Subject: Approved Method to Pay Recapture Tax Revenue to the State of Texas

BACKGROUND INFORMATION

Each year, school districts that fall within statutory funding limits of the Texas Education Code (TEC) are required to reduce their locally collected tax revenue if the excess revenue cannot be netted against other state aid. As part of this process, a school district must delegate to the superintendent the authority to choose an option for reducing excess revenues. Historically, AHISD has chosen the Purchase Attendance Credits which results in a significant annual payment to the state.

Consequences for not complying with state law may include the following outcomes:

1. the district is not permitted to adopt a tax rate for the following school year;
2. the Attorney General opinion required when issuing additional bond debt may be negatively impacted;
3. TEA could label the district as non-compliant resulting in a high-risk designation for extra state and federal monitoring, and
4. the district may be at risk of failing its annual Schools First assessment of financial performance.

Required Motion: I move to approve the following statement…

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* (Netting Chapter 48 Funding) or the *Agreement for Purchase of Attendance Credit and Netting Chapter 48 Funding*.

TEXAS EDUCATION AGENCY: Division of State Funding
Official Notification to districts: 2026-2027 SCHOOL YEAR
Local Revenue in Excess of Entitlement

CDN=015901 DISTRICT NAME=ALAMO HEIGHTS ISD

REPORT 1: TIER ONE EXCESS REVENUE	
(A) Tier One Entitlement	$37,703,170
(B) ASF Allotment	$3,006,130
(C) Estimated 2026 State Certified District Property Value (DPV)*	$8,447,253,542
(D) Tier One Tax Rate	0.6254
(E) Local Fund Assignment = DPV * Tier One Tax Rate / 100	$52,829,124
(F) Tier One Excess Local Revenue = E -(A-B)	$18,132,084
(G) Compressed M&O Tax Collections	$52,469,010
(H) Adjustment for collections if (G-F-(A-B)) < 0	($360,114)
(I) Tier One Excess Local Revenue after adjustment for collections = F+H	$17,771,970
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REPORT 2: TIER TWO LEVEL TWO EXCESS REVENUE	
(A) Tier Two Guaranteed Yield under 48.202(f)	$49.72
(B) Estimated 2026 State Certified District Property Value	$8,447,253,542
(C) Estimated 2026-2027 Chapter 48 WADA	5,485.200
(D) Estimated Chapter 48 2026-2027 local yield per penny per WADA***	$154.00
(E) Tier Two Level Two Entitlement	$0
(F) Tier Two Level Two Local Revenue	$0
(G) If F-E is greater than 0, then Excess Revenue** = F-E	$0

*Note 1: The 2026 DPV is estimated by applying the comptroller growth assumption of 1.036 percent to the 2025 tax year DPV.
**Note 2: Calculated values are estimates until data items are final.
***Note 3: District exceeds Tier Two Guaranteed Yield of $49.72
Run date 9JUL26