

Adopted General Operating Budget

2026-2027



Estimated General Fund 2025-2026

DESCRIPTION	ESTIMATED AMOUNT
Estimated Surplus (Deficit)	(\$45,472,853)
Decrease SHARS Federal Funds	(3,400,000)
Enrollment and Property Value Decrease	(17,300,000)
Instructional Software, Chiller Repair, Fine Arts Equipment	(4,800,000)
PVS Audits Freeze and Regular	26,400,000
Interest Income	4,600,000
Indirect Cost Reimbursement	1,900,000
Transfer-In Enterprise Fund	4,000,000
Move to Grant Funds	5,700,000
Net Budget Adjustments	(3,290,737)
Estimated Surplus (Deficit) June 30, 2026	(\$31,663,590)

Potential Factors Impacting Deficit:

- ✓ Unfilled positions
- ✓ Interest income
- ✓ Frozen (over 65) M&O hold-harmless
- ✓ Average daily attendance/enrollment
- ✓ Unspent funds other than payroll
- ✓ SHARS reduction in federal revenues
- ✓ FEMA reimbursements
- ✓ Increases in expenditures (fuel)

Budget Goals



RETAIN AND RECRUIT
QUALITY STAFF



PRESERVE QUALITY
OF INSTRUCTION AND
SERVICES



PRIORITIZE STUDENT
AND STAFF SAFETY



PRESERVE FINANCIAL
POSITION

Factors Impacting the Deficit

- State funding increases not keeping up with inflation
- State mandates without sufficient funding
- 20% local optional homestead exemption
- Decreases in enrollment and average daily attendance
- Decline in SHARS revenue

Student Enrollment

BUDGET YEAR	ACTUAL ENROLLMENT	ENROLLMENT CHANGE	PERCENT CHANGE
2021-2022	117,217	1,416	1.22%
2022-2023	118,010	793	0.68%
2023-2024	118,470	460	0.39%
2024-2025	117,927	(543)	(0.46%)
2025-2026	114,697*	(3,230)	(2.74%)
2026-2027	112,316**	(2,381)	(2.08%)

* Enrollment as of October 2025 Snapshot

** Budget estimate

2026-2027 Budget - Revenues

- **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

- **Increase** for \$500 one-time staff recruitment and retention stipend for full-time employees (\$8.3M)
- **Increase** minimum CFISD contribution for employee health insurance to \$320/month (\$5.2M)
- **Increase** for implementation of Virtual Pathways (\$4.6M)
- **Decrease** in teacher allocations due to decline in enrollment (\$11.7M)

2026-2027 Budget - Expenditures

- **Increase** in fuel due to inflation (\$1.1M)
- **Increase** for textbooks not covered by IMTA (\$2M)
- **Increase** for chiller preventative maintenance (\$2M)
- **Decrease** department budgets (\$4M)
- Net **increase** for uniform rotations, election costs, UIL expenses, technology software, and other miscellaneous expenditures (\$0.5M)

Adopted General Fund 2026-2027

DESCRIPTION	ADOPTED BUDGET
Local Revenues	\$508,294,885
State Revenues	651,080,094
Federal Revenues	6,200,000
Other Sources	500,000
Total Revenues	\$1,166,074,979
Expenditures	\$1,246,972,629
Surplus (Deficit)	(\$80,897,650)

General Fund Expenditures 2026-2027

OBJECT	ADOPTED BUDGET	PERCENT
Payroll Costs	\$1,108,231,919	88.87%
Contracted Services	75,778,079	6.08%
Supplies & Materials	39,723,673	3.19%
Other Operating	22,792,540	1.83%
Capital Outlay	446,418	0.03%
Total	<u>\$1,246,972,629</u>	<u>100.00%</u>

General Fund Expenditures 2026-2027

FUNCTION	ADOPTED BUDGET	PERCENT
Instruction	\$814,154,657	65.29%
Instructional Resources & Media	5,193,319	0.42%
C&I Staff Development	10,636,784	0.85%
Instructional Leadership	12,632,552	1.01%
School Leadership	69,652,258	5.58%
Guidance & Counseling	42,068,750	3.37%
Social Work Services	805,681	0.06%

General Fund Expenditures 2026-2027

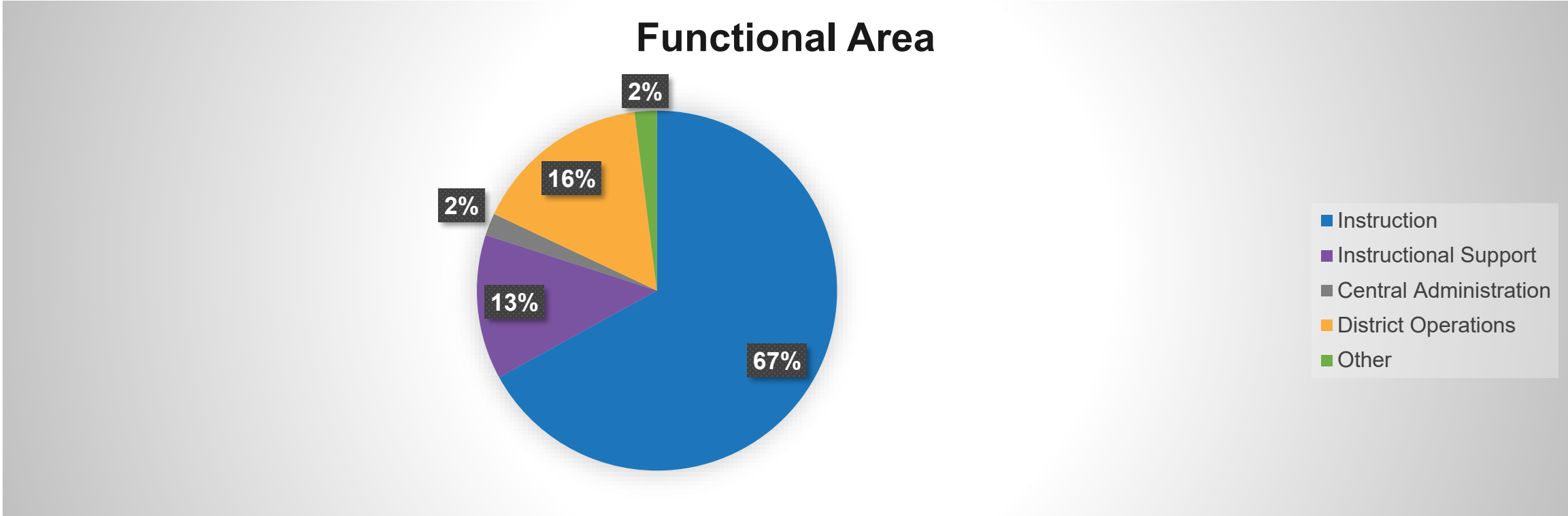
FUNCTION	ADOPTED BUDGET	PERCENT
Health Services	\$14,288,302	1.15%
Student Transportation	60,293,877	4.84%
Co/Extracurricular Activities	27,412,934	2.20%
General Administration	21,837,566	1.75%
Plant Maintenance & Operations	97,938,606	7.85%
Security & Monitoring Services	16,205,058	1.30%
Data Processing Services	30,209,688	2.42%

General Fund Expenditures 2026-2027

FUNCTION	ADOPTED BUDGET	PERCENT
Community Services	\$11,203,422	0.90%
Debt Service	2,601,543	0.21%
Facilities Acquisition & Construction	487,500	0.04%
Payments to Fiscal Agents SSA	1,833,260	0.15%
Payments to JJAEP	64,152	0.01%
Other Intergovernmental Charges	7,452,720	0.60%
Total*	\$1,246,972,629	100.00%

*Includes \$14.97M in accelerated instruction [TEC 29.081(b-1)]

General Fund Expenditures 2026-2027



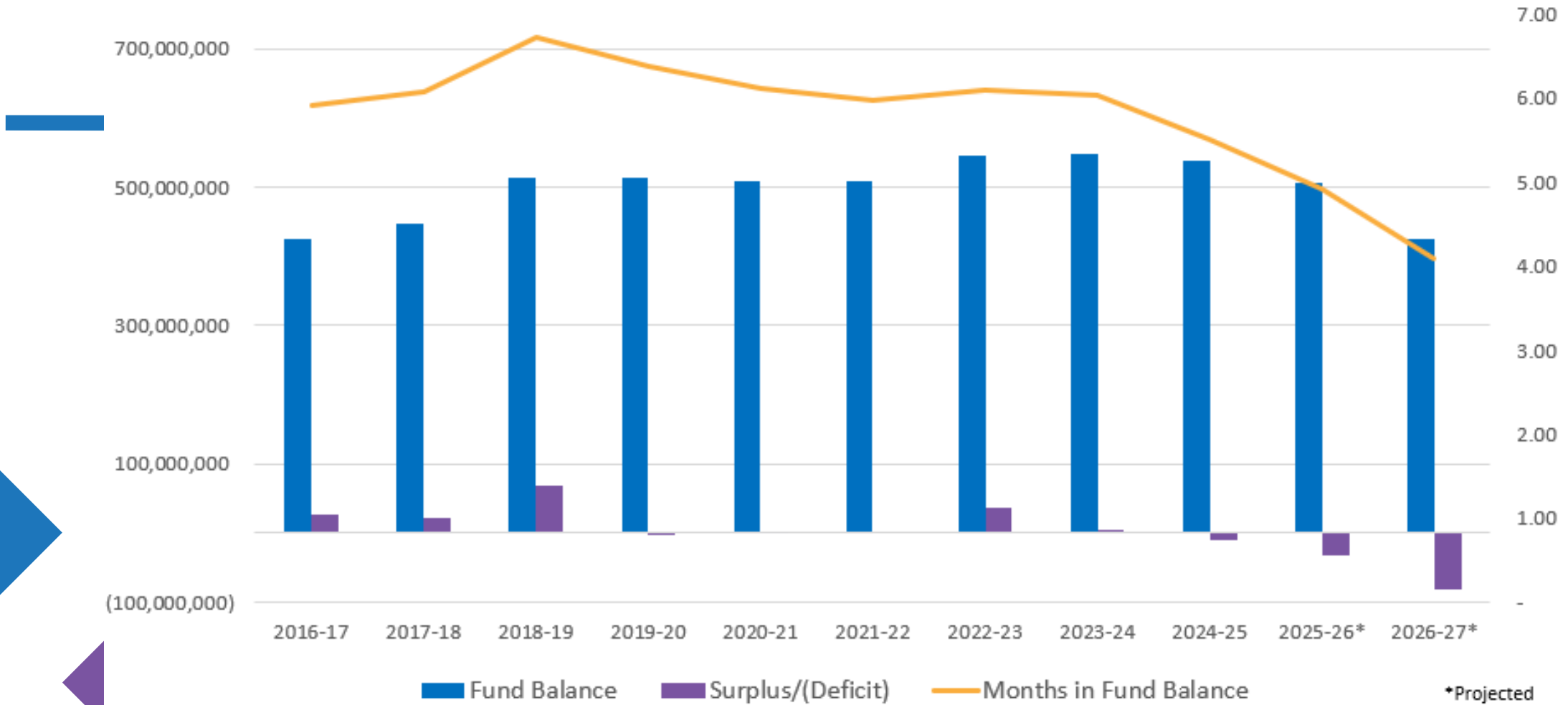
Debt Service Fund Budget 2026-2027

DESCRIPTION	ADOPTED BUDGET
Revenues:	
Local	\$265,384,654
State	60,961,845
Total Revenues	<u>\$326,346,499</u>
Expenditures:	
Debt Service	<u>326,346,499</u>
Total Expenditures	<u>\$326,346,499</u>

Food Service Fund Budget 2026-2027

DESCRIPTION	ADOPTED BUDGET
Revenues:	
Local	\$13,383,014
State	321,096
Federal	60,692,423
Total Revenues	\$74,396,533
Expenditures:	
Food Service	75,615,198
Maintenance & Operations	1,331,925
Total Expenditures	\$76,947,123
Surplus (Deficit)	(\$2,550,590)

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 Adopted Budget	2027-2028 Estimated Budget
Ending Fund Balance	\$517,918,565	\$437,020,915	\$346,156,380
Less: Nonspendable & Committed Fund Balances	\$11,386,232	\$11,386,232	\$11,386,232
Fund Balance (Available to Spend & Used for FIRST Rating)	\$506,532,333	\$425,634,683	\$334,770,148
Operating Expenditures	\$1,236,625,070	\$1,246,972,629	\$1,237,801,762
Monthly Operating Expenditures	\$103,052,089	\$103,914,386	\$103,150,147
Deficit	\$(31,663,590)	\$(80,897,650)	\$(90,864,535)
Months in Fund Balance	4.92	4.10	3.25
% of Fund Balance	41%	34%	27%
Excess/(Shortfall) of 4 Months in Fund Balance	\$94,323,976	\$9,977,140	\$(77,830,440)

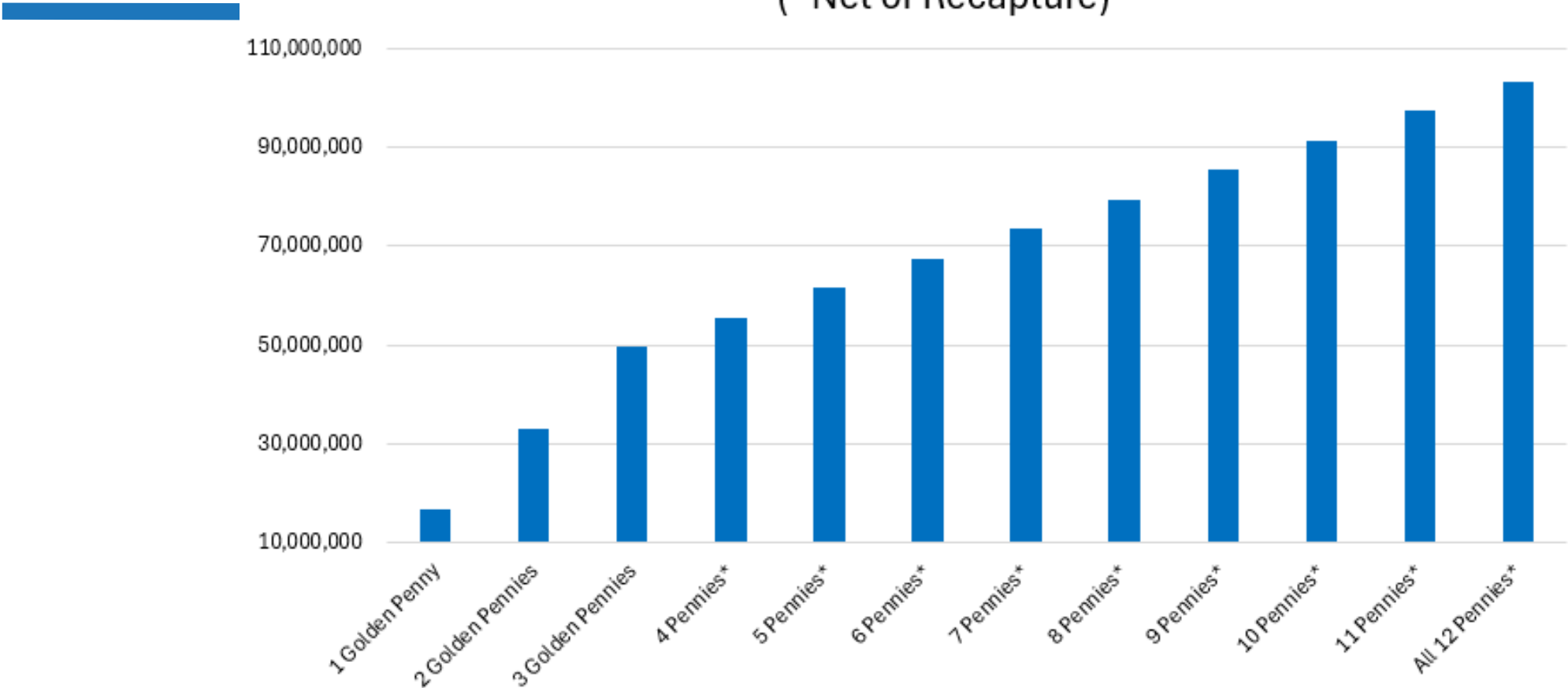
Current Fund Balance Estimates



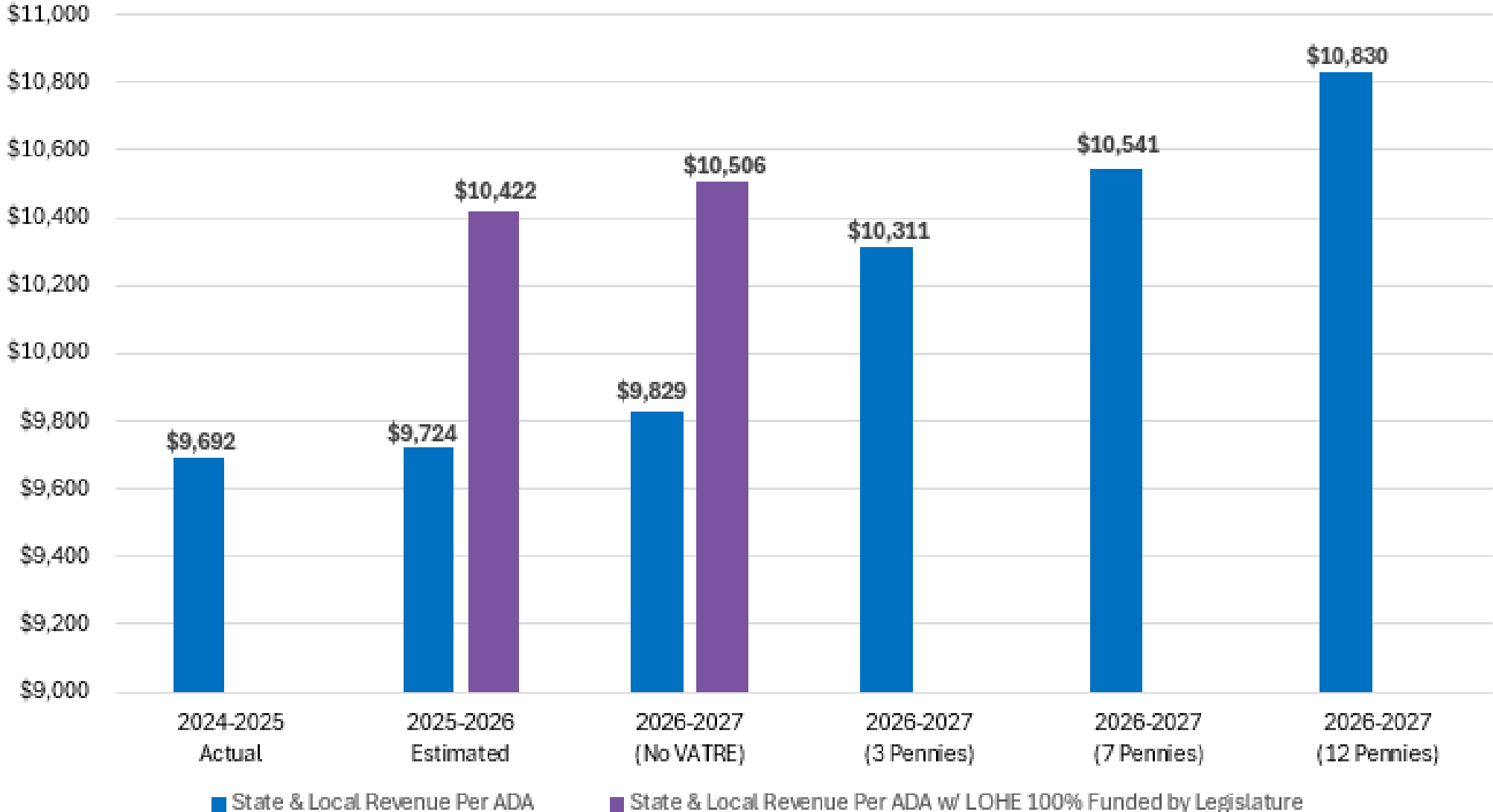
Potential Revenue from VATRE

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)**

Rank	School District	M&O Funding Per Student	Optional Homestead Exemption	Recapture (2025/26)
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
--	Houston Area Avg.	\$11,165	--	--

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

Questions?
