2026-27 Budget Hearing

PRESENTED BY FINANCIAL SERVICES

AUGUST 24, 2026

Katy Independent School District

Board Timeline for Budget

- ☑ January: Introduction and budget parameters
- ☑ February: Long-Term Debt Plan/projections – Debt Service Fund
- ☑ March: Initial look at budget projections – General Fund
- ☑ May and/or June: Closer look at budget projections
- ☑ July: Budget Projections – All Budgeted Funds
- ❑ August: Public Hearing to Discuss Budget and Tax Rates

Katy Independent School District

2026-27 Budget Overview

The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that this budget be prepared and adopted by August 31 by the Board of Trustees.

Katy Independent School District

NOTICE OF PUBLIC MEETING

TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Katy Independent School District will hold a public meeting at 5:00 p.m., August 24, 2026, in the Boardroom, Education Support Complex, 6301 South Stadium Lane, Katy, Texas 77494. 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.

Katy Independent School District

2026-27 Budget Overview

Enrollment Growth

0.0%



New Campuses

None

Elementary #49
Next Summer

Tax Base Growth

1.5%



Katy Independent School District

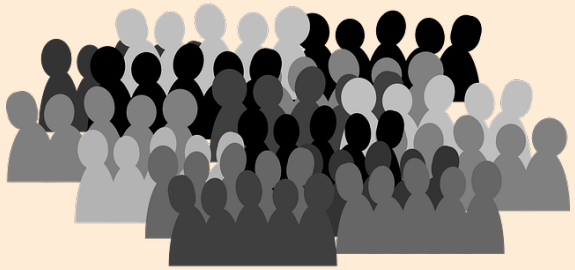
2026-27 Budget Overview

Salary Increase

1%
Plus Two
1% Lump Sum
Payments

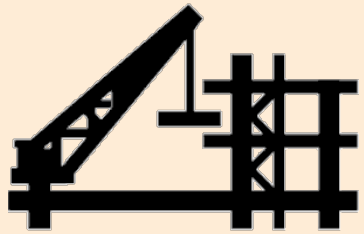
M&O Tax Rate

$0.7271



I&S Tax Rate

$0.3900



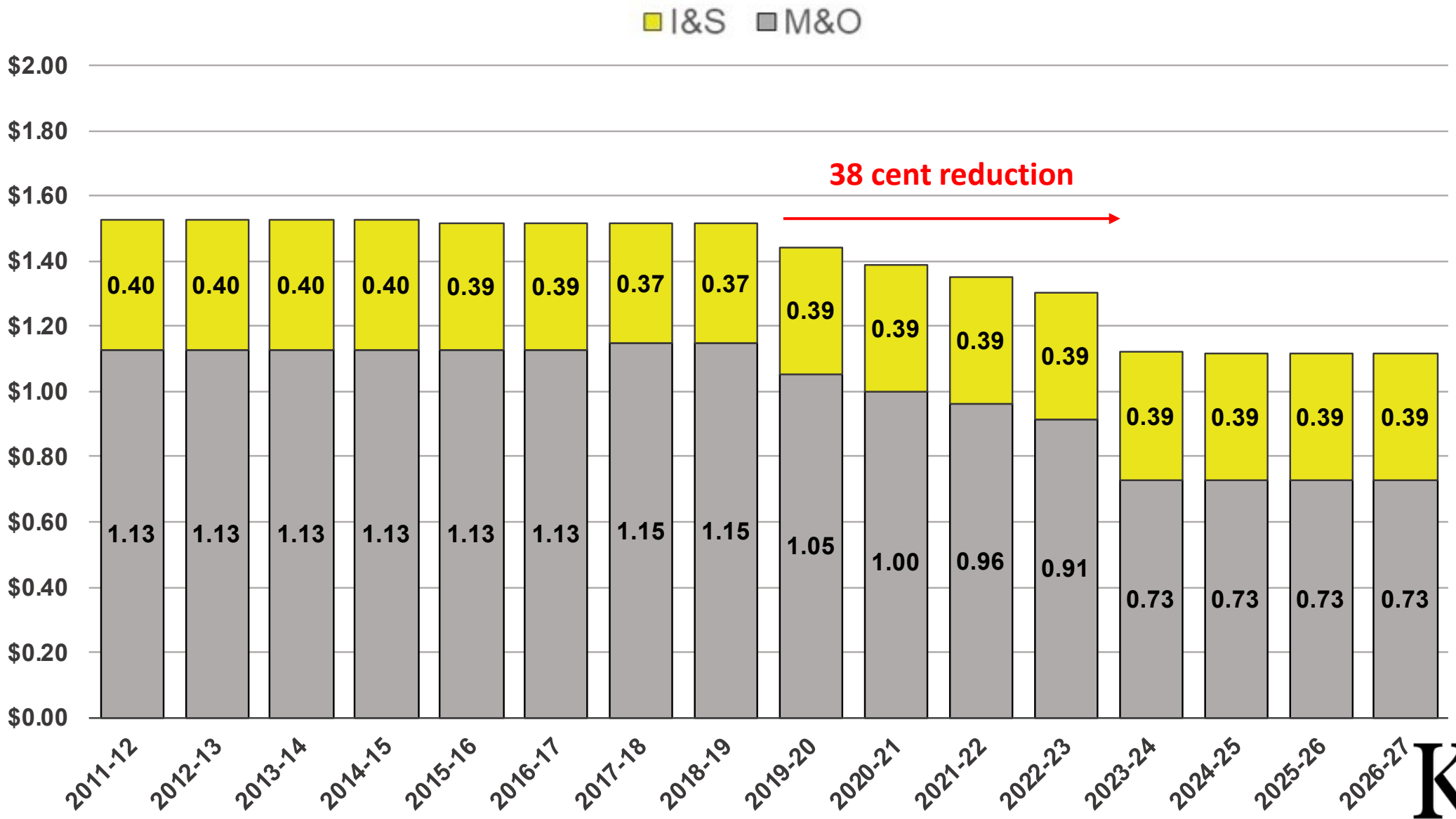
Katy Independent School District

2026-27 Budget Objectives

- Maintain a balanced budget
- Maintain a competitive compensation plan
- Maintain and improve our health care program
- High priority on student and staff safety

Katy Independent School District

Tax Rates



**Tax Rates are adopted in September*

Katy Independent School District

2026-27 General Fund

Katy Independent School District

Adopted Deficit Budgets vs. Actual Results

Original adopted budget vs. actual change in General Fund balance — every deficit-budget year since FY2023

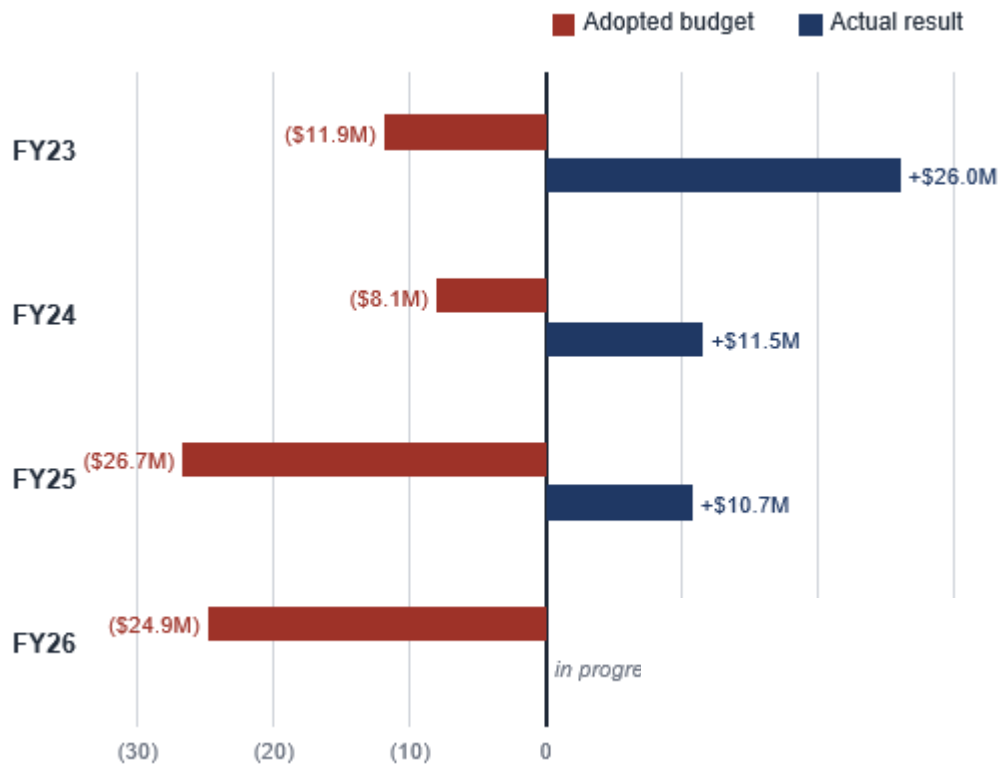
($46.7M)
combined deficit adopted
FY2023–FY2025 original budgets

+$48.2M
added to fund balance
FY2023–FY2025 audited results

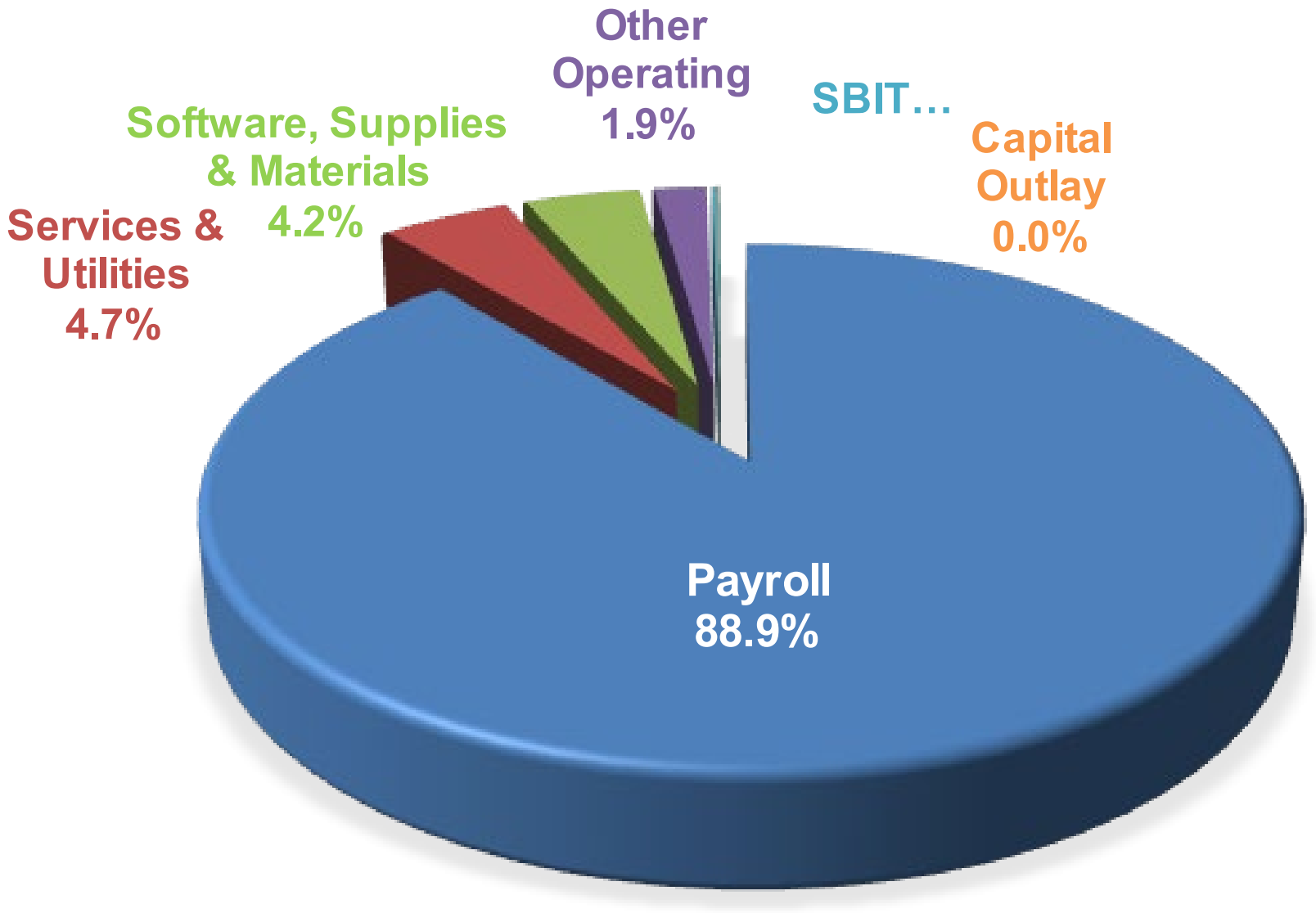
$375.0M
GF fund balance at 8/31/2025
34.7% of expenditures

Fiscal Year	Adopted Budget Net Change	Actual Net Change	Favorable Variance	Ending Fund Balance	FB % of Expend.
FY2022 — reference	$203,163	$18,990,618	$18,787,455	$326,788,441	36.8%
FY2023 (2022–23)	($11,921,145)	$25,994,996	**$37,916,141**	$352,783,437	37.2%
FY2024 (2023–24)	($8,078,929)	$11,515,130	**$19,594,059**	$364,298,567	35.5%
FY2025 (2024–25)	($26,716,097)	$10,735,307	**$37,451,404**	$375,033,874	34.7%
FY2026 (2025–26)	($24,863,394)	*in progress*	—	—	—

Budgeted draw vs. actual add to fund balance ($ millions)

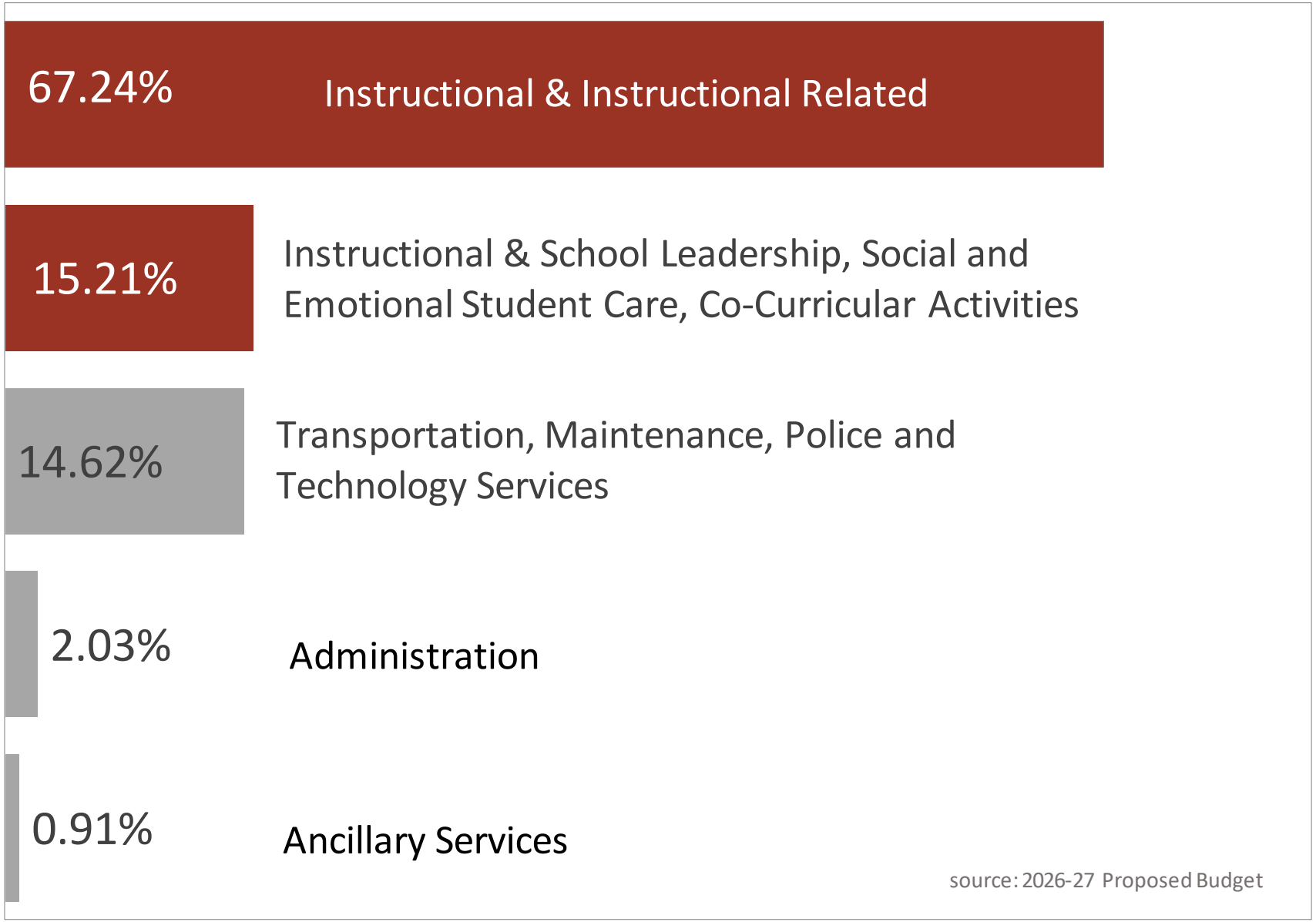


2026-27 General Fund - Overview



Katy Independent School District

83% of Budget is spent in the Classroom



Katy Independent School District

2026-27 General Fund

Budgeted Fund Balance at September 1, 2026	**$ 374,428,646**
Revenues	
Property Taxes and Other Local Revenues	446,731,083
State Program Revenues	688,332,859
Federal Program Revenues	5,350,000
Total Revenues	**1,140,413,942**
Expenditures	
Payroll Costs	1,036,780,583
Purchased and Contracted Services	54,559,437
Supplies and Materials	49,011,655
Other Operating Expenses	22,313,564
SBITA	2,937,013
Capital Outlay	485,967
Total Expenditures	**1,166,088,219**
Net Change to Fund Balance	**(25,674,277)**
Budgeted Fund Balance at August 31, 2027	**$ 348,754,369**

Katy Independent School District

2026-27 Food Service Fund

Katy Independent School District

2026-27 Food Service Fund

Budgeted Fund Balance at September 1, 2026	**$**	**9,192,017**
Revenues		
Local Revenues		19,080,000
State Program Revenues		340,000
Federal Program Revenues		33,753,624
Total Revenues		**53,173,624**
Expenditures		
Payroll Costs		23,906,304
Purchased and Contracted Services		170,000
Supplies and Materials		35,478,901
Other Operating Expenses		71,500
Capital Outlay		1,100,000
Total Expenditures		**60,726,705**
Net Change to Fund Balance		**(7,553,081)**
Budgeted Fund Balance at August 31, 2027	**$**	**1,638,936**

Katy Independent School District

2026-27 Debt Service Fund

Katy Independent School District

2026-27 Debt Service Fund

Budgeted Fund Balance at September 1, 2026	**$**	**65,916,002**
REVENUE ESTIMATES		
Property Taxes & Other Local Revenues		221,698,397
Interest Earnings		4,000,000
Existing Debt (EDA) Instructional Facilities Allotment (IFA)		
Additional State Aid For Homestead Exemption (ASAHE)		34,191,924
Total Revenues		**259,890,321**
Expenditures		
Principal Payments - General Obligation Bonds		146,945,000
Interest Payments - General Obligation Bonds		109,889,962
Bank Fees - Trust Department and Other		415,038
Total Expenditures		**257,250,000**
Net Change to Fund Balance		2,640,321
Budgeted Fund Balance at August 31, 2027	**$**	**68,556,323**

Katy Independent School District

2026-27 Summary – All Funds

Katy Independent School District

2026-27 Summary – All Funds

	General Fund	Food Service Fund	Debt Service Fund	Total
Fund Balance at September 1, 2026	$ 374,428,646	$ 9,192,017	$ 65,916,002	$ 449,536,665
Revenues				
Property Taxes and Other Local Revenues	446,731,083	19,080,000	225,698,397	691,509,480
State Program Revenues	688,332,859	340,000	34,191,924	722,864,783
Federal Program Revenues	5,350,000	33,753,624		39,103,624
Total Revenues	1,140,413,942	53,173,624	259,890,321	1,453,477,887
Expenditures				
Payroll Costs	1,036,780,583	23,906,304		1,060,686,887
Purchased and Contracted Services	54,559,437	170,000		54,729,437
Supplies and Materials	49,011,655	35,478,901		84,490,556
Other Operating Expenses	22,313,564	71,500		22,385,064
Debt Payments & SBITA	2,937,013		257,250,000	260,187,013
Capital Outlay	485,967	1,100,000		1,585,967
Total Expenditures	1,166,088,219	60,726,705	257,250,000	1,484,064,924
Excess (Deficiency) of Revenues	(25,674,277)	(7,553,081)	2,640,321	(30,587,037)
Fund Balance at August 31, 2027	$ 348,754,369	$ 1,638,936	$ 68,556,323	$ 418,949,628

Katy Independent School District

2026-27 Summary – All Funds

	General Fund	Food Service Fund	Debt Service Fund	Total
Revenues				
Property Taxes and Other Local Revenues	$ 446,731,083	$ 19,080,000	$ 225,698,397	$ 691,509,480
State Program Revenues	688,332,859	340,000	34,191,924	722,864,783
Federal Program Revenues	5,350,000	33,753,624		39,103,624
Total Revenues	1,140,413,942	53,173,624	259,890,321	1,453,477,887
Expenditures				
Instruction	747,009,199			747,009,199
Instructional Resources and Media Services	10,752,503			10,752,503
Curriculum and Instructional Staff Development	23,293,284			23,293,284
Instructional Leadership	9,508,390			9,508,390
School Leadership	66,058,592			66,058,592
Guidance, Counseling and Evaluation Services	60,932,889			60,932,889
Social Work Services	1,593,298			1,593,298
Health Services	13,669,770			13,669,770
Student (Pupil) Transportation	32,930,433			32,930,433
Food Services		60,626,705		60,626,705
Co-curricular/Extracurricular Activities	25,591,857			25,591,857
General Administration	23,625,625			23,625,625
Plant Maintenance and Operations	96,614,585	100,000		96,714,585
Security and Monitoring Services	20,104,507			20,104,507
Data Processing Services	20,814,009			20,814,009
Community Services	807,871			807,871
Debt Service & SBITA	2,937,013		257,250,000	260,187,013
Facilities Acquisition and Construction	995,099			995,099
Payments to Fiscal Agents	1,159,295			1,159,295
Payments to Juvenile Justice Education Progra	75,000			75,000
Intergovernmental	7,615,000			7,615,000
Total Expenditures	1,166,088,219	60,726,705	257,250,000	1,484,064,924
Excess (Deficiency) of Revenues	$ (25,674,277)	$ (7,553,081)	$ 2,640,321	$ (30,587,037)

Katy Independent School District

2026-27 What's Next

- **Expect Budget Amendments**
  - Closely Monitor all expenditures
  - Timing Amendments
  - Prior year property value audit(s)
  - TEA Rulemaking & Interpretations
  - We must plan under current law
- **Legislative Session**

Katy Independent School District

Board Timeline for Budget

- ☑ January: Introduction and budget parameters
- ☑ February: Long-Term Debt Plan / Projections – Debt Service Fund
- ☑ March: Initial look at budget projections – General Fund
- ☑ May: Closer look at budget projections
- ☑ June: Budget Workshop – All Budgeted Funds
- ☑ August: Public Hearing to Discuss Budget and Tax Rates
- ☑ August: Adopt Official Budget 2026-27 and Final Amended Budget 2025-26

COMPLETED

Katy Independent School District