

2026-27 Budget & Tax Rate Adoption

August 20, 2026
CFBISD Public Hearing



Objectives

Proposed Board-Approve Budgets

- General Operating Fund
- Student Nutrition Fund
- Debt Service Fund

Proposed Tax Rate Adoptions

- Maintenance and Operations (M&O)
- Debt Service Fund (I&S)

What's Fueling CFB's Budget Shortfall

Amount	Driver	What is Driving the Budget Shortfall
\$7 Million	Declining enrollment	Fewer students means less funding, and State Funding has not increased enough to keep up with costs
\$4 Million	Staff Compensation Increases	Competitive Salaries are essential for recruitment and retention
\$6 Million	Unfunded Mandates	The District must provide required services even when state funding does not fully cover the cost
\$12 Million	Increased Recapture	Higher recapture payments reduce the amount of local tax revenue available to the district for operations

Unfunded Mandates

Unfunded Mandates	Ditric Cost	State Allotment
Security-Armed officers, threat assessment, training and reporting	Approx \$4 Million	\$1.7 Million
Transportation-drivers, fuel and maintenance	Approx \$3.7 Million	\$1.1 Million
Special Education-Evaluations	Approx \$2.4 Million	\$982,000

Board Policy Local CE Annual Operating Budget

General Operating Fund Expenditures

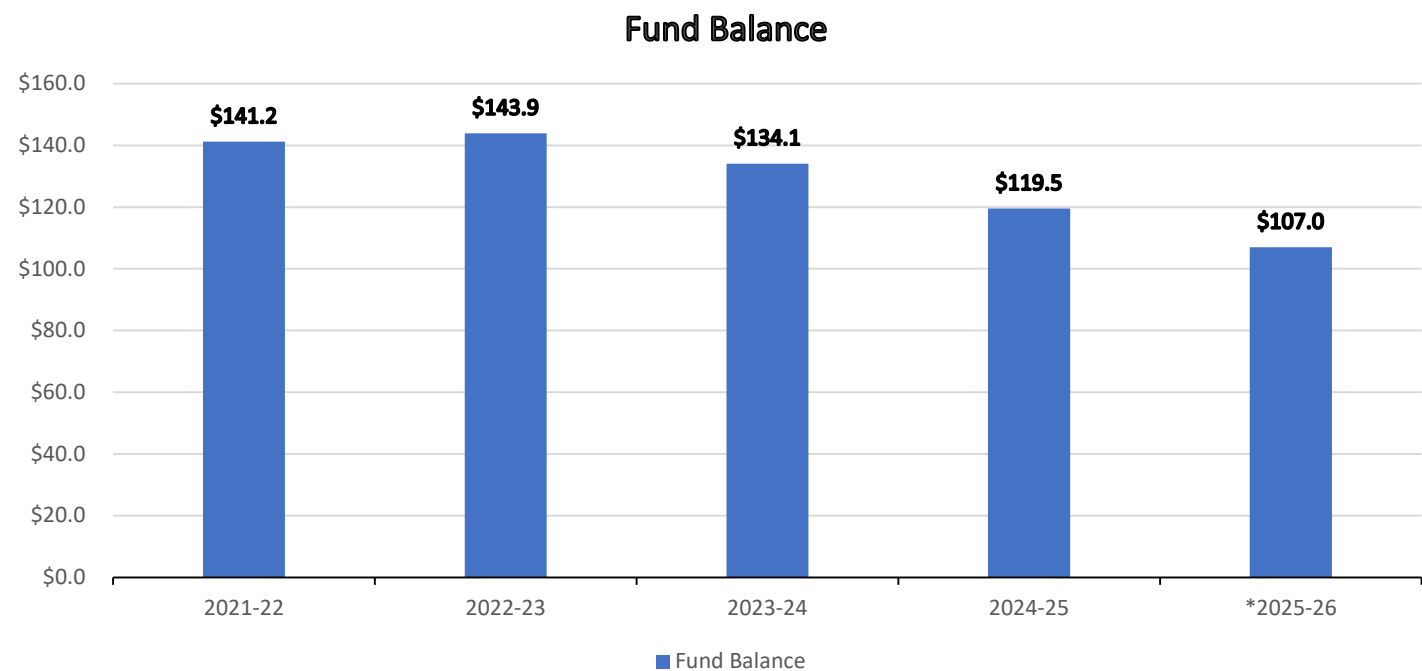
General Fund expenditures shall maintain the following priorities of obligation:

1. Payments of all legal and reasonable expenditures relating to maintenance and operations of the District's operating fund;
2. Payments to special revenue funds that require matching for federal or state grants, including child nutrition fund, athletic fund, and the construction fund; and
3. Necessary capital equipment purchases, facility expansion, and renovation.

All remaining funds shall go toward maintaining a budget ending cash balance, which equates to at least **two months** of operating costs.

The District is projecting **4.3 months** of operating costs at the end of 2026. Board Policy requires a minimum of 2 months, leaving the district 2.3 months above the board minimum.

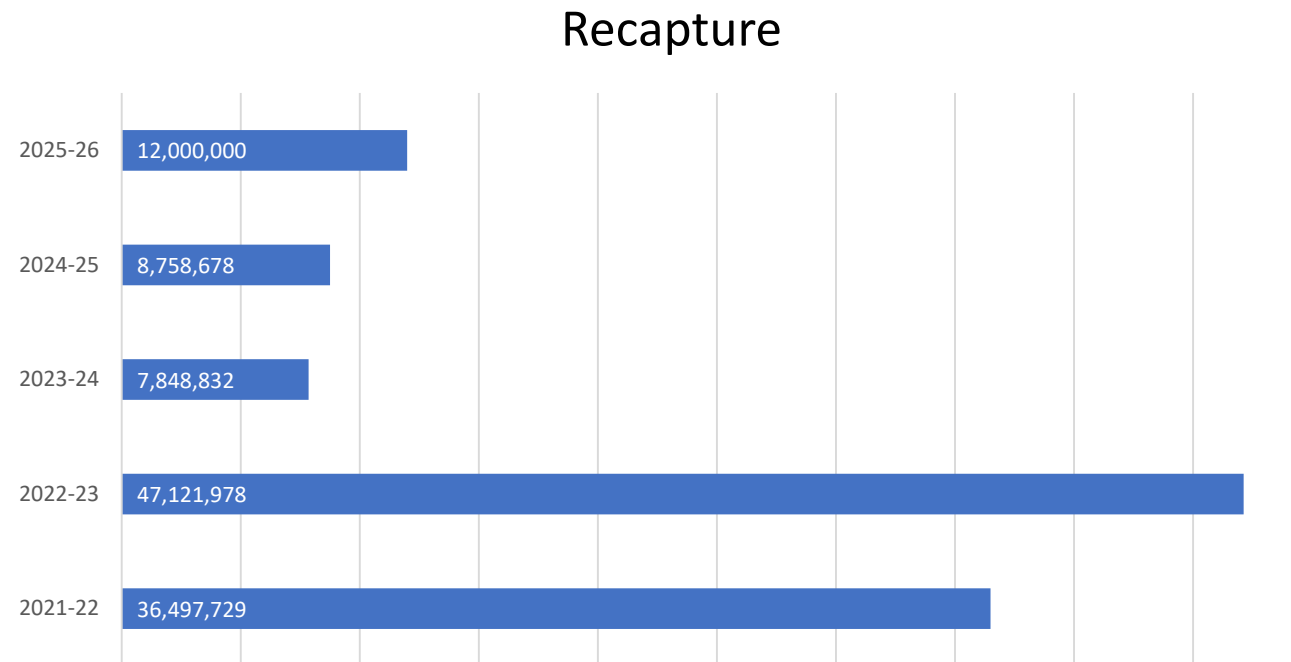
Fund Balance



Year	Months of Operating Costs
2021-22	5.5
2022-23	5.2
2023-24	5.3
2024-25	4.6
*2025-26	4.3

*Projected

Recapture Payments



Years of Service Supplemental Pay

Committee Recommendation

A committee of district staff was formed to review the **Years of Service Supplemental Pay**. After review and discussion, the committee recommended **continuing the Years of Service Pay program** with the following eligibility requirements:

- **Full-Time Employment:** Employee must be employed in a **full-time capacity** in a **TRS-eligible position**.
- **Consecutive Service:** Employee's years of service must be **consecutive**.
- **2025–26 Employment Requirement:** Employee must remain employed during the 2026–27 school year through December 18, 2026 and will be compensated \$100 for each year of service, paid at 5-year intervals.

CFB-Path to Financial Balance

The District's Communications Department is developing a new comprehensive web page for the community that will provide a clear, transparent look into our financial journey. The website will explain:

- How the District arrived at its current budget deficit
- The factors that have impacted District finances
- The steps being taken to align the budget
- How we are protecting resources for students and classrooms
- How the District is planning for a financially strong and sustainable future

Our Goal: Tell the story. Explain the facts. Share the plan. Build a stronger future for CFB

Coming Soon

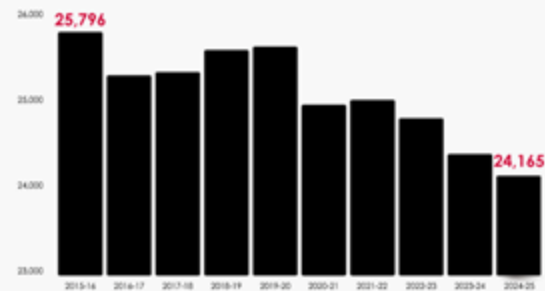
Planning for a Strong Future

How did we get here?

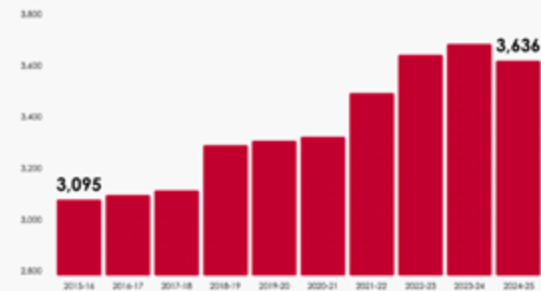
Over the past several years, Carrollton-Farmers Branch ISD has faced declining student enrollment, rising operational costs and limited growth in state funding. This trend is not unique to our district; it is influenced by various factors, including families moving out of the district, declining birth rates, graduating seniors outnumbering incoming Pre-K and kindergarten students, and the increasing availability of school choice options.

Since public school funding in Texas is tied to student average daily attendance (ADA), shrinking enrollment directly affects revenue, and costs continue to rise. In addition, it is important to note that districts hire personnel according to projected student enrollment. Between 2016 and 2025, the number of instructional staff in CFBISD steadily increased from 1,663 to 1,779. This growth resulted in a lower student-to-teacher ratio from 15.5 to 13.6—which falls below the pre-pandemic level of 15:1.

Declining Enrollment



Increasing Staff



*Graphic depicts instructional and non-instructional staff

2026-27 Proposed Budgets

General Fund (Fund 199)

Debt Service Fund (Fund 599)

Student Nutrition Fund (Fund 240)



CARROLLTON-FARMERS BRANCH ISD

2026-2027 PROPOSED BUDGET

ALL BUDGETED FUNDS BY FUNCTION

ESTIMATED REVENUES

Local Revenue	\$246,419,000	\$64,701,938	\$3,362,490	\$314,483,428
State Revenue	28,112,846	2,550,000	60,000	30,722,846
Federal Revenue	800,000		11,442,307	12,242,307
	\$275,331,846	\$67,251,938	\$14,864,797	\$357,448,581

APPROPRIATION BY FUNCTION

11 - Instruction	\$147,983,120			\$147,983,120
12 - Instructional Resources and Media Services	2,867,541			2,867,541
13 - Curriculum and Instructional Staff Developmen	5,431,553			5,431,553
21 - Instructional Leadership	4,131,551			4,131,551
23 - School Leadership	14,200,038			14,200,038
31 - Guidance, Counseling and Evaluation Services	10,170,644			10,170,644
32 - Social Work Services	40,136			40,136
33 - Health Services	3,499,206			3,499,206
34 - Student Transportation	9,176,769			9,176,769
35 - Food Services	59,884		14,864,797	14,924,681
36 - Extracurricular Activities	5,888,860			5,888,860
41 - General Administration	8,159,510			8,159,510
51 - Facilities, Maintenance and Operation	26,936,487			26,936,487
52 - Security and Monitoring Services	4,790,106			4,790,106
53 - Data Processing Services	6,970,622			6,970,622
61 - Community Services	306,217			306,217
71 - Debt Services	557,936	67,251,938		67,809,874
81 - Facilities Acquisition and Construction	69,246			69,246
91 - Contracted Instructional Services	22,814,536			22,814,536
95 - Payments to Juvenile Justice Alternative	20,000			20,000
99 - Other Governmental Charges	1,257,884			1,257,884
Total Appropriations	\$275,331,846	\$67,251,938	\$14,864,797	\$357,448,581

BUDGETED SURPLUS (DEFICIT)

\$0	\$0	\$0	\$0
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APPROPRIATION BY OBJECT

61 - Payroll Costs	\$212,888,693		\$7,151,000	\$220,039,693
62 - Professional and Contracted Services	40,521,181		316,500	\$40,837,681
63 - Supplies and Materials	12,783,761		7,361,809	\$20,145,570
64 - Other Operating Costs	6,020,987		17,700	\$6,038,687
65 - Debt Service	557,936	67,251,938	0	\$67,809,874
66 - Capital Outlay	2,559,288		17,788	\$2,577,076
Total Appropriations	\$275,331,846	\$67,251,938	\$14,864,797	\$357,448,581



General Fund

	2025-26 ADOPTED BUDGET	INCREASE (DECREASE)	2026-27 PROPOSED BUDGET	PERCENT OF TOTAL	PERCENT CHANGE
Local Revenue					
Local Revenue	252,432,000	(6,013,000)	246,419,000	89%	-2%
Other Sources	16,000,000	(16,000,000)		0%	-100%
Total Local Revenue	268,432,000	(22,013,000)	246,419,000	89%	-8%
State Revenue					
State Revenue	15,206,937	905,909	16,112,846	6%	6%
TRS-On-Behalf	17,000,000	(5,000,000)	12,000,000	4%	-29%
Total State Revenue	32,206,937	(4,094,091)	28,112,846	10%	-13%
Federal Revenue					
Indirect Costs	1,000,000	(400,000)	600,000	0%	-40%
SHARS	600,000	(400,000)	200,000	0%	-67%
Total Federal Revenue	1,600,000	(800,000)	800,000	1%	-50%
Total Estimated Revenues	302,238,937	(26,907,091)	275,331,846	100%	-9%
	2025-26 ADOPTED BUDGET	INCREASE (DECREASE)	2026-27 PROPOSED BUDGET	PERCENT OF TOTAL	PERCENT CHANGE
APPROPRIATION BY OBJECT					
61 - Payroll Costs	257,800,242	(44,911,549)	212,888,693	77%	-17%
62 - Professional and Contracted Services	26,638,990	13,882,191	40,521,181	15%	52%
63 - Supplies and Materials	14,445,837	(1,662,076)	12,783,761	5%	-12%
64 - Other Operating Costs	6,502,921	(481,934)	6,020,987	2%	-7%
65 - Debt Service	557,936	0	557,936	0%	0%
66 - Capital Outlay	2,464,548	94,740	2,559,288	1%	4%
Total Appropriations	308,410,474	(33,078,628)	275,331,846	100%	-11%
BUDGETED SURPLUS (DEFICIT)	(6,171,537)	6,171,537	0		

Debt Service Fund

	2025-26 ADOPTED BUDGET	INCREASE (DECREASE)	2026-27 PROPOSED BUDGET	PERCENT OF TOTAL	PERCENT CHANGE
Local Revenue					
Local Revenue	63,996,805	705,133	64,701,938	96%	1%
Total Local Revenue	63,996,805	705,133	64,701,938	96%	1%
State Revenue					
State Revenue	2,543,000	7,000	2,550,000	4%	0%
Total State Revenue	2,543,000	7,000	2,550,000	4%	0%
Total Estimated Revenues	66,539,805	712,133	67,251,938	100%	1%
APPROPRIATION BY FUNCTION					
District Operations					
71 - Bond Principal	26,495,000	2,055,000	28,550,000	42%	8%
71 - Bond Interest	40,029,805	(1,342,867)	38,686,938	58%	-3%
71 - Other Debt Fees	15,000	0	15,000	0%	0%
Total District Operations	66,539,805	712,133	67,251,938	100%	1%
Total Appropriations	66,539,805	712,133	67,251,938	100%	1%
BUDGETED SURPLUS (DEFICIT)	0	0	0		

Student Nutrition Fund

	2025-26 ADOPTED BUDGET	INCREASE (DECREASE)	2026-27 PROPOSED BUDGET	PERCENT OF TOTAL	PERCENT CHANGE
Local Revenue					
Local Revenue	2,998,016	364,474	3,362,490	23%	12%
Total Local Revenue	2,998,016	364,474	3,362,490	23%	12%
State Revenue					
State Revenue	62,000	(2,000)	60,000	0%	-3%
Total State Revenue	62,000	(2,000)	60,000	0%	-3%
Federal Revenue					
Federal Revenue	12,865,575	(1,423,268)	11,442,307	77%	-11%
Total Federal Revenue	12,865,575	(1,423,268)	11,442,307	77%	-11%
Total Estimated Revenues	15,925,591	(1,060,794)	14,864,797	100%	-7%
APPROPRIATION BY OBJECT					
61 - Payroll Costs	7,066,668	84,332	7,151,000	48%	1%
62 - Professional and Contracted Services	310,000	6,500	316,500	2%	2%
63 - Supplies and Materials	7,919,163	(557,354)	7,361,809	50%	-7%
64 - Other Operating Costs	31,700	(14,000)	17,700	0%	-44%
66 - Capital Outlay	598,060	(580,272)	17,788	0%	-97%
Total Appropriations	15,925,591	(1,060,794)	14,864,797	100%	-7%
BUDGETED SURPLUS (DEFICIT)	0	0	0		

2026 Proposed Tax Rate

Maintenance and Operations (M&O)

Debt Service (I&S)

Tax Year 2026 Proposed Tax Rate

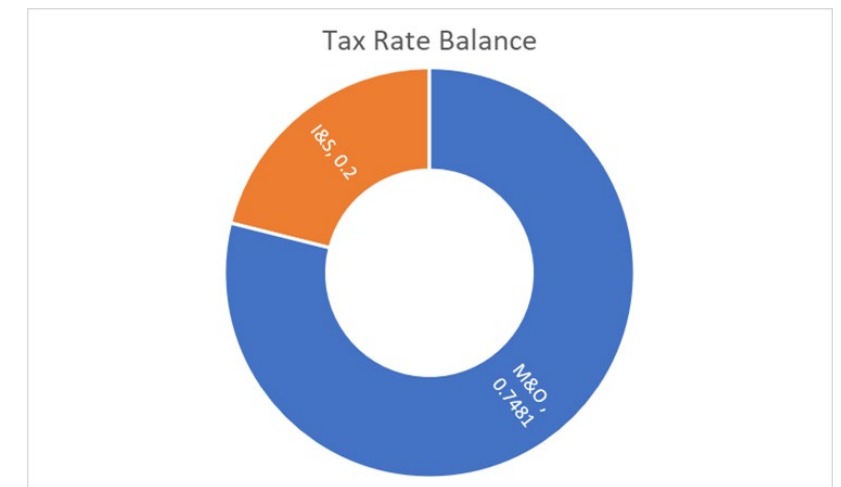
TEA did not compress the M&O tax rate, therefore the tax rate will remain unchanged from the prior year.

YEAR	M&O TAX RATE	I&S TAX RATE	TOTAL TAX RATE
22-23	\$0.9429	\$0.2000	\$1.1429
23-24	\$0.7836	\$0.2000	\$0.9836
24-25	\$0.7552	\$0.2284	\$0.9836
25-26	\$0.7481	\$0.2000	\$0.9481
26-27	\$0.7481	\$0.2000	\$0.9481

M&O and I&S Tax Rate Balance

- The combined proposed tax rate = \$0.9481 per \$100 of taxable value
- \$0.9481 isn't all available for operating schools

Fund	Proposed Rate	Purpose
M&O (about 78.9%)	\$0.7481	Pays for the district's day-to-day operations including salaries, utilities and supplies
I&S (about 21.1%)	\$0.2000	Pays the principal and interest on voter-approved school bonds. I&S funds can not be used for normal M&O expenses
Total	\$0.9481	Combined proposed tax rate



Tax Payer Impact Statement

Dallas County

Fiscal Year (Tax Year)	Median-Valued Homestead	Tax Rate Per \$100 of Value	Estimated Property Tax Bill
FY 2025-26 (TY 2025)	\$279,283	0.9481	\$2,647.88
FY 2026-2027 (TY 2026)	\$291,110	0.9481	\$2,760.01

Denton County

Fiscal Year (Tax Year)	Median-Valued Homestead	Tax Rate Per \$100 of Value	Estimated Property Tax Bill
FY 2025-26 (TY 2025)	\$238,209	0.9481	\$2,258.46
FY 2026-2027 (TY 2026)	\$230,000	0.9481	\$2,180.63

Key Takeaways

Transparency, Fiscal Responsibility, and a Strong Future for all Students

- **Continued Transparency:** The District will continue to openly communicate about the factors that impact the budget.
- **Strong Fund Balance:** The projected fund balance is approximately 4.3 months of operating costs remaining above the 2-month requirement.
- **Supporting Our Employees:** the budget includes a recommendation for years-of-service supplemental pay and a pay increase for all staff.
- **No Proposed Tax Rate Increase:** The tax rate for both M&O and I&S will remain unchanged.
- **Balanced Budgets Proposed:** General Fund, Student Nutrition and Debt Service will have balanced budgets for 2026-27.
- **Community Transparency-Coming Soon:** Communications is developing a comprehensive web page that will help the community understand how the District arrived at its current financial position, the steps being taken to align the budget, and the plan for a strong and sustainable future.

District Administration Recommends

- Approval of the Years of Service Resolution
- Adoption of the 2026-27 Budget for the General Fund, Student Nutrition Fund, and Debt Service Fund
- Adoption of the 2026-27 Tax Rate as presented, with the tax rate remaining unchanged

Thank you!