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For release Tuesday, March 29, 2011
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Read the report at: www.policymattersohio.org/EducationBudgetBrief2011_03.htm

Kasich budget accelerates downward trend in K-12 funding Charters, vouchers likely to get boost as districts lose \$2.3 billion

A Policy Matters analysis has found that the executive budget proposal of the Kasich administration significantly cuts state funding for education, magnifying the loss of federal stimulus money and leaving virtually all Ohio school districts facing difficult decisions before the start of the 2011-12 school year.

Among our findings:

- Cuts to state education funding totaling \$918 million when the FY2012-13 proposal is compared to the previous biennium (a 5.6 percent decrease);
- The main reduction in state funding comes from the proposed seizure by the state of \$1.1 billion in compensation for the phase-out of the business tangible personal property tax and losses of property tax revenue from changes in public utility assessment rates;
- When the loss of more than \$1.4 billion in federal funding is included, mostly one-time stimulus funds, cuts to school districts total \$2.3 billion from one biennium to the next;
- Using FY2011 as a baseline, the cumulative decrease proposed by the Kasich administration totals \$3.1 billion over the FY2012-13 biennium.

Past decade: Flat funding for education

Policy Matters reviewed school funding data going back to 2003 and found that overall levels of state funding, adjusted for inflation, remained flat until 2007 and then began to drop precipitously. In current dollars, the governor's proposal would result in a decrease of nearly 20 percent in state funding from 2003 to 2013. On an annual basis, not adjusted for inflation, state funds climbed 15 percent from 2003 to 2007 and peaked again in 2009 before beginning a downward trend. If the Kasich budget were to be passed as written, state funding for school districts would fall below 2003 levels even in nominal dollars.

Funding for charters and vouchers increases

Even as state funding for districts has stayed flat or dropped, funding for charters and school voucher programs deducted from district payments has soared, from \$221 million in 2003 to an estimated \$798 million in 2011. Policy Matters estimates that, under the Kasich budget, funding for charters and vouchers could top \$1.2 billion in deductions from district funding.

Research on charters and vouchers shows mixed results at best for these "market-based" reform efforts, with most charters doing about the same as or worse than comparable district schools. The benefits of attending nonpublic schools also remain unclear, particularly for low-income students.

In the end, depending on unproven reforms and relying solely on cuts to balance the budget, rather than strengthening the public system that educates 90 percent of Ohio's children, risks undercutting Ohio's future. The governor and the legislature must address the need to raise revenue to support the state's basic needs, including education.

