



Northside Independent School District

Business and Finance

June 10, 2025



Legislative Update

89th Legislature Update

- ❖ School Vouchers
- ❖ THC and medical marijuana
- ❖ The state lottery and gambling
- ❖ Religion in Schools
- ❖ Laws pertaining to gender identification
- ❖ Vaccines
- ❖ Property tax cuts
- ❖ Diversity, Equity, and Inclusion in K-12 Schools



House Bill 2: School Finance

HB 2 School Finance Summary

- ❖ Increase basic allotment to \$6,215 (\$55 increase from \$6,160)
 - ❖ That \$55 basic allotment increase is paid by reallocating current law tier II funding increases (not a true increase of new money)
- ❖ Compensation increases for non-administrators (allotments)
- ❖ New allotment for basic costs at \$106 for student enrolled
- ❖ Repeals spending requirement for state compensatory education funds

HB 2 Summary – listing of allotments

Existing Allotments

- ❖ Regular Program
- ❖ Special Education
- ❖ Dyslexia
- ❖ State Compensatory Education
- ❖ Bilingual
- ❖ Career & Technical Education
- ❖ Early Education
- ❖ College, Career & Military Readiness
- ❖ Gifted and Talented
- ❖ Teacher Incentive Allotment
- ❖ Transportation
- ❖ New Instructional Facilities
- ❖ Dropout Recovery
- ❖ College Prep
- ❖ School Safety
- ❖ Industry Certification

New Allotments

- ❖ Special Education Evaluation Allotment
- ❖ Early Literacy Intervention Allotment
- ❖ Support Staff Allotment
- ❖ Teacher Retention Allotment
- ❖ Allotment for Basic Costs

HB 2 New Funding/Supplanting

New Funding:

- ❖ Salary increases for teachers and support staff (non-administrators)
- ❖ Allotment for basic costs
- ❖ Additional funding for previously unfunded mandates

Supplanting:

- ❖ When program funding increases and the district is already spending above required spending, funding is freed up to be used for another purpose

2025-26 Budget Assumptions

	2023-24 Final	2024-25 Estimate	2025-26 Projections
Refined ADA	93,398	91,813	91,000
Membership	99,749	98,196	97,300
Attendance Percentage	93.2%	93.5%	93.5%
Regular Program ADA	83,512	82,475	81,397

Refined ADA (Average Daily Attendance) is calculated by dividing the total eligible days present for students by the number of days taught.

Regular Program ADA (Average Daily Attendance) To calculate a district's regular education program allotment, the district's BA is multiplied by the district's number of students in ADA who are not receiving SPED services or in a career and technology instructional arrangement.

Membership is a subset of enrollment, specifically counting students who are enrolled and actively attending, as defined by the two-hour attendance requirement or participation in alternative attendance programs.

HB2 Allotment for Basic Costs

New allotment for basic costs is based on \$106 for student enrolled. Money allocated under this section may only be used to pay costs associated with:

- ❖ Transportation;
- ❖ Hiring retired teachers;
- ❖ Providing health insurance and employee benefits and paying for payroll taxes;
- ❖ Contributions and other costs under Subchapter E, Chapter 25, Government Code;
- ❖ Utilities; and
- ❖ Property and casualty insurance

HB2 Teacher Retention Allotment

- ❖ Funding provided for classroom teachers with 3 or more years of experience
- ❖ Defines classroom teachers using TEC Section 5.001:
 - ❖ An educator who teaches in an instructional setting not less than an average of four hours each day
- ❖ Based on years of experience
 - ❖ 3-4 years = \$2,500
 - ❖ 5+ years = \$5,000
- ❖ Funding for salary increase only
- ❖ Funding does not include district costs for related benefits

HB2 Support Staff Allotment

Salary increase for non-administrative staff including:

- ❖ Teachers not eligible for the teacher retention allotment
- ❖ School counselors
- ❖ Librarians
- ❖ Nurses
- ❖ Custodial staff
- ❖ Food services staff
- ❖ Administrative staff
- ❖ Other allowed staff

Funding provided for support staff salary increases, does not include district costs for related benefits:
\$45 per adjusted average attendance (does not include CTE or Spec Ed ADA)

Not allowed for administrative staff including:

- ❖ Superintendent
- ❖ Assistant superintendent
- ❖ Principal or assistant principal
- ❖ Employee in a centralized supervisory role

Preliminary Calculations for Teacher Retention Allotment

Employee Category	Number of Employees ¹	Estimated cost covered by Teacher Retention Allotment ¹
Teacher		
3+ Years of Teaching: \$2,500 Increase	650	\$1,500,000
5+ Years of Teaching: \$5,000 Increase	5,150	\$25,900,000
Total	5,800	\$27,400,000
<i>District costs for related benefits <u>not</u> covered by Teacher Retention Allotment</i> <i>The Allotment for Basic Costs “ABC” could be used to offset these additional costs.</i>		<i>\$3,000,000</i>

¹ Estimated employee counts and costs

Preliminary Calculations for Support Staff Retention Allotment

Employee Category	Number of Employees ¹	Estimated cost covered by Support Staff Retention Allotment ¹
Support Staff <i>excluding administrators</i>		
Counselors, Nurses, Librarians, and other professional support positions on the salary schedule <i>\$768 increase (average 1.28% increase)</i>	1,900	\$1,400,000
Employees on the midpoint scale and Learning Tree employees <i>average 1.28% increase to the midpoint</i>	4,800	\$2,300,000
Total	6,700	\$3,700,000
<i>District costs for related benefits not covered by Support Staff Retention Allotment</i> <i>The Allotment for Basic Costs “ABC” could be used to offset these additional costs.</i>		<i>\$300,000</i>

¹ Estimated employee counts and costs

Preliminary Calculations for Other Compensation

Employee Category	Number of Employees ¹	Estimated cost <u>not</u> covered by Legislation ¹
Administrators <i>If applied the average 1.28% increase to the midpoint</i>	500	\$675,000
<i>Direct costs for related benefits <u>not</u> covered by Teacher Retention Allotment</i>		\$3,000,000
<i>Direct costs for related benefits <u>not</u> covered by Support Staff Retention Allotment</i>		\$300,000
Total		\$3,975,000

¹ Estimated employee counts and costs



Thank you