

# Texas Public

## POLICY FOUNDATION

### NEXT GENERATION TEXAS

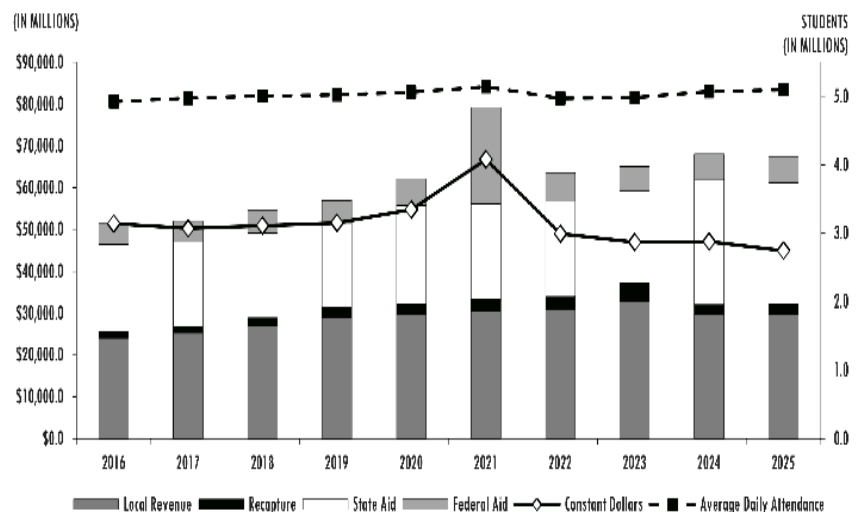


## FAST FACTS: TRENDS IN PUBLIC EDUCATION FUNDING

### KEY POINTS

1. The LBB published a figure that showed an 8% decline in funding when adjusting for several factors. This figure is wrong for two reasons:
2. First: The methodology included an adjustment for overall population growth instead of a more appropriate adjustment such as student enrollment or average daily attendance.
3. Second: The revenue figures that the LBB used seem to be missing a substantial portion of the TEA's final figure.
4. After adjusting for inflation and changes in the average daily attendance and using TEA's final revenue figures, funding in education is still up by over 14% since 2016.

In the most recent Fiscal Size Up by the Legislative Budget Board (LBB), the report's Figure 151 displayed a downward trend in education funding when adjusting for changes in population and inflation. While the Fiscal Size Up is a respected and comprehensive report, the Texas Public Policy Foundation has identified a methodological error and an inconsistency in official numbers reported between the Texas Education Agency and LBB.



### BAD METHODOLOGY

In adjusting to constant dollars, the LBB uses two monetary deflators: the consumer price index to adjust for inflation and the state's population. This works very well when adjusting for sectors of our economy like healthcare and public safety, but for the purpose of education it is better to adjust for student populations such as average daily attendance or enrollment. This is because the state's total population has grown at a much faster rate than the student population.

# Texas Public

## POLICY FOUNDATION

### NEXT GENERATION TEXAS



### WRONG NUMBERS

The second error TPPF identified was an inconsistency in the official revenue received by the TEA. Table 1 illustrates the inconsistency. As the table shows the difference between the total actual dollars funding education varied between -6.1% to 33.4%.

**TABLE 1: COMPARISON BETWEEN LBB & TEA NUMBERS**

Year	LBB's Total Actual Dollar's (in Millions)	TEA's Total Actual Dollar's (in Millions)	Percent Difference
2016	\$51,397	\$59,411	15.6%
2017	\$51,951	\$60,469	16.4%
2018	\$54,538	\$63,938	17.2%
2019	\$56,950	\$67,884	19.2%
2020	\$62,134	\$71,156	14.5%
2021	\$79,131	\$74,323	-6.1%
2022	\$63,581	\$80,756	27.0%
2023	\$65,087	\$86,850	33.4%

### CORRECTED NUMBERS

When correcting the methodology to account for changes in average daily attendance instead of population, and when correcting the total actual dollars to align with what the TEA reports, TPPF found that educational funding is up by 14% since 2016 not down by 8%.

**Pre-K to Grade 12 Texas Education Funding, from PEIMS Actual Report, in Constant Dollars from Compounded Average Daily Attendance & Inflation (In Millions)**

