

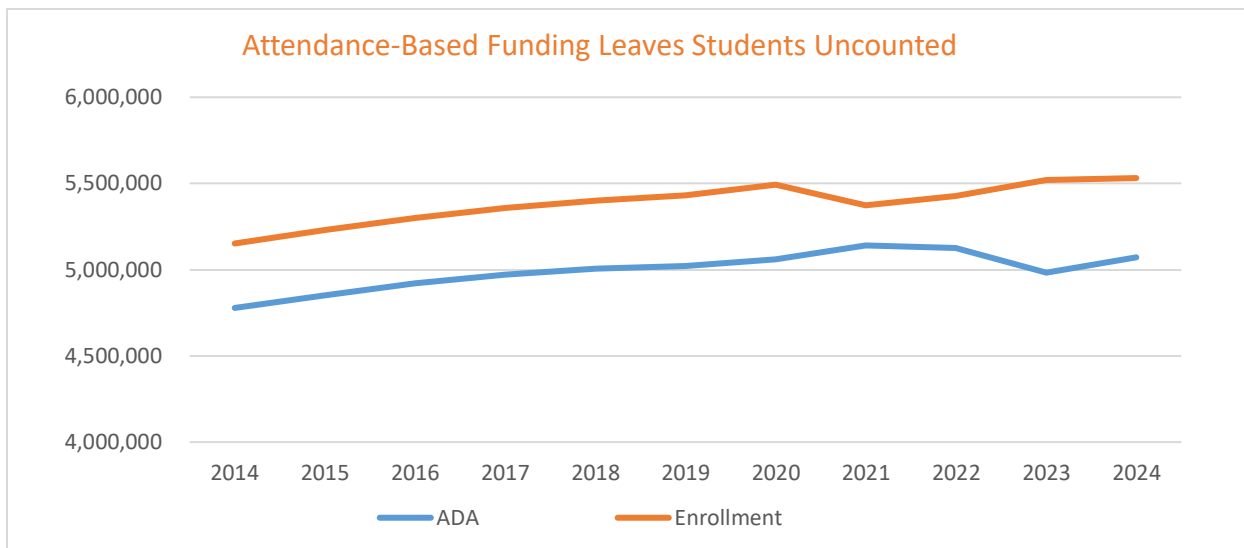
## Count Every Student

### Attendance-Based Funding Leaves Too Many Students Behind

Chandra Kring Villanueva - Updated: February 2025

Education is the bedrock of an informed society and the bridge to self-sufficiency. Every parent in Texas, regardless of their race or circumstance, wants their child to have access to a high-quality education. Parents and community members often assume that every child enrolled in a public school is funded for the full year. While that's true in most states, it is not in Texas.

The Texas school finance system left nearly 460,000 students uncounted in the 2023-24 school year - or 8% of all students.<sup>1</sup> *For perspective, that's nearly the entire school population of Arkansas.*<sup>2</sup>



Source: Legislative Budget Board, Fiscal Size-up 2024-25 and Texas Education Agency, Enrollment in Texas Public Schools 2023-24

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 (ADA), the system used in Texas, is calculated by adding attendance counts throughout the year and then dividing that by the number of instructional days. 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 though children are sometimes absent. 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 other states use attendance-based funding (CA, ID, KY, MS, MO, and TX). Illinois adopted enrollment-based funding in 2017 while overhauling its formulas. Moving to an enrollment-based funding was a missed opportunity when the Texas legislature made changes to the school funding formulas in 2019.

#### Methods used to fund schools based on enrollment:<sup>3</sup>

- 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, typically in the beginning of the school year; used in 12 states.
- Enrollment Period: Enrollment counts from multiple points in time (usually spring and fall); used in nine states.
- Multiple Day Counts: Enrollment counts over multiple days; used in one state.

Average Daily Membership (ADM) is the most common method used and for good reason. With ADM school districts are able to obtain an accurate count of actually enrolled students throughout the school year. This method eliminates the fear of “ghost students” or the idea that enrollment-based funding would continue to fund students who enrolled at one-point but then left for another district or state.

### Attendance-Based Funding Does Not Improve Attendance

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.

When attendance rates are compared across states, there is no correlation between attendance-based funding and attendance rates.

Attendance Rates by State			
NH – 99%	NV – 94%	AR – 92%	<b>KY – 90%</b>
<b>ID – 98%</b>	NM – 94%	DC – 92%	OH – 90%
<b>CA – 97%</b>	PA – 94%	MD – 92%	ME – 90%
CO – 97%	WA – 94%	MI – 92%	MN – 90%
FL – 97%	AL – 93%	MT – 92%	<b>TX – 90%</b>
TN – 97%	HI – 93%	SD – 92%	IL – 89%
CT – 96%	LA – 93%	UT – 92%	KS – 89%
GA – 96%	MA – 93%	WV – 92%	<b>MS – 89%</b>

NE – 96%	NY – 93%	AK – 91%	WI – 89%
ND – 96%	OK – 93%	IN – 91%	WY – 89%
<b>MO – 96%</b>	RI – 93%	NC – 91%	AZ – 88%
NJ – 95%	SC – 93%	OR – 91%	IA – 85%
DE – 94%	VT – 93%	VA – 91%	

Source: National Education Association. Ranking of the States 2023 and Estimates of School Statistics 2024; April 2024. Calculated using Fall 2022 Enrollment and 2022-23 ADA. [State with attendance-based funding in blue.](#)

Studies show that attendance is higher when schools create a positive experience and have good relationships with caregiving 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.<sup>4</sup>

### The Texas Legislature has Chosen Tax Cuts over our Kids

Every Texan estimates that the state/local cost would be roughly \$3.8 billion a year to fund the students left behind by attendance-based funding.<sup>5</sup> With a beginning balance of \$24 billion the Legislature has the resources to make this change.

In the 2024-25 budget the Legislature left nearly \$4 billion earmarked for education unspent, while enacting an astronomical \$22 billion in school property tax cuts. Budget proposals for the next biennium include an additional \$6.5 billion in property cuts and only \$4 – 5 billion for investments in public education. Since 2019, the Legislature has dedicated over \$51 billion to tax cuts. During the same time period, base level funding has remained stagnant and an average of 392,000 students a year are left without funding.

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.

<sup>1</sup> Legislative Budget Board. Fiscal Size-Up 2024-25

Average Daily Attendance (ADA) for fiscal years 2020 and 2021 includes additional student attendance to maintain district funding during the COVID-19 pandemic.

ADA for fiscal year 2022 includes the Operational Minutes Adjustment to hold districts harmless for decreased attendance rates due to the pandemic for the first four six-week periods of school year 2021–22.

Amounts for fiscal years 2022 and 2023 are estimated; amounts for fiscal years 2024 are projected.

Texas Education Agency. Enrollment in Texas Public Schools, 2023-24.

<sup>2</sup> The student enrollment in Arkansas is estimated to be 488,600 in Fall 2023. National Center for Education Statistics.

[https://nces.ed.gov/programs/digest/d13/tables/dt13\\_203.20.asp](https://nces.ed.gov/programs/digest/d13/tables/dt13_203.20.asp)

<sup>3</sup> Policy Analysis for California Education (PACE). Student Count Options for School Funding: Trade-offs and Policy Alternatives for California, March 2022. [https://edpolicyinca.org/sites/default/files/2022-03/r\\_hahnel-mar2022.pdf](https://edpolicyinca.org/sites/default/files/2022-03/r_hahnel-mar2022.pdf)

<sup>4</sup> Policy Analysis for California Education (PACE). Student Count Options for School Funding: Trade-offs and Policy Alternatives for California, March 2022. [https://edpolicyinca.org/sites/default/files/2022-03/r\\_hahnel-mar2022.pdf](https://edpolicyinca.org/sites/default/files/2022-03/r_hahnel-mar2022.pdf)

<sup>5</sup> This analysis uses the January 10, 2025 to TEA Statewide Summary to estimate the state average total (state/local) M&O funding per WADA at \$8,199 if the state’s share is 52.2% (based on LBB projections in Fiscal Size-Up 2024-25).