

TEXAS EDUCATION FUNDING IN CONTEXT

Understanding how the state counts dollars directed to public education.



Texas Education Agency figures say federal, state and local spending on public education amounted to \$15,905 per student in 2023. Some have used this figure (and similar figures) to suggest that Texas is overfunding public education.

One could reasonably conclude that \$15,905 is a robust number and that schools are well-funded. However, the reality on the ground shows something quite different. School districts are closing campuses, reducing their teaching staffs, and eliminating instructional programs — all due to a shortage of state funding.

HOW DO WE MAKE SENSE OF THE NUMBERS?

The eye-popping number from TEA is not wrong, but it takes a highly inclusive view of education spending. For example, the per-student figure counts:

\$2,568 in federal funds.

A substantial amount of these dollars comprise federal ESSER funding that was meant to help districts weather COVID. **Those dollars expired in August 2024.** It also includes funding for free and reduced-price lunch for students from lower-income families.

\$821 in recapture.

These are dollars that districts with relatively high levels of property wealth send to the state so all districts will have similar funding levels per student.

\$1,978 in local & state funds to repay voter-approved bonds.

These are dollars that local voters approve through bond elections to pay for construction. **They cannot be used for operating expenses such as teacher salaries.**

\$160 in other receipts.

This includes, for example, insurance proceeds to cover the impact of natural disasters, or sales of capital assets.

Many different accounts of per-pupil spending have been discussed and debated, but these numbers cannot be viewed in a vacuum. It is important for parents, business leaders and legislators to understand that schools across Texas face severe budget challenges because state funding has been flat at a time of record-high inflation — despite a massive budget surplus. Any conversation about student funding in Texas must take these realities into consideration:

The Texas Legislature **has not raised the state's core unit of per-student education funding** — the Basic Allotment — since 2019.

The Legislative Budget Board says **public education funding has decreased \$9.8 billion** between FY 2020 and FY 2025 when adjusted for population growth and inflation.

Texas ranks in the bottom 10 in per-student funding by state and **spends \$4,400 less per student** than the national average. (Source: NEA)

Some may claim that our schools have plenty of money, but parents know the truth. Texas cannot continue to sit on billions of surplus dollars and force our schools to keep cutting.

Tell your legislators to put more dollars into Texas public schools!