Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

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

DATE: Monday, September 21, 2026

SUBJECT: Discuss and Take Possible Action for Approval of a Resolution relating to establishing the District's intention to reimburse itself for the prior lawful expenditure of funds relating to constructing and equipping various District improvements from the proceeds of tax-exempt obligations to be issued by the District for authorized purposes; authorizing other matters incident and related thereto; and providing an effective date

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE
PRIORTY 2: HIGH PERFORMING AND ENGAGED WORKFORCE
PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT
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
4.4 Annually improve safety and security

BACKGROUND INFORMATION:

Type: Action

Purpose and Recommendation

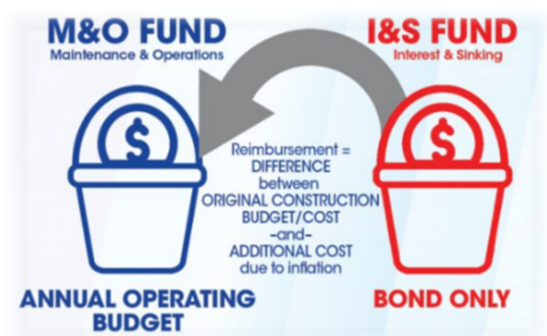
Administration recommends approval of the proposed reimbursement resolution for an amount **not to exceed $21 million** for three District capital projects.

The purpose of the resolution is to preserve the District's ability to reimburse itself for eligible project expenditures that are initially funded from existing District resources, including the Maintenance & Operations (M&O) Fund, should the District receive voter authorization and subsequently issue bonds for these purposes in the future.

What is a Reimbursement Resolution?

A reimbursement resolution is a financial planning tool that allows the District to preserve its ability to recover eligible capital expenditures from future bond proceeds.

In practical terms, eligible projects that **have been, are currently being, or will be initially funded using existing M&O dollars or other available District funds** may potentially be reimbursed from future bond proceeds if a future bond election is approved by voters and bonds are subsequently issued for those authorized purposes.



This allows the District to move forward with previously authorized capital projects using existing resources without necessarily waiting for a future bond issuance.

Importantly, approval of a reimbursement resolution:

- **Does not issue bonds or create new debt;**
- **Does not call or approve a future bond election;**
- **Does not guarantee that the District will issue bonds in the future;** and
- **Preserves the District's ability to reimburse eligible expenditures if bonds are later authorized and issued.**

Reimbursement Timeline

Applicable reimbursement rules establish specific timeframes for when expenditures may qualify.

Generally, the District must adopt a reimbursement resolution **no later than 60 days after an eligible expenditure is paid** in order to preserve its ability to reimburse that expenditure from future bond proceeds.

For example, if the Board approves the reimbursement resolution on **September 21, 2026**, eligible expenditures paid on or after **July 23, 2026** may qualify for future reimbursement, subject to applicable legal requirements.

After bonds are issued, reimbursement generally must occur within **18 months after the later of**:

- the date the expenditure was paid; or
- the date the applicable project or property is placed in service or abandoned.

In all cases, reimbursement generally may not occur later than **three years after the date of the original expenditure**.

These provisions provide the District flexibility to use existing resources for authorized capital projects while preserving the opportunity to reimburse those funds through a future bond issuance.

Previous Reimbursement Resolution

The Board previously approved a reimbursement resolution on **February 23, 2026**, authorizing up to **$7 million** associated with the construction of the **Early Childhood Center Classroom Additions**.

Since that resolution was approved, three additional capital project needs have emerged for which Administration recommends preserving reimbursement eligibility:

Project	Amount	Related Board Action
T.M. Clark Elementary	**$4 million**	Budget increase approved May 18, 2026
High School Parking Lot Improvements	**$4 million**	Related project actions approved December 15, 2025, and February 23, 2026
Visual & Performing Arts Center	**$13 million**	Related project action approved July 27, 2026
Total	**$21 million**	

Recommendation

Administration recommends that the Board approve the reimbursement resolution for an amount **not to exceed $21 million** for the three projects identified above.

The resolution provides the District with financial flexibility by preserving the ability to reimburse eligible expenditures initially paid from M&O or other available District funds from future bond proceeds.

Approval of this resolution **does not authorize additional debt or obligate the District to pursue or issue future bonds.** It simply preserves the reimbursement option should voters authorize a future bond program and the District subsequently issue bonds for these purposes.

RECOMMENDATION:

Administration recommends to adopt a reimbursement resolution as presented

FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

N/A

BOARD RELATED POLICY:

CCA (LEGAL) (LOCAL)

ACTION ITEM SUGGESTED MOTION (if applicable):

That the board accept the recommendation by administration to adopt a reimbursement resolution for $21,000,000.00, whereas, Gregory-Portland ISD intends to reimburse itself for the prior lawful capital expenditure of funds from the proceeds of one or more series of tax-exempt obligations