

School Funding FAQs

Will HISD lose money next year?

Under the state's current public school funding structure, HISD could lose \$46.4 million in state funds for the 2015-2016 school year because of rising property values throughout the city. Generally, as property values rise in a district, the state provides less funding and school districts send part of their local revenue to the state. This process is called "recapture" and is outlined in Chapter 41 of the Texas Education Code.

What is recapture? What does Chapter 41 of the Texas Education Code require?

Chapter 41 of the Texas Education Code — often called the "Share the Wealth" or "Robin Hood" plan — requires districts that are property-wealthy to share money with districts that are property-poor. Under this school finance system, the state "recaptures" funds from property-wealthy districts and distributes the money to property-poor districts.

Why is HISD considered a property-wealthy school district?

Though 80 percent of HISD students are from low-income families, HISD is considered a property-wealthy district because of rising property values.

Why would the recapture negatively impact HISD?

The bulk of the decrease in state funding is expected to be offset by money generated from the rise in property values. Drastic reductions are not expected, though some cuts likely will be required as HISD school trustees and district administrators prioritize funding for various programs and initiatives.

What would it take to prevent HISD from going into the recapture process?

The Texas State Legislature would have to add at least \$3 billion to the state's public education budget for the 2016-17 biennium. The school finance bill, HB 1759, would have kept HISD out of recapture, but that bill is no longer viable. Now, everything rests with the budget conference committee, which is made up of senators and representatives tasked with negotiating the state's budget for 2015-2016 and 2016-2017.

How can parents and community members help?

As a parent and taxpayer, your voice matters in Austin. Please contact your state representative, state senator, and members of the budget conference committee, and ask them to consider raising the funding level for public education to \$2.2 billion.