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For release Tuesday, March 29, 2011
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Executive budget slashes higher education funding by $413 Million;
Instructional subsidy takes the greatest cut at $495 million

The Executive Budget for 2012-13 allows federal stimulus funding in the State Share of Instruction to lapse, opening holes in campus budgets according to a new brief by Policy Matters Ohio. Overall, the Board of Regents budget drops by 10.5 percent between 2011 and 2012, and another 3.7 percent in 2013 compared to 2012. State Share of Instruction (SSI), which funds classroom teaching, takes the largest share of the cuts, at $490 million. Tuition is allowed to rise year-over-year, capped at 3.5 percent annually.

Not all changes are program reductions. New spending funds a statewide cooperative internship program. Spending on the capital component of budget rises robustly, by almost $60 million. But increased spending on targeted programs will not help with operating costs. "The Kasich Administration's approach to higher education is the same as for other government services that are taking huge hits in the Executive Budget: Eliminating collective bargaining, reducing pay and benefits, changing construction protocols and privatizing through charter university status," said Wendy Patton, senior associate at Policy Matters Ohio and author of the brief. "The idea is that costs will be lower because Ohio workers will be paid less, but if the cuts exceed savings, then declines in quality are inevitable."

Charter university status, not yet fully defined, may exempt institutions from tuition caps. Tuition at Virginia Technical College, a charter university, rose by 24 percent in the current year. Ohio is no stranger to tuition spikes, which spiraled prior to freezes implemented by Governor Strickland. Tuition hikes can create additional barriers for students from low-income families. Yet the Ohio College Opportunity Grant takes a 5% cut in 2012 and remains flat-funded in 2013.

With this executive budget proposal, the Ohio Board of Regents is being asked to shift from a focus on the classroom, access and affordability to capital development and new privatization options.