

**“INSIDE”**

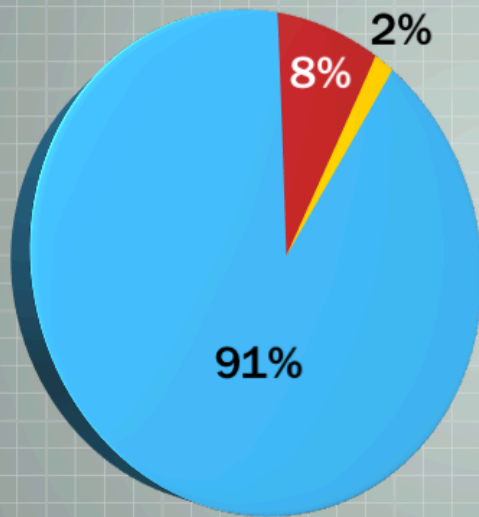
**INTELLIGENCE**

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**THE TEXAS TRIBUNE**  
**TEXAS  WEEKLY**

**The insider's poll for the week of March 7.**

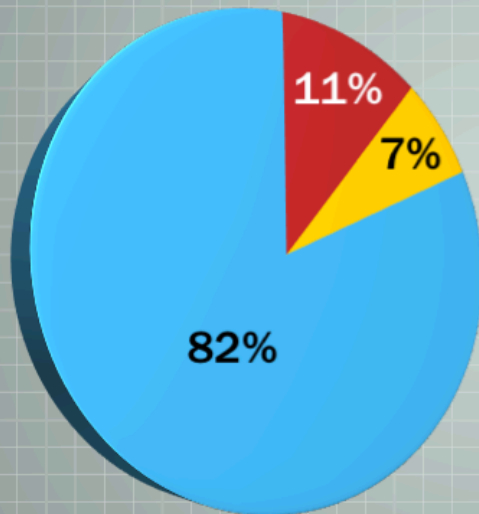
## INSIDE INTELLIGENCE



Will budget cuts force local school closings and teacher layoffs?



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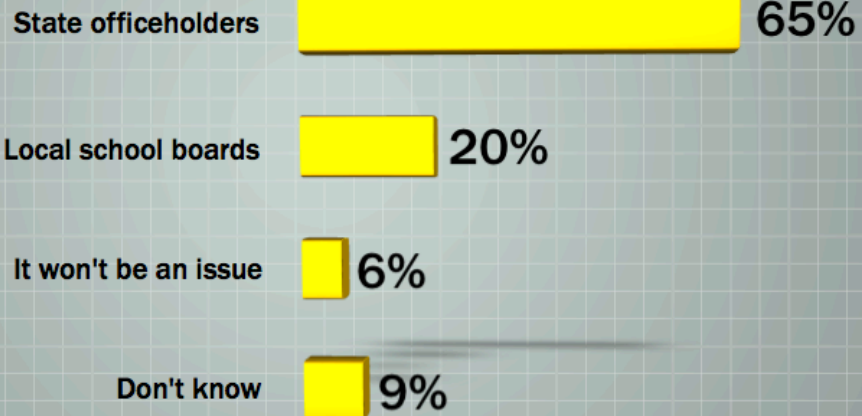


Will budget cuts force local school tax increases?



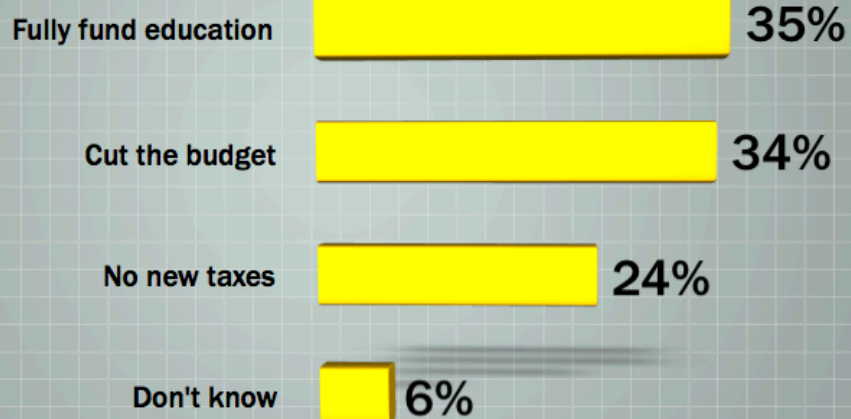
# INSIDE INTELLIGENCE

Who'll get the blame or credit?



# INSIDE INTELLIGENCE

Politically, which promise is most important?



## Do you believe local school districts will close schools and lay off teachers as a result of state funding cuts?

- "The districts need the state reductions as an excuse to re-structure — something they needed to do, anyway. The ISDs need to focus on the areas of service where the growth trends demand it. It's tough for older neighborhoods to accept that."
- "If by 'close' you mean consolidate."
- "Most local school districts will do everything they can to make cuts as painful on parents as possible. Rather than cut administration, reduce athletics to a reasonable level and stop building monuments for classrooms they will blame Austin. Shutting schools and firing teachers will be the first places administrations cut. The more pain local schools dish out the more they can blame the State. Texas education needs to be revamped to where the local schools are totally responsible for education or the State is. What we have now is the local spend the money and blames the state when they don't have enough to fulfill their local dreams. Unfortunately for the kids and teachers they are no longer the priority."
- "Some schools may lay off teachers, but I doubt they will close schools. They should focus on personnel at the administrative level for layoffs."
- "The right-wing GOP leadership is selling Texas children down the river."
- "The proposed budget reductions are at a scale where layoffs of teachers and other school district employees can't be avoided in the majority of school districts. School closures are probably a year or two away, depending on a district's circumstances — current scale of and enrollment at existing campuses, district enrollment growth and related factors."
- "The gap will close but not completely. District will either raise local taxes (if the can) or make cuts. Right now it looks like most of them are going to make cuts."
- "More than 500 Dallas teachers have already taken a \$10,000 buyout to quit and more will follow."
- "Each school district will have one sacrificial lamb administrator they will lay-off or re-assign, the rest of the cuts will have to come from elsewhere."
- "Because the recession has touched every household, the budget shortfall will also touch every district."
- "A sad commentary on the priority we place on public education in this state. Unfortunately, academic courses such as fine arts will take a disproportionate share of the cuts in many school districts."
- "District options will depend on the size of the budget cuts. Staff layoffs are guaranteed. School closures will generally be part of a long-term strategy, if applicable."
- "Likely a number of marginally operational districts, such as Millsap, will be closed. Although there should be reductions in non-teaching personnel, teacher cuts will be the focus of districts to raise the outcry against cuts."
- "Unfortunately, if the state leadership does not tap the Rainy Day Fund, raise fees and taxes, while making significant cuts, public schools will suffer. Enrollment is up for schools and caseloads are spiking for health and human services due to the economic downturn and population growth. We should be investing in our schools (read future), not cutting."
- "Consolidation of schools and maximizing infrastructure is long overdue."
- "Lay off teachers and staff for sure. I'm not sure these people have guts to force small districts to close"
- "School districts have no choice if the state fails to adequately fund them. Further, school districts are limited in their ability to raise local revenue. They must conduct referendums if they increase their respective budgets by more than 8% over the previous fiscal year. Several school districts have been unsuccessful in raising their rates or getting voter approval to issue bonds. They are in a

bad situation because the State will not fund them and the public doesn't want their taxes raised."

- "Even under the best-case scenario, there will be some of that. It may be lessened if legislators do the right thing and provide adequate funding."

- "Duh"

- "Not close but certainly layoff teachers"

- "Superintendents are a lot more eager to talk about larger class size and easier teacher layoff than they are about the need for revenue adequate to prepare our children for the future."

- "School closings and teacher layoffs depend totally on Dewhurst — will he lead the Senate — will he bring Shapiro with him — or will he stay behind closed doors where the members pimp-slap him with glee..."

- "Fewer than expected as the no tax dam is leaking."

- "Local school districts will have no choice but to sharply reduce spending, which means layoffs for teachers and in most districts the closing of some schools."

- "Schools will be closed. Teachers will be laid off as a result. The bottom line is that efficiencies must be achieved. Too many districts have schools open in areas that do not have population sufficient to support efficient operation."

- "School districts are already in the process of laying off teachers and closing schools in anticipation of the cuts. This will only accelerate once there is some clarity as to the actual level of state funding cuts, as most districts are still probably hopeful that there will be some reprieve from the massive cuts."

- "Not only will they lay them off, most districts will declare 'financial exigency' in order to break teacher contracts without penalty and therefore the teachers won't find out who is getting fired until a few weeks (or days) before school starts."

- "Teacher lay offs will happen by the thousands. If the Austin experience is indicative, school closures will be politically difficult — if not impossible — unless districts convince voters that everything else has been done first, especially cuts to administration and the sale of genuinely under-utilized non-academic facilities."

- "The question is not whether, but to what extent. If the cuts are massive, as required by HB 1, the response will be massive, including the negative economic effects that result from the loss of jobs. For many of our communities, this will weaken or destroy their economic recovery."

- "They should lay off administrators first, but they will lay off teachers since it's a better headline for them."

- "This isn't even a debatable matter. AISD, HISD, DISD and others are already announcing layoffs and closings as a result of the current shortfall. Boom. It's happening right now."

- "It appears that many districts will offer early retirements and perhaps lay off teachers after other non-classroom personnel cuts are made."

- "School districts are already anticipating a major cut in state funding to public schools, and in response to that they are already adjusting their budgets for the next school year to shut down schools, lay off teachers and other school employees, and reassigned administrators to the classroom or other functional duties. Don't buy the hype from the conservative think tanks that the only way to save the 'classroom' is to cut administrative salaries. Cuts will be across the board, including administrative salaries, as all personnel will be affected by the lack in state funding."

- "I don't believe they will have a choice in the matter. Of course, they'll shut schools down and can teachers before they cut the Third Deputy Superintendent for Transportation."

- "There may be some layoffs, but not on the scale being discussed now in committee. Too

much political heat. The FNGs (freshmen R's) are not on the budget-writing committees."

- "Laying off teachers is more likely than closing schools, and probationary contract

teachers (generally newer hires) will be the most vulnerable."

- "But this needs to happen anyway"

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### **Will state budget cuts result in local school property tax increases around the state?**

- "Where they are still possible."

- "Maybe people will one day figure out that an income tax is better than a property tax. Consumption taxes are even better still."

- "If local taxes rise, you can bet they will blame Austin. We either need locally run (and locally accountable) schools or state run schools. Not the hybrid we now have. Parents and taxpayers need to have a clear-cut line back to who is responsible. School boards say it is Austin. Austin says it is poorly run schools. The time for finger pointing is over."

- "Local school boards will raise local school property taxes as much as state law allows. However, the cap on local tax rates is so low that it will not allow many such increases."

- "Some school districts will use any action at the state level as an excuse to raise taxes."

- "If they are not at their limit now"

- "If the budget cuts remain anywhere near their current levels, a number of school districts will probably consider tax rate elections for this summer or fall to offset some of the reductions, although the current capacity the school finance system suggests that slightly less than half of the \$5 billion a year budget cuts for schools would be offset if every district had a successful election at the maximum \$1.17 M&O tax rate."

- "It will if districts can pass tax ratification elections."

- "Nothing like passing the buck and taking the praise. 'We didn't jack your taxes up, but if you are mad, blame the local guys.'"

- "But so would state budget increases, or continued level funding."

- "Will vary but expect elections across the state over the next two years, especially if the state continues to provide matching money"

- "State will have to reconsider the state paid for reductions in property taxes, which is around \$3.5 billion a year. Good way to fill budget hole."

- "Only minor increases."

- "Of course! The Legislature is pushing their duties down to the local level, abdicating their responsibility."

- "It's time for a statewide property tax, taking the place of the local tax, to equitably fund all Texas schools."

- "Not sure local boards have guts to go for elections most increases will require"

- "The voters will reject their efforts to increase taxes."

- "It's inevitable."

- "It's Texas, right? That's what we do here."

- "No but they will likely lead to other types of taxes or fees being raised or newly assessed"

- "It's the obvious solution to the state's abdication of responsibility to make 'suitable provision for the general diffusion of knowledge,' but school boards may prove to be as spineless as the Legislature — preferring to abandon the future rather than risk the

short-term political consequences of raising necessary revenue."

- "Unless something changes — you bet!"
- "Would no matter what the Lege does...."
- "The Republicans in Austin are running a scam on voters by vowing not to raise taxes, but gutting funding for public schools such that all responsible ISDs will have no choice but to raise local school property taxes."
- "Many districts have not yet raised their tax rates as allowed by law."
- "Can you say, lawsuits?"
- "There are some scenarios where local property tax increases will occur through legislative or commissioner action related to compression percentages. The option on the table seems to be will the state raise local taxes or will it leave this to each individual district."
- "If the Senate budget goes forward, absolutely yes. There is no other way to meet the numbers they are talking about. Also, the political temptation to amend or repeal the compression rate is just too great since that raises money without voting for new taxes (i.e., the local school boards are the ones raising taxes)."
- "School districts with the capacity to raise taxes will be forced to do so. The arguably more important question is whether or not voters will support those proposed increases."
- "Many districts will seek and receive voter approval."
- "Definitely — except in lowest-funded districts that have already maxed out their M&O tax rates."
- "Yes, but only where the tax cap has not been reached, which is only among a small number of districts e.g., HISD. Many more districts will probably reduce or drop the homestead exemptions that provide to property owners."

- "But very few schools have room under their tax cap rates."
- "The anti-tax forces are quite loud and not only are the folks in Austin afraid of them, but so are many of the local officials."
- "Any school districts that haven't already accessed their additional pennies will have to do so (are there even any left?)."
- "The question is really too simplistic and vague to answer in this format."
- "Tea Partiers — residing in low income districts to the affluent — will be surprised that local bond programs will be approved and local ISD property taxes will increase. Residents of Laredo and Plano will both accept a few mils added to their property tax to retain favored teachers, language programs, arts, sports. The new house R's need to direct rage at Washington not ISDs that are rather transparent and generally well managed locally."
- "If they have any capacity to increase their taxes. Additionally, they will have to decide if they are a Chapter 41 how much it will take in a tax increase to realize an increase in funding for themselves."
- "How else do you expect local governments to raise revenue the state isn't sending to them?"
- "The Lege will pass a bill to allow for local increases without a vote"
- "Unavoidable."
- "Too obvious to the 'tea party'."
- "The local districts that were confident enough that their spending decisions could withstand voter scrutiny have already asked for approval of higher tax rates, for the most part."
- "Unfortunately ... that is the sad truth."

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## Who'll get the political blame or credit for any school layoffs and closings that occur?

- "It depends on who the political consultant is!"
- "The current effort by some of the political groups is to blame local school boards for initiating budget cuts and layoffs, at a time when there is little evidence to suggest major improvements in the state budget outlook and delaying action ties their hands as to possible remedies. There are several 'efficiency' studies out there that are likely to be used to suggest that local school districts are wasteful and can absorb budget reductions, but these reports are not likely to stand up under serious scrutiny. Longer term it may be difficult for state officeholders to avoid responsibility for the impact of layoffs — larger class sizes and the other consequences."
- "Could be both depending on how local districts handle it."
- "All politics is local and when the state boys and girls blame the locals, the locals will fight back. Going to be a bitch of a fight."
- "State officials will take a big part of the hit for cuts; local officials will get more of blame for property tax increases."
- "Legislators better not shy away from talking with taxpayers, especially if it means coming face to face with people shouldering the cuts. We're going to have to say, 'I'm sorry. I know you're hurting. And I'm going to do everything I can to fix what was forced upon us.'"
- "If the local school boards are doing their job, then they will lay the blame squarely at the feet of the state lawmakers and the Governor."
- "The local guys will shout the damnation of the top to bottom push down of intrusive, unfunded state decisions."
- "Should be Legislature but local leaders are easier to reach and have to vote to fire and close"
- "Wouldn't you love to meet the delusional soul who clicks 'It won't be an election issue?'"
- "Although it's really on the backs of those who voted for the property tax cuts in 2006."
- "State 'leaders' should get the blame if they fail to do the hard work and cut elsewhere leaving it to the local school boards."
- "Rick Perry did a good job of hiding the state's budget problems before the election — it's worse now because the average person is just now realizing that we are in equal or worse shape than many other states. Perry will try to blame Obama, I'm sure, but people are starting to realize that Perry doesn't have much ability when it comes to governing, and this has led us down the path to insufficient funds."
- "Ultimately the TEA party."
- "I'm not terribly well informed about the level of trust, local vs. state, but my bet is officials in districts in which schools are respected will come out well in any case, and others likely will not. However, I do not believe the Gov and the Republican-held Legislature will escape complete blame for closing schools, but their primary voters won't give a damn. What it does mean is, in 2012, even if Dems take a mauling in redistricting, fifteen-twenty GOP-held House seats, and maybe a Senate or two, will be within Democratic reach. 2010 was, for Christ's sake, a fluke, much like 2008 was for the Democrats."
- "State officeholders will not avoid all of the blame, but in the end the ones choosing to raise taxes will be the local school boards, therefore they will receive a majority of the political blame for the tax increases (but not all that much credit for saving the public schools from falling even further into the abyss that is Texas K-12 public education)."
- "School districts seem to be mobilizing early to challenge the proposed cuts. While their efforts will likely yield only modest success in sparing the budgetary ax, their efforts



probably will be more successful in putting the Guv and Lege on the hook for the fallout."

- "All elected officials will be blamed for school closings and layoffs."
- "People who are knowledgeable about how schools are funding will spread the blame between local and state officeholders. People who are not knowledgeable will blame the local school boards."
- "Both, but most heat on the locals."
- "The era of pushing accountability for cuts to local communities is over. Texas voters will have a 140-day long media circus to remind them where the ultimate blame resides."
- "Blame will be on Republicans, but it won't be significant"
- "The Governor is focused on immediate political risk in adopting a budget and is failing to consider the greater political risks associated with a badly funded government that is unable to meet public needs. The after-adoption damage would be too great to be nationally known."
- "It should be state officeholders because they are the ones who created the structural deficit that is the main cause of the budget shortfall and are now choosing to cut public education funding."
- "Blame is relative and especially is local school districts are 'forced' to raise taxes or cut homestead exemptions. If the Gov vetoes any attempt to draw on the 'rainy day' fund he might be in for some blame."
- "Republicans are in charge of every aspect of this budgeting process, up to and including

the tax system on which it is based. There isn't anybody else to blame except Republicans for what is about to happen to public schools. Voters won't be confused about that."

- "Everyone will be blamed. The locals for letting things get out of hand and the state legislators for allowing that to happen."
- "I think state officeholders, because a) it's actually their fault and 2) school board members are going to be reaaaal aggressive in making that fact known."
- "While the economy, stimulus funds and consistently spending more than should have been spent are actually to blame, it will be the level of state funding that drives the local decisions. Therefore the state officeholders will get the blame."
- "Credit? Who the hell wants to take credit for closing a school or laying off teachers? The blame needs to start at the top: The Republican leadership passed laws in 2006 that created the \$27 billion structural deficit we are facing today. The same leadership passed a school finance plan that not only is complicated but was a temporary fix to a previous problem created by the Democrats and guess who has to pay for it now? Students and taxpayers."
- "Teachers and school board members have been doing an excellent job at placing blame on state officials"
- "Plenty of blame to go around."
- "A lot of blame..."
- "There will be enough blame to go around."

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**As a matter of politics, what's the more important promise?**

- "Promising that one doesn't know would have been the most prudent promise. I don't think many of them did that, though."
- "Legislature needs to find a policy that appropriately funds public education and cuts the budget"

- "Based on the election results from the last cycle and polls showing that the public supports Republican efforts at the national level to reduce spending, I think cutting the budget is the best political choice."
- "Governor's veto power makes 'no new taxes' easier to keep, especially since the blame for the consequences gets spread out over the entire legislature and local officials."
- "Cutting the budget and no new taxes would appear to be the most important promises at this point. It is hard to distinguish which is more important, although cutting the budget seems to be the current focus."
- "Sorry to say, but a vote to keep Johnny educated in Midland does not matter to the taxpayer in Houston. Politics rule — they will cut the budget."
- "The public expects budget cuts; but they would prefer minor tax increases to third world status in terms of services."
- "Unless you just landed on Earth, people recognize the economy calls for making really hard changes in spending."
- "It is a 'pay now or pay later' scenario. An uneducated workforce moving through the 21st century would be an economic disaster for our state."
- "Somewhere in the middle. There is definitely fat in the system. State needs to eliminate a number of the bureaucratic reporting requirements implemented over the past 25 years. A lot of information collected, some even useful, but really none has made a positive impact on improving public education."
- "These days polls show that folks want it all — tax cuts (less government) and social services. Well you can't have both, but GOP voters in the suburbs want good schools for their kids."
- "Texas has proven in the past that keeping taxes low and the business climate strong leads to aggressive recovery and job growth when the economy turns."
- "Really depends if you are sane or not"
- "With the low Texas ranking in the percentage of students graduating and low standardized test score we should not be lowering the funding for schools."
- "God bless Texas."
- "This is at least what republicans believe but if they are wrong they could have bet on the wrong horse."
- "Until someone takes the risk of explaining how sometimes you have to pay more to get a better product, it will always be easier to play to the crowd's prejudice."
- "We can cut the budget AND fully fund education — stop talking about laying off teachers and start firing vice principals, testing coordinators, part-time coaches and consolidate administration among rural districts! Come on Shapiro — LEAD!"
- "The Texas mantra has always been to cut and not to raise taxes. We are seeing this change. When Senator Deuell is making the case for cuts and for taxes, you know things have changed in Texas. This is a refreshing bit of honesty."
- "Lousy choices! What about making education more efficient and geared more to effective practice?"
- "Cutting the budget is the more important short-term promise but that will change when cutting the budget hits home."
- "No new taxes is the most important promise for Republicans, and politics in Texas revolves around what happens in the Republican primaries."
- "E. None of the above. Balance the budget without raising taxes (fees) or draining the Rainy Day Fund."
- "These priorities can change, but no new taxes probably is the most important driver. The problem is, Texans want all three, which they are waking up to realize is totally impossible."
- "Legislators in suburban districts will have the most to lose if public education is not

funded. School layoffs have big political risks because of the visual human element. An incumbent can campaign on cutting the budget. But it is hard to defend the hits that will come if public ed isn't funded: shutting-down schools, laying-off teachers, reshuffling kids throughout town to get to their new school, etc."

- "I don't understand this question. I think it is possible to give an answer as to the best long term POLICY for the state, but as to politics it depends on which officeholder you mean. The answer changes from one member to the next, which is why we've got a vapor lock preventing forward progress."

- "Not a cut and dried question. All of these things are important. If you can't do it all, you should take a balanced approach to budgeting."

- "The big challenge is not to fully fund public education but to provide a viable level of funding that saves the public school infrastructure from devastation."

- "It's the economic future of our state."

- "We've had this studied extensively. Threatening the next generation's future trumps the tax issue every time with voters. Voters want lower taxes but not at the expense of the future."

- "This is particularly true to Republicans. The potential problem is whether votes, especially white republicans see a connection between cuts in spending for education and declining property values."

- "That's \$9 billion question, isn't it? Conservatives believe people agree with them — that cuts to spending and services are what voters want. Progressives (and most/all moderates) believe that voters want conservative rhetoric...and progressive policy. Promises like 'cut the budget' and 'no new taxes' are really easy to make in a vacuum."

They're a lot harder to deliver without sacrificing a lot of families' futures."

- "Most important for whom?"

- "However painful, this year, the campaign promise to keep is 'cut the budget to fit known revenues.' The looming concern is the structural changes for state officials to make in concert with Washington to slow the expansion of health costs and social programs. Otherwise these social entitlements will subsume public education expenditures by 2020."

- "Taxpayers want to know that you cut the fat and then some before you increase taxes. I don't think there is any one in the public who doesn't believe there is fat in the schools — but someone's fat is someone else must have."

- "How about a fifth option? Fix the laws that created the problems we are currently facing. It is a widely known fact that our state budget is as lean as it can get for a state as big as Texas. Any more cuts to the state budget will have a devastating effect on children, the elderly, disabled, low-income families, students, public schools and local governments. If no new revenue is raised or found through accounting maneuvers, then we can't fully fund public and higher education, health and human services, and any other public service required of the state."

- "If you believe Steve Murdoch, those who stick to no new taxes are still taxing families by bringing down the average household income and cutting us off from being economically competitive."

- "Way too many promises made to list them all here...."

- "By the way, cutting the budget and laying off tens of thousands of teachers and public employees doesn't put a dime of tax cuts in the 'tea party' pocketbooks."

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Our thanks to this week's participants: Sylvia Acevedo, James Aldrete, Clyde Alexander, George Allen, Doc Arnold, Jay Arnold, Jim Arnold, Kip Averitt, Charles Bailey, Reggie Bashur, Walt Baum, Dave Beckwith, Allen Blakemore, Tom Blanton, Hugh Brady, Steve Bresnen, Chris Britton,

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