



ATPE Input to Senate Finance Committee

Regarding Post-Pandemic Student Enrollment Trends

October 9, 2024

The **Association of Texas Professional Educators (ATPE)** appreciates this opportunity to offer written input to the Senate Finance Committee concerning post-pandemic student enrollment trends and examining the possible causes behind the shift in student enrollment, including the rise in homeschooling, micro-schools, and other parental choice options. Along with the committee, ATPE would like to ensure parents and educators have the tools and resources needed to respond to projected enrollment changes and ensure that every child has the best educational options available to learn.

The totality of the Texas public school system is facing an ongoing trend of decline in enrollment growth projected to continue for at least a decade. Despite an influx of new residents, Texas schools are seeing fewer students, with a projected 2.2% enrollment drop over the next few years. The decline began after the Great Recession of 2011, when birth rates fell across the state and nation. This shift is creating a “negative enrollment bubble,” per Commissioner of Education Mike Morath, as larger classes graduate and smaller classes progress through grades K-12.

Although the COVID-19 pandemic temporarily caused an additional impact to enrollment, that seems to have mostly abated, though there is a lingering pandemic attendance impact separate from enrollment. However, other underlying issues, such as a long-term demographic shift not specific to any region and the lack of state policy on strategic capacity growth, continue to impact the system. This decrease in overall enrollment growth will likely continue despite the state’s growing population. While the mismatch between largely charter-driven capacity growth and flattening student enrollment rates continues to increase, it does not mean that school leaders need fewer resources and less funding to provide for their educational needs, such as special education services and teacher pay, which remain priorities for lawmakers and ATPE. Despite the Legislature’s historic investment in our public schools in 2019, school districts are facing an 18% decrease in inflation-adjusted funding, which has led to deficit budgets at a time when the great state of Texas has a historic budget surplus.

We know the Senate would like to continue to provide relief to taxpayers through property tax reduction. The best way to reduce taxes and provide for a thriving Texas economy with a robust and well-educated workforce is to infuse more funding into our public school districts. Although an investment in charter schools also supports some students in Texas, charter schools often hire more uncertified teachers and provide more federal EB-5 financing to foreign and out-of-state investors instead of helping to educate and reduce the tax burden on hard-working Texans and their children. There has been a substantial uptick in districts being forced to ask their voters to approve tax ratifications through voter-approved tax ratification elections (VATRE). To keep property taxes low, the state needs to allocate more funding or else districts will be forced continue to ask local taxpayers to carry more of the weight for the community schools they love.

Because of the enrollment trends statewide coupled with dramatic expansion of capacity in the charter sector, both charter schools and traditional independent school districts face under-enrollment issues. Unfortunately, some charter operators appear to be entirely willing to expand simply to grow their real estate portfolio, regardless of current unused capacity or a region’s ability to realistically fill additional seats with available students. Independent school districts are being forced to make hard decisions to close schools, which negatively impacts their communities and staff—and competing charter operators are spending scarce education dollars on marketing instead of educating. The duplicative education system originally intended to allow for more innovation now simply creates a burden on the state and taxpayers alike: In some geographic

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regions, we are essentially paying for two seats for every currently enrolled student at a time when fewer students are enrolling.

Adding additional “choice” options to the system would simply place a larger burden on the state and taxpayers and is the wrong solution in the current environment. The state and school leaders must work together to ensure that a long-term plan around capacity and distribution is in place to avoid unintended consequences of the current enrollment trend, whether it is a short-term blip or something more permanent.

One thing the data does not show is that students are leaving the public school system in favor of non-public options. Although some students temporarily left public schools to homeschool during COVID, the majority seem to have returned. Of the small number who have not, many are simply undocumented and completely off the radar. Unfortunately, there is simply no way to track if those children are receiving a high-quality education or any significant education at all. Certainly, many of their peers who have reenrolled in public schools after a stint of COVID homeschooling returned with major gaps in learning. When or if the remaining unaccounted-for students return to public schools, they may well require a much larger amount of resources to catch up to their peers. Even more than some of their peers, the students who left public schools during the pandemic and are now returning to their local schools require high-quality, certified teachers, and in many cases, behavioral support, to get them up to speed. The higher level of support needed by these students, along with the growing number of students who require special education services, creates a huge financial drain on school districts. Less funding for school districts means fewer certified teachers in classrooms to work with students.

With more localized examples of campus-level enrollment decline, statewide slowing of enrollment growth, and potential statewide enrollment decline in the near future, it is well past time for the state to shift its focus away from rapid growth in the number of seats and new campuses. However, flattening enrollment does not mean we should not continue to invest in our public schools. It simply means that in addition to keeping up with inflation, school leaders, with the help of state leaders, can engage with renewed focus on increasing quality and not simply capacity. Our schools require more investment from the state to properly educate the future workforce of Texas. Districts are reporting massive deficit budgets, and with approximately 85% of all district Maintenance and Operations (M&O) being spent on staff, there isn't much to cut other than teachers and programs—and cuts to either of these areas would negatively affect students immediately. Without funding, class sizes will rise, and students will have fewer opportunities for meaningful learning. When schools are closed, people lose jobs, and families must travel longer distances to get to school. This will not only impact attendance but also transportation budgets and parental involvement, which we all know is the secret sauce along with great educators.

With no additional basic allotment funding last session, the combined effect of the underfunded HB 3 safety and security mandates, the SHARS issue and therefore a decrease in special education funding, and the drop in certified taxable values all over Texas, as well as the recently adjusted formulas for calculating taxes per TEA, has led to rapidly decreasing fund balances due to deficit budgets. Keep in mind that in order to get a good FIRST rating, districts must keep 25% in their fund balance to cover operating expenses for a few months. Districts have already been tightening their belts and dipping near or below the necessary 25%, which will not only negatively impact their rating but also their ability to sell bonds. There is not much left to cut that wouldn't impact staff and, in turn, children. Districts have been using attrition to cut back in some departments, but that has already led to short staffing. Some districts may choose to forego stipends and raises, but many districts will have to fire people. At a time when the Legislature is trying to help students gain practical work experience and certifications, those career and technical education (CTE) classes may be the first cut because they are not mandated in the Texas Essential Knowledge and Skills (TEKS) set by the State Board of Education. Our state has made huge gains in addressing the needs of students who receive special education services, but if a district can't staff appropriately, those students will suffer once again.

Because of the state surplus, the members of the 89th Legislature have the unusual opportunity to remove taxpayer burden *and* help the students and people who educate them in a heroic way. For additional information, contact ATPE Governmental Relations at (800) 777-2873 or government@atpe.org.

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