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PUBLIC EDUCATION

The Politics of Budgets: Uplift Education Charter Management Organization

Dallas-Fort Worth, Texas

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Despite on-paper budgetary stability and slight enrollment expansion, Uplift Education, a charter management organization (CMO), had a persistent underlying structural shortfall estimated at roughly $30 million annually. This gap was driven by rising fixed costs, insufficient per-pupil funding “allotment” increases, and state restrictions on which funding sources public charter schools could access. Through measures including large-scale reductions in staff, operational changes, and the pursuit of philanthropic funding, CMO leaders sought to achieve financial sustainability while maintaining critical academic programs. Though Uplift was able to get short-term relief, their major budgetary challenges remain unresolved. This case study is a companion to a larger report, *The Politics of Budgets: How Fourteen Districts Reduced Spending While Protecting Student Learning Experiences*.

I. Background and Demographics

Uplift Education is a Texas-based CMO serving students across the Dallas–Fort Worth metro area. With 45 campuses designated by the Texas Education Agency (TEA), Uplift is one of the larger charter management organizations in North Texas. The organization operates a mix of elementary, middle, and high schools, including specialized models such as International Baccalaureate (IB) and healthcare-focused high schools.

Enrollment has remained relatively stable in recent years. Overall, enrollment increased by approximately 8% between SY2020–21 and SY2024–25. However, leadership consistently noted in interviews that enrollment growth has slowed

markedly since 2019, limiting revenue growth tied to per-pupil funding and constraining the organization's ability to absorb rising costs.
Uplift serves a predominantly high-need student population. According to Uplift's 2024 annual report, approximately 90% of students are economically disadvantaged, reflecting concentrated poverty across the communities served. Leadership interviews further emphasized that Uplift serves a large share of historically underserved students, shaping both instructional priorities and cost pressures (e.g., needs for additional support, staffing, and services). The student population is predominantly Latine (64.8%), followed by Black (23.2%), Asian (6.4%), White (2.8%), and Two or More Races (2.5%), with smaller proportions of Indigenous (0.2%) and Pacific Islander (0.1%). Overall, 80.6% of students are economically disadvantaged, 11.3% receive special education services, and 38.0% are identified as Emergent Bilingual/English Learners.

UPLIFT EDUCATION BY THE NUMBERS

- Schools: 45 (including 19 primary schools and 14 high schools)
- 2024-25 enrollment: 23,384 students
- Percent of economically disadvantaged students: About 90%
- Number of full-time staff members: 2,838
- Number of full-time teachers: 1,430
- Average teacher salary: $64,455
- Total revenue: $308.9 million
- Estimated annual budget shortfall: $30 million

Annual Operating Budget and Recent Financial Context

Uplift manages a large operating budget, and in the 2025 fiscal year, personnel costs totaled approximately $202 million. Staffing is largely school-based, reflecting a model that prioritizes instructional delivery and student support. Their 2024–25 staffing profile reflects a growing network supported by 2,838 full-time staff, including 1,430 full-time teachers, with an average of 16.4 students per teacher and an average teacher salary of $64,455.

The board-approved budget for the 2025 fiscal year projected revenues of $308.9 million against $294.7 million in expenses, indicating a balanced budget with limited margin. Despite this apparent stability, leadership described a persistent underlying structural shortfall estimated at roughly $30 million annually. Interviews clarified that this gap is driven by rising fixed costs, especially facilities and debt services, as well as relatively modest per-pupil funding increases since 2019. Uplift's leadership reported that these per-pupil increases have not kept pace with inflation, cost growth, and limited enrollment expansion.

Several contextual factors shape Uplift's financial reality. Both public charter schools and independent school districts in Texas receive funding through "allotments" as outlined in Texas law. The largest allotment, known as the basic allotment, is the fixed amount of funding for all students, regardless of need. For the 2023-24 school year, this amount was $6,160. In addition, there are also weighted allotments that are allocated for specific student groups, such as students with disabilities, multilingual learners, low-income students, and students who have been identified as at-risk.

Unlike traditional Texas school districts, charter organizations do not have access to local property tax revenue or voter-approved bonding authority. As a result, facility acquisition, maintenance, and debt service (such as building purchases or leases, loan repayments, major repairs, and ongoing operations) must be funded entirely from per-pupil state revenue. According to the TEA, public charter schools statewide receive $1,621 less per student than ISDs, on average. Uplift leadership estimated that this structure leaves Uplift underfunded by approximately $3,000–$3,500 per student, relative to nearby ISDs.

Uplift's portfolio of aging facilities, many of which require sustained capital investment, intensifies this challenge. Leadership interviews indicated that the organization spends roughly $30 million annually on facilities-related costs. These resources might otherwise support instruction, enrichment, or expanded student services.

II. Nature of the Shortfall or Financial Pressure

Uplift's budget challenge reflects a convergence of structural underfunding, rising fixed costs, and the expiration of temporary federal relief. The organization's pre-ESSER budget shortfalls reflected funding constraints facing public charter schools: because charter schools must cover facilities, debt service, maintenance, and operations from per-pupil state revenue, these costs reduce the funding available for staffing, instruction, and student supports. For Uplift, this pressure was compounded by an aging facility portfolio and approximately $30 million in annual facilities-related costs.

During the pandemic, Uplift received substantial ESSER funding: $23.8 million in ESSER II allocations and $53.4 million in ARP ESSER III allocations, amounting to approximately $77.2 million. Audited financial statements show ESSER activity spanning from the 2021 fiscal year through the 2024 fiscal year, with ESSER III revenues peaking in 2024, when more than $17.8 million in ESSER III revenue was recognized in a single year. Leadership described these time-limited funds as critical to stabilizing operations, maintaining staffing, and preserving core academic and student support programs during the recovery period.

As ESSER expired, however, underlying gaps resurfaced. Leadership described implementing approximately $30 million in cuts in one year, followed by an additional $20 million the next year, including the elimination of roughly 130 positions, to realign spending with ongoing revenues. Programs that were the most at risk included discretionary support, operational services, and staffing models that could not be sustained without one-time funds. But even as reductions deepened, leaders emphasized a deliberate effort to protect mission-critical academic offerings, such as International Baccalaureate (IB) and Road to College and Career, a school-based advising and support program that helps students plan for, access, and persist in postsecondary education or career pathways through college counseling, academic planning, and transition support.

The budget challenge intersects directly with equity and learning priorities. Because Uplift must cover certain major costs entirely from per-pupil operating revenue, facilities and debt costs consume a larger share of instructional dollars than they do in nearby ISDs. This means that resources available for tutoring, enrichment, and student well-being are systematically constrained. Because Uplift serves a predominantly low-income student population with high support needs, leaders framed this challenge as more than a purely financial issue: it is a structural barrier to delivering equitable opportunities at scale.

III. Strategy Development and Decision-Making

Uplift’s executive leadership team, including the CEO and CFO, led budget strategy development, with close involvement from academic and operations leaders. They undertook a multi-month scenario-planning process, during which leaders reviewed reductions across departments and campuses and tested options against enrollment trends, attendance patterns, and program cost data.

Three guiding principles consistently shaped decision-making:

- Financial sustainability, with a focus on aligning recurring costs to recurring revenues.
- Protection of mission-critical academic programs, including IB and college and career pathways.
- Use of data to evaluate program reach, cost, and alignment with student outcomes.

Leaders considered a range of strategies, including deeper program eliminations and additional staffing reductions. They did not consider options that threatened the organization’s academic identity or student supports, as cuts to those areas were viewed as mission-inconsistent and politically untenable. Instead, Uplift pursued targeted reductions, operational efficiencies, philanthropic support, and performance-based pay for teachers.

Data played an increasingly central role in the budget strategy. Leadership described using data and cost modeling to differentiate between initiatives that could be scaled back and those that warranted protection.

IV. Implementation

Implementation has unfolded over several years. ESSER funds peaked in the 2022-23 fiscal year and tapered rapidly thereafter, while cost reductions were phased across successive budget cycles. Leadership emphasized transparent communication, including regular updates to the board, executive team, and staff through town halls and FAQs.

Targeted reductions: As ESSER funding expired and enrollment growth slowed, Uplift implemented significant reductions in force to realign staffing with ongoing revenues and student demand. Leadership used enrollment, attendance, and program participation data to guide these decisions. Positions funded by one-time dollars or tied to programs with declining demand were prioritized for elimination, allowing the organization to preserve core instructional roles and mission-critical academic offerings. While these reductions helped close immediate budget gaps, leaders acknowledged the cumulative strain on staff morale and organizational capacity, as reductions continued over multiple years.

Operational efficiencies: In parallel with staffing reductions, Uplift pursued operational efficiencies aimed at lowering recurring costs without directly affecting classroom instruction. These included changes to facilities operations, such as modifying custodial schedules, deferring non-essential maintenance, tightening oversight of repair and capital expenditures, and extending the lifecycle of technology assets. Given that facilities and debt service represent a large share of the charter's budget, these operational adjustments were viewed as necessary to slow cost growth in areas largely outside instructional control.

Philanthropic support: To offset the loss of federal relief funds, Uplift also increased its focus on securing philanthropic support for priority initiatives, like Road to College and Career, that could not be fully sustained through state per-pupil funding alone. While philanthropic grants did provide important short-term relief and flexibility, they also introduced uncertainty and could not substitute stable, recurring revenue

Performance-based pay for teachers: Uplift began implementing performance-based pay as a strategy both to address rising labor costs and to receive additional funds from the state through the Teacher Incentive Allotment (TIA). (TIA funding was built into Texas state law as a Tier 1 allotment through the Foundation School Program (FSP), the system the state uses to provide funding to districts.) The TIA gives districts funding to increase pay for high-performing teachers and encourage them to work in high-need and rural schools. Districts and CMOs receive extra funding for each designated high-performing teacher, with additional funds for those teaching on rural or high-needs campuses, and the money must be used for compensation at that teacher's campus.[1] To join the program, districts must implement a rigorous teacher evaluation and designation system based on student

1. Per the Teacher Incentive Allotment information website, "Funding for teachers designated as Recognized, Exemplary, and Master under TIA are awarded to districts, which in turn must spend at least 90% of the funds on teacher compensation on the campuses where the designated teachers work." Uplift's specific compensation and rewards based on stipends, performance pay, and TIA bonus can be found here: 25-26 Compensation & Rewards - Uplift Education.

growth and classroom observations, which is reviewed and approved by TEA and Texas Tech University. TIA can provide districts and CMOs a considerable funding boost, with allocations between $3,000 and $32,000 per designated educator in the program.[2]

Ultimately, Uplift saw this as an opportunity to remain competitive with neighboring districts and attract, retain, and reward high-performing educators without relying on across-the-board salary increases, which can compound structural deficits over time. While still evolving, this strategy reflects an effort to balance fiscal sustainability with talent retention and instructional quality, particularly in a competitive labor market

While these steps reduced immediate financial risk, they also led to cumulative strain on staff morale and organizational capacity, particularly as reductions continued over a period of years.

V. Outcomes and Impacts

While some strategies increased both costs and revenues, these changes did not represent a net financial "boost," as the additional dollars were largely restricted and tied to specific purposes. Instead, they helped stabilize operations in the short term without materially improving the organization's underlying financial position.

In the near term, Uplift succeeded in aligning expenditures with revenues and maintaining balanced budgets in the 2024 and 2025 fiscal years. The organization did not, however, eliminate its structural deficit, which leadership defines as a persistent gap driven primarily by unfunded facilities acquisition and debt costs, rising compensation and benefit expenses, and limited growth in per-pupil state funding. As a result, Uplift remains vulnerable to future cost increases or enrollment shocks, even as annual budgets continue to appear balanced on paper.

Despite sustained fiscal pressure, Uplift preserved its academic models and essential student supports. Leaders believe this helped maintain instructional quality during budgetary tightening, though opportunities for expansion, innovation, and program improvement were necessarily constrained.

Transparent communication and visible engagement through regular updates, open forums, and clear explanations of tradeoffs helped sustain trust among staff and

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2. Per the Teacher Incentive Allotment information website, "Districts must spend 90% or more of the allotment on teacher compensation on the campus where the designated teacher works. Up to 10% of the allotment may be used by the district to support the local designation system or to support teachers in earning designations. Note: payouts to teachers may be subject to deductions including retirement contributions and taxes… Within these parameters, districts may choose to split the allotment funding in several ways. Some districts choose to give the full 100% of funding to their designated teachers. Other districts choose to split the funding to reward other eligible educators who contribute to student success, such as instructional paraprofessionals… Districts may use funds from the 10% to provide additional professional development opportunities to designated teachers and teachers who may be eligible for designation in the future"

stakeholders, even amid difficult reductions. At the same time, leaders revealed an ongoing concern about long-term financial sustainability, particularly given persistent funding inequities between charter networks and traditional ISDs.

Uplift Education's experience highlights the difficulty of sustaining pandemic-era investments in academic programming, student supports, and organizational stability within a structurally underfunded charter context. Federal relief and disciplined cost management enabled short-term stabilization and preservation of core instructional models, but long-term financial health remains tightly linked to state funding policy, facilities-financing constraints, and the organization's ability to adapt without compromising essential educational commitments.

About the Center on Reinventing Public Education

The Center on Reinventing Public Education (CRPE) is a research organization at Arizona State University's Mary Lou Fulton College for Teaching and Learning Innovation, where transformative ideas are rigorously examined and tested, and research informs action. Since 1993, we have remained independent of any single ideology while holding firmly to our core belief that public education is a goal—to prepare every child for citizenship, economic independence, and personal fulfillment—and not a particular set of institutions. From that foundation, we study what it will take for public education to meet every student's needs and use those insights to inform meaningful changes in policy and practice. Learn more about our work at crpe.org.

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Front cover image: Exterior shot of Uplift Education's Luna Campus in Dallas, Texas. Courtesy of Uplift Education.

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