



DENTON INDEPENDENT SCHOOL DISTRICT

Welcome, Denton ISD Ambassadors

Ambassador Program

September 17, 2026





WELCOME & OPENING REMARKS

Dr. Susannah O'Bara

Superintendent

Denton Independent School District



Denton ISD Ambassador Program | September 17, 2026



Meet Our Presenters



Dr. Jeremy Thompson

Deputy Superintendent



Jennifer Stewart

Chief Financial Officer



Two “Buckets” of Funding



Maintenance & Operations

Day-to-Day Operations

- Teacher Salaries
- Classroom Supplies
- Utilities
- Transportation

- Size is based on average student attendance and student attributes – not the amount of property taxes collected locally (can only change due to a change in students, or a tax rate increase approved by voters)
- TEA sets the Maximum Compressed Tax Rate (MCR) annually for the District



Interest & Sinking

Debt Service

- Capital Expenditures
- Land
- Construction/Renovations
- Technology
- New Buses

- Approved by voters
- The Board of Trustees sets the I&S tax rate based on debt service payment requirements
- The I&S rate is capped at \$0.50 (per \$100/valuation)



Texas Public School Finance

Foundation School Program (FSP)

A system of formulas that determine an individual district's total funding amount. A district is then responsible for generating a state-assigned local share through local ad valorem ("according to value") property taxes. The state makes up any difference between the district's entitlement and local property tax revenue with state aid. If a district has sufficient property wealth to generate more than its state-determined funding amount, then the district must return the excess to the state (recapture).

● **\$0.5628**

Tier 1 (MCR) · Tax Year 2026

● **\$0.11**

Tier 2 · Tax Year 2026



Tier 1

Designed to provide funding for a basic, or foundation, educational program for all students, based primarily on student counts and student attributes. Each district has a basic entitlement under Tier 1. Most of this amount is determined by applying various funding weights to student counts and multiplying that by the basic allotment of \$6,215. The weights are applied to account for differences in the cost of educating students in different educational programs or settings or with different characteristics.



Tier 2

Provides funding for an enrichment program. Districts are limited to a maximum of 17 cents of tax effort in Tier 2. Because of the varying yields, the 17 cents are divided into golden pennies (8) and copper pennies (9). A district must get voter approval before it can levy more than 5 cents in Tier 2.



Recapture

If a district's property wealth is high enough to generate revenue in excess of entitlement, the district must take steps to reduce excess local revenue. This is often referred to as recapture. There is no recapture on the golden penny portion of Tier 2 or on interest and sinking (I&S) fund taxes levied to repay bonded debt. Texas Education Code Chapter 49 provides five options for a district to reduce excess revenue.



How Much Does a District Receive (M&O)?

A district is funded using a formula that is set in state statute and is based on the number of students enrolled, student demographics, attendance and the school's participation in special programs.

The district funding formula includes:

-  **Basic Allotment**
\$6,215 per student and does not include an inflation factor
-  **Average Daily Attendance (ADA)**
Average number of students who come to class on any given day
-  **Weighted-Student Units**
Student populations that need more educational resources, including those classified as at-risk, economically disadvantaged, bilingual, special education, gifted and talented, career and technical education, and dyslexia

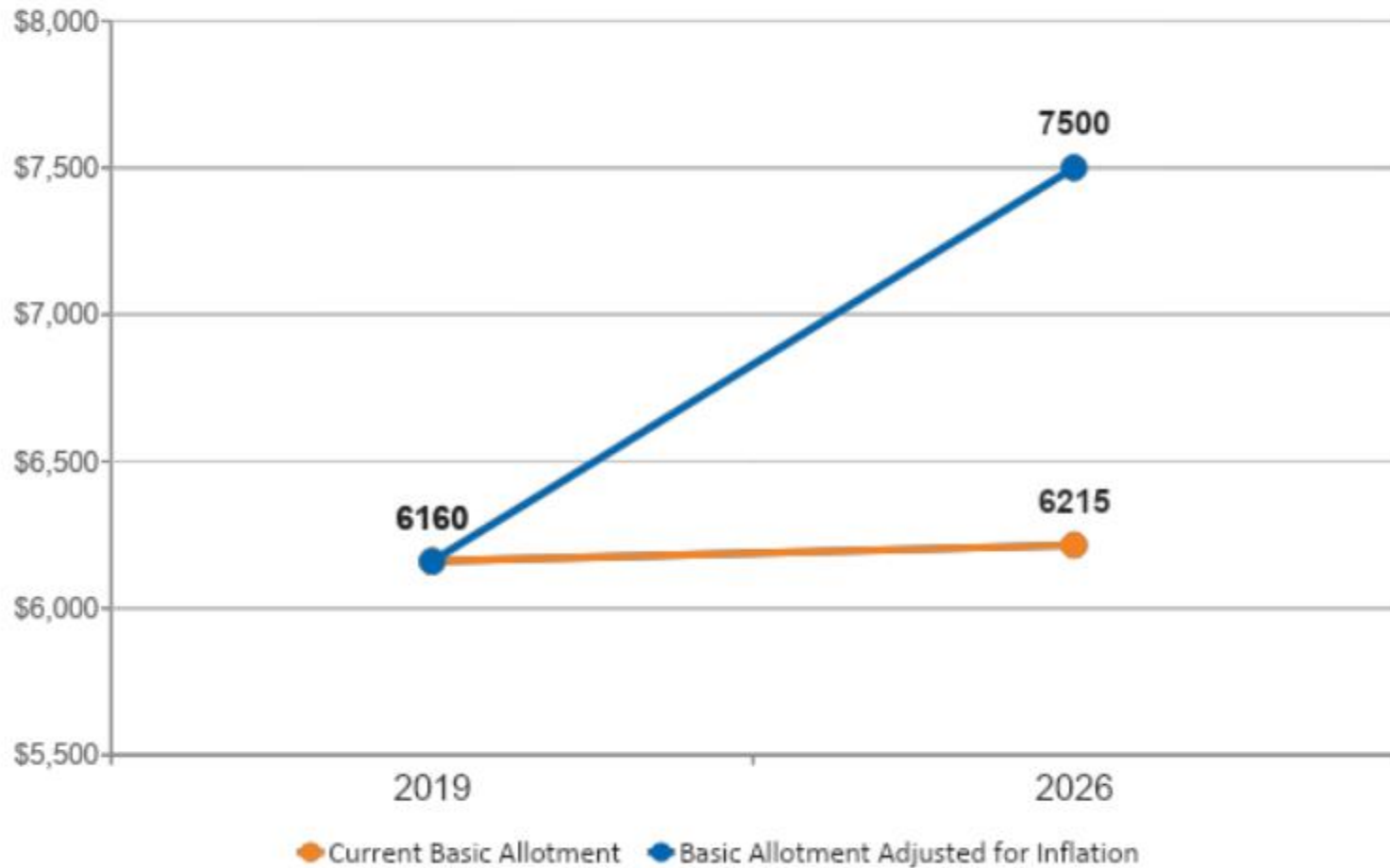


Student attendance is important!

When students come to class, they not only increase their learning opportunities, but they also increase their district's state funding for the year.



Basic Allotment



● **\$6,160**

Basic allotment per student in 2019

● **\$6,215**

Current basic allotment per student (2026)

● **\$7,500**

What the basic allotment would be if adjusted for inflation



Statewide Average Attendance

School Year	Enrollment	Refined ADA / Attendance	Actual ADA as Proportion of Enrollment
2017	5,359,127	4,971,740	0.9277
2018	5,399,682	5,005,203	0.9269
2019	5,431,910	5,020,360	0.9242
2020	5,493,940	4,908,831	0.8935
2021	5,371,586	4,993,826	0.9297
2022	5,427,370	4,969,072	0.9156
2023	5,518,432	4,982,301	0.9028
2024	5,531,236	5,017,143	0.9071
2025*	5,430,866	4,969,716	0.9151

*2025 – estimated



100,370

Statewide enrollment decrease from 2024 to 2025*



THINK ABOUT IT

When your property tax bills increase, do you think the district receives more revenue as a result?



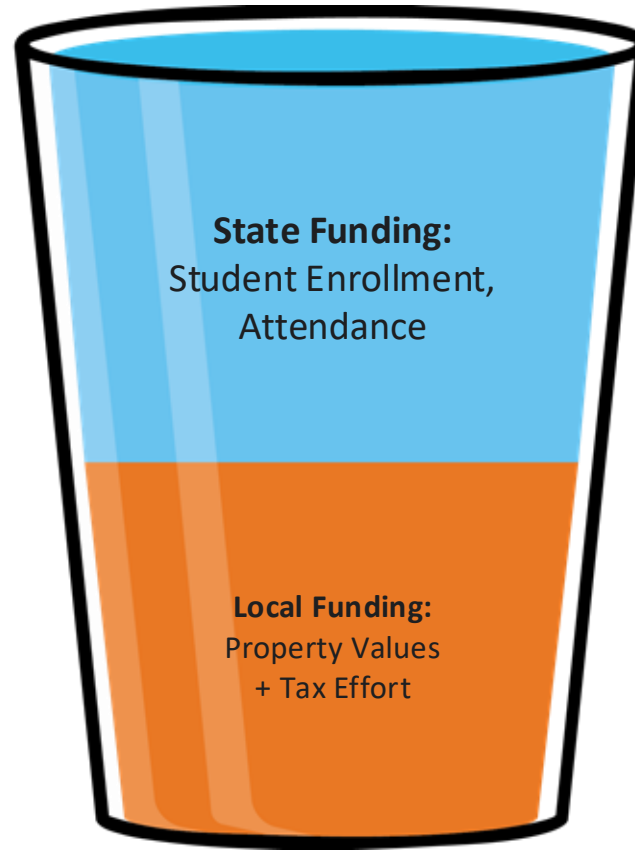
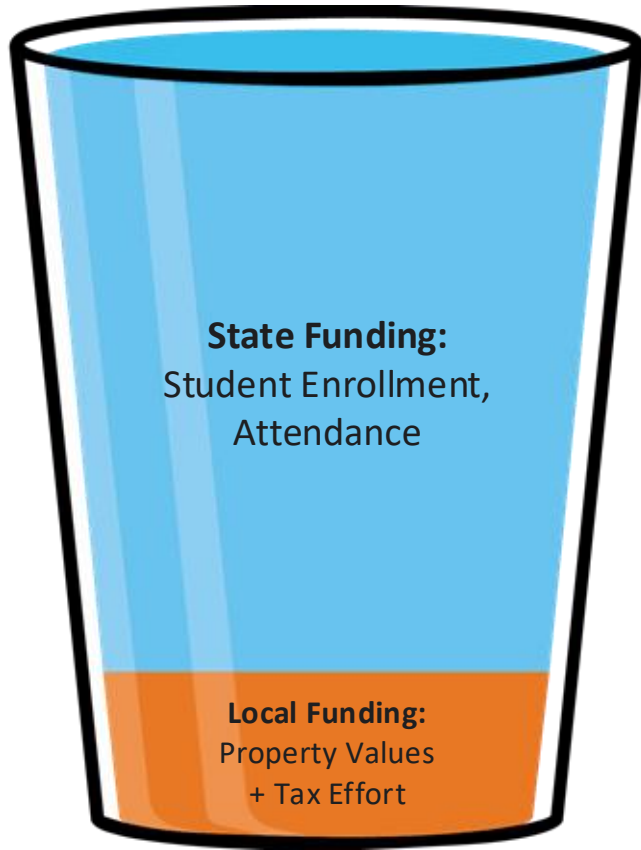
You pay your property taxes to the local tax collector.



The tax collector distributes funds to schools, cities and other local governments.



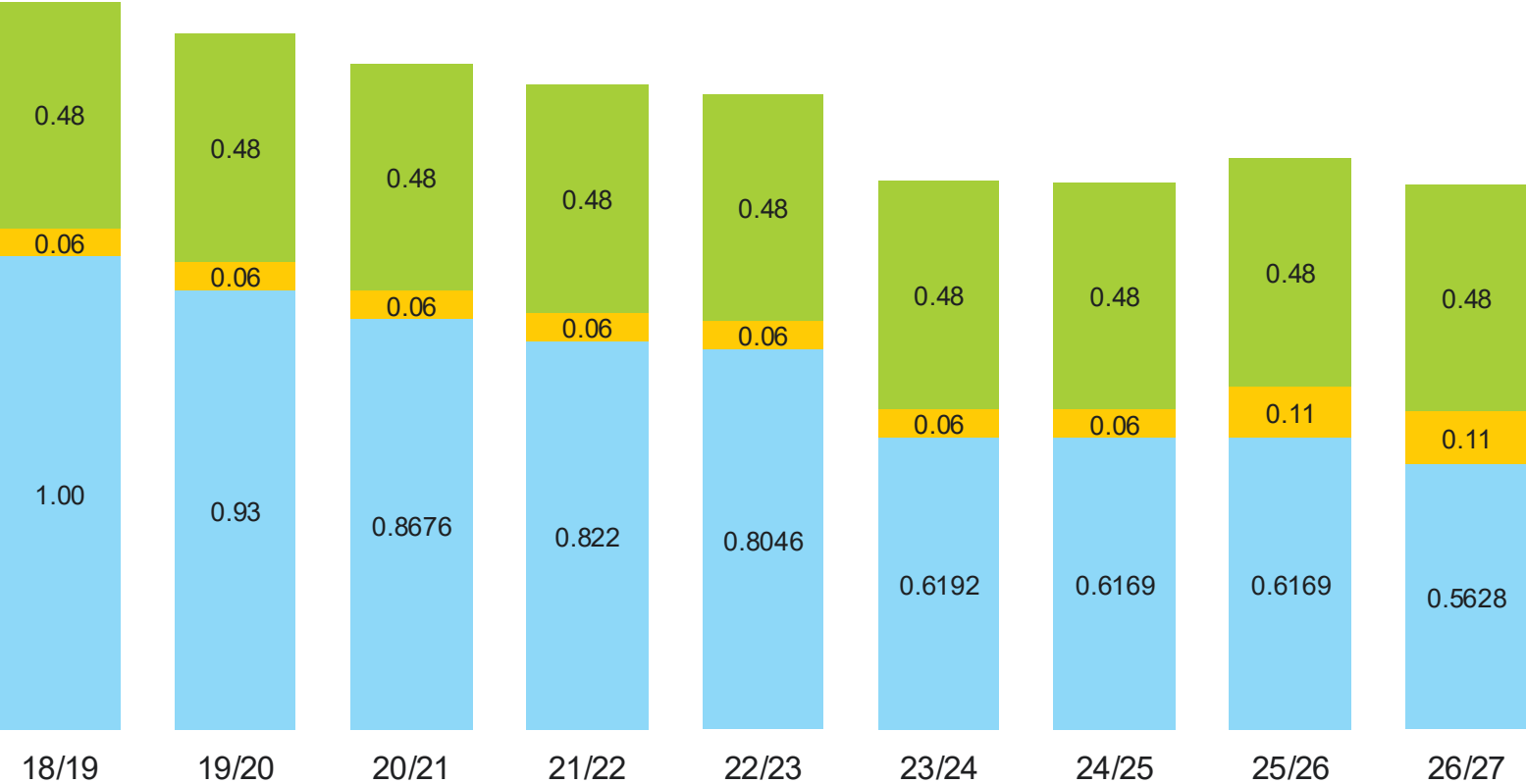
Relationship Between Property Tax Burden and Total M&O Funding (Entitlement)



**The size of our
glass does not
change based
on the amount
of property
taxes collected!**



Denton ISD Schedule of Tax Rates



\$0.5628

M&O Tax Rate – Tier 1 (MCR), 26/27

\$0.11

M&O Tax Rate – Tier 2, 26/27

\$0.48

Debt Service Tax Rate, 26/27



M&O Tax Rates 2025 – Peer Districts

District	Enrollment	MCR Tier 1	Tier 2	Total M&O
Birdville ISD	20,000 to 30,000	0.6169	0.1700	0.7869
Mansfield ISD	More than 30,000	0.6169	0.1700	0.7869
Plano ISD	More than 30,000	0.6322	0.1700	0.8022
Arlington ISD	More than 30,000	0.6322	0.1700	0.8022
Garland ISD	More than 30,000	0.6169	0.1700	0.7869
Lewisville ISD	More than 30,000	0.6169	0.1700	0.7869
Carrollton-Farmers Branch ISD	20,000 to 30,000	0.6098	0.1383	0.7481
Frisco ISD	More than 30,000	0.6110	0.1383	0.7493
Keller ISD	More than 30,000	0.6169	0.1383	0.7552
McKinney ISD	20,000 to 30,000	0.5960	0.1383	0.7343
Prosper ISD	20,000 to 30,000	0.5758	0.1383	0.7141
Northwest ISD	20,000 to 30,000	0.5831	0.1138	0.6969
Denton ISD	More than 30,000	0.5628	0.1100	0.6728
Irving ISD	More than 30,000	0.5975	0.1010	0.6985
Hurst-Euless-Bedford ISD	20,000 to 30,000	0.6226	0.0800	0.7026

DENTON ISD

\$0.6728

Total M&O tax rate

MCR – Maximum Compressed Rate

Source: Texas Education Agency and Texas Comptroller of Public Accounts



M&O Tax Rates 2025 – Denton County School Districts

District	MCR Tier 1	Tier 2	Total M&O
Celina ISD	0.5689	0.1700	0.7389
Ponder ISD	0.6066	0.1700	0.7766
Pilot Point ISD	0.5999	0.1383	0.7382
Aubrey ISD	0.5866	0.1383	0.7249
Krum ISD	0.5823	0.1383	0.7206
Lake Dallas ISD	0.6169	0.1383	0.7552
Little Elm ISD	0.6169	0.1383	0.7552
Sanger ISD	0.6169	0.1300	0.7469
Denton ISD	0.5628	0.1100	0.6728
Argyle ISD	0.5797	0.0930	0.6727

DENTON ISD

\$0.6728

Total M&O tax rate

MCR – Maximum Compressed Rate

Source: Texas Education Agency, Texas Comptroller of Public Accounts, and Denton County Tax Office

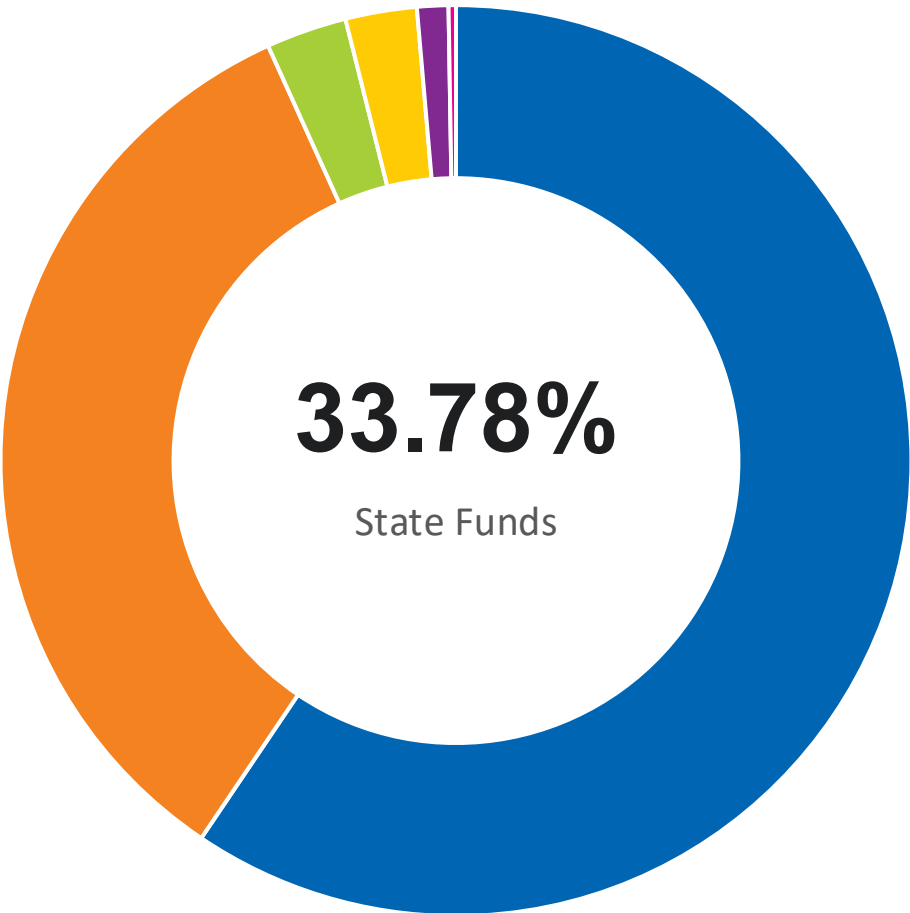


THINK ABOUT IT

What percentage of Denton ISD's overall revenue do you think is from state funding?



Overall Revenue by Source



Property Taxes	59.45%
State Funds	33.78%
Other Local Revenue	2.86%
Other	2.53%
Federal Funds	1.11%
Transfer from Workers Comp	0.26%

Source: DISD 2025-2026 financial statements (under audit)

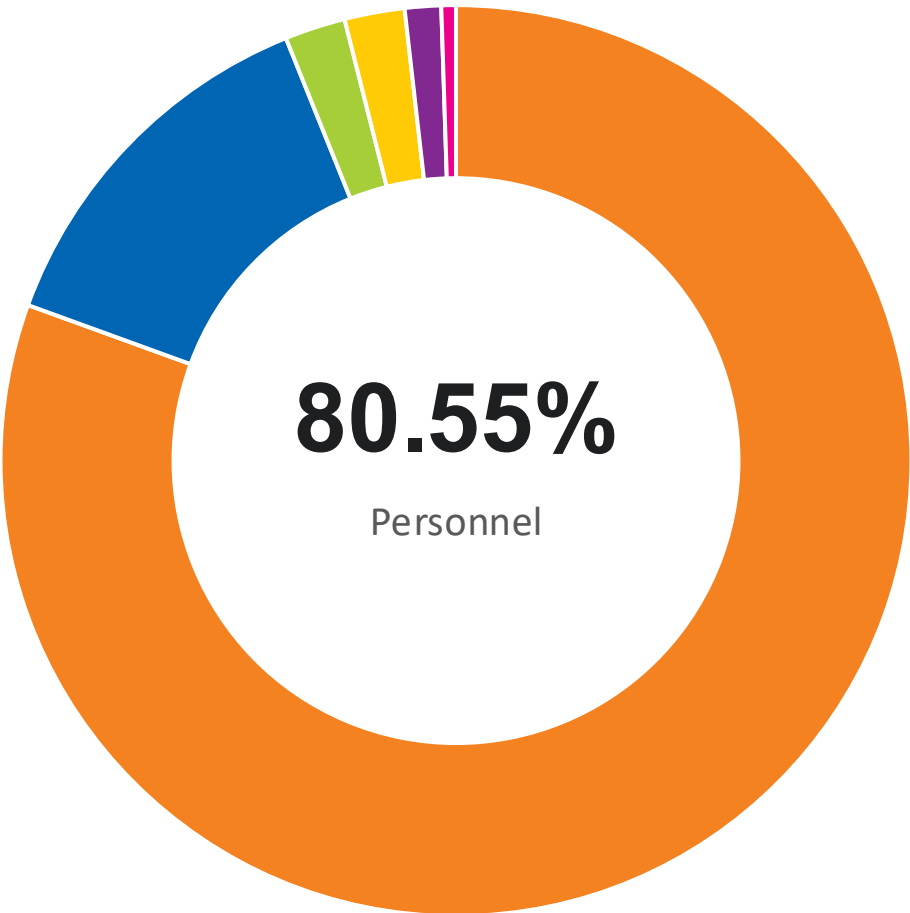


THINK ABOUT IT

What percentage of Denton ISD's overall expenditures do you think is for personnel?



Overall Expenditures by Category



● Personnel	80.55%
● Contracted Services	13.36%
● Other Operating	2.15%
● Supplies & Materials	2.13%
● Operating Transfer	1.29%
● Capital Outlay	0.52%

Source: DISD 2025-2026 financial statements (under audit)



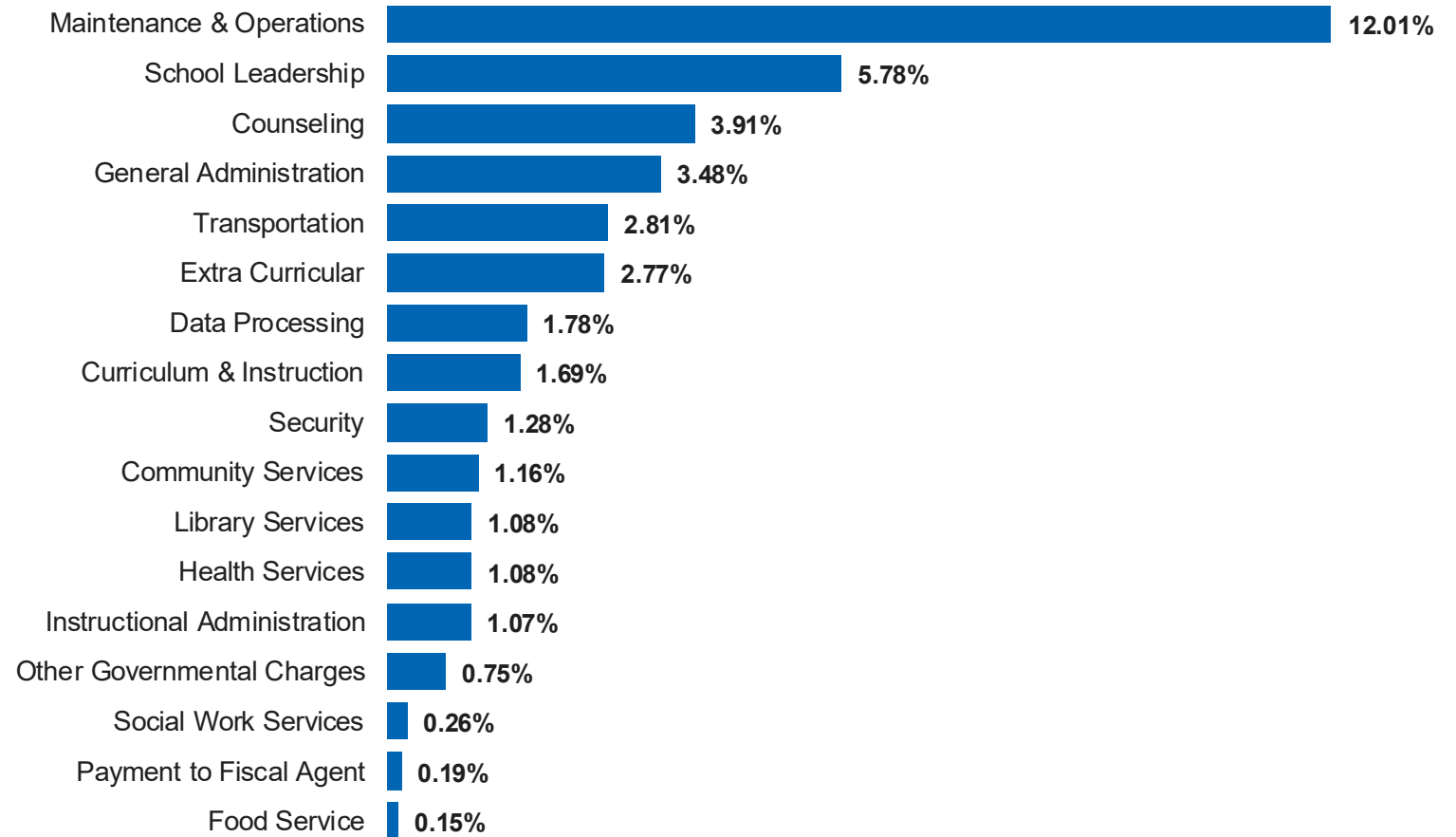
General Fund Expenditures



58.28%

Instruction

The largest share of general fund expenditures



Source: DISD 2025-2026 Financial Statements (under review)



2026-2027 Budget Priorities



Allocation of resources to meet our greatest needs



Maintain our primary focus on teaching and learning



Competitive Compensation Plan

2026-2027 Budget Priorities



Fund Balance Integrity



Balanced Budget



Program Sustainability



Compensation

Employee Group	2025-2026 Base Raise	2025-2026 One-Time Payment	2026-2027 Base Raise
Teachers (0-2 years)	\$2,000	\$750	4%
Teachers (3-4 years)	\$2,500	\$750	4%
Teachers (5+ years)	\$5,000	\$750	4%
All Other Staff	3%	1%	2%

● 4%

Base raise for all teachers in 2026-2027

● 2%

Base raise for all other staff in 2026-2027

● \$750

One-time payment for teachers in 2025-2026



Starting Salary for Teachers vs. Neighboring Districts

\$63,500

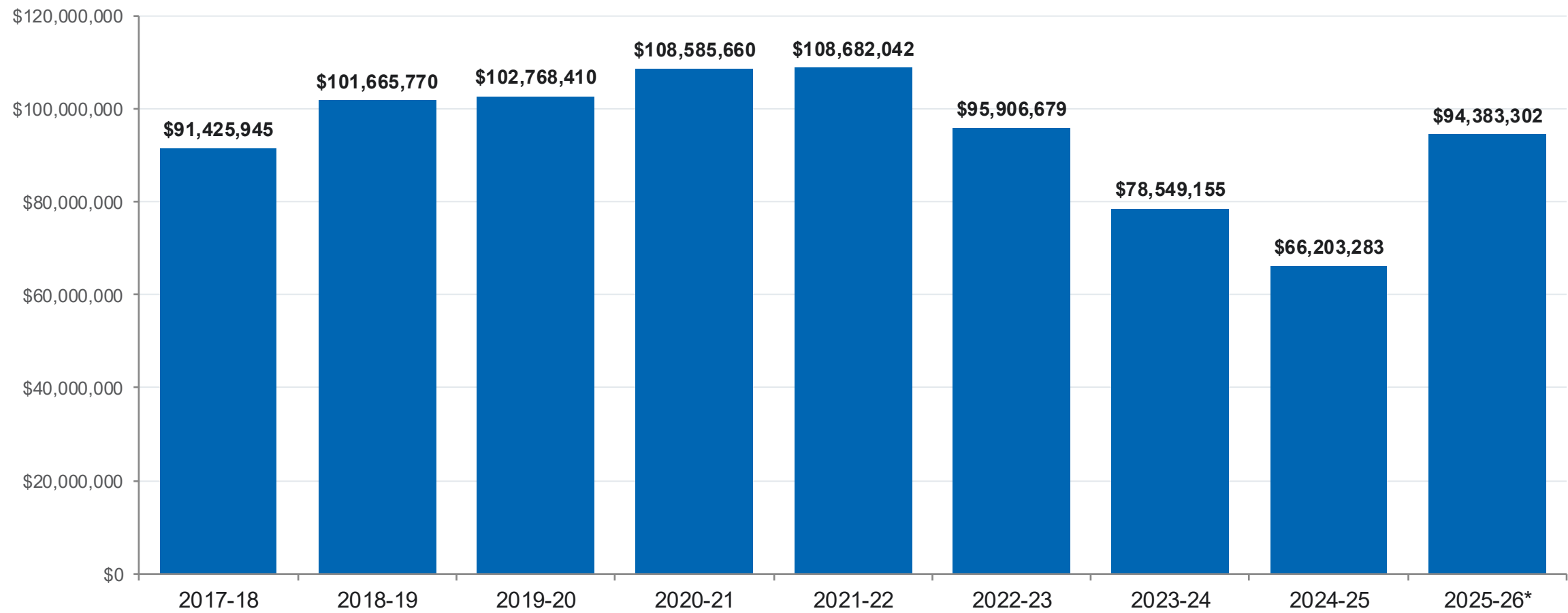
Denton ISD starting salary for a teacher with 0 years of experience



District	Starting Salary (0 Years)
Arlington ISD	\$66,100
Hurst-Euless-Bedford ISD	\$65,000
Northwest ISD	\$64,750
Mansfield ISD	\$64,700
McKinney ISD	\$64,700
Birdville ISD	\$64,325
Lewisville ISD	\$64,250
Plano ISD	\$64,000
Frisco ISD	\$64,000
EMS ISD	\$63,800
Denton ISD	\$63,500
Richardson ISD	\$63,500
CFB ISD	\$63,200
Garland ISD	\$63,000
Irving ISD	\$63,618
Allen ISD	\$62,304
Prosper ISD	\$62,250
Keller ISD	\$61,408



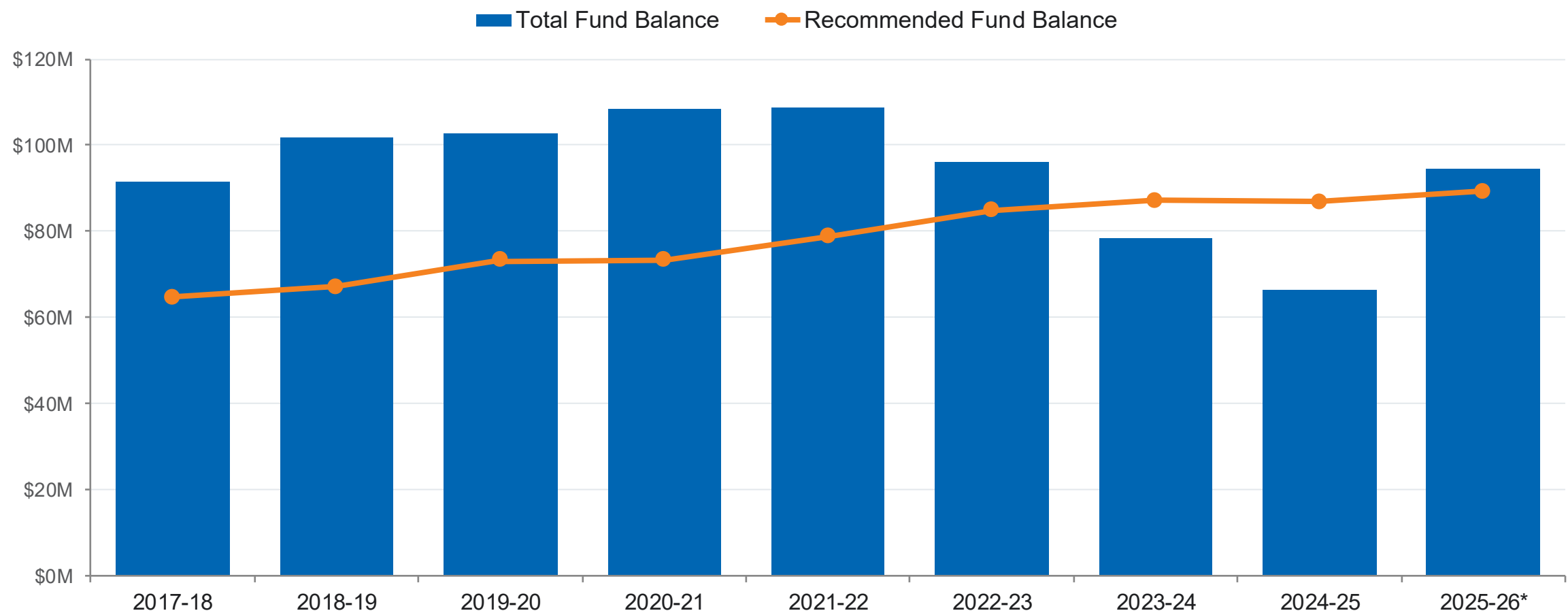
Denton ISD Summary of Fund Balance



*2025-2026 under audit | Source: DISD financial statements



Fund Balance vs. Recommended Fund Balance



*2025-2026 under audit | Source: DISD financial statements



Challenges



Analyzing Enrollment

- Impact of Vouchers



Underfunded Mandates

- Safety & Security
- Special Education*
- Transportation



Inflation



Staffing Challenges for Hard-to-Fill Positions



Competitive Compensation



2023 Bond Program Update

May 2023 Authorization

\$1.4B



Budget Status (in millions)

As of June 30, 2026



● **\$905M**

Expenditures

● **\$200.9M**

Encumbered

● **\$340.3M**

Remaining Budget

Note: As of June 30, 2026



Active Construction Timeline



High School #5

In Progress

MOVE-IN DATE

2028



**Ginnings
Elementary
Rebuild**

In Progress

MOVE-IN DATE

2028



**McMath Middle
School Track &
Field**

In Progress

MOVE-IN DATE

2026



**Warehouse for
Maintenance and
Technology**

In Progress

MOVE-IN DATE

TBD

Note: As of August 2026



Completed Projects

11

projects completed

Note: As of August 2026

Facility	Phase of Development	Move-In Date
Borman Elementary School Replacement	Completed	August 2026
Ryan High Renovation & Multipurpose	Completed	August 2026
Houston Elementary School Renovation	Completed	August 2026
McNair Elementary School Renovation	Completed	August 2026
Cross Oaks Elementary School Facility Upgrades	Completed	August 2026
Crownover Middle School Facility Upgrades	Completed	August 2026
Gallian Child Development Facility Upgrades	Completed	August 2026
Providence Elementary School Facility Upgrades	Completed	August 2026
Savannah Elementary School Facility Upgrades	Completed	August 2026
Pecan Creek Elementary School Facility Upgrades	Completed	August 2026
McMath Middle School Marquee Upgrade	Completed	August 2026



Future Project Timeline

8

projects in
planning & design

Note: As of August 2026

Facility	Phase of Development	Move-In Date
Jim Alexander ATC	Planning & Design	TBD
EP Rayzor Elementary School Renovation	Planning & Design	TBD
Ann Windle Renovation	Planning & Design	TBD
Hawk Elementary School Facility Upgrades	Planning & Design	TBD
Shultz Elementary School Facility Upgrades	Planning & Design	TBD
Myers School Facility Upgrades	Planning & Design	TBD
Navo Middle School Facility Upgrades	Planning & Design	TBD
Rodriguez Middle School Facility Upgrades	Planning & Design	TBD



2026 Bond Refunding Update



\$6,757,958

in savings



Lower interest rate



**Reduced number of years to
repay debt by 8 years**



Helps create future debt capacity





RECOGNITION

Superior Achievement

24 Consecutive Years

Recognized by TEA's School Financial Integrity
Rating System of Texas (FIRST)



Achievements

Excellence in Financial Reporting



TASBO Purchasing Award of Merit

Recipient for three consecutive years



2024



2025



2026





Questions?

Thank you for serving as a Denton ISD Ambassador

