

Consequences of the Texas Public School Funding Hole of 2011-16

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EXECUTIVE SUMMARY

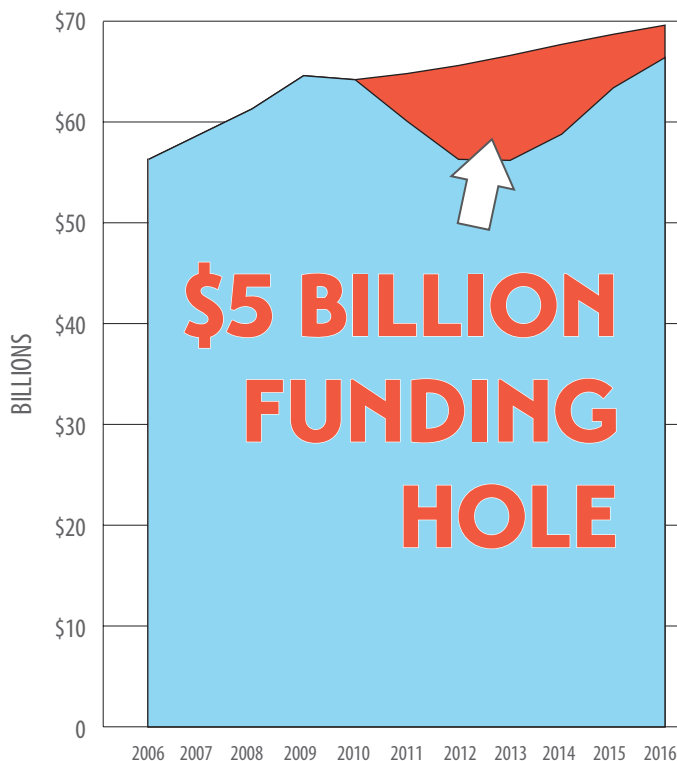
The quality of education a child receives in the early years sets the stage for future learning and academic achievement. Many students, at every level of education, need additional supports such as tutoring, special education, or language services to be successful academically. Our analysis of campus-level spending on educational programs found that when Texas cut education funding, low-income students and those in need of additional support lost the most.

Money in education matters. Well-funded schools are better able to attract and retain high quality teachers and invest in those teachers by providing professional development and other supports. Students in well-funded schools have access to a wider variety of courses and other enrichment activities that keep them engaged.

In 2011, the Texas Legislature cut \$5.3 billion from the two-year public education budget—about \$500 per student each year of the biennium—leaving local school

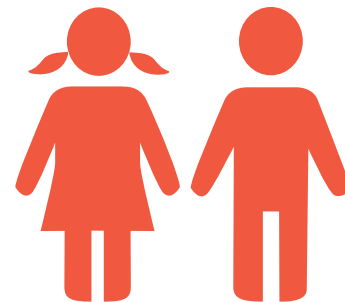
FIGURE 1

MONEY IN EDUCATION MATTERS



Source: Texas Education Agency, PEIMS financial reports.

Well-funded schools are able to:



- ➔ Offer small class sizes
- ➔ Attract and retain high-quality teachers
- ➔ Engage students with arts, music and computer science programs

Note: Increases in funding seen during the 2009 school year and the declines in 2010 and 2011 are due in part to an influx of one-time federal funding through the American Recovery and Reinvestment Act. Therefore, the 2011-16 funding hole is an estimate based on maintaining the per student expenditure level in 2008 as student enrollment increases.

districts and campuses scrambling to make decisions on how to operate with less revenue despite a growing student body. These massive cuts created a funding hole, around five years long and over five billion dollars deep. For half a decade, public school spending dropped billions of dollars per year below the level schools previously spent.

Texas finally returned to investing the same amount in 2015 as it had a before the 2011 cuts – at least in terms of inflation adjusted dollars. However, because the number of students continues to increase, the state has not yet returned to its pre-recession per-student funding levels of 2008. Furthermore, as funding levels began to recover, the increases were not distributed evenly. Educational investment essentially shifted from high school to elementary and from special programs for students in need of support to overall basic instruction.

A LOST HALF DECADE

School districts were forced to reduce spending on all educational programs at all grade levels in 2011 due to the loss of the American Recovery and Reinvestment Act funding and then again after the Legislature cut \$5.3 billion from public education funding.

Though spending on educational programs is beginning to rebound, the recovery has not been complete or even between grade spans. To bring 2016 funding levels up to 2008 pre-recession levels would require an investment of \$3.2 billion dollars into public education. When comparing 2016 spending to 2008 pre-recession levels:

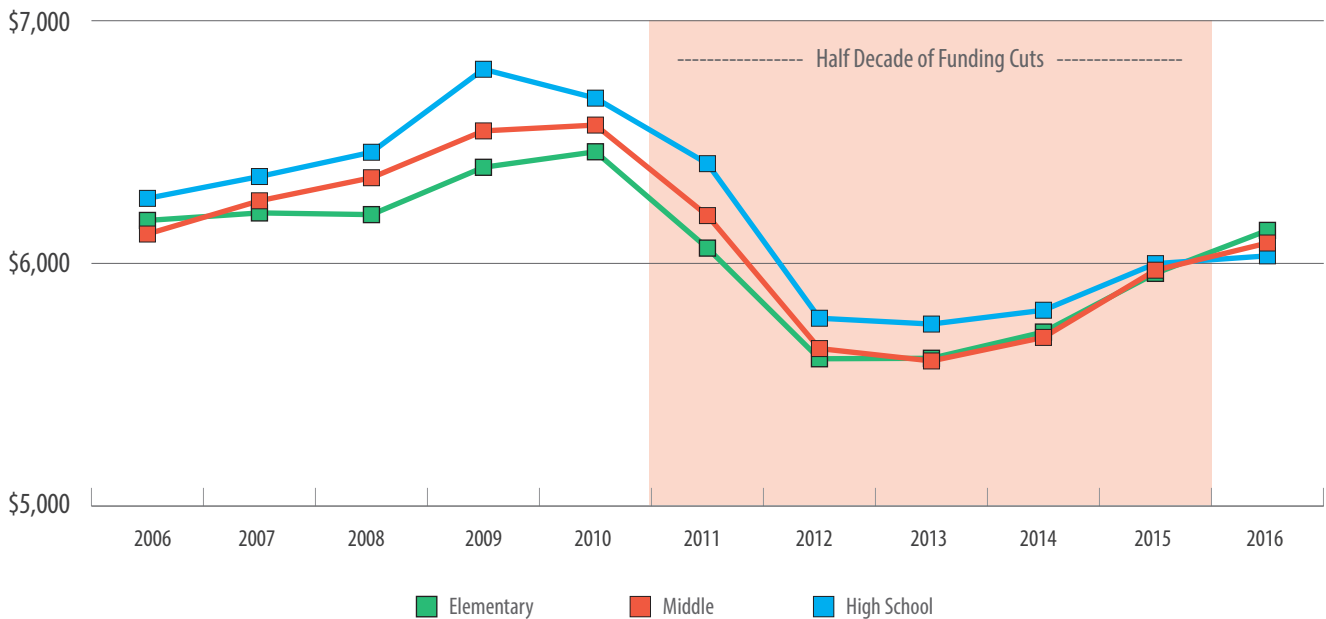
- Elementary schools spent **\$65 less** on instructional programs per student.
- Middle schools spent **\$268 less** per student.
- High schools spent **\$428 less** per student.

This means districts were able to invest \$12,840 more per high school classroom of 30 students in 2008 than in 2016.

FIGURE 2

THE LOST HALF DECADE

Educational spending declines for all students



Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

Source: Texas Education Agency PIEM Student Enrollment Data.

SPENDING FOR STUDENTS WITH THE HIGHEST NEEDS CONTINUES TO DECLINE

To analyze spending equity across the state, we placed each campus, by grade level, into one of four income categories, or quartiles, based on the percentage of students who participate in the federal free or reduced lunch program. School lunch participation is used as a proxy for students in need of additional support. Not all low-income students struggle academically. However, the stresses of living in poverty are known to contribute to lower academic performance.¹ Texas, like most states, uses participation in the federal free and reduced meal program as a proxy for students in need of additional support. In an equitable system, campuses with the greater need receive more funding per student.

One of the most troubling findings from our analysis is that spending on supplemental educational programs, those designed to assist students with high needs or provide special services, continues to decline.

Accelerated education and bilingual education programs in elementary schools that serve primarily low-income students were hit particularly hard.

Accelerated instruction refers to spending on educational services in addition to basic instruction that increases the amount and quality of instructional time for students at risk of dropping out.² Bilingual education program work to ensure students become proficient in English.

Elementary schools with the highest percentage of low-income students have been forced to:

- Reduce spending on programs for students who fall behind by 21 percent (accelerated education) since 2008 pre-recession levels; and
- Reduce spending on bilingual education by 40 percent since 2008.

CONCLUSION

As the findings from this analysis show, when the Legislature cuts public education funding schools are forced to make hard choices. While expenditures on all instructional programs decreased over the past five years,

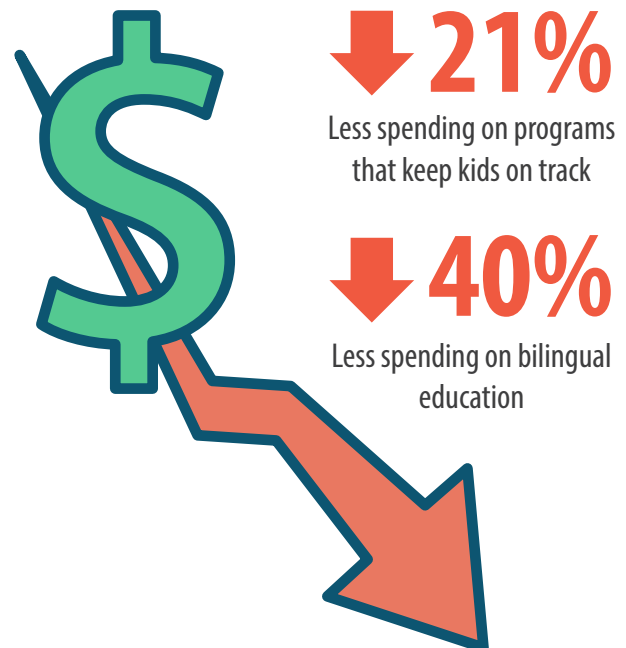
low-income students and those in need of additional supports bore a greater share of the cuts.

The consequences of the state's decision to cut public education funding will become evident in the coming decades as students advance from elementary school toward college and careers. Right now, we know that Texas dug itself a hole in education funding. Every year that the Legislature fails to invest in public education, that amount grows. This is how spending gaps of the past become achievement gaps in the future.

CONSEQUENCE

Spending drastically declines for kids who need the most support

at elementary schools with the greatest percent of low-income students



ENDNOTES

¹ Annie E. Casey Foundation. Early reading proficiency in the United States. 2014

² This analysis combines supplemental compensatory education spending on campuses with high rates of low-income students with accelerated instruction.

This Executive Summary is part of a report prepared by CPPP for the Texas Education Grantmakers Advocacy Consortium.