

THE CASE FOR PRIORITIZING PUBLIC EDUCATION FUNDING

PUBLIC EDUCATION FUNDING NEEDS

INFLATION & POPULATION GROWTH



- The Legislative Budget Board estimates that inflation and population will grow by 12.33% from the 2022-23 biennium to the 2024-25 biennium.
- **Increases to the Basic Allotment allow school districts to address their own unique needs.**
- The Texas Commission on Special Education Funding found that special education programs are underfunded by more than **\$1.8 billion**.

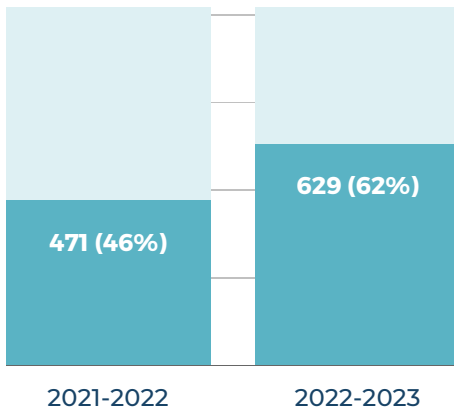
School District Needs	Funding Required	Current Proposed Appropriation
Funding for inflation and population growth in the 24-25 biennium	\$10.4 billion*	\$4.9 billion**
Funding for inflation from the 19-20 and the 22-23 biennium	\$14.5 billion*	\$0
Funding to address gaps in costs of Special Education services	\$1.8 billion	\$0

* Based on an estimated \$1.4 billion per \$100 increase in the basic allotment

** An additional \$5 billion is proposed in Rider 82, Article III in the Committee Substitute for H.B.1, but it is undetermined what this funding will be used for if appropriated.

INFLATIONARY IMPACT ON SCHOOL BUDGETS

NUMBER OF SCHOOL DISTRICTS WITH DEFICIT BUDGETS¹



Texas school districts adopted a state-wide budget **deficit** of

(\$2.3 billion)¹

in the 2022-23 fiscal year, compared to a state-wide budget surplus of \$3.6 billion in 2021-22.

- State-wide budgeted revenue for school districts decreased by \$4 billion from 2021-22 to 2022-23. \$1.2 billion of that amount represents an increase in recaptured revenue.
- Budgeted operating expenditures for school districts increased by \$2 billion from 2021-22 to 2022-23.



Fuel



General Insurance Policies



Utilities



Employee Compensation

- Schools, just like households and businesses, have experienced an **increase in basic costs**.
- Schools no longer have the same buying power they did in 2019 when the \$6,160 basic allotment was set.
- **Inflation since 2019 has increased by 17%**, according to the Consumer Price Index.

THE BASIC ALLOTMENT WOULD NEED TO INCREASE FROM \$6,160 TO \$7,200 FOR SCHOOLS TO HAVE THE SAME BUYING POWER TODAY AS THEY HAD IN 2019.