

**Notice of Special-Called Board Meeting
Board of Trustees
Thursday, May 21, 2026**

A Special-Called Board Meeting of the Board of Trustees will be held on Thursday, May 21, 2026, beginning at 5:00 PM, in the Boardroom of the Mark Henry, Ed.D. Administration Building, 11440 Matzke Road, Cypress, Texas 77429.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

Notice of this meeting was mailed or electronically transmitted to the news media, who previously requested such notice, and a copy was posted in the main/front office window of the Cypress-Fairbanks Independent School District Mark Henry, Ed.D. Administration Building on May 18, 2026, at 7:30 a.m.

MEETING OPENING

1. Call to Order

MEETING AGENDA

2. Public Comments

A. Agenda

Comments

Per BED (Local), patrons may address the Board during any Board Meeting under Agenda Comments regarding items listed on the agenda for that meeting. Individuals must register in advance. Registration opens the day the agenda is posted to the district website, and the deadline for registering is 12:00 p.m. on the day of the meeting. To register, individuals must click on the "Register to Speak" link found under each agenda item listed for that meeting on the district website. This electronic speaker form must be completed in its entirety. Agenda Comments will generally be heard before each agenda item to be discussed or considered by the Board unless rearranged by the Board President. Any registered speaker who is absent from the meeting at the time for Agenda Comments forfeits the opportunity to address the Board at that meeting but may submit written comments to the Board.

3. Discussion

- A. The Board will conduct a budget workshop for planning purposes of the proposed 2026-2027 Budget.

4. Closed

Session

If, during the course of the meeting covered by this notice, the Board should determine that a closed session of the Board should be held or is required in relation to any item included in this notice, then such closed session as authorized by Section 551.001 of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this notice or as soon after the commencement of the meeting covered by this notice as the Board may conveniently meet in such closed session concerning any and all subjects and for any and all purposes permitted by Sections 551.071 through 551.084, of the Open Meetings Act.

A. There will be a Closed Session in accordance with Government Code Section 551.001 et. seq.	
B. Section 551.071	C. For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law. For the purpose of consultation with the district's attorney concerning matters on which the attorney's duty to the district under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings laws.
D. Section 551.072	E. For the purpose of discussing the purchase, exchange, lease or value of real property.
F. Section 551.073	G. For the purpose of considering a negotiated contract for a prospective gift or donation.
H. Section 551.074	I. For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.
J. Section 551.076	K. To consider the deployment, or specific occasions for implementation, of security personnel or devices.
L. Section 551.0821	M. For the purpose of deliberating a matter regarding a public-school student if personally identifiable information about the student will necessarily be revealed.
N. Section 551.082	O. For the purpose of considering discipline of a public-school child or children or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing.
P. Section 551.083	Q. For the purpose of considering the standards, guidelines, terms or conditions the Board will follow, or instruct its representatives to follow, in consultation with representatives of employee groups in connection with consultation agreements provided for by section 13.901 of the Texas Education Code.
R. Section 551.084	S. For the purpose of excluding witness or witnesses from a hearing during examination of another witness.

5. Adjournment

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, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). 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. [See TASB Policy BEC(LEGAL)]

On May 18, 2026, at 7:30 a.m., this notice was mailed or electronically transmitted to the news media, who previously requested such notice, and a copy was posted in the main/front office window of the Cypress-Fairbanks Independent School District Mark Henry, Ed.D. Administration Building.

For the Board of Trustees



BUDGET WORKSHOP

May 21, 2026



BOARD WORKSHOP OBJECTIVE

Develop consensus on priorities for the 2026-2027 budget with the following assumptions:

- Current budget deficit
- Limitations of fund balance



PRELIMINARY BUDGET RECOMMENDATIONS

Preliminary General Fund 2026-2027

DESCRIPTION	PRELIMINARY BUDGET
Local Revenues	\$508,353,652
State Revenues	646,713,310
Federal Revenues	6,200,000
Total Revenues	<hr/> <u>\$1,161,266,962</u>
Expenditures	<hr/> <u>\$1,228,691,637</u>
Surplus (Deficit)	<hr/> <u>(\$67,424,675)</u>

2026-2027 Budget - Revenues

- **Decrease** in enrollment of 3.8% (**\$26.7M**)
- **Decrease** in SHARS funding (**\$1.3M**)
- **Increase** in revenue from property value audits (**\$6M**)
- **Increase** in other local revenue (**\$2.6**)

2026-2027 Budget - Expenditures

- **Increase** for implementation of Virtual Pathways (\$4.6M)
- **Decrease** in teacher allocations due to decline in enrollment (\$11.7M)
- **Increase** in fuel due to inflation (\$1.1M)
- **Increase** for textbooks not covered by IMTA (\$2M)
- **Increase** for chiller preventative maintenance (\$2M)

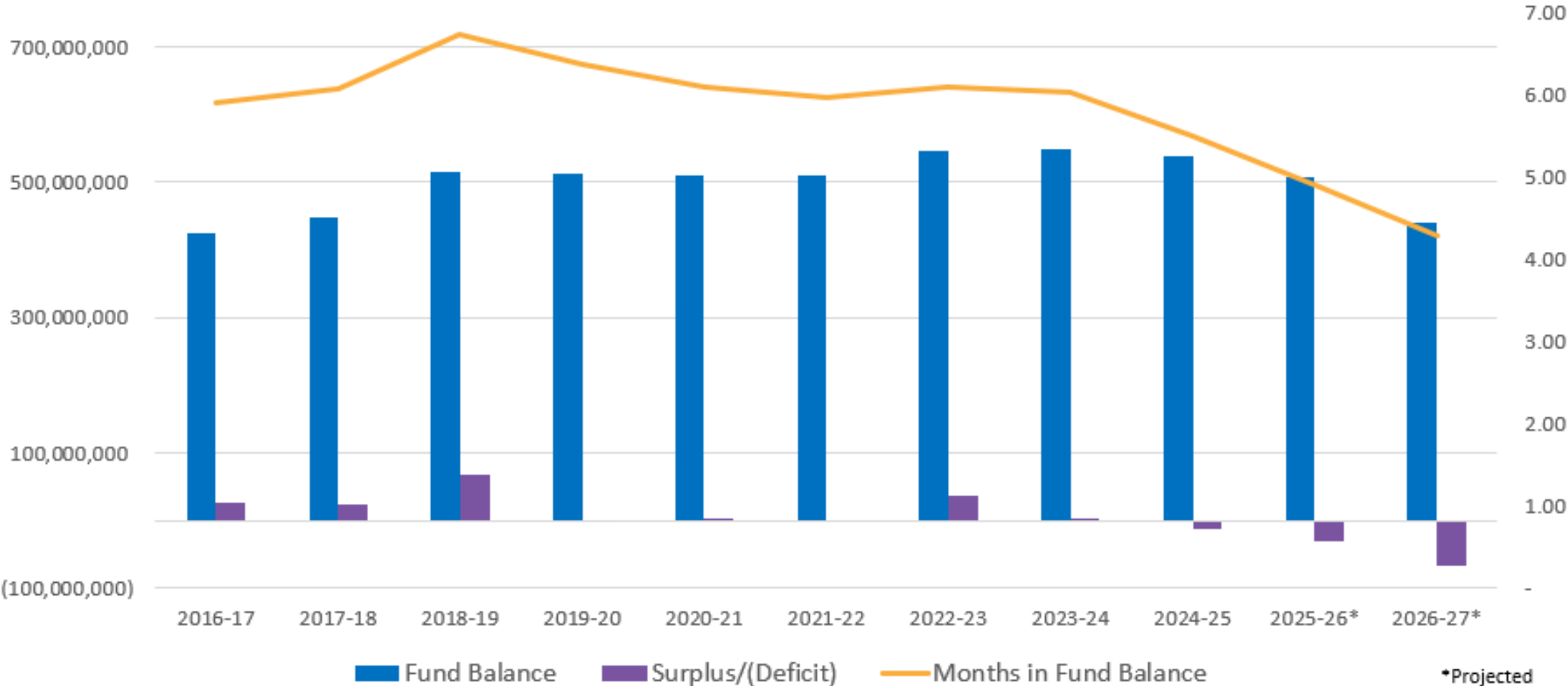
2026-2027 Budget - Expenditures

- **Decrease** department budgets (\$4M)
- Net **increase** for uniform rotations, election costs, UIL expenses, technology software, and other miscellaneous expenditures (\$0.5M)
- Currently does **not** include employee raises

History of CFISD Salary Increases

YEAR	TEACHER SCALE	PARA/HOURLY	ADMINISTRATION
2016-2017	2%	3%	2%
2017-2018	3%	3%	3%
2018-2019	3%	3%	3%
2019-2020	3%≤5 years; 3.5%>5 years; and \$1,000 one-time salary increase	3% and \$500 one-time salary increase	3% and \$500 one-time salary increase
2020-2021	Add \$1,000 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase
2021-2022	5%	5% and \$1,000 stipend	5%
2022-2023	2% and \$1,000 stipend	2% and \$2,000 stipend	2% and \$1,000 stipend
2023-2024	3%	3%	3%
2024-2025	2%	2%	1%
2025-2026	\$2,500 with 1-4 years exp.; \$5,000 with 5+ years exp.	4%; increase minimum pay to \$15/hour	4%

Fund Balance Analysis



Fund Balance

The total accumulation of operating surpluses and deficits

Importance of adequate fund balance

- Manage cash flow low points
 - Majority of tax collections in December and January
 - Reimbursement from federal funds
 - Fund disasters until reimbursed by insurance/federal funding
- Mitigate current and future risks such as revenue shortfalls and unanticipated expenditures
 - Declines in enrollment/ADA

How much fund balance is needed

- Minimum of 4 months for June 30 year end

How is fund balance replenished

- Operating surplus

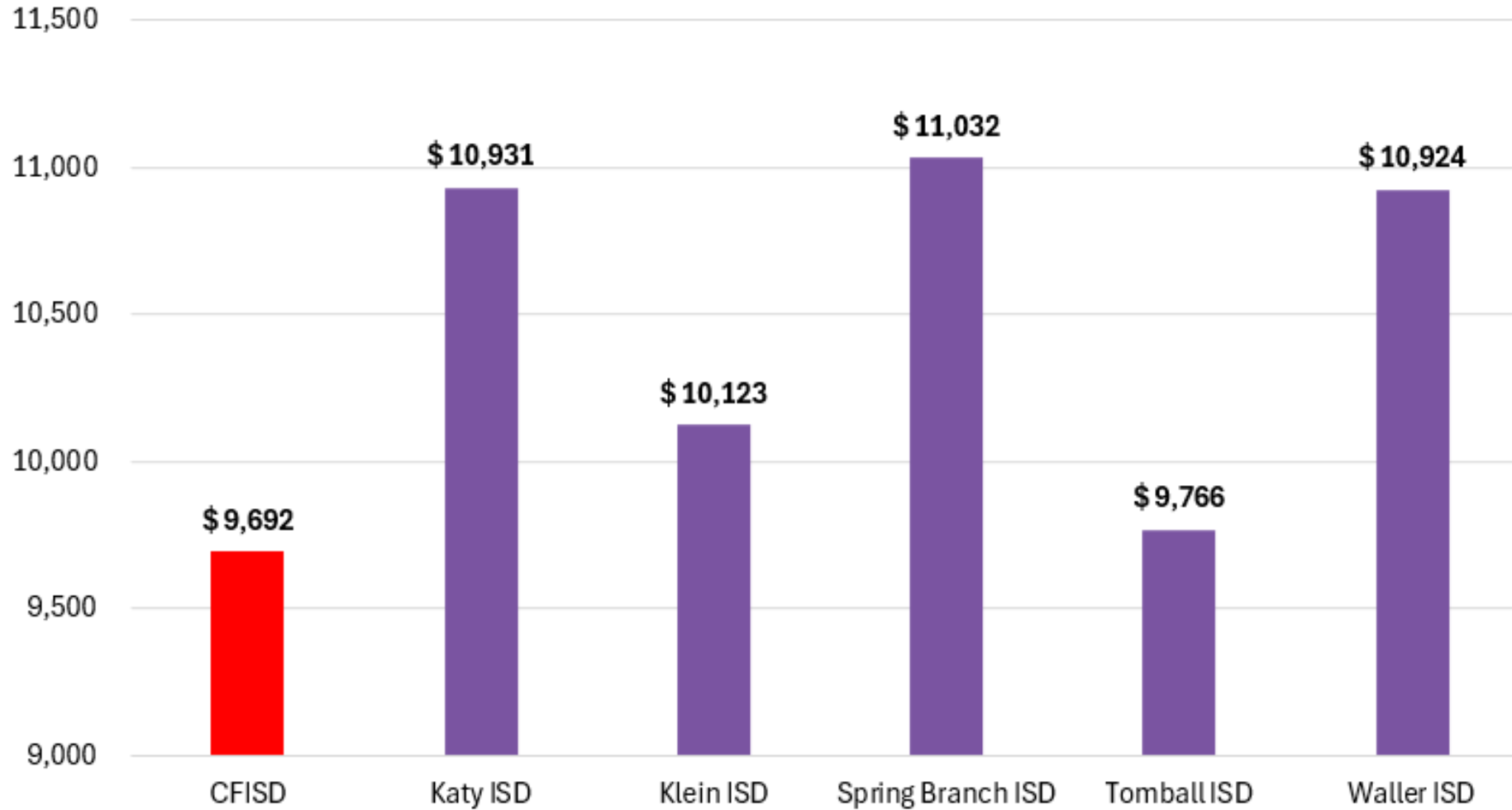
Estimated months in fund balance at 6/30/2026

- 4.92 months

Description	2025-2026 Estimated Actuals	2026-2027 Proposed Budget	2027-2028 Estimated Budget
Ending Fund Balance	\$517,918,565	\$450,493,890	\$364,552,594
Less: Nonspendable & Committed Fund Balances	\$11,386,232	\$11,386,232	\$11,386,232
Fund Balance (Available to Spend & Used for FIRST Rating)	\$506,532,333	\$439,107,658	\$353,166,362
Operating Expenditures	\$1,236,625,070	\$1,228,691,637	\$1,227,726,318
Monthly Operating Expenditures	\$103,052,089	\$102,390,970	\$102,310,527
Deficit	\$(31,663,590)	\$(67,424,675)	\$(85,941,296)
Months in Fund Balance	4.92	4.29	3.45
% of Fund Balance	41%	36%	29%
Excess/(Shortfall) of 4 Months in Fund Balance	\$94,323,976	\$29,543,779	\$(56,075,744)

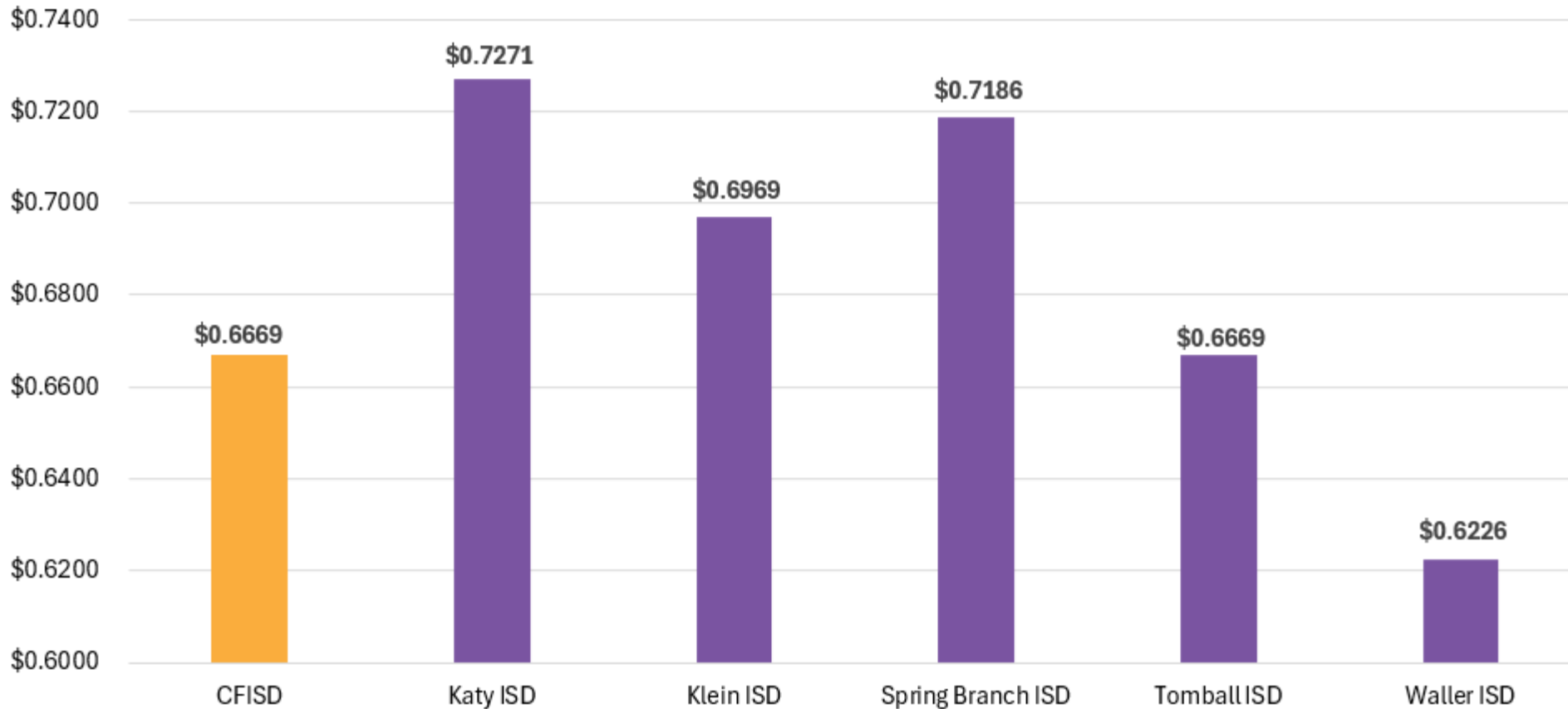
Current Fund Balance Estimates

State & Local Revenue per ADA - 2024-2025



Source: TEA Summary of Finances

2025 M&O Tax Rate Comparison



Source: TEA Summary of Finances

Cypress-Fairbanks ISD – Summary
General Operating Fund: Funding and Expenditures Per Student (2024/25)
Houston Area School Districts – Enrollment Above 10,000 Students

Description	CFISD Rank	CFISD Per Student	Average Per Student Houston Area School Districts - Enrollment Above 10,000
State and Local Funding	No. 27	\$9,798	\$11,089
Surplus/(State Appropriation Deficit)	No. 16	(\$94)	(\$83)
Average Employee Salary	No. 13	\$55,623	\$55,476
Payroll Cost	No. 24	\$8,690	\$9,495
Student Instruction	No. 18	\$6,380	\$6,542
Plant Maintenance & Operations	No. 27	\$762	\$1,157
General Administration	No. 27	\$155	\$307
Campus Administration	No. 26	\$562	\$703

Board's Budget Priorities

- ✓ Increase compensation
 - Teachers
 - Paraprofessional and hourly employees
 - All other employees
- ✓ Increase the minimum pay rate for all hourly/paraprofessional employees
- ✓ Increase health insurance contributions

Board's Budget Priorities


- ✓ Reinstatement of high school college and career specialists and counselors (\$1,046,352)
- ✓ Reinstatement of elementary behavioral interventionists, testing coordinators and counselors (\$4,640,291)
- ✓ Reinstatement of librarians (\$2,759,576)
 - ES 1:1 campus ratio (\$2,353,756 for 29)
 - MS/HS 1:2 campus ratio (\$405,820 for 5)

Board's Budget Priorities

- ✓ Add elementary library paraprofessionals (\$749,389 for 29)
- ✓ Add library systems coordinator (\$104,858)
- ✓ Add psychologists (\$1,063,804 for 14)
- ✓ Add one (1) librarian, behavioral interventionist, testing coordinator, or special education coordinator to Title I elementary campuses (\$3,733,544 for 46)
- ✓ Implement school-based soccer at Title I middle schools (\$223,600 for 13)

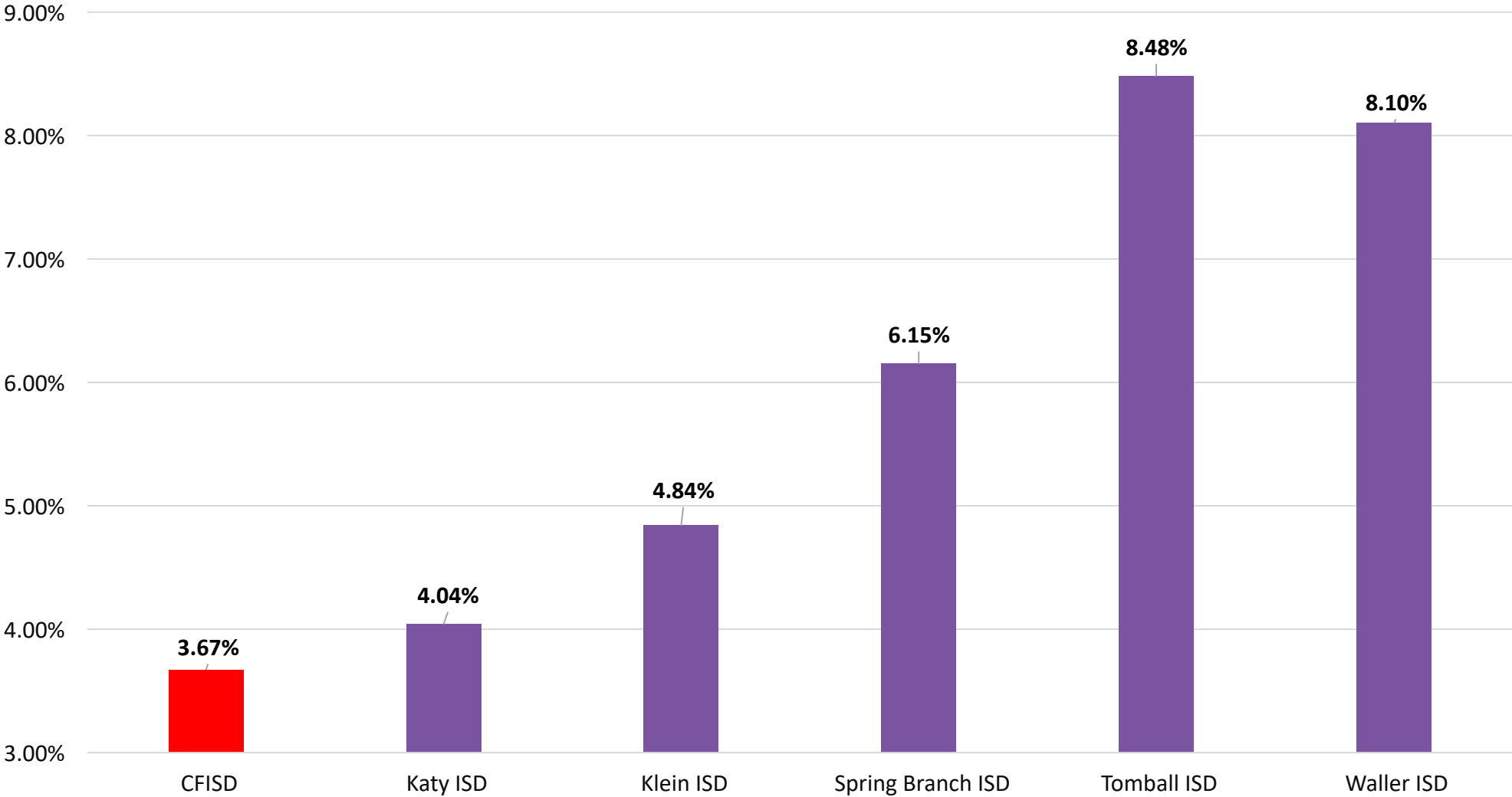
Superintendent's Budget Priorities

- ✓ Competitive Salaries
- ✓ Health Insurance
- ✓ Recruitment and Retention



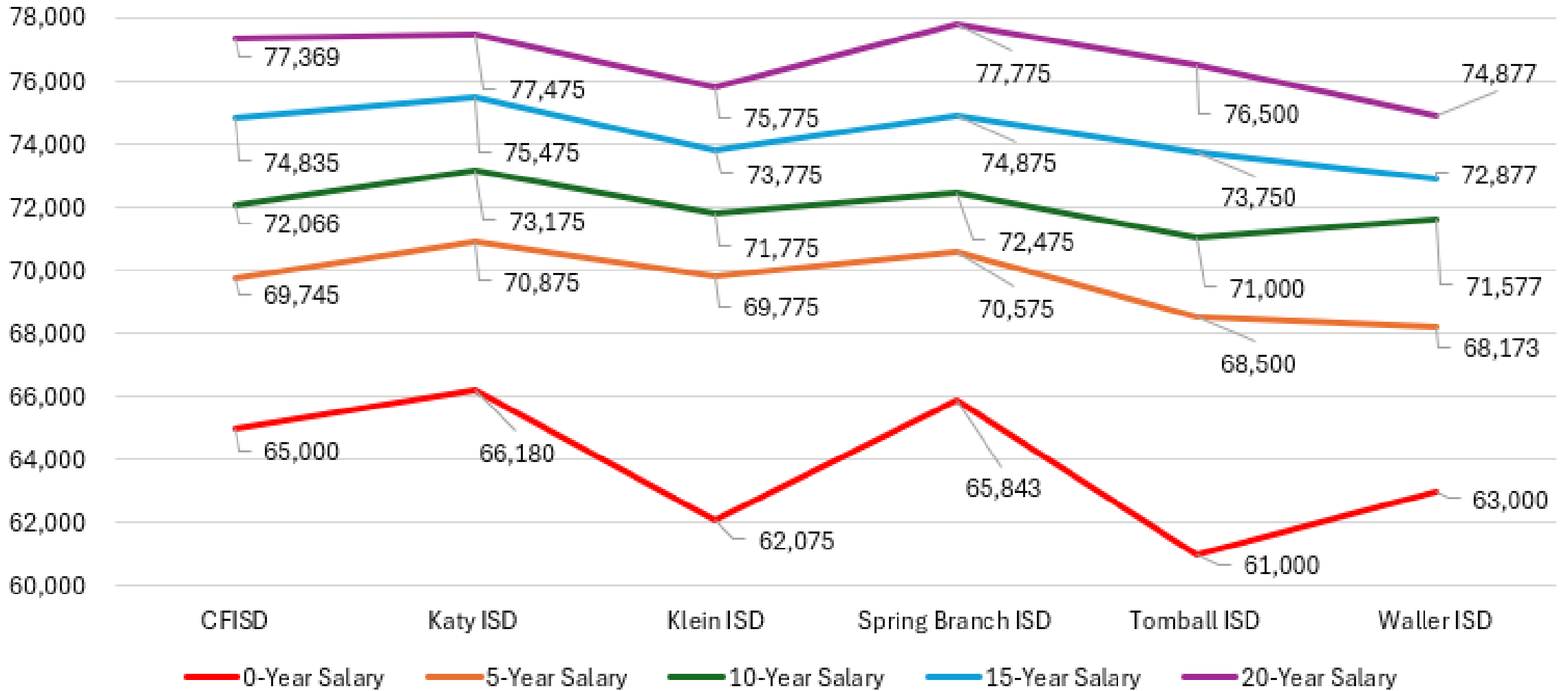
COMPENSATION OPTIONS

Comparison of Administrative Cost Ratios - 2023-2024



Source: TEA School District FIRST Ratings

Teacher Salary Comparison - 2025-2026



Compensation

- Cost of 1% raise for all employees
 - 1% for teachers (\$5.1M)
 - 1% for paraprofessional and hourly (\$1.9M)
 - 1% for all other employees (\$2.0M)
- **Total Cost = approx. \$9M**

Increase Hourly/Paraprofessional Minimum Pay Rate

Goal: Increase the minimum pay rate for all hourly/paraprofessional employees paid less than \$23.00/hour

Options: Increase the minimum hourly rate to one of the following:

- **Option 1:** \$16 for 6,324 employees
Total Cost = \$10,809,738
- **Option 2:** \$23.00 for 12,150 employees
Total Cost = \$82,543,277



Health Insurance Options

CFISD - TRS	Employee Only	Employee + Spouse	Employee + Children	Employee + Family
HD	\$250	\$436	\$289	\$480
Primary+	\$250	\$449	\$300	\$487
Primary	\$250	\$436	\$289	\$480
ActiveCare 2	\$238	\$461	\$310	\$494
Katy ISD - Self Insured				
Memorial Hermann ACO	\$385	\$385	\$385	\$385
HD Plan	\$385	\$385	\$385	\$385
Choice POS	\$385	\$385	\$385	\$385
Klein ISD - TRS				
HD	\$311	\$419	\$348	\$455
Primary+	\$311	\$419	\$348	\$455
Primary	\$311	\$419	\$348	\$455
ActiveCare 2	\$340	\$430	\$360	\$425
Spring Branch ISD - TRS				
HD	\$409	\$671	\$406	\$748
Primary+	\$320	\$472	\$356	\$617
Primary	\$397	\$667	\$406	\$736
ActiveCare 2	\$293	\$448	\$275	\$363
Tomball ISD - TRS				
HD	\$346	\$346	\$346	\$346
Primary+	\$346	\$346	\$346	\$346
Primary	\$346	\$346	\$346	\$346
ActiveCare 2	\$346	\$346	\$346	\$346
Waller ISD - TRS				
HD	\$365	\$375	\$425	\$480
Primary+	\$365	\$375	\$425	\$480
Primary	\$365	\$375	\$425	\$480
ActiveCare 2	\$375	\$375	\$375	\$375



Surrounding District 2025-26 Health Insurance Comparison

CFISD Health Insurance Participation

Benefit Criteria	Enrollees	Percentage Enrolled
Benefit Eligible Employees	17,146	
Employees Enrolled in Medical	8,150	47.53%
HD	2,785	34.17%
Primary+	1,821	22.34%
Primary	3,446	42.28%
ActiveCare 2	98	1.20%

ActiveCare HD	Enrollees	ActiveCare Primary+	Enrollees	ActiveCare Primary	Enrollees	ActiveCare 2	Enrollees
Full Time Employee Only	1,863	Full Time Employee Only	1,116	Full Time Employee Only	2,270	Full Time Employee Only	51
Full Time Employee & Spouse	87	Full Time Employee & Spouse	65	Full Time Employee & Spouse	69	Full Time Employee & Spouse	3
Full Time Employee & Children	605	Full Time Employee & Children	486	Full Time Employee & Children	868	Full Time Employee & Children	35
Full Time Employee & Family	178	Full Time Employee & Family	121	Full Time Employee & Family	161	Full Time Employee & Family	8
Part Time Employee Only	44	Part Time Employee Only	29	Part Time Employee Only	69	Part Time Employee Only	-
Part Time Employee & Spouse	-	Part Time Employee & Spouse	4	Part Time Employee & Spouse	-	Part Time Employee & Spouse	-
Part Time Employee & Children	7	Part Time Employee & Children	-	Part Time Employee & Children	9	Part Time Employee & Children	1
Part Time Employee & Family	1	Part Time Employee & Family	-	Part Time Employee & Family	-	Part Time Employee & Family	-
Subtotal - Benefits Eligible	2,785		1,821		3,446		98

Position	# of Employees	% of Employee Group
Administration	338	69%
Asst./Assoc. Principal	204	75%
Campus Paraprofessional	682	24%
Custodial/Maintenance/Operations	176	19%
Food Service	129	11%
Misc. Campus Staff	656	68%
Non-Campus Paraprofessional	148	34%
Police Department	82	98%
Principal	69	73%
Teacher	5,375	69%
Transportation Department	291	27%
Total	8,150	48%



Employees on Health Insurance

Option 2 Example - CFISD Contribution

Tier	ActiveCare HD	ActiveCare Primary+	ActiveCare Primary	ActiveCare 2	Number of Employees Impacted
Employee Only	(\$250) \$320	(\$250) \$320	(\$250) \$320	\$238	5,391
Employee + Spouse	\$436	\$449	\$436	\$461	
Employee + Children	(\$289) \$320	(\$300) \$320	(\$289) \$320	\$310	1,975
Employee + Family	\$480	\$487	\$480	\$494	

- Proposed increase based on average of employee only to offset TRS-ActiveCare increase
- Cost Increase = \$5,206,476



RECRUITMENT & RETENTION OPTIONS

One-Time Staff Recruitment and Retention Stipend

Stipend Amounts:

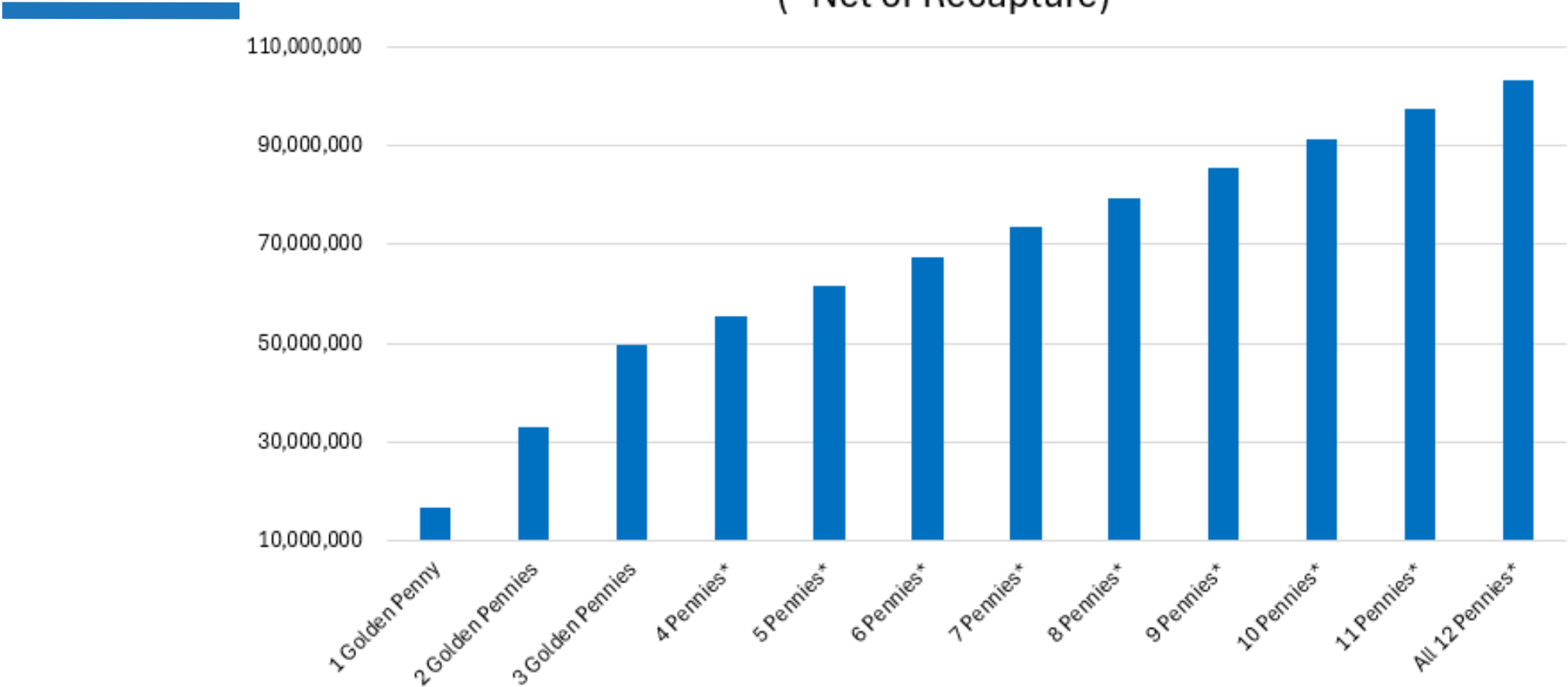
- \$325 for all employees (\$5,373,225)
- \$500 for all employees (\$8,266,500)



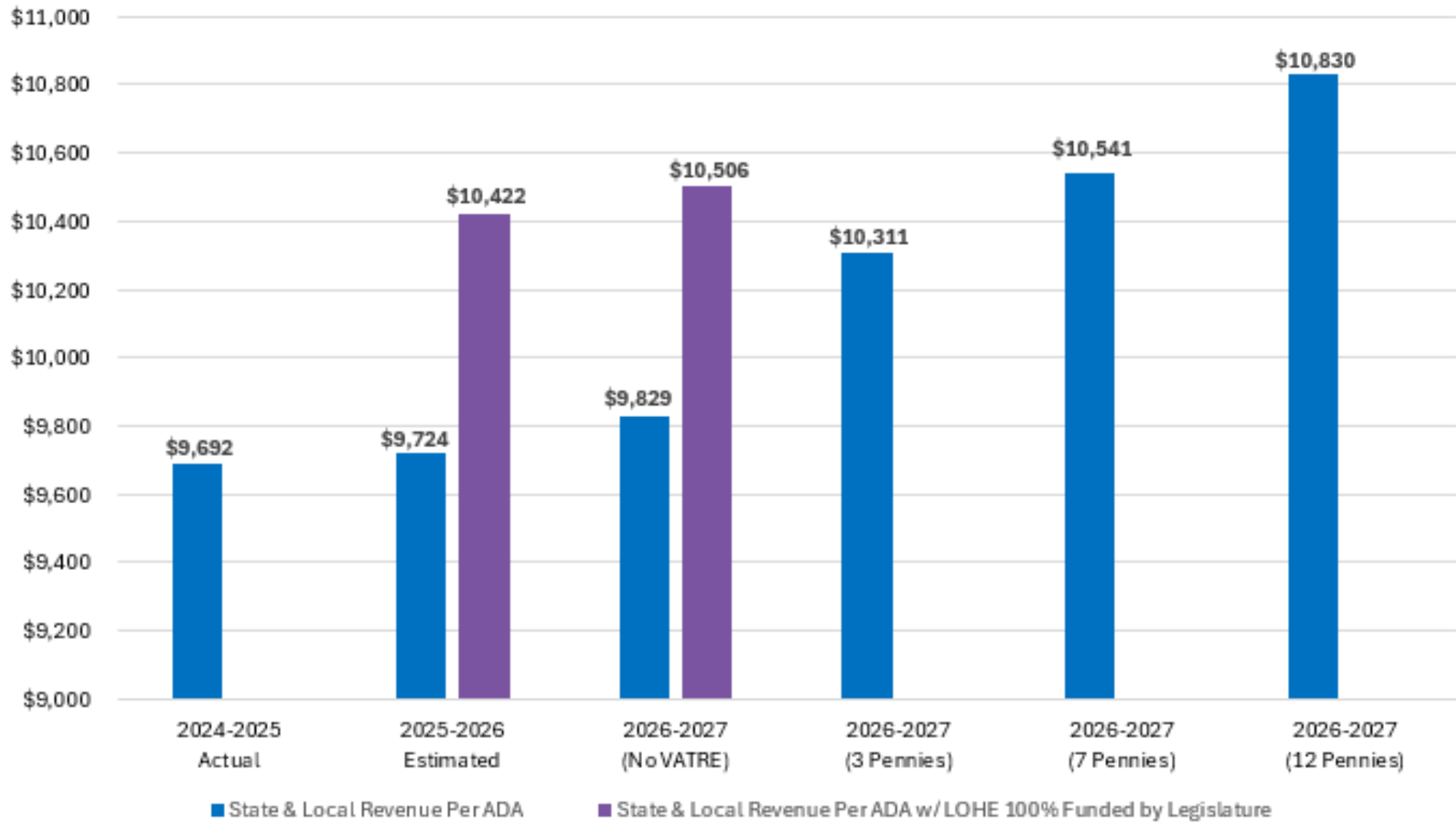
Potential Revenue from VATRE

Impact of Enrichment Pennies

VATRE Estimated Revenue Increases
(*Net of Recapture)



CFISD State & Local Revenue Per ADA



\$350,000 Home (\$0.03 Golden Pennies)*

- Increase of \$49.7M in general fund revenue
- Increase of \$482 net revenue gain per ADA
- No change in school district property taxes**

\$350,000 Home (\$0.03 Golden & \$0.04 Copper Pennies)*

- Increase of \$73.4M (net of \$2.2M recapture) in general fund revenue
- Increase of \$712 net revenue gain per ADA
- Increase of \$56 **annually** in school district property taxes**

\$350,000 Home (\$0.03 Golden & \$0.09 Copper Pennies)*

- Increase of \$103.2M (net of \$5M recapture) in general fund revenue
- Increase of \$1,001 net revenue gain per ADA
- Increase of \$126 **annually** in school district property taxes**

LOHE reduces property taxes by \$747 to \$810**

Impact of VATRE

* Assumes no change in property value

**Annual increase/decrease in school district property taxes based on \$0.6669 estimated M&O 2026 tax rate and \$0.37 I&S 2026 tax rate

**Houston Area School Districts
Enrollment Above 10,000 Students
M&O Funding Per Student (HB 2)**

Rank	School District	M&O Funding Per Student	Optional Homestead Exemption	Recapture (2025/26)
1.)	Galena Park ISD	\$12,734	20%	No
2.)	Aldine ISD	\$12,425	None	No
3.)	Alief ISD	\$12,350	None	No
4.)	New Caney ISD	\$12,057	None	No
5.)	Goose Creek CISD	\$11,995	10%	Yes
6.)	Sheldon ISD	\$11,916	20%	No
7.)	Deer Park ISD	\$11,543	20%	Yes
8.)	Alvin ISD	\$11,435	None	No
9.)	Spring ISD	\$11,381	None	No
10.)	Humble ISD	\$11,337	None	No
11.)	Spring Branch ISD	\$11,330	20%	Yes
12.)	Katy ISD	\$11,206	None	No
—	Houston Area Avg.	\$11,165	—	—

Sources: Legislative Budget Board – M&O Revenue Comparison – HB 2 – Fiscal Year 2026. Texas MAC and TEA - Summary of Finances.

**Houston Area School Districts
Enrollment Above 10,000 Students
M&O Funding Per Student (HB 2)**

Rank	School District	M&O Funding Per Student	Optional Homestead Exemption	Recapture (2025/26)
--	Houston Area Avg.	\$11,165	--	--
13.)	Pearland ISD	\$10,948	None	No
14.)	Beaumont ISD	\$10,922	None	Yes
15.)	Dickinson ISD	\$10,870	None	No
16.)	Fort Bend ISD	\$10,803	None	Yes
17.)	Houston ISD	\$10,761	20%	No
18.)	Clear Creek ISD	\$10,625	5%	No
19.)	Magnolia ISD	\$10,468	None	No
20.)	Lamar CISD	\$10,439	None	No
21.)	Klein ISD	\$10,432	None	No
22.)	Tomball ISD	\$10,088	None	No
23.)	Conroe ISD	\$10,085	None	No
24.)	Cypress-Fairbanks ISD	\$9,798	20%	No

12¢-\$10,830 *

7¢-\$10,541 *

3¢-\$10,311 *

Sources: Legislative Budget Board – M&O Revenue Comparison – HB 2 – Fiscal Year 2026. Texas MAC and TEA - Summary of Finances.

Prepared by Mesirow

*Estimated local and state revenue per ADA for 2026-2027



Summary of Costs of Budget Options

Cost of Budget Options

Option	Details	Cost
Employee Compensation		
Cost-of-living raise (1%):		
	All employees	\$ 9,000,000
	Teachers only	\$ 5,100,000
	Paraprofessional & hourly only	\$ 1,900,000
	All other employees	\$ 2,000,000
Increase the minimum pay rate for all hourly/paraprofessional employees paid less than \$23.00/hour:		
	\$16.00 for 6,324 employees	\$ 10,809,738
	\$23.00 for 12,150 employees	\$ 82,543,277
One-Time Recruitment and Retention Stipend:		
	1 \$325/employee	\$ 5,373,225
	2 \$500/employee	\$ 8,266,500

Cost of Budget Options

Option	Details	Cost
Health Insurance		
Increase health insurance contributions:		
1	\$25 employee only, \$275 minimum for all tiers except ActiveCare 2 (same increase as prior year)	\$ 1,622,100
2	\$70 employee only, \$320 minimum for all tiers except ActiveCare 2 (offset TRS increase)	\$ 5,206,476
3	\$113 employee only, \$363 minimum for all tiers except ActiveCare 2 (area district average contribution)	\$ 9,007,332
Extracurricular activities		
	Implement school-based soccer at Title 1 middle schools only	
	13 campuses	\$ 223,600

Cost of Budget Options

Option	Details	Cost
Staffing		
Reinstate high school college and career specialists and guidance counselors	In 2024-25, high schools given choice to remove high school college and career specialist (CCS) or counselor; Removed 12 FTE totaling \$1,037,208	\$ 1,046,352
Reinstate elementary behavioral interventionists, testing coordinators and guidance counselors	In 2024-25, elementaries given choice to remove elementary behavioral interventionist, testing coordinator or counselor; Removed \$3,363,000	\$ 4,640,291
Reinstate librarians:		
	ES 1:1 campus ratio (29)	\$ 2,353,756
	MS 1:2 campus ratio (3)	\$ 243,492
	HS 1:2 campus ratio (2)	\$ 162,328

Cost of Budget Options

Option	Details	Cost
Add elementary library paraprofessionals	29 elementaries	\$ 749,389
Add library systems coordinator	District-level	\$ 104,858
Add psychologists based on need or best practices	14 psychologists	\$ 1,063,804
Provide +1 allocation to Title I elementary campuses to be utilized as determined/prioritized by Title I elementary principals for each individual campus; allocation options to be limited to campus-dedicated librarian, behavioral interventionist, testing coordinator, or special education coordinator.	46 Title I campuses	\$ 3,733,544

Cost of Budget Options

Details	Cost	Hinaman	Lane	Guilmart	Ray	Kalmbach	LeCompte	Camarena	Killian	CONSENSUS
Estimated Deficit:	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)	\$ (67,424,675)
Estimated Expenditures	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637	\$ 1,228,691,637
Fund Balance	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658	\$ 439,107,658
Months in Fund Balance	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29	4.29



Questions?
