



Board of Trustees Financial Reporting Overview

May 7, 2026

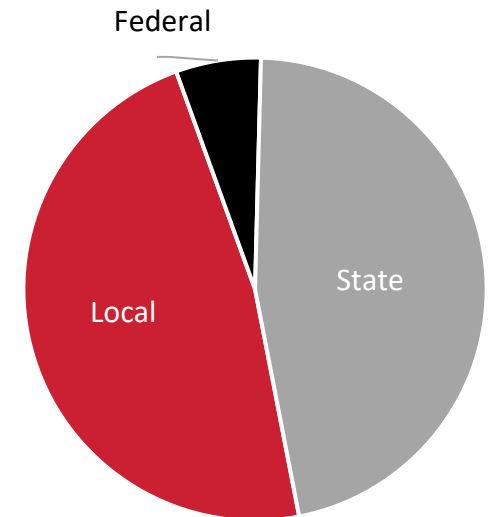
Art Martin, Interim Chief Financial Officer



Texas Public School Funding

Three Main Funding Sources – General Fund

- Local (Property Taxes)
 - Largest share
 - Based on district property values and tax rates
- State Funding (Foundation School Program)
 - Designed to equalize funding across the districts
 - Adjusted for student needs (e.g., special education, bilingual)
- Federal Funding
 - Smallest portion
 - Supports specific programs



How State Funding Works

- Property wealth + student enrollment
 - CFB has over 1400 less students compared to last year
 - Revenues drop immediately, costs do not adjust as fast
- State formula calculates “Entitlement”
- The state fills the gap between local revenue & target funding

How State Funding Works – Cont'd

Key Concepts:

- **Recapture**
 - Property-wealthy districts may send funds back to the state
 - Helps fund property-poor districts
- **What drives funding**
 - Student attendance (not just enrollment)
 - Program needs (SPED, CTE, etc.)
 - Legislative formulas set by the Texas Legislature
- **State requirements vs. funding** (some mandates increase costs without fully funding them)
 - Required armed security officers on every campus
 - Expanded academic and curriculum requirements
 - New safety and health requirements

Unfunded Mandates

General operational expectations

- No full inflation adjustment to the basic allotment
- Rising costs (insurance, utilities, staffing) still exceed aid

Property tax compression

- Reliance on state appropriations rather than stable local revenue
- State promises “hold harmless” funding, but there could be long term gaps

New curriculum, testing, and accountability

- Increased assessments during the year
- Requires faster turnaround of results and new systems

School safety requirements

- Continued requirement for armed forces on every campus
- Additional expectations around safety planning and staffing

Seat belts required on all buses

- Three-point seat belts must be installed on school buses purchased after 2017 (the district is fully compliant)



Actions Taken To Reduce Budget Deficit

Actions To Reduce Budget Deficit

Strengthened Staffing Controls

- Implemented **position control** to align with approved budget
- Careful review of vacancies and replacements
- Enforced **overtime controls** and approval process
- Increased monitoring of payroll expenditures

Focused on Budget Efficiency and Transparency

- **Reclassified expenditures** for a one time savings
- Provided budget training for all campuses principals and department leaders
- Emphasis on accountability and real-time budget management
- Transitioning fiscal year from September 1 → July 1



Budget Update 2025-2026

Budget Update 2025-2026

Projected Financial Outlook 2025-2026

- **Revenue:** \$286,398,521
- **Expenses:** \$298,927,645
- **Deficit:** (\$12,529,124)



Monthly Financial Report

General Fund Expenditures

September 1, 2025 – March 31, 2026

- **Total Expenses** (current year) \$177,430,716
- **Total Expenses** (prior year) \$189,744,307
- **Year – over – Year Change:** \$12.3M ↓

General Fund Expenditures – Cont'd

General Fund – capital purchases

- **Buses**
 - 3 – 77 passenger
 - 3 – 54 passenger with lifts
 - 2 – 14 passenger non CDL
- **White Fleet**
 - 7 – Ford transit vans
 - 1 – F350 XL super cab
 - 1 – F350 crew cab
- **Miscellaneous Equipment**
 - 3 – Poster machines
 - 1 – Vision screener
 - 1 – Club car carry all
 - Multiple athletic mats



Change In Fiscal Year

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Change in fiscal year from September 1 → July 1

2026-2027 Fiscal Year will be a 10-month budget

- Approx. \$40M less in payroll costs
- Approx. \$10M less in operating costs

2027-2028 fiscal year will start on July 1, 2027

- Aligns the fiscal year more closely with the academic cycle
- Improves financial planning and transparency
- Does not increase or decrease cash
- The district will continue with Right Size Adjustments through attrition

Budget Next Steps

Budget Workshop – May 14

- Review updated projections and assumptions
- Compensation options
- Evaluate pay structures and market competitiveness
- Align staffing and resources with enrollment and needs

Questions?

Thank You!