



Ohio House of Representatives

State Representative Lynn R. Wachtmann
75th House District
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TO: SCHOOL SUPERINTENDENTS

FROM: State Representative Lynn R. Wachtmann
75th House District

RE: Education Funding in the Next State Budget

It is hard to believe that the next state budget goes into effect in 15 months, yet educators continue to ask questions about the implications of the governor's new Evidence Based Model and the future of unfunded mandates such as all-day kindergarten and prospective expenditure and reporting requirements.

No legislator, governor or state superintendent of schools can answer all of those questions today. But I believe we owe our education leaders and the public honesty and as much transparency as possible when looking at the future of education funding. In this respect I have attached a statewide school district printout that serves as guidance as to what may happen in the next state budget.

Despite best intentions or the hope for a better way to provide state support for schools, the bottom line is this: schools are likely to receive major cuts in state aid in the next budget unless a major tax increase is enacted, significant new gambling revenues are realized or the federal government provides additional "stimulus" money that candidly our nation cannot afford.

Unless these things happen, local schools are likely to receive an average reduction in state funding of between 22.7% and 30.1% in the budget beginning 15 months from now.

The mathematics explaining this conclusion is provided attached to this memo. Scenario 1 (22.7% reduction) accepts the Strickland Administration's original forecast of more than \$1 billion in new state revenue growth in the next budget. Scenario 2 (30.1% reduction) is developed with state tax receipts experiencing no growth in the next two years.

Critics will point out that not all schools will receive the same percentage cut in state aid and that is true. Generally, those districts with an Educational Challenge Factor (ECF) rating higher than the state average may anticipate a smaller reduction in state foundation funding, while those with lower ECF ratings will arguably experience even deeper state aid reductions.

The criteria used to produce this printout is objective and fair. Indeed, the revenue and expenditure data for Scenario 1 comes from official documents provided by the Department of Education, the Executive Branch, and the Legislative Services Commission, while Scenario 2 adjusts the data only to assume flat state revenues in the next biennium. All of these informational documents were provided to me by State Representative Randy Gardner.

Of course, decisions to be made by state officials in 2011 will impact the state budget profoundly. However, I believe the evidence is clear – schools should not be expected to accept new unfunded spending mandates at a time of almost certain significant state funding cuts. We need to end the possibility that costly mandates could be imposed just 15 months from now. If this isn't done, how can school officials plan and budget for a school year not far away? That's why I am a co-sponsor of House Bill 366, to allow local school boards to make decisions on all-day kindergarten and new student-teacher ratios without asking the state superintendent for a waiver.

While I wish there was better news, I believe it is important to provide the most objective information available. Again, the documents attached to this email were produced by the Department of Education, the Executive Branch, and the Legislative Services Commission, and were then graciously distributed to me by State Representative Randy Gardner. I hope this information is useful to you. Please do not hesitate to contact me if I may be of further assistance.

Sincerely,

Lynn R. Wachtmann
State Representative
75th House District