



TEAMWORK FOR EXCELLENCE

**P L A N O**  
Independent School District

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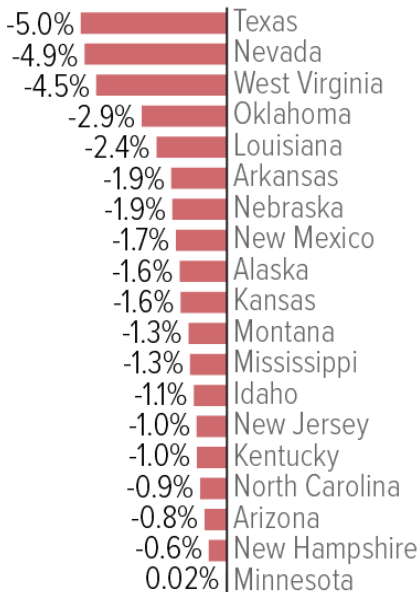
## **AS STATE FUNDING FOR PUBLIC EDUCATION CONTINUES A DOWNWARD TREND, SCHOOL DISTRICTS' OBLIGATION TO THE STATE INCREASES**

*Plano ISD taxpayers will pay more in taxes this year with no benefit to the district because new operating tax dollars collected must be paid to the state.*

**Plano, TX – August 25, 2017.** Texas topped a list of nineteen states who cut general funding per student during the 2016-17 school year, according to the Center on Budget and Policy Priorities. This decline occurred during a time when increasing property values throughout the state have benefited the state budget.

### **Nineteen States Cut General Funding Per Student This Year**

Percent change in state formula funding\* per student, inflation adjusted, fiscal years 2016-2017



\*General or formal funding is the primary form of state K-12 funding. States also typically provide revenue for other, more specific purposes, such as bus transportation and contributions to school employees and pension plans.

Note: Hawaii, Indiana, and Wyoming are excluded because the data necessary to make a valid comparison are not available.

Source: CBPP budget and enrollment analysis.

Recent certified property appraisal values show an increase of 8.6% for existing properties and 11.6% for existing and new properties in Plano ISD. Plano ISD school board members have advocated that this would be a prime opportunity to reduce the school district's tax rate since keeping the same tax rate will result in higher property tax collections. However, those higher tax collections do not result in increased funding for the school district without school finance reform by the Texas Legislature.

The Texas Legislature's Special Session concluded earlier this month on August 15 leaving property tax reform at an impasse. "Real property tax reform cannot occur until we experience real school finance reform," said Plano ISD School Board President Missy Bender. Public education is funded by contributions from local taxpayers and by the state of Texas. "What we see now is an over reliance by the state on local property tax dollars as the state decreases its own funding for public education."

When a school district's property values grow faster than its enrollment, as it has in Plano ISD, the state either reduces its contribution to education or requires the district to send more money to the state under the Robin Hood plan. Plano ISD Robin Hood payment requirements have increased by approximately \$50 million for the last two years and will continue to do so for the foreseeable future. Bender described this essentially as a "hidden state tax" on the property tax statement. Plano ISD's strong local economy coupled with this archaic funding system have benefited the state of Texas with a 384% increase in state Robin Hood payment requirements over the last four years and only a 10.6% increase in local operating funds.

"It would be more palatable if the state used all of that money to enhance the plight of districts with lower property values," Bender said. "But that is not the case because the state built its budget expecting to benefit from rising local property values."

According to Article III (Education) of the Appropriations Bill, total statewide recapture payments will increase by \$1.3 billion for the 2018-19 biennium. At the same time, the contribution from the state's general revenue fund to Article III will decrease by \$1.6 billion. "It is clear that the state diverted the increased recapture payments toward reducing its own budget rather than assisting the property poor districts that recapture is intended to help," said Bender.

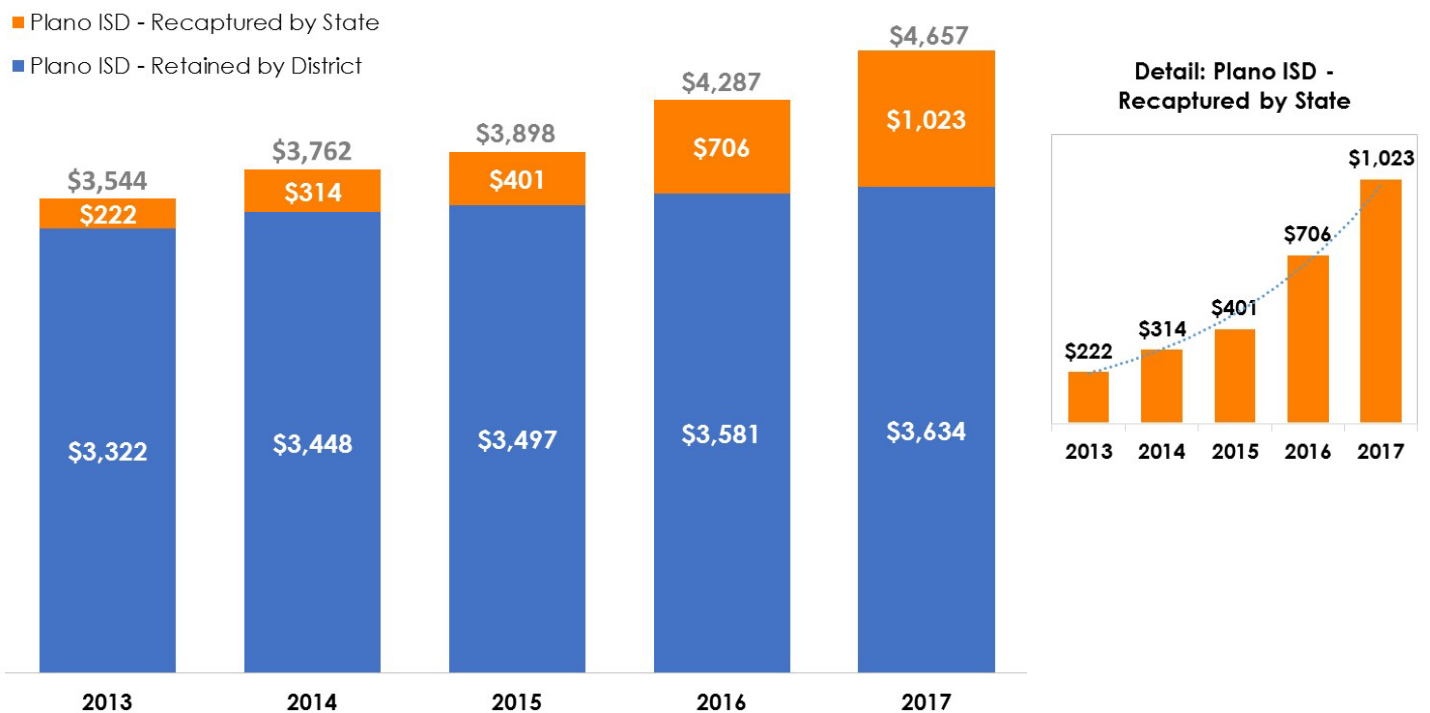
While the state's contribution declines, the student population continues to climb by about 80,000 students per year, with the state's share of funding for public education falling to what may be an all-time low—less than 38%. "Essentially, the state took more money from districts like Plano, used it to balance the state budget, then reduced its own contribution to those property poor districts who experienced increased property values," said Bender. Plano trustees made several trips to Austin this year during the regular and special sessions to advocate for property tax relief and school finance reform. In fact, they began their legislative work in the fall of 2015 by reviewing state and local legislative action, discussing ways of engaging representatives and appointing a board subcommittee to address the needs of the district as they developed legislative initiatives.

As school finance reform, property tax relief and transparency in taxation became top priorities leading up to the 85th legislative session, Plano ISD partnered with other districts in an effort called "Taxparency," ([www.taxparencytexas.org](http://www.taxparencytexas.org)).

“Taxpayers are a grass roots collaboration among several Texas school board trustees who feel property owners have the absolute right to know where and how their school taxes are being spent by their local school districts and by the state,” said Bender.

In Plano, the average homeowner’s tax bill states that \$4,657 is collected by Plano ISD, yet does not acknowledge that the district receives \$3,634, while the state takes the other \$1,023. “This lack of transparency masks the hidden state tax and eliminates a school board’s ability to decrease operating tax rates since it must generate new funds to satisfy rising annual recapture payments,” said Bender.

**Breakdown of Plano ISD Property Taxes on Average Home  
2013-2017**



**About Plano Independent School District**

The Plano Independent School District (Plano ISD) ([www.pisd.edu](http://www.pisd.edu)) endeavors to foster the highest level of student learning. The mission of Plano ISD is to provide an excellent education for each student. Plano ISD is located 20 miles north of Dallas, Texas and serves the residents of approximately 100 square miles in southwest Collin County, including 66 square miles in the city of Plano, northern portions of the cities of Dallas and Richardson and parts of the cities of Allen, Parker and Murphy. Plano ISD employs more than 6,500 staff members who serve nearly 54,000 students in 72 schools and 11 service facilities. Plano ISD schools empower students to be able to adapt to new learning and career opportunities throughout their lives, collaborate with, and contribute to, the global community and to be disciplined and creative in their thinking.

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If you would like more information regarding the Plano ISD Board of Trustees’ legislative advocacy, please visit [www.pisd.edu/legislative](http://www.pisd.edu/legislative)—or contact Lesley Range-Stanton at 469.752.8094, [lesley.rangestanton@pisd.edu](mailto:lesley.rangestanton@pisd.edu).