2026-2027 Katy ISD Official Budget

The Texas Education Code requires each local education agency in Texas to prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires the budget to be prepared no later than August 20 and adopted by the Board of Trustees no later than August 31. The Superintendent serves as the District's budget officer and is responsible for calling the Board meeting to adopt the official budget.

The attached budget was prepared in accordance with the Texas Education Code and the Texas Education Agency Financial Accountability System Resource Guide. The budget includes total revenues of **$1,453,477,887** and total expenditures of **$1,484,064,924**, resulting in an overall projected decrease in fund balance of **$30,587,037**. The budget consists of three fund types: the General Fund, Food Service Fund, and Debt Service Fund.

The **General Fund** budget includes revenues of **$1,140,413,942** and expenditures of **$1,166,088,219**. Revenue sources consist of local revenues (39.17%), state revenues (60.36%), and federal revenues (0.47%). Property tax revenues are based on a Maintenance and Operations tax rate of **$0.7271** and taxable values of approximately **$61.7 billion**. State revenue projections are based on an estimated enrollment of **95,279 students**. Major expenditure categories include payroll, contracted services, supplies and materials, other operating expenses, Subscription-Based Information Technology Arrangements (SBITA), debt-related costs, and capital outlay. Payroll expenditures account for approximately 89% of the General Fund budget and reflect staffing plans and compensation increases previously approved by the Board. General Fund expenditures exceed revenues by **$25,674,277**, resulting in a projected decrease in fund balance.

The **Food Service Fund** includes revenues and expenditures associated with the District's food service operations and summer feeding programs. Budgeted revenues total **$53,173,624**, while expenditures total **$60,726,705**, resulting in a projected decrease in fund balance of **$7,553,081.**

The **Debt Service Fund (Interest and Sinking Fund)** includes revenues of **$259,890,321** and expenditures of **$257,250,000** for the payment of principal and interest on the District's outstanding debt obligations. The primary source of revenue is local property taxes totaling **$225,698,397**, based on the current debt service tax rate of **$0.3900**. In addition, the District has budgeted **$34,191,924** in state funding through Additional State Aid for Homestead Exemption (ASAHE). The Debt Service Fund is projected to increase fund balance by **$2,640,321**.

It is the intent of the District that the budget development process results in the most effective use of educational and financial resources while supporting the goals and

objectives established by the Board of Trustees. Budget priorities are initially identified by principals and department heads and are subsequently reviewed by central administrators, a budget committee, and ultimately the Board of Trustees. This priority-based budgeting approach allows expenditures to be aligned with anticipated revenues and desired fund balance levels. The Board of Trustees retains final authority regarding funding levels and the allocation of available resources.

As part of the budget development process, District management considered the major factors that drive school district finances, including enrollment trends, compensation plans, facility needs, property values, state funding, and local economic conditions. The budget may be amended during the fiscal year to address unforeseen circumstances or changing operational needs. Changes to functional expenditure categories, revenue objects, or other financing sources and uses require Board approval.

Katy ISD has been one of the fastest-growing school districts in the Houston metropolitan area, with enrollment increasing at an average annual rate of 2.7% from 2016 through 2025. However, enrollment growth has leveled off, and enrollment for 2026-2027 is projected at **95,279 students**. According to *American School & University* magazine, Katy ISD was the 31st-largest school district in the nation as of October 2025

The District has also experienced significant growth in property values over the past decade, with assessed values increasing at an average annual rate of 5.5%. Similar to enrollment trends, growth in assessed values has moderated. For 2026-2027, taxable values are budgeted at **$61,673,300,279**, representing an increase of approximately 1.5% based on information received from the District's three county appraisal districts at the time of budget adoption.

The Board approved salary increases of **$775 per teacher**, representing approximately a 1% average increase. In addition, starting teacher pay was increased to **$66,550**. Salary ranges for all other staff were increased by 1% of the respective midpoint. Staff will also be receiving two 1% lump sum payments – one to be paid from the 25-26 budget on 08/31/2026 and the other to be paid from the 26/27 budget on 12/15/2026.

The slowing growth rate makes it imperative that the District continue to plan strategically for the future. Katy ISD maintains a Long-Range Facilities Plan that identifies and prioritizes facility needs over the next five to ten years. As enrollment projections, facility requirements, renovation needs, construction schedules, and funding levels continue to evolve, the District uses these planning tools to establish both annual budget priorities and long-term financial strategies

The District's bonded debt carries ratings of **AAA** from Standard & Poor's (S&P) and **Aaa** from Moody's Investors Service (Moody's) through the guarantee of the Texas Permanent School Fund. The District's underlying ratings are **AA** from S&P and **Aa1** from Moody's.

Katy ISD has been recognized by the Texas Comptroller of Public Accounts through the Transparency Stars Program for both Traditional Finances and Debt Obligations, reflecting the District's commitment to financial transparency and public accountability. These recognitions demonstrate the District's dedication to providing clear, accessible, and meaningful financial information to the public.

For the 23rd consecutive year, the District earned the highest possible rating of **"Superior Achievement"** under the Texas Education Agency's Schools FIRST (Financial Integrity Rating System of Texas), which evaluates the quality of financial management practices in Texas school districts.

The Government Finance Officers Association (GFOA) awarded Katy ISD a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2024, marking the 42nd consecutive year the District received this distinction. The District has submitted its August 31, 2025 ACFR for evaluation and is awaiting review results.

The Association of School Business Officials International (ASBO) awarded Katy ISD a Certificate of Excellence in Financial Reporting for the fiscal year ended August 31, 2025, representing the 43rd consecutive year the District has earned this recognition.

The Texas Association of School Business Officials (TASBO) also recognized Katy ISD with its Award of Excellence in Financial Management for implementing professional standards, best practices, and innovation in financial reporting.

This budget narrative is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's financial position and budget priorities. Questions concerning the information presented in this report or requests for additional information should be directed to the Chief Financial Officer, Katy Independent School District, 6301 South Stadium Lane, P.O. Box 159, Katy, Texas 77492.

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

		General Fund	Food Service Fund	Debt Service Fund	Total
	BUDGETED FUND BALANCE AT SEPTEMBER 1, 2026	$379,144,326	$12,286,510	$63,910,744	$455,341,580
	REVENUES:				
5700	Property Taxes and Other Local Revenues	446,731,083	19,080,000	225,698,397	691,509,480
5800	State Program Revenues	688,332,859	340,000	34,191,924	722,864,783
5900	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
	EXPENSES:				
6100	Payroll Costs	1,036,780,583	23,906,304		1,060,686,887
6200	Purchased and Contracted Services	54,559,437	170,000		54,729,437
6300	Supplies and Materials	49,011,655	35,478,901		84,490,556
6400	Other Operating Expenses	22,313,564	71,500		22,385,064
6500	Debt Payments and SBITA	2,937,013		257,250,000	260,187,013
6600	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)
	BUDGETED FUND BALANCE AT AUGUST 31, 2027	$353,470,049	$4,733,429	$66,551,065	$424,754,543

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

		General Fund	Food Service Fund	Debt Service Fund	Total
	BUDGETED FUND BALANCE AT SEPTEMBER 1, 2026	$379,144,326	$12,286,510	$63,910,744	$455,341,580
	REVENUES:				
5700	Property Taxes and Other Local Revenues	446,731,083	19,080,000	225,698,397	691,509,480
5800	State Program Revenues	688,332,859	340,000	34,191,924	722,864,783
5900	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:				
11	Instruction	747,009,199			747,009,199
12	Instructional Resources and Media Services	10,752,503			10,752,503
13	Curriculum and Instructional Staff Development	23,293,284			23,293,284
21	Instructional Leadership	9,508,390			9,508,390
23	School Leadership	66,058,592			66,058,592
31	Guidance, Counseling and Evaluation Services	60,932,889			60,932,889
32	Social Work Services	1,593,298			1,593,298
33	Health Services	13,669,770			13,669,770
34	Student (Pupil) Transportation	32,930,433			32,930,433
35	Food Services		60,626,705		60,626,705
36	Co curricular/Extracurricular Activities	25,591,857			25,591,857
41	General Administration	23,625,625			23,625,625
51	Plant Maintenance and Operations	96,614,585	100,000		96,714,585
52	Security and Monitoring Services	20,104,507			20,104,507
53	Data Processing Services	20,814,009			20,814,009
61	Community Services	807,871			807,871
71	Debt Service	2,937,013		257,250,000	260,187,013
81	Facilities Acquisition and Construction	995,099			995,099
93	Payments to Fiscal Agents	1,159,295			1,159,295
95	Payments to Juvenile Justice Education Program	75,000			75,000
99	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)
	BUDGETED FUND BALANCE AT AUGUST 31, 2027	$353,470,049	$4,733,429	$66,551,065	$424,754,543

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
ESTIMATED REVENUES:				
LOCAL AND INTERMEDIATE				
5710 Real and Personal Property Taxes	$413,325,397		$221,698,397	$635,023,794
5720 From Services to Other LEAs				
5730 Tuition and Fees from Patrons	4,700,000			4,700,000
5740 Other Revenues from Local Sources	23,550,000	650,000	4,000,000	28,200,000
5750 Co-Curricular/ Enterprising	3,550,000	18,430,000		21,980,000
5760 Intermediate Sources	1,605,686			1,605,686
5700 Local and Intermediate Totals	446,731,083	19,080,000	225,698,397	691,509,480
STATE				
5810 Per Capita/ Foundation	621,361,597			621,361,597
5820 TEA Funded		340,000	34,191,924	34,531,924
5830 Non-TEA Funded	66,971,262			66,971,262
5840 Shared Services - State				
5800 State Totals	688,332,859	340,000	34,191,924	722,864,783
FEDERAL				
5910 Other Direct Federal Revenue				
5920 TEA Funded	3,650,000	32,638,301		36,288,301
5930 Non-TEA Funded	1,600,000	1,115,323		2,715,323
5940 Direct Federal	100,000			100,000
5950 Shared Services - Federal				
5900 Federal Totals	5,350,000	33,753,624		39,103,624
5000 TOTAL - ALL REVENUES	1,140,413,942	53,173,624	259,890,321	1,453,477,887

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
APPROPRIATED EXPENDITURES:				
11 Instruction				
6100 Payroll Costs	$723,645,650			$723,645,650
6200 Purchased and Contracted Services	5,828,720			5,828,720
6300 Supplies and Materials	16,203,324			16,203,324
6400 Other Operating Expenses	1,301,505			1,301,505
6600 Capital Outlay	30,000			30,000
11 Total Instruction	747,009,199			747,009,199
12 Instructional Resources & Media Services				
6100 Payroll Costs	9,622,201			9,622,201
6200 Purchased and Contracted Services	1,764			1,764
6300 Supplies and Materials	1,117,941			1,117,941
6400 Other Operating Expenses	10,597			10,597
6600 Capital Outlay				
12 Total Instructional Resources & Media Services	10,752,503			10,752,503
13 Curriculum and Instructional Staff Development				
6100 Payroll Costs	21,340,968			21,340,968
6200 Purchased and Contracted Services	306,840			306,840
6300 Supplies and Materials	619,929			619,929
6400 Other Operating Expenses	1,022,547			1,022,547
6600 Capital Outlay	3000.00			3,000
13 Total Curriculum and Instr. Staff Development	23,293,284			23,293,284
21 Instructional Leadership				
6100 Payroll Costs	9,087,670			9,087,670
6200 Purchased and Contracted Services	35,244			35,244
6300 Supplies and Materials	174,396			174,396
6400 Other Operating Expenses	211,080			211,080
6600 Capital Outlay				
21 Total Instructional Leadership	9,508,390			9,508,390

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
23 School Leadership				
6100 Payroll Costs	$64,028,799			$64,028,799
6200 Purchased and Contracted Services	10,707			10,707
6300 Supplies and Materials	979,109			979,109
6400 Other Operating Expenses	1,037,977			1,037,977
6600 Capital Outlay	2000			2,000
23 Total School Leadership	66,058,592			66,058,592
31 Guidance, Counseling & Evaluation Services				
6100 Payroll Costs	57,987,985			57,987,985
6200 Purchased and Contracted Services	569,674			569,674
6300 Supplies and Materials	2,117,188			2,117,188
6400 Other Operating Expenses	258,042			258,042
6600 Capital Outlay				
31 Total Guidance, Counseling & Eval. Services	60,932,889			60,932,889
32 Social Work Services				
6100 Payroll Costs	1,558,990			1,558,990
6200 Purchased and Contracted Services	4,000			4,000
6300 Supplies and Materials	17,250			17,250
6400 Other Operating Expenses	13,058			13,058
6600 Capital Outlay				
32 Total Social Work Services	1,593,298			1,593,298
33 Health Services				
6100 Payroll Costs	12,410,200			12,410,200
6200 Purchased and Contracted Services	850,140			850,140
6300 Supplies and Materials	370,802			370,802
6400 Other Operating Expenses	32,628			32,628
6600 Capital Outlay	6,000			6,000
33 Total Health Services	13,669,770			13,669,770

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
34 Student (Pupil) Transportation				
6100 Payroll Costs	$20,028,632			$20,028,632
6200 Purchased and Contracted Services	5,488,756			5,488,756
6300 Supplies and Materials	6,617,873			6,617,873
6400 Other Operating Expenses	795,172			795,172
6600 Capital Outlay				
34 Total Student (Pupil) Transportation	32,930,433			32,930,433
35 Food Services				
6100 Payroll Costs		$23,906,304		23,906,304
6200 Purchased and Contracted Services		170,000		170,000
6300 Supplies and Materials		35,478,901		35,478,901
6400 Other Operating Expenses		71,500		71,500
6600 Capital Outlay		1,000,000		1,000,000
35 Total Food Services		60,626,705		60,626,705
36 Co curricular/ Extracurricular Activities				
6100 Payroll Costs	15,141,911			15,141,911
6200 Purchased and Contracted Services	1,820,368			1,820,368
6300 Supplies and Materials	4,415,824			4,415,824
6400 Other Operating Expenses	4,010,287			4,010,287
6600 Capital Outlay	203,467			203,467
36 Total Co curricular/ Extracurricular Activities	25,591,857			25,591,857
41 General Administration				
6100 Payroll Costs	18,663,810			18,663,810
6200 Purchased and Contracted Services	1,232,667			1,232,667
6300 Supplies and Materials	813,153			813,153
6400 Other Operating Expenses	2,915,995			2,915,995
6600 Capital Outlay				
41 Total General Administration	23,625,625			23,625,625

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
51 Plant Maintenance & Operations				
6100 Payroll Costs	$49,208,577			$49,208,577
6200 Purchased and Contracted Services	29,834,045			29,834,045
6300 Supplies and Materials	8,023,949			8,023,949
6400 Other Operating Expenses	9,306,514			9,306,514
6600 Capital Outlay	241,500	$100,000		341,500
51 Total Plant Maintenance & Operations	96,614,585	100,000		96,714,585
52 Security and Monitoring Services				
6100 Payroll Costs	18,388,837			18,388,837
6200 Purchased and Contracted Services	309,684			309,684
6300 Supplies and Materials	1,357,819			1,357,819
6400 Other Operating Expenses	48,167			48,167
6600 Capital Outlay				
52 Total Security and Monitoring Services	20,104,507			20,104,507
53 Data Processing Services				
6100 Payroll Costs	14,022,562			14,022,562
6200 Purchased and Contracted Services	539,000			539,000
6300 Supplies and Materials	6,081,795			6,081,795
6400 Other Operating Expenses	170,652			170,652
6600 Capital Outlay				
53 Total Data Processing Services	20,814,009			20,814,009
61 Community Services				
6100 Payroll Costs	711,392			711,392
6200 Purchased and Contracted Services	37,828			37,828
6300 Supplies and Materials	51,303			51,303
6400 Other Operating Expenses	7,348			7,348
6600 Capital Outlay				
61 Total Community Services	807,871			807,871

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
71 Debt Service				
6100 Payroll Costs				
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenses				
6500 Debt Service	$2,937,013		$257,250,000	$260,187,013
6600 Capital Outlay				
71 Total Debt Service	2,937,013		257,250,000	260,187,013
81 Facilities Acquisition and Construction				
6100 Payroll Costs	932,399			932,399
6200 Purchased and Contracted Services				
6300 Supplies and Materials	50,000			50,000
6400 Other Operating Expenses	12,700			12,700
6600 Capital Outlay				
81 Total Facilities Acquisition and Construction	995,099			995,099
93 Payments to Fiscal Agents				
6100 Payroll Costs				
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenses	1,159,295			1,159,295
6600 Capital Outlay				
93 Payments to Fiscal Agents	1,159,295			1,159,295
95 Payments to Juvenile Justice Education Program				
6100 Payroll Costs				
6200 Purchased and Contracted Services	75,000			75,000
6300 Supplies and Materials				
6400 Other Operating Expenses				
6600 Capital Outlay				
95 Payments to Juvenile Justice Education Prog.	75,000			75,000

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2026 - 2027

	General Fund	Food Service Fund	Debt Service Fund	Total
99 Intergovernmental				
6100 Payroll Costs				
6200 Purchased and Contracted Services	7,615,000			7,615,000
6300 Supplies and Materials				
6400 Other Operating Expenses				
6600 Capital Outlay				
99 Intergovernmental	7,615,000			7,615,000
6000 TOTAL - ALL EXPENDITURES	1,166,088,219	60,726,705	257,250,000	1,484,064,924
1100 Net (Revenues - Expenditures)	(25,674,277)	(7,553,081)	2,640,321	(30,587,037)
BALANCES				
3100 Beginning Fund Balance 9/1/2026	$379,144,326	$12,286,510	$63,910,744	$455,341,580
3110 Ending Fund Balance 8/31/2027	$353,470,049	$4,733,429	$66,551,065	$424,754,543

Per Texas Senate Bill 622 passed during the 85th Legislative Session:

Advertising budget for Statutorily Required Public Notices - Object Code 6491 New 2018-19

2026-2027 OFFICIAL GOF BUDGET	2025-2026 PROJECTED GOF ACTUALS
$ 13,000	$ 10,304

Per Texas House Bill 1495 passed during the 86th Legislative Session:

Payments that may have contributed to lobbying efforts - Object Code 6214* New 2019-20
(This will be calculated as a percentage of due/membership payments to professional organizations.)

2026-2027 OFFICIAL GOF BUDGET	2025-2026 PROJECTED GOF ACTUALS
$ 70,489	$ 66,448