



Discussion Item

Date: November 4, 2024

Division: Finance

Subject: Purchase of Attendance Credit Agreement

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.