


Policy Brief • Fall 2012

Consequences for Appalachian School Districts of Changes in the Ohio Budget

David Horton, Aimee Howley, Lindsey Ladd
The Patton College of Education; Ohio University

Introduction and Methods

To discover the likely consequences of proposed budget variances for Appalachian Ohio districts, the Executive Director of the Coalition of Rural and Appalachian Schools (CORAS) asked Ohio University's Patton College of Education for assistance in conducting a survey. Altogether the team from The Patton College surveyed the population of 170 superintendents who serve local, city, and exempted village districts in Appalachian Ohio. The research team excluded superintendents of joint vocational schools and educational service centers from the population surveyed. In order to assure that responses would be grounded in the most up-to-date information, the team developed a questionnaire that (1) provided each superintendent with information about budget variances in his or her district based on the Ohio Department of Education's actual fiscal year 2012 July 1st payment to districts and fiscal year 2013 projections and (2) then posed questions regarding the impact of these variances.

To develop items, the research team first distributed a pilot version of the questionnaire to 100 superintendents of CORAS districts; it included open-ended questions, asking superintendents to list anticipated consequences of the projected budget variances as well as to report on the actual consequences of budget variances over the past three years. Based on responses to the open-ended items, the team designed a second questionnaire that included two parts—a section with Likert-type items focusing on the likelihood that the district would respond to budget variances in a range of different ways and a section with demographic questions.

Using an on-line survey tool called Qualtrics (http://www.qualtrics.com), the research team requested responses from superintendents in two successive emails over a 22-day period. A follow-up reminder email was sent to all superintendents three weeks from the date of the original email invitation. The survey was open for a total of six consecutive weeks. Eighty-two superintendents responded by at least opening the questionnaire, and, of those, 58 responded to most items, thereby enabling the research team to include their responses in the final data set. Counting only these 58 responses as usable, the team calculated a response rate of 34%.

Budgetary Context

All 58 respondents answered the question about budget variances that had affected their districts between FY10 and 11. Of those responses, 10% indicated that their districts had experienced increases in state funding, 8% indicated that their state funding had remained the same, and 81% indicated that their districts had experienced decreases in state funding.

On top of these losses, districts in the region suffered budget losses between FY11 and FY12 ranging from a high of 7.91% to a low of .52%. The average percentage loss was 3.17%. In terms of dollar values, this average loss represents $238,997. The highest amount a district lost was $1,772,541.

CORAS
Coalition of Rural & Appalachian Schools

> Superintendents saw budget variances as jeopardizing high school electives, literacy initiatives, contracts with Educational Service Centers, intervention programs, and extracurricular activities.

Budgetary Context

Combined with information from the Ohio Department of Education, these data enabled calculations showing the extent of the impact on responding districts over the three-year period (FY11, FY12, and FY13). Notably, 83% of the districts experienced losses for two out of three years. Nevertheless, for these districts gains anticipated in FY13 represented a fraction of the amount sustained in losses: On average these districts were anticipating that their FY13 recovery would represent approximately 21% of what they had lost in FY12.

The county-level data presented in Table 1 tell the same story as the district-level data: a pattern of hefty losses followed by far less substantial gains.

Not only do these data reveal an overall reduction in support to districts, they do so without even taking inflation into account. To get a sense of the impact of inflation, therefore, we also used constant dollars to compute changes in the budgets of the 82 districts whose superintendents provided at least some response to the questionnaire. Using FY09 dollars as a basis, we computed variances in the budgets of these districts. Between FY09 and FY12, 96% of these districts experienced losses in constant dollars, and three experienced gains. The average constant dollar amount of the loss was $745,229. Calculated as a percentage of the FY09 budget, two districts lost more than 25% of their funding. The average percentage loss was 10%.

*Note that this gain is not calculated in terms of constant dollars and, therefore, does not take inflation into account. With inflation figured in, many of these small gains actually turned out to be small losses in constant dollars.

Total Variances by County

Appalachian Counties	FY11-FY12 Variances	FY12- FY13 Variances
Adams	-$531,470	$89,287
Ashtabula	-$2,359,582	$521,746
Athens	-$1,116,755	$246,933
Belmont	-$1,062,415	$173,147
Brown	-$903,996	$199,889
Carroll	-$545,205	$120,554
Clermont	-$4,757,452	$982,858
Columbiana	-$1,861,372	$377,482
Coshocton	-$847,750	$187,452
Gallia	-$813,651	$187,452
Guernsey	-$642,484	$142,065
Harrison	-$359,269	$79,442
Highland	-$904,194	$199,934
Hocking	-$597,230	$132,055
Holmes	-$765,896	$92,009
Jackson	-$593,302	$131,187
Jefferson	-$1,480,042	$327,268
Lawrence	-$999,534	$221,016
Mahoning	-$4,423,838	$699,268
Meigs	-$343,266	$75,902
Monroe	-$374,731	$82,862
Morgan	-$256,648	$56,752
Muskingum	-$2,071,053	$457,938
Noble	-$285,389	$63,105
Perry	-$674,893	$149,235
Pike	-$451,084	$99,743
Ross	-$1,378,138	$304,731
Scioto	$1,078,010	$238,371
Trumbull	-$3,910,861	$770,303
Tuscarawas	-$2,118,599	$465,037
Vinton	-$240,922	$53,274
Washington	-$1,402,418	$291,383

Projected Responses to Budget Variances

Several items on the questionnaire focused on the overall effect of budget variances on districts. Responses to these items indicated that 86% of responding superintendents believed that budget losses between FY11 and FY12 would affect students' educational experiences negatively. Furthermore, a similar percentage saw the negative impact persisting into FY13. Approximately 80% also believed that the negative consequences of budget losses would diminish their districts' ability to meet accountability standards in both FY12 and FY13.

In response to questions about the specific consequences of budget variances, superintendents saw the following as likely during FY12 and FY13:

(1) adding duties to current employees,
(2) increasing class sizes,
(3) reducing the number of employees, and
(4) decreasing the overall amount of money spent on employee salaries.

Additionally, they saw budget variances as jeopardizing the following programs: high school electives, literacy initiatives, contracts with Educational Service Centers, intervention programs, and extracurricular activities. Less likely to be affected, according to the responding superintendents, were pre-kindergarten programs, programs for students with special needs, the provision of free textbooks, and technology programs.

More than 70% of superintendents reported that their districts would hold maintenance budgets constant from FY11 through FY13—a response suggesting that few saw deferred maintenance as a workable response to budget reductions across the three-year period.

Answers to questions about how districts were planning to off-set budget cuts revealed greater reliance on some fund-raising strategies than on others. Whereas approximately 46% of districts were planning to apply for grants, only 26% were going to propose new levies. More than half of districts (approximately 55%) intended to increase fees in order to maintain sports and other extracurricular activities. Most districts already permitted open enrollment, so this provision was not seen as a viable method for increasing revenue.

David Horton is an assistant professor in the Department of Counseling and Higher Education in the Gladys W. and David H. Patton College of Education. Aimee Howley is the Senior Associate Dean for Research and Graduate Studies in the college; and Lindsey Ladd is the college's Statistical Data and Forecasting Administrator.

Summary

This report provides (1) an analysis of data on anticipated budget variances in districts within the Appalachian region of Ohio as well as (2) superintendents' perspectives on the likely consequences of these variances. The analysis shows substantial anticipated cuts to districts that have, over the past three years, already experienced decreased budgets requiring reductions in force and curtailment of programs and services. Most responding superintendents reported that their districts would experience cutbacks in staff, instructional programs (especially electives), and contractual arrangements with Educational Service Centers. In general the superintendents' responses showed their concern that cuts in budgets, would adversely affect the students in their districts as well as their districts' ability to meet accountability standards.