

Spring Branch ISD  
Board of Trustees  
March 3, 2025  
General Fund

			A	B	C	D
	Audited	Audited	Last Year	This Year	Next Year	2nd Next Year
	<u>SY 2021-2022</u>	<u>SY 2022-2023</u>	<u>SY 2023-2024</u>	<u>Adjusted Bqt</u> <u>SY 2024-2025</u>	<u>Estimated Bqt</u> <u>SY 2025-2026</u>	<u>Estimated Bqt</u> <u>SY 2026-2027</u>
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<u>\$0.9998</u>	<u>\$0.9643</u>	<u>\$0.7744</u>	<u>\$0.7719</u>	<u>\$0.7524</u>	<u>\$0.7369</u>
State Revenue:						
Tax Collections (Current and Delinquent)	\$ 339,354,541	\$ 352,181,847	\$ 286,457,916	\$ 286,680,910	\$ 294,807,807	\$ 302,998,033
State Funding	20,470,730	21,914,427	25,302,748	27,436,855	25,073,518	23,449,114
Recapture	(64,424,029)	(80,261,074)	(1,197,012)	(12,786,263)	(20,546,865)	(27,102,774)
<b>Net State Revenue</b>	<b>295,401,242</b>	<b>293,835,200</b>	<b>310,563,652</b>	<b>301,331,502</b>	<b>299,334,460</b>	<b>299,344,373</b>
Other Revenue:						
Penalty and Interest and Misc. Tax Rev	2,355,751	2,464,250	2,811,050	1,950,000	1,950,000	1,950,000
Other Local Revenue	5,996,856	11,151,343	13,444,664	10,329,318	10,329,318	10,329,318
Other State Revenue	89,381	412	-	-	-	-
Prior Year Funding and Recapture Adjust	(2,068,293)	1,909,390	(833,057)	-	-	-
TRS - State Contribution	17,805,349	19,072,956	20,167,888	20,450,000	20,859,000	21,276,180
Federal Revenue	17,391,847	18,099,284	9,416,596	8,660,000	8,660,000	8,660,000
<b>Total Revenue</b>	<b>336,972,133</b>	<b>346,532,835</b>	<b>355,570,793</b>	<b>342,720,820</b>	<b>341,132,778</b>	<b>341,559,871</b>
Expenditures:						
Payroll	290,596,619	299,785,460	312,671,359	308,422,690	314,591,144	320,882,967
Contracted Services/Supplies/Other Operating	35,283,061	35,341,748	52,495,585	56,726,682	57,861,216	59,018,440
Debt Service	506,150	726,146	823,489	-	-	-
Capital Outlay	1,705,127	1,836,344	5,630,804	1,363,889	1,391,167	1,418,990
<b>Total Expenditures**</b>	<b>328,090,957</b>	<b>337,689,698</b>	<b>371,621,237</b>	<b>366,513,261</b>	<b>373,843,527</b>	<b>381,320,397</b>
Other Sources (Uses)	1,482,656	858,106	1,482,704	50,000	50,000	50,000
<b>Revenues Over(Under) Expenditures:</b>	<b>10,363,832</b>	<b>9,701,243</b>	<b>(14,567,740)</b>	<b>(23,742,441)</b>	<b>(32,660,749)</b>	<b>(39,710,526)</b>
<b>Ending Fund Balance</b>	<b>\$ 127,803,111</b>	<b>\$ 137,504,354</b>	<b>\$ 122,936,614</b>	<b>\$ 99,194,173</b>	<b>\$ 66,533,424</b>	<b>\$ 26,822,898</b>
Less: Nonspendable	(4,645,535)	(4,622,632)	(3,989,341)	(3,989,341)	(3,989,341)	(3,989,341)
<b>Ending Fund Balance (Assigned/Unassigned)</b>	<b>123,157,576</b>	<b>132,881,722</b>	<b>118,947,273</b>	<b>95,204,832</b>	<b>62,544,083</b>	<b>22,833,557</b>
<b>Fund Balance as a % of Expenditures (Exc. Recapture)</b>	<b>37.5%</b>	<b>39.4%</b>	<b>32.0%</b>	<b>26.0%</b>	<b>16.7%</b>	<b>6.0%</b>

**\*\* Expenditures are not comparable year over year due to the use of ESSER funds.**



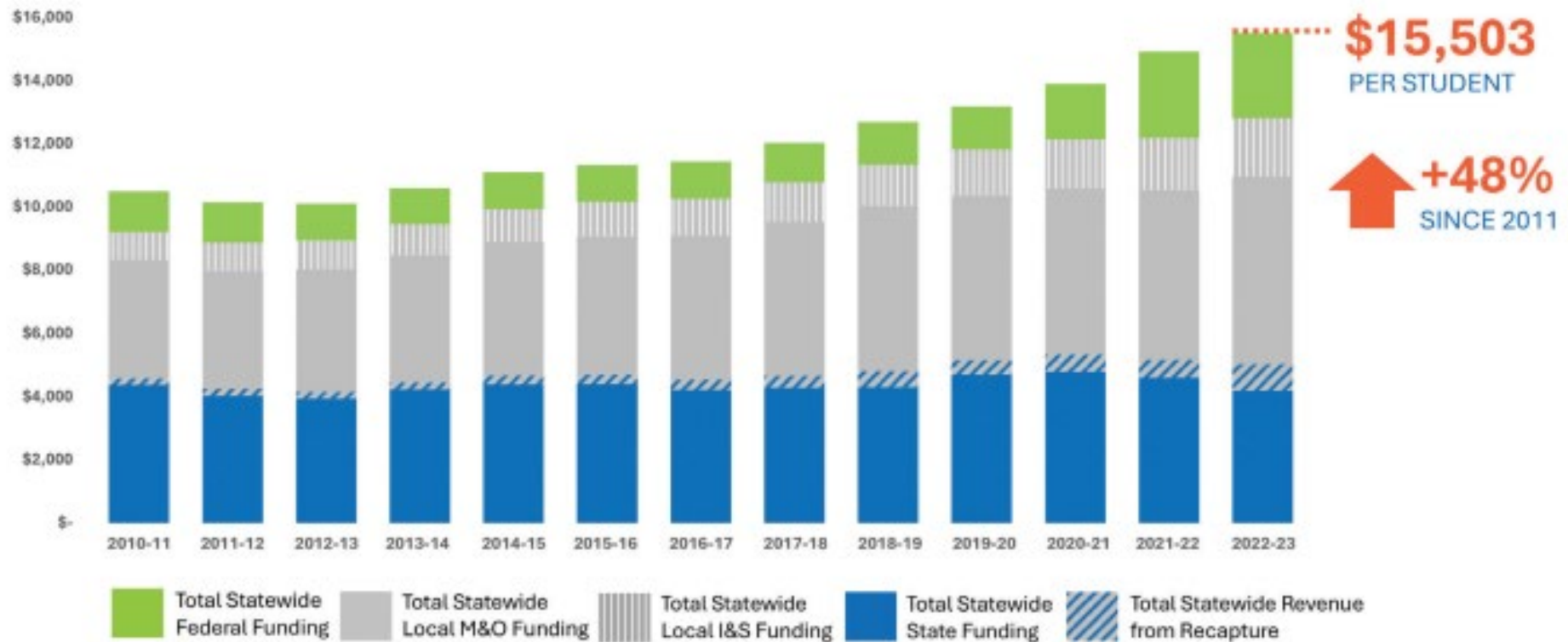
# TASBO Legislative Update



# How Much are Schools Spending?



## ANNUAL FUNDING PER STUDENT<sup>13</sup>

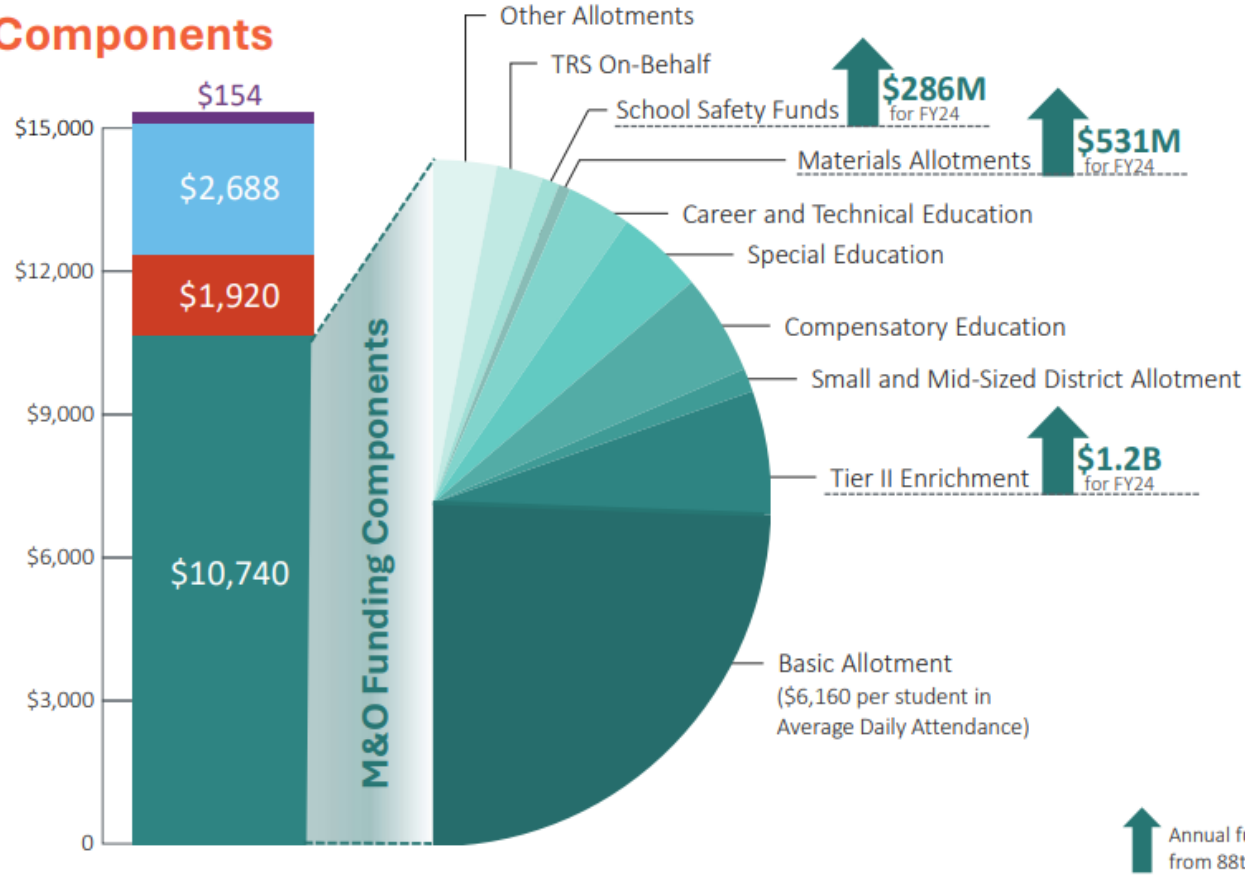
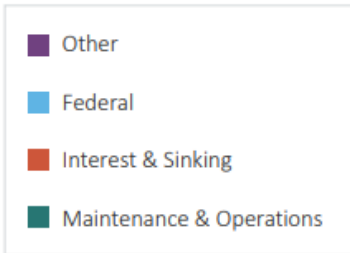


# 88<sup>th</sup> Legislative Updates to School Funding (inclusive of FSP and other funding sources)



## School Funding Components

**\$15,503**  
2022-23 FUNDING  
PER STUDENT



↑ Annual funding increase from 88th legislature



# Breaking Down the \$15,503

Local M&O Excluding Recapture	\$5,943
Local I&S	\$1,850
State Aid to Schools (including IMA, excluding recapture)	\$4,081
State Aid Financed through Recaptured Local Funds	\$825
Federal Funding (including ESSER) to Schools	\$2,568
Federal Funding from TEA to Vendors	\$121
State Dollars Spent by other Entities (i.e. TEA admin, vendor payments, ESCs)	\$115
<b>Total</b>	<b>\$15,503</b>





# Priorities & Bills

*The pace is picking up.....*



- Governor's Emergency Items
- Senate Priorities, so far
- House Priorities, so far

# State Budget Comparing House & Senate Appropriations Bills

# Initial Appropriations Bills

Expect many changes as this moves through the process  
House & Senate committees are currently in the “Mark-Up” phase

- Golden Penny Yields (may change again later in process):
  - FY26: \$132.40
  - FY27: \$140.02
- Additional Compression (savings from districts at MCR floor in prior biennium):
  - FY26 SCP is further reduced by extra .0337
- Contingency Items – only occur if separate legislation is enacted:
  - \$400 million biennium for increase in school safety allotment
  - \$3.5 billion biennium for new property tax relief
  - \$4.85 billion biennium for public education funding
  - \$1.0 billion biennium to implement education savings accounts





# Rider 79 - \$4.85B Contingency

## House

**79. Contingency for Public Education Funding Increases.** Included in amounts appropriated above and contingent on enactment of legislation relating to increasing funding for public education by the Eighty-ninth Legislature, Regular Session, is \$2,425,000,000 in fiscal year 2026 and \$2,425,000,000 in fiscal year 2027 from the General Revenue Fund to implement the provisions of the legislation.

## Senate

**79. Increased Teacher Compensation.** Included in amounts appropriated above and contingent on enactment of legislation relating to the compensation of public school educators and the Teacher Incentive Allotment, by the Eighty-ninth Legislature, Regular Session, is

- (a) \$750,000,000 from the General Revenue Fund for the 2026-27 biennium for changes related to the Teacher Incentive Allotment; and
- (b) \$4,100,000,000 from the General Revenue Fund for the 2026-27 biennium for changes related the compensation of public school educators to implement the provisions of the legislation.

Out of amounts appropriated in (b), \$50,000,000 shall be transferred to the Teacher Retirement System to implement the provisions of the legislation.



# Rider 76 - \$3.5B Tax Relief Contingency

## House

### 76. Property Tax Relief.

(d) Included in amounts appropriated above and contingent on enactment of legislation relating to providing property tax relief by the Eighty-ninth Legislature, Regular Session, is \$3,500,000,000 from the Property Tax Relief Fund for the 2026-27 biennium to implement the provisions of the legislation.

## Senate

### 76. ~~Property~~ Tax Relief.

(e) Included in amounts appropriated above and in Subsection (a) and contingent on enactment of legislation relating to providing property tax relief through a \$40,000 increase to the residence homestead exemption and proposing a constitutional amendment to increase the amount of an exemption from ad valorem taxation by a school district applicable to residence homesteads by the Eighty-ninth Legislature, Regular Session, and subsequent voter approval of the associated constitutional amendment proposed by the legislation, is an estimated \$3,000,000,000 from the Property Tax Relief Fund for the 2026-27 biennium to implement the provisions of the legislation.

(f) It is the intent of the legislature that in addition to amounts appropriated above, \$500,000,000 from the General Revenue Fund shall be used in the 2026-27 biennium to provide tax relief to businesses.



# Rider 77 - \$400 Million School Safety

## House

**77. Contingency for School Safety Allotment.** Included in amounts appropriated above and contingent on enactment of legislation relating to amending the school safety allotment under the Foundation School Program, by the Eighty-ninth Legislature, Regular Session, is \$200,000,000 in fiscal year 2026 and \$200,000,000 in fiscal year 2027 from the General Revenue Fund to implement the provisions of the legislation. Rider 3, Foundation School Program Funding, shall be amended accordingly.

## Senate

**77. Contingency for SB 260.** Included in amounts appropriated above and contingent on enactment of SB 260, or similar legislation relating to the school safety allotment under the Foundation School Program, by the Eighty-ninth Legislature, Regular Session, is \$200,000,000 in fiscal year 2026 and \$200,000,000 in fiscal year 2027 from the General Revenue Fund to implement the provisions of the bill. Rider 3, Foundation School Program Funding, shall be amended accordingly.

By: Huffman

S.B. No. 260

A BILL TO BE ENTITLED

AN ACT

relating to the school safety allotment under the Foundation School Program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 48.115(a), Education Code, is amended to read as follows:

(a) Except as provided by Subsection (a-1), a school district is entitled to an annual allotment equal to the sum of the following amounts or a greater amount provided by appropriation:

(1) ~~\$20~~ ~~[\$10]~~ for each student in average daily attendance, plus \$1 for each student in average daily attendance per every \$50 by which the district's maximum basic allotment under Section 48.051 exceeds \$6,160, prorated as necessary; and

(2) ~~\$30,000~~ ~~[\$15,000]~~ per campus.

SECTION 2. This Act takes effect September 1, 2025.



# Other Appropriations Items of Interest

- Funding to limit TRS Active Care Premium Increases to 10% per year
  - House \$450 million
  - Senate \$450 million



# School Finance

## Senate

- Teacher Pay / TIA Expansion
  - \$4.35 billion
- School Safety
  - \$400 million
- Special Education
  - TBD

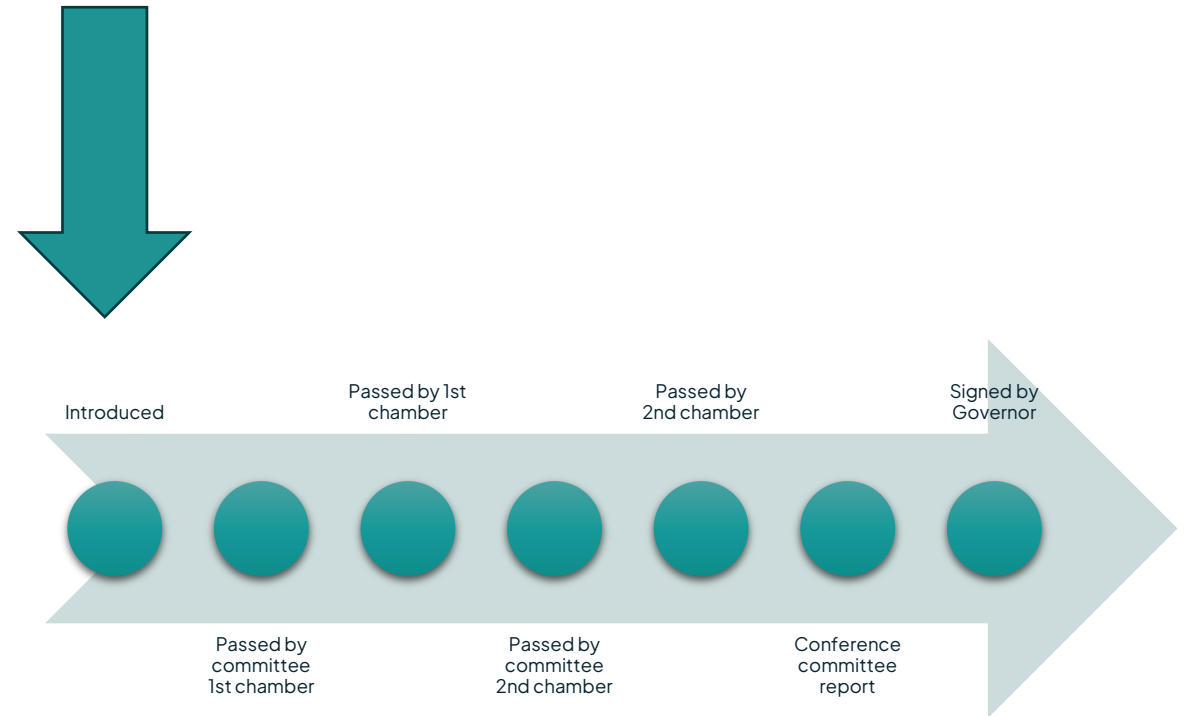
## House

- Broad School Finance
  - Roughly \$8 billion cost according to House press release
  - Includes \$615 million per year for special education
- Several school safety bills filed so far, not clear which will move.



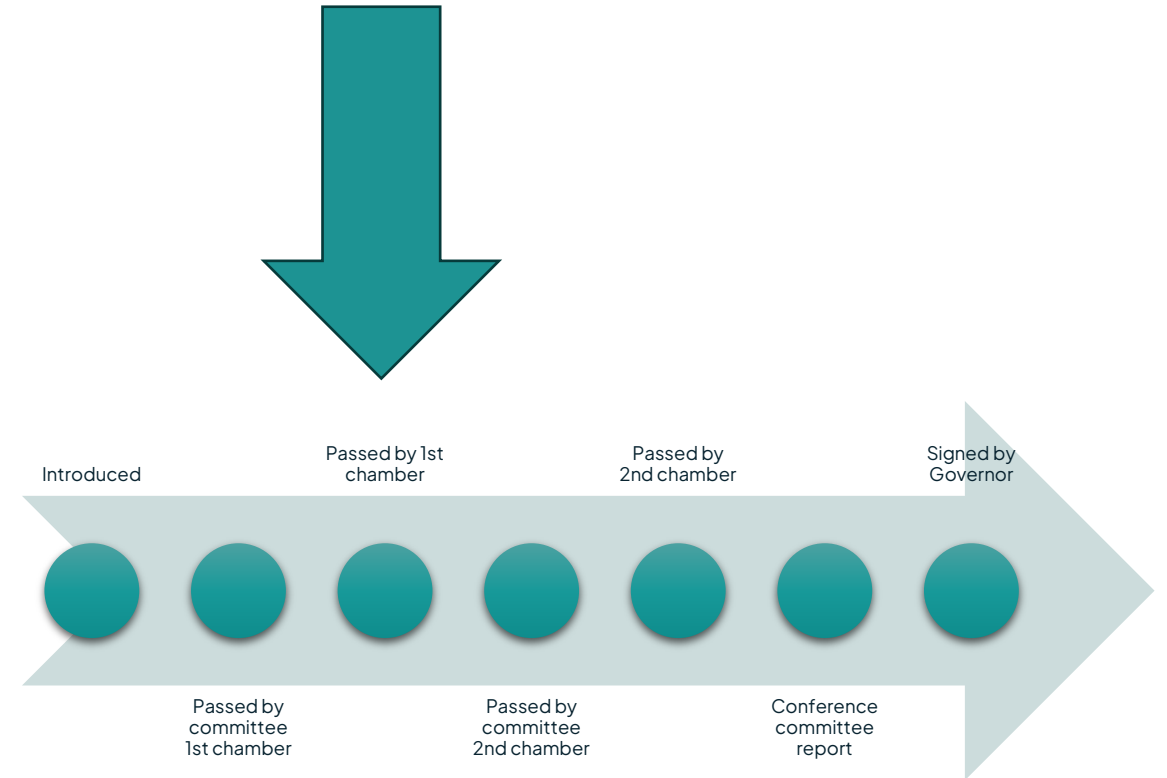
# House Bill 2

- BA increase of \$220
- 40% (from 30%) of gain for compensation increases
- Significant bump in small / mid-sized allotments
- Transition to new special education formula
- Combining of current-law hold harmless provisions, netting post 2022 formula increases against them
- New fine arts, property insurance allotments



# Senate Bill 26

- Teacher Retention Allotment:
  - 5,000 students or less:
    - \$5,000 per teacher for 3 – < 5 years experience
    - \$10,000 per teacher for 5 or more years of experience
  - 5,001 students or more:
    - \$2,500 per teacher for 3 – < 5 years of experience
    - \$5,500 per teacher for 5 or more
  - Floor amendment allows districts that grow beyond 5,000 students to maintain higher funding.



# Senate Bill 26

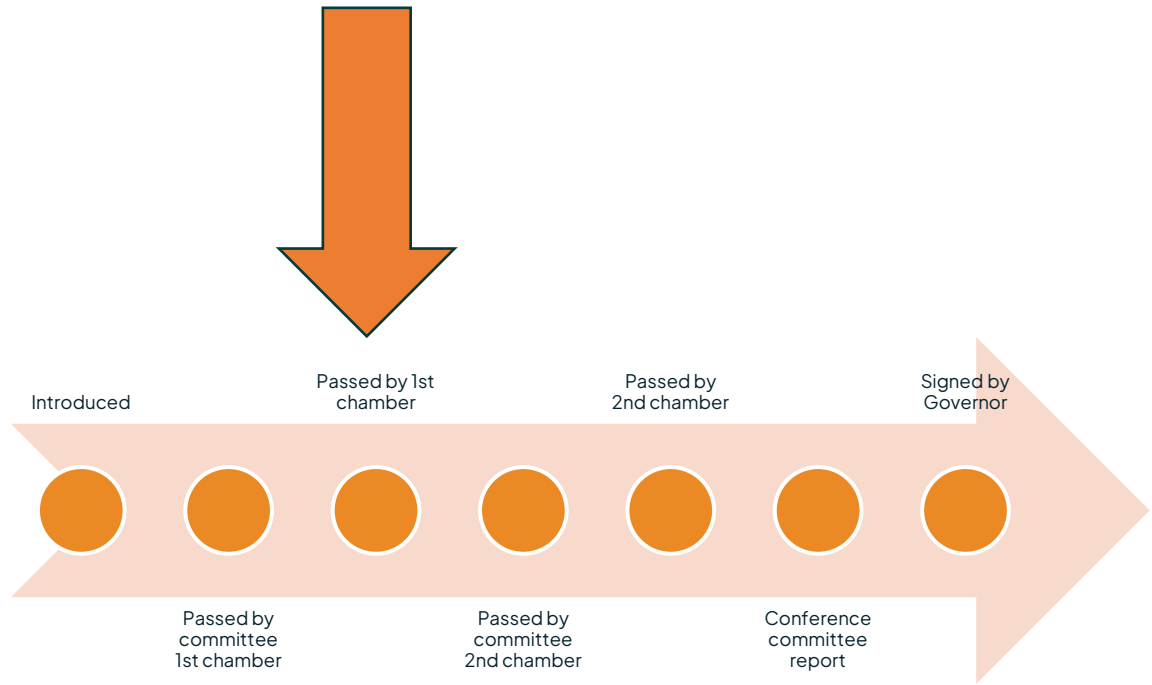
- Increases in Teacher Incentive Allotment (TIA) Funding
  - New Acknowledged Designation
  - Increases for each current designation (except for national board certification)
  - New grant program for local optional teacher designation systems
    - Compensation plan based on performance appraisals
    - No across-the-board increases (except for periodic changes to recognize significant inflation)
    - Placement of highly qualified teachers at high needs campuses
- State provision of liability insurance for teachers
- Free prekindergarten for children of classroom teachers
- Committee substitute removes National Board Certification from TIA. Floor amendment grandfathers existing teachers.





# Hold Harmless funding in Senate Bill 4

- Senate Bill 4 as passed by the Senate:
  - Covers debt on which a payment was made prior to 9/1/2023
  - Reduces ASAHE hold harmless funding to the extent that state aid and local I&S taxes exceed the required debt payment



# Special Education

- SB 568 by Bettencourt
  - Moves to an intensity of services-based formula for special education using yet-to-be defined weights and student groups
  - Requires annual board meetings on performance of students in special education
  - Creates an allotment of \$500 per prior-year initial evaluation
  - Reinstates autism and dyslexia grants
  - Creates a grant to support recruitment of special education staff



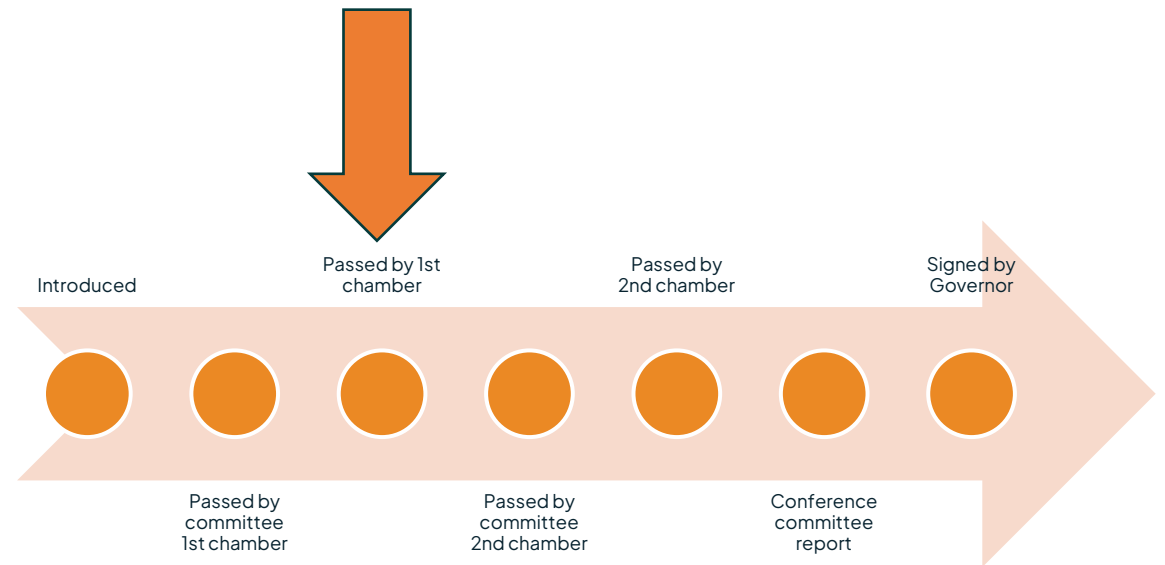
# School Safety

- Senate Bill 260 by Huffman doubles funding to
  - \$20 per ADA and
  - \$30,000 per campus



# Education Savings Accounts: SB 2 by Creighton

- Prioritizes those previously enrolled in a public school with an income less than 500% of poverty guidelines
- Award amounts
  - \$10,000 per student enrolled in a private school;
  - \$11,500 per student with a disability enrolled in a private school; or
  - \$2,000 per homeschooled student
- Norm-referenced assessments required



<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$6,958,766)
2027	(\$1,000,000,000)
2028	(\$2,986,809,893)
2029	(\$3,289,412,933)
2030	(\$3,751,784,702)



# Education Savings Accounts: HB 3 by Buckley

- Some differences between HB 3 and SB 2:
- Priority order:
  1. children with a disability and in families with incomes less than 500 percent of federal poverty guidelines
  2. children in families with incomes less than 200 percent of federal poverty guidelines
  3. Children in families with incomes between 200 and 500 percent of federal poverty guidelines
- ESA amount of 85% of state and local revenue plus TRS on-behalf per ADA plus special education allotment for special education students



# Property Taxation

## **SB 4 (Engrossed)** – passed by Senate 2/13/2025

- Increases Homestead Exemption from \$100,000 to \$140,000
- Effective with Tax Year 2025 (*with voter approval in Nov 2025*)
  
- Changes FSP Hold Harmless Aid Provisions



# Property Taxes

## HB 8 (Meyer)

Reduces MCRs by extra \$0.0331 for 2025-26 school year

- In addition to current law compression (already included in the appropriations bills)



# Property Taxes

## HB 9 (Meyer)

Raises the property tax exemption for income-producing business personal property from \$2,500 to \$250,000

- Effective for Tax Year 2025
- Subject to voter approval in November 2025





# Bond Elections & VATREs

- Bond Election Date
  - November uniform date (HB 1519 [Schofield], HB 2736 [Cain], SB 533 [Sparks])
  - November uniform date in even-numbered years (HB 2672 [Toth])
- Bond Supermajority
  - 60 percent (HB 2574 [Harrison])
  - 2/3 of voters voting (HB 2736 [Cain])
- VATRE Supermajority
  - 60 percent (HB 217 [Harrison])



# Bond Elections–Ballot Language

- HB 829 (Harrison): Bold and size 42 font

**“THIS IS A PROPERTY TAX INCREASE.”**



# Bond Elections & VATREs

- Electioneering
  - No use of public funds for anything except election notice (HB 919 [Harrison])
  - Equal money to opposition for factual communication (HB 2889 [Isaac])
- Current debt rate (SB 1453 [Bettencourt]): Rate that would provide the *minimum dollar amount required to be paid* to service debt
- TEA database of information about bonds, taxes, and bond projects (HB 2053 [Buckley], SB 843 [Kolkhorst])
- Elimination of disaster pennies for school districts (HB 763 [Cain], HB 1131 [Oliverson], SB 1449 [Bettencourt])
- No disaster pennies after a failed VATRE that year (SB 1502 [Bettencourt])



# Governance

- Prohibition of Taxpayer-Funded Lobbying
  - SB 19 (Middleton), HB 3257 (Olcott) (with exceptions)
  - HB 309 (Leo-Wilson), HB 1189 (Troxclair), HB 1294 (Patterson), SB 239 (Middleton)
  - HB 571 (Cain), HB 671 (Shaheen) (with exceptions)
  - HB 755 (Spiller) (allowed if approved by majority in open meeting)
- Investments
  - Only authorized investment pool managed by comptroller or Texas Treasury Safekeeping Trust Company (SB 404 [Middleton])



# Child Nutrition

- SB 314 (Hughes), HB 1290 (Harris Davila): Substances prohibited in free and reduced-price meals:
  - brominated vegetable oil (BVO)
  - potassium bromate
  - propylparaben
  - azodicarbonamide
  - butylated hydroxyanisole (BHA)
  - red dye 3
  - titanium dioxide





center for  
**school  
finance**  
by tasbo