



### Education

## Testimony on House Bill 305 before the House Finance Committee

Wendy Patton

Good morning Chairman Oelslager, Ranking Member Cera and members of the committee. I am Wendy Patton, Senior Project Director with Policy Matters Ohio, a non-partisan research organization with a mission of creating a more prosperous, inclusive, equitable and sustainable Ohio. Thank you for the opportunity to testify on House Bill 305, the school funding bill.

All Ohio families and students deserve a great school - in all zip codes and all communities - that offers an education equal to any other school in the state. In 1997, the Ohio Supreme Court found Ohio's school funding system unconstitutional because it disadvantaged students of color and students whose families have low incomes to such an extent that it was unconstitutional. More than 20 years later, it still is: the problem has not been fixed. We applaud the 133rd General Assembly for seeking a solution. We are encouraged by the important improvements House Bill 305 proposes: identifying actual costs in individual districts as a basis for school funding and eliminating the school district deduction for charters, vouchers and scholarships for private schools, which compounds state funding losses with local loss. Our recommendations address ways to improve equity in HB 305.

**1. End excess benefits for the wealthiest districts.** Ohio's lawmakers have not targeted enough state aid to districts that need the most support. HB 305's new formula and increased funding will help. However, HB 305 continues to offer special benefits to the wealthiest districts, capping local contributions in a manner that reduces their required local share. Residents who can afford to pay more should be required to do so, freeing up funds for pressing needs that are identified but not funded in HB 305, like universal preschool.

**2. Make the formula easier to understand:** Privatized education - charters, vouchers and scholarships to private schools - have drained resources from Ohio's state and local school funding system and have failed to provide excellent education in all places. It has drained enrollment from the poorest districts without providing a superior alternative. HB 305 includes several "patches" to correct for the impact of the privatized system on

public schools, but without comprehensive reform, the proposed system remains convoluted, hard to explain and hard to understand.

**3. Protect funds for classroom learning in disadvantaged districts:** We appreciate that HB 305 increases categorical aid for economically disadvantaged students. Such aid should be targeted to for classroom learning. These are other pressing needs that need support, but those needs should be addressed separately – they should not be allowed to dilute funds for classroom learning.

**4. Include pre-school in the funding fix:** In Ohio only 26% of Black children and 41% of all children start kindergarten ready to learn.<sup>1</sup> Children from low-income families typically start kindergarten two years behind their higher-income peers.<sup>2</sup> Children who start behind, often stay behind. Early education can help, but Ohio lags other states in funding pre-school. The Minority Health Strike Force recommended expanding early education in their blueprint for improving health and opportunity. Lawmakers should diligently pursue the recommendations of the strike force: They will benefit all people of Ohio.

**5. Restore and rebalance Ohio's state tax structure to provide the revenue needed to address unmet needs in HB 305:** Policy Matters Ohio has released recommendations to increase the fairness of the tax code and raise revenues to reinvest in schools and communities by reducing some tax breaks and rebalancing the upside-down tax structure.<sup>3</sup>

We applaud the General Assembly's action on school funding, appreciate the progress you have made, and urge you to build on it to achieve the best outcomes for all Ohio students.

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<sup>1</sup> Jones, Shannon, Lynanne Gutierrez, Julia Hohner, Julia Jackels, "Drafting a New Blueprint for Success: Reflections on Ohio Early Childhood Race & Rural Equity," Groundwork Ohio, August 2020, <https://bit.ly/2TMzkoY>.

<sup>2</sup> Friedman-Krauss, Allison, W. Steven Barnett, Karin Garver, Katherine Hodges, G.G. Weisenfeld and Beth Ann Gardiner, "The State of Preschool 2019," The National Institute for Early Education Research, <https://bit.ly/2Jnzwc>. Note: Ohio's public preschool grant program funds children from families earning no more than 200% of the federal poverty limit. Eligibility levels may vary by school district, depending on funding sources

<sup>3</sup> Patton, Wendy, "Rebalance the income tax to build a better Ohio for everyone," Policy Matters Ohio, October 15, 2020 at <https://bit.ly/2TBfw07>.