

children *at Risk*

TEXAS PUBLIC EDUCATION CUTS: IMPACT ASSESSMENT

EXECUTIVE SUMMARY

Texas' 82nd Legislature reduced state spending on public education in 2010-2011 by \$5.4 billion, including \$4 billion from the Foundation School Program. Although the extent of the cuts has been widely discussed, comprehensive information is lacking on how the cuts were implemented by school districts and the impact on Texas' schools and students.

From January to September 2012, CHILDREN AT RISK conducted a mixed methods study, including a survey with a random stratified sample of school districts, to provide an objective assessment of the impact of state budget cuts on Texas' schools and students. *Texas Public Education Cuts: Impact Assessment* utilized a mix of quantitative and qualitative research methods to capture the variation and scope of the cuts through uniform evaluation and measurement across districts. Research priority areas included the impact of state budget cuts on average class size, pre-k, expenditures, and staffing.

Initial research findings provide a valuable set of descriptive and inferential data that offers insight into how school districts handled the loss of state funding. Key trends and findings include the following:

- Across the board, there was great diversity in the ways school districts handled the budget cuts. Many districts anticipated the shortfall and worked to smooth out cutbacks over the two years rather than making drastic, one-time cuts.
- Strong leadership prevailed at the district level through responsible stewardship of taxpayer funds and smart financial management. Leaders largely worked within existing service delivery frameworks and public education in Texas did not see significant structural changes. Our qualitative work also found that teachers across the state seemed to take on heavier loads and step up to make sure children were not falling through the cracks. This also raised concerns about educator fatigue.
- Many districts wanted to avoid teacher layoffs at all costs. However, payroll expenses make up the bulk (80%) of school district spending. Consequently, many districts were unable to avoid a reduction in teaching staff, with most of the reduction coming through attrition. Statewide over 10,000 teaching positions were lost despite an average increase of 83,000 in new student enrollment over the last four years.
- The budget cuts had a clear impact on average class size. While the relationship between class size and student learning is complicated, researchers worry that student learning will be negatively impacted. While this is especially true for high poverty, at-risk and special needs kids, students of all income levels are simultaneously experiencing larger class sizes and higher accountability standards. All students will have fewer

opportunities for individualized attention and one-on-one instruction.

- While the Texas Legislature routinely expresses interest in “evidence-based” and outcomes-driven programs, large cuts to the state budget required local school districts to go in the opposite direction. In many cases efforts with the strongest research base, notably pre-kindergarten, were the first to be cut. Fifteen percent of survey respondents reported cuts to pre-k programs.
- Moving beyond state aid, or diversifying revenue strategies, was a top priority for school districts. Their success in doing so was largely dictated by individual circumstance therefore making a one size fits all fiscal approach difficult. Thirty one percent of districts reported dipping into their fund balance in 2011-2012 to compensate for state shortfalls.
- The budget cuts prompted many districts to examine their operations to find efficiencies. Increasingly, districts are adopting successful practices from the private sector that enable them to run more lean operations. Commonly-cited tactics included the use of cost containment strategies, increased collaboration among districts, diversified revenue streams, low administrative overhead and achieving economies of scale where possible. However while every dollar counts, even the most creative districts were only able to achieve comparatively small savings in comparison to total operating budgets from these strategies.

Texas school districts have met the challenge of lost funding with perseverance and a dedication to protecting student learning. However, the cuts have exacted a loss on resources and challenged the capacity of many districts to fully meet their educational mandates while providing robust learning opportunities.

For Questions or comments please contact:

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