



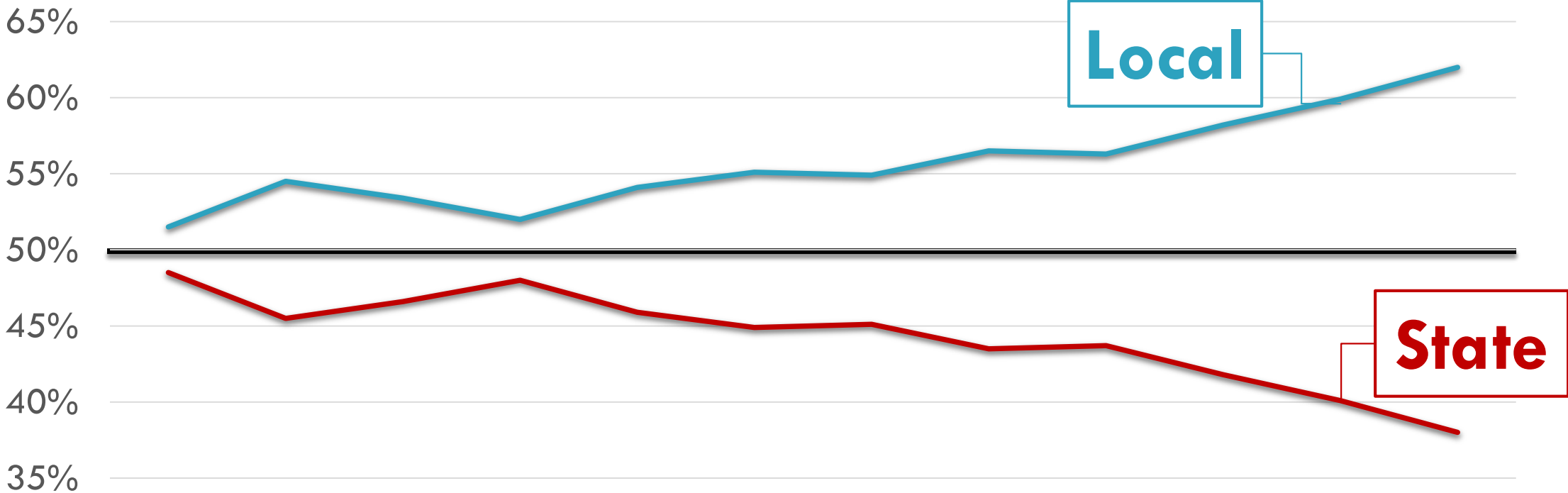
Testimony from the Texas School Coalition for the Texas Commission on Public School Finance

Christy Rome
Executive Director

Revenue from local property value growth should benefit the entity to which those local taxes are paid, rather than serving as a means for the state to divert funding that would otherwise be used to pay for public education. In this biennium alone, local property value growth was used to divert \$2.6 billion in state funds away from public school districts.



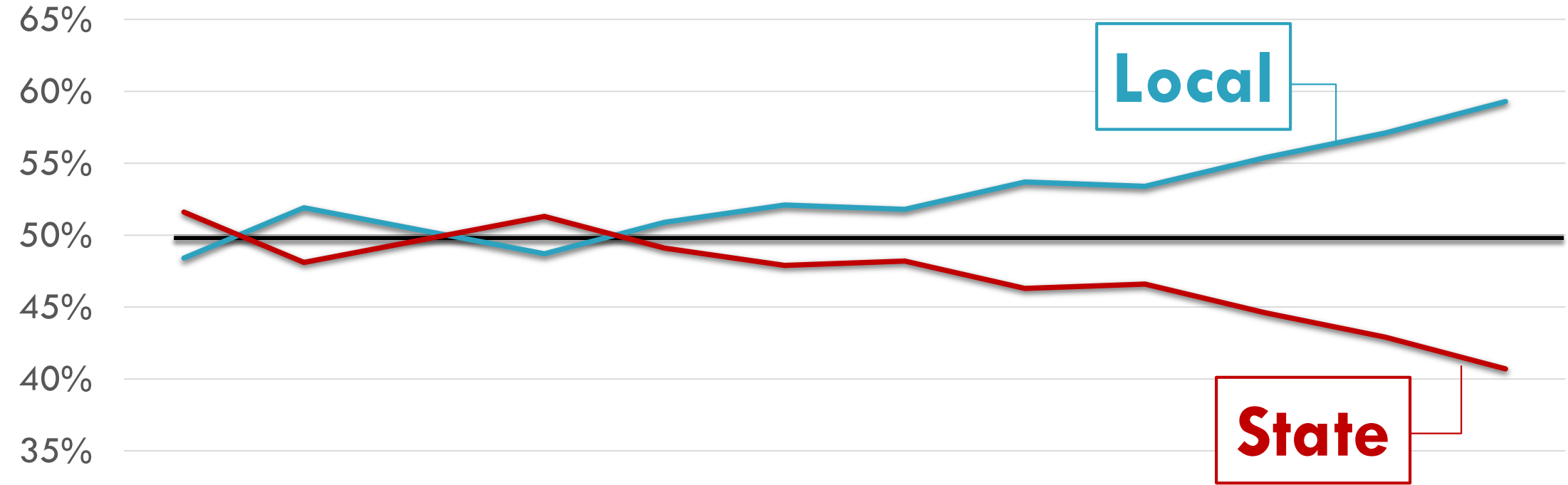
Share of State and Local Funding



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
— Local	51.5%	54.5%	53.4%	52.0%	54.1%	55.1%	54.9%	56.5%	56.3%	58.2%	59.9%	62.0%
— State	48.5%	45.5%	46.6%	48.0%	45.9%	44.9%	45.1%	43.5%	43.7%	41.8%	40.1%	38.0%



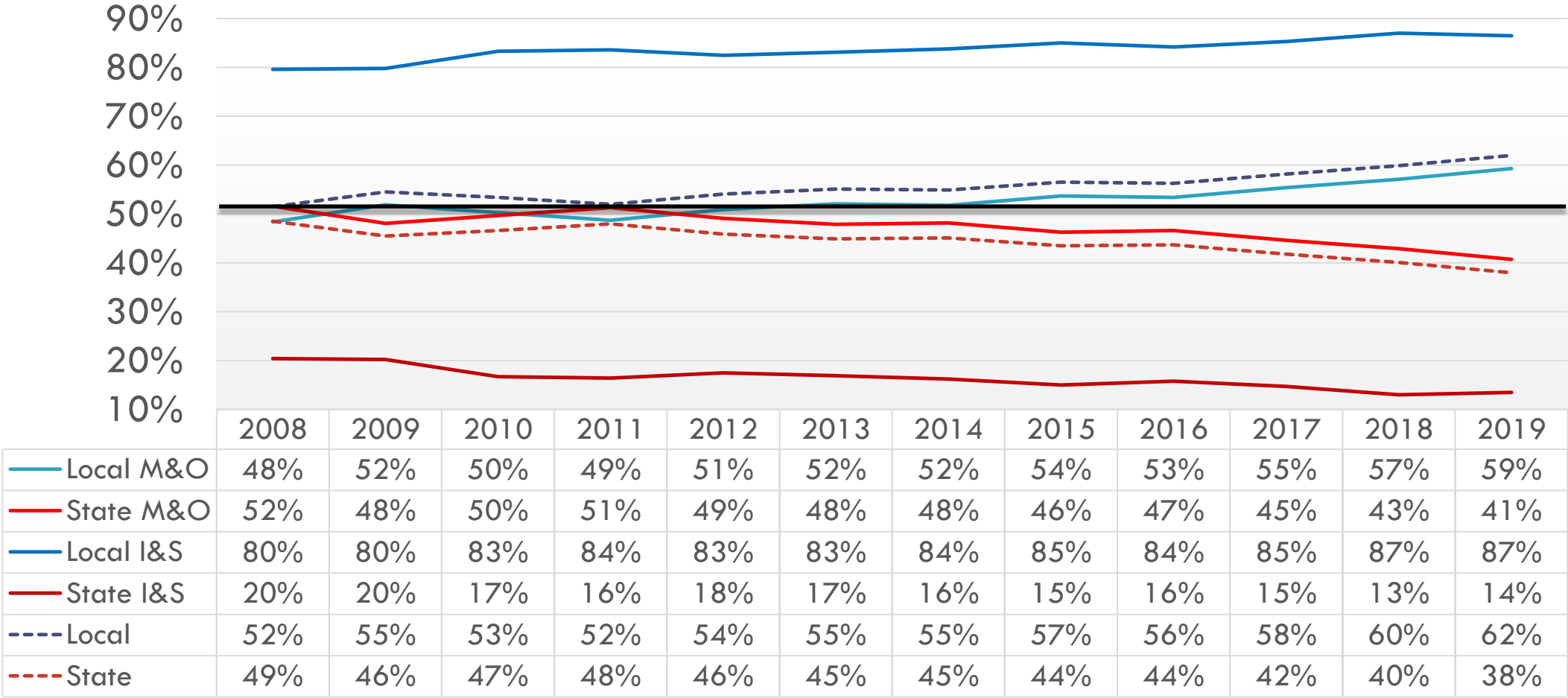
Share of State and Local M&O Funding




	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Local	48.4%	51.9%	50.3%	48.7%	50.9%	52.1%	51.8%	53.7%	53.4%	55.4%	57.1%	59.3%
State	51.6%	48.1%	49.7%	51.3%	49.1%	47.9%	48.2%	46.3%	46.6%	44.6%	42.9%	40.7%



Share of State and Local I&S Funding



Tax statements don't explain this to taxpayers



Collin County
 2300 Bloomdale Road Ste. 2324
 P.O. Box 8048
 McKinney, TX 75071
 972-547-5020

2017 Tax Statement

Property Account Number:
B123456G02026

Statement Date: 08/14/2017
Owner: SMITH JOHN & JANE
Mailing Address: 1234 ANY STREET
 PLANO TX 75075-7748

Property Location: 0001234 ANY STREET
Acres: 0
Legal: SHADY ACRES #1 (GPL), BLK G
 , LOT 20

Exemptions: General Homestead

IMPROVEMENT VALUE	LAND MARKET VALUE	NON-HOMESITE IMPRV	NON-HOMESITE LAND	AG VALUE
231,254	75,000	0	0	0

Taxing Entities	Homestead Exemption	Taxable Value	Tax Rate	Base Tax
COLLIN COUNTY	28,655	315,727	0.192246	607
PLANO CITY	84,784	267,712	0.468600	1,255
COLLIN COLLEGE	11,489	332,893	0.077118	257
PLANO ISD	38,013	323,621	1.439000	4,657
TOTAL BASE TAX				6,694
PRIOR YEARS				0
Total Amount Due				6,694

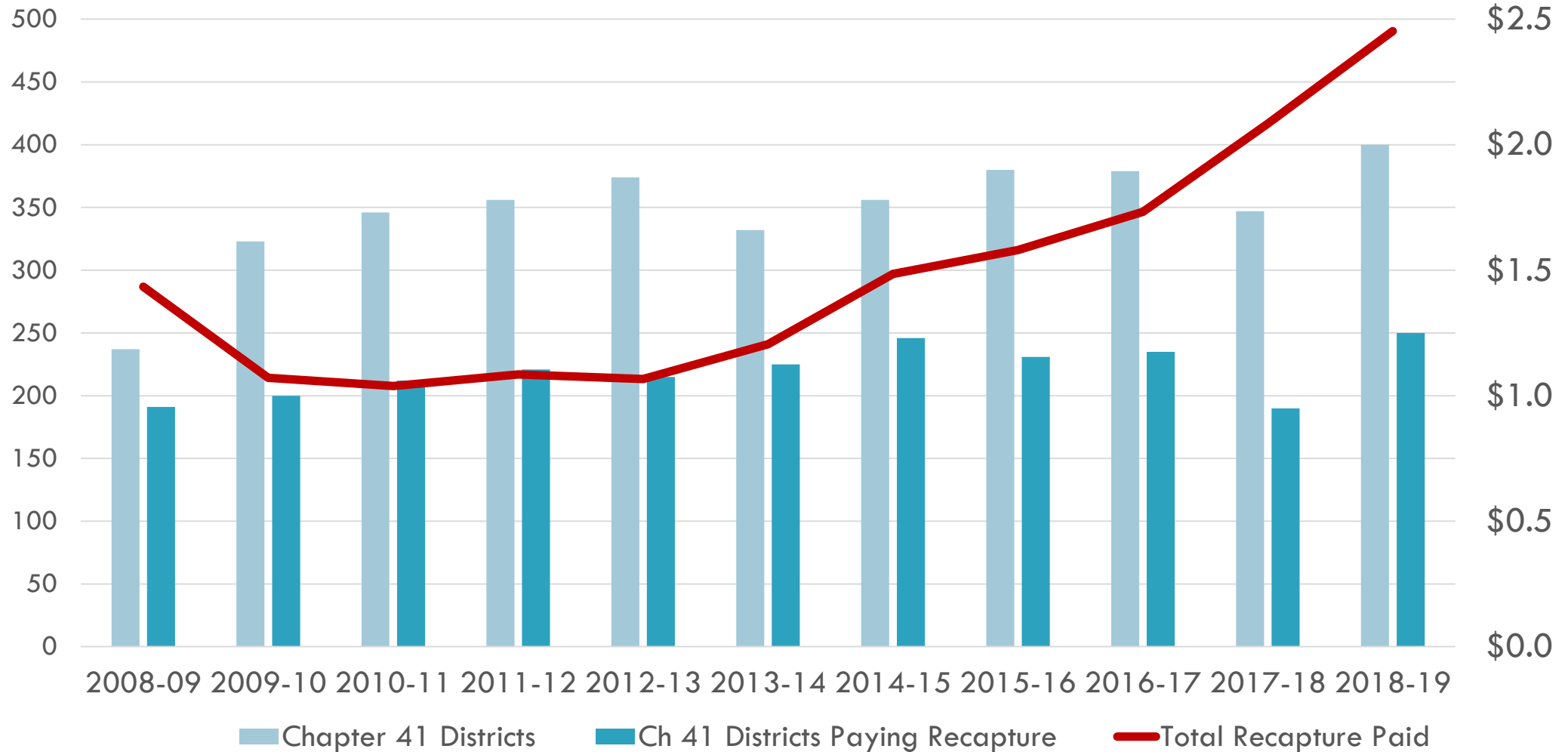
Of this total, \$3,786 is for operations. The state claims \$1,023 (or 27%) in recapture.



While it was initially intended as a means to achieve equity, **recapture is an unsustainable burden** for an increasing number of districts that are required to send money to the state that is necessary to meet the needs of local students.



Recapture from 2009-2019



txsc.org

Being property wealthy isn't a bed of roses

- ❑ No transportation allotment for Tier 1 recapture districts
- ❑ Volatility of markets makes it hard to plan and can put districts in the position of paying more in recapture than they collect in taxes
- ❑ Unpopularity of recapture makes it difficult to raise tax rates and limits local control
- ❑ Industrial wealth comes with its own set of challenges
- ❑ Property wealth isn't the same as personal wealth



Adjustments for Diverse Needs & Circumstances

District Characteristics

- ❑ Cost of Education Index (cost of living/regional cost differences)
- ❑ Size (less than 500 or 1,600)
- ❑ Sparsity (size & square miles)

Student Characteristics

- ❑ Special Education
- ❑ Economically Disadvantaged
- ❑ English Language Learners
- ❑ Gifted and Talented
- ❑ Career & Technical Education



Money Matters

- ❑ Resources are needed in all districts to prepare students to work and compete in a global economy
- ❑ Resources are needed to equip students with technology and give them the opportunities for real-world learning experiences
- ❑ Resources are required to recruit and retain outstanding educators to provide the quality of learning Texas students need and deserve
- ❑ Resources are necessary to bridge the gap through early learning opportunities, reduced class sizes, and a whole host of other proven methods and programs

