

The Proposed State of Ohio Budget and Anthony Wayne Local Schools:

Where Have We Been and Where Do We Go?

In the spring of 2007, The Anthony Wayne Local Schools were placed in fiscal caution by the Ohio Department of Education. During that same time period, our current treasurer, Kerri Johnson, and our former superintendent, Dr. John Granger, immediately started to work with the Anthony Wayne Board of Education and staff to reduce expenditures and seek additional revenue. While levy requests for new operating revenue were not successful, the Anthony Wayne team reduced expenditures through staff attrition (loss of approximately 55 positions), program reductions, and a district-wide review of spending. Through the efforts of the Anthony Wayne team, the school district was taken out of fiscal caution in December 2009. In June of 2010, the five-year forecast stated that the district had a carry-over balance of \$6.1 million dollars. School finance experts estimate that districts should have a carry-over balance that allows the district to operate for a period of 60 to 90 days, which is often referred to as “true-days cash.” Anthony Wayne's June 2010 carry-over balance of \$6.1 million dollars would allow the district to run for approximately 69 days in the event all revenue ceased. The Anthony Wayne team has worked together to put the district in a secure financial position based on the current level of revenue and expenditures.

Every two years, the governor of Ohio provides the state legislature with a proposed budget. The state legislature will analyze the budget proposal, hold public hearings, and potentially make changes to the document. Once this process is complete, the legislature then votes on the proposal. Upon approval, the budget is sent to the governor for his approval. This process starts in the middle of March and typically ends in late June.

On March 15th, Ohio Governor John Kasich delivered his two-year budget proposal to the state legislature. During the first week of April, more details were provided from the Governor's office in regards to the state funding for public, private, and charter schools. Below, is the current analysis of the information that is available to the school district on the state funding provided to Anthony Wayne Local Schools.

<i>Funding Changes Proposed</i>	FY 2010-11	FY 2011-2012	FY 2012-2013
<i>(Current State/Federal Revenue)</i>			
State Foundation	\$5,886,751.00	\$5,186,306.00	\$5,459,555.00
State Fiscal Stabilization (Stimulus)	\$445,339.00	\$0.00	\$0.00
TPP (Tangible Reimbursement)	\$2,952,584.00	\$2,295,629.00	\$1,638,674.00
TPP (Tangible Utility Reimbursement)	\$110,454.00	\$82,841.00	\$55,227.00
State Deregulation Reimbursement	\$253,897.00	\$0.00	\$0.00
Total State Aide	\$9,649,025.00	\$7,564,776.00	\$7,153,456.00
<i>Comparison of loss to FY 2010-11</i>		21.60%	25.90%
<i>Additional Funding Losses</i>			
Ed Ohio Jobs (Stimulus)	\$313,019.00	\$0.00	\$0.00
ARRA - Special Education (Stimulus)	\$468,577.00	\$0.00	\$0.00
ARRA - Title I (Stimulus)	\$82,319.00	\$0.00	\$0.00
	\$863,915.00	\$0.00	\$0.00
	\$10,512,940.00	\$7,564,776.00	\$7,153,456.00
<i>Proposed funding changes PLUS additional funding losses</i>		-\$2,948,164.00	-\$3,359,484.00
		28.00%	31.96%
<i>INCREASE in revenue from PROPOSED Retirement 'switch' of 2% (estimates)</i>		\$420,833.00	\$420,833.00
<i>Proposed Total of 2 year loss of State/Federal revenue</i>		-\$2,527,331.00	-\$2,938,651.00
			-\$5,465,982.00
NOTE (1): Gifted Funding has also been cut. We have not yet received these numbers, being our Gifted Funding flows through Lucas County Educational Service Center, however we are estimating an additional \$225,000.00 reduction each year of the proposed budget.			
NOTE (2): The Retirement savings (STRS and SERS) is an estimate since it is reflected on actual payroll.			

The chart above shows State funding for the year (FY 2010-11) and state funding projections for the next two years (FY 2011-12 and FY 2012-13). A fiscal year runs from July 1 to June 30. Based on Governor Kasich's budget proposal, Anthony Wayne Local Schools may experience a \$2,527,331 dollar decrease in state and federal funding for the 2011-2012 fiscal year. The news is not much better for the following year where the district may lose up to \$2,938,651 of state and federal dollars. The total two-year loss of State revenue may total approximately \$5.4 million dollars as indicated in red on the chart above.

School districts across the State had been bracing for a 10% cut in State funding in addition to the loss of revenue from the federal stimulus money. As the information above describes, the final cuts could be twice that number for the 2011-2012 school year and three times that number for 2012-2013. In addition, the governor's budget proposal slashes gifted funding, which Anthony Wayne contracts through the Lucas County Educational Service Center (LCESC). The district will work closely with the LCESC to see how these cuts could potentially impact the gifted program.

The Board of Education and district administration will monitor the budget proposal as it moves through the legislative process. Once the budget has been approved by the State legislature, I will inform the community of the financial impact on the Anthony Wayne district. I will be in contact with the area state legislators to discuss my concerns with the loss of state funding for our district.

Dr. Jim Fritz, Superintendent