

# Some Cuts Don't Heal: The Permanent Cost of Short-Term Thinking on Texas Schools

Texas public school enrollment dropped by nearly 76,000 students this year. Falling birth rates, regional demographic shifts, and the expansion of alternative education options are all contributing to the decline, with the new Education Savings Account (ESA) program poised to add further pressure. Districts are consolidating campuses, cutting programs, and reducing staff. These cost-saving measures will have lasting consequences for students, families, and communities.

The Texas House Committee on Public Education is now examining the issue through an interim charge on the state of public education with a focus on enrollment trends pertaining to the stability of the school finance system. The testimony heard during the committee's first interim hearing confirmed what many Texans already sense: We are at a crossroads.

Public school leaders have always been held to a high standard of long-range stewardship on behalf of their local school districts. They study enrollment and demographic forecasts, assess facility needs, model staffing, and engage their communities with ongoing conversations about long-term planning to ensure the best use of tax dollars and resources. That same standard of long-range stewardship should apply at the state level when policy-makers consider changes that affect enrollment, capacity, and school finance.

Yet major policy decisions — including charter school expansion, the creation of the ESA program, and the continuation of a funding structure that has struggled to keep pace with changing conditions — have not always been accompanied by a thorough analysis of their effects on enrollment patterns, school capacity, and long-term sustainability.

A decision made in one budget cycle can have consequences that last for years and may not be easily undone, even if circumstances change. That is especially true in public education, where systems are built through long-term public investment.

Consider the scale of Texas' public school infrastructure. More than 9,000 schools serve 5.5 million students, representing decades of public investment in facilities, personnel, and community infrastructure. In many communities, schools are more than places of learning; they also serve as community centers, shelters during times of crisis, voting locations, and public gathering spaces.

Even so, at least **130 public campuses** across Texas have been slated for closure or consolidation over the past two years because of enrollment declines and related budget pressures.

The lesson is clear: before making major policy decisions, the state must do a better job of analyzing long-range enrollment and capacity impacts on schools. Anything less risks weakening a critical public infrastructure system built over decades.

## The Honest Cost of Choice

Choice is inherently less efficient than the focused support of one strong education system. That is the reality in every state that has expanded choice. None of this is a criticism of any family's decision or any individual school; it

is simply the math of operating parallel systems — costs that deserve the same long-range analysis Texas applies to any other major public investment. Maintaining multiple publicly funded pathways means carrying overlapping costs — facilities, staffing, administration — that cannot be instantly scaled up or down. In some communities, a charter school now sits directly across the street from a neighborhood public school. Both publicly funded. Both carrying full operational costs. And both drawing from the same declining enrollment base and competing for the same scarce supply of qualified teachers — but only one with an elected governing board accountable to the voters.

The scale of charter growth deserves closer attention. From 2015 to 2025, the State Board of Education (SBOE), an elected body accountable to Texas voters, approved 69 new charter campuses on behalf of 41 charter school operators. During that same period, the Commissioner of Education authorized 1,036 additional charter campuses through expansion amendments that do not require opportunities for public input or a vote of the elected SBOE. All of those campuses are publicly funded. Extending SBOE review to all charter decisions and requiring that any expansion request include an enrollment and capacity impact analysis of the impacted area would bring transparency and accountability to that process.

The same principle applies to ESAs. The program is new, and its full effect on public school enrollment is not yet known. Before the Legislature considers expanding eligibility or funding levels, a systematic analysis of its impact on enrollment and capacity would ensure those decisions are made with a complete picture of their impacts.

In a political environment where choice is paramount for families, there is another side to the story. Simply put, when charter schools and ESAs reduce enrollment enough to close a public school, families lose an educational choice. Communities also lose public spaces they paid for and rely on.

Demographic trends cut both ways, and today's enrollment declines will not necessarily last. If Texas cuts public school capacity too deeply in response to short-term enrollment shifts, rebuilding later will cost far more than preserving flexibility now.

If enrollment rebounds, restoring lost capacity will be far more difficult than maintaining flexibility today. Neighborhood schools are woven into the fabric of Texas communities. Families choose homes near them; neighborhoods grow around them; and over time those schools become community anchors. When they close, reopening them years later is rarely simple. Communities often must settle for whatever can be built on available land or in commercial space, usually at greater taxpayer expense.

## **Building a Finance Structure That Can Handle Uncertainty**

That reality should shape how Texas thinks about school finance.

Under the current school finance system, funding follows attendance, so enrollment volatility quickly becomes budget volatility. Schools trying to plan responsibly have little cushion when attendance shifts, and that instability is unlikely to ease in a policy environment that actively encourages families to move between educational options.

The formula relies almost entirely on a per-pupil model, as if school costs rise and fall neatly with enrollment. Some costs do, but many do not. A principal, a building, a bus route, and core instructional staff are still necessary whether a school serves 400 students or 280. When enrollment drops, costs do not fall in lockstep.

There is a better approach. Moving from Average Daily Attendance to Average Daily Enrollment would create a more stable and predictable funding base. That would help districts make sound long-range decisions about staffing and programs. A two-part formula that separates fixed campus costs from variable per-pupil costs would better reflect how schools actually operate. A finance system built almost entirely around average attendance will continue to put neighborhood schools at risk, especially amid the demographic uncertainty Texas now faces.

**The Legislature Has Started the Discussion. Now It Should See It Through.**

The House interim charge on the state of public education is a crucial step. The next step is harder: translating what the Legislature has heard into policy that protects the neighborhood schools Texas cannot afford to lose.

Public schools are central to Texas' economic strength and to daily life in communities across the state. The Legislature is asking the right questions. Now it should act before more irreversible damage is done.