

February 19, 2013

[Note: These talking points are based on OEA's analysis of the Kasich administration's "blue book" budget proposals for fiscal 2014-2015. The actual state budget legislation of House Bill 59, published this week, gives OEA the opportunity for further analysis and comment. While the Governor proposes an executive branch budget, the Ohio General Assembly must approve the budget and the Governor must sign it into law by June 30, 2013. Many provisions of the budget will change during the course of legislative debate and public discussions, and OEA will provide frequent updates. Please tell your story and use your voice to influence the outcome of Ohio's education budget and policy debate.]

OEA Talking Points – Governor Kasich's budget short-changes students

Governor John Kasich's two-year budget doesn't restore the \$1.8 billion he cut from public schools two years ago, and 60% of Ohio's school districts will get no increase at all. The budget provides only \$68 million more for Ohio's public universities and colleges, a tiny fraction of \$440 million cut two years ago.

This budget short-changes students while handing out \$4.3 billion in new income tax cuts – mostly to wealthy Ohioans. Kasich's earlier education cuts have already forced public schools to seek \$1.1 billion in new local operating levies in the past two years, relying more than ever on local property taxes.

Fair funding for rich and poor districts and full funding for all-day Kindergarten are worthy goals in this budget. But the reality is that new income tax cuts and a 12.8% cut in basic funding per pupil mean that more than 80% of Ohio's poorest districts will get no increase, making fair funding impossible and putting an expansion of all-day Kindergarten out of reach for most districts.

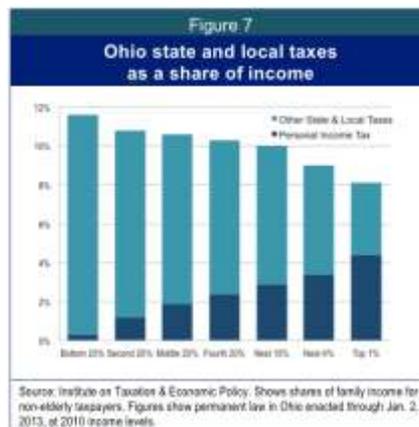
Besides, the Kasich budget sends more taxpayer dollars to private schools, with new aid for failing charter schools and a dramatic expansion of Ohio's voucher program. Diverting money to these programs hurts the 90% of Ohio students attending traditional public schools.

Governor Kasich and Ohio legislators must be held accountable for providing the resources so that all students can succeed, not just charter schools and private schools supported by vouchers. We are all accountable for student success – teachers, students, parents and elected officials.

Key Budget Background and Documentation

Education Cuts: Kasich's plan promised \$1.2 billion in new school spending, but that doesn't cover the \$1.8 billion in funding cuts during his last budget. District by district, there is no relief for the majority of school districts. In all, 382 of Ohio's 612 school districts get no increase in funding, making permanent the horrific public school cuts from the last two-year budget cycle. Basic state aid falls from \$5,723 to \$5,000 per student.

Tax Shifts: Kasich's budget prioritizes income tax cuts for the wealthy, but adds sales taxes that hurt the poor and middle class. His proposal includes a 20 percent income tax cuts over 3 years and a 50% reduction in taxes for most small businesses. This income tax reduction will equate to approximately \$4.3 billion less in revenue to the state, resulting in less revenue to support key



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programs like education. Budget cuts to public schools have forced local districts to propose about \$1.1 billion in new property and income tax levies for schools since May 2011. Most of those levies failed, but the reduction in state aid leaves school districts over-reliant on local property taxes.

Student Focus: Kasich's proposal fails to recognize what students need for the foundation of their education. Without this focus, students will receive different qualities of school programs, depending on the availability of local resources and where they live.

Inequity: Across the state, three-quarters of a million students attend school districts that will receive no help from the state. About 400,000 of these students attend the poorest school districts in the state. In previewing the budget, Kasich said if you're a low-wealth district you'll get more money. In reality, over 80 percent of Ohio's poorest districts would get no additional state support in 2014. High poverty, rural districts would receive an overall increase of 1.2% over the biennium. Wealthy, suburban districts – though they depend less on state aid – would get 4.6% increases. Ultimately, under Kasich's plan, the school districts with the least capacity to generate funds locally are hurt. OEA is analyzing why the Kasich formula results in this disparity.

Kasich Plan – By Type of School District Large percentages of poor rural and small school districts receive no funding increase, while more than half of urban/suburban districts with higher median income and low poverty receive increases. Source: OEA Education Policy Research and Member Advocacy	Number of Districts	No Funding Increase FY14 & FY15
Rural/agricultural – high poverty, low median income	97	73 (75.3%)
Rural/agricultural – small student population, low poverty, low to moderate median income	161	133 (82.6%)
Rural/Small Town – moderate to high median income	81	66 (81.5%)
Urban – low median income, high poverty	102	23 (22.5%)
Major Urban – very high poverty	15	3 (20.0%)
Urban/Suburban – high median income	107	48 (44.9%)
Urban/Suburban – very high median income, very low poverty	46	19 (41.3%)

Vouchers and Charters: Kasich's proposal would increase funding for charter schools and begin opening the floodgates for universal statewide vouchers for private school students. The governor's new voucher program, funded through public lottery profits, would allow private school students from families with family income below 200% of the federal poverty level (\$46,100 for a family of four) to receive a voucher. In FY 2014, the program would start with students entering Kindergarten. Then it would expand to cover first graders the following year, with further expansion every year. Additionally, there would be an eligibility expansion of the Ed Choice Voucher program to students in grades K-3 if their school is not graded a "C" or above on the early literacy component of the report card. Ohio's highest ranked schools would lose funding to vouchers and charter schools, despite little or no evidence that charters or vouchers improve the chance for student success.

OEA opposes voucher programs that use taxpayer money to pay private school tuition and expanding charter schools that have failed to live up to their promises. Scarce resources should be used to fund public schools, still reeling from massive cuts in the last budget, where more than 90% of Ohio's students are educated.