



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

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

DATE: Monday, August 17, 2026

SUBJECT: Discuss and Take Possible Action to order an Attendance Credit Election pursuant to Texas Education Code Chapter 49 (Option 3 – Purchase of Attendance Credits), and authorize the Superintendent or designee to take all actions necessary to conduct the election.

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE

PRIORITY 2: HIGH PERFORMING AND ENGAGED WORKFORCE

PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.1 Annually improve operational processes

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

Purpose

The purpose of this memorandum is to provide the Board of Trustees with background information regarding the proposed **Attendance Credit Election** required under **Texas Education Code Chapter 49**, explain why the election is necessary, outline the statutory timeline, and present a recommended action plan for conducting the election.

Executive Summary

After reviewing the Texas Education Agency (TEA) Excess Local Revenue procedures and corresponding with the TEA Recapture Team, Gregory-Portland ISD has determined that the district will no longer be able to utilize the **Reduction of Recapture Through Additional State Aid (Choice 1)** as it has in prior years.

Beginning in **School Year 2026-2027**, the district anticipates selecting **Option 3** while continuing to receive its Chapter 48 Foundation School Program state aid and making recapture payments separately.

Under **Texas Education Code §49.156**, a district that:

- does **not qualify** to offset recapture through Chapter 48 state aid; and
- has **not previously received voter authorization** to purchase attendance credits,

must obtain voter approval before utilizing Option 3.

At this time, TEA has been unable to verify whether Gregory-Portland ISD previously conducted such an election.

Accordingly, administration recommends proceeding with an Attendance Credit Election to ensure compliance with Chapter 49 and eliminate any uncertainty regarding future recapture obligations.

Background

What is Chapter 49 (Recapture)?

Texas school finance requires certain districts whose local property tax revenue exceeds their state funding entitlement to reduce that excess revenue.

This process is commonly referred to as **Recapture** or **Robin Hood**.

Gregory-Portland ISD has been a Chapter 49 district for several years.

Historically, the district has complied with Chapter 49 by selecting:

- Option 3
- Choice 1 – Reduction of Recapture Through Additional State Aid (Netting)

Under this method, TEA reduced a portion of the district's Foundation School Program state aid instead of requiring the district to separately remit recapture payments.

What Changed?

For the 2026-2027 school year, Gregory-Portland ISD no longer expects to qualify for sufficient offset through Chapter 48 funding.

As a result, the district anticipates selecting:

Option 3

Receive Full Chapter 48 State Aid and Pay Recapture Separately.

Because the district would now be making direct recapture payments, Texas Education Code §49.156 requires voter authorization unless the district has previously held an Attendance Credit Election.

TEA Guidance

Administration contacted the TEA Recapture Team to verify whether Gregory-Portland ISD previously conducted the required election.

TEA confirmed:

- Gregory-Portland ISD has selected Option 3 – Choice 1 for at least the previous four school years.
- No election date was entered because one was not required under Choice 1.
- TEA was unable to determine whether the district previously conducted an Attendance Credit Election or identify an election date from its records.

Accordingly, administration believes the most prudent course of action is to conduct the election to ensure statutory compliance moving forward.

Important Clarification

This Election DOES NOT Increase Taxes

One of the most important public messages is that:

This election does not increase taxes.

The election simply authorizes Gregory-Portland ISD to comply with existing Texas law regarding recapture.

If approved:

- ✓ The district may purchase attendance credits from the State under Option 3.

If not approved:

State law authorizes the Commissioner of Education to pursue other remedies, including property detachment, annexation, or consolidation under Chapter 49.

Proposed Timeline

Action
Notice of Election Published
Community Education Campaign Begins
Early Voting Begins
Early Voting Ends
Election Day
Canvass Election Results

RECOMMENDATION:

Administration recommends that the Board of Trustees adopt an Order Calling an Attendance Credit Election as authorized by Texas Education Code Chapter 49 and applicable provisions of the Texas Election Code.

The election is being recommended to obtain voter authorization for Gregory-Portland ISD to purchase attendance credits under Option 3 of Chapter 49, should the district be required to make recapture payments separately from Foundation School Program state aid. Approval of the election will ensure the district remains in compliance with Chapter 49 requirements and preserves the district's ability to utilize Option 3 in future years.

Administration further recommends authorizing the Superintendent, or designee, to execute all documents, publish required notices, coordinate with San Patricio County Elections, and take all actions necessary to conduct the election in accordance with state law.

FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

If the Proposition is Approved

- No increase in the district's tax rate and no increase in taxes will occur as a result of voter approval.
 - Approval will authorize Gregory-Portland ISD to purchase attendance credits under Option 3 of Texas Education Code Chapter 49, allowing the district to continue complying with the State's recapture requirements should separate recapture payments be required.
 - The district's projected recapture obligation for the 2026-2027 school year is currently estimated at approximately \$27 million, based on the district's most recent state aid projections. Approval of the proposition does not increase this amount; it authorizes the statutory method by which the district may satisfy this obligation.
 - Approval provides long-term flexibility by allowing the district to continue utilizing Option 3 in future years without the need for an additional voter authorization, unless state law changes.
-

If the Proposition is Not Approved

- The district would not have voter authorization to purchase attendance credits under Option 3 if such authorization does not already exist.
- If Gregory-Portland ISD is required to make separate recapture payments and lacks the necessary voter authorization, the district may be unable to utilize Option 3 as its method of compliance under Chapter 49.
- In that event, the Commissioner of Education may exercise the remedies provided under Texas Education Code Chapter 49, which can include detachment and annexation of property or consolidation with another school district, as determined by state law.

BOARD RELATED POLICY:

N/A

ACTION ITEM SUGGESTED MOTION (if applicable):

That the board make a motion to approve the Order Calling an Attendance Credit Election pursuant to Texas Education Code Chapter 49, authorize submission of the election to the qualified voters of Gregory-Portland Independent School District, and authorize the

Superintendent or designee to execute all necessary documents and take all actions required to conduct the election in accordance with applicable state law.