



2026-2027

Budget Process and Revenue Basics

Budget Workshop Schedule

Date	Topics
Tuesday, May 26, 2026	Budget Adoption Rules and Revenue Basics
Tuesday, June 16, 2026	Detailed Budget View, General Fund, Debt Service Fund and Food Service Fund
Adoption: Monday, June 22, 2026	Tax Rates, General Fund, Debt Service Fund and Food Service Fund



Budget Adoption Rules

- The District budget must be approved by June 30th
- The Board must adopt budgets for the General, Debt Service, and Food Services funds
- The budget adoption must include a public meeting, and notice of such meeting must be published on District's website and in a local newspaper at least 10 days but no more than 30 days prior to the meeting
- We do not adopt the tax rate at the same meeting as the budget
 - Will occur in August or September, after the District receives the Certified Appraised Value from the Dallas Central Appraisal District, the Texas Education Agency provides the District its Maximum Compressed Tax Rate.



Core Budgetary Objectives

- Student Success-Maintaining optimal student-to-teacher ratios and protecting instructional programs
- Talent Retention-Providing competitive compensation packages and benefits for all staff members
- Financial Health-Preserving a fund balance of 2-3 months operating expenses per TEA guidelines.



Enrollment & ADA

State funding in Texas is calculated based on Average Daily Attendance (ADA), not total enrollment.

- Enrollment Projections:
- Target ADA:

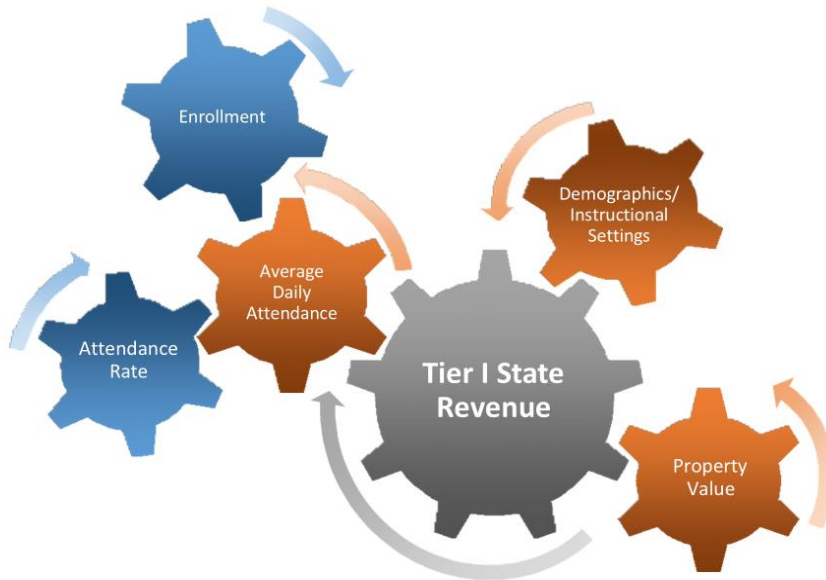


State Funding

- Revenue formulas based on student Average Daily Attendance (ADA)
 - Every student is allocated \$6,215
 - Additional funds are allocated based on student's economic status and for students who receive specialized services, such as:
 - Special Education
 - Career & Tech
 - Dyslexia
 - Bilingual
 - These factors combine to form "Tier 1" of the model
- In addition, for the first 8 cents a District taxes above the District's base rate, the State "enriches" the amount the District collects (Tier 2)
 - In essence, the State provides partial matching funds



Tier 1 Revenue



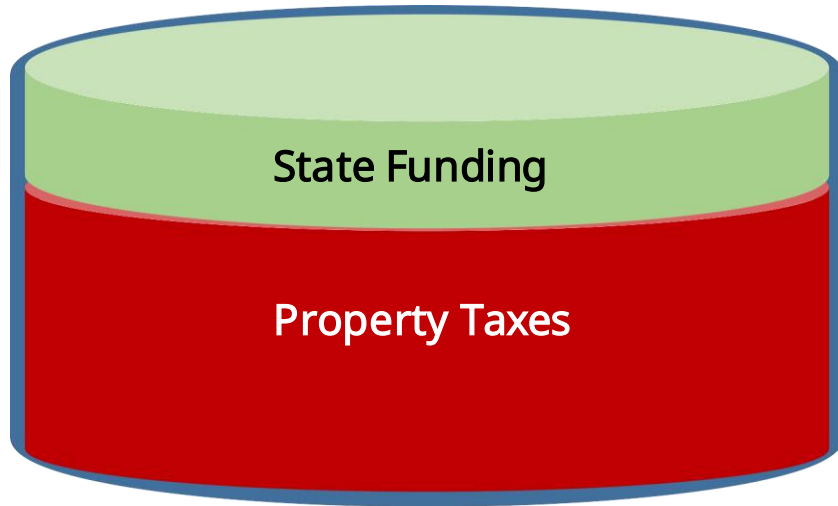
State Funding Components

Tier 1 Components

- Regular Program Allotment ADA x \$6,215
- Special Education-varies by setting
- Dyslexia ADA x \$6,215 x .01
- Compensatory Education Varies by Tier
- Bilingual Education ADA x \$6,215 x (.05-.015)
- Career & Technology (excl. from Regular) ADA x 6,215 x (1.1-1.47)
- Early Education ADA \$6,215 x 0.1
- Gifted & Talented ADA x \$6,215 x 0.07 5% cap
- College Career Military Readiness (CCMR) # of Grads x (\$2k-\$5k)
- School Safety ADA x \$10k + \$15k/ Campus
- Transportation Per Mile
- Other Various Weights

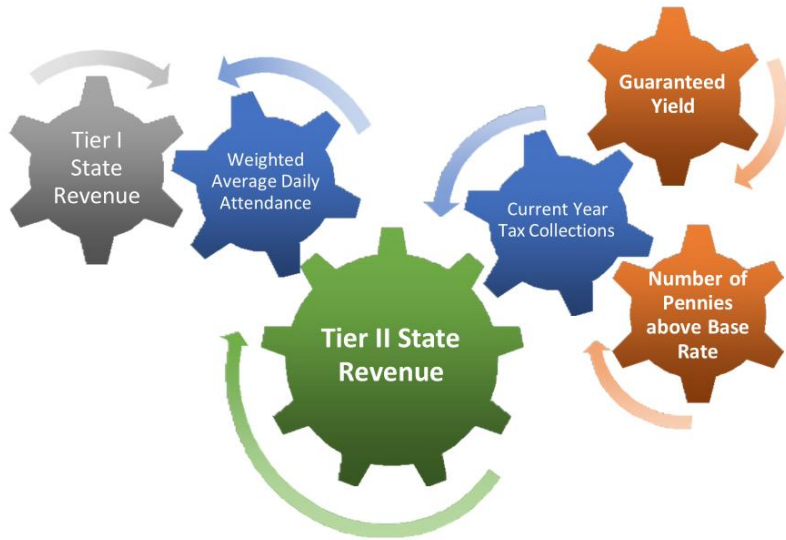


Tier 1 Funding – Property Taxes less than Entitlement



**Total Tier 1
Entitlement**

Tier 2 Revenue



State Funding

Tier 2 Components

- For the first 8 cents a District taxes above the District's base rate, the state "enriches" the amount the District collects (Tier 2)
 - In essence, the State provides partial matching funds
 - The State guarantees those pennies will collect the same amount as an ISD at the 96th percentile in property wealth would collect
- Formula:
 - Tier 2 Total = Weighted Average ADA x Golden Penny Yield Rate x # of Golden Pennies
 - Tier 2 Total – Local Taxes Collected from Golden Pennies = Tier 2 State Aid



Revenue and the Tax Rate

- Tier 1
 - Formula Entitlement
- Tier 2
 - Enrichment aka Golden Pennies
 - State provides matching funds up to 8 pennies



	25-26 Tax Rate
Tier 1 - Set By TEA	\$0.6169
Tier 2 - "Enrichment"	\$0.1383
Maintenance & Operations M&O Total	\$0.7552
Interest and Sinking – for Debt Payments on Construction Bonds	\$0..47
Total Tax Rate	\$1.2252



General Fund Revenue Basics

- Property Values & M&O Taxes
 - Jan.-April- Appraisal districts appraise properties and process exemptions
 - April-May- Appraisal districts notify owners of appraised property values
 - May-July- Appraisal Review Boards hear protests from property owners
 - Aug.-Sept.- Taxing units adopt tax rates
 - October- Tax Assessor-Collector sends tax bills to property owners
 - January 31- Payment is due to Tax Assessor Collector



General Fund Revenue Basics-Property Values

- Increased property values do not increase overall M&O revenue
- Because the State funding formula is tied to property values, any decrease in tax levy due to higher property value is offset by higher State aid
- Decreased property values are offset by the funding formula
- 2.5% limitation is on overall M&O tax collections. Homeowners may still see a tax increase greater than 2.5% if their home value increased, despite further compression of the tax rate
- If the tax levy was higher than the prior year, then the state would reduce aid by the funding formula, and the tax rate would be compressed if the increase was more than 2.5%





Thank You

