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Two of three Ohio school districts have budget shortfalls

Most districts are cutting courses, reducing staff or raising student fees

The state budget reduced school funding in Ohio by \$1.8 billion when compared to the previous biennium. A recent survey of Ohio school districts found that two out of three districts have budget shortfalls and more than a quarter of districts expect to be in fiscal distress. Of responding districts, 44 percent said they plan to reduce expenditures on materials, supplies and equipment; 38 percent said that they will allow class size to grow; 15 percent reported plans to reduce course offerings (double the share last year) and 12 percent plan to reduce instruction in the arts. Almost 19 percent said that they will raise fees for participation in athletics and other extracurricular activities.

“Schools across the state – poor, wealthy and in between – revealed alarming levels of fiscal distress,” said Piet van Lier, education researcher and one of the report authors. “The cuts being discussed – to staffing levels, course offerings, arts and extracurriculars – will hurt Ohio students.”

School districts are being cautious about seeking local funding: 73 percent of respondents had no plans for ballot issues through November 2012. The survey revealed that rejection of a levy makes subsequent elections harder.

Education is labor intensive: in Ohio, 83 percent of school funding supports payroll. Almost a quarter of respondents (23 percent) said they anticipate reducing teaching staff by 2.6 to 5 percent. The share of districts planning a reduction of between 5 and 7.5 percent quadrupled between last year and this. Respondents also reported that they have already reduced staff, through attrition or layoff, by 700 positions, more than twice as many as the 331 reductions reported for the last school year. If this rate of reduction occurred in all Ohio districts, then up to 2,500 teaching jobs may already have been eliminated in Ohio schools in the current school year.

“Fewer teachers means larger classes, which often makes it harder to manage a class, provide high quality education, and give individualized attention,” said Wendy Patton, senior project director and a report author.

The strategies districts report using to manage the budget shortfalls can erode educational quality and exacerbate inequality of opportunity. The report recommends that Ohio restore revenue to the state budget and reinvest in schools and children. Recommended strategies include closing unnecessary tax loopholes, restoring income tax rates on the wealthiest Ohioans and on large corporations doing business in the state, and levying appropriate taxes on emerging economic activities so that they contribute their fair share to Ohio’s infrastructure. These include oil and gas production as well the collection of taxes on internet sales by out-of-state retailers.

“We need to restore investment in our children’s education if we want strong families and communities,” Patton said.