

Keller ISD Budget - Committee Questions/Topics - 12/17/2025

This document expands upon the original responses to the 28 questions raised during the Keller ISD Budget Planning Committee meeting. Each response provides additional context, operational detail, and practical implications for board members and the community, while remaining grounded in Texas school finance law and Keller ISD practices.

1. Inflation vs. Basic Allotment

Since 2019, inflation has increased by approximately 26.7%, significantly raising the cost of salaries, utilities, transportation, instructional materials, insurance, and contracted services. During that same period, the Texas basic allotment has not been adjusted to reflect these cost increases. If the allotment had kept pace with inflation, it would be closer to \$7,800 per student today. The current funding structure forces Keller ISD to absorb rising costs through efficiency measures, staffing adjustments, or the use of fund balance, none of which are sustainable long-term solutions.

Source: Texas Education Code §48.051; Legislative Budget Board.

2. Shifting M&O to I&S

Maintenance & Operations (M&O) funds support daily district operations, while Interest & Sinking (I&S) funds are legally restricted to voter-approved bond debt and capital projects. State law prohibits freely transferring funds between these categories. Keller ISD does, however, evaluate whether certain expenditures qualify as capital assets—such as large equipment or systems—so they can be appropriately funded through I&S when legally allowable. Routine expenses such as salaries, supplies, and repairs must remain in M&O.

Source: Texas Education Code §45.001–§45.105.

3. Attracting Families to Keller ISD

Keller ISD continues to invest in academic programming, fine arts, athletics, CTE pathways, student safety, and facility quality to remain a district of choice. Enrollment trends are also influenced by factors outside district control, including birth rates, housing costs, mobility patterns, and legislative uncertainty related to school vouchers. The district focuses on maintaining strong outcomes and a positive reputation to retain and attract families despite these external pressures.

4. Budget Timeline

Budget development is a year-round process. Initial enrollment and attendance projections begin in the fall, followed by campus and department budget requests in winter. The Board adopts the budget in late spring based on best available data. Staffing adjustments occur throughout the summer, while actual revenue is not finalized until TEA reconciles attendance data after the school year ends. This lag creates challenges when costs rise faster than funding.

Source: TEA Financial Accountability System Resource Guide.

5. TRS Health Insurance

Health Care premiums have increased at rates exceeding inflation and state funding support. At the most recent Keller ISD Board meeting, the Board voted to move in a direction to participate in TRS-ActiveCare, as this option is expected to save staff a significant amount of money in monthly premiums when compared to purchasing coverage on the open insurance market. While overall healthcare costs continue to rise statewide, this action reflects the district's commitment to supporting employee affordability while maintaining fiscal responsibility.

Source: Texas Education Code §1575.

6. One-to-One Technology Savings

While eliminating one-to-one devices could reduce hardware replacement costs, it would negatively impact instruction, testing, and a student's ability to access technology outside of the school day. State testing, digital curriculum, and classroom instruction increasingly rely on consistent device access. Any savings would likely be offset by increased staffing needs, reduced instructional efficiency, and materials costs.

7. KCAL Revenue

KCAL is designed as a service and intervention program, not a revenue-generating entity. While limited funding offsets some operational costs, the program provides access to increased academic rigor, flexible scheduling, and graduation completion.

8. Early Graduates

When students graduate early, they no longer generate ADA in subsequent years. This results in reduced state funding even though many fixed costs—such as facilities, transportation, and staffing—remain unchanged. Keller ISD monitors early graduation trends to understand both academic benefits and financial impacts.

9. Title I at Fossil Ridge

Title I funding is allocated based on federally defined poverty thresholds using census and student data. Fossil Ridge High School, if designated as a Title I school, would be required to meet additional federal accountability standards. Title I funding is based on individual students' socioeconomic criteria, not on specific campuses. The district offsets some of the revenue Fossil Ridge would receive through additional staffing and program support.

Source: ESSA Title I regulations.

10. Reducing High School Course Loads

Reducing the number of available courses could yield modest staffing savings, but it would limit student choice, advanced coursework, and career pathways. Such reductions may also affect college readiness and graduation outcomes. Keller ISD carefully evaluates these tradeoffs to avoid unintended consequences.

11. Low Attendance Campuses

Keller ISD reviews attendance data by campus and grade level. Schools with lower attendance receive targeted interventions such as family outreach, attendance incentives, and truancy support. Improving attendance is one of the most effective ways to stabilize funding without reducing services.

12. Spending Categories

Legal Requirements include services mandated by law, such as special education, safety, and transportation. Excellence Drivers are investments that enhance student outcomes, including instructional staffing and academic programs. Nice-to-Haves are discretionary enhancements that may be reduced during financial constraints.

13. Long-Term Facilities Planning

The district uses capital forecasting, bond planning, and responsible fund balance management to prepare for long-term facility needs. However, operating funds cannot be freely reserved for future capital expenses, which limits long-range flexibility.

Source: Keller ISD Board Policy CDA.

14. Per-Student Funding

Although the basic allotment is approximately \$6,215, Keller ISD's total per-student funding increases when additional sources are included, such as special program allotments and local revenue. Much of this funding is restricted and cannot be redirected to general operations.

15. Golden & Copper Pennies

Golden pennies generate the greatest state funding benefit, while copper pennies provide funding that is subject to recapture. Keller ISD already utilizes most available pennies, limiting additional revenue opportunities.

Source: Texas Education Code §48.202.

16. ADA Loss Estimates

Estimated ADA losses vary depending on attendance trends, enrollment assumptions, and timing. Differences between \$6.5M and \$13M reflect varying modeling approaches rather than discrepancies in accounting.

17. Budgeting Conservative ADA

Because attendance fluctuates daily and annually, districts are required to budget conservatively. Expenses must be committed before actual attendance is finalized, preventing districts from relying on optimistic projections that could create deficits.

Source: TEA Financial Accountability System Resource Guide.

18. Budget Transparency

Keller ISD publishes detailed budget documents that distinguish between restricted and unrestricted funds. These documents provide object-level detail to support transparency and public understanding.

19. Transportation Options

The district continuously evaluates transportation efficiency through routing analysis, bell schedule alignment, and vendor comparisons. Driver availability and safety standards remain key constraints.

20. School Closures

The district Long Range Planning Committee is researching the potential of future school consolidation due to declining student enrollment. Any future consideration would require detailed demographic analysis, financial review, community engagement, and formal board action.

21. Four-Day Week

While sometimes discussed as a cost-saving measure, four-day weeks typically produce minimal financial savings and may create challenges related to childcare, instructional time, and staff retention. The savings would be found in reducing staff contracts.

22. Utilities & Automatic Lighting

Keller ISD continues to expand energy efficiency initiatives such as LED lighting, automated controls, and energy management systems. These investments produce long-term savings rather than immediate budget relief and require capital investments through bonds to realize savings.

23. Voucher Impact

Proposed voucher programs introduce uncertainty in enrollment projections. The district monitors legislative developments but cannot accurately predict impacts until policies are finalized.

24. Risk Pooling & Hedging

The district participates in cooperative purchasing, insurance pooling, and risk management strategies to control costs and reduce financial volatility.

25. When Numbers Are Locked

Funding for the 2026–27 school year will primarily be based on actual attendance and enrollment data from the 2025–26 school year.

26. Asset Sales

Asset sales provide one-time revenue and are not a sustainable solution for recurring operational costs.

27. Comparison to Other Districts

Despite statewide funding formulas, districts experience different financial pressures based on enrollment trends, facility age, staffing models, and local demographics. Keller ISD faces greater financial pressure because many of its operating costs—such as campuses, transportation, and staffing—were built to support higher enrollment levels. As enrollment has declined, funding is reduced more quickly than those fixed costs can be adjusted. In addition, the district continues to carry long-term facility and bond commitments that were approved when enrollment was higher. These challenges are compounded by inflation, which disproportionately impacts larger districts through rising staffing, utility, and insurance costs.

28. Budget Flexibility

Most of Keller ISD's budget is not flexible. A large portion is tied to mandated required services (such as special education, safety, and transportation) and people, which make up the majority of operating costs. True "wiggle room" exists primarily in discretionary areas, including program scale, staffing ratios above minimum requirements, purchased services, and non-essential initiatives.

The district's priority is to protect classrooms, core instruction, and student services first. When financial pressure exists, Keller ISD looks at reducing or resizing programs, delaying purchases, limiting discretionary spending, and reevaluating programming and enhancements before considering reductions in staff. However, because personnel costs represent most of the budget, there is a limit to how much can be achieved through non-personnel cuts alone.

Regarding compensation, the district must balance employee retention and competitiveness with financial sustainability. When ongoing funding is uncertain, the district may consider one-time adjustments or non-permanent perks rather than long-term raises that cannot be sustained.

In short, Keller ISD consistently works to cut things before people, but the structure of school finance means that meaningful savings often require difficult tradeoffs once discretionary options are exhausted.

Source: Keller ISD Board Policy AE.