

**Parents for Gifted Education
PGE**

**ILLUSORY SAVINGS BY
CUTTING THE GIFTED
PROGRAM**

**DOES CUTTING THE GIFTED
PROGRAM REALLY RESULT IN
SAVINGS TO THE DISTRICT?**

People adjust behavior to stimuli affecting them. The district needs to take into account the rational actions parents will take if successful programs are cut. It is a fact that some parents will leave district schools if the gifted program is cut. The question is how many and what would be the effect to the proposed budget?

From our survey we project that the district will actually lose money by cutting the gifted program.

We project that by seeking a one time savings of \$1,058,000, the district would lose anywhere between \$1.4 and \$2.8 million a year from lost students in the district. Thus, in the first year the district would actually lose between \$330,000 to \$1.7 million, then see recurring loses of between \$1.4 to \$2.8 million per year.

The chart below summarizes the dollar effects suggested by our survey.

Illusory Savings of Cutting Gifted Program

| | If survey is 100% Accurate | If only 1/3 of parents who would plan to leave actually leave | If only 1/2 of parents who would plan to leave actually leave |
|--|----------------------------|---|---|
| Percentage of gifted students leaving district 205 | 76% | 57% | 38% |
| Number of students in the gifted program | 1100 | 1100 | 1100 |
| Revenue per student from State | 7566 | 7566 | 7566 |
| Revenue Loss | \$6,325,176 | \$4,743,882 | \$3,162,588 |
| Yearly Loss to district (after savings for teachers laid off)* | \$2,846,329 | \$2,134,747 | \$1,423,165 |
| Savings from cutting Gifted Program | \$1,085,000 | \$1,085,000 | \$1,085,000 |
| Net Savings in first year from closing gifted program | (\$1,761,329) | (\$1,049,747) | (\$338,165) |

* Assuming \$100,000/teacher @ 30 students per teacher

We believe:

- **A proposed cut should result in actual savings. If it will not deliver a savings, then it should not be proposed.**
- **Expected behaviors should be taken into account when making a projected savings analysis.**
- **When changes are made, it only makes sense that parents will do what they think is best for their children.**

- **Successful programs bring to the district students who may not normally attend a district school. It therefore only makes sense that if you take this away, you will lose some of these students.**
- **This is not a new concept to schools in general and to the district as well, ie elimination of sports in the 70's.**

We have not heard any public discussion of the effects parents' responses will have on budget projections. To survive, any business would take into account possible behavioral responses to changes it would make. In its deliberations the school board needs to as well.

We hope that the school board will consider the validity of our analysis.

**REMEMBER TO THANK THE SCHOOL BOARD
FOR THEIR HARD WORK AND AS ALWAYS TRY TO HELP
THEM WITH THE ACCURATE AND RELEVANT FACTS**