OEA Legislative Watch

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Do you know that the political process affects virtually everything in your school day?

Take action — Become an OEA Member Lobbyist

Questions?

Contact your Governmental Services Team

Ron Rapp
Director
rappr@ohea.org

Melissa Clark
Lobbyist
clarkm@ohea.org

Robert Davis
Lobbyist
davisr@ohea.org

Matthew Dotson
Lobbyist
dotsonm@ohea.org

Pete Hackeman
UniServ Political Advocacy Consultant
hackemanp@ohea.org

Russ Harris
Education Research Development Consultant
harrisr@ohea.org

Ohio Education Association Analysis: Governor's Executive Budget Proposal

This document contains preliminary information regarding Governor Kasich's Executive Budget Proposal for Fiscal Year (FY) 2012 and 2013. The following chart is based on "ALL FUNDS" dollars, not just General Revenue Fund (Foundation) dollars. Information on policy proposals below is all that is available at this time. There is no legislative language yet available.

Category	Current FY 2011	Proposed FY 2012	% from FY 2011	Proposed FY 2013	% from FY 2012
K-12 Education	$11.5 billion	$10.2 billion	(11.5%)	$9.7 billion	(4.9%)
Higher Education	$2.57 billion	$2.3 billion	(10.5%)	$2.4 billion	3.7%
DD (overall)	$1.7 billion	$1.78 billion	4.6%	$1.98 billion	9.9%
DD County Board Subsidies	$67 million	$41 million	(38.7%)	$44 million	8.7%
DRC	$1.75 billion	$1.58 billion	(9.9%)	$1.57 billion	(.7%)
DYS	$287.1 million	$242.3 million	(15.6%)	$251.9 million	4%
School For Blind	$10.1 million	$12.4 million	22.1%	$12.4 million	0%
School For Deaf	$12 million	$11.9 million	(1.2%)	$11.9 million	0%
State Library Board	$22 million	$21.6 million	(2.1%)	$21.6 million	0%

OHIO DEPARTMENT OF EDUCATION

K-12 FUNDING PROPOSALS:

- Repeals Evidence-Based Model for school funding.
- Decrease overall education funding by $1.3 billion (11.5%) in FY 12 ($10.2 billion).
- Decrease overall education funding by another $500 million (4.9%) in FY13 ($9.7 billion).
- **Decrease overall education funding by $3.1 billion over FY12-13 from FY 11 amounts ($1.3 billion cut in FY 12 and $1.8 billion cut in FY 13).**
- Increase Foundation funding by 2% for FY 12 and 1.5% for FY 13.
- Eliminate state fiscal stabilization funds (federal stimulus for state foundation) of $457 million in FY 12.
- Reduce federal stimulus for IDEA Part B and Title IA totaling $400 million in FY11 by 90% for FY 12 with the remainder eliminated in FY13.
- Decrease overall Special Education funding by 14.5% in FY 12 and another 2.1% in FY 13.
- Decrease TPP "hold harmless" payments by $428 million (37.2%) for FY12 and by another $247 million (34.2%) in FY 13.
- Precise data for charter school funding not yet available because charter school funds flow through local districts.
- Maintain overall funding for Joint Vocational School Districts in FY 12 and FY 13.
- Decrease overall funding for early childhood education by 4.7% in FY 12 and another .5% in FY 13.
- Create "regional shared service centers" that provide administrative support to school districts and local governments by July 1, 2012.
- Create a new combined health insurance program managed by the state's Department of Administrative Services that local governments and school districts can join if they choose.
- Reduce Educator Standards Board funding from FY 11 by 40.8% to $786,737 in both FY 12 and FY 13.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

K- 12 POLICY PROPOSALS:

- Provide additional teacher payments for students who exceed achievement growth.
- Use "teacher quality" to drive employment decisions instead of seniority.
- Test teachers in failing schools.
- Streamline dismissal process for poor-performing schools.
- Give parents the right to "reconstitute" schools.
- Close poorest performing schools.
- Increase the number of EdChoice vouchers available (from 14,000 to 28,000).
- Remove cap on charter schools and enhance access to facilities.
- Expand on-line education.
- Implement best practices proposed by KnowledgeWorks for reducing spending on "non-instructional" spending.

- Make Ohio the "preferred destination" for Teach for America students.

HIGHER EDUCATION - BOARD OF REGENTS

FUNDING PROPOSALS:

- Loss of nearly $590 million of federal stimulus dollars from the last two-year budget.
- Overall funding for higher education is a 10.5% decrease (all funds) for fiscal year 2012 ($2.2 billion) and a 3.7% increase in FY 2013 ($2.4 billion).
- In-state undergraduate tuition and fee increases limited to no more than 3.5% each year.
- State Share of Instruction (SSI): increase of 2.7% in FY 2012 ($1.735 billion) and a 0.9% increase in FY 13 ($1.751 billion).
- A 5% cut in the College Opportunity Grant in FY 2012.
- No reduction in the Adult Basic and Literacy Education program.
- A 5% reduction in FY 2012 and FY 13 for supplement payments to Shawnee State and Central State.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

POLICY PROPOSALS:

- **Charter Universities -** The Chancellor of the Board of Regents to develop a report of recommendations needed to implement a charter university program. Under such a program, the university would receive less state funding and in return be exempt from state regulations. Universities' eligibility would be determined by performance measures.
- **Remediation Costs -** Board of Regents (BOR) to report the "remediation rate" and its cost for each school district and Chancellor and State Superintendent to produce recommendations to reduce these costs by 50%.
- **Faculty Workload -** Colleges and universities would be required to increase full-time research and instructional faculty teaching loads by one class every other year. The BOR will report the workloads of faculty for all colleges and universities for FY 2010-13.
- **Three-year Degrees -** Universities would be required to produce plans to move to three-year baccalaureate degrees. The plan to transition 10% of programs would be due in 2012, and a plan to transition 60% of their programs would be due in 2014.

DEPARTMENT OF DEVELOPMENTAL DISABILITIES

FUNDING PROPOSALS:

- Funding for fiscal year 2012 (all funds) is a 4.6% increase ($1.8 billion) and a 9.9% increase in FY 13 ($2.0 billion).
- County Board Subsidies and Residential Facilities Support have been combined into a single line item. Funding for these programs is cut by over 38% in fiscal year 2012 – a reduction of over $25.8 million.

- ICF/MR Franchise Fee is consolidated into one line item with Developmental Centers and Residential Facility Services which is increased 6% in FY 12 and receives a slight decrease in FY 13.
- State funding for Medicaid (Medicaid Waiver-state match, Martin Settlement Agreement, Developmental Centers and Residential Facilities Operation Expenses) is consolidated into a single line item.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

POLICY PROPOSALS:

- Create a new, participant-directed waiver including 100 state-funded slots for children with intensive behavioral needs and 1,000 locally funded slots for adults.
- Reduce Developmental Centers by a total of 90 residents each year and shift funding to waivers in the community.

DEPARTMENT OF REHABILITATION AND CORRECTIONS

FUNDING PROPOSALS:

- Decrease overall funding by $1.6 billion (9.9%) in FY 12 and a further decrease of .7% in FY 13.
- General revenue funding is increased by $1.5 billion (9.2%) in FY 12 with a further increase of .8% in FY 13.
- The Institutional Operations line-item is increased 34.4% to $823 million in FY 12, with an 8% decrease in FY 13 to $755 million.
- The Institution Education Services line-item is decreased 12.4% to $19.3 million in FY 12, and decreased another 11% to $17.1 million in FY 13.
- The Education Services line-item is increased 21.9% to $1.98 million in FY 12 and decreased by .04% to $1.97 in FY 13.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

POLICY PROPOSALS:

- Selling five prisons by competitive bid to private operators: Lake Erie Correctional Institution (currently privately operated); North Coast correctional Treatment Facility (currently privately operated); Grafton Correctional Institution; North Central Correctional Institution (Marion); Marion Juvenile Correctional Facility (currently closed). State law requires privately operated prisons to realize five % savings.
- Implementing sentencing reform and expanding earned credit.
- Closing prison camps that exist as annex facilities at 11 state prisons. Inmates and staff to be transferred to appropriate and/or adjacent facilities.

DEPARTMENT OF YOUTH SERVICES

FUNDING PROPOSALS:

- Decrease overall funding for FY 12 by 15.6% to $242.3 million, then increase funding by 4% to $251.9 million in FY 13.
- General revenue funding is decreased by 13.1% to $218.7 million if FY 12, then increased by 4.6% to $228.7 million in in FY 13.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

POLICY PROPOSALS:

- Activate Marion Juvenile Correctional Facility (currently closed) as a privately operated prison.

OHIO SCHOOLS FOR THE DEAF AND BLIND

FUNDING PROPOSALS:

- Ohio School for the Blind receives no increase in general revenue dollars for both fiscal years. In total funds, there is a $2.2 million increase (22%) in FY 12 and no change in FY 13.
- Ohio School for the Deaf receives no increase in general revenue dollars for both fiscal years. In total funds, there is slight decrease (1.2%) in FY 12.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.

STATE LIBRARY BOARD

FUNDING PROPOSALS:

- Decrease overall funding by 2.1% to $21.6 million in both FY 12 and FY 13.
- General revenue funding is decreased by 6.9% to $5.8 million in both FY 12 and FY 13.
- Require employer and employee to each pay 12% of pension contributions (50/50 split). Currently, the employer pays 14% and the employee pays 10%.