



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

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

DATE: Monday, July 27, 2026

SUBJECT: Consider Approval of Agreement for the Purchase of Attendance Credit (Option 3 Agreement) and to Delegate the Authority to Obligate the School District under Chapter 49 to the Superintendent

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

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

BACKGROUND INFORMATION:

Type: Action

Pursuant to Texas Education Code (TEC),¹ §§48.257 and 49.004, this letter notifies your district of the determination by the Texas Education Agency (TEA or agency) that your district's Tier One local share

under TEC, §48.256, will exceed the district's entitlement under TEC, §48.266(a)(1), less the district's distribution from the state available school fund, and/or the district's Tier Two local share described by TEC, §48.266(a)(5)(B), will exceed the amount described by TEC, §48.202(a-1)(2), for school year 2025–2026. This allows your district to move forward with preparation for an election under TEC, Chapter 49, if necessary.

The contract must be submitted through the Excess Local Revenue module. To submit the contract through the Excess Local Revenue module, your school board must delegate the authority to obligate the school district under chapter 49 to the superintendent (see below for further instructions) and the superintendent must be the person that submits the contract to TEA via the Excess Local Revenue module. The system will verify the logon id matches the name of the Superintendent in AskTed. If the login id is different, the system will generate a failure message and the system will not allow the contract to be submitted. If the superintendents name is misspelled or if the superintendent has changed, please contact Kim Wall @ kim.wall@tea.texas.gov

-How is a district with excess local revenue identified?

Annually, on or before approximately July 15, the TEA notifies school districts with local revenue estimated to exceed the Tier Two (Level Two) guaranteed yield of \$49.72. As established in TEC, §48.269, determinations of excess local revenue are based on estimates of enrollment for school year 2026–2027 and estimated property values for tax year 2026.

The final determination regarding the payment of excess local revenue (recapture) is based on the district's final enrollment, entitlement and local share under Chapter 48, final state certified property values for tax year 2026, adopted M&O tax rate for tax year 2026, and M&O taxes collections for school year 2026–2027.

In calculating funding under the FSP, if a district's adopted M&O tax rate exceeds the districts maximum allowable tax rate, state aid will be reduced or recapture adjusted in an amount equal to the amount of revenue generated by a school district's tax effort that is in excess of the district's max allowable tax rate.

ESTIMATES

As established in TEC, §48.269, determinations for districts subject to recapture are based on estimates of enrollment for school year 2026–2027 and estimated property values for tax year 2026. Because the agency does not yet have final state certified property values for tax year 2026, the agency is using 2025 state certified property values increased by 3.60%, in accordance with the 2025–2026 General Appropriations Act.

*Note: Each year the district school board must delegate the authority to obligate the school district under chapter 49 to the superintendent. The following language is required to be recorded in the board minutes and the board minutes must be uploaded via the Excess Local Revenue system of the online FSP System. The board minutes do not have to be approved/signed prior to loading the minutes in the Excess Local Revenue module, though please keep a copy on file should the approved/signed copy be

requested. The contract will not be approved via the Excess Local Revenue module without the board minutes delegating authority to the superintendent.

RECOMMENDATION:

For the 2026–2027 school year, we delegate contractual authority to obligate the school district under Texas Education Code (TEC) §11.1511(c)(4) to the superintendent, solely for the purpose of obligating the district under TEC, §48.257 and TEC, Chapter 49, Subchapters A and D, and the rules adopted by the commissioner of education as authorized under TEC, 49.006. This included approval of the Agreement for the Purchase of Attendance Credit or the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding).

FINANCIAL IMPACT:

Based on TEA Estimation: \$397,195

District's Estimate Based on Preliminary Property Values from CAD: \$20,706,030

BOARD RELATED POLICY:

N/A

ACTION ITEM SUGGESTED MOTION (if applicable):

That the board make a motion and accept the recommendation by administration to delegate contractual authority to obligate the school district under Texas Education Code (TEC) §11.1511(c)(4) to the superintendent, solely for the purpose of obligating the district under TEC, §48.257 and TEC, Chapter 49, Subchapters A and D, and the rules adopted by the commissioner of education as authorized under TEC, 49.006, including approval of the agreement for the purchase of attendance credit, the agreement for the purchase of attendance credit (Netting Chapter 48 Funding), or the agreement for the purchase of attendance credit and Netting Chapter 48 Funding.

***Note:** If your district chooses to submit the Option 3 Contract via the Excess Local Revenue subsystem, each school year the district's school board must delegate the authority to obligate the school district under chapter 49 to the superintendent. The following language is required to be recorded in the **board minutes**, and the board minutes must be uploaded via the Excess Local Revenue module of the online FSP System:

"For the 2026–2027 school year, we delegated contractual authority to obligate the school district under Texas Education Code (TEC) §11.1511(c)(4) to the superintendent, solely for the purpose of obligating the district under TEC, §48.257 and TEC, Chapter 49, Subchapters A and D, and the rules adopted by the commissioner of education as authorized under TEC, 49.006. This included approval of the *Agreement for the Purchase of Attendance Credit, the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding)*, or the Agreement for the Purchase of Attendance Credit and Netting Chapter 48 Funding."