IDEA Public Schools

IDEA
Board Workshop

May 5, 2026

IDEA Public Schools

2026-2027 Budget Early Look

May 5, 2026


CSD
IDEA
Public Schools
SCHOLAR
PAY TO THE ORDER OF
COLLEGE SIGNING DAY SCHOLARSHIP RECIPIENT
$10,000
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CSD
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Give Me
4/2/26
Seven Thousand & 0/100
Jesus Carrillo
Seven Thousand & 0/100


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Texas Wesleyan University
KALAMAZOO COLLEGE
Stanford University
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Agenda

- Budget Priorities for Fiscal Year 27
- Core Assumptions
- Fiscal Year 27 Proforma
- Bond Planning Assessment
- Capital Expenditure Budget
- Looking Forward: Sustainability Plan

Budget Priorities for 26-27 & Core Assumptions

Budget Priorities for 26-27

1. Financial Sustainability
2. Student Retention and Program Expansion
3. Maintaining a staffing model that supports strong student outcomes and improves academic accountability.

Core Assumptions

Revenue Drivers

- Budgeted Snapshot Enrollment: 79,702
- Budgeted Average Daily Attendance (ADA) Rate from Snapshot Enrollment: 94%
- Budgeted ADA: 74,918

Key Rationale:

- Enrollment assumptions remain aligned to prior year actuals, minimizing volatility and reducing risk of significant revenue fluctuations

Staffing & Compensation

- 15 Scaling Campuses
  - 1 New Campus
- 1.5% merit increase
- increase non-instructional hourly at campus

Key Rationale:

- Prioritizing maintaining a staffing model that supports strong student outcomes and improves academic accountability.

Operating Income Target

- Debt Service Coverage Ratio (DSCR): 1.35x -> 1.25x

Key Rationale:

- Aligns resources to IDEA's vision and mission by freeing capacity for reinvestment at the campus level
- Leverages a strong cash position to support strategic capital investments, while maintaining DSCR in alignment with covenant requirements
- Maintains bond covenant compliance at 1.1x DSCR, recognizing that credit ratings are informed by a broader set of factors beyond financial ratios alone
- Positions financial strength as a strategic enabler of outcomes, not an end in itself

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Efficiency Efforts

Regional/National Enterprise Collaboration

Approach: Strengthen regional and national collaboration to ensure alignment and prioritization of programs tied to the multi-year vision, while implementing a 5% reduction in enterprise budgets across national teams.

Key Rationale

- **Long-term financial sustainability:** prioritizes disciplined resource allocation to support the organization's financial health.
- **Closer investment to students:** shift resources toward campuses to maximize student academic impact.
- **Stability for regional planning:** provides regions with clear, stable targets entering the budget process.

National Org Restructure

Approach: Realign National HQ functions to more directly support regional and campus impact by aligning teams to highest-priority strategic outcomes tied to IDEA 2035, while implementing a 10% reduction in national discretionary budgets and a 5% reduction in national staffing compensation.

Key Rationale

- **Stronger alignment to student outcomes**: ensures national resources are directly connected to classroom and campus needs.
- **Resource optimization**: redirects time, talent, and funding toward highest-impact priorities.

Hands On Budget Workshops

Approach: Engage in elaborative discussions and decision making with key stakeholders (principals, regional leaders, area superintendents)

Key Rationale

- **Coordination and Momentum:** Bringing teams together to focus attention, move decisions quickly, and complete the budget process thoroughly without it lingering; ensuring access to the right resources and experts to resolve questions in real time.
- **Shifting Regional/Campus Targets:** National and Enterprise budget decision-making started in the fall and must resolve multiple moving targets for regions, limiting IDEA's ability to plan effectively.
- **Understanding, Planning, and Execution:** While progress has been made year over year, greater clarity is still needed around the national role in mitigating the deficit.

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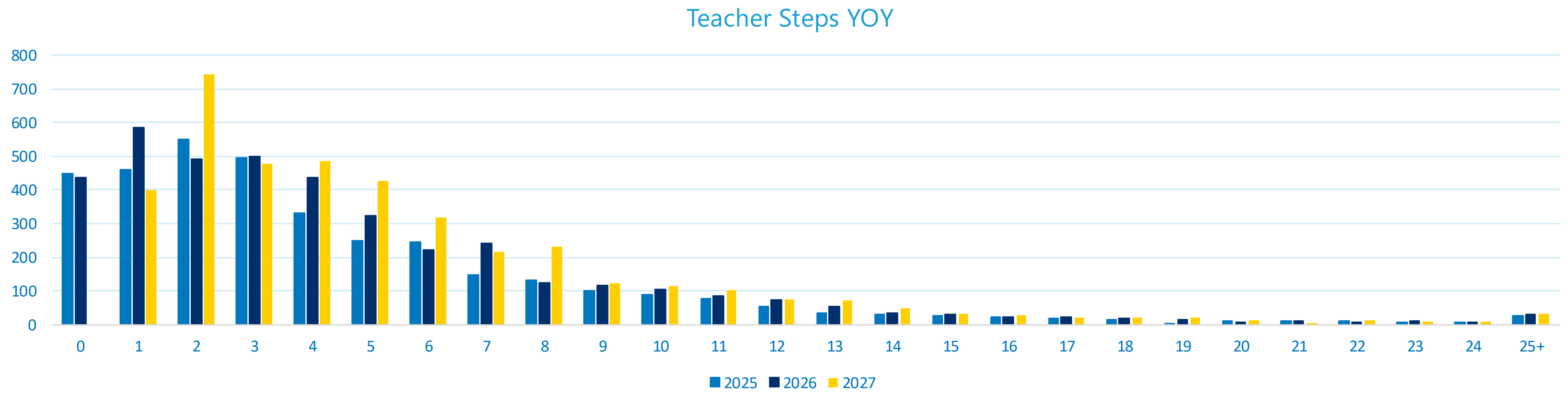
Teacher Year-Over-Year



Region	2025	2026	2027
AUST	$59,664	$62,874	$62,941
ELPA	$58,480	$62,202	$62,151
FTWR	$64,056	$67,853	$67,751
HOUS	$63,640	$66,720	$66,724
PERM	$65,647	$68,915	$66,898
RGVR	$58,010	$62,111	$62,129
SATN	$59,940	$63,476	$63,448
Average Texas	**$59,462**	**$63,295**	**$63,307**

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2026-27 IDEA Texas Pro-Forma

Highlights

Solid & Stable Financial Position

- Total Revenue ↑ $20.8M (+1.71%), driven by stable core funding
    - State Revenue ↑ $23.4M (+2.45%)
    - Federal Recurring ↑ $3.82M (+5.29%)
- Total Expenses ↑ $22.3M (+2.05%), slightly outpacing revenue
- Enrollment remains stable (+92 students,94% ADA), supporting predictable planning
- EBIDA meets 1.25x target, maintaining financial health and bond compliance

Intentional Investment in Students & Campuses

- Campus Compensation ↑ $18.9M (+3.60%)
- Per-pupil investment continues to grow (+$264 per student)
- Child Nutrition operating programming to support student needs ↑ $10M (+23%)

Right-Sized Budget Aligned to the Current Environment

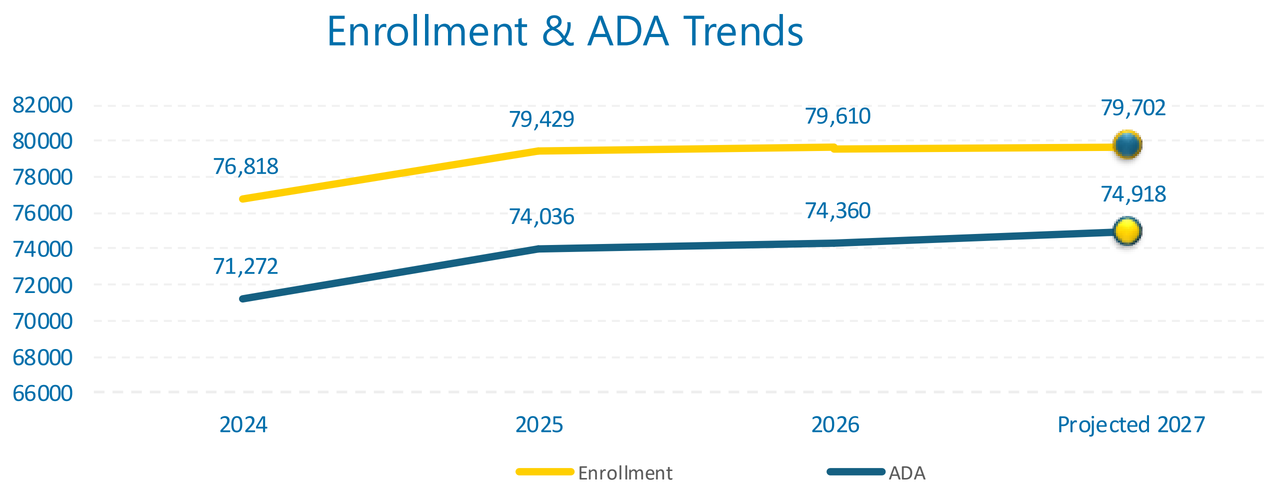
- Adjusted to updated enrollment trends, funding dynamics, and post-HB2 legislative changes, reflecting a more realistic and executable financial plan

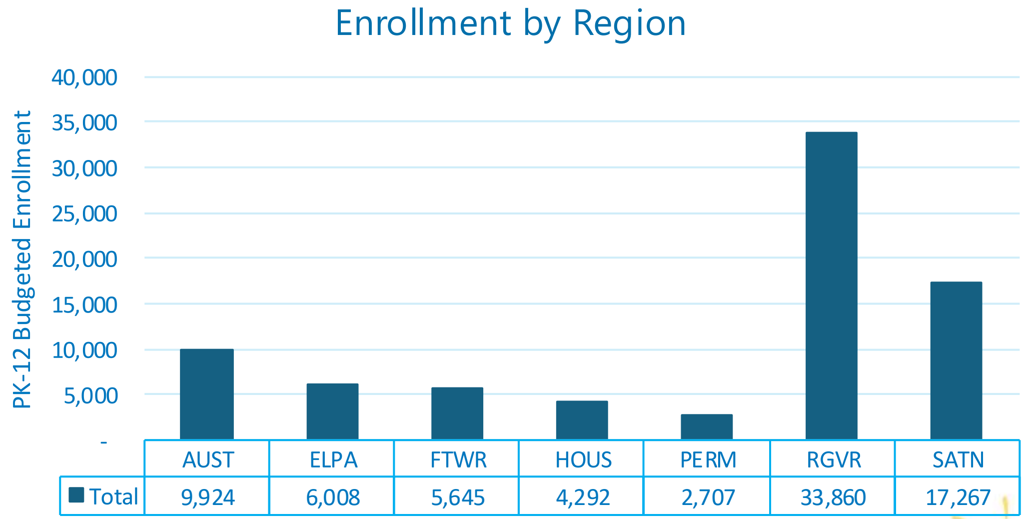
Expense Management with Emerging Margin Pressure

- Targeted reductions across National, Regional, and Transportation functions to strengthen cost control and support structural alignment
- Declining non-core revenue and a leaner cost structure are compressing margins, requiring continued financial discipline

Key Risks & Opportunities

- Decline in non-core revenue and supplemental funding, Philanthropy ↓ $7.5M, All Other Revenue ↓ $13.1M means a structural shift to state-dependent funding
- Margin compression, Expenses ↑ $22.3M (+2.05%) vs Revenue ↑ $20.8M (+1.71%), EBIDA Target adjusted from 1.35x FY26 to 1.25x FY27, execution of plan will be critical
- Increasing reliance on State Funding will mean higher exposure to legislative funding formula shifts and adjustments to enrollment





2026-27 IDEA Texas Pro-Forma

IDEA Texas Pro forma	2025-26 PRO FORMA April Amendment	2026-2027 PRO FORMA	Per ADA ($)	Percent of State Rev	Percent of Total Revenue	Year over Year Change ($)	Year over Year Change (%)
Budgeted Enrollment	79,610	79,702				92	0.12%
ADA Rate	94.75%	94.00%				(0)	-0.79%
Budgeted ADA	74,442	74,918				476	0.64%
Revenue per Pupil	15,275	15,518				243	1.59%
Expenses Per Pupil	13,702	13,966				264	1.93%
State Revenue per Pupil	11,967	12,246				279	2.33%
State Expenses per Pupil	10,735	11,022				287	2.68%
State Revenue	952,699,629	976,054,540	13,028		78.92%	23,354,911	2.45%
State Other Revenue	32,880,000	34,657,537	463		2.80%	1,777,537	5.41%
Federal Recurring Revenue	72,192,455	76,008,201	1,015		6.15%	3,815,747	5.29%
Federal Non-Recurring Revenue	1,816,949	1,908,243	25		0.15%	91,294	5.02%
Philanthropic Revenue	9,003,452	1,500,000	20		0.12%	(7,503,452)	-83.34%
Child Nutrition Program Revenue	86,116,214	98,428,790	1,314		7.96%	12,312,576	14.30%
All Other Revenue	61,331,196	48,233,859	644		3.90%	(13,097,336)	-21.36%
TOTAL REVENUE	1,216,039,894	1,236,791,170	16,509			20,751,276	1.71%
Campus Compensation	526,591,359	545,535,540	7,282	55.89%	44.11%	18,944,181	3.60%
Campus Performance & Recognition Pay	48,098,057	50,144,418	669	5.14%	4.05%	2,046,361	4.25%
Campus Operating	169,843,466	168,093,183	2,244	17.22%	13.59%	(1,750,283)	-1.03%
Transportation Compensation	37,527,738	36,414,634	486	3.73%	2.94%	(1,113,105)	-2.97%
Transportation Operating	9,413,371	8,446,793	113	0.87%	0.68%	(966,578)	-10.27%
Auxiliary Compensation	33,774,586	33,276,403	444	3.41%	2.69%	(498,183)	-1.48%
Auxiliary Operating	40,410,670	43,054,073	575	4.41%	3.48%	2,643,403	6.54%
Child Nutrition Program Compensation	41,017,673	43,177,472	576	4.42%	3.49%	2,159,799	5.27%
Child Nutrition Program Operating	43,314,588	53,329,038	712	5.46%	4.31%	10,014,450	23.12%
National Compensation	79,913,611	76,490,131	1,021	7.84%	6.18%	(3,423,481)	-4.28%
National Performance & Recognition Pay	4,804,600	4,311,904	58	0.44%	0.35%	(492,696)	-10.25%
National Operating	12,672,885	9,105,564	122	0.93%	0.74%	(3,567,321)	-28.15%
Regional Compensation	36,730,165	35,473,397	473	3.63%	2.87%	(1,256,768)	-3.42%
Regional Performance & Recognition Pay	2,642,860	2,352,032	31	0.24%	0.19%	(290,828)	-11.00%
Regional Operating	4,057,515	3,937,515	53	0.40%	0.32%	(120,000)	-2.96%
TOTAL OPERATING EXPENSES	1,090,813,144	1,113,142,096	14,858			22,328,952	2.05%
EBIDA (Earnings Before Interest, Depreciation, and Amortization)	125,226,750	123,649,074					
EBIDA Required Target 1.25x	123,660,413	123,621,558					
Amount Over/(Under) Target	1,566,337	27,516					
Debt Service -Interest Expense FN 71	61,526,547	56,145,263					
Depreciation	73,411,201	74,802,416					
Depreciation - CNP	1,286,486	1,422,281					
Total Surplus/Deficit	63,700,203	67,503,811					

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Compliance View

Categories	FY 25 Audited Financial Results	FY 26 April Budget Amendment	FY 27 Proposed Budget
ADA	74,036	74,442	74,918
Revenue	1,172,638,119	1,216,039,894	1,236,791,170
Expenditure	1,128,061,272	1,227,037,378	1,245,512,056
Audit Operating Surplus/ Deficit	44,576,847	(10,997,484)	(8,720,886)
Add back Depreciation	68,295,676	74,697,687	76,224,697
TEA Statutory Operating Budget	112,872,523	63,700,203	67,503,811
Extraordinary Items	16,178,842	6,000,000	0
Total Surplus/Deficit	129,051,365	69,700,203	67,503,811

Sustainability View

Categories	FY 25 Audited Financial Results	FY 26 April Budget Amendment	FY 27 Proposed Budget
ADA	74,036	74,442	74,918
Revenue	1,172,638,119	1,216,039,894	1,236,791,170
Expenditure	1,010,459,028	1,090,813,144	1,113,142,096
Available Revenue	162,179,091	125,226,750	123,649,074
Target Debt Service	112,943,477	123,660,413	123,621,558
Surplus/Deficit	49,235,614	1,566,337	27,516
DSCR	1.94x	1.37x	1.25X

Federal Grants Update

The federal fund amounts and program intents are outlined below. The public is asked to submit any feedback to federal.grants@ideapublicschools.org by Friday, June 19, 2026. Input will help inform the 2026-2027 IDEA Public Schools' grant applications.

Federal Grant	FY26 Award	FY27 Estimate	Purpose
Title I, Part A	$ 37,852,948	$ 40,494,458	Equitable access to high-quality education; supplemental supports aligned to CNA and campus plans; supports Parent and Family Engagement through required spending requirement
Title II, Part A	$ 5,132,088	$ 5,264,370	Supports teacher/principal development and recruitment/retention
Title III, Part A	$ 3,113,266	$ 3,221,535	Provides resources for emergent bilingual students (instruction, PD, family engagement, summer learning)
Title IV, Part A	$ 2,870,858	$ 2,906,813	Funds well-rounded education, student health/safety, and technology
IDEA Part B	$ 13,926,699	$ 13,712,767	Supports services, staffing, materials, and equipment for students with disabilities
IDEA Pre-K	$ 39,547	$ 39,409	Supports early childhood special education (ages 5 and under)
Perkins CTE	$ 1,752,453	$ 1,773,247	Expands (into 7th) career pathways and college readiness programs

*Amounts do not include carryover

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2026-27 IDEA Texas Budget by Function YOY

IDEA Public Schools- Texas 2026-2027 Proposed Budget							2025-2026 Budget	
Revenues:		General Fund	Child Nutrition Fund	Total	Per Student	% Increase/Decrease from PY	April Amended Budget	Amended Budget Per Student*
5700	Local and Intermediate Sources	36,722,876	0	36,722,876	490	-17.39%	44,455,079	598
5800	State Program Revenues	1,022,912,667	0	1,022,912,667	13,654	1.20%	1,010,780,804	13,593
5900	Federal Program Revenues	78,726,837	98,428,790	177,155,627	2,365	10.17%	160,804,010	2,163
Total Revenues		1,138,362,380	98,428,790	1,236,791,170	16,509	1.71%	1,216,039,894	16,353
Expenses:								
11	Instruction	593,466,231	0	593,466,231	7,922	4.11%	570,034,128	7,666
12	Instructional Resources and Media Services	1,265,782	0	1,265,782	17	-55.27%	2,829,750	38
13	Curriculum Development and Instructional Staff Development	17,739,793	0	17,739,793	237	-10.07%	19,725,665	265
21	Instructional Leadership	25,578,866	0	25,578,866	341	-14.31%	29,852,101	401
23	School Leadership	101,822,961	0	101,822,961	1,359	1.99%	99,835,383	1,343
31	Guidance, Counseling, and Evaluation Services	56,511,144	0	56,511,144	754	-7.05%	60,798,716	818
32	Social Work Services	743,240	0	743,240	10	11.38%	667,330	9
33	Health Services	9,724,954	0	9,724,954	130	3.59%	9,387,541	126
34	Student (Pupil) Transportation	53,024,753	0	53,024,753	708	8.37%	48,931,028	658
35	Food Services	1,762,816	95,723,583	97,486,398	1,301	12.41%	86,722,158	1,166
36	Extracurricular Activities	8,625,134	0	8,625,134	115	3.73%	8,314,829	112
41	General Administration	65,671,894	2,148,368	67,820,262	905	2.54%	66,141,565	889
51	Facilities Maintenance and Operations	87,176,149	56,840	87,232,989	1,164	-2.80%	89,742,307	1,207
52	Security and Monitoring Services	13,532,243	0	13,532,243	181	10.74%	12,220,073	164
53	Data Processing Services	48,441,844	0	48,441,844	647	-12.17%	55,153,089	742
61	Community Services	2,497,785	0	2,497,785	33	17.00%	2,134,913	29
71	Debt Service	56,145,263	0	56,145,263	749	-8.75%	61,526,547	827
81	Fund Raising	3,852,416	0	3,852,416	51	27.55%	3,020,255	41
Total Expenses		1,147,583,266	97,928,791	1,245,512,056	16,625	1.51%	1,227,037,378	16,501
Difference in Revenues/Expenses		-9,220,886	499,999	-8,720,886	-116		-10,997,484	-148

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Bond Planning Assessment & Operating Income Target

Launch Schedule

New campus launch outlook for regions slated for upcoming growth

PERMIAN BASIN

LAUNCHING

August 2026

IDEA Henry

Grade levels to be determined as the IDEA Travis partnership winds down.

TARRANT COUNTY

UNDER REVIEW

August 2028 / 2029

Campus and timing pending

Reevaluating current properties and overall Metroplex strategy before committing.

GREATER HOUSTON

PAUSED

Timeline TBD

No new launches planned

Paused pending turnaround of current campuses.

2026 Bond Needs Assessment

- **Phase I Growth Strategy**
  - The current growth plan has no planned campus expansion until FY 2028
  - FY 2028 expansion is planned for the Tarrant County Region
  - Expansion plans in the Houston region are currently paused pending further examination of academic and regional scorecard results

- **Phase II Facilities Projects**
  - Henry Phase II is nearing the bid phase, but it will be funded with the CIP line of credit and refinanced with the next bond issuance. There are possible cost offsets through philanthropic funding
  - Lopez Phase II project costs aligns to a 2027 bond issuance

- **Phase III Facilities Growth**
  - Future Phase III projects remain in the planning phase

2026 Bond Needs Assessment

- **Pre-K Grade Level Expansion**
  - Pre-K expansion is planned for FY 2027, but the project scope has recently narrowed to only include Texas facilities where space for Pre-K expansion already exists (18 campuses)
  - Preliminary costs associated with the Pre-K expansion will be funded with the CIP line of credit and refinanced with the next bond issuance

- **Facilities Maintenance Projects**
  - All major facilities maintenance projects were funded in the 2025 bond.
  - Facilities maintenance projects are not expected until future years and will be aligned to future bond issuances

- **Interest Rate Environment**
  - We compared five different funding options and concluded that the cost savings from bond funding when compared against alternative funding sources was still enough to justify the time, effort, internal costs, and external costs associated with bond market issuances
  - The current rate environment offers an attractive incentive to refinance historical bonds due to the material decrease in market rates across the MMD curve resulting in a higher present value of costs savings as our bonds move further into the money. Our refunding target was bonds with a coupon of 5.00%.

2026 Bond Needs Assessment

- **Final Treasury Recommendations**
  - Treasury recommended to forego the 2026 new money bond issuance due to the timing of facilities growth plans, construction schedules, and available interim financing options and the absence of any material Phase I construction funding needs identified within the 2026 bond window.

  - Treasury recommended to forego the 2026 bonds refunding despite the refunding analysis showing material costs savings. Treasury expects the refinance advantage for our refundable bonds to increase over the next year as the Fed Dot Plot and the World Interest Rate Probability (WIRP) are still showing expectations for one more 25 bps rate cuts over the next year even though they seem poised to hold rates steady for now as they work to navigate economic and global uncertainty and managing their maximum employment and price stability dual mandate. The bonds refunding sensitivity analysis provided additional evidence to support our decision to be patient as a 25 bps reduction in rates showed significant improvement to the present value of cost savings on the bonds we targeted for refunding.

Operating Income Target Proposal

EBIDA Comparison of Bond Scenarios
IDEA Public Schools
$20,000,000 Education Revenue Bonds, Series 2026
*****Preliminary, For Discussion Purposes Only*****

	Current Debt Service post Series 2025				
Scenario	**Post-Series 2025 Total MADS**	**Total EBIDA Required 1.25x**	**Total EBIDA Required 1.35x**	**Total EBIDA Required 1.5x**	**Total EBIDA Required 1.65x**
Base Case	97,909,834	122,387,292	132,178,276	146,864,751	161,551,226
	Current Debt Service plus Series 2026 Bonds				
Scenario	**2026 Total MADS (Pro-Forma)**	**Total EBIDA Required 1.25x**	**Total EBIDA Required 1.35x**	**Total EBIDA Required 1.5x**	**Total EBIDA Required 1.65x**
Base Interest Rate	98,897,246	123,621,558	133,511,282	148,345,869	163,180,456
Base Interest Rate -50 bps	98,794,196	123,492,745	133,372,165	148,191,294	163,010,424
Base Interest Rate -25 bps	98,845,646	123,557,058	133,441,622	148,268,469	163,095,316
Base Interest Rate +25 bps	98,948,984	123,686,230	133,581,128	148,423,476	163,265,823
Base Interest Rate +50 bps	99,000,821	123,751,027	133,651,109	148,501,232	163,351,355
	Current Debt Service with RLOC Only				
Scenario	**2026 Total MADS (Pro-Forma)**	**Total EBIDA Required 1.25x**	**Total EBIDA Required 1.35x**	**Total EBIDA Required 1.5x**	**Total EBIDA Required 1.65x**
Base Interest Rate	98,859,432	123,574,290	133,460,233	148,289,148	163,118,063
Base Interest Rate -50 bps	98,759,432	123,449,290	133,325,233	148,139,148	162,953,063
Base Interest Rate -25 bps	98,809,432	123,511,790	133,392,733	148,214,148	163,035,563
Base Interest Rate +25 bps	98,909,432	123,636,790	133,527,733	148,364,148	163,200,563
Base Interest Rate +50 bps	98,959,432	123,699,290	133,595,233	148,439,148	163,283,063

Assumptions:

O *Pro-Forma Series 2026 $20 million CIP; assumes delivery date of 6.1.26; one-year interest-only*
O *Pro-Forma RLOC Only $20 million CIP; assumes financing remains on RLOC. Assumes $20mm remains drawn each year*
O *Base Interest Rate Tax-Exempt: Current Interest Rates as of 12.9.25, assuming PSF enhancement*
O *EBIDA Required calculated based on Total Pro-Forma Maximum Annual Debt Service after issuance of each series*

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Capital Expenditure Budget

TX Capital Expenditure Budget*

Request	Amount	Funding
Advanced Budget Requests – *Board Approved in Spring* (Central Furniture, Computer Bulk Orders, Projector Bulk Orders)	$20,675,843	General Funding
IT Equipment & Infrastructure	$10,677,979	General Funding
Transportation Buses and White Fleet	$24,455,818	General Funding/LOC
CNP Equipment	$480,000	CNP Funding
Construction (Phase I, II, III)	$130,302,150	2025 Bond/LOC
Facilities Maintenance & Centrally Funded Campus Requests (Priority I)	$57,136,365	2024 & 2025 Bond/General Funding
Safety & Security	$2,673,642	2025 Bond/Grant
Career & Technology	$8,373,665	General Funding (CTE Allotment)
26-27 Total Request	**$254,775,462**	

* This budget is estimated, it includes the construction of Phases I, II, & III.

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Looking Forward: Sustainability Plan

Plan

Establish a clear, multi-year pathway to financial sustainability, recognizing the scale and complexity of IDEA Public Schools requires deliberate, phased execution not rapid shifts

Develop a balanced roadmap that aligns financial sustainability with student outcomes, staff experience, and organizational accountability

Evaluate a full range of strategic levers, including:

- Staffing model alignment to enrollment trends
- Potential campus consolidation based on enrollment and financial performance (site-based, DSCR-informed)
- Reassessment of national and regional funding structures
- Targeted investments to drive enrollment growth and revenue
- Exploration of additional private funding sources

Looking Forward: Sustainability Plan

- Financial sustainability is a statewide challenge, with districts across the state facing structural deficits
- Mission-driven organizations must balance student experience and outcomes with financial discipline
- We will take a proactive leadership role which means advancing financial sustainability while maintaining a competitive, high-quality student experience, independent of state supports

Executive Session

Open Session

IDEA Public Schools

Adjourn