

2024-2025 Katy ISD Official Budget

The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that the budget be prepared no later than August 20 and adopted by August 31 by the Board of Trustees. The Superintendent is designated as the District's budget officer and is responsible for calling a Board meeting to adopt the official budget.

The attached budget is based on the guidelines as outlined in the Texas Education Code and Texas Education Agency Financial Accounting Guide. The budget includes total revenues of \$1,347,872,736, total expenditures of \$1,390,455,230 and net transfers in/out of (\$1,500,000). The budget consists of three fund types: General Fund, Food Service Fund, and Debt Service Fund.

The General Fund budget includes revenues of \$1,056,594,261, expenditures of \$1,081,810,358 and net transfers out of (\$1,500,000). Revenues are composed of local revenues, including property taxes (42.51%), revenues received from the state (56.27%), and federal revenues (1.21%). Tax revenues are based on the Maintenance and Operations tax rate of \$0.7271 and taxable values of \$62.0 billion. State revenues are based on a projected enrollment of 96,637 students. Major expenditure categories include payroll, contracted services, supplies, operating expenditures, Subscription-Based Information Technology Arrangements (SBITA) and capital. Payroll expenditures, which comprise 89% of the General Fund budget, include the staffing plans and salary increases approved by the Board earlier in the year. Expenditures and transfers out exceed revenues resulting in a projected decrease in fund balance of (\$26,716,097).

The Food Service budget consists of anticipated revenues and expenditures pertaining to the District's food services operations and summer feeding program. Food Service revenues and expenditures are projected to be \$47,196,777 and \$64,794,872 respectively, resulting in a projected decrease in fund balance of (\$17,598,095).

The Interest & Sinking (I&S) expenditure budget totals \$243,850,000 and is used to account for payment of principal and interest on the District's long-term debt. Total revenue is \$244,081,698 with the primary revenue source being local property taxes of \$227,936,561 based on the current Debt Service tax rate of \$0.39. State funding of \$16,145,137 is budgeted as I&S Hold Harmless for all Homestead exemptions called Additional State Aid for Homestead Exemption (ASAHE). Fund Balance is projected to increase \$231,698.

It is the intent of the District that the budgetary process results in the most effective mix of educational and financial resources available while attaining the goals and objectives of the

District. This includes the identification and prioritization of both educational and educational support components. These components are initially identified and prioritized by the principals and department heads and are later reviewed by central administrators, a budget committee, and finally the Board of Trustees.

This priority budgeting approach allows the District to establish layers of expenditures that can be matched to the anticipated revenues and desired levels of fund balances. The ultimate decision of the level of funding and components to be funded is the responsibility of the Board.

As part of the budget development process, the District's management has taken into consideration all the factors that drive school district budgets: enrollments, compensation plan, facility needs, property values, state funding, and the local economy. The budget may be amended during the year to address the unanticipated or changing needs of the District. Changes to functional expenditure categories, revenue objects, or other sources and uses accounts require Board approval.

Katy ISD continues to be one of the fastest-growing school districts in the Houston metropolitan area, growing at an average of 3.5% from 2014 to 2024 with the 2024-25 enrollment projected to be 96,637 students. The District has also experienced growth in property values over the past ten years with assessed values increasing at an average of 8.1% annually. The 2024-25 values are budgeted at a 7.2% appraised value growth based on value information received from the District's three county appraisal districts at the time of budget adoption.

Salary increases for teachers were approved at \$3,332 per teacher which is approximately a 3% average increase, and starting teacher pay was increased to \$64,130. Salaries increased 3% of mid-point salary ranges for all other staff.

According to American Schools and Universities Magazine, as of December 2023, Katy ISD is the 35th largest school district in the nation and is one of the fastest growing school districts. The District's latest demographic report predicts that with the most likely growth projections, over 100,000 students will attend Katy ISD schools by the year 2027. There are many reasons for the District's growth but a community survey revealed that the primary reason new residents move to the Katy area is because of its schools.

It appears that the population of the District continues to grow and all indicators point to continued growth over the next decade. This growth makes it imperative for the

District to continue to plan wisely for the future. A need for additional facilities continues to be a financial focal point of the District. The District maintains its Long Range Facilities Plan that projects and prioritizes facility needs over the next 5-10 years. With the schedule for opening new facilities and renovations, projected enrollments, and projected funding levels based on current law, the District develops budget priorities and short and long-range plans.

The District's bonds are rated AAA by Standard & Poor's (S&P) and Aaa by Moody's Investor Service (Moody's) based on the guarantee of the Permanent School Fund of the State of Texas. The District's underlying ratings are AA by Standard & Poor's and Aa1 by Moody's Investor Service.

Katy ISD was awarded the Texas Comptroller of Public Accounts' [Transparency Stars Program](#) Star for Traditional Finances which spotlights local government financial transparency. The award recognizes districts that keep their books open to the public; provide clear, consistent pictures of spending; and share information in a user-friendly format that lets taxpayers easily access additional information.

In addition, Katy ISD continues to be awarded the Transparency Star for Debt Obligations.

For the 21st consecutive year, the District scored the highest possible rating of "Superior Achievement" for the Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas School Districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to ensure quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2022, the 40th consecutive year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The District has submitted the August 31, 2023, ACFR for evaluation under this

program but has not yet received results.

The District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Annual Comprehensive Financial Report for the year ended August 31, 2023. This award has been received for 41 consecutive years.

The Texas Association of School Business Officials (TASBO) recognized Katy ISD with its Award of Excellence in Financial Management. This award recognizes school districts that have implemented professional standards, best practices, and innovations in financial reporting.

This budget narrative is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Katy I.S.D., 6301 South Stadium Lane, P.O. Box 159, Katy, Texas 77492.

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY OBJECT
2024 - 2025

	General Fund	Food Service Fund	Debt Service Fund	Total
BUDGETED FUND BALANCE AT SEPTEMBER 1, 2024	\$344,506,448	\$21,557,449	\$65,456,142	\$431,520,039
REVENUES:				
5700 Property Taxes and Other Local Revenues	449,193,062	16,245,000	227,936,561	693,374,623
5800 State Program Revenues	594,587,460	218,000	16,145,137	610,950,597
5900 Federal Program Revenues	12,813,739	30,733,777		43,547,516
Total Revenues	1,056,594,261	47,196,777	244,081,698	1,347,872,736
EXPENSES:				
6100 Payroll Costs	962,916,027	23,723,645		986,639,672
6200 Purchased and Contracted Services	51,626,918	175,000		51,801,918
6300 Supplies and Materials	44,002,381	31,131,572		75,133,953
6400 Other Operating Expenses	20,079,929	56,000		20,135,929
6500 Debt Payments and SBITA	2,842,005		243,850,000	246,692,005
6600 Capital Outlay	343,098	9,708,655		10,051,753
Total Expenditures	1,081,810,358	64,794,872	243,850,000	1,390,455,230
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	(1,500,000)			(1,500,000)
Other Sources (Uses)				
EXCESS (DEFICIENCY) OF REVENUES	(26,716,097)	(17,598,095)	231,698	(44,082,494)
BUDGETED FUND BALANCE AT AUGUST 31, 2025	\$317,790,351	\$3,959,354	\$65,687,840	\$387,437,545

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY FUNCTION
2024 - 2025

	General Fund	Food Service Fund	Debt Service Fund	Total
BUDGETED FUND BALANCE AT SEPTEMBER 1, 2024	<u>\$344,506,448</u>	<u>\$21,557,449</u>	<u>\$65,456,142</u>	<u>\$431,520,039</u>
REVENUES:				
5700 Property Taxes and Other Local Revenues	449,193,062	16,245,000	227,936,561	693,374,623
5800 State Program Revenues	594,587,460	218,000	16,145,137	610,950,597
5900 Federal Program Revenues	<u>12,813,739</u>	<u>30,733,777</u>		<u>43,547,516</u>
Total Revenues	<u>1,056,594,261</u>	<u>47,196,777</u>	<u>244,081,698</u>	<u>1,347,872,736</u>
EXPENDITURES:				
11 Instruction	702,035,472			702,035,472
12 Instructional Resources and Media Services	10,625,288			10,625,288
13 Curriculum and Instructional Staff Development	15,951,722			15,951,722
21 Instructional Leadership	10,345,248			10,345,248
23 School Leadership	60,660,313			60,660,313
31 Guidance, Counseling and Evaluation Services	56,626,217			56,626,217
32 Social Work Services	1,030,430			1,030,430
33 Health Services	11,812,710			11,812,710
34 Student (Pupil) Transportation	28,593,636			28,593,636
35 Food Services		64,794,872		64,794,872
36 Co curricular/Extracurricular Activities	22,485,320			22,485,320
41 General Administration	19,925,427			19,925,427
51 Plant Maintenance and Operations	92,979,899			92,979,899
52 Security and Monitoring Services	16,465,838			16,465,838
53 Data Processing Services	19,984,446			19,984,446
61 Community Services	660,130			660,130
71 Debt Service	2,842,005		243,850,000	246,692,005
81 Facilities Acquisition and Construction	961,081			961,081
93 Payments to Fiscal Agents	1,150,176			1,150,176
95 Payments to Juvenile Justice Education Program	75,000			75,000
97 Payments to Tax Increment Fund	100,000			100,000
99 Intergovernmental	<u>6,500,000</u>			<u>6,500,000</u>
Total Expenditures	<u>1,081,810,358</u>	<u>64,794,872</u>	<u>243,850,000</u>	<u>1,390,455,230</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	(1,500,000)			(1,500,000)
Other Sources (Uses)				
EXCESS (DEFICIENCY) OF REVENUES	<u>(26,716,097)</u>	<u>(17,598,095)</u>	<u>231,698</u>	<u>(44,082,494)</u>
BUDGETED FUND BALANCE AT AUGUST 31, 2025	<u>\$317,790,351</u>	<u>\$3,959,354</u>	<u>\$65,687,840</u>	<u>\$387,437,545</u>

KATY INDEPENDENT SCHOOL DISTRICT
OFFICIAL BUDGET BY FUND/FUNCTION/OBJECT
2024 - 2025

	10 General Fund	20/30/40 Food Service Revenue Fund	50 Debt Service Fund	98 Memorandum Totals
ESTIMATED REVENUES:				
LOCAL AND INTERMEDIATE				
5710 Real and Personal Property Taxes	\$420,294,676		\$225,436,561	\$645,731,237
5720 From Services to Other LEAs				
5730 Tuition and Fees from Patrons	3,011,205			3,011,205
5740 Other Revenues from Local Sources	22,167,705	1,200,000	2,500,000	25,867,705
5750 Co-Curricular/ Enterprising	3,119,476	15,045,000		18,164,476
5760 Intermediate Sources	600,000			600,000
5700 Local and Intermediate Totals	<u>449,193,062</u>	<u>16,245,000</u>	<u>227,936,561</u>	<u>693,374,623</u>
STATE				
5810 Per Capita/ Foundation	531,627,443			531,627,443
5820 TEA Funded		200,000	16,145,137	16,345,137
5830 Non-TEA Funded	62,960,017	18,000		62,978,017
5840 Shared Services - State				
5800 State Totals	<u>594,587,460</u>	<u>218,000</u>	<u>16,145,137</u>	<u>610,950,597</u>
FEDERAL				
5910 Other Direct Federal Revenue				
5920 TEA Funded	3,648,082	29,387,068		33,035,150
5930 Non-TEA Funded	9,040,657	1,346,709		10,387,366
5940 Direct Federal	125,000			125,000
5950 Shared Services - Federal				
5900 Federal Totals	<u>12,813,739</u>	<u>30,733,777</u>		<u>43,547,516</u>
5000 TOTAL - ALL REVENUES	<u>1,056,594,261</u>	<u>47,196,777</u>	<u>244,081,698</u>	<u>1,347,872,736</u>

	10 General Fund	20/30/40 Food Service Fund	50 Debt Service Fund	98 Memorandum Totals
APPROPRIATED EXPENDITURES:				
11 Instruction				
6100 Payroll Costs	\$679,767,525			\$679,767,525
6200 Purchased and Contracted Services	4,898,696			4,898,696
6300 Supplies and Materials	16,401,724			16,401,724
6400 Other Operating Expenses	906,277			906,277
6600 Capital Outlay	61,250			61,250
11 Total Instruction	<u>702,035,472</u>			<u>702,035,472</u>
12 Instructional Resources & Media Services				
6100 Payroll Costs	9,810,206			9,810,206
6200 Purchased and Contracted Services	750			750
6300 Supplies and Materials	803,964			803,964
6400 Other Operating Expenses	10,368			10,368
6600 Capital Outlay				
12 Total Instructional Resources & Media Services	<u>10,625,288</u>			<u>10,625,288</u>
13 Curriculum and Instructional Staff Development				
6100 Payroll Costs	13,797,346			13,797,346
6200 Purchased and Contracted Services	227,750			227,750
6300 Supplies and Materials	963,965			963,965
6400 Other Operating Expenses	962,661			962,661
6600 Capital Outlay				
13 Total Curriculum and Instr. Staff Development	<u>15,951,722</u>			<u>15,951,722</u>
21 Instructional Leadership				
6100 Payroll Costs	9,401,377			9,401,377
6200 Purchased and Contracted Services	520,403			520,403
6300 Supplies and Materials	289,552			289,552
6400 Other Operating Expenses	133,916			133,916
6600 Capital Outlay				
21 Total Instructional Leadership	<u>10,345,248</u>			<u>10,345,248</u>

	10	20/30/40	50	98
	General	Food	Debt	Memorandum
	Fund	Service	Service	Totals
	Fund	Fund	Fund	Totals
23 School Leadership				
6100 Payroll Costs	\$58,662,771			\$58,662,771
6200 Purchased and Contracted Services	15,484			15,484
6300 Supplies and Materials	1,138,557			1,138,557
6400 Other Operating Expenses	843,501			843,501
6600 Capital Outlay				
23 Total School Leadership	<u>60,660,313</u>			<u>60,660,313</u>
31 Guidance, Counseling & Evaluation Services				
6100 Payroll Costs	53,925,500			53,925,500
6200 Purchased and Contracted Services	554,337			554,337
6300 Supplies and Materials	1,911,618			1,911,618
6400 Other Operating Expenses	234,762			234,762
6600 Capital Outlay				
31 Total Guidance, Counseling & Eval. Services	<u>56,626,217</u>			<u>56,626,217</u>
32 Social Work Services				
6100 Payroll Costs	996,122			996,122
6200 Purchased and Contracted Services	5,000			5,000
6300 Supplies and Materials	17,250			17,250
6400 Other Operating Expenses	12,058			12,058
6600 Capital Outlay				
32 Total Social Work Services	<u>1,030,430</u>			<u>1,030,430</u>
33 Health Services				
6100 Payroll Costs	11,100,639			11,100,639
6200 Purchased and Contracted Services	401,310			401,310
6300 Supplies and Materials	289,948			289,948
6400 Other Operating Expenses	20,813			20,813
6600 Capital Outlay				
33 Total Health Services	<u>11,812,710</u>			<u>11,812,710</u>

	10 General Fund	20/30/40 Food Service Fund	50 Debt Service Fund	98 Memorandum Totals
34 Student (Pupil) Transportation				
6100 Payroll Costs	\$19,063,276			\$19,063,276
6200 Purchased and Contracted Services	5,553,434			5,553,434
6300 Supplies and Materials	3,510,680			3,510,680
6400 Other Operating Expenses	466,246			466,246
6600 Capital Outlay				
34 Total Student (Pupil) Transportation	28,593,636			28,593,636
35 Food Services				
6100 Payroll Costs		\$23,723,645		23,723,645
6200 Purchased and Contracted Services		175,000		175,000
6300 Supplies and Materials		31,131,572		31,131,572
6400 Other Operating Expenses		56,000		56,000
6600 Capital Outlay		9,708,655		9,708,655
35 Total Food Services		64,794,872		64,794,872
36 Co curricular/ Extracurricular Activities				
6100 Payroll Costs	13,383,810			13,383,810
6200 Purchased and Contracted Services	1,821,144			1,821,144
6300 Supplies and Materials	3,959,455			3,959,455
6400 Other Operating Expenses	3,320,911			3,320,911
6600 Capital Outlay				
36 Total Co curricular/ Extracurricular Activities	22,485,320			22,485,320
41 General Administration				
6100 Payroll Costs	16,498,128			16,498,128
6200 Purchased and Contracted Services	1,142,998			1,142,998
6300 Supplies and Materials	484,970			484,970
6400 Other Operating Expenses	1,799,331			1,799,331
6600 Capital Outlay				
41 Total General Administration	19,925,427			19,925,427

	10 General Fund	20/30/40 Food Service Fund	50 Debt Service Fund	98 Memorandum Totals
51 Plant Maintenance & Operations				
6100 Payroll Costs	\$46,433,353			\$46,433,353
6200 Purchased and Contracted Services	29,106,424			29,106,424
6300 Supplies and Materials	7,270,853			7,270,853
6400 Other Operating Expenses	9,916,821			9,916,821
6600 Capital Outlay	252,448			252,448
51 Total Plant Maintenance & Operations	<u>92,979,899</u>			<u>92,979,899</u>
52 Security and Monitoring Services				
6100 Payroll Costs	15,595,396			15,595,396
6200 Purchased and Contracted Services	262,640			262,640
6300 Supplies and Materials	466,392			466,392
6400 Other Operating Expenses	112,010			112,010
6600 Capital Outlay	29,400			29,400
52 Total Security and Monitoring Services	<u>16,465,838</u>			<u>16,465,838</u>
53 Data Processing Services				
6100 Payroll Costs	12,973,677			12,973,677
6200 Purchased and Contracted Services	529,200			529,200
6300 Supplies and Materials	6,404,631			6,404,631
6400 Other Operating Expenses	76,938			76,938
6600 Capital Outlay				
53 Total Data Processing Services	<u>19,984,446</u>			<u>19,984,446</u>
61 Community Services				
6100 Payroll Costs	603,983			603,983
6200 Purchased and Contracted Services	12,348			12,348
6300 Supplies and Materials	39,822			39,822
6400 Other Operating Expenses	3,977			3,977
6600 Capital Outlay				
61 Total Community Services	<u>660,130</u>			<u>660,130</u>

	10 General Fund	20/30/40 Food Service Fund	50 Debt Service Fund	98 Memorandum Totals
71 Debt Service				
6100 Payroll Costs				
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenses				
6500 Debt Service	2,842,005		243,850,000	\$246,692,005
6600 Capital Outlay				
71 Total Debt Service	<u>2,842,005</u>		<u>243,850,000</u>	<u>246,692,005</u>
81 Facilities Acquisition and Construction				
6100 Payroll Costs	\$902,918			902,918
6200 Purchased and Contracted Services				
6300 Supplies and Materials	49,000			49,000
6400 Other Operating Expenses	9,163			9,163
6600 Capital Outlay				
81 Total Facilities Acquisition and Construction	<u>961,081</u>			<u>961,081</u>
93 Payments to Fiscal Agents				
6100 Payroll Costs				
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenses	1,150,176			1,150,176
6600 Capital Outlay				
93 Payments to Fiscal Agents	<u>1,150,176</u>			<u>1,150,176</u>
95 Payments to Juvenile Justice Education Program				
6100 Payroll Costs				
6200 Purchased and Contracted Services	75,000			75,000
6300 Supplies and Materials				
6400 Other Operating Expenses				
6600 Capital Outlay				
95 Payments to Juvenile Justice Education Prog.	<u>75,000</u>			<u>75,000</u>

	10	20/30/40	50	98
	General Fund	Food Service Fund	Debt Service Fund	Memorandum Totals
97 Payments to Tax Increment Fund				
6100 Payroll Costs				
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenses	100,000			\$100,000
6600 Capital Outlay				
97 Payments to Tax Increment Fund	<u>100,000</u>			<u>100,000</u>
99 Intergovernmental				
6100 Payroll Costs				
6200 Purchased and Contracted Services	6,500,000			6,500,000
6300 Supplies and Materials				
6400 Other Operating Expenses				
6600 Capital Outlay				
99 Intergovernmental	<u>6,500,000</u>			<u>6,500,000</u>
6000 TOTAL - ALL EXPENDITURES	<u>1,081,810,358</u>	<u>64,794,872</u>	<u>243,850,000</u>	<u>1,390,455,230</u>
1100 Net (Revenues - Expenditures)	<u>(25,216,097)</u>	<u>(17,598,095)</u>	<u>231,698</u>	<u>(42,582,494)</u>
OTHER RESOURCES:				
7911 Sale of Bonds				
7912 Sale of Assets				
7914 Loan Proceeds (Non-Current)				
7915 Transfers In	1,500,000			1,500,000
7916 Premiums				
7919 Extraordinary Items				
7000 TOTAL - OTHER RESOURCES	<u>1,500,000</u>			<u>1,500,000</u>

	10 General Fund	20/30/40 Food Service Fund	50 Debt Service Fund	98 Memorandum Totals
OTHER USES:				
8911 Transfers Out	\$3,000,000			\$3,000,000
8948 Loan Principal				
8949 Miscellaneous Other Uses				
8000 TOTAL - OTHER USES	<u>3,000,000</u>			<u>3,000,000</u>
9000 Net (Other Resources - Other Uses)	<u>(1,500,000)</u>			<u>(1,500,000)</u>
1200 Net (1100 + 9000)	<u>(26,716,097)</u>	<u>(\$17,598,095)</u>	<u>\$231,698</u>	<u>(44,082,494)</u>
BALANCES				
3100 Beginning Fund Balance 9/1/2024	<u>\$344,506,448</u>	<u>\$21,557,449</u>	<u>\$65,456,142</u>	<u>\$431,520,039</u>
3110 Ending Fund Balance 8/31/2025	<u>\$317,790,351</u>	<u>\$3,959,354</u>	<u>\$65,687,840</u>	<u>\$387,437,545</u>

Per Texas Senate Bill 622 passed during the 85th Legislative Session:

Advertising budget for Statutorily Required Public Notices - Object Code 6491
New 2018-19

2024-2025 <u>OFFICIAL GOF BUDGET</u> \$15,334	2023-2024 <u>PROJECTED GOF ACTUALS</u> \$10,730
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Per Texas House Bill 1495 passed during the 86th Legislative Session:

Payments that may have contributed to lobbying efforts - Object Code 6214* New 2019-20
(This will be calculated as a percentage of due/membership payments to professional organizations.)

2024-2025 <u>OFFICIAL GOF BUDGET</u> \$6,350	2023-2024 <u>PROJECTED GOF ACTUALS</u> \$ 1,957
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