PUBLIC HEARING REGARDING THE 2026-27 BUDGET AND TAX RATE

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Chief Financial Officer

June 23, 2026

TOPICS

- Review budget calendar
- Review projected 2025-26 budget
- Review 3-year projections
- Review estimated Tax Rate
- Review General Fund budget
- Review Debt Service budget
- Review Child Nutrition budget

Budget Calendar

JANUARY 2026

- Budget calendar
- Similar district data comparison
- Budget assumptions/first look at 2026-27 budget

APRIL 2026

- Receive preliminary estimate of 2026 Certified Values from TCAD/Property value presentation
- Discuss employee compensation options

JUNE 2026

- 2026-27 budget and Tax Rate Hearing
- Approve 2026-27 Compensation Plan
- Adopt 2026-27 General Fund, Debt Service and Child Nutrition budgets

Review 2025-26 Budget

- 2025-26 end-of-year projection
- 2025-26 projected end-of-year Fund Balance
- 2025-26 projected end-of-year Fund Balance as a percentage of General Fund (less recapture)

Review 2025-26 Budget

	2024/25	2025/26
	ACTUAL	PROJECTED
Revenue	$ 184,870,644	$ 168,786,309
Expense	$ 188,098,689	$ 172,848,293
Rev - Exp	$ (3,228,045)	$ (4,061,984)
Ending FB	$ 26,103,219	**$ 22,041,235**
Recapture	$ 93,252,682	$ 75,569,944
FB / Expenses - Recapture	28%	23%

Review 3-Year Projections

- **Option #1:** No compensation increase
- **Option #2:** One-time payment (proposed)
- **Option #3:** 2% compensation increase

OPTION #1

NO COMPENSATION INCREASE IN 2026-27

	2026-27*	2027-28**	2028-29
Compensation	0%	2%	2%
Revenue	$ 169,251,708	$ 167,798,827	$ 167,846,767
Expense	$ 167,671,850	$ 169,353,124	$ 171,068,023
Rev - Exp	$ 1,579,858	$ (1,554,297)	$ (3,221,256)
Recapture	$ 75,701,463	$ 75,701,463	$ 75,701,463
Projected Fund Balance	$ 23,621,093	$ 22,066,796	$ 18,845,540
FB / (Expenses - Recapture)	25.7%	23.6%	19.8%

* $1.5 M for sale of district property
** Removed $1.5M for sale of district property

OPTION #2

ONE-TIME PAYMENT IN 2026-27 ($700 PER EMPLOYEE)

	2026-27*	2027-28**	2028-29
Compensation	1X Payment	2%	2%
Revenue	$ 169,251,708	$ 167,798,827	$ 167,846,767
Expense	$ 168,395,850	$ 169,353,124	$ 171,068,023
Rev - Exp	$ 855,858	$ (1,554,297)	$ (3,221,256)
Recapture	$ 75,701,463	$ 75,701,463	$ 75,701,463
Projected Fund Balance	$ 22,897,093	$ 21,342,796	$ 18,121,540
FB / (Expenses - Recapture)	24.7%	22.8%	19.0%

* $1.5 M for sale of district property
** Removed $1.5M for sale of district property

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OPTION #3

2% COMPENSATION INCREASE IN 2026-27

	2026-27*	2027-28**	2028-29
Compensation	2%	2%	2%
Revenue	$ 169,298,827	$ 167,798,827	$ 167,846,767
Expense	$ 169,353,124	$ 171,068,023	$ 172,817,221
Rev - Exp	$ (54,297)	$ (3,269,196)	$ (4,970,454)
Recapture	$ 75,701,463	$ 75,701,463	$ 75,701,463
Projected Fund Balance	$ 21,986,938	$ 18,717,742	$ 13,747,288
FB / (Expenses - Recapture)	23.5%	19.6%	14.2%

* $1.5 M for sale of district property
** Removed $1.5M for sale of district property

REVIEW ESTIMATED TAX RATE

- Tax adoption process
- Review Tax Rate history

Estimated Tax Rate

- TEA approves the Maximum Compressed Rate (MCR) in late July. Once the MCR is approved by TEA, the District can adopt the tax rate.
- Eanes ISD typically adopts the tax rate at the second board meeting in August (have until September 30).
- The total tax rate is made up of the Maintenance and Operations (M&O) and the Interest and Sinking (I&S or debt service) tax rates.
- The M&O rate cannot be set higher than the total of the MCR and the previously voter-approved Tier 2 and Tier 3 pennies without holding a Voter Approval Tax Rate Election (VATRE). EISD currently has eight Tier 2 'Golden Pennies' and no Tier 3 'Copper Pennies.'
- The I&S rate should be set at a level that allows the district to service its debt up to a maximum of 50¢. Additional voter approval is not required to increase the I&S tax rate. Administration is not recommending an increase from the current I&S rate of 12¢.

Tax Rate History

School Year	M&O Tax Rate	I&S Tax Rate	Total Tax Rate
2026-27*	$0.7122	$0.1200	$0.8322
2025-26	$0.7122	$0.1200	$0.8322
2024-25	$0.7655	$0.1200	$0.8855
2023-24	$0.7680	$0.1200	$0.8880
2022-23	$0.8846	$0.1200	$1.0046
2021-22	$0.9408	$0.1200	$1.0608
2020-21	$0.9964	$0.1200	$1.1164
2019-20	$0.9900	$0.1400	$1.1300
2018-19	$1.0600	$0.1400	$1.2000
2017-18	$1.0600	$0.1400	$1.2000
2016-17	$1.0400	$0.1725	$1.2125
2015-16	$1.0400	$0.1725	$1.2125
2014-15	$1.0400	$0.1725	$1.2125
2013-14	$1.0400	$0.1725	$1.2125

*Estimated

Review General Fund Budget

2026-27 General Fund Budget

General Fund Budget Assumptions:

- Based on current law (89th Legislative Session).
- No increase in salaries, includes proposed one-time payment.
- 1.33% decrease in Total Taxable Value.

2026-27 General Fund Budget

- Excluding recapture, all budgeted General Fund expenditures **decreased** by 3.87% (approximately $3.7M) from 2025-26 and 3.97% ($3.8M) from 2024-25.
- Total personnel expenses, which makes up approximately 87.5% of the 2026-27 General Fund budget, **decreased** by 3.48% (approximately $2.9M) from 2025-26 and decreased by 3.60% ($3.0M) from 2024-25.
- Excluding recapture and payroll expenses, all other General Fund expenditures **decreased** by 6.48% (approximately $800K). This is primarily due to higher than usual legal fees and election costs in the 2025-26 year.

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2026-27 General Fund Budget

Revenues	
Property Tax Revenues	$146.6 Million
Other Local Revenue	$7.4 Million
State Revenues (Including TRS on-behalf)	$11.4 Million
Federal Revenues	$0.1 Million
Other	$3.8 Million
Total Revenues	**$169.25 Million**
Expenses	
Payroll	$81.1 Million
Other Expenses	$11.6 Million
Recapture	$75.7 Million
Total Expenses	**$168.4 Million**
Budgeted Surplus	**$0.85 Million**

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Review Debt Service Budget

2026-27 Debt Service Budget

- Debt service payments do not align with the school fiscal year. Interest is paid twice each year in February and August; principal payments are made in August.

- Eanes ISD's fiscal year is July - June, as such the August payment is made with tax revenue collected in the previous fiscal year. Currently high fund balance as of June 30, however, must have adequate amount to make the August payment.

- At the end of the fiscal year (June 30) the Fund Balance is projected to be $26.6M, with an August payment in the amount of $21.2M.

2026-27 Debt Service Budget

Revenues

Property Tax Revenues	$24.4 Million
Other Local Revenue	$0.6 Million
State Revenues	$0.5 Million
Total Revenues	**$25.6 Million**

Expenses

Bond Principal	$17.2 Million
Bond Interest	$ 7.7 Million
Fees	$ 0.03 Million
Total Expenses	**$24.9 Million**

Budgeted Surplus **$0.7 Million**

Review Child Nutrition Budget

2026-27 Child Nutrition Budget

- The financial goal of the child nutrition program is to generate enough revenue to pay for its operations.
- 2023-24 was the first year that Eanes did not participate in the National School Lunch and Breakfast (NSLB) program at any campus. Students who qualify under the national guidelines continue to receive free or reduced-price meals as they would have under the program.
- In year one, the CN program did not break even and was given a loan from the General Fund. This loan was fully repaid at the end of the 2025-26 school year.
- Meal charges may be increased in 2026-27 to account for the labor and food inflation that have been experienced over the last few years.

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2026-27 Child Nutrition Budget

Revenues	
Local Revenue	$5.4 Million
Total Revenues	**$5.4 Million**
Expenses	
Expenses	$5.4 Million
Total Expenses	**$5.4 Million**
Budgeted Surplus	**$0.1 Million**

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2026-27 General, Debt Service & Child Nutrition Budgets

- Must be adopted by function no later than June 30, 2026.
- The required posting advertising the public hearing was published in the Austin American-Statesman on Friday, June 12, 2026.
- The public is invited to make comments during the public hearing.
- The budgets (by function) can be found on the first page after the cover in the document “2026-27 Proposed Budget.”

2026-27 General, Debt Service & Child Nutrition Budgets

General Fund

Revenue:

Property Tax Revenue	$ 146,620,870
Other Local Revenue	7,354,500
State Revenue	11,401,338
Federal Revenue	75,000
Other Resources	3,800,000
Total Revenue & Other Resources	**$ 169,251,708**

Expendītures:

Function	Description	
11	Instruction	$ 55,330,285
12	Instr Resources & Media	795,287
13	Curriculum & Staff Development	2,021,730
21	Instructional Leadership	1,689,914
23	School Leadership	4,567,484
31	Guidance & Counseling	2,263,147
32	Social Work Services	598,568
33	Health Services	823,066
34	Student Transportation	2,696,795
35	Child Nutrition Services	205,461
36	Co/Extra-Curricular	3,404,418
41	General Administration	3,668,340
51	Plant Maintenance	10,881,485
52	Security & Monitoring Service	1,630,637
53	Data Processing	828,690
61	Community Services	313,080
71	Debt Service	10,000
91	Chapter 49 Recapture	75,701,463
99	Other Intergovernmental Charges	966,000
Total Expenditures		**$ 168,395,850**
Revenue - Expenditures		$ 855,858
* Object Code 6491		$ 15,850

Debt Service Fund

Revenue:

Property Tax Revenue	$ 24,507,468
Other Local Revenue	570,000
State Revenue	$ 490,111
Total Revenue	**$ 25,567,579**

Expenditures:

Function	Description	
71	Bond Principal	$ 17,180,000
71	Bond Interest	7,680,817
71	Fees	30,000
Total Expenditures		**$ 24,890,817**
Revenue - Expenditures		$ 676,762

Child Nutrition Fund

Revenue:

Local Revenue	$ 5,429,900
State Revenue	-
Other Resources (Federal)	-
Total Revenues	**$ 5,429,900**

Expenditures:

Function		
35	Food Services	$ 5,078,918
51	Plant Maintenance	285,779
	Other Uses	-
Total Expenditures		**$ 5,364,697**
Revenue - Expenditures		$ 65,203

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DISCUSSION & PUBLIC HEARING