EDUCATION IS THE BEDROCK OF AN INFORMED SOCIETY AND THE BRIDGE TO SELF-SUFFICIENCY.

Every parent in Texas, from Texarkana to Brownsville, regardless of their race or circumstance, wants their child to have access to a high-quality education. Most parents assume schools receive enough funding to support their child’s education.

Unfortunately, the Texas school finance system left nearly 300,000 students uncounted in the 2021-22 school year. In the first year of the pandemic, 8% of kids, or nearly 433,000 students, were uncounted — even after the Texas Education Agency (TEA) made adjustments due to COVID-19 attendance loss.

FOR PERSPECTIVE, THAT’S NEARLY THE ENTIRE SCHOOL POPULATION OF ARKANSAS.

Undercounts happen because Texas continues to use an archaic method to fund our schools. Instead of using enrollment — the number of actual students served — our state determines funding based on attendance. Average Daily Attendance, the system used in Texas, is calculated by adding attendance counts throughout the year and then dividing that by the number of instructional days.¹ This means if a student misses school, they are not counted for funding purposes that day.

School districts plan and budget based on the number of students enrolled. Every student must be assigned a campus, classrooms, teachers, and desk space. The school must be prepared to educate every child every school day, even when a child is absent for the day. Schools do not save money when children are absent. In fact, chronic absenteeism brings additional costs such as remediation for students and administrative time for teachers and districts.
Few States Continue to Use Attendance-Based Funding

Currently, only six states use attendance-based funding (CA, ID, KY, MS, MO, TX). Illinois was the most recent state to move to enrollment-based funding in 2017 while overhauling its formulas.

Other states are exploring options for enrollment-based funding. In Kentucky, a bill was introduced in 2022 to move to enrollment-based funding beginning in the 2024-2025 school year, though it did not move. California was able to get its enrollment-based funding bill passed through the Senate in 2022, but it did not make it through the Assembly. Idaho temporarily moved to enrollment-based funding during the pandemic, but efforts to make the change permanent failed.

During the 2021 Texas regular legislative session, two bills were introduced to move to an enrollment-based funding system, SB 728 and HB 1246. Though these bills had bipartisan support and the backing of many superintendents and other education advocates, neither chamber chose to grant the bills a hearing.

There are several methods used to fund schools based on enrollment:

### Average Daily Membership
Average enrollment counts over most or all of the school year. Used in 23 states.

### Single Count Day
Enrollment count from a single day. Used in 12 states.

### Enrollment Period
Enrollment counts from multiple days (usually spring and fall). Used in 9 states.

### Multiple Day Count
Enrollment counts over multiple days. Used in 1 state.

The bills in Texas used an Average Daily Membership model. California, a similarly large state, estimated it would cost roughly $3.4 billion annually to move to enrollment-based funding.

Attendance Belongs in the Accountability System, not the Funding System

In order to benefit from public education, students must attend school. Throughout the pandemic, our schools showed great commitment to ensuring students were attending classes. Our school districts conducted home visits, used data to identify eligible Pre-K students, and partnered with nonprofits to ensure students were attending — and they worked to address barriers to remote participation. In the early days of the crisis, schools organized food distribution systems to ensure low-income students did not miss the school meals their families rely on. While districts worked to establish remote learning platforms, teachers printed and distributed lessons to their students to keep them on track and engaged.
Attendance-based funding disadvantages districts with high concentrations of low-income students and students with chronic health issues. Using funding to incentivize attendance is based on the unfounded assumption that absenteeism is mostly voluntary, and the primary cause is truancy.

Not a lot of research shows that tying funding to attendance improves attendance. However, studies do show that attendance is higher when schools create a positive experience and have good relationships with caring adults. Schools can strengthen attendance by promoting parent engagement and collaborating with community-based organizations that focus on the social, emotional, and financial wellbeing of students and their families.

Attendance and chronic absenteeism should be addressed in the Closing the Gap domain of the A-F accountability system. This way, schools and districts would report and be held accountable for absentee rates of subgroups of students. Tying funding to attendance hurts schools that need resources the most.

House Bill 3, passed in 2019, included $5 billion for property tax compression. The cost of those ongoing tax cuts was another $1.1 billion in the 2022-23 budget. With historic property value growth over the last couple of years, experts estimate that tax compression could cost anywhere from $3-$8 billion dollars in the next state budget. That's more than enough to move to an enrollment-based funding system.

Every student, regardless of where they live or their specific needs, should be accounted for in school funding. With the state reporting record levels of cash on hand, it's time to put kids first and count every student.

3. Open States, California Senate Bill 830 https://openstates.org/ca/bills/20212022/SB830/
5. Policy Analysis for California Education. Student Count Options for School Funding, March 2022.