



FOR IMMEDIATE RELEASE
FEBRUARY 7, 2022

New Report Highlights State's Reliance on Local 'Robin Hood' Dollars to Balance Budget

(AUSTIN) — The State of Texas is increasingly and alarmingly removing local property tax dollars from school districts through the process of recapture, the Texas School Coalition explains in a [newly released report](#).

Last year, the state removed nearly \$3 billion from school districts through recapture, which is the process by which the state takes local property tax dollars out of districts with comparatively high levels of property wealth per student. Recapture began almost 30 years ago as a way to help ensure school districts have roughly the same amount of resources per student. However, the money paid in recapture is now among the state's largest revenue sources used to balance the state budget.

"The steady growth of property values throughout Texas has led to a sharp increase in the amount of money that the state is taking out of local school districts," said Texas School Coalition President Kyle Lynch, the Superintendent of Seminole ISD. "Texans expect their local school property taxes to fund their local schools. Without reforms, school districts will continue to write larger and larger checks to the state."

The new report from the Texas School Coalition, which represents districts that pay recapture to the state, is part of a new effort to highlight recapture's impact through a new website: www.recapturetexas.org. The site provides historical context about the rise of recapture and offers ways for taxpayers to voice their concerns about local schools losing local dollars.

When recapture began in 1993 following a ruling from the Texas Supreme Court, the state collected \$127 million in recapture payments from 34 school districts — a handful of the wealthiest districts in the state. In 2021, the state collected \$2.96 billion in recapture from 158 school districts.

In recent years, the Legislature has underestimated the amount of money that the state will collect from school districts through recapture. Then, toward the end of the budget cycle, the state collects more money than projected but, rather than putting those dollars back into education, the Legislature uses it to balance the state budget. In the last two-year state budget cycle, the state collected \$1.4 billion more in recapture payments than what was projected.

"Texas is relying more and more on local school property taxes to balance the state budget," said Texas School Coalition Vice President Sara Bonser, the Superintendent of Plano ISD. "The growth of recapture is making it more difficult for many school districts to meet their local needs at a critical time for students."

The report suggests three reforms that legislators could make to slow recapture's growth and add transparency to the process:

- School-funding formulas should reflect the fact that it's more expensive to do business in certain areas.
- When the state collects more than projected through recapture, those dollars should stay with public education.
- Tax bills should tell taxpayers how much of the money they are paying in school taxes is actually taken away by the state through recapture.

"One of our concerns is that recapture has far outgrown its purpose and is now a major revenue source for the state," Lynch said. "Texas collects more in recapture payments than it collects in proceeds from the Texas Lottery. It's important to remember that those are local property tax dollars that are no longer available to local schools."

###

The Texas School Coalition represents recapture-paying school districts. To request an interview or for more information, please contact Jason Embry at (512) 560-3876 or jason@NewWestComms.com.