



The Senate of Texas

CÉSAR J. BLANCO

TEXAS SENATOR
DISTRICT 29

June 3, 2026

Dear Commissioner Morath,

Thank you for your continued leadership and the work of the Texas Education Agency in implementing the significant school finance and educator compensation reforms enacted through House Bill 2. I recognize the complexity of administering these changes and appreciate the agency's efforts to provide guidance and transparency to school districts as they work to understand and adapt to the new funding framework.

I am writing regarding concerns raised by school districts throughout Senate District 29 about revisions to projected funding under House Bill 2 and the resulting impact on local budget planning. As districts finalize their budgets for the 2026–27 school year, many have reported that current funding estimates differ substantially from the projections available during legislative consideration of House Bill 2. These changes have created uncertainty for district leaders who are making staffing, compensation, and programmatic decisions based on the expectations established when the legislation was enacted.

To better understand these differences, I respectfully request that TEA provide an analysis for each school district within Senate District 29, identifying the specific factors that have contributed to revised entitlement estimates. In particular, I would appreciate information regarding the impact of updated tax collection data, adjustments to hold harmless calculations, over-65 tax freeze provisions, property value changes, attendance-related factors, and any other variables that have affected district funding compared to the projections relied upon during the legislative session. Such an analysis would provide important transparency to school districts, local stakeholders, and legislators seeking to understand why funding estimates have changed and the relative impact of each contributing factor.

I am also concerned that certain provisions of House Bill 2 may be interacting in ways that were neither anticipated nor intended when the legislation was adopted. During the legislative process, members were presented with projections demonstrating significant investments in Texas public schools. The funding estimates now being reported by some districts appear much lower than the projections presented during the session and raise legitimate questions about whether certain statutory provisions are producing unintended outcomes when implemented together.

As you know, House Bill 2 anticipated the possibility of such circumstances. Section 48.011 of the Texas Education Code grants the Commissioner authority to address unintended consequences arising from implementation of the legislation, including adjusting funding entitlements when necessary to prevent unanticipated losses to school districts.

Accordingly, I respectfully request that TEA evaluate the extent to which these funding reductions may be attributable to unintended interactions among House Bill 2 provisions and, where appropriate, utilize the authority provided by the Legislature to mitigate those impacts. I further encourage TEA to work collaboratively with the Legislative Budget Board and the Office of the Governor to identify solutions that

ensure school districts receive support that more closely reflects the Legislature's intent when House Bill 2 was enacted.

Our school districts should not be placed in a position where unforeseen implementation issues undermine planned investments in students, educators, and educational programs. Providing transparency regarding the causes of these funding changes and taking prompt action to address unintended consequences will help districts move forward with greater certainty as they prepare for the upcoming school year.

Thank you for your attention to this matter. I look forward to your response and to continuing to work together in support of Texas public schools.

Sincerely,

A handwritten signature in black ink, appearing to read "César J. Blanco". The signature is fluid and cursive, with the first name "César" being the most prominent part.

César J. Blanco
Texas State Senator
Senate District 29