Budget Workshop V

June 5, 2025

HUFFMAN
INDEPENDENT SCHOOL DISTRICT

FY 2025-2026

Agenda

- Property Taxes
- Maintenance & Operations Tax Rate
- Interest & Sinking Tax Rate
- Bond Debt Structure

HB 2 – Highlights

awaiting Governor's signature

- Basic Allotment – ↑ $55
- Adjusted basic allotment for small/mid-size district – ↑ 20%
- Teacher Retention Allotment for districts with enrollments of 5,000 or less
  - Three to four years of experience - $4,000
  - Five or more years of experience - $8,000
- Support Staff Allotment – ↑ $45
- CTE Allotment – expanded to include JROTC
- Special Ed Initial Evaluations – $1,000 each
- Special Ed Adjusted Allotment – moves to 8 intensity of services beginning with 2026-2027
- Early Literacy Intervention Allotment – $250 per enrolled student receiving reading intervention after failing two consecutive assessments required under the bill

Property Taxes

Local
Property Tax

State Aid
FSP & ASF

Maintenance & Operations (M&O) Taxes

Interest & Sinking (I&S) Taxes

State Aid
ASAHE

General Fund

Debt Service Fund













Daily District Operations
Salaries & Benefits, Classroom Supplies, Utilities, Transportation, Maintenance, Custodial, etc.

To repay Bonds for voter-approved projects
Facilities Construction & Renovation

Capital Projects Fund

Huffman ISD
2025 Certified Estimate of Taxable Value

Major Property Category	2024 Taxable Value	Percent Change	Projected 2025 Taxable Value
Residential & Rural Improved	1,494,382,926	8.25%	1,617,627,675
Apartments	20,531,083	-11.34%	18,203,472
Commercial	138,336,435	17.65%	162,748,680
Vacant Land	228,913,211	-2.98%	222,098,272
Industrial	745,647	0.00%	745,647
Utility	66,922,390	4.61%	70,006,709
Commercial Personal	32,299,841	1.50%	32,782,885
Industrial Personal	17,829,636	0.43%	17,906,214
All Other Property	19,860,659	1.29%	20,115,988

Projected 2025 Taxable Value	**2,019,821,828**	**7.05%**	**2,162,235,542**

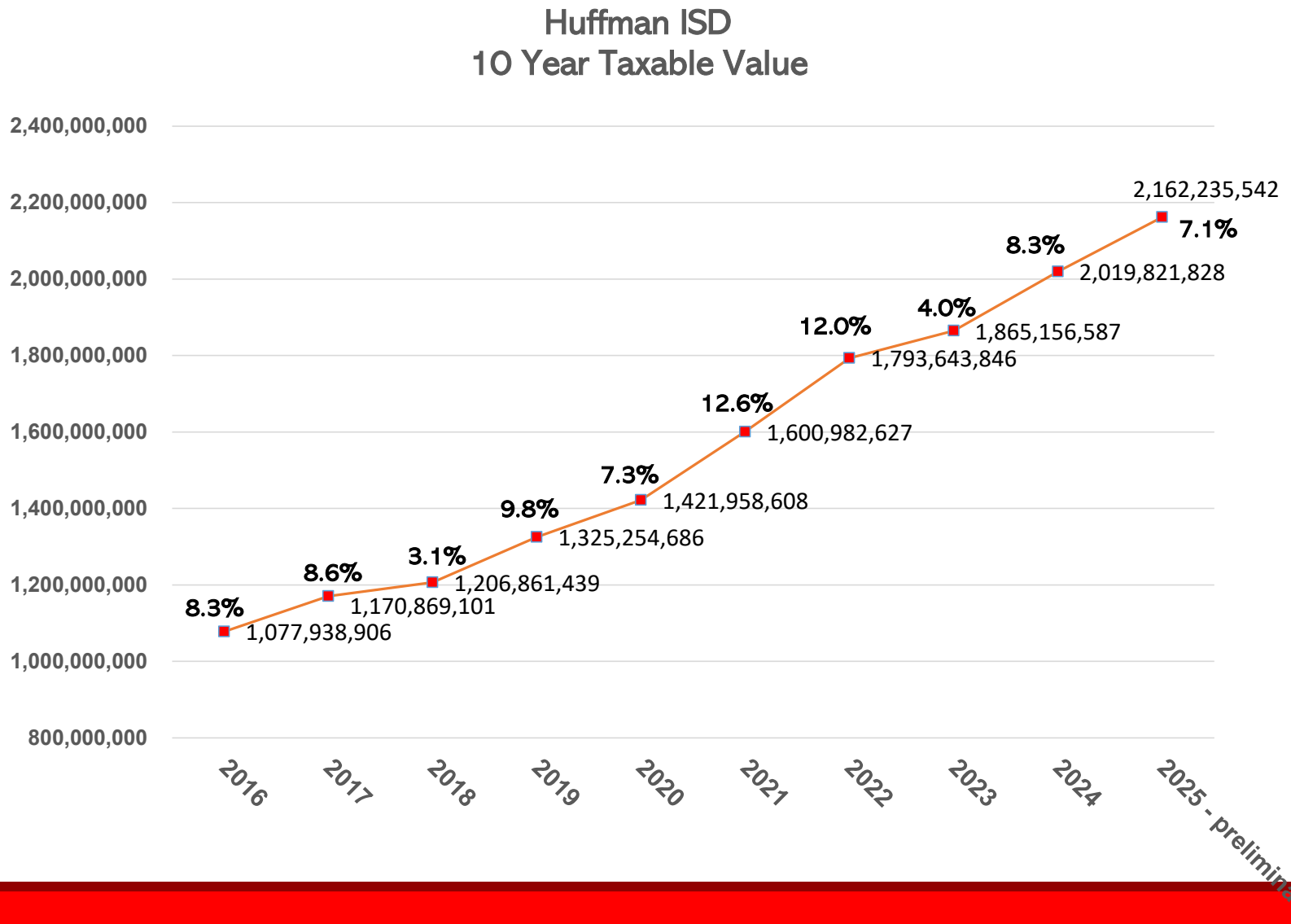
Projected 2025 Taxable Value Range

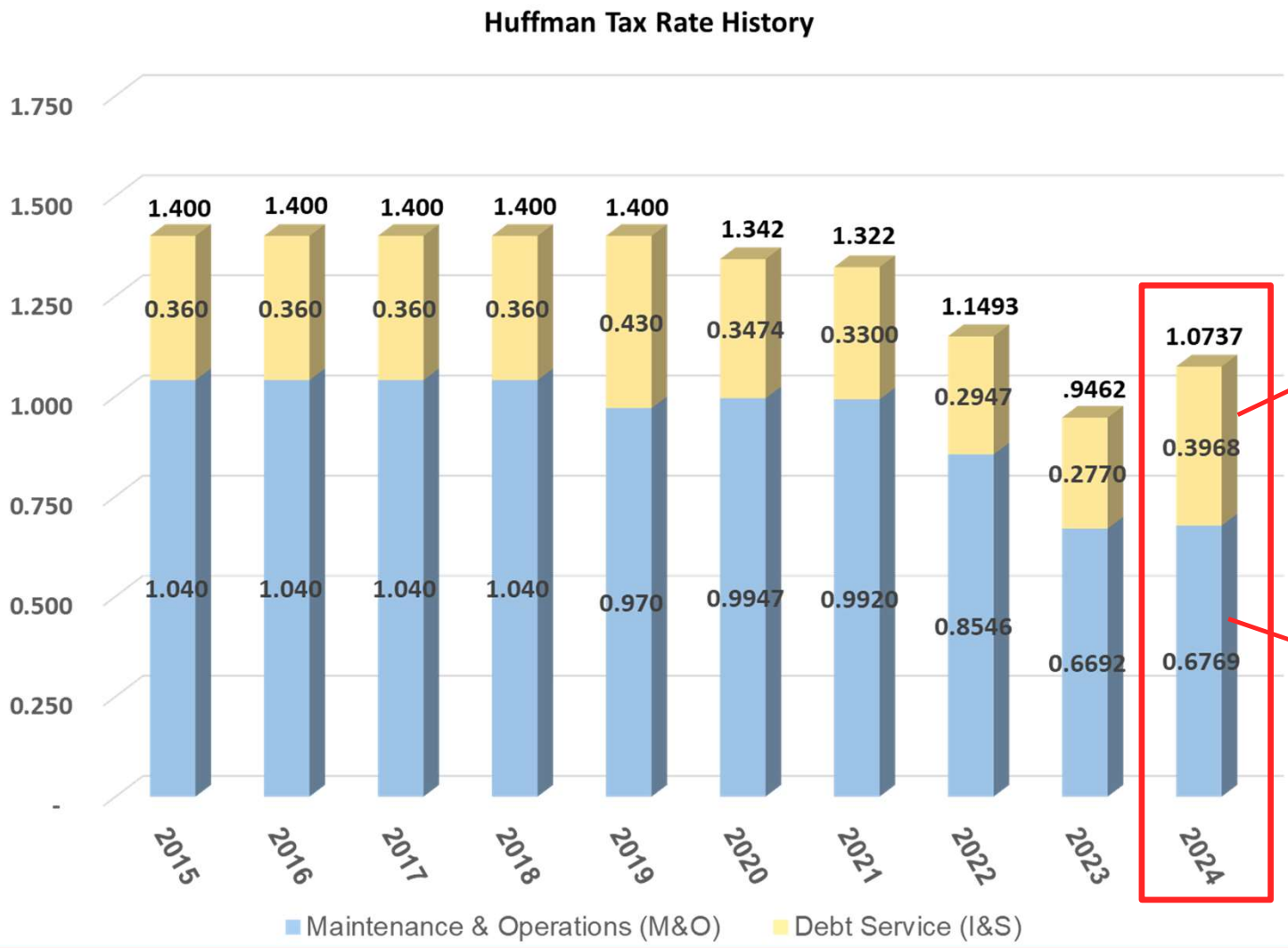
Accuracy +/- 5%	**2,054,123,765**	**To**	**2,270,347,319**

Harris Central Appraisal District
Truth in Taxation Data

Jur: Huffman ISD

	2024	2025
Average Market Value of Residences:	$324,279	$320,226
Average Taxable Value of Residences:	$227,960	$230,596


Huffman ISD
10 Year Taxable Value
2,400,000,000
2,200,000,000
2,000,000,000
1,800,000,000
1,600,000,000
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
8.3%
1,077,938,906
8.6%
1,170,869,101
3.1%
1,206,861,439
9.8%
1,325,254,686
7.3%
1,421,958,608
12.6%
1,600,982,627
12.0%
1,793,643,846
4.0%
1,865,156,587
8.3%
2,019,821,828
7.1%
2,162,235,542
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025 - preliminary



I&S
Increase of
$0.11981

2023 Voter-approved Bond

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M&O
Increase of
$0.01

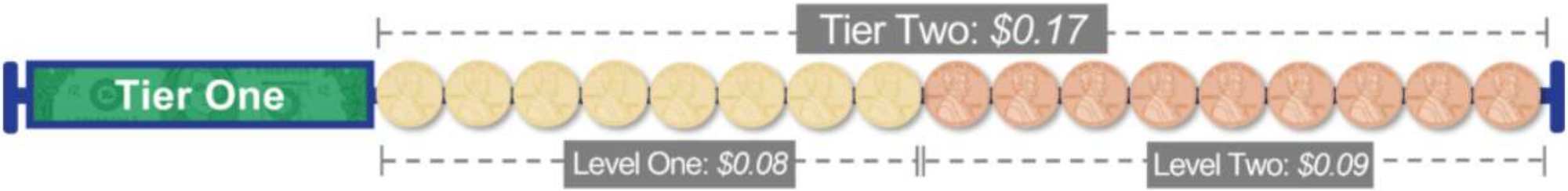
Disaster Penny

Maintenance & Operations (M&O) Tax Rate

GENERAL FUND

What is the M&O Tax Rate?

- Funds day-to-day operations, alongside State Aid



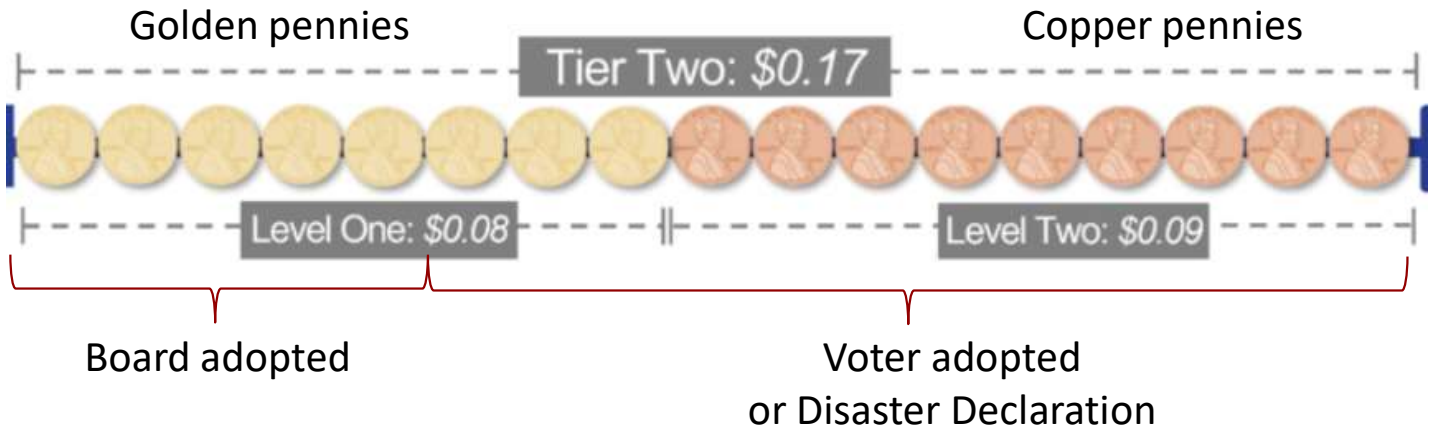
M&O Tax Rate - Tier One

- $1.00 prior to compression from HB3, 86th Texas Legislature, 2019
- Maximum Compressed Rate (MCR) dependent on
  - Estimated statewide property growth and
  - Local property value growth
- 2024 Maximum Compressed Rate = $0.6169
- 2025 Maximum Compressed Rate = unknown
  - Current Law estimate: $0.5909
  - TEA will not notify us of our MCR until August 5



M&O Tax Rate - Tier Two

- Also known as the “Enrichment Rate”
- Maximum of $0.17 allowed
- Additional funding guaranteed from the State based on tax effort



Guaranteed Yield per penny

HB2 – Pending Governor's signature

Golden

$129.52





Copper

$49.72

Each Penny*	Golden	Copper
Local Revenue	$193,412	$193,412
State Revenue	432,897	28,415
Total	$626,309	$221,556

* Based on 5th – 6weeks WADA and preliminary HCAD values

Voter Approval Tax Rate Elections (VATRE)

A special election held by a Texas public school district to seek voter approval for increasing its Maintenance and Operations (M&O) tax rate beyond the state-mandated limit.

The M&O tax rate funds daily operational expenses such as teacher and staff salaries, utilities, classroom supplies, and student programs.

When a district needs to raise this rate above the threshold set by the Texas Education Agency (TEA), it must obtain voter approval through a VATRE.

Disaster Exception - Tax Code 26.042(e)

When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under *Section 26.08* to approve the tax rate adopted by the governing body of the school district for the year following the year in which the disaster occurs. A tax rate adopted under this subsection applies only in the year for which the rate is adopted.

Tier Two Pennies & Huffman ISD

- Up to 12 pennies are available
  - VATRE – requires voter approval
  - Disaster Pennies – requires supermajority of the Board of trustees
- Each penny is estimated to bring in $193,412 in local tax revenue
- Each penny generates additional funding from the State
  - Golden ~ $432,897
  - Copper ~ $28,415

Hurricane Beryl

- July 8, 2024
- Category 1 Hurricane
- Houston area directly affected by the eyewall with more than 2.7 million losing power
  - More than a week for many areas to regain power
- Most of the District was fully functional July 17, 2024

Hurricane Cost to Date	
Expended	$385,582
Encumbered	20,729
Labor*	13,659
Equipment	96,412
Total Estimated Cost	$516,382

** Amount that could be claimed with FEMA*

FEMA Reimbursement	Total	75% Federal	25% Local
Claimed to Date	$364,128	$273,096	$91,032
Amount Remaining	152,254	114,191	38,064
Total Estimated Cost	$516,382	$387,287	$129,096

Additional Future Costs?

- Correcting areas in the District prone to flooding
  - Hargrave High School Parking Lot
  - Falcon Ridge Elementary School Playground

- These *could possibly* be partially covered by a grant after Hazard Mitigation Plan is completed

Interest & Sinking (I&S) Tax Rate

DEBT SERVICE FUND

What is the I&S Tax Rate?

- Funds debt repayment for voter-approved bonds
- May fluctuate from year to year up to $0.50
- May only be set to support the debt repayment
- Held in a separate account called the Debt Service Fund

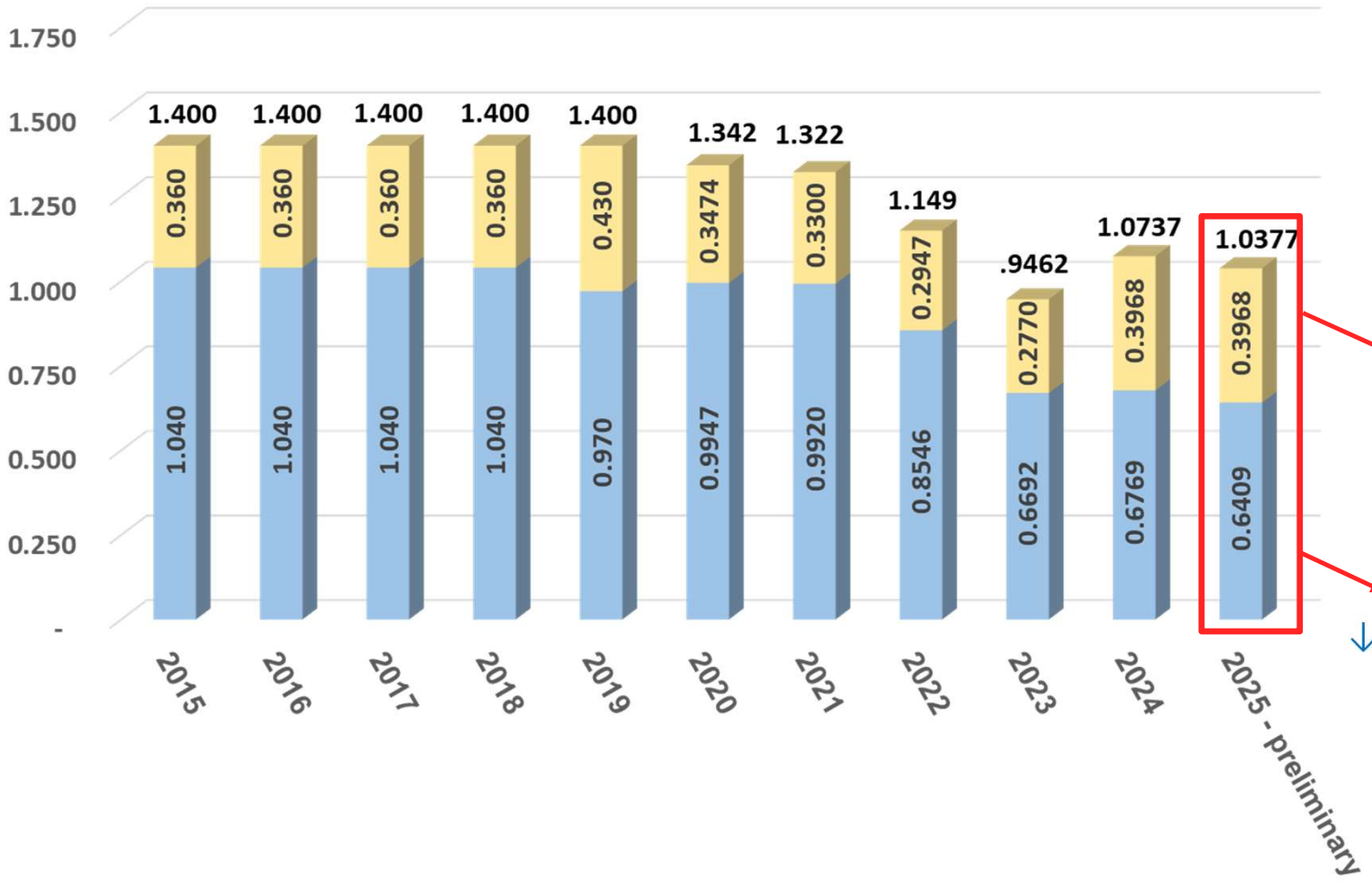
Debt Service Requirements (preliminary)

Bond Issues	2024-25 Payments	2025-26 Payments
Series 2012 Refunding Bond	$ 766,150	$ 241,250
Series 2013 Refunding Bond	209,725	194,775
Series 2014 Refunding Bond	637,788	640,788
Series 2015 Refunding Bond	438,531	447,731
Series 2016 Bond	590,700	589,700
Series 2017A Bond	1,546,669	1,547,169
Series 2018 Bond	695,955	690,755
Series 2019 Refunding Bond	268,300	748,300
Series 2024 Bond	3,733,075	1,986,688
Series 2025 Bond - Pending August Sale	-	2,177,292
Continuing Disclosures - SEC 15c2-12	2,000	2,000
Transparency Report - HB1378	250	250
Total Debt Service Requirement	$ 8,889,142	$ 9,266,697

Debt Service Requirements (preliminary), ct'd

Bond Issues	2024-25 Payments	2025-26 Payments	
Total Debt Service Requirement	$ 8,889,142	$ 9,266,697	
Less Amounts from Following Sources:			
Est. Add'l State Aid for Homestead Exemption (ASAHE)	792,360	823,144	
Interest Earnings, estimated	102,853	100,000	
Delinquent Collections, estimated	330,159	300,000	
I & S Tax Collections needed to repay debt	$ 7,663,770	$ 8,043,553	
Determination of Tax Rate:			
Certified Taxable Property Values, preliminary values	1,941,552,515	2,162,235,542	1
Per $100.00, 100% Collection Rate	19,415,525	21,622,355	
Tax rate necessary to collect at 100%	$ 0.39472	$ 0.37200	1
Prior Year Tax Rate	0.27699	0.39680	
Increase/(Decrease) from prior year	0.11981	-	
Total Debt Rate	**0.39680**	**0.39680**	
Total to be collected at at 95%	7,318,876	8,150,763	

Huffman Tax Rate History



I&S

No change

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M&O

↓ 1 Disaster Penny
↓ 2.6 Tax Compression

Taxpayer Effect

		Taxes Due
2024 Average Market Value of Residence	$ 324,279	
2024 Average Taxable Value of Residence	$ 227,960	
2024 HISD Tax Rate	$ 1.07370	$ 2,448

		Taxes Due
2025 Average Market Value Residence *	$ 320,226	
2025 Average Taxable Value Residence *	$ 230,596	
2025 HISD Tax Rate **	$ 1.03770	$ 2,393
	Estimated Taxes Change from prior year	$ (55)

* As provided by Tax Assessor, does not include increase to $140k homestead exemption

** Estimated

Bond Debt Structure

Bond Sale - Debt Structure

Traditional Sale

	HUFFMAN ISD OUTSTANDING DEBT			2nd SALE			
FYE	Taxable Value	Current Debt	ASAHE	February 2026 1st Payment	I&S Tax Rate	M&O Tax Rate	Total Tax Rate
2023	$1,788,839,321	$5,105,943	$238,279		$0.2947	$0.8546	$1.1493
2024	$1,867,344,622	$5,103,243	$758,472		$0.2770	$0.6692	$0.9462
2025	$2,042,149,154	$8,872,092	$792,360		$0.3968	$0.6769	$1.0737
2026	$2,162,235,542	$7,072,355	$823,144	$2,177,292	$0.3968	$0.6409	$1.0377
2027	$2,291,969,675	$7,032,880	$749,761	$2,199,750	$0.3757		
2028	$2,314,889,371	$7,022,780	$748,261	$2,199,750	$0.3717		
2029	$2,338,038,265	$7,016,730	$747,362	$2,199,750	$0.3677		
2030	$2,361,418,648	$6,995,180	$744,162	$2,199,750	$0.3633		

Example

Bond Sale - Debt Structure

3 Disaster Pennies

	HUFFMAN ISD OUTSTANDING DEBT			2nd SALE	THREE DISASTER PENNIES		
FYE	Taxable Value	Current Debt	ASAHE	February 2026 1st Payment	I&S Tax Rate	M&O Tax Rate	Total Tax Rate
2023	$1,788,839,321	$5,105,943	$238,279		$0.2947	$0.8546	$1.1493
2024	$1,867,344,622	$5,103,243	$758,472		$0.2770	$0.6692	$0.9462
2025	$2,042,149,154	$8,872,092	$792,360		$0.3968	$0.6769	$1.0737
2026	$2,162,235,542	$7,072,355	$823,144	$1,552,693	$0.3663	$0.6709	$1.0372
2027	$2,291,969,675	$7,032,880	$749,761	$2,286,463	$0.3796		
2028	$2,314,889,371	$7,022,780	$748,261	$2,286,463	$0.3755		
2029	$2,338,038,265	$7,016,730	$747,362	$2,286,463	$0.3715		
2030	$2,361,418,648	$6,995,180	$744,162	$2,286,463	$0.3670		

Example

Bond Sale - Debt Structure

6 Disaster Pennies

	HUFFMAN ISD OUTSTANDING DEBT			2nd SALE	SIX DISASTER PENNIES		
FYE	Taxable Value	Current Debt	ASAHE	February 2026 1st Payment	I&S Tax Rate	M&O Tax Rate	Total Tax Rate
2023	$1,788,839,321	$5,105,943	$238,279		$0.2947	$0.8546	$1.1493
2024	$1,867,344,622	$5,103,243	$758,472		$0.2770	$0.6692	$0.9462
2025	$2,042,149,154	$8,872,092	$792,360		$0.3968	$0.6769	$1.0737
2026	$2,162,235,542	$7,072,355	$823,144	$952,693	$0.3381	$0.7009	$1.0390
2027	$2,291,969,675	$7,032,880	$749,761	$2,286,463	$0.3796		
2028	$2,314,889,371	$7,022,780	$748,261	$2,286,463	$0.3755		
2029	$2,338,038,265	$7,016,730	$747,362	$2,286,463	$0.3715		
2030	$2,361,418,648	$6,995,180	$744,162	$2,286,463	$0.3670		

Example

Bond Sale - Debt Structure

9 Disaster Pennies

	HUFFMAN ISD OUTSTANDING DEBT			2nd SALE	NINE DISASTER PENNIES		
FYE	Taxable Value	Current Debt	ASAHE	August 2026 1st Payment	I&S Tax Rate	M&O Tax Rate	Total Tax Rate
2023	$1,788,839,321	$5,105,943	$238,279		$0.2947	$0.8546	$1.1493
2024	$1,867,344,622	$5,103,243	$758,472		$0.2770	$0.6692	$0.9462
2025	$2,042,149,154	$8,872,092	$792,360		$0.3968	$0.6769	$1.0737
2026	$2,162,235,542	$7,072,355	$823,144	$275,250	$0.3063	$0.7309	$1.0372
2027	$2,291,969,675	$7,032,880	$749,761	$2,283,250	$0.3794		
2028	$2,314,889,371	$7,022,780	$748,261	$2,283,250	$0.3753		
2029	$2,338,038,265	$7,016,730	$747,362	$2,283,250	$0.3714		
2030	$2,361,418,648	$6,995,180	$744,162	$2,283,250	$0.3669		

Example

Bond Sale - Debt Structure

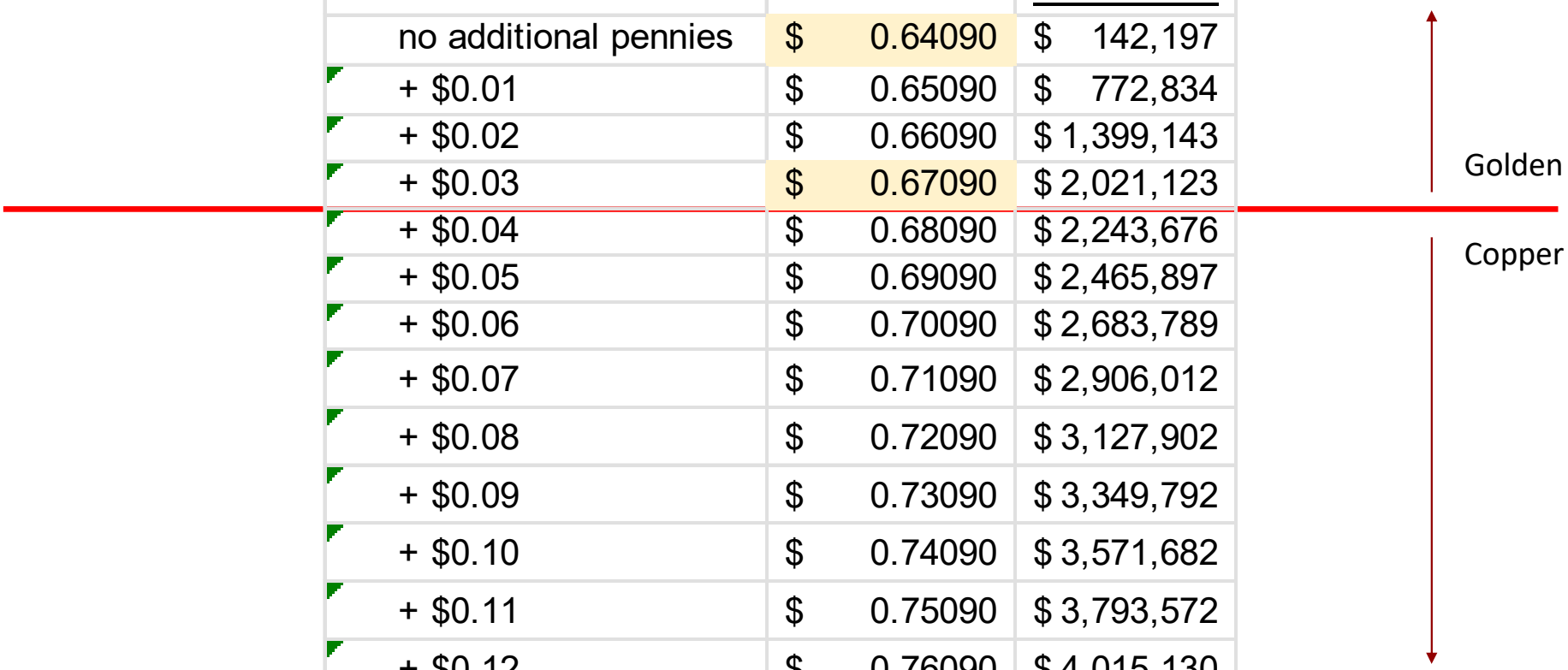
12 Disaster Pennies

	HUFFMAN ISD OUTSTANDING DEBT			2nd SALE	TWELVE DISASTER PENNIES		
FYE	Taxable Value	Current Debt	ASAHE	August 2026 1st Payment	I&S Tax Rate	M&O Tax Rate	Total Tax Rate
2023	$1,788,839,321	$5,105,943	$238,279		$0.2947	$0.8546	$1.1493
2024	$1,867,344,622	$5,103,243	$758,472		$0.2770	$0.6692	$0.9462
2025	$2,042,149,154	$8,872,092	$792,360		$0.3968	$0.6769	$1.0737
2026	$2,162,235,542	$7,072,355	$823,144	$58,250	$0.2962	$0.7609	$1.0571
2027	$2,291,969,675	$7,032,880	$749,761	$2,283,250	$0.3794		
2028	$2,314,889,371	$7,022,780	$748,261	$2,283,250	$0.3753		
2029	$2,338,038,265	$7,016,730	$747,362	$2,283,250	$0.3714		
2030	$2,361,418,648	$6,995,180	$744,162	$2,283,250	$0.3669		

Example

Revenue Generated – HB2 Legislation

2025 M&O Tax Rate *		Revenue ↑
no additional pennies	$ 0.64090	$ 142,197
+ $0.01	$ 0.65090	$ 772,834
+ $0.02	$ 0.66090	$ 1,399,143
+ $0.03	$ 0.67090	$ 2,021,123
+ $0.04	$ 0.68090	$ 2,243,676
+ $0.05	$ 0.69090	$ 2,465,897
+ $0.06	$ 0.70090	$ 2,683,789
+ $0.07	$ 0.71090	$ 2,906,012
+ $0.08	$ 0.72090	$ 3,127,902
+ $0.09	$ 0.73090	$ 3,349,792
+ $0.10	$ 0.74090	$ 3,571,682
+ $0.11	$ 0.75090	$ 3,793,572
+ $0.12	$ 0.76090	$ 4,015,130



Taxpayer Effect

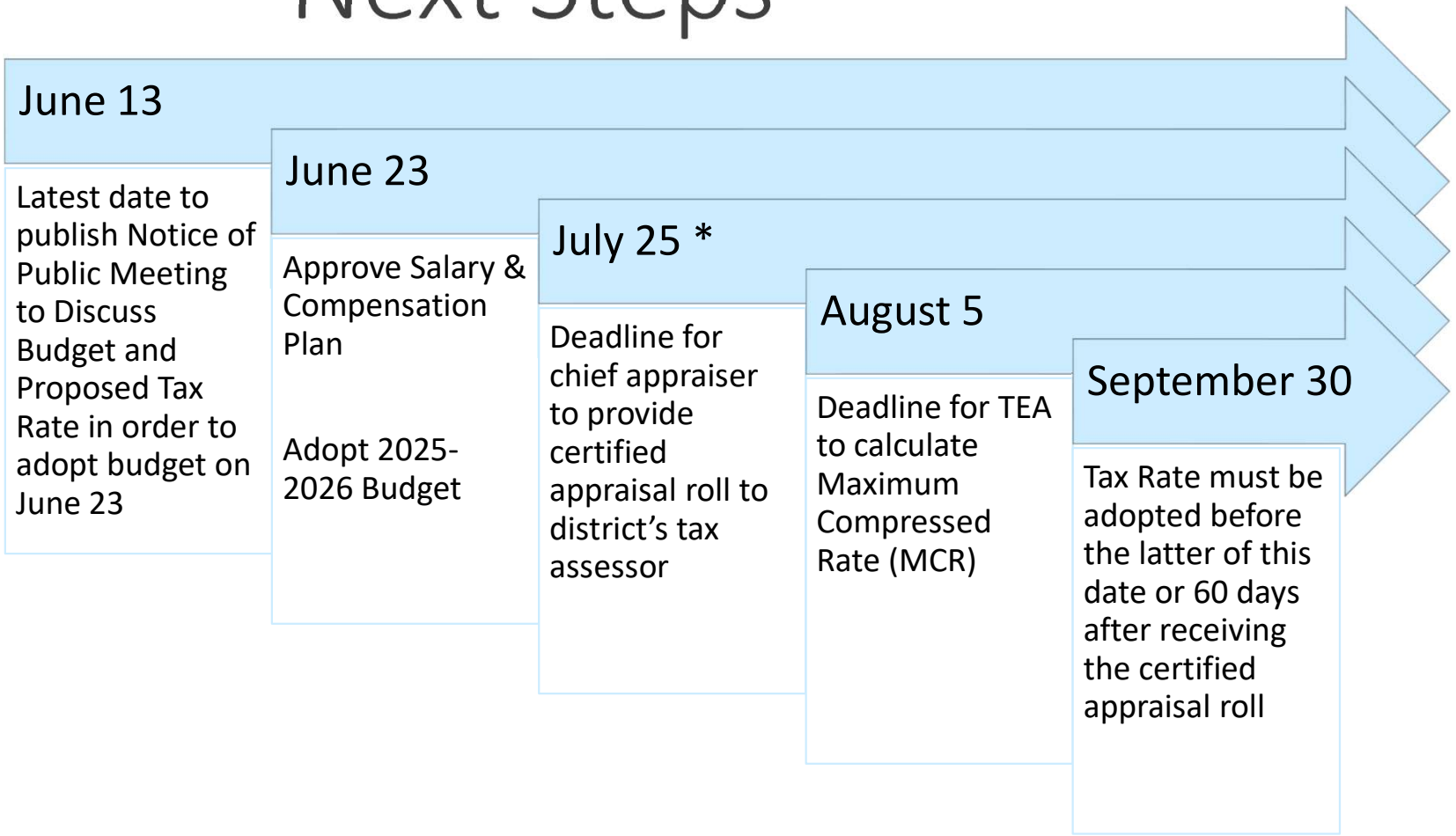
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	Estimated Taxes Change from prior year	$ (55)

* As provided by Tax Assessor, does not include increase to $140k homestead exemption

** Estimated

Next Steps


June 13
Latest date to publish Notice of Public Meeting to Discuss Budget and Proposed Tax Rate in order to adopt budget on June 23
June 23
Approve Salary & Compensation Plan
Adopt 2025-2026 Budget
July 25 *
Deadline for chief appraiser to provide certified appraisal roll to district's tax assessor
August 5
Deadline for TEA to calculate Maximum Compressed Rate (MCR)
September 30
Tax Rate must be adopted before the latter of this date or 60 days after receiving the certified appraisal roll



Questions?