



BUCKEYE INSTITUTE RELEASES EDUCATIONAL AD ON GOVERNMENT COMPENSATION AND TAXES IN CENTRAL OHIO

August 23, 2011-Columbus, OH - The Buckeye Institute for Public Policy Solutions released an educational ad highlighting the funding crisis in local governments due to gold-plated government compensation packages that will require higher taxes on declining property values unless compensations are realigned to reflect current revenues. The educational ad will run on Wednesday, August 24, and Thursday, August 25, in the twenty-two Suburban News Publications in Central Ohio reaching 250,000 homes.

With private sector Ohioans losing roughly 500,000 net jobs over the last eleven years, the decline in home values further undermines the ability of Ohioans to afford the gold-plated compensation packages of government. By highlighting the deficits of nineteen Central Ohio school districts as projected by those school districts in October 2010 (prior to the 2012-2013 state budget and the cuts therein) along with the amount of revenue that will be swallowed by compensation packages, the educational ad highlights the lack of accountability on gold-plated government compensation packages.

For example, based on the October 2010 projections by the school districts, from 2008-2015, the nineteen school districts finished the school year with deficits in 113 out of 152 years, or 74 percent of the time. To eliminate these yearly deficits, the school districts raided their rainy days funds. In eighteen out of nineteen school districts, unless compensation packages are realigned or taxes raised, the rainy day funds will be totally drained by 2015, leaving Central Ohio school districts with an aggregated deficit of nearly \$1 billion.

More critical, because compensation packages absorb nearly all revenues (97%), taxpayers are left with two choices: raise taxes on themselves as their homes lose value or realign compensation packages to reflect the revenue already provided to government. As small and medium-sized businesses struggle to grow, additional taxes on them and their employees, as echoed by Gary

James, CEO of Reynoldsburg-based Dynalab and twice named Entrepreneur of the Year, won't make it easier to expand in this tough economy.

"The confluence of tax hike requests by local governments, largely due to compensation package costs, and declining home values will require homeowners to make a stark choice," said Matt Mayer, Buckeye Institute President, "This educational ad and the one-stop-shop webpage will help them make an informed choice. Ohioans cannot sustain higher taxes and the status quo of less accountability." The Buckeye Institute plans to run similar educational ads in the other large suburban cities across Ohio over the next month. The educational ad and accompanying chart with fiscal data is attached.

The one-stop-shop webpage can be viewed at

www.buckeyeinstitute.org/getthefacts

The ad and the details on the Central Ohio school districts can be found at

www.buckeyeinstitute.org/reports