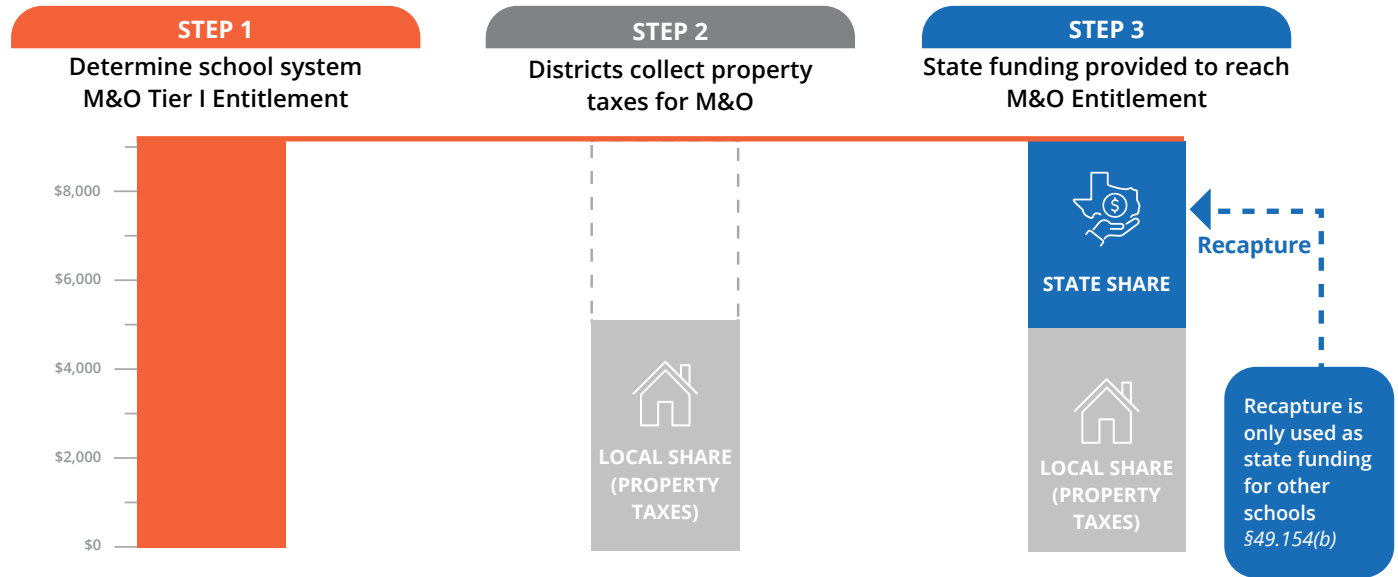


★ School Funding

How do property values impact school funding in Texas?

The Foundation School Program establishes a funding entitlement for all public schools in Texas to cover their annual maintenance and operational costs (M&O).¹⁴ The primary funding component of M&O is referred to as Tier I and is based primarily on the number of students enrolled and attending school each day, with differentiation based upon student needs. Schools are funded at their entitlement regardless of their level of property wealth.



How does Recapture work in Texas?

The Texas Constitution requires similar levels of funding per student for similar property tax rates. However, some school districts have very high levels of property wealth. The Foundation School Program uses a recapture mechanism to meet constitutional requirements.

