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Why Oil and Coal States Are Slashing Their Education Budgets

Wyoming is the latest state to cut spending for K-12 schools.

By Aria Bendix

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Wyoming Governor Matt Mead signed legislation on Monday approving \$34.5 million in cuts to the state's K-12 education budget. The new spending plan also denies tax increases that would raise additional money for education, though it does establish a special committee to determine future modes of funding. Ultimately, the legislation seeks to address [a shortfall in Wyoming's education budget](#) that could reach \$1.8 billion by 2022.

"We're going to need to think about funding education as a Chevy rather than a Cadillac in the future," Jillian Balow, the state superintendent of public instruction, [told](#) *The Casper Star-Tribune* back in December.

Beyond overspending, there's a [larger explanation](#) for why these budget cuts are necessary. The majority of Wyoming's funding for public education comes from taxes and other revenue sources that depend on the state's declining oil and coal industries.

In 2016, the U.S. Department of Energy [reported](#) that coal production had reached its lowest point in 35 years, forcing many coal companies to declare bankruptcy. Oil prices in the U.S. have [also fallen](#) from \$99 a barrel in 2014 to \$30 a barrel in January 2016.

As these industries struggle, states that depend on them like Wyoming, Alaska, and

Oklahoma are forced to cut spending for education. According to [data](#) from 2011-2012, around 30 percent of Wyoming's education spending comes from [federal mineral royalties](#), while another 30 percent comes from property taxes often backed by these minerals.

A 2016 report from the Rockefeller Institute of Government identifies eight states whose economies have been severely impacted by the decline of oil and coal revenue in the U.S.: Alaska, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, West Virginia, and Wyoming. In each of these states, oil, natural gas, and mining account for around 10 percent of GDP.

Last year, statewide budget cuts in Oklahoma led to a \$109 million loss in funding for public schools. As a result, many Oklahoma school districts were forced [shorten their school weeks](#) to reduce costs.

Last June, Alaska Governor Bill Walker also unleashed [a series of cuts](#) to schools and universities, which totaled \$150 million. In the same year, North Dakota was forced to cut \$172 million in spending for K-12 education, but this loss was supplemented by a [special reserve fund](#) for elementary and high schools.

Although education isn't the only public sector to suffer from widespread budget cuts, it has certainly felt the burden within these struggling economies. Indeed, the future of educational programs in states like Wyoming may depend on the fate of oil and coal industries in the U.S.