



# Gregory-Portland Independent School District

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## BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES  
BRITTNEY SOLIZ SANDOVAL  
DEBORAH GARZA  
DR. MICHAEL NORRIS  
PENNY ARMSTRONG  
DR. WILLIAM STOUT

DATE: Monday, June 15, 2026

SUBJECT: Discuss and Take Possible Action to Approve Voter Approval Tax Rate Election on November 3, 2026

### PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE

N/A

PRIORITY 2: HIGH PERFORMING AND ENGAGED WORKFORCE

N/A

PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT

N/A

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.1 Annually improve operational processes

4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

4.3 Ensure strategic alignment of resources

## BACKGROUND INFORMATION:

Type: Action

### **Purpose and Overview**

The district is currently navigating a significant shift in its taxable value base due to the expiration of major Chapter 313 Value Limitation Agreements, such as the **Corpus Christi Liquefaction project**. While these properties returning to the tax roll at full value increases our local wealth, it also triggers a substantial increase in **recapture payments**, currently projected to reach **\$15 million to \$20 million annually**.

To mitigate this and keep more local dollars within the district, administration is exploring the use of a **Voter-Approval Tax Rate Election (VATRE)**.

### **What is a VATRE?**

A **Voter-Approval Tax Rate Election (VATRE)** is required when a school district seeks to adopt a **Maintenance and Operations (M&O) tax rate** that exceeds the voter-approval rate established under Texas law. Unlike a bond election, a VATRE **does not authorize debt or fund capital projects**. Instead, it provides local voters the opportunity to decide whether the district may adopt an M&O tax rate above the threshold permitted without voter approval.

Following the passage of House Bill 3, school districts across Texas experienced mandatory M&O tax rate compression. As a result, Gregory-Portland ISD's M&O tax rate was reduced by approximately **3.17 "copper pennies" (\$0.0317)**. A successful VATRE would allow the district to **restore and access those compressed pennies**, providing an additional local funding source for district operations.

### **Why Consider a VATRE?**

A VATRE provides an opportunity for the district to strengthen its financial position while maximizing available state funding. For Gregory-Portland ISD, potential benefits include:

- **Generating Additional State Funding:** Restoring the compressed pennies allows the district to access additional Tier II state funding that would otherwise not be available.
- **Helping Offset Recapture:** Additional M&O revenue can assist in managing the district's projected **\$15–\$20 million recapture obligation**, reducing the overall financial impact on local operations.
- **Keeping More Local Resources Available for Students:** Increased operational funding helps preserve local resources for classroom instruction, student programs, safety initiatives, employee compensation, and other district priorities aligned with the Board's strategic goals.

In summary, a VATRE is a local funding mechanism that allows voters to determine whether the district should restore previously compressed tax rate authority in order to maximize state aid, better manage recapture, and provide additional resources to support the educational needs of Gregory-Portland ISD students.

### **Eligibility and Deadlines**

- **Who is Eligible?** The decision rests with the registered voters in G-PISD.
- **Call to Election:** To hold a VATRE on the **November 3, 2026** general election date, the Board must officially call for the election by the **statutory August deadline**.
  - *Note: While the source mentions an "August election deadline", Texas law generally requires a VATRE to be called at least 78 days before the election. For a November 3, 2026 election, this deadline would fall on or around August 17, 2026. You should verify this specific date with legal counsel as it is based on general Texas election law rather than the provided source.*

### **RECOMMENDATION:**

Administration recommends the Board of Trustees authorize a Voter-Approval Tax Rate Election (VATRE) to restore 3.17 compressed copper pennies

### **FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):**

Pending Certified Property Values from County Appraisal District (July 25th)

Projection: Up to \$1,000,000 of additional state-aid

### **BOARD RELATED POLICY:**

CCG (LEGAL)

BAA (LEGAL)

### **ACTION ITEM SUGGESTED MOTION (if applicable):**

That the board make a motion to approve the calling of a Voter-Approval Tax Rate Election (VATRE) to be held on November 3, 2026, for the purpose of restoring the 3.17 compressed copper pennies to the district's Maintenance and Operations tax rate