

## 2026 Budget Advisory Committee

Jan. 8, 2026 – Committee Overview / School Finance 101 / SISD Fiscal History  
Executive Summary

### COMMITTEE MEMBERS PRESENT

Allan Cunys, Andrew Haggerty, Angelica Soto, Anna Nicole Guevara, Caryn Gonzalez, Dr. Darius Davis II, Dr. Ginger Raya, Dr. Ignacio Estorga, Dr. Jesse Sepulveda, Dr. Jim Ramos, Drew Dungan, Gabby Ruvalcaba, Gabriela Elliott, Isabel Ramirez, Jacob H. Ramirez, Jake Hidalgo, Janet Carrillo, Jaymee D. Rivas, Joseph Guerra, Justine Farmer, Lily Ruiz, Maria Camargo, Monica Castro, Nancy Torres, Rebeca Parada, Robert Alvarez, Roberto Medina, Ruben Avalos, Tom Laign

### BOARD MEMBERS PRESENT

Trustee Ryan Woodcraft

### STAFF PRESENT

Jim Vasquez, Superintendent; Daniel Escobar, Chief Communications Officer; David Solis, Chief Financial Officer; Melissa Parham, Chief Academic Officer; Jennifer Trejo, Assistant Superintendent; Horacio Hernandez, Chief Technology Officer; David Gutierrez, Budget Director; Jesus Armas, Budget Analyst; Dinorah Aleman, Budget Analyst; Christy Flores-Jones, Public Relations Director; Laura Acosta, Senior Communications Specialist; Vanessa Salazar, Executive Administrative Assistant; Ruben Espinoza, Multimedia Specialist; Sonny Cadena, Technology Services Team Leader; Alan Sanchez, Technology Services Technician; Damian Rodriguez, Technology Services Technician

### WELCOME AND INTRODUCTIONS

Superintendent Jim Vasquez welcomed members to the first meeting of the 2026 Socorro ISD Budget Advisory Committee (BAC) and expressed sincere appreciation for their willingness to volunteer their time and expertise. He introduced Board Trustee Ryan Woodcraft, who welcomed the members and acknowledged that many of them were attending after full workdays and emphasized the value of their service to the district, its students, and the broader community. He underscored the district's commitment to increased transparency and open communication, noting that committee members would be provided full access to financial information to support informed discussion and meaningful recommendations.

Mr. Vasquez highlighted the district's focus on strengthening community involvement and collaborative decision-making as SISD continues to move forward from recent challenges. He invited committee members to introduce themselves by sharing their names, roles, and connections to the district. The introductions reflected a diverse representation of stakeholders,

including educators, campus administrators, labor representatives, higher education professionals, business and community leaders, parents, district retirees, and military-affiliated representatives.

### 2026 BAC OVERVIEW

Mr. Vasquez outlined the purpose, structure, and timeline for the 2026 Budget Advisory Committee as the District begins development of the 2026–2027 budget. He explained that the budgeting process is in its initial planning phase, during which financial assumptions are developed, and departmental and campus budgets are reviewed. Committee members have been invited to provide input and guidance on funding priorities to ensure alignment with district goals and operational needs. BAC members were nominated by the board trustees and the superintendent to ensure representation from multiple stakeholder groups.

The committee will meet a total of four times between January and April 2026. The first meeting provided an overview of school finance and the district’s funding framework. The second meeting will focus on SISD’s vision and values, budget goals and constraints, and potential revenue options. The third meeting will emphasize funding priorities and the initial development of the 2026–2027 budget. The final meeting on April 1, 2026, will be dedicated to finalizing committee recommendations, which will be presented to the Board of Trustees at its April 15, 2026 regular board meeting.

Committee decision-making will follow a consensus-based model, with the goal of achieving at least 80 percent agreement on recommendations. If consensus or 80% agreement cannot be reached, a super majority vote of 2/3 of committee will constitute a decision. Committee members are asked to be respectful, listen to learn and contribute, and engage in the meetings. The committee leadership, the selection of a chair and vice chair, will be appointed by the Board President. Through this structured, transparent, and collaborative process, the Budget Advisory Committee plays a critical role in supporting responsible fiscal planning and long-term financial sustainability for Socorro ISD.

### STATE OF SOCORRO ISD

Mr. Vasquez provided an overview of the current state of Socorro ISD, highlighting the district’s continued tradition of innovation and excellence despite recent financial challenges. The district is the highest-scoring district in the region with STAAR performance levels surpassing state and regional averages in approaches, meets, and masters categories. The district earned an overall B rating of 86, increased A-rated campuses from 13 to 18, and maintained zero D or F campuses. SISD also achieved the prestigious Postsecondary Readiness Distinction, becoming the largest

district in Texas to earn this designation. Students continue to excel academically and in extracurricular activities, with the Class of 2025 earning more than \$72 million in scholarships, 449 graduates receiving associate degrees, and thousands earning industry certifications. SISD also stands out nationally as one of only three districts in the country to earn the National Certificate for STEM Excellence. The district also leads the region in algebra I success with five SISD middle schools achieving the highest scores on the 2024-2025 STAAR/EOC algebra I exam.

The district serves nearly 46,000 students across 50 campuses and employs more than 5,300 staff members, making SISD the third-largest employer in El Paso. Facilities remain state-of-the-art, supported by the successful completion of Bond 2017 projects, including three new schools, a new Socorro High School, and the Student Activities Complex 2. SISD also earned Purple Star designation for 49 campuses, reaffirming its commitment to military-connected families. Socorro ISD also has powerful community support, with more than 10,000 volunteers, more than 250 Partners in Education and various committees with stakeholders that provide invaluable input.

The Board of Trustees recently approved new goals and constraints to move forward for the next five years. The four main goals focus on academic improvement in early literacy, early math, 8<sup>th</sup> grade algebra and college, career and military readiness. The three constraints are focused on financial responsibility and customer service to ensure financial sustainability, attain a sustainable self-funded healthcare plan, and provide a positive stakeholder experience.

Mr. Vasquez acknowledged the financial challenges faced since 2023, including declining enrollment and a significant budget deficit that peaked at \$42 million. The district also went through two investigations – a TEA investigation and one independent audit. The superintendent left the district, Mr. Vasquez was appointed interim superintendent, and because of the TEA investigation the district was appointed two conservators to monitor the district. The district took out two loans in November 2024 and May 2025, which cost the district some \$1.2 million in interest. In February 2025, the district went through a reduction in force, which ultimately resulted in a reduction of 23 employees, much less than the 300 initially projected.

Through strategic cuts, staffing adjustments, and operational efficiencies, the district reduced the deficit and adopted a balanced budget for 2025–2026. However, enrollment decline and demographic trends continue to impact funding, requiring ongoing fiscal discipline. The district remains focused on improving academic performance, strengthening financial stability, supporting employee healthcare, and enhancing customer satisfaction. Despite adversity, SISD continues to thrive academically and operationally, positioning itself for long-term sustainability and success.

## PROPOSITION A

Mr. Vasquez provided an overview of Proposition A, a voter-approved measure that was proposed to unlock 12 cents of tax capacity under state law to generate approximately \$49 million in additional revenue for Socorro ISD. The district met four times last summer with the Finance & Operations Advisory Committee. The committee made three main recommendations to the Board of Trustees: review employee healthcare and ensure it is self-sustaining, conduct a study of school building utilization and maintenance needs, and pursue a Voter-Approved Tax Rate Election (VATRE).

The VATRE would have been a net zero tax rate increase for taxpayers with a 12-cent increase to the Maintenance and Operations (M&O) rate, and an equal decrease to the Interest and Sinking (I&S) rate. It would have leveraged golden pennies and copper pennies, with most of the funding coming from the state rather than local taxpayers. The additional revenue generated was intended to support competitive teacher salaries, provide modest annual raises, fund employee retention stipends, support student programs, refresh aging student technology devices, and stabilize district finances to avoid future borrowing.

Despite record voter turnout for a district election, Proposition A did not pass. Some 15,000 people turned out to vote, as compared to less than 7,000 in our last bond election in 2017. There was a record number of people voting yes (7,115), but also a record number of no votes (7,971). The good news was that the district's message did resonate with the people that were engaged through the campaign; however, the record voter turnout resulted in many voters not receiving campaign messaging.

As a result, the district continues to face significant financial strain, including pressure on the fund balance and operational budget. There will be a need for additional short-term loans, which carry substantial interest costs. The failure of the measure also impacted employee healthcare funding, requiring immediate adjustments to support the healthcare plan. Mr. Vasquez emphasized that while the district will work to minimize program reductions and staffing cuts through attrition, the failure of Proposition A underscores the importance of ongoing fiscal discipline and strategic planning.

The district has begun outreach efforts with parents, students, and employees to gather feedback on the election and identify areas for improvement in communication and community engagement. Key lessons learned include the need for earlier and clearer messaging, further explanation of the ballot language, and broader use of trusted voices to explain the benefits of

the proposition. Vasquez reiterated the district's commitment to transparency and rebuilding trust, noting that future efforts will focus on clear communication and stakeholder involvement to support long-term financial stability and student success.

### SISD FISCAL HISTORY

Mr. Vasquez turned the meeting over to Chief Financial Officer David Solis, who provided an overview of Socorro ISD's fiscal history with an explanation of how the district's budget operates and the financial challenges the district faces. He reviewed the budget development timeline, emphasizing that it is a year-round process, beginning with revenue and enrollment projections in December and culminating with board adoption of the budget in June, followed by the adoption of the district's tax rate in late summer.

Mr. Solis explained that the TEA Financial Accountability System Resource Guide (FASRG) requires the district to include, at a minimum, the General Fund, which supports day-to-day operations; the Debt Service Fund, used to repay debt; and the Child Nutrition Fund, used to provide meals for students.

He explained that SISD's funding structure is heavily dependent on the state, with approximately 60% of total revenue and 75% of the general fund supported by state funding, while local property taxes contribute less than 30% of overall revenue and under 25% of the general fund. Federal funding has decreased significantly with the expiration of pandemic-era ESSER funds, which had previously provided critical support for technology purchases and instructional needs.

He discussed the most common community questions and perceptions regarding tax rates, administrative spending, district efficiency, and overall funding. These perceptions, or myths, will be addressed over the course of the four BAC meetings, beginning with the tax rate at this meeting.

The myth: Does Socorro ISD have the highest school tax rate? The reality: SISD has the lowest school tax rate of the five large districts in our county. Socorro ISD has decreased the overall tax rate by 32% or \$0.44 since 2019. Both the Interest & Sinking (I&S) and Maintenance & Operations (M&O) rates in Socorro ISD are lower than the largest districts in El Paso County. The lower M&O rate results in Socorro ISD receiving some \$1,000 less per student compared to the other large districts in El Paso.

Mr. Solis continued with an update the district's financial reality. SISD continues to face significant financial constraints driven by enrollment decline, escalating operational costs, and

limited local revenue capacity. He also pointed out that Socorro ISD is not the only taxing entity in the area and SISD's stakeholders overall tax bills can vary based on where they live in the district.

Mr. Solis said these fiscal realities underscore the importance of long-term financial planning, transparent communication with the community, and the collaborative role of the Budget Advisory Committee in ensuring responsible stewardship of district resources. He shared a video produced by public education advocacy group Raise Your Hand Texas that explains how school districts are funded.

After the video, Mr. Solis explained the impact of recent state legislation (HB2) on the district. While the state increased the basic allotment, the majority of new state funding was restricted for designated purposes such as salary increases, special education evaluations, and teacher retention stipends. Of the approximately \$26 million in new annual funding, only about \$8 million was discretionary, just enough to balance the current year's budget. With rising costs, declining enrollment, and inflationary pressures of 22–25%, the district continues to face budget pressures and limitations.

Mr. Solis highlighted the impact of sustained enrollment loss, which has reduced revenue by an estimated \$26.5 million over four years. He reviewed how SISD allocates funding, breaking down how a dollar is spent in the district with the majority on instruction (62 cents) and the next biggest amount on facility maintenance (10 cents). He noted that 86% of all expenditures go toward personnel and only 14% remain for contracted services, supplies, and operations. Out of that 14%, more than half is tied to fixed costs such as leases, fuel, insurance, and tax collection, leaving the district with only \$25 to \$30 million (approximately 6% of the total budget) to fund all remaining districtwide operational needs. He emphasized that, because SISD is a people-centered organization with staffing driven by enrollment, declining student numbers require right-sizing staffing levels to maintain fiscal stability.

Mr. Solis reviewed the district's fund balance trend, showing that SISD has operated with deficits in most years since 2016, with the exception of 2020 and 2022 when COVID-related federal funding temporarily boosted revenue. The district's operational deficit reached \$50 million in 2024 before being reduced to \$8 million through difficult but necessary decisions, including reductions in force and operational cuts. He noted that the fund balance has declined from over 80 days of operating reserves to just 29 days, well below the board-required minimum of 75 days, and explained that this decline forced the district to take out two short-term loans totaling \$60 million to meet financial obligations. The loans cost the district \$1.4 million in interest and fees. Much of the district's spending during previous years went toward employee compensation

increases and healthcare fund stabilization, with more than \$44 million invested in healthcare alone since 2020.

Mr. Solis also addressed the district's recent FIRST (Financial Integrity Rating System of Texas) accountability rating, noting that SISD received a failing score primarily due to overspending, low cash-on-hand, a reduced fund balance, and an administrative tax-rate error that triggered a material compliance finding. While the rating does not affect the district's standing with the state, it contributed to a downgrade by financial rating agencies. The district is working to restore stability through strengthened financial controls, enhanced cash-flow reporting, corrective procedures for tax rate calculations, and sustained fiscal discipline. He emphasized that balancing the budget for the first time since 2016 was a critical step and that future improvements will depend on rebuilding the fund balance, maintaining strict expenditure oversight, and adapting to continued enrollment declines.

### QUESTIONS AND ANSWERS

During the question-and-answer portion of the meeting, committee members engaged in a discussion focused on state policy, enrollment decline, staffing, athletics, debt service, and opportunities to increase revenue. Members asked about potential statewide efforts to eliminate local school property taxes, and Mr. Solis noted that while such proposals have been discussed, they pose unanswered questions regarding the funding of voter-approved debt and long-term state support for public education. He emphasized that SISD's reliance on state revenue makes sustained and adequate state funding essential, particularly as the district continues to experience enrollment declines.

Committee members also asked about the district's planning for future staffing adjustments. Mr. Vasquez explained that declining enrollment will naturally reduce staffing needs, but the district aims to manage these changes through attrition rather than reductions in force. He highlighted the board-approved separation incentive to help the district plan staffing more efficiently for the upcoming year. Additional discussion covered athletics program costs, with members suggesting exploration of optional fees or revenue-generating strategies, as well as questions about the district's debt service fund. Mr. Solis clarified that SISD maintains the required surplus in the debt service fund to meet early-year bond payments and is evaluating opportunities to pay down debt early to increase long-term capacity for future facility needs. He responded to a question regarding military impact aid, which currently generates approximately \$1.5 to \$2 million annually, and welcomed collaboration with military partners to improve form submission rates.

## CLOSING

Mr. Solis and Mr. Vasquez thanked committee members for their time, engagement, and thoughtful questions. District staff provided an overview of materials available in members' binders, including the district's budget book. All presentation materials and resources are also accessible on the district's Budget Advisory Committee webpage at [www.sisd.net/page/budget-advisory-committee](http://www.sisd.net/page/budget-advisory-committee). Members also were encouraged to submit feedback through a QR-code survey to help guide planning for future meetings or to ask any other questions they may have. The feedback received is included below.

The next meeting will take place on Feb. 5 at Socorro High School, with the specific room location to be confirmed later. Mr. Vasquez reiterated his appreciation for the committee's commitment to transparency and collaboration, especially after the long workday, and expressed enthusiasm for continuing the work at the next session.

## MEETING RECAP WITH BAC MEMBERS

[https://youtu.be/DHbP4\\_7zHF8](https://youtu.be/DHbP4_7zHF8)

## COMMITTEE FEEDBACK

### What aspects of the meeting did you find most engaging or valuable?

- The clarification.
- General budget overview
- Great introduction presentation on January 8th
- The decrease in student enrollment
- LOVED the timeline listing what happened overall. Gives us the opportunity to analyze how we can come back.
- The break down of each item and how we are funded.
- It was enlightening to receive the information regarding the budget. It cleared up some misconceptions. Great job explaining
- All of it it was a nice review for us ley people. Since this is my second time it made more sense thank you.
- I enjoyed the overall presentation because I think it added information that is valuable to understanding the state of our district today
- I find value in communicating with our community and showing transparency of where the money goes. Our community needs to see the challenges and monetary amounts funding our district operations.

### Do you have any suggestions for future meetings?

- N/ A

- no
- Please send outlook Calendar invites for all future meetings
- Let us know how you want us to engage and impact the budget, do you need us to vote on anything or just spread a message knock doors?
- Do not pass the mic for introductions. Have the introductions during dinner.
- Maybe ways to ask questions without feeling nervous to speak in front of everyone.
- I really appreciate the introduction and finance 101. I was really nervous when I received the invite to participate in this committee because I am not good at finances. I appreciated taking the time in helping me understand the lingo and being transparent with the team
- Everything went great!
- Some of the feedback I've been getting from teachers in the district is had they known about the increase in insurance they would've voted and told their neighbors to vote. Some of their insurances went up six to \$800. They were saying. Also since the textbooks are online it has been extremely difficult to teach since an elementary. They have a class of 25 but only 12 tablets. This has led to having to make lots of copies, which creates a lot of needed to do that. I know it's unhelpable, but just wanted to share some of the frustrations.
- The first meeting allowed us to get an overview and ask questions which was great. I'm assuming that ongoing meetings will be more interactive or allow us to communicate or collaborate and provide suggestions and feedback.
- A continuation of information, showing our community exactly amounts of what money goes where.

### **Do you have any lingering questions or concerns that you'd like addressed?**

- N/ A
- no
- Boundary rezoning and realignment Eastlake-Americas
- N/A
- None yet.
- What other ways are we generating General Funds? How can we make money outside of the state and local taxes? What are other ways that we can use the facilities and do just that?
- Not at the moment . Thank you
- Not at the moment. Thank you!
- Just what I mentioned above.
- I would like to know if there will be a freeze on hiring internally and/or if we will have to go through another RIF. It's better to know with time and prepare than to know with short notice and not be able to be as transparent as we can be.
- No, I appreciate the invitation to be a part of this committee. It has a variety of community representatives that can be catalysts for positive change.