

2026-27 Budget Planning Committee

December 17, 2025



Meeting Agenda

Purpose & Role

- Build understanding of how Keller ISD is funded
- Review financial challenges and budget pressures
- Ask questions and share perspectives during discussions
- Support transparent, informed conversations about district finances
- Help strengthen stakeholder understanding and trust

Keller ISD Budget

Future Meetings

Public education funding is increasingly complex and constrained.

This committee plays an important role by asking questions, sharing perspectives, and helping guide future budget planning.



Budget Update



Keller ISD-Intentionally Exceptional



State Budget Surplus

How could Texas spend its record \$32.7 billion surplus?

If Texas' budget surplus were distributed directly to Texans, it could pay for 12 years of school lunches, seven months of rent or 11,000 miles of travel from a household perspective.

BY **KAREN BROOKS HARPER**, **YURIKO SCHUMACHER** AND **ALEX**

MARCH 13, 2023 5 AM CENTRAL

TEXAS POLITICS

Where did Texas' record budget surplus come from?

by: [Daniel Marin](#)

Posted: Mar 21, 2023 / 06:05 AM CDT

Updated: Mar 21, 2023 / 06:39 PM CDT

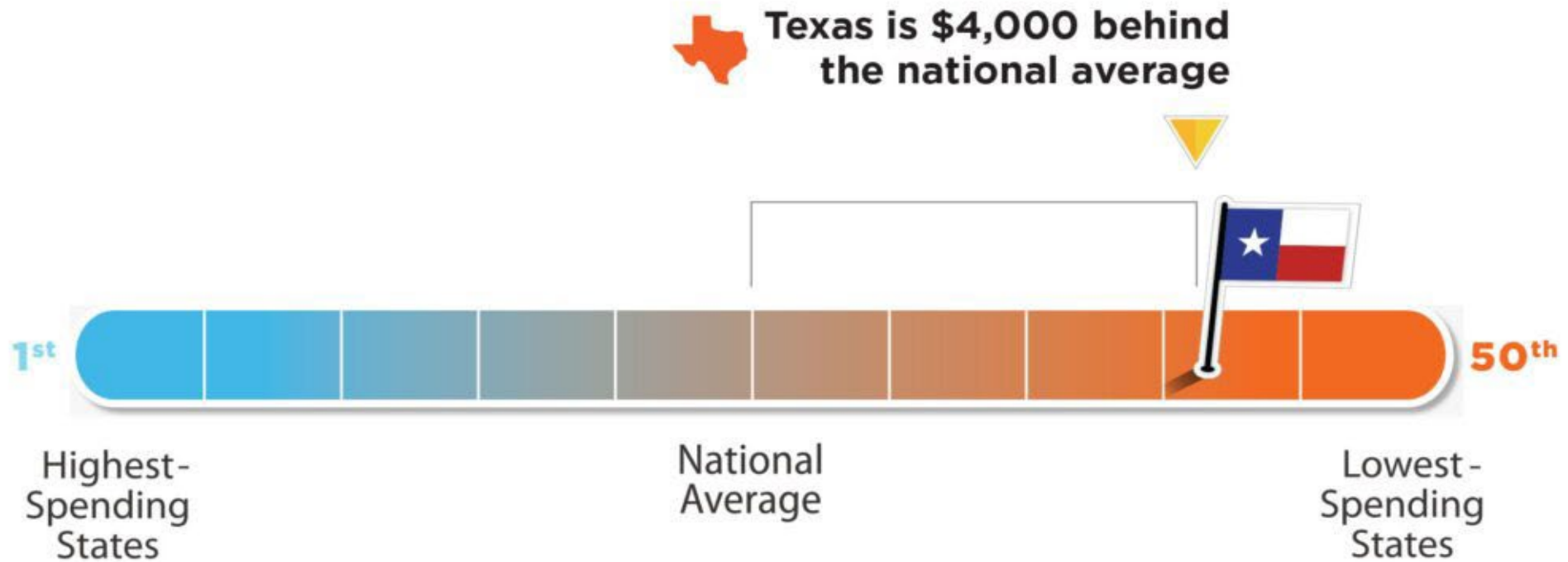
Texas will have an \$18.6 billion surplus and avoid a recession, comptroller projects

The updated comptroller's report raises the amount of revenue available to the state over the 2024-25 cycle to \$194.6 billion.



Texas School Funding

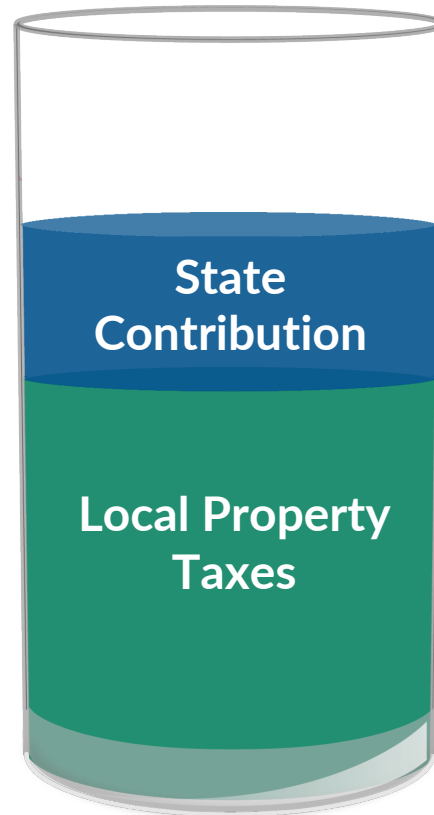
Texas Ranks in the Bottom 10 in Per Pupil Spending



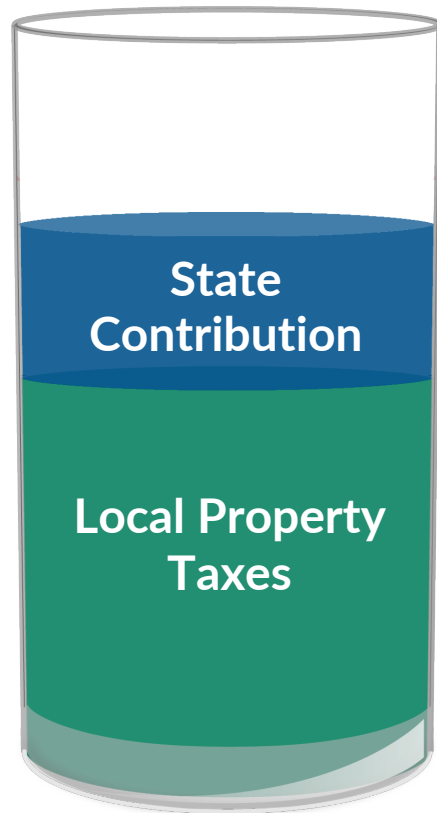
Local vs. State Funding



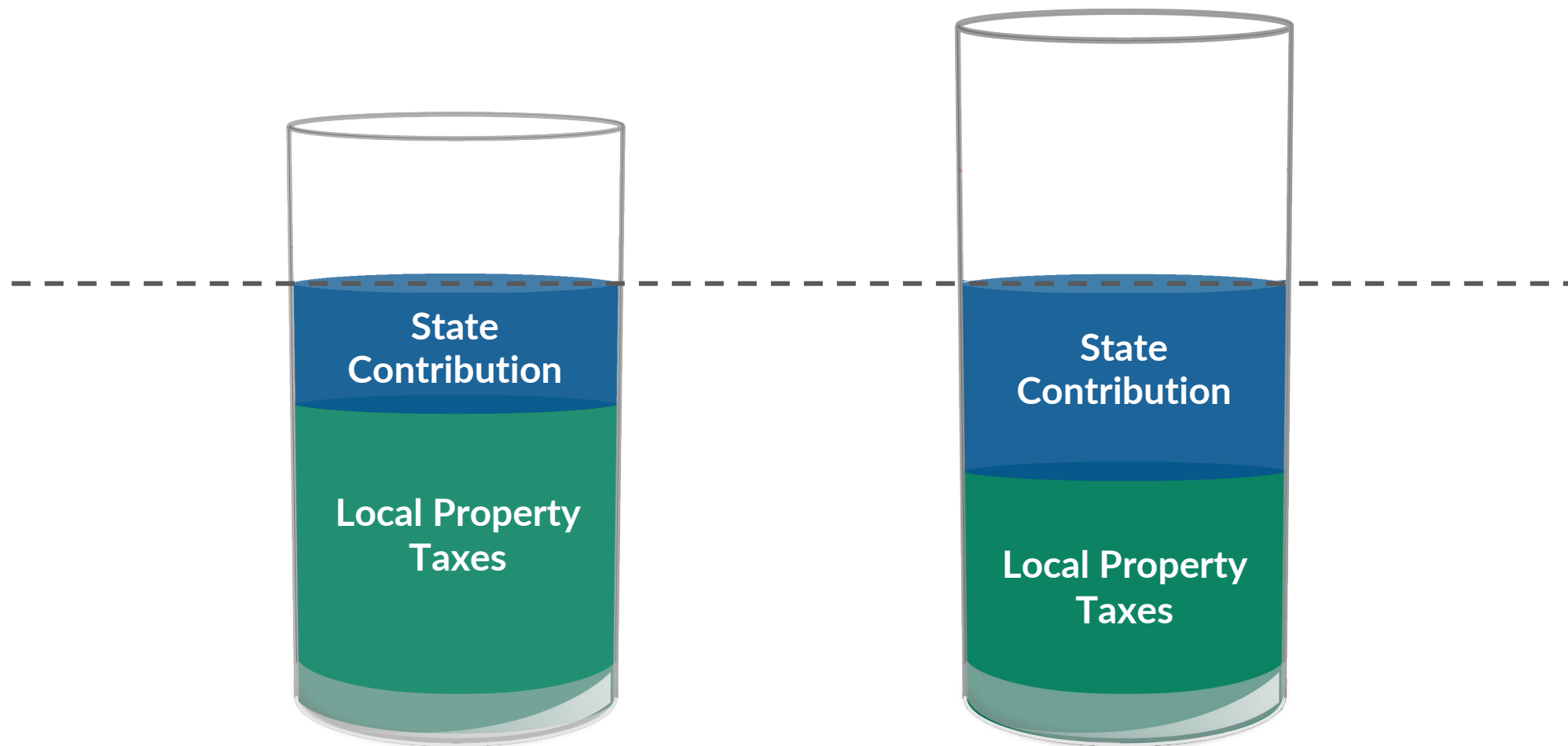
Local vs. State Funding



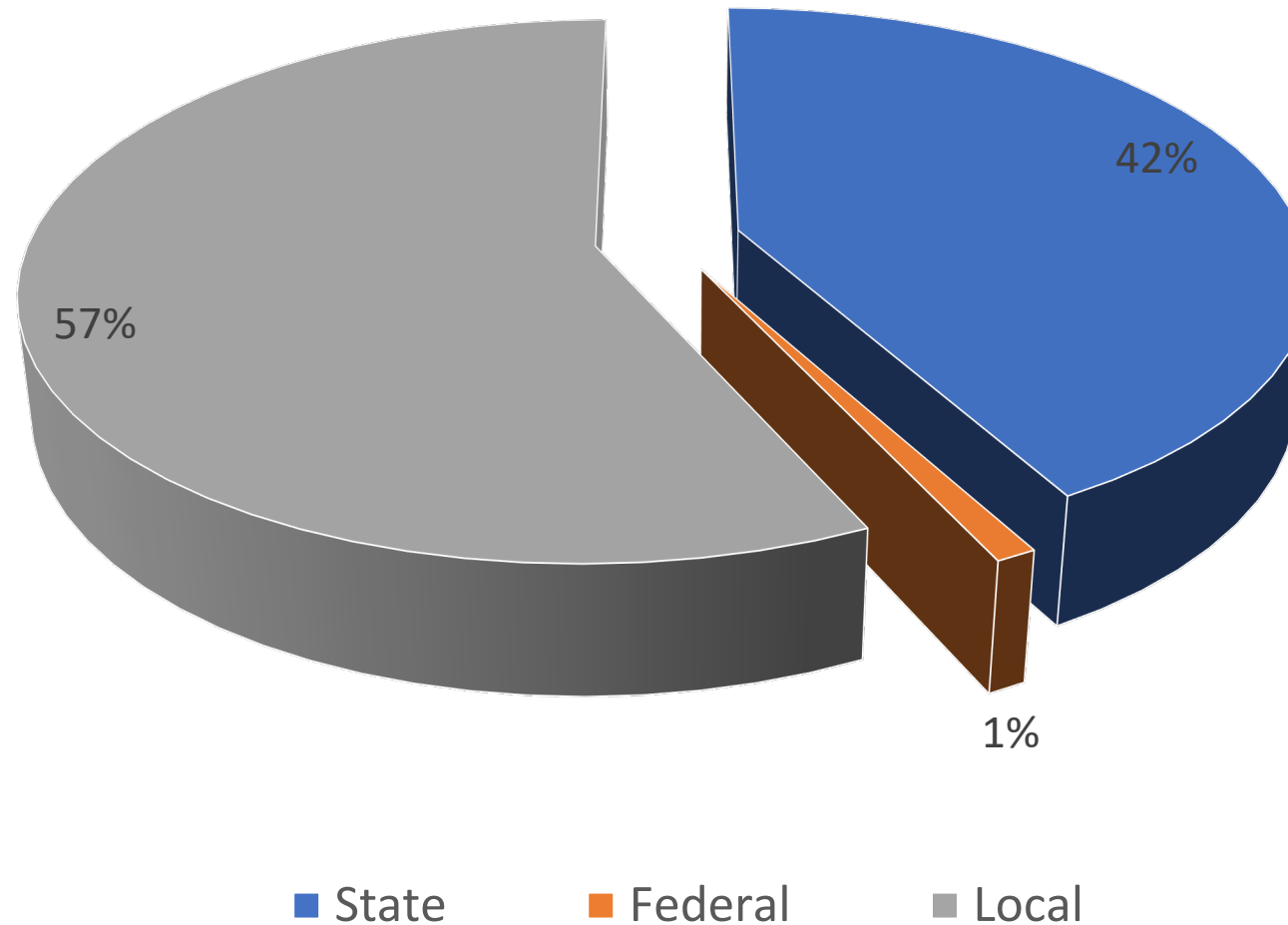
Local vs. State Funding



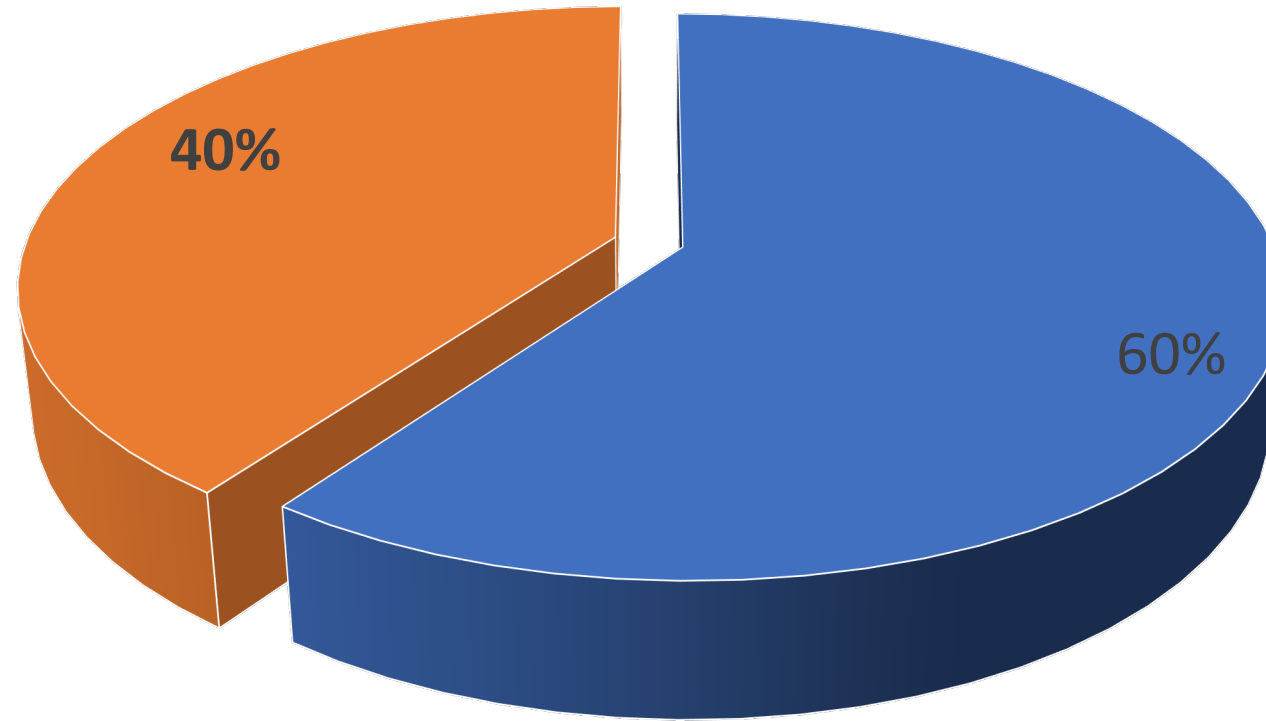
Local vs. State Funding



Revenues—Where We Get Our Funds



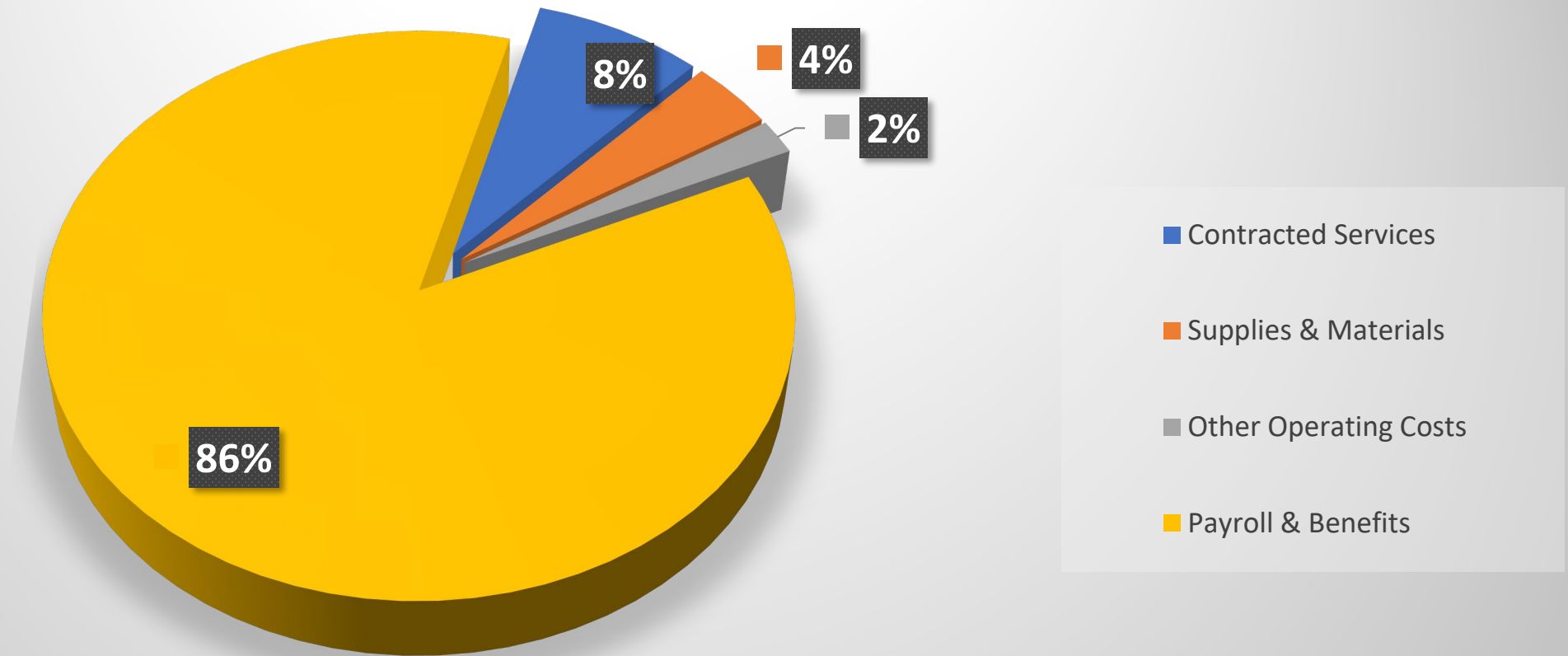
Restricted vs Unrestricted Funds



■ Restricted ■ Unrestricted



Expenditures-Where We Spend Our Funds



District Budget Challenges



Circumstances Outside of District Control

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

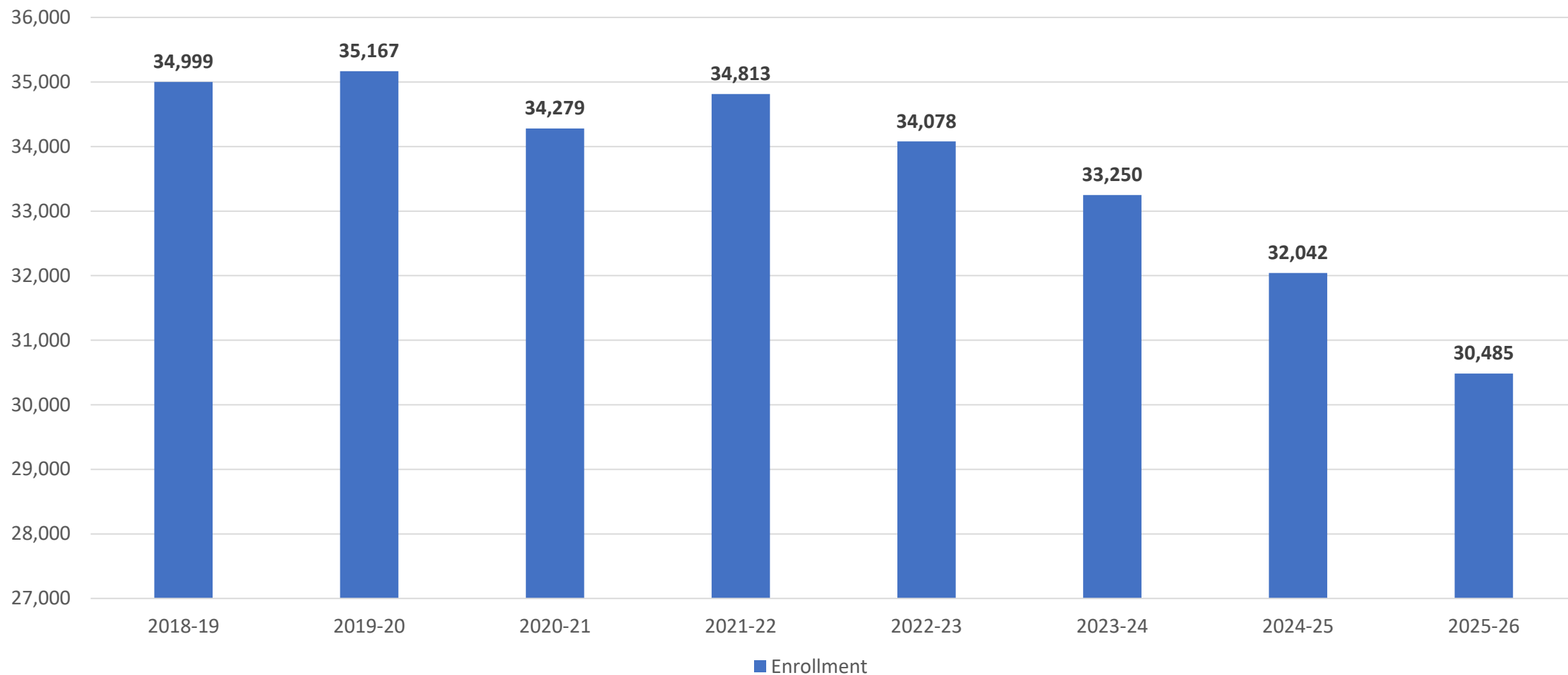


Insufficient, Complex State Funding Formula

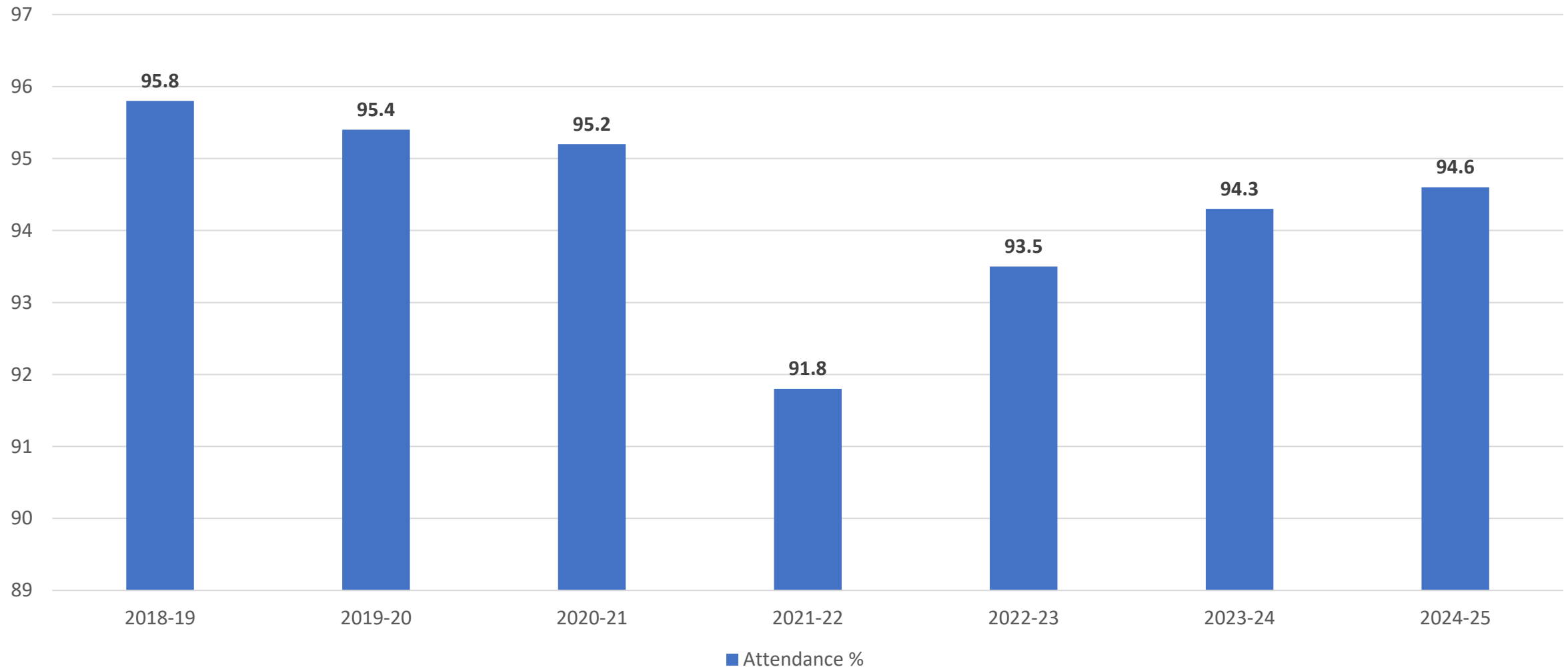
- The primary funding of schools in Texas is what is known as the “Basic Allotment”
 - HB 3 in 2019 raised the basic allotment to \$6,160
 - HB 2 in April 2025 raised the basic allotment to \$6,215 (increase of \$55).
 - The basic allotment would need to be over \$7,100 to compensate just for inflation.
- Average Daily Attendance (ADA) vs Enrollment Funding
- State “Robin Hood Scheme”



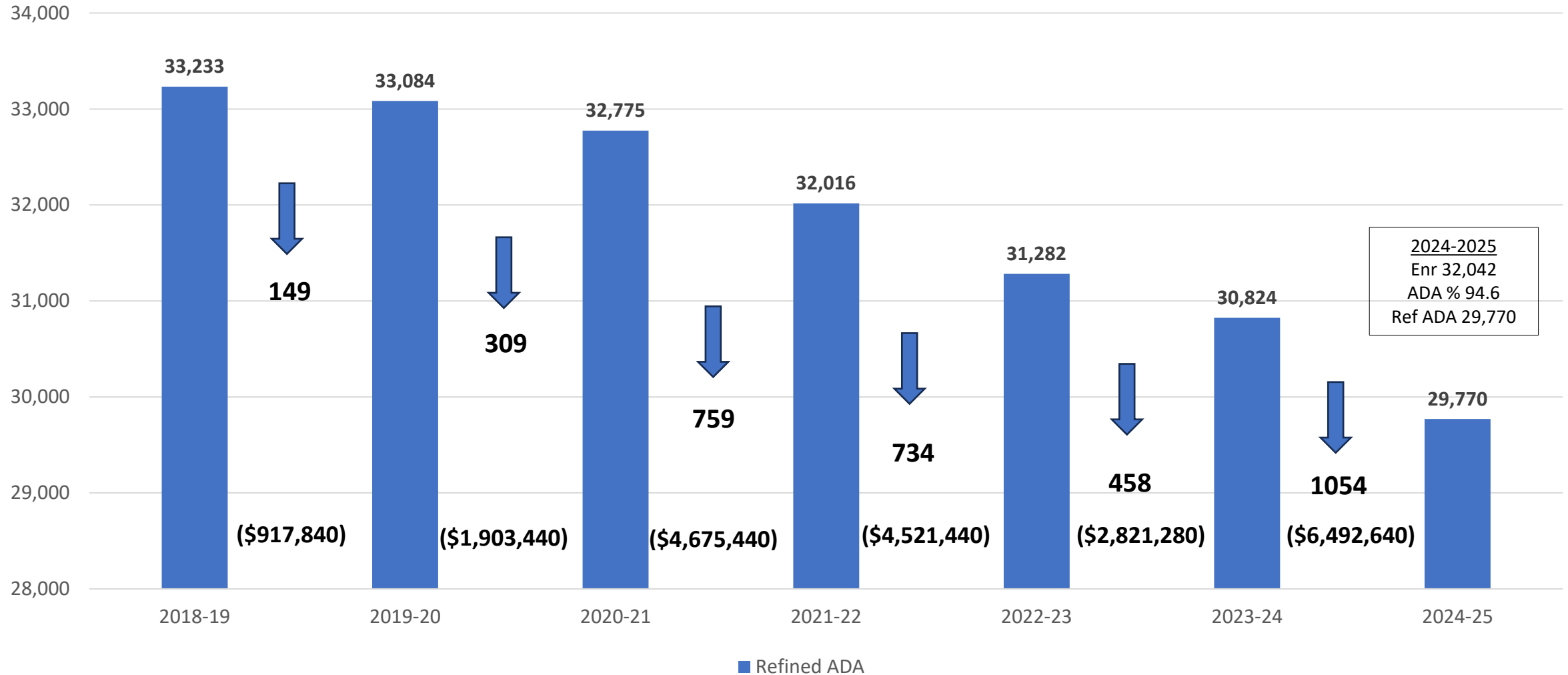
Declining Enrollment



Attendance



Declining Refined ADA and Funding Loss



School Cost Inflation 2019 vs. 2025

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/Raises

The basic allotment would need to be over \$7,100 to compensate just for inflation.

Cumulative inflation since August 2019 has increased to 26.7% (average annual at 4.03%) according to the Consumer Price Index.



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 \$5.5 million
- Dyslexia Program Spending Exceeds State Funding Requirement \$2.7 million
- Gifted & Talented Program Spending Exceeds State Funding Requirement \$1.0 million



Overview/Looking Ahead

Overview

- Today's presentation focused on the financial context shaping Keller ISD's budget:
 - State vs. local funding structure
 - Inflationary pressures and underfunded mandates
 - Declining enrollment, attendance, and refined ADA impacts
- These factors continue to place structural pressure on operating budgets, even as the district works to remain fiscally responsible and student-focused.

Looking Ahead

- Future meetings will continue this discussion, with deeper dives into:
 - Staffing and compensation trends
 - Debt service and long-term financial commitments
 - Budget efficiencies and expenditure management
- Additional information will be shared to support informed discussion and planning as the district prepares for upcoming budget decisions.



Next Steps

Next Steps

- At your table, please write down on the small sticky notes provided any questions you or your table group has related to:
 - Information Presented
 - Other Questions
- When finished, place your notes on the large sticky sheets posted on the wall.



Future Meeting Dates

- January 13
 - 6:00-7:00 pm Ed. Center Texas Rooms
- February 11
 - 6:00-7:00 pm Ed. Center Texas Rooms
- March 11
 - 6:00-7:00 pm Ed. Center Texas Rooms
- April 15
 - 6:00-7:00 pm Ed. Center Texas Rooms



Thank you!!!!
Your time and participation is greatly
appreciated!

