

2026-27 BUDGET PRESENTATION #1

Board Presentation: Mid-Year Finance Update & Budget Planning

Calallen ISD | April 22, 2026



2025-26 BUDGET SUMMARY

- Revenue Considerations
 - 89th Legislative Session – House Bill 2 Funding Increases **+\$4.00M**
- Expense Considerations
 - HB 2 Mandated Raises **+\$2.045M**
 - 22.5 Position Reductions **-\$1.5M**
 - Campus & Department Budget Cuts **-2.5%**

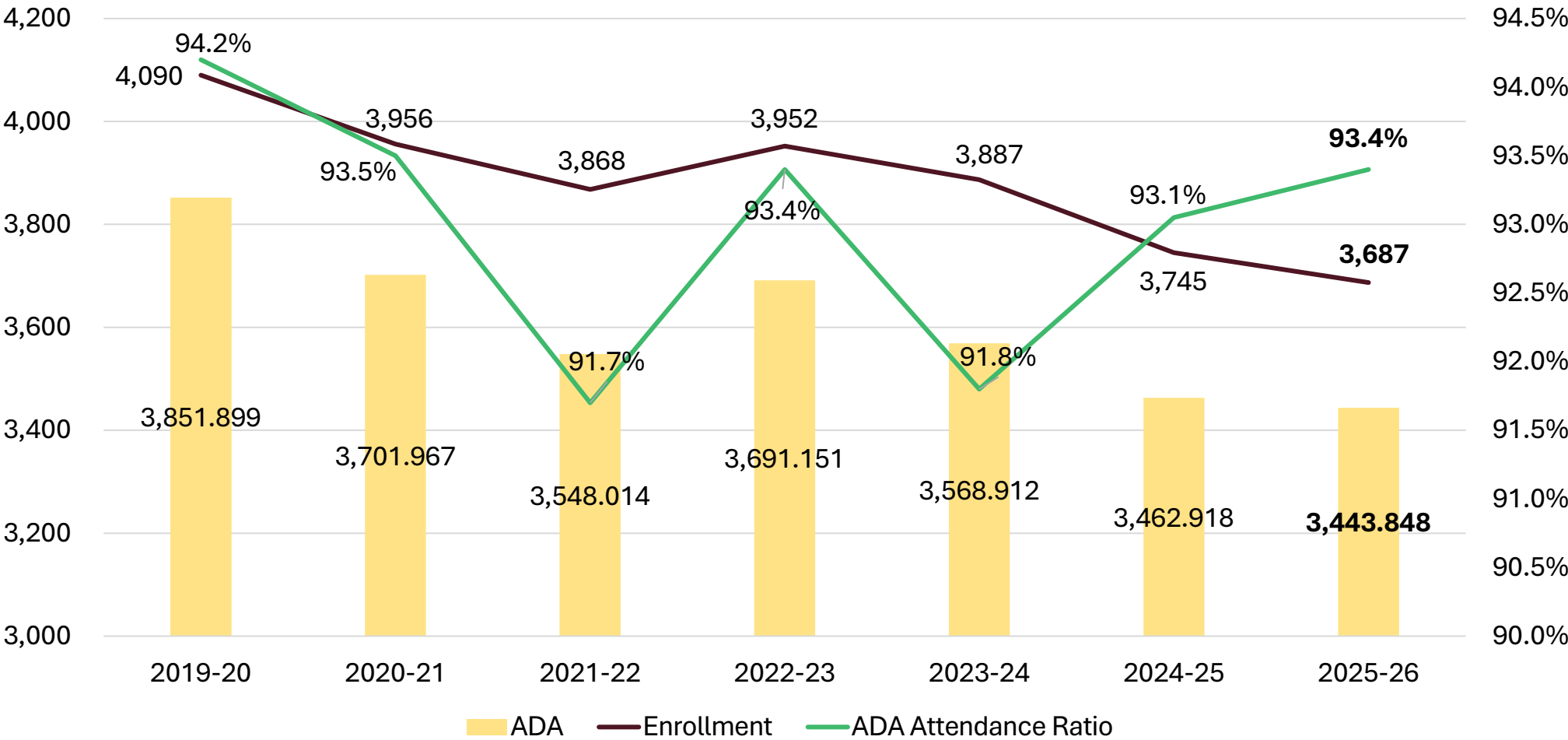


ADA & ENROLLMENT HISTORY

FISCAL YEAR	ENROLLMENT – OCTOBER SNAPSHOT	FINAL ADA	ADA ATTENDANCE RATIO
2019-20	4,090	3,851.899	94.2%
2020-21	3,956	3,701.967 3,852.814 HH	93.6%
2021-22	3,868	3,548.014 3,648.044 HH	91.7%
2022-23	3,952	3,690.834	93.4%
2023-24	3,887	3,568.912	91.8%
2024-25	3,745	3,484.902	93.1%
2025-26 Budget	3,702	3,461.370	93.5%
2025-26 Update	3,687	3,443.848	93.4%



ADA, ATTENDANCE, & ENROLLMENT



ENROLLMENT PROJECTIONS

Ten-Year Enrollment Forecast

PASA assessed the current student population, analyzed recent trends in geocoded students, forecasted additional housing occupancies and their resulting student yields, and considered broader economic and employment concerns. Based on these evaluations, PASA projects the following student population by grade group for the next ten years:

PROJECTED ENROLLMENT - TEN-YEAR FORECAST										
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
EE-2nd	914	931	930	926	912	906	923	943	959	974
3rd-5th	784	765	781	791	811	821	819	807	798	813
6th-8th	850	865	856	802	786	806	819	845	854	852
9th-12th	1,154	1,111	1,059	1,079	1,063	1,052	1,045	1,017	1,013	1,024
TOTAL:	3,702	3,672	3,626	3,598	3,572	3,585	3,606	3,612	3,624	3,663

2025-26 Actual: 3,687



PROPERTY TAX VALUES



• Property Values Used in State Funding Calculation

- **COMPTROLLER PROPERTY VALUE STUDY - T VALUES**



• Property Values Used for Collections & Deposited into District Bank

- **COUNTY APPRAISAL DISTRICT CERTIFIED VALUES**



	FUNDING TEMPLATE FSP State Funding T2 Values	DISTRICT BANK ACCT Local Tax Collections Certified Values
Higher T2 Value than Certified Value	2,000,000,000 X 0.7695 tax rate = \$15,400,000 Local Assignment in FSP Entitlement	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Actual Tax Collections
Lower T2 Value than Certified Value	1,950,000,000 X 0.7695 tax rate = \$15,000,000 Local Assignment in FSP Entitlement	2,000,000,000 X 0.7695 tax rate = \$15,400,000 Actual Tax Collections



PROPERTY TAX VALUES

TEA is aware of an issue in property tax data that is impacting reported district funding levels in the school year 2025-2026 Summary of Finances (SOF) reports. The underlying causes have been identified and a resolution is underway. No immediate action is required at this time, and updates will flow automatically as part of property tax data recertification and a subsequent SOF run(s) next week.

Summary of Identified Issues

1. Vendor-Related Data Issues

The Comptroller has identified vendor-related data discrepancies that affect a significant number of districts statewide. These issues are actively being corrected, and the Comptroller will issue a recertification of the affected data once updates are complete.

Planned Resolutions

A. Comptroller Actions

Vendor data corrections will be incorporated into a forthcoming recertification from the Comptroller. No district action is required.

- Source: Update on Property Value Data and Frozen Levy Hold Harmless Methodology (TEC, §48.2542)



PROPERTY TAX VALUES

Background

TEA identified issues in tax year (TY) 2025 property value data that affected reported funding amounts in SY 2025–2026 SOF reports. The causes have been identified, and corrections are being implemented through amended property tax data recertification and subsequent SOF updates. [Detailed correspondence](#) outlining the identified issues and resolutions was communicated to subscribers of the TEA Public School Funding Updates on Friday, March 6, 2026, and is summarized below.

Identified issues

The following issues were identified affecting frozen levy calculations:

1. Vendor-related data discrepancies identified by the Comptroller affecting a significant number of districts statewide.
2. Limitations in the transition to property-level, self-reported (SR) data that excluded certain properties in specific scenarios, understating frozen levy losses for some districts.
3. Inconsistent SR submission methods (aggregated versus property-level) resulting in uneven treatment across districts.

Resolutions

To address these issues, TEA planned to implement the following actions:

1. Corrected vendor data would be incorporated into SOF reports through a forthcoming amended preliminary recertification from the Comptroller, improving statewide accuracy. No district action would be required.
2. Beginning with TY 2025 (SY 2025–2026), TEA would implement a revised methodology that includes all properties contributing to frozen levy losses under either scenario, restoring accurate levy loss calculations.
3. SOF reports would derive SR0706 and SR0716 using related SR values (SR0705, SR0707 and SR0717), improving consistency across districts.

- *Source:*
<https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/update-on-property-value-data-and-frozen-levy-hold-harmless-methodology>



PROPERTY TAX VALUES

- Historical Ratios of District T2 versus Certified Values:
 - Tax Year 2021 95.8%
 - Tax Year 2022 94.8%
 - Tax Year 2023 95.7%
 - Tax Year 2024 94.5%
 - **Tax Year 2025 99.1%**



GENERAL FUND – REVENUE

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 BUDGET	2025-26 MID- YEAR ESTIMATE
Property Taxes	\$19,297,546	\$14,922,156	\$20,355,236	\$19,150,000	\$19,500,000
Other Local	\$1,583,151	\$1,476,140	\$1,248,318	\$1,290,000	\$1,100,000
State Revenue	\$18,234,020	\$21,906,720	\$18,273,199	\$22,820,000	\$22,200,000
TRS On-Behalf	\$2,363,761	\$2,420,011	\$2,479,709	\$2,232,676	\$2,250,000
Federal Revenue	\$492,781	\$417,062	\$459,625	\$275,000	\$100,000
Subtotal	\$41,971,258	\$41,142,089	\$42,816,087	\$45,767,676	\$45,150,000
CH 313s	\$2,060,227	\$1,539,340	\$707,879	\$700,000	\$701,776
Other	\$0	\$476,322	\$0	\$0	\$0
Total	\$44,031,485	\$43,157,752	\$43,523,966	\$46,467,676	\$45,851,776



GENERAL FUND – EXPENSES

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 BUDGET	2025-26 MID- YEAR ESTIMATE
Payroll	\$35,546,708	\$36,124,569	\$36,128,527	\$37,935,904	\$37,275,000
Non-Payroll	\$10,827,171	\$9,218,505	\$8,551,582	\$9,316,772	\$8,950,000
Subtotal	\$46,373,879	\$45,343,073	\$44,680,109	\$47,252,676	\$46,225,000
Transfers Out	\$696,319	\$101,401	\$10,733	\$0	\$0
Recapture	\$0	\$0	\$99,581	\$15,000	\$60,000
Total Expenses	\$47,070,198	\$45,444,474	\$44,790,423	\$47,267,676	\$46,285,000



GENERAL FUND – FUND BALANCE

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 BUDGET	2025-26 MID- YEAR ESTIMATE
Total Revenue	\$44,031,485	\$43,157,752	\$43,523,966	\$46,467,676	\$45,851,776
Total Expenses	(\$47,070,198)	(\$45,444,474)	(\$44,709,423)	(\$47,267,679)	(\$46,285,000)
Net Roll/Loss	(\$3,038,713)	(\$2,286,722)	(\$1,266,457)	(\$800,000)	(\$433,224)
Beg Fund Balance	\$24,075,178	\$21,036,465	\$18,749,743	\$17,483,285	\$17,483,285
End Fund Balance	\$21,036,465	\$18,749,743	\$17,483,285	\$16,683,285	\$17,050,061



FUND BALANCE POLICY

- Board Policy CE (Local) Parameter
 - The District shall maintain a total fund balance in the general operating fund ***equal to or exceeding three months of the total annual operating expenditures***
- Calculation
 - Estimated Total Annual Operating Expenditures \$46,160,000
 - Three Months of Total Annual Operating Expenditures \$11,540,000
 - Estimated 2025-2026 Ending Funding Balance **\$17,050,061**



2026-27 FISCAL YEAR

Budget Planning



Texas School Finance Reality



2026-27 BUDGET STRATEGY

- ***BUDGET FATIGUE HAS SET IN***
- When uncertainty is constant, decision quality begins to erode
 - Emotional responses begin to drive fiscal choices
 - Across the board reductions feel fair, but are they?
 - Silos intensify and silence is more likely
- ***HOW DO WE DO THINGS DIFFERENTLY?***



2026-27 BUDGET STRATEGY

- ***USE 2026-27 AS A RECALIBRATION YEAR***
 - Enrollment Trends are No Longer Temporary
 - Environment of Uncertainty is the New Normal

- ***RECALIBRATION BUDGETING***
 - Structural alignment
 - Recurring revenue discipline
 - Staffing tied to enrollment reality
 - Multi-year focus
 - Assumptions grounded in current law
 - Easy structural adjustments
 - “We build to withstand volatility”



2026-27 BUDGET STRATEGY

• ***FIVE RECALIBRATION ACTIONS***

- ✓ • Structural Review of Staffing
- ✓ • Fund Balance Policy Review
- ✓ • Multi-Year Forecasting as Standard Practice (3 Years Minimum)
- **Exercising Compensation Discipline**
 - Teacher Retention Allotment Impact
 - Sustainable Pay Increases
 - Funded from Staff Reductions
 - Reconsider Stipends and Extra Duty Pay Structures
- **Communication Reset**
 - Will Require Strong, United, Consistent Messaging
 - Boards, Leadership, Principals, Staff, and Community
 - Narrative should be About Protecting Long-Term Stability, Not “the Administration Did/Cut...”



WE ARE NOT ALONE...

- **RESULTS FROM TASBO CENTER FOR SCHOOL FINANCE SURVEY:**
- Will the District End the Fiscal Year in a Deficit? **44% Yes for FY26**
- Will the District Need to Make Budget Cuts? **70% Yes for FY27**
- What is the Likelihood of Significant Budget Cuts? **37% Significant & 43% Minor Cuts**
- What Areas will be the Focus of Budget Cuts? **Top 3 Items**
 - **Elimination of Under Enrolled Classes**
 - **Reductions to Travel Budgets**
 - **Reductions to Campus Staff**
- What is the Likelihood of Salary Increases in FY27? **31% No & 52% Yes but Funded Through Other Budget Cuts**



BUDGET HISTORY SUMMARY

FISCAL YEAR	RAISES	CHAPTER 313 PAYMENTS	OTHER CONSIDERATIONS	NET ROLL/(LOSS)
2019-20	3.4% +\$900,000	\$1,629,015	ESSER Supplant Payroll Savings COVID Savings	\$3,473,798
2020-21	1.5% +\$550,000	\$1,427,406	ESSER Supplant Payroll Savings 5% Budget Cuts	\$1,844,296
2021-22	3.0% +\$810,000	\$2,779,118	Maintenance Tax Notes Property Insurance Premiums	\$937,560
2022-23	Avg. of 4.8% +\$1,100,000	\$2,060,227	Reopening Magee +\$1,250,000	(\$3,038,713)
2023-24	1.5% +\$470,000	\$1,539,340	10% Budget Cuts (\$650,000) Staffing Reductions 8 (\$520,000) Safety & Security Initiatives +\$520,000	(\$2,286,722)
2024-25	1.5% +\$505,000	\$700,000	7% Budget Cuts (\$345,000) TSHBP Payments +\$390,000	(\$1,266,457)
2025-26	\$3k, 4k, \$8k Teacher	\$700,000	2.5% Budget Cuts (\$200,000) Staffing Reductions 22.5 (\$1,500,000)	(\$433,224) Estimated



BUDGET FACTORS

FACTORS WE CAN CONTROL

- Staffing Levels
- Compensation Levels
- Campus & Department Budgets
- Property Tax Rates & Bonds
- Special Allotments & Grants

FACTORS WE CANNOT CONTROL

- Enrollment & Attendance
- School Funding & Legislative Session
- Inflation
- Insurance Premiums
- Property Tax Values



HOW THE DISTRICT SPENDS \$1

80¢ - PAYROLL 7.6¢ - INSURANCE & UTILITIES 6.1¢ - INSTRUCTION & SUPPORT
 5.9¢ - OPERATIONS 1.0¢ - ADMIN & OTHER



CATEGORY	PERCENT	AMOUNT
Payroll	80%	\$36,125,000
Insurance & Utilities	7.6%	\$3,448,000
Instruction & Support	6.1%	\$2,758,000
Operations	5.9%	\$2,680,000
Admin & Other	1.0%	\$433,000



2026-27 AND BEYOND

- FROM THE 2025-26 ADOPTED BUDGET PRESENTATION:

2026-27 AND BEYOND

- The Process will be Dependent on **FALL 2025 ENROLLMENT NUMBERS**
- Balancing the 2026-27 Budget Might Require:
 - Reduction in Staff – Approximately \$800,000 in salary savings
 - Additional Campus and Department Budget Cuts
- Administration would begin this process in **JANUARY 2026**



2026-27 AND BEYOND

- FROM THE 2025-26 ADOPTED BUDGET PRESENTATION:

BUDGET FAQs

- Why is District Administration proposing a \$800,000 deficit budget?

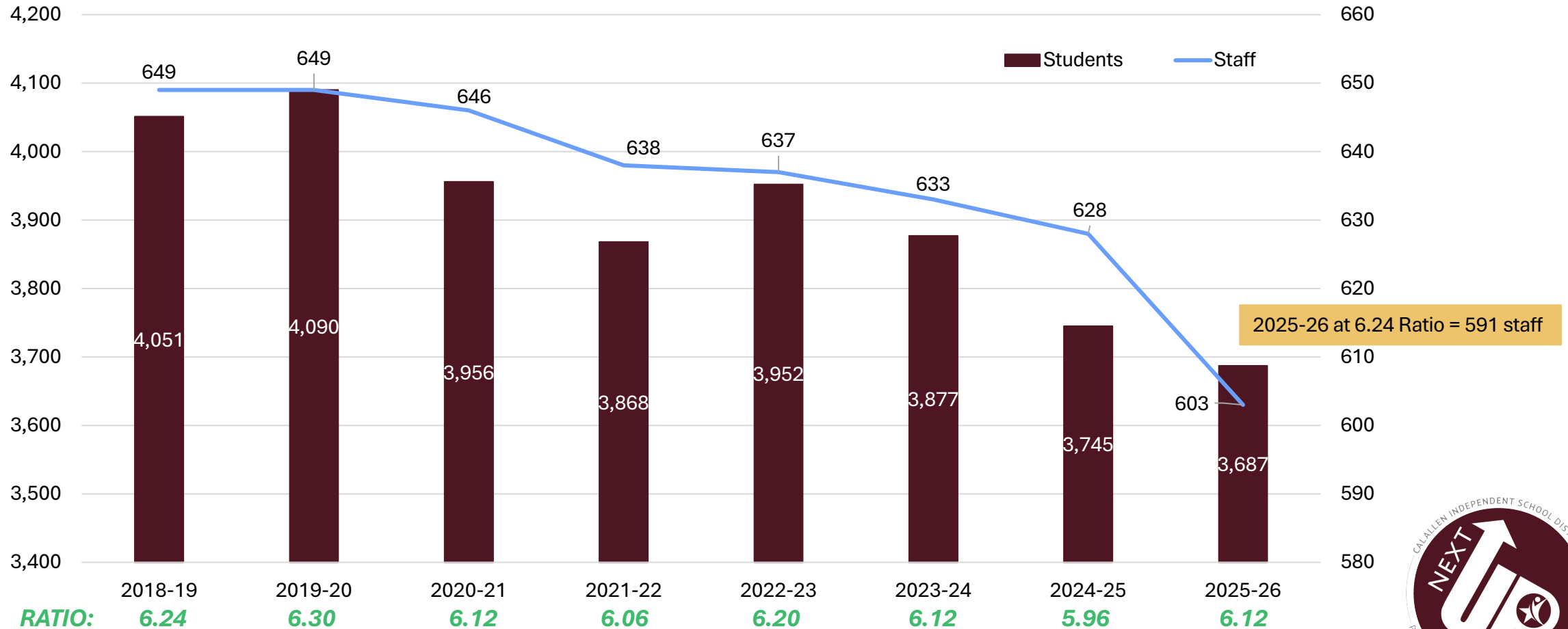
	Budget
Staffing Reductions Target: 30 Positions	\$2,000,000
Staffing Reductions Achieved: 22.5 Positions	\$1,265,994
Difference	(\$734,006)

- Historical trends support the District's actual financials performing better than budgeted
- Therefore, Administration does not anticipate to realize a full \$800,000 deficit budget when the 2025-2026 audit is produced
- Dependent on Fall 2025 Enrollment, the District plans to implement the additional position reductions in Summer 2026 for Fiscal Year 2025-2026 – thus balancing the budget for the 2026-2027 Fiscal Year



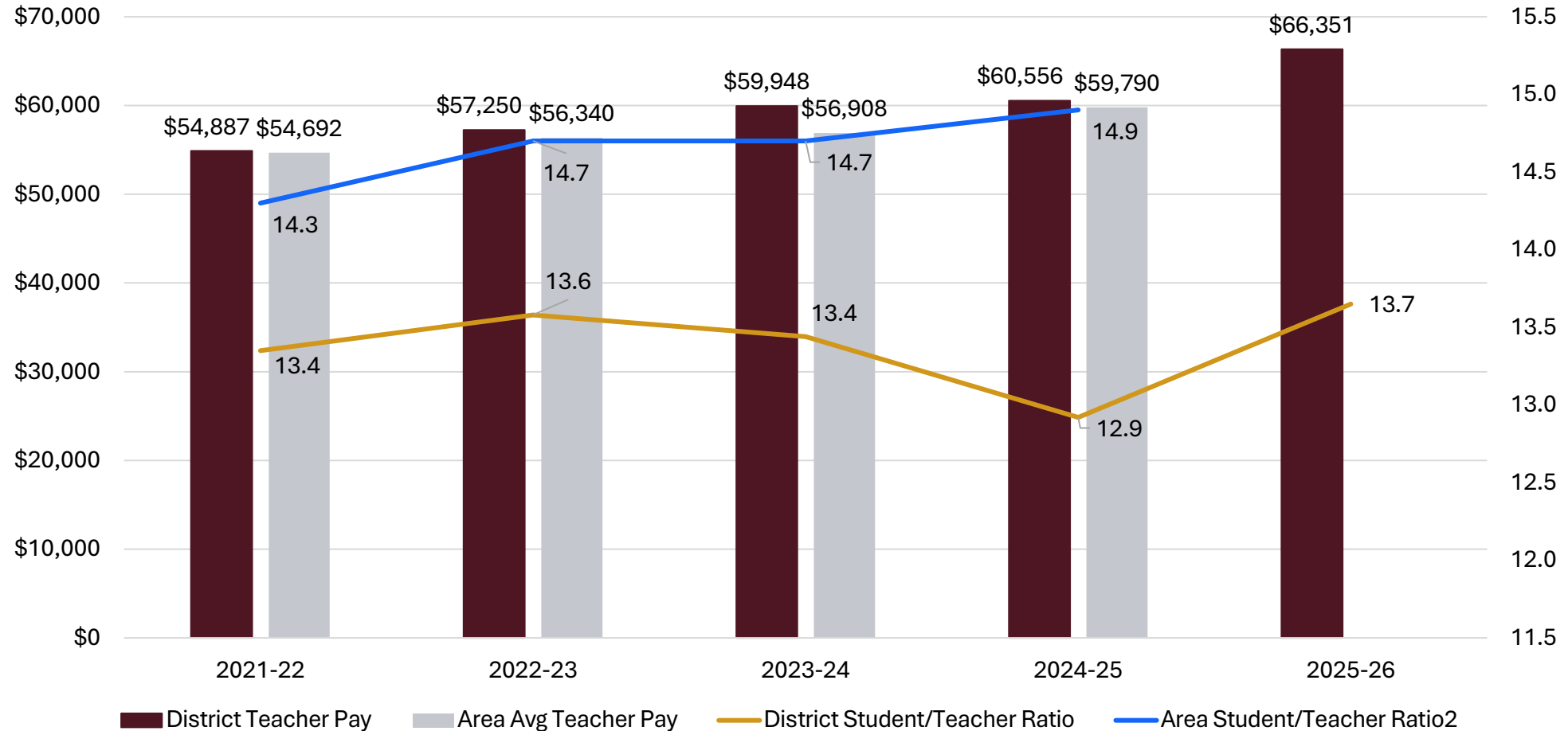
2026-27 AND BEYOND

Financial Well Being Report - Student vs. Staff Counts



2026-27 AND BEYOND

Area Teacher Pay & Student/Teacher Ratio Comparisons



SALARY & BENEFITS HISTORY

FISCAL YEAR	% INCREASE	STARTING TEACHER SALARY	187 DAY TEACHER INCREASE	OTHER EMPLOYEE INCREASE	OTHER	HEALTH INSURANCE CONTRIBUTION
2019-20 (HB3)	3.4%	\$48,570	\$1,450	\$0.75 Per Hour	-	\$375 Per month
2020-21	1.5%	\$48,750	\$800 +Additional adjustment for steps 2-20	1.5% of midpoint	\$500 December retention stipend	\$375 Per month
2021-22	3.0%	\$50,000	\$1,658	3.0% of midpoint	\$500 December retention stipend	\$375 Per month
2022-23	Avg. of 4.8%	\$51,000	\$2,750 Avg.	2.0% of midpoint	\$1,000 December retention stipend	\$375 Per month
2023-24	1.5%	\$51,500	\$880	1.5% of midpoint	-	\$375 Per month
2024-25	1.5%	\$52,000	\$885	1.5% of midpoint	-	\$375 Per month
2025-26	Avg. of 12.5%	\$54,385	HB2 \$3k, \$4k, \$8k	2.5% of midpoint	Updated TASB Pay Plans, Equity Adjustments	\$375 Per month



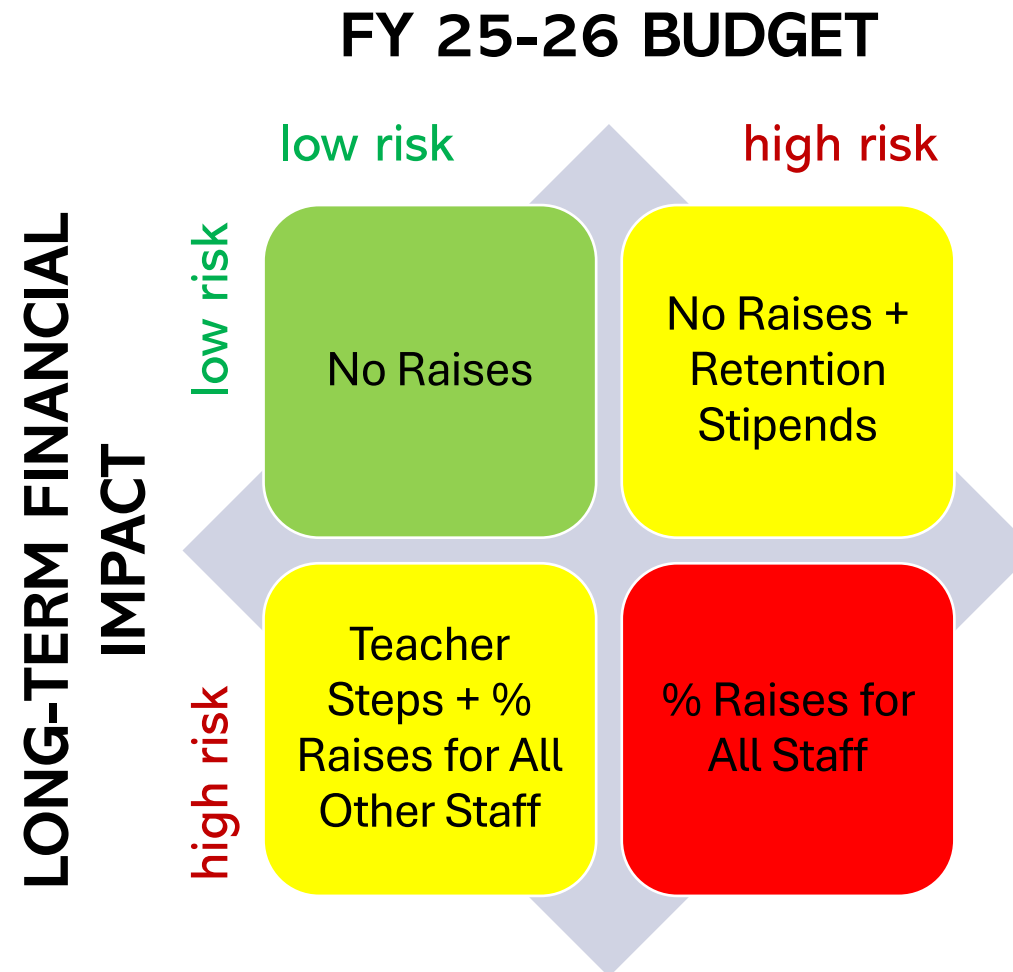
2026-27 SALARY STRATEGIES

TEACHERS

- No Raises
- Step Increases Only
- % Raises
- Retention Stipends Only

ALL OTHER STAFF

- No Raises
- % Raises
- Retention Stipends Only




2026-27 SALARY STRATEGIES

TEACHER – Step Increase Only

Calallen ISD

2025-2026 New Hire Guide for Teachers and Librarians

Board Approved July 23, 2025

Years of Experience	New Hire Salary
0	\$54,385
1	\$54,885
2	\$55,385 
3	\$56,765
4	\$57,265 
5	\$61,765

Step 1 Teacher = \$500 Raise



Step 4 Teacher = \$4,500 Raise

TEACHER – % Raise

Calallen ISD

2025-2026 New Hire Guide for Teachers and Librarians

Board Approved July 23, 2025

Years of Experience	25-26 New Hire Salary	26-27 New Hire Salary
0	\$54,385	TBD
1	\$54,885	TBD
2	\$55,385 	TBD
3	\$56,765	TBD
4	\$57,265 	TBD
5	\$61,765	TBD
6	\$62,265	TBD

X = Board Adopted % Raise x Step 15 Teacher Salary

Step 1 Teacher = \$X Raise

Step 4 Teacher = \$X Raise

(would need to account for \$4,000 difference btw steps 4 & 5)



BUDGET CALENDAR

CALLEN ISD BUDGET CALENDAR FISCAL YEAR 2026-2027 <i>Tax Year 2026 and Fiscal Year 2027</i>				
Budget Roadmap	Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
Budget Stop #1	Early 2026	April 22, 2026 Special Meeting	Budget Presentation #1 Mid-Year Review of 2025-2026 Budgets Planning for 2026-2027 Budgets Discuss & Set Budget Priorities	Supt/Asst Supt Board of Trustees
	March - June		Assessment of Staffing Needs	Supt/Asst Supt Director of HR Principals and Directors
Budget Stop #2	June	June 8, 2026 Regular Meeting	Budget Presentation #2 Review Assessment of Staffing Needs Discuss Compensation Strategies	Supt/Asst Supt Board of Trustees
	April 30th May - June		2026 Estimated Tax Values to CISD Review of 2025-2026 Budgets & Estimate Actuals Release 2026-2027 Budgets to Campuses & Departments Submission of 2026-2027 Budgets & Budget Requests	Appraisal District Supt/Asst Supt Principals and Directors
Budget Stop #3	July	July 13, 2026 Regular Meeting	Budget Presentation #3 Review of Preliminary 2026-2027 Budget Estimates Adopt Compensation Plan & Raises for 2026-2027	Supt/Asst Supt Board of Trustees
	July 25th		2026 Certified Tax Values to CISD	Appraisal District
	Early August		Tax Value Data Collection Due to TEA TEA Issues Tier 1 Tax Rate for the District	Assistant Superintendent TEA
	Early August	August 10, 2026 Regular Meeting	Budget Presentation #4 Presentation of Notice to Set Tax Rate and Preliminary Budget *Board may adopt a tax rate lower than what is published	Supt/Asst Supt Board of Trustees
Budget Stop #4	Mid August	August 13, 2026	Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Corpus Christi Caller Times *Must be published 10-30 days before hearing, 2026-2027 deadline August 14, 2026	Assistant Superintendent
	Late August	August 24, 2026 Special Meeting	Budget Presentation #5 Conduct Hearing to Set the Tax Rate and Adopt the Budget Final Budget Amendments for 2025-2026 Set Tax Rate for Tax Year 2026 Adopt Budgets for 2026-2027	Supt/Asst Supt Board of Trustees



BUDGET PROCESS 2026-27 | CALLEN ISD



1 SET BUDGET PRIORITIES

2 ASSESSMENT OF STAFFING NEEDS

3 BUDGET COLLABORATION

4 ADOPT BUDGET RECOMMENDATIONS

BUDGET PRIORITIES DISCUSSION

- **BALANCED BUDGET**

- **DISTRICT BUDGET PRIORITIES:**

 - 1.1 Academic Growth and Achievement**

 - Analyze the academic return on investment

 - 1.3 Student participation in activities, clubs to build well-rounded citizens**

 - Maintain current extra-curricular offerings to support student attendance & enrollment

 - 2.3 Competitive Compensation for Faculty and Staff**

 - Retention of high quality, effective staff

 - 4.1 Strong Financial Stewardship**

 - Preserve the fund balance and long-term financial wellbeing



