Texas' Pre-K Paradox:
Proven Success, Precarious Funding

For many Texas children, their learning journey starts with pre-kindergarten (pre-K) at a public school. Just as a tree relies on strong roots to reach its full height, our students need a solid educational foundation to thrive in school and in society. High-quality pre-K provides this critical foundation, equipping our youngest learners with the necessary tools to grow and succeed.

Over the years, Texas has made significant strides in advancing pre-K by implementing targeted instructional standards, developing robust curricula, and investing in developmentally appropriate programs. The results speak for themselves. Few educational interventions can match the ability of high-quality pre-K to close persistent achievement gaps and deliver lasting benefits. A fast-growing body of evidence underscores pre-K as one of the most effective strategies for improving early literacy and numeracy, setting students on a path toward lifelong success.

Texas' Pre-K Paradox: Proven Success, Precarious Funding examines the challenges within the impact of and the opportunities to enhance high-quality pre-K across Texas.

Conflicting Realities: Supportive Evidence vs. Unstable Funding

Over the past 15 years, Texas pre-K programs have grappled with two starkly opposing realities: mounting evidence of their effectiveness and a funding system that remains inconsistent and inadequate. The budget cuts in 2011 highlighted this tension, as the state implemented a $31 billion reduction in public spending—a 16% decrease from the previous biennium. Among the programs affected were the Pre-Kindergarten Early Start grant program, which was eliminated. Established in 2000, this program allocated $200 million each biennium to help school districts expand access to pre-K. The loss of targeted pre-K funding significantly affected early education efforts across the state.

Despite these setbacks, a 2012 landmark study underscored the potential of pre-K effects on third-grade achievement in Texas. Even when the quality of Texas pre-K programs lagged behind many other states, the study found pre-K enrollment was linked to significant improvements in standardized test scores for reading and math. Additionally, pre-K enrollment correlated with a 24% reduction in hold-back rates for third-grade students and a 13% decrease in the likelihood of placement in special education programs.[1] These findings highlighted the power of pre-K, even in the face of systemic challenges, and reinforced its value as a critical tool for addressing stubborn achievement gaps. The same year, parallel studies in states like Oklahoma, Michigan, and Pennsylvania echoed similar results.

As Texas' economy rebounded, state lawmakers took steps to restore the public education funding lost in 2011. During the 83rd Texas Legislative Session in 2013, legislators allocated $3.5 billion to public schools, reclaiming more than half of the funds previously cut. Among these efforts, lawmakers appropriated $30 million in supplemental funding specifically for pre-K programs. While this amount was a fraction of the $200 million districts had received through the now-defunct Pre-Kindergarten Early Start grant program, it offered school districts a renewed opportunity to hire additional pre-K educators and expand access to full-day pre-K programming. This investment marked a modest but essential step toward rebuilding the state's early education infrastructure and supporting young learners.

Building on the momentum of the previous legislative session, Governor Greg Abbott prioritized early education during the 84th Texas Legislative Session in 2015, culminating in the passage of House Bill 4 (HB 4). This consequential legislation established high-quality pre-K standards and allocated $118 million in grants to school districts for implementation. Bipartisan support for the initiative was fueled by a pressing need to improve third-grade reading and math proficiency, critical benchmarks for long-term academic success.

Following the passage of HB 4, the child advocacy organization Children at Risk conducted an extensive study to examine the connection between pre-K quality and third-grade academic outcomes. Analyzing data from nearly 50,000 Texas students, the study revealed that low-income children who attended pre-K were 40% more likely to pass the State of Texas Assessment of Academic Readiness (STAAR) in third-grade reading than their peers who did not. Moreover, the study demonstrated a clear positive correlation between pre-K quality and student performance: the higher the program's quality, the better students performed on third-grade STAAR reading assessments.[2]

These findings highlighted the potential of high-quality pre-K to close achievement gaps and foster student achievement, affirming the value of the investments made through HB 4. Texas Education Commissioner Mike Morath recognized this

impact, noting, "fewer than one in five children reading below grade level in third grade will go on to college," and that HB 4 funding had served as a "catalyst for change." By improving teacher preparation, family engagement, class sizes, and student outcomes, HB 4 demonstrated the impact of high-quality pre-K programs.

This growing momentum for high-quality pre-K abruptly stopped in 2017 during the 85th Texas Legislative Session when lawmakers discontinued the High-Quality Pre-K grant program and shifted the burden of implementing state standards onto existing pre-K funds. To compound the challenge, legislators also eliminated the $30 million supplemental funding that districts relied on since 2013. These decisions left school districts—particularly the 570 districts and charter schools previously supported by the High-Quality Pre-K grant—struggling to maintain quality with drastically reduced resources.
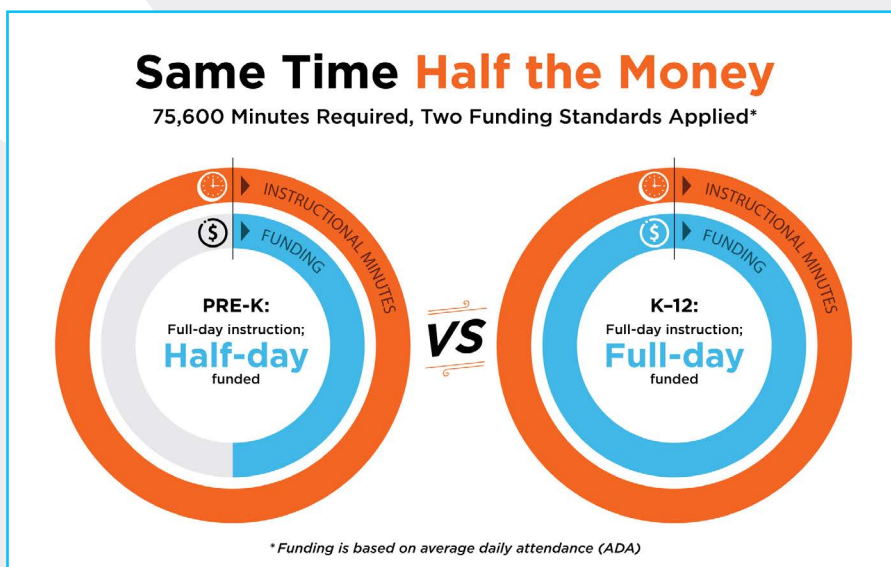
The consequences of these cuts were far-reaching. A Texans Care for Children survey encompassing nearly 100 school districts and representing 38% of pre-K students statewide revealed the harsh realities districts faced. Over 60% of respondents reported being forced to reduce spending on instructional materials, staffing, and teacher retention efforts—all critical components for meeting the state's high-quality standards.[3] These setbacks undermined the progress made through earlier investments and left schools struggling to provide the foundational education their youngest learners deserved.

HB 3 & COVID-19: One Step Forward, Two Steps Back

In 2019, growing nationwide frustration over unsustainable work environments, inadequate compensation, unfunded mandates, and the pressures of high-stakes standardized testing pushed many state legislatures to prioritize public school funding and quality. The Texas Legislature responded with House Bill 3 (HB 3), a significant piece of legislation that increased public education funding by $5 billion, restructured key elements of the state's school finance system, and introduced a teacher incentive pay program.

Recognizing the importance of early education, lawmakers also used HB 3 to revisit pre-kindergarten. The bill introduced new requirements to expand access to pre-K, align program practices with the state's high-quality standards, and ensure stable, long-term funding for early education strategies. These measures represented a renewed commitment to early education while addressing systemic challenges within the state's public education system.

HB 3 set a new standard for pre-K in Texas, requiring all school districts to adhere to the state's high-quality pre-K standards. These standards ensure programs use developmentally appropriate curricula, monitor student progress throughout the year, employ certified educators, maintain healthy class sizes, implement robust family engagement plans, and conduct regular evaluations to measure outcomes.

Same Time Half the Money
75,600 Minutes Required, Two Funding Standards Applied*

INSTRUCTIONAL MINUTES
FUNDING

PRE-K:
Full-day instruction;
Half-day
funded

VS

INSTRUCTIONAL MINUTES
FUNDING

K–12:
Full-day instruction;
Full-day
funded

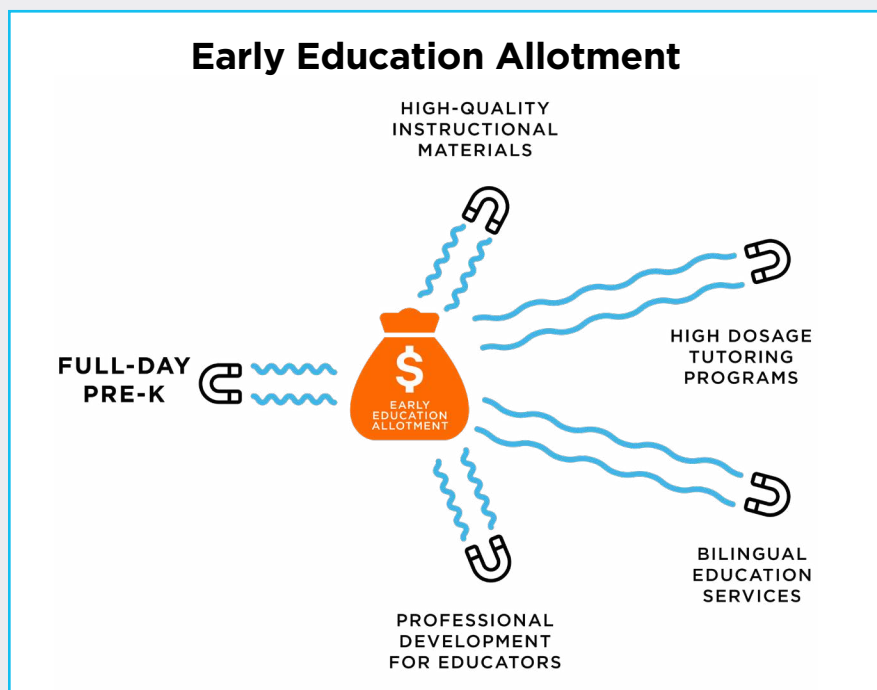*Funding is based on average daily attendance (ADA)*

House Bill 3 (2019) requires school districts to offer full-day pre-K to four year-olds, but the state only funds pre-K at a half-day rate. This means school districts have to use other funding sources to cover the second half of the pre-K day. All other grade levels are funded for the entire instructional day.

One of the bill's most significant changes was its mandate for districts to provide full-day pre-K to eligible four-year-olds. Before 2019, districts were only required to offer half-day pre-K, as state funding covered just half of the school day. Districts that offered full-day pre-K had to rely on grant funding or alternative revenue sources to cover the additional costs. The full-day mandate brought substantial growth, increasing the number of districts offering full-day pre-K from 738 in 2018-19 to 1,093 by 2023-24.

While HB 3 stopped short of fully funding pre-K, it introduced the Early Education Allotment—a supplemental funding stream designed to support early education strategies that improve third-grade literacy and numeracy outcomes. The allotment generates funding based on the average daily attendance of kindergarten through third-grade students who are economically disadvantaged and/or emergent bilingual. Unlike previous pre-K grants, which could be removed from the state budget without a formal vote, the Early Education Allotment is codified in statute, so altering or eliminating the allotment requires the passage of new legislation, adding a layer of protection to this funding. This statutory safeguard provides greater stability, giving school districts the confidence to invest allotment dollars in pre-K and other early education programs, knowing the funding is less vulnerable to sudden budget cuts. In the most recent biennium, the Early Education Allotment generated over one billion dollars in funding for early education interventions. It is worth mentioning that the money generated by the Early Education Allotment does not consider the average daily attendance of pre-K students. Moreover, various pre-K through third-grade programs compete for these funds.

Early Education Allotment

HIGH-QUALITY INSTRUCTIONAL MATERIALS

HIGH DOSAGE TUTORING PROGRAMS

FULL-DAY PRE-K

EARLY EDUCATION ALLOTMENT

BILINGUAL EDUCATION SERVICES

PROFESSIONAL DEVELOPMENT FOR EDUCATORS

2000
$200 million Pre-Kindergarten Early Start grant program created

2011
$31 billion reduction in public spending— Pre-Kindergarten Early Start grant program eliminated

2013
83rd Legislature appropriated $30 million in supplemental funding specifically for pre-K programs

2015
Governor Abbott prioritized early education during the 84th Legislature passing HB 4 established high-quality pre-K standards, and allocated $118 million in grants to school districts for implementation

The impact of House Bill 3 (HB 3) continues to resonate, particularly in pre-kindergarten programs. Full-day pre-K drives remarkable improvements in early literacy—one of the emergent learning domains on which Texas pre-K programs are evaluated. In 2023, 41% of pre-K students demonstrated proficiency in emergent literacy-reading at the beginning of the school year. By the end of the year, that number soared to 83%, highlighting the transformative power of pre-K.[4]

The emergent literacy-reading assessment measures essential skills such as following along with stories, recognizing and producing letter sounds, and forming words and sentences in order to answer questions about learning activities. These foundational abilities are crucial for early learning and lay the groundwork for success on academic benchmarks like the third-grade reading and math STAAR assessments. By equipping students with these critical skills, HB 3's emphasis on full-day pre-K continues to support long-term academic achievement.

While recent investments in pre-K have yielded noteworthy benefits, persistent challenges continue to undermine the sustainability and impact of Texas pre-K programs. Less than a year after House Bill 3 (HB 3) passed, schools across Texas faced unprecedented disruptions as they closed their doors in response to the global COVID-19 pandemic. The resulting learning interruptions, safety measures, and crushing inflation significantly strained public education, disproportionately affecting the youngest learners.

National studies indicate that students who were in kindergarten through second-grade at the onset of pandemic have struggled to recover academically at a greater rate than their older peers. Emerging Texas data echoes these findings. School districts report that today's third- and fourth-graders—many of whom were in pre-K before or during the pandemic—

High-quality Pre-K Creates Strong Readers

% of reading proficiency improvement among pre-K students in 2022-23 school year

Beginning of year → End of year
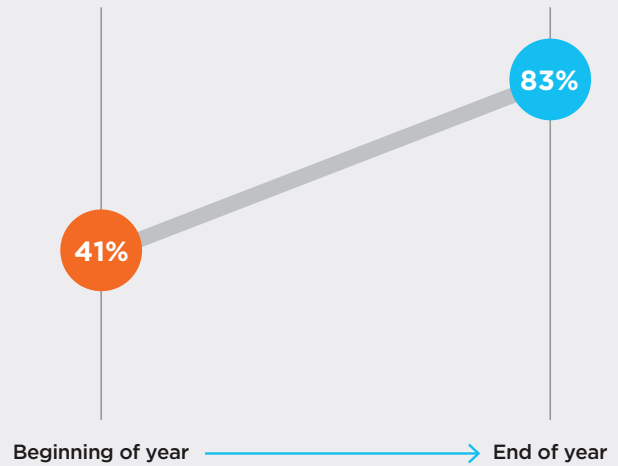
Source: TPEIR Texas Public Prekindergarten Assessment Results for 4-Year-Olds - Statewide (2024)

struggle to master foundational concepts and sustain motivation for learning. A data dashboard tracking STAAR performance trends from 2018 through 2024, reveals that only 46% of Texas third-graders met grade-level expectations on the STAAR reading assessment in 2024, compared to 43% in 2018. This modest three-percentage-point gain was the second-lowest improvement among grades three through eight.[5]

A critical factor in these trends may be the sharp decline in pre-K attendance during 2020 when over 50,000 pre-K-eligible four-year-olds did not enroll—a more significant enrollment drop than any other grade level in Texas public schools. This steep decline left many young learners entering kindergarten without the foundational skills that high-quality pre-K programs are designed to provide, exacerbating the long-term challenges created by the pandemic.

2017
85th Legislature cut $30 million in supplemental funding for pre-K

2019
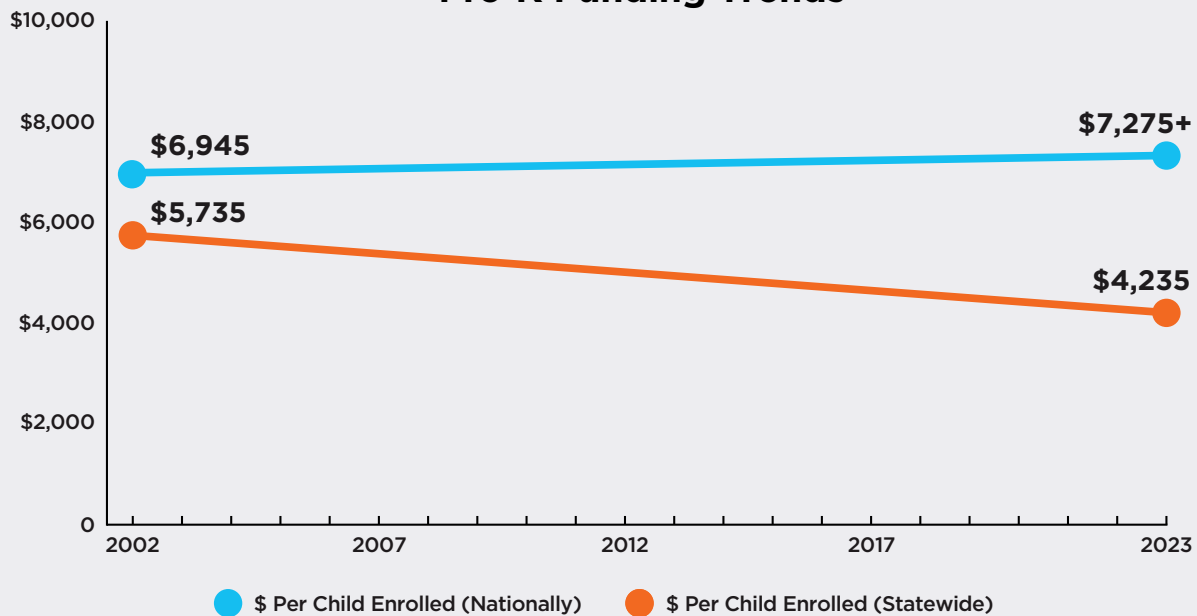86th Legislature responded with HB 3, increasing public education funding by $5 billion
- Mandated full-day pre-K
- Created Early Education Allotment, but did not fund full day pre-K

2024 - Summer
The Texas House and Senate emphasized early literacy and numeracy outcomes in their interim charges, signaling that the 89th Legislature will likely prioritize early education initiatives

COVID-19

Pre-K Funding Trends

$6,945

$7,275+

$5,735

$4,235

$10,000

$8,000

$6,000

$4,000

$2,000

0

2002   2007   2012   2017   2023

● $ Per Child Enrolled (Nationally)   ● $ Per Child Enrolled (Statewide)

Source: National Institute of Early Education Research State of Preschool 2023 Yearbook (2024)

Moving Forward: Full-Day Funding for Full-Day Pre-K and More

Today, a convergence of political momentum, financial resources, and clear objectives presents a pivotal opportunity to strengthen Texas pre-K. In the summer of 2024, the Texas House and Senate emphasized early literacy and numeracy outcomes in their interim charges, signaling that the 89th Texas Legislative Session will likely prioritize early education initiatives. Simultaneously, Texas is experiencing robust economic growth, with a fund balance of at least $23 billion remaining from the previous biennium. Fully funding pre-K would require approximately $850 million—less than 4% of these surplus funds—making it a fiscally feasible investment.

Moreover, Texas continues to trail the nation in pre-K funding and program quality, underscoring the urgency of action. State lawmakers have an unparalleled opportunity to invest in pre-K, a proven strategy with substantial returns in academic performance and long-term cost savings. By leveraging this alignment of resources and priorities, Texas can invest in its youngest learners and secure a stronger foundation for future generations.

Providing the highest quality pre-K education should be a top priority for Texas, however, Texas' investment in pre-K has been steadily declining over the past 20 years. When adjusted for inflation, per-pupil funding for pre-K was $1,500 lower in 2022 than it was in 2002.[6] During this same period, Texas faced numerous economic crises and rapid inflation, highlighting the pressing need for increased support.

While other states have answered the call to invest in early education, Texas has fallen behind. Texas ranks 34th in the nation for per-pupil spending on pre-K, investing only $4,000 per student—$3,000 less than the national average. This gap amounts to roughly $726 million in underfunded pre-K education and is primarily driven by the state's half-day funding structure for pre-K. Fully funding pre-K in Texas would elevate the state's investment beyond the national average, ensuring that Texas students start their educational journey on par with their peers nationwide.
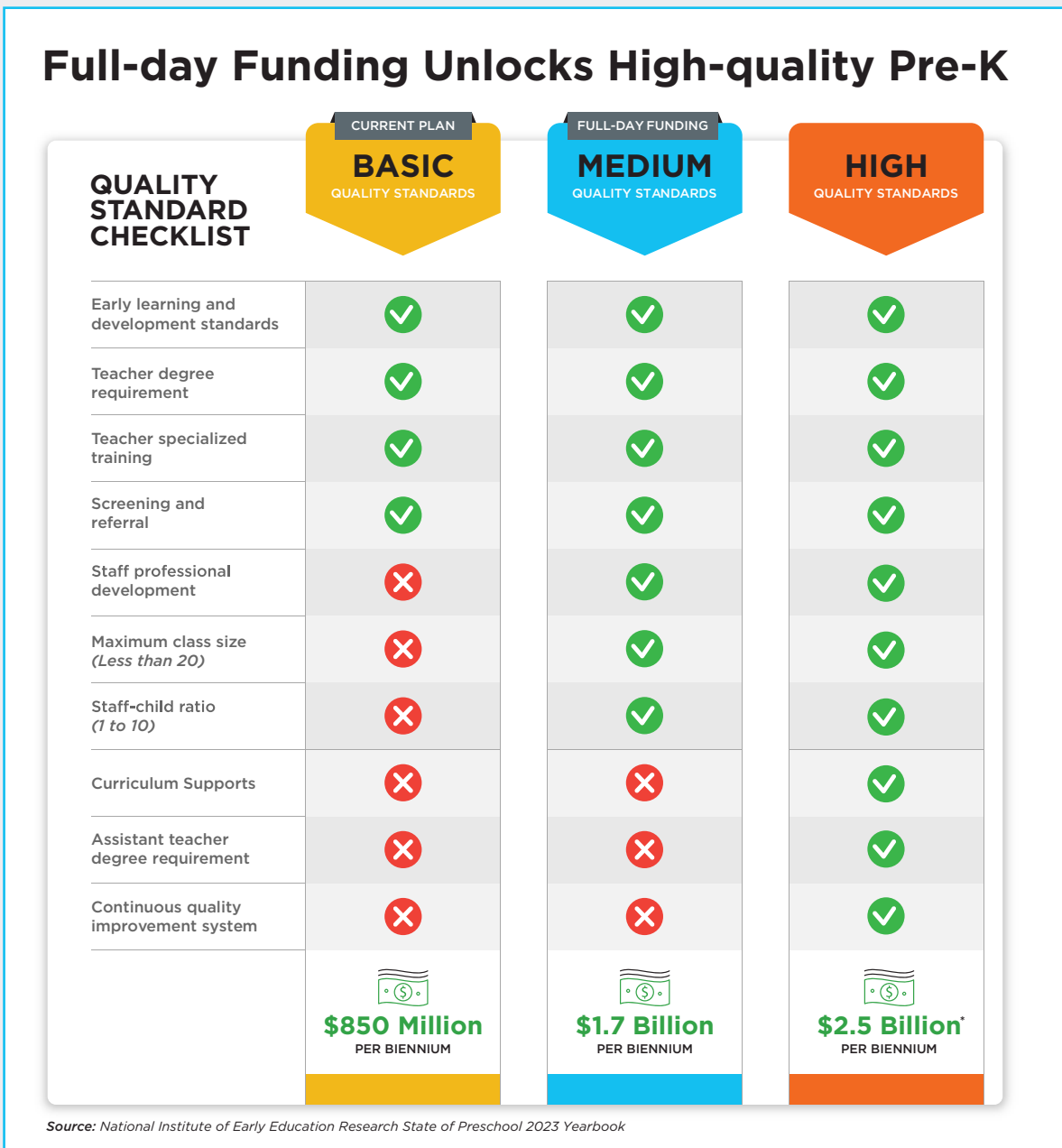
Investing in pre-K leads to tangible improvements in the quality of Texas pre-K programs. Texas meets only four of the 10 established benchmarks for high-quality pre-K, placing it among just eight states that fail to meet more than half of these standards. Of the six benchmarks Texas does not meet, two—classroom size and teacher-student ratios—are strongly linked to student success.[7]

As a result, Texas pre-K classrooms feel the pressure of overcrowding and a shortage of educators stemming from the state's broader teacher vacancy crisis. Increasing funding for full-day pre-K would provide the necessary resources to boost teacher pay, helping to attract and retain qualified educators and address the critical challenges of classroom size and teacher-student ratios. This investment would directly impact the quality of pre-K and help Texas raise its pre-K status in the national arena.

Another meaningful step to enhance teacher recruitment and retention is extending pre-K eligibility to public school educators' children. Under the current system, the strict income cap for free public pre-K excludes nearly all teachers, leaving those with pre-K-aged children with few affordable options for early learning and childcare. This gap creates an additional burden for educators who are already navigating a challenging profession.

Amending the eligibility criteria to include children of public school teachers would provide districts with a valuable tool to support their workforce. This policy change would alleviate financial stress for teachers and demonstrate a commitment to investing in the professionals who shape the future of Texas classrooms. Texas can take a proactive step toward attracting and retaining top-tier teaching talent by making it easier for educators to balance their work and family responsibilities.

Full-day Funding Unlocks High-quality Pre-K

QUALITY STANDARD CHECKLIST	CURRENT PLAN — BASIC QUALITY STANDARDS	FULL-DAY FUNDING — MEDIUM QUALITY STANDARDS	HIGH QUALITY STANDARDS
Early learning and development standards	✅	✅	✅
Teacher degree requirement	✅	✅	✅
Teacher specialized training	✅	✅	✅
Screening and referral	✅	✅	✅
Staff professional development	❌	✅	✅
Maximum class size (Less than 20)	❌	✅	✅
Staff-child ratio (1 to 10)	❌	✅	✅
Curriculum Supports	❌	❌	✅
Assistant teacher degree requirement	❌	❌	✅
Continuous quality improvement system	❌	❌	✅
	$850 Million PER BIENNIUM	$1.7 Billion PER BIENNIUM	$2.5 Billion* PER BIENNIUM

Source: National Institute of Early Education Research State of Preschool 2023 Yearbook

Conclusion

Texas pre-K has weathered a turbulent history, even as mounting evidence underscores its transformative potential. State lawmakers have a unique opportunity to prioritize investments in programs that will deliver measurable benefits today and for decades to come.

Recognizing this, Raise Your Hand Texas has developed a set of policy recommendations designed to enhance and sustain pre-K programs across the state's public schools. These recommendations aim to address persistent challenges and maximize the potential of pre-K to drive student success.

89th Session Policy Recommendations:
- Fully fund pre-K with full-day average daily attendance
- Expand the Early Education Allotment to include average daily attendance of eligible pre-K students
- Increase access to pre-K by expanding the income eligibility cap
- Extend pre-K eligibility to the children of educators

Few initiatives offer the proven impact and cost-effectiveness as high-quality pre-K, making its expansion a critical consideration for securing a bright future for Texas. We invite you to watch our pre-K video and explore our webpage for a comprehensive overview of these strategies and resources.
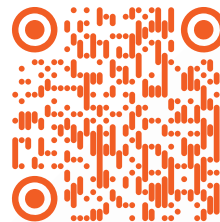
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[7] *Ibid.*

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