



## Action Item

**Date:** November 11, 2024

**Division:** Finance

**Subject:** Consider Approval of the Agreement for the Purchase of Attendance Credit and Delegate Contractual Authority to the Superintendent in Accordance with Chapter 49 of the Texas Education Code

### Background Information:

- Districts identified by the Texas Education Agency as being subject to the provisions of Chapter 49 of the Texas Education Code must declare their intent on the method of addressing the recapture payments that will be due to the Texas Education Agency each year. Lewisville ISD is identified as subject to TEC Chapter 49 for the 2024-2025 school year.
- On October 8, 2005, Lewisville ISD voters approved Option 3, Purchase Attendance Credit from the State, and Option 4, Contract to Educate Nonresident Students from a Partner District, as options for the District to use in developing its wealth equalization plan each year.
- The District incurred and paid approximately \$11.6 million in state recapture costs for the 2023-2024 school year. The adopted budget for the 2024-2025 fiscal year includes appropriations in the amount of \$12.9 million for recapture payments that are expected to be paid to the State of Texas General Revenue Fund.

### Administrative Consideration:

- The Option 3 Agreement for the Purchase of Attendance Credit appears to be the Option resulting in the lowest cost to the District for use in paying the recapture payments for the 2024-2025 school year. Therefore, the District has declared its intent to utilize Option 3, Purchase Attendance Credit from the State.
- The Agreement for the Purchase of Attendance Credit requires Board approval prior to submission to the Texas Education Agency.
- The contract must be submitted through the Texas Education Agency (TEA) Excess Local Revenue module. To submit the contract through the Excess Local Revenue module, the school board must delegate the authority to obligate the school district under Chapter 49 to the superintendent each year and the superintendent must be the person that submits the contract to TEA via the Excess Local Revenue module.

### Recommendations:

- That the Board of Trustees approves the Option 3 Agreement for the Purchase of Attendance Credit in Accordance with Chapter 49 of the Texas Education Code for the 2024-2025 school year. In addition, for the 2024-2025 school year, the Board of Trustees delegates 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.

**Timeline/Report:**

- The approved and signed agreement must be submitted to TEA prior to January 15, 2025.

# Agreement for the Purchase of Attendance Credit

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 Lewisville Independent School District ("the district"), with a county-district number of 061-902, to purchase attendance credit from the state for the school year.

This agreement is subject to the approval of the voters of the district as provided by the TEC, §49.156. The board of trustees of the district agrees to submit to the commissioner of education, on request, a certified copy of the board minutes showing the canvass of the election.

Initial payments will be based on the commissioner's estimate of the total 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 for the school year. The district agrees to make the payments in accordance with the schedule specified in the TEC, §49.154.

The total cost of credit 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 for the school year is available. If that amount is less than the amount paid by the district through August 15 of the school year, the difference will be refunded. If that amount is greater than the amount paid, the district shall remit an amount equal to the difference for deposit in the state treasury to be used for the Foundation School Program.

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.

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Signature of President, Board of Trustees

Date: November 11, 2024

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Signature of Secretary, Board of Trustees

Date: November 11, 2024

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Signature of Superintendent

**Lori Rapp, Ed.D.**

Date:

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Typed Name of Superintendent

Date:

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Signature of Commissioner of Education or Designee