State funding	-	1,421,583.00	(1,421,583.00)	0.00%
Revenue - Federal funding	-	-	-	0.00%
	-	-		
Total Revenue	7,698,079.00	9,604,524.00	(1,906,445.00)	-24.77%

11 - Instruction	-	-	-	0.00%
12 - Media Resources/Library	-	-	-	0.00%
13 - Professional Development Staff	-	-	-	0.00%
21 - Curriculum and Instruction	-	-	-	0.00%
23 - School Leadership	-	-	-	0.00%
31 - Guidance and Counseling	-	-	-	0.00%
32 - Social Workers	-	-	-	0.00%
33 - Student Health Services	-	-	-	0.00%
34 - Transportation	-	-	-	0.00%
35 - Nutrition Services	-	-	-	0.00%
36 - Extracurricular	-	-	-	0.00%
41- Administration	-	-	-	0.00%
51 - Maintenance	-	-	-	0.00%
52 - Security	8,270,000.00	10,171,551.00	(1,901,551.00)	-22.99%
53 - Technology Services	2,685,825.00	-	2,685,825.00	100.00%
61 - Community Services	15,000.00	-	15,000.00	100.00%
71 - Debt Service	-	-	-	0.00%
81 - Capital Outlay	-	-	-	0.00%
93 - Shared Services	-	-	-	0.00%
Total Expenditures	10,970,825.00	10,171,551.00	799,274.00	7.29%

Adjusted Income/(Loss)	(3,272,746.00)	(567,027.00)	(2,705,719.00)	82.67%
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Projected Fund Balance - July 1 (Beginning)	8,067,238.00	8,634,265.00		
Changes in Fund Balance	(3,272,746.00)	(567,027.00)		
Fund Balance - June 30 (Ending)	4,794,492.00	8,067,238.00		

Days Operating	159.51	289.49
Months Operating	5.24	9.52



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget

240 Nutrition Services Fund Budget

Revenues

Nutrition Services is the final budget presented to the Board. This fund covers the district's student nutrition needs and is supported by both local and federal funding sources.

Local revenue is generated primarily through student purchases of breakfasts, lunches, and snacks. Payments may be made by cash, check, or through a parent-established prepaid account. These purchases involve students who do not qualify for free or reduced-price meal programs. If meals are unpaid, the resulting balances are recorded as student debt and added to their fee records.

Federal funding is provided through the Free and Reduced-Price Meal Program, an income-based program requiring parent application and income verification. This program historically accounts for approximately 50% of Nutrition Services revenue. However, recent increases in program restrictions and regulatory oversight have adversely affected federal funding levels. As federal support continues to decline, the district must explore alternative revenue sources and reconsider program participation to maintain financial sustainability.

Expenditures

Expenditures have increased due to inflationary pressures stemming from the ongoing economic downturn. COVID-19 has contributed to rising costs across multiple categories, including plastics, food, and disposables, significantly impacting Fund 240.

Additionally, a decline in available personnel has necessitated increased wages to attract and retain staff. However, given limited revenue-generating options, this approach is not sustainable long-term. The district will need to develop alternative strategies to address these challenges moving forward.

SANTA FE INDEPENDENT SCHOOL DISTRICT				
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES				
NUTRITION SERVICES PROPOSED BUDGET 2025-2026				
FOR YEAR ENDED JUNE 30,2026 (PROPOSED BUDGET [A])				
Function Level Budget	2025-2026 Proposed Budget	2024-2025 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	1,008,022.00	1,306,236.00	(298,214.00)	-29.58%
Revenue - State funding	8,865.00	12,562.00	(3,697.00)	-41.70%
Revenue - Federal funding	1,721,300.00	1,695,633.00	25,667.00	1.49%
	-	-		
Total Revenue	2,738,187.00	3,014,431.00	(276,244.00)	-10.09%
11 - Instruction	-	-	-	0.00%
12 - Media Resources/Library	-	-	-	0.00%
13 - Professional Development Staff	-	-	-	0.00%
21 - Curriculum and Instruction	-	-	-	0.00%
23 - School Leadership	-	-	-	0.00%
31 - Guidance and Counseling	-	-	-	0.00%
32 - Social Workers	-	-	-	0.00%
33 - Student Health Services	-	-	-	0.00%
34 - Transportation	-	-	-	0.00%
35 - Nutrition Services	2,665,972.00	2,893,493.00	(227,521.00)	-8.53%
36 - Extracurricular	-	-	-	0.00%
41- Administration	-	-	-	0.00%
51 - Maintenance	66,875.00	114,938.00	(48,063.00)	-71.87%
52 - Security	-	-	-	0.00%
53 - Technology Services	-	-	-	0.00%
61 - Community Services	-	-	-	0.00%
71 - Debt Service	-	6,000.00	(6,000.00)	0.00%
81 - Capital Outlay	-	-	-	0.00%
93 - Shared Services	-	-	-	0.00%
Total Expenditures	2,732,847.00	3,014,431.00	(281,584.00)	-10.30%
Adjusted Income/(Loss)	5,340.00	-	5,340.00	1.00
Projected Fund Balance - July 1 (Beginning)	497,604.00	497,604.00		
Changes in Fund Balance	5,340.00	-		
Fund Balance - June 30 (Ending)	502,944.00	497,604.00		
Days Operating	67.17	60.25		
Months Operating	2.21	1.98		



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget

Tax Rate

The proposed budget is presented with an estimated tax rate based on preliminary property valuations provided by the Galveston County Appraisal District. These values are submitted to the district's tax office for review and used to develop revenue projections. In order to ensure operational readiness at the start of the fiscal year, the district is required to adopt a budget in advance of receiving certified tax values. As a result, a provisional tax rate is calculated using preliminary data and submitted to the Board for approval.

For the 2025 tax year, the proposed rate consists of two components:

1. **Maintenance and Operations (M&O)** – used to fund the district's daily operations and meet the local share of the funding formula. The preliminary M&O rate is set at **\$0.7154**. This rate is subject to change once final certified values, state-mandated compression rates, and legislative adjustments are confirmed. Included in this rate is a total of **\$0.08 in disaster pennies**, which the district is requesting the Board approve as part of the tax rate adoption process.

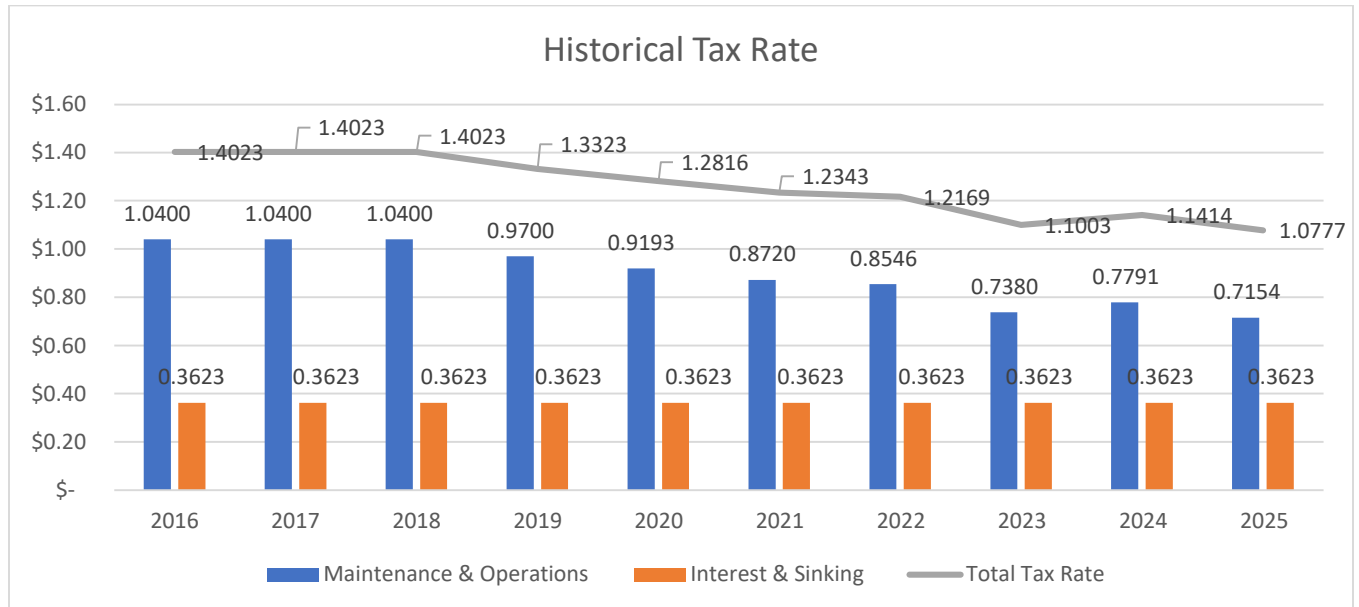
This request is in direct response to the financial impact of **Hurricane Beryl**, which resulted in approximately **\$1.5 million in expenses**, including roof repairs, facility damage, and debris removal. While the district anticipates recovering these costs through insurance and other relief mechanisms, the disaster pennies provide immediate fiscal support and flexibility.

2. **Interest and Sinking (I&S)** – used exclusively to repay debt obligations from bond issuances. The proposed I&S rate for 2025 is **\$0.3623**, which will support the scheduled principal and interest payments for the year.

The accompanying chart illustrates the district's tax rate trend over the past 10 years, highlighting a consistent effort to reduce the overall tax burden while maintaining essential services and financial stability.



SANTA FE INDEPENDENT SCHOOL DISTRICT 2025-2026 Proposed Budget



Santa Fe Independent School District

Fiscal Year 2025-2026 Budgeted Expenditures

HB 1495

Santa Fe Independent School District partners with several leading industry experts across the State of Texas to provide the following services:

Legislative updates

Board policies, regulations and updates

School finance services/tools/templates

Professional industry standard training

Online forums

Webinars

Statistical information

Advocacy

Continuing education opportunities

For the 2025-2026 fiscal year, we anticipate the following expenditures for the services listed above. Along with the expenditures, the amount of our membership fees which are used by the entity indirectly or directly to influence legislation is listed.

Organization performing membership services	Budgeted Fees/Dues	Portion of membership dues spent by the organization performing the membership services	Amount budgeted for HB 1495
Texas Association of School Administrators	1,211.00	5.70%	69.03
Equity Center	4,311.00	25%	1,077.75
Texas Association of Business Officials	2,870.00	1.40%	40.18
Texas Association of School Boards	11,000.00	22.00%	2,420.00
TAMS	500.00		
Association of Business Officials - International	240.00		
Total	20,132.00		3,606.96

The above expenditures were proposed in the June 16, 2025 Budget agenda item. The amounts were adopted under function 41, account code 199 E 41 6495 73 7XX 0 99 119.