Budget Workshop III

HUFFMAN
INDEPENDENT SCHOOL DISTRICT

May 18, 2026

Agenda

- Food Service Fund
- Property Taxes
- Debt Service Fund
- General Fund
- Salaries & Compensation

Food Service Fund

2026-2027 PRELIMINARY

Food Service

2025-26 Comparison to 2024-25

Moved away from

Community Eligibility Provision (CEP)

	24-25 Actuals	25-26 Amended	25-26 Projected
Interest	3,762	3,800	3,426
Miscellaneous Revenue	-	-	2,286
Food Service Activity	343,570	1,238,873	879,310
Local Revenue	347,332	1,242,673	885,022
State Matching Revenue	15,945	11,413	27,550
TRS On-Behalf	61,391	-	51,277
State Revenue	77,336	11,413	78,827
School Breakfast Program	553,409	366,985	388,806
National School Lunch Program	1,637,874	685,968	981,785
USDA Commodities	210,802	217,108	217,108
Federal Revenue	2,402,085	1,270,061	1,587,699
TOTAL REVENUES	2,826,753	2,524,146	2,551,548
Payroll Costs	1,036,021	964,840	912,272
Professional & Contracted Services	93,611	110,800	110,800
Supplies & Materials	1,730,236	1,412,789	1,412,789
Other Operating Costs	8,554	129,796	10,000
Capital Outlay - Land, Buildings, & Equp	-	-	-
TOTAL EXPENDITURES	2,868,422	2,618,226	2,445,861
Excess of Revenues over/(under) Expenditures	(41,669)	(94,079)	105,686

Food Service

Preliminary Projection Comparison

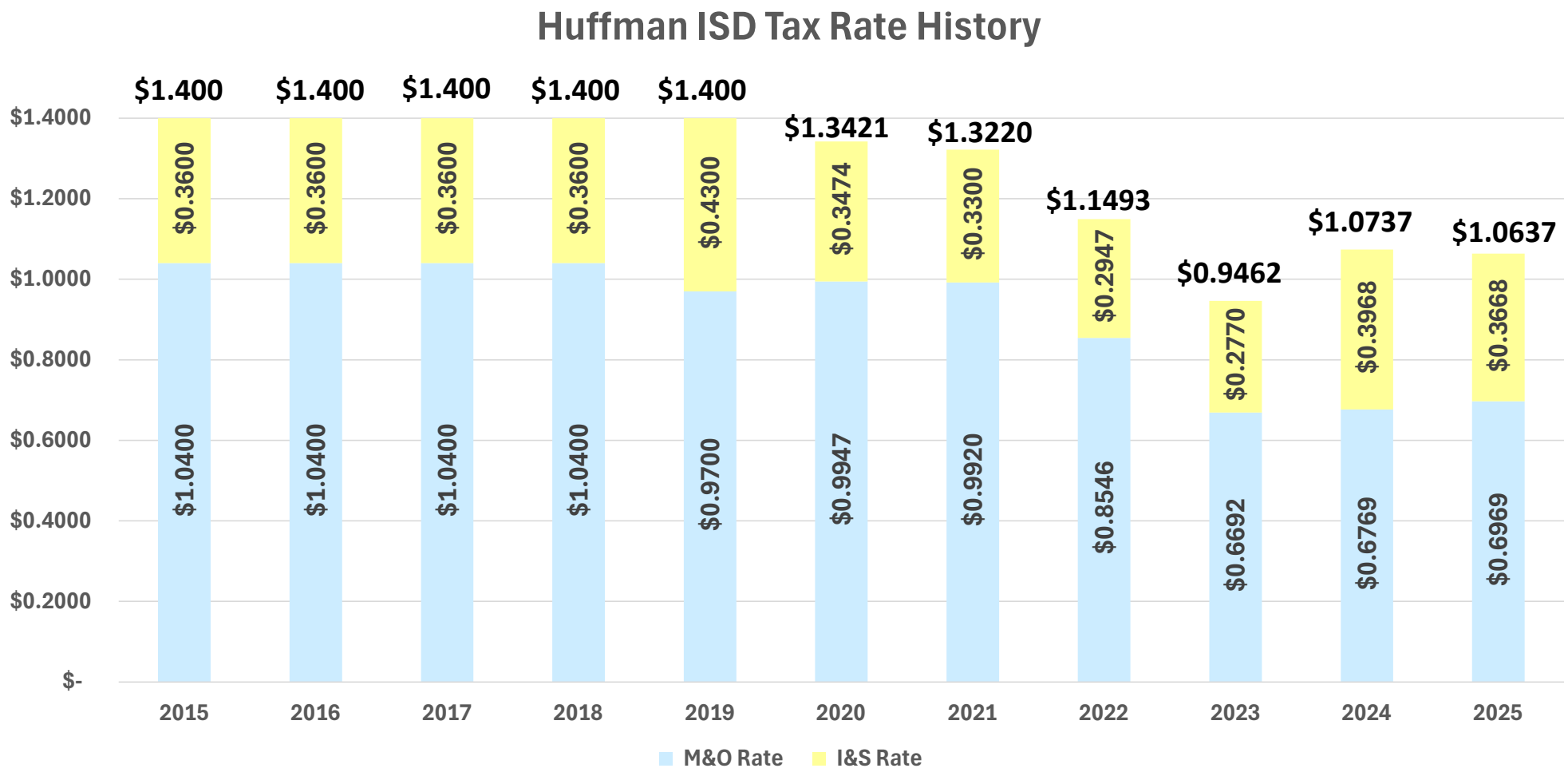
	25-26 Projected	26-27 Projected
Interest	3,426	3,500
Miscellaneous Revenue	2,286	2,500
Food Service Activity	879,310	898,898
Local Revenue	885,022	904,898
State Matching Revenue	27,550	11,500
TRS On-Behalf	51,277	55,000
State Revenue	78,827	66,500
School Breakfast Program	388,806	366,540
National School Lunch Program	981,785	965,324
USDA Commodities	217,108	205,533
Federal Revenue	1,587,699	1,537,397
TOTAL REVENUES	2,551,548	2,508,795
Payroll Costs	912,272	980,000
Professional & Contracted Services	110,800	110,000
Supplies & Materials	1,412,789	1,363,533
Other Operating Costs	10,000	12,000
Capital Outlay - Land, Buildings, & Equp	-	
TOTAL EXPENDITURES	2,445,861	2,465,533
Excess of Revenues over/(under) Expenditures	105,686	43,262

Property Taxes

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


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

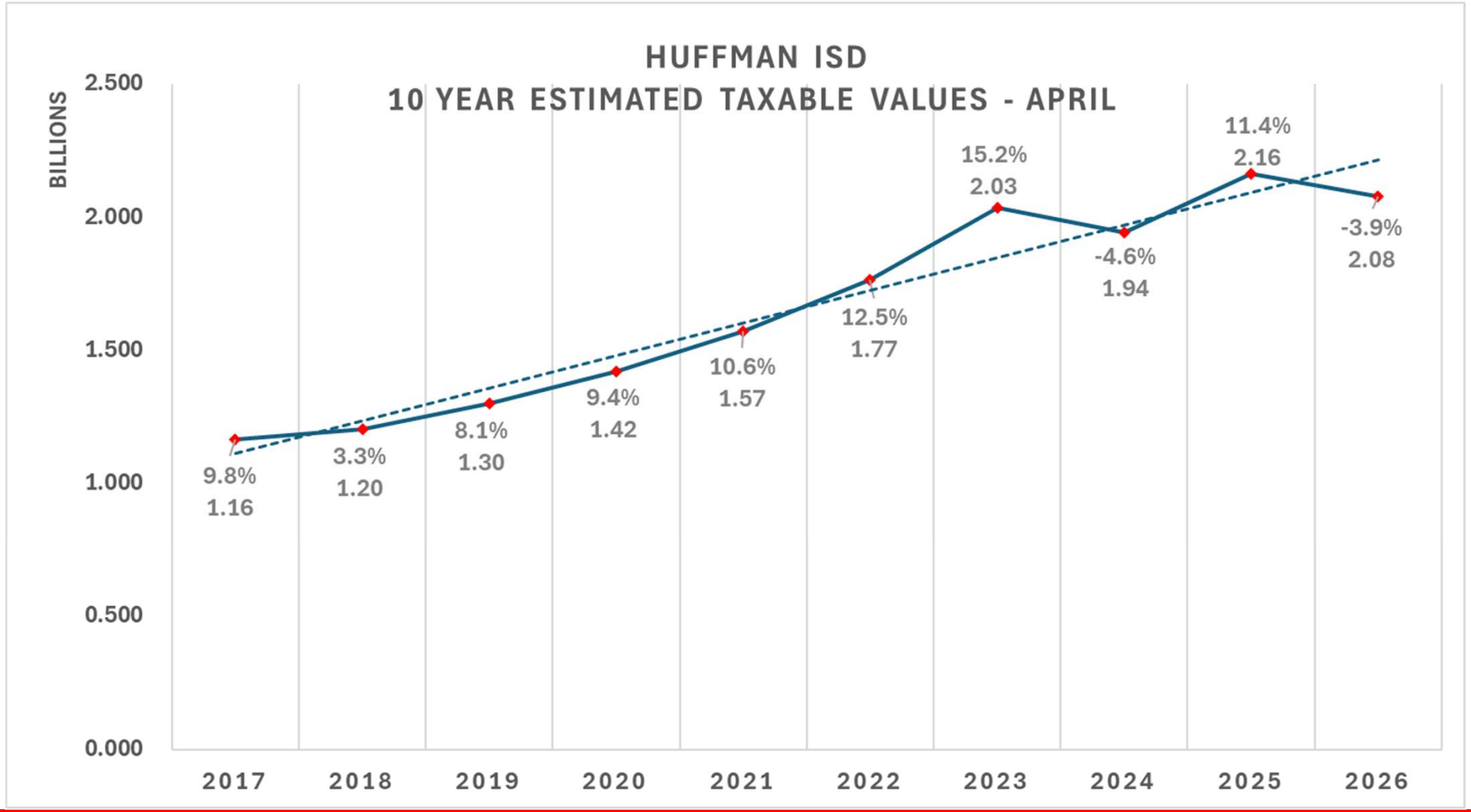
Huffman ISD
2026 Certified Estimate of Taxable Value

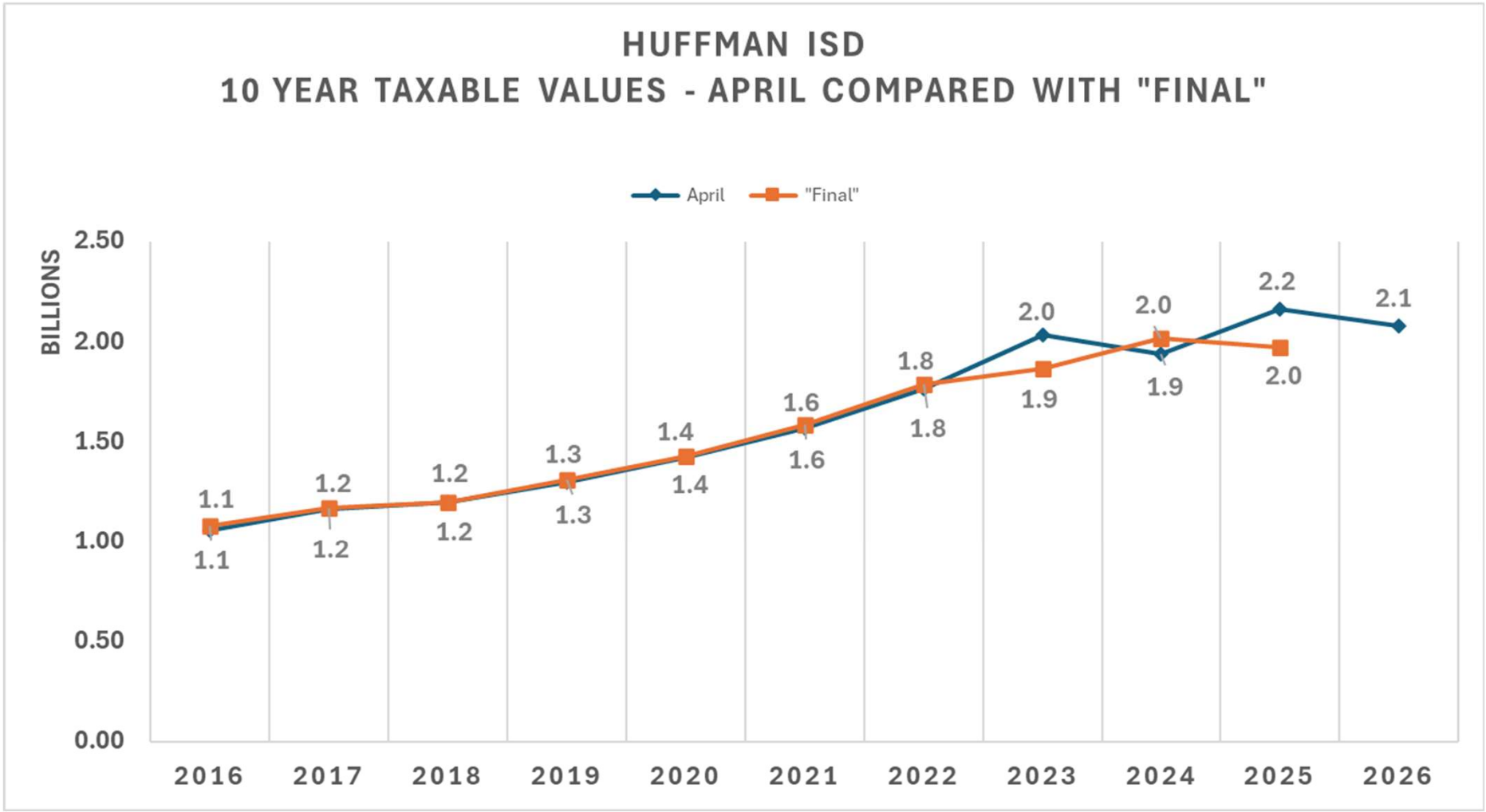
Major Property Category	2025 Taxable Value	Percent Change	Projected 2026 Taxable Value
Residential & Rural Improved	1,404,845,336	7.27%	1,507,005,689
Apartments	17,750,410	3.21%	18,319,792
Commercial	160,684,640	8.77%	174,771,615
Vacant Land	242,070,065	1.83%	246,497,681
Industrial	745,590	0.25%	747,454
Utility	69,818,687	1.95%	71,180,151
Commercial Personal	29,294,783	-52.46%	13,926,439
Industrial Personal	21,009,825	-4.41%	20,083,230
All Other Property	24,456,044	3.01%	25,192,220

Projected 2026 Taxable Value	**1,970,675,380**	**5.43%**	**2,077,724,271**

Projected 2026 Taxable Value Range

Accuracy +/- 5%	**1,973,838,057**	**To**	**2,181,610,484**


HUFFMAN ISD
10 YEAR ESTIMATED TAXABLE VALUES - APRIL
BILLIONS
2.500
2.000
1.500
1.000
0.500
0.000
9.8%
1.16
3.3%
1.20
8.1%
1.30
9.4%
1.42
10.6%
1.57
12.5%
1.77
15.2%
2.03
-4.6%
1.94
11.4%
2.16
-3.9%
2.08
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026


HUFFMAN ISD
10 YEAR TAXABLE VALUES - APRIL COMPARED WITH "FINAL"
April
"Final"
BILLIONS
2.50
2.00
1.50
1.00
0.50
0.00
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
1.1
1.2
1.2
1.3
1.4
1.6
1.8
2.0
2.0
2.2
2.1
1.1
1.2
1.2
1.3
1.4
1.6
1.8
1.9
1.9
2.0

Harris Central Appraisal District
Truth in Taxation Data

Jur: Huffman ISD

	2025	2026
Average Market Value of Residences:	$322,663	$321,459
Average Taxable Value of Residences:	$201,585	$202,582

Surrounding School Districts' 2025 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

Interest & Sinking (I&S) Tax Rate

2026-2027, PRELIMINARY

What is the I&S Tax Rate

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

Draft Analysis of 2026-27 Debt Service Funding
Tax Rate Necessary to Meet Debt Requirements

Bond Issues	2026-27 Payments
Series 2013 Refunding Bond	$ 220,100
Series 2014 Refunding Bond	642,438
Series 2015 Refunding Bond	444,031
Series 2016 Bond	576,400
Series 2017A Bond	1,410,919
Series 2018 Bond	681,255
Series 2019 Refunding Bond	1,084,300
Series 2024 Bond	1,987,488
Series 2025 Bond	2,357,813
Continuing Disclosures - SEC 15c2-12	2,000
Transparency Report - HB1378	250
Total Debt Service Requirement	$ 9,406,993

Debt Service Requirements (preliminary), ct'd

Bond Issues		2026-27 Payments	
Total Debt Service Requirement	$	9,406,993	
Less Amounts from Following Sources:			
Est. Add'l State Aid for Homestead Exemption (ASAHE)		993,114	[1]
Interest Earnings, estimated		100,000	
Delinquent Collections, estimated		300,000	
I & S Tax Collections needed to repay debt	$	8,013,879	
Determination of Tax Rate:			
Certified Taxable Property Values		2,077,724,271	[2]
Per $100.00, 100% Collection Rate		20,777,243	
Tax rate necessary to collect at 100%	$	0.38570	

[1] *75% of Current Estimate*

[2] *Preliminary Values, as of 4/30/2026*

Debt Service Requirements (preliminary), ct'd

Determination of Tax Rate:		
Certified Taxable Property Values	2,077,724,271	2,077,724,271
Per $100.00, 100% Collection Rate	20,777,243	20,777,243
Tax rate necessary to collect at 100%	$ 0.38570	$ 0.38570
Prior Year Tax Rate	0.36680	0.36680
Increase/(Decrease) from prior year	0.03000	0.03920
Total Debt Rate	**0.39680**	**0.40600**
Total to be collected at at 95%	7,832,189	8,013,783
Beginning Fund Balance, July 1, 2026	3,619,806	3,619,806
Amount Transferred to (from) Fund Balance	$ (181,689)	$ (96)
Estimated Fund Balance, June 30, 2027	3,438,117	3,619,710

[2] *Preliminary Values' as of 4/30/2026*

[2] *June 30, 2026 Projected Fund Balance, Unaudited*

Debt Service Fund

2026-2027 PRELIMINARY

Debt Service

2025-26 Comparison

	25-26 Amended	25-26 Projected
Property Taxes, Current	6,211,831	6,209,531
Property Taxes, Delinquent	200,000	277,576
Property Taxes, Penalties & Interest	100,000	113,883
Interest	74,667	86,756
Local Revenue	6,586,498	6,687,746
Existing Debt Allotment	1,856,498	1,870,779
State Revenue	1,856,498	1,870,779
TOTAL REVENUES	8,442,996	8,558,525
Bond Principal	3,150,000	3,150,000
Bond Interest	5,053,252	5,053,252
Bond Issuance Cost and Fees	20,750	20,750
TOTAL EXPENDITURES	8,224,002	8,224,002
Excess of Revenues over/(under) Expenditures	218,994	334,523
Transfers In/Out	1,080	1,080
Beginning Fund Balance, July 1	3,364,949	3,364,949
Ending Fund Balance, June 30 (estimated)	3,585,023	3,700,552

Debt Service

Preliminary Projection Comparison

	25-26 Projected	26-27 Preliminary	
Property Taxes, Current	6,209,531	7,832,189	[1]
Property Taxes, Delinquent	277,576	200,000	
Property Taxes, Penalties & Interest	113,883	100,000	
Interest	86,756	100,000	
Local Revenue	6,687,746	8,232,189	
Existing Debt Allotment	1,870,779	993,114	[2]
State Revenue	1,870,779	993,114	
TOTAL REVENUES	8,558,525	9,225,303	
Bond Principal	3,150,000	3,230,000	
Bond Interest	5,053,252	6,156,193	
Bond Issuance Cost and Fees	20,750	20,800	
TOTAL EXPENDITURES	8,224,002	9,406,993	
Excess of Revenues over/(under) Expenditures	334,523	(181,690)	
Transfers In/Out	1,080	-	
Beginning Fund Balance, July 1	3,364,949	3,700,552	
Ending Fund Balance, June 30 (estimated)	3,700,552	3,518,862	

[1] *Assumes $0.3968 I&S Tax Rate*

[2] *75% of preliminary*

General Fund Assumptions

2026-2027 PRELIMINARY

2026-2027 Budget Key Variables

Area	What is not yet final	Planning Approach
Property Values	Certified values, TNT, compressed tax rate	Update after appraisal values
Enrollment / ADA	25-26 final students and attendance counts	Update assuming no change from final numbers
Staffing	Salary & Compensation plan	Review requirements and health insurance renewal
Operating Costs	Insurance, contracts	Use current quotes where available
Federal Grants	Final allocations	Budget separately and amend as needed
VATRE Consideration	Whether the Board will call an election; whether voters would approve it; final tax-rate and revenue impact	Prepare budget scenarios with and without VATRE revenue

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
  - Funded by Teacher Retention Allotment from TEA
- Health Insurance Premiums
- 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

2026-2027 Preliminary Revenues

2025-2026 Amended Revenues	42,843,314
Less 3 golden pennies - Local	(510,635)
Less 3 golden pennies - State	(1,345,484)
Less FEMA Reimbursements	(261,634)
Less Interest Income	(87,238)
Increased Teacher Retention Allotment	136,000
2026-2027 Preliminary Revenues	40,774,323

* Assumes no tax note approved in 2026-2027

2026-2027 Preliminary Expenditures

2025-2026 Amended Expenditures	46,469,796
Less 24-25 Maintenance Tax Note	(3,222,956)
Plus ~ 25-26 Maintenance Tax Note *	3,195,281
Less Payroll Changes Identified to date	(714,841)
Less Non-Payroll Changes Identified to date	(214,949)
2026-2027 Preliminary Expenditures	45,512,331

* Recommendation of 13-month, $3m tax note

Progress Made Towards a Balanced Budget & Steady Cash Flow

as of 5/15/2026

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	2,903,985
Bond Reimb	1,000,000
	(2,477,482)
Payroll - savings identified for 26-27	714,840
Non Payroll - savings identified for 26-27	214,949
Estimated remaining for 26-27 *	(1,547,693)

Salary & Compensation Plan

2026-2027 PRELIMINARY

Historical Salary Increases

Year	Starting Teacher Pay	Midpoint Increase	Longevity Stipend	Other
2012-2013	$ 42,863	3%	yes	-
2013-2014	$ 44,363	3%	yes	-
2014-2015	$ 45,363	3%	yes	-
2015-2016	$ 45,363	3%	yes	-
2016-2017	$ 50,000	4%	yes	-
2017-2018	$ 50,000	2%	yes	-
2018-2019	$ 52,000	3%	yes	-
2019-2020	$ 52,000	3%	yes	-
2020-2021	$ 52,000	0%	yes	$1,000 stipend
2021-2022	$ 56,000	3%	yes	-
2022-2023	$ 58,000	4%	yes	-
2023-2024	$ 59,000	4%	yes	-
2024-2025	$ 59,000	0%	yes	Reduction of 3 days
2025-2026	$ 60,700	3%	yes	Sub Rate inc. $5 per day; $4k for teachers 3-4 years; $8k for teachers => 5 years

2026-2027 Requirements

- Uncertified 1st year teacher must start lower than a certified 1st year teacher
- Classroom Teachers completing 3 years must earn $4,000 more than they did in 2024-2025
- Classroom Teachers completing 5 years must earn $8,000 more than they did in 2024-2025
- Funded by TEA through the Teacher Retention Allotment

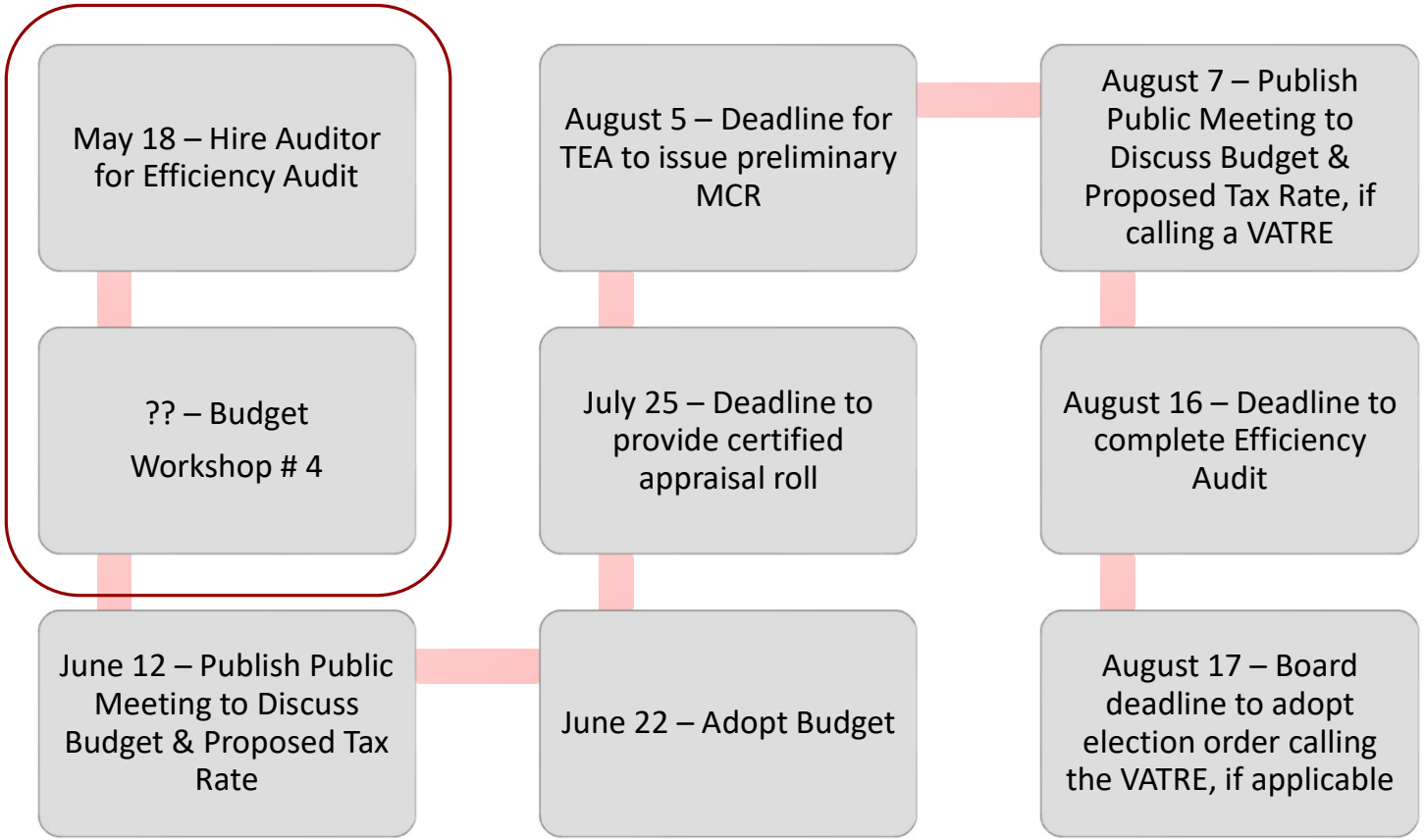
Employee Health Insurance Premiums

TRS - Active Care Primary	
Employee Only	24%
Employee & Spouse	15%
Employee & Children	17%
Employee & Family	14%
TRS - Active Care Primary +	
Employee Only	21%
Employee & Spouse	15%
Employee & Children	16%
Employee & Family	14%
TRS - Active Care HD	
Employee Only	23%
Employee & Spouse	15%
Employee & Children	17%
Employee & Family	14%

- Insurance premiums continue to increase for all tiers
- Huffman ISD raised its contribution by $25 in 25-26
- Some Texas ISD's have chosen to shop for outside healthcare options
  - Once a district leaves TRS, it must generally remain out of the program for 5 years
  - Districts gain more local control but assume more financial risk
  - Many are considering returning to TRS due to the financial strain

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


May 18 – Hire Auditor for Efficiency Audit
?? – Budget Workshop # 4
June 12 – Publish Public Meeting to Discuss Budget & Proposed Tax Rate
June 22 – Adopt Budget
July 25 – Deadline to provide certified appraisal roll
August 5 – Deadline for TEA to issue preliminary MCR
August 7 – Publish Public Meeting to Discuss Budget & Proposed Tax Rate, if calling a VATRE
August 16 – Deadline to complete Efficiency Audit
August 17 – Board deadline to adopt election order calling the VATRE, if applicable



Questions