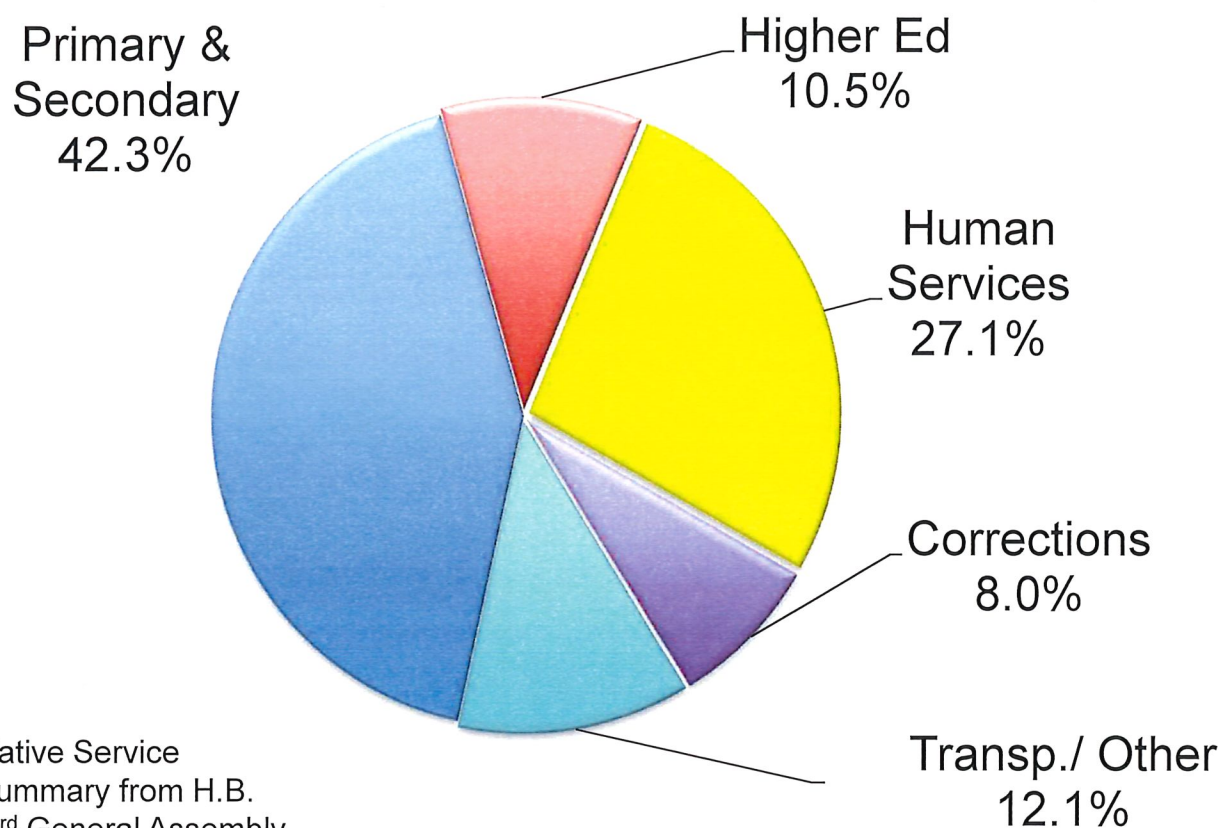


# Education and the State Budget

## FY 2020 Est. General Revenue, Lottery, Library and Local Government Funds



Source: Legislative Service  
Commission summary from H.B.  
166 of the 133<sup>rd</sup> General Assembly

# Foundation Funding

- ☐ Funding is reduced by an equalized per pupil amount.
- ☐ Per pupil reductions range from \$88.76-\$304.32.
- ☐ Districts with limited capacity to access resources locally will see lower per pupil reduction amounts, and higher capacity schools will see higher per pupil reductions.



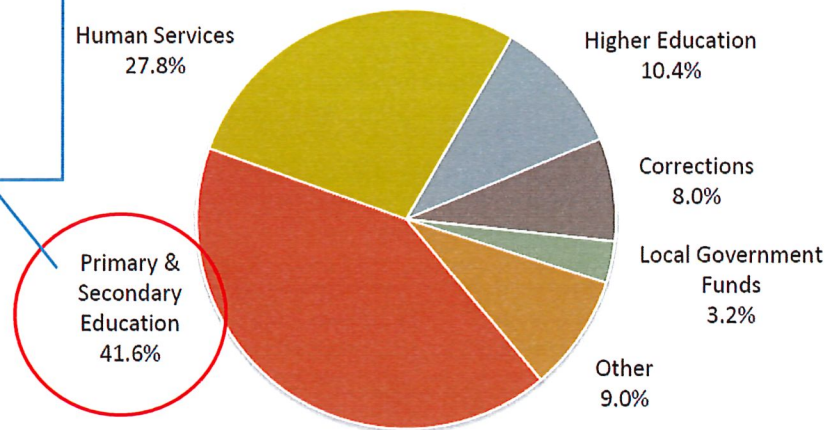
# State Foundation Cuts

- FY20 K-12 \$300.4M 3.7% Reduction in Foundation Funding Line A
  - CTC's no reduction due to MOE
- FY20 Cut's Not Exactly 3.7% Across the Board
  - Rocky River 55.24% to Trimble Local .7%
  - 3 districts at 3.69% and 2 at 3.74% was closest to any district 3.7%
- Using the FY19 State Share Index a high % = lower wealth district = lower cut
- District with Lower % SSI = higher wealth = a greater cut
- With no details from OBM we are left to ponder FY21 cuts
- We believe OBM needs to see FY20 year end and more data to determine the extent of FY21 cuts...1.2 M Ohioans unemployed!

# FY20-21 State GRF Breakdown

Includes Federal Funds  
State portion is \$9.613 B  
Gen Rev \$8.18B  
Lottery \$1.15B  
SWSF \$ .275B  
= 34%

Chart 1: State-Source GRF Appropriations by Program Area  
FY 2020-FY 2021 Biennium



8.50 x 11.00 in

**\$8.121 B x 3.7% = \$300,482,584**

**Rainy Day Fund = \$2.691 B**



# FY21 State Cuts How Much?

- Lt. Gov. Husted & OBM says deficit through June 30, 2021 could be double the RDF=  $2 \times \$2.7B = \$5.4B$
- Gov. DeWine will not draw down RDF in FY20...FY21?
- If Gov. uses 100% of RDF still a potential \$2.7B deficit
- K-12 is 34% of state budget ...  $\times \$2.7 B = \$918M$
- $\$918 M / \$300.4 M = 3$  Times the FY20 cut
- $3.7\% \times 3 = 11.7\%$
- But what about MOE for schools? FY21 could be cut \$702M without Fed Waiver. Or 2.34X FY20 or 8.7% cut.
- So we have a potential of 11.7% and 8.7% cut or if they have an equal probability an avg. of 10.2% est. of a cut
- Can Ohio balance budget and not touch 34% of budget?



# FY21 State Cuts How Much?

- We are suggesting that our clients consider 10% FY21 cut
- Is that the right %% cut and will it be the same for each district? Probably not and not unless it is across the board cut. But lacking any data it is pointing your FY21 state revenue in the right direction...down.
- Note: CTC's MOE may save you another cut in FY21.
- Suggest flatline FY22-24 at FY20 precut levels wait for data
- Will FY22-23 funding be level, decreased or increased? We won't know until June 2021.
- Casino's closed since March 16, suggest Revenue in FY21 cut 40% and gradually increased over FY22-23 to get to FY20 levels in FY24.