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## CISD Board Agenda Item Synopsis

**Subject:** Consider Approval of the Agreement for the Purchase of Attendance Credit per TEA.

**Background Information:** Per the attached correspondence from TEA, CISD must reduce its local revenue to a level not to exceed the level established under TEC, 48.257 and 49.004 for the 24-25 school year. This agreement will delegate authority to the Superintendent to meet requirements outlined in the correspondence.

**Goals:**

- ☒ 1. We will provide and support a safe, civil and collaborative culture.
- ☒ 2. We will continuously provide and support effective teaching in every classroom.
- ☒ 3. We will provide and support a guaranteed and viable curriculum.
- ☒ 4. We will continue to foster a love of reading and commit to continual growth in childhood literacy.
- ☒ 5. We will foster strong numeracy skills and commit to continual growth in math success.
- ☒ 6. We will provide targeted strategies and practices to prepare students for post-secondary education, career readiness, and military participation.
- ☒ 7. We will attract, recruit, develop, and retain high-quality professional staff.

**Budgetary Impact:**

Varies

**Recommendation:**

The District recommendation is for Members of the Board to approve the 2024-2025 Agreement for the Purchase of Attendance Credit.

**Submitted by:**

*Amber Pennell*  
CFO

**Recommended by:**

*Tom Maglisceau, Ph.D.*  
Superintendent

**Meeting Date:** July 29, 2024

July 15, 2024

To the Administrator Addressed:

Subject: Notification of Local Revenue Level in Excess of Entitlement for School Year 2024–2025

### **Background**

Pursuant to Texas Education Code (TEC),<sup>1</sup> §§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 2024–2025. This allows your district to move forward with preparation for an election under TEC, Chapter 49, if necessary.

### **Estimates**

As established in TEC, §48.269, determinations for districts subject to recapture are based on estimates of enrollment for school year 2024–2025 and estimated property values for tax year 2024. Because the agency does not yet have final state certified property values for tax year 2024, the agency is using 2023 state certified property values increased by 2.87%, in accordance with the 2024–2025 General Appropriations Act.

### **Determination**

Based on these estimates, your district's estimated local yield per penny per student in weighted average daily attendance (WADA) exceeds the Tier Two (level two) guaranteed yield of \$49.28. Your district will be required to reduce its excess local revenue level for the 2024–2025 school year using one or more of the statutory options available.

The enclosed report provides information about the calculations affecting your district. It calculates Tier One and Tier Two (level two) excess local revenue, as established in TEC, §48.257.

<sup>1</sup> Except as noted, statutory citations refer to the Texas Education Code, as amended by the 88<sup>th</sup> Texas Legislature, Regular Session 2023.



### **Options to Reduce Local Revenue in Excess of Entitlement**

A district with local revenue in excess of entitlement has the following five options available to reduce the district's revenue level under TEC, Chapter 49:

- 1) Consolidation with another district as provided by Subchapter B;
- 2) Detachment of territory as provided by Subchapter C;
- 3) Purchase of average daily attendance credit as provided by Subchapter D ("Option 3");
- 4) Education of nonresident students as provided by Subchapter E ("Option 4"); and/or
- 5) Tax base consolidation with another district as provided by Subchapter F.

Districts have historically selected Option 3. Successful elections conducted under TEC, former Chapter 41, carry over into TEC, Chapter 49.

Provisions in TEC, §48.257(c), allow districts to offset the reduction of excess local revenue against TEC, Chapter 48 funds. All districts will have the option to use state aid calculated under TEC, Chapter 48, that is not described by TEC, §48.266(a)(3) as an offset to their attendance credit for purposes of reducing their local revenue level. Districts using this option are required to submit the district intent/choice selection form and complete an Option 3 netting contract, which can be found in the *Options and Procedures for Local Revenue in Excess of Entitlement 2024–2025 School Year* and on the [Excess Local Revenue webpage](#).

To avoid any delays in the approval of the Agreement for the Purchase of Attendance Credit or the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding), it is recommended that your district's school board delegate authority to obligate the school district under TEC, Chapter 49, to the superintendent, and the superintendent would then submit the contract via the Excess Local Revenue module of the online Foundation School Program (FSP) system in Texas Education Agency Login ([TEAL](#)).

Additional information about elections, as well as sample ballot proposition language, is provided in the *Options and Procedures for Local Revenue in Excess of Entitlement 2024–2025 School Year*. You may also wish to call the Office of the Texas Secretary of State at 1-800-2528683 or visit that office's website at <http://www.sos.state.tx.us/> for assistance with election calendars and procedures.

### **Action Required**

Upon receipt of this letter, your district must submit the district intent/choice selection form through the Excess Local Revenue module of the online FSP system to TEA, indicating which option the district intends to use to reduce local revenue in excess of entitlement for school year 2024–2025. According to TEC, §49.004(c), as a district that has been notified of local revenue in excess of entitlement, your district may not adopt a tax rate for tax year 2024 until the Commissioner of Education certifies that your district has reduced the district's local revenue level in excess of entitlement to the level established under TEC, §48.257. The agency will certify your district's compliance upon review of your district's intent/choice selection

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

This agreement is entered into pursuant to the Texas Education Code (TEC), Chapter 49, Subchapters A and D, and rules adopted by the commissioner of education as authorized by the TEC, §49.006. The purpose of this agreement is to enable the district to reduce its local revenue level to a level not to exceed the level established under TEC, §48.257 for the school year.

The school year to which this agreement applies is 2024-2025 (the "school year").

The agreement is for Celina Independent School District ("the district"), with a county-district number of 043-903, to purchase attendance credit from the state for the school year.

The local revenue level in excess of entitlement will be based on the commissioner's estimate of the cost of credit as determined under TEC, §49.153, using the district's projected maintenance and operations tax revenue that exceeds the level established under TEC, §48.257. Provisions in the TEC, §48.257(c), allow districts to offset the reduction of excess local revenue against state aid under Chapter 48, Education Code, that is not described by TEC, §48.266(a)(3) for the school year. A district that is subject to the reduction in excess local revenue agrees to offset its obligations against state aid in accordance with the provisions specified in the TEC, §48.257(c).

When near-final data are available following the close of the school year to which this agreement applies, the district's entitlement under Chapter 48 will be recalculated. If the district's state aid under Chapter 48, Education Code, that is not described by TEC, §48.266(a)(3) is less than the cost of recapture as determined by the commissioner in accordance with the TEC, §49.153, using near-final data, the district will be required to have an election and the recapture balance will be recovered in accordance with TEC, §48.272, by withholding subsequent allocations of state funds or requiring and obtaining a refund.

The actual cost of credit for the school year will be determined by the commissioner in accordance with the TEC, §49.153, when final data on the district's maintenance and operations tax revenue that exceeds the level established under TEC, §48.257 is available.

The cost of purchased attendance credit will be reduced for county appraisal district costs. The reduction will be computed in accordance with the TEC, §49.157. If the reduction exceeds the cost for the school year, the difference will be carried forward and applied to each subsequent year's cost until the total amount of the reduction has been exhausted.

Date:

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Signature of President, Board of Trustees

Date:

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Signature of Secretary, Board of Trustees

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Signature of Superintendent

Date:

Dr. Thomas Maglisceau

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Typed Name of Superintendent

Date:

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Signature of Commissioner of Education or Designee