



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES
BRITTNEY SOLIZ SANDOVAL
DEBORAH GARZA
MICHAEL THIEME
DR. MICHAEL NORRIS
PENNY ARMSTRONG

DATE: Monday, January 12, 2026

SUBJECT: Discuss and Take Possible Action on Budget
Allocation/Appropriations for the Early Childhood Center Additions Project

PRIORITIES

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

4.3 Ensure strategic alignment of resources

BACKGROUND INFORMATION:

Type: Action

District administration has evaluated the financial impact associated with the proposed additions to the Early Childhood Center (ECC) and estimates the total project cost to be **approximately \$7.0 million**, inclusive of design, construction, and associated soft costs. Board approval is required to proceed with the project, including authorization of the budget allocation and any necessary budget amendments. Administration recommends funding the project through the **General Fund Balance available for appropriation**, recognizing that the District maintains adequate reserves to support this one-time capital investment while remaining within Board-adopted fund balance guidelines.

Administration further notes that, under established **Texas school district bond financing practices**, the Board may adopt a **reimbursement resolution** to preserve the District's ability to reimburse eligible project costs initially paid from the General Fund with proceeds from a **future voter-approved bond election**. To preserve this option, the Board must declare its official intent to reimburse project expenditures, generally **within 60 days of the date the District first pays eligible costs**, and reimbursement must occur within the legally permitted timeframe. Based on a projected construction start as early as **June 2026** and an anticipated **placed-in-service date of July 2027**, eligible costs could be reimbursed from bond proceeds **up to 18 months after the project is placed in service**, provided that reimbursement also occurs no later than **three years from the date each expenditure is paid**. Practically, this framework would allow the District to consider a bond election through the **November 2028 uniform election date**, while maintaining the ability to reimburse qualifying expenditures, subject to voter approval and successful bond issuance.

The need for this project is supported by **data-driven and operational assessments** conducted by District administration, including enrollment trend analysis, growth in special programs, and an evaluation of the daily operational demands of the ECC campus. As an experiential learning environment serving early learners, the ECC operates at a scale that requires adequate instructional, support, and collaborative spaces to maintain program quality, safety, and instructional effectiveness. Administration recommends approval of the budget allocation and related budget amendments and further recommends committing these funds through the District's **fund balance resolution** to ensure transparency, fiscal accountability, and clear Board direction.

RECOMMENDATION:

Administration recommends that the Board of Trustees approve the budget allocation of approximately \$7.0 million for the Early Childhood Center additions, authorize the necessary budget amendments, and approve the commitment of available General Fund reserves

FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

- Budget Allocation for Full Scope of Project: \$7,000,000
- Funding Source: General Fund Balance

BOARD RELATED POLICY:

CE (LEGAL) (LOCAL)

ACTION ITEM SUGGESTED MOTION (if applicable):

That the Board of Trustees approve the budget allocation of approximately **\$7.0 million** for the Early Childhood Center additions, authorize the necessary budget amendments, and approve the commitment of **available General Fund reserves** consistent with applicable law and Board policy.