



Texas School Coalition

Committed to the success of public education for all students in Texas!

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HOUSTON ISD VOTERS REJECT RECAPTURE REFERENDUM

AUSTIN, Texas – Last week, Houston ISD voters rejected the referendum that would have allowed the district to send local property tax revenue to the State through recapture, also known as Robin Hood. Texas state law contains provisions that require districts to equalize property wealth by paying recapture to the state. If taxpayers in a district are unwilling to submit that recapture payment, then the Texas Education Agency is authorized to redistribute property taxes through consolidation or the removal of property from the district's tax rolls and assignment to another district.

The Texas School Coalition released the following statement:

We understand the frustration felt by Houston voters, as our districts have struggled with the same predicament and challenge of sending local property tax revenue to the state without the ability to maintain the resources necessary to serve local students.

Since Robin Hood began in 1993, school districts have collectively sent \$20 billion in local property tax revenue to the State of Texas. What began as a system with 34 districts required to pay \$127 million in order to equalize funding statewide, has now grown to include 250 districts that collectively send more than \$2 billion to the state each year.

That burden has grown too great for taxpayers and schools, and the idea of equity is no longer fulfilled by this unfair tax redistribution system. Houston voters expressed just this sentiment when asked to send more than 10% of their local Maintenance & Operations (M&O) tax revenue to the state instead of using those dollars to serve a student population of which 76 percent are economically disadvantaged and 29 percent are English Language Learners (ELL).

Houston is not alone in its frustrations:

- Austin ISD is expected to send more than \$406 million – more than 35 percent of their M&O collections – to the state this year in spite of a student population that is 57 percent economically disadvantaged and 28 percent ELL.
- Cotulla ISD serves an 85 percent economically disadvantaged student population while sending 79 percent of their M&O collections to state coffers.

- Houston's neighbor Galveston ISD currently sends 28 percent of local M&O collections to the state even though 74 percent of their students are economically disadvantaged and 17 percent are English Language Learners.

What began as a mechanism to equalize funding between districts that were outliers in the overall system of finance has become a major source of revenue, and with each additional dollar raised in local property taxes in these districts, the state's share of the responsibility to fund public education declines accordingly.

It is difficult for taxpayers to understand that even when they pay an increased amount in school property taxes, their school district does not have increased revenue to spend on their students. In reality, increased local property values mean increased recapture for the state.

The voters in Houston exercised their right to voice the frustration felt by all districts in the state required to pay recapture. We hope the Texas Legislature will act, taking steps to remedy our broken system of school finance in a manner that is best for our students, schools, and taxpayers.

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