



ALLOVUE
a PowerSchool Company



Executive Summary

Third Annual Allovue Education Finance Survey

School Funding in an Age of Uncertainty

American K-12 education finance is facing unparalleled uncertainty. Pandemic-era relief funds have been exhausted. The future of ongoing federal funding sources is unclear. A growing number of states have decreased taxes and increased access to programs that use public funds to pay private school tuition—steps that reduce the funding available to the public schools attended by the majority of the nation’s children.

The third annual installment of the Allovue Education Finance Survey, conducted by the EdWeek Research Center and sponsored by Allovue, a PowerSchool company, captures the impacts of these and other trends by sharing the perspectives of 1,664 teachers, school leaders, and district administrators.

The Allovue Education Spending Confidence Index, which synthesizes teacher and administrator sentiment about current and future financial conditions, fell sharply in 2024-25 to -123 on a scale of -300 to +300. The current score represents an 84 percent year-over-year decline. It is nearly three times lower than the inaugural score in 2022-23.

Regional disparities are pronounced: the Midwest and South experienced the steepest declines in confidence but 2024-25 scores are lowest in the Western United States and in the Northeast. Scores are significantly higher for private school teachers and administrators, reflecting the divergent impact of policy changes and voucher expansions. Confidence is also lower among teachers and administrators in large, urban districts, and higher among those in smaller, rural jurisdictions.

Overall, only 9 percent of educators now believe it is a good time for major district investments such as curriculum purchases and salary increases, half as many as last year. Nearly three out of four school and district leaders are reducing or considering reducing expenditures, with public school leaders nearly twice as likely as private school counterparts to cut spending.

COVID-era Elementary and Secondary School Emergency Relief (ESSER) funds represented an unprecedented investment of federal funds in K-12 education. The termination of this program has prompted cuts, especially in professional development, tutoring, and facilities maintenance. As this funding source has sunsetted, 97 percent of teachers and administrators report that expenses are on the rise. For the past three years, the top cause cited for rising expenses has been increased levels of student need—with today's students requiring more support for mental health, English-as-a-second language instruction, and other services. These pressures are most common in large districts, where more than half of educators cite significant budget impacts due to the increasing levels of student need.

The future outlook is less than rosy, with 62 percent of teachers and administrators predicting that their employers' financial conditions will worsen over the next three years. Driving these concerns are fears about funding that fails to keep pace with inflation and/or expenses such as healthcare that increase faster than inflation; political/public opinions of education that lead to funding reductions for education; reductions to federal funding; and budget allocations that will be insufficient to support the growing needs of students.

Nearly three out of four school and district leaders are reducing or considering reducing expenditures, with public school leaders nearly twice as likely as private school counterparts to cut spending.

Cover image: DigitalVision Vectors

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American school districts are operating in an age of uncertainty.

The Trump administration is in the midst of an effort to dismantle the U.S. Department of Education.¹ It is unclear what this will mean for federal funding programs such as Title I, which provides funds for children from low-income families, or the Individuals with Disabilities Education Act (IDEA), —which provides funds for students with disabilities. Already, the administration has [canceled](#) hundreds of federal grants and contracts supporting teacher prep and education research. In March 2025, the Department abruptly [revoked](#) an extension to spend down \$190.5 billion in Elementary and Secondary School Emergency Relief (ESSER) funds allocated during the coronavirus pandemic. More than a dozen states have filed [suit](#) in an effort to regain access. However, even if they are successful, only about 3 percent of that money remains.

Although the share of K-12 funding provided by the federal government rose to 14 percent during the pandemic due to ESSER, it has historically been closer to 10 percent. Most K-12 revenue comes from local communities and states. However, these funding sources

are also in flux. Between 2021 and 2023, [26 states](#) responded to a relatively healthy economic outlook and a temporary influx of federal COVID aid by decreasing income taxes that help fund schools. Most of these reductions were permanent and are expected to reduce education funding by \$124 billion (3.6 percent) by 2028.

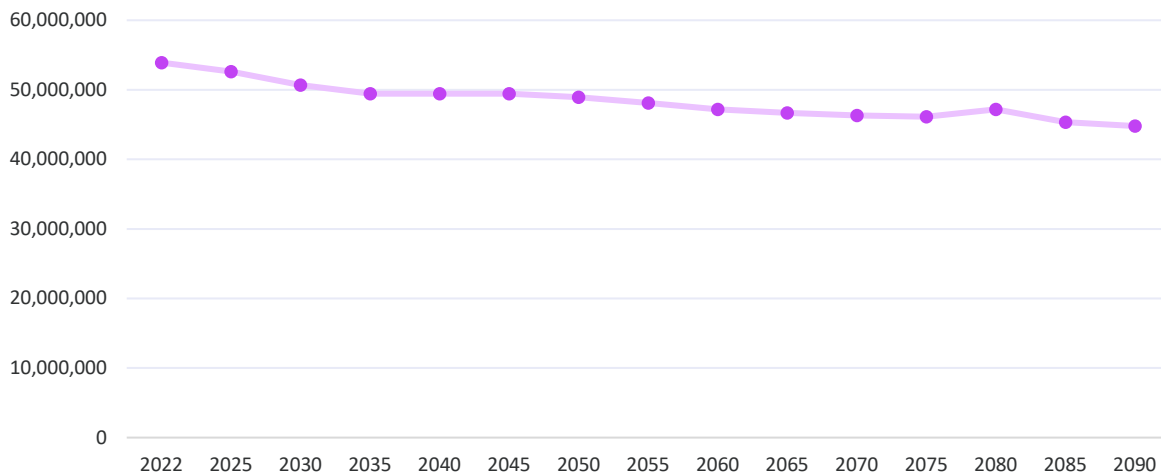
That same period (2021-2023) saw an increase in the share of states allowing all children to attend private schools at public expense rather than restricting access to low-income families or other subgroups. Currently, roughly one in four states offer these so-called “universal vouchers.” Because a large share of the students who use these programs were previously attending private schools that their families paid for, this approach is associated with an [11 to 33](#) percent increase in K-12 education expenses—money now flowing to private schools.

While the number of publicly-funded schools has increased due to the expansion of private school vouchers and charter schools, the U.S. birthrate is declining. This means more schools are—and will be—competing for fewer students. Because schools are funded on a per-pupil basis, declines in enrollment lead to declines in funding.

¹A U.S. president does not have the authority to create or eliminate a federal agency, only Congress does. However, the Department of Education is an arm of the Executive Branch, which has strong influence over the ways that laws are enacted.

Fig. 1

Current and projected population of school-aged children (ages 5 -17) living in the United States: 2022-2090*



*Source: U.S. Census Bureau. Estimates are based on results of the 2020 Census.

ABOUT THE SURVEY	
WHO	A total of 1,664 educators including 507 district leaders, 447 school leaders, and 710 teachers.
WHAT	A 37-question online survey
WHEN	2/21/25-4/6/25
WHY	To gain insights into educators’ knowledge and perceptions related to K-12 funding

At the same time that many districts and schools are facing funding cuts, they are also uncertain about the impact of tariffs implemented by the new presidential administration. These levies on foreign imports have [already](#) led to large increases in the cost of items like school furniture and devices. If these tariffs lead to an economic recession, districts will also face consequences such as declines in the state and local tax revenue that supports schools, and stock market losses that reduce the value of educator pension funds.

All of these changes add up to a lot of ambiguity.

For the past three years, Allovue, a PowerSchool company, has attempted to contextualize and address this ambiguity by sponsoring the Allovue Education Finance Survey. Executed by the nonpartisan, nonprofit EdWeek Research Center, the annual online poll takes stock of on-the-ground realities of school spending while also helping to educate stakeholders about a critical subject that is too often poorly understood. The Research Center fielded this year’s survey between February and April of 2025. A total of 1,664 public and private school educators responded, including more than 700 teachers, 400 school leaders, and 500 district leaders. The sections that follow summarize the results.

At the same time that many districts and schools are facing funding cuts, they are also uncertain about the impact of tariffs implemented by the new presidential administration.

Allovue Education Spending Confidence Index Results: 2024-25

Allovue Education Spending Confidence Index scores fell in 2024-25, with a year-over-year decline of 84 percent. On a scale of -300 to +300, this year's average is -123. The score was nearly three times higher in the Index's inaugural year (-38) than it is today.

As was the case in prior years, scores varied by region, ranging from a high of -106 in the Midwest to a low of -141 in the Western United States. Regional declines were steepest in the Midwest and the South, where scores fell by more than 100 percent.

"Declining birth rates in our area have led to a steady decrease in student enrollment, which in turn has significant budgetary

implications for our schools," an assistant superintendent in Kansas wrote in response to an open-ended survey question. "With fewer students, districts receive less state and federal funding, as much of school funding is allocated on a per-pupil basis. This reduction in resources can lead to difficult decisions, including potential cuts to programs, staff reductions, and increased class sizes. Additionally, lower enrollment may impact long-term planning for school facilities, staffing, and curriculum development. As enrollment trends continue to shift, we must find ways to adapt while maintaining high-quality education for the students we serve."

Allovue Education Spending Confidence Index

First introduced in 2022-23, the Allovue Education Spending Confidence Index provides a broad overview of educators' perceptions of their districts' financial status. The Index is based on three questions, each one with three possible answers to choose from, each of which is worth between -100 and +100 points. The questions and their associated scores are:

1. Would you say that your school district is better off or worse off financially than three years ago?

- **Worse (-100 points)**
- **Same (0 points)**
- **Better now (+100 points)**

2. Three years from now, do you think that your school district will be better off financially, or worse off, or just about the same as now?

- **Worse off (-100 points)**
- **Same (0 points)**
- **Better off (+100 points)**

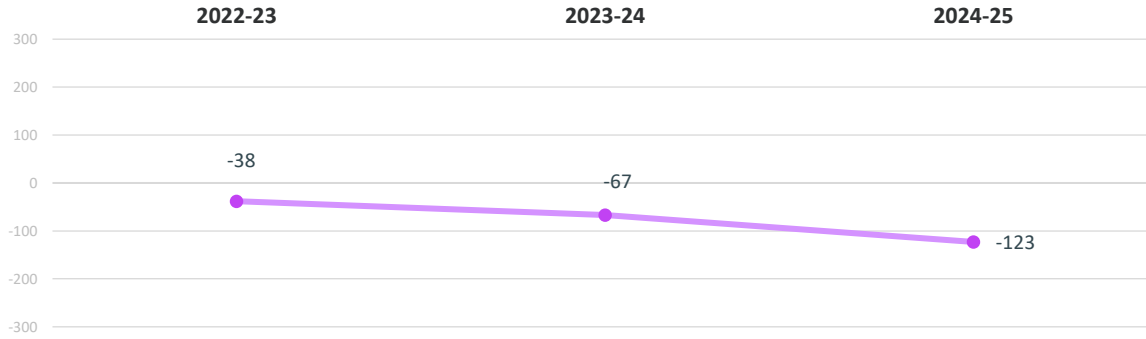
3. Do you think now is a good or bad time for your school district to make major purchases such as buying a new core curriculum, raising salaries, or investing in major technology, construction, or maintenance projects?

- **Bad time (-100 points)**
- **Equally good and bad (0 points)**
- **Good time (+100 points)**

The scores associated with the three questions are then summed. Scores on the Index range from -300 to +300, with positive values indicating a more optimistic view, negative values indicating a more pessimistic view, and values near 0 indicating an even mix of negative and positive perceptions.

Fig. 2

Allvue Education Spending Confidence Index Results, 2022-23 to 2024-25*



*Scores range from a low of -300 to a high of +300. Respondents are teachers, school leaders, and district leaders.

Wrote a district leader in Alabama: “All systems are screwed by all politicians because they have no idea how schools work. They cut funding for schools first and what is worse than anything, they are now sending public school funds to private schools.”

In addition to varying by region, scores also varied significantly by district size, locale, and sector. Scores were higher for respondents in smaller districts, rural areas, and private schools.

Respondents in larger districts, cities, and public non-charter schools assigned lower scores.

“Politicians in my state are turning the public against educators,” an elementary school principal in a large, urban Texas school district wrote in response to an open-ended survey question. “It’s ugly down here right now, and I’m quite sure there are still some tough, tough times ahead.”

Table 1

Allvue Education Spending Confidence Index Scores by REGION, 2022-23 to 2024-25*

	2022-23	2023-24	2024-25
Northeast	-49	-86	-138
Midwest	-46	-51	-106
South	-28	-59	-121
West	-40	-86	-141

*Scores range from a low of -300 to a high of +300. Respondents are teachers, school leaders, and district leaders.

Fig. 3

Allovue Education Spending Confidence Index Scores by DISTRICT SIZE, 2022-23 to 2024-25*

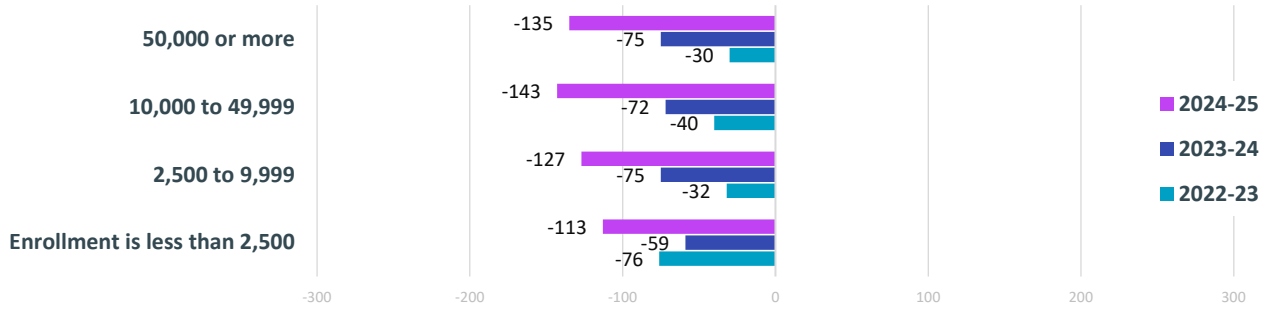


Fig. 4

Allovue Education Spending Confidence Index Scores by LOCALE, 2022-23 to 2024-25*

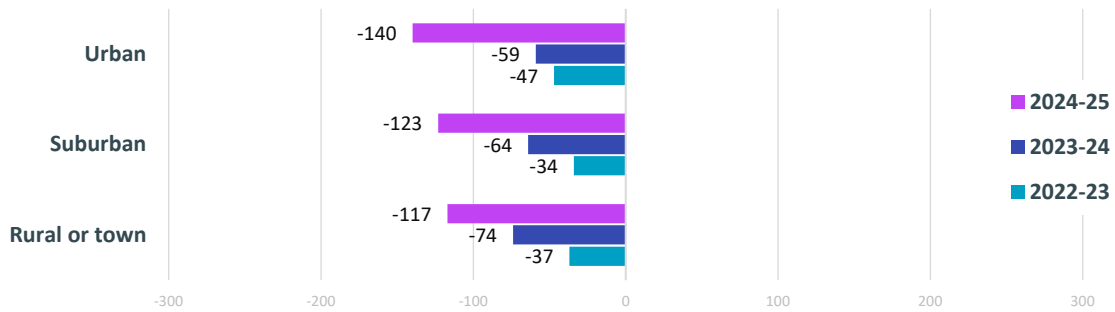
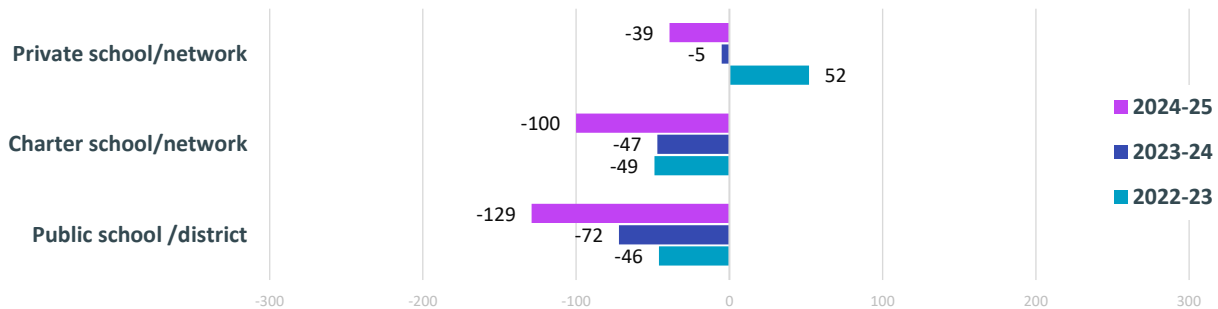


Fig. 5

Allovue Education Spending Confidence Index Scores by SECTOR, 2022-23 to 2024-25*



*Scores range from a low of -300 to a high of +300. Respondents are teachers, school leaders, and district leaders.

Waning Confidence and Rising Needs

The share of educators reporting that they are better off financially today than in the past declined sharply in 2024-25. The percentage of teachers, school leaders, and district leaders who say that the financial condition of their district right now is better than it was three years earlier has declined 43 percent since last school year and 54 percent since 2022-23. Correspondingly, the share who say their districts are worse off increased 41 percent year-over-year and 57 percent over the past three years.

Across sectors, teachers were significantly less likely than administrators to perceive that conditions had improved: Just 8 percent said their districts were better off this year than three years earlier as compared to 22 percent of district leaders and 13 percent of school leaders.

Perhaps as a result of an expansion of voucher programs that provide public funds to private schools, private school educators had a more positive view of the recent past than did public school educators. Relative to their public school peers, private school teachers and administrators were nearly three times more likely to say their employers' financial condition had improved over the past three years and about half as likely to perceive that things had gotten worse.

Another reason confidence scores may be down is the end of ESSER funding. Two out of three school and district leaders say that the end of this federal aid program had a negative impact on their districts.

Fig. 6

Would you say that your school district is better off or worse off financially than three years ago?*

RESULTS BY YEAR

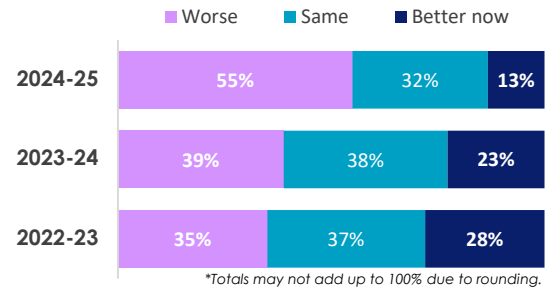


Fig. 7

RESULTS BY ROLE IN 2024-25

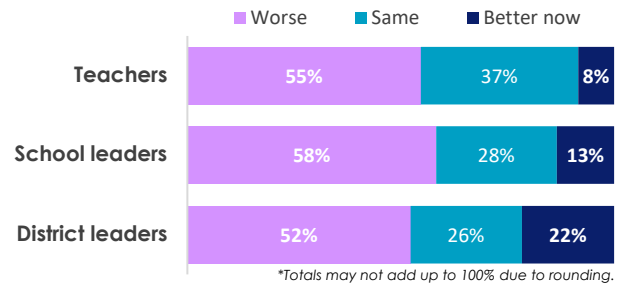
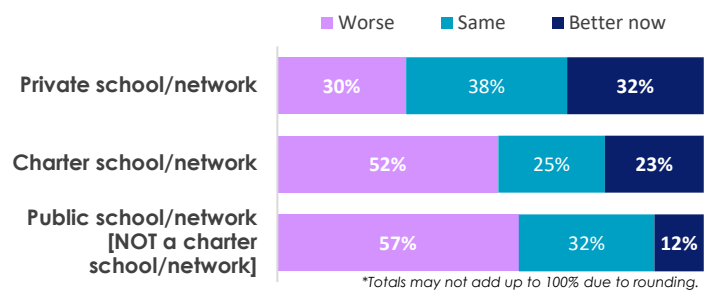


Fig. 8

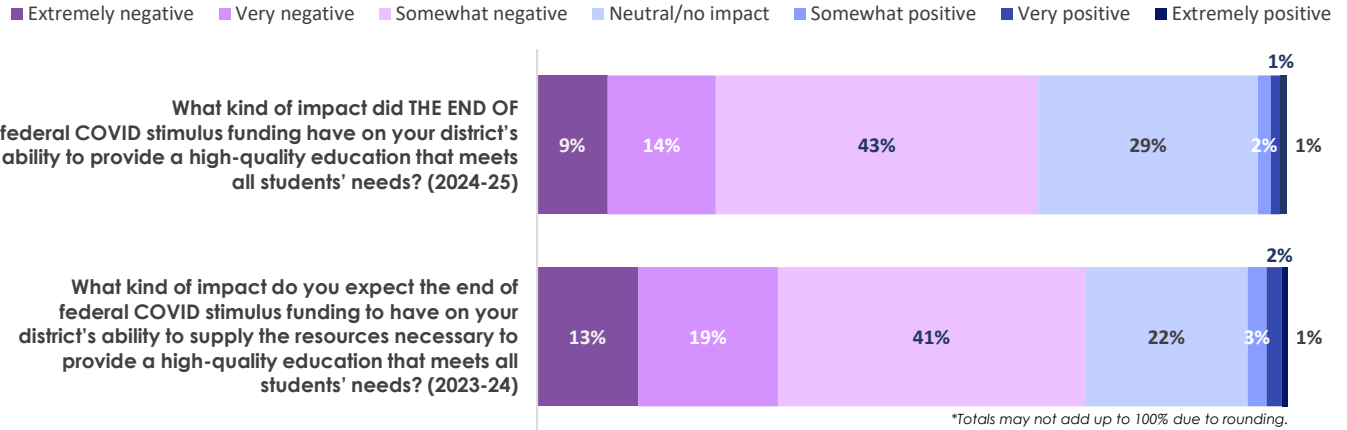
RESULTS BY SCHOOL/NETWORK TYPE IN 2024-25



*Respondents are teachers, school leaders, and district leaders.

Fig. 9

Impact of the end of COVID stimulus relief funding-2023-24-2024-25*



*Respondents are school and district leaders.

Professional development, tutoring, and building/maintenance are the categories of expenses that leaders were most likely to cut as a result of the termination of the funds.

“The district used ESSER funding to replace old HVAC units,” wrote a district leader in Nevada. “It took a long time to learn the grant requirements such as [Davis-Bacon](#) [which sets rules for wages on federally-supported construction projects] and the [Buy American Act](#) [which prioritizes American-made materials in federally-funded projects] that were new to the grant personnel. We didn't even get directions from the state until much later. We did replace some of the old HVAC units, but we still have many more, and the funding is gone. These expenses keep getting higher and higher, and this was the first grant that we could use for HVAC ... Students need to be in a safe and healthy environment.”

At the same time that COVID relief funding has dried up, and income tax revenue that helps fund education at the state level has declined, 97 percent of teachers and administrators report that per-pupil expenses have risen. For the past three survey years, respondents have said these increases are most likely driven by demographic changes related to enrolling more students with higher levels of need.

Fig. 10

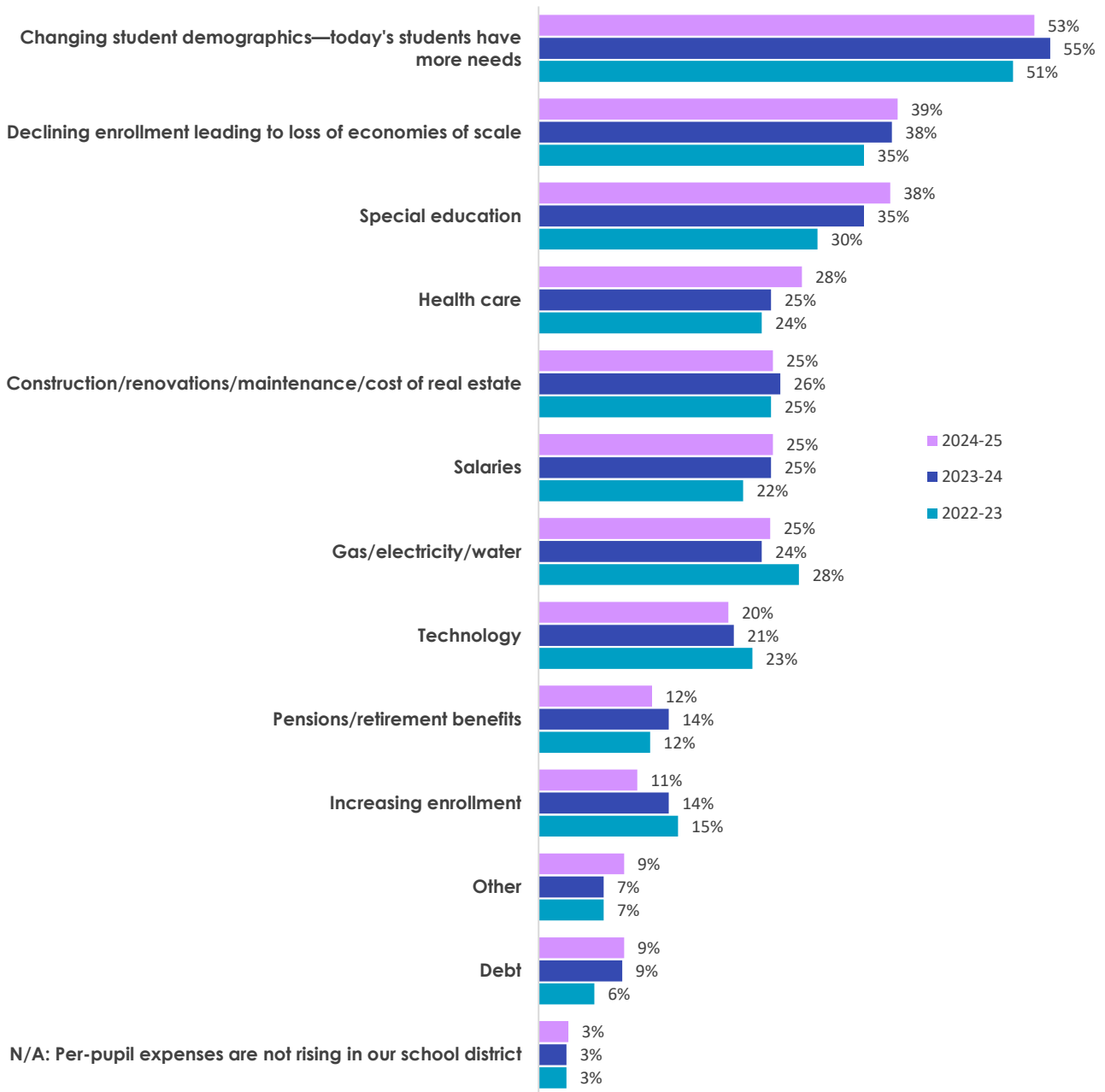
What, if any, categories of expenses has your district cut due to THE END OF federal COVID stimulus funding? Select all that apply.*



*Respondents are school and district leaders. Chart only shows categories most likely to be cut.

Fig. 11

Select all that apply: Which of the following is having a MAJOR impact on rising per-pupil EXPENSES in your school district?



*Respondents are teachers, school leaders, and district leaders.

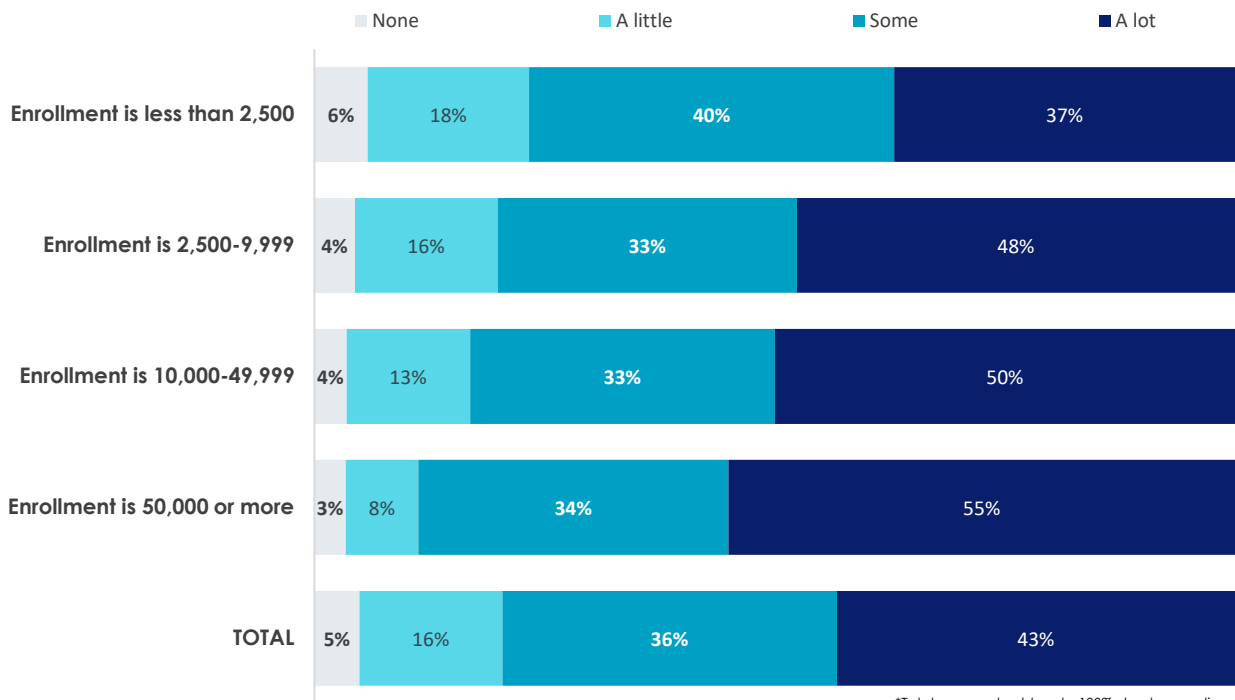
“Increased student mental/behavioral health needs as well as changing demographic of student enrollment and inability to recruit and hire due to declining enrollment hinder the ability of our district to fund and embrace substantive changes to meet our students’ needs,” a student services director in California wrote in response to an open-ended question.

Wrote a middle school teacher in Indiana: “Funding for special education and English Learners is always an issue. It costs more to educate students with unique needs. Unfortunately, the general public and our elected representatives just do not understand that. The chatter in Indiana is all about lowering taxes, similar to the rest of the country. If we keep cutting taxes, we are in danger of not being able to give our kids a quality education.”

More than half of administrators in the nation’s largest districts (enrolling 50,000 or more students) say these expenses have had a big impact on their budgets.

Fig. 12

To what extent are student demographic changes/higher levels of need impacting your budget?



*Respondents are school and district leaders.

Budget Planning Realities

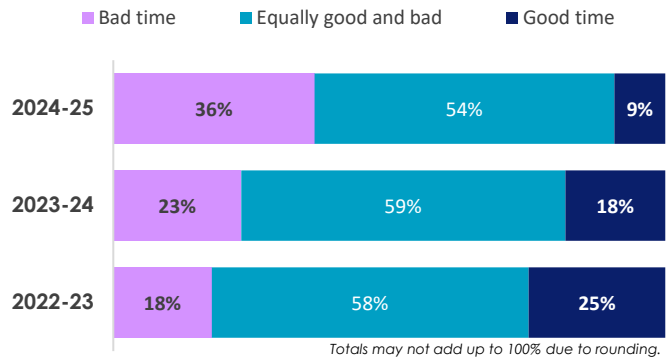
Funding Reductions and Increased Costs

Confidence in districts' current financial conditions has declined steeply since 2023-24. The share of teachers, school leaders, and district leaders saying that now is a good time for their districts to make major purchases is 9 percent—half of what it was last school year. The share of educators saying that now is a bad time for such investments has increased by more than 50 percent since 2023-24 and doubled over the past three years.

Rather than researching upcoming purchases, roughly three out of four school and district leaders are in the process of reducing—or contemplating reducing—current expenditures. Public school leaders are nearly twice as likely as private school leaders to anticipate spending cuts.

Fig. 13

Do you think now is a good or bad time for your school district to make major purchases such as buying a new core curriculum, raising salaries, or investing in major technology, construction, or maintenance projects?*

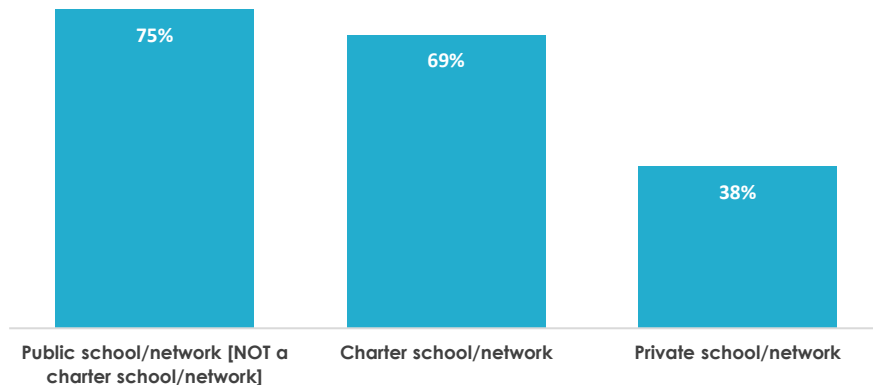


*Respondents are teachers, school leaders, and district leaders.

Fig. 14

In the next year, do you expect that any of your district or school's current expenditures will be reduced or eliminated?*

Percent of respondents expecting that spending will be cut



*Respondents are teachers, school leaders, and district leaders.

Reductions to state and federal funding are the most commonly cited reasons for why administrators are working on budget reductions. Other major reasons include above-average per-pupil costs for more students, increases in non-personnel related spending, and declining enrollment.

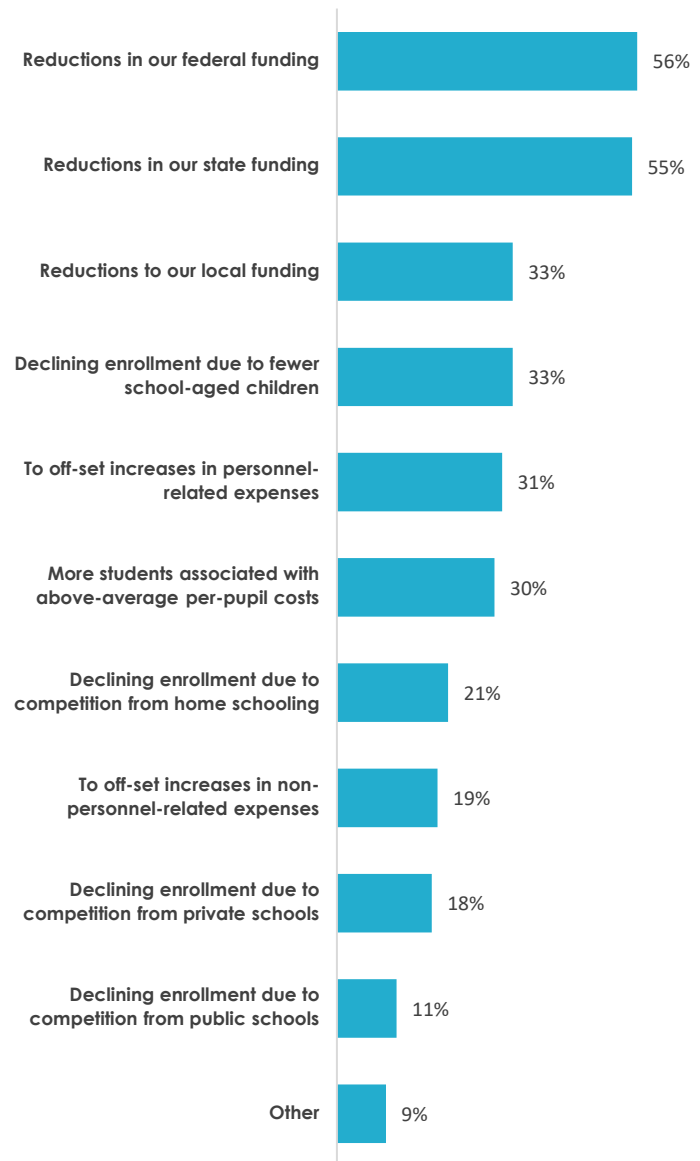
“In the last two years the school where I am a principal, we have lost \$200,000 in federal funding,” an elementary school principal in North Carolina wrote in response to an open-ended survey question. “We are receiving less funding, but our student need continues to grow higher.”

Wrote a Utah school finance director: “The cost of school construction is making it prohibitively expensive to expand to add capacity to school buildings. One hundred fifty million for a high school requires 20-30 bonds to make politically feasible to finance these bonds.”

A school superintendent explained: “We are a small, rural, remote school district in Colorado, where state funding for public schools has always been abysmal. We are suffering declining enrollment, failing school facilities, and after suffering through a budget stabilization factor for years, and regaining some traction with ESSER funds, we are now facing further terrifying projections for state funding. This is compounded by the threat that federal education funds will be cut—those funds equate to keeping individuals who are providing impactful interventions for students with major academic needs. This is further compounded by threats that school meals will be threatened. This also is further compounded by threats that early childcare funds will be eliminated.”

Fig. 15

Why will at least some of your district or school’s current expenditures be reduced or eliminated in the next year? Select all that apply.



*Respondents are school and district leaders who indicated they will reduce or eliminate current expenditures in the next year.

Budget Planning Realities

Declining Enrollment: Birth Rates and School Competition

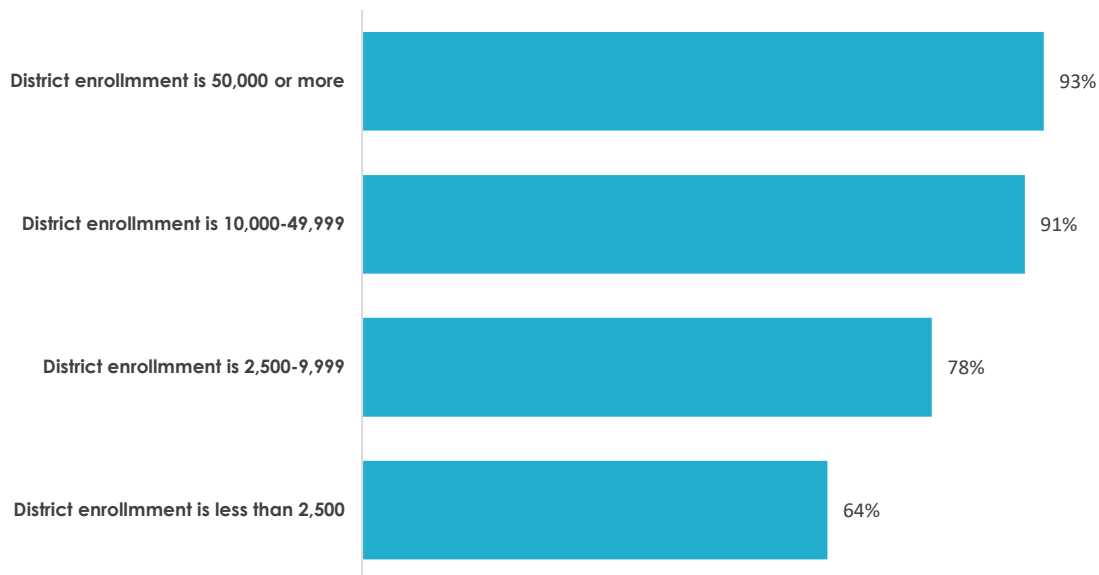
Public schools are largely funded based on the number of students they enroll. In many areas of the country, enrollment is decreasing. One reason is that [U.S. birth rates](#) have declined over time.

However, these declines have not been evenly dispersed throughout the United States, due to variations in birth rates among different subgroups, immigration, and internal migration within the U.S. In the Midwest and West, for instance, roughly 45 percent of leaders say they are cutting budgets due to declines in per-pupil funding associated with declines in the number of school-aged children living in their communities. By contrast, that rate is 17 percent in the South—which has grown rapidly in recent decades as people move there from other areas of the country.

As birth rates have declined over time, the number of publicly funded schools has increased due to the expansion of private and charter schools. Ninety-three percent of leaders in the nation’s largest districts with 50,000 or more students are cutting budgets. Forty-five percent of these leaders say that competition from private schools is driving at least some of the cuts. The expansion of education savings accounts that can be used for educational expenses selected by families may also be driving cuts because it makes home schooling more affordable—potentially increasing its prevalence. Twenty percent of Southern leaders and 25 percent of rural administrators who are reducing expenses say it’s because they are losing students to home schooling.

Fig. 16

Percentage of school and district leaders who say current expenditures will be reduced or eliminated over the next year



“We have had gradually declining enrollment, which directly affects our state’s funding formula for aid,” a school finance director in Wisconsin wrote in response to an open-ended survey question. “Decreased [enrollment does] not mean we have less building, transportation, administrative or special services costs. Also, decreased [enrollment is] spread over all grade levels, so it does not usually [reduce the number of teachers we need]. So when our federal and state funding decreases, we have to go to our local taxpayers via referendum. When you start to do this, it is like a snowball effect—each year another layer of inflation is added to the funding needed via referendum just to maintain operations. It is very difficult going to local taxpayers that are low-income already and trying to ask them for more funds to support our schools. I understand needing approval to build more buildings or add a program. But I do not think it is right that we have to go to referendum to pay the light bill! Also, private school vouchers take away approximately two teachers from us. When we have 75 teachers, that adds up. I am also scared about all the negative comments from our new president slamming public education. In our large rural, low-income area—there are no private/charter schools—the closest is 30 miles away. The students here cannot afford to go to those schools. Also, private schools do not have to follow all of the regulations that our public schools do. They do not have to provide for special needs, etc.”

² Prior [Allovue Education Finance Survey research](#) has found that laying off all K-12 central office administrators in the nation would only fund an approximate 2 percent raise for teachers, as districts employ significantly more teachers than administrators. Learn more about administration and instruction expenses in this PowerSchool blog “[Staff Capacity and Costs Over Time](#).”

Budget Planning Realities

Spending Priorities by Role

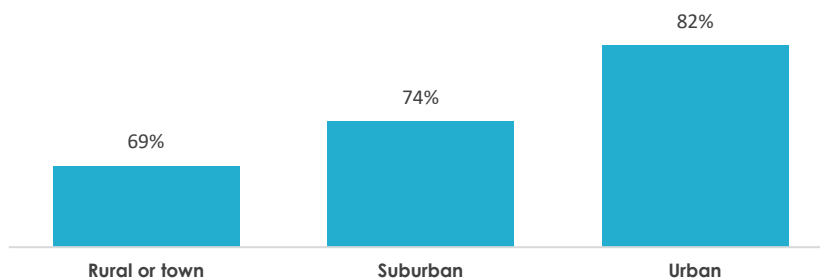
As was the case in prior years, teachers are significantly more likely than administrators to say their districts should spend a smaller share of their budgets on administrator salaries and hiring more administrators.²

“Our district spends too much of the budget on salaries and positions at the district office,” a high school teacher in California wrote in response to an open-ended survey question. “There always seems to be money for more administrative assistance, but not teacher salaries.”

In addition to being more likely to call for cuts to administrator staffing, teachers are also four times more likely than school and district leaders to support spending less money on professional development (PD). [Prior](#) EdWeek Research Center surveys have found that nearly half of teachers say that they have received too much PD in the past year and that it has been irrelevant to their work. By contrast, only 15 percent of school leaders say the same of the PD provided to their teachers.

Fig. 17

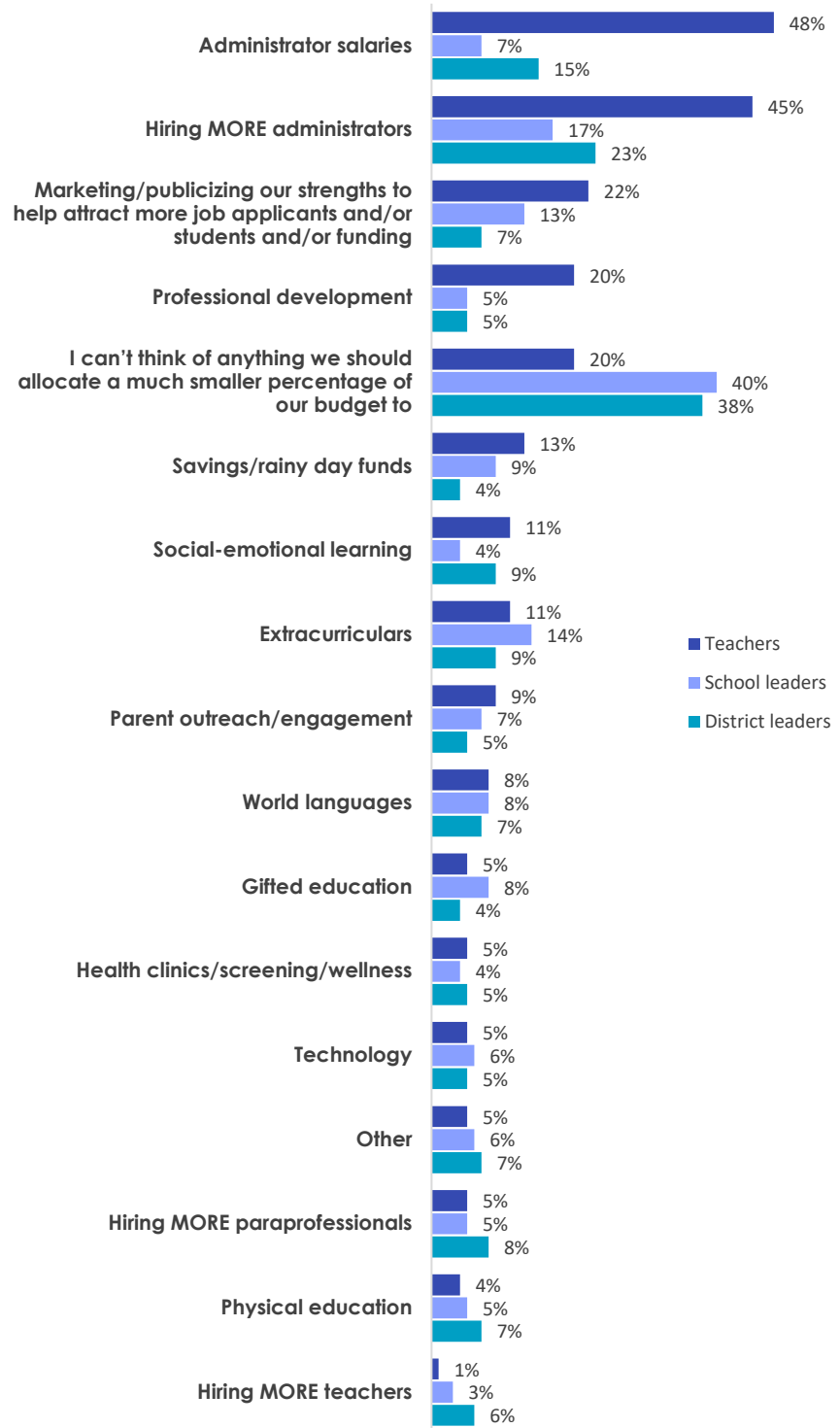
Percentage of school and district leaders who say current expenditures will be reduced or eliminated over the next year



Survey Results

Fig. 18

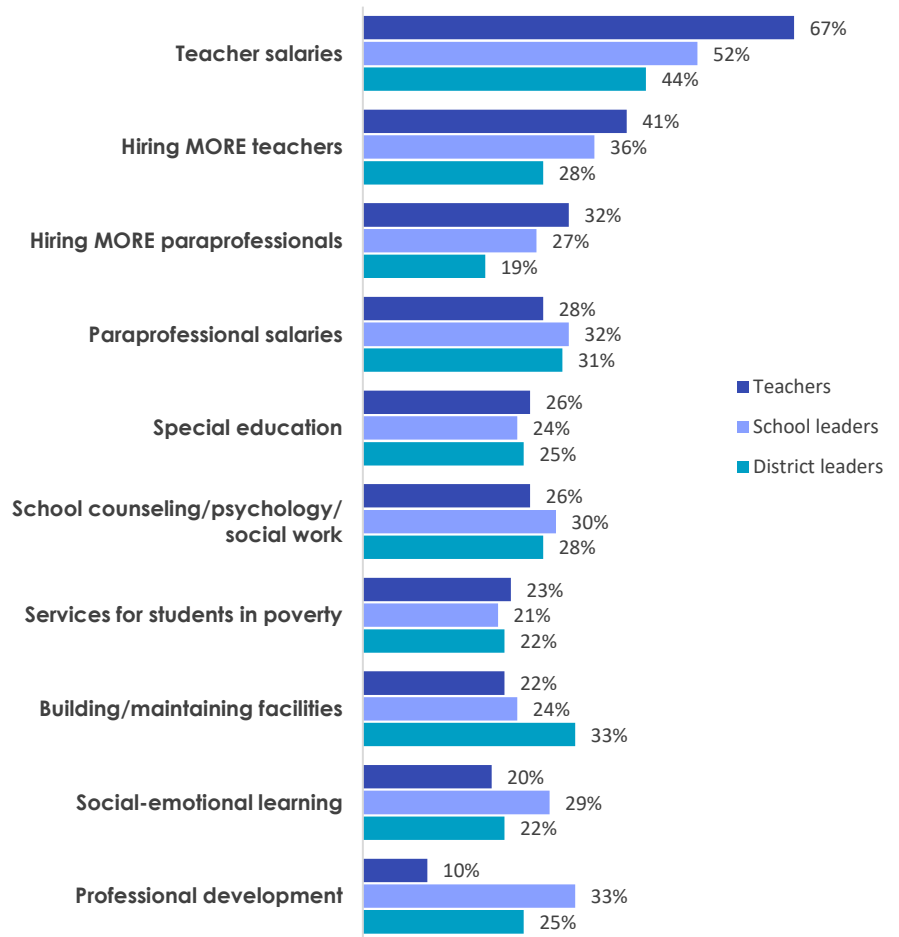
Select all that apply. In my opinion, we should allocate a MUCH SMALLER PERCENTAGE of our district's EXISTING budget to:*



*Chart shows the most frequently selected responses to this survey question.

Fig. 19

Select all that apply. Even though it would mean reducing spending in other areas, I believe we should allocate a MUCH LARGER PERCENTAGE of our district’s EXISTING budget to:*



*Chart shows the most frequently selected responses to this survey question.

For the third year in a row, increasing teacher salaries and hiring additional teachers have topped the list of items that survey respondents say deserve a larger share of existing funding. However, the percentage of respondents who say districts should spend much more in these areas has slightly declined.

Recent salary increases may help explain why educators have grown less likely to say teacher salaries deserve a much larger share of existing budgets. According to the National Education Association’s annual survey, average teacher salaries [increased](#) 3 percent between 2023-24 and 2024-25 to \$74,177. That’s on top of a 3 percent increase between 2022-23 and 2023-24.

However, even though their pay has increased in recent years, teachers actually earn 5 percent less today than they did 10 years ago in inflation-adjusted dollars.

Teachers have noticed.

“While my salary has technically risen over the past 10 years, when adjusted for inflation, my take home pay has dropped \$10,000 during that same time,” a Michigan elementary school teacher wrote in response to an open-ended question. “Increases in the amount that we contribute to retirement, increases in payments towards retirement healthcare, current healthcare premium increases (all mandated by the state) have cut our take home pay.”

Fig. 20

Percentage of survey respondents who say their districts should spend much more on HIRING ADDITIONAL TEACHERS—even if it would mean cuts elsewhere in the budget

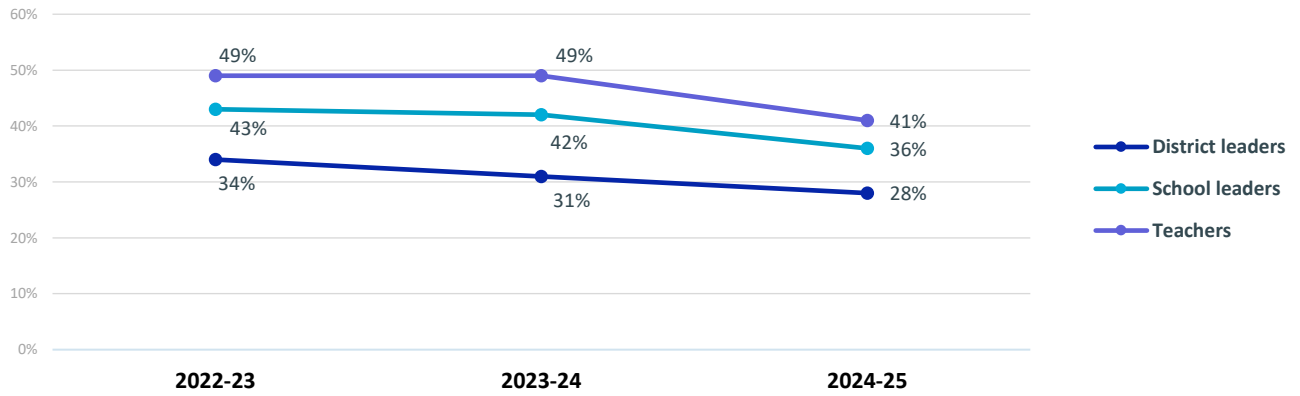
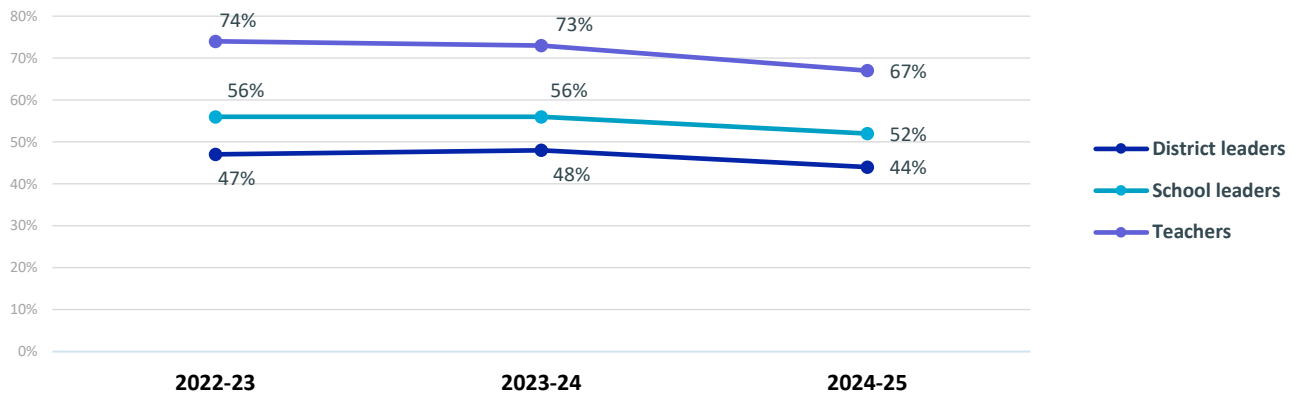


Fig. 21

Percentage of survey respondents who say their districts should spend more on TEACHER SALARIES—even if it would mean cuts elsewhere in the budget



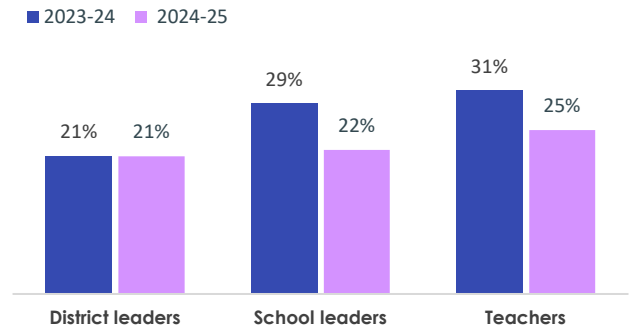
Budget Planning Realities

Fair Salaries and the Surprising Cost of Benefits

For the past three years, the Allovue Education Finance Survey has asked teachers and administrators what would be fair salaries for the work they do. For the past two years, teachers' median response has been \$85,000. That's 25 percent higher than the \$68,000 median current salary reported by this year's teacher survey respondents.

Fig. 22

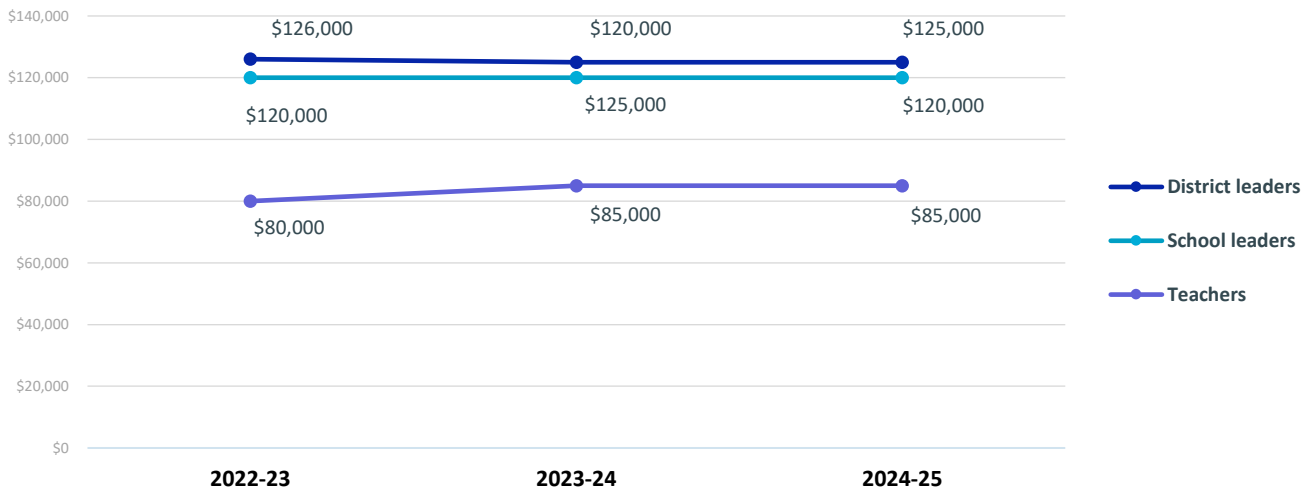
Educators' desired pay raises: 2023-24-2024-25*



*Chart shows percent difference between educators' current median salaries and the salaries they say would be fair—but realistic—wages for the work they do.

Fig. 23

Realistically, what would be a fair annual salary for the work you do?



Overall, the gap between current and desired salaries ranged from a low of 18 percent for elementary teachers to a high of 26 percent for assistant principals.

As was the case last year, teachers were more likely to underestimate than to overestimate the cost of their benefits (e.g., healthcare, pensions, paid time off). According to the [Bureau of Labor Statistics](#), the cost of the average teacher’s benefits amount is the equivalent of roughly 50 percent of the cost of the [average teacher’s salary of \\$71,699](#). More than 60 percent of teachers estimated that the cost of benefits amounted to 25 percent or less of salaries. Administrators are not immune to misconceptions about benefits. Roughly half underestimated the cost.

The fact that teachers are more likely to underestimate the total cost to their districts of their employment (i.e., salary plus benefits) may help explain why two out of three say their districts should spend a lot more on teacher salaries—even if it would mean reducing other expenses. Similarly, 41 percent say the same of increasing the total number of teachers in their districts.

By contrast, less than half of district leaders—who are less likely than teachers to underestimate teacher benefit costs—say their districts should spend a larger percentage of their existing budgets on teacher salaries and 28 percent say the same of hiring more teachers.

Fig. 24

Current vs. desired median salaries

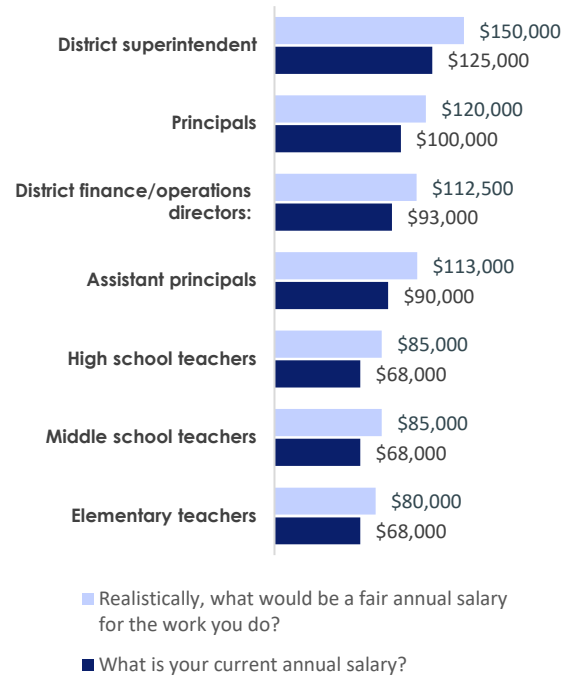
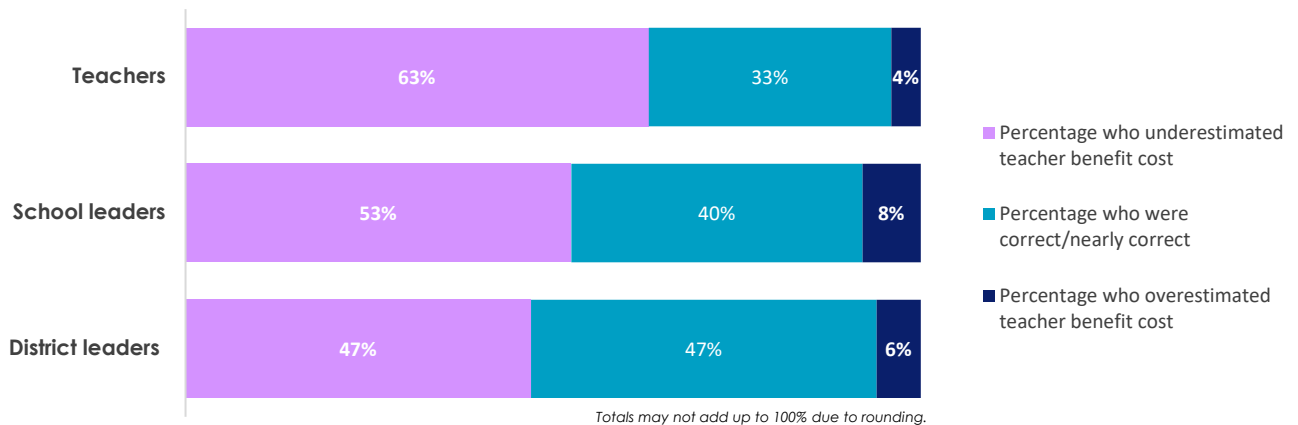


Fig. 25

Knowledge of Cost of Teacher Benefits



Budget Planning Realities

Insufficient School Finance Knowledge: “I want to know more”

Thirty-four percent of district leaders, 50 percent of school leaders, and 63 percent of teachers say their knowledge of school budgeting is insufficient. Among the 70 percent of survey respondents who are directly involved in budgeting, one out of five say they lack access to the information they need to effectively participate in the process.

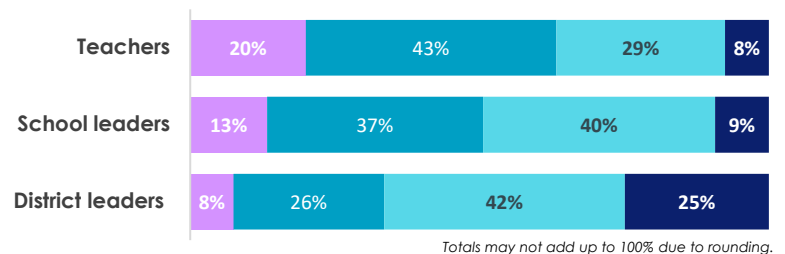
“The complexities surrounding school finance funding create challenges for everyone involved,” a district leader in Texas wrote in response to an open-ended survey question. “Not only do most public educators and staff struggle to fully grasp the system, but even certified public accountants often find it difficult to navigate. Managing school finances requires specialized knowledge to track allocations accurately, and this is further complicated by a flawed funding formula, delayed data ... and ongoing legislative changes. These factors make it difficult not only for the public to understand school finance, but also for districts to proactively plan and maintain transparency in their fiscal responsibility.”

Wrote a middle school principal in Arizona: “As a principal I have shockingly little knowledge of the district budget; I don't even have access to my available budget.”

System complexities and access issues like these—in addition to knowledge gaps related to district costs like benefits—may in fact contribute to differences in spending priorities between teachers and administrators (explored on pages 15-18).

Fig. 26

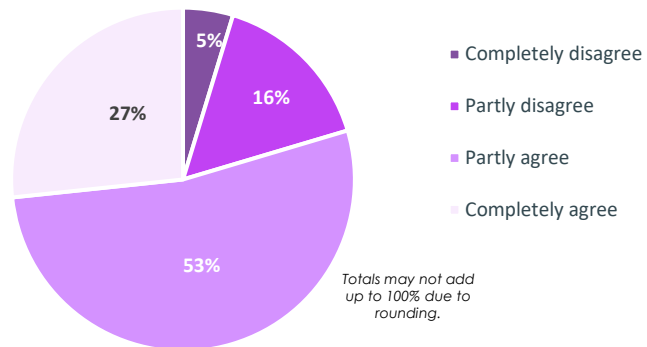
How would you describe your current level of knowledge of how and why budgeting decisions are made in your district or school?*



- Very insufficient—I want to know a lot more
- Somewhat insufficient—I want to know a little more
- Sufficient—My level of knowledge is just right
- Very sufficient—I probably know more than I need or want to know

Fig. 27

I have access to the information I need to effectively budget for my district or school*



*Respondents are school and district leaders involved in budgeting

Knowledge gaps related to education funding may also contribute to spending priority differences.

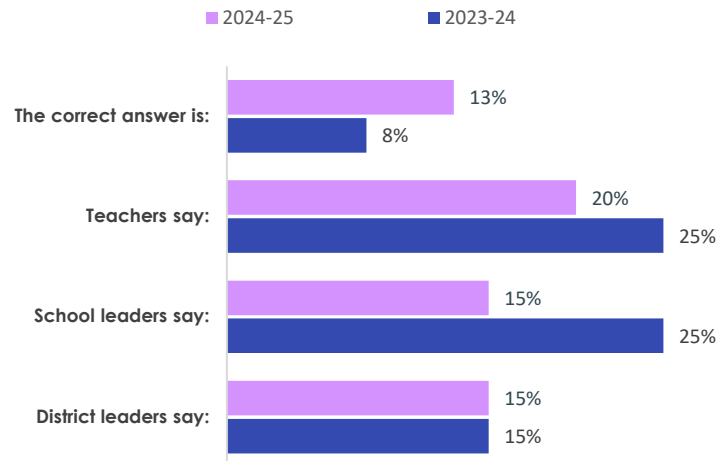
For example, when asked what share of K-12 funding the federal government provides, teachers who took the survey estimated a median of 20 percent. That response is 54 percent higher than the correct answer (13 percent), according to [the most recent 2022 data](#).

Although teachers' estimates came closer this year than in 2023-24, that's partly because, over time, educators have been more likely to overestimate than to underestimate the amount of federal K-12 funding. Pandemic relief money increased federal funding for K-12 schools by more than 30 percent between the most recent data available last year and the most recent data available this year.

When asked about per-pupil funding in dollars, teachers' estimates were \$7,591 lower than the actual amount of \$15,591. For school leaders, estimates were off by \$5,591; for district leaders, they were off by \$3,591.

Fig. 28

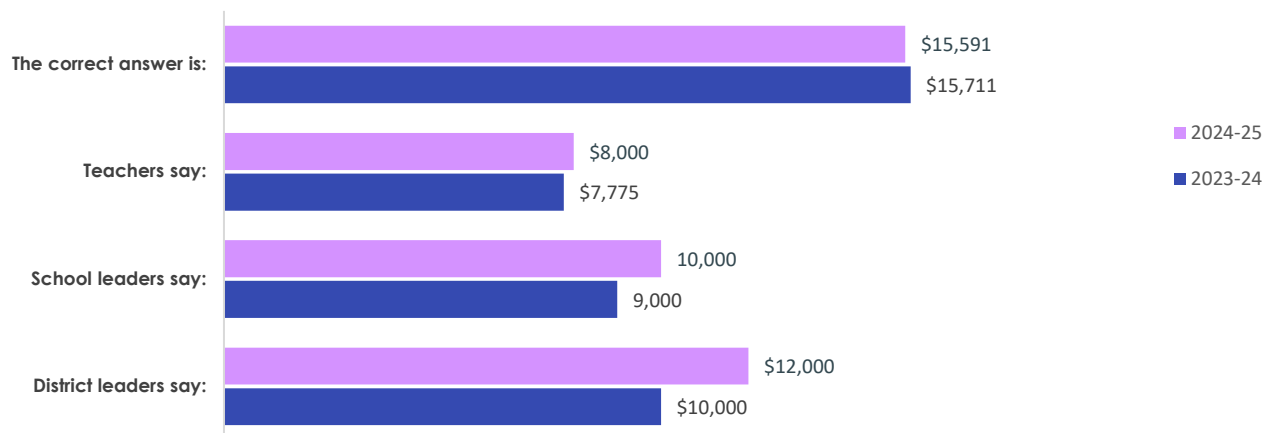
What percentage of K-12 public school education funding does the federal government provide in the nation as a whole? Please enter a whole number between 0 and 100. If you are not sure, please share your best guess.*



**Pandemic relief money increased federal funding for K-12 schools by more than 30 percent between the most recent data available last year and the most recent data available this year.*

Fig. 29

What is the average annual per-pupil funding right now for K-12 public schools in the United States? Please enter a whole number. If you are not sure, please share your best guess.



Top Concerns and Challenges

The Future of Funding

Teachers and administrators are less optimistic this year about their districts' financial future. Since 2023-24, the share of respondents predicting that their districts will be worse off three years from now has increased from 55 to 62 percent. During this same period, the share predicting that things will get better declined from 9 to 8 percent.

Private school teachers and administrators express higher levels of optimism than do their public school counterparts: They are more than twice as likely to predict their employers' financial conditions will improve over the next three years.

For the past three years, respondents have cited the same top two concerns about their employers' future finances: Funding that fails to keep pace with inflation, followed closely by funding that fails to keep pace with expenses that increase more than inflation.

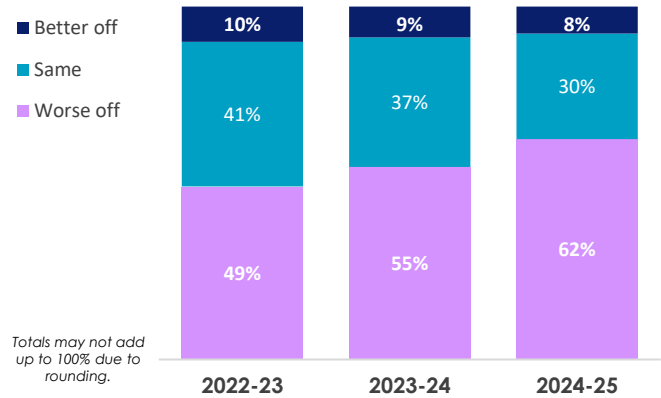
In response to an open-ended question, a high school teacher in Minnesota wrote: "We are facing a major financial crisis—health care costs for employees has risen over 50% in the last few years; we're a small district so our staff makes up 77% of our budget, so we now have to make HUGE cuts ... teachers and counselors and other staff are losing their jobs."

Wrote a school finance director in New Jersey: "When salaries rise 4% and health benefits rise 10% and inflation is 5%, trying to balance a school budget with a state mandated 2% increase in the property tax levy (budget cap) becomes impossible. The budget cap needs to be adjusted to at least 3% and realistically 4%. Otherwise programs and services will continue to get cut."

This year, the #3 concern from the past two years (Inability to fill positions based on the wages we can afford to pay) dropped out of the top 5. Replacing it was the prediction that political/public opinion of education would lead to less funding (the #5 concern for the two previous years), followed by the fear that federal funding will decline—a concern that previously never reached the top 5.

Fig. 30

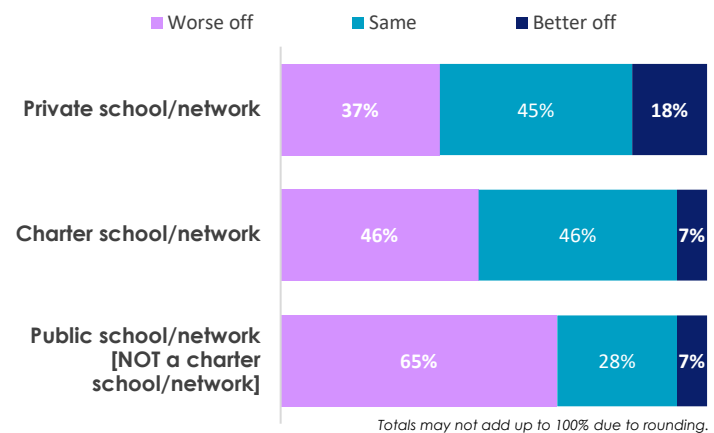
Three years from now, do you think that your school district will be better off financially, or worse off, or just about the same as now?



*Respondents are teachers, school leaders, and district leaders.

Fig. 31

Three years from now, do you think that your school district will be better off financially, or worse off, or just about the same as now?*



*Respondents are teachers, school leaders, and district leaders who took the survey in 2025.

Table 2

EDUCATORS' TOP 5 FINANCIAL CONCERNS: 2022-23 to 2024-25*		
2022-23	2023-24	2024-25
Funding that fails to keep pace with inflation (56%)	Funding that fails to keep pace with inflation (61%)	Funding that fails to keep pace with inflation (59%)
Funding that fails to keep pace with major expenses that increase faster than inflation (52%)	Funding that fails to keep pace with major expenses that increase faster than inflation (57%)	Funding that fails to keep pace with major expenses that increase faster than inflation (58%)
Inability to fill positions based on the wages we can afford to pay (53%)	Inability to fill positions based on the wages we can afford to pay (54%)	Political/public opinion of education leading to less funding for us (54%)
Concerns funding won't keep pace with the need to educate a changing student population that has a higher level of educational need (46%)	Concerns funding won't keep pace with the need to educate a changing student population that has a higher level of educational need (50%)	Major reductions in federal funds (53%)
Political/public opinion of education leading to less funding for us (42%)	Political/public opinion of education leading to less funding for us (45%)	Concerns funding won't keep pace with the need to educate a changing student population that has a higher level of educational need (48%)

*Percentages indicate the share of teachers, school leaders, and district leaders who selected each option. Survey question all three years was: "What MAJOR concerns do you have about your district or school's financial health over the next decade? Select all that apply."

Totals do not sum to 100 percent because respondents could select more than one option.

Top Concerns and Challenges

Political Landscape

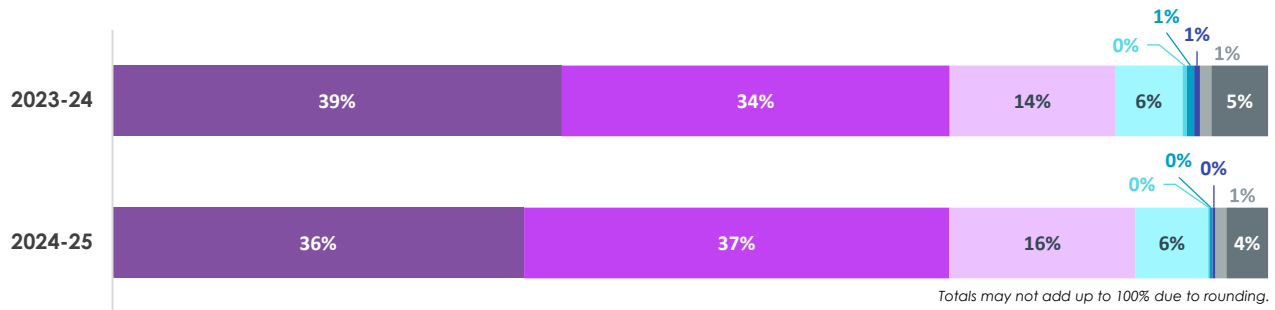
Many concerns about politics and federal funding are related to the [Trump presidential administration](#), which has already canceled or eliminated some federal funding while working to dismantle the U.S. Department of Education. [Project 2025](#)—a blueprint created by the conservative Heritage Foundation to guide Republican Party policy decisions—calls for block granting the biggest K-12 federal funding source, Title I, to states; giving some or all of the funds directly to parents to use for educational expenses of their choice; and eventually phasing out the program over time.

For the past two years, nearly three out of four teachers, school leaders, and district leaders have indicated that reductions to Title I would have a devastating or very negative impact on their districts and/or schools.

“Public education seems to be in danger of being defunded in our current political state,” an Indiana teacher wrote in response to an open-ended survey question. “With the budget cuts and increased interest in charter schools/vouchers across the nation, I fear that education is directed at becoming a for-profit endeavor.”

Fig. 32

If Title I federal funding were reduced, what kind of impact would this have on your district or school?*



- Devastating
- Very negative
- Somewhat negative
- No real impact
- Somewhat positive
- Very positive
- Extremely positive
- I do not know what Title I funding is
- I know what Title I funding is but I'm not sure how a reduction would impact us

Some respondents, however, welcome change at the federal level. A district leader in North Carolina shared: “We should not be getting ‘hyped up’ about what happens if the federal government gets rid of the Dept. of Education. I would like to see the money the feds gave us sent to the states so that more local control and decision-making can take place. We know the needs of our communities and schools much better and can more effectively and efficiently spend these funds. We would also have more control over the guidelines that have been too stringent in order to receive these funds.”

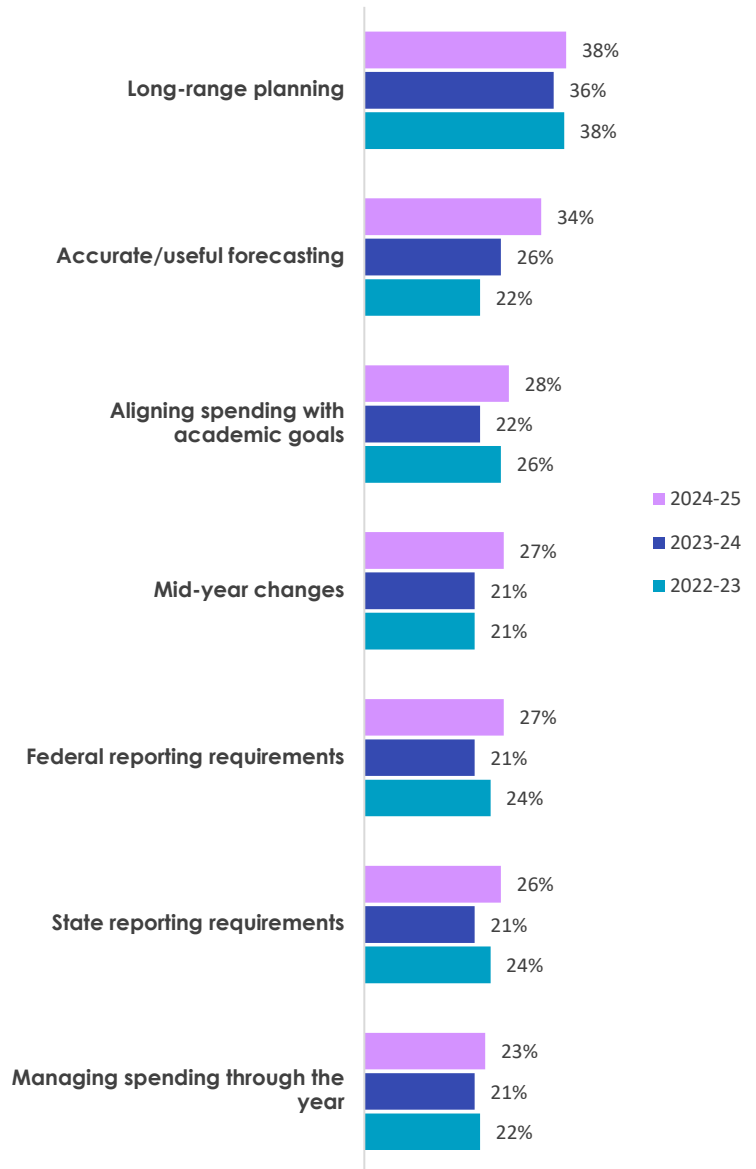
Wrote a teacher in Indiana: “I am glad President Trump is doing away with the national dept. of ed. We will still get funding if the state isn’t doing nonsense with funds! I have seen the waste and I am tired of it!!”

Despite these differences in opinion, it seems that, for the most part, the [rapidly evolving](#) actions of the [new administration](#) have increased uncertainty for many school and district leaders charged with budgeting. Over the past three years, accurate/useful forecasting has become a major challenge for a growing share of individuals who participate in their district’s budgeting process.

“Political turmoil is making long-term planning a nightmare,” a district technology director in Wisconsin wrote in response to an open-ended survey question. “Past reliable funding, such as E-Rate, is currently being reviewed in Washington. Loss of this alone will devastate technology readiness across the country and especially in rural school districts with higher poverty rates.”

Fig. 33

When it comes to the technical aspects of budgeting and financial oversight for your district or school, what MAJOR challenges, if any, are you experiencing? Select all that apply.*



*Respondents are school and district leaders who participate in budgeting. Totals do not sum to 100 percent because respondents could select more than one option. Only the most frequently-selected options appear in this chart.

Top Concerns and Challenges

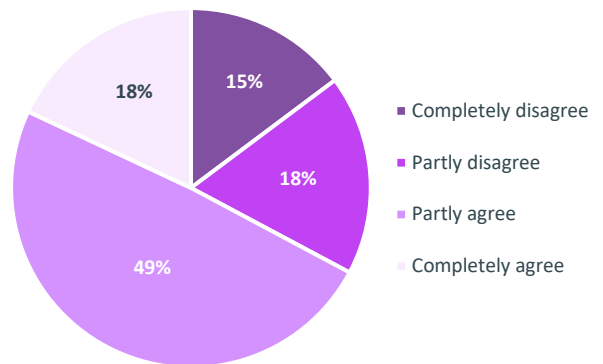
Budgeting Support

Resource planning challenges may be compounded by the fact that only 18 percent of administrators involved in budgeting say they have received very adequate or excellent professional development in this area. An additional 24 percent (including 19 percent of district leaders and 30 percent of school leaders involved in the process) say they have never received budgeting-related training. (Fig. 34)

Furthermore, the existence of professional silos within a district may limit collaboration between school-level and central office staff. Roughly two out of three administrators who are involved in budgeting say their district or school could be more strategic about aligning resources with academic priorities if their budgeting were more collaborative and less siloed. (Fig. 35) Siloing is particularly challenging for school leaders—74 percent of whom say less siloing would lead to more alignment between academic goals and resources. By contrast, 62 percent of district leaders say the same.

Fig. 35

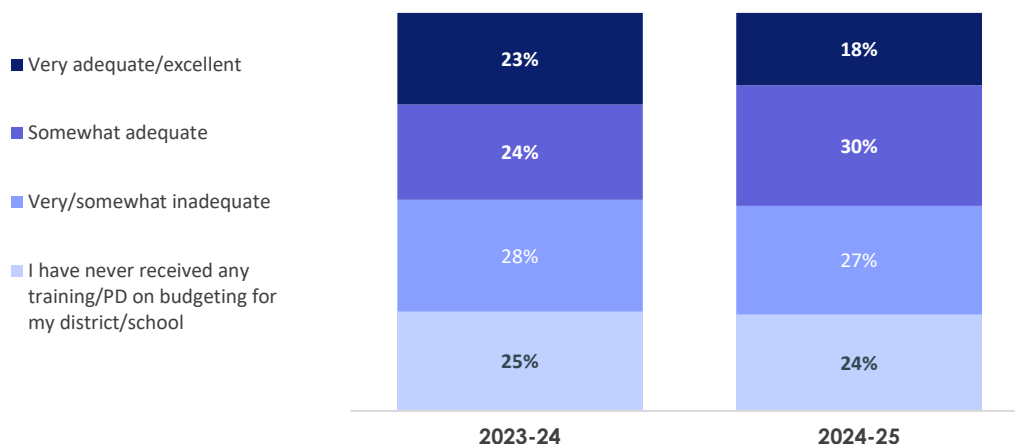
My district or school could be more strategic about matching/aligning our resources with our academic priorities if our budgeting was more collaborative and less siloed.*



Respondents are school and district leaders who participate in budgeting.

Fig. 34

How would you describe the professional development/training you have received on the type of budgeting you do for your district or school?*



Totals may not add up to 100% due to rounding.

*Respondents are school and district leaders involved in district/school budgeting processes.

Survey Results

Adequate budgeting software is also a challenge. As was the case last year, only a minority of respondents (34 percent) describe their budgeting software as very adequate or excellent. That share is lower for administrators who budget with Google Sheets (31 percent) versus those who do not (40 percent). Overall, Microsoft Excel continues to be the most frequently-used budget tool among administrators (56 percent), followed by Google Sheets (39 percent).

System interoperability is another challenge. Just over a quarter of administrators involved in budgeting report that their financial software does an excellent or very good job at interfacing with their district’s other tools. This share of users decreased from 28 to 26 percent since last year’s survey. Nearly two out of five respondents describe the interoperability of their budget software as either somewhat poor, very poor, or nonexistent.

One reason why budgeting software poses challenges may be that, for the past two years, just over half of K-12 leaders who use it (51 percent) have described it as out-of-date and in need of modernization. That share is significantly higher for administrators who budget using Google Sheets (58 percent) versus those who do not (43 percent).

Fig. 36

How would you describe the software you use for budgeting for your district or school?*

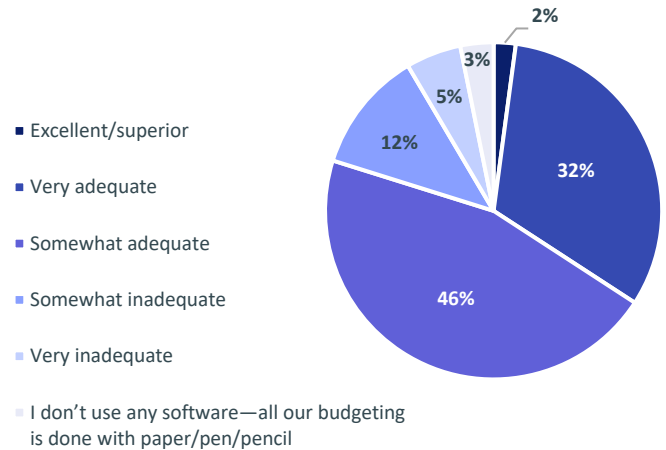


Fig. 37

How would you describe the interoperability (ability to communicate/“play nice” with other relevant apps and programs) of the software you currently use for budgeting for your district and/or school?*

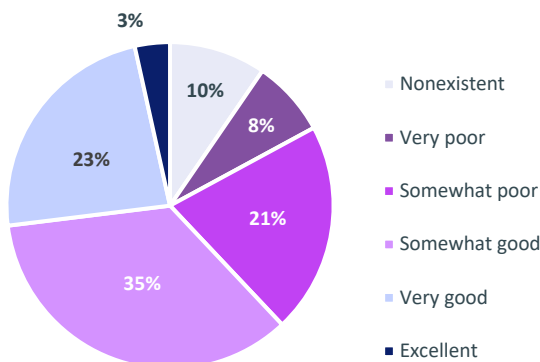
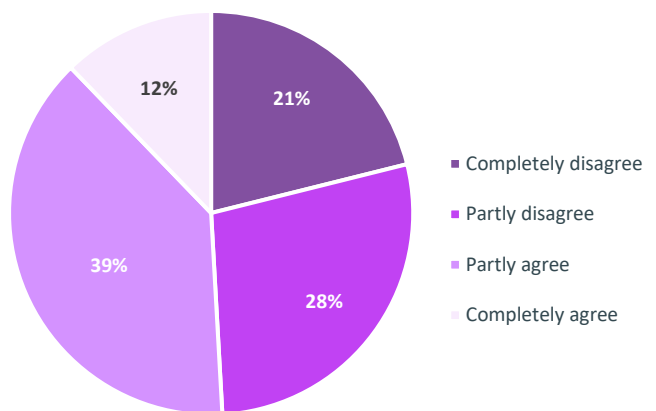


Fig. 38

The software I use for budgeting for my district or school is out of date and needs to be modernized*



*Respondents are school and district leaders who participate in budgeting.

Next Steps

The 2024-25 Allovue Education Finance Survey reveals a K-12 finance landscape marked by volatility, declining confidence, and mounting pressures on districts and schools. As federal funding programs change, state tax revenues contract, student demographics shift, and operational technology ages, educators face new challenges in maintaining, let alone advancing, a high-quality education for kids.

Survey results suggest that several steps may help districts and schools navigate these choppy waters:

1. Prioritize transparent, data-driven budgeting that is responsive to change

School budgeting can often be siloed and difficult for those outside of the finance office to understand. User-friendly tools that offer real-time analytics and clear visibility into spending can help more budget collaborators make data-informed decisions and demonstrate accountability to their communities. Moreover, traditional school budgeting was never designed to pivot quickly. Developing processes and seeking tools that are more nimble, which can easily adjust to enrollment or policy changes mid-year, will be key.

2. Strengthen stakeholder knowledge

Survey results indicate persistent gaps in educators' understanding of school finance, including knowledge about funding and the true cost of employing K-12 teachers and administrators. Addressing these knowledge gaps may better equip educators to advocate for necessary resources and participate meaningfully in budget planning that includes spending reductions. Further, working to educate more members of the public—especially lawmakers who make funding decisions—will shed a brighter light on the many discrepancies between the amount of funding schools receive and the cost of services they are asked to provide.

3. Prepare for long-term fiscal sustainability

In districts where needs are increasing and revenue is declining, a multi-year approach to financial planning can help maintain balanced budgets and set stakeholder expectations. Even when the existence and amount of future revenue is unclear, scenario modeling, reserve planning, and regular review of spending priorities can help districts comprehensively prepare—and reduce the odds of making abrupt and unexpected funding cuts.

4. Embrace innovation and collaboration

As artificial intelligence evolves and improves, districts might consider piloting tools that leverage this technology to help them make evidence-based and cost-effective decisions. Although it might sound counterintuitive to make new investments when resources are declining, such technologies, when selected strategically, have the potential to save money in the end by identifying efficiencies and savings. Collaborating with peers in other districts and states may also lead to the development of new ways to navigate the challenging task of planning for the future in an uncertain age.

Allovue was founded in 2013 by a team of educators, technologists, education finance experts, and data specialists who realized the impact budgeting decisions could have on student success. Together, they worked to build innovative education finance solutions that provide dynamic, up-to-date, and user-friendly data. Allovue has worked with districts and state departments of education across the country to budget, manage, and evaluate their spending—supporting workflow, analytics, and decision making for more than \$50 billion of K-12 spending. Allovue was acquired by PowerSchool in 2024.

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