



## **Agenda of Board Workshop**

### **The Board of Trustees McAllen Independent School District**

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A Board Workshop of the Board of Trustees of the McAllen Independent School District will be held Monday, June 9, 2025, beginning at 5:30 PM Dr. Ricardo Chapa Board Room/Administration Building of the McAllen Independent School District, 2000 North 23rd Street, McAllen, TX 78501.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENT(S)**
3. **2025-2026 SEVENTH BUDGET WORKSHOP:** **3**  
Item Submitted: Lorena Garcia, Deputy Superintendent Business and Operations
  - Proposed Budget - Revenues by Object Code
  - Proposed Budget - General Fund Revenues and Appropriations
  - Proposed Budget - Appropriations by Function Code
  - Proposed Budget - Appropriations by Object Code
  - Review of Draft 2025-2026 Annual Budget Book
  - Health Plan Update
    - FY 25-26 Funding
    - District Contribution
    - Historical Data
    - Benefit Plans
    - Current Enrollment/Cost
    - Funding/Expenses
    - Single Plan Public Entities
    - 340B RX Mail Program

- RX Cost Sharing Examples
- Rate Increase Scenario
- Potential Strategies
- Recommendations
- Cost/Savings Projections
- Other Cost Containment
- HMO vs PPO
- Request for Proposals

- Legislative Updates

**Presenter:** Dr. René Gutiérrez, Superintendent

#### 4. **ADJOURNMENT**

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*If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.*

*Pursuant to Texas Government Code 551.127, a member or employee of a governmental body is authorized to participate remotely in a meeting of the governmental body through a videoconference call, as long as a quorum of the governmental body is physically present at the location of the Board Meeting. Any video conference conducted pursuant to this section will comply with the technical requirements of this section.*

*Pursuant to Texas Government Code 551.129, the Board of Trustees may use a telephone conference call, video conference call, or communications over the internet to conduct a public consultation with its attorney in an open meeting of the governmental body, or, a private consultation with its attorney in closed meeting of the governmental body.*

*The notice for this meeting was posted in compliance with the Texas Open Meeting Act on June 6, 2025 by 3:00 P.M.  
Natalia Goza,  
on behalf of the Board of Trustees*

**BOARD AGENDA REPORT  
MCALLEN INDEPENDENT SCHOOL DISTRICT**

**MEETING DATE:** June 9, 2025

**Attachment:**

**SUBMITTED BY:**   
JOEL GARCIA (Jun 4, 2025 10:31 CDT)

**SUPERVISOR:** *Lorena Garcia*  
Lorena Garcia (Jun 4, 2025 10:48 CDT)

**Approved for presentation to the Board of Education:**

  
RENE GUTIERREZ (Jun 4, 2025 11:27 CDT)

# Budget Workshop #7

Special Board Meeting  
June 9, 2025

# Proposed Budget House Bill 2

## Revenues by Object Code General, Debt Service and Capital Projects Funds

Revenue Code	Description	Percent of Total	Proposed Budget 2025-2026 07/01/2025	Revenues Per ADA
<i>2025-26 ADA: 17,685.65</i>				
5700	LOCAL REVENUES	33.88%	\$ 89,791,119	\$ 5,077
5800	STATE REVENUES	56.03%	148,463,215	8,395
5900	FEDERAL REVENUES	10.09%	26,739,389	1,512
<b>Total</b>		<b>100.00%</b>	<b>\$ 264,993,723</b>	<b>\$ 14,984</b>
<b>FUND BALANCE CONTRIBUTIONS</b>				
199 GENERAL FUND			-	-
620 MTN-2020			1,594,007	90
<b>Grand Total</b>		<b>5</b>	<b>\$ 266,587,730</b>	<b>\$ 15,074</b>

**Note:** TRS On-Behalf amounts in the state revenue and expenditures have not yet been rolled into the budget, as we are awaiting final approval of the proposed compensation plan.

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# Proposed Budget House Bill 2

## General Fund Revenues and Appropriations

		<u>Revenues</u>	<u>Appropriations</u>	<u>Fund Balance</u>
<b>GENERAL FUND</b>				
101	FOOD SERVICE	\$ 23,617,621	\$ 23,617,621	\$ -
155	COLLEGE CAREER MILITARY READINESS	1,135,750	1,135,750	-
156	EARLY EDUCATION ALLOTMENT	3,335,568	3,335,568	-
157	DYSLEXIA	1,447,474	1,447,474	-
158	SCHOOL SAFETY ALLOTMENT	1,359,913	1,359,913	-
162	CAREER TECHNICAL ED	8,704,825	8,704,825	-
163	ADV LEARNERS/G&T	382,135	382,135	-
164	BILINGUAL/ESL	2,176,302	2,176,302	-
173	SPECIAL EDUCATION	24,678,228	24,678,228	-
183	ATHLETICS	6,155,250	6,155,250	-
184	FINE ARTS	2,482,586	2,482,586	-
193	STATE COMPENSATORY	11,119,632	11,119,632	-
195	ADVERTISING	34,000	34,000	-
197	MAINTENANCE TAX NOTES	3,914,378	3,914,378	-
199-TI	TEACHER INCENTIVE ALLOTMENT	2,164,102	2,164,102	-
199	GENERAL FUND	158,383,569	157,943,879	439,690
<b>Grand Total</b>		<b>\$ 251,091,333</b>	<b>\$ 250,651,643</b>	<b>\$ 439,690</b>

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# Proposed Budget House Bill 2

## Appropriations by Function Code: General, Debt Service and Capital Projects Funds

**Note:** We are awaiting TEA guidance on how “teacher” will be defined for HB 2 funding. Once clarified, we will update our proposed budget accordingly.

	General Fund	Debt Service Fund	Capital Projects Funds	Total All Funds
11 INSTRUCTION	\$ 130,536,542	\$ -	\$ -	\$ 130,536,542
12 INSTRUCTIONAL RES & MEDIA SERV	3,179,010	-	-	3,179,010
13 CURR DEV & INSTRUCTIONAL DEV	3,752,603	-	-	3,752,603
21 INSTRUCTIONAL LEADERSHIP	2,696,920	-	-	2,696,920
23 SCHOOL LEADERSHIP	13,340,550	-	-	13,340,550
31 GUIDANCE COUNSELING AND EVAL	10,794,066	-	-	10,794,066
32 SOCIAL WORK SERVICES	1,765,083	-	-	1,765,083
33 HEALTH SERVICES	2,794,705	-	-	2,794,705
34 STUDENT TRANSPORTATION	4,294,658	-	-	4,294,658
35 FOOD SERVICES	23,619,894	-	-	23,619,894
36 EXTRACURRICULAR ACTIVITIES	10,064,273	-	-	10,064,273
41 GENERAL ADMINISTRATION	7,447,555	-	-	7,447,555
51 FACILITIES MAINT & OPERATIONS	20,288,063	-	-	20,288,063
52 SECURITY AND MONITORING SERV	5,010,434	-	1,081,208	6,091,642
53 DATA PROCESSING SERVICES	5,098,631	-	203,769	5,302,400
61 COMMUNITY SERVICES	83,072	-	-	83,072
71 DEBT SERVICE	4,485,637	13,902,390	-	18,388,027
81 FACILITIES ACQ & CONSTRUCTION	5,000	-	309,030	314,030
95 PYMTS TO JUVENILE JUSTICE	7 40,000	-	-	40,000
99 OTHER INTERGOVT CHARGES	1,354,947	-	-	1,354,947
<b>Total Appropriations</b>	<b>\$ 250,651,643</b>	<b>\$ 13,902,390</b>	<b>\$ 1,594,007</b>	<b>\$ 266,148,040</b>

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# Proposed Budget House Bill 2

## Appropriations by Object Code: General, Debt Service and Capital Projects Funds

Object Code	Description	Percent of Total	Proposed Budget 2025-2026 07/01/2025
<b>GENERAL FUND</b>			
6100	PAYROLL COSTS	80.84%	\$ 202,638,030
6200	PROF & CONTRACTED SERVICES	5.64%	14,118,279
6300	SUPPLIES & MATERIALS	9.04%	22,669,082
6400	OTHER OPERATING COSTS	2.48%	6,215,615
6500	DEBT SERVICE	1.79%	4,485,637
6600	CAPITAL OUTLAY	0.21%	525,000
<b>Total</b>		100.00%	\$ 250,651,643
<b>DEBT SERVICE FUND</b>			
599 DEBT SERVICE FUND			13,902,390
<b>CAPITAL PROJECTS FUNDS</b>			
620 MTN-2020			1,594,007
<sup>8</sup> Grand Total			\$ 266,148,040

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# Current Law vs House Bill 2

## General Fund Revenue Comparison

		Revenues - Current Law	Revenues - House Bill 2	Increase / Decrease
<b>GENERAL FUND</b>				
101	FOOD SERVICE	\$ 23,617,621	\$ 23,617,621	\$ -
155	COLLEGE CAREER MILITARY READINESS	\$ 1,118,150	\$ 1,135,750	\$ 17,600
156	EARLY EDUCATION ALLOTMENT	\$ 3,092,953	\$ 3,335,568	\$ 242,615
157	DYSLEXIA	\$ 1,450,386	\$ 1,447,474	\$ (2,912)
158	SCHOOL SAFETY ALLOTMENT	\$ 626,857	\$ 1,359,913	\$ 733,056
162	CAREER TECHNICAL ED	\$ 8,627,791	\$ 8,704,825	\$ 77,034
163	ADV LEARNERS/G&T	\$ 378,730	\$ 382,135	\$ 3,405
164	BILINGUAL/ESL	\$ 2,157,043	\$ 2,176,302	\$ 19,259
173	SPECIAL EDUCATION	\$ 23,521,879	\$ 24,678,228	\$ 1,156,349
183	ATHLETICS	\$ 6,125,218	\$ 6,155,250	\$ 30,032
184	FINE ARTS	\$ 2,450,821	\$ 2,482,586	\$ 31,765
193	STATE COMPENSATORY*	\$ 11,794,717	\$ 11,119,632	\$ (675,085)
195	ADVERTISING	\$ 34,000	\$ 34,000	\$ -
197	MAINTENANCE TAX NOTES	\$ 3,914,378	\$ 3,914,378	\$ -
199-TI	TEACHER INCENTIVE ALLOTMENT	\$ 2,164,102	\$ 2,164,102	\$ -
199	GENERAL FUND	\$ 146,896,954	\$ 158,383,569	\$ 11,486,615
<b>Grand Total</b>		<b>\$ 237,971,600</b>	<b>\$ 251,091,333</b>	<b>\$ 13,119,733</b>

**Note:** State Compensatory Education (SCE) funding appears reduced due to an increase in indirect cost. House Bill 2 removed the 55% cap on indirect costs, allowing a larger portion of SCE funds to be allocated to Fund 199. These additional funds were used to help offset general fund expenditures and support a balanced budget.

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# Proposed Budget

## Compensation Increases Modeled in Budget

- Teachers \$55,300 starting salary
- Teachers 1-2 years experience \$1,560
- Teachers 3-4 years experience \$2,500
- Teachers 5+ years experience \$5,000
- All other employees 2.5% of new midpoint
- Estimated cost for all funds \$9,910,211 plus fringe benefits

## Option for consideration

75 cent increase for:

- Technology non-exempt
- Clerical Technical
- Instructional Support
- Auxiliary
- Police non-exempt
- Estimated additional cost not included in budget scenario
  - \$361,767

# Health Plan Update FY-25-26 Funding

- Fund Balance @ 6-30-24 = \$68,496

- EST Fund Balance @ 6-30-25 = **\$1,445,341**

- Optimum Fund Balance<sup>1</sup> = \$6,600,000

<sup>1</sup> Best Practice as established by Administration/Benefits Consultant = 3 Months of Claims Expenses

- Current Employer Contribution = \$466.50 Per Employee Per Month (PEPM)

- Projected Deficit @ 6-30-26 = **\$4,888,212**

- Proposed Employer Contribution =
  - \$521.50 PEPM (\$2,013,000)

- Employee Cost Share – TBD

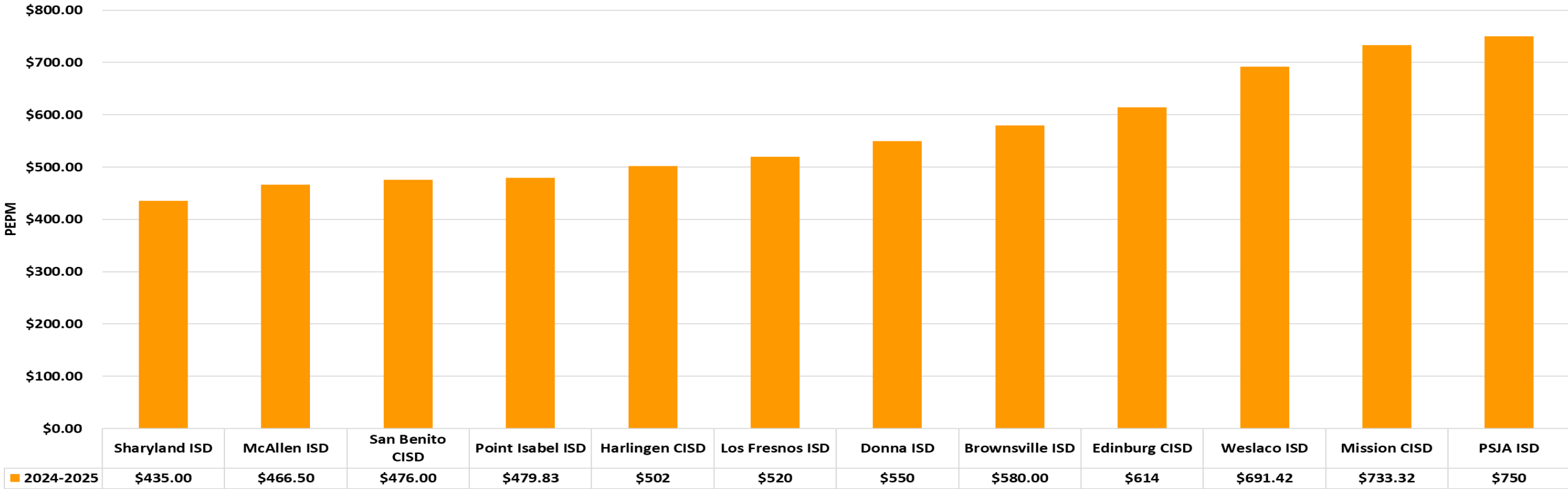
- Cost Containment/Cost Sharing Strategies

- 2026 Medical/Pharmacy Administration Contracts

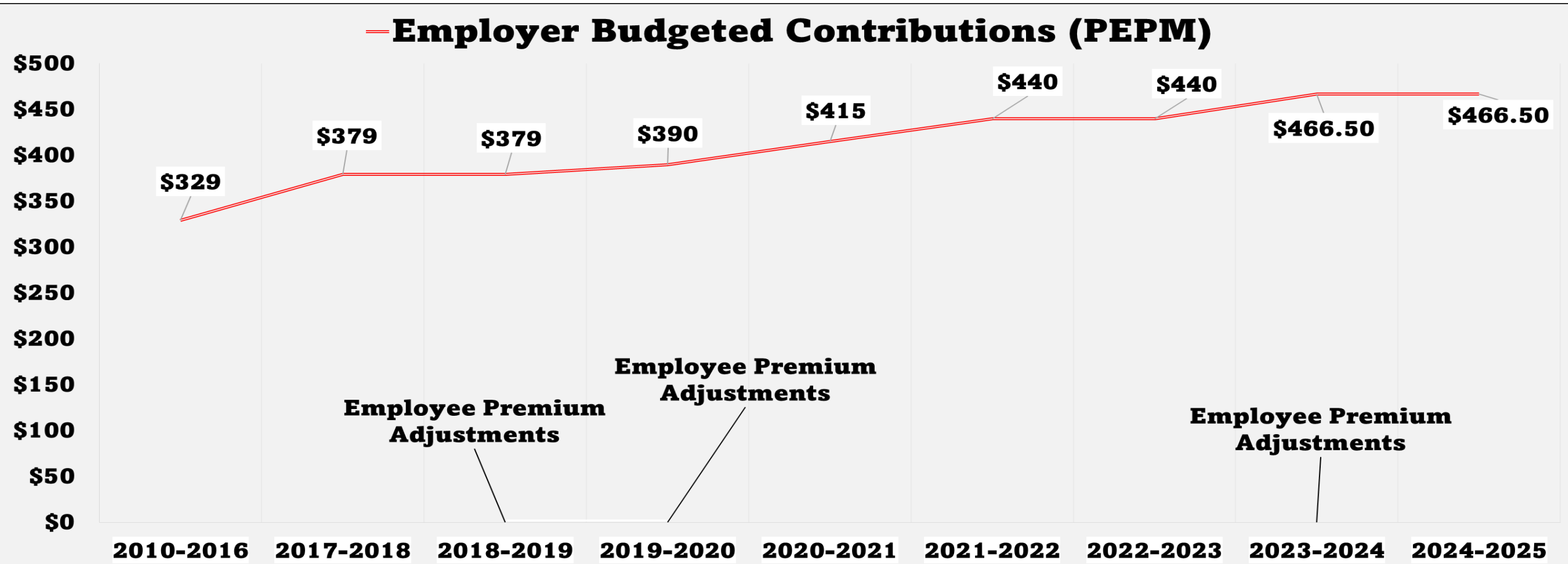


# Health Plan Update District Contribution

2024-2025  
Employer Contribution Comparison



# Health Plan Update Historical Data





# Health Plan Update Benefit Plans

<u>Group Name: McAllen ISD</u>	<u>Current</u>	<u>Current</u>	<u>Current</u>
<u>Plans</u>	<u>Basic Plan</u>	<u>High Plan</u>	<u>State Plan</u>
<b><u>BENEFITS (In-Network)</u></b>	PPO	PPO	PPO
Deductible Ind/Fam	\$1000/\$3,000	\$500/\$1,500	No Deductible
Co-Insurance	70%/30%	80%/20%	85%/15%
OPX	\$5,000 /\$14,700	\$3,500 /\$10,500	\$500 /\$2,500
PCP Copay	\$30	\$20	\$20
Specialist Copay	\$30	\$20	\$30
ER Copay	\$200	\$150	\$75
IP Admission Copay	\$0	\$0	\$0
<b><u>PHARMACY</u></b>	<b><u>Basic Plan</u></b>	<b><u>High Plan</u></b>	<b><u>State Plan</u></b>
Generic	\$7.50/30 day supply	\$7.50/30 day supply	\$7.50/30 day supply
Preferred Brand Drugs	\$25.00/30 day supply	\$25.00/30 day supply	\$25.00/30 day supply
Non-Preferred Brand Drugs	\$45.00/30 day supply	\$45.00/30 day supply	\$45.00/30 day supply
Specialty Drugs	Subject to applicable generic, preferred brand, or non-preferred brand drug copay	Subject to applicable generic, preferred brand, or non-preferred brand drug copay	Subject to applicable generic, preferred brand, or non-preferred brand drug copay

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# Health Plan Update

## Current Enrollment/Cost

<u>Basic Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	1676	\$ 65.00
Employee + One Child	175	\$ 244.00
Employee + (3) Children	160	\$ 436.00
Employee + Spouse	39	\$ 543.00
Employee + Family	146	\$ 733.00
(2) Employed + Family	<u>24</u>	<u>\$ 335.00</u>
<b>Monthly Total</b>	<b>2220</b>	

<u>High Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	287	\$ 146.00
Employee + One Child	75	\$ 330.00
Employee + (3) Children	71	\$ 532.00
Employee + Spouse	10	\$ 762.00
Employee + Family	19	\$ 918.00
(2) Employed + Family	<u>41</u>	<u>\$ 511.00</u>
<b>Monthly Total</b>	<b>503</b>	

<u>State Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	23	\$ 284.00
Employee + One Child	4	\$ 572.00
Employee + (3) Children	0	\$ -
Employee + Spouse	6	\$ 723.00
Employee + Family	6	\$ 1,112.00
(2) Employed + Family	<u>0</u>	<u>\$ -</u>
<b>Monthly Total</b>	<b>39</b>	

<u>Alternate Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	<u>284</u>	\$ -
<b>Monthly Total</b>	<b>284</b>	\$ -

**Total Enrollment: 3046**

# Health Plan Update Funding Expenses

25-26 Projected Cost	\$	30,000,000.00
25-26 Projected Revenue (No Changes)	\$	23,911,788.00
25-26 Rx Rebates	\$	1,200,000.00
<b>25-26 Projected Shortfall +/-(-)</b>	<b>\$</b>	<b><u>(4,888,212.00)</u></b>

Employer Adjustment Scale (PEPM)	
\$25.00	\$ 915,000.00
\$50.00	\$1,830,000.00
\$55.00	\$2,013,000.00
\$75.00	\$2,745,000.00
\$100.00	\$3,660,000.00
\$125.00	\$4,575,000.00

**McAllen ISD Employer Contribution:** \$466.50 PEPM  
**Average Employer Contribution:** \$567.00 PEPM

# Health Plan Update Single Plan Public Entities

Name	Individual/Family	Plan Type
<b>Edinburg CISD</b>	\$1,000/\$3,000	PPO
<b>Sharyland ISD</b>	\$1,250/\$2,500	PPO
<b>City of Harlingen</b>	\$1,750/\$3,500	EPO
<b>City of Brownsville</b>	\$1,000/\$2,000	PPO

McAllen ISD	Individual/Family	Plan Type
<b>Current</b>	\$1,000/\$3,000	PPO
<b>Option</b>	\$1,250/\$3,750	PPO

# Health Plan Update

## 340B RX Mail Program

340B is a federal program that allows eligible providers, primarily Hospital Pharmacies, to buy medications at deeply discounted prices

- ZorroRx – Partnered with a Hospital Pharmacy to make 340B eligible drugs available to health plan sponsors.
- Mail Order Program
- Mandatory for medications on the ZorroRx Formulary. Currently 38 drug strength medications.
- Annual Televisit required with ZorroRx Pharmacist
- 115 members (97 Employees – 18 Dependents) and 8 drug strength combinations would be eligible.
- Annual savings is approximately \$137K if moved to the 340b program

# Health Plan Update

## RX Cost Sharing Example

District	Specialty Drug Copay Structure
San Benito CISD	50% Rx copays will apply after \$100 Rx deductible
Weslaco ISD	10% copay up to \$100max/prescription, deductible doesn't apply
Mission CISD	25%, \$150 max; deductible does not apply
PSJA ISD	10% co-insurance, up to \$100 max; deductible does not apply
Sharyland ISD	Greater of \$100 copay or 10%
Harlingen CISD	\$65 copay
Los Fresnos CISD	\$100 copay/prescription; deductible does not apply
Edinburg CISD	\$10/\$45/\$65; \$50 deductible per calendar year
Point Isabel ISD	\$5/\$30/\$50; deductible does not apply
Brownsville ISD	20% co-insurance; deductible does not apply
<b>McAllen ISD</b>	<b>\$7.50/\$25/\$45; deductible does not apply</b>
Donna ISD	10%, up to \$100

# Health Plan Update Rate Increase Scenario

<u>Basic Plan</u>	<u>Enrollment</u>	<u>Current/Mo</u>	<u>Increase/Mo</u>	<u>Proposed</u>
Employee Only	1969	\$65.00	\$9.75	\$74.75
Employee + One Child	252	\$244.00	\$36.60	\$280.60
Employee + (3) Children	230	\$436.00	\$65.40	\$501.40
Employee + Spouse	61	\$543.00	\$81.45	\$624.45
Employee + Family	172	\$733.00	\$109.95	\$842.95
(2) Employed + Family	<u>78</u>	<u>\$335.00</u>	\$50.25	<u>\$385.25</u>
<b>Monthly Total</b>	<b>2762</b>			<b>\$6,468,957.00</b>

**\*Additional Revenue:     \$134,133**

\*25-26 Employee Contribution = \$6,468,957  
 24-25 Employee Contribution = \$6,334,824  
 Difference = \$134,133

# Health Plan Update Potential Strategies

No.	Target Area	Strategy	Pros (P) Cons (C)	Budget	Est Savings/ ROI	Timeline	Remarks
1	Medical Plan	Employer Contribution Increase to \$521.50 PEPM (\$55 PEPM)	P- Increases funding, Aligns with the surrounding School Districts C-Budget Considerations	\$2,013,000	–	7/1/2025	Surrounding School Districts Average Contribution: \$567 PEPM
2	Medical Plan	Employee Contribution Premium Increase (Base Plan- 15% All Tiers)	P- Increases funding C-Employee Dissatisfaction; Impacts all members regardless of utilization	\$134,133	–	1/1/2026	Percent increase capped to maintain ACA Affordability & Single Plan Model
3	Medical Plan	Discontinue State Plan	P- Containment of Medical Cost, Benefit Simplification, Two Plan Options C-Employee Dissatisfaction (39 members)	None	\$500,000	1/1/2026	Contain Medical Costs, Administrative Simplification & Predictability
4	Medical Plan	Discontinue State Plan & High Plan (Single Plan Model)	P- Containment of Medical Cost, Benefit Simplification C-Employee Dissatisfaction (542 members), Lower Revenue, One Plan Option	None	\$3,500,000	1/1/2026	Contain Medical Costs, Administrative Simplification & Predictability

# Health Plan Update Potential Strategies

No.	Target Area	Strategy	Pros (P) Cons (C)	Est Cost	Est Savings/ ROI	Timeline	Remarks
5	Medical Plan	Increase Basic Plan deductibles, Spec Copay/IP Hosp Copay (increases TBD)	P- Containment of Medical Cost, Cost impact limited to utilizers  C-Employee Dissatisfaction from increase OOP expenses	None	\$1,250: \$230K \$1,500: \$460K \$1,750: \$690K \$2,000: \$920K	1/1/2026	Savings based on option selected (Deductible, Specialist Copay, IP Admission Copay)
6	Pharmacy Plan	Establish a 4 <sup>th</sup> Rx Tier Co-Insurance Tier for Certain GLP1 drugs	P- Containment of Pharmacy Cost; Limited Drug Applicability  C-Increased OOP - Employee Dissatisfaction (112) estimated members	None	\$185,000 - 20% \$278,000 - 30%	ASAP	Limited to GLP1 drugs not sourced through the Personal Importation Program only. The district must give a 60-day notice if an <u>off cycle</u> change (Currently only Mounjaro)
7	Pharmacy Plan	Implement 340B Rx Mail Program	P- Containment of Pharmacy Cost; Limited Employee Disruption  C-Employee Dissatisfaction – Mail Order program with annual telehealth visit required (115) estimated members	None	\$137,000	ASAP	340B is a federal program that allows eligible providers, primarily hospitals, to buy medications at deeply discounted prices. The district must give a 60-day notice if an <u>off cycle</u> change.

# Health Plan Update Recommendations

Strategy No.	Description	Impact	Balance
	Projected Plan Year 25-26 Shortfall		(\$4,888,212)
1.	Employer Contribution Increase (\$55 PEPM)	\$2,013,000	(\$2,875,212)
2.	Employee Rate Increase (One Plan Model -15%)	\$134,133	(\$2,720,212)
4.	Single Plan Offering (Basic Plan Only)	\$3,500,000	\$779,788
5.	Benefit Plan Changes (\$1,250/\$3,750 Ded, et al.)	\$230,000	\$1,009,788
6.	GLP-1 Rx Coinsurance (30%)	\$278,000	\$1,287,788
7.	340B Rx Mail Program	\$137,000	\$1,403,921

# Health Plan Update Cost/Savings Projections

25-26 Projected Cost	\$	30,000,000.00
25-26 Projected Revenue (No Changes)	\$	23,911,788.00
25-26 Rx Rebates	\$	1,200,000.00
 <b>25-26 Projected Shortfall +/-(-)</b>		 <b><u>\$ (4,888,212.00)</u></b>
 <b>Employer/Employee Contributions</b>		
Employee Adjustment	\$	134,133.00
Employer Adjustment	\$	2,013,000.00
<b>25-26 Estimated Contribution</b>		<b><u>\$ 2,147,133.00</u></b>
 <b>Plan Design Changes</b>		
Single Plan Offering	\$	3,500,000.00
Benefit Plan Changes	\$	230,000.00
GLP-1 Rx Coinsurance	\$	278,000.00
340B Rx Mail Order Program	\$	137,000.00
<b>25-26 Estimated Savings</b>		<b><u>\$ 4,145,000.00</u></b>
 <b>25-26 Adjusted Projected Shortfall +/-(-)</b>		 <b><u>\$ 1,403,921.00</u></b>

# Health Plan Update Other Cost Containment

- **Exploring Direct Provider Contracts (Negotiated Fee Schedule between District & Provider)**
  - Imaging Centers
  - Urgent Care Providers
  - Physical Therapy Providers
  - Primary Care Providers
- **Develop an MISD Specific Provider Network**

# Health Plan Update

## HMO vs PPO

### HMO

#### PROS OF A HEALTH MAINTENANCE ORGANIZATION (HMO)



- Lower premiums
- Low or no deductible

#### CONS OF A HEALTH MAINTENANCE ORGANIZATION (HMO)



- Usually required to select a Primary Care Physician (PCP)
- PCP referral typically required for care from a specialist
- No non-emergency coverage outside of network

### PPO

#### PROS OF A PREFERRED PROVIDER ORGANIZATION (PPO)



- No need to select a Primary Care Physician (PCP)
- No referral needed to see a specialist
- Usually some out-of-network coverage

#### CONS OF A PREFERRED PROVIDER ORGANIZATION (PPO)



- Higher premiums
- Usually have a deductible

# Health Plan Update Request for Proposals

## Medical Plan Administration

- 4 Proposals (2- Medical Plan Administration Services, 2- Other)
  - Blue Cross Blue Shield of Texas –Medical Plan Administration
  - United Health Care – Medical Plan Administration.
  - Axis - Virtual Direct Primary Care – Other Services
  - Frontier Health Access, LLC-Direct Primary Care – Other Services

## Pharmacy Benefit Management

- 5 Proposals
  - ArayaRx
  - Blue Cross/Blue Shield of Texas
  - ProAct Rx
  - Serve You Rx
  - United Health Care

## Award/Effective Date

- Tentatively August/September
- Effective January 1, 2026

# Legislative Update

## House Bill 2

- Gov. Greg Abbott on Wednesday signed into law a bill providing roughly \$8.5 billion in new funding for Texas public schools, offering additional funding to districts for teacher and support staff pay, operational expenses, special education, educator preparation, early childhood learning and campus safety.

## HB 19 & SB 1209

- The bills that proposed that elections for increasing ad valorem tax rates be held only on the November uniform election date have essentially died.
- The district may now consider a May 2026 Bond election.

# QUESTIONS

# ANNUAL BUDGET

25 26

MC<sup>A+</sup>ALLEN ISD

2000 N. 23RD STREET, MCALLEN, TX 78501 | HIDALGO COUNTY  
(956) 618-6000 | MCALLENISD.ORG

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# EXECUTIVE SUMMARY



## Principal Officers

Board of Trustees			
Title	Name	Length of Service	Term Expires
President	Mr. Aaron D. Rivera, Place 5	2 Years	2027
Vice President	Ms. Lucia Regalado, Place 2	1 Year	2027
Secretary	Dr. Elizabeth Kittleman, Place 1	2 Years	2027
Member	Mr. Robert J. Carreon, Place 3	1 Month	2029
Member	Mrs. Erica De La Garza-Lopez, Place 4	6 Years	2027
Member	Mr. Roberto A. Haddad, Place 7	1 Month	2029
Member	Ms. Sofia M. Peña, Place 6	4 Years	2029

Administrative Officials		
Name	Position	Length of Service
Dr. René Gutiérrez	Superintendent of Schools	2 Years
Lorena Garcia	Deputy Superintendent for Business and Operations	24 Years
Rosalba De Hoyos, Ed. D.	Associate Superintendent for Instructional Services	13 Years
Jeanette Nino	Associate Superintendent for Instructional Leadership	11 Years
Dr. Alberto Canales	Chief Human Resources Officer	27 Years
Joel Garcia, CPM	Chief Financial Officer	7 Months

## Letter of Transmittal

June 24, 2025

Board of Trustees  
McAllen Independent School District  
McAllen, Texas

To the Honorable Members of McAllen ISD Board of Trustees:

We are pleased to present the McAllen Independent School District's 2025–2026 Budget Book. Together with the Annual Comprehensive Financial Report (ACFR), this document serves as one of the District's primary tools for communicating its financial plan and reporting the results of operations. The Budget Book is prepared in accordance with the criteria of the Meritorious Budget Award (MBA) program from the Association of School Business Officials International (ASBO), which recognizes excellence in school budgeting and transparency.

This document covers the twelve-month period beginning July 1, 2025, and ending June 30, 2026. It is designed to provide timely and comprehensive information about the District's financial condition—past, present, and projected—to support informed decision-making aligned with our educational goals.

In accordance with the Texas Education Agency's (TEA) financial accountability requirements, the District's official adopted budget includes the General Fund (which includes Food Service) and the Debt Service Fund. The District has also opted to adopt the Capital Projects Fund as part of its budget for enhanced financial transparency. Budgets and amendments for these funds are subject to approval by the Board of Trustees. Budgets related to grant programs are approved by their respective granting agencies but are included in this document for informational purposes to present a full picture of District resources.

### Governmental Funds

The District utilizes four governmental fund types: General, Special Revenue, Debt Service, and Capital Projects. These are reported using the current financial resources measurement focus and the modified accrual basis of accounting, though the cash basis is used for budgetary purposes.

- The General Fund is the primary operating fund and includes instruction, leadership, and support services. Major revenue sources include state aid and local property taxes.
- The Food Service Fund, included in the General Fund, is used exclusively for child nutrition operations.
- Special Revenue Funds are used to account for legally restricted revenues such as grants and campus activity funds.
- The Debt Service Fund accounts for the repayment of bonded indebtedness.
- The Capital Projects Fund is used on a project basis for construction and major maintenance funded through bond issues or maintenance tax notes.

## Proprietary Funds

The District maintains two proprietary fund types:

- Enterprise Funds, including Project SAFE & Secure, operate like a private business and are funded through user fees.
- Internal Service Funds are used to account for services provided internally, on a cost-reimbursement basis.

This Budget Book outlines and illustrates the structure, use, and financial status of each of these funds. It is developed in compliance with TEA guidelines and reflects the District's commitment to maintaining financial health and fund balance stability to ensure long-term fiscal independence. We appreciate the Board's continued leadership and oversight in the responsible management of public resources.

Respectfully,

---

Dr. René Gutiérrez  
*Superintendent of Schools*

---

Lorena Garcia  
*Deputy Superintendent for Business and Operations*

---

Joel Garcia, CPM  
*Chief Financial Officer*

## Budget Introduction

The 2025–2026 Budget Book for McAllen Independent School District represents the District’s official financial plan for the fiscal year beginning July 1, 2025, and ending June 30, 2026. This document outlines the allocation of financial resources necessary to:

- Support a competitive compensation plan for employees
- Sustain day-to-day operations and long-term facility needs
- Fund high-quality educational programs across thirty campuses

This budget reflects the District’s ongoing commitment to fiscal responsibility, operational transparency, and alignment with student-centered goals. The budget was developed in accordance with Texas Education Agency (TEA) guidelines and local Board policy, and it is structured to meet the requirements of the ASBO Meritorious Budget Award (MBA) program.

## Document Structure

The Budget Book is organized into four major sections, each designed to provide stakeholders with clear and actionable financial information:

- Executive Summary – Offers a high-level overview of the entire budget. This section highlights critical financial metrics, summarizes key changes, and introduces the strategic themes guiding resource decisions.
- Organizational Section – Describes the framework for budget development and administration. It includes the District’s mission, vision, strategic goals, governance structure, and policy context.
- Financial Section – Presents detailed budget schedules, revenue and expenditure trends, historical comparisons, fund balance projections, and analysis of material changes affecting the District’s financial outlook.
- Informational Section – Provides long-term contextual data including student enrollment, staffing allocations, tax base trends, capital planning, and performance metrics to inform strategic planning.

## Vision and Mission

It is the **Mission** of McAllen Independent School District to educate all students to be creative and digital thinkers who impact a global society, through the **Vision** of being an inclusive community where all students are empowered to reach their full potential.

## Strategic Plan

The District's strategic planning and budget alignment are guided by the **Approaches to Leadership and Learning Model**. This framework integrates measurable goals, strategic priorities, and operational benchmarks to ensure that every dollar supports student outcomes and organizational excellence.

### District Goals

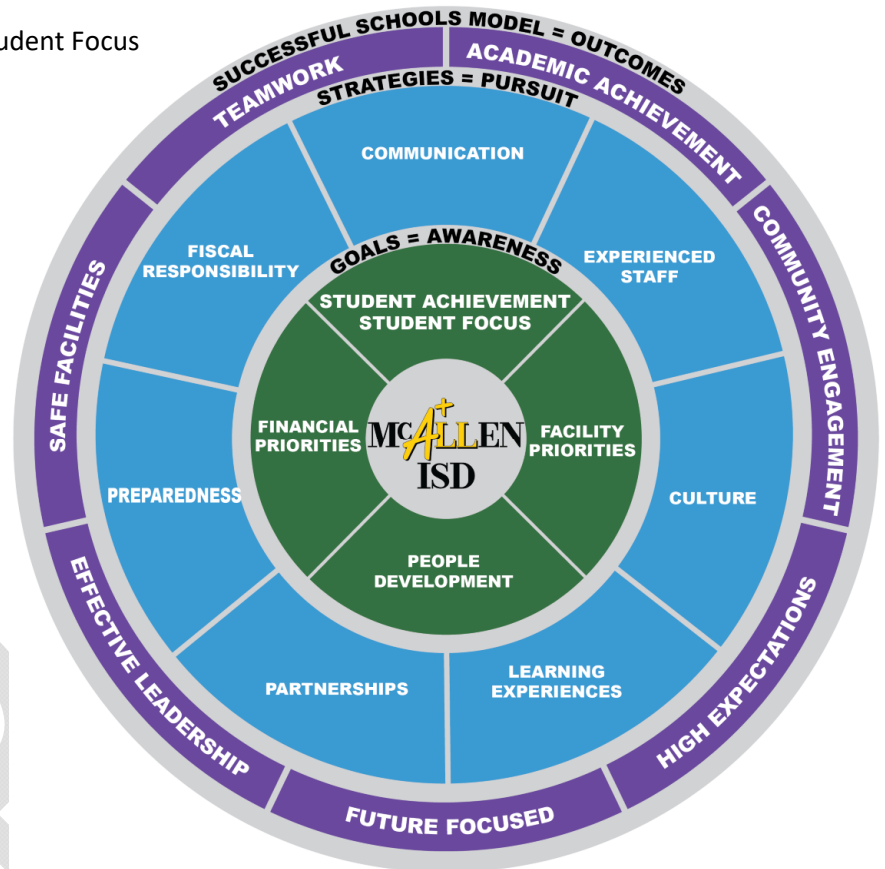
1. Student Achievement and Student Focus
2. People Development
3. Facility Priorities
4. Financial Priorities

### Strategic Approaches

1. Communication
2. Experienced Staff
3. Culture
4. Learning Experiences
5. Partnerships
6. Preparedness
7. Fiscal Responsibility

### Successful Schools Model

- Academic Achievement
- Community Engagement
- High Expectations
- Future Focused
- Effective Leadership
- State-of-the-Art Facilities
- Teamwork



This model serves as a blueprint for how the District allocates financial resources, evaluates performance, and sustains accountability. Budget planning at McAllen ISD is not simply about numbers—it is about aligning funding decisions with instructional priorities, workforce development, and long-term sustainability. Every aspect of this document reflects the District's commitment to transparency, equity, and student success.

## Budget Process

The McAllen Independent School District's budget is developed through a structured process grounded in federal, state, and local guidelines. The process begins in January of each year and culminates with final budget adoption by the Board of Trustees no later than June 30, in accordance with Texas Education Code requirements.



The annual budget serves as the District's financial blueprint, aligning funding with instructional goals, operational needs, and long-term priorities. A strong emphasis is placed on stakeholder input, enrollment forecasting, fiscal discipline, and compliance with TEA and ASBO standards.

## Phases of the Budget Cycle

The budget process is comprised of three major phases: Development, Implementation, and Monitoring.

1. **Budget Development** – This phase establishes the foundation for the financial plan. Key priorities include:
  - a. Alignment with District goals and the Approaches to Leadership and Learning Model.
  - b. Maintaining a healthy fund balance for fiscal stability.
  - c. Capping total payroll costs (excluding on-behalf TRS contributions) at no more than 80% of the total budget.
  - d. Providing a competitive compensation plan for all staff.
  - e. Preserving a consistent property tax collection rate.
  - f. Ensuring stable per-student expenditure levels.
  - g. Preparing for budget contingencies.
2. **Budget Implementation** – Once adopted, the budget is integrated into operational systems and campus planning. Funding allocations reflect enrollment-based needs, strategic staffing decisions, and planned initiatives that support the District's mission, vision, and goals.
3. **Budget Monitoring** – The District prepares and presents monthly financial reports comparing actual expenditures to the adopted budget. This phase ensures transparency, facilitates mid year adjustments, and supports compliance with state law, local board policy, and federal requirements.

**2025-2026 Budget Development Key Dates**

 Date	 Milestone
January 22, 2025	Final Budget Calendar Approval
January 31, 2025	Preliminary State Property Values Released
February 3, 2025	Staffing & Compensation Planning Discussion
March 25, 2025	Finalization of Staffing Levels
April 4, 2025	Entry of Budget Data Begins Budget Training for Campus/Department Staff
April 23, 2025	Federal Program Budgets — Input Complete Campus, Department, and State/Local Budgets — Input Complete
April 30, 2025	Preliminary Certified Property Tax Values Issued
June 24, 2025	Board of Trustees Approves 2025–2026 Budget
July 25, 2025	Certified Local Property Tax Values Released
August 26, 2025	Board Adopts 2025 School Tax Rate

**Campus-Based Budgeting**

Each campus receives a per-pupil allotment that is used to fund supplies, instructional materials, equipment, and other operational needs. Allotments are calculated based on projected student enrollment and are integrated into the District’s centralized budget to ensure equity and alignment with academic priorities.

**Campus Allotments**

	<b>2024-2025</b>	<b>2025-2026</b>
<b>High Schools</b>	\$90	\$90
<b>Alternative Schools</b>	\$140	\$140
<b>Middle Schools</b>	\$75	\$75
<b>Elementary Schools</b>	\$60	\$60

## Revenue and Expenditure Key Factors

This section outlines the primary factors influencing the development of McAllen ISD's 2025–2026 operating budget. These projections are based on the most current data available, conservative forecasting practices, and the District's commitment to long-term financial sustainability. Where data is not yet finalized, placeholders are included.

### Revenue Key Factors (2025–2026 Projections)

#### 1. Enrollment Trends

The District anticipates a modest decline in student enrollment, consistent with recent demographic and enrollment trends. This projected decrease will impact revenue tied to average daily attendance (ADA), the primary driver of state funding under the Foundation School Program.

#### 2. Certified Property Values

Based on the 2025 Certified Estimate from the Hidalgo County Appraisal District, total taxable property values increased by 3.79% over the prior year. The District's long-term planning model assumes a conservative average annual growth rate of 4.42%, pending the release of final certified values in July 2025.

- a. *[Insert chart: Assessed Property Value Trend – Last 5 Years]*

#### 3. Tax Rate Compression (House Bill 3)

Under current state law, the 2024–2025 tax rate used for budget development includes:

- Maintenance & Operations (M&O) rate: \$0.8350
- Interest & Sinking (I&S) rate: \$0.1616
- Total tax rate: \$0.9966

Final tax rates for 2025–2026 are pending the release of certified property values in July and the Maximum Compressed Tax Rate (MCR) to be issued by the Texas Education Agency (TEA) in August 2025.

#### 4. Interest Earnings

Due to anticipated decreases in federal interest rates, the District projects a decline in investment income for 2025–2026. The finance team continues to monitor market conditions to optimize available cash flow.

#### 5. State Funding – Average Daily Attendance (ADA)

A projected decrease in ADA is expected to reduce state formula funding. However, attendance rates are improving due to targeted campus-level initiatives.

#### 6. SHARS Program Monitoring

The District continues to closely monitor the School Health and Related Services (SHARS) program due to ongoing volatility in funding cycles and audit processes. SHARS revenues are not guaranteed and are not used to support recurring expenditures.

## **7. Legislative Outlook – House Bill 2 (HB2)**

On June 4, 2025, Governor Greg Abbott signed House Bill 2 into law, enacting significant changes to public school funding and compensation. The bill provides \$8.5 billion in new education funding, including permanent raises for teachers and support staff, an increase to the Basic Allotment by \$55 per student, and targeted funding for operational costs, special education, and early childhood programs.

Teacher compensation increases vary based on district size and years of experience. In districts with more than 5,000 students, teachers with 3–4 years of experience will receive \$2,500, while those with 5 or more years will receive \$5,000. The bill also provides \$45 per student to boost salaries for non-administrative staff such as counselors and librarians.

Given the bill's passage, school districts should begin updating revenue projections and salary schedules to reflect the new funding model. All provisions take effect in the 2025–2026 school year, with some components rolling out in 2026–2027. The updated budget will incorporate these changes accordingly.

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## Property Values and Tax Rate

The Hidalgo County Appraisal District (HCAD) provides Preliminary Certified Assessed Values to McAllen ISD by April 30 each year. These estimates serve as the basis for developing General Fund and Debt Service Fund tax revenue budgets and are typically conservative compared to the final certified values released in July.

For the 2025–2026 fiscal year, HCAD’s preliminary estimate reflects an assessed value of \$9,170,510,012, representing a 3.79% increase over the prior year. The District’s long-term financial planning assumes an average annual property value growth rate of 4.42%, aligned with recent historical trends.

Final tax rate adoption will occur following the release of:

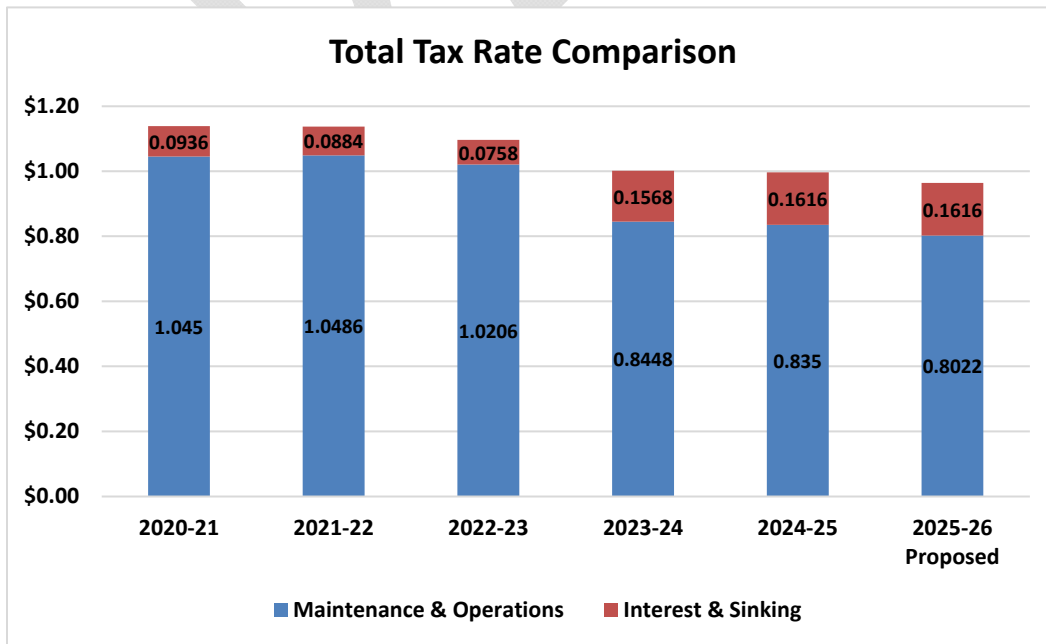
- Certified property values (July 2025), and
- The Maximum Compressed Tax Rate (MCR) from the Texas Education Agency (TEA) (expected August 2025)

## Tax Rate Overview

For 2025–2026, the total tax rate will remain unchanged from the prior year at \$0.9638, based on current law and preliminary assessed values. The breakdown is:

- Maintenance & Operations (M&O) Tax Rate: \$0.8022
- Interest & Sinking (I&S) Tax Rate: \$0.1616
- Total Tax Rate: \$0.9638

This rate complies with House Bill 3, passed during the 86th Texas Legislature, which requires annual compression of Tier One M&O tax rates based on statewide property value growth.



**Multi-Year Tax Rate History**

Tax Year	M&O Tax Rate	I&S Tax Rate	Total Tax Rate	Notes
2020–2021	\$0.9164	\$0.0936	\$1.0100	Initial HB 3 Tier I compression
2021–2022	\$1.0486*	\$0.0884	\$1.1370	Declared Disaster Tax Rate Option utilized
2022–2023	\$1.0206*	\$0.0758	\$1.0964	Declared Disaster Tax Rate Option utilized
2023–2024	\$0.8448	\$0.1563	\$1.0011	Bond defeasance strategy increased I&S rate
2024–2025	\$0.8350	\$0.1616	\$0.9966	Bond defeasance strategy increased I&S rate
2025–2026	\$0.8022	\$0.1616	\$0.9638	Final rate pending certified values and TEA compression guidance.

**Student Enrollment Trends**

Student enrollment continues to be a critical factor in McAllen ISD’s financial and operational planning, directly influencing state funding, staffing levels, and per-student resource allocations. The District monitors enrollment data on a six-week cycle, allowing leadership to make responsive adjustments based on actual trends and demographic shifts.

For the 2025–2026 fiscal year, enrollment is projected at 19,633 students, with an Average Daily Attendance (ADA) of 17,685.65. Although the District anticipates a continued gradual decline in enrollment, the attendance rate is projected to improve to 94.93%, reflecting the effectiveness of student engagement strategies and daily attendance initiatives across campuses.

These projections are based on internal historical data, local demographic analysis, and student population trends over the past five years.

**Enrollment and Attendance – Six-Year Trend**

School Year	ADA	Enrollment	Attendance Rate
2020–2021	20,251.69	21,602	97.02%
2021–2022	18,697.00	20,410	91.92%
2022–2023	18,254.94	20,399	92.75%
2023–2024	18,038.52	20,095	93.40%
2024–2025	17,917.54	19,890	94.20%
<b>2025–2026 (Projected)</b>	<b>17,685.65</b>	<b>19,633</b>	<b>94.93%</b>

[Insert Chart: ADA vs. Enrollment Trend – 2020 to 2026]

**ADA and ADM: Key Definitions**

McAllen ISD relies on both Average Daily Attendance (ADA) and Average Daily Membership (ADM) for planning and funding purposes:

- **Average Daily Attendance (ADA):** The average number of students in attendance each day. ADA is the primary metric used by the Texas Education Agency (TEA) to calculate Foundation School Program (FSP) funding.
- **Average Daily Membership (ADM):** The number of students enrolled as of the October snapshot date, excluding students who are served less than two hours per day.

While both are important, ADA directly determines revenue allocations and per-student funding.

### **Financial Impact of ADA**

ADA is used to calculate key financial metrics such as:

- General Fund Operating Revenues Per ADA
- General Fund Operating Expenditures Per ADA

These figures allow the District to monitor operational efficiency and ensure that resources are distributed equitably across campuses, based on actual student presence.

### **Staffing Overview**

Personnel expenditures represent the largest component of McAllen ISD’s operating budget. For the 2025–2026 fiscal year, staffing plans have been developed in alignment with enrollment projections, financial capacity, and the District’s long-term strategic framework.

Staffing decisions are guided by **Goal 2: People Development** and **Strategy 2: Attract and Retain High-Quality Staff**, as outlined in McAllen ISD’s Approaches to Leadership and Learning model:

Goal 2 – People Development

Strategy 2 – Attract and Retain High-Quality Staff

We will attract, recruit, develop, and retain high-quality staff.

This strategic goal prioritizes investments in human capital and recognizes that student outcomes are driven by the quality and continuity of the professionals serving them.

### **Staffing Philosophy and Core Priorities**

McAllen ISD’s staffing strategy for 2025–2026 is built around the following principles:

- Protect instructional integrity by prioritizing teacher and student-facing roles.
- Ensure all employees retain employment, with position adjustments made through natural attrition only.
- Support compensation competitiveness to attract and retain effective staff.
- Allocate equitably across campuses based on projected enrollment and student needs.
- Comply with state mandates for class size and certified staffing.
- Maintain operational efficiency through data-informed resource planning.

### **2025–2026 Staffing Projections**

Staffing projections for 2025–2026 are based on:

- Projected enrollment: 19,633 students

- Projected Average Daily Attendance (ADA): 17,685.65
- Targeted program needs: Special Education, Bilingual/ESL, CTE, Mental Health, Safety, and Technology
- Alignment with available General Fund and grant-funded resources

Functions may include Instruction, Instructional Support, Administration, Operations, Counseling, and Other Support Services.

### **Staffing Changes and Historical Trends**

The District continuously evaluates staffing levels to ensure alignment with changing enrollment, academic needs, and available funding. The following chart presents districtwide staffing by category over the past six years and highlights changes made between fiscal years 2025 and 2026 in accordance with updated staffing models:

(e.g., Instructional, Campus Admin, Support Staff, Auxiliary, Central Admin)

These adjustments support the District’s goals of maintaining fiscal responsibility while continuing to invest in direct student services.

### **Campus-Based Staffing Allocations**

Campus-level staffing allocations are determined through a formula-driven model that incorporates:

- Student enrollment
- Program requirements (e.g., Special Education, Bilingual/ESL, CTE)
- Teacher-to-student ratios
- Support positions needed to meet compliance and instructional standards
- Funding availability (General Fund, Title programs, ESSER, etc.)

All staffing allocations are reviewed and validated annually in collaboration with campus leaders, Human Resources, and the Finance Department to ensure equitable distribution and alignment with Board-approved financial priorities.



# BUSINESS SERVICES AWARDS



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



**For the Fiscal Years:**

- July 1, 2017 – June 30, 2018**
- July 1, 2018 – June 30, 2019**
- July 1, 2019 – June 30, 2020**
- July 1, 2020 – June 30, 2021**
- July 1, 2021 – June 30, 2022**
- July 1, 2022 – June 30, 2023**
- July 1, 2023 – June 30, 2024**
- July 1, 2024 – June 30, 2025**

# ORGANIZATIONAL SECTION



## Where is McAllen ISD?



McAllen is located on the southern tip of Texas. In 1904 the Hidalgo and San Miguel Extension (now the Sam Fordyce Branch) of the St. Louis, Brownsville and Mexico Railway reached the Santa Anita Ranch, now known as McAllen. John McAllen and his son James donated land to the railroad to guarantee it would cross their land. On December 5, 1904, the McAllen Townsite Company was formed by Uriah Lott, Leonidas C. Hill, Sr., John McAllen, James Ballí McAllen, and John J. Young. The new community, which was named after John McAllen, had the depot nearest the county seat, Hidalgo, eight miles to the south.

By 1911, 5,000 acres were under cultivation in East McAllen with produce consisting of cotton, alfalfa, broom corn, citrus fruits, grapes, and figs. East McAllen had an estimated population of 1,000 that year, and West McAllen had ceased to exist. In 1911 the town applied for and was issued a charter of incorporation under the name McAllen.

In 1941 a suspension bridge replaced the old bridge to Reynosa Tamaulipas; the new toll bridge was purchased by the city and was officially called the McAllen-Hidalgo-Reynosa International Bridge. Its construction resulted in an increased tourist trade that made McAllen a winter resort and port of entry to Mexico.

Today, McAllen is one of the fastest growing cities in America. It has grown from an agricultural based economy to a strong retail, manufacturing and trade center. According to the 2020 census, McAllen had a population of 142,210. Per the McAllen Chamber of Commerce as of June 30, 2024, McAllen's population has grown to 150,638. As McAllen continues to grow, it has remained affordable. The average cost of a home in McAllen is \$227,295, while a two bedroom, two bath apartment rents for \$1,105. The cost of living in McAllen is 17% percent lower than the national average.



## Who is McAllen ISD?

In 1908, one teacher began instruction in a one room frame structure to twenty pupils of all grades. More and more children were enrolling in school that it soon became overcrowded and the common school was then transferred to the Presbyterian Church on the corner of 12th and Austin Street. They were taught the fundamental courses such as reading, writing, arithmetic, grammar and geography.

The question of making McAllen an independent school district arose. On March 22, 1915, the Texas Legislature passed an act allowing McAllen to become an independent school district. The District included the town of McAllen and the lands that were adjacent to it. With the creation of this District a unified effort was made by everyone in McAllen in educating the children.

Today, the McAllen Independent School District consists of eighteen elementary, six middle schools, three high schools, one early college high school, one alternative education campus of choice and one alternative education discipline campus for a total of thirty campuses. The District is now providing educational services to a total of 20,095 students in grade levels beginning from Early Education through 12th grade.

### BASIC FACTS

- 19,890 Students
- 30 Campuses
- 3,182 Employees
- 1,446 Teachers

### DEMOGRAPHICS

- 93.87% Hispanic
- 54.93% At-Risk
- 70.05% Economically Disadvantaged
- 33.60% Limited English Proficient



**Campus Listing - High Schools**



**McAllen High School**  
2021 La Vista  
Stephanie Friedlein, Principal



**Memorial High School**  
101 East Hackberry  
Pedro Alvarez Jr., Principal



**James "Nikki" Rowe High School**  
2101 North Ware Road  
Alfredo Gutierrez, Principal



**Lamar Academy**  
1009 North 10<sup>th</sup> Street  
Nora Sanchez, Principal



**Achieve Early College High School**  
1601 North 27<sup>th</sup> Street  
Miguel Carmona, Principal



**Instruction & Guidance Center**  
2604 Galveston Street  
Fernando X. Gutierrez, Principal



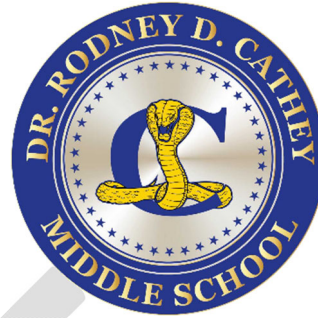
**Collegiate Academy**

UTRGV McAllen ISD Collegiate Academy  
801 East Lakeview Drive  
Elizabeth Gonzalez, Director

## Campus Listing - Middle Schools



**Dorothea Brown Middle School**  
2700 South Ware Road  
Manuel Garcia, Principal



**Dr. Rodney D. Cathey Middle School**  
1800 North Cynthia Street  
Miguel Herrera, Principal



**Alonzo De Leon Middle School**  
4201 North 29th Street  
Ignacio Alaniz Jr., Principal



**Michael E. Fossum Middle School**  
7800 North Ware Road  
Nora Trevino, Principal



**Homer J. Morris Middle School**  
1400 Trenton Road  
Rebecca O. Bechtold, Principal



**William B. Travis Middle School**  
600 Houston Street  
Aaron Garcia, Principal

## Campus Listing - Elementary Schools



**Francisca Alvarez Elementary**  
2606 Gumwood Street  
Melissa Lara, Principal



**Dr. Carlos Castañeda Elementary**  
4100 North 34<sup>th</sup> Street  
Jessica P. Rodriguez, Principal



**Jose De Escandon Elementary**  
2901 Colbath Street  
Karla Rodriguez, Principal



**Victor Fields Elementary**  
500 West Dallas Avenue  
Teresa Trdla, Principal



**Reynaldo G. Garza Elementary**  
6300 North 29<sup>th</sup> Street  
Nancy Valenzuela, Principal



**Leonelo H. Gonzalez Elementary**  
201 East Martin Street  
Christina Hernandez, Principal



**Lucile McKee Hendricks Elementary**  
3900 Goldcrest Street  
Monica Garza, Principal



**Sam Houston Elementary**  
3221 Olga Street  
Jessica K. Lowe, Principal



**Andrew Jackson Elementary**  
501 Harvey Street  
Erika Salinas, Principal



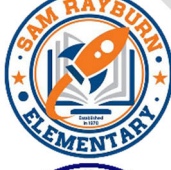
**Christa McAuliffe Elementary**  
3000 West Daffodil Ave  
Yvonne Caldwell, Principal



**Ben Milam Elementary**  
3800 North Main Street  
Edna Hernandez, Principal



**Dr. Pablo Perez Elementary**  
7801 North Main Street  
Veronica Delgado, Principal



**Sam Rayburn Elementary**  
7000 North Main Street  
Clarissa Partida, Principal



**Theodore Roosevelt Elementary**  
4801 South 26<sup>th</sup> Street  
Rachel Montgomery, Principal



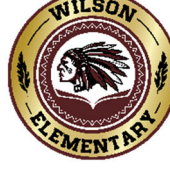
**Blanca E. Sanchez Elementary**  
2901 Incarnate Word Street  
Veronica Rodriguez, Principal



**Juan Seguin Elementary**  
2200 North 29<sup>th</sup> Street  
Juan Nevarez, Principal



**Thigpen-Zavala Elementary**  
2500 Galveston Avenue  
Marisela Chapa, Principal



**Woodrow Wilson Elementary**  
1200 Hackberry Street  
Erika Garcia, Principal

## Dr. René Gutiérrez, Superintendent of Schools

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Dr. René Gutiérrez is a life-long educator with 38 years devoted to educating students.

A 1983 graduate of McAllen High School, he has earned many accolades in his career in public education.

Dr. Gutiérrez is a two-time Region One Superintendent of the Year. He was selected Superintendent of the Year in 2012 while at Edinburg Consolidated Independent School District (where he served 10 years) and in 2023 at Brownsville Independent School District (where he served four years). He is one of the longest-serving Superintendents in the Rio Grande Valley with 16 years of experience.

While in Edinburg CISD, the School Board became both the Regional Board of the Year and the State Board of the Year through the Texas Association of School Administrators (TASA) in 2013. Edinburg CISD also earned the Best Large District in Texas award through the H-E-B Excellence in Education Awards in 2014 under his leadership.

He led both Edinburg CISD and Brownsville ISD, two of the largest districts in the Rio Grande Valley, in becoming State “A” Rated districts in the Texas Accountability System in both Academics and School Finance.

He began at McAllen Independent School District in November 2023 and is the first graduate of the district to become the Superintendent of McAllen ISD.

Dr. Gutiérrez’s education includes:

- Doctoral Degree in Educational Leadership from the University of Texas Pan American – 2008
- Masters of Education from UTPA – 1992
- Bachelor in Business Administration from UTPA – 1987
- Associate Degree in Applied Science from Texas Southmost College – 1985

He began his teaching career in 1987, teaching math at La Joya High School. Later, he served as a Counselor and then a Facilitator at Edinburg North High School.

Other positions he has held include District Migrant Coordinator for Edinburg CISD, Elementary Principal in La Joya ISD, Director of State and Federal Programs for La Joya ISD and Assistant Superintendent for Administration and Finance in La Joya ISD.

In 2009, he became Superintendent for Edinburg CISD and was recognized as one of the top five Superintendents in Texas for 2012. He also received the Educational Leadership Award from the University Council for Educational Administration at UT-Pan American. In 2019, he took the helm as Superintendent of Brownsville ISD.

He earned his doctorate in 2008 from the University of Texas Pan American. His doctoral dissertation was called *Factors Contributing To The Academic Achievement of Mexican-Origin Immigrant High School Students*.

He serves in multiple professional organizations. These include the Texas Association of School Administrators (TASA), Commissioner’s Cabinet (since 2022), the Executive Committee representing South Texas school districts (since 2009), and the Region XXVIII Executive Committee (since 2021).

He has also served as President of the South Texas Association of Schools (2015-16) and as an Executive Committee Member (2009-19) for Region XV.

Dr. Gutiérrez was born in Bakersfield, California and grew up in Reynosa, Mexico. His family moved to South McAllen when he was 8 years old and he finished his schooling in McAllen ISD.

He now oversees a district of 30 campuses with more than 19,000 students and 3,100 employees.

Dr. Gutiérrez is married to Edna Gutiérrez, a teacher herself. They have three children – Omar, Edgar and Vanessa.

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## **A Letter from the Superintendent**

[This section will be updated upon finalization of data.]

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## Administrative Staff



**Dr. René Gutiérrez**  
Superintendent



**Lorena Garcia**  
Deputy Superintendent for Business & Operations



**Rosalba De Hoyos, Ed. D.**  
Associate Superintendent for Instructional Services



**Jeanette Nino**  
Associate Superintendent for Instructional Leadership



**Dr. Alberto Canales**  
Chief Human Resources Officer



**Joel Garcia, CPM**  
Chief Financial Officer

## Board of Trustees



**2020 Region One School Board of the Year**

**2013 NSBA Magna Award Winner**

**Texas 2012 Outstanding Board of the Year**

**Region One School Board of the Year**

The Board of Trustees are elected by the citizens living in the McAllen Independent School District boundaries to be legally responsible for educating the children in the District. Trustees are elected at-large by position.

Texas law grants the Board of Trustees the power to govern and oversee the management of the District's schools. The Board is the policy-making body within the District and has overall responsibility for curriculum, school taxes, annual budget, employment of the superintendent and other professional staff, facilities and expansions. The Board has complete and final control over school matters within limits established by law and State Board of Education rules.

The McAllen ISD School Board meets in the Dr. Ricardo Chapa Board Room in the Administration Building at 2000 N. 23rd Street in McAllen, Texas.

Pursuant to Texas Statutes § 551.043 and § 551.051, the McAllen Independent School District will post the Official Notice of a Board Meeting on the bulletin board at the main entrance on the west side of the District's Administration Building where it remains for at least 72 hours before the scheduled time of the meeting. Though not required by law, the School District also posts an Unofficial Board Meeting Agenda on the District's internet web site as a service to the community.

All McAllen Independent School District Board of Trustees Meetings are open to the public. Meetings are live streamed on MITV and YouTube, or via one of the other public access channels on the cable system serving the McAllen area. Texas law permits the Board of Trustees to convene in closed session for discussion of property acquisition, personnel issues, security matters or consultation with attorneys.

In pursuant to BED(LOCAL), Individuals who wish to participate during the portion of the meeting designated for public comment shall sign up with the presiding officer or designee before the meeting begins as specified in the Board's procedures on public comment and shall indicate the agenda item or topic on which they wish to address the Board. Public comments shall occur at the beginning of the meeting. Except when permitted by this policy, and the Board's procedures on public comment, an individual's comments to the Board shall not exceed two minutes per meeting.

If you have any questions, please contact the Board Secretary, Natalie Goza, at (956) 618-6094.

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## President

**Aaron D. Rivera**  
Place 5, 2023-2027

[aaron.rivera@mcallsisd.net](mailto:aaron.rivera@mcallsisd.net)



## Vice President

**Lucia Regalado**  
Place 2, 2023-2027

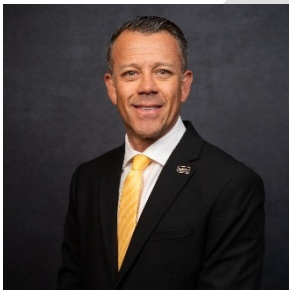
[lucia.regalado@mcallsisd.net](mailto:lucia.regalado@mcallsisd.net)



## Secretary

**Elizabeth (Lizzie) Kittleman**  
Place 1, 2023-2027

[elizabeth.kittleman@mcallsisd.net](mailto:elizabeth.kittleman@mcallsisd.net)



## Trustee

**Robert J. Carreon**  
Place 3, 2025-2029

[robert.carreon@mcallsisd.net](mailto:robert.carreon@mcallsisd.net)



## Trustee

**Erica de la Garza-Lopez**  
Place 4, 2023-2027

[erica.delagarza@mcallsisd.net](mailto:erica.delagarza@mcallsisd.net)



## Trustee

**Roberto A. Haddad**  
Place 7, 2025-2029

[roberto.haddad@mcallsisd.net](mailto:roberto.haddad@mcallsisd.net)



## Trustee

**Sofia M. Peña**  
Place 6, 2021-2029

[sofia.pena1@mcallsisd.net](mailto:sofia.pena1@mcallsisd.net)

## **Our Goals and Strategies**

**Goal 1** – Student Achievement/Student Focus

**Goal 2** – People Development

**Goal 3** – Facility Priorities

**Goal 4** – Financial Priorities

### **Strategy 1 – Branding**

We will effectively and continuously communicate and market the district’s mission, strengths, successes and diverse opportunities for every learner.

### **Strategy 2 – Attract/Retain High Quality Staff**

We will attract, recruit, develop and retain high quality staff.

### **Strategy 3 – Engaging Learning Environment**

We will foster a secure, supportive, rigorous and engaging learning environment.

### **Strategy 4 – Rigorous/World Class Standards Customized for Every Learner**

We will utilize national and global standards to customize learning for every learner.

### **Strategy 5 – Partnerships with Business/Civic Education/Organizations**

We will develop and strengthen bonds with the business, education and civic community to provide engaging learning opportunities.

### **Strategy 6 – Future-Ready Students**

We will foster principled students who learn, adapt, and innovate in response to their ever-changing environment.

### **Strategy 7 – Financial Priorities**

We will conduct a budget development, implementation and monitoring process that reflects sound business and fiscal practices that support district goals.

## Prekindergarten Programs

McAllen ISD elementary schools provide a focused, full day, Pre-K program where children have hands-on purposeful opportunities for learning. Student-centered environments in our Pre-K classrooms follow the developmentally appropriate practices taught by The Children’s Learning Institute, which is the Texas State Center for Early Childhood. Our Curriculum adheres to the Texas Prekindergarten Curriculum Guidelines and provides an instructional program that is vertically aligned with the Kindergarten Texas Essential Knowledge and Skills.

### Universal Full Day Pre-K

Beginning fiscal year 2020-2021, the District phased in a limited seating Pre-K program. This allowed children, who may not have been originally eligible, to enroll for an available seat at designated campuses.

Benefits of these programs include:

- Certified teachers in every classroom specifically trained to work with young children
- Six-hour full-day programming
- Child-centered, hands-on learning
- Focused on developing children academically, physically, and socially
- Healthy breakfast and lunch provided
- Use of a District-issued iPad Air

Registration documents required:

- Official birth certificate
- Photo identification of parent/guardian of the enrolling student
- Child’s social security number (optional)
- Current immunization record signed by physician
- Proof of residency

If you have any questions, please contact the Student Support Services at (956) 618-6031.

## District Policies

The following policies are posted on the link below:

<http://pol.tasb.org/Home/Index/637>

The highlighted items within the following policies make reference to the budget process.



## Budget Planning

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board), each of which is elected from an at-large member district for four-year staggered terms. The Board is not included in any other reporting entity as defined by GASB 14. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the Board identifies needs and establishes priorities for the school system, allocates financial and human resources, and determines the priority areas.

On an annual basis, the District presents the Board of Trustees with the proposed budgets for the General Operating Fund, which includes the Food Service Fund, and the Debt Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The District has administratively opted to officially adopt the Capital Projects Fund. The proposed budget is presented to the Board summarized at the function level for each of the funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30. The District's purpose in the presentation of the budget data is to improve the quality of information provided to the Board of Trustees and the community.



Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized when the related fund liability is incurred. For budgetary purposes, the cash basis of accounting is used. This basis of accounting recognizes revenue when it is received and expenses when they are paid.

House Bill 5, 83rd Legislative Session, added new TEC §28.0217 to require each school district to provide accelerated instruction in the applicable subject area each time a student fails to perform satisfactory on an end-of-course (EOC) assessment instruction. Accelerated instruction may require participation of the student before or after normal school hours and may include participation at times of the year outside normal school operations.

House Bill 5 amended TEC §29.081 requiring the District to separately budget and prioritize state compensatory education funding and any other funding necessary to sufficiently support the cost of additional accelerated instruction for students who fail to perform satisfactory on an EOC assessment instrument. State compensatory education funds cannot be used for any other purpose until the District has sufficiently funded additional accelerated instruction. Physical adoption of the Accelerated Instruction budget for EOC failed students must precede the budget adoption for state compensatory education funds.



After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget amendments anytime during the year. A budget transfer is the movement of appropriations between budget line items. A budget revision is the addition to revenue and expense budgets or a transfer to/from fund balance. Any budget amendments requested by budget managers require Board approval.

The entire budget is planned and prepared to meet all four goals and seven strategies. Each goal supports the Strategic Plan; therefore budget is not defined or measured by each goal but as a whole unit. In order to achieve these goals, the District must plan, prepare and evaluate the budget process in order to ensure that the appropriate dollar amount is allocated.



## **Budget Process**

### **Goal 4, Strategy 7: Financial Priorities**

The Superintendent manages a budget development, implementation, and monitoring process that reflects sound business and fiscal practices that support District goals.

#### **Budget Development**

- Budget Plan aligns with Board Fund Balance and Cash Flow priorities,
- Provide for a Reasonable Staff Compensation Plan,
- Maintain a Reasonable Tax Collection Rate,
- Provide for Stable Expenditures per Pupil, and
- Contingency Planning.

#### **Budget Implementation**

- Recommended budget is in line with established assumptions and District priorities.

#### **Budget Monitoring**

- Provide quarterly financial reports showing implementation compared to adopted budget.
- Provide information that includes evidence that District practices are sound, cost effective, and consistent with District policy and law.

#### **Sound Business and Fiscal Practices**

- End of year results that are generally consistent with adopted budget.
- Administrative procedures instituted to increase operational efficiency, customer service, and reduce the risk of fraud.
- Provides additional transparency to public education finance and meaningful financial oversight and improvement for school districts.

#### **Supports District Goals**

- Maintain financial stability in the District to achieve the most effective and efficient use of taxpayer dollars, while maintaining excellent academic, extracurricular programs, technology and facility improvements.

## 2025-2026 Budget Development Calendar

√	Due Dates	Activity/Process	Responsibility																								
	January 13, 2025	Review proposed budget calendar	Deputy Superintendent for Business & Operations																								
	January 20, 2025	<ul style="list-style-type: none"> <li>Establish Campus Base allotment: <b>Check One</b> - ADA  <input checked="" type="checkbox"/> Enrollment    <input type="checkbox"/> Membership</li> <li>Student allocation for High Schools, Middle Schools and Elementary Schools</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">2024-2025 Allotment</th> <th colspan="2" style="text-align: center;">2025-2026 Allotment</th> </tr> </thead> <tbody> <tr> <td style="border: 1px solid black;">HS 001/002</td> <td style="border: 1px solid black;">= \$ 90</td> <td style="border: 1px solid black;">HS 001/002</td> <td style="border: 1px solid black;">= \$ 90</td> </tr> <tr> <td style="border: 1px solid black;">006/007</td> <td style="border: 1px solid black;">= \$ 90</td> <td style="border: 1px solid black;">006/007</td> <td style="border: 1px solid black;">= \$ 90</td> </tr> <tr> <td style="border: 1px solid black;">005/011</td> <td style="border: 1px solid black;">= \$ 140</td> <td style="border: 1px solid black;">005/011/900</td> <td style="border: 1px solid black;">= \$ 140</td> </tr> <tr> <td style="border: 1px solid black;">MS</td> <td style="border: 1px solid black;">= \$ 75</td> <td style="border: 1px solid black;">MS</td> <td style="border: 1px solid black;">= \$ 75</td> </tr> <tr> <td style="border: 1px solid black;">ES</td> <td style="border: 1px solid black;">= \$ 60</td> <td style="border: 1px solid black;">ES</td> <td style="border: 1px solid black;">= \$ 60</td> </tr> </tbody> </table>	2024-2025 Allotment		2025-2026 Allotment		HS 001/002	= \$ 90	HS 001/002	= \$ 90	006/007	= \$ 90	006/007	= \$ 90	005/011	= \$ 140	005/011/900	= \$ 140	MS	= \$ 75	MS	= \$ 75	ES	= \$ 60	ES	= \$ 60	Business Office
2024-2025 Allotment		2025-2026 Allotment																									
HS 001/002	= \$ 90	HS 001/002	= \$ 90																								
006/007	= \$ 90	006/007	= \$ 90																								
005/011	= \$ 140	005/011/900	= \$ 140																								
MS	= \$ 75	MS	= \$ 75																								
ES	= \$ 60	ES	= \$ 60																								
	January 22, 2025	Upload accounts for Grants 2xx, 3xx, 4xx <ul style="list-style-type: none"> <li>Create from existing accounts to check for duplicates</li> </ul>	Business Office																								
	January 22, 2025	<p><b>Refer to Budget Development Manual – Introduction</b></p> Email - Determine the following: <ul style="list-style-type: none"> <li>Identify items Campuses will budget through allocated funds (A-00)</li> <li>Identify items Departments will budget through department budgets</li> </ul> <p style="text-align: center;"><b>(Due to Business Office 2/3/25)</b></p>	Business Office																								
	January 22, 2025	<p><b>Refer to Budget Development Manual – Sections IV (Required) and V (Optional) Budget Inclusions</b></p> Memos to Deputy Superintendent/Associates Superintendents/Chiefs to request Budget Inclusions Forms from directors, department heads and coordinators (attach prior year budget inclusion forms)	Business Office																								
		<p><b>(Due to Deputy/Associates/Chiefs 2/3/25)</b>  <b>(Due to Business Office 2/12/25)</b></p>																									

v	Due Dates	Activity/Process	Responsibility
	January 22, 2025	<p><b>Refer to Budget Development Manual – Section I</b></p> <p>Memo – Special Populations Campus Allocations and Purchase Order Processing Instructions (Zero Based Budgeting Referenced)</p> <ul style="list-style-type: none"> <li>• 162 – Career &amp; Technology (CTE)</li> <li>• 163 – Advanced Academics</li> <li>• 173 – Special Education</li> <li>• 193 – State Compensatory</li> <li>• 211 – Title I</li> <li>• 289 – Title IV</li> </ul> <p><b>(Due to Business Office 2/3/25)</b></p>	<p>Business Office</p> <p>Respective Directors</p>
	January 22, 2025	Route Calendar to Accounting, Department of Technology, Employee Benefits, Human Resources, Payroll Department, State Comp & Deputy Superintendent for Business & Operations	Business Office
	January 24, 2025	<p><b>Refer to Budget Development Manual – Section III</b></p> <p>E-mail Accounting to begin District Account Coding updates</p> <p><b>(Due to Business Office 2/24/25)</b></p>	<p>Business Office</p> <p>Accounting</p>
	January 24, 2025	<p>District Staffing Data to TASB to prepare the following:</p> <ul style="list-style-type: none"> <li>• Market Value Comparison</li> <li>• Pay Structure Shift</li> <li>• Salary Cost Estimate</li> </ul> <p><b>Business Office to prepare worksheet for staff projections- for budget year 25-26 only, complete 2/17/25</b></p> <p><b>(Due from TASB 4/3/25)</b></p>	<p>Human Resources</p> <p>Business Office</p>
	January 24, 2025	<p>Replacement Schedule e-mail:</p> <p><b>Quotes must be submitted</b></p> <ul style="list-style-type: none"> <li>• Dept of Athletics (183)</li> <li>• Dept of Fine Arts (184)</li> <li>• Dept of FMO (199-P)</li> <li>• Technology</li> <li>• Police Department</li> </ul> <p><b>(Due to Business Office 2/17/25)</b></p>	Departments
	January 27, 2025	E-mail Department of Technology to create New Year Prior to staff planning - Create Budget Version (Business Office)	<p>Business Office</p> <p>Department of Technology</p>

v	Due Dates	Activity/Process	Responsibility
	January 31, 2025	Preliminary State Property Values (1/31/xx)	State Comptroller's Office
	February 3, 2025	Sent out "Save-the-Date" to register for (4/4/25 – Budget Development Training) Collegiate Auditorium	Business Office
	February 3, 2025	<p><b>Refer to Budget Development Manual – Section IV (Required)</b>  <b>Refer to Budget Development Manual – Section V (Optional)</b></p> <p><b>(Due to Deputy/Associates/Chiefs)</b>  <b>(Due to Business Office 2/12/25)</b></p>	Deputy Superintendent Business & Operations Associate Superintendents: Instructional Services Instructional Leadership Chief Financial Officer Chief Human Resource Officer
	February 3, 2025	<p><b>Budget Development Manual – Section I</b></p> <p>Special Populations Campus Allocations and Purchase Order Processing Instructions:</p> <ul style="list-style-type: none"> <li>• 162 – Career &amp; Technology (CTE)</li> <li>• 163 – Advanced Academics</li> <li>• 173 – Special Education</li> <li>• 193 – State Compensatory</li> <li>• 211 – Title I</li> <li>• 289 – Title IV</li> </ul> <p><b>(Due to Business Office)</b></p>	Respective Directors
	February 3, 2025	<ul style="list-style-type: none"> <li>• Identify items Campuses will budget through allocated funds (A-00)</li> <li>• Identify items Departments will budget through department budgets</li> </ul> <p><b>(Due to Business Office)</b></p>	Department Directors
	February 3, 2025	<p>Discussion of Early Exit Incentive Program</p> <p>Discuss staffing and salary projections for 2025-2026</p>	Human Resources Deputy Superintendent for Business & Operations
	February 3, 2025	<p>Send out Calendar invite for 2/17/25 at 10:00 am (TEAMS)</p> <ul style="list-style-type: none"> <li>• Discuss Indirect Cost for Food Service-Fund 101 2025-2026 5% (return to former rate)</li> </ul>	Director of Food Service Chief Financial Officer Deputy Superintendent for Business & Operations

v	Due Dates	Activity/Process	Responsibility
	February 7, 2025	Send out Calendar invite for 03/30/25 at 2:00 pm (TEAMS) Discussion of Self-Funded Rates: <ul style="list-style-type: none"> <li>• 753 Health</li> <li>• 771 TEC</li> <li>• 772 Worker's Comp</li> </ul>	Director of Employee Benefits Director of Payroll Department Chief Financial Officer
	February 12, 2025	<b>Refer to Budget Development Manual – Section II</b> E-mail Payroll Department to begin Salary Information updates  <i>(Due to Business Office 2/28/25)</i>	Business Office Payroll Department
	February 12, 2025	<b>Budget Development Manual –</b> <ul style="list-style-type: none"> <li>• <b>Section IV (Required)</b></li> <li>• <b>Section V (Optional)</b></li> </ul> <i>(Due to Business Office)</i>	Deputy Superintendent for Business & Operations Associate Superintendents: Instructional Services Instructional Leadership Chief Financial Officer Chief Human Resource Officer
	February 12, 2025	Calendar invite- Utility Projections with a due date/meeting on 4/11/25 at 3:30 – 4:30 p.m. <ul style="list-style-type: none"> <li>• Electricity (locked through 2032)</li> <li>• Water</li> <li>• Natural Gas</li> </ul> Calendar invite -Utility Projections <ul style="list-style-type: none"> <li>• Telephone</li> <li>• E-rate</li> </ul>	Chief Financial Officer Executive Director Facilities, Maintenance & Operations  Chief Financial Officer Executive Director Department of Technology
	February 12, 2025	Evaluate Grant Funded Positions	Grant Managers Deputy Superintendent for Business & Operations Chief Human Resource Officer Chief Financial Officer

v	Due Dates	Activity/Process	Responsibility
	February 13, 2025	Email Memo for Extracurricular Funding Guidelines: <ul style="list-style-type: none"> <li>• Advanced Academics</li> <li>• Athletics</li> <li>• Bilingual</li> <li>• CTE</li> <li>• Instructional Services</li> <li>• Fine Arts</li> <li>• Secondary Science</li> <li>• Social Studies</li> <li>• UIL Academics</li> </ul> <p style="text-align: center;"><b><i>(Due to Business Office 2/28/25)</i></b></p>	Respective Directors & Coordinators
	February 17, 2025	Replacement Schedules with Quotes (include in benchmark memo) <ul style="list-style-type: none"> <li>• Dept of Athletics (183)</li> <li>• Dept of Fine Arts (184)</li> <li>• Dept FMO (199-P)</li> <li>• DOT</li> <li>• Transportation</li> <li>• Police Department</li> </ul> <p style="text-align: center;"><b><i>(Due to Business Office)</i></b></p>	Departments
	February 17, 2025	<ul style="list-style-type: none"> <li>• TEAMS - Discuss Indirect Cost for Food Service-Fund 101 2025-2026 5% - (gradually return to former rate)</li> </ul>	Director of Food Service Chief Financial Officer Deputy Superintendent for Business & Operations
	February 18, 2025	1 <sup>st</sup> Budget Workshop – <ul style="list-style-type: none"> <li>• 2025-2026 Budget</li> <li>• Student Enrollment</li> <li>• Human Resources</li> <li>• Tax Rate</li> <li>• Fund Balance</li> <li>• Legislative Updates</li> </ul>	Deputy Superintendent for Business & Operations Chief Financial Officer Chief Human Resource Officer

v	Due Dates	Activity/Process	Responsibility
	February 21, 2025	<p><b>Refer to Budget Development Manual – Section I</b></p> <p><b>Campus Allocated Budget</b></p> <p>Enrollment based on the PEIMS Fall Re-submission 01/19/xx (based on FY 24-25) vs Campus enrollments count 2/27/25</p> <ul style="list-style-type: none"> <li>• Fall Campus Counts PEIMS Re-Submission 01/19/xx(based on FY 24-25)</li> <li>• PDM1-120-009 TSDS PEIMS Disaggregation of PEIMS Student Data</li> <li>• Snapshot Counts and Program Enrollments</li> <li>• Most Current Enrollment Counts Department of Technology</li> </ul>	Business Office
	February 28, 2025	<p>Extracurricular Funding Guidelines</p> <ul style="list-style-type: none"> <li>• Advanced Academics</li> <li>• Athletics</li> <li>• Bilingual</li> <li>• CTE</li> <li>• Instructional Services</li> <li>• Fine Arts</li> <li>• Secondary Science</li> <li>• Social Studies</li> <li>• UIL Academics</li> </ul> <p><i>(Due to Business Office)</i></p>	Respective Directors & Coordinators
	February 28, 2025	<p><b>Budget Development Manual – Section II</b></p> <p>Salary Information completed</p> <p>Copy of PR Fringe Benefit Required Inclusion Sheet to Department of Technology, Human Resources and Employee Benefits</p> <p><i>(Due to Business Office)</i></p>	Payroll Department
	February 28, 2025	<p><b>Budget Development Manual – Section III</b></p> <p>District Account Coding completed</p> <p><i>(Due to Business Office)</i></p>	Accounting Department
	February 28, 2025	Staff Study Review by Program Directors – Finalize	Human Resources
	March 3, 2025	<p>Discussion of Self-Funded Rates meeting (TEAMS) at 10:00 a.m.</p> <ul style="list-style-type: none"> <li>• 753 Health</li> <li>• 771 TEC</li> </ul>	<p>Director of Employee Benefits</p> <p>Director of Payroll Department</p> <p>Chief Financial Officer</p>

v	Due Dates	Activity/Process	Responsibility
		<ul style="list-style-type: none"> <li>• 772 Worker's Comp</li> </ul>	
	March 04, 2025	2 <sup>nd</sup> Budget Workshop – <ul style="list-style-type: none"> <li>• Staffing Guidelines</li> <li>• Compensation Plan</li> <li>• Budget Preparation and Reduction</li> <li>• Student Enrollment/Projections/Attendance/OFSDP/ADYS</li> <li>• Fund Balance Report</li> <li>• Tax Rate</li> <li>• Legislative Updated</li> </ul>	Deputy Superintendent Business & Operations
	March 12, 2025	Budget training for Principals at Professional Learning Center PowerPoint Presentation (15 minutes) (updates and changes)	Chief Financial Officer Deputy Superintendent Business & Operations
	March 25, 2025	Finalize Staffing	Human Resources Deputy Superintendent Business & Operations
	March 25, 2025	Send Calendar Reminder to staff for 4/4/25 – Budget Development Training <ul style="list-style-type: none"> <li>• Training Memo</li> <li>• Budget Development Manual</li> <li>• PowerPoint Presentation</li> </ul>	Business Office
	March 28, 2025	Post Budget Development Manual, PowerPoint and Fringe Benefits Template to Business Services website	Business Office
	March 28, 2025	Email Memo – Department Benchmarks <i>(Due to Business Office 4/23/25)</i>	Business Office
	March 28, 2025	Email Memo – State and Local Program Benchmarks for the following funds: <ul style="list-style-type: none"> <li>• 1xx – Special Populations with a 2.5% P/R Increase</li> <li>• 713 – RD/GS</li> <li>• 101 – Indirect Cost Notation</li> </ul> <i>(Due to Business Office 4/23/25)</i>	Business Office
	March 28, 2025	Review of I&S Tax Rate - meet with Financial Advisors	Chief Financial Officer Deputy Superintendent Business & Operations

v	Due Dates	Activity/Process	Responsibility
	March 28, 2025	Position Budgeting: <ul style="list-style-type: none"> <li>• 0 % roll</li> <li>• With current table rates (Funds 753,771,772)</li> </ul>	Human Resources Department of Technology Employee Benefits Payroll Department
	April 1, 2025	Review Organization 701 Review Position Budget 611* Salaries Review Position Budget 614* Fringe Benefits	Employee Benefits Human Resources Payroll Department
	April 3, 2025	Position Budgeting: <ul style="list-style-type: none"> <li>• With revised tables rates (Funds 753,771,772)</li> <li>• Addition/deletion of staff positions</li> <li>• Pay raise scenarios</li> </ul>	Human Resources Department of Technology Payroll Department
	April 4, 2025	Staff Study Report from TASB <ul style="list-style-type: none"> <li>• Market Value Comparison</li> <li>• Pay Structure Shift</li> <li>• Salary Cost Estimate</li> </ul>	Human Resources
	April 4, 2025	Budget Development Training – <b>UTRGV-Collegiate Auditorium 1:30 p.m. to 3:00 p.m.</b> One General Session Secondary = HS & MS Elementary/Safe & Secure 2xx to 4xx Grants 101-195 7xx/8xx Departments	Business Office
	April 4, 2025	Start inputting 2025-2026 budget  <i><b>(Due to Business Office 4/18/25)</b></i>	District-Wide
	April 7, 2025	Discuss and approve the Budget Benchmark increases and the One Time Projects (1P)	Deputy Superintendent Business & Operations
	April 11, 2025	Meeting with Facilities Maintenance and Operations at 2:00 p.m. to 3:00 p.m. on TEAMS regarding: <ul style="list-style-type: none"> <li>• Electricity</li> <li>• Water</li> <li>• Natural Gas</li> </ul>	Chief Financial Officer Executive Director Facilities, Maintenance & Operations
	April 11, 2025	Meeting with Department of Technology at 3:00 p.m. to 4:00 p.m. on TEAMS regarding: <ul style="list-style-type: none"> <li>• Telephone</li> <li>• E-Rate</li> </ul>	Chief Financial Officer Executive Director Department of Technology

v	Due Dates	Activity/Process	Responsibility
	April 11, 2025	Review Proposed Budget Reports and Pie	Business Office Department of Technology
	April 11, 2025	Setup conference call for 4/25/25 with the Hidalgo County Appraisal District to review preliminary property values, if necessary	Chief Financial Officer
	April 11, 2025	Submission of new revenue and expense keys and access requests	Budget Managers
	April 11, 2025	Update Budget worksheet/ benchmark memos for One Time Projects (1P)  <i>(Due to Business Office 4/25/25)</i>	Business Office
	April 15, 2025	3 <sup>rd</sup> Budget Workshop – <ul style="list-style-type: none"> <li>• Review Employee Benefits (tentative)</li> <li>• Review Staff Study with Principals and Central Administrators</li> <li>• Legislative Updates</li> </ul>	Deputy Superintendent Business & Operations
	April 23, 2025	Input of all budgets completed (Funds 1xx/7xx): <ul style="list-style-type: none"> <li>• Campus Budgets</li> <li>• Department Budgets</li> <li>• State and Local Program Budgets</li> </ul> <i>(Due to Business Office)</i>	District-Wide
	April 23, 2025	Input of budgets completed Federal Program Budgets (Funds 2xx, 3xx, 4xx) with a 2.5% P/R Increase  <i>(Due to Business Office)</i>	Business Office
	April 23, 2025	State Compensatory Education-request the following: <ul style="list-style-type: none"> <li>• Definition of SCE</li> <li>• Accelerated Instruction Budget – Sub-Object (A*)</li> <li>• Explanation of how funds will be expended</li> </ul> <i>(Due to Business Office 4/28/25)</i>	Director of Federal Programs

v	Due Dates	Activity/Process	Responsibility
	April 23, 2025 Through April 25, 2025	Budget Submission and Account Number reviews: <ul style="list-style-type: none"> <li>• Funds 101-197, 599 = VV/JB</li> <li>• Fund 199 – Revenues = JB</li> <li>• Fund 199-Axx, 7xx = RD</li> <li>• Fund 199 Dept, 6xx = JB</li> <li>• Funds 2xx, 3xx, 4xx = JB</li> </ul> Review Fringe Benefits: 614x	Business Office
	April 25, 2025	<b><u>Board Agenda Titles for May:</u></b>  “Approval of Setting Public Meeting Date for Budget and Vote on Proposed Tax Rate”  Vote on Public Meeting Date for Budget  Vote on Proposed Tax Rate that will be published in the newspaper as “Notice of Public Meeting to Discuss Budget and Proposed Tax Rate”  <i><b>(Notice must be published no later than 10 days or earlier than 30 days before the public meeting)</b></i>	Chief Financial Officer
	April 25, 2025	Deadline to enter budgets for those with updated Budget Benchmark Memos  <i><b>(Due to Business Office)</b></i>	Business Office
	April 25, 2025	Conference call with the Hidalgo County Appraisal District to review preliminary property values	Hidalgo County Appraisal District Chief Financial Officer Deputy Superintendent Business & Operations
	April 25, 2025	Final input of all budgets Roll End User Entry into Preliminary Budget Begin Executive Summary	District-Wide Department of Technology Business Office
	April 25, 2025	Roll Position Budgeting into Preliminary Budget	Human Resources Department of Technology Business Office
	April 28, 2025	State Compensatory Education: <ul style="list-style-type: none"> <li>• Definition of SCE</li> <li>• Accelerated Instruction Budget – Sub-Object (A*)</li> <li>• Explanation of how funds will be expended</li> </ul> <i><b>(Due to Business Office)</b></i>	Director of Federal Programs

v	Due Dates	Activity/Process	Responsibility
	April 29, 2025	4 <sup>th</sup> Budget Workshop – <ul style="list-style-type: none"> <li>• 2024-2025 Budget updates</li> <li>• 2025-2026 Budget Projections</li> <li>• Budget Reductions</li> <li>• Budget Increases</li> <li>• Property Values including Lag -Update Hidalgo County Appraisal District</li> <li>• 2025 Tax Rate and Impact to Homeowners</li> <li>• Debt Defeasance Strategy</li> <li>• Facilities Needs Assessment</li> <li>• Employee Benefits Update</li> <li>• Legislative Updates</li> </ul>	Deputy Superintendent Business & Operations
	April 29, 2025	Organizational Section of Annual Budget Book reviewed and finalized	Business Office
	April 30, 2025	Preliminary Certified Property Tax Values Report (CCG Legal) Date Set by Law <ul style="list-style-type: none"> <li>• Board Presentation May 6, 2025</li> </ul>	Hidalgo County Appraisal District
	May 2, 2025	Tax estimate for revenue projections	Chief Financial Officer
	May 5, 2025	Planning Calendar - Hidalgo County Tax Office	Chief Financial Officer
	May 5, 2025	All funds balanced	Business Office
	May 5, 2025	<b><u>Board Agenda Items for May:</u></b> Approval of Setting Public Meeting Date on Budget and Vote on Proposed Tax Rate <ul style="list-style-type: none"> <li>• Vote on public meeting date for budget</li> </ul> Vote on proposed tax rate that will be published in the newspaper as “Notice of Public Meeting to Discuss Budget and Proposed Tax Rate”	Board of Trustees Chief Financial Officer
	May 6, 2025	Schedules -Hidalgo County Tax Office based on Preliminary Certified Property Values and internal analysis. <ul style="list-style-type: none"> <li>• Debt Schedule</li> <li>• Effective Tax Rate (need to maintain)</li> <li>• Public Notice</li> </ul>	Chief Financial Officer

v	Due Dates	Activity/Process	Responsibility
	May 13, 2025	Human Resources Documents for insertion in Budget Book  <i>(Due to Business Office)</i>	Human Resources
	May 23, 2025	<b><u>Board Agenda Titles for June:</u></b>  “Approval of the McAllen Independent School District Budget for Fiscal Year Beginning July 1, 2025, and Ending June 30, 2026”  A. Approval of Accelerated Instruction Funds Budget Approval of the District Budget	Chief Financial Officer
	June 2, 2025	Last Day of Regular Legislative Session – Date Set By Law	State Legislature-In odd years
	June 2, 2025	<b><u>Board Agenda Items for June:</u></b>  <b>A. Public Meeting to Discuss 2025-2026 Budget and Proposed Tax Rate</b>  • Prepare PowerPoint Presentation • No Board Agenda Cover Sheet is prepared  <b>B. Approval and Adoption of the 2025-2026 Proposed Budget:</b>  • CE Legal/SB622 compares notices required by law (6491)  Board Meeting Items must appear in the order indicated as follows:  1. Approval of Accelerated Instruction Budget 2025-2026 2. Approval of the District Budget 2025-2026  Must be by Record Vote (Verbal Individual Vote @ 60% or 5 “Ayes”)  (Budget must be approved by Law no later than 6/30/xx)	Board of Trustees  Chief Financial Officer
	June 9, 2025	7 <sup>th</sup> Budget Workshop – • Human Resource Update • Department Budgets • Budget updates • Annual Budget Book • Legislative Updates	Deputy Superintendent Business & Operations
	June 11, 2025	Business Office/County Tax Office submits notice to The Monitor for: “Notice of Public Meeting to Discuss Budget and Proposed Tax Rate”	Hidalgo County Tax Office  Chief Financial Officer

v	Due Dates	Activity/Process	Responsibility
		<p><b>Notice to be published by Saturday June 14, 2025 submit by June 11, 2025</b></p> <p><b>(Notice must be published no later than 10 days or earlier than 30 days <u>before</u> the public meeting) – 6/24/25 (no later than June 11, 2025)</b></p> <p>MISD Web Posting on Home Page:</p> <ul style="list-style-type: none"> <li>• Proposed Budget Summary Report for McAllen ISD</li> <li>• Do not include Special Tax Verbiage</li> </ul>	
	June 14, 2025	Prepare Region 12 Template of Proposed Budget	Business Office
	June 16, 2025	Get copy of “Notice of Public Meeting to Discuss Budget and Proposed Tax Rate” from local newspaper	Business Office
	June 17, 2025	Begin PowerPoints for Public Meeting – 12 Copies <ul style="list-style-type: none"> <li>• 2025-2026 Budget</li> <li>• 2025 Proposed Tax Rate</li> </ul>	Business Office
	June 18, 2025	Final budget must be prepared & submitted by June 11, 20xx	Chief Financial Officer
	June 24, 2025	Board Meeting- Approval of 2025-2026 Budget	Business Office
	June 25, 2025	Change PDF file: Title page and footnotes to “Annual Budget” and change charts from “Proposed Budget” to “Adopted Budget”	Business Office
	June 25, 2025	Prepare Region 12 Template of Adopted Budget	Business Office
	June 25, 2025	Post Region 12 Template of Adopted Budget	Business Office
	June 25, 2025	User defaults to the new fiscal year on July 1 by the Department of Technology. Submit work order to the Department of Technology	Department of Technology
	June 25, 2025	<ul style="list-style-type: none"> <li>• Preliminary Budget rolled to Original Budget/GL</li> <li>• Confirm General Ledger Budget</li> </ul>	Department of Technology Business Office
	June 25, 2025	Annual Budget Book posted on Financial Transparency Link and Business Services	Business Office
	<b>CONTINUED INTO NEW YEAR</b>		

v	Due Dates	Activity/Process	Responsibility
	July 17, 2025	Submit Annual Budget Book to Association of School Business Officials International (ASBO)	Business Office
	July 18, 2025	Affidavit & Invoice from The Monitor for Public Meeting Notice for 2025-2026 Budget (requisition)	Business Office
	July 18, 2025	Forward project listing of 1P's and 66xx to Purchasing for next year planning purposes	Business Office
	July 25, 2025	Planning Calendar to the Hidalgo County Tax Office <ul style="list-style-type: none"> <li>• Approval of 2025 School Tax rate on August 19, 2025</li> </ul>	Chief Financial Officer
	July 25, 2025	Certified Local Property Tax Values - Date Set by Law	Hidalgo County Appraisal District
	July 25, 2025	Certified State Property Values – Date Set by Law	State Comptroller's Office
	July 29, 2025	<p><b><u>Board Agenda Title for August:</u></b>            "Approval and Adoption of the Resolution for the 2025 School Tax Rate"</p> <p><b><u>Possible:</u></b>            Public Meeting:            "Approval of Setting Public Meeting Date and Vote on Proposed 2025 School Tax Rate" (10-30 days)</p>	Hidalgo County Appraisal District Board of Trustees Chief Financial Officer
	August 4, 2025	Schedules to Hidalgo County Tax Office based on Certified Property Values <ul style="list-style-type: none"> <li>• Debt Schedule</li> <li>• Effective Tax Rate (need to maintain)</li> <li>• Public Notice</li> </ul>	Chief Financial Officer
	August 13, 2025	<p><b><u>Possible:</u></b>            2nd notice based on Certified Property Values to The Monitor for: If tax rate higher than what was published in May.</p> <p>"Notice of Public Meeting to discuss Proposed 2025 School Tax Rate" (10-30 days)</p>	Hidalgo County Tax Office

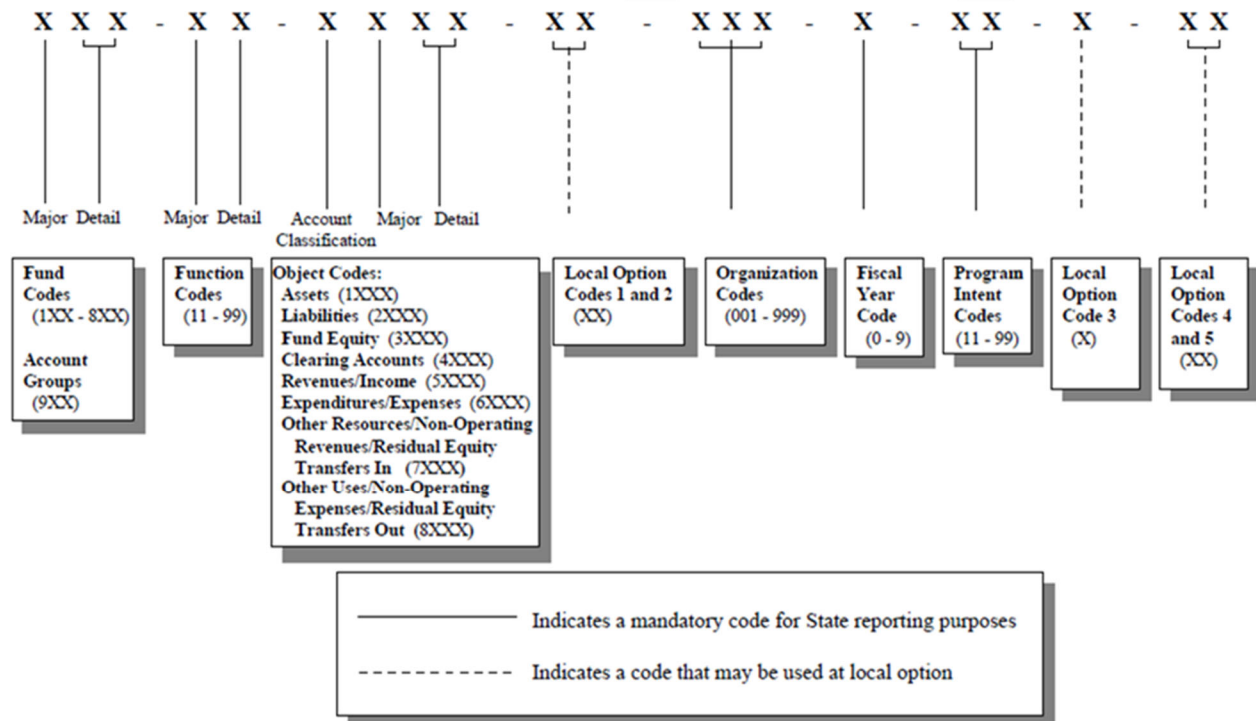
v	Due Dates	Activity/Process	Responsibility
	August 26, 2025	<p>Approval and Adoption of the Resolution for the 2025 School Tax Rate:</p> <ul style="list-style-type: none"> <li>• Include special tax verbiage in Larger Typeset and Sample Home Value, if applicable, on Resolution</li> <li>• Tax Rate must be adopted by September 29 or 60 days after Certified Roll, whichever date is later</li> <li>• Approve separately not as part of Consent Agenda</li> </ul> <p>Must be by Record Vote (Verbal Individual Vote @ 60% or 5 "Ayes")</p>	Chief Financial Officer
		<p><b>Possible:</b></p> <p>Public Hearing for Proposed 2025 School Tax Rate</p>	
	August 27, 2025	<ul style="list-style-type: none"> <li>• McAllen ISD Web Posting of Adopted Budget - Updated for Tax Rate Verbiage (Post for three (3) years)</li> <li>• Tax Rate Resolution - Send Resolution to Hidalgo County Tax Office, Hidalgo County Appraisal District, and Delinquent Tax Attorney/PVS</li> <li>• Tax Rate History (Post on Web Site)</li> </ul>	<p>Office of Marketing &amp; Communications</p> <p>Business Office</p>

## Account Code Structure

Section 44.007 of the Texas Education Code requires that a standard district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process and to determine educational system costs by school district, campus and program.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

### The Code Structure



## **Fund**

A mandatory three-digit code is to be used for all financial transactions to identify the fund group and specific fund. The first digit identifies the fund group, and the second and third digits identify the fund. School district accounting systems are organized and operated on a fund basis. A fund is an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. A school district designates the fund's financial resources for a distinct purpose. The fund's purpose can be established by the state or federal government as well as the school district.

## **Function**

A mandatory two-digit code applied to expenditures/expenses that identify the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area. A function represents a general operational area in a school district and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function.

## **Object Code**

A mandatory four-digit code that identifies the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

Revenue object codes are four-digit object codes, and are the sixth through ninth digits in the code structure. These codes are distinguished from other types of object codes as they always begin with the digit "5." There are three major sources: local sources, state sources and federal sources. School districts must account for a variety of revenues, including property taxes, foundation fund entitlements, user charges and grants. Governmental Accounting Standards Board (GASB) Codification 1600.106 states that revenues and other governmental fund financial resource increments are recognized when they are susceptible to accrual, which means they must be both measurable and available. Revenues are measurable when the amount of the revenues is subject to reasonable estimation. To be available, revenues must be subject to collection within the current period, or after the end of the period but in time to pay liabilities outstanding at the end of the current period.

Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained. These codes are distinguished from other types of object codes as they always begin with the digit "6." An expenditure/expense account identifies the nature and object of an account, or a transaction. The major object codes used in this document are: Payroll Costs, Professional and Contracted Services, Supplies and Materials, Other Operating Costs, Debt Service and Capital Outlay. The school district's accounting records are to reflect expenditures/expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenditures/expenses are reported to the second digit of detail (6100, 6200, etc.) If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

# FINANCIAL SECTION



## Introduction

The Financial Section provides specific fiscal information regarding the various funds of the District. By law, the Board of Trustees must approve annual budgets for the *General Fund* (which includes Food Service Fund) and *Debt Service Fund*. The General Fund and Debt Service Fund are included in this section. The District has administratively opted to officially adopt the *Capital Projects Fund*. *Special Revenue Funds* and *Proprietary Funds* are also included for informational purposes only.

The Financial Section begins with the Two-Year Revenue Comparison by Object Code - General, Debt Service and Capital Projects Funds financial schedule. A summary of major funds are provided in the form of charts and graphs comparing the 2025-2026 Proposed Budget to the 2024-2025 Original Budget. An 8-year data summary is included for the Summary All Funds Forecast, which includes the General Fund, Debt Service Fund and Capital Projects Fund. The General Fund, Debt Service Fund and Capital Projects Fund also have individual 8-year data summaries. The remaining Financial Section provides the reader with specific information for all District funds.

Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds utilize the modified accrual basis of accounting.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized when the related fund liability is incurred. For budgetary purposes, the cash basis of accounting is used. This basis of accounting recognizes revenue when it is received and expenses when they are paid.



## All Funds Combined

### Revenue and Expenditure Assumptions and Trends

The budget data provided in the McAllen ISD Annual Budget Book for 2025-2026 reflects the allocation of revenues, fund balance and appropriations to support the educational programs and services defined by the District’s mission, vision, goals and strategic intent. The following presentation of budget data represents key priorities and decisions used to improve the quality of information provided about the District’s financial plan.

#### Revenues by Object Code

#### General, Debt Service and Capital Projects Funds

Revenue Code	Description	Percent of Total	Proposed Budget	
			2025-2026 07/01/2025	Revenues Per ADA
				<i>2025-26 ADA: 17,685.65</i>
5700	LOCAL REVENUES	33.88%	\$ 89,791,119	\$ 5,077
5800	STATE REVENUES	56.03%	148,463,215	8,395
5900	FEDERAL REVENUES	10.09%	26,739,389	1,512
	<b>Total</b>	<b>100.00%</b>	<b>\$ 264,993,723</b>	<b>\$ 14,984</b>
<b>FUND BALANCE CONTRIBUTIONS</b>				
	199 GENERAL FUND		-	-
	620 MTN-2020		1,594,007	90
	<b>Grand Total</b>		<b>\$ 266,587,730</b>	<b>\$ 15,074</b>

**General Fund  
Revenues and Appropriations**

		<u>Revenues</u>	<u>Appropriations</u>	<u>Fund Balance</u>
<b>GENERAL FUND</b>				
101	FOOD SERVICE	\$ 23,617,621	\$ 23,617,621	-
155	COLLEGE CAREER MILITARY READINESS	1,135,750	1,135,750	-
156	EARLY EDUCATION ALLOTMENT	3,335,568	3,335,568	-
157	DYSLEXIA	1,447,474	1,447,474	-
158	SCHOOL SAFETY ALLOTMENT	1,359,913	1,359,913	-
162	CAREER TECHNICAL ED	8,704,825	8,704,825	-
163	ADV LEARNERS/G&T	382,135	382,135	-
164	BILINGUAL/ESL	2,176,302	2,176,302	-
173	SPECIAL EDUCATION	24,678,228	24,678,228	-
183	ATHLETICS	6,155,250	6,155,250	-
184	FINE ARTS	2,482,586	2,482,586	-
193	STATE COMPENSATORY	11,119,632	11,119,632	-
195	ADVERTISING	34,000	34,000	-
197	MAINTENANCE TAX NOTES	3,914,378	3,914,378	-
199-TI	TEACHER INCENTIVE ALLOTMENT	2,164,102	2,164,102	-
199	GENERAL FUND	158,383,569	157,943,879	439,690
<b>Grand Total</b>		<b>\$ 251,091,333</b>	<b>\$ 250,651,643</b>	<b>\$ 439,690</b>

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**Appropriations by Function Code  
General, Debt Service and Capital Projects Funds**

	General Fund	Debt Service Fund	Capital Projects Funds	Total All Funds
11 INSTRUCTION	\$ 130,536,542	\$ -	\$ -	\$ 130,536,542
12 INSTRUCTIONAL RES & MEDIA SERV	3,179,010	-	-	3,179,010
13 CURR DEV & INSTRUCTIONAL DEV	3,752,603	-	-	3,752,603
21 INSTRUCTIONAL LEADERSHIP	2,696,920	-	-	2,696,920
23 SCHOOL LEADERSHIP	13,340,550	-	-	13,340,550
31 GUIDANCE COUNSELING AND EVAL	10,794,066	-	-	10,794,066
32 SOCIAL WORK SERVICES	1,765,083	-	-	1,765,083
33 HEALTH SERVICES	2,794,705	-	-	2,794,705
34 STUDENT TRANSPORTATION	4,294,658	-	-	4,294,658
35 FOOD SERVICES	23,619,894	-	-	23,619,894
36 EXTRACURRICULAR ACTIVITIES	10,064,273	-	-	10,064,273
41 GENERAL ADMINISTRATION	7,447,555	-	-	7,447,555
51 FACILITIES MAINT & OPERATIONS	20,288,063	-	-	20,288,063
52 SECURITY AND MONITORING SERV	5,010,434	-	1,081,208	6,091,642
53 DATA PROCESSING SERVICES	5,098,631	-	203,769	5,302,400
61 COMMUNITY SERVICES	83,072	-	-	83,072
71 DEBT SERVICE	4,485,637	13,902,390	-	18,388,027
81 FACILITIES ACQ & CONSTRUCTION	5,000	-	309,030	314,030
95 PYMTS TO JUVENILE JUSTICE	40,000	-	-	40,000
99 OTHER INTERGOV'T CHARGES	1,354,947	-	-	1,354,947
<b>Total Appropriations</b>	<b>\$ 250,651,643</b>	<b>\$ 13,902,390</b>	<b>\$ 1,594,007</b>	<b>\$ 266,148,040</b>

**Appropriations by Object Code  
General, Debt Service and Capital Projects Funds**

<u>Object Code</u>	<u>Description</u>	<u>Percent of Total</u>	<u>Proposed Budget 2025-2026 07/01/2025</u>
<b>GENERAL FUND</b>			
6100	PAYROLL COSTS	80.84%	\$ 202,638,030
6200	PROF & CONTRACTED SERVICES	5.64%	14,118,279
6300	SUPPLIES & MATERIALS	9.04%	22,669,082
6400	OTHER OPERATING COSTS	2.48%	6,215,615
6500	DEBT SERVICE	1.79%	4,485,637
6600	CAPITAL OUTLAY	0.21%	525,000
	<b>Total</b>	<b>100.00%</b>	<b>\$ 250,651,643</b>
<b>DEBT SERVICE FUND</b>			
	599 DEBT SERVICE FUND		<u>13,902,390</u>
<b>CAPITAL PROJECTS FUNDS</b>			
	620 MTN-2020		<u>1,594,007</u>
	<b>Grand Total</b>		<b><u>\$ 266,148,040</u></b>

**General Fund  
Revenue Comparison**

		<u>Revenues - Current Law</u>	<u>Revenues - House Bill 2</u>	<u>Increase / Decrease</u>
<b>GENERAL FUND</b>				
101	FOOD SERVICE	\$ 23,617,621	\$ 23,617,621	\$ -
155	COLLEGE CAREER MILITARY READINESS	\$ 1,118,150	\$ 1,135,750	\$ 17,600
156	EARLY EDUCATION ALLOTMENT	\$ 3,092,953	\$ 3,335,568	\$ 242,615
157	DYSLEXIA	\$ 1,450,386	\$ 1,447,474	\$ (2,912)
158	SCHOOL SAFETY ALLOTMENT	\$ 626,857	\$ 1,359,913	\$ 733,056
162	CAREER TECHNICAL ED	\$ 8,627,791	\$ 8,704,825	\$ 77,034
163	ADV LEARNERS/G&T	\$ 378,730	\$ 382,135	\$ 3,405
164	BILINGUAL/ESL	\$ 2,157,043	\$ 2,176,302	\$ 19,259
173	SPECIAL EDUCATION	\$ 23,521,879	\$ 24,678,228	\$ 1,156,349
183	ATHLETICS	\$ 6,125,218	\$ 6,155,250	\$ 30,032
184	FINE ARTS	\$ 2,450,821	\$ 2,482,586	\$ 31,765
193	STATE COMPENSATORY*	\$ 11,794,717	\$ 11,119,632	\$ (675,085)
195	ADVERTISING	\$ 34,000	\$ 34,000	\$ -
197	MAINTENANCE TAX NOTES	\$ 3,914,378	\$ 3,914,378	\$ -
199-TI	TEACHER INCENTIVE ALLOTMENT	\$ 2,164,102	\$ 2,164,102	\$ -
199	GENERAL FUND	\$ 146,896,954	\$ 158,383,569	\$ 11,486,615
<b>Grand Total</b>		<b>\$ 237,971,600</b>	<b>\$ 251,091,333</b>	<b>\$ 13,119,733</b>

**Note:** State Compensatory Education (SCE) funding appears reduced due to an increase in indirect cost. House Bill 2 removed the 55% cap on indirect costs, allowing a larger portion of SCE funds to be allocated to Fund 199. These additional funds were used to help offset general fund expenditures and support a balanced budget.

## State Compensatory Education Program

The goal of the State Compensatory Education Program (SCE) is to provide funding to reduce disparity in performance on assessment instruments or disparity in the rates of high school completion between at-risk and economically disadvantaged students in comparison to all other students. The purpose of the SCE program is to increase academic achievement and reduce the dropout rate for these students by providing supplemental programs and services. Under Section 29.081 of the Texas Education Code (TEC), compensatory education is defined in law as programs and/or services designed to supplement the regular education program for students identified as at risk of dropping out of school.

The following is a list of instructional programs and services that are in place and have been designed to close the achievement gap of at-risk and economically disadvantaged students and reduce the drop-out rate.

- At-Risk Assistants at Elementary, Middle School, and High School level to support students in the content areas
- Sci-Tech Lab Assistants to support science curriculum (Elementary);
- Sci-Tech Teachers to support science curriculum (Middle Schools);
- Graduation Specialists (Grades 6-12) to reduce the drop-out rate and increase the graduation rate for economically disadvantaged and at-risk students;
- Credit Recovery Programs in place at five high schools: McAllen HS, Memorial H.S., Rowe H.S., Lamar Academy, and Achieve Early College HS to provide students with the opportunity to regain credits and graduate with their cohort (in four-year span);
- Extended Day/Week Instruction provided to students (after school, Saturdays, Summer Programs)
- Lamar Academy (Dropout Recovery School staff)
- Lamar Academy Evening Study Center provides students opportunities to attend class in the evening to acquire/regain credit towards graduation around a non-traditional schedule;
- Accelerated Instruction is provided to at-risk and economically disadvantaged students during the Summer School program to close achievement gaps;
- Math and Literacy Interventionists from K-5 provide small group instruction to at-risk and economically disadvantaged students who are not performing at grade-level
- Classroom Size Reduction (CSR) teachers are also provided at the secondary level to support the at-risk and economically disadvantaged student
- Social Work Program is in place to support PK3-12 students with their educational and social-emotional needs.

The District funds many other supplemental programs through the State Compensatory Program to support in closing the achievement gap and drop-out rate.

## General Fund

### General Fund Balance

The financial goal of the McAllen Independent School District is to have a sufficient fund balance in the general operating fund to be able to maintain fiscal independence in case of a financial need or crisis. The District shall strive to maintain an optimum fund balance of at least two and a half months of general fund operating expenditures. Fund balance is the difference between assets and liabilities at a given point in time. The change in fund balance is the difference between revenues and expenditures. Governmental Fund financial statements breaks down the fund balance into 5 categories:

- **Non-Spendable** – the portion of the gross fund balance that is not expendable (such as inventories, pre-paid items) or is legally earmarked for a specific use (such as the self-funded reserves program).
- **Restricted** – amounts constrained to a specific purpose by the provider, such as special populations programs and grants.
- **Committed** – the portion of the fund balance that is constrained to a specific purpose by the Board.
- **Assigned** – the portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Superintendent or designee.
- **Unassigned** – includes amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures. The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance and assigned fund balance.

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## Debt Service Fund Balance

Fund balance is the difference between assets and liabilities at a given point in time. The change in fund balance is the difference between revenues and expenditures. The Debt Service Fund is a governmental fund that accounts for expenditures for the retirement of bonded debt and interest on bonded debt.

The following is the Computation of Legal Debt Margin that the 2025-2026 budget and future years is based on:

### Computation of Legal Debt Margin (Per \$100 of Assessed Valuation)

Debt Limit	\$	0.5000
Interest & Sinking Rate		0.1616
<b>Balance</b>	<b>\$</b>	<b>0.3384</b>

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## Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In Fiscal Year 2019-2020, the District issued Maintenance Tax Notes in connection to environmental cleanup, maintenance, repair, rehabilitation, replacement of heating, air conditioning, roofing, electric, or other facility needs of existing school properties. In addition, other sources as identified by the Board of Trustees, have been assigned for special capital projects.



## Special Revenue Funds

Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor or for purposes committed by the Board of Trustees. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue funds, unused balances are recorded as unearned revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. In some cases, the unused balances are returned to the grantor at the close of specified project periods. The District budgets for Special Revenue Funds as grants are awarded by the various grantors. The District uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting. Included in the District's Special Revenue Funds are:

**211 ESEA, Title I, Part A, Improving Basic Programs** – This code is used to account for funds to help LEAs improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards. (To provide opportunities for children to acquire the knowledge and skills to meet the state's student performance standards.

**212 ESEA, Title I, Part C, Education of Migratory Children** – This code is used to account for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

**224 IDEA - Part B, Formula** – This code is used to account for funds granted to operate educational programs for children with disabilities. This code includes capacity building and improvement (sliver) subgrants.

**225 IDEA - Part B, Preschool** – This code is used to account for funds granted for preschool children with disabilities.

**244 Carl D. Perkins – Basic Formula Grant** – This code is used to account for funds granted to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment. Full participation in the basic grant is from members of special populations:

- at a limited number of campuses (sites) or
- in a limited number of program areas

**255 ESEA, Title II, Part A, Teacher and Principal Training and Recruiting** – This code is used to account for funds used:

- to improve student academic achievement by:
  - improving teacher and principal quality and
  - increasing the number of highly qualified teachers, principals, and assistant principals in schools; and
- To hold districts accountable for improving student academic achievement

**263 Title III, Part A, English Language Acquisition and Language Enhancement LEP** – This code is used to account for funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards.

**272 Medicaid Administrative Claiming Program – MAC** – This code is used to account for funds allocated to districts to reimburse eligible administrative costs for activities that implement the Medicaid state plan. Expenditures attributed to the required matching amount are recorded in the general fund and accounted for using a local option account code, as needed, for local monitoring of compliance with federal matching requirements.

**274 GEAR UP** – This code is used to account for funds granted through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). The funds are used to provide services and support to school districts with a high percentage of low-income minority students to ensure that students:

- are academically prepared for higher education,
- graduate from high school, and
- have access to higher education opportunities

**279 Texas COVID Learning Acceleration Supports (TCLAS) – State Elementary and Secondary School Emergency Relief Fund III (ESSER III) of the American Rescue Plan (ARP) Act of 2021** – This code is used to account for funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic. Examples of how the funds may be used to assist LEAs in learning acceleration and support areas are:

- strategic planning and performance management
- instructional materials that are rigorous and high-quality that make up ground and master grade level Texas Essential Knowledge and Skills (TEKS)
- teacher pipelines that support teachers to deliver excellence in the classroom
- expanded instructional time for students in most need, including expanding instructional time in the summer and with targeted tutoring
- innovative school models to incorporate all of the learning acceleration framework

**280 American Rescue Plan Elementary and Secondary Emergency Relief Fund Homeless Children and Youth (ARP-HCY)** – This code is used to account for federal stimulus funds granted to LEAs through the ARP Act to identify and provide homeless children and youth with services in light of the challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

**282 Elementary and Secondary School Emergency Relief Fund III (ESSER III) of the American Rescue Plan Act of 2021** – This code is used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

**289 Federally Funded Special Revenue Funds** – This code is used to account for federally funded special revenue funds that have not been specified above. Any locally defined codes that are used at the local option are converted to code 289 for PEIMS reporting.

- 288-0 – Summer School LEP Students in K1
- 288-Z – STOP School Violence-Family Treatment Program
- 289 – Title IV, Part A – Sub Part 1

**315 Shared Services Arrangements – IDEA – Part B, Discretionary** – The fiscal agent of a shared services arrangement uses this code to account for funds used to support a regional education service center basic special education component and also:

- targeted support to LEAs
- regional day school programs for the deaf
- private residential placements
- priority projects
- other emerging needs

**340 Shared Services Arrangements – IDEA, Part C, Early Intervention (Deaf)** – The fiscal agent of a shared services arrangement uses this code to account for funds granted for programs in local regional day schools for the deaf and the Texas School for the Deaf. The programs use certified and trained teachers to provide direct services to hearing impaired infants and toddlers, ages birth through two years.

**397 Advanced Placement Incentives** – This code is used to account for funds awarded to your district under the Texas Advanced Placement Incentive Program.

**410 State Instructional Materials Fund** – This code is used to account for funds awarded to your district under the instructional materials allotment. Instructional materials include textbooks, software, supplemental materials, DVDs and CD-ROMs, online services, open-source materials, and other means of conveying information electronically.

**429 State Funded Special Revenue Funds** – This code is used to account for state-funded special revenue funds not listed above. Any locally defined codes that are used at the local option must be converted to code 429 for PEIMS reporting.

- 427-M – Texas A&M University Center on Disability and Development
- 429-M – CTE Certification Exam Reimbursements
- 429-P – School Safety Standards Formula Grant
- 429-R – Rifle-Resistant Body Armor Grant Program
- 429-S – Texas Strategic Staffing Grant
- 429-W – Safety and Facilities Enhancement (SAFE)

**435 Shared Services Arrangements – Regional Day School for the Deaf** – This code is used by the fiscal agent of a shared services arrangement to account for funds allocated for the staff and activities of the regional day school program for the Deaf (RDSPD). These funds must not be used to pay salaries of teachers who have a teaching assignment other than deaf students in the RDSPD or teach American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

**461 Campus Activity Funds** – This code is used to account for transactions related to a principal’s activity fund if the moneys generated are not subject to recall into the general fund by the school district’s board of trustees. Gross revenues from sales are recorded in revenue object code 5755. The cost of goods sold is recorded in function code 36, using the appropriate expenditure object code.

## Enterprise Funds

Enterprise Fund classification is used, at the option of the school district, to account for enterprise funds not defined elsewhere.

**713 Safe and Secure Fund** - The following campuses currently operate a Safe & Secure Program:

- 111 - Milam Elementary School
- 120 - Rayburn Elementary School
- 122 - Garza Elementary School
- 124 - Gonzalez Elementary School
- 126 - Castaneda Elementary School
- 127 - Sanchez Elementary School
- 128 - Perez Elementary School
- 129 - Hendricks Elementary School

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one

organizational unit of the District to other organizational units of the District on a cost reimbursement basis. Internal service funds, also, are used to account for the operations of self-funded health insurance, unemployment claims and worker's compensation. Internal Service Funds maintained by the District are as follows:

- 753 - Health Insurance Fund
- 771 - Unemployment Compensation Fund
- 772 - Worker's Compensation Fund

# INFORMATIONAL SECTION



## **Assessed Values**

Appraisal districts follow the provisions of the Texas Property Tax Code. The Tax Code requires that, unless otherwise provided, that all taxable property be appraised at its market value as of January 1<sup>st</sup> of that tax year. Pursuant to Section 23.06(e) of the Texas Property Code (PTC), the Hidalgo County Appraisal District (HCAD) provides the District with Preliminary Certified Assessed Values on April 30<sup>th</sup> and pursuant to Section 26.01(a) of the PTC Certified Assessed Values on July 25<sup>th</sup> of the same year. The 2025 HCAD Preliminary Certified Assessed Values were used to calculate and project 2025-2026 tax collections. For fiscal year 2026-2027 and beyond, the District estimated those values at a 5% increase.

The Texas Comptroller releases Preliminary Values in January and Final Values in July which are used to calculate state funding. For fiscal year 2026-2027 and beyond, a 5% increase was included to be in line with the HCAD forecasted values.

## **Property Tax Rates and Collections**

The Maintenance and Operation Tax Rate provides the revenues needed to cover day-to-day operations such as salaries and utilities. The Interest and Sinking Tax Rate provides the revenues that are used to pay the principal and interest of bonded debt. The Total Tax Rate is the sum of both maintenance and operations and interest and sinking tax rates.

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## **Maintenance & Operations Tax Limitation**

In 2019-2020, State Legislation compressed the tier I M&O tax rate to \$0.93 (previously \$1.00). For the 2023-2024 fiscal year, the M&O tax rate was compressed to \$0.8034. In November of 2023, the District conducted a favorable Voter Approval Tax Rate Election to increase the M&O tax rate by \$0.0414 for a total M&O Tax Rate of \$0.8448. The I&S tax rate increased from \$0.0758 to \$0.1563 due to the District electing to exercise the Outstanding Bond Defeasance Option for a total tax rate of \$1.0011.

## **Tax Supported Debt Limitation**

Sec. 45.0031. LIMITATION ON ISSUANCE OF TAX-SUPPORTED BONDS. (a) Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general under Subsection (b) or (c) that, with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

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## Tax Rate History

The following is the Total Tax Rate History for the District:

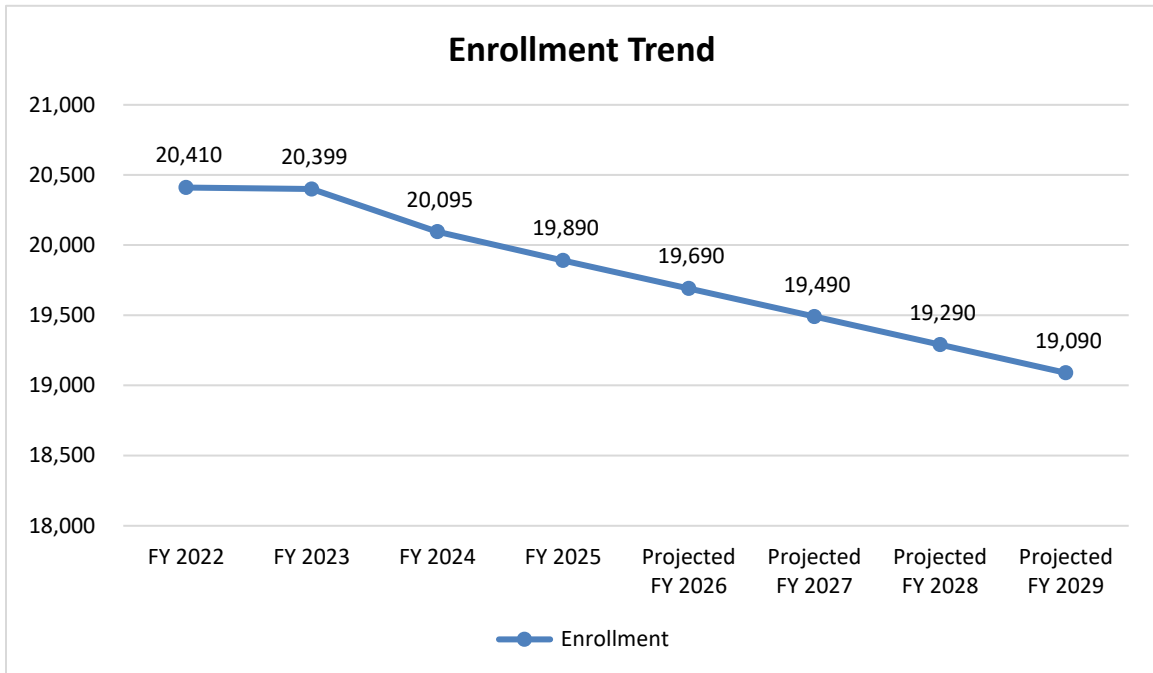
Budget Year	Tax Year	Maintenance & Operations	Interest & Sinking	Total Tax Rate	
2009-2010	2009	1.0400	0.1250	1.1650	
2010-2011	2010	1.0400	0.1250	1.1650	
2011-2012	2011	1.1650	0.0000	1.1650	
2012-2013	2012	1.0400	0.1250	1.1650	
2013-2014	2013	1.0400	0.1250	1.1650	
2014-2015	2014	1.0400	0.1250	1.1650	
2015-2016	2015	1.0400	0.1150	1.1550	
2016-2017	2016	1.1550	0.0000	1.1550	
2017-2018	2017	1.1550	0.0000	1.1550	
2018-2019	2018	1.1550	0.0000	1.1550	
2019-2020	2019	1.0586	0.0942	1.1528	
2020-2021	2020	1.0450	0.0936	1.1386	
2021-2022	2021	1.0486	0.0884	1.1370	
2022-2023	2022	1.0206	0.0758	1.0964	
2023-2024	2023	0.8448	0.1563	1.0011	
2024-2025	2024	0.8350	0.1616	0.9966	
<b>Proposed*</b>	<b>2025-2026</b>	<b>2025</b>	<b>0.8022</b>	<b>0.1616</b>	<b>0.9638</b>

## Effect of Tax Levy on Single Family Residence

Tax Code Section 11.13(b) requires school districts to offer a \$25,000 exemption on residence homesteads to reduce the property's appraised value. For persons age 65 or older or disabled, Tax Code Section 11.13(c) requires school districts to offer an additional \$10,000 residence homestead exemption. On May 7, 2022, Texas voters passed Proposition 2 which increased the residence homestead exemption from \$25,000 to \$40,000 beginning with the 2022 tax year, 2022-2023 fiscal year. On November 7, 2023, Texas voters passed Proposition 4 which increased the residence homestead exemption from \$40,000 to \$100,000 beginning with the 2023 tax year, 2023-2024 fiscal year.

## Student Enrollment

Student enrollment trends are reviewed on a six week basis. Enrollment projections for fiscal year 2025-2026 were based on current trends. These factors were considered when projecting enrollment beyond fiscal year 2025-2026.



## Performance Metrics



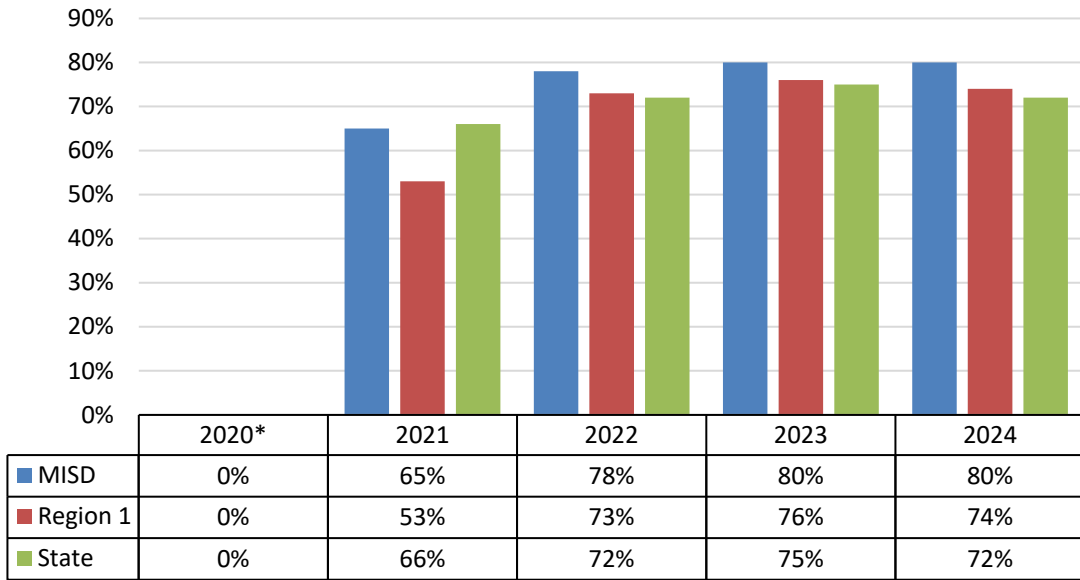
In the 2011-2012 school year, State of Texas Assessments of Academic Readiness (STAAR) replaced Texas Assessment of Knowledge and Skills (TAKS) as the new assessment program of Texas. The Texas Education Agency (TEA) publishes the Texas Academic Performance Report (TAPR) in December for prior year assessments. These reports compare District averages with those of the Region and State. Below are graphs comparing the results of the five subjects tested:

### STAAR - Reading (All Grades)



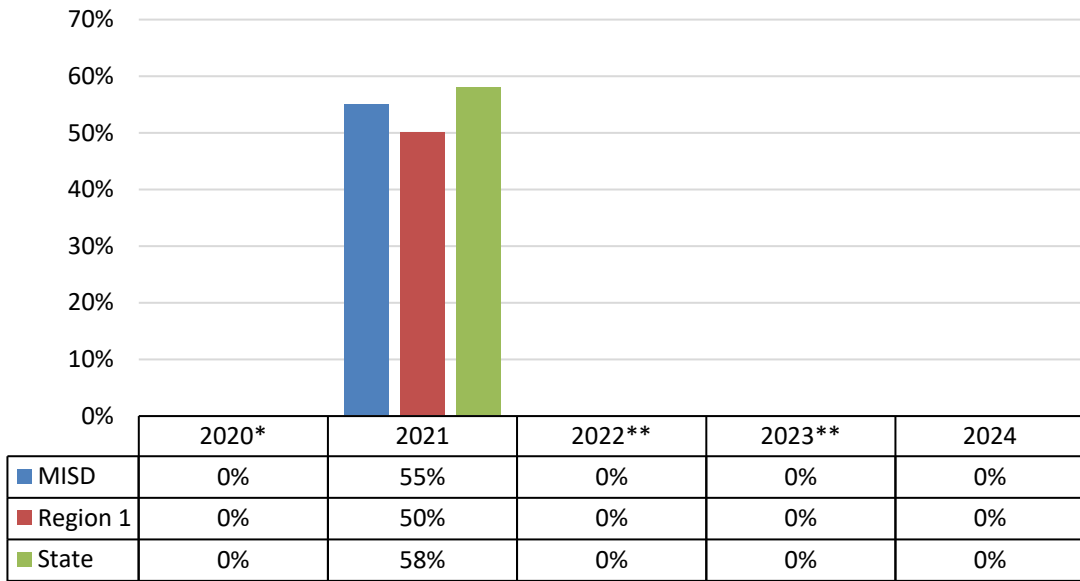
\*For the 2019-2020 school year, the STAAR test was cancelled due to the COVID-19 Pandemic.

### STAAR - Math (All Grades)



\*For the 2019-2020 school year, the STAAR test was cancelled due to the COVID-19 Pandemic.

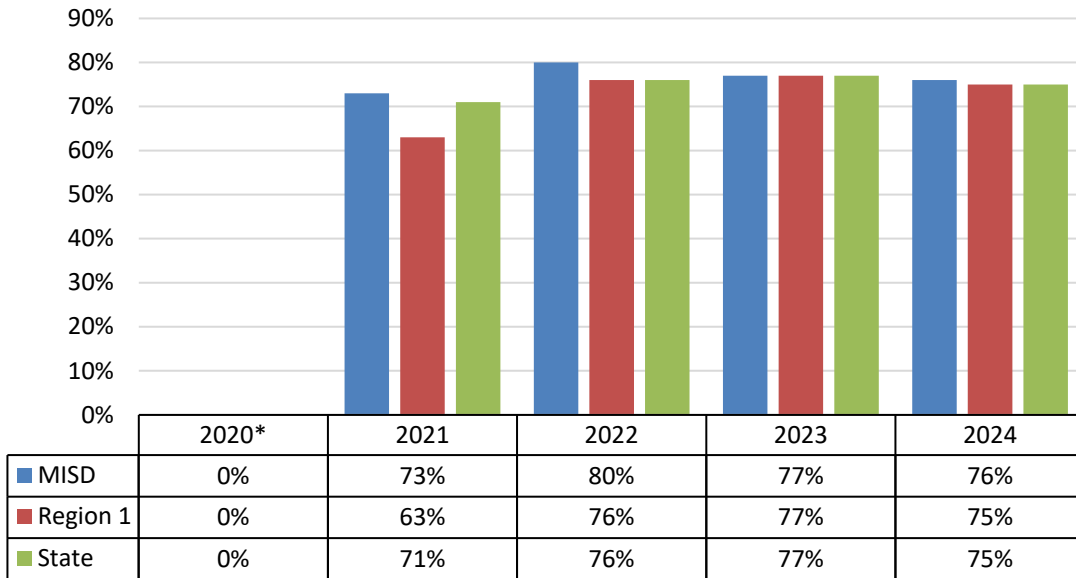
### STAAR - Writing (All Grades)



\*For the 2019-2020 school year, the STAAR test was cancelled due to the COVID-19 Pandemic.

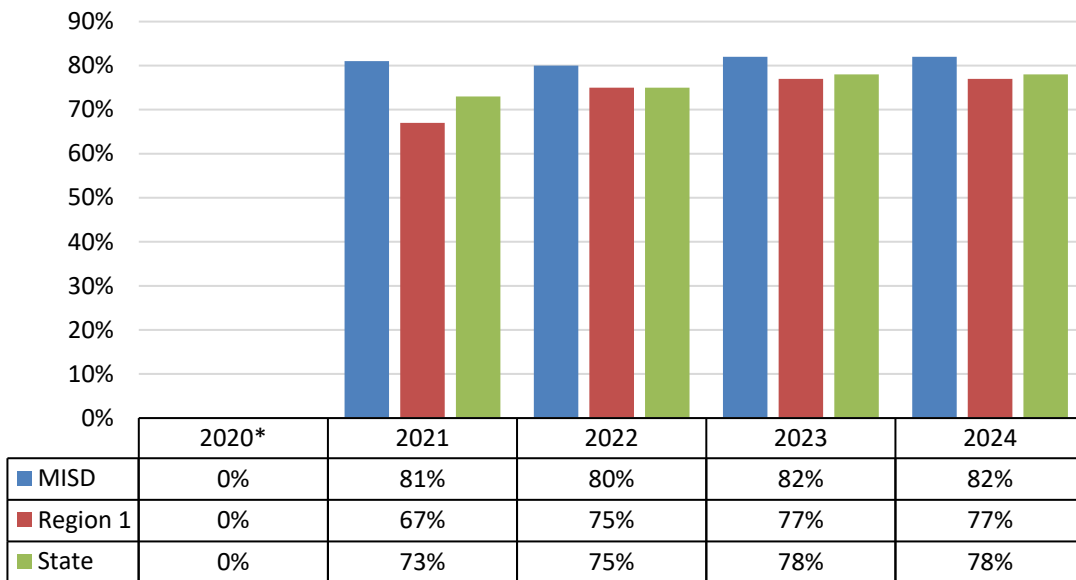
\*\*Starting in 2021-2022, The Writing STAAR test has been embedded in the Reading STAAR test and is no longer tested separately.

### STAAR - Science (All Grades)



\*For the 2019-2020 school year, the STAAR test was cancelled due to the COVID-19 Pandemic.

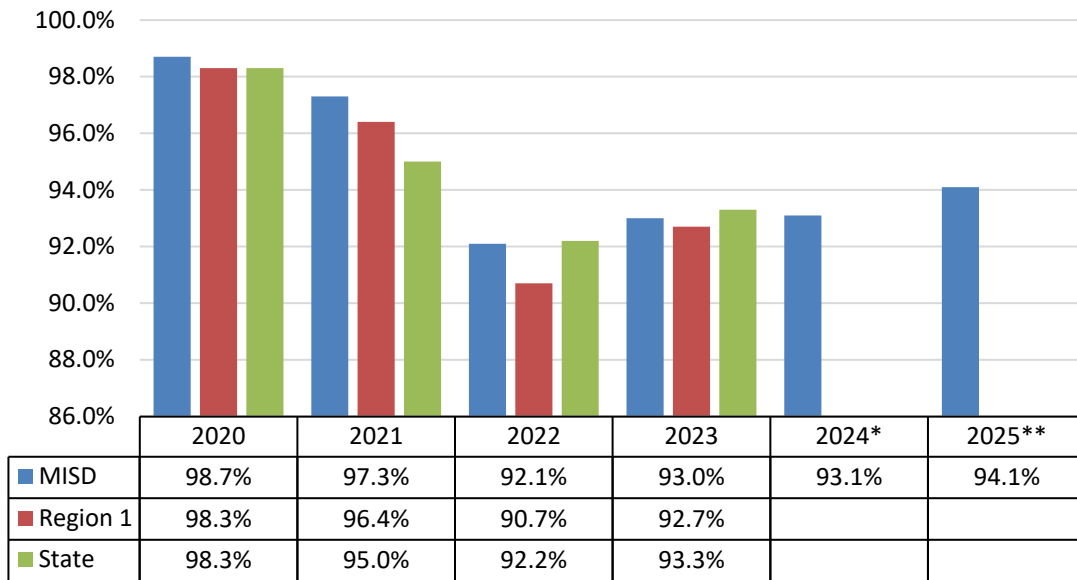
### STAAR - Social Studies (All Grades)



\*For the 2019-2020 school year, the STAAR test was cancelled due to the COVID-19 Pandemic.

The following rates are District indicators and their alignment to the Goals and Objectives implemented by the District:

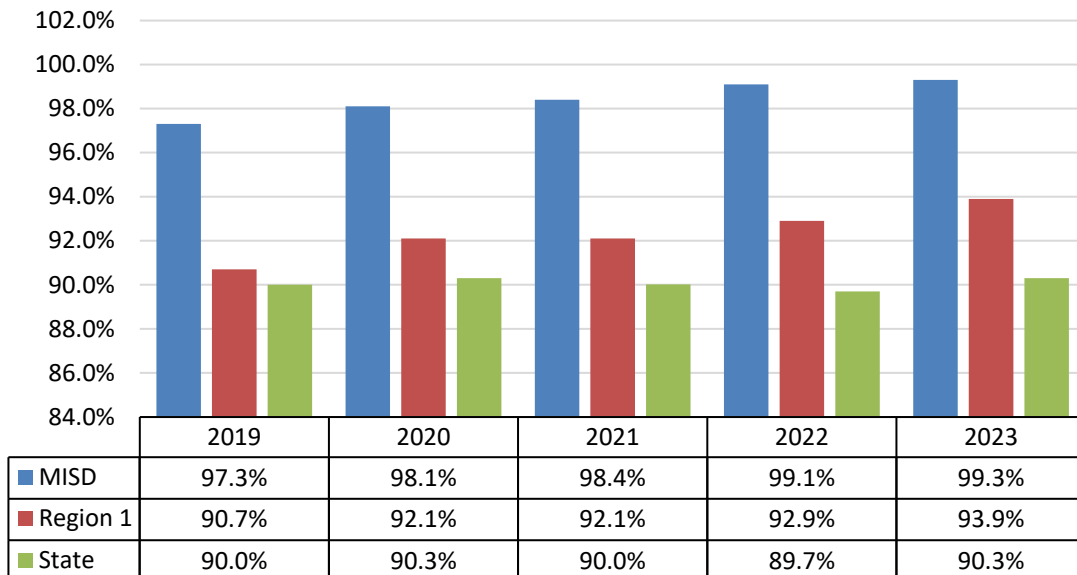
### Attendance Rates



\*2023-24 Texas Academic Performance Report (TAPR) will be released December 2025.

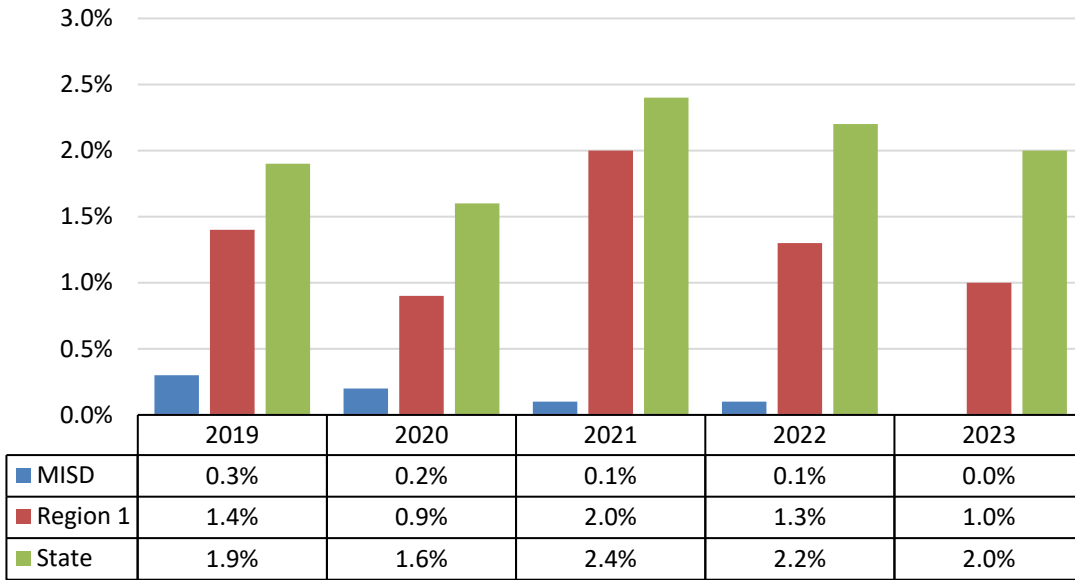
\*\*2024-25 MISD Rate is based on 4th Six Weeks Average, the Texas Academic Performance Report (TAPR) will be published in December 2026.

### Graduation Rates (4 - Year)



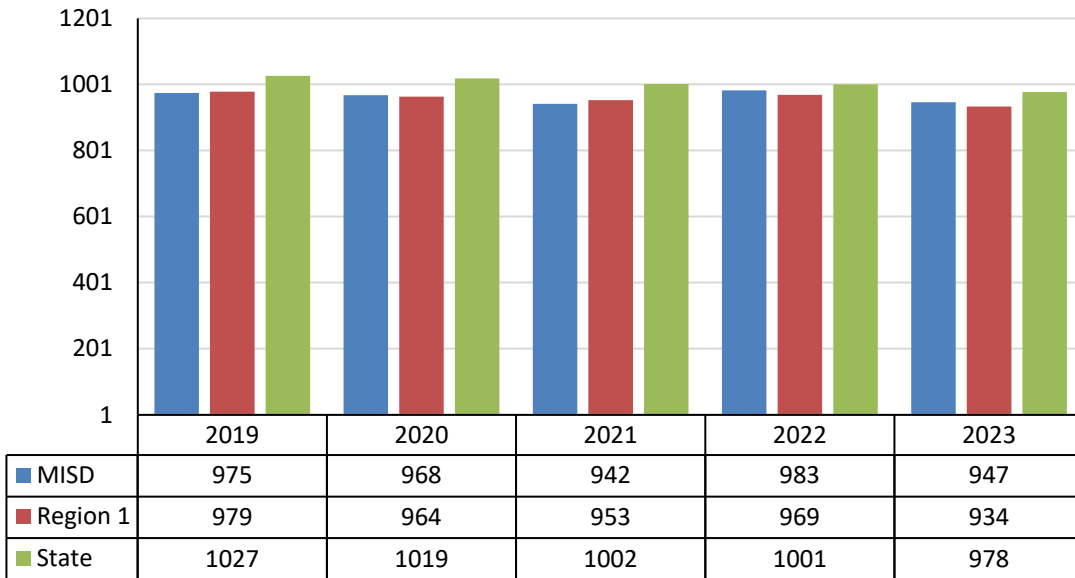
2023-24 Graduation Rates will be published in the Texas Academic Performance Report (TAPR) in December 2025.

### Dropout Rates (Gr 9-12)



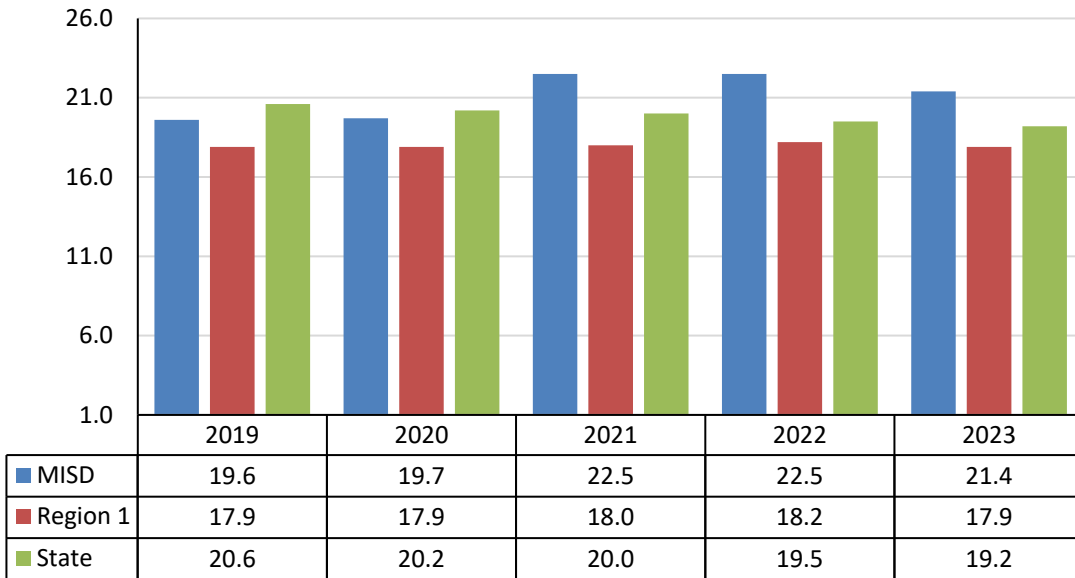
2023-24 Dropout Rates will be published in the Texas Academic Performance Report (TAPR) in December 2025.

### Average SAT Scores



2023-24 Average SAT Scores will be published in the Texas Academic Performance Report (TAPR) in December 2025.

### Average ACT Scores



**2023-24 Average ACT Scores will be published in the Texas Academic Performance Report (TAPR) in December 2025.**

### Percentage of Free or Reduced-Price Meals

The Food Service Department participates in the Community Eligibility Provision 4 (CEP) which increases the monthly free meal reimbursements from the Texas Department of Agriculture due to a rise in meal participation.

Section 104(a) of the Healthy, Hunger-Free Kids Act of 2010 (Act) amended section 11(a)(1) of the Richard B. Russell National School Lunch Act to provide an alternative that eliminates the need for household applications for free and reduced-price meals in high-poverty Local Education Agencies (LEA) and schools. This alternative, which is now part of the National School Lunch Program (NSLP) and School Breakfast Program (SBP), is referred to as the Community Eligibility Provision (CEP).

	CEP FY 2021	CEP FY 2022	CEP FY 2023	CEP FY 2024	CEP FY 2025
<b>Free</b>	89.10%	90.48%	91.22%	90.32%	90.32%
<b>Reduced</b>	-	-	-	-	-
<b>Paid</b>	10.90%	9.52%	8.78%	9.68%	9.68%

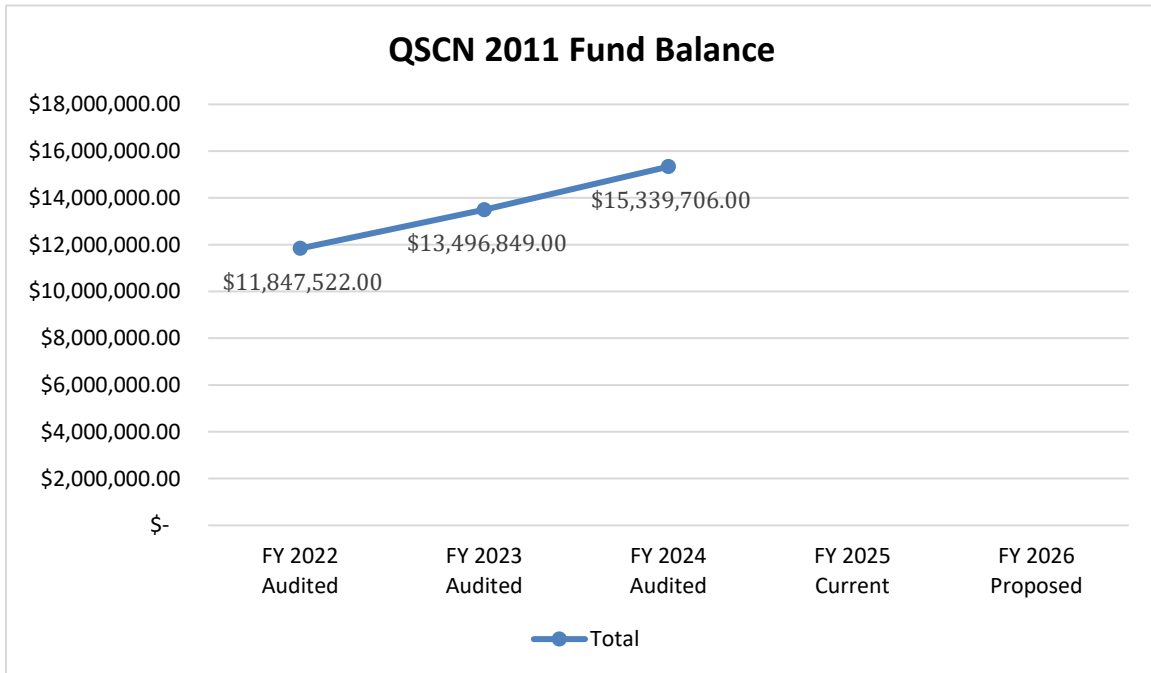
## **Definition of Overlapping Debt**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of the District. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

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## Maintenance Tax Notes Fund Balance

This account is recorded as Other Restrictions of Fund Balance in the General Fund. These funds are required by ordinance to be set aside to pay the maintenance tax notes debt due 2026. Proceeds from the sale of the notes were used for the purpose of energy efficiency projects districtwide. These funds are managed by Bank of New York Mellon serving as Trustee of the District.



## Glossary of Terms



**Ad Valorem Tax:** The primary source of local funding for school districts is ad valorem taxes levied against the local tax base. Ad valorem means according to the value.

**Adjusted Basic Allotment:** The base allotment is adjusted based on how much it costs to educate students in that region of the state as assigned by the cost of index (CEI).

**Annual Comprehensive Financial Report (ACFR):** A financial report that encompasses all funds and component units of the government. The ACFR is the governmental unit's official annual report.

**Appraise:** To make an estimate of value, particularly of the value of property. Note, if the property is valued for purposes of taxation, the less-inclusive term "assess" is substituted for the above term.

**Appropriated Budget:** The expenditure authority created by the appropriation bills or ordinances that are signed into law and related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes.

**Appropriation:** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

**Assessed Valuation:** A valuation set upon real estate or other property by the County Appraisal District to be used as a basis for levying taxes.

**Audit:** A comprehensive review of the manner in which the government's resources were actually utilized. A certified public accountant issues an opinion over the presentation of financial statements, tests the controls over the safekeeping of assets and makes recommendations for improvements for where necessary.

**Average Cost Per Student:** The total costs of the district divided by the total enrollment.

**Average Daily Attendance (ADA):** The number of students in ADA can be found by adding the number of students who are in attendance each day of the school year for the entire school year and dividing by the number of days of instruction to compute average daily attendance. ADA is used in the formula to distribute funding to Texas public school districts.

**Balanced Budget:** A budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

**Basic Allotment:** The basic allotment is a set dollar amount to which each school district is entitled per student in ADA. It is used to calculate foundation program costs and state aid to school districts.

**Bond:** A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.

School Bonds are issued by a public school district to finance buildings or other capital projects. In the simplest terms, bonds for school projects are similar to a mortgage for a home. To be able to sell bonds a school district must have voter approval through an election.

**Bonded Debt:** The part of the school district debt which is covered by outstanding bonds of the district. Sometimes called "Funded Debt or Bonded Indebtedness".

**Bonds Authorized and Unissued:** Bonds which have been legally authorized, but not issued, and which can be issued and sold without further authorization.

**Bonds Issued:** Bonds sold.

**Budget:** A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

**Budget Amendment:** This is the reallocation of budgeted funds from one function code to another. All budget amendments are required to be adopted by the last day of the fiscal year.

**Budget Transfer:** This is the reallocation of budgeted funds from within the same function code.

**Capital Expenditures/Outlay:** Land, building, machinery, furniture, and other equipment which the school district intends to hold or continue in use for more than one (1) year, and has a per unit value of \$5,000 or more. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

**Capital Projects Fund:** A government fund type with budgetary control established to account for projects that are financed by the proceeds from bond issues, or for capital projects otherwise mandated to be so accounted for in this fund.

**Cash Basis of Accounting:** Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

**Cash Balance:** the amount of funds available in liquid investments to cover expenditures at a single point in time.

**Cash Flow:** the net of cash receipts and cash disbursements during a particular accounting period.

**Co-Curricular Activities:** This function is used for expenditures/expenses for school-sponsored activities outside the school day. These activities are generally to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting are that not part of the regular instructional program. Examples include athletics, clubs, band and orchestra, drill team, Future Farmers of America (FFA), cheerleading, one-act plays, speech, debate, National Honor Society, etc.

**Cost of Education Index (CEI) or Adjustment:** An index the State uses to adjust the basic allotment to account for geographic or other cost differences beyond local school district control. The current index has not been updated since 1990.

**Current Year's Tax Levy:** Taxes levied for the current fiscal period.

**Debt:** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, loans, and leases, etc.

**Debt Limit:** The maximum amount of gross or net debt which is legally permitted by law.

**Debt Service Fund:** A governmental fund with budgetary control that accounts for expenditures for the retirement of Bonded Debt and expenditures for interest on Bonded Debt.

**Defeasance:** Termination of certain rights and interests of the bondholders and of their lien on the pledged revenues or other security in accordance with the terms of the bond contract for an issue of securities. This is sometimes referred to as a "legal defeasance." Defeasance usually occurs in connection with the refunding of an outstanding issue after provision has been made for future payment of all obligations related to the outstanding bonds, sometimes from funds provided by the issuance of a new series of bonds. In some cases, particularly where the bond contract does not provide a procedure for termination of these rights, interests and lien other than through payment of all outstanding debt in full, funds deposited for future payment of the debt may make the pledged revenues available for other purposes without effecting a legal defeasance. This is sometimes referred to as an "economic defeasance" or "financial defeasance." If for some reason the funds deposited in an economic or financial defeasance prove insufficient to make future payment of the outstanding debt, the issuer would continue to be legally obligated to make payment on such debt from the pledged revenues.

**Delinquent Taxes:** Taxes remaining unpaid on and after the date on which they become delinquent by statute, which is after February 1st.

**Education Service Center (ESC):** Twenty intermediate education units located in regions throughout Texas that assist and provide Services for local school Districts.

**Effective Tax Rate:** State law in Texas prescribes a formula for calculating the effective tax rate for districts. The net effect of the formula is to produce a tax rate that generates approximately the same revenue as the year before.

**Enrollment:** The number of students, early education through grade 12, registered in a school at a designated time in the school year. This designated time is the last Friday in October, also referred to as The Public Education Information Management System "snapshot date."

**Existing Debt Allotment (EDA):** Eligibility is determined by the date of first payment made on general obligation bonds issued by a school district. Bonds for which the first payment was made before the end of a state biennium are eligible to receive EDA. The amount of funding is determined by the district's I & S tax effort during the last year of the preceding state biennium.

- Application not necessary, for bonds only
- State aid limited to 29 cents of debt rate

**Expenditures:** An expenditure is a payment or disbursement incurred for governmental funds under the modified accrual basis of accounting. For example, the expenditure may be for the purchase of an asset, a reduction of a liability, or it could be an expense.

**Expenses:** An outflow of financial resources that occurs when the liability for a payment for goods or services is incurred for proprietary (enterprise and internal service) funds under the accrual basis of accounting.

**Fiscal Period:** Any period at the end of which a local education agency determines its financial position and the results of its operations. The period may be a month, or a year, depending upon the scope of operations and requirements for managerial control and reporting.

**Fiscal Year (FY):** A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

**Fixed Assets:** Land, building, machinery, furniture, and other equipment which the school district intends to hold or continue in use for more than one (1) year, and has a per unit value of \$5,000 or more. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

**Food Service:** Those activities which have as their purpose the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

**Forecasting Expenditures:** the projected results for future years.

**Forecasting Revenues:** the projected results for future years.

**Foundation School (FSP):** A program for the support of a basic instructional program for all Texas school children. Money to support the program comes from the Permanent School Fund, Available School Fund, Foundation School Fund, State general revenue, and local property taxes. Currently, the FSP described in the Texas Education Code consists of three parts or tiers:

1. The first tier provides funding for a basic program.
2. The second tier provides a guaranteed-yield system so that school districts have substantially equal access to revenue sufficient to support an accredited program.
3. The third tier equalizes debt service requirements for existing facilities debt.

**Function:** A function represents a general operational area in a school district and groups together related activities; for example, instruction, campus administration, maintenance and operations, etc. As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose or end.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on in accordance with special regulations, restrictions, or limitations.

**Fund Balance:** Fund balance is the difference between assets and liabilities at a given point in time. The change in fund balance is the difference between revenues and expenditures. Governmental Fund financial statements breaks down the fund balance into 5 categories:

- **Non-Spendable** – the portion of the gross fund balance that is not expendable (such as inventories, pre-paid items) or is legally earmarked for a specific use (such as the self-funded reserves program).
- **Restricted** – amounts constrained to a specific purpose by the provider, such as special populations programs and grants.
- **Committed** –that portion of the fund balance that is constrained to a specific purpose by the Board.
- **Assigned** – that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Superintendent or designee.
- **Unassigned** – includes amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures. The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance and assigned fund balance.

**General Fund:** A fund group with budgetary control used to show transactions resulting from operations of ongoing organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use by the local education agency. The General Fund is used to finance the ordinary operations of a governmental unit except those activities required to be accounted for in another fund.

**General Obligation Debt:** Tax supported bonded debt which is backed by the full faith and credit of the District.

**Government Finance Officers Association (GFOA):** A professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. The association members are dedicated to the sound management of government financial resources.

**Governmental Funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

**Grant:** A contribution by one organization to another. The contributions are usually made to aid in the support of specified function (for example, At Risk Students), but it is sometimes also for general purposes.

**Infrastructure:** Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

**Instructional Facilities Allotment (IFA):** The IFA program provides funding to school districts for debt service payments on debt principal and interest associated with the purchase, construction, renovation, and expansion of instructional facilities. IFA is application-based and is used for bonds or lease purchases. The yield is \$35 per ADA per penny of tax effort.

**Interest and Sinking (I & S):** Funds that are used to pay the principal and interest of bonded debt. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service (I & S) fund to account for their repayment.

**Levy:** (Verb) to impose taxes or special assessments. (Noun) The total of taxes or special assessments imposed by a governmental unit.

**Maintenance and Operation (M & O) Tax Rate:** The tax rate calculated to provide the revenues needed to cover Maintenance & Operations. M & O includes such things as salaries, utilities, and day-to-day operations.

**Membership:** The total number of public school students who were reported in membership as of the October snapshot date (the last Friday in October) at any grade, from early childhood education through grade 12. Membership is a slightly different number from enrollment because it does not include those students who are served in the district for fewer than 2 hours per day.

**Modified Accrual Basis:** A basis of accounting in which expenditures are accrued when incurred and revenues are accounted for when they become measurable and available.

**Object:** the particular type of good or services utilized. Examples include payroll cost, supplies, travel, etc.

**Other Financial Sources:** An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

**Other Financing Uses:** A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

**Personnel, Administration:** Personnel on the school payroll who are primarily engaged in activities which have as their purpose the general regulation, direction, and control of the affairs of the school district that are system-wide and not confined to one school, subject, or narrow phase of school activity; for example, superintendent of schools.

**Personnel, Full-Time:** School employees who occupy positions, the duties of which require them to be on the job on school days, throughout the school year, at least the number of hours the schools in the system are in session.

**Personnel, Part-Time:** Personnel who occupy positions, the duties of which require less than full-time service. This includes those employed full-time for part of the school year, part-time for all of the school year, and part-time for part of the school year. See also Personnel, Full- Time.

**Principal of Bonds:** The face value of bonds.

**Refined ADA:** Refined Average Daily Attendance is based on the number of days of instruction in the school year. The aggregate eligible day's attendance is divided by the number of days of instruction to compute the refined average daily attendance. See also ADA.

**Refunding Bonds:** Bonds issued to pay off bonds already outstanding.

**Revenue:** inflow of resources that results from the income of a government from various sources.

**Rollback Tax:** Reference to current State of Texas school finance laws that require maintenance and operations tax rate increases (above a certain limit) to be voted on by the public. Rollback elections that fail, roll the tax rate back to the previous lower level.

**Rollback Tax Rate:** A tax rate that exceeds the rollback tax rate will automatically trigger an election. If the election to limit school taxes is successful, the tax rate the district may impose for the current year is limited to the calculated rollback tax rate.

**Salary:** The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the school district.

**School, Elementary:** A school classified as elementary by State and local practice that is composed of any span of grades not above grade six. In this District this term includes kindergartens and pre-kindergartens.

**School, Middle:** A school classified as middle by State and local practice that is composed of any span of grades six through eight.

**School, Secondary:** A school classified as secondary by State and local practices that is composed of any span of grades beginning with the next grade following the elementary/middle school, and ending with or below grade 12, including the different types of high schools and alternative high schools.

**Special Revenue Fund:** A governmental fund type with budgetary control, used to account for the proceeds of specific revenue sources, other than expendable trusts or for major capital projects that are legally restricted to expenditures for specified purposes.

**State Compensatory Education (SCE):** Compensatory education is defined in law as programs and/or services designed to supplement the regular education program for students identified as at risk of dropping out of school.

**Tax Base:** The total value of all real personal and mineral property in the District as of January 1st of each year as certified by the County Appraisal Board. The tax base represents net value after all exemptions.

**Tax Rate:** Total tax rate is set by the Board of Trustees and is made up of two components:

- A. Maintenance and Operations
- B. Interest and Sinking

**Tax Rate Limitation:** A school may not impose a maintenance and operation tax rate that exceeds \$1.17 per \$100 valuation of taxable property, nor an interest and sinking rate that exceeds \$.50.

**Tax Ratification Election (TRE):** A special election called by the Board of Trustees asking voters to approve a tax rate that is above the \$1.04 tax rate allowed by the state law.

**Tax Roll:** The official list showing the amount of taxes levied against each taxpayer or property.

**Taxes:** Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. It does not include special assessments.

**Teacher Retirement System (TRS):** TRS delivers retirement and related benefits authorized by law for members and their beneficiaries.

**Texas Association of School Business Officials (TASBO):** An independent, not-for-profit professional, association dedicated to being the trusted resource for school finance and operations in Texas.

**Texas Education Agency (TEA):** The Texas Education Agency provides leadership, guidance, and resources to help schools meet the educational needs of all students. Located in Austin, Texas, TEA is the administrative unit for primary and secondary public education.

**Texas Education Code (TEC):** This code applies to all educational institutions supported in whole or in part by state tax funds.

**Total Tax Rate:** The total tax rate is the sum of all I & S and M & O.

**Underlying Bond Rating:** The rating the district would be given by investor services to give relative indications of credit quality to stand alone without the permanent bond guarantee by the State.

**Weighted Students in Average Daily Attendance (WADA):** In Texas, students with special educational needs are weighted for funding purposes to help recognize the additional costs of educating those students. Weighted programs include special education, career and technology, bilingual, gifted and talented, and compensatory education.

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