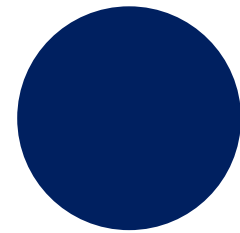
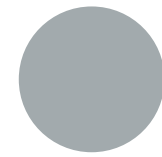
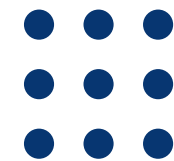


FISCAL YEAR 27 BUDGET UPDATE

July 14, 2026



www.killeenisd.org/budgetplanning



DISCUSSION TOPICS



✓ Prior Meetings – Key Revenue and Expenditure Drivers

- Declining Revenues - Average Daily Attendance, Impact Aid, & SHARS
- Alignment with Board Adopted Priorities
- Projected General Fund Budget for FY27
- Fund Balance Discussion
- General Pay Increase Discussion

✓ Tonight's Meeting

- Working Budget Review
- ADA Discussion
- Fund Balance Discussion
- 3-2-1 Property Tax Early Payment Discount
- Vacancy Factor Options
- General Pay Increase Discussion



GENERAL FUND

BUDGET ASSUMPTIONS

REVENUES

M&O tax rate of \$0.6682 for FY26; current M&O tax rate of \$0.6682 for FY25, \$0.6692 for FY24

Receive Certified Bell County Appraisal District (BellCAD) Values in late July

Homestead Exemption of \$140,000 (\$140,000 in FY26, \$100,000 in FY 25, \$100,000 in FY 24)

Budgeted property tax collections at 99% (99% in FY26)

Maintain early payment property tax discount (3-2-1 discount)

Investment revenue expected to remain flat or decrease slightly

State revenue based on student projections based on FY26 ADA (92%)

Impact Aid federal revenue \$5mm decrease based on FY25 letter from Department of Education (\$10mm decrease in FY26)

EXPENDITURES

Payroll costs will be based on initial approved staffing guidelines

General pay increase for employees

Starting teacher pay of \$59,160 (\$59,160 in FY26, \$58,000 in FY25, \$57,000 in FY24)

Longevity stipends at FY26 criteria

Health insurance benefit of \$425 per month if taking KISD insurance and \$200 per month for those not taking KISD insurance

Teacher staffing based on student projections at 24:1 for PK-4; 28:1 for grades 5-12

Student projections drive campus allocations

Eliminating PK3 program at on-post elementary schools

Maintaining 1.0/2.0 mile walk out for transportation routes

Teacher supply reimbursement remaining at \$200 per classroom teacher

Unfilled Positions (Vacancy) factor for FY27 at 95.0% (95% in FY26)

Transfers:

Maintaining Capital Improvement Projects at 1.25% of budgeted expenditures, budgeted as part of the Strategic Facilities Plan for FY27

GENERAL FUND

PROJECTED FY 27 BUDGET

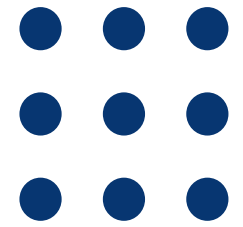
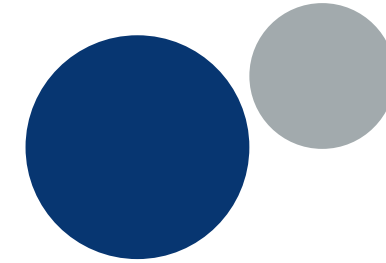
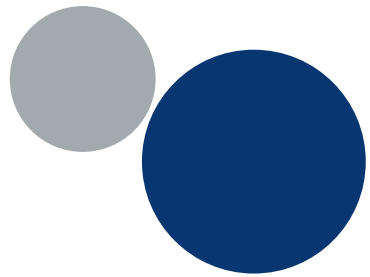
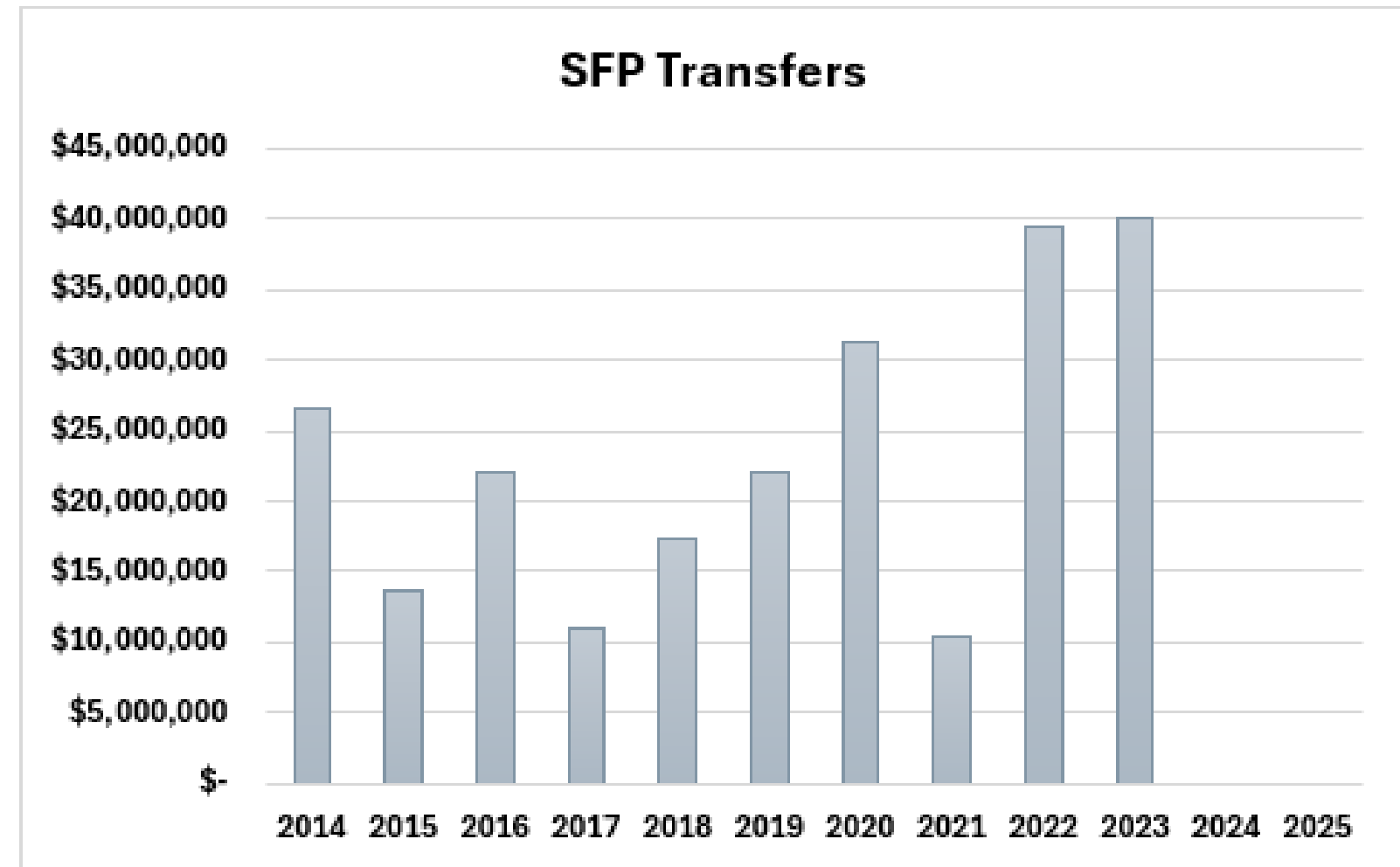
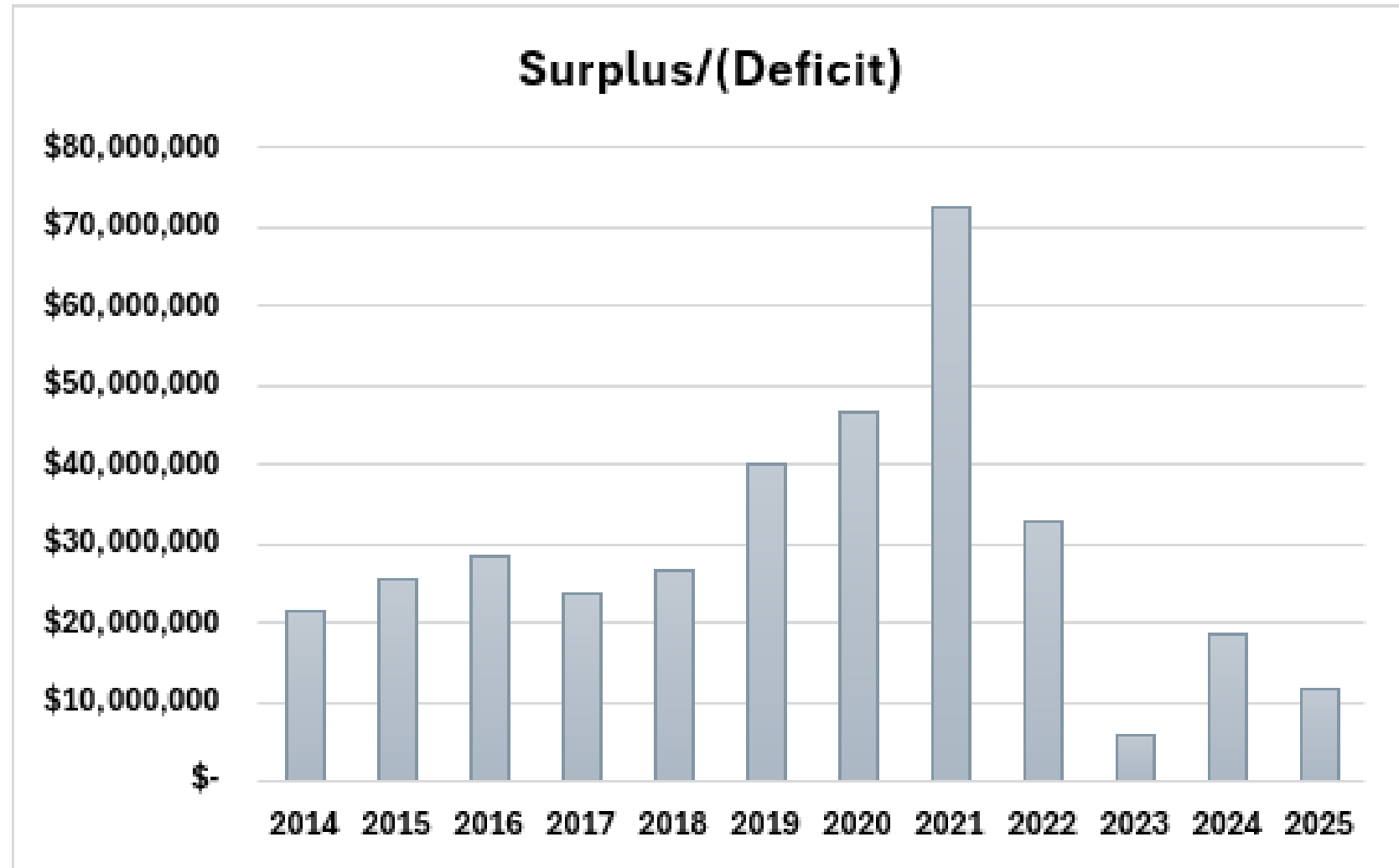
FY27 Budget Summary
General Fund (In Millions)
June 23, 2026

Working Revenues	\$	506.6
Working Expenditures	\$	(516.5)
Total Working Change to Fund Balance	\$	(9.9)

- TIER I INSTRUCTION & TARGETED PD
 - Two Additional Contract Days for Teachers
 - Campus Instructional Coaches elevated to Campus Instructional Specialists
 - Additional District Instructional Coaches
 - Additional Executive Directors of Schools
 - Third Future Schools
- ACCELERATE MIDDLE SCHOOL ACHIEVEMENT
 - Middle School Block Scheduling
 - Additional Instructional/Admin Support at plurality schools
- SPECIALIZED LEARNING
 - Specialized Learning Department Reorganization per audit recommendations
 - Special Education Facilitators to Assistant Principal Role
 - Special Education Additional staffing to support programs
- SAFETY & SECURITY
 - Student Services Department Reorganization to support additional duties
 - School Resource Officers at On-Post Schools
 - School Bus Seat Belts (Approx. 1/3 of bus fleet)
 - Smart Tag - monitor student ridership by student
- **Does not include a General Pay Increase yet**



FUND BALANCE AND STRATEGIC FACILITIES FUND TRANSFERS



HISTORICAL FUND BALANCE



PROPERTY TAX 3-2-1 DISCOUNT IMPACT

Early-payment discount for taxpayers.

Lowers annual property tax revenue with only a portion offset through state funding

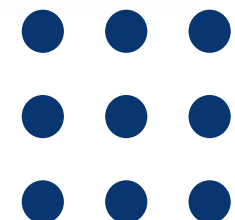
\$2.8 million revenue loss



PROPERTY TAX 3-2-1 DISCOUNT IMPACT ON MEDIAN VALUE RESIDENCE

	3% Discount Paid in October		2% Discount Paid in November		1% Discount Paid in December		No Discount Paid in January	
Median Taxable Value of Residence *	251,961		251,961		251,961		251,961	
less: \$140,000 Homestead Exemption	(140,000)		(140,000)		(140,000)		(140,000)	
Net Taxable Value	111,961		111,961		111,961		111,961	
Total Current Tax Rate	\$	0.8778	\$	0.8778	\$	0.8778	\$	0.8778
Taxes Due on Median Taxable Value Residence	\$	982.79	\$	982.79	\$	982.79	\$	982.79
less: applicable 3-2-1 discount	\$	(29.48)	\$	(19.66)	\$	(9.83)	\$	-
Net Taxes Due on Average Residence for Killeen ISD	\$	953.31	\$	963.14	\$	972.97	\$	982.79
	\$	29.48	\$	19.66	\$	9.83		

* Source: Bell County Tax Appraisal District



AVERAGE DAILY ATTENDANCE

HISTORICAL ADA

<u>Fiscal Year</u>	<u>Percentage</u>
FY22	91.8%
FY23	93.0%
FY24	93.2%
FY25	93.6%
FY26	93.8%
Average	93.1%

FY27 DISCUSSION

<u>Percentage</u>	<u>Additional Revenue</u>
92.50%	\$ 1,377,781
93.00%	\$ 2,755,562
* 93.25%	\$ 3,451,411
93.50%	\$ 4,140,302

* Administrative Recommendation

HISTORICAL VACANCY FACTOR

GENERAL FUND ONLY

	FY21	FY22	FY23	FY24	FY25	Average
Adopted Staffing Snapshot Budget <i>(Net of Vacancy Factor Amount)</i>	\$322,156,216	\$332,295,915	\$369,704,547	\$390,620,839	\$402,072,882	\$363,370,080
Actual Expenditure Amount	\$290,327,227	\$311,635,303	\$349,834,094	\$359,328,922	\$363,767,508	\$334,978,611
Amount Unspent	\$ 31,828,989	\$ 20,660,612	\$ 19,870,453	\$ 31,291,917	\$ 38,305,374	\$ 28,391,469
Percent Unspent	9.9%	6.2%	5.4%	8.0%	9.5%	7.8%

FY27 VACANCY FACTOR DISCUSSION

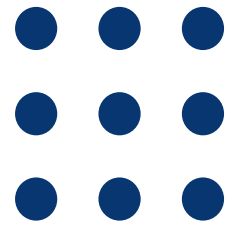
GENERAL FUND ONLY

	5.0%	6.0%	6.5%	7.0%	* 7.5%	8.0%
Working Staffing Snapshot Budge	\$ 397,215,540	\$ 397,215,540	\$ 397,215,540	\$ 397,215,540	\$ 397,215,540	\$ 397,215,540
Vacancy Factor	\$ (19,860,777)	\$ (23,832,932)	\$ (25,819,010)	\$ (27,805,088)	\$ (29,791,166)	\$ (31,777,243)
Net Working Staffing Budget	\$ 377,354,763	\$ 373,382,608	\$ 371,396,530	\$ 369,410,452	\$ 367,424,375	\$ 365,438,297
Potential Fund Balance Impact		\$ 3,972,155	\$ 5,958,233	\$ 7,944,311	\$ 9,930,389	\$ 11,916,466

* Administrative Recommendation

GENERAL PAY INCREASE

DISCUSSION



GENERAL FUND ONLY

Option	Amount
* \$50/month = \$600 annually <i>(matches health insurance cost increase)</i>	\$ 3,428,678
1% All Employees	\$ 3,127,805
* <i>Non -Exempt Staff</i> \$2,486,605	
<i>Exempt Staff</i> \$641,200	
One-Time Retention Payment \$500 Net Check	\$ 4,828,886
<i>Non -Exempt Staff</i> \$2,292,627	
<i>Exempt Staff</i> \$2,536,259	
One-Time Retention Payment \$1,000 Net Check	\$ 9,657,697
<i>Non -Exempt Staff</i> \$4,585,218	
<i>Exempt Staff</i> \$5,072,479	

Note: Pay increases for employees funded outside the General Fund will be charged to their respective funds.

* **Administrative Recommendation**

GENERAL FUND

PROJECTED FY 27 BUDGET

FY27 Budget Summary General Fund (In Millions) June 23, 2026

Working Revenues	\$ 506.6
Working Expenditures	\$ (516.5)
Total Working Change to Fund Balance	<u>\$ (9.9)</u>

FY27 Budget Summary General Fund (In Millions) July 14, 2026

	<u>* Does Not Include 3-2-1 Discount</u>	<u>Includes 3-2-1 Discount</u>
Working Revenues	\$ 506.6	\$ 506.6
Working Expenditures	\$ (516.5)	\$ (516.5)
ADA Recommendation (93.25%)	\$ 3.5	\$ 3.5
3-2-1 Discount Elimination	\$ -	\$ 2.8
Vacancy Factor Adjustment (7.5%)	\$ 9.9	\$ 9.9
GPI Recommendation	\$ (5.9)	\$ (5.9)
Total Working Change to Fund Balance	<u>\$ (2.4)</u>	<u>\$ 0.4</u>

* Administrative Recommendation



NEXT STEPS

Activity

Chief Appraiser provides certified appraised property value

Discussion of property values and tax rates (FIRST rating compliance item)

GPI scenarios discussion

Finalize compensation decisions

Move final salaries from proposal into budget planning worksheet

Balance Special Programs funding to ensure compliance with spending percentage requirements

Verify compliance with Maintenance of Effort (MOE)

Finalize preliminary proposed budgets, tax rates and updated assumptions

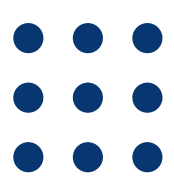
Submit Local Value Study to State Comptroller for Maximum Compressed Rate (MCR) calculations

Publish Notice of Budget and Tax Rate Meeting (must be 10-30 days before the date of the public hearing) in the newspaper

Post a summary of the proposed budgets and tax rates on district's website

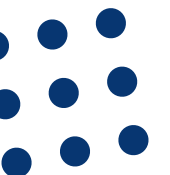
Finalize proposed budgets and tax rates (budget must be adopted before the adoption of the tax rate)





BUDGET ADOPTION DATES

Activity	Date
Budget Planning Presentation - Expenditures, Fund Balance, and GPI Discussion	07/14/26
Chief Appraiser provides certified property values	07/25/26
Present preliminary proposed budgets, tax rates and updated assumptions	07/28/26
Approve GPI	07/28/26
Approved Maximum Compressed Rate (MCR) expected from TEA	08/05/26
Present near-final proposed budgets, near-final tax rates and updated assumptions	08/11/26
Publish Notice of Budget and Tax Rate Meeting (must be 10-30 days before the date of the public hearing) in the newspaper	08/12/26
Post a summary of the proposed budgets and tax rates on district's website	08/12/26
Meeting to vote to adopt proposed budgets and tax rates (budget must be adopted before the adoption of the tax rate)	08/25/26
First day of 2026-2027 fiscal year	09/01/26



THANK YOU!



budget.planning@killeenisd.org



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