



Education

Testimony on the Fair School Funding Plan and House Bill 110 Senate Finance Committee

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Good afternoon, Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes and members of the committee. I am Wendy Patton, a senior project director of Policy Matters Ohio, a non-partisan, not-for-profit research organization that is building a more prosperous, inclusive, equitable and sustainable Ohio. Thank you for the opportunity to testify in support of the Fair School Funding Plan in HB 110 as well as on tax policy that would make it harder to fund the plan in the current budget.

No matter where they live or what they look like, all of Ohio's kids deserve a public school that inspires their creativity, unlocks their potential, and nurtures their dreams. But the way schools are funded by the state today fosters unhealthy competition, pitting parents against teachers and communities against each other. Ohio's General Assembly has over time prioritized tax cuts and tax breaks, which have primarily benefitted the wealthiest Ohioans and corporations, while draining resources from our public schools and communities. Today Ohio schools are dependent on local resources, which means where property values and incomes are low, children do not get the same quality of education as in places of wealth. Because of long-standing discrimination in housing, employment, health care and many other policies, many Black and brown Ohioans live in communities where local resources are low and schools are underfunded. The problem is the same in many rural communities of low income. It's time to fix this inequity.

Ohio has enough for every child to attend a great school with advanced classes, cutting-edge technology and well-trained, professional educators. We ask you to pass the Fair School Funding Plan and finally dedicate the resources needed for each and every student to succeed. We can make a better future for all of us. The Fair School Funding Plan included in the House budget bill would fix failures of the current funding system:

- It reduces reliance on local levies by boosting state funding and basing it on the actual cost of educating students.
- It stops diverting local money for private schools and charters from districts, placing the funding responsibility with the state.
- It creates stability for districts from year to year.
- It increases funding for economically disadvantaged students.

The problems in Ohio's current school funding system have a single source: Policymakers have under-resourced public schools. Lawmakers have failed to honor the Ohio constitution and ensure a thorough and efficient education across the state, in all communities, regardless of what residents look like, where they work and the level of their income. More than half of Ohio's schools are funded at levels lower than the national

average, and the national average itself is mediocre.¹ The Fair School Funding Plan in House Bill 110 would provide additional aid across all district types, with the biggest increase going to districts where poverty is high and the cost of educating students is the greatest.

The Fair School Funding Plan is a giant leap forward for Ohio's children and communities, but interim measures do not provide the full promise of the system until 2026-27. The phase-in of funding for economically disadvantaged students is slower than other components of the plan, although this component of funding has never been more important. Phase-in could be accelerated to benefit Ohio children and families by eliminating the proposed \$382 million income tax cut, which offers no benefit on average to families of middle and lower income and only provides virtually no benefit to families of middle and modest income. The tax breaks the House added to the budget bill are also not helpful to Ohio and Ohioans. One would give away public resources in an incentive for Ohioans to sell their business. Another would add yet another public venture capital program to Ohio's existing one – which can't generate the money to pay off the bonds that funded it. The House budget would also spend \$5 million on a tax break to favor sellers of precious metals and investment coins — a loophole so riddled with corruption that it has been repealed twice. There are better uses for public resources – like accelerating phase-in of the Fair School Funding Plan.

Some lawmakers are now pointing to the “State Appropriation Limit” (SAL) as an excuse for failing to maximize all public resources to benefit all Ohioans in HB 110. The SAL is a false barrier. A 2006 research memo by the Ohio Legislative Service Commission pointed out it is likely the SAL cannot be enforced.² Lawmakers did change it in 2014-15 budget bill, which allowed appropriations from outside the GRF to lift the cap in 2016.³ This measure from the past, which is being used to justify policy and funding strategy in the present, can and should be changed as needed - and the change is needed now, to better fund the phase-in of the Fair School Funding Plan.

The federal dollars coming to schools from the American Rescue Plan will be needed to deal with the ongoing effects of the pandemic and the ever-mutating coronavirus that has caused it. Children are not all vaccinated and may not be soon. It's a year of critical risk for schools. The American Rescue Plan dollars will be needed for the rescue related to the virus. The need for better support of schools in low-income communities is not eradicated by that one-time money.

For our state to have a bright future, all Ohio's kids must get a great education, no matter where they live or what they look like. You can make the changes necessary to give all Ohio kids that fair shot. We look to you to do so. Thank you for this opportunity to testify.

¹ “State and National Highlights Reports (Quality Counts 2020),” Education Week, <https://bit.ly/2PPcQFp>

² “Follow the money, CCS” <https://www.communitysolutions.com/wp-content/uploads/2018/04/Chapter-1-1.pdf>

³ <https://www.lsc.ohio.gov/documents/gaDocuments/analyses130/13-hb59-130.pdf>