

July 15, 2024

To the

Options to Reduce Local Revenue in Excess of Entitlement

A district with local revenue in excess of entitlement has the following five options available to reduce the district's revenue level under TEC, Chapter 49:

- 1) Consolidation with another district as provided by Subchapter B;
- 2) Detachment of territory as provided by Subchapter C;
- 3) Purchase of average daily attendance credit as provided by Subchapter D ("Option 3");
- 4) Education of nonresident students as provided by Subchapter E ("Option 4"); and/or
- 5) Tax base consolidation with another district as provided by Subchapter F.

Districts have historically d ()Tjsw 5.o 0d]TJ 0 Tc f..002 Tw 0.25 0 Td (by)Tj 0 Tc 0 Tw 1.0(bas)-2 Tc 0 Tw 1.0(b

form, and approval is contingent upon TEA's determination of the district's maximum compressed tax rate via the Local Property Value Survey (LPVS) module.

The LPVS module of the FSP system in TEAL is scheduled to open on July 18, 2024, and close on August 1. The agency will use the locally estimated property growth rates to calculate estimates of comptroller-certified property values used for state funding purposes (i.e., "T2" property values) and then calculate and make available the maximum compressed Tier One tax rates (MCRs) in August of 2024. Districts must wait until receiving both the agency's approval of the district intent and the agency's