October 10, 2025

Mrs. Eliza Diaz
Superintendent
Brackett Independent School District
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Mr. Neil Scott
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Re: Zier Solar, LLC (#1335) Revenue Protection and Supplemental Payments for 2025-26 School Year Under the Value Limitation Agreement Approved by Brackett Independent School District on November 11, 2019 and Amended on December 13, 2021

Dear Mrs. Diaz and Mr. Scott:

Enclosed for your consideration is the third-party certification called for under the school district revenue protection and supplemental payment provisions of the Property Value Limitation Agreement approved by the Brackett Independent School District (BISD) Board of Trustees on November 11, 2019 and amended on December 13, 2021 for the Zier Solar, LLC project. The 2025-26 school year is the second of 10 years that the $10 million value limitation will be in effect under the Agreement. <u>The total amount owed to BISD for 2025-26 is $355,815: a $301,815 revenue protection payment and a $54,000 supplemental payment.</u> The revenue protection payment includes a deferred payment from 2024-25, in addition to a calculated amount for tax year 2025 which is due to a $32 million increase in the project value.

<u>Current School Finance Law</u>
With the passage of House Bill 2, a major public education and school finance bill, by the 89th Legislature, numerous changes were made to school finance that have the potential to impact the revenue protection payment calculations. These changes include a significant teacher pay raise, a small increase in the basic allotment along with small and mid-size weight increases, and additional hold-harmlesses for property tax relief.

With the passage of HB 2, the basic allotment is now set at $6,215 and the golden penny yield remains at $129.52 for the 2025-26 school year. While it is still unknown how TEA will implement many of the changes, these calculations incorporate as many of the school finance changes as possible assuming the voters approve the $140,000 increased homestead exemption in November.

Recapture is defined as an amount of revenue collected above a district's Tier I or Tier II Level 2 entitlement. Based on the analysis presented below, BISD is affected by the recapture methodology for the 2025-26 school year in these calculations.

Revenue Protection and Supplemental Payments

Under the revenue protection provisions of the Agreement, calculations of Original Maintenance and Operations (M&O) Revenue and New M&O Revenue are to be made for BISD for the 2025-26 school year based on the current school finance funding formulas, using the preceding tax year Comptroller T2 property values under Section 48.256(d) of the Education Code. The Original M&O Revenue calculation assumes that the Zier Solar, LLC project was constructed but that the BISD Board of Trustees had not approved a value limitation. The New M&O Revenue amount reflects the adoption of the $10 million value limitation, which was effective for the first time for the 2024 tax year and is recognized on the local tax roll for M&O taxes for the 2025-26 school year. A comparison of these calculations as shown in Attachment A indicates that **BISD is forgoing $219,833 in state and local funds as a result of having approved the value limitation. On November 18, 2024, BISD approved a deferral of $81,982 of the revenue protection payment for 2024-25, to be paid in 2025-26. Therefore, the total amount owed for tax tear 2025 is $301,815.**

Based on the supplemental payment provisions of the Agreement, a calculation is made to determine the supplemental payment amount owed to BISD. Zier Solar, LLC is given credit for any revenue protection payment noted above. The Agreement calls for a **fixed supplemental payment to BISD of $54,000**.

Under the Agreement, **the combination of the revenue protection payment and the supplemental payment owed to BISD totals $355,815.** This amount is to be paid by January 31, 2026. These calculations are summarized in Table 1. Additional details on the calculations are provided in Attachment A.

After the reduction of the revenue protection payment and the supplemental payment, **the net tax savings to Zier Solar, LLC are calculated to total $676,880 for the 2025-26 school year.** These calculations are summarized in Table 1.

Once you have had an opportunity to review these calculations, please feel free to contact us if you have questions or need additional information.

Sincerely,

Kathy Mathias

Kathy Mathias
Vice President of Economic Development

Table 1

Summary of Calculations Relating to the Zier Solar, LLC (#1335) Property Value Limitation Agreement with Brackett ISD

	School Year 2025-26
Project Taxable Value	$164,850,000
Value Limit	$10,000,000
Taxable Value Savings	$154,850,000
M&O Tax Rate per $100	$0.66690
Gross Tax Savings	$1,032,695
Less: Article IV Indemnity Payment (2025-26)	-$219,833
Less: Article IV Indemnity Payment (2024-25 Deferral)	-$81,982
Article IV Tax Benefit	$730,880
Less: Article VI Supplemental Payment	-$54,000
Net Benefit to Company	**$676,880**
Total Amount Owed to Brackett ISD Under Agreement	**$355,815**

Attachment A

Comparison of Original and New M&O Revenue for 2025-26 for Zier Solar, LLC (#1335)

Brackett ISD (136901)	ORIGINAL REVENUE	NEW M&O REVENUE	NEW M&O – ORIGINAL
2025-26 M&O Revenue Summary			
Tier I State Aid	$224,926	$654,096	$429,170
Tier II State Aid	$91,290	$148,073	$56,783
Other State Aid (including Hold Harmlesses)	$30,600	$30,600	$ 0
Total State Aid for M&O	$346,816	$832,769	$485,953
M&O Taxes	$7,503,239	$6,470,545	-$1,032,694
Less Recapture	-$326,908	$0	$326,908
Total State and Local M&O Revenue	$7,523,147	$7,303,314	-$219,833
2025-26 FSP Tier I Allotments			
Regular Program Allotment	$2,446,560	$2,446,560	$ 0
Small/Sparse Allotment	$1,475,699	$1,475,699	$ 0
Mid-Size Allotment	$0	$0	$ 0
Special Education Allotment	$1,217,389	$1,217,389	$ 0
Dyslexia Allotment	$39,776	$39,776	$ 0
Compensatory Education Allotment	$473,195	$473,195	$ 0
Bilingual Education Allotment	$11,809	$11,809	$ 0
Career & Technology Allotment	$496,728	$496,728	$ 0
Public Education Grant (PEG)	$0	$0	$ 0
Early Education, K-3 Allotment	$70,230	$70,230	$ 0
CCMR-ALL Allotment	$0	$0	$ 0
Fast Growth Allotment	$0	$0	$ 0
Teacher Incentive Allotment	$0	$0	$ 0
Mentor Program Allotment	$0	$0	$ 0
Transportation Allotment	$31,246	$31,246	$ 0
New Instructional Facilities Allotment (NIFA)	$0	$0	$ 0
Dropout Recovery School Res. Placement Facility	$0	$0	$ 0
Tuition Allotment	$0	$0	$ 0
College Preparation Assessment Reimbursement	$76	$76	$ 0
Certification Examination Reimbursement	$2,345	$2,345	$ 0
School Safety Allotment	$110,001	$110,001	$ 0
Rural Pathway Excellence Partnership Allotment	$0	$0	$ 0
Early Literacy Intervention Allotment	$0	$0	$ 0
PREP Allotment	$0	$0	$ 0
Teacher Retention Allotment	$312,000	$312,000	$ 0
Support Staff Retention Allotment	$28,399	$28,399	$ 0
Special Education Evaluations	$23,000	$23,000	$ 0
Allotment for Basic Costs	$110,001	$110,001	$ 0
Gifted & Talented Allotment	$10,203	$10,203	$ 0
Total Cost of Tier I	$6,802,715	$6,802,715	$ 0
Less Local Share	$6,904,698	$6,148,619	-$756,079
Tier I State Formulas Aid	$224,926	$654,096	$429,170

Attachment A
Comparison of Original and New M&O Revenue for 2025-26 for Zier Solar, LLC (#1335)

Brackett ISD (136901)			
	ORIGINAL REVENUE	NEW M&O REVENUE	NEW M&O – ORIGINAL
2025-26 Tier 2			
Total Tier II, Golden	$653,836	$633,194	-$20,642
Less M&O Taxes @ Golden Penny Yield	$562,546	$485,121	-$77,425
Effective Rate for $.08	$0.0503	$0.0487	-$ 0.0016
State Aid @ Golden Penny Yield	$91,290	$148,073	$56,783
Golden Penny Yield	$129.52	$129.52	
Total Tier II, Copper Penny Yield	$0	$0	$ 0
Less M&O Taxes @ Copper Penny Yield	$0	$0	$ 0
Effective Rate for Above $.08	$0.0000	$0.0000	$ 0.0000
State Aid @ Copper Penny Yield	$0	$0	$ 0
Copper Penny Yield	$49.72	$49.72	
2025-26 Other State Aid			
Hold-Harmlesses	$0	$0	$ 0
CH313 Tax Credits	$0	$0	$ 0
Teacher Certification Incentive	$0	$0	$ 0
Regional Disaster Insurance Variation	$0	$0	$ 0
Additional State Aid to Ensure Retention Allot. Funding	$0	$0	$ 0
Additional State Aid Recapture Districts Tchr Retention	$0	$0	$ 0
Additional State Aid for Instructional Materials	$30,600	$30,600	$ 0
Additional Other State Aid	$0	$0	$ 0
2025-26 Recapture			
% Recapture - Tier I	4.7%	0.0%	-4.70%
Net Recapture - Tier I	-$326,908	$0	$326,908
% Recapture - Tier II Copper Penny Level	100.0%	100.0%	0.00%
Net Recapture Tier II Copper Penny Level	$0	$0	$ 0
2025-26 CRITICAL DATA ELEMENTS			
ADA	469.05	469.05	0
Tier II WADA	1,004.28	1,004.28	0
Special Education FTEs	38.09	38.09	0
Career & Technology FTEs	37.31	37.31	0
Advanced Career & Tech FTEs	0.00	0.00	0
Regular Program ADA	393.65	393.65	0
Dyslexia	64.00	64.00	0
Compensatory Education Count	0.00	0.00	0
Comp. Ed. Census Block - Count 1	58.00	58.00	0
Comp. Ed. Census Block - Count 2	111.00	111.00	0
Comp. Ed. Census Block - Count 3	2.00	2.00	0
Comp. Ed. Census Block - Count 4	6.00	6.00	0
Comp. Ed. Census Block - Count 5	126.00	126.00	0
Pregnant FTE	0.00	0.00	0
Bilingual Education, Traditional	19.00	19.00	0
Bilingual, LEP Dual Language	0.00	0.00	0
Bilingual, Non-LEP Dual Language	0.00	0.00	0
PEG ADA	0.00	0.00	0

Attachment A
Comparison of Original and New M&O Revenue for 2025-26 for Zier Solar, LLC (#1335)

Brackett ISD (136901)			
	ORIGINAL REVENUE	NEW M&O REVENUE	NEW M&O – ORIGINAL
Early Education, K-3 ADA (Econ Dis./Bilingual)	113.00	113.00	0
Early Education, K-3 ADA (All Sub-Populations)	0.00	0.00	0
CCMR, Economically Disadvantaged	0.00	0.00	0
CCMR, Non-Economically Disadvantaged	0.00	0.00	0
CCMR, Special Ed.	0.00	0.00	0
Gifted & Talented ADA	25.00	25.00	0
Teachers with 3-4 Years Experience	8.00	8.00	0
Teachers with 5 or More Years Experience	35.00	35.00	0
Local Value for M&O	$1,182,895,694	$1,028,045,694	-$154,850,000
Local Value for I&S	$1,182,895,694	$1,182,895,694	$ 0
Ch313 Prior Year DPV Value for M&O Calculations	$1,119,257,180	$996,696,180	-$122,561,000
M&O Adopted Tax Rate	$0.66690	$0.66690	$ 0.0000
Compressed Tax Rate	$0.61690	$0.61690	$ 0.0000
Additional local Cents up to $.08	$0.05000	$0.05000	$ 0.0000
Additional Local Cents Above $.08	$0.00000	$0.00000	$ 0.0000
Unequalized Pennies for Special Districts	$0.00000	$0.00000	$ 0.0000
I&S Tax Rate	$0.00000	$0.00000	$ 0.0000

REMIT TO: Brackett Independent School District

INVOICE

Mrs. Eliza Diaz
Superintendent
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DATE: OCTOBER 10, 2025

TO:

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FOR:

2025 Chapter 313 Revenue Loss and Benefit Payments for the Zier Solar, LLC (#1335) project, first qualifying year 2023

DESCRIPTION	AMOUNT
2024 Chapter 313 Agreement Revenue Loss Payment to Brackett ISD as detailed in calculations provided by MoakCasey, LLC, due January 31, 2026	$81,982
2025 Chapter 313 Agreement Revenue Loss Payment to Brackett ISD as detailed in calculations provided by MoakCasey, LLC, due January 31, 2026	$219,833
2025 Chapter 313 Agreement Supplemental Payment to Brackett ISD as detailed in calculations provided by MoakCasey, LLC, due January 31, 2026	$54,000
Total:	**$355,815**

For any other information regarding the payment of this invoice, please contact:
Mrs. Eliza Diaz at eliza.diaz@brackettisd.net
or Ms. Amalia Garza at amalia.garza@brackettisd.net