

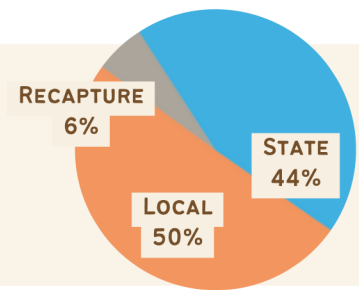


## RECAPTURE IS AN EQUITY TOOL

Recapture, also known as Robin Hood, is an equity tool that levels funding between districts, ensuring that some districts do not have drastically more resources than other districts after taking into consideration student populations.

Because the school finance system is formula driven, recapture dollars do not increase the amount of funding for some schools, they are just part of the funding a school receives. Recapture levels the playing field between property-wealthy and property-poor districts. This means if a property-wealthy district, one that pays into recapture, is experiencing budget constraints all districts are in the same boat. Students with additional funding needs are taken into consideration when setting recapture amounts, since those adjustments are used to determine a district's level of funding.

WHILE RECAPTURE HAS GROWN SIGNIFICANTLY, TO **\$3 BILLION** IN 2023 FROM **\$1.2 BILLION** IN 2014, IT REMAINS A SMALL PART OF OVERALL SCHOOL FUNDING. IN 2023, RECAPTURE IS ESTIMATED TO ACCOUNT FOR **ONLY 6% OF ALL SCHOOL FUNDING.**

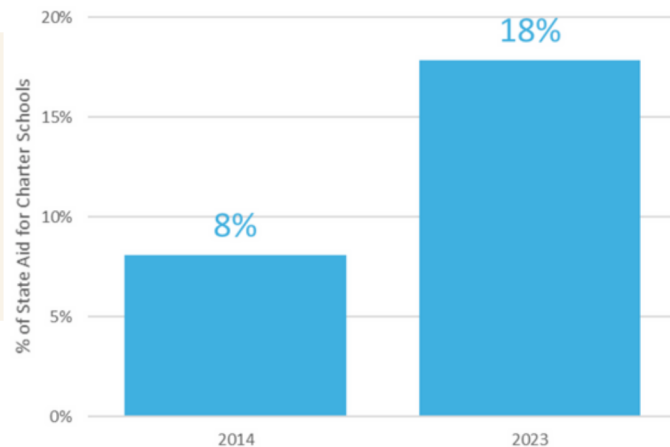


While recapture dollars are statutorily dedicated to education, they are not dedicated exclusively to property-poor districts. Charter schools are 100% state-funded and do not have a local tax base, so they are neither property-wealthy nor property-poor.

Recapture is based on wealth per student: how much a school district can fill its entitlement with local property tax revenue. When a school district loses students to a charter school, its local wealth per student increases. Charter enrollment is growing rapidly across Texas. By 2023, an estimated 8% of students in average daily attendance will be in a charter school, up from 4% in 2014.

AS CHARTER ENROLLMENT GROWS, SO DOES THE COST TO THE STATE. BY 2023, **NEARLY 18%** OF THE STATE'S FUNDING FOR PUBLIC EDUCATION, WHEN INCLUDING RECAPTURE, WILL GO TO CHARTER SCHOOLS, UP FROM 8% IN 2014.

Since increases in charter school enrollment increase recapture payments for property-wealthy districts and push other districts toward recapture, the state is essentially siphoning off local property tax revenue to fuel charter school growth.



Source: Legislative Budget Board, Fiscal Size-Up 2022-23.  
Recapture Included as State Aid.

**CHARTER SCHOOLS ARE PRIVATELY MANAGED ENTITIES THAT RECEIVE PUBLIC FUNDING. THEY DO NOT HAVE LOCALLY ELECTED BOARDS AND AS A RESULT HAVE NO ACCOUNTABILITY TO LOCAL TAXPAYERS.**