Budget Workshop II

Looking Ahead

HUFFMAN
INDEPENDENT SCHOOL DISTRICT

April 22, 2026

Agenda

- Budget Workshop Documents
- Budget Workshop # 1 Recap
- 2025-2026 State of the Budget, General Fund
- 2026-2027 Preliminary, Debt Service Fund
- 2026-2027 Preliminary, General Fund
- Financial Sustainability
  - Tax Note
  - Voter Approved Tax Rate Election (VATRE)
- Next Steps

Budget Workshop Documents


DISTRICT HOME
SCHOOLS
2023 Bond
Students
Parents
Staff
MENU
Huffman Independent School District
To foster a culture in which students and staff are empowered to develop and achieve personal and professional excellence.
DISTRICT CALENDAR
APPLY
LET'S CHAT
TRANSPARENCY
Falcons Rise
English

Financial Transparency

The Business Office is responsible for preparing financial reports that promote transparency and accountability. The following financial documents are available for your review.

Current

2025-2026 TAX RATE
$1.0637 per $100 of Valuation

2025 Truth-in-Taxation

2025 Notice Of Public Meeting To Discuss Proposed Tax Rate

2025-2026 Budget & Tax Rate Hearing

2025-2026 Budget Hearing Packet

2025 Notice Of Public Meeting To Discuss Budget and Proposed Tax Rate

PUBLIC HEARING TO SET TAX RATE

MONTHLY BOARD REPORTS

BOARD WORKSHOPS

DEBT OBLIGATIONS

OPEN GOVERNANCE AND COMPLIANCE

Financial Transparency

The Business Office is responsible for preparing financial reports that promote transparency and accountability. The following financial documents are available for your review.

2025-2026 TAX RATE
$1.0637 per $100 of Valuation

[2025 Truth-in-Taxation]

[2025 Notice Of Public Meeting To Discuss Proposed Tax Rate]

[2025-2026 Budget & Tax Rate Hearing]

[2025-2026 Budget Hearing Packet]

[2025 Notice Of Public Meeting To Discuss Budget and Proposed Tax Rate]

[PUBLIC HEARING TO SET TAX RATE]

MONTHLY BOARD REPORTS

Budget Prep Workshops

BOARD WORKSHOPS

DEBT OBLIGATIONS

OPEN GOVERNANCE AND COMPLIANCE

HOME › DEPARTMENTS › BUSINESS AND FINANCE › BUDGET WORKSHOPS

Budget Workshops

Our Budget Workshops are designed to provide transparency and engage our community in the planning process. While these workshops take place during the current school year, the discussions and decisions made help shape the district's budget and priorities for the upcoming school year.



+ IN PREPARATION FOR 2026-2027

+ IN PREPARATION FOR 2025-2026

Budget Workshops

Our Budget Workshops are designed to provide transparency and engage our community in the planning process. While these workshops take place during the current school year, the discussions and decisions made help shape the district's budget and priorities for the upcoming school year.

− IN PREPARATION FOR 2026-2027

March 30, 2026 LINK TO VIDEO

+ IN PREPARATION FOR 2025-2026

Budget Workshop #1 Recap

Recap From Budget Workshop I

- Enrollment & ADA
- Student to Staff Ratios
- Fund Balance & Cash Flows Overview
- FY 2026 General Fund Budget
- Progress made to a balanced budget and steady cash flows
- VATRE Overview & Funding Impact
- Tax Notes
- Staff Compensation

www.huffmanisd.net ➡ Transparency ➡ Board Workshops ➡ 2026-2027

Follow Up – FEMA Hurricane Harvey

Total Spend	10,173,483
Total Claimed	7,484,810
Total Reimbursed	6,749,621
Pending Review	537,453

Follow Up – FEMA Hurricane Harvey

	Invoiced Amts	Claimed	Reimbursed	Pending Review
HHS BB/SB fields	2,042,506.69	1,003,914.01	605,587.00	373,229.16
Stadium	1,639,884.99	1,452,404.04	1,164,530.25	164,223.92
Ops Center	1,435,308.29	-	-	-
Admin Costs	517,172.02	489,881.02	440,892.92	-
	5,634,871.99	2,946,199.07	2,211,010.17	537,453.08

2025-2026 State of the Budget

GENERAL FUND

Budget Projections

	2022-2023	2023-2024	2024-2025	2025-2026		
	Actuals	Actuals	Actuals	Current Budget	Estimated Actual *	Over (Under)
Total Revenue	37,437,129	38,197,678	38,909,497	42,634,020	42,554,132	(79,888)
Total Expenditures	39,860,084	42,852,161	40,019,513	46,409,796	46,017,971	(391,825)
Net Revenue/(Deficit)	(2,422,955)	(4,654,483)	(1,110,016)	(3,775,776)	(3,463,839)	311,937
Other Fin. Sources/Uses	-	219,558	3,049,000	2,049,000	2,049,000	-
Net Change in Fund Balance	(2,422,955)	(4,434,925)	1,938,984	(1,726,776)	(1,414,839)	311,937
Beginning Fund Balance	12,169,373	9,746,418	5,311,493	7,250,477	7,250,477	
Ending Fund Balance	9,746,418	5,311,493	7,250,477	5,523,701	5,835,638	
Days Fund Balance	*89.25*	*45.24*	*66.13*	*43.44*	*46.29*	
Ending Fund Balance	9,746,418	5,311,493	7,250,477		5,835,638	
Other Fin. Sources/Uses	-	(219,558)	(3,049,000)		(2,049,000)	
Fund Balance w/out Note	9,746,418	5,091,935	4,201,477		3,786,638	
Days Fund Balance	*89.25*	*43.37*	*38.32*		*30.03*	

Change in Revenues 24-25 Actuals to 25-26 Projected

Preliminary

2024-2025 Actual revenues	38,909,585		
Local - decrease due to tax exemptions	(905,634)		
Local - increase due to disaster pennies	510,634		
Local - decrease due to interest earnings	(90,738)		(504,699)
Local - decreae due to PK tuition	(20,513)		
Local - misc revenue changes	1,552		
State - decrease in ASF funding	(513,681)		
State - increase due to disaster pennies	1,345,484		
State - Teacher Retention Allotment	1,440,000		
State - Support Staff Retention Allotment	137,049		
State - School Safety Allotment Increase	112,967		
State - Basic Allotment Costs	393,048		4,441,816
State - Small & Midsize Allotment Increase	196,865		
State - Increased Comp Ed Allotment	433,914		
State - Increased Reg Program Allotment	305,117		
State - Increased SpEd Allotment	564,698		
State - Misc changes	26,355		
Federal - less Indirect Costs	(85,184)		
Federal - increase MAC/SHARS	55,152		
Federal - decreased Erate funding available	(21,368)		(292,571)
Federal - decreased FEMA Reimbursements	(227,476)		
Federal - JROTC reimbursement	(13,695)		
2025-2026 Projected Revenues	42,554,132		3,644,546

Change in Expenditures 24-25 Actuals to 25-26 Projected

Preliminary

2024-2025 Actual Expenditures	40,019,496
Position Changes made to General Fund	399,120
Salary Increases	2,267,773
Benefit Increases	261,772
Less Prop/WC/Liability Insurance	(226,039)
Less General Fund portion of Grant Bus purchases	(115,058)
Repayment of Tax Note	3,222,956
Campus Attendance Incentives	33,850
Increased Campus & CTE Allocations	63,738
Sale of Outdated Technology Equipment	21,213
ABS East	24,050
Supt Search Firm	12,000
Long Range Facilities Planning	33,100
2025-2026 Projected Expenditures	46,017,971

2026-2027 Preliminary

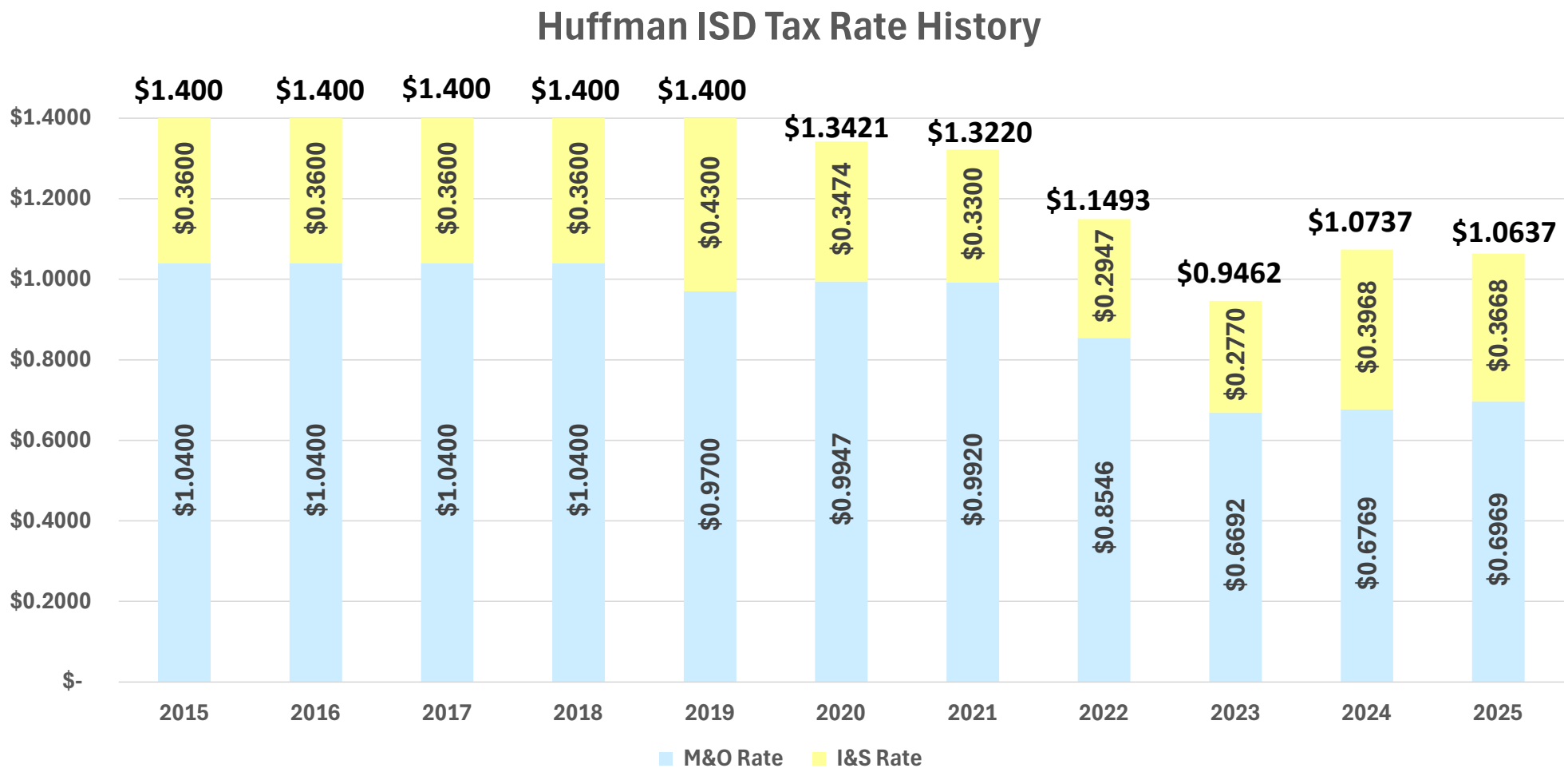
DEBT SERVICE FUND

Bonds and Debt Service Fund Relationship

- Bonds approved by the taxpayer are paid back from the Debt Service fund
- Bond Sale payment structure is set at time of sale unless it is later refunded
- The Interest & Sinking (I&S) rate is set annually based on anticipated tax collections and the debt obligations for the fiscal year
  - Collections from these property taxes are deposited to the Debt Service Fund
  - Debt obligations are paid from the Debt Service Fund
- Budget must be adopted before Certified Values are received and tax rate is adopted
  - Certified Estimate due no later than April 30
  - Certified Appraisal Roll due no later than July 25

August 2025 Bond Sale

- Opportunity to Structure Debt
- Lower payment in 2025-2026 so the I&S Rate could be lowered for one year ($0.3668)
- Future years debt would return to normal and I&S Rate would need to increase back to normal (preliminary $0.3968)
- Payment before August 31, 2025 allowed it to be included in the I&S state aid calculations, including the hold-harmless support tied to the additional tax exemptions


Huffman ISD Tax Rate History
$1.400
$1.400
$1.400
$1.400
$1.400
$1.3421
$1.3220
$1.1493
$0.9462
$1.0737
$1.0637
$1.4000
$1.2000
$1.0000
$0.8000
$0.6000
$0.4000
$0.2000
$-
$0.3600
$0.3600
$0.3600
$0.3600
$0.4300
$0.3474
$0.3300
$0.2947
$0.2770
$0.3968
$0.3668
$1.0400
$1.0400
$1.0400
$1.0400
$0.9700
$0.9947
$0.9920
$0.8546
$0.6692
$0.6769
$0.6969
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
M&O Rate
I&S Rate

2026-2027 Preliminary

GENERAL FUND

Standard Budget & Tax Rate Timeline

July 1 fiscal year

Date	Action
Thursday, April 30	Deadline for chief appraiser to certify estimate of district's property values
Friday, June 19	Deadline to prepare a proposed budget
Saturday, June 20	Latest date to publish Public Meeting to Discuss Budget and Proposed Tax Rate (10-30 days prior to budget/tax rate meeting)
Tuesday, June 30	Deadline to adopt budget
Saturday, July 25	Deadline for chief appraiser to provided certified appraisal roll, or certified estimate, to district's tax assessor for each taxing unit
Saturday, August 1	Deadline for tax assessor to determine district property values and submit appraisal roll to the board.
Wednesday, August 5	Deadline for TEA to issue preliminary MCR
Tuesday, September 29 **or 60 days after receiving certified appraisal roll (whichever is later)**	Deadline to adopt Tax rate if not conducting a VATRE

Budget Priorities

- Students
- Staff
- Stability
- Stewardship

2026-2027 Preliminary Revenues

2025-2026 Amended Revenues	42,634,019
Less 3 golden pennies - Local	(510,635)
Less 3 golden pennies - State	(1,345,484)
Less FEMA Reimbursements	(112,339)
Less Interest Income	(87,238)
2026-2027 Preliminary Revenues	40,578,323

2026-2027 Preliminary Expenditures

2025-2026 Amended Expenditures	46,409,796
Less 24-25 Maintenance Tax Note	(3,222,956)
Plus ~ 25-26 Maintenance Tax Note Interest	151,000
Less Payroll Savings Identified to date	(876,218)
Less Non-Payroll Savings Identified to date	(203,625)
2026-2027 Preliminary Expenditures	42,257,997

What do we know for 26-27

- 3 enrichment pennies were adopted due to Hurricane Beryl – these will go away
- I&S Rate will return to at least $0.3968
- Repayment of tax note to be considered at May 18 meeting
- Increase compensation for teachers increasing from 2 to 3 years and 4 to 5 years
- Substantial progress has been to balancing the budget
  - Process takes 3-5 years
  - Tax notes are essential during this process as fund balance erodes
  - Enrichment pennies are encouraged by TEA to increase revenue, if approved by taxpayers

Progress Made Towards a Balanced Budget & Steady Cash Flow

as of 4/15/2026

Fall 2023 identified budget deficit	(9,344,258)
Change in Revenue	1,302,282
Payroll absorptions	2,140,698
Payroll increase, includes HB2	(3,098,640)
Non-Payroll - onetime	2,618,452
Non-Payroll - other	2,754,690
Bond Reimb	1,000,000
	(2,626,777)
Payroll - savings identified for 26-27	876,218
Non Payroll - savings identified for 26-27	203,625
Estimated remaining for 26-27 *	(1,546,934)

Financial Sustainability – Cash Flow

GENERAL FUND

Cash Flow & FIRST Ratings

- **Indicator 7** – Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities and construction)?

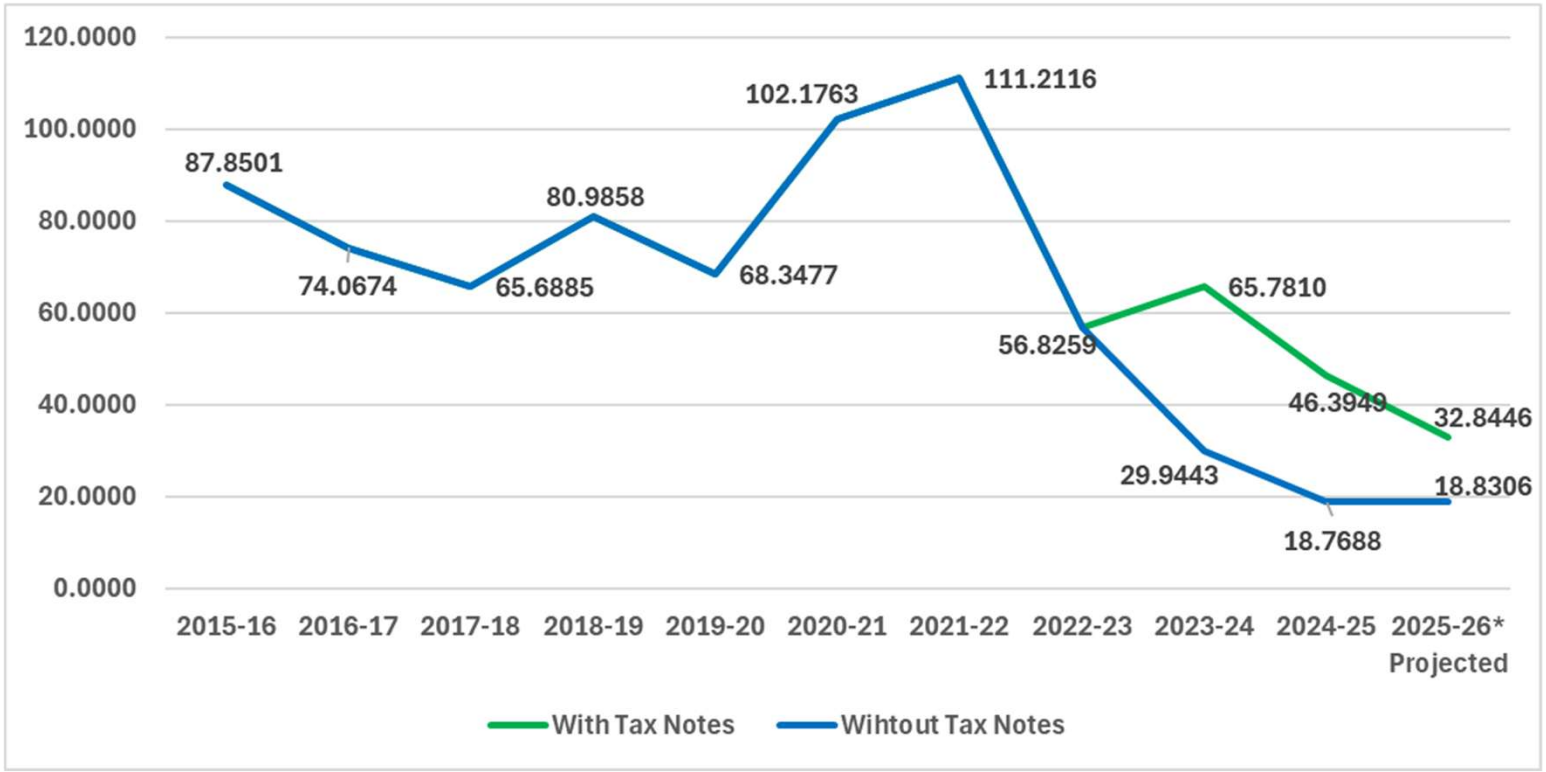
10 pts	8 pts	6 pts	4 pts	2 pts	0 pts
>=90	<90 >=75	<75 >=60	<60 >=45	<45 >=30	<30

- **Indicator 9** – Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

10 pts	0 pts
Yes	No

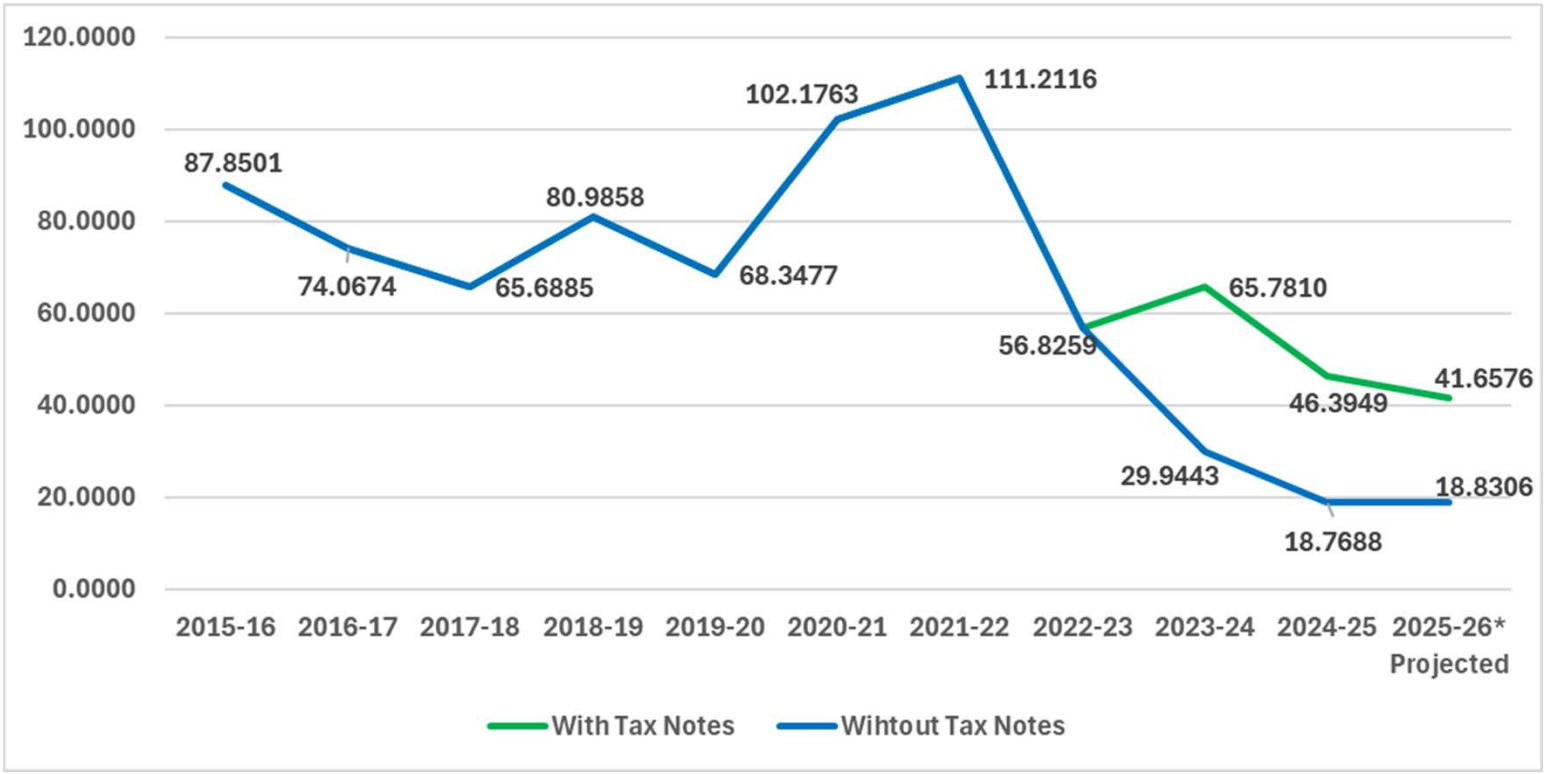
Cash on Hand on June 30, in days

* Preliminary 2025-2026, assumes $2m Tax Note



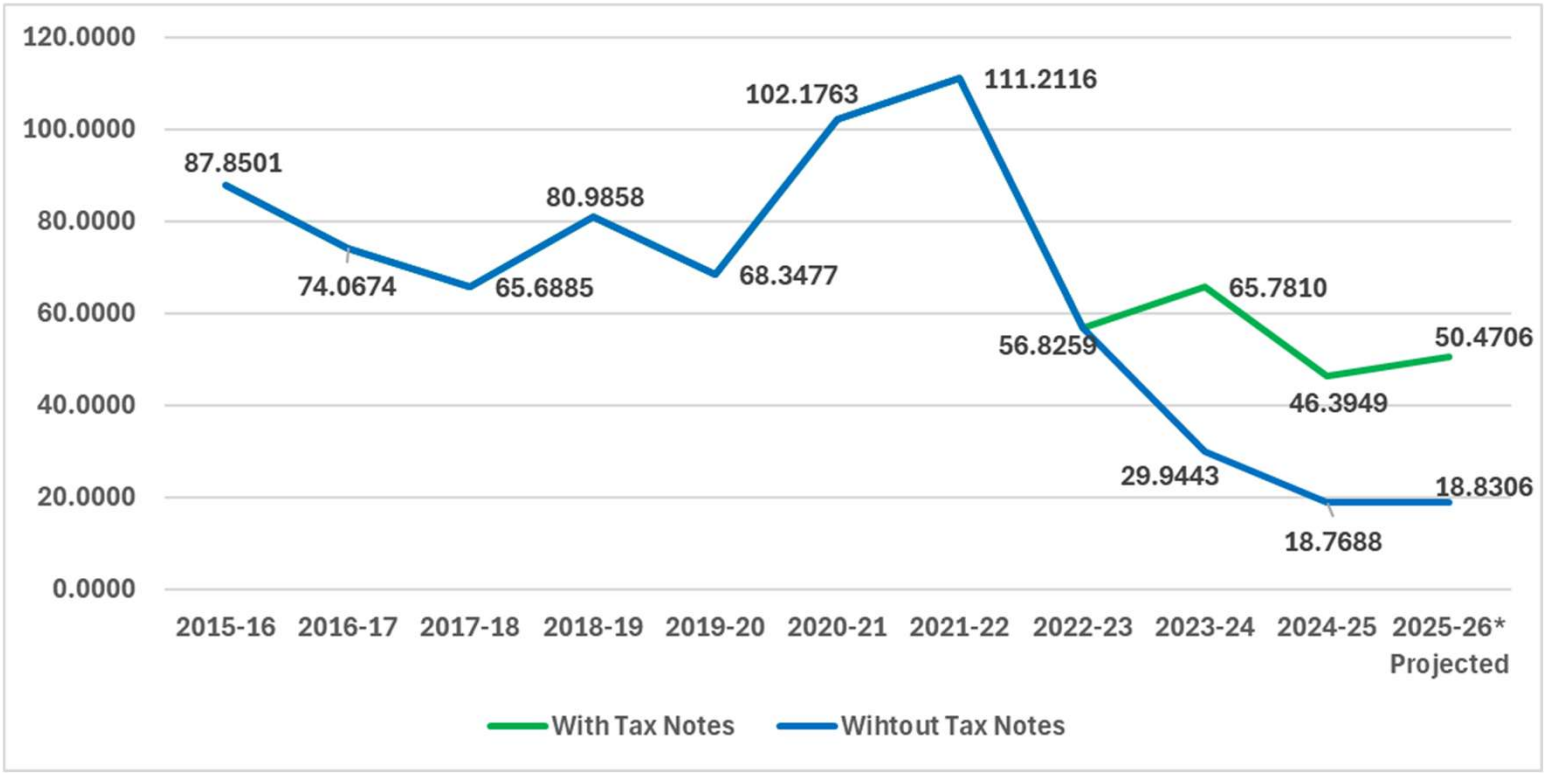
Cash on Hand on June 30, in days

* Preliminary 2025-2026, assumes $3m Tax Note



Cash on Hand on June 30, in days

* Preliminary 2025-2026, assumes $4m Tax Note



Tax Note Timing Considerations

12-month Tax Note

Pros

- Not reflected as expenditure next year
- One month less of interest

Cons

- Fund balance reduces this year

13-month Tax Note

Pros

- Protects fund balance this year

Cons

- Reflected as an expenditure next year
- Considered taxable

	13 Month Note		12 Month Note	
	2025-2026	2026-2027	2025-2026	2026-2027
	Estimated Actual	Preliminary *	Estimated Actual	Preliminary *
Total Revenue	42,554,132	40,342,121	42,554,132	40,342,121
Total Expenditures	46,017,971	44,915,172	46,017,971	41,866,172
Net Revenue/(Deficit)	(3,463,839)	(4,573,051)	(3,463,839)	(1,524,051)
Other Fin. Sources/Uses	3,049,000	-	-	-
Net Change in Fund Balance	(414,839)	(4,573,051)	(3,463,839)	(1,524,051)
Beginning Fund Balance	7,250,477	6,835,638	7,250,477	3,786,638
Ending Fund Balance	6,835,638	2,262,587	3,786,638	2,262,587
Days Fund Balance	*54.22*	*18.39*	*30.03*	*19.73*
Ending Fund Balance	6,835,638	2,262,587	3,786,638	2,262,587
Other Fin. Sources/Uses	(3,049,000)	-	-	-
Fund Balance w/out Note	3,786,638	2,262,587	3,786,638	2,262,587
Days Fund Balance	*30.03*	*18.39*	*30.03*	*19.73*

* 2026-2027 does not take into consideration the additional note that may be needed as we continue to balance the budget

Financial Sustainability – Voter Approved Tax Rate Election (VATRE) consideration

GENERAL FUND

Tier One – Basic Educational Services



TIER 1 ENTITLEMENT
$6,215 /Student
(Adjusted for Student Weights)

Increase in Taxable Values = Increase in Local Funds / Decrease in State Funds = **SAME ENTITLEMENT $6,215/Student**

Rising property values do not automatically create more spendable revenue for the district.

Tier 2 - Enrichment Pennies

FY 25-26 Current MCR

Tier One
$0.6169



Tier Two

- The first 5 cents may be adopted by the Board
- The additional 12 cents must be voter approved
- Each level generate different levels of State funding

M&O tax rate: Three components

Districts determine what rate to set for Tier 1, but typically set it at the maximum compressed rate (MCR).

Districts at MCR for Tier 1 also set the tax rate for Tier 2, and most have adopted at least 5 pennies in Tier 2.

Reducing tax rates provides tax relief to taxpayers. Increasing tax rates increases the size of the district budget.

Tier One



Subject to Recapture

Tax rate generates the Basic Allotment based on the proportion to MCR

Tier Two



Not Subject to Recapture

Guaranteed yield of $129.52 / WADA in FY26

Tier Two



Subject to Recapture

Guaranteed yield of $49.72 per WADA in FY26

Tier Two (Max $0.17)

Going from 5 Tier II to all 8 golden pennies in Tier II varies by ISD, but on average would **increase** M&O funding for a district by **5.03%**

Going from 8 golden but 0 copper pennies to all 9 copper pennies in Tier II varies by ISD, but on average would **increase** M&O funding for a district by **5.6%**

*Statewide average MCR FY2026

Guaranteed Yield per penny

Golden

$129.52





Copper

$49.72

Each Penny*	Golden	Copper
Local Revenue	$201,034	$201,034
State Revenue	431,476	40,366
Total	$632,510	$241,400

* Preliminary - Based on 25-26 budgeted WADA and projected certified values

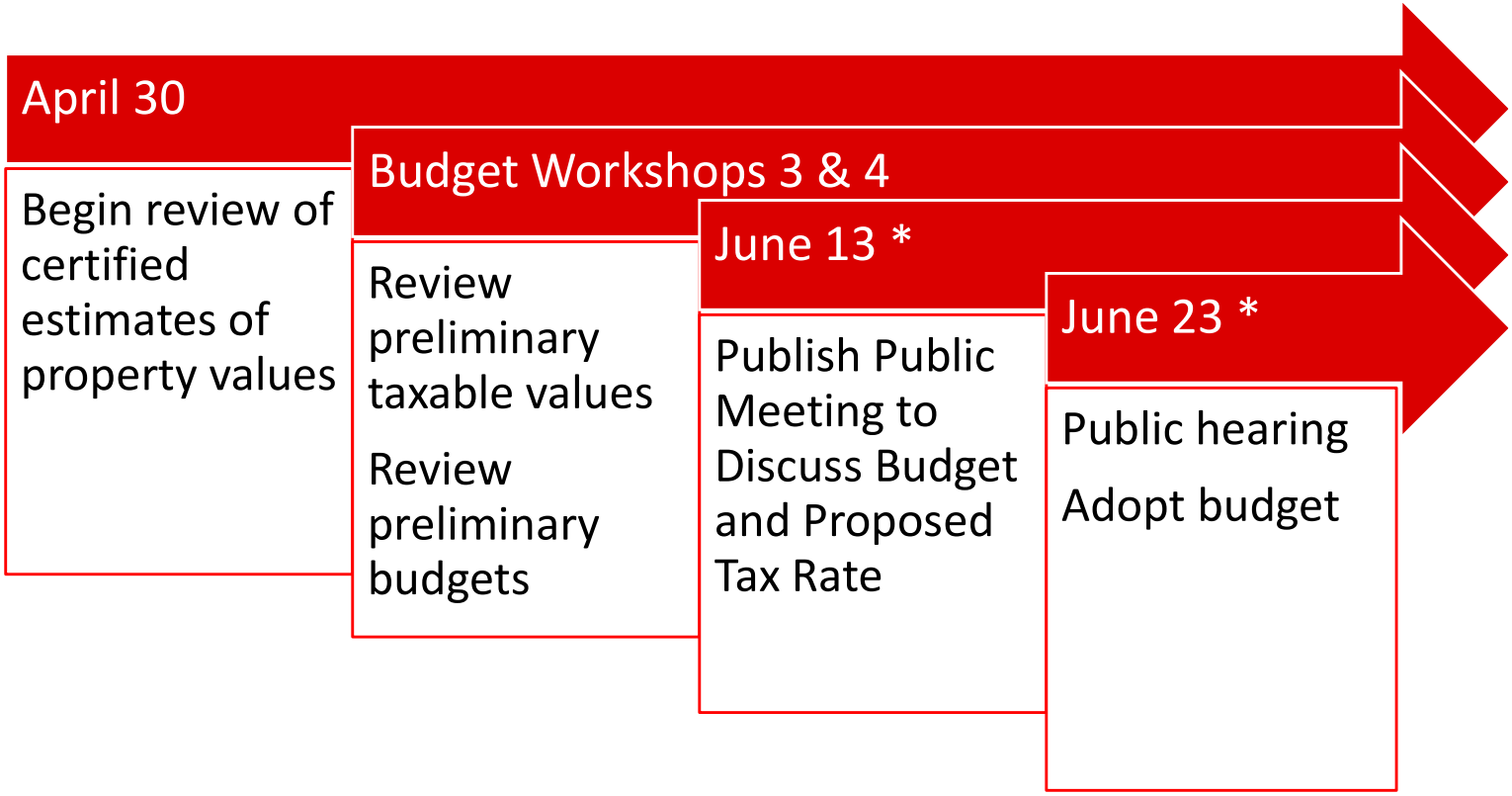
Surrounding School Districts' Tax Rates

ISD	ADA	MCR	M&O	I&S	Total Tax	Tier 2 Pennies
Sheldon ISD	9,598	$0.6169	$0.7552	$0.5000	$1.2552	$0.1383
New Caney ISD	17,950	$0.6169	$0.7552	$0.5000	$1.2552	$0.1383
Splendora ISD	5,341	$0.6169	$0.7547	$0.5000	$1.2547	$0.1378
Crosby ISD	6,529	$0.6058	$0.7441	$0.4800	$1.2241	$0.1383
Humble ISD	44,133	$0.6169	$0.7552	$0.3500	$1.1052	$0.1383
Huffman ISD	3,409	$0.6169	$0.6969	$0.3668	$1.0637	$0.0800
Cleveland ISD	11,068	$0.6169	$0.6669	$0.3572	$1.0241	$0.0500
Dayton ISD	5,264	$0.6072	$0.6572	$0.3000	$0.9572	$0.0500

Voter Approved Tax Rate Election Timeline

Date	Action
Friday, July 3	Deadline to select an auditor if conducting an efficiency audit (not required due to prior year disaster exemption)
Saturday, July 25	Deadline for Tax Assessor to determine District's property values and submit the appraisal roll to the Board
Wednesday, August 5	Deadline for TEA to issue preliminary MCR
Friday, August 7	Deadline to publish Notice of Public Meeting to Discuss Budget and Proposed Rate (10 days prior to calling the election)
Monday, August 17	Board deadline to adopt election order calling the VATRE
Saturday, October 3	Deadline to complete efficiency audit and presented to Board in open meeting
Tuesday, November 3	Election Day

Next Steps



* May occur as late as June 20 and June 30, respectively



Questions