



Election Day - May 6

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Press Release

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Local business coalition unites to support HISD Proposition 1

*Business community wants to continue funding local schools
and future leaders directly*

HOUSTON— A local business coalition that includes the Greater Houston Partnership, Central Houston, the Houston Building Owners and Management Association (BOMA), Uptown Houston, Houston Business Reality Coalition, and “C” Club, today announced their support for HISD Proposition 1, which will be on the ballot May 6. The outcome of this special election will determine if Houston Independent School District (HISD) pays its recapture obligation under the state’s “Robin Hood” statute by purchasing attendance credits for \$77.5 million or by having \$8 billion of Houston’s high value commercial property permanently reassigned to another school district (This process is often referred to as “detachment.”) In the first year alone, it would impact more than 80 commercial properties located in The Galleria, Greenway Plaza, and downtown Houston.

There is no other school district in the state that has ever allowed detachment to go into effect. Today, there are 250 Texas school districts currently in recapture. They all have chosen to purchase attendance credits and keep their commercial, industrial and residential property intact. If Proposition 1 fails, HISD would be the first Texas school district to elect to permanently decrease its commercial tax base. While the value of commercial property slated for detachment this year is \$8 billion. HISD estimates it will climb to \$22 billion in 2018.

“No one in our community wins under detachment. We are encouraging a vote in support of Proposition 1 so that Houston businesses can continue to help fund Houston’s public schools and its future leaders,” said Bob Harvey, President and CEO of the Greater Houston Partnership. “Education is the key to building a Houston that works for all of our community’s residents,” Harvey added.

“Houston businesses want their tax dollars to go directly to our area children and public schools. The passage of Proposition 1 will keep it that way,” said Bob Eury, President and CEO of Central Houston.

HISD’s new status as a property-wealthy district shows the inextricable link between our school districts, real estate and taxpayers. According to the Texas Taxpayers and Research Association (TTARA), the state’s leading organization on tax and fiscal policy, if detachment moves forward, HISD will lose two-thirds of its commercial property within five years. Commercial property makes up 44 percent of HISD’s total tax base, shifting the burden to fund the district entirely to homeowners and renters.

“The failure of Proposition 1 would have negative implications for various facets of our community including HISD students, their teachers and parents, commercial property owners, retail businesses and residents,” said Tammy Betancourt, CEO of Houston BOMA. “They would all pay a higher toll if the ballot proposition fails.”

“There is a reason no school district has ever allowed detachment to proceed, it will wreak havoc on the real estate market,” said Alan Hassenflu, Chairman of the Houston Business Realty Coalition. “Having a patchwork of varying tax rates paid to a variety of school districts will hinder economic development in our community,” added Mano DeAyala, President of the “C” Club.

The campaign for passage of Proposition 1 has elicited bi-partisan support from County Judge Ed Emmett, State Senator Paul Bettencourt, and State Representatives Alma Allen, Sarah Davis, Harold Dutton, Jarvis Johnson, Jim Murphy, and Shawn Thierry. HISD Board President Wanda Adams and trustees Anna Eastman, Mike Lunceford, Rhonda Skillern-Jones, Anne Sung, and Holly Maria Flynn Vilaseca, along with numerous other community members, also support voting “for” Proposition 1.

Texas has had the Robin Hood system in place since 1993. The law was passed to achieve equity among wealthy and less wealthy school districts. As property values in Houston have increased, HISD has become a wealthy school district and voters must now choose how the district meets its financial obligation. As things stand now, the TEA is poised to remove \$1.6 billion in real property from the Galleria, \$1 billion from Greenway Plaza, \$4 billion from downtown Houston, and more than a billion in business personal property at those locations.

“Houstonians should vote for Proposition 1 on May 6 so that we preserve our resources and can all work together to find a long-term funding solution for public schools,” added Bob Harvey.

For more information and additional resources, visit proponevoteyes.com or houston.org/voteforprop1.

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