

Stagnant state funding takes toll on public education

In constant dollars, funding for public education is down \$10 billion since 2020.

- According to the Legislative Budget Board, when adjusted for population and inflation, spending on public education was \$54.8 billion in FY 2020. In FY 2025, it was \$44.9 billion.
- The Basic Allotment — the core unit of funding public education — has not been increased since 2019, despite record inflation.
- These numbers include nearly \$4 billion that was set aside, but never appropriated, during the 2023 special sessions. In other words, the decrease since 2020 is actually steeper, but it is important to use the Legislature's own numbers.

School districts across Texas have made difficult budget cuts.

- According to a TASBO survey of more than 300 districts last spring, 43% of districts said they were planning to make significant budget cuts.
- The widespread nature of the cuts shows that the lack of state funding is not confined to a small number of districts or certain regions. Districts are challenged statewide.

The much-celebrated gains of HB 3 in 2019 have been wiped out.

- House Bill 3 — heralded as a major step forward for public education funding — was passed into law in 2019 with much fanfare and overwhelming bipartisan support.
- The state's failure to increase the Basic Allotment since 2019 — during a period of record-high inflation — has put school districts further behind than before 2019.
- While funding has been stagnant, districts have seen sharp increases in their costs for fuel, utilities, and insurance, while also competing for teachers at a time of significant teacher shortages.

Surplus funds are available but have not been invested in public education.

- The Legislature kept funding for public education flat despite entering the 2023 session with a \$33 billion surplus.
- Comptroller Hegar has projected that the Legislature will end the current budget cycle with more than \$21 billion left over.
- Billions of dollars are piling up in the state treasury while school districts are cutting teaching positions and academic programs.



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