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Ohio's funding for schools much lower than before recession Cuts hurt economy in short- and long-term

Ohio has made extensive cuts to school funding since the start of the recession, putting the state's economy and long-term prosperity in jeopardy.

Investment in Ohio's K-12 schools is 7.9 percent below 2008 levels, which means the state has made deeper cuts than 25 other states – the 13 that increased funding and the 12 that cut by lesser amounts than Ohio, according to a report released by the Center on Budget and Policy Priorities, a non-partisan policy research organization based in Washington, D.C.

“Ohio's economy is falling behind because we don't invest enough in education,” said Amy Hanauer, executive director of the state-level non-partisan research institute Policy Matters Ohio. “It's unfathomable that we would go backwards, decreasing education funding, when we know it's the best way to improve skills, help our economy, enrich kids' lives, and brighten our future.”

Changes to Ohio's tax code phased in since 2005 are draining \$2.5 billion in revenue each year, money that could have helped fund schools and other vital services; in addition, tax revenue has not fully recovered from the recession. But instead of addressing budget shortfalls by taking a balanced approach that includes new revenues, Ohio has relied almost entirely on cuts to state services, including education. (Separate analysis by Policy Matters has shown that schools are slated to get \$1.8 billion less in fiscal years 2012-13 compared to the state's last biennial budget, for fiscal years 2010-11.)

The federal government's failure to continue emergency financial aid to states and school districts has contributed to education cuts as well. Federal dollars from the American Recovery and Reinvestment Act and the Education Jobs Fund helped states limit education cuts initially, but the aid largely expired at the end of Fiscal Year 2011, leaving states to deal with education funding shortfalls on their own.

Ohio's K-12 education cuts hurt the state's economy in the short- and long-term. The cuts have extended the recession by causing both public- and private-sector job loss, slowing the pace of economic recovery. The funding cuts have forced school districts around Ohio to lay off teachers and support staff, reduce pay for the remaining staff, charge fees for extra-curricular activities, skimp on supplies, material and technology, and cancel contracts with private businesses.

Reducing investment in schools also has long-term economic consequences. A strong education system is essential to creating and maintaining a thriving economy. Businesses need a well-educated workforce, and education cuts undermine the state's ability to produce workers with the skills needed to compete in a global economy.

“Across much of the country, kids are going back to school to find more crowded classrooms, and – in some cases -- shorter school weeks,” said Phil Oliff, policy analyst at the Center on Budget and Policy Priorities and author of the report released today. “That’s no way to develop our future workforce and build a strong economy.”

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.