Ohio shrinks its schools
State cuts lead to larger class sizes, fewer course offerings
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Executive summary

A large majority of Ohio school districts report that they have cut or frozen salaries and benefits, laid off staff, and cut back on classroom materials and supplies to deal with the loss of state funding since 2011. Students in many districts are facing larger class sizes, reduced course offerings, and an increase in "pay-to-play" requirements for extra-curricular activities.

Long-term investment in education remains the best way to build opportunity for Ohioans and help create an economy that works for everyone. A new Policy Matters survey shows that shortsighted cuts made to education funding when the legislature passed the current biennial budget in June 2011 have reduced educational quality for Ohio's public school students. State policymakers, currently working on Ohio's next budget, should craft a stronger, more predictable school funding system for the next two years and beyond.

Key findings

- 70 percent of responding districts cut their budgets for the 2012-13 school year.

- 84 percent of those districts reduced or froze compensation to balance their budgets.

- 82 percent cut positions.

- Without new state funding, 62 percent see shortfall next year.

- 43 percent reported larger class sizes; 23 percent reduced course offerings.

Shortfalls on the rise
The table below shows that more districts reported cuts for the 2012-13 school year than for the previous year, and even more expect shortfalls and cuts next year unless they get new state funding.

Nearly 60 percent of districts responding to the survey said they had faced a shortfall for 2012-13, and had made cuts to balance the budget, up from the nearly half that reported shortfalls last year. The table shows that in each year, a substantial percentage reported no shortfall but nevertheless

District reports of cuts, shortfalls rising			
School year	Reporting shortfall and cuts	Reporting cuts but no shortfall	Total reporting cuts
2011-12	48.5%	15.3%	63.8%
2012-13	59.2%	11.1%	70.3%
2013-14*	62.6%	27.9%	90.5%
Source: Policy Matters survey of school districts. *District estimates in response to survey.			

detailed cuts in staffing, compensation levels or other areas. More than 60 percent of respondents said they anticipated a shortfall next year unless they get new state funds. Another 28 percent said they expected no shortfall but would make cuts without new funds. It is likely that these districts reported no shortfall because they had already balanced their budgets by making cuts.

Survey documents damage from cuts

When asked how they were dealing with reduced resources for the 2012-13 school year, most districts making cuts reported that they lowered costs by freezing pay, changing the salary schedule, reducing employee benefits, laying off staff or leaving positions unfilled. This follows roughly the same strategies, in the same proportion, that districts reported implementing for the 2011-12 school year. For the current school year, slightly more districts said they cut costs by reducing compensation or benefits. By comparison, slightly more districts reduced the size of the workforce in 2011-12.

Of the 70 percent of responding districts that reported cuts for 2012-13:

- **Eighty-four percent** said they reduced or froze compensation;
- **Eighty-two percent** said they reduced staff.

Of the 64 percent of districts that reported cuts for 2011-12:

- **Seventy-eight percent** said they reduced or froze compensation;
- **Eight-four percent** said they reduced staff.

Many districts reported larger class sizes and reduced course offerings for 2012-13:

- **Forty-three percent** reported larger class sizes, slightly more than last year;
- **Twenty-three percent** had reduced course offerings, compared to 19 percent last year.

While cuts in compensation and staffing levels were the most common reported approaches used to address shortfalls, a majority of districts also said they cut materials, supplies, textbooks or equipment. In addition, many reported implementing or increasing pay-to-play requirements for extracurricular activities, or reducing these offerings.

- **Materials –** 57 percent said they cut materials, supplies, textbooks or equipment for this school year, up from 53 percent in 2011-12;
- **Extracurricular activities** – 22 percent said they introduced pay-to-play or reduced extracurricular offerings, up from 15 percent for the 2011-2012 school year.

Levies and income tax increases

When this survey was completed in the fall, districts did not expect relief in the state budget. At that time, 28.7 percent (75 of 261 respondents) anticipated going to the polls before the end of 2013 to help with the fiscal pressures. Of that group, 77 percent anticipated property tax levies and 23 percent expected income tax increases. Major urban districts with high poverty and urban/suburban districts with higher median incomes were more likely to report that they would go to the polls.

About the survey

In October 2012, Policy Matters asked the Ohio Association of School Business Officials to distribute a 15-question survey to its members about district finances. Forty-three percent – 261 of the state's 609 K-12 districts – responded, representing districts from 82 of Ohio's 88 counties.[1] Responding districts enroll 646,358 students, 40 percent of the state's 1,612,625 students attending K-12 district schools.[2] The survey asked for responses specific to three school years: 2011-12, 2012-13, and 2013-14. For a copy of the survey, see Appendix A, available at www.policymattersohio.org.

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[1] Because of their unique characteristics, neither the four island districts nor College Corner Local School District were included in the results, although some of these districts did respond to the survey.

[2] Does not include students at charters, joint vocational districts, career centers or educational service centers. With those students, Ohio's public enrollment is 1,762,722. Both totals based on Average Daily Membership from ODE website.