

TEXAS IS UNDERFUNDING SPECIAL EDUCATION

Recent cuts exacerbated problems with special ed funding.



Funding is not keeping up with the actual costs of meeting the vast needs of nearly 800,000 Texas students enrolled in special education programs. According to TEA data, there is a \$2.2 billion difference between the funding provided for special education and the actual cost of providing those services. As a result, school districts face some difficult choices about how much money to pull away from other student programs and priorities in order to meet the needs of students enrolled in special ed.

School districts in Texas have also lost hundreds of millions of dollars in federal funding for special education through a program called School Health and Related Services, or SHARS. The state Health and Human Services Commission was slow to communicate with school districts about the funding clawback, which has created budget challenges for districts.

DEMAND FOR SPECIAL ED IS SURGING

Since the 2014-15 school year, the number of students served through special education has increased 72%, according to the Texas Education Agency, which is a greater increase than the growth in overall student enrollment. This growth has put more demand on education funding at a time when inflation has driven routine operating costs higher.

The state funds special education based on instructional arrangements, or settings. These formulas are based on how much time a student spends in a special education setting. In December 2022, the Special Education Commission recommended, and legislators subsequently filed and considered, an intensity-based funding formula that considers each student's educational arrangement and specialized services required and includes multiple tiers and service groups. The Legislature should build on this work in 2025.

Increasing state special education funding would allow legislators to put more resources into public schools and support some of the most needed services that schools provide. Additional state support for special education would help school districts use more of their revenue for teacher pay, academic programs, and other local priorities.

The number of Texas public school students receiving special education services has **increased by 72%** since 2014-2015.

Special education costs exceed current funding by **\$2.2 billion**, according to TEA figures.

The Texas Comptroller estimates the Legislature will have a **\$24 billion surplus**, providing an opportunity to increase funding for targeted priorities.

With a significant state surplus, the Legislature can help students across the state by putting more funding into special education.

