



Public Hearing 2026 Budget

June 9, 2025

Spring Branch Independent School District

Budget Critical Factors

- Net State Funding – determined by the Texas Legislature
- Inflation – does state funding keep up?
- Compensation – more than 85% of total expenditure, and compensation in public education is a competitive disadvantage when compared to industry outside public education
- Enrollment and property taxes/values – basis for state funding
- Taxable property values and tax rates for the debt service fund



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State Funding and the 89th Legislative Session

- Senate Bill 2 – Education Savings Accounts – in effect 26/27 school year
- Senate Bill 4 – Property Taxation
 - HSE change from \$100,000 - \$140,000 (vote Nov 2025)
- Senate Bill 23 – Property Taxation
 - HSE for >65/disabled change from \$10,000 - \$60,000 (vote Nov 2025)



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State Funding and the 89th Legislative Session

- House Bill 2 – Public Education Funding – Governor signed 6/4/25
 - \$8.5 billion in “new public education funding”
 - Touted as largest single increase in state history
 - Largely targeted with required spending



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State Funding and the 89th Legislative Session

- House Bill 2 – Public Education Funding
 - Raises for most teachers
 - \$2,500 – 3/4 year teachers; \$5,000 for 5 or more years
 - Allotment for other staff raises excluding administrators
 - \$45 per regular program ADA – excludes ADA for CTE/Special Ed
 - Basic Allotment increase of \$55
 - Freeze on guaranteed yield on golden pennies



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State Funding and the 89th Legislative Session

- House Bill 2 – Public Education Funding
 - Allotment for basic costs
 - \$106 per enrolled student to help with certain fixed costs
 - Overhaul of special education funding formula
 - Change to intensity formula versus the current FTE formula will occur in 26/27
 - New \$1,000 initial evaluation allotment will occur in 25/26



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State Funding and the 89th Legislative Session

- House Bill 2 – Public Education Funding
 - School safety allotment increase
 - From \$10 to \$20 per ADA and from \$15,000 to \$33,540 per campus
 - Adjustments to early education allotment to account for second half of day for PK



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Inflation

SBISD cost increases over the six years ending June 30, 2025

- 24.2 % Liability insurance
- 9.5% Utilities
- 8.4% Food
- 5.7% Motor vehicle fuel

No increase in the basic allotment since 2019



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Employee Compensation

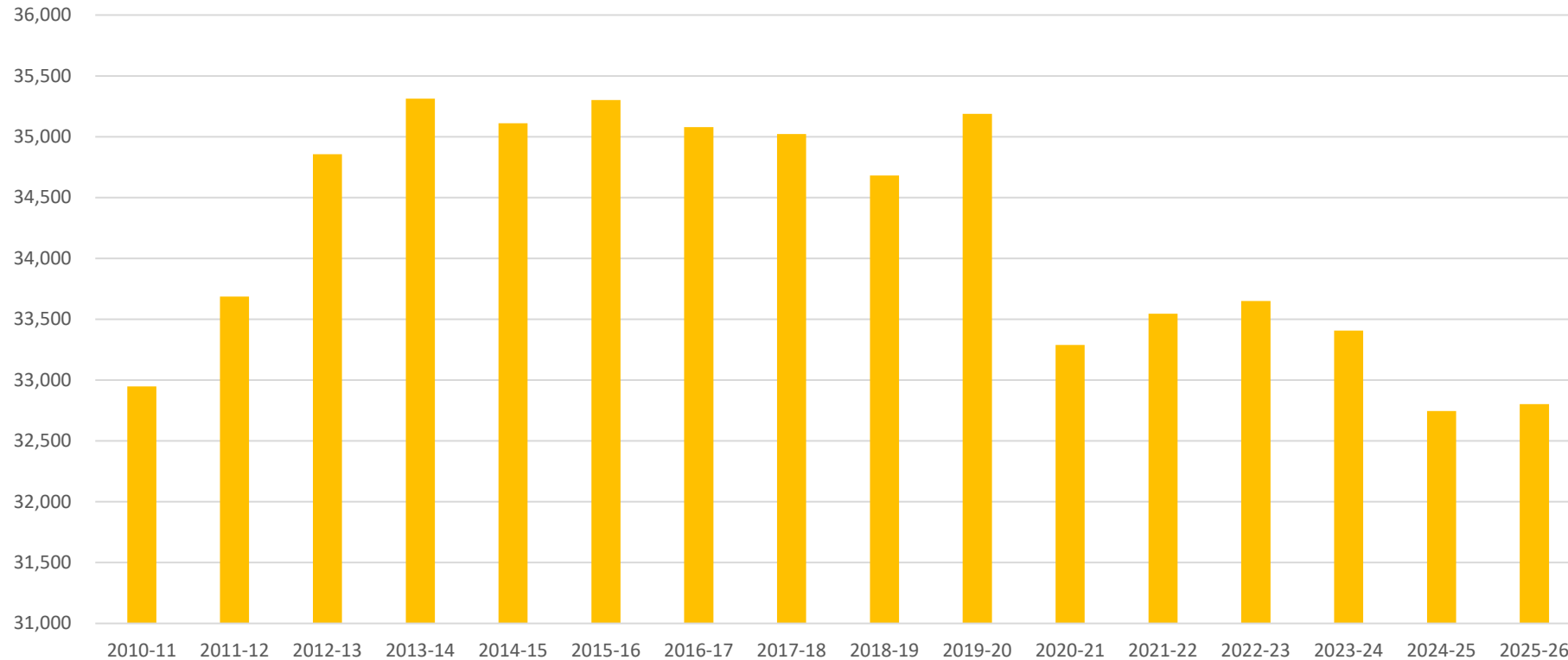
- 89th Legislature school funding 'headline' is a \$5,000 per year pay increase for Teachers with 5 or more years experience; \$2,500 per year pay increase for Teachers with 3- or 4-years experience
- SBISD overall compensation increase will be determined when legislation becomes law and TEA application of the law is provided



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Enrollment History

PEIMS Snapshot Data With 2025-26 Projection



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General Fund

Revenue Assumptions

- Using current law
- 4.5% increase in property value to \$44.6 billion
 - HCAD certified estimate, accuracy +/- 5%
- Preliminary M&O tax rate of \$0.7187 compared to \$0.7719 in FY 2025
- \$2.3 million decrease in total revenues less recapture
 - \$ 13.9 million decrease in tax revenue
 - \$ 1.1 million increase in state funding
 - \$ 12.9 million decrease in recapture
 - \$ 2.4 million decrease in all other revenues combined



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General Fund

Expenditure Priorities

- Sustain academic priorities while moderating deficit spending and maintaining an adequate fund balance
- Fund compensatory accelerated instruction to support at risk students, a TEC 29.081(b) requirement



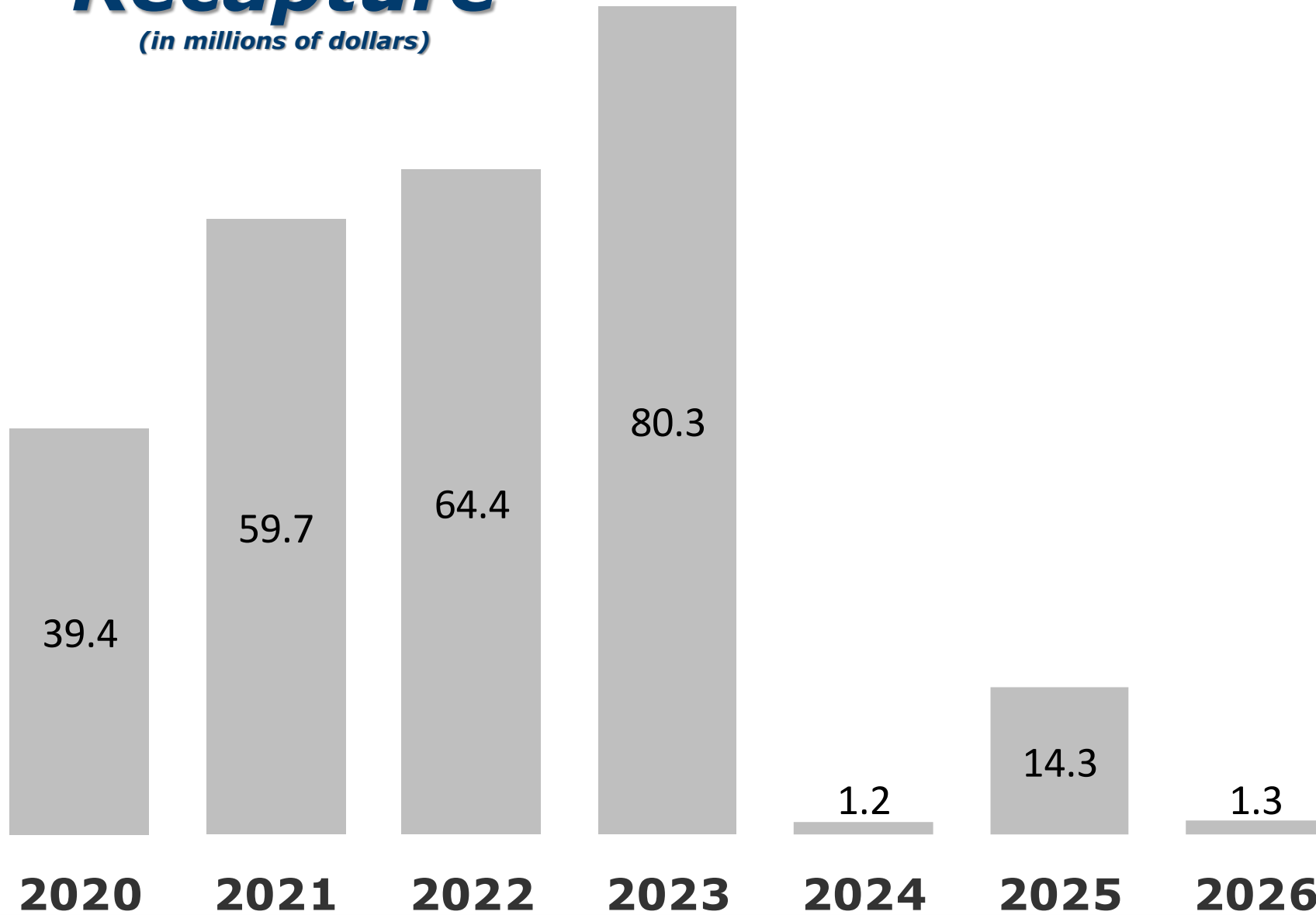
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General Fund Budget

	<u>Adjusted FY25 Budget</u>	<u>Preliminary FY26 Budget</u>
Tax Revenue	\$ 292,580,910	\$ 278,667,215
State Funding	27,436,855	28,572,414
Other Revenue	41,389,318	38,883,600
Recapture	(14,286,263)	(1,344,222)
Total Revenues Less Recapture	<u>347,120,820</u>	<u>344,779,007</u>
 Payroll Costs	 312,251,074	 317,255,462
Contract Services/Supplies/Other Operating	56,743,830	52,595,331
Debt Service	-	-
Capital Outlay	1,363,394	271,000
Total Expenditures	<u>370,358,298</u>	<u>370,121,793</u>
 Other Sources(Uses)	 <u>50,000</u>	 <u>50,000</u>
 Change in Fund Balance	 <u>\$ (23,187,478)</u>	 <u>\$ (25,292,786)</u>
 Ending Fund Balance	 <u>\$ 99,749,136</u>	 <u>\$ 74,456,350</u>

Recapture

(in millions of dollars)



Actual amounts for FY2020 – 2024 and projected amounts for FY2025 and FY2026

Debt Service Assumptions

- Tax rate remains at \$0.3045
- \$5.4 million revenue increase primarily due to value growth
- Issuance of debt under the 2017, 2022, and 2025 bond authorizations is planned for August 2025 along with a bond refunding



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Debt Service Fund Budget

	<u>Adjusted FY25 Budget</u>	<u>Preliminary FY26 Budget</u>
Tax Revenue	\$ 121,774,928	\$ 126,789,000
Other Revenue	<u>7,654,313</u>	<u>7,992,000</u>
Total Revenues	<u>129,429,241</u>	<u>134,781,000</u>
Debt Service	<u>128,218,940</u>	<u>134,298,048</u>
Total Expenditures	<u>128,218,940</u>	<u>134,298,048</u>
Increase/(Decrease) in Fund Balance	<u>\$ 1,210,301</u>	<u>\$ 482,952</u>
Ending Fund Balance	<u>\$ 34,899,583</u>	<u>\$ 35,382,535</u>

Taxable Property Values

<u>Fiscal Year</u>		<u>Property Values</u>	<u>% Increase</u>
2026	*	44,644,194,713	4.47%
2025		42,735,855,288	2.54%
2024		41,677,445,959	4.96%
2023		39,707,138,233	7.80%
2022		36,835,716,132	2.33%

* Certified Estimate from Harris Central Appraisal District



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Tax Rate History

<u>Fiscal Year</u>		<u>Maintenance and Operations</u>	<u>Interest and Sinking</u>	<u>Total</u>
2026	*	0.71870	0.30450	1.02320
2025		0.77190	0.30450	1.07640
2024		0.77440	0.30450	1.07890
2023		0.96430	0.30450	1.26880
2022		0.99980	0.30450	1.30430

* Preliminary



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FY 2026 Budget Calendar

Sept 2024 – April 2025

February 18, 2025

April 30, 2025

May 28, 2025

June 9, 2025

June 23, 2025

June 23, 2025

July 25, 2025

August 1, 2025

August 30, 2025

September 29, 2025

Internal Budget Development

Board approval of enrollment projections

Certified Estimated Taxable Values from HCAD

Notice published in newspaper for Public Hearing

Public Hearing on FY 2026 Budget

Board approval of the FY 2026 Budget

Board approval of the FY 2025 Final Amended Budget

Certified Estimated Taxable Values updated by HCAD

TEA provides Maximum Compressed Tax Rate - M&O

Certified Taxable Values expected from HCAD

Adoption of Tax Rate



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Approval of FY2026 Budget

- Budget Approval at the June 23, 2025 Board Meeting
- Anticipated Maximum Tax Rate
 - Maintenance and Operations \$0.7187
 - Interest and Sinking \$0.3045
- Tax Rate Adoption at the September 29, 2025 Board Meeting



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Public Hearing

FY 2026 Preliminary Budget

Spring Branch ISD

www.springbranchisd.com

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