

2026–2027 Budget Workshop

August 4, 2026

**CREATE.
EMPOWER.
LEAD.**

Budget Workshop Purpose

1. Budget at a glance
2. General Fund
3. Revenue & state funding
4. Tax rate/MCR
5. Fund balance & next steps

General fund budget at a glance

	Revenue \$288.6M	Expenditure \$309.1M	Transfer In \$2.2M Interest from capital projects fund
			Projected Change in Fund Balance (\$18.3M)

- The budget presented reflects a **(\$18.3M)** use of fund balance after a one-time transfer.
- It is important to distinguish between what is manageable for one year and what is sustainable over multiple years.
- The deficit is manageable, but it is not a long-term solution.

General fund revenue

	Budget 2026-2027
Local revenue	\$111.5M
State revenue*	\$175.9M
Federal revenue	\$1.2M
Total Projected GF Revenue	\$288.6M

Key Assumptions:

- Projected ADA: 22,390
- M&O certified taxable value: \$15B
- Interest income budgeted: \$4M
- Transfers in are not treated as recurring revenue

The revenue budget is based on tax collections, state funding estimates and other assumptions.

*State revenue includes TRS On-Behalf – A district contributes matching funds for personnel funded from federal sources for qualifying personnel. The state provides the matching funds for all other employees (general fund) and this is considered state revenue. \$17M



Expenditure budget

The General Fund budget is primarily payroll driven

Payroll	\$253.50	82%			
Payroll - Subs & Extra Duty	\$13.9M	4.4%			
Non-Payroll	\$41.7M	13.6%			
Total GF Expenditures	\$309.1M	100%			
			District Monthly	District Annual	Annual Total
			Contribution	Contribution	Contribution
<u>Non-Payroll</u>			# Participant		
Campus/department allocations	\$34.2M		2161	\$ 400	\$ 10,372,800
Utilities	\$6.3M		2161	\$ 485	\$ 12,577,020
Debt (Maintenance Tax Notes)	\$1.2M			\$ 85	\$ 2,204,220
Total Non-Payroll	\$41.7M				

The proposed expenditure budget includes the 2% raise
AND
the increased contribution to health insurance from \$400 to \$485 per
participating employee per month.*



General fund

Fund balance outlook

Approximately
3.55 months
operating at
8/31/2027

Available 8/31/2025

\$122.6M

Est. 8/31/2026

\$107.0M

Est. 8/31/2027

\$90.2M

State funding: 2025-2026 to 2026-2027

State Funding Comparison	2025-2026	2026-2027	Change
Average Daily Attendance (ADA)	22,646	22,390	(256)
Certified Values	\$13.3B	\$15B	\$1.7B
State Funding	\$164.4M	\$158.4M	(\$6M)
M&O Tax Collections	\$100.2M	\$103.7M	\$3.5M

Property values increased by 12%. That inherently increases projected tax collection for 26/27. The formula that is used to fund school district's is a self leveling system.

In addition to values and tax collections increasing (which decreases state funding), the districts is also projecting a decline of 256 in average daily attendance which will inherently decrease the district's state funding.



Certified appraisal roll

	\$21.9B

Certified 2026
market value

	\$15B

Taxable
value

	\$317.6M

New
Construction

Taxable value comparison

		Taxable Value 2025/2026	Taxable Value 2026/2027	Increase	% Change
Residential	\$	4,814,098,256	\$ 5,029,547,189	\$ 215,448,933	4%
Commercial	\$	5,843,994,180	\$ 6,678,251,710	\$ 834,257,530	14%
BPP	\$	2,735,697,003	\$ 3,336,853,191	\$ 601,156,188	22%
	\$	13,393,789,439	\$ 15,044,652,090	\$1,650,862,651	12%

Proposed 2026 tax rate

	2025 - 2026	2026 - 2027	Change
M&O	\$ 0.6169	\$ 0.5629	\$ (0.0540)
Enrichment Rate	\$ 0.13830	\$ 0.13830	\$ -
Disaster Pennies	\$ 0.03170	\$ 0.03170	\$ -
I&S	\$ 0.275787	\$ 0.270220	\$(0.005567)
VATR	\$ 1.062687	\$ 1.003120	\$(0.059567)

Total proposed
rate:
\$1.003120*

Decrease from
last year:
(\$.059567)

*Includes 0.0317 disaster pennies



Taxpayer Impact Statement

(Pursuant to Texas Government Code 551.043c(2))

Tax Year (Fiscal Year)	Median Homestead Market	Median Homestead Taxable Value*	Tax Rate per \$100 of Value	Estimated Property Tax Bill
TY 2025 (2025-2026)	\$ 291,565	\$ 134,834	Adopted Tax Rate \$ 1.06269	\$ 1,433
TY 2026 (2026-2027)	\$ 292,065	\$ 144,690	Proposed Tax Rate \$ 1.00312	\$ 1,451

*Median homestead taxable value is the appraised value less exemptions

Debt service/I&S budget

Note:
The I&S budget increases from last year due to scheduled debt service; the tax rate calculation reflects available state aid and anticipated collections.

	\$44.2M	\$267.1M	\$0.27022
	Expenditures (Includes fees)	Bonded Principal	Proposed* I&S Rate

	Amount
Debt Payment	\$44.1M
Less: State aid	-\$4.0M
Adjusted Debt	\$40.1M
Debt rate	\$0.27022

*Based on current projections, the final I&S rate is expected to move closer to approximately **\$0.274 per \$100 of taxable value**, but the final rate will not be known until the Dallas County Tax Office completes its calculation.



Comparison with last year's amended expenditure budget

Required notice comparison by M&O, I&S and total

	2025-2026	2026-2027	Change
M&O	\$334.7M	309.1M	-7.67%
I&S	\$40.9M	\$44.2M	8.17%
Total	\$375.6M	\$353.3M	-5.94%

Disclaimer

The amounts presented represent the District's **best estimates based on information available as of August 4, 2026**. These estimates remain subject to change as final information and calculations are received.

The Dallas County Tax Office is responsible for completing the final tax-rate calculations, including the required I&S rate. The District has submitted the necessary information, but the final calculation has not yet been received. As a result, the proposed I&S tax rate may increase or decrease slightly from the amount currently reflected.

Based on current projections, the final I&S rate is expected to move closer to approximately **\$0.274 per \$100 of taxable value**, but the final rate will not be known until the Dallas County Tax Office completes its calculation.



Next steps

1. Finalize the proposed budget
2. Prepare and publish statutory notice
3. Post the board meeting agenda
4. Conduct the public hearing – August 25th @ 5:30
5. Adopt the budget
6. Adopt the tax rate
7. Discuss changes and/or impact to local, state, and federal funding
8. Approve 2025-2026 final amendment

QUESTIONS?

Thank you for your leadership.

