2026-27 BUDGET PRESENTATION #4

Board Presentation: Budget and Tax Rate Information

Calallen ISD | August 10, 2026

BUDGET CALENDAR

CALALLEN ISD
BUDGET CALENDAR
FISCAL YEAR 2026-2027
Tax Year 2026 and Fiscal Year 2027

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
Budget Stop #2	March - June		Assessment of Staffing Needs	Supt/Asst Supt Director of HR Principals and Directors
	June	June 8, 2026 Regular Meeting	***Budget Presentation #2*** Review Assessment of Staffing Needs Discuss Compensation Strategies	Supt/Asst Supt Board of Trustees
Budget Stop #3	April 30th		2026 Estimated Tax Values to CISD	Appraisal District
	May - June		Review of 2025-2026 Budgets & Estimate Actuals Release 2026-2027 Budgets to Campuses & Departments Submission of 2026-2027 Budgets & Budget Requests	Supt/Asst Supt Principals and Directors
	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

2026-27 BUDGET PRIORITIES

- **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

2026-27 AND BEYOND

- FROM THE 2025-26 ADOPTED BUDGET PRESENTATION:

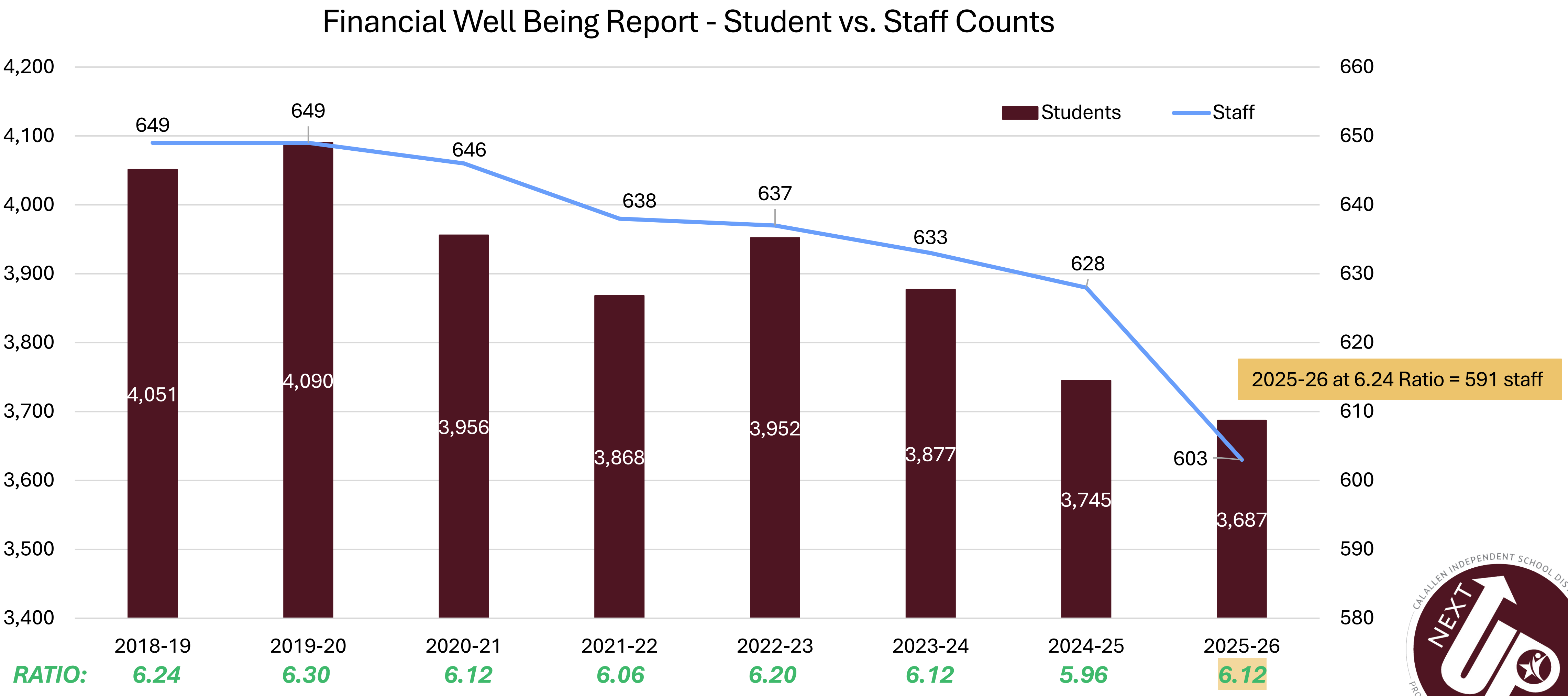
BUDGET FAQs

- 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



2026-27 STAFFING REDUCTIONS

CAMPUS OR DEPARTMENT	POSITION	FTEs REDUCED	2025-26 SALARY BUDGET	2025-26 BENEFITS BUDGET	2025-26 TOTAL BUDGET
Districtwide	Other	2.0	$97,500	$14,600	$112,100
Secondary	Teacher	0			
Secondary	Other	0			
Elementary & Intermediate	Teacher	3.0	$155,300	$23,300	$178,600
Elementary & Intermediate	Other	1.0	$49,200	$7,400	$56,600
Total Budget Savings		**6.0**	**$302,000**	**$45,300**	**$347,300**

2026-27 FISCAL YEAR

Public Budget & Tax Rate Notification Explained

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TAX REMINDERS

- Tax Rate and Budget Information Posting Requirements:
  - Newspaper Notice of Public Meeting to Discuss Budget and Proposed Tax Rate
  - Taxpayer Impact Statement
  - Proposed Budget on District Homepage
  - Summary of Proposed Budget on District Website
  - Board Member’s Name and Official Contact Information
  - Tax Rate Calculation Forms on District Website and as an Appendix to the District’s Budget
  - Preceding 2 Years Budget and Tax Rate Information
  - Most Recent Financial Audit
- Taxpayers entitled to an injunction prohibiting the district from adopting a tax rate or collecting taxes if district fails to comply with laws regarding:
  - Computation, Publication, or Posting Requirements
  - Calculation and Adoption Requirement

PUBLIC BUDGET & TAX RATE NOTIFICATION

- Published in Corpus Christi Caller Times – **Thursday August 13, 2026 Edition**
- Meeting Scheduled for **August 24, 2026 at 5:30pm**
- Posted on the District Website – **Thursday August 13, 2026**

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Calallen ISD will hold a public meeting at 5:30 PM, August 24, 2026 in Calallen ISD Central Administration Office, 4205 Wildcat Dr., Corpus Christi, Texas 78410. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	$0.763700/$100 (proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	$0.270800/$100 (proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	1.96 % increase
Debt Service	4.21 % increase
Total Expenditures	2.29 % increase

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	$287,822	$285,601
Average Taxable Value of Residences	$138,248	$141,106
Last Year's Rate Versus Proposed Rate per $100 Value	$1.040300	$1.034500
Taxes Due on Average Residence	$1,438.19	$1,459.74
Increase (Decrease) in Taxes		$21.55

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is $1.034717. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of $1.034717.

PROPERTY TAX VALUES, RATES, & COLLECTIONS

	2024-25 CERTIFIED TAX YEAR 2024	2025-26 CERTIFIED TAX YEAR 2025	2026-27 CERTIFIED TAX YEAR 2026
M&O Value	**$2,806,807,106**	**$2,641,461,615**	**$2,528,563,086**
Value Growth	**31.0%****	**-5.9%**	**-4.3%**
Tax Rate	0.7965	0.7965	0.7637
Tax Rate Compression	**No Change**	**No Change**	**-0.0058 or -0.8%**
Tax Collections	$20,327,623	$19,150,000	$18,375,000
I&S Value	**$2,998,635,679**	**$2,837,113,438**	**$2,718,338,266**
Value Growth	**2.8%**	**-5.4%**	**-4.2%**
Tax Rate	0.2708	0.2708	0.2708
Tax Collections	$7,636,328	$7,175,000	$6,975,000

** Tax Year 2024 M&O Value Growth is predominately due to expiring Chapter 313 agreements which added $573.5M to the values. Growth net of these expiring Chapter 313 agreements is 0.43%.

M&O TAX RATE EXPLAINED

Before 2019 & House Bill 3: M&O Tax Rate 1.17

Tier 1 = 1.00

Tier 2 Golden Pennies = 6 cents

Tier 2 Copper Pennies = 11 cents

2019 After House Bill 3: M&O Tax Rate 1.0683

Tier 1 = 0.93

Tier 2 Golden Pennies = 8 cents

Tier 2 Copper Pennies = 5.83 cents

2026 Proposed: M&O Tax Rate 0.7695

Tier 1 = 0.6254

Tier 2 Golden Pennies = 8 cents

Tier 2 Copper Pennies = 5.83 cents

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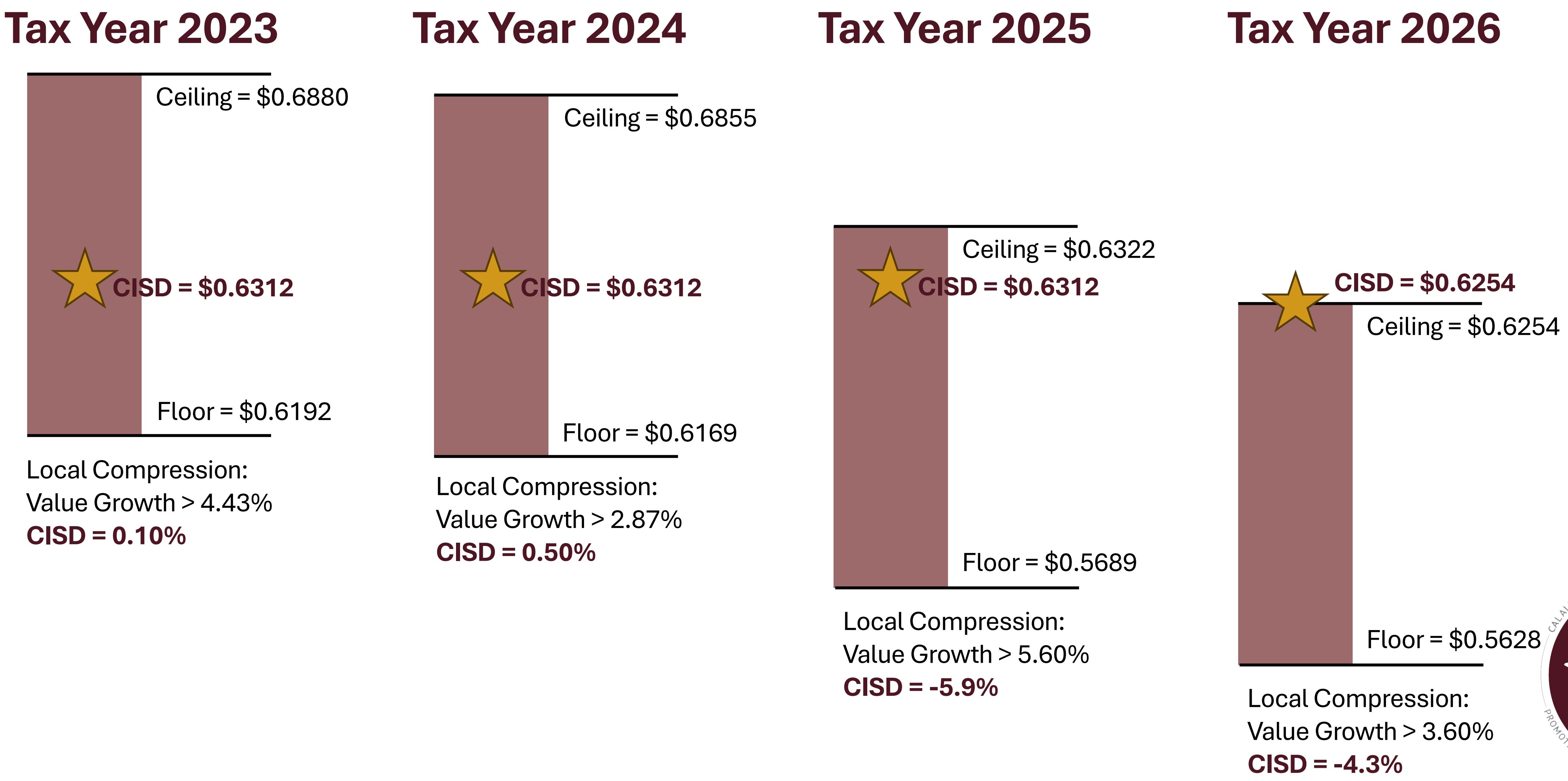
M&O TAX RATE COMPRESSION



CALCULATING TAX RATES

- School Districts calculate and use **EIGHT** tax rates in the process of ultimately adopting a tax rate:

RATE	WHERE IS IT CALCULATED?	HOW IS IT USED?
Maximum Compressed Tax Rate (MCR)	TEA calculates based on information submitted by the District.	Part of VATR Calculation
Voter-Approval Tax Rate (VATR)	Comptroller's Tax Rate Calculation Worksheet	Disclosed on Public Notice Triggers an **election** if the Board adopts a higher tax rate
No-New-Revenue Tax Rate (NNR)	Comptroller's Tax Rate Calculation Worksheet	Triggers **statutory motion language** if the rate to be adopted exceeds
No-New-Revenue M&O Tax Rate (NNR M&O)	Calculated by District using State Aid Template	Disclosed on Public Notice Triggers **specific language in the tax rate resolution and on the district website** if the rate to be adopted exceed
Rate to Maintain M&O Revenue & Pay Debt Service	Calculated by District using State Aid Template	Disclosed on Public Notice Triggers **supermajority vote** if the rate to be adopted exceed
Minimum Debt Rate	Comptroller's Tax Rate Calculation Worksheet	Triggers **required statutory components** if the rate to be adopted exceeds (2-step adoption process, specific language, and supermajority votes).
Proposed M&O Tax Rate	MCR + Tier 2 pennies	Disclosed on Public Notice
Proposed I&S Tax Rate	Comptroller's Tax Rate Calculation Worksheet	Disclosed on Public Notice

2026 TAX RATES

RATE TYPE	2026 TAX RATE	NOTES
M&O Tax Rate	**0.763700**	
MCR Rate (Tier 1)	0.6254	Calculated by TEA
Enrichment Tax Rate	0.1383	Compressed by HB3 from 0.17

PROPOSED TAX RATE PUBLISHED	**0.7637 (M&O) + 0.2708 (I&S) = 1.0345**	

Required Calculated Rates		
No-New-Revenue Tax Rate	1.069537	No Tax Year 2026 Requirement
No-New-Revenue M&O Tax Rate	0.812950	No Tax Year 2026 Requirement
Voter-Approval Tax Rate (VATR)	1.034717	Cannot adopt a higher rate
Minimum Debt Rate	0.271017	No Tax Year 2026 Requirement
Rate to Maintain	1.08383	No Tax Year 2026 Requirement

IMPACT TO DISTRICT HOMEOWNERS

- Newspaper Notice – **AVERAGE RESIDENCE**

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	$287,822	$285,601
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- Taxpayer Impact Statement – **MEDIAN-VALUE HOMESTEAD**

FISCAL YEAR (TAX YEAR)	MEDIAN-VALUED HOMESTEAD	TAX RATE PER $100 OF VALUE	ESTIMATED PROPERTY TAX BILL
FY 2025-2026 (Tax Year 2025)	$112,710	Adopted 2025 Tax Rate: 1.0403	$1,172.53
FY 2026-2027 (Tax Year 2026)	$109,837	Proposed 2026 Tax Rate: 1.0345	$1,136.27

2026 BOND REFUNDING RESULTS

- Successful Sale on August 5, 2026! This allows the District to save taxpayer money, maintain the I&S tax rate for future bond capacity, and maximize ASAHE state funding:

	PARAMETERS BOND ORDER	ACTUAL RESULTS
Savings	At least $650,000	**$857,600**
Interest Rate	Not to Exceed 3.65%	**3.58%**
Principal Amount	Maximum $19,485,000	**$19,485,000**

- Rating Agency Highlights:

Independent Bond Ratings

As is customary in the bond sale process, CISD participated in an independent credit rating review conducted by S&P Global Ratings and Fitch Ratings, Inc. This evaluation included a comprehensive analysis of the District's financial position, debt profile, future financing plans, economic indicators, and management practices. Following a thorough review, which included a conference call with the District's Administration, Calallen ISD's underlying ratings of "A+" and "AA" were affirmed by S&P and Fitch, respectively. In particular, the rating agencies cited the following credit strengths:

S&P Global Ratings:

- ✓ Healthy reserves, totaling approximately 40% of general fund revenues, well above policy targets; and
- ✓ Improving financial performance and long-term tax base growth prospects, supported by management's deficit reduction efforts and the anticipated impact of the new data center project.

Fitch Ratings:

- ✓ Exceptional financial resilience, supported by reserves equal to 38.5% of spending; and
- ✓ Strong budget management and expenditure flexibility, demonstrated by proactive cost controls and sustained reserve strength.

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	3,687	3,425.757	92.9%
2026-27 Budget	**3,672**	**3,414,960**	**93.0%**

GENERAL FUND – REVENUE

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 YEAR END ESTIMATE	2026-27 PROPOSED BUDGET
Property Taxes	$19,297,546	$14,922,156	$20,355,236	$19,600,000	$18,375,000
Other Local	$1,583,151	$1,476,140	$1,248,318	$1,173,00	$1,347,500
State Revenue	$18,234,020	$21,906,720	$18,273,199	$22,256,000	$23,150,000*
TRS On-Behalf	$2,363,761	$2,420,011	$2,479,709	$2,529,000	$2,158,832
Federal Revenue	$492,781	$417,062	$459,625	$174,000	$200,000
Subtotal	**$41,971,258**	**$41,142,089**	**$42,816,087**	**$45,732,000**	**$46,952,840**
CH 313s	$2,060,227	$1,539,340	$707,879	$701,776	$700,000
Other	$0	$476,322	$0	$0	$0
Total	**$44,031,485**	**$43,157,752**	**$43,523,966**	**$46,433,776**	**$47,652,840**

Previous projection $46,433,776

**YOY Increases in State Revenue are attributed to Teacher Incentive Allotment*

GENERAL FUND – EXPENSES

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 YEAR END ESTIMATE	2026-27 PROPOSED BUDGET
Payroll	$35,546,708	$36,124,569	$36,128,527	$37,550,000	$39,186,237*
Non-Payroll	$10,827,171	$9,218,505	$8,551,582	$9,110,000	$8,951,603
Subtotal	**$46,373,879**	**$45,343,073**	**$44,680,109**	**$46,660,000**	**$48,137,840**
Transfers Out	$696,319	$101,401	$10,733	$0	$30,000
Recapture	$0	$0	$99,581	$65,000	$25,000
Total Expenses	**$47,070,198**	**$45,444,474**	**$44,790,423**	**$46,725,000**	**$48,192,840**

Previous projection
$46,725,000

**YOY Increases in Payroll Expenses are attributed to Teacher Incentive Allotment*

GENERAL FUND – FUND BALANCE

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 YEAR END ESTIMATE	2026-27 PROPOSED BUDGET
Total Revenue	$44,031,485	$43,157,752	$43,523,966	$46,433,776	$47,652,840
Total Expenses	($47,070,198)	($45,444,474)	($44,709,423)	($46,725,000)	($48,192,840)
Net Roll/Loss	**($3,038,713)**	**($2,286,722)**	**($1,266,457)**	**($291,224)**	**($540,000)**
Beg Fund Balance	$24,075,178	$21,036,465	*$18,749,743*	*$17,483,285*	*$17,192,061*
End Fund Balance	**$21,036,465**	**$18,749,743**	**$17,483,285**	**$17,192,061**	**$16,652,061**

Previous projection
$17,192,061

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 <u>three months</u> of the total annual operating expenditures***
- Calculations
  - Estimated Total Annual Operating Expenditures $48,192,840
  - Three Months of Total Annual Operating Expenditures $12,048,210
  - Estimated 2025-2026 Ending Funding Balance ***$17,192,061***
  - Estimated 2026-2027 Ending Funding Balance ***$16,652,061***

FOOD SERVICE FUND

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 YEAR END ESTIMATE	2026-27 PROPOSED BUDGET
Total Revenue	$2,937,740	$2,996,277	$2,649,509	$2,809,502	$2,840,000
Total Expenses	$2,797,811	$3,094,944	$2,573,053	$3,720,765	$3,202,820
Net Roll/Loss	**$139,929**	**($98,666)**	**$76,457**	**$88,737**	**($362,820)**
Beg Fund Balance	*$1,056,186*	*$1,196,115*	*$1,097,449*	*$1,173,906*	*$1,262,643*
End Fund Balance	**$1,196,115**	**$1,097,449**	**$1,173,906**	**$1,262,543**	**$899,823**

DEBT SERVICE FUND

	2022-23 AUDIT FINAL	2023-24 AUDIT FINAL	2024-25 AUDIT FINAL	2025-26 YEAR END ESTIMATE	2026-27 PROPOSED BUDGET
Total Revenue	$7,074,390	$7,734,567	$8,600,536	$8,336,311	$8,540,000
Total Expenses	$6,807,743	$7,127,960	$8,421,341	$8,198,863	$8,540,000
Net Roll/Loss	**$239,647**	**$606,607**	**$179,195**	**$137,449**	**$0**
Beg Fund Balance	*$744,443*	*$984,090*	*$1,590,696*	*$1,769,891*	*$1,907,340*
End Fund Balance	**$984,090**	**$1,590,696**	**$1,769,891**	**$1,907,340**	**$1,907,340**

QUESTIONS, COMMENTS, CONCERNS?

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