Texas School Funding Stands Alone as Worst in the United States

(March 16, 2016) The Texas funding of public education earns the lowest marks in the nation in the latest edition of “Is School Funding Fair? A National Report Card” released today. The state’s low level of funding, unfair distribution of those resources, and failure to use a reasonable amount of its economic capacity to support its public schools earns Texas its status as the worst state in the United States.

“As we wait for the Texas Supreme Court to issue its ruling soon in the largest school finance case in the state’s history, Texas Taxpayer and Student Fairness Coalition vs. Williams, these findings by the Education Law Center and Rutgers University emphasize why we cannot continue down this road of underfunding our schools,” said Dr. María “Cuca” Robledo Montecel, IDRA President & CEO.

“Much is at stake as the court decides whether or not to ensure that the state provides equal educational opportunity not for just some, but for all, of its children,” she said.

The National Report Card (NRC), issued annually by the Education Law Center and Rutgers University, evaluates states on four separate, but interrelated, “fairness indicators” – state fiscal “effort,” funding distribution, funding level, and public school “coverage.” The NRC provides the most in-depth analysis to date of state public education finance and school funding fairness across the nation.

Texas is the only state that is very poorly positioned on all four fairness measures, receiving an F in funding effort, a D in funding distribution and scoring in the lower half of the funding level and coverage rankings.

Texas receives a grade of “F” for the state’s effort to invest in its schools. Effort is based on the percentage of the state’s Gross Domestic Product (GDP) allocated to education. Texas’ ranking has fallen from a C to a D to an F over the last four years, and the state has decreased its effort by 21 percent since 2008.

Texas has more fiscal capacity than its neighboring states but ranks below them on using that capacity to support its schools.

The state’s low effort results in a low funding level. Texas ranks 39 out of 49 states on the level of per pupil funding, even though the NRC adjusts for regional wages, economies of scale, and other factors to make accurate comparisons across the states. Texas’s average state and local revenue per pupil in 2013 was $7,404, more than $2,300 below the national average of $9,766 per pupil.

On the important funding distribution measure, Texas receives a “D.” Funding distribution measures the key issue of whether a state’s funding system recognizes the additional resources
required for students in settings of concentrated student poverty. Texas provides its higher poverty districts with about 95 cents for each dollar its lower poverty counterparts receive.

Five Texas school districts also are featured in a companion report Is School Funding Fair? America’s Most Fiscally Disadvantaged School Districts. The list comprises school districts that have higher than average student needs compared to other districts in their labor market and lower than average resources. Bryan ISD has a poverty rate that is 24 percent higher than its neighbors, and receives only 81 percent of the average state and local funding of its neighbors. Poverty rates are higher than neighboring districts by 74 percent in San Antonio ISD, 48 percent in Irving ISD, 28 percent in Beaumont ISD, and 20 percent in Wichita Falls ISD, and each of these districts receives only 89 percent of their respective area’s average funding.

Texas also is below average on coverage, which examines the share of school-aged children who attend public schools and compares the median household income of those children with the income levels of families who do not use public schools. Only about 8 percent of Texas school children attend nonpublic schools. However, the income disparity between public and nonpublic school households is high, with nonpublic households receiving almost twice the income of public school households.

“The State’s continuing failure to fairly fund public education deprives Texas students of the teachers, support staff and other resources necessary for a high quality education,” said David G. Sciarra, Executive Director of the Education Law Center and a co-author of the National Report Card. "We hope the NRC results will serve as a wake-up call for lawmakers to put school funding reform at the top of the education agenda."

“This report provides policymakers, legislators, and concerned citizens with the information they need to assess their state’s commitment to fair school funding and to advocate for improvements in the many states where that is absolutely necessary,” said Dr. Bruce Baker of Rutgers University Graduate School of Education, a co-author of the National Report Card.

First issued in 2010, the National Report Card is built on the principle that predictable, stable and equitable state systems of school finance are the essential precondition for the delivery of a quality educational opportunity. Without this foundation, efforts to improve the nation’s schools will be less productive and unsustainable. To improve on the condition and performance of schools, states need to implement finance systems that provide sufficient funding that is fairly distributed to account for the needs of students, which are higher for low-income students, English language learners, and students with disabilities.

Is School Funding Fair? A National Report Card is coauthored by Dr. Bruce Baker of the Rutgers Graduate School of Education; David Sciarra, Esq., Executive Director of the Education Law Center (ELC); Dr. Danielle Farrie, ELC Research Director; and Theresa Luhm, Esq., ELC Managing Director. Please visit www.schoolfundingfairness.org for the complete report.

Get more information

Is School Funding Fair? A National Report Card

Is School Funding Fair? America’s Most Fiscally Disadvantaged School Districts

Court Can End Neglect of Millions of School Children, Texas Supreme Court School Finance Hearing Set – August 31, 2015

Court Rules Again that Texas School Funding Must Serve All Students Equitably – August 28, 2014

Texas Supreme Court has opportunity to improve public education — Constitution requires — and our students deserve — equality, By Al Kauffman, San Antonio Express-News, August 30, 2015

White Paper: The Cost of Inequity in Education – June 2010
The Intercultural Development Research Association is an independent private non-profit organization dedicated to realizing the right of every child to a quality education. IDRA strengthens and transforms public education by providing dynamic training; useful research, evaluation, and frameworks for action; timely policy analyses; and innovative materials and programs.

IDRA works hand-in-hand with hundreds of thousands of educators and families each year in communities and classrooms around the country. All our work rests on an unwavering commitment to creating self-renewing schools that value and promote the success of students of all backgrounds.

We are a small organization with a powerful mission: to create schools that work for all children.