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## Oklahoma Policy Institute

### SEVERE EDUCATION FUNDING CUTS THREATEN OKLAHOMA'S ECONOMIC FUTURE

Oklahoma has made deep cuts to funding for local school districts since the start of the recession. These cuts threaten both students and the state's economic future.

Oklahoma has made some of the deepest cuts to funding for local schools of any state in the country. Over the last five years, the state has cut per-pupil education aid for primary and secondary schools by 20 percent, or \$706 per student, after adjusting for inflation. Only Arizona and Alabama have cut funding more deeply over that time frame. These funding cuts have serious consequences for educational quality and for economic growth.

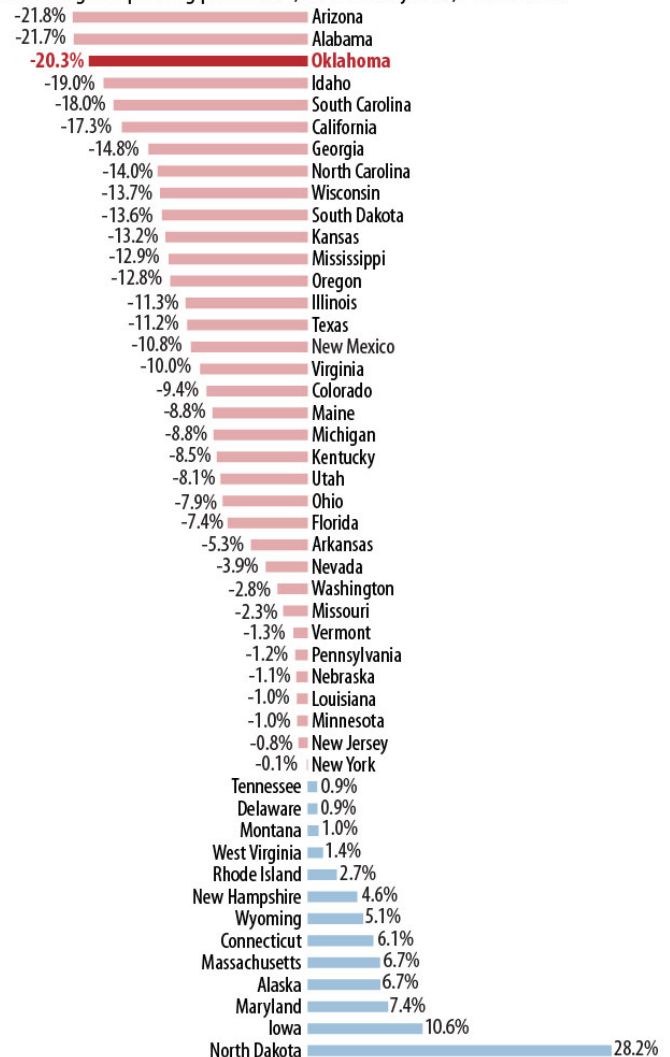
### Oklahoma has not funded new mandates on students and schools.

Lawmakers have passed numerous new mandates on students and schools in recent years, even as they cut funding needed to implement them. For example:

- Oklahoma will soon require children who do not pass a reading test to be retained in the third grade. However, in 2012 the state zeroed out more than \$6 million in funding meant to help students meet these new requirements. Oklahoma also eliminated \$3 million in funding for Literacy First, a proven program for reading instruction.
- Oklahoma recently began requiring high school seniors to pass 4 out of 9 end-of-instruction tests before they can earn a diploma. But last year the state cut funding from a program that provides extra help for students struggling to pass the tests. Without a diploma, these students will be unable to attend college, join the military, or qualify for many jobs.
- Class size limits in place since 1990 have been suspended because schools cannot afford to meet them. There is strong evidence that smaller class sizes promote student achievement—particularly in the early grades and for low-income students. But state aid funding has dropped by \$224 million since 2008, even as public school enrollment increased by 31,000 students. Many schools are cutting teaching positions to cope with budget cuts. Statewide the number of students per teacher has increased from 13.7 in the 2007-08 school year to 16.0 in 2010-11.

### Oklahoma Made Some of the Largest Cuts to Education

Percent change in spending per student, inflation-adjusted, FY08 to FY13



Source: Center on Budget and Policy Priorities analysis

## Education cuts put our economic future at risk.

The education funding reductions Oklahoma has made in recent years hamper economic recovery, as fewer teaching jobs mean less business for local stores and services. And businesses that contract with school districts see their bottom line jeopardized, potentially meaning private sector job cuts too.

Over the longer term, by undermining education reform, the cuts make it less likely that Oklahoma can develop the highly skilled workforce needed to compete in today's global economy. In multiple surveys, businesses in Oklahoma and nationally rank the presence of a skilled workforce as more important than state and local tax rates when considering where to create new jobs.

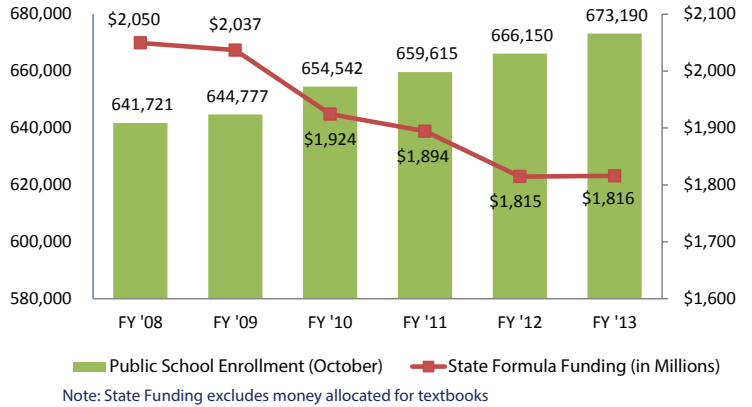
## Tax cuts would dig the education funding hole even deeper.

Given the damaging consequences of education funding cuts, boosting the state's lagging education aid should be an urgent priority for state policymakers. But Governor Fallin and some members of the Legislature continue to advocate for tax cuts that would make it harder to strengthen Oklahoma's investment in local schools.

Oklahoma is expected to have less revenue to pay for education and other services next year than it did in fiscal year 2008 (the year the recession hit), even though the cost of providing those services has increased significantly since then due to inflation and growing student enrollment. Cutting taxes further would take resources away from our students, public safety, and other core services.

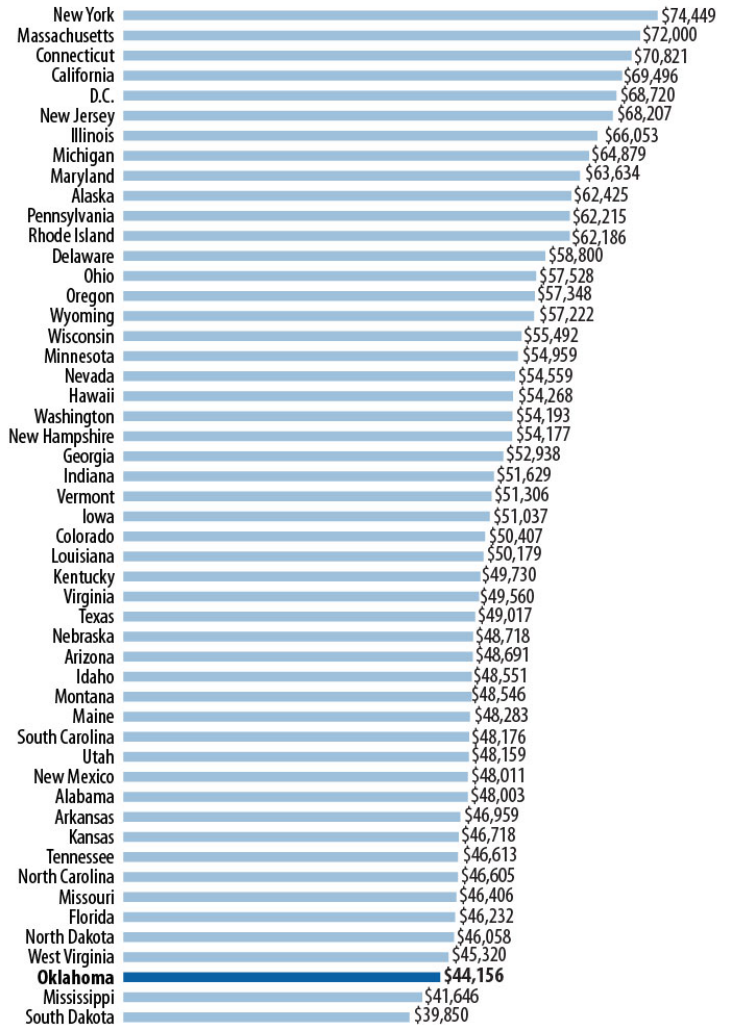
***Instead of digging a deeper hole by cutting taxes, Oklahoma should step up investment in its education system, the state's most important economic asset.***

## School Funding Has Dropped As Enrollment Rises



## Oklahoma Teachers Are Poorly Paid

Estimated average annual salary in school year 2011-2012



Source: National Center for Education Statistics