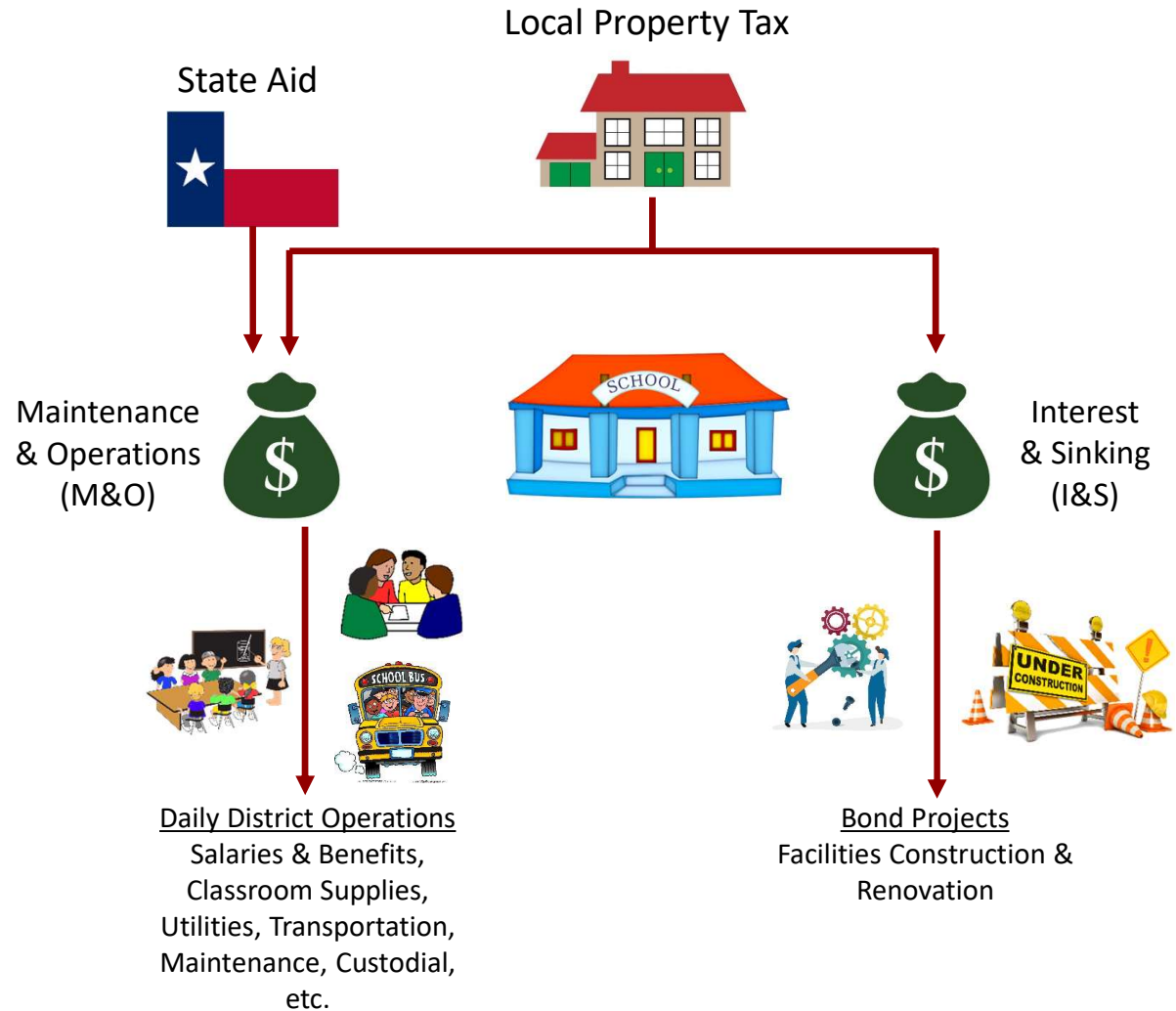


# Tax Rate Public Hearing

October 27, 2025

# School Finance 101



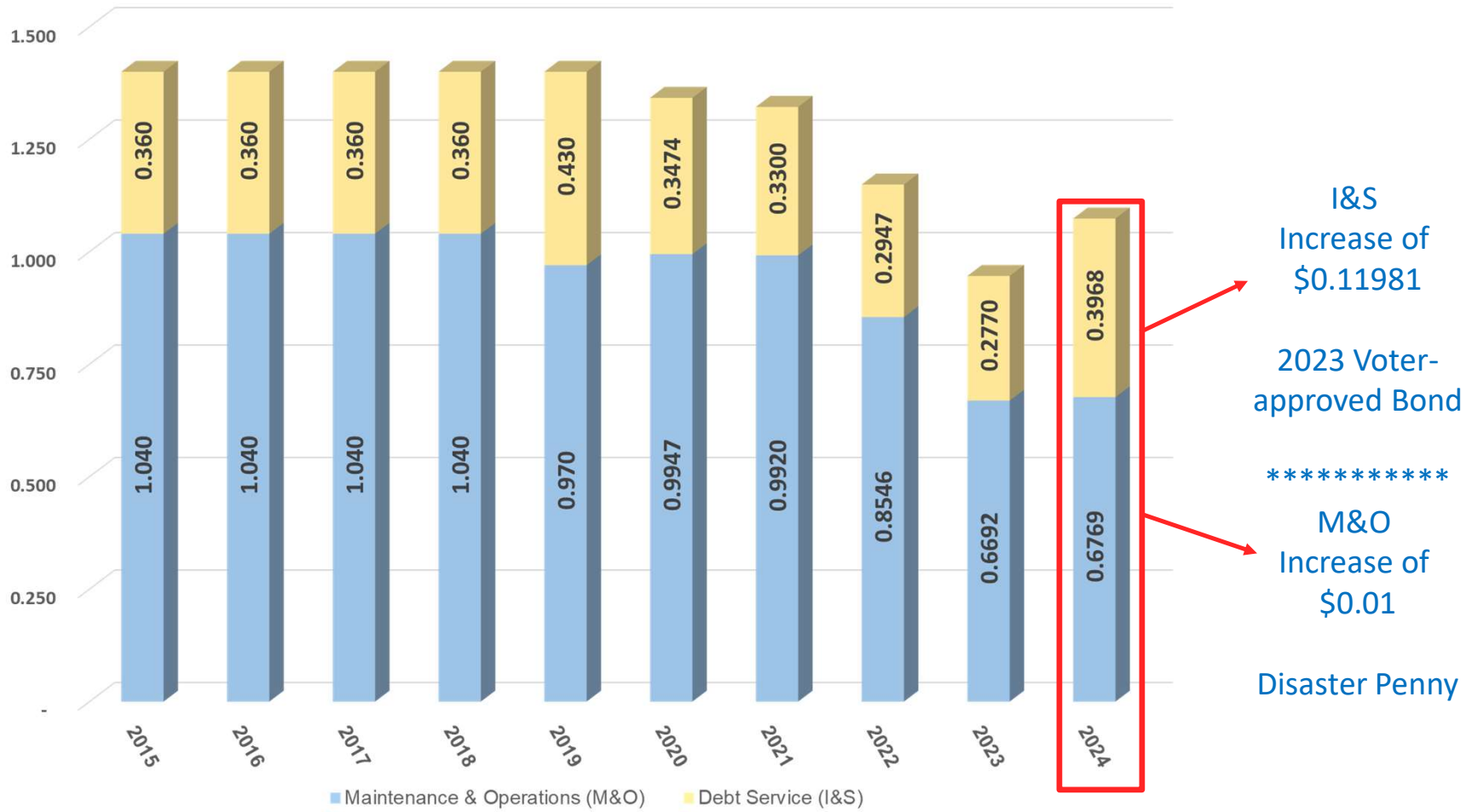
# Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

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- Must be published at least 10 but not more than 30 days prior to the date of the hearing
- Tax rate may be adopted at this meeting or a separate meeting at a later date
- May not exceed the proposed rate shown without publishing a revised notice and holding a separate hearing

Notice of Public Hearing	June 13, 2025	October 17, 2025
Proposed Maintenance & Ops	\$0.7309	\$0.7069
Proposed Debt Service	<u>\$0.3381</u>	<u>\$0.3668</u>
Total Proposed Rate	<u>\$1.0690</u>	<u>\$1.0737</u>

Huffman Tax Rate History



# Interest & Sinking (I&S)

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TAX RATE & DEBT SERVICE FUND



## What is the I&S Tax Rate?

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- ❖ 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

<u>Bond Issues</u>	<u>2024-25 Payments</u>	<u>2025-26 Payments</u>
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	-	1,134,597
Continuing Disclosures - SEC 15c2-12	2,000	2,000
Transparency Report - HB1378	250	250
<u>Total Debt Service Requirement</u>	<u>\$ 8,889,142</u>	<u>\$ 8,224,002</u>

# Debt Service Requirements, ct'd

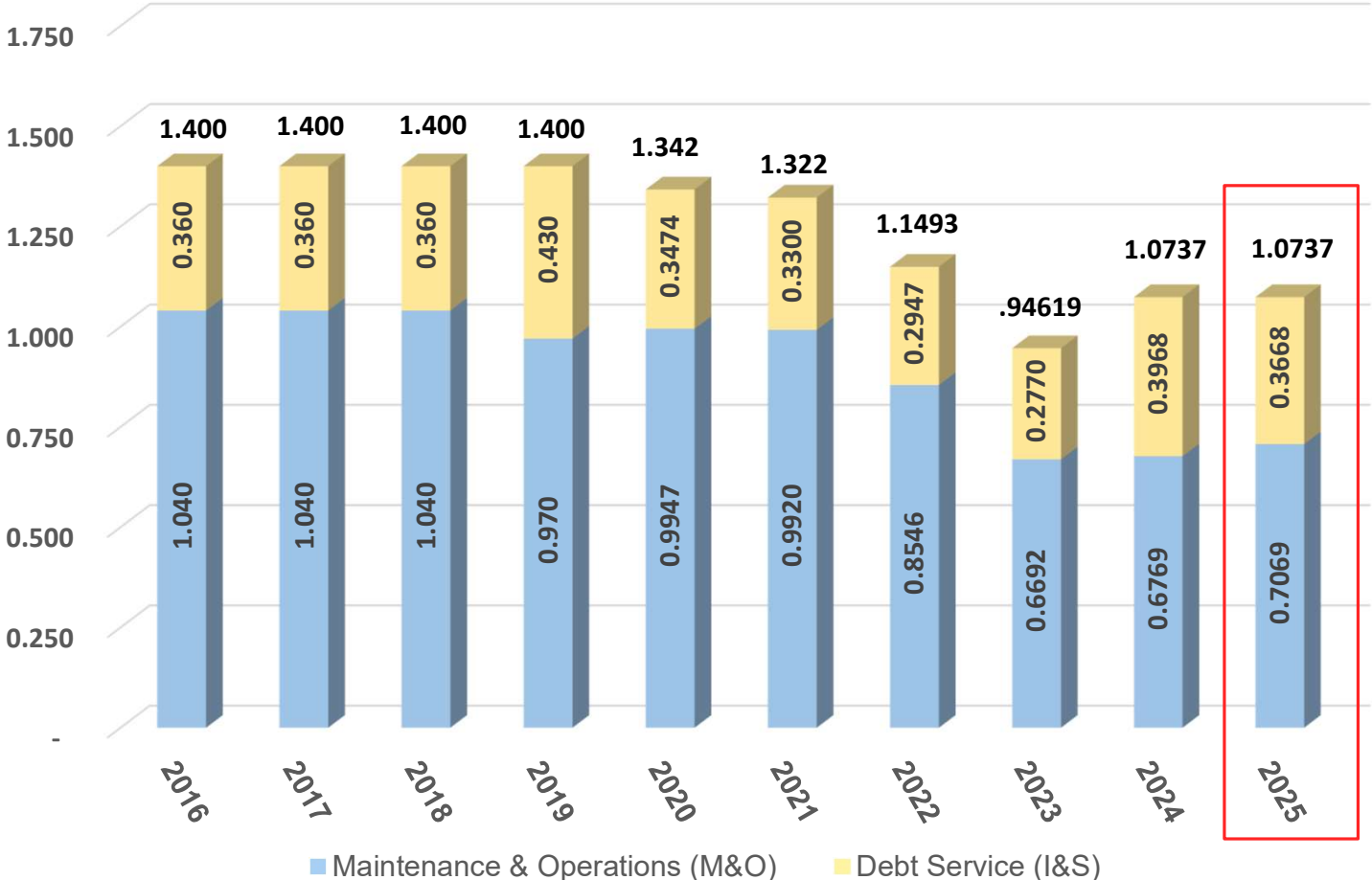
	<u>2024-2025</u>	<u>2025-2026</u>
Total Debt Service Requirement	\$ 8,889,142	\$ 8,224,002
<b>Less Amounts from Following Sources:</b>		
Est. Add'l State Aid for Homestead Exemption (ASAHE)	792,360	1,025,788
Interest Earnings, estimated	102,853	100,000
Delinquent Collections, estimated	330,159	300,000
I & S Tax Collections needed to repay debt	\$ 7,663,770	\$ 6,798,214
<b>Determination of Tax Rate:</b>		
Certified Taxable Property Values	1,941,552,515	1,943,873,308 <sup>1</sup>
Per \$100.00, 100% Collection Rate	19,415,525	19,438,733
Tax rate necessary to collect at 100%	\$ 0.39472	\$ 0.34973 <sup>1</sup>
Prior Year Tax Rate	0.27699	0.39680
Increase/(Decrease) from prior year	0.11981	(0.03000)
<b>Total Debt Rate</b>	<b>0.39680</b>	<b>0.36680</b>
Total to be collected at at 95%	7,318,876	6,773,621
	\$ (344,894)	\$ (24,593)

Decrease of  
\$0.03

<sup>1</sup> Certified + not under protest + 50% protested as of 9/3/2025, projected w/ \$140,000 homestead exemption

# Huffman Tax Rate History

with 2025 Noticed Tax Rates



# Maintenance & Operations (M&O)

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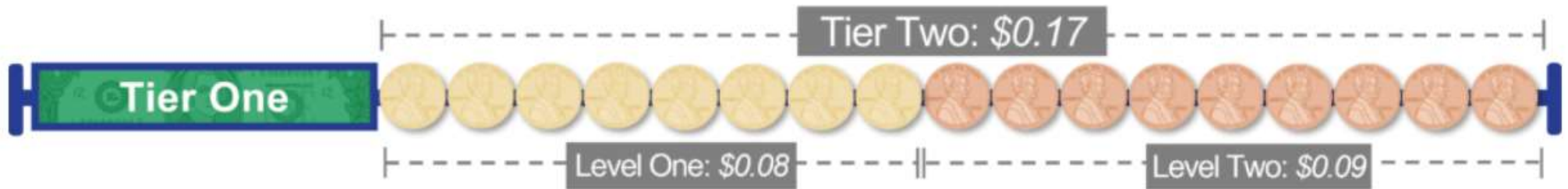
TAX RATE & GENERAL FUND



# What is the M&O Tax Rate?

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



# M&O Tax Rate - Tier One

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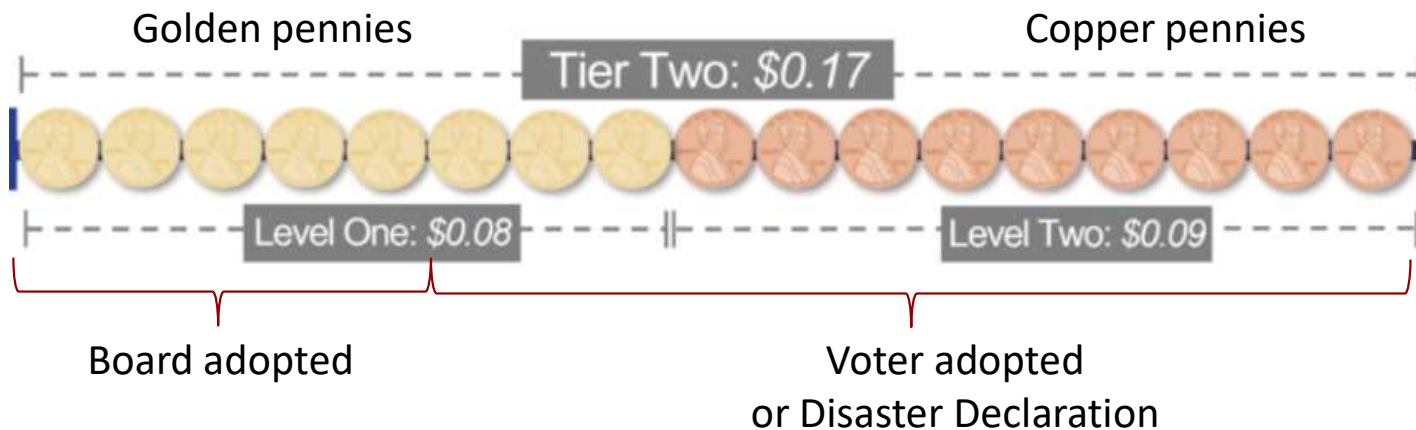
- ❖ \$1.00 prior to compression from HB3, 86<sup>th</sup> Texas Legislature, 2019
- ❖ Maximum Compressed Rate (MCR) dependent on
  - ❖ Estimated statewide property growth and
  - ❖ Local property value growth
- ❖ 2025 Maximum Compressed Rate = \$0.6169



# M&O Tax Rate - Tier Two

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- ❖ 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

Golden

\$129.52



Copper

\$49.72

Each Penny*	Golden	Copper
Local Revenue	\$172,812	\$172,812
State Revenue	<u>446,081</u>	<u>45,454</u>
Total	<u>\$618,893</u>	<u>\$221,556</u>

\* Based on budgeted WADA and HCAD property values

# Voter Approval Tax Rate Elections (VATRE)

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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)

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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

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- ❖ 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 \$172,812 in local tax revenue
- ❖ Each penny generates additional funding from the State
  - Golden ~ \$446,081
  - Copper ~ \$45,454

# 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	\$ 395,585
Labor*	13,659
Equipment*	96,539
<b>Total Cost</b>	<b>\$ 505,783</b>
* Amount that could be claimed with FEMA	
** Additional Cost of ~\$22,000 for DRS consultants	

FEMA Reimbursement	Total	25% Local	75% Federal	100% Federal
Claimed to Date	\$ 387,042	\$ 96,760	\$ 290,282	\$ -
Amount Remaining	144,030	29,685	89,056	25,289
Total Estimated Cost	\$ 531,072	\$ 126,445	\$ 379,338	\$ 25,289

# Disaster Pennies

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- ❖ Up to 12 pennies are available for adoption
- ❖ Requires Super-Majority approval of the Board
- ❖ Each penny is estimated to bring in \$172,812 in local tax revenue
- ❖ Each penny generates additional funding from the State
  - Golden ~ \$446,081
  - Copper ~ \$45,454

# Revenue Generated

2025 Avg Mrkt Value Residence *	\$ 340,657				
2025 Avg Taxable Value Residence *	\$ 241,170	**		M&O Only	
				State	Local
2025 Tax Rate	M&O	I&S	Total Rate	Revenue ↑	Revenue ↑
no additional pennies	\$0.66690	\$0.39680	\$1.06370	\$2,791,217	\$ (732,224)
+ \$0.01	\$0.67690	\$0.38680	\$1.06370	\$3,237,298	\$ (559,413)
+ \$0.02	\$0.68690	\$0.37680	\$1.06370	\$3,237,298	\$ (386,601)
+ \$0.03	\$0.69690	\$0.36680	\$1.06370	\$4,129,459	\$ (213,789)
+ \$0.04	\$0.70690	\$0.36680	\$1.07370	\$4,172,273	\$ (40,977)

\* As provided by Tax Assessor

\*\* Assumes \$100,000 Homestead Exemption

# Revenue Generated

2025 Tax Rate	M&O Only Revenue ↑
no additional pennies	\$ 2,058,992
+ \$0.01	\$ 2,677,885
+ \$0.02	\$ 2,850,697
+ \$0.03	\$ 3,915,670
+ \$0.04	\$ 4,131,296
+ \$0.05	\$ 4,350,909
+ \$0.06	\$ 4,570,520
+ \$0.07	\$ 4,789,615
+ \$0.08	\$ 5,004,721
+ \$0.09	\$ 5,223,816
+ \$0.10	\$ 5,442,911
+ \$0.11	\$ 5,661,487
+ \$0.12	\$ 5,880,063

Golden

Copper

# Taxpayer Effect

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

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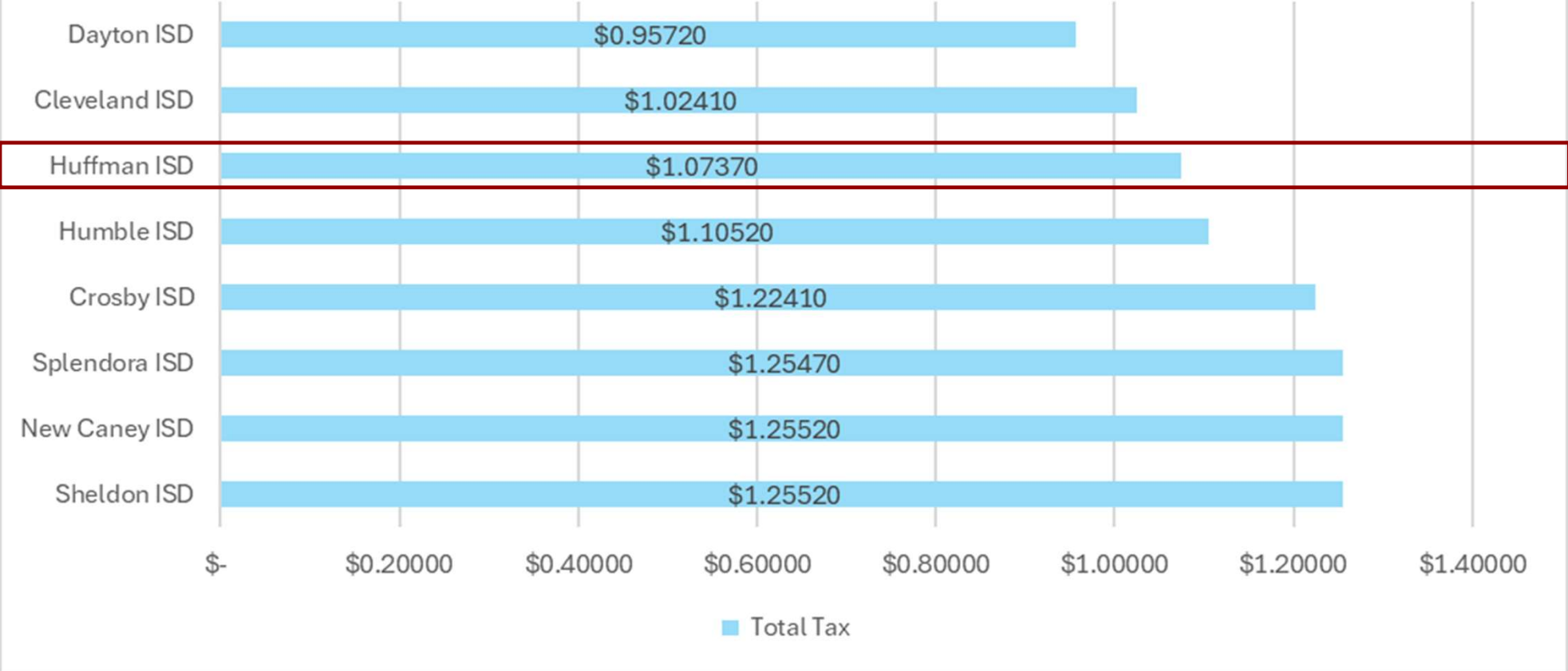
		<u>Taxes Due</u>
2025 Average Market Value Residence *	\$ 340,657	
2025 Average Taxable Value Residence *	\$ 241,170	
2025 HISD Tax Rate **	\$ 1.07370	\$ 2,589

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Estimated Taxes Change from prior year \$ 142

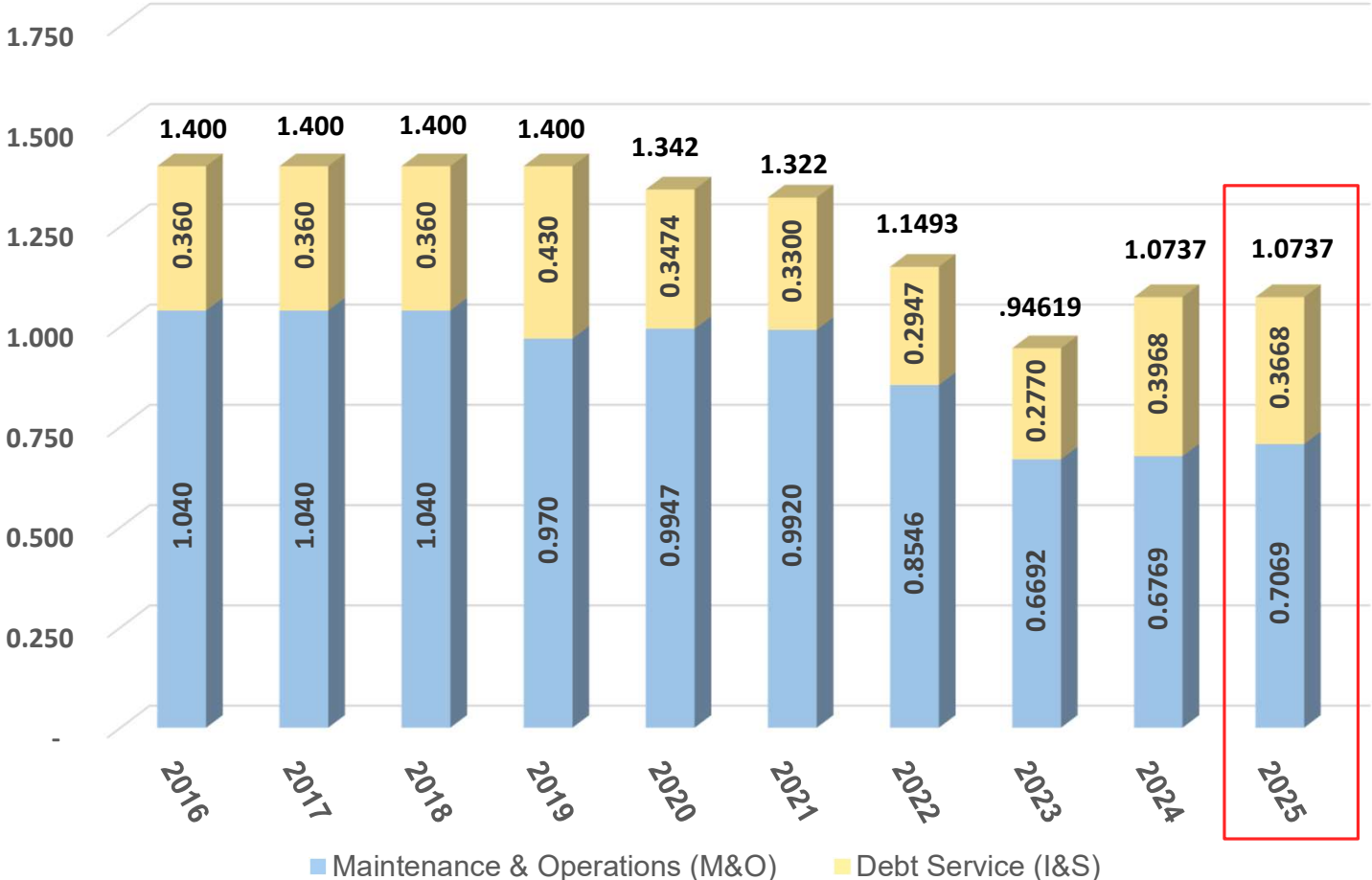
\* As provided by Tax Assessor, does NOT include increase to \$140k homestead exemption  
\*\* Estimated at amount published

# 2025 Tax Rates



# Huffman Tax Rate History

with 2025 Noticed Tax Rates





Questions?

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# 2025 Tax Rate Options

	<b>\$0.0300</b>	<b>\$0.0353</b>	<b>\$0.0400</b>
Tier One	\$0.6169	\$0.6169	\$0.6169
Tier Two – Level One (Golden)	\$0.0800	\$0.0800	\$0.0800
Tier Two – Level Two (Copper)	<u>\$0.0000</u>	<u>\$0.0053</u>	<u>\$0.0100</u>
M&O Total	\$0.6669	\$0.7022	\$0.7069
I&S Total	<u>\$0.3968</u>	<u>\$0.3668</u>	<u>\$0.3668</u>
Total Tax Rate	<u>\$1.0637</u>	<u>\$1.0690</u>	<u>\$1.0737</u>
Add'l M&O Revenue Generated	<u>\$3,915,670</u>	<u>\$4,030,222</u>	<u>\$4,131,296</u>