



89TH LEGISLATIVE SESSION

HOUSE BILL 2: CHARTER SCHOOL FUNDING

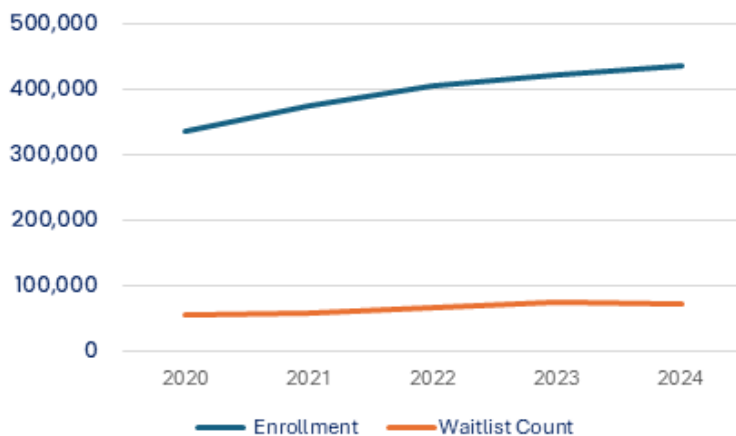
INTRODUCTION

Charter schools are funded an average of \$1,621 less per student than independent school districts. This disparity is driven by unequal facilities funding. Charter schools receive a facilities allotment, but the funding for this allotment is capped at \$60 million for all charters statewide.

INCREASING DEMAND

Charter schools have a proven track record of success in Texas. According to the most recent study by CREDO at Stanford, students who attended established charter operators in Texas gained the equivalent of an additional 34 days of learning in Reading and 16 days in Math over a year.

Charter School Enrollment and
Waitlist Count, 2020-2024



This success has led to increased demand for charter school seats. From 2020 to 2024, charter school enrollment increased by almost 30%. The waitlist to attend a charter school, however, increased by 18,754 students to 73,813 because charter schools have been unable to expand their facilities quickly enough to meet demand. That is 73,813 students who want to attend a state-approved educational option but cannot because of unequal funding.

CHARTER FACILITIES FUNDING IN HOUSE BILL 2

HB 2 replaces the capped \$60 million allotment with a schedule that slowly ramps up the cap on facilities funding. In the 2025-26 school year, the cap will be raised to \$100 million and raised to \$160 million in the 2026-27 school year. From the 2027-28 school, the facilities funding formula will be 0.07 times the basic allotment. Money allocated through this allotment can only be used for the same purposes as ISD I&S revenue- for the repayment of bonds issued to finance the purchase of school facilities, school buses, technology equipment, or school safety and security.