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## **School Districts Face Grim Reality as Budget Woes Continue to Grow**

*Teachers, activities and reforms dropped as many districts anticipate more cuts next year*

WASHINGTON, D.C. - After a year of dramatic budget reductions, a vast majority of districts across the country expect to cut deeper into teaching and other core services, with little relief in sight, according to a new study from the Center on Education Policy (CEP), a national, independent advocate for public education and more effective public schools. The results are based on a nationally representative survey of over 450 school districts.

The report indicates that, until recently, school districts have been able to cushion the blow of shrinking budgets by using federal economic stimulus money to help fill the gaps. But now that money from the American Recovery and Reinvestment Act of 2009 (ARRA) and Education Jobs funds are nearly depleted, school districts expect their budgets to tighten even more in the 2011-12 school year.

The report, "*Strained Schools Face Bleak Future: Districts Foresee Budget Cuts, Teacher Layoffs, and a Slowing of Education Reform Efforts*," describes the fiscal condition of school districts for this past school year and next, the extent to which ARRA and Education Jobs funds made up for funding shortfalls, and the types of cuts being made to balance district budgets.

Not surprisingly, the already grim situation for school funding is expected to worsen in the coming school year with a large majority of all school districts, about 70 percent, experiencing funding cuts in school year 2010-11 and an even greater proportion of districts, about 84 percent, anticipating funding cuts in the upcoming school year. No district appears to be immune from budget reductions or staff cuts. Shrinking budgets and cuts in education jobs have affected and will continue to affect all types of districts—city, suburban, town, and rural.

"Districts report that budgets are making it increasingly difficult to deliver on school reform," said Jack Jennings, CEP's president and CEO. "But, what is really alarming is that education may be sliding backward as a high percentage of districts expect to cut teachers and other school staff, and reduce services aimed at improving student performance," Jennings added. "The schools are experiencing a triple whammy. Federal resources are drying up at the same time that state budgets are being cut and revenues from local property taxes are shrinking due to falling housing prices and foreclosures."

The data for this study was drawn from responses to a survey administered to a nationally representative sample of school districts in the winter and spring of 2011. This is the second CEP report on the financial status of school districts and their implementation of ARRA; the first was released in July 2010.

Other key findings from this report include the following:

- Approximately 61 percent of the districts that anticipate funding shortfalls for school year 2011-12 reported having plans to cut staff, but this percentage could go higher because at the time of the survey, about one-third of districts had not yet decided where to cut. Particularly serious are layoffs of teachers of core academic subjects.
- Funding cuts are slowing down school reform. Sixty-six percent of the districts with budget shortfalls in 2010-11 responded to these cuts by either slowing progress on planned reforms or postponing or stopping reform initiatives. More than half (roughly 54 percent) of the districts that anticipate shortfalls in 2011-12 expect to slow progress on reforms or postpone or stop reform initiatives. Slowed progress on reform could extend to many other districts next school year because a little over one-quarter of districts had not yet made a decision about how funding decreases would affect reform efforts in the 2011-12 school year.
- About 85 percent of districts with funding decreases in 2010-11 made some type of staff cuts to compensate for shortfalls not covered by ARRA and/or Education Jobs funds. These staff-cutting districts constituted about 53 percent of *all* school districts in the U.S.

While the future for school funding may be bleak, most districts are grateful for the ARRA and Education Jobs funding. Eighty-nine percent of districts that received any ARRA or Education Jobs money indicated they are better off for having received those funds than they otherwise would have been.

“Our leaders must recognize that if cuts are made in education, this will stall the reforms that are most likely to contribute to improving our economic situation in the future,” said Jennings. “And as business leaders have long emphasized, education reform is essential for the U.S. to remain competitive in a global economy.”

The full report is available online at [www.cep-dc.org](http://www.cep-dc.org).

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*Based in Washington, D.C., and founded in 1995 by Jack Jennings, the Center on Education Policy is a national independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. The Center does not represent special interests. Instead, it helps citizens make sense of conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.*