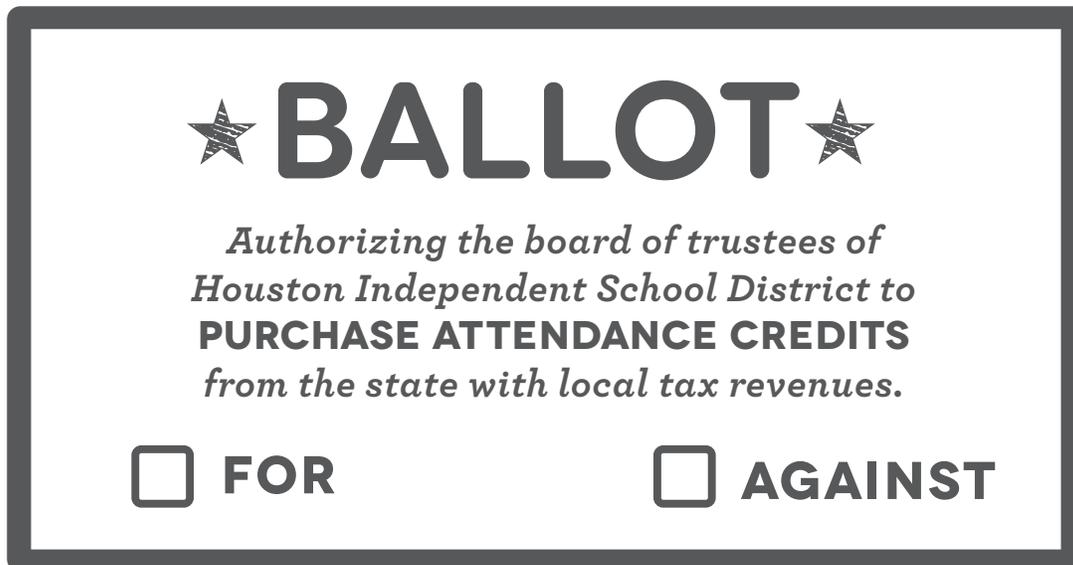


# RECAPTURE ON MAY 6 BALLOT

## HOW DO YOU WANT HISD TO PAY?

HISD voters will be asked on **MAY 6** how the district should pay its Recapture obligation to the state of Texas: by **PURCHASING ATTENDANCE CREDITS** or through **DETACHMENT OF COMMERCIAL PROPERTY**. Here's the language that will appear on the ballot:



A vote **FOR** means **Purchasing Attendance Credits** by writing a check to the state comprised of local property taxes. It also means:

- The district will continue to make annual recapture payments as long as property wealth grows.
- Our total tax collections will continue to grow to offset these payments as property values rise.
- The district will have more capacity in the future to fund schools.



A vote **AGAINST** **Purchasing Attendance Credits** means **Detachment** of the most valuable non-residential, commercial properties from the district's tax roll. The properties will be reassigned to other school districts for taxing purposes. It also means:

- Under current law, those commercial properties will be permanently detached, and the district will permanently lose those tax collections for district operations.
- The district will lose debt service tax collections used to pay back bonds, which is debt used to build schools.
- The district will face budget cuts and have less capacity to fund schools.

# HISD BUDGET IMPACTED BY MAY 6 RECAPTURE VOTE

## → DIDN'T WE ALREADY VOTE ON THIS?

Yes, in November 2016, HISD voters rejected Proposition 1 and purchasing attendance credits, making HISD subject to Detachment to pay its Recapture obligation. Since then, action by the Texas Education Agency and other factors have reduced HISD's Recapture obligation from about \$162 million to about \$77 million. Future payments have been reduced as well.

The vote has also started a conversation among legislators in Austin about changing the state's outdated school finance system. In response, the HISD Board of Education called a new election for May 6, 2017, giving voters another opportunity to decide how HISD will pay its Recapture obligation.

## → THE MAJORITY OF HISD'S STUDENTS ARE ECONOMICALLY DISADVANTAGED. WHY IS THE DISTRICT SUBJECT TO RECAPTURE?

Due to rising property values, HISD's wealth level per student exceeded the level set by the Legislature in the 1993 "Robin Hood" school finance law. Under the current law, even a school district like HISD with almost 80% economically disadvantaged students and over 30% English language learners is considered wealthy and therefore subject to recapture. As long as property wealth grows in Houston, and the state's school finance system remains the same, HISD will continue to remain in Recapture.

## → HOW WILL THE MAY 6 VOTE AFFECT HISD FINANCIALLY IN THE LONG TERM?

A vote FOR purchasing attendance credits will allow HISD to make Recapture payments to the State, but the district's local tax collections will continue to grow to offset these payments as property values rise. A vote AGAINST purchasing attendance credits will allow commercial properties to be detached from HISD, and the district will lose those tax collections from district operations. As more and more commercial properties are detached, a larger percentage of the responsibility to fund public education would shift to homeowners and remaining business owners. In addition, the district will lose future tax collections on the detached property used to pay back the district's debt for building schools. These tax collections are not lost under the Purchase of Attendance Credits.

