



BUDGET UPDATE

JUNE 2, 2025

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Agenda

Legislative update

Compensation update

General Fund, Food Service, &
Debt Service budgets

Calendar and next steps



LEGISLATIVE ACTION DEADLINES

- **May 28:** Last day for the House to vote out SB/SJR. Last day for the Senate to consider all bills/JRs.
- **June 2:** Sine Die
- **June 22:** Last day governor can sign or veto bills passed.

CAN A BILL BECOME LAW WITHOUT THE GOVERNOR'S SIGNATURE?

- The Governor has 10 days (not counting Sundays) to return the bill to the Legislature with objection. If after 10 days the bill is not returned to the Legislature by the Governor with objections, the bill becomes law as if the Governor had signed it.
- House Bill 2 was sent to the Governor's desk on 5/29, which means the bill could become law by 6/11 even if not signed; Moak & Casey stated that there was no concern of HB2 not becoming law.

HOUSE BILL 2 (HB2)- SCHOOL FINANCE

Bill: HB 2

Legislative Session: 89(R)

Author: Buckley



Legend

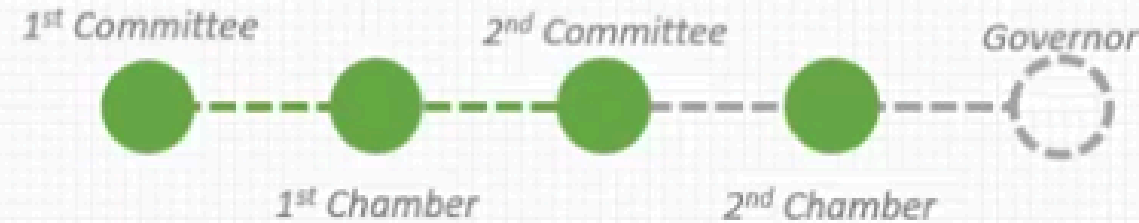
- Indicates bill passed stage
- Indicates bill has not reached stage
- Indicates bill failed to complete stage

MAJOR LEGISLATIVE CHANGES IN HB2 SCHOOL FINANCE BILL SINCE MAY 6TH BOARD MEETING

MAJOR CHANGES

- BASIC ALLOTMENT INCREASE OF \$55 IS **NOT A NET FUNDING INCREASE**. IN ESSENCE, THE HOUSE'S VERSION TO SIGNIFICANTLY INCREASE BASIC ALLOTMENT WAS ELIMINATED.
- THE SENATE'S VERSION OF REQUIRED RAISES FOR TEACHERS WITH 3-4 AND 5+ YEARS OF EXPERIENCE AND NON-ADMIN STAFF WAS THE LARGEST COMPONENT OF THE BILL

HB2 - SCHOOL FINANCE



As Passed to 3rd Reading



By Rep. Buckley

\$8.5 billion in new state spending:

- **\$4.2 billion** for teacher and staff pay raises
- **\$1.2 billion** in Allotment for Basic Costs (ABC) to assist districts with expenses like insurance, utilities, and TRS contributions
- Nearly **\$2 billion** to update special education formulas, etc.
- **\$430 million** for school safety

HB2 - SCHOOL FINANCE

	House Version	Senate Version
Basic Allotment	<p>The bill would increase the basic allotment to \$6,555 (\$395 increase)</p> <p>The bill pays for \$55 of that basic allotment increase by reallocating current law tier II funding increases.</p>	<p>The bill would increase the basic allotment to \$6,215 (\$55 increase)</p> <p>The bill pays for \$55 of that basic allotment increase by reallocating current law tier II funding increases.</p> <p>Creates a new Allotment for Basic Costs of \$106 for student enrolled</p>

HB2 - SCHOOL FINANCE - POSITIVES

- **INCREASES FOR TEACHER RAISES**
- **INCREASES FOR UNDERFUNDED SCHOOL SAFETY**
- **INCREASES FOR UNDERFUNDED SPECIAL ED ASSESSMENTS AND SERVICES**
- **INCREASES FOR NON-ADMIN/NON-TEACHER STAFF**
- **INCREASES FOR OFFSETS TO INSURANCE, UTILITIES, DISTRICT TRS COSTS**

HB2 SCHOOL FINANCE BILL - CONCERNS

- THE GOVERNOR HAS NOT OFFICIALLY SIGNED THE BILL INTO LAW
- MYRIAD COMPONENTS OF THE BILL HAVE NOT BEEN DEFINED
- RULES WILL NOT BE HANDED DOWN BY THE COMMISSIONER UNTIL THE FALL
- DISTRICTS ARE REQUIRED TO ADOPT BUDGETS BY 6/30 & COMPLY WITH THE LAW BY ITS EFFECTIVE DATE OF 9/1

BUDGET REDUCTION UPDATE

BOARD APPROVED DEFICIT 04.07.25	\$2,482,188
BOARD REMOVED HIGHLANDS LAND SALE FROM CONSIDERATION 05.06.25	1,200,000
ADJUSTED BUDGET DEFICIT 06.02.25	\$3,682,188
Note: Includes 2% General Pay Increase; Does not include HB2	

2025-26 BUDGET SCENARIOS

2025-26 Budget Scenarios - for Illustrative Purposes Only

		2025-26 Scenario A (Current Law)	2025-26 Scenario B (HB2 signed by governor)
1	Projected Revenues	\$ 253,149,415	\$ 253,149,415
2	Estimated Expenditures (includes reductions)	(264,915,940)	(264,915,940)
3	Additional reductions of 55 positions	-	-
4	Pay Increase	(4,200,000)	(8,865,112)
5	TF from Capital Projects and Worker's Comp (EST ONLY)*	12,284,337	12,284,337
6	Revenues Over/(Under) Expenditures	(3,682,188)	(8,347,300)
7	Legislative funding increases (NOT GUARANTEED)	-	12,100,000
8	Revenues Over/(Under) Expenditures	(3,682,188)	3,752,700
9	Estimated Fund Balance 6/30/25	89,000,000	89,000,000
10	Estimated Fund Balance 6/30/26	85,317,812	92,752,700
11	Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,278,985	68,445,263

*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

Scenario A: was recommended by Board on 3/24/25; 2% General Pay Increase

Scenario B: HB2 adopted with understanding these are estimates; Teachers receive raises according to bill, all others receive 2%

2026-27 BUDGET SCENARIOS

Future Budget Scenarios - for Illustrative Purposes Only

		2025-26 Scenario A (HB2 not signed)**	2026-27 Scenario 1 (HB2 not signed)
1	Projected Revenues	\$ 253,149,415	\$ 253,149,415
2	Estimated Expenditures (includes reductions)	(264,915,940)	(269,115,940)
3	Additional reductions of 55 positions	-	
4	Pay Increase***	(4,200,000)	(4,284,000)
5	TF from Capital Projects and Worker's Comp (EST ONLY)*	12,284,337	4,000,000
6	Revenues Over/(Under) Expenditures	(3,682,188)	(16,250,525)
7	Legislative funding increases (NOT GUARANTEED)	-	-
8	Revenues Over/(Under) Expenditures	(3,682,188)	(16,250,525)
9	Estimated Fund Balance 6/30/25	89,000,000	85,317,812
10	Estimated Fund Balance 6/30/26	85,317,812	69,067,286
11	Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,278,985	68,349,985

*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

**Scenario A for 2025-26 was recommended by Board on 3/24/25

***2% General Pay Increase in Scenario 1 for all

2026-27 BUDGET SCENARIOS

Future Budget Scenarios - **for Illustrative Purposes Only**

		2025-26 Scenario B (HB2 signed by governor)**	2026-27 Scenario 2 (HB2 signed by governor)***
1	Projected Revenues	\$ 253,149,415	\$ 253,149,415
2	Estimated Expenditures (includes reductions)	(264,915,940)	(273,781,052)
3	Additional reductions of 55 positions	-	
4	Pay Increase***	(8,865,112)	(4,410,000)
5	TF from Capital Projects and Worker's Comp (EST ONLY)*	12,284,337	4,000,000
6	Revenues Over/(Under) Expenditures	(8,347,300)	(21,041,637)
7	Legislative funding increases (NOT GUARANTEED)	12,100,000	12,100,000
8	Revenues Over/(Under) Expenditures	3,752,700	(8,941,637)
9	Estimated Fund Balance 6/30/25	89,000,000	92,752,700
10	Estimated Fund Balance 6/30/26	92,752,700	83,811,062
11	Fund Balance Policy CE(LOCAL) 3 months' Exp Required	68,445,263	69,547,763
	*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.		
	**Scenario B: HB2 adopted with understanding these are estimates; Teachers receive raises according to bill, all others receive 2%		
	***Scenario 2: 2% General Pay Increase		

COMPENSATION PLAN OPTIONS

- **OPTION 1** - Adopt compensation plan as originally presented in May with 2% general pay increase for all; HB2 becomes law, teacher pay can be adjusted to comply with bill & accompanying budget amendment be presented to the board
- **OPTION 2** - Adopt compensation plan fully incorporating provisions of HB2 prior to bill officially becoming law

CALENDAR

2025-2026 BUDGET CALENDAR

	DATE	DESCRIPTION	ACTIVITY
JUNE	2	Board Agenda Item: Board Budget Update	Board Action: Approve 2024 Compensation Plan - notify TASB; General Fund, Debt Service, and Food Service
	6	Publish Notice of Public Hearing	Publish Notice of Public Hearing at least 10 days prior to public hearing
	11	TASB	Send employee data/pay plans in Excel and Pay system procedure revisions (so HR has time to enter in teams by 6/17/24 for payroll trials.)
	17	HR to enter Compensation Plan in TEAMS	HR to have Compensation Plan data entered into TEAMS for Payroll trials.
	19	Public Hearing & Adoption of Budget	Board Action: The district will hold a public hearing on the proposed 2025-26 budget and Board will consider budget adoption
	22	Last Day for Governor to Sign or Veto Bills	



COMPENSATION 2025-2026



MODEL 1: 2% INCREASE

- Starting teacher pay would increase from \$63,500 to \$64,475.
- Equity adjustments are applied if certain groups are significantly below market midpoint.
- Total cost for a 2% increase is **\$4,163,545.**

GOOSE CREEK CISD

Estimated Costs of Recommendations

These estimates are based on employee pay data collected at the beginning of the pay study and are reflective of a snapshot in time.

Goose Creek CISD

Summary of Cost Estimates, 2025-2026

Model 1

2.0% GPI

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2024-2025 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$64,475 starting salary	1,612		\$2,225,410		\$110,660,445
^{1c} General pay increase - 2.0% (\$1,375)		1,612	\$2,225,410	2.0%	
Administrative/Professional					
Administrative/Professional	384		\$745,305		\$34,416,594
^{1b} General pay increase - 2.0% of pay range midpoint		384	\$723,084	2.1%	
Adjustments - teacher pay equity		16	\$22,221	0.1%	
Clerical/Paraprofessional					
Clerical/Paraprofessional	754		\$516,256		\$20,962,108
^{1c} General pay increase - 2.0% of pay range midpoint		740	\$446,035	2.1%	
General pay increase - 2.0% to employees over range max		14	\$7,446	0.0%	
Adjustments - 1.0% above pay range minimum		8	\$400	0.0%	
Adjustments - placement scale		175	\$62,375	0.3%	
Manual Trades					
Manual Trades	765		\$565,076		\$21,236,012
^{1c} General pay increase - 2.0% of pay range midpoint		754	\$464,269	2.2%	
General pay increase - 2.0% to employees over range max		11	\$4,132	0.0%	
Adjustments - 1.0% above pay range minimum		1	\$312	0.0%	
Adjustments - placement scale		385	\$96,363	0.5%	
Police					
Police	53		\$111,498		\$2,043,410
^{1c} General pay increase - 2.0% of pay range midpoint		52	\$44,107	2.2%	
General pay increase - 2.0% to employees over range max		1	\$790	0.0%	
Adjustments - 1.0% above pay range minimum		2	\$4,512	0.2%	
Adjustments - placement scale		19	\$62,089	3.0%	
Subtotal - General Pay Increase	3,568	3,568	\$3,915,273	2.1%	
Subtotal - Implementation/Equity Adjustments		606	\$248,272	0.1%	
Total Cost Estimate			\$4,163,545	2.2%	\$189,318,569

Footnotes:

^{1b} Pay increases were applied to all employees, including those at or above the maximum rate.

^{1c} Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.

HB2 - SCHOOL FINANCE

	House Version	Senate Version
Compensation Increases	<p>Would spend \$3.35 billion biennially and require districts to pass along 40% of revenue gain as salary/compensation increases</p> <p>75% for salary increases to teachers, counselors, librarians, and nurses</p> <p>25% to other non administrative employees</p>	<p>Spends around \$4.2 billion biennially to provide uniform pay increases for classroom teachers.</p> <p>Districts with enrollment of 5,000 or less</p> <ul style="list-style-type: none">• Three to four years of experience - \$4,000• Five or more years of experience - \$8,000 <p>Districts with enrollment of 5,001 or more</p> <ul style="list-style-type: none">• Three to four years of experience - \$2,500• Five or more years of experience - \$5,000 <p>Adds new support staff retention allotment of \$45 per ADA (+small/mid adj) for non-teacher, non-admin full-time and part-time positions.</p>

COMPENSATION FOR HB2

- There are spend requirements for teachers with 3-4 years experience (\$2500).
- There are spend requirements for teachers with +5 years experience (\$5000).
- There are spend requirements for non-teacher, non-admin (\$45 per ADA or about ~\$969,525)

YEARS OF EXPERIENCE-TEACHERS

Number of Teachers by Years of Experience	
0 - 2 years	186*
3 - 4 years	179
5 + years	1,052
Total	1,417

TEACHERS AND HB2

- Teachers at 3-4 years and +5 years will surpass the 2% pay raise with HB 2 funds.
- Teachers at 0-2 years will receive a 2% raise pending board approval (not funded)
- GCCISD has approximately 186 teachers at 0-2 years of experience.
- Estimated cost to District is **\$255,750.**

HB 2 ESTIMATED TEACHER ADJUSTED PAY RAISE

Years of Experience	New Hire Salary	Raise Amount	New Salary	% Increase
0*	\$63,500.00	\$1,375	\$64,875.00	2.17%
1*	\$63,900.00	\$1,375	\$65,275.00	2.15%
2*	\$64,300.00	\$1,375	\$65,675.00	2.14%
3	\$64,700.00	\$2,500	\$67,200.00	3.86%
4	\$65,100.00	\$2,500	\$67,600.00	3.84%
5	\$65,500.00	\$5,000	\$70,500.00	7.63%
6	\$65,900.00	\$5,000	\$70,900.00	7.59%
7	\$66,350.00	\$5,000	\$71,350.00	7.54%
8	\$66,850.00	\$5,000	\$71,850.00	7.48%
9	\$67,350.00	\$5,000	\$72,350.00	7.42%
10	\$67,875.00	\$5,000	\$72,875.00	7.37%
11	\$68,400.00	\$5,000	\$73,400.00	7.31%
12	\$68,900.00	\$5,000	\$73,900.00	7.26%
13	\$69,350.00	\$5,000	\$74,350.00	7.21%
14	\$69,800.00	\$5,000	\$74,800.00	7.16%
15	\$70,250.00	\$5,000	\$75,250.00	7.12%
16	\$70,700.00	\$5,000	\$75,700.00	7.07%

Years of Experience	New Hire Salary	Raise Amount	New Salary	% Increase
17	\$71,150.00	\$5,000	\$76,150.00	7.03%
18	\$71,556.00	\$5,000	\$76,556.00	6.99%
19	\$71,960.00	\$5,000	\$76,960.00	6.95%
20	\$72,320.00	\$5,000	\$77,320.00	6.91%
21	\$72,680.00	\$5,000	\$77,680.00	6.88%
22	\$73,030.00	\$5,000	\$78,030.00	6.85%
23	\$73,380.00	\$5,000	\$78,380.00	6.81%
24	\$73,730.00	\$5,000	\$78,730.00	6.78%
25	\$74,082.00	\$5,000	\$79,082.00	6.75%
26	\$74,462.00	\$5,000	\$79,462.00	6.71%
27	\$75,062.00	\$5,000	\$80,062.00	6.66%
28	\$75,662.00	\$5,000	\$80,662.00	6.61%
29	\$76,262.00	\$5,000	\$81,262.00	6.56%
30	\$76,862.00	\$5,000	\$81,862.00	6.51%
31+	\$77,462.00	\$5,000	\$82,462.00	6.45%

NON-TEACHER NON-ADMIN AND HB 2

- HB 2 provides \$45 per ADA for non-teacher, non-administrator
- This equates to ~\$969,525 for GCCISD.
 - 21,545 students x \$45
- A 2% pay increase for these positions is estimated at \$1,192,830
- Estimated Cost to District is **\$223,305**

ROUGH ESTIMATE ON COMPENSATION HB 2

- If the Board approves a 2% pay increase AND HB 2 is signed into law, then the following provides a rough cost estimate:
- Teachers = \$255,750 (no funding for 0-2)
- Non-teachers, non-admin = \$223,305
- Administrators = \$745,305 (no funding)
- Equity Adjustments = \$500,000 (doubled the equity adjustments from 2% GPI)
- Rough Estimate: **\$1,724,360**

COMPLICATIONS WITH HB 2

- There are several positions that do not align with the definition of a “classroom teacher” as outlined in Texas Education Code §5.001.
- The positions identified are:
 - Early Childhood Brain Development Coach
 - Librarian
 - Media Specialist
 - Nurse
 - SCE Teaching and Learning Coach
 - Title I Teaching and Learning Coach
 - Specialist - Student-Parent-Family Engagement
 - Athletic Trainer (would qualify if they teach classes for 4 hours each day)
 - Technology Integration Specialist

Thank you!

