RESOLUTION APPROVING A DEBT SERVICE TAX RATE IN EXCESS OF THE MINIMUM DEBT SERVICE TAX RATE PURSUANT TO SECTION 26.05(a-1), TEXAS TAX CODE

WHEREAS, the Board of Trustees (the "Board") of Graham Independent School District (the "District") is required by Section 26.05, Texas Tax Code, to adopt a tax rate for the District for each tax year, consisting of an interest and sinking fund component and a maintenance and operations component, each of which must be approved separately, and the Board is adopting a tax rate for the District for the 2026 tax year (the "Tax Year"); and

WHEREAS, the Board is authorized, and with respect to the District's voted bonded indebtedness is obligated, to levy ad valorem taxes for the payment of principal of and interest on the District's bonded indebtedness and other obligations payable from the District's Interest and Sinking Fund (the "I&S Fund"); and

WHEREAS, Senate Bill 1453, enacted by the 89th Texas Legislature, Regular Session (2025), effective January 1, 2026, amended Section 44.004(c), Texas Education Code, and Sections 26.012(3), 26.04(e) and 26.05, Texas Tax Code, such that the interest and sinking fund component of a school district's tax rate determined under Section 26.05(a)(1), Texas Tax Code, is the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Texas Education Code; and

WHEREAS, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Texas Education Code, is the rate that, when applied to the District's current taxable value as certified under Section 26.01, Texas Tax Code, and adjusted for the District's anticipated collection rate, would impose taxes in an amount that, when added to state funds for debt service and any taxes collected to service the District's debt during the preceding tax year in excess of the amount used for that purpose during that year, would provide the minimum dollar amount required to be paid to service the District's debt (the "Minimum Debt Service Tax Rate"); and

WHEREAS, Section 26.05(a-1), Texas Tax Code, authorizes the Board to approve an interest and sinking fund tax rate that exceeds the Minimum Debt Service Tax Rate only if (i) the rate is proposed to be approved by a motion that states the Minimum Debt Service Tax Rate, states the proposed rate, states the difference between the proposed rate and the Minimum Debt Service Tax Rate, and describes the purpose for which the excess revenue collected from the proposed rate will be used, and (ii) the motion is approved by at least sixty percent (60%) of the members of the Board; and

WHEREAS, Section 26.05(a-2), Texas Tax Code, provides that a rate approved under Section 26.05(a-1) is considered to be the current debt rate of the District for that tax year, and requires the officer or employee designated by the Board to calculate the District's voter-approval tax rate to recalculate that rate to account for the new current debt rate; and

WHEREAS, the officer or employee designated by the Board pursuant to Section 26.04, Texas Tax Code, has calculated the Minimum Debt Service Tax Rate for the Tax Year; and

WHEREAS, the Board desires to approve, as the interest and sinking fund component of the District's tax rate for the Tax Year, a debt service tax rate that exceeds the Minimum Debt Service Tax Rate; and

WHEREAS, the Board has determined that approving a debt service tax rate in excess of the Minimum Debt Service Tax Rate for the Tax Year is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE DISTRICT THAT:

Section 1. Findings. The recitals set forth in the preamble of this Resolution are hereby found and determined to be true and correct and are incorporated into this Resolution for all purposes.

Section 2. Motion. At the meeting at which this Resolution was adopted, the following motion (the "Motion") was duly made, seconded and, after discussion, approved by a record vote of the members of the Board:

> "I move that a proposed rate to pay debt service of $0.3106 per $100 of taxable value be approved. This rate exceeds the District's debt service rate determined under Section 44.004(c)(5)(A)(ii)(b), Education Code, which is $0.3016 per $100 of taxable value, by $ 0.1172 per $100 of taxable value. The excess revenue collected from the proposed rate will be used for accelerating the repayment of the District's outstanding indebtedness and establishing and maintaining reasonable debt service reserves."

Section 3. Approval of Debt Service Tax Rate in Excess of the Minimum Debt Service Tax Rate. Pursuant to Section 26.05(a-1), Texas Tax Code, and in accordance with the Motion, the Board hereby approves, as the interest and sinking fund component of the District's tax rate described by Section 26.05(a)(1), Texas Tax Code, for the Tax Year, the proposed debt service tax rate stated in the Motion (the "Approved Debt Service Tax Rate"). The Board further finds that the Motion complies with Section 26.05(a-1), Texas Tax Code, in all respects.

Section 4. Current Debt Rate; Recalculation of Voter-Approval Tax Rate. As provided by Section 26.05(a-2), Texas Tax Code, the Approved Debt Service Tax Rate is the current debt rate of the District for the Tax Year. The officer or employee designated by the Board to calculate the District's voter-approval tax rate under Chapter 26, Texas Tax Code, is hereby directed to recalculate that rate to account for the new current debt rate, and the recalculated voter-approval tax rate is the voter-approval tax rate of the District for the Tax Year.

Section 5. Use of Revenue. All taxes levied at the Approved Debt Service Tax Rate shall be deposited to the credit of the I&S Fund and shall be used solely for lawful purposes of amounts within the I&S Fund.

Section 6. Further Actions. The Superintendent, the Chief Financial Officer (or other similar employee) and other business office employees, the officer or employee designated by the Board under Section 26.04, Texas Tax Code, the District's tax assessor-collector, and all other appropriate officers and employees of the District are hereby authorized and directed to take all actions necessary or advisable to carry out this Resolution, including preparing, revising, posting, publishing and submitting any notices, worksheets, schedules, certifications and website postings required by applicable law, in each case to reflect the Approved Debt Service Tax Rate and the recalculated voter-approval tax rate.

Section 7. Open Meeting. The meeting at which this Resolution was adopted was open to the public, and public notice of the time, place and subject matter of the meeting was given, all as required by Chapter 551, Texas Government Code.

Section 8. Severability. If any provision of this Resolution, or the application thereof to any circumstance, is held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been adopted without such invalid provision.

Section 9. Effective Date. This Resolution shall be effective immediately upon its adoption.

[Signature Page Follows]

PASSED AND APPROVED this _August 11, 2026_.

The Motion was approved by the affirmative vote of _________ of the _________ members of the Board *(NOTE: 60% of the entire Board must approve)*. The minutes shall reflect how each member of the Board voted on the Motion.

____
President, Board of Trustees

____
Secretary, Board of Trustees