

How Did State Budget Cuts Impact

School District Staffing Levels: Preliminary Information from 2011-12

October 29, 2011

The Texas Legislature, faced with a substantial budget shortfall, reduced state formula funding to public school districts and eliminated a host of grant programs during the 82nd legislative session. In total, these reductions come to \$5.4 billion compared to what school districts would have earned during the same two year period under the prior funding formulas and grant program levels. Some questions have arisen regarding what, if any impact these funding reductions have had on school district staffing levels. Districts responding to a recent survey on staffing practices indicated that they are employing 11,833 fewer staff members than they would have had staffing ratios from last year remained in place this year. Extrapolated statewide, these preliminary data suggest that Texas districts are employing an estimated 32,000 fewer staff today that they would have without the recent funding cuts. Most districts surveyed also anticipate additional staff losses next year.

According to the 2009-10 PEIMS actual financial data, 79 percent of school district operating expenditures go to payroll related expenses¹, and this has been a fairly consistent percentage for many years. Consequently, some argue that it is difficult for school districts to make significant budget reductions without affecting staffing levels, especially when considering that some portion of the non-payroll costs are relatively fixed (utilities, for example). But because districts received a one-time grant of \$820 million in federal education jobs funds to mitigate the impact of the state cuts in the first year of the biennium, some wondered if the impact on staffing would be significant.

To gain preliminary insight into staffing patterns for 2011-12, we surveyed 188 school districts. The respondents varied in size, funding level, and geographic location. In total, 60 districts responded to the survey and these districts educated 39 percent of the state's students during the 2010-11 school year. Although most were larger than the state average in terms of enrollment, they did range in size from just over 600 students to more than 200,000. Twenty-one of the respondent districts reported 2011-12 enrollments of less than 10,000 and 11 reported enrollments of less than 5,000.

District staffing counts vary during the course of a school year, and for consistency sake, the most accurate data to use to compare to 2010-11 will not be available until the 2011-12 PEIMS staffing data are collected and released by TEA (probably late this spring). However, survey responses provide a useful early look at the impact of the legislative session on school district staffing patterns. The data reveal the following:

- In 2010-11, respondent districts had a student to staff ratio of 7.74 students per staff member (slightly higher than the state average of 7.38).
- The respondent districts collectively expect to experience enrollment growth in 2011-12 of 17,593 students or about 1 percent of their 2010-11 enrollment levels. If extrapolated to the statewide level, this would produce roughly 45,500 new Texas students, which suggests that respondent districts are growing at a somewhat slower rate than the statewide average.
- Although they are serving 17,593 more students than in 2010-11, respondent districts report employing 9,586 fewer total staff than they were the year before, including 3,219 fewer teachers. This changes their overall staffing ratio from 7.72 students per staff member to 8.14 and their student teacher ratio from 15.25 to 15.82, suggesting that teachers were impacted by the reductions, though not as significantly as other kinds of district staff.
- Had the respondent districts maintained their 2010-11 staffing ratios, they would be employing 11,833 more staff members than they currently are, including 4,410 more teachers.
- Extrapolating to the state level, we estimate that roughly 32,000 fewer employees are working in school districts today than would have been employed had prior law per-student funding levels been maintained, including almost 12,000 teachers.ⁱⁱ
- Though we did not ask a question about the specific kinds of staff or program reductions that were made, in response to an open ended item some districts explained that they reduced staff in the following areas: clerical staff at the campus level, instructional coaches, staff related to grant programs that had been eliminated, custodial staff, and central office staff. Districts also reported eliminating low enrollment programs, eliminating or reducing teacher stipends, and eliminating some bus routes. Several districts also reported increasing class sizes.
- Not all of the reported staff reductions came in the form of layoffs or non-renewals, though some of them did. Other districts reported forgoing hiring typically associated with resignations, retirements and enrollment growth. This

reduced the need for eliminating existing staff in our respondents' districts. Often, this meant reassigning existing staff within the district.

Districts responded to two other questions about the impact of the 82nd legislative session on their budget practices. One question was whether student to staff ratios would increase, decrease, or stay the same in the second year of the biennium. We asked this because federal jobs dollars are one-time in nature and will not be available in the second year of the biennium. At the same time, some districts receive increased funding cuts in the second year, while the cuts are reduced in other districts. Sixty-one percent of respondents anticipate that student to staff ratios will increase in the second year of the biennium, compared to 5 percent who think they will decrease and 34 percent who think they will stay the same, suggesting that more often than not, further staffing reductions are anticipated.

Respondents also described district decisions related to teacher salaries. Only 1 district reduced teacher salaries in 2011-12, and another 74 percent of respondents froze teacher salaries from the prior year. Some of our respondent districts still use a step schedule that rewards teachers for additional years of experience, so 7 percent of respondents allowed teachers to move up on the prior salary schedule but did not provide any increase to that schedule. The remaining districts provided either a percentage increase to teachers or an increase to the salary schedule being used by the district.

In responding to open-ended items, respondents described other reductions that were made, sometimes to provide for teacher salary increases. One respondent explained that the district contribution to employee health insurance was reduced, so that while a salary increase was provided, the overall salary and benefits package was not. Another district explained that contract days for central office staff, campus administration, custodial, and other non-teaching staff that worked more than 187 days were reduced. This reduction helped fund the salary increase for teachers. One other district reported holding a successful tax rate election to increase the local tax rate for maintenance and operations to the maximum allowable \$1.17.

ⁱ See the PEIMS statewide financial reports for 2009-10:

http://www.tea.state.tx.us/index2.aspx?id=2147495078&menu_id=645&menu_id2=789

ⁱⁱ We arrive at this figure by dividing the staff that would have been in the respondent districts at prior staffing ratios (11,833 for total staff and 4,410 for only teachers) by the percentage of staff that respondent districts represented of the state total, which was 36.9 percent.