

The Dallas Morning News

OPINION

Dallas ISD's growing payments to the state show why we can't be done with tax reform

Now is one of the worst times for the state to force Dallas ISD to send back what will likely be over \$100 million in tax revenue.



Alonso Guereca, Jr. (left), 5, catches up with classmates as his parents Martina Guereca (right) and Alonso Guereca watch from the start of the hallway on his first day of school at Dallas ISD's Edna Rowe Elementary School on Monday, Aug. 1, 2022. (Liesbeth Powers / Staff Photographer)

By Dallas Morning News Editorial
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It's a critical time for schools. Between severe teacher shortages, inflation and pandemic recovery, now is one of the worst times for the state to force Dallas ISD to send back what will likely be over \$100 million in tax revenue.

Texas made an attempt to fix this recurring problem for urban districts like ours. In 2019, the state Legislature moved to reduce the dollars flowing out of school districts in property-wealthy areas by tweaking its "recapture" formula, a process that was intended to take money from affluent schools and redistribute it to poorer campuses.

Yet economically disadvantaged students make up 85% of the predominantly Hispanic and Black population in Dallas ISD. It's the kind of school district the so-called Robin Hood payments should benefit. But the funds flowing out of Dallas ISD are only increasing.

This is why lawmakers must continue their work on school finance and property tax reform.

Dallas ISD expects to pay \$107 million in recapture this year, an increase of more than 25% compared to last year. While Dallas saw its property values skyrocket, the district lost 8,700 students in the 2020-21 school year, one of the sharpest declines in total enrollment in recent district history.

Property tax values and enrollment largely determine the amount of money a district is allowed to receive. Unless the Legislature improves the school finance system further, future payments could increase.

Texas doesn't redistribute all funds back to schools. For example, in 2021, property values statewide grew more than what legislators projected. So that \$1.4 billion in excess funds from schools became revenue for the state, according to a February report from the Texas School Coalition, an organization that advocates for school finance reform.

We don't want to discount what lawmakers accomplished when they tackled school finance in 2019. They increased the state's share of education funding and lessened the burden on property taxpayers. But it would be a mistake to say that the legislation, known as House Bill 3, should be the last word on school finance for a while.

Large urban school districts, including those in Austin and Houston, continue to see concerning sums extracted from schools that primarily educate low-income students.

Money makes good outcomes possible. Dallas ISD exceeded expectations this year when STAAR scores showed students made up a surprising amount of learning lost in the pandemic, largely because of the hundreds of millions of dollars the state spent on recovery. In some subjects, the district surpassed pre-pandemic levels.

Still, we cannot be satisfied with pre-pandemic scores, which show a district where too many students still cannot read or do math at grade level.

The Texas Supreme Court rightly ruled in the 1980s that our state's school finance system before recapture was unconstitutional. But what we have in place now is still failing Texas children.



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