



Board of Trustees Agenda Item Information Form

Date Submitted: August 11, 2025

Meeting Type

- ☒ Regular Meeting
☐ Special Meeting/Workshop

Agenda Placement

- ☐ Public Hearing
☐ Executive Session
☐ Recognition
☐ Program Spotlight
☐ Community Input

Code

PH
ES
R
PS
CI

Agenda Placement

- ☐ Administrative Report
☐ Consent Agenda
☒ Action Item
☐ Information/Discussion

Code

AR
CA
AI
ID

Meeting Date: August 25, 2025

District Strategies (Check all that apply):

- ☒ Students and staff will thrive in a secure environment, build connections and community, and become resilient leaders.
☒ Each student will engage in world-class learning experiences that foster curiosity, develop talents, guide exploration, and fuel achievement.
☒ We will cultivate innovation through strategic collaboration and responsive organizational stewardship.

Subject:

Consider Approval of Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding)

Background:

On July 15, 2025, CCISD received notification of local revenue level in excess of entitlement for school year 2025 - 2026. This determination is based on estimates of enrollment for school year 2025 - 2026 and estimated property values for tax year 2025. Basically, our property wealth per WADA yields more per penny than the yield of Tier 2 Level 2 (approximately \$62.06 vs \$49.72). As long as CCISD does not increase our tax rate to the point where we enter Tier 2 Level 2 (maximum compressed tax rate + more than 8 pennies) we will not owe any recapture. CCISD's MCR for 2025 - 2026 is .619 and the proposed tax rate is .699 (MCR + 8 pennies).

Prior to HB 3 CCISD went through a similar process each year (Chapter 41). At that time however, determination for districts subject to recapture provisions were based on final state certified property values for the prior tax year where HB 3 now requires the use of current year property values.

Upon receipt of notification the district must submit by September 1, 2025 the district intent/choice selection form through the Excess Local Revenue module of the Foundation School Program (FSP) system indicating 1) whether the district charges tuition to nonresident students and 2) which option the district intends to exercise to equalize its wealth level for the 2025 - 2026 school year. According to TEC, 49.004(c) the district may not adopt a tax rate for tax year 2025 until the intent/choice form is submitted. The Commissioner of Education then certifies that CCISD has reduced our local revenue level in excess of entitlement to the level established under TEC, 48.257. Under current law a district with local revenue in excess of entitlement has the following five options available to reduce the district's revenue level:

1. Consolidation with another district,
2. Detach property to another district,
3. Purchase attendance credits from the TEA (Option 3),
4. Educate partner district students (Option 4), and/or
5. Tax base consolidation.

CCISD indicated that we do not charge tuition to nonresident students and selected Option 3 when it submitted its intent/choice selection on August 11, 2025.

Districts historically select Option 3. A voter election is required when exercising Option 3 or Option 4. All

districts notified as having a local revenue level in excess of entitlement must hold an election authorizing the purchase of attendance credit under TEC, 49.156. However, provisions in TEC, 48.257(c) allow districts to offset the reduction of excess local revenue against TEC, Chapter 48 funds by submitting an Option 3 netting contract by September 1, 2025.

Although CCISD does not actually pay recapture we must comply with all requirements and steps as though we do, including Board minutes requiring the wording below.

Fiscal Impact Statement

Cost: \$0.00

☐ Recurring

☐ One-Time

Funding Source:

☒ General Fund

☐ Grant Fund

☐ Other Funds (specify)

Fiscal Year: 2025 / 2026

Amendment Required: N/A

☐ Bond Funds (program year): N/A

Superintendent's Recommendation:

It is the recommendation of the Superintendent that the Board of Trustees, for the 2025 - 2026 school year, 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 includes approval of the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding).

Department Submitting Form: Finance

Cabinet Member's Approval: Alice Benzaia