

TO: EDUCATION LEADERS

FROM: Representative Randy Gardner
6th Ohio District

RE: STATE FUNDING IN THE NEXT BUDGET – UPDATED APRIL 21

This memo is to provide some additional clarity on documents I have provided over the past two weeks.

- **THE STATEWIDE PRINTOUT:** The district-by-district printout provides potential state aid over the *entire biennium*. The 22.7% reduction, for example, would be the full affect of the assumptions (federal funds losses, new revenue projections, etc) over two years. Candidly, the percentage reductions in state aid could be higher in the 2011-12 school year than in 2012-13, just as actual state aid cuts were heavier this school year than in the second year of the current biennium 2010-11.
- **IS THE PRINTOUT “WORST-CASE”?** Some people believe a 22.7% average cut in state foundation aid in the next biennial budget might be a “worst-case scenario”. Today, looking honestly at current state law, that is clearly not the case. In addition, schools should keep in mind that due to the Educational Challenge Factor, many districts would realize even deeper state aid cuts. And none of these calculations takes into account more than \$700 million in one-time federal IDEA and Title 1 money that is not scheduled to be available in the next budget.
- **STATE BUDGET COMMISSION:** In the last state budget bill, a new budget commission was established to begin looking at the daunting task of resolving a possible \$8 billion state deficit in the next biennium. Unfortunately, this bipartisan commission hasn’t met yet. When it does, hopefully there can be an honest discussion of the issues I’ve raised the past two weeks and how to help prevent double-digit annual cuts to schools in 15 months and new unfunded mandates that make balancing local school budgets even harder. Part of the commission’s work must be consideration of the importance of higher education (which also received hundreds of millions of dollars in federal stimulus money), the need for significant Medicaid reform and other issues that may affect what happens to K-12 funding.
- **UNFUNDED MANDATES:** Besides a tough economy and reductions in actual state GRF support for schools (almost \$500 million less in this current biennium) questions

regarding the new Evidence Based Model and unfunded mandates continue. My House Bill 366 would allow new funding decisions (all day kindergarten, pupil-teacher ratios) to be made by local school boards as opposed to state rules or the Ohio Department of Education. There is no expectation that new state revenues will be available in the next three years to pay for the costs of the new mandates (and potential mandates) in House Bill 1. Therefore, state leaders should end the uncertainty about these mandates and repeal policies that could force local schools to spend money on new mandates when the money isn't there.

As I have said all along, no one knows what the future will bring. But to fail to provide as much information and opportunity for dialogue as possible in an effort to honestly confront our challenges is wrong. And finally, I do **not** believe reductions in state support of this magnitude are acceptable. We must do better. Hopefully we can begin now to prepare for positive solutions.