



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: August 12, 2025

Presenter: Dan Villarreal
Susan Lackorn, Executive Director
Finance and Accounting

Subject: Purchase of Attendance
Credits

Related Page(s): Attachment

ACTION ITEM

BACKGROUND INFORMATION

The Texas Education Agency (TEA) has determined the District has “Excess Local Revenue” as determined by Texas Education Code Chapter 49. TEA’s calculates NEISD will have local M&O tax revenue per penny per Weighted Average Daily Attendance (WADA) greater than the Tier 2, Level 2 Guaranteed Yield per penny per WADA. Recapture, however, only applies if the District adopts an M&O tax rate greater than the Maximum Compressed Rate plus 8 pennies. For NEISD for 2025-2026, the District estimates that would be an M&O rate of no more than \$0.6822.

ADMINISTRATIVE CONSIDERATION

A district determined to have Excess Local Revenue has the following five options available to reduce its revenue: 1. consolidate with another district; 2. detach property; 3. purchase attendance credits from the state; 4. contract to educate nonresident students; and/or 5. consolidate tax bases with another district. NEISD has always chosen option #3.

Although the District estimates that it will not adopt an M&O rate greater than \$0.6822 and estimates that it will have no recapture payment, TEA still requires the District submit an Agreement for the Purchase of Attendance Credits. TEA is requiring the Superintendent submit the agreement electronically via the Texas Education Agency Login (TEAL) website. TEA has prescribed specific language that must be used to delegate the authority to the Superintendent to obligate the District under Chapter 49 and included in the minutes from the meeting where the delegation occurs. That language is below. Also attached is a sample provided by TEA of the agreement the Superintendent will be submitting via TEAL.

“For the 2025-2026 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, Subchapter 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).”

BUDGETARY CONSIDERATION

There are no budgetary considerations. At NEISD’s tax rate, the purchase of attendance credits is not required.

RECOMMENDATION

It is recommended the Board of Trustees approve the delegation of authority to the Superintendent to obligate the District under Texas Education Code Chapter 49, and include the above-referenced language in the minutes of this meeting for provision to the TEA.

BOARD ACTION REQUIRED

Approval/Disapproval