

Hallsville Independent School District

For the Consideration of the Board of Trustees

Date of Board Meeting: August 18, 2025

Agenda Item#: _____

Topic: Approval of 2025-2026 Budget

Background and Rationale:

2025-26 Budgets presented for approval for the following funds:

- General Fund
- Debt Service Fund
- Food Service Fund
- State Compensatory Education

Relationship to Strategic Plan:

Personnel Affected:

Budget Implications:


- ☐ Included in this year's budget
- ☐ Amendment of this year's budget required
- ☐ Increase in this year's budget required
- ☒ Expenditures required for next year's budget

Recommendation:

The Administration recommends the approval of the 2025-26 budgets, as presented, for the funds listed.



Signature
(Person Bringing Information to the Board)



Superintendent's Signature

2025 Tax Rate Calculation Worksheet

School Districts without Chapter 313 and JETI Agreements

42-HALLSVILLE ISD (2025)

311 Willow St., Hallsville, TX 75650

(903) 668-5990

www.hisd.com

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue tax rate and voter approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall submit the rates to the governing body by August 7 or as soon thereafter as practicable. Tax Code Section 26.04(e-1) does not require school districts to certify tax rate calculations or comply with certain Tax Code notice requirements. School districts are required to provide notice regarding tax rate calculations pursuant to Education Code Chapter 44.

This worksheet is for school districts without Tax Code Chapter 313 or Government Code Chapter 403, Subchapter T, Texas Jobs, Energy, Technology, and Innovation Act (JETI) agreements only. School districts that have a Chapter 313 or JETI agreement should use Comptroller Form 50-884 Tax Rate Calculation Worksheet, School Districts with Chapter 313 and JETI Agreements.

Water districts as defined under Water Code Section 49.001(1) do not use this form. Use Comptroller Form 50-858 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts or Comptroller Form 50-860 Developed Water District Voter-Approval Tax Rate Worksheet.

All other taxing units should use Comptroller Form 50-856 Tax Rate Calculation, Taxing Units Other Than School Districts or Water Districts. The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The Texas Education Agency (TEA) provides detailed information on and guidance to school districts in calculating their tax rates. Please review and rely on information provided by TEA when completing this worksheet. Additionally, the information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The no-new-revenue (NNR) tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue if applied to the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude one-fourth and one-third over-appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2). ¹ Tex. Tax Code § 26.012(14)	\$3,337,463,911
2.	Prior year tax ceilings. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ² Tex. Tax Code § 26.012(14)	\$185,427,737
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$3,152,036,174
4.	Prior year total adopted tax rate.	0.77820000
5.	Prior year taxable value lost because court appeals of ARB decisions reduced prior year appraised value. <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">A. Original prior year ARB values:</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$22,389,280</div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">B. Prior year values resulting from final court decisions:</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$7,818,217</div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">C. Prior year value loss. Subtract B from A. ³ Tex. Tax Code § 26.012(14)</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$14,571,063</div> </div>	
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25. <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">A. Prior year ARB certified value:</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$9,531,218</div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">B. Prior year disputed value:</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$2,194,124</div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="border: 1px solid black; padding: 2px;">C. Prior year value loss. Subtract B from A. ⁴ Tex. Tax Code § 26.012(13)</div> <div style="border: 1px solid black; padding: 2px; margin-left: 10px;">\$7,337,094</div> </div>	
7.	Prior year Chapter 42-related adjusted values. Add Line 5 and 6.	\$21,908,157
8.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$3,173,944,331
9.	Prior year taxable value of property in territory the school deannexed after Jan. 1, of the prior year. Enter the prior year value of property in deannexed territory. ⁵ Tex. Tax Code § 26.012(15)	\$0

Texas Comptroller of Public Accounts

Form 50-859

Line	No-New Revenue Tax Rate Worksheet	Amount/Rate
10.	<p>Prior year taxable value lost because property first qualified for an exemption in the current year. If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport goods-in-transit, or temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value.</p> <p>A. Absolute exemptions. Use prior year market value <u>\$720,792</u></p> <p>B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: <u>\$28,139,303</u></p> <p>C. Value loss. Add A and B. ⁶ Tex. Tax Code § 26.012(15) <u>\$28,860,095</u></p>	
11.	<p>Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified in the current year for the first time; do not use properties that qualified in the prior year.</p> <p>A. Prior year market value.: <u>\$3,458,260</u></p> <p>B. Current year productivity or special appraised value: <u>\$121,870</u></p> <p>C. Value loss. Subtract B from A ⁷ Tex. Tax Code § 26.012(15) <u>\$3,336,390</u></p>	
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C. <u>\$32,196,485</u>	
13.	Adjusted prior year taxable value. Subtract Line 12 from Line 8. <u>\$3,141,747,846</u>	
14.	Adjusted prior year total levy. Multiply Line 4 by Line 13 and divide by \$100. <u>\$24,449,082</u>	
15.	<p>Taxes refunded for years preceding tax year prior year. Enter the amount of taxes refunded by the district for tax years preceding tax year the prior year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ⁸ Tex. Tax Code § 26.012(13)</p> <p style="text-align: right;"><u>\$167,336.00</u></p>	
16.	<p>Adjusted prior year levy with refunds. Add Line 14 and Line 15. ⁹ Tex. Tax Code § 26.012(13) <u>\$24,616,418</u></p> <p>Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of taxes the governing body dedicated to the junior college district in the prior year from the result.</p>	
17.	<p>Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 19). These homesteads include homeowners age 65 or older or disabled. ¹⁰ Tex. Tax Code §§ 26.012, 26.04(c-2)</p> <p>A. Certified values. ¹¹ Tex. Tax Code § 26.012(6) <u>\$3,316,691,283</u></p> <p>B. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: <u>\$0</u></p> <p>C. Total current year value. Subtract B from A. <u>\$3,316,691,283</u></p>	

Texas Comptroller of Public Accounts

Form 50-859

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
18.	<p>Total value of properties under protest or not included on certified appraisal roll ^{12 Tex. Tax Code § 26.01(c) and (d)}</p> <p>A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ^{13 Tex. Tax Code § 26.01(c)}</p> <p style="text-align: right;">\$103,107,199</p> <p>B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value not on the roll. ^{14 Tex. Tax Code § 26.01(d)}</p> <p style="text-align: right;">\$0</p> <p>C. Total value under protest or not certified. Add A and B.</p> <p style="text-align: right;">\$103,107,199</p>	
19.	Current year tax ceilings. Enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ^{15 Tex. Tax Code § 26.012(6)(B)}	\$120,812,629
20.	Current year total taxable value. Add Lines 17C and 18C. Subtract Line 19.	\$3,298,985,853
21.	Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed by the school district.	\$0
22.	Total current year taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1, of the prior year, and be located in a new improvement.	\$36,412,232
23.	Total adjustments to the current year taxable value. Add lines 21 and 22.	\$36,412,232
24.	Adjusted current year taxable value. Subtract line 23 from line 20.	\$3,262,573,621
25.	Current year NNR tax rate. Divide line 16 by line 24 and multiply by \$100.	0.75450919

Texas Comptroller of Public Accounts Form 50-859

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. Most school districts calculate a voter-approval tax rate that is split into three separate rates. ^{18 Tex. Tax Code §26.08(n)}

1. Maximum Compressed Tax Rate (MCR): A district's maximum compressed tax rate is defined as the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment. ^{19 Tex. Edu. Code §48.2651(a)(3)}

2. Enrichment Tax Rate (DTR): ^{20 Tex. Tax Code §28.08(j) and Tex. Edu. Code §45.0032} A district's enrichment tax rate is defined as any tax effort in excess of the district's MCR and less than \$0.17. The enrichment tax rate is divided into golden pennies and copper pennies. School districts can claim up to 8 golden pennies, not subject to compression, and 9 copper pennies which are subject to compression with any increases in the guaranteed yield. ^{21 Tex. Edu. Code §§48.202(a-1)(2) and 48.202(f)}

3. Debt Rate: The debt rate includes the debt service necessary to pay the school district's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue. ^{22 Tex. Edu. Code §45.0021(a)} The MCR and DTR added together make up the school district's maintenance and operations (M&O) tax rate. Districts cannot increase the district's M&O tax rate to create a surplus in M&O tax revenue for the purpose of paying the district's debt service.

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate (disaster pennies) in the calculation this year. This adjustment will be made in Section 4 of this worksheet.

A district must complete an efficiency audit before seeking voter approval to adopt a M&O tax rate higher than the calculated M&O tax rate, hold an open meeting to discuss the results of the audit, and post the results of the audit on the district's website 30 days prior to the election. ²³ Additionally, a school district located in an area declared a disaster by the governor may adopt a M&O tax rate higher than the calculated M&O tax rate during the two-year period following the date of the declaration without conducting an efficiency audit. ^{24 Tex. Edu. Code §11.184(b-1)}

Districts should review information from TEA when calculating their voter-approval tax rate.

Line	Voter-Approval Tax Rate Activity	Amount/Rate
26.	Current year maximum compressed tax rate (MCR). TEA will publish compression rates based on district and statewide property value growth. Enter the school districts' maximum compressed rate based on guidance from TEA. ^{25 Tex. Edu. Code §§48.255, 48.2551(b)(1) and (b)(2)}	0.63220000
27.	Current year enrichment tax rate. Enter the greater of A and B. ^{26 Tex. Tax Code §26.08(n)(2)} A. Enter the district's prior year enrichment tax rate, minus any required reduction under Education Code Section 48.202(f) B. Enter \$.05 per \$100 of taxable value	0.05000000 0.05000000
28.	Current year maintenance and operations (M&O) tax rate. Add Lines 26 and 27. Note: M&O tax rate may not exceed the sum of \$0.17 and the product of the state compression percentage multiplied by \$1.00. ^{27 Tex. Edu. Code §45.003e}	0.68220000
29.	Total current year debt to be paid with property tax revenue. Debt means the interest and principal that will be paid on debts that: (1) Are paid by property taxes, (2) Are secured by property taxes, (3) Are scheduled for payment over a period longer than one year, and (4) Are not classified in the school district's budget as M&O expenses. A. Debt includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. ^{28 Tex. Tax Code § 26.012(7)} Enter debt amount B. Subtract unencumbered fund amount used to reduce total debt. C. Subtract state aid received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program. D. Adjust debt: Subtract B and C from A.	\$8,561,375 \$0 \$4,760,536 \$3,800,839
30.	Certified prior year excess debt collections. Enter the amount certified by the collector. ^{29 Tex. Tax Code §§26.012(10) and 26.04(b)}	\$0
31.	Adjusted current year debt. Subtract line 30 from line 29D.	\$3,800,839
32.	Current year anticipated collection rate. If the anticipated rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ^{30 Tex. Tax Code §§26.04(h), (h-1) and (h-2)} A. Enter the current year anticipated collection rate certified by the collector. ^{31 Tex. Tax Code §26.04(b)} B. Enter the 2024 actual collection rate C. Enter the 2023 actual collection rate D. Enter the 2022 actual collection rate	97.60% 97.69% 97.41% 98.00%
33.	Current year debt adjusted for collections. Divide Line 31 by Line 32. Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, add the amount of taxes the governing body proposes to dedicate to the junior college district in the current year to the result.	97.60% \$3,894,302
34.	Current year total taxable value. Enter the amount on Line 20 of the No-New-Revenue Tax Rate Worksheet.	\$3,298,985,853
35.	Current year debt rate. Divide Line 33 by Line 34 and multiply by \$100.	0.11804544
36.	Current year voter-approval tax rate. Add Lines 28 and 35 If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system's abolition to the sum of Lines 28 and 35. ^{32 Tex. Tax Code §26.08(g)}	0.80024544

SECTION 3: Voter-Approval Rate Adjustment for Pollution Control

A school district may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The school district's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The school district must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a school district that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
37.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ^{33 Tex. Tax Code § 26.045(d)} The school district shall provide its tax assessor with a copy of the letter. ^{34 Tex. Tax Code § 26.045(i)}	\$0
38.	Current year total taxable value. Enter the amount on Line 20 of the No-New-Revenue Tax Rate Worksheet.	\$3,298,985,853
39.	Additional rate for pollution control. Divide line 37 by line 38 and multiply by \$100.	0.00000000
40.	Current year voter-approval tax rate, adjusted for pollution control. Add line 36 and 39	0.80024544

SECTION 4: Voter-Approval Tax Rate Adjustment in Year Following Disaster

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(c), the school district may not consider the amount by which it exceeded its voter-approval tax rate in the calculation this year. ^{35 Tex. Tax Code § 26.042(f) and Tex. Edu. Code § 45.0032(d)} As such, it must reduce its voter-approval tax rate for the current tax year.

This section applies to a school district in a disaster area that adopts a tax rate greater than its voter-approval tax rate without holding an election in the prior year, as provided for by Tax Code Section 26.042(e).

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
41.	Prior year adopted tax rate. Enter the rate in Line 4 of the No-New-Revenue Tax Rate Worksheet.	0.77820000
42.	Prior voter-approval tax rate. If the school district adopted a tax rate above the prior year voter-approval tax rate without holding an election due to a disaster, enter the voter-approval tax rate from the prior year's worksheet.	0.00000000
43.	Increase in the prior year tax rate due to disaster (disaster pennies). Subtract Line 42 from Line 41.	0.77820000
44.	Current year voter-approval tax rate, adjusted for prior year disaster. Subtract Line 43 from one of the following lines (as applicable): Line 36 or Line 40 (school districts with pollution control).	0.00000000

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue Tax Rate

0.75450919

Enter the current year NNR tax rate from Line 25.

Voter-Approval Tax Rate

As applicable, enter the current year voter-approval tax rate from Line 36, Line 40 or Line 44. Indicate the line number used: (Line 36 Used for TNT Calculations)

0.80024544

SECTION 6: School District Representative Name and Signature

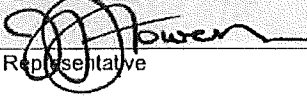
Enter the name of the person preparing the tax rate as authorized by the governing body of the school district. By signing below, you certify that you are the designated officer or employee of the school district and have calculated the tax rates in accordance with requirements in Tax Code and Education Code. ³⁶ Tex. Tax Code §26.04(c)

print
here**J. L. FLOWERS**

Printed Name of Taxing Unit Representative

sign
here

Tax Unit Representative

Date 8/5/2025For more information, visit our website: comptroller.texas.gov/taxes/property-tax

50-859 2-25/12