



SANTA FE ISD

BUDGET PLAN

2026-2027



2026-2027 Proposed Budget Executive Summary

Budget Insights and Summary

Revenues

Local Funding:

Local funding will remain relatively flat from the previous year. We are expecting that with similar tax collections and sporting events attendance, our local revenues should not see any significant deviation.

State Funding:

While school districts across the State continue to reel from the funding changes effected by the 89th legislature, our state funding should see an increase of approximately 5.2%. This is due mainly to the fact that we are requesting additional golden disaster pennies and changes in the Special Education Funding model (which, we do not yet have full guidance on the reimbursements from this change).

Federal Funding:

Federal funding remains stable, with HHSC reimbursements not expected to increase, maintaining a lower level of support in the near future. However, with the increase in expenses we are budgeting the increase in indirect costs charged to other funds, this constitutes an increase in the federal funding that we receive. We will continue to monitor and adjust accordingly should revenues and forecasts change.

Expenditures

Cost Management:

The district continues to focus on increasing its efficiency and maximizing its resources, however, there are areas that continue to be difficult to gauge due to aging infrastructure. We have set up plans in place to be able to navigate these circumstances to the best of our abilities and allow us to prepare for unforeseen issues.

Inflation Impact:

The district will continue to face these inflationary costs. The current economic and political climates of the world have substantially elevated the cost of doing business. Navigating these waters is not new for the district and we will continue to monitor and adjust as required by this. There is a decrease in the maintenance function of ~9.2% this is due to the purchase of chillers for Kubacak Elementary in the previous school year, we do not expect those costs to be repeated this year, which accounts for the reduction in budget.



Salaries and Pay Schedules

In response to the 89th Legislative session, the state mandated salary increases for teachers under HB2. Teachers with 3-4 years of experience will see an additional \$4,000, and those with 5+ years will receive \$8,000. While this is a positive development for teacher compensation, the increase did not extend to other district staff who also play critical roles in supporting students. To address this, the district is proposing a 2% pay increase for non-teacher staff, and an increase of 1% for teachers. This will help mitigate some of the pay inequity that was created due to HB2. Furthermore, the district has now implemented and is a part of the Teacher Incentive Allotment, which will provide additional funding to teachers based on performance measures.

The total cost of this compensation increase is approximately \$1.5MM. or about a 3% from previous year's budget. This takes into consideration the pay increase and incidentals that come from the increase such as employer contributions.

Bonus, Incentive, and Settlement Provision

The adopted budget may be amended throughout the fiscal year as necessary to account for staff incentives and bonuses, contingent upon the availability of sufficient revenue and funding. The Board of Trustees reserves the right, at its sole discretion and in accordance with applicable laws and regulations, to authorize the allocation and distribution of incentive payments or holiday bonuses to district staff at any time during the fiscal year.

A discretionary fund for employee settlements has been created that allows the superintendent at his or her discretion work with employees to negotiate and enter into financial agreements as needed for the operations of the district.

The superintendent at his or her discretion may reach a settlement agreement not to exceed the amount designated or available in the fund. The Superintendent will inform the Board of funds used within a reasonable time after use. If designated funds were to be exhausted during the budget year, the Board of Trustees may designate additional funds at their discretion and do so as an amendment to the budget.

At no time shall the use of funds be mandatory and will exist only for those exigent situations that may arise in the normal operations of the district that may require its use. The fund may be rescinded at any time by the discretion of the superintendent or the board to align with district policy and best practices, and to maintain legal compliance with local, state, and federal governance

In the event such action requires a budget amendment, the Board will take the necessary steps to revise the budget accordingly to reflect the approved expenditures.

Disaster Pennies

The district is still trying to mitigate its costs related to the impact of disasters sustained in the last few years, including Beryl, Ice storms, and others. All of which have impacted the district's costs in different manners, from the increase of everyday consumables to the increase in property insurance cost that have skyrocketed in the last 7 years, making the cost almost insurmountable. With this in mind the District is asking the Board of Trustees to consider the addition of \$0.06



Debt Services

Due to the increase in the homestead exemption, the district expects a decrease in tax collections for the Interest and Sinking (I&S) Fund in the 2026 tax year. This shortfall is estimated to be nearly \$2.0MM. This decrease is expected to be made whole by the State as part of their homestead exemption plan. As a precaution, the district has prepared for a \$4.8MM refunding, which will allow for early debt repayment and savings on future interest costs. The I&S fund balance will be reduced from \$6.1MM to just under \$5.7MM.

Nutrition Services

Revenue Decline:

The Nutrition Services department has experienced a significant decline in revenue due to reduced participation. Inflationary pressures on food costs have further exacerbated the situation. To remain within budget, the department has had to make difficult adjustments, including reductions in personnel.

While these reductions are not ideal, they were necessary to ensure the department's financial stability. We will continue to monitor these revenues and expenditures and adjust accordingly; the budget will remain relatively flat and will adjust accordingly.

Conclusion

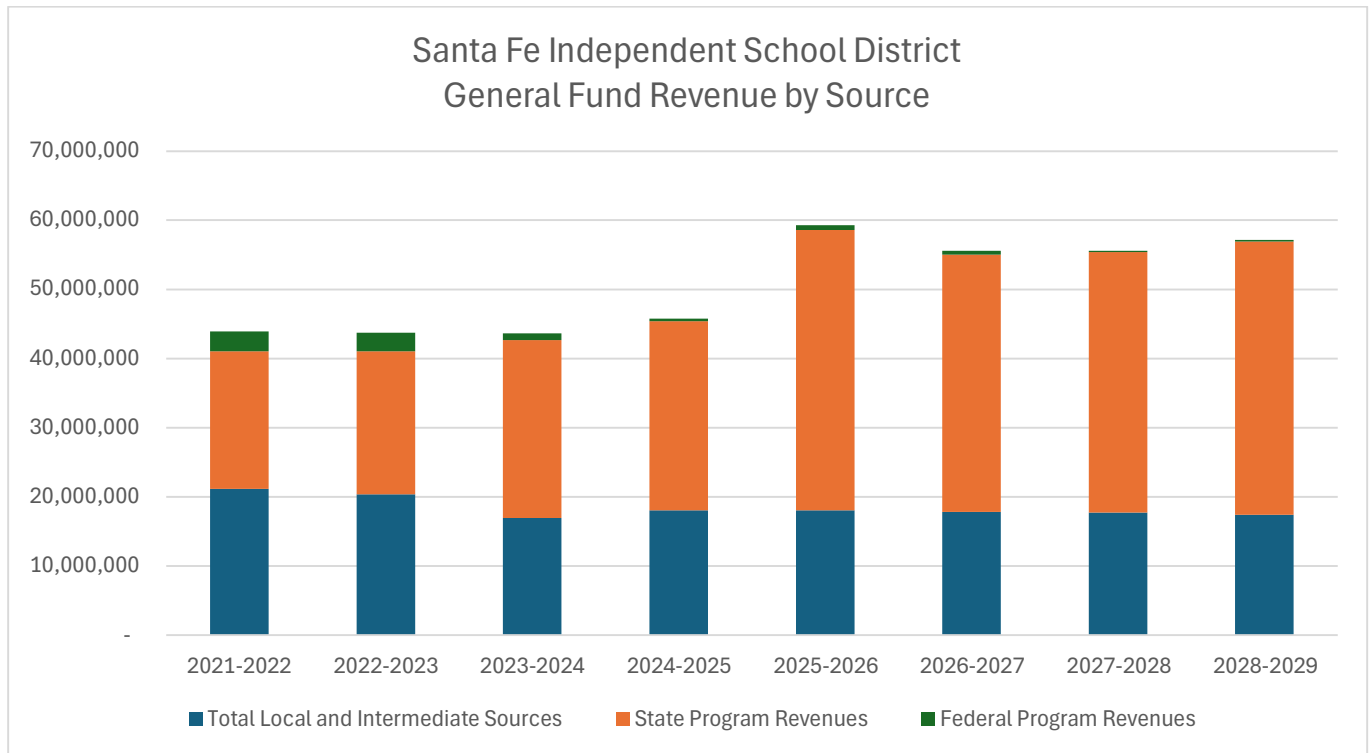
In summary, the proposed 2026-2027 budget reflects a commitment to fiscal responsibility, despite challenges such as inflation, reduced local funding, and unplanned disaster-related expenses. The district has taken proactive measures to balance its budget, including cost-reduction efforts and leveraging state funding to meet legislative requirements. However, uncertainties remain regarding FEMA reimbursement and the state's offset for reduced local tax collections.

We seek the board's approval for the proposed increases, including the disaster pennies adjustment, while continuing to monitor our financial position to ensure the district can sustain high-quality educational services for our students.

199 General Fund Budget Revenues

		Actuals					Budget	Projections	
		2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
REVENUES:									
5710 Property Taxes		20,459,871	18,957,958	15,296,611	16,923,162	17,061,738	17,086,968	16,775,048	16,444,781
5730 Tuition & Fees		355,054	336,811	346,123	345,404	298,547	300,000	293,531	287,752
5740 Other Local Revenue		285,293	878,660	1,109,050	602,793	516,845	290,000	508,160	498,155
5750 Co-Curricular Activities		67,679	192,152	174,549	158,299	150,877	136,574	148,342	145,421
5760 Miscellaneous Local Revenue		2,603	-	-	-	1,652	-	1,624	1,592
5700 Total Local and Intermediate Sources		21,170,500	20,365,581	16,926,332	18,029,659	18,029,659	17,813,542	17,726,704	17,377,702
5810 Foundation Funds		18,218,867	18,032,980	22,897,703	25,088,113	36,724,739	34,506,452	34,105,075	35,819,235
5820 State Programs		-	3,324	16,417	15,420	23,450	-	21,777	22,872
5830 Other State Funds		1,650,309	2,660,054	2,819,279	2,259,850	3,814,223	2,694,519	3,542,146	3,720,178
5800 State Program Revenues		19,869,176	20,696,357	25,733,399	27,363,383	40,562,412	37,200,971	37,668,997	39,562,285
5920 Federal revenue		1,238,482	391,355	328,847	33,228	185,654	350,000	52,618	52,618
5930 Federal revenue pass thru State		1,625,507	2,272,598	646,599	326,170	520,010	200,000	147,382	147,382
5940 Federal Revenue from Federal		-	-	-	-	-	-	-	-
5900 Federal Program Revenues		2,863,989	2,663,953	975,446	359,399	705,665	550,000	200,000	200,000
Total Revenues		43,903,665	43,725,892	43,635,177	45,752,441	59,297,735	55,564,513	55,595,702	57,139,986

This summary presents actual figures from the past five fiscal years, along with projections for the next two years. The budget is highlighted to illustrate the impact of House Bill 2 (HB2) from the 89th legislative session. The accompanying graph provides a visual representation of revenue, broken down by funding sources.



Expenditures

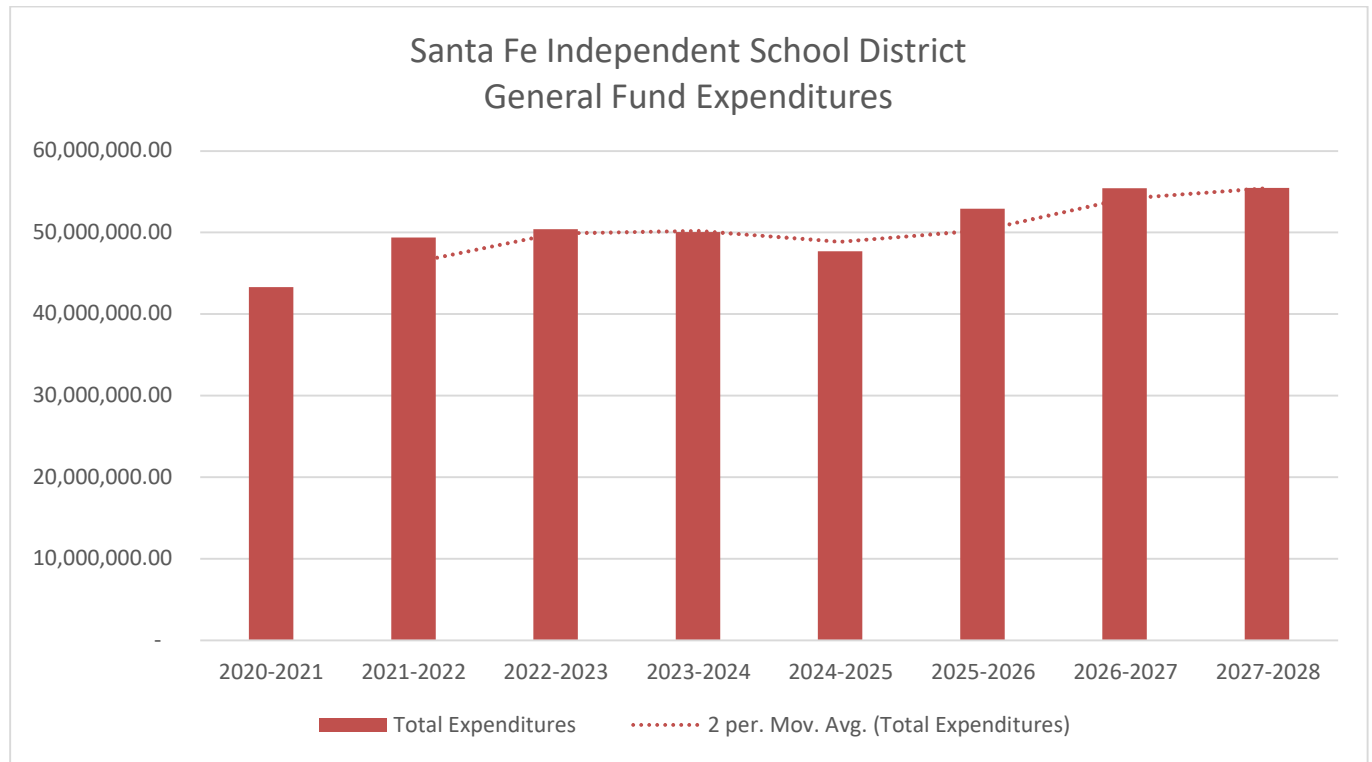
This summary outlines the projected expenditures for the upcoming fiscal year, along with forecasts for the two subsequent years. These figures were budgeted approximately 18 months in advance. As actual conditions evolve, we anticipate making adjustments throughout the year to better align with the district's operational needs. A new settlement account has been created to be used by the Superintendent at his discretion. This new discretionary fund will allow the superintendent to enter into settlement agreements with employees of the district, shall the need to do so arise.

	Actuals				Estimated	Proposed Budget	Projections	
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
EXPENDITURES:								
11 Instruction	22,835,019.00	24,935,372.23	24,978,732.30	24,560,019.86	26,490,230.62	28,752,630.00	25,745,831.46	27,162,648.91
12 Instructional Resources and Media	413,688.00	418,077.30	410,800.04	406,559.62	267,664.77	268,150.00	405,415.85	313,172.97
13 Curriculum and Instructional Staff Dev	1,286,700.00	1,363,071.37	1,239,415.89	1,048,818.59	935,750.03	1,065,596.00	1,251,810.05	1,051,809.89
21 Instructional Leadership	462,675.00	566,381.34	589,187.85	437,395.73	483,346.36	670,763.00	514,405.97	563,251.32
23 School Leadership	2,414,651.00	2,564,536.11	2,748,717.27	2,774,641.30	2,695,943.77	2,908,340.00	2,908,009.19	3,006,714.17
31 Guidance, counseling and evaluation Services	1,178,081.00	1,229,060.16	1,317,815.52	1,054,200.58	1,334,032.03	1,276,156.00	1,386,196.63	1,356,856.86
32 Social Work Services	98,038.00	122,880.04	122,781.25	128,749.01	132,000.34	126,054.00	127,153.14	139,024.69
33 Health Services	462,859.00	501,194.63	512,104.20	417,714.37	431,531.15	412,558.00	405,408.96	396,722.85
34 Student transportation	3,870,863.00	3,450,631.66	3,531,034.48	3,333,732.47	3,797,201.74	3,369,206.00	3,728,771.99	3,929,811.04
35 Food Services	94,690.00	125,633.43	109,324.22	151,320.28	135,623.82	147,436.00	106,743.87	138,038.61
36 Extracurricular Activities	1,332,017.00	1,128,254.44	1,149,859.80	1,129,293.00	1,110,304.37	1,207,445.00	1,054,908.67	1,081,428.92
41 General Administration	2,369,826.00	2,216,111.74	2,126,461.45	1,985,610.22	2,215,978.58	2,195,332.00	1,847,270.50	1,913,597.82
51 Facilities Maintenance and Operations	9,517,851.00	8,612,278.57	7,341,241.94	5,885,167.81	5,239,594.55	7,567,842.00	8,238,274.07	6,779,801.00
52 Security and Monitoring Services	1,427,463.00	1,279,019.95	1,310,838.71	1,212,524.87	1,567,096.94	1,684,539.00	1,103,072.38	1,331,275.74
53 Data Processing Services	1,396,282.00	1,633,945.71	1,681,390.19	1,252,531.87	1,186,004.87	1,323,732.00	1,430,810.73	1,418,684.77
61 Community Services	157,873.00	175,231.23	202,142.17	219,570.02	251,325.81	270,159.00	225,089.05	270,433.33
71 Principal in Long term	-	0.34	400,000.00	1,010,000.00	4,071,564.68	1,990,301.00	1,899,792.95	2,905,765.63
72 interest in long term debt	-	-	87,057.00	392,667.90	-	-	-	99,272.55
73 Bond Issuance Cost and Fees	-	-	91,935.08	-	-	-	-	547.39
81 Community Services	-	24,597.66	-	-	-	41,136.00	-	4,329.43
93 Payments to Fiscal Agent or SSA	68,672.00	55,395.72	97,145.98	190,231.87	666.00	98,818.00	81,013.00	98,042.75
Total Expenditures	49,387,248.00	50,401,673.63	50,047,985.34	47,590,749.37	52,345,860.43	55,376,193.00	52,459,978.46	53,961,230.64

Accompanying the summary is a visual representation of expenditures over several years, highlighting both reductions and increases. The most recent increases are primarily driven by the state-mandated teacher pay raise enacted through House Bill 2 (HB2). This change will have a lasting impact on the district's budget.

It's important to note that the increase in expenditures exceeds the growth in offsetting revenues. While the state is covering the base salary increase, it is not funding the associated ancillary costs—such as Medicare, TRS contributions, and employee benefits. These additional expenses fall solely on the district.

This creates a structurally imbalanced financial position. Without corresponding revenue increases, it will be unsustainable to absorb these escalating costs in future years. As such the district will continue to make adjustments and absorptions as necessary to continue to provide such increases.



The following section presents the 199 General Fund budget as submitted to the Board of Trustees, beginning with the Function Summary. In compliance with the Texas Education Code, the budget is organized by function—representing the areas of service where expenditures occur—and offset by projected district revenues.

Totals are compared to the prior year’s adopted budget. The figures shown represent the Board-approved operating budget for Fiscal Year 2024–2025. These are not actuals; they reflect the original budget adoption and its anticipated impact on the fund balance, assuming no adjustments are made during the fiscal year. The projected fund balance is based on estimates extending roughly 18 months into the future and is subject to change. As a result, the data may become outdated by the time of publication.

Following the Function Summary is a breakdown of the 199 General Fund budget by object code and function. This section provides further details by identifying both the functional area and the specific category (or object code) of each expenditure. While the data reflects the same budget, this view offers deeper insight into how resources are allocated across the district.



SANTA FE INDEPENDENT SCHOOL DISTRICT				
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES				
GOVERNMENTAL FUNDS PROPOSED BUDGET 2026-2027				
FOR YEAR ENDED JUNE 30,2027 (PROPOSED BUDGET [A])				
Function Level Budget	2026-2027 Proposed Budget	2025-2026 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	17,813,542.00	17,723,975.00	89,567.00	0.50%
Revenue - State funding	37,200,971.00	35,256,884.00	1,944,087.00	5.23%
Revenue - Federal funding	550,000.00	200,000.00	350,000.00	63.64%
	-	-		
Total Revenue	55,564,513.00	53,180,859.00	2,383,654.00	4.29%
11 - Instruction	28,752,630.00	27,318,037.00	1,434,593.00	4.99%
12 - Media Resources/Library	268,150.00	412,809.00	(144,659.00)	-53.95%
13 - Professional Development Staff	1,065,596.00	1,161,547.00	(95,951.00)	-9.00%
21 - Curriculum and Instruction	670,763.00	460,135.00	210,628.00	31.40%
23 - School Leadership	2,908,340.00	2,809,356.00	98,984.00	3.40%
31 - Guidance and Counseling	1,276,156.00	1,198,124.00	78,032.00	6.11%
32 - Social Workers	126,054.00	116,076.00	9,978.00	7.92%
33 - Student Health Services	412,558.00	394,015.00	18,543.00	4.49%
34 - Transportation	3,369,206.00	3,231,016.00	138,190.00	4.10%
35 - Cowan Café	147,436.00	105,687.00	41,749.00	28.32%
36 - Extracurricular	1,207,445.00	1,124,144.00	83,301.00	6.90%
41- Administration	2,195,332.00	1,917,332.00	278,000.00	12.66%
51 - Maintenance	7,567,842.00	8,156,707.00	(588,865.00)	-7.78%
52 - Security	1,684,539.00	1,140,016.00	544,523.00	32.32%
53 - Technology Services	1,323,732.00	1,339,585.00	(15,853.00)	-1.20%
61 - Community Services	270,159.00	176,644.00	93,515.00	34.61%
71 - Debt Service	1,990,301.00	1,700,000.00	290,301.00	14.59%
81 - Capital Outlay	41,136.00	85,049.00	(43,913.00)	-106.75%
93 - Shared Services	98,818.00	81,013.00	17,805.00	18.02%
Total Expenditures	55,376,193.00	52,927,292.00	2,448,901.00	4.42%
Adjusted Income/(Loss)	188,320.00	253,567.00	(65,247.00)	(0.35)
Projected Fund Balance - July 1 (Beginning)	15,446,616.00	15,193,049.00		
Changes in Fund Balance	188,320.00	253,567.00		
Fund Balance - June 30 (Ending)	15,634,936.00	15,446,616.00		
Days Operating	103.05	106.52		
Months Operating	3.39	3.50		

Santa Fe Independent School District
General Fund Proposed Budget 2026-2027
June 2026

Function/Object Level	2026-2027 Proposed Budget	2025-2026 Adopted Budget	Proposed Change in Object Level	% of Change
Function 11 - Instruction				
199 E 61XX Salaries	28,366,658.00	26,800,287.00	1,566,371.00	5.84%
199 E 62XX Contracted Svs	103,363.00	189,735.00	(86,372.00)	-45.52%
199 E 63XX General Supplies	273,424.00	310,431.00	(37,007.00)	-11.92%
199 E 64XX Misc Operating	9,185.00	17,584.00	(8,399.00)	-47.77%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 11	28,752,630.00	27,318,037.00	1,434,593.00	5.25%
Function 12 - Media Resources/Library				
199 E 61XX Salaries	256,598.00	401,279.00	(144,681.00)	-36.05%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	11,552.00	11,530.00	22.00	0.19%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 12	268,150.00	412,809.00	(144,659.00)	-35.04%
Function 13 - Professional Development/Staff				
199 E 61XX Salaries	989,751.00	1,101,747.00	(111,996.00)	-10.17%
199 E 62XX Contracted Svs	16,119.00	20,700.00	(4,581.00)	-22.13%
199 E 63XX General Supplies	37,090.00	15,500.00	21,590.00	139.29%
199 E 64XX Misc Operating	22,636.00	23,600.00	(964.00)	-4.08%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 13	1,065,596.00	1,161,547.00	(95,951.00)	-8.26%
Function 21 Curriculum and Instruction				
199 E 61XX Salaries	441,617.00	431,750.00	9,867.00	2.29%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	21,792.00	20,500.00	1,292.00	6.30%
199 E 64XX Misc Operating	207,354.00	7,885.00	199,469.00	2529.73%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 21	670,763.00	460,135.00	210,628.00	45.78%
Function 23 School Leadership				
199 E 61XX Salaries	2,853,820.00	2,778,658.00	75,162.00	2.70%
199 E 62XX Contracted Svs	7,183.00	8,848.00	(1,665.00)	-18.82%
199 E 63XX General Supplies	11,725.00	9,950.00	1,775.00	17.84%
199 E 64XX Misc Operating	35,612.00	11,900.00	23,712.00	199.26%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 23	2,908,340.00	2,809,356.00	98,984.00	3.52%

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Function 31 Guidance and Counseling				
199 E 61XX Salaries	1,254,279.00	1,174,058.00	80,221.00	6.83%
199 E 62XX Contracted Svs	17,872.00	21,446.00	(3,574.00)	-16.67%
199 E 63XX General Supplies	1,070.00	620.00	450.00	72.58%
199 E 64XX Misc Operating	2,935.00	2,000.00	935.00	46.75%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 31	1,276,156.00	1,198,124.00	78,032.00	6.51%
Function 32 Social Workers				
199 E 61XX Salaries	125,054.00	115,076.00	9,978.00	8.67%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	1,000.00	1,000.00	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 32	126,054.00	116,076.00	9,978.00	8.60%
Function 33 Student Health Services				
199 E 61XX Salaries	394,696.00	374,473.00	20,223.00	5.40%
199 E 62XX Contracted Svs	7,455.00	9,125.00	(1,670.00)	-18.30%
199 E 63XX General Supplies	9,347.00	10,417.00	(1,070.00)	-10.27%
199 E 64XX Misc Operating	1,060.00	-	1,060.00	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 33	412,558.00	394,015.00	18,543.00	4.71%
Function 34 Transportation				
199 E 61XX Salaries	2,736,201.00	2,536,573.00	199,628.00	7.87%
199 E 62XX Contracted Svs	45,948.00	40,254.00	5,694.00	14.15%
199 E 63XX General Supplies	380,992.00	395,316.00	(14,324.00)	-3.62%
199 E 64XX Misc Operating	145,179.00	183,873.00	(38,694.00)	-21.04%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	60,886.00	75,000.00	(14,114.00)	-18.82%
Subtotal Function 34	3,369,206.00	3,231,016.00	138,190.00	4.28%
Function 35 Cowan Café				
199 E 61XX Salaries	93,436.00	51,687.00	41,749.00	80.77%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	44,899.00	54,000.00	(9,101.00)	-16.85%
199 E 64XX Misc Operating	9,101.00	-	9,101.00	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 35	147,436.00	105,687.00	41,749.00	39.50%

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Function 36 Extracurricular				
199 E 61XX Salaries	908,084.00	832,467.00	75,617.00	9.08%
199 E 62XX Contracted Svs	83,172.00	100,190.00	(17,018.00)	-16.99%
199 E 63XX General Supplies	76,772.00	76,315.00	457.00	0.60%
199 E 64XX Misc Operating	139,417.00	115,172.00	24,245.00	21.05%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 36	1,207,445.00	1,124,144.00	83,301.00	7.41%
Function 41 Administration				
199 E 61XX Salaries	1,719,192.00	1,506,778.00	212,414.00	14.10%
199 E 62XX Contracted Svs	353,893.00	297,558.00	56,335.00	18.93%
199 E 63XX General Supplies	31,476.00	29,037.00	2,439.00	8.40%
199 E 64XX Misc Operating	90,771.00	83,959.00	6,812.00	8.11%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 41	2,195,332.00	1,917,332.00	278,000.00	14.50%
Function 51 Maintenance				
199 E 61XX Salaries	2,432,834.00	2,402,953.00	29,881.00	1.24%
199 E 62XX Contracted Svs	2,623,042.00	3,355,451.00	(732,409.00)	-21.83%
199 E 63XX General Supplies	227,528.00	228,401.00	(873.00)	-0.38%
199 E 64XX Misc Operating	2,280,759.00	2,162,296.00	118,463.00	5.48%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	3,679.00	7,606.00	(3,927.00)	-51.63%
Subtotal Function 51	7,567,842.00	8,156,707.00	(588,865.00)	-7.22%
Function 52 Security				
199 E 61XX Salaries	1,546,619.00	1,059,295.00	487,324.00	46.00%
199 E 62XX Contracted Svs	84,666.00	29,123.00	55,543.00	190.72%
199 E 63XX General Supplies	36,905.00	26,905.00	10,000.00	37.17%
199 E 64XX Misc Operating	16,349.00	24,693.00	(8,344.00)	-33.79%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 52	1,684,539.00	1,140,016.00	544,523.00	47.76%

Santa Fe Independent School District
General Fund Proposed Budget 2026-2027
June 2026

Function 53 Technology Services				
199 E 61XX Salaries	820,981.00	723,384.00	97,597.00	13.49%
199 E 62XX Contracted Svs	274,163.00	278,145.00	(3,982.00)	-1.43%
199 E 63XX General Supplies	226,188.00	337,395.00	(111,207.00)	-32.96%
199 E 64XX Misc Operating	2,400.00	661.00	1,739.00	263.09%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 53	1,323,732.00	1,339,585.00	(15,853.00)	-1.18%
Function 61 Community Services				
199 E 61XX Salaries	258,379.00	169,547.00	88,832.00	52.39%
199 E 62XX Contracted Svs	40.00	40.00	-	0.00%
199 E 63XX General Supplies	7,628.00	4,200.00	3,428.00	81.62%
199 E 64XX Misc Operating	4,112.00	2,857.00	1,255.00	43.93%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 61	270,159.00	176,644.00	93,515.00	52.94%
Function 71 Debt Services				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	1,990,301.00	1,700,000.00	290,301.00	17.08%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 71	1,990,301.00	1,700,000.00	290,301.00	17.08%
Function 72 Interest on Long Term Debt				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 72	-	-	-	0.00%
Function 81 Facilities and Maintenance				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	-	-	-	0.00%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	-	-	-	0.00%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	41,136.00	85,049.00	(43,913.00)	-51.63%
Subtotal Function 81	41,136.00	85,049.00	(43,913.00)	-51.63%

Santa Fe Independent School District
General Fund Proposed Budget 2026-2027
June 2026

Function 93 Shared Services				
199 E 61XX Salaries	-	-	-	0.00%
199 E 62XX Contracted Svs	87,643.00	67,000.00	20,643.00	30.81%
199 E 63XX General Supplies	-	-	-	0.00%
199 E 64XX Misc Operating	11,175.00	14,013.00	(2,838.00)	-20.25%
199 E 65XX Debt Service	-	-	-	0.00%
199 E 66XX Capital Outlay	-	-	-	0.00%
Subtotal Function 93	98,818.00	81,013.00	17,805.00	21.98%
Total Expenditures				
	55,376,193.00	52,927,292.00	2,448,901.00	4.63%
Object Code summary				
199 E 61XX Salaries	45,198,199.00	42,460,012.00	2,738,187.00	6.45%
199 E 62XX Contracted Svc	3,704,559.00	4,417,615.00	(713,056.00)	-16.14%
199 E 63XX General Supplies	1,398,388.00	1,530,517.00	(132,129.00)	-8.63%
199 E 64XX Misc Operating	2,979,045.00	2,651,493.00	327,552.00	12.35%
199 E 65XX Misc Operating	1,990,301.00	1,700,000.00	290,301.00	17.08%
199 E 66XX Capital Outlay	105,701.00	167,655.00	(61,954.00)	-36.95%
	55,376,193.00	52,927,292.00	2,448,901.00	4.63%



599 Debt Service (I&S) Fund Budget

The district carries long-term debt resulting from the issuance of bonds. These obligations are serviced twice annually—once in August and again in February—using revenue generated from the district's debt service tax rate. This rate is levied on all taxable property within the district and collected by the tax office specifically to fund debt payments.

Periodically, our financial advisors identify opportunities to reduce future interest costs through early debt repayment, a process known as defeasance. For the 2026–2027 fiscal year, the district has allocated a portion of its fund balance to support a refunding strategy, which is projected to save approximately \$1.0 million in interest expenses. This cost-saving measure is included in the adopted budget.

SANTA FE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICES PROPOSED BUDGET 2026-2027
FOR YEAR ENDED JUNE 30,2027 (PROPOSED BUDGET [A])

Function Level Budget	2026-2027 Proposed Budget	2025-2026 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	7,037,623.00	7,698,079.00	(660,456.00)	-9.38%
Revenue - State funding	2,555,331.00	-	2,555,331.00	100.00%
Revenue - Federal funding	-	-	-	0.00%
	-	-		
Total Revenue	9,592,954.00	7,698,079.00	1,894,875.00	19.75%

11 - Instruction	-	-	-	0.00%
12 - Media Resources/Library	-	-	-	0.00%
13 - Professional Development Staff	-	-	-	0.00%
21 - Curriculum and Instruction	-	-	-	0.00%
23 - School Leadership	-	-	-	0.00%
31 - Guidance and Counseling	-	-	-	0.00%
32 - Social Workers	-	-	-	0.00%
33 - Student Health Services	-	-	-	0.00%
34 - Transportation	-	-	-	0.00%
35 - Nutrition Services	-	-	-	0.00%
36 - Extracurricular	-	-	-	0.00%
41- Administration	-	-	-	0.00%
51 - Maintenance	-	-	-	0.00%
52 - Security	-	-	-	0.00%
53 - Technology Services	-	-	-	0.00%
61 - Community Services	-	-	-	0.00%
71 - Principal in Long tem	8,384,103.00	10,171,551.00	(1,787,448.00)	-21.32%
72 - Interest in long term debt	2,228,675.00	-	2,228,675.00	100.00%
73 - Bond Issuance Cost and Fees	45,000.00	-	45,000.00	100.00%
81 - Capital Outlay	-	-	-	0.00%
93 - Shared Services	-	-	-	0.00%

Total Expenditures	10,657,778.00	10,171,551.00	486,227.00	4.56%
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Adjusted Income/(Loss)	(1,064,824.00)	(2,473,472.00)	1,408,648.00	-132.29%
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Projected Fund Balance - July 1 (Beginning)	6,768,441.73	8,598,579.00		
Changes in Fund Balance	(1,064,824.00)	(2,473,472.00)		
Fund Balance - June 30 (Ending)	5,703,617.73	6,125,107.00		

Days Operating	195.33	219.80		
Months Operating	6.42	7.23		



240 Nutrition Services Fund Budget

Revenues

Nutrition Services is the final budget presented to the Board. This fund covers the district's student nutrition needs and is supported by both local and federal funding sources.

Local revenue is generated primarily through student purchases of breakfasts, lunches, and snacks. Payments may be made by cash, check, or through a parent-established prepaid account. These purchases involve students who do not qualify for free or reduced-price meal programs. If meals are unpaid, the resulting balances are recorded as student debt and added to their fee records.

Federal funding is provided through the Free and Reduced-Price Meal Program, an income-based program requiring parent application and income verification. This program historically accounts for approximately 50% of Nutrition Services revenue. However, recent increases in program restrictions and regulatory oversight have adversely affected federal funding levels. As federal support continues to decline, the district must explore alternative revenue sources and reconsider program participation to maintain financial sustainability.

Expenditures

Expenditures have increased due to inflationary pressures stemming from the ongoing economic downturn. COVID-19 has contributed to rising costs across multiple categories, including plastics, food, and disposables, significantly impacting Fund 240.

Additionally, a decline in available personnel has necessitated increased wages to attract and retain staff. However, given limited revenue-generating options, this approach is not sustainable long-term. The district will need to develop alternative strategies to address these challenges moving forward.



SANTA FE INDEPENDENT SCHOOL DISTRICT				
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES				
NUTRITION SERVICES FUND PROPOSED BUDGET 2026-2027				
FOR YEAR ENDED JUNE 30,2027 (PROPOSED BUDGET [A])				
Function Level Budget	2026-2027 Proposed Budget	2025-2026 Adopted Budget	Proposed Change in Function Level	% of Change
Revenue - Local funding	1,390,836.00	1,008,022.00	382,814.00	27.52%
Revenue - State funding	17,500.00	8,865.00	8,635.00	49.34%
Revenue - Federal funding	1,723,145.00	1,721,300.00	1,845.00	0.11%
	-	-		
Total Revenue	3,131,481.00	2,738,187.00	393,294.00	12.56%
11 - Instruction	-	-	-	-
12 - Media Resources/Library	-	-	-	-
13 - Professional Development Staff	-	-	-	-
21 - Curriculum and Instruction	-	-	-	-
23 - School Leadership	-	-	-	-
31 - Guidance and Counseling	-	-	-	-
32 - Social Workers	-	-	-	-
33 - Student Health Services	-	-	-	-
34 - Transportation	-	-	-	-
35 - Nutrition Services	2,928,221.00	2,665,972.00	262,249.00	8.96%
36 - Extracurricular	-	-	-	-
41- Administration	-	-	-	-
51 - Maintenance	107,146.00	66,875.00	40,271.00	37.59%
52 - Security	-	-	-	-
53 - Technology Services	-	-	-	-
61 - Community Services	-	-	-	-
71 - Debt Service	-	-	-	-
81 - Capital Outlay	-	-	-	-
93 - Shared Services	-	-	-	-
Total Expenditures	3,035,367.00	2,732,847.00	302,520.00	9.97%
Adjusted Income/(Loss)	96,114.00	5,340.00	90,774.00	0.94
Projected Fund Balance - July 1 (Beginning)	190,181.00	184,841.00		
Changes in Fund Balance	96,114.00	5,340.00		
Fund Balance - June 30 (Ending)	286,295.00	190,181.00		
Days Operating	34.43	25.40		
Months Operating	1.13	0.84		

Tax Rate

The proposed budget is presented with an estimated tax rate based on preliminary property valuations provided by the Galveston County Appraisal District. These values are submitted to the district's tax office for review and used to develop revenue projections. In order to ensure operational readiness at the start of the fiscal year, the district is required to adopt a budget in advance of receiving certified tax values. As a result, a provisional tax rate is calculated using preliminary data and submitted to the Board for approval.

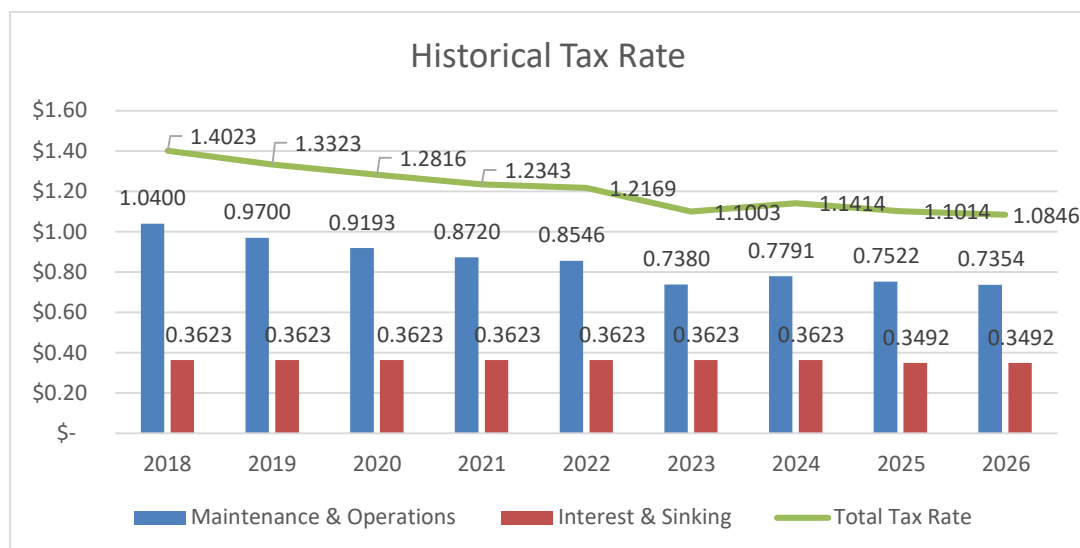
For the 2026 tax year, the proposed rate consists of two components:

1. **Maintenance and Operations (M&O)** – used to fund the district's daily operations and meet the local share of the funding formula. The preliminary M&O rate is set at **\$0.7354**. This rate is subject to change once final certified values, state-mandated compression rates, and legislative adjustments are confirmed. Included in this rate is a total of **\$0.06 in disaster pennies**, which the district is requesting the Board approve as part of the tax rate adoption process.

This request is in direct response to the financial impact of Hurricane Beryl and other disasters that have been previously sustained, which resulted in several million dollars in expenses, including roof repairs, facility damage, insurance cost increases, supply chain disruptions, and debris removal. While the district anticipates recovering these costs through insurance and other relief mechanisms, the disaster pennies provide immediate fiscal support and flexibility.

2. **Interest and Sinking (I&S)** – used exclusively to repay debt obligations from bond issuances. The proposed I&S rate for 2027 is **\$0.3492**, which will support the scheduled principal and interest payments for the year.

The accompanying chart illustrates the district's tax rate trend over the past 10 years, highlighting a consistent effort to reduce the overall tax burden while maintaining essential services and financial stability.



Santa Fe Independent School District

Fiscal Year 2026-2027 Budgeted Expenditures

HB 1495

Santa Fe Independent School District partners with several leading industry experts across the State of Texas to provide the following services:

Legislative updates

School finance services/tools/templates

Online forums

Statistical information

Continuing education opportunities

Board policies, regulations and updates

Professional industry standard training

Webinars

Advocacy

For the 2026-2027 fiscal year, we anticipate the following expenditures for the services listed above. Along with the expenditures, the amount of our membership fees which are used by the entity indirectly or directly to influence legislation is listed.

Organization performing membership services	Budgeted Fees/Dues	Portion of membership dues spent by the organization performing the membership services	Amount budgeted for HB 1495
Texas Association of School Administrators	5,470.00	5.70%	311.79
Equity Center	4,700.00	25%	1,175.00
Texas Association of Business Officials	1,425.00	1.40%	19.95
Texas Association of School Boards	11,350.00	22.00%	2,497.00
TAMS	500.00		
Association of Business Officials - International	-		
Total	23,445.00		4,003.74

The above expenditures were proposed in the June 15, 2026 Budget agenda item. The amounts were adopted under function 41, account code 199 E 41 6495 73 7XX 0 99 119.



Santa Fe Independent School District
4133 Warpath Ave
Santa Fe, TX 77510