

Fast Facts About Texas Public School Finance January 2004

Robin Hood benefits 88% of Texas school children:

High-wealth (“Robin Hood”) districts serve only 12 percent of all Texas students; the vast majority of students live in low-wealth districts. This table shows the number and percentage of schoolchildren from each socio-economic group that are in each category of school districts. For instance, 16 percent of Anglo students live in high-wealth districts, but only 8 percent of Hispanic and African-American students live in these districts.

	Number of students		Percent of group	
	Low-wealth	High-wealth	Low-wealth	High-wealth
Anglo	1,408,130	272,999	84%	16%
Hispanic	1,651,861	143,059	92%	8%
African-American	537,034	48,477	92%	8%
Other	104,621	29,809	78%	22%
TOTAL	3,701,646	494,344	88%	12%
Economically disadvantaged	2,001,792	166,858	92%	8%

The property wealth of the state is allocated unfairly:

Although high-wealth districts have only 12 percent of Texas students, these districts have 26 percent of the state’s taxable property value. Of the property within high-wealth districts, 62 percent is business property. Recapture of property taxes in high-wealth districts affects mainly business property – refineries, oil and gas wells, nuclear power plants, and shopping malls – not homes.

	Low-wealth districts	High-wealth districts
Total students	88%	12%
Total taxable property value	74%	26%
Portion of total taxable property value that is business	57%	62%

Killing Robin Hood would mean giving a small number of school

districts a large advantage:

- High-wealth districts could increase spending by \$2,200 per student annually.
- Or, high-wealth districts could reduce property taxes by \$1.1 billion annually – cutting school tax rates by an average of more than 40 cents.

- To increase per student spending the same amount in low-wealth districts would cost \$8.1 billion annually.
- Or, reducing property taxes the same proportion in low-wealth districts would cost \$3.2 billion annually.
- Nearly half the students who benefit from eliminating Robin Hood live in just five school districts (Austin, Plano, Richardson, Round Rock, and Spring Branch).
- If Robin Hood were eliminated, half of the money would go to just seven districts (Austin, Plano, Highland Park, Richardson, Carrollton-Farmers Branch, Eanes, and Grapevine-Colleyville).

(High-wealth districts now pay \$1.1 billion a year in recapture)

Any meaningful change to the system costs billions:

- Annual cost to state of replacing recapture = \$1.1 billion

- Annual cost to state of cutting school property taxes statewide by 10 cents = \$1 billion
- Annual cost of 3 percent inflation would be \$785 million (\$2.4 billion for biennium)
- Annual cost of enrollment growth = \$500 million

(Biennial cost = \$1.5 billion)

- Annual cost of increasing spending by \$250 per student = \$1 billion

- Annual cost of raising spending to the national average per student = \$2.8 billion

- Annual cost of raising teacher salaries to the national average = \$1.7 billion
- The federal government picks up just over ten percent of the cost of school property taxes by making property taxes deductible. If we cut property taxes by \$5 billion a year by use of a non-deductible tax such as a sales tax, we would give up \$500 million in subsidies.