

Research Brief

Doing More With Less: Coping With Budget Cuts

Question: What resources are available to help principals and schools deal with budget cuts?

In A Nutshell

Budget cuts are common in education, but nothing like the scale that schools have seen in the last two years. Secretary of Education Arne Duncan calls the current situation “the New Normal,” meaning that schools will see increasing demands for performance in a climate of declining resources. Most of the literature suggests that schools cannot simply cut their way out of this crisis – that a fundamental shift in the way education is delivered is needed to assure effective learning for America’s students. Everything must be on the table – the way we use technology, time, space, instructional materials, and personnel. Protecting learning opportunities for children must be the highest priority, but teachers and administrators must attend to their own personal well-being while making these very difficult decisions as well. It is especially important that the voices of those children and families most in need be heard in all of the decision-making processes as well.

Summary of Findings:

Educators are no strangers to budget cuts, but the cuts in the past few years have been more draconian than ever. The real effect of declining tax revenues was buffered somewhat by federal “bail-out” money to the states, but as those funds expire, the full impact of declining revenue is being felt in every school and classroom.

It’s not possible to catalog every kind of budget-cutting move by states and school districts, nor is that particularly helpful to practicing school administrators. But the list of common budget reduction measures covers just about every aspect of the school’s operation. The Center for Public Education (<http://tinyurl.com/3flw2ab>) has listed the kinds of cuts that have affected nearly every district in the nation to one degree or another:

- ✓ Laying off teachers, which in turn increases class size
- ✓ Cutting extracurricular activities
- ✓ Cutting courses not required for graduation
- ✓ Eliminating summer school
- ✓ Adopting a four-day school week
- ✓ Eliminating field trips
- ✓ Cutting instructional programs
- ✓ Cutting professional development for teachers and staff.

More specifically, they report the frequency of several of these reductions as reported by school districts across the nation:

- *Increasing class size.* 62 percent said they would increase class sizes this school year, up from 26 percent in 2009-10 and just 9 percent in 2008-09.

- *Cutting extracurricular activities.* 52 percent of districts cut extracurricular activities in 2010-11, up from 8 percent in 2009-10 and 8 percent in 2008-09.
- *Cutting transportation.* 38 percent of districts said they would reduce their transportation programs this school year, compared to 20 percent in 2009-10 and 10 percent in 2008-09.
- *Considering eliminating summer school.* 34 percent of districts said they might eliminate summer school in 2010-11, up from 14 percent in 2009-10 and 8 percent in 2008-09.
- *Considering a four-day school week.* 13 percent of districts were considering shortening the school week in 2010-11, but just 2 percent did so in both 2009-10 and 2008-09.

The New Normal

U. S. Secretary of Education Arne Duncan said that nothing is going to change very soon, and that educators should think of these cuts as an opportunity to reinvent schools for the 21st Century. The most important part of his message may be the one found in the title of his speech: “Doing More With Less is the New Normal.”

“For the next several years, preschool, K-12, and postsecondary educators are likely to face the challenge of doing more with less. My message is that this challenge can, and should be, embraced as an opportunity to make dramatic improvements. I believe enormous opportunities for improving the productivity of our education system lie ahead if we are smart, innovative, and courageous in rethinking the status quo.

It’s time to stop treating the problem of educational productivity as a grinding, eat-your-broccoli exercise. It’s time to start treating it as an opportunity for innovation and accelerating progress.”

He then offers two key solutions: reducing waste throughout the education system and doing more of what works--and less of what doesn’t. (<http://tinyurl.com/3ozl4m2>)

Reducing waste isn’t simply a matter of finding out who makes too many copies or buys too many lab supplies. It is a systemic and deeply rooted problem, Duncan says. He points to the fact that we spend billions of dollars every year in schools and colleges on remedial programs, rather than doing the job right the first time. He urges schools to adopt a whatever-it-takes stance to make sure that kids master essential skills and content before moving forward.

Writing for the Harvard Education Publishing Blog, Nathan Levenson says that this is the time for bold action rather than trying to preserve the status quo (<http://www.hepg.org/blog/40>):

“For example, even before the fiscal crisis, most elementary schools didn’t have enough reading teachers. They relied on untrained paraprofessionals and offered support to struggling readers only a few times a week, despite unambiguous research indicating five-day-a-week extra help from a certified reading teacher is needed. Fighting to preserve current efforts won’t teach these students to read. In years to come, struggling readers grow up to be costly special education students. A lose–lose situation. Bad for kids and the budget.

Special education spending is often spared the budget axe due to legal mandates. Since the law

will continue to require high levels of services for students with disabilities, general education will suffer even more. Fortunately, there are many best practices that raise the achievement level of students with special needs while reducing costs, such as improved general-education instruction, flexible scheduling of paraprofessionals, and criteria-based workloads.

A time of declining resources is exactly the right time to think boldly, approach teaching and learning differently, and budget strategically. In the new normal of tight budgets, schools can no longer afford to fund programs that are ineffective. This, of course, requires systems to measure the effectiveness of all teaching and learning efforts, which are often the first to be cut!"

Learning from Business

Fred Hess and Eric Osberg, authors of *Stretching the School Dollar*, say that the same recession that has decimated school budgets has also forced businesses to make major shifts in the way they operate. When asked what schools can learn from the private sector, they reply:

'A lot. The private sector has been aggressive about supplementing labor with the smart use of technology, making labor more productive and cost efficient. Education has clearly lagged in this area, so opportunities abound—for great teachers to be accessible via computer to many more students, for technology to support teachers by compiling feedback on students and identifying problem areas, and for many other opportunities that we expand upon in our book.

The private sector also has been smarter about understanding its costs—the field of cost accounting has long enabled managers to think in “costs per unit,” an important skill that has rarely translated to education. As a result, school leaders often don’t know when low priority extracurricular activities cost more per student than do core academic priorities.”

(<http://www.hepg.org/blog/44>)

In *Doing More with Less – Going Lean in Education* Betty and Joe Ziskovsky say that schools can work smarter, not necessarily harder. School leaders can start to apply quality management principals, first promoted by W. E. Deming, to improving their school’s processes. They suggest that leaders start the conversation with some key questions

(<http://www.leaneducation.com/whitepaper-DoingMoreWithLess.pdf>):

- What things keep you from doing your work?
- What is something you should not have to do?
- What would make your work easier?
- What would make your work more satisfying?
- What would improve the skills and capabilities of those who work for you?
- What would improve your work environment?
- What would make you more successful in your job?

Effect on Leaders

Writing for the Phi Delta Kappan, Rick Ginsberg and Karen D. Multon claim that tough budget decisions can take a toll on school leaders, affecting their health, morale, and, in some cases, professional judgment. They say that there are three essential parts to the formula for manage this stress – dispositional, personal, and action-oriented.

(http://www.edweek.org/ew/articles/2011/05/10/kappan_ginsberg.html)

- Adopt a “Can-Do” Attitude: Convey the message that, together, we can get through this thing and come out stronger on the other side.

- Take Care of Yourself: Find ways to take care of your health by creating work and home environments that can help you deal with the job-created stress.
- Plan Clear Action Steps: Plan and maintain clear communication and transparency throughout a budget-cutting process.

A Comprehensive View

Ron Williamson, writing on his blog, *Effective Principals, Effective Schools*, outlines a comprehensive vision for dealing with resource reductions. The most important message: you can't cut your way out of this mess; the response has to be more complete and thoughtful. "Schools are caught between expectations for improved student performance and the reality that there are fewer human and financial resources to support the program. Almost universally the issue is one of how to be both efficient and more effective.

There are generally three responses. First, you can identify areas where you might reduce expenses by eliminating programs or reducing budgets. But in many schools these efficiencies have already been achieved. Second, you can consider alternative ways of doing things you're already doing. For example, some rural schools have shifted to a four-day week to reduced costs of transportation, food service, and office support. Some have begun to work together by combining programs, sharing teachers, or sharing central office resources. In Michigan one district contracted with a nearby district for a portion of the superintendent's time. Others consolidated human resources or business services. Third, you can prioritize what you are doing. This is often difficult, even when you use data, because it is often seen as valuing one program more than others. If you prioritize be sure to anchor your decisions in your school's vision and mission. Some schools have learned that reducing every program a little isn't very effective. It may be necessary to focus on fewer things and do them really well. Always be sure someone is advocating for the neediest students, those requiring the most support.

Some schools have begun to work together to share professional development. Others have worked with local business leaders to sponsor professional development. Or you might want to increase efforts to identify volunteers, such as senior citizens, to work with students." (<http://effectiveprincipals.blogspot.com>)

A useful tool for conducting some of these tough discussions is provided by the Indiana Department of Education. They developed a checklist to identify areas of agreement among the school leadership, the community, and the professional associations and unions affected by the cuts. And while the checklist can't take all of the emotion and rancor out of these discussions, it can at least help assure that the conversations are comprehensive and broad-ranging. (<http://www.doe.in.gov/news/2010/01-January/documents/CitizensChecklist.pdf>)

Return on Investment

Ulrich Boser conducted an analysis of the return on investment in 9000 U.S. school districts for the Center for American Progress. Using 4th, 8th and high school reading and math scores as the measure of achievement, he concluded:

- The least-productive districts across the nation spend 3 percent more of their budgets on administration and operations than better-performing districts.

- Poor students are more likely than wealthier ones to be attending an unproductive school district. More than a million students overall are attending schools the study labeled as unproductive.
- More spending -- above a certain threshold -- does not guarantee higher productivity. More than half the school districts in the study showed no relationship between the amount of money spent and student achievement. For example, two very similar school districts of about 10,000 each in Wisconsin produced students with virtually the same average test scores. But one district, Eau Claire, spent about \$800 million more than Oshkosh did.
- Especially productive school districts appear to share some traits, according to the study's authors. These districts were often located in "supportive communities" and spent about 3 percent more of their budget on instructional costs -- e.g., teacher salaries, curriculum materials -- than lower-performing districts did.
(http://www.americanprogress.org/issues/2011/01/educational_productivity/report.html)

Protecting the Neediest

Based on their analyses, both Williamson and Boser caution that large budget cuts often fall most heavily on those students with the most needs -- especially poor and minority students who attend districts that suffer the most from declining state and federal revenue. In all of the school's decision-making, it is important to be sure that someone represents the voice and interest of these students.

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Online Resources:

In addition to the references above, these resources provide helpful insights, tools and information about doing more with less.

Hess, F. and Osberg, E. (2010). *Stretching the School Dollar: How Schools and Districts Can Save Money While Serving Students Best*. Cambridge, MA: Harvard Education Press. <http://www.hepg.org/hep/book/123/StretchingTheSchoolDollar>

Aimed specifically at policy-makers, conservative educational researchers outline a plan, borrowed heavily from business strategies, to reduce costs and gain more efficiency from school funds. For a summary of major recommendations, see the Fordham Foundation policy brief: <http://www.edexcellence.net/publications-issues/publications/stretching-the-school-dollar-policy-brief.html>

Ohio Smart Schools
<http://www.ohiosmartschools.org/>

This initiative of Ohio state government is focused on improving student performance, reducing spending, and tapping community strengths. It includes resources and guides for planning and implementation.

Michigan Schools: Doing More with Less, by Janet R. Beales
<http://www.mackinac.org/111>

From the Mackinac Center for Public Policy, this older piece (1994) outlines how schools can reduce costs by using contracted services, where the school becomes a customer to competing providers.

Doing More with Less: Strategies for Success

<http://www.educationpartnerships.org/>



Blackboard Corporation

http://www.blackboard.com/resources/k12/K12_MoreWithLess.pdf

This report from the Blackboard Corporation, maker of computer based course management systems, offers good suggestions for ways to use technology to improve instruction.

Class Size and Student Achievement at a Glance

Center for Public Education

<http://www.centerforpubliceducation.org/Main-Menu/Organizing-a-school/Class-size-and-student-achievement-At-a-glance>

One of the most common ways to reduce costs is by increasing class sizes. This excellent report shows the effect of class size on achievement and offers helpful guidance on how and where to increase class size if it is absolutely necessary.

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