



WHAT PARENTS SHOULD KNOW ABOUT: SCHOOL FUNDING

What Parents Should Know About: School Funding

The first thing to know: In many cases, less money is being spent these days on your local public schools than in the past.

For example, the California Budget Project found that the state – home to two Parents for Public Schools (PPS) chapters, in San Francisco and Truckee-North Tahoe – saw K-12 education spending drop by more than \$1,000 per student between 2007-08 and 2009-10.

Major cuts to education are the trend elsewhere, too. At least 23 states have made deep cuts in pre-kindergarten and/or K-12 spending in recent years, the Washington, D.C.-based Center on Budget Policy and Priorities (CBPP) found.

Mississippi – home to three PPS chapters, in Jackson, Meridian-Lauderdale County, and Starkville – will fail for the fourth year in a row to meet spending levels on education as required by state law. The Mississippi Adequate Education Program’s spending levels, in fact, rarely have been met by state lawmakers over the years, CBPP found. The Mississippi Department of Education estimates that the state’s failure to meet that requirement over the past three years has resulted in 2,060 school employee layoffs, including more than 1,400 teachers and teacher assistants.

Elsewhere, the state of Washington’s new budget reduces spending for each student in K-12 public schools by about \$1,100. This will likely force increases in class size and less spending on after-school help for students and continuing education for teachers – which will affect Seattle-area schools directly, home to a PPS chapter.

WHY ARE EDUCATION BUDGET CUTS HAPPENING?

It’s true that many states simply have fewer dollars to spend on public schools and other needs. No one can argue with that.

When asked about such cuts, elected leaders blame lower state revenue from taxes and fees, leaving them with less money to spend. But the drop in funding for public schools also is a matter of priority.

“What makes this year different from the previous two years is that more school districts are running out of ways to absorb the cuts without affecting what takes place in the classroom,” the National Association of State Budget Officers remarked in a recent report. The organization found that governors proposed \$2.5 billion in budget cuts to public K-12 education for the current budget year.

Indeed, state leaders seem to be choosing other budget priorities, in some cases, over funding for public schools. The CBPP found many examples of this trend.

In Michigan, home to PPS’ Greater Kalamazoo chapter, state legislators earlier this year lowered the state’s major tax on businesses, costing the state more than \$1 billion in 2012 alone. The state also cut the personal income tax and the earned-income tax credit for low-income working families by 70 percent. Still, the gap between the state’s overall budget and its revenue was projected by GPBB at a loss of \$535 million for fiscal year 2012 – requiring a cut in K-12 school spending that averages \$470 per student for the current budget year. Simply put, the level of tax cuts approved for this year in Michigan simply cannot be made without affecting K-12 public schools.

“Many of the state budget cuts described here will weaken the workforce in the future by diminishing the quality of elementary and high schools, making college less affordable and reducing residents’ access to health care. In the long term, the savings from today’s cuts may cost states much more in diminished economic growth,” the CBPP found.

Some additional examples of major state budget cuts in K-12 education that CBPP identified:

- **Missouri**, home to the PPS chapter in Columbia, froze funding for K-12 education at last year’s levels. This means that for the second year in a row, the state has failed to meet the statutory funding formula to ensure equitable distribution of state dollars to school districts.
- **Ohio**, home to a PPS chapter serving Greater Cincinnati, cut state K-12 education funding by 7.5 percent this year, averaging \$400 less per student and equivalent to nearly 14,000 teachers’ salaries.
- **Texas**, where there are PPS chapters in Houston and Waco, eliminated state funding for pre-K programs that serve around 100,000 mostly at-risk children, or more than 40 percent of the state’s pre-kindergarten students. The budget also reduced state K-12 funding to 9.4 percent below the minimum amount required by the state law. Texas already has below-average K-12 education funding compared to other states, and this cut is forcing school districts to lay off teachers, increase class sizes, eliminate some sports and extracurricular activities, and more.

HOW FUNDING FOR SCHOOLS WORKS

Funding for public schools comes mainly from two sources: states and local governments (counties or cities). Most money for public schools comes from taxes paid on personal property such as homes, businesses and cars. Over the years, the portion of school funding paid for by the **states** has shrunk. At the same time, the amount for schools paid by **local governments** such as counties or cities has grown. Some people see the shift in school funding from states to local governments as unfair. Parents and other citizens pay taxes for schools either way!

Several problems have emerged in how we pay for public schools. First, parents want to know that money for public schools is spent wisely by local school districts and each school. Sometimes that does not happen and parents need to speak up when they are not pleased. Second, many states are simply refusing to spend more money on public schools. This is because many states have seen the amount of money collected through taxes drop in recent years. But it’s also because states in some cases are unwilling to seek new sources of money – by raising taxes or fees (which some taxpayers oppose), or by making different decisions about how they spend money collected from taxes.

Third, local governments such as county commissions, city councils and school boards also must determine how to use the money they are allotted by the state – and they don’t always spend enough money on schools, or allow it to be spent in the best ways.

Most school districts also receive small portions of their money from the United States government or from nonprofit foundations that donate money to school systems for specific purposes. For example, under a program called Title I (or “one”), schools with larger shares of students from low-income families get extra money from the U.S. government to serve students who may need extra attention.

Still, the largest portion of funding for K-12 public schools comes from state-level taxes and fees in most cases. The next greatest portion comes from taxes and fees at the local level, from the cities or counties where you live. Funding from the U.S. government and private foundations usually represents smaller portions of money spent on public schools.

HOW DECISIONS ABOUT SCHOOL FUNDING ARE MADE – AND WHAT YOU CAN DO

Depending on where you live, states, counties and school districts may decide once a year or every two years how to spend money on public schools – and they sometimes make changes to their spending plan, or budget, during the year. You should be involved in this process!

When your local school board and the state legislature are considering changes to their budgets, newspapers and TV stations usually highlight this type of debate. These are the best times to educate yourself about what's happening with state and local budget decisions, and to speak up and give your views.

Reach out to your local decision-makers on school budgets, to learn more about the process. Speak up when an issue affects you, your family, or your neighbors.

Spread the word among other parents and supporters of public schools – including teachers and principals in your children's school. Organize groups of parents to push for change or speak up when necessary. Write letters to your neighbors and to newspapers, newsletters and blogs. Post your views on social media such as Facebook and Twitter. Start a local campaign around a public education issue.

Advise your local school board.

Stay in touch with state legislators, the state schools superintendent and the governor.

Tell members of Congress and the President your thoughts.

In your Parents for Public Schools chapter and other parent/community groups, discuss your own priorities for how taxpayer money is spent -- and whether your leaders meet your expectations. Speak up for your own local schools' needs! Speak up for your public schools!

To take action on school finance and other issues, visit www.parents4publicschools.org.

SOURCES:

The Center on Budget and Policy Priorities

Southern Regional Education Board, Legislative Report No. 4, 2011

The Year School Budget Cuts Went Straight to the Classroom by Josh Goodman, *Governing*, June 2011

The New York Times, Paul Krugman column, Feb. 28, 2011

The California Budget Project

Parents for Public Schools, Inc., 200 North Congress Street. ☐ Jackson, MS 39201
1-800-880-1222
www.parents4publicschools.org

