

MAY 19, 2026 | 5PM



EL PASO ISD  
it starts with us

# Past, Present, and Future Financial Status.

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Solutions Oriented, Students First.

**DAVID BATES, MAYRA MARTINEZ, LORI BOSWELL**

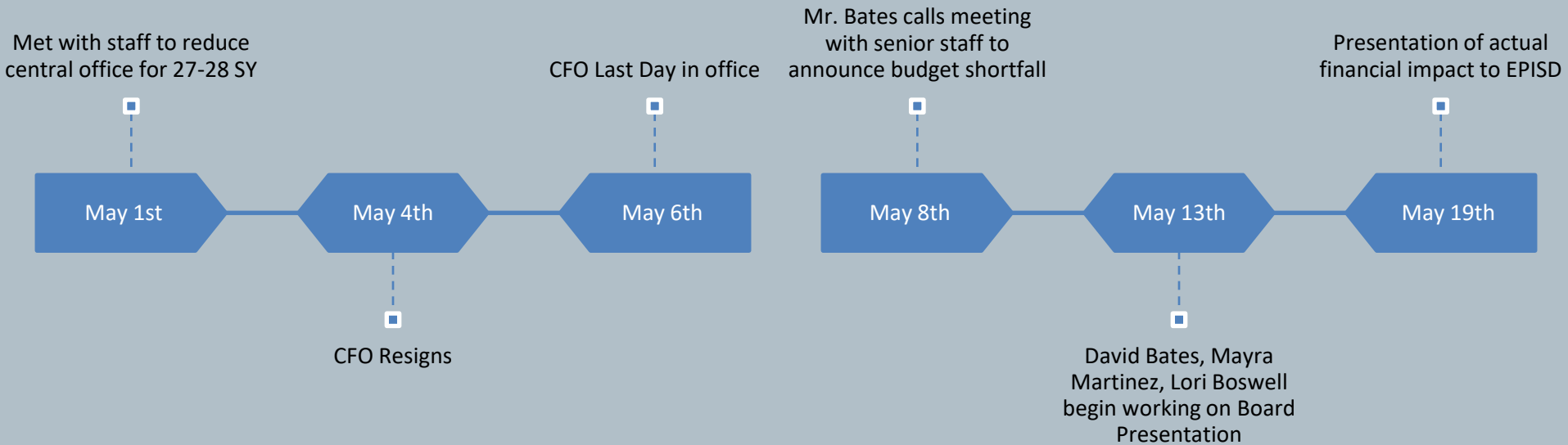
El Paso Independent School District

# Agenda

- Our Starting Point
- Our Current State
- How We Got Here
- Our Ongoing Work
- Our Future Direction



# Timeline



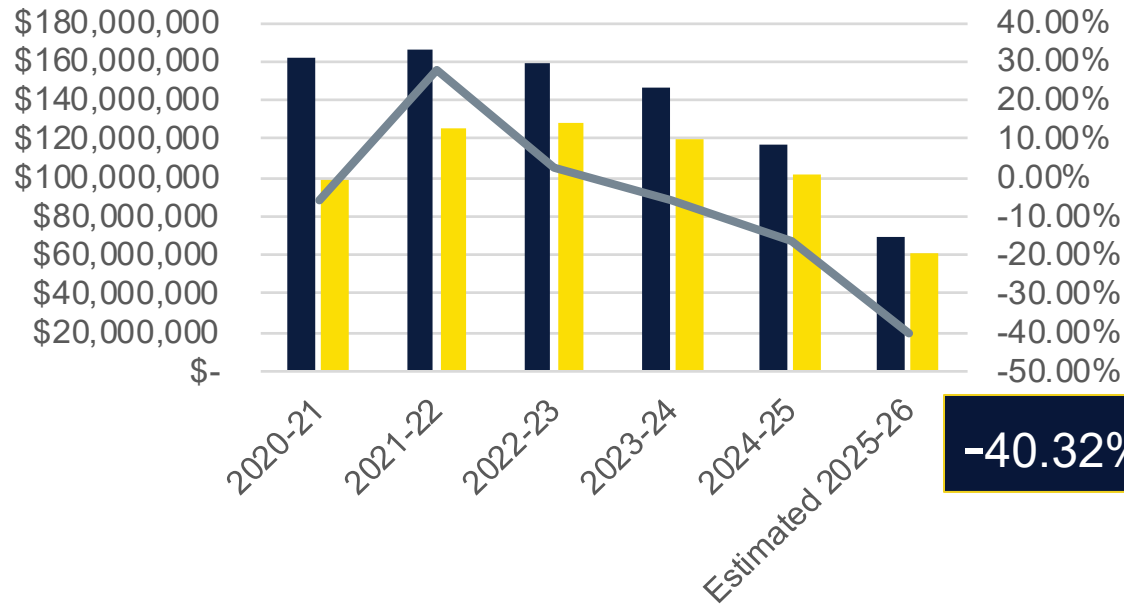
# Where We Are Now

	2025-2026 Original Budget	2025-2026 Revised Budget	2025-2026 Projected Actuals	Change from Revised Budget
<b>Estimated Revenues</b>	541,205,685	541,205,685	527,933,812	(13,271,873)
<b>Estimated Expenditures</b>	546,661,467	566,043,171	580,727,736	14,684,565
Excess (Deficiency)	(5,455,782)	(24,837,486)	(52,793,924)	(27,956,438)
Total Other Financing Sources/Uses	(627,208)	4,135,036	5,189,770	1,054,734
Net Change in Fund Balance	(6,082,990)	(20,702,450)	(47,604,154)	(26,901,704)
<b>Beginning Fund Balance</b>	<b>\$ 117,207,182</b>	<b>\$ 117,207,182</b>	<b>\$ 117,207,182</b>	<b>\$ -</b>
<b>Estimated End-of-Year Fund Balance</b>	<b>111,124,192</b>	<b>96,504,732</b>	<b>69,603,028</b>	<b>(26,901,704)</b>
Estimated Non-spendable	(1,796,972)	(1,796,972)	(1,796,972)	(0)
Restricted/Committed	(14,393,720)	(14,393,720)	(7,518,371)	6,875,349
<b>Estimated Unassigned Fund Balance</b>	<b>94,933,500</b>	<b>80,314,040</b>	<b>60,287,685</b>	<b>(20,026,355)</b>
% Operating of Unassigned Fund Balance	17.37%	14.19%	10.38%	-3.81%
<b>Average Monthly Expenditures</b>	<b>45,555,122</b>	<b>47,170,264</b>	<b>48,393,978</b>	<b>1,223,714</b>
<b># Months Operating of Unassigned Fund Balance</b>	<b>2.08</b>	<b>1.70</b>	<b>1.25</b>	<b>(0.46)</b>
<b># Days Operating of Unassigned Fund Balance</b>	<b>63.39</b>	<b>51.79</b>	<b>37.89</b>	<b>(14)</b>

**Note: Estimated \$52,793,924 Shortfall Total and 37.89 of Days Remaining in Unassigned Fund Balance**



# Fund Balance



■ Total Fund Balance

■ Unassigned Fund Balance

— % Change



# How We Got Here - Revenue

## Overestimated revenue projections

- Declining Enrollment
- Declining Attendance (ADA)



Assumptions	2025-2026 Adopted Budget	2025-2026 Est Actuals	Variance
Student Enrollment	47,121	46,244	-877.00
ADA	42,073.00	40,796.36	-1,276.64
WADA	61,304.26	60,111.48	-1,192.78
Taxable Values	\$ 19,979,627,944	\$ 20,218,793,744	\$ 239,165,800
Comptroller Values	\$ 19,847,881,955	\$ 19,378,234,155	\$ (469,647,800)
M&O Tax Rate	\$0.7613	\$0.7699	\$ 0.0086
I&S Tax Rate	\$0.2722	\$0.3108	\$ 0.0386
Total Tax Rate	\$1.0335	\$1.0807	\$ 0.0472
Projected Revenues	\$ 492,788,089	\$482,265,081	\$ (10,523,008)



# How We Got Here - Expenditures

- 1 The projected budget overrun is concentrated within the payroll class of expenditures, with projected payroll expenditures exceeding the revised budget by approximately \$21.8M
- 2 Other expenditure classes are projected to remain within or below the revised budget

Expenditures	Revised Budget	Projected Actuals	Change from Revised Budget
Payroll	480,486,780	502,285,633	(21,798,853) 1
Contracted Services	32,012,412	28,937,511	3,074,901
General Supplies & Equipment	22,677,600	22,296,353	381,247
Miscellaneous Expense	9,109,294	8,185,607	923,687
Debt	5,943,809	5,943,809	-
Capital Projects	15,813,271	13,078,823	2,734,448
<b>Total</b>	<b>\$ 566,043,166</b>	<b>\$ 580,727,736</b>	<b>\$ (14,684,570)</b>

The budget overrun appears to be primarily driven by two **key factors** with an estimated combined impact of approximately \$21.45 million:

- Additional expenditures that were originally not budgeted
- Budgeted cost savings that were not realized



# How We Got Here - Expenditures

## Key Factors of Budgeted Expenditures Overrun \$21.45M

### Not Budgeted | \$11.15M

Additional Budget Requests	<b>\$3.05M</b>
Health Savings Account Distribution	<b>\$2.96M</b>
Changes to Special Education Staffing Guidelines	<b>\$2.35M</b>
Teacher Retention Allotment (TRA) for Federally Funded Employees	<b>\$1.03M</b>
Resign/Retire Early Notification Incentive	<b>\$681K</b>
IDEA B Reclassification (delayed application submission)	<b>\$606K</b>
Leadership Transition	<b>\$477K</b>

### Savings Not Realized | \$10.3M

Unrealized Lapsed Salary Savings	<b>\$6.31M</b>
Special Education General Fund Budget Move to IDEA B Budget	<b>\$1.58M</b>
Multi-Age Classrooms	<b>\$1.41M</b>
Teacher Certification Assignment Review	<b>\$1.01M</b>



# Looking Ahead to 2026-2027

## Revenues:

Assumptions	2025-2026 Est Actuals	2026-2027 Projections	Variance
Student Enrollment	46,244	44,744.00	-1,500.00
ADA	40,796.36	40,045.88	-750.48
WADA	60,111.48	58,069.66	-2,041.82
Taxable Values	\$ 20,218,793,744	\$ 20,449,650,759	\$ 230,857,015
Comptroller Values	\$ 19,378,234,155	\$ 19,447,411,339	\$ 69,177,184
M&O Tier 1 Rate	\$0.6316	\$0.6254	-\$0.0062
M&O Tier 2 Rate	\$0.1383	\$0.1383	\$0.0000
Total M&O Tax Rate	\$0.7699	\$0.7637	-\$0.0062
I&S Tax Rate	\$0.3108	\$0.3108	\$0.0000
Total Tax Rate	\$1.0807	\$1.0745	-\$0.0062
Projected Revenues	\$482,265,081	\$469,085,184	-\$13,179,897



1,500 Projected Enrollment Decline



750.48 Projected ADA Decline



2,041.82 Projected WADA Decline



\$13,179,897 Projected Formula  
Funding Decline



# How is 2026-2027 Impacted

	2025-2026 Revised Budget	2025-2026 Projected Actuals	2026-2027 Projected Budget	Change from Projected Actuals
<i>Estimated Revenues</i>	541,205,685	527,933,812	514,277,322	(13,656,490)
<i>Estimated Expenditures</i>	566,043,171	580,727,736	555,765,436	(24,962,300)
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 4,135,036</b>	<b>\$ 5,189,770</b>	<b>\$ (627,208)</b>	<b>\$ (5,816,978)</b>
Net Change in Fund Balance	\$ (25,464,694)	\$ (47,604,154)	\$ (42,115,322)	\$ 5,488,832
<b>Beginning Fund Balance</b>	<b>\$ 117,207,182</b>	<b>\$ 117,207,182</b>	<b>\$ 69,603,028</b>	<b>\$ (47,604,154)</b>
<i>Estimated End-of-Year Fund Balance</i>	91,742,488	69,603,028	27,487,706	(42,115,322)
<i>Estimated Non-spendable</i>	(1,796,972)	(1,796,972)	(1,796,972)	0
<i>Restricted/Committed</i>	(7,518,371)	(7,518,371)	(7,518,371)	(0)
<i>Estimated Unassigned Fund Balance</i>	82,427,145	60,287,685	18,172,363	(42,115,322)
<i>% Operating of Unassigned Fund Balance</i>	14.56%	10.38%	3.27%	-7.11%
<i>Average Monthly Expenditures</i>	47,170,264	48,393,978	46,313,786	(2,080,192)
<i># Months Operating of Unassigned Fund Balance</i>	1.75	1.25	0.39	(0.85)
<i># Days Operating of Unassigned Fund Balance</i>	53.15	37.89	11.93	(26)

**Note: Estimated \$42,115,322 Shortfall Total and 11.93 of Days Remaining in Unassigned Fund Balance**



# Path Forward: Immediate Next Steps

The district faces a critical financial crossroads. A balanced budget and recovery plan must be adopted by the Board **prior to June 30**

1

## Declare Financial Exigency

Formally declare financial exigency and immediately notify the Texas Education Agency (TEA) to ensure compliance and preserve all recovery options.

2

## Set Budget Reduction Targets

Establish clear, quantified budget reduction goals for the 2026–2027 fiscal year — grounded in recurring revenues, not one-time fixes.

3

## Engage Leadership & Third-Party Support

Mobilize district leadership alongside external financial and operational experts to identify savings and efficiencies with **minimal classroom impact**.

4

## Implement Spending Controls

Activate immediate freeze on non-essential spending and institute strict hiring controls across all departments, effective immediately.

## Develop Aligned Budgets

Build General Operating, Debt Service, and Child Nutrition budgets anchored entirely to **recurring revenue streams** - no structural deficit carry-forward.

## Finalize Year-End Projections

Complete and validate 2025–2026 year-end financial projections to establish an accurate baseline for all recovery planning decisions.

## Truth-in-Taxation Compliance

Prepare all required Truth-in-Taxation calculations, public notices, and mandatory disclosures in full accordance with state law and deadlines.

## Board Adoption by June 30

Present a fully balanced budget and comprehensive financial recovery plan to the Board for **formal adoption before June 30**.



**THANK YOU**

**Any Questions?**

