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FOR IMMEDIATE RELEASE



CARROLL

Independent School District

Carroll ISD Faces Escalating Budget Deficit, Urges State Intervention

Southlake, TX - The Carroll Independent School District (CISD) finance department has announced it anticipates consecutive years of budget deficits, escalating from a projected \$5,181,305 in the current school year to a projected \$15,496,889 deficit in the 2026-2027 school year. The district's challenges stem from a combination of increasing expenditures due to record inflation, combined with stagnant revenue due to an outdated school funding formula that has not been changed since 2019. The Texas legislature has failed to increase school funding despite persistent advocacy efforts from CISD and many other school districts across Texas.

During a recent board meeting, Assistant Superintendent for Financial Services David Johnson gave a year over year budget presentation, emphasizing the pressing need for state intervention. According to projections presented during the meeting, the district anticipates a significant shortfall in revenue against mounting expenses. Board members underscored that without additional funding from the state, CISD would be forced to deplete its resources, including proceeds from property sales, to offset the burgeoning deficit.



Year Over Year Budget Deficit Projections: 2023 - 2027

	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027
	<u>Projected</u>	<u>Preliminary</u>	<u>Preliminary</u>	<u>Preliminary</u>
Net Deficit	\$(5,181,305)	\$(10,773,386)	\$(13,501,347)	\$(15,496,889)

Board President Cam Bryan expressed frustration over the lack of understanding from state officials regarding the financial challenges school districts across Texas are facing.

"It really is a shame and unfortunate that our state officials can't understand or see the financial crisis that school districts are in," he said. "We're not in the worst shape; there are plenty of ISDs out there that are really going to go bankrupt if the state doesn't increase funding. But one, two, three years from now... we're going to be at a \$15 million deficit if the legislature doesn't do something. We can't survive. We absolutely can't survive."

While the district has been able to provide staff compensation increases, thanks to unexpected budget infusions like that from property sales and interest income, after the school year '24 - '25, staff raises have not been calculated into the budget. School officials say it is crucial for the State of Texas to prioritize school funding in order to fairly compensate our educators.

CISD has been actively advocating for increased school funding for over a year, appealing to the Texas legislature during the 88th regular session and four subsequent special sessions. Despite these efforts, the legislature has failed to provide the necessary financial support to address the growing financial crisis in public K-12 education.

As costs continue to rise, CISD has resorted to temporary solutions such as utilizing interest gains and proceeds from property sales. Interest income from investments are typically short-term in nature, and these provided substantial benefit in the 2022 - 2023 fiscal year, but are cyclical and unreliable long-term. The district's deficits are projected to persist and worsen unless decisive action is taken at the state level to adequately fund public education.

The CISD Board of Trustees calls upon state representatives to recognize the gravity of the situation and take immediate action to address the funding shortfall facing Texas school districts. Urgent intervention is needed to safeguard the quality of education for Texas students, as promised by the Texas Constitution, and ensure the financial stability of districts like CISD, which are at risk of reaching a tipping point without adequate support from the state.