

Consequences of the Texas Public School Funding Hole of 2011-16

Dr. Michael Marder and Chandra Kring Villanueva

EXECUTIVE SUMMARY

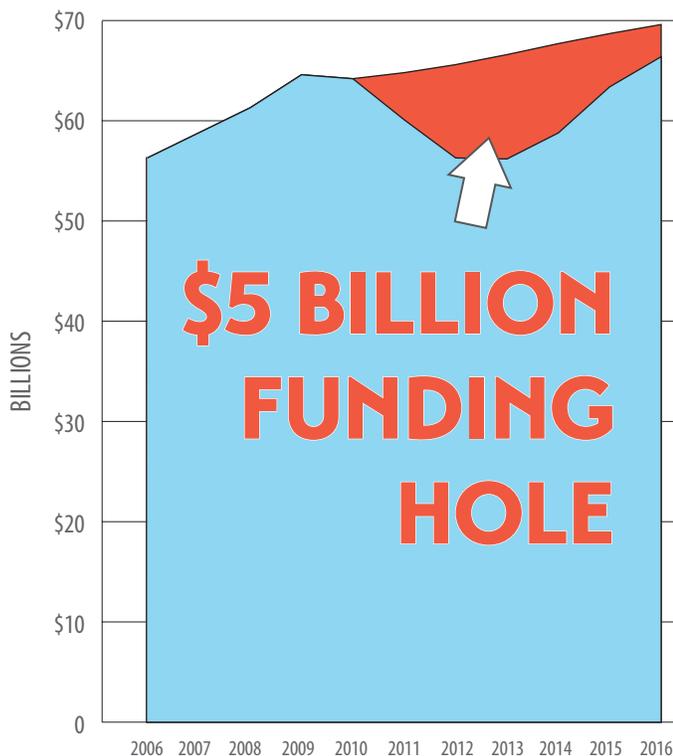
The quality of education a child receives in the early years sets the stage for future learning and academic achievement. Many students, at every level of education, need additional supports such as tutoring, special education, or language services to be successful academically. Our analysis of campus-level spending on educational programs found that when Texas cut education funding, low-income students and those in need of additional support lost the most.

Money in education matters. Well-funded schools are better able to attract and retain high-quality teachers and invest in those teachers by providing professional development and other supports. Students in well-funded schools have access to a wider variety of courses and other enrichment activities that keep them engaged.

In 2011, the Texas Legislature cut \$5.3 billion from the two-year public education budget—about \$500 per student each year of the biennium—leaving local school

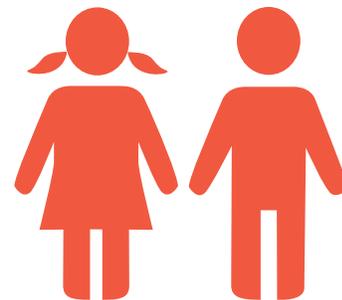
FIGURE 1

MONEY IN EDUCATION MATTERS



Source: Texas Education Agency, PEIMS financial reports.

Well-funded schools are able to:



- ➔ Offer small class sizes
- ➔ Attract and retain high-quality teachers
- ➔ Engage students with arts, music and computer science programs

Note: Increases in funding seen during the 2009 school year and the declines in 2010 and 2011 are due in part to an influx of one-time federal funding through the American Recovery and Reinvestment Act. Therefore, the 2011-16 funding hole is an estimate based on maintaining the per-student expenditure level in 2008 as student enrollment increases.

districts and campuses scrambling to make decisions on how to operate with less revenue despite a growing student body. These massive cuts created a funding hole, around five years long and over five billion dollars deep. For half a decade, public school spending dropped billions of dollars per year below the level schools previously spent.

Texas finally returned to investing the same amount in 2015 as it had before the 2011 cuts – at least in terms of inflation-adjusted dollars. However, because the number of students continues to increase, the state has not yet returned to its pre-recession per-student funding levels of 2008. Furthermore, as funding levels began to recover, the increases were not distributed evenly. Educational investment essentially shifted from high school to elementary and from special programs for students in need of support to overall basic instruction.

A LOST HALF DECADE

School districts were forced to reduce spending on all educational programs at all grade levels in 2011 due to the loss of the American Recovery and Reinvestment Act funding and then again after the Legislature cut \$5.3 billion from public education funding.

Though spending on educational programs is beginning to rebound, the recovery has not been complete or even between grade spans. To bring 2016 funding levels up to 2008 pre-recession levels would require an investment of \$3.2 billion dollars into public education. When comparing 2016 spending to 2008 pre-recession levels:

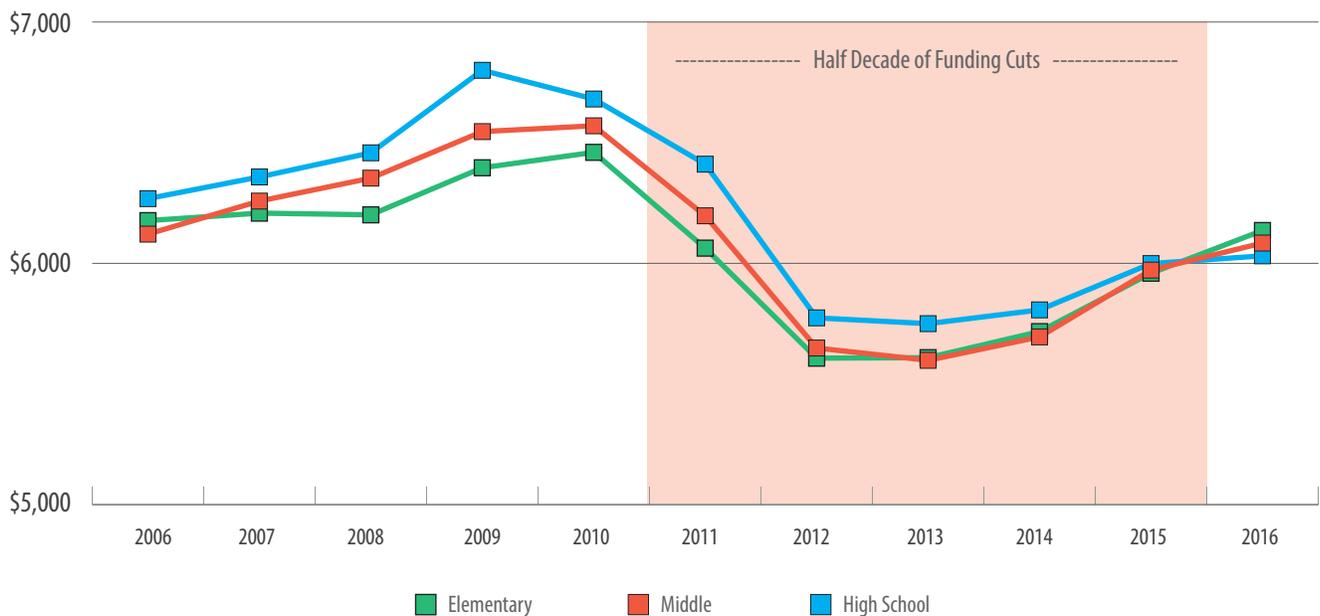
- Elementary schools spent **\$65 less** on instructional programs per student.
- Middle schools spent **\$268 less** per student.
- High schools spent **\$428 less** per student.

This means districts were able to invest \$12,840 more per high school classroom of 30 students in 2008 than in 2016.

FIGURE 2

THE LOST HALF DECADE

Educational spending declines for all students



Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

Source: Texas Education Agency PIEM Student Enrollment Data.

SPENDING FOR STUDENTS WITH THE HIGHEST NEEDS CONTINUES TO DECLINE

To analyze spending equity across the state, we placed each campus, by grade level, into one of four income categories, or quartiles, based on the percentage of students who participate in the federal free or reduced price lunch program. School lunch participation is used as a proxy for students in need of additional support. Not all low-income students struggle academically. However, the stresses of living in poverty are known to contribute to lower academic performance.¹ Texas, like most states, uses participation in the federal free or reduced price lunch program as a proxy for students in need of additional support. In an equitable system, campuses with the greater need receive more funding per student.

One of the most troubling findings from our analysis is that spending on supplemental educational programs, those designed to assist students with high needs or provide special services, continues to decline.

Accelerated education and bilingual education programs in elementary schools that serve primarily low-income students were hit particularly hard.

Accelerated instruction refers to spending on educational services in addition to basic instruction that increases the amount and quality of instructional time for students at risk of dropping out.² Bilingual education programs work to ensure students become proficient in English.

Elementary schools with the highest percentage of low-income students have been forced to:

- Reduce spending on programs for students who fall behind by 21 percent (accelerated education) since 2008 pre-recession levels; and
- Reduce spending on bilingual education by 40 percent since 2008.

CONCLUSION

As the findings from this analysis show, when the Legislature cuts public education funding schools are forced to make hard choices. While expenditures on all instructional programs decreased over the past five years,

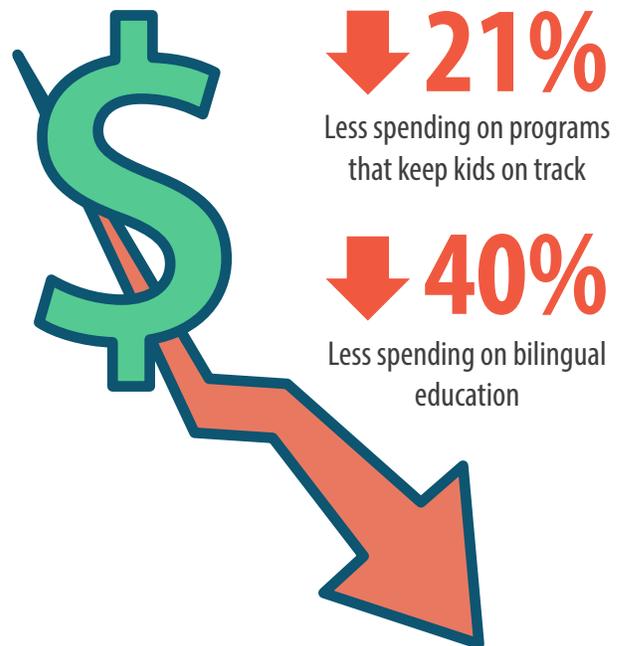
low-income students and those in need of additional supports bore a greater share of the cuts.

The consequences of the state's decision to cut public education funding will become evident in the coming decades as students advance from elementary school toward college and careers. Right now, we know that Texas dug itself a hole in education funding. Every year that the Legislature fails to invest in public education, that amount grows. Past spending gaps become future achievement gaps that could lead to a less prosperous future for Texas.

CONSEQUENCE

Spending drastically declines for kids who need the most support

at elementary schools with the greatest percent of low-income students



EXECUTIVE SUMMARY ENDNOTES

¹ Annie E. Casey Foundation. Early reading proficiency in the United States. 2014

² This analysis combines supplemental compensatory education spending on campuses with high rates of low-income students with accelerated instruction.

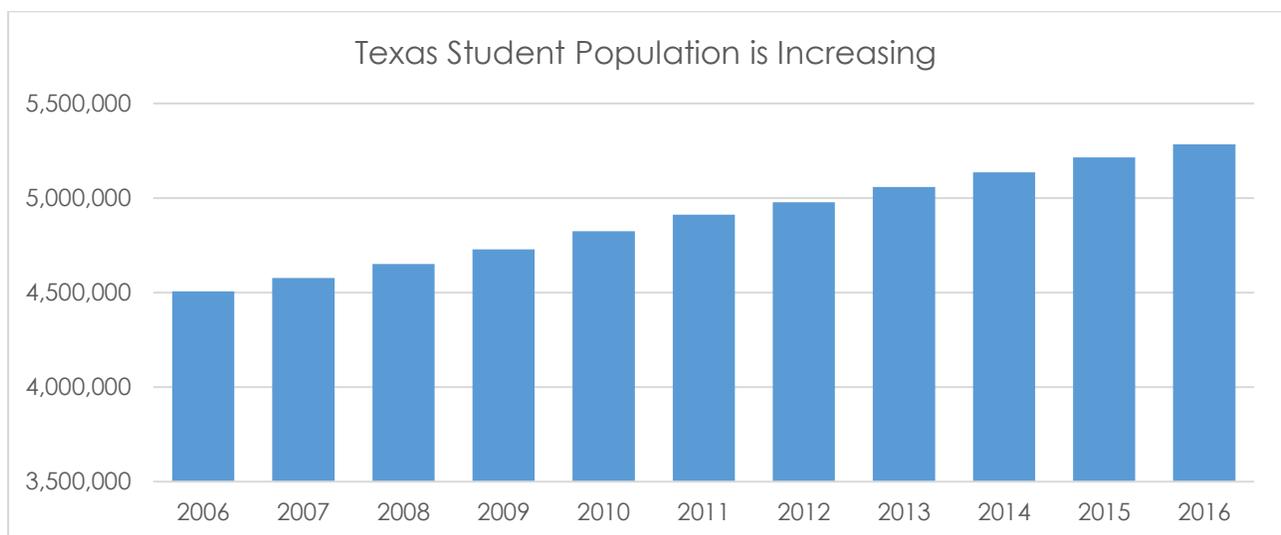
This Executive Summary is part of a report prepared by CPPP for the Texas Education Grantmakers Advocacy Consortium.

Consequences of the Texas Public School Funding Hole of 2011-16

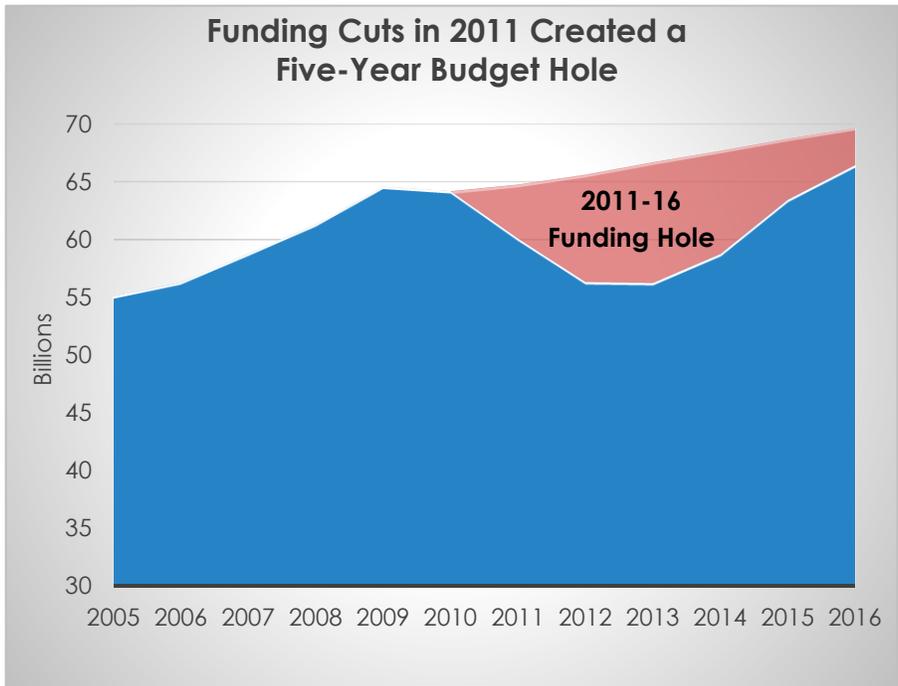
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INTRODUCTION

Over the last decade, the number of students in Texas public schools grew from 4.5 to 5.3 million: around 1.7 percent per year.



Source: Texas Education Agency, PEIMS Student Enrollment Data



Note: Increases in funding seen during the 2009 school year and the declines in 2010 and 2011 are due in part to an influx of one-time federal funding through the American Recovery and Reinvestment Act. Therefore, the 2011-16 funding hole is an estimate based on maintaining the per student expenditure level in 2008 as student enrollment increases.

Source: Texas Education Agency, PEIMS financial reports.

From 2006 until 2010, school spending grew every year as well, more than enough to keep up with student growth and inflation. Then in 2011, the Legislature cut \$5.3 billion from the two-year public education budget, and spending dropped by 12 percent.

Not until the 2016 school year did inflation-adjusted public school spending reach its previous peak from 2009.

This means that for half a decade, public school spending dropped billions of dollars per year below the level families and teachers previously expected. The result was a funding hole, five years long and five billion dollars deep. Furthermore, when funding was cut, the effects fell disproportionately on programs serving low-income students.

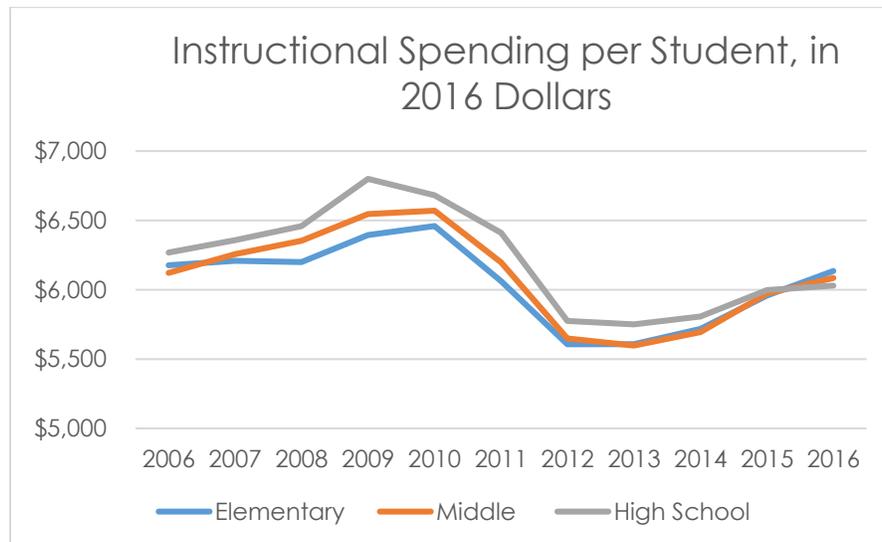
Texas finally returned to investing the same amount in 2016 as it had before the 2011 cuts. However, because the number of students continues to increase, the state has not yet returned to its pre-recession per-student funding level of 2008. Furthermore, as funding levels began to recover, the gains were uneven. Educational investment essentially shifted from high school to elementary and from the special programs to basic instruction.

Spikes in funding seen during the 2009 and 2010 school years for all programs are due in part to an influx of one-time federal funding through the American Recovery and Reinvestment Act (the "stimulus" package). That funding ran out just as the recession hit Texas and impacted the state budget. Instead of directing existing state resources toward education or using the state's Economic Stabilization Fund (or Rainy Day Fund) to maintain funding and weather the economic downturn, the Legislature decided to drastically cut funding for public education.

This analysis of campus-level spending on educational programs¹ shows that when education funding was cut by the state, it was low-income students and those in need of additional support who were hurt the most.

SPENDING ON INSTRUCTIONAL PROGRAMS IS BEGINNING TO RECOVER AFTER 2011 LEGISLATIVE CUTS

Statewide, school districts reduced spending on all educational programs at all grade levels immediately after the 2011 legislative cuts.



Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

Though spending on instructional programs is beginning to rebound, the recovery has not been even between grade spans. When comparing 2016 spending to 2008 pre-recession levels:

- Elementary schools spent **\$65 less** on instructional programs per student.
- Middle schools spent **\$268 less** per student.
- High schools spent **\$428 less** per student.

For this analysis, "instructional programs"² includes campus-level spending on:

BASIC INSTRUCTION: Spending related to providing a basic education as outlined in the Texas Essential Knowledge and Skills—the statewide educational standards. The Texas Education Agency defines “basic” as curriculum provided for those students that are not in special education. This includes regular education programs for students with limited English proficiency and those with a Section 504 plan, general Pre-K instruction, and AP and other college preparatory courses.

ACCELERATED INSTRUCTION: Spending on educational services in addition to basic instruction that increases the amount and quality of instructional time for students at risk of dropping out. Due to reporting practices, this analysis combines supplemental compensatory education spending on campuses with high rates of low-income students with accelerated instruction.

SPECIAL EDUCATION: Spending related to providing educational or other services to students who are in a special education program under an identified instructional setting, students with Individual Educational Plans, and Pre-K students with disabilities.

BILINGUAL EDUCATION: Spending related to services intended to ensure students are proficient in English. This includes bilingual programs, ESL instruction, instructional materials and equipment, and staff development.

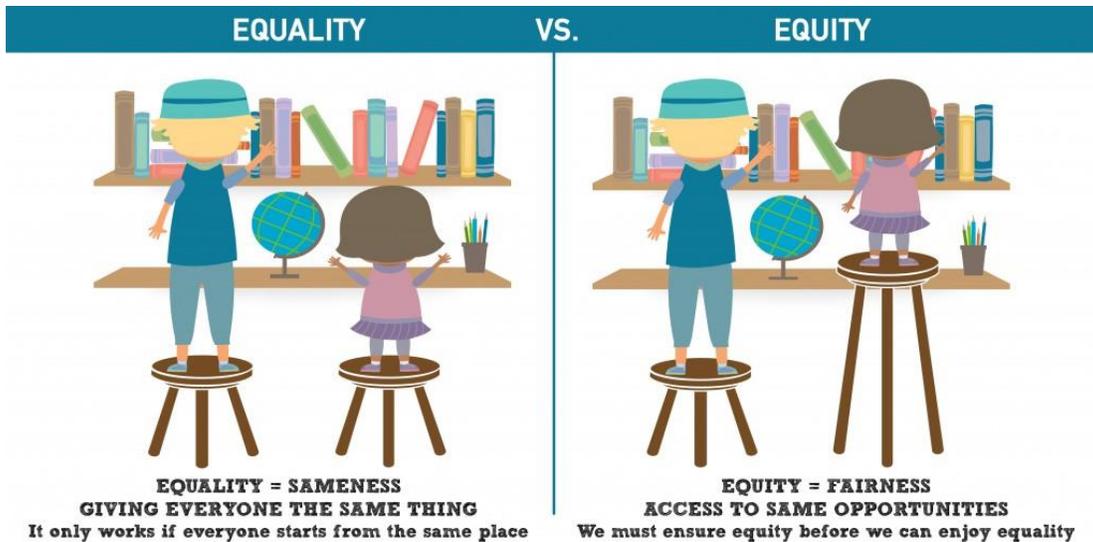
CAREER AND TECHNICAL EDUCATION: Spending related to preparing students for gainful employment, advanced technical training, or homemaking. This includes apprenticeship and job training activities, career and technical courses, and counselors.

EQUITY ANALYSIS

To analyze spending equity across the state, we placed each campus, by grade span, into one of four income categories, or quartiles, based on the percentage of students who participate in the federal free or reduced lunch program. School lunch participation is used as a proxy for students in need of additional support.

Not all low-income students struggle academically. However, the stresses of living in poverty are known to contribute to lower academic performance.³ Texas, like most states, uses participation in the federal free or reduced price lunch program as a proxy for students in need of additional support.

Equity means that every child receives the resources needed to succeed. This differs from *equality*, where every child receives the same amount of funding. Research shows that, particularly for low-income students, how much money states spend on education and the equity of that spending matters in promoting academic success.



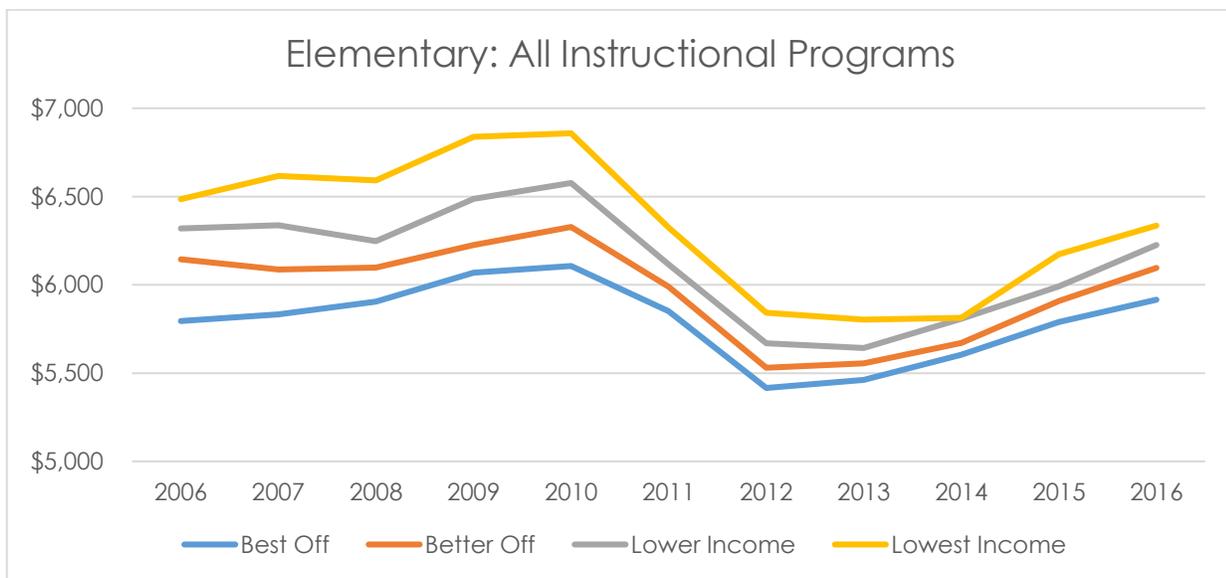
Source: www.getsmartoregon.org

Research by the Boston Consulting Group found that how much a state spends per student is significantly correlated with achievement, particularly for low-income students.⁴ For example, a \$1,000-per-student funding increase for low-income students is correlated with a .42 point increase in 4th grade National Assessment of Educational Progress (NAEP) scores. Their most statistically robust finding was that increasing equity across the state benefits students of all income groups.

The following charts show expenditures per student adjusted for inflation⁵ at the campus level, not including capital expenditure, debt service, or district administration.⁶ The results are separated according to elementary, middle, and high school and disaggregated by rates of low-income students.⁷

ELEMENTARY: SPENDING ON ALL INSTRUCTIONAL PROGRAMS IS REBOUNDING AS EQUITY DECLINES

Campuses at all income levels reduced spending on instructional programs after the 2011 state cuts to education funding. Spending on instructional programs at the elementary school level are rebounding faster than the other grade spans. However, because the lowest income elementary schools have not recovered at the same rate as campuses with the lowest percentage of low-income students, equity is declining.



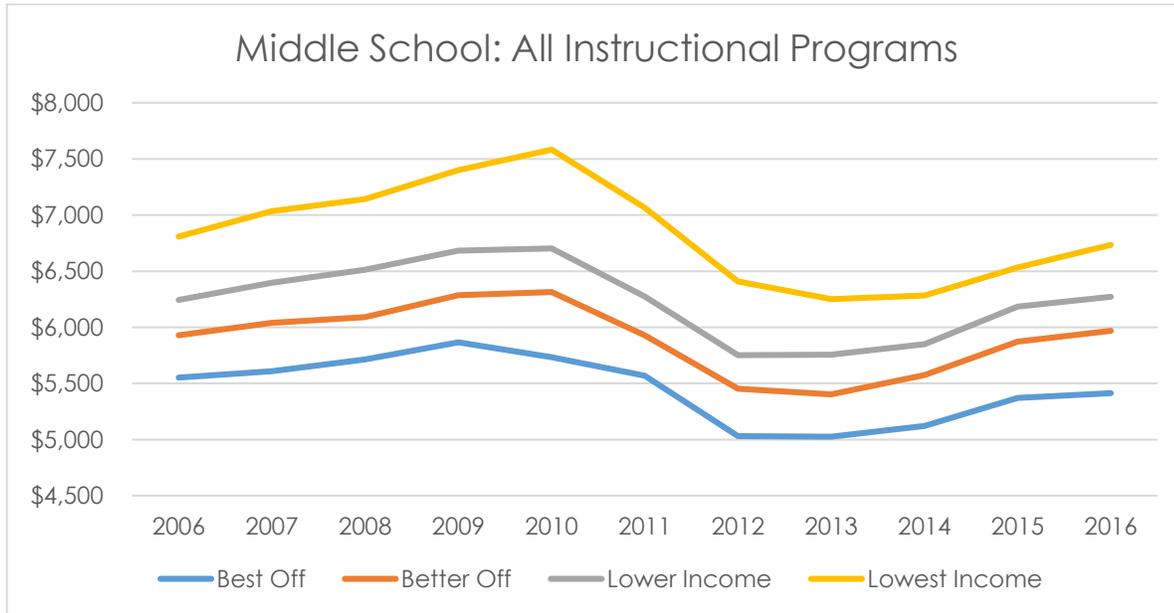
Note: Chart provides expenditures on basic, accelerated, special, and bilingual instruction per student adjusted for inflation at the campus level disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

On average, in 2016 the lowest income elementary campuses spent **\$256 less** per student than in 2008, while the wealthiest elementary campuses spent **\$11 more**.

In an equitable system resources are directed to where the need is greatest. In 2008, the low-income elementary campuses spent \$687 more per student on instructional programs than the best off elementary campuses. Because instructional spending at the lowest income elementary schools has not rebounded like spending at the best off campuses, there is a decline in equity between student income groups.

MIDDLE SCHOOL: SPENDING ON ALL INSTRUCTIONAL PROGRAMS LAGS BEHIND HISTORICAL LEVELS

Spending on instructional programs at middle schools continues to lag behind historical levels of spending at every income level, though equity between the highest and lowest income students only declined slightly since 2008.

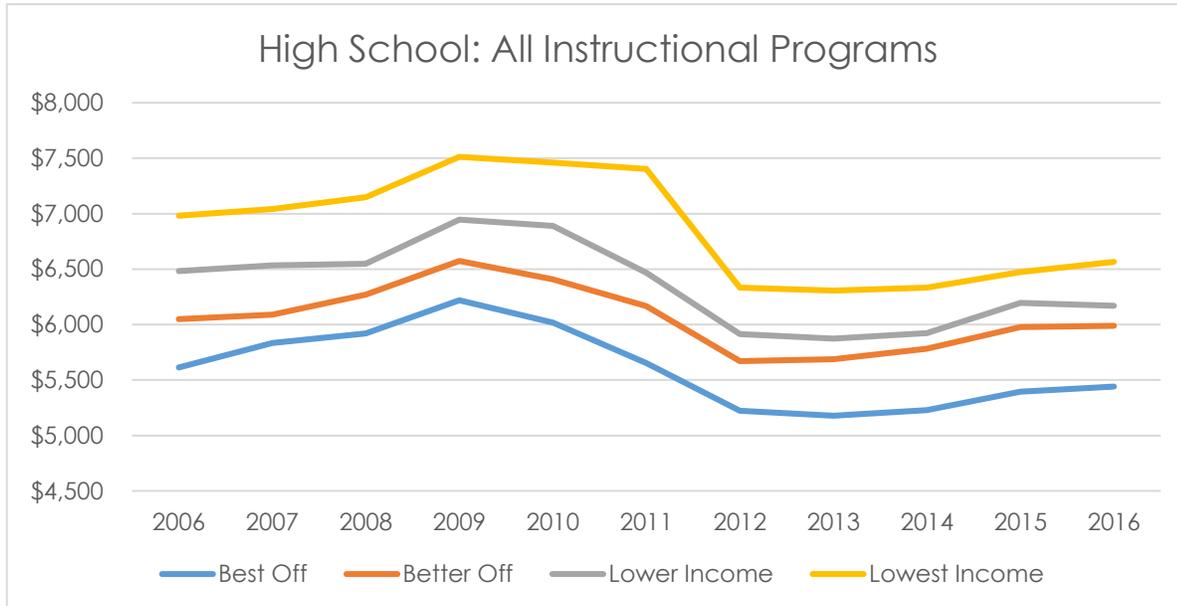


Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

In 2016, the lowest income middle school campuses spent **\$407 less** per student than in 2008, while the wealthiest middle school campuses spent **\$301 less**.

HIGH SCHOOL: DEEPEST CUT AND SLOW TO RECOVER

At the high school level, spending on instructional programs took a deep cut and continues to lag behind previous spending levels.



Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

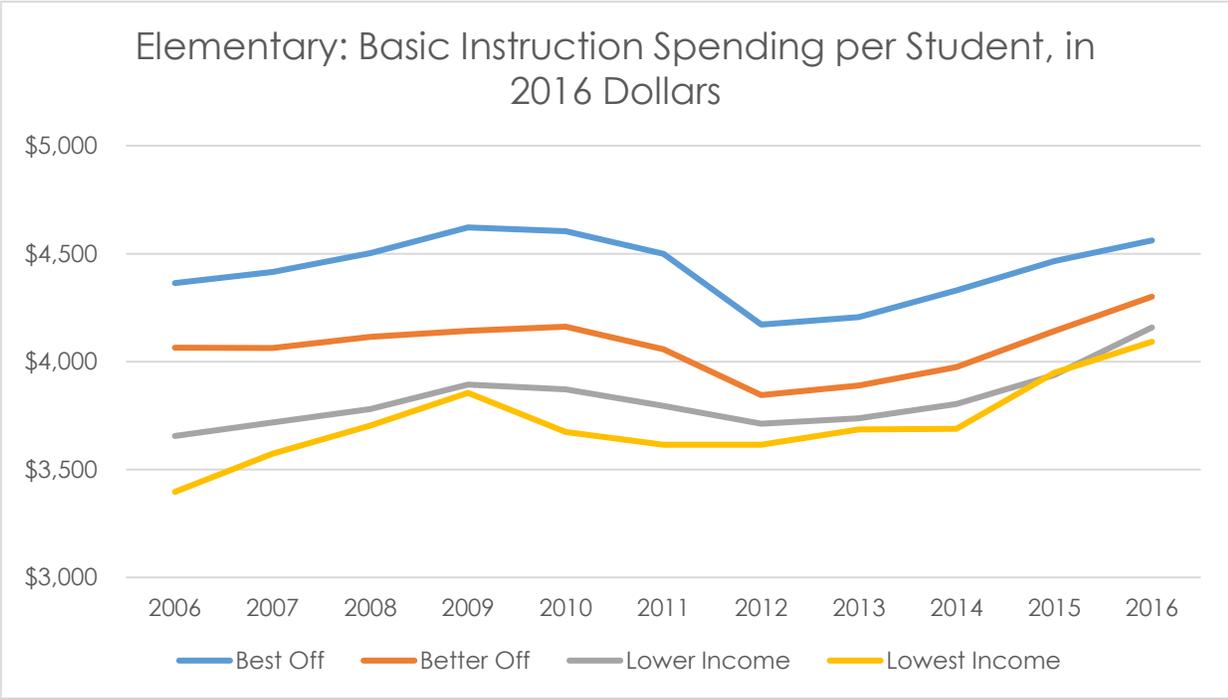
In 2016, the lowest income high school campuses spent **\$580 less** per student than in 2008, while the wealthiest high school campuses spent **\$481 less**.

To put this in perspective, a low-income high school classroom of 35 students had \$20,300 less to invest in instructional programs in 2016 than it did in 2008.

SPENDING ON BASIC INSTRUCTION SHIFTS FROM HIGH SCHOOL TO ELEMENTARY

The primary function of the Texas public education system is to provide all children with the education needed to pursue college and career opportunities. Campuses code expenditures for general classroom instruction as “Basic Instruction.” The Texas Education Agency defines “basic” as curriculum provided for those students that are not in special education. This includes regular education programs for students with limited English proficiency and those with a Section 504 plan, general Pre-K instruction, and AP and other college preparatory courses.

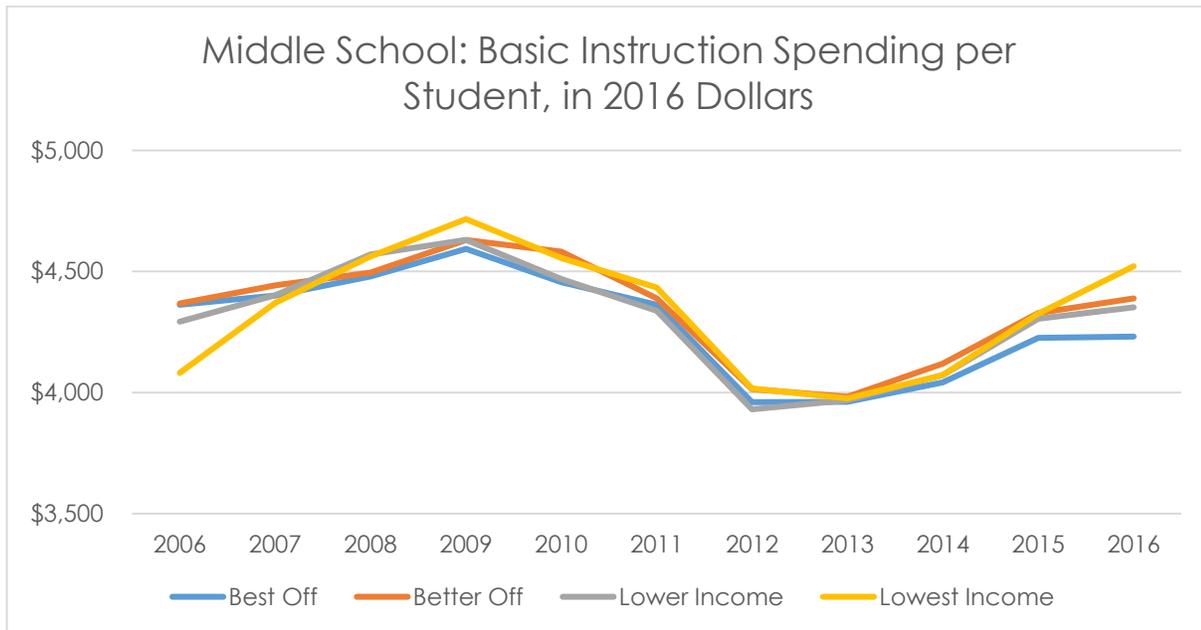
ELEMENTARY: BASIC INSTRUCTION SPENDING REBOUNDS, THOUGH EQUITY GAPS PERSIST



Note: Chart provides expenditures per student on basic instruction adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

Despite a greater need for academic support, elementary school campuses with a greater concentration of low-income students have consistently spent less on basic instruction than campuses with a lower concentration of low-income students.

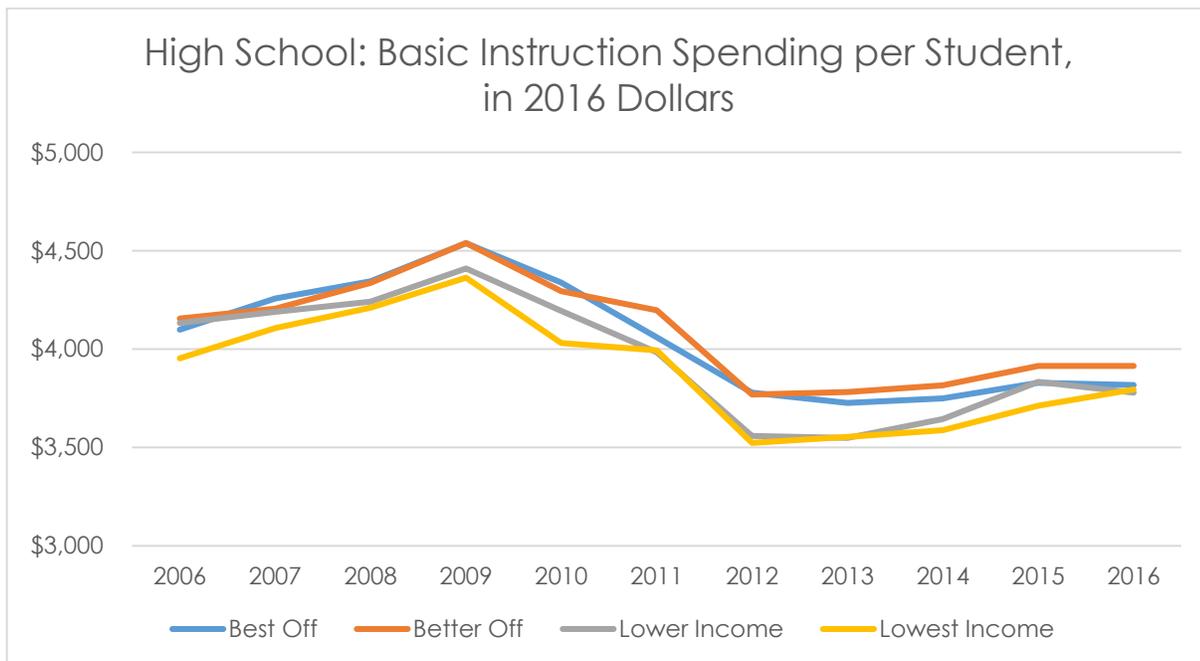
MIDDLE SCHOOL: BASIC INSTRUCTION SPENDING REBOUNDS



Note: Chart provides expenditures per student on basic instruction adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

For middle school students, expenditures on basic instruction have been distributed equally across schools with different concentrations of low-income students. While spending fell after 2011, it has since recovered. Furthermore, equity is increasing because middle schools with greater numbers of low-income students are beginning to spend more to provide basic instruction than campuses with the lowest percentage of low-income students.

HIGH SCHOOL: BASIC INSTRUCTION SPENDING HAS NOT RECOVERED



Note: Chart provides expenditures per student on basic instruction adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year, and the declines in 2010 and 2011, are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

A similar recovery did not occur for basic instruction at the high school level and there is little difference between funding levels at the various student income levels.

In 2016, high schools with the greatest percentage of low-income students spent **\$416 less** per student than in 2008.

Further complicating the situation, the Legislature made changes to high school graduation plans in 2013. These changes provided students and schools new freedom to tailor plans of study to local interests through the selection of endorsements. It will be interesting to discover what happened when students were given the freedom to make choices at the same time schools were losing the resources to provide them.

SPENDING ON SUPPLEMENTAL EDUCATIONAL PROGRAMS HAS NOT RECOVERED

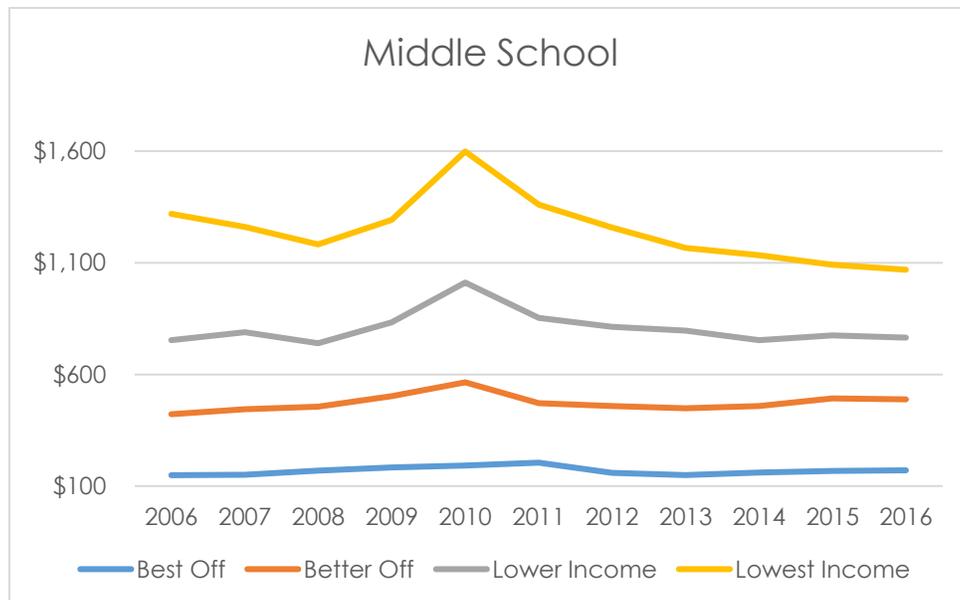
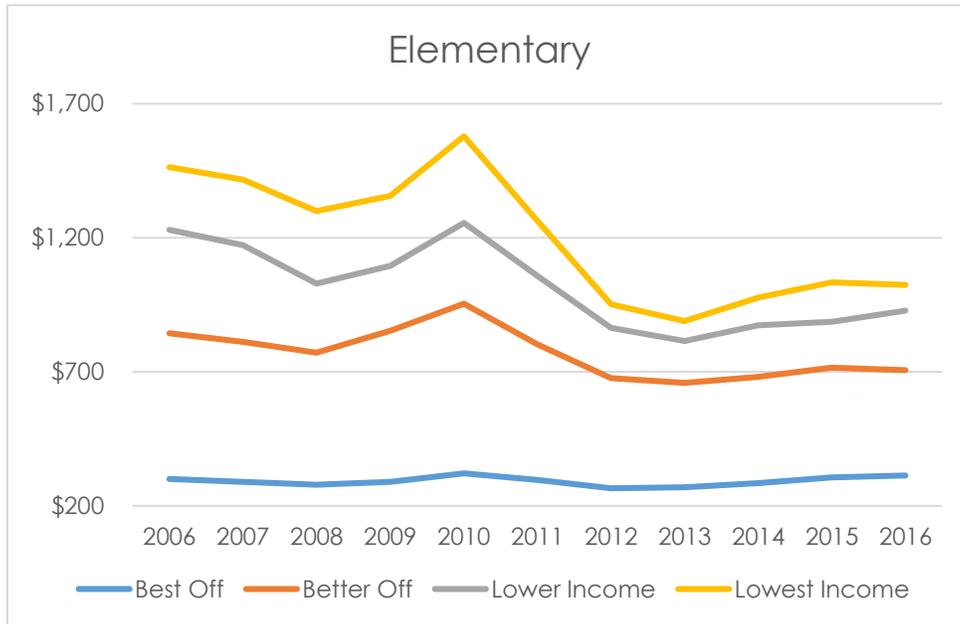
In addition to the general classroom instruction, schools also provide services and modified instruction to students with academic difficulties, special needs, or other risk factors. The three areas with the greatest investment are accelerated instruction for students at risk of falling behind, bilingual education, and special education.

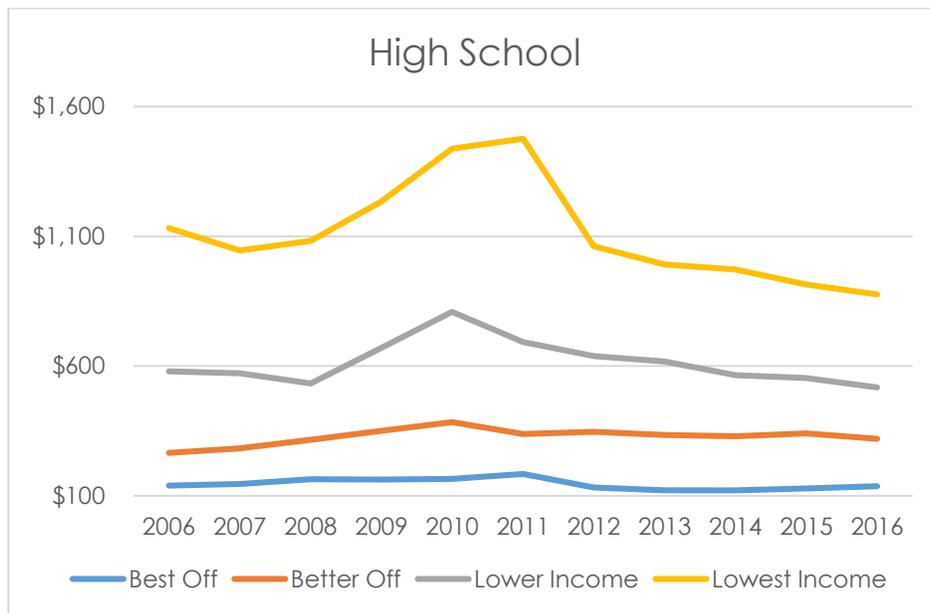
ACCELERATED INSTRUCTION FOR STUDENTS AT RISK OF FALLING BEHIND

Accelerated instruction refers to spending on educational services in addition to basic instruction that increases the amount and quality of instructional time for students at risk of dropping out.⁸

SPENDING FOR ACADEMICALLY STRUGGLING STUDENTS DECLINED AND HAS NOT RECOVERED

ACCELERATED INSTRUCTION SPENDING PER STUDENT, IN 2016 DOLLARS





Note: Charts provide expenditures per student on accelerated education adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year, and the declines in 2010 and 2011, are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. *Source: Texas Education Agency, PEIMS financial reports.*

Part of this rapid decline in accelerated education spending can be attributed to the state’s disinvestment in the Student Success Initiative (SSI). The goal of SSI is to promote grade advancement by providing additional academic support to students who do not reach proficiency on the state STAAR reading or math tests in fifth or eighth grades. A Notre Dame University study found that students held back a grade were 60 percent more likely to drop out than students not held back with similar backgrounds and academic records.⁹

Before the 2011 budget cuts, the \$152 million annual appropriation for the SSI provided resources for math and literacy academies, teacher training, and diagnostic screenings for students.¹⁰ Since then, the Legislature scaled the program back significantly in funding and scope. With just \$15.85 million for 2017, SSI funding goes primarily to purchase statewide licenses for computer-based math and reading instruction for students who fail the STAAR test.¹¹ The 2018-19 state budget includes only \$5.5 million each year for SSI.¹²

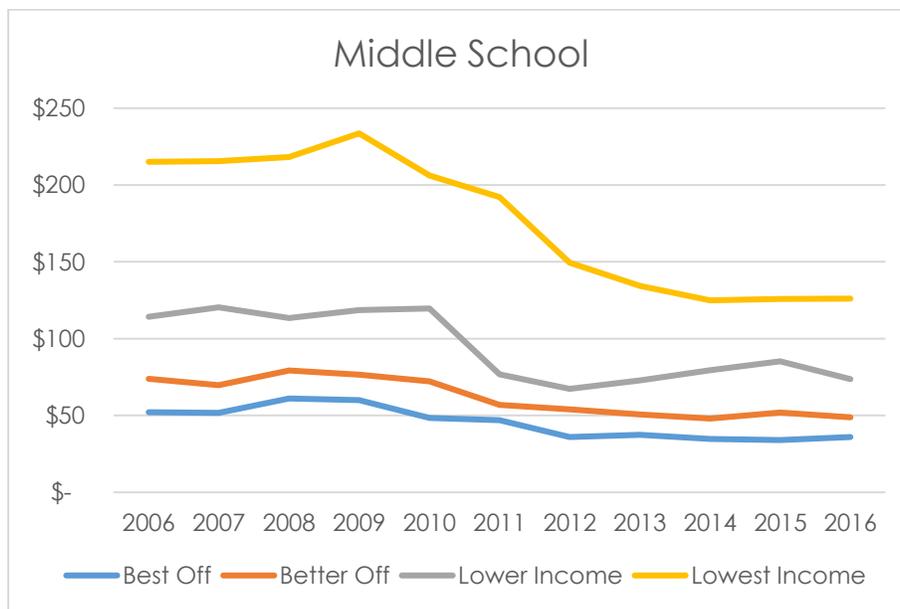
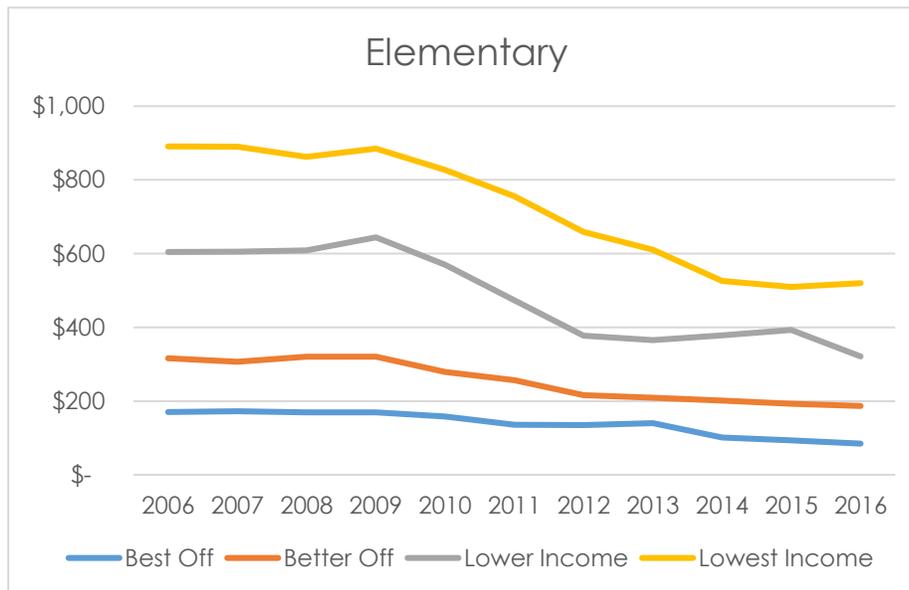
When students fall behind and are not provided the resources needed to catch up, they stay behind. The funding reduction in these types of programs during the elementary years is particularly alarming because it impacts the transition students make from learning to read to reading to learn. Cuts in mathematics funding are likely to end up reducing the numbers of students who eventually leave high school ready to pursue college and career opportunities.

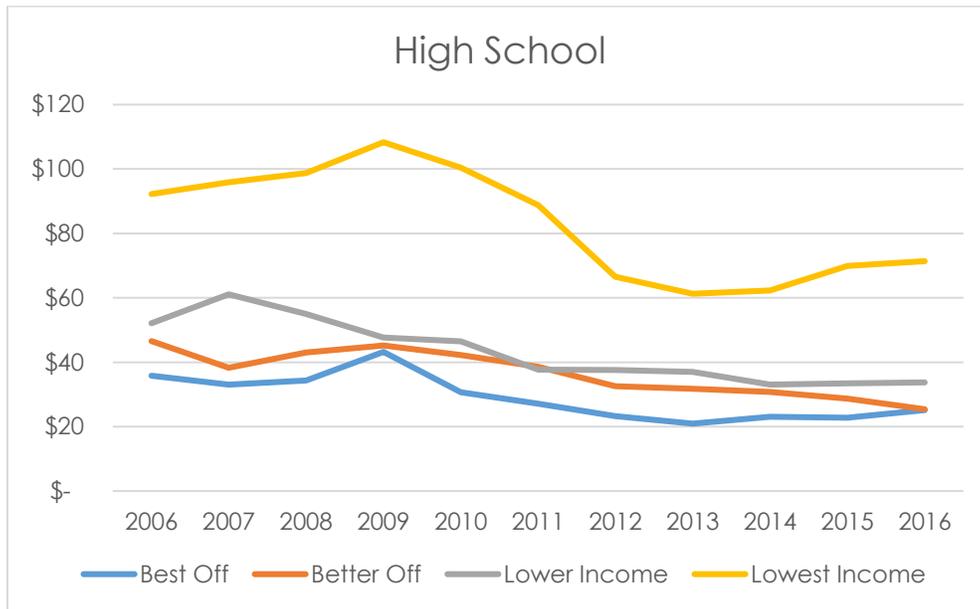
BILINGUAL EDUCATION

Bilingual education for English language learners is a growing need for schools across the state. During the 2015-16 school year, 18.3 percent of students received bilingual education, up from 14.5 percent in the 2004-05 school year.¹³ Spanish is the home language for the vast majority of these students, although TEA has identified 130 languages that students speak at home.

TO ABSORB FUNDING CUTS, SCHOOLS REDUCED ELEMENTARY BILINGUAL EDUCATION SPENDING

BILINGUAL EDUCATION SPENDING PER STUDENT, IN 2016 DOLLARS





Note: Charts provide expenditures per student on bilingual education adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year, and the declines in 2010 and 2011, are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. *Source: Texas Education Agency, PEIMS financial reports.*

Bilingual education saw the most drastic reductions in spending of all the instructional programs. Since 2008, bilingual education spending has:

- **Declined by 40 percent** at elementary campuses with the highest percentage of low-income students;
- **Declined by 42 percent** at middle school campuses with the highest percentage of low-income students; and
- **Declined by 28 percent** at high school campuses with the highest percentage of low-income students.

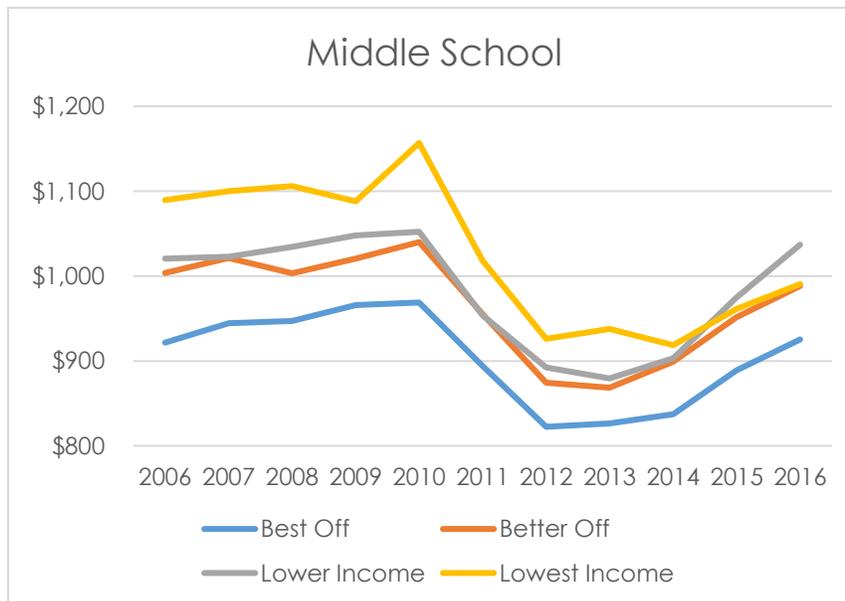
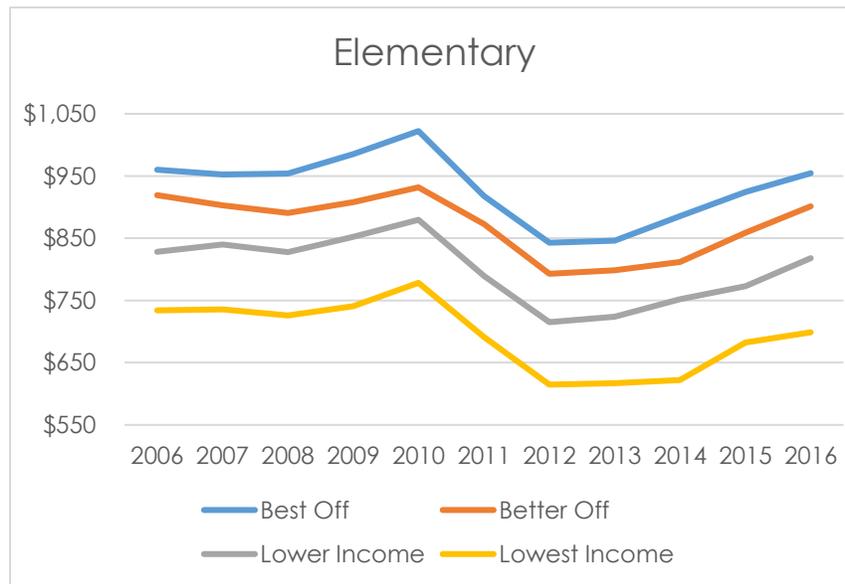
This is likely to have consequences for the educational success of the growing fraction of Texas students who speak Spanish at home.

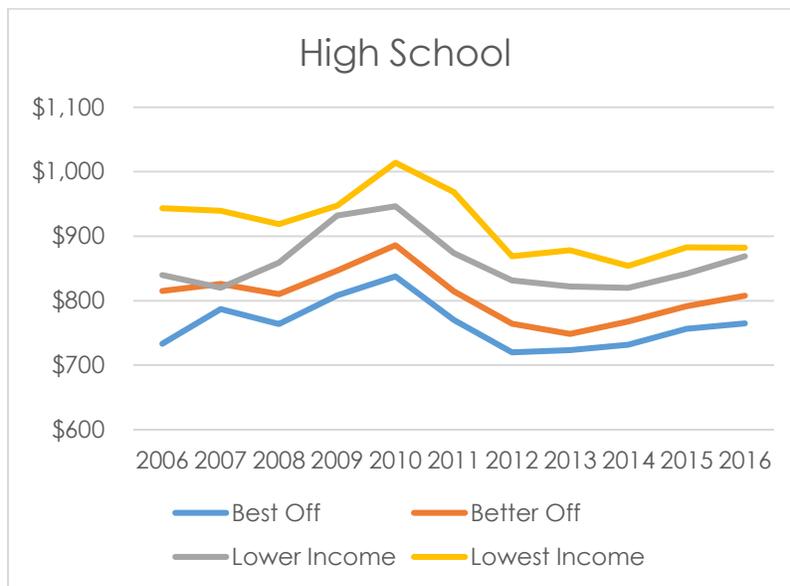
SPECIAL EDUCATION

During the 2015-16 school year, 8.7 percent of students received some level of special education services. However, the amount spent, when averaged among all students, varies significantly based on the grade level and relative wealth of the campus. Overall spending for special education services for all grade spans at campuses with a high percentage of low-income students remains about 10 percent or more below peak values.

SPECIAL EDUCATION SPENDING FOR LOW-INCOME STUDENTS CONTINUES TO LAG

SPECIAL EDUCATION SPENDING PER STUDENT, IN 2016 DOLLARS





Note: Charts provide expenditures per student on special education adjusted for inflation at the campus level, disaggregated into four equal categories according to the percent of students who qualify for the federal free or reduced price lunch program. Spikes in expenditures seen during the 2009 school year, and the declines in 2010 and 2011, are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. *Source: Texas Education Agency, PEIMS financial reports.*

Among elementary schools, campuses with a greater concentration of well-off students spend more per student for special education services than campuses with a greater number of low-income students.

The spending gaps between campuses with high and low concentrations of low-income students tighten during middle and high school, and at these grades levels, it is the schools with the *most* low-income students that are spending the most on special education services.

How students are identified for special education services has come under scrutiny following a series of articles by the *Houston Chronicle* that accuse the Texas Education Agency (TEA) of suppressing special education enrollment. According to the *Houston Chronicle*, beginning in 2004, TEA set an arbitrary benchmark to limit special education enrollment at 8.5 percent of students. Districts that enrolled more than 8.5 percent of students into special education services faced earning a low score in the Performance-Based Monitoring Analysis System, which could result in fines, forced corrective action, or district takeover by the education agency.

According to the Texas Education Agency, the benchmark was put in place to curb over-enrollment in special education. However, in 2004, Texas had 11.7 percent of students in special education compared to the national average of 13.98 percent. By 2014, Texas reached a statewide average of only 8.5 percent of students in special education while the national average dropped just slightly to 13.5 percent.¹⁴

CONCLUSION

As the findings from this analysis show, when the Legislature cuts public education funding schools are forced to make hard choices. While expenditures on all instructional programs decreased over the past five years, low-income students and those in need of additional supports bore a greater share of the cuts. Expenditures have recovered most completely for well-off elementary students. Basic instructional spending for all high

school students remains lower than five years ago, and some of the most important programs benefitting low-income students at all grade levels have been cut substantially.

The consequences of the state’s decision to cut public education funding will become evident in the coming decades as students advance from elementary school toward college and careers.

Right now, we know that Texas dug itself a hole in education funding. To bring 2016 funding levels up to 2008 pre-recession levels would take \$3.2 billion. Every year that the Legislature fails to invest in public education, that amount grows. Past spending gaps become future achievement gaps that could lead to a less prosperous future for Texas.

¹ This analysis excluded the following programs: food services, gifted and talented, athletics, and disciplinary and non-disciplinary alternative education programs. Expenditures on food have been flat over time, with expenditures greatest in schools with the highest poverty concentration. All of the remaining programs added together have had essentially flat funding over time and are distributed equally to students at different levels of income. ² For the identified instructional programs, this analysis uses the following Program Intent Codes:

Basic Instruction – PIC 10 (Basic Instruction), PIC 32 (Pre-K Regular Ed), PIC 22 (Career and Technical)

Accelerated Education – PIC 24 (Accelerated Education), PIC 30 (Title I Part A – school wide activities related to state Comp Ed supplemental cots), PIC 34 (Pre-K Comp Ed)

Bilingual Education – PIC 25 (Bilingual and Special Education Programs), PIC 35 (Pre-K Bilingual)

Special Education – PIC 23 (Services to Student with Disabilities), PIC 33 (Pre-K Special Education)

³ Annie E. Casey Foundation. *Early reading proficiency in the United States*. 2014. <http://www.aecf.org/resources/early-reading-proficiency-in-the-united-states/>

⁴ Boston Consulting Group. *Equity is the key to better school funding*. February 2014.

https://www.bcgperspectives.com/content/commentary/education_public_sector_gajaja_puckett_ryder_equity_key_better_school_funding/

⁵ Inflation computations are based upon the Consumer Price Index (CPI) as reported in the Texas comptroller’s biannual revenue estimate. Presented in 2016 dollars.

⁶ Campus 101903199 is excluded. This is in Alief ISD and is named “Admin Services.” So much special education funding is attributed to it in 2006-2007 that it creates a spurious high school peak in statewide special education funding. We excluded *functions* 61, 71, 81, 91, 93, 97, and 99, as recommended by the TEA in *About the 2015-2016 PEIMS Actual Financial Data Reports*. The most considerable exclusion is 81, which contains expenditure on school construction financed by borrowing.

⁷ Students are defined as economically disadvantaged or low-income if they participate in the federal free and reduced lunch program. To qualify for free lunch, students must come from families at or below 130 percent of the poverty line; reduced lunch is available for those at or below 185 percent of poverty. During the 2015-16 school year, 59 percent of students were classified as economically disadvantaged. Texas Education Agency. *Economically Disadvantaged Student Report 2015-16*.

The quartiles are defined by ranking schools according to concentration of economically disadvantaged students – the students eligible for free and reduced lunch. The quartiles are chosen so that in each year and for each grade band the number of students in each quartile is equal. The quartile boundaries change considerably from year to year because the number of economically disadvantaged students was increasing.

⁸ This analysis combines supplemental compensatory education spending on campuses with high rates of low-income students with accelerated instruction.

⁹ Education by the Numbers. New research suggests repeating elementary school grades – Even Kindergarten – is Harmful. http://educationbythenumbers.org/content/new-research-failing-students_2034/; accessed February 2017.

¹⁰ General Appropriations Act, 2010 – 2011 Biennium; 2009.

¹¹ General Appropriations Act, 2016 – 2017 Biennium; 2015.

¹² General Appropriations Act, 2018 – 2019 Biennium; 2017.

¹³ Texas Education Agency. Snapshot Data 2004-05 and 2015-16.

¹⁴ Rosenthal, Brian. Denied: How Texas keeps tens of thousands of children out of special education. September 2016.

<http://www.houstonchronicle.com/denied/1/>

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Acknowledgments

The research included in this report was produced with the support of the Texas Education Grantmakers Advocacy Consortium. The Consortium is comprised of 42 foundations and philanthropists from across Texas interested in ensuring that parents, educators, policymakers, media, and the general public have objective data about public education.

The Consortium has strived to ensure that the research contained in this report is objective and non-partisan. Created in 2011, the Consortium focuses its work on leveraging private resources to produce credible and necessary data on the most important educational challenges facing Texas. For more information on the Texas Education Grantmakers Advocacy Consortium please visit www.tegac.org.

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