



### **Invest in all students *and* educators by increasing the Basic Allotment**

Texas is the ninth-largest economy in the world with an established track record for job creation and business growth. The state's continued economic success depends on the presence of a well-educated workforce prepared for the demands of a changing economy. The Basic Allotment has been flat since 2019, despite significant inflation and increasing special education needs. Texas is now in the bottom 10 states in per-pupil funding. An increase in the Basic Allotment would give public school districts the flexibility to put dollars directly into the classroom for all students, keep schools safe ***AND boost salaries for all staff without being tied to a Teacher Incentive Allotment.***

#### **Financial Implications**

The cumulative U.S. inflation rate was 22.6% over five years from September 2019 to August 2024 – without an adjustment to the Basic Allotment. If the Basic Allotment were raised to provide the same purchasing power as in 2019, it would need to increase by \$1,392 from \$6,160 to \$7,552. This would lower Eanes ISD's 2024-25 recapture amount from \$95.2M to \$83.6M – an \$11.6M difference available for operational expenses. Additionally, in 2022-23 the district had \$15.4M in special education (SPED) costs but only \$6.5M in state funding. In 2023-24 it will be \$16.5M and \$7.2M, respectively. To cover expenses, the SPED multipliers as a function of the Basic Allotment would need to more than double.

### **Index the Basic Allotment to inflation**

Just as Texans are dealing with increased expenses to live and operate businesses, public school districts face higher costs to provide students with excellent learning opportunities. With inflation increasing more than 22% since 2019 – without a correlating increase in the Basic Allotment – school districts' purchasing power has diminished considerably. A "catch-up" investment from the state's surplus would put needed dollars into public schools without any additional burden on taxpayers. To help school districts invest in students for the future, an automatic adjustment to the Basic Allotment should be tied to inflation.

#### **Financial Implications**

A predictable and annual update to the Basic Allotment, indexed to inflation, would help all districts make better informed and sustainable decisions about compensation and operations.

## Support safe and secure schools with necessary funding

Increased funding of the School Safety Allotment and local flexibility will ensure school districts can adequately meet student and staff safety needs as well as comply with state mandates. The lack of adequate school safety funding directly harms students and educators, as they must cut resources from elsewhere in their budgets to muster the revenue necessary to comply with the state's school safety requirements.

### Financial Implications

The current school safety allotment is \$15K per campus plus \$10 per Average Daily Attendance (ADA). In Eanes ISD, this equates to an estimated allotment for 2024-25 of \$210K. Eanes ISD's current budget for police operations in 2024-25 is \$1.17M, a \$960K difference. This number does not include capital expenses necessary to start up the police department or to equip its officers.

## Reinstate the early payment discount to reduce recapture burden

The Legislature's efforts to provide property-tax relief have helped to reduce recapture by making the school-funding system less dependent on local tax collections. Legislators could also reduce recapture by reinstating the optional early payment discount that was previously offered to school districts but eliminated in 2019. The early-payment discount is available to businesses making sales tax and motor-vehicle tax payments to the state, and it should also be available to school districts making recapture payments. This would provide relief for school districts while allowing the state to collect revenue sooner.

### Financial Implications

For example, a 4% early payment discount would reduce Eanes ISD's recapture obligation by \$4 million in 2024-25. Setting the early payment discount as high as possible and giving a school district the option each year to make the decision to pay early or in August based on the prevailing investment potential would provide needed financial flexibility.

## Finally, ensure public accountability for public dollars

Any school or educational entity that receives public funds should be held to the same standards for student outcomes, fiscal performance, open records and meetings, student services, and other forms of transparency. When some schools receiving public funds are not held to the same accountability standards as others, student performance, fiscal responsibility and public trust are at risk for everyone, including legislators.

## The Eanes Independent School District

- A flagship school district: ranked No. 1 in Texas and No. 7 in the United States according to [Niche](#)
- A comprehensive K-12 public school district of 7,600 students and 31.2 square miles in Travis County
- The Eanes Elementary campus is considered a historical site as one of the oldest continually operating public schools in Texas since 1872
- Eanes ISD pays \$95 million to Texas through recapture – or nearly 66% of its local property tax revenues
- These legislative position statements were adopted by the Eanes ISD Board of Trustees in November 2024

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