



# **BUDGET WORKSHOP**

## **May 21, 2026**

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# **BOARD WORKSHOP OBJECTIVE**

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Develop consensus on priorities for the 2026-2027 budget with the following assumptions:

- Current budget deficit
- Limitations of fund balance



# **PRELIMINARY BUDGET RECOMMENDATIONS**

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# Preliminary General Fund 2026-2027

DESCRIPTION	PRELIMINARY BUDGET
Local Revenues	\$508,353,652
State Revenues	646,713,310
Federal Revenues	6,200,000
Total Revenues	<u>\$1,161,266,962</u>
Expenditures	<u>\$1,228,691,637</u>
Surplus (Deficit)	<u>(\$67,424,675)</u>

# 2026-2027 Budget - Revenues

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- **Decrease** in enrollment of 3.8% (\$26.7M)
- **Decrease** in SHARS funding (\$1.3M)
- **Increase** in revenue from property value audits (\$6M)
- **Increase** in other local revenue (\$2.6)

# 2026-2027 Budget - Expenditures

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- **Increase** for implementation of Virtual Pathways (\$4.6M)
- **Decrease** in teacher allocations due to decline in enrollment (\$11.7M)
- **Increase** in fuel due to inflation (\$1.1M)
- **Increase** for textbooks not covered by IMTA (\$2M)
- **Increase** for chiller preventative maintenance (\$2M)

# 2026-2027 Budget - Expenditures

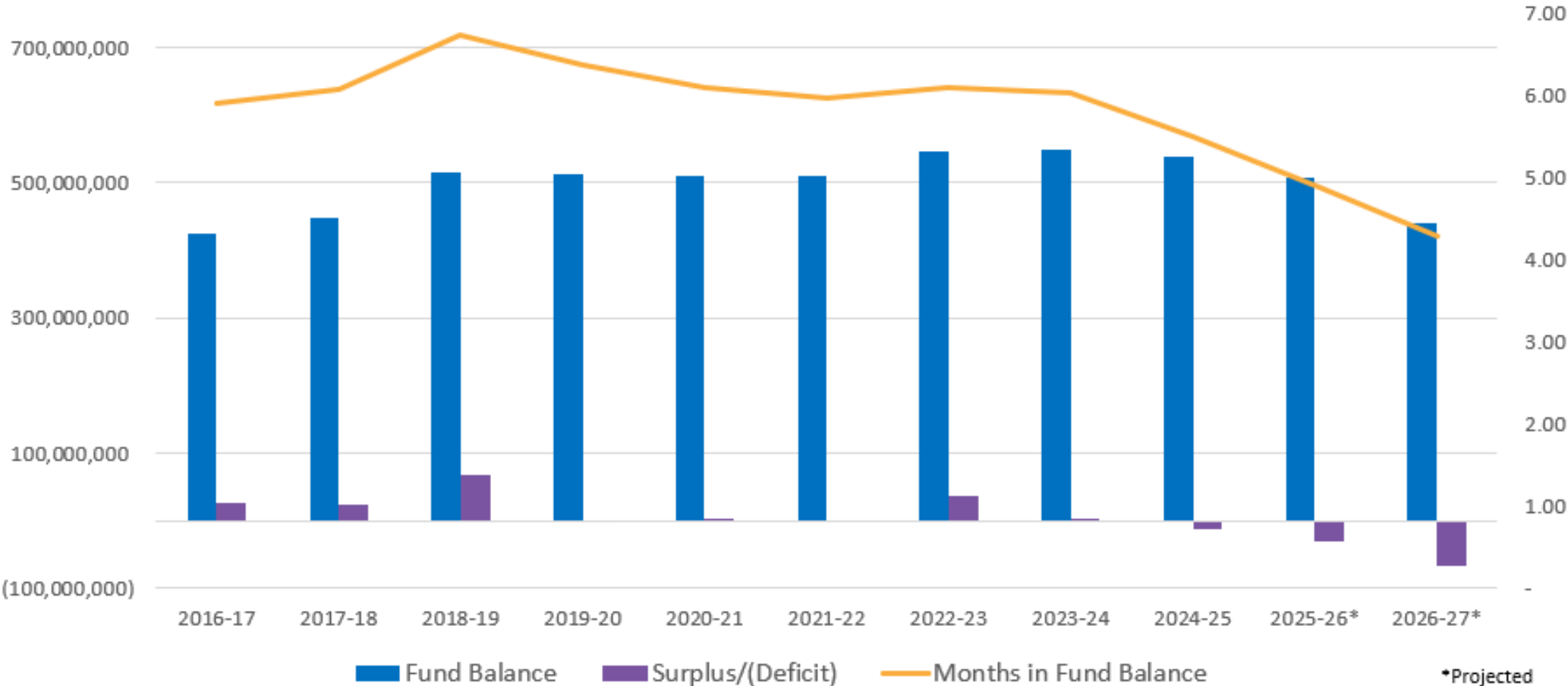
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- **Decrease** department budgets (**\$4M**)
- Net **increase** for uniform rotations, election costs, UIL expenses, technology software, and other miscellaneous expenditures (**\$0.5M**)
- Currently does **not** include employee raises

# History of CFISD Salary Increases

YEAR	TEACHER SCALE	PARA/HOURLY	ADMINISTRATION
2016-2017	2%	3%	2%
2017-2018	3%	3%	3%
2018-2019	3%	3%	3%
2019-2020	3% <sub>≤</sub> 5 years; 3.5% <sub>&gt;</sub> 5 years; and \$1,000 one-time salary increase	3% and \$500 one-time salary increase	3% and \$500 one-time salary increase
2020-2021	Add \$1,000 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase
2021-2022	5%	5% and \$1,000 stipend	5%
2022-2023	2% and \$1,000 stipend	2% and \$2,000 stipend	2% and \$1,000 stipend
2023-2024	3%	3%	3%
2024-2025	2%	2%	1%
2025-2026	\$2,500 with 1-4 years exp.; \$5,000 with 5+ years exp.	4%; increase minimum pay to \$15/hour	4%

# Fund Balance Analysis



# Fund Balance

The total accumulation of operating surpluses and deficits

## Importance of adequate fund balance

- Manage cash flow low points
  - Majority of tax collections in December and January
  - Reimbursement from federal funds
  - Fund disasters until reimbursed by insurance/federal funding
- Mitigate current and future risks such as revenue shortfalls and unanticipated expenditures
  - Declines in enrollment/ADA

## How much fund balance is needed

- Minimum of 4 months for June 30 year end

## How is fund balance replenished

- Operating surplus

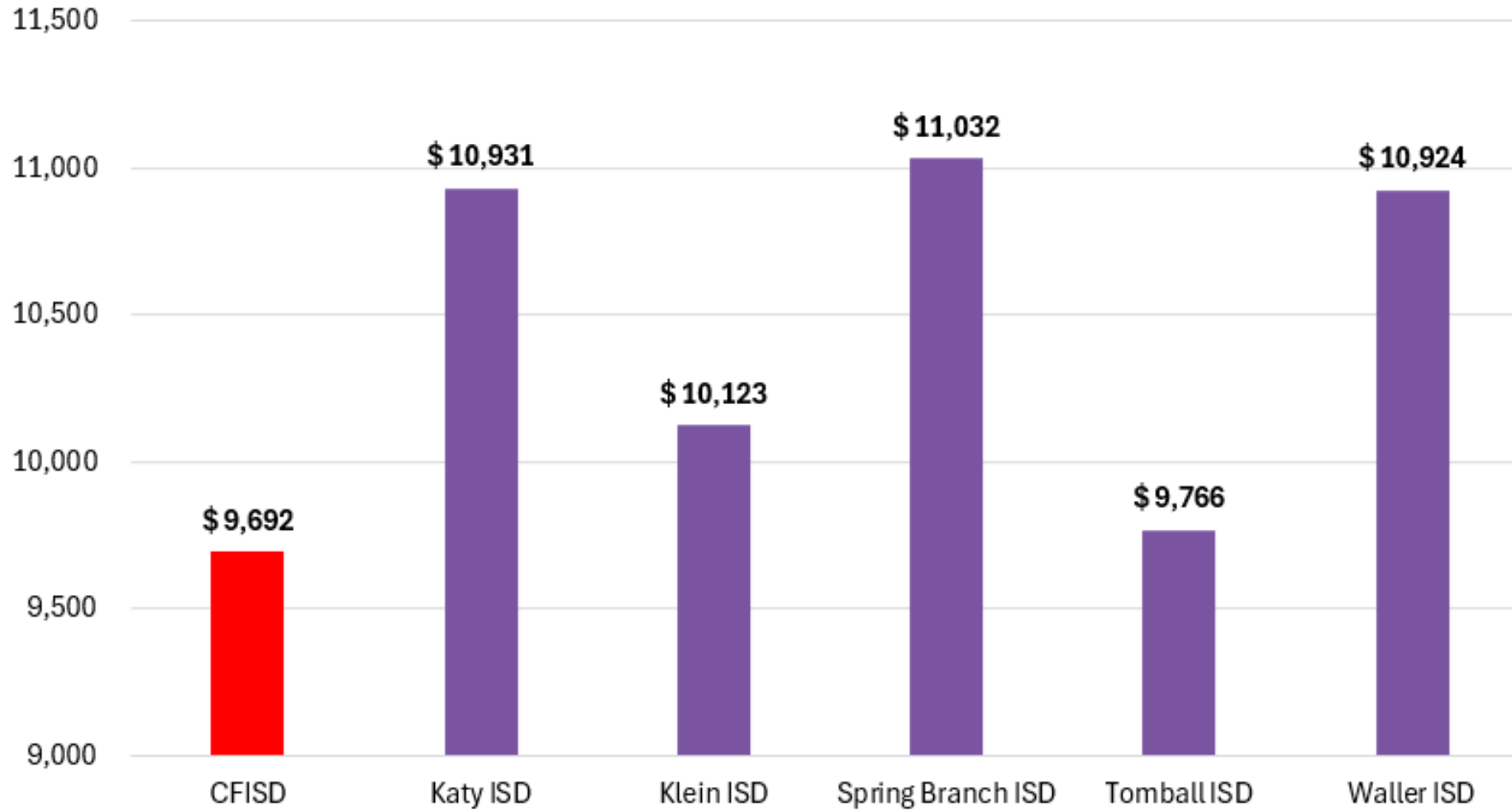
## Estimated months in fund balance at 6/30/2026

- 4.92 months

Description	2025-2026 Estimated Actuals	2026-2027 Proposed Budget	2027-2028 Estimated Budget
Ending Fund Balance	\$517,918,565	\$450,493,890	\$364,552,594
Less: Nonspendable & Committed Fund Balances	\$11,386,232	\$11,386,232	\$11,386,232
Fund Balance (Available to Spend & Used for FIRST Rating)	<b>\$506,532,333</b>	<b>\$439,107,658</b>	<b>\$353,166,362</b>
Operating Expenditures	\$1,236,625,070	\$1,228,691,637	\$1,227,726,318
Monthly Operating Expenditures	\$103,052,089	\$102,390,970	\$102,310,527
Deficit	\$(31,663,590)	\$(67,424,675)	\$(85,941,296)
Months in Fund Balance	<b>4.92</b>	<b>4.29</b>	<b>3.45</b>
% of Fund Balance	41%	36%	29%
Excess/(Shortfall) of 4 Months in Fund Balance	\$94,323,976	\$29,543,779	<b>\$(56,075,744)</b>

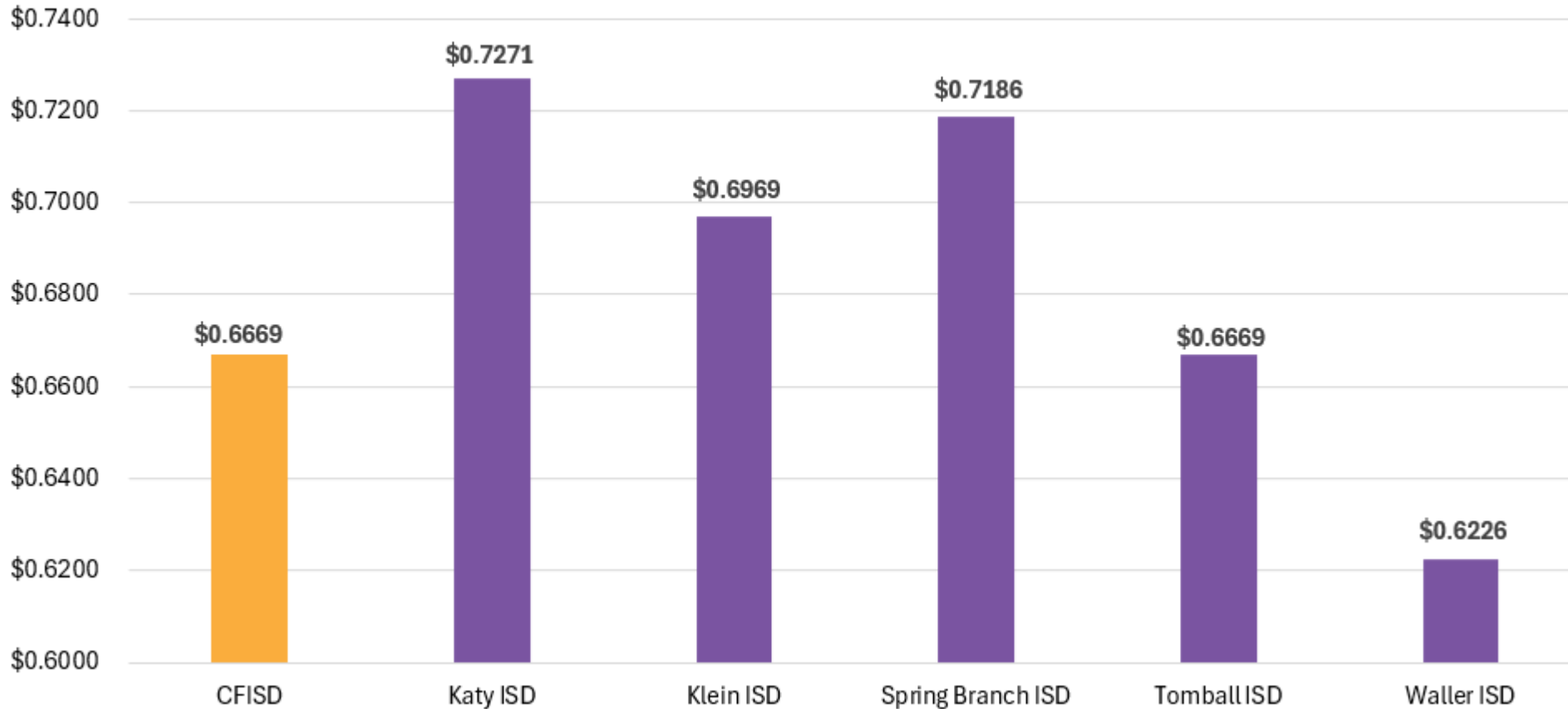
# Current Fund Balance Estimates

## State & Local Revenue per ADA - 2024-2025



Source: TEA Summary of Finances

## 2025 M&O Tax Rate Comparison



Source: TEA Summary of Finances

**Cypress-Fairbanks ISD – Summary**  
**General Operating Fund: Funding and Expenditures Per Student (2024/25)**  
**Houston Area School Districts – Enrollment Above 10,000 Students**

Description	CFISD Rank	CFISD Per Student	Average Per Student Houston Area School Districts - Enrollment Above 10,000
<b>State and Local Funding</b>	No. 27	\$9,798	\$11,089
<b>Surplus/(State Appropriation Deficit)</b>	No. 16	(\$94)	(\$83)
<b>Average Employee Salary</b>	No. 13	\$55,623	\$55,476
<b>Payroll Cost</b>	No. 24	\$8,690	\$9,495
<b>Student Instruction</b>	No. 18	\$6,380	\$6,542
<b>Plant Maintenance &amp; Operations</b>	No. 27	\$762	\$1,157
<b>General Administration</b>	No. 27	\$155	\$307
<b>Campus Administration</b>	No. 26	\$562	\$703

# Board's Budget Priorities

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- ✓ Increase compensation
  - Teachers
  - Paraprofessional and hourly employees
  - All other employees
- ✓ Increase the minimum pay rate for all hourly/paraprofessional employees
- ✓ Increase health insurance contributions

# Board's Budget Priorities

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- ✓ Reinstatement of high school college and career specialists and counselors (\$1,046,352)
- ✓ Reinstatement of elementary behavioral interventionists, testing coordinators and counselors (\$4,640,291)
- ✓ Reinstatement of librarians (\$2,759,576)
  - ES 1:1 campus ratio (\$2,353,756 for 29)
  - MS/HS 1:2 campus ratio (\$405,820 for 5)

# Board's Budget Priorities

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- ✓ Add elementary library paraprofessionals (\$749,389 for 29)
- ✓ Add library systems coordinator (\$104,858)
- ✓ Add psychologists (\$1,063,804 for 14)
- ✓ Add one (1) librarian, behavioral interventionist, testing coordinator, or special education coordinator to Title I elementary campuses (\$3,733,544 for 46)
- ✓ Implement school-based soccer at Title I middle schools (\$223,600 for 13)

# Superintendent's Budget Priorities

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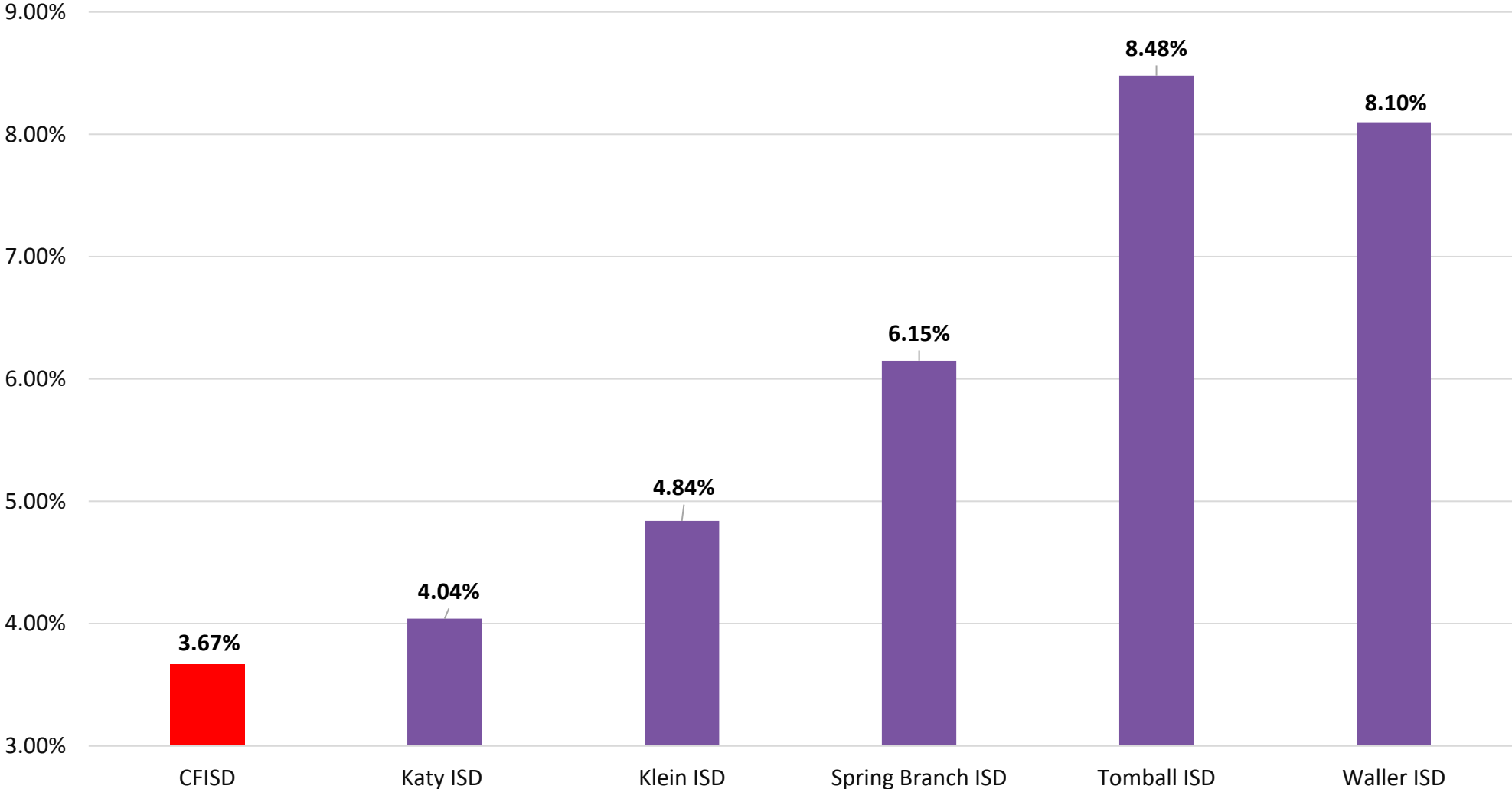
- ✓ Competitive Salaries
- ✓ Health Insurance
- ✓ Recruitment and Retention



# **COMPENSATION OPTIONS**

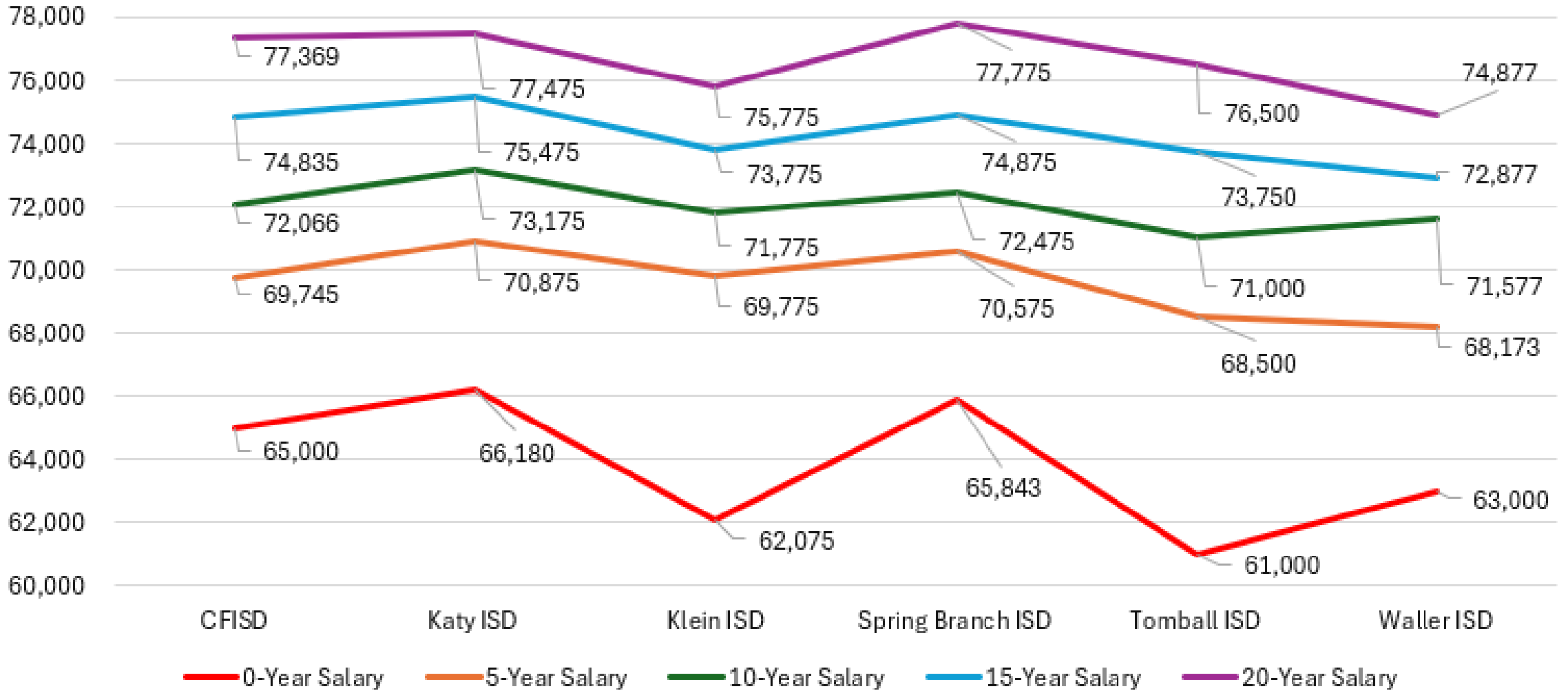
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### Comparison of Administrative Cost Ratios - 2023-2024



Source: TEA School District FIRST Ratings

# Teacher Salary Comparison - 2025-2026



# Compensation

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- Cost of 1% raise for all employees
  - 1% for teachers (\$5.1M)
  - 1% for paraprofessional and hourly (\$1.9M)
  - 1% for all other employees (\$2.0M)
- **Total Cost = approx. \$9M**

# Increase Hourly/Paraprofessional Minimum Pay Rate

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**Goal:** Increase the minimum pay rate for all hourly/paraprofessional employees paid less than \$23.00/hour

**Options:** Increase the minimum hourly rate to one of the following:

- **Option 1:** \$16 for 6,324 employees  
**Total Cost = \$10,809,738**
- **Option 2:** \$23.00 for 12,150 employees  
**Total Cost = \$82,543,277**



# Health Insurance Options

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<b>CFISD - TRS</b>	<b>Employee Only</b>	<b>Employee + Spouse</b>	<b>Employee + Children</b>	<b>Employee + Family</b>
HD	\$250	\$436	\$289	\$480
Primary+	\$250	\$449	\$300	\$487
Primary	\$250	\$436	\$289	\$480
ActiveCare 2	\$238	\$461	\$310	\$494
<b>Katy ISD - Self Insured</b>				
Memorial Hermann ACO	\$385	\$385	\$385	\$385
HD Plan	\$385	\$385	\$385	\$385
Choice POS	\$385	\$385	\$385	\$385
<b>Klein ISD - TRS</b>				
HD	\$311	\$419	\$348	\$455
Primary+	\$311	\$419	\$348	\$455
Primary	\$311	\$419	\$348	\$455
ActiveCare 2	\$340	\$430	\$360	\$425
<b>Spring Branch ISD - TRS</b>				
HD	\$409	\$671	\$406	\$748
Primary+	\$320	\$472	\$356	\$617
Primary	\$397	\$667	\$406	\$736
ActiveCare 2	\$293	\$448	\$275	\$363
<b>Tomball ISD - TRS</b>				
HD	\$346	\$346	\$346	\$346
Primary+	\$346	\$346	\$346	\$346
Primary	\$346	\$346	\$346	\$346
ActiveCare 2	\$346	\$346	\$346	\$346
<b>Waller ISD - TRS</b>				
HD	\$365	\$375	\$425	\$480
Primary+	\$365	\$375	\$425	\$480
Primary	\$365	\$375	\$425	\$480
ActiveCare 2	\$375	\$375	\$375	\$375



# Surrounding District 2025-26 Health Insurance Comparison

# CFISD Health Insurance Participation

Benefit Criteria	Enrollees	Percentage Enrolled
Benefit Eligible Employees	17,146	
Employees Enrolled in Medical	8,150	47.53%
HD	2,785	34.17%
Primary+	1,821	22.34%
Primary	3,446	42.28%
ActiveCare 2	98	1.20%

ActiveCare HD	Enrollees	ActiveCare Primary+	Enrollees	ActiveCare Primary	Enrollees	ActiveCare 2	Enrollees
Full Time Employee Only	1,863	Full Time Employee Only	1,116	Full Time Employee Only	2,270	Full Time Employee Only	51
Full Time Employee & Spouse	87	Full Time Employee & Spouse	65	Full Time Employee & Spouse	69	Full Time Employee & Spouse	3
Full Time Employee & Children	605	Full Time Employee & Children	486	Full Time Employee & Children	868	Full Time Employee & Children	35
Full Time Employee & Family	178	Full Time Employee & Family	121	Full Time Employee & Family	161	Full Time Employee & Family	8
Part Time Employee Only	44	Part Time Employee Only	29	Part Time Employee Only	69	Part Time Employee Only	-
Part Time Employee & Spouse	-	Part Time Employee & Spouse	4	Part Time Employee & Spouse	-	Part Time Employee & Spouse	-
Part Time Employee & Children	7	Part Time Employee & Children	-	Part Time Employee & Children	9	Part Time Employee & Children	1
Part Time Employee & Family	1	Part Time Employee & Family	-	Part Time Employee & Family	-	Part Time Employee & Family	-
<b>Subtotal - Benefits Eligible</b>	<b>2,785</b>		<b>1,821</b>		<b>3,446</b>		<b>98</b>

Position	# of Employees	% of Employee Group
Administration	338	69%
Asst./Assoc. Principal	204	75%
Campus Paraprofessional	682	24%
Custodial/Maintenance/Operations	176	19%
Food Service	129	11%
Misc. Campus Staff	656	68%
Non-Campus Paraprofessional	148	34%
Police Department	82	98%
Principal	69	73%
Teacher	5,375	69%
Transportation Department	291	27%
<b>Total</b>	<b>8,150</b>	<b>48%</b>



# Employees on Health Insurance

# Option 2 Example - CFISD Contribution

Tier	ActiveCare HD	ActiveCare Primary+	ActiveCare Primary	ActiveCare 2	Number of Employees Impacted
Employee Only	(\$250) \$320	(\$250) \$320	(\$250) \$320	\$238	5,391
Employee + Spouse	\$436	\$449	\$436	\$461	
Employee + Children	(\$289) \$320	(\$300) \$320	(\$289) \$320	\$310	1,975
Employee + Family	\$480	\$487	\$480	\$494	

- Proposed increase based on average of employee only to offset TRS-ActiveCare increase
- Cost Increase = \$5,206,476



# **RECRUITMENT & RETENTION OPTIONS**

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# One-Time Staff Recruitment and Retention Stipend

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## Stipend Amounts:

- \$325 for all employees (\$5,373,225)
- \$500 for all employees (\$8,266,500)

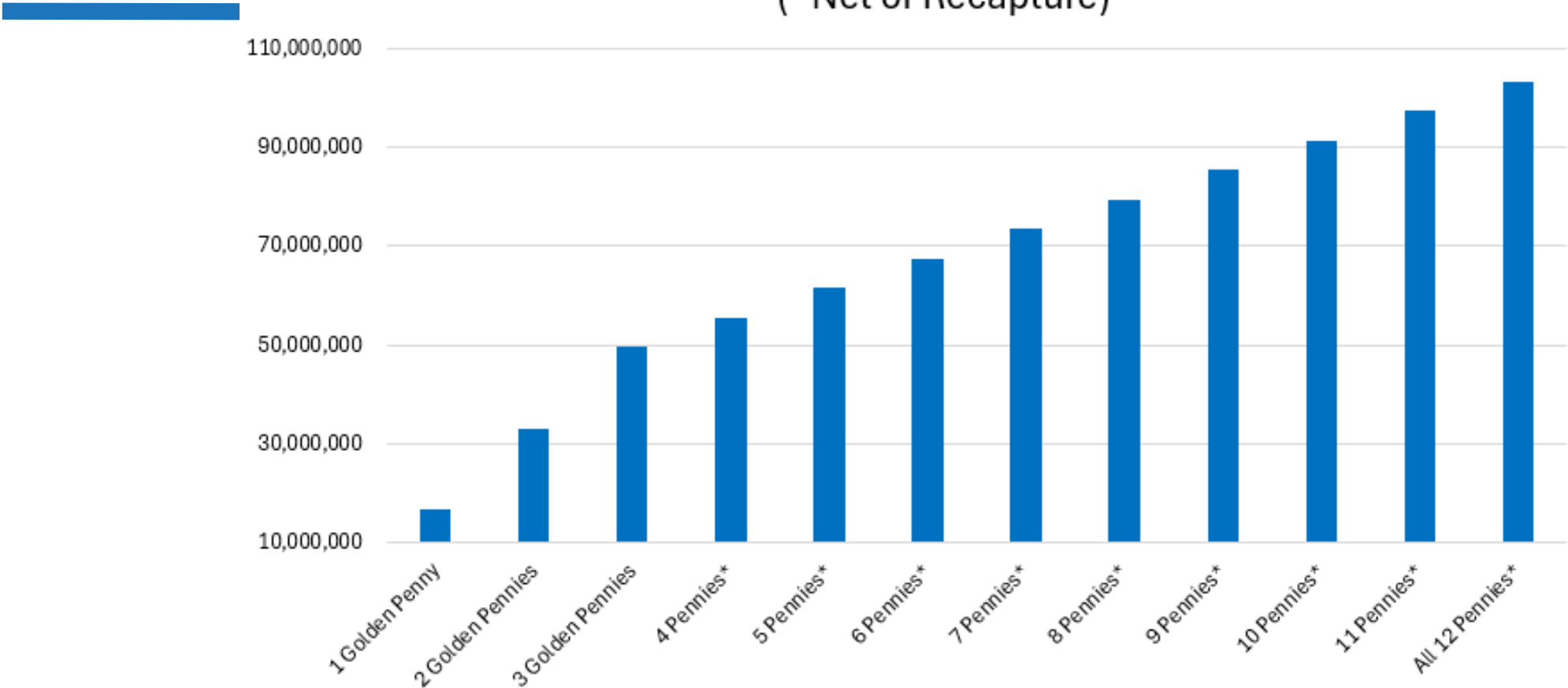


# Potential Revenue from VATRE

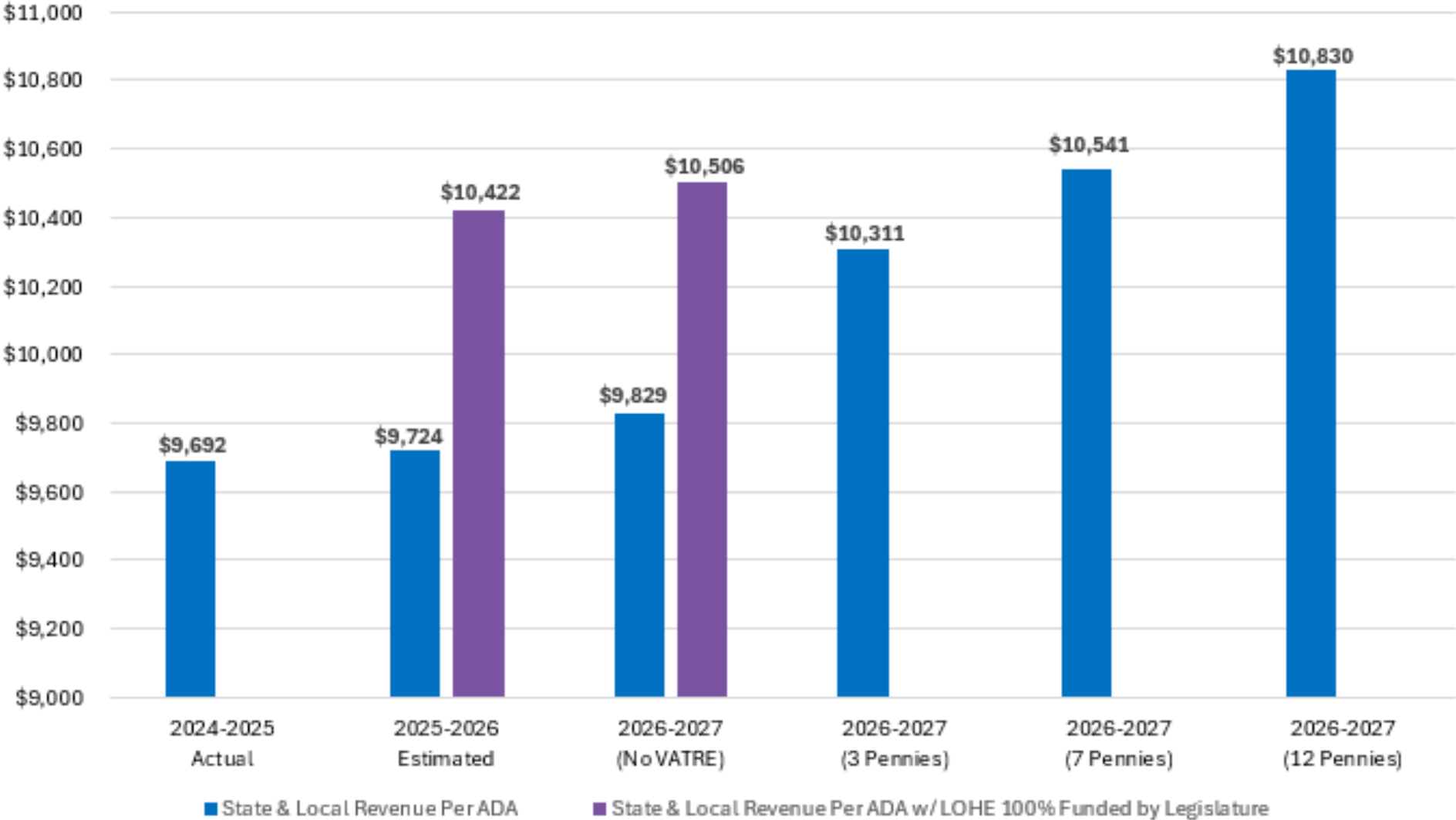
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# Impact of Enrichment Pennies

VATRE Estimated Revenue Increases  
(\*Net of Recapture)



# CFISD State & Local Revenue Per ADA



## \$350,000 Home (\$0.03 Golden Pennies)\*

- Increase of \$49.7M in general fund revenue
- Increase of \$482 net revenue gain per ADA
- No change in school district property taxes\*\*

## \$350,000 Home (\$0.03 Golden & \$0.04 Copper Pennies)\*

- Increase of \$73.4M (net of \$2.2M recapture) in general fund revenue
- Increase of \$712 net revenue gain per ADA
- Increase of \$56 **annually** in school district property taxes\*\*

## \$350,000 Home (\$0.03 Golden & \$0.09 Copper Pennies)\*

- Increase of \$103.2M (net of \$5M recapture) in general fund revenue
- Increase of \$1,001 net revenue gain per ADA
- Increase of \$126 **annually** in school district property taxes\*\*

LOHE reduces property taxes by \$747 to \$810\*\*

# Impact of VATRE

\* Assumes no change in property value

\*\*Annual increase/decrease in school district property taxes based on \$0.6669 estimated M&O 2026 tax rate and \$0.37 I&S 2026 tax rate

**Houston Area School Districts  
Enrollment Above 10,000 Students  
M&O Funding Per Student (HB 2)**

<b>Rank</b>	<b>School District</b>	<b>M&amp;O Funding Per Student</b>	<b>Optional Homestead Exemption</b>	<b>Recapture (2025/26)</b>
1.)	Galena Park ISD	\$12,734	20%	No
2.)	Aldine ISD	\$12,425	None	No
3.)	Alief ISD	\$12,350	None	No
4.)	New Caney ISD	\$12,057	None	No
5.)	Goose Creek CISD	\$11,995	10%	Yes
6.)	Sheldon ISD	\$11,916	20%	No
7.)	Deer Park ISD	\$11,543	20%	Yes
8.)	Alvin ISD	\$11,435	None	No
9.)	Spring ISD	\$11,381	None	No
10.)	Humble ISD	\$11,337	None	No
11.)	Spring Branch ISD	\$11,330	20%	Yes
12.)	Katy ISD	\$11,206	None	No
--	<b>Houston Area Avg.</b>	<b>\$11,165</b>	--	--

Sources: Legislative Budget Board – M&O Revenue Comparison – HB 2 – Fiscal Year 2026. Texas MAC and TEA - Summary of Finances.

**Houston Area School Districts  
Enrollment Above 10,000 Students  
M&O Funding Per Student (HB 2)**

Rank	School District	M&O Funding Per Student	Optional Homestead Exemption	Recapture (2025/26)
--	Houston Area Avg.	\$11,165	--	--
13.)	Pearland ISD	\$10,948	None	No
14.)	Beaumont ISD	\$10,922	None	Yes
15.)	Dickinson ISD	\$10,870	None	No
16.)	Fort Bend ISD	\$10,803	None	Yes
17.)	Houston ISD	\$10,761	20%	No
18.)	Clear Creek ISD	\$10,625	5%	No
19.)	Magnolia ISD	\$10,468	None	No
20.)	Lamar CISD	\$10,439	None	No
21.)	Klein ISD	\$10,432	None	No
22.)	Tomball ISD	\$10,088	None	No
23.)	Conroe ISD	\$10,085	None	No
24.)	Cypress-Fairbanks ISD	\$9,798	20%	No

← 12¢-\$10,830 \*

← 7¢-\$10,541 \*

← 3¢-\$10,311 \*

Sources: Legislative Budget Board – M&O Revenue Comparison – HB 2 – Fiscal Year 2026. Texas MAC and TEA - Summary of Finances.

Prepared by Mesirow

\*Estimated local and state revenue per ADA for 2026-2027



# **Summary of Costs of Budget Options**

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# Cost of Budget Options

Option	Details	Cost
<b>Employee Compensation</b>		
Cost-of-living raise (1%):		
	All employees	\$ 9,000,000
	Teachers only	\$ 5,100,000
	Paraprofessional & hourly only	\$ 1,900,000
	All other employees	\$ 2,000,000
Increase the minimum pay rate for all hourly/paraprofessional employees paid less than \$23.00/hour:		
	\$16.00 for 6,324 employees	\$ 10,809,738
	\$23.00 for 12,150 employees	\$ 82,543,277
One-Time Recruitment and Retention Stipend:		
	1 \$325/employee	\$ 5,373,225
	2 \$500/employee	\$ 8,266,500

# Cost of Budget Options

Option	Details	Cost
<b>Health Insurance</b>		
Increase health insurance contributions:		
1	\$25 employee only, \$275 minimum for all tiers except ActiveCare 2 (same increase as prior year)	\$ 1,622,100
2	\$70 employee only, \$320 minimum for all tiers except ActiveCare 2 (offset TRS increase)	\$ 5,206,476
3	\$113 employee only, \$363 minimum for all tiers except ActiveCare 2 (area district average contribution)	\$ 9,007,332
<b>Extracurricular activities</b>		
	Implement school-based soccer at Title 1 middle schools only	
	13 campuses	\$ 223,600

# Cost of Budget Options

Option	Details	Cost
<b>Staffing</b>		
Reinstate high school college and career specialists and guidance counselors	In 2024-25, high schools given choice to remove high school college and career specialist (CCS) or counselor; Removed 12 FTE totaling \$1,037,208	\$ 1,046,352
Reinstate elementary behavioral interventionists, testing coordinators and guidance counselors	In 2024-25, elementaries given choice to remove elementary behavioral interventionist, testing coordinator or counselor; Removed \$3,363,000	\$ 4,640,291
Reinstate librarians:		
	ES 1:1 campus ratio (29)	\$ 2,353,756
	MS 1:2 campus ratio (3)	\$ 243,492
	HS 1:2 campus ratio (2)	\$ 162,328

# Cost of Budget Options

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Option	Details	Cost
Add elementary library paraprofessionals	29 elementaries	\$ 749,389
Add library systems coordinator	District-level	\$ 104,858
Add psychologists based on need or best practices	14 psychologists	\$ 1,063,804
Provide +1 allocation to Title I elementary campuses to be utilized as determined/prioritized by Title I elementary principals for each individual campus; allocation options to be limited to campus-dedicated librarian, behavioral interventionist, testing coordinator, or special education coordinator.	46 Title I campuses	\$ 3,733,544

# Cost of Budget Options

Details	Cost	Hinaman	Lane	Guilmart	Ray	Kalmbach	LeCompte	Camarena	Killian	CONSENSUS
Estimated Deficit:	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)
Estimated Expenditures	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637
Fund Balance	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658
Months in Fund Balance	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29



# Questions?

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