

December 12, 2017

Chair Smith, Vice Chair Ryan, Representative Cera and members of the Ohio House Finance Committee,

I am here to testify in support of House Bill 102. My name is Beth Lear and I have nearly a quarter of a century of experience working on education policy. I have worked in the Ohio House, as an analyst for the Buckeye Institute and as a contractor who researches education issues, reading and analyzing legislation.

A review of the DeRolph decisions is relevant to the HB 102 discussion.

Here is a very condensed DeRolph timeline:

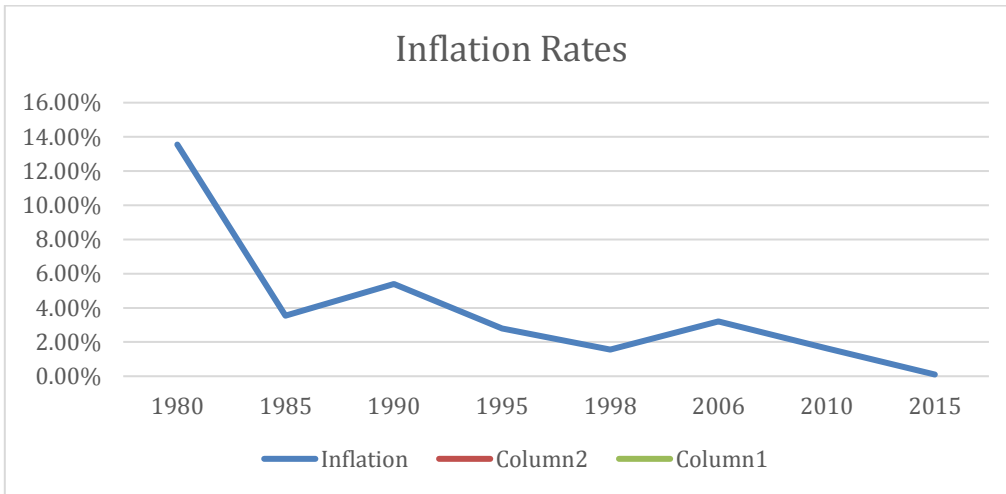
- Original case filed in 1991 in Perry County and was heard by Judge Linton Lewis. It reached Supreme Court in 1996 with a final decision given on March 24, 1997.
- Arguments about timing and implementation commenced. In 1999 Judge Lewis ruled the state had failed to fix the unconstitutional system and in 2000 the Supreme Court agreed, giving the state until June 15, 2001 to comply.
- Arguments began again. On September 6, 2001, the Supreme Court declared again the system unconstitutional and ordered the state to change the method of determining per pupil base support and accelerate the phase-in of 'parity aid' in order for the system to be constitutional. Governor Taft requested reconsideration, the court granted it and then ordered a settlement conference between the state and plaintiffs.
- March 21, 2002 – the man overseeing the settlement conference reported there was no settlement. In December of that year the Supreme Court issued a "reconsideration decision", found the funding system remained unconstitutional.
- March 4, 2003 – plaintiffs filed a motion demanding to know when and how the state intends to comply with the mandates from the Ohio Supreme Court. The Supreme Court responded on May 16, denying the requests of the plaintiff and, in essence, closing the case. Unsatisfied with the outcome, the plaintiffs requested US Supreme Court intervention which was rejected on October 20, 2003.

<http://www.bricker.com/resource-center/derolph/key-resources/resource/chronology-of-the-derolph-v-ohio-school-funding-litigation-412>

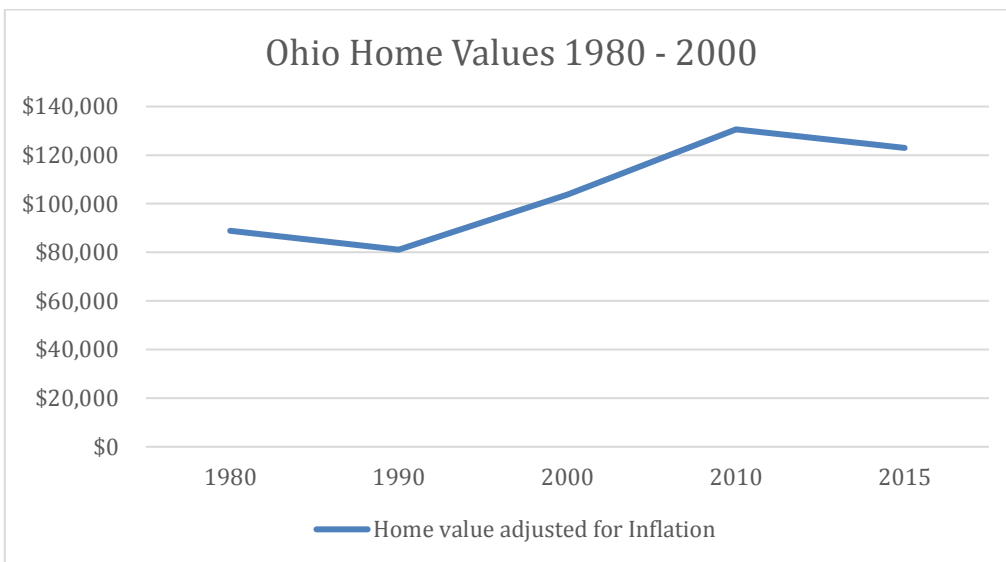
Another lawsuit, *Miller v. Korn*, defined what Ohio's Constitution calls a "thorough and efficient system of common schools" from Article VI, §2: It stated "A thorough system could not mean one in which part or any number of school districts of the state were starved for funds. An efficient system could not mean one in which part or any number of the school districts of the state lacked teachers, buildings, or equipment." Based upon this clear language, it would seem there's a strong argument – especially when you add in the situation of charter school funding – that there remains a Constitutionality issue.

For two decades the response to the lawsuit was essentially to throw taxpayer money at the problem in an attempt to even out the playing field. Taj Mahal schools were built, some with Italian marble as just one example of excess, starting with rural and poor districts and eventually being permitted for all traditional public schools who could meet the criteria. Parity aid, as noted above in the timeline, was added in a further attempt to raise dollars for poor districts, but had strings attached requiring the money be spent on specific programs. (http://www.enquirer.com/editions/2001/08/15/loc_parity_aid_not.html)

HB 102 reopens a conversation that is desperately needed. Fixed income home owners are finding it more and more difficult to remain in their homes as their property taxes skyrocket and home values have started climbing again. Social security and disability payments barely keeps pace with inflation. Home values have increased between 38% and 47% since 1980 according to census and other figures. Inflation is near record lows resulting in very low cost-of-living-increases. Our senior citizens and the disabled face stagnant incomes while spending on education has increased an average of 264% - resulting in huge property tax increases for many around Ohio. And 264% is just the average spending increase. Many districts have experienced massive increases nearly triple the state average. Cleveland's spending, just one example of many, has increased 624% since 1980. Ohio must find a way to resolve this excessive property tax issue, and HB 102 is great place to begin.



<http://cpi.mooseroots.com/l/68/1980-Consumer-Price-Index>



Median home value adjusted for inflation in Ohio: <https://www.census.gov/hhes/www/housing/census/historic/values.html>

The disparity today in funding among traditional districts has barely budged since the lawsuit was filed in the early 1990s. The following sample I've provided uses one school district from each of your State Representative districts plus Olentangy from Representative Brenner's, so you can see for yourselves a picture of how your district funding has changed since 1980.

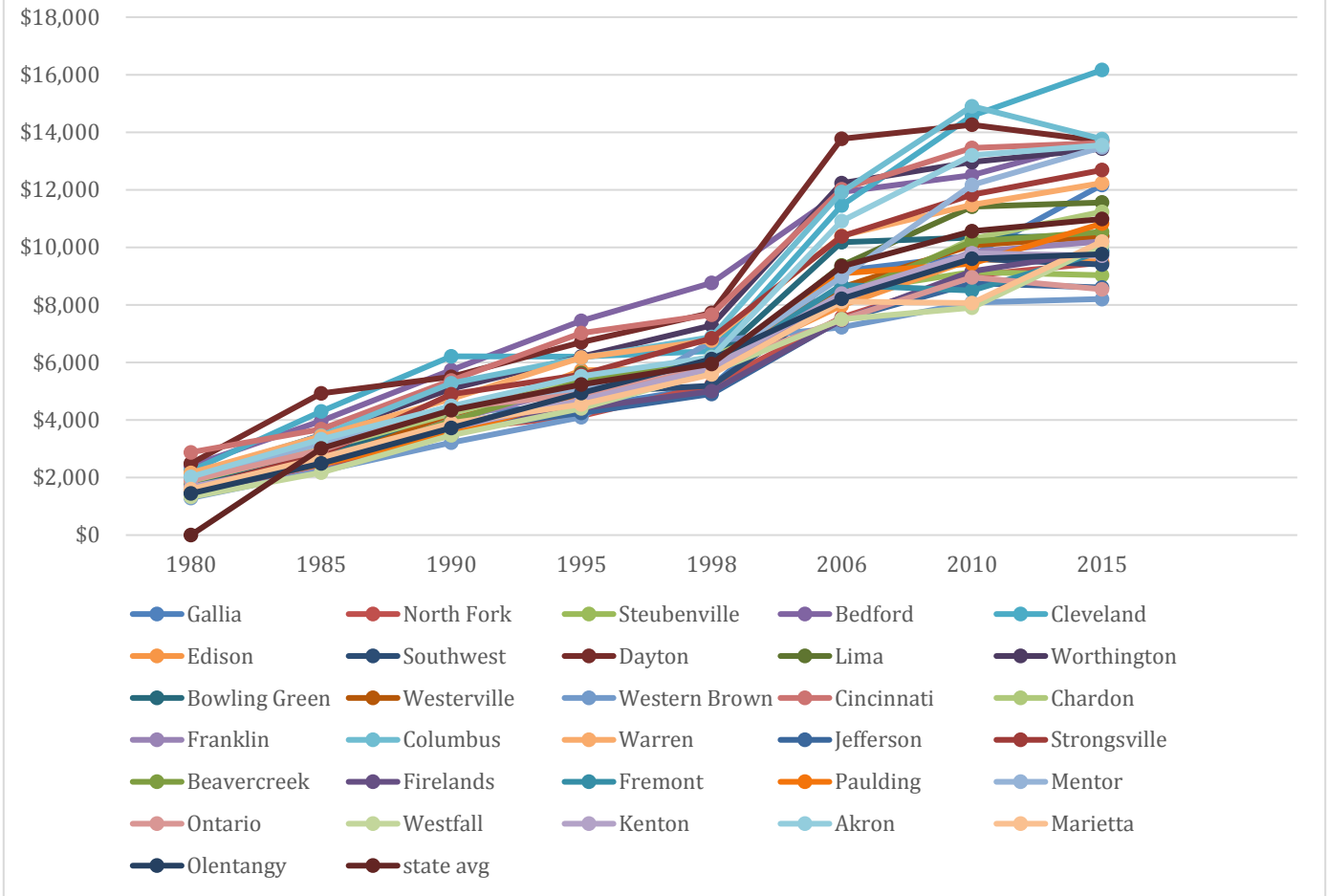
If you add public charter schools into the mix, and I'll give you just one snapshot, the disparity widens: Let's use Youngstown for an example: spending, according to the most recent report card, is \$20,353 per pupil. Academic results for that price tag: an F in Achievement, an F in Gap Closing, a D in Progress and a B in K-3 Literacy. Meanwhile, Stambaugh Academy in the Youngstown District, also a public school, is limited to only \$9,710 per pupil – just 47% of what Youngstown spends. Working with the same student demographic, Stambaugh received one F in Gap Closing, a D in Achievement, a C in K-3 Literacy, and an A in Progress. With less than half the funding, the charter school is outperforming the district. In fact, if you look at money received instead of per pupil spending, which for Youngstown's is over \$26,000 per pupil, the disparity becomes nearly 2 to 1 with Stambaugh students receiving just 37% of Youngstown students. Even those of us who are aren't attorneys can agree this is neither thorough nor efficient.

Spending per pupil in Finance Committee Members' Districts since 1980*

School	1980	1985	1990**	1995**	1998**	2006***	2010***	2015***
Gallia County	2,009	3,415	4,317	4,415	5,155	9,177	9,709	12,171
North Fork	1,555	2,234	3,672	4,143	5,227	7,562	9,020	9,466
Steubenville	1,931	2,842	4,172	5,085	5,836	8,437	9,144	9,034
Bedford City	2,401	3,963	5,731	7,448	8,764	11,920	12,502	13,732
Cleveland	2,231	4,297	6,209	6,197	6,396	11,451	14,573	16,162
Edison	1,843	2,867	3,979	5,720	5,832	7,980	9,582	9,510
Southwest Local	1,494	2,606	3,458	4,950	5,195	8,332	9,607	9,399
Dayton	2,489	4,920	5,501	6,704	7,721	13,768	14,257	13,692
Lima	1,745	2,817	3,923	5,632	5,762	9,369	11,413	11,557
Worthington	1,963	3,481	5,090	6,204	7,288	12,233	12,965	13,427
Bowling Green	1,657	2,814	4,187	5,250	6,033	10,180	10,337	10,399
Westerville	1,588	2,496	4,182	5,336	6,087	8,608	10,068	10,376
Western Brown	1,291	2,226	3,213	4,098	6,729	7,222	8,087	8,205
Cincinnati	2,877	3,676	5,367	7,020	7,663	12,022	13,449	13,626
Chardon	1,875	2,995	4,223	5,348	6,190	8,130	10,297	11,236
Franklin City	1,592	2,407	3,985	5,147	5,789	8,168	9,842	10,208
Columbus	2,094	3,460	5,277	6,161	6,879	11,918	14,904	13,759
Warren City	2,165	3,439	4,736	6,172	6,767	10,406	11,477	12,235
Jefferson Area	1,570	2,703	3,652	4,241	4,900	7,487	8,752	8,601
Strongsville	1,598	2,810	4,895	5,569	6,836	10,376	11,823	12,685
Beavercreek	1,611	2,470	3,963	5,351	6,084	8,338	10,204	10,536
Firelands	1,486	2,480	3,749	4,407	4,997	7,462	9,167	9,861
Fremont	1,540	2,618	3,809	4,786	5,781	8,685	8,494	9,855
Paulding	1,560	2,455	3,514	4,858	5,814	9,092	9,434	10,830
Mentor	1,957	3,196	4,485	5,086	5,954	8,965	12,163	13,478
Ontario	1,904	2,956	4,427	4,894	5,793	7,484	8,960	8,543
Westfall	1,326	2,172	3,467	4,408	5,674	7,497	7,899	10,079
Kenton	1,676	2,567	3,732	4,695	5,792	8,388	9,794	9,706
Akron	2,025	3,330	4,482	5,520	6,175	10,908	13,200	13,550
Marietta	1,594	2,694	3,891	4,540	5,589	8,116	8,067	10,201
Olentangy	1,447	2,487	3,726	4,934	6,119	8,214	9,602	9,760
State average	No data	3,015	4,338	5,230	5,943	9,343	10,565	10,985
Disparity/% difference	52%	44%	52%	55%	56%	54%	53%	51%

*Rounded to the closest dollar. Includes instruction, support services and "non instructional" through 1998, then skips to 2006. Does not include debt services, capital outlay or miscellaneous, because the data was inconsistent for these items. **Total "current expenditures" + "adjustments". *** Cupp Report begins.

Finance Committee Members' School District Funding since 1980



The March 24, 1997 DeRolph ruling found the funding scheme for elementary and secondary education to be unconstitutional and ordered an end to the "school foundation program" and the reliance on property taxes for school funding and gave the state 12 months to solve the problem. However, within a month - after outspoken opposition from Governor Voinovich, the General Assembly and Ohio's major newspapers - the court issued a ruling clarifying that property taxes could still be used if they were not the primary revenue source for school funding. Clearly, whether you believe the Ohio Supreme Court had the authority to tell the legislature to change our funding system or not, **our over-reliance on property taxes remains a problem.**

School district costs increasing on average over 260% is a problem.

Some districts increasing spending more than 600% is a problem.

Senior citizens being forced out of their homes is a problem.

The disparity between districts of over 50% is a problem.

I encourage you to give serious consideration to HB 102 to address these problems. The one concern I have with the bill is requirement to force private schools to take state tests. I question the Constitutionality of this component and would like to see it removed. But for all the remaining recommendations in this bill, from streamlining transportation to moving the funding system to a combination of sales and state wide property taxes, I ask that you do what your predecessors would not and change our education funding system so that Ohio can serve the needs of students, parents, fixed-income Ohioans and all taxpayers.