Hallsville Independent School District

Public Meeting to Discuss Budget & Proposed Tax Rates

August 17, 2026

2026-2027

HALLSVILLE ISD
2026-2027 PROPOSED TAX RATES SUMMARY

Assumptions used for Tax Rate and Budget Calculation:
Brick & Mortar ADA of 4,385.958 (94.5% of 4,641.225 projected enrollment)
TVAH ADA of 24,146.929
Certified 2026 Taxable Values = $3,374,805,374; 1.7522% higher than 2025 values of $3,316,691,283.
Budgeted Tax Collections based on 98.5% Collections

Property Tax Rates:		Proposed 2026-27		Adopted 2025-26		Proposed Increase(Decrease)
Maintenance & Operations Fund (M&O)						
Tier I (Statutorily set and approved by TEA)	$	0.6254	$	0.6322	$	(0.0068)
Tier II	$	0.0500	$	0.0500	$	-
Total M&O Tax Rate	$	0.6754	$	0.6822	$	(0.0068)
Interest & Sinking Fund (I&S)	$	0.0950	$	0.0950	$	-
Total Tax Rates (per $100 of taxable value):	$	0.7704	$	0.7772	$	(0.0068)

Hallsville ISD
District Property Values and State Funding Lag
For the years ending August 31, 2019-2027

Required Discussion on Property Value Lag **New Law to Old Law Comparison**	Historical 2018-19	Historical 2019-20	Historical 2020-21	Historical 2021-22	Historical 2022-23	Historical 2023-24	Historical 2024-25	Historical 2025-26	Under Prior Law Proposed 2025-26	Under HB3 Law Proposed 2025-26
Property Values used for Local Collections (LCPV)	$ 2,534,538,151	$ 2,655,218,346	$ 2,729,647,672	$ 2,798,087,552	$ 3,098,205,655	$ 3,336,047,859	$ 3,377,992,810	$ 3,316,691,583	$ 3,374,805,374	$ 3,374,805,374
	(2018 values used)	(2019 values used)	(2020 values used)	(2021 values used)	(2022 values used)	(2023 values used)	(2024 values used)	(2025 values used)	(2025 values used)	(2026 values used)
M & O Tax Rate	$ 1.04	$ 0.97	$ 0.9664	$ 0.9610	$ 0.8914	$ 0.6832	$ 0.6832	$ 0.6822	$ 1.0400	$ 0.6754
Collection Rate (98% assumed for comparison)	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Local Collections (LCPV * M&O Tax Rate/100* Coll Rate)	$ 25,832,013	$ 25,240,506	$ 25,851,729	$ 26,351,829	$ 27,065,057	$ 22,336,041	$ 22,616,878	$ 22,173,941	$ 34,396,016	$ 22,337,567
Property Value used for State Calculations (SCPV)	$ 2,587,728,756	$ 2,655,218,346	$ 2,729,647,672	$ 2,798,087,552	$ 3,098,205,655	$ 3,336,047,859	$ 3,377,992,810	$ 3,316,691,283	$ 3,316,691,283	$ 3,374,805,374
	(2017 values used)	(2019 values used)	(2020 values used)	(2021 values used)	(2022 values used)	(2023 values used)	(2024 values used)	(2025 values used)	(2025 values used)	(2026 values used)
Local Share of Tier 1 FSP (SCPV/100)	$ 25,877,288	$ 26,552,183	$ 27,296,477	$ 27,980,876	$ 30,982,057	$ 33,360,479	$ 33,779,928	$ 33,166,913	$ 33,166,913	$ 33,748,054
	Prior to HB3 Law	Under HB3 Law	Under HB3 Law	Under HB3 Law	Under HB3 Law	Under HB3 Law	Under HB3 Law	Under HB3 Law	Under 2019 HB3 Law	Under HB3 Law

Note: Due to passage of HB3 School Finance Bill on 6/11/19, Current Year Property Values will be used for State Funding Calculations, rather than the Prior Year Values, as have been used previously. This is illustrated in far right column.

Two major effects seen by this change in law for State calculations:

1. This tables illustrates the State's priority to reduce local property taxes, as seen in the $0.3646 M&O tax rate compression since 2018-19
2. The last two columns illustrates the effect that using current year property values has in calculating local/state share. By using the current values, local share increases since property values increased from last year. This results in decreased State funding by approximately $581,141, when compared to the lower local share calculated Pre HB3 law.

Hallsville Independent School District
Proposed 2026-2027 Debt Service Fund Budget

		Debt Service Fund
	Revenues by Major Function	
5700	Local Revenues	3,367,974
5800	State Revenues	5,800,000
5900	Federal Revenues	-
	Total Revenues	**9,167,974**
71	Debt Service	10,566,500
	Total Expenditures	**10,566,500**
	Revenues Over/(Under) Expenditures	**(1,398,526)**
	Projected Fund Balance at 8/31/26	3,357,252
	Plus: Proposed 2026-27 Deficit (from above)	(1,398,526)
	Projected 2026-27 Fund Balance at 8/31/27	**1,958,726**

Hallsville Independent School District
Proposed 2026-2027 Food Service Budget

		Food Service Fund
	Revenues by Major Function	
5700	Local Revenues	627,000
5800	State Revenues	12,500
5900	Federal Revenues	1,550,000
	Total Revenues	**2,189,500**
35	Food Service	2,598,704
	Total Expenditures	**2,598,704**
	Revenues Over/(Under) Expenditures	**(409,204)**
	Projected Fund Balance at 8/31/26	882,760
	Plus: Proposed 2026-27 Deficit (from above)	(409,204)
	Projected 2026-27 Fund Balance at 8/31/27	**473,556**

Hallsville Independent School District
Proposed 2026-2027 General Fund Budget

This budget proposal includes the following: Regular Step Increases before any proposed raise, with 2% raise, approved incentive amounts, $472/mth insurance contribution & $272,500 in Contingencies (0.29% of Brick/Mortar Budget).

Revenues by Major Function	2026-27 General Fund		Virtual School	General Fund 2026-27 Proposed Total	General Fund 2025-26 (as of 8/17) Revised Budget	Difference 2026-27 to 2025-26	Notes
5700 Local Revenues	25,416,534		19,617,895	45,034,429	41,361,817	3,672,612	See Year-to-Year Revenue Comparison
5800 State Revenues	24,812,670		252,020,115	276,832,785	253,522,295	23,310,490	See Year-to-Year Revenue Comparison
5900 Federal Revenues	34,200		-	34,200	34,200	0	See Year-to-Year Revenue Comparison
7900 Other Sources	1,005,000		-	1,005,000	1,005,000	0	GASB 87/96 Offsetting Entries
Total Revenues	**51,268,404**		**271,638,010**	**322,906,414**	**295,923,312**	**26,983,102**	
Expenditures by Major Function	**Regular Non-Salary**	**Non-Virtual Salaries**	**Virtual School**	**General Fund Total**	**Revised Budget**	**Difference 2026-27 to 2025-26**	
11 Instruction	5,981,197	35,243,464	252,020,115	293,244,776	267,651,575	25,593,200	Teacher/Para step increases included; Virtual School enrollment cap increased in 26-27 from 25-26, to 30,000 from 24,500, which accounts for most all of the difference.
12 Instructional Resources And Media	225,336	689,206	-	914,542	886,374	28,168	
13 Curr & Instr Staff Development	189,860	-	-	189,860	189,860	0	
21 Instructional Leadership	221,929	1,205,040	38,419	1,465,387	1,704,941	(239,554)	Some positions funded through 41 in CY, due to realignment of positions and duties for new year.
23 School Administration	478,353	3,750,707	-	4,229,060	3,887,568	341,492	
31 Guidance, Counseling & Evaluation	281,792	1,238,922	22,000	1,542,714	1,489,142	53,572	
32 Social Work Services	12,573	93,635	-	106,208	104,469	1,739	
33 Health Services	148,449	746,187	-	894,636	856,412	38,224	
34 Student (Pupil) Transportation	1,590,750	1,820,563	-	3,411,313	4,600,825	(1,189,512)	PY included purchase of 10 buses.
35 Food Service	7,500	-	-	7,500	7,500	0	
36 Extracurricular Activities	1,598,193	761,817	-	2,360,010	2,316,898	43,112	
41 General Administration	1,284,123	1,551,891	2,411,644	5,247,658	4,463,822	783,836	Increase in TVAH personnel with enrollment increase to 30,000 and more positions funded in function 41 instead of 21 in CY.
51 Facilities Maint & Operations	11,165,513	3,941,148	-	15,106,661	11,433,804	3,672,857	Increase in Special maintenance projects included-see details below
52 Security & Monitoring Services	351,310	991,962	-	1,343,272	1,347,903	(4,631)	
53 Data Processing Services	1,323,980	615,732	1,143	1,940,855	1,879,419	61,436	
61 Community Services	275	-	-	275	275	0	
71 Debt Service	1,233,760	-	-	1,233,760	1,515,000	(281,240)	Decrease in monthly fleet lease payments, as more vehicles reach lease terms.
81 Facilities Acquisitions	16,100,000	11,435	-	16,111,435	7,540,000	8,571,435	Carried forward 25-26 projects and New Construction/Renovation Fund Balance Projects all listed below.
99 Other Governmental Charges	600,000	-	-	600,000	578,000	22,000	Increased HCAD services fees for appraisal for 25-26

Hallsville Independent School District
Proposed 2026-2027 General Fund Budget

This budget proposal includes the following: Regular Step Increases before any proposed raise, with 2% raise, approved incentive amounts, $472/mth insurance contribution & $272,500 in Contingencies (0.29% of Brick/Mortar Budget).

Total Expenditures	*42,794,893*	*52,661,707*	*254,493,321*	**349,949,922**	**312,453,787**	**(37,496,135)**
Revenues Over/(Under) Expenditures				**$ (27,043,508)**	**(16,530,475)**	**(10,513,033)**

Total Projected Deficit with Approved Compensation Plan & Maintenance Projects (outlined below)

Required Minimum Fund Balance (20% of Total Expenditures)	19,091,320
2025-26 Audited Beginning Fund Balance	59,796,523
Projected 2025-26 Decrease to Fund Balance	(5,724,138)
Projected Ending 2025-26 Fund Balance	54,072,385
2026-27 Projected Fund Balance Decrease (from above)	(27,043,508)
Projected Ending 2026-27 Fund Balance	**$ 27,028,877**
Projected 2026-27 Fund Balance in Excess of 20% Requirement	7,937,557

Proposed 2026-27 Fund Balance Line Items included:

2026-27 Approved Compensation Package	$ 5,876,721.00	2% Raise + $472/mth insurance contribution + higher incentive option
Maintenance Projects	$ 5,241,300.00	Proposed Preventative Maintenance Projects/Upgrades
JH Athletic Complex	6,250,000.00	Work/Balance carried forward from 2025-26
HS Covered Practice Field	8,000,000	Based on Architect's Project Estimate
Bus Barn Phase 1	1,350,000	Remaining work/balance carried forward from 2025-26
Bus Barn Phase 2 & Operations Paving	500,000	Repaint Existing structure & operations parking repairs
Total Deficit related to Fund Balance Items:	**$ 27,218,021**	

Hallsville Independent School District
Proposed 2026-2027 State Comp Ed Budget

	Revenues by Major Function	State Comp Ed Local	State Comp Ed TVAH	Total State Comp Ed
5800	State Revenues	3,009,980	17,122,558	20,132,538
	Total Revenues	**3,009,980**	**17,122,558**	**20,132,538**
11	Instruction	1,960,706	9,417,407	11,378,113
21	Instructional Leadership	-	1,000	1,000
23	School Administration	5,293	-	5,293
31	Guidance, Counseling & Evaluation	4,000	-	4,000
32	Social Work Services	74,357	-	74,357
33	Health Services	44,485	-	44,485
	Total Expenditures	**2,088,841**	**9,418,407**	**11,507,248**
	Revenues Over/(Under) Expenditures	**921,139**	**7,704,151**	**8,625,290**
	Percent of SCE Allocation Budgeted			57.16%

Section 29.081(b-2) of the Education Code requires school districts to identify and budget funds to provide for accelerated instruction to students that have failed to perform satisfactorily on an end-of-course assessment. Included in this budget for adoption are funds for that purpose.

Compensatory Education Allotment no longer requires that school districts spend a specific percentage of the total SCE allotment on students identified to be academically at-risk.
This budget accounts for maintaining and tracking around a 55% level of spending for that student population.

Hallsville Independent School District
Proposed 2026-2027 Budget

	Revenues by Major Function	2026-27 General Fund		Food Service Fund	Debt Service Fund	2026-27 Proposed Total
5700	**Local Revenues**	45,034,429		627,000	3,367,974	49,029,403
5800	State Revenues	276,832,785		12,500	5,800,000	282,645,285
5900	Federal Revenues	34,200		1,550,000	-	1,584,200
7900	Other Sources	1,005,000		-	-	1,005,000
	Total Revenues	**322,906,414**		**2,189,500**	**9,167,974**	**334,263,888**
		Non-Salary	**Salary**			
11	**Instruction**	258,001,312	35,243,464	-	-	293,244,776
12	Instructional Resources And Media	225,336	689,206	-	-	914,542
13	Curr & Instr Staff Development	189,860	-	-	-	189,860
21	Instructional Leadership	227,429	1,237,958	-	-	1,465,387
23	School Administration	478,353	3,750,707	-	-	4,229,060
31	Guidance, Counseling & Evaluation	303,792	1,238,922	-	-	1,542,714
32	Social Work Services	12,573	93,635	-	-	106,208
33	Health Services	148,449	746,187	-	-	894,636
34	Student (Pupil) Transportation	1,590,750	1,820,563	-	-	3,411,313
35	Food Service	7,500	-	2,598,704	-	2,606,204
36	Extracurricular Activities	1,598,193	761,817	-	-	2,360,010
41	General Administration	1,404,123	3,843,535	-	-	5,247,658
51	Facilities Maint & Operations	11,165,513	3,941,148	-	-	15,106,661
52	Security & Monitoring Services	351,310	991,962	-	-	1,343,272
53	Data Processing Services	1,323,980	616,875	-	-	1,940,855
61	Community Services	275	-	-	-	275
71	Debt Service	1,233,760	-	-	10,566,500	11,800,260
81	Facilities Acquisition & Construction	16,100,000	11,435	-	-	16,111,435
99	Other Governmental Charges	600,000	-	-	-	600,000
		294,962,508	54,987,413			
	Total Expenditures	**349,949,922**		**2,598,704**	**10,566,500**	**363,115,126**
	Revenues Over/(Under) Expenditures	**(27,043,508)**		**(409,204)**	**(1,398,526)**	**(28,851,238)**

Template Assumptions:

2026-27 Proposed budget built on Refined ADA of 28,532.887 (4,385.958 Brick & Mortar/24,146.929 TVAH)

	General Fund	Debt Service Fund
Local revenue:		
M & O Taxes*	22,751,534	
Interest & Penalties collected	240,000	
I & S Taxes	-	3,217,974
Athletic Events	150,000	
Interest income	2,000,000	150,000
Region 7 Head Start Teacher/Asst/SuperNet	95,000	
K-12 Virtual School-8% Oversight fee	17,020,495	
K-12 Virtual School-Salaries Funding	2,597,400	
Other Misc Local Sources	100,000	
Transfer student fees	80,000	
	45,034,429	3,367,974
State revenue:		
FSP - Brick & Mortar	18,412,727	
FSP - Virtual School	240,158,071	
ASF - Brick & Mortar	2,649,943	
ASF - Virtual School	11,862,044	
Existing Debt Allotment	-	5,800,000.00
On-Behalf	3,750,000	
	276,832,785	5,800,000.00
Federal revenue:		
E-Rate (Cable Internet Contract related)	34,200	
	34,200	

* 98.5% Collection on HCAD Taxable Value