



Senate Finance Committee
HB 110 – Interested Party Testimony
May 17, 2021
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Chairperson Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to testify on House Bill 110. I am here today discuss HB 110’s budget provisions in support of whole child wellbeing and the Fair School Funding Plan.

Born out of the civil rights movement, with more than four decades of advocacy behind us, it is the mission of the Children’s Defense Fund to champion policies and programs that lift children out of poverty, protect them from abuse and neglect, and ensure their access to appropriate and targeted health care, quality education, and nutritional wellness.

We have a saying, that children do not come in pieces, and neither should our policy and budget decisions when it comes to their overall wellbeing. We are committed to advocating for the prioritization of the whole child in the FY22-23 Ohio budget, which includes ensuring adequate investments in the systems they rely on for their wellbeing and the communities they call home.

The budget is a moral document that is a reflection of our priorities as a state, and we must do right by our youngest Ohioans – the future of Ohio. We must ensure our budget invests in and protects essential programs our children need to recover from this traumatic year, live in dignity, and thrive.

In the past year, we’ve read numerous articles and heard from a variety of experts about the concern of learning loss, or unfinished learning, chronic absenteeism, trauma, economic instability, inaccessible broadband, etc. CDF-Ohio partnered with the Ohio Parent Teacher Association to learn about what parents want for their children as they return to face-to-face instruction.

We learned a great deal from our parents, most importantly, that they prioritize the following:

- Behavioral and mental health
- Well-check on basic needs of children and families
- Greater access to technology

This is important, because we know from the research that when children are emotionally healthy and have their basic needs met, they are better prepared to learn. According to Child



Trends, even prior to the pandemic, nationally [one in five children had a diagnosed mental health disorder](#).¹ Further, the report shared the following:

“While research on the pandemic’s effects on mental health is still in the early stages, current evidence shows a surge in anxiety and depression among children and adolescents since the pandemic began, including among young people of color and among lesbian, gay, bisexual, transgender, and queer and/or questioning (LGBTQ) youth. In addition, almost half of all parents report experiencing higher levels of stress during COVID-19, which increases their children’s risk for experiencing family adversity (e.g., child abuse and neglect, domestic violence) and related mental health problems.”

Last month, Children’s Defense Fund-Ohio in partnership with the Mental Health & Addiction Advocacy Coalition released a first of its kind report on Children’s Behavioral Health in Ohio. In this research we found that

- Ohio ranks 46th in the nation for children having three or more ACEs. Minorities are at much higher risk of ACEs than their White peers. 51% of Hispanic children and 61% of Black children have had an adverse childhood experience, compared to 40% of their White peers.²
- Globally, 50% of all lifetime cases of mental illness begin by age 14.³
- Nationally, a higher percentage of children and adolescents 12 to 17 years old had a drug use disorder in the past year (3.6%) than adults over 26 years old (2.3%).⁴
- Nationally, an estimated 50-75% percent of youth encountering the juvenile justice system meet criteria for a mental health disorder and 40-80% of incarcerated juveniles have at least one diagnosable mental health disorder.⁵

¹ Child Trends. (2021). A National Agenda for Children’s Mental Health. [A National Agenda for Children’s Mental Health - Child Trends](#)

² . Sacks, Vanessa and Murphey, David. “The prevalence of adverse childhood experiences, nationally, by state, and by race.”

³ Kessler, Ronald C. et al. “Lifetime prevalence and age-of-onset distributions of mental disorders in the World Health Organization’s World Mental Health Survey Initiative.” *World psychiatry: official journal of the World Psychiatric Association (WPA)* vol. 6,3 (2007): 168-76, www.ncbi.nlm.nih.gov/pmc/articles/PMC2174588/.

⁴ Substance Abuse and Mental Health Services Administration. “Key substance use and mental health indicators in the United States: Results from the 2019 National Survey on Drug Use and Health.” Rockville, MD: Center for Behavioral Health Statistics and Quality, Substance Abuse and Mental Health Services Administration, 2020, www.samhsa.gov/data/. Accessed 5 April 2021.

⁵ Underwood, L. and Washington, A. “Mental illness and juvenile offenders.” *International Journal of Environmental Research and Public Health*, 2016, 13(2), 228. doi: 10.3390/ijerph13020228.



- In Ohio, rates of teen suicide have spiked 46% over the last four years.⁶
- Although Ohio ranked 13th in access to mental health care for youth, more than half of children who experienced major depression did not receive mental health services and only 33% received consistent treatment.

These disorders can be especially devastating to young people, impacting current health and school success and contributing to serious lifelong consequences impacting their families and their communities.

Based on research, recommendations from teachers, and parents, we know that the Student Wellness and Success Funds are critical to child wellbeing – not only from this pandemic, but in the long-term. For these reasons, we applaud the Governor’s executive budget inclusions that support whole child wellbeing, such as: increasing investments in Student Wellness and Success Funding to school districts by \$100 million per fiscal year to meet increased child mental and behavioral health needs.

These are critical investments in whole child wellbeing – especially for our most vulnerable – that must be protected. The House passed budget included these funds however they were rolled into the Fair School Funding Plan as part of the phased in implementation. This creates a false choice and one that is unfair to Ohio’s children. Ohio can address school funding for children and children’s behavioral health and wellness. In fact, these two items go hand in hand – especially after the past year that we’ve all lived through.

I am here to urge your support of the Fair School Funding Plan and the Continued Support of the Student Wellness and Success Funds.

The legislature must fund the phase in of the school funding model as proposed and over the next six years. Ohio has an amazing opportunity before it to do what is right by Ohio’s children and to invest in our future as a state. I know that there are some who will say that it’s unaffordable or ask how can we pay for this? I’m here to offer some suggestions. As a former section chief in the state’s Office of Budget and Management – I’m coming to this conversation as a realist and with solid recommendations:

- Direct a set percentage of the Commercial Activity Tax receipts into the school funding formula. We recommend 10% per year (roughly \$150M/yr). This year, the CAT has brought in over \$1.3B year to date – which is ahead of estimates. This is great news. Especially since it was originally meant to be directed to education per the phase-out of the Tangible Personal Property Tax (TPP) in HB 66. Schools and cities were promised that this phase out and the revenues generated from the CAT would represent

⁶ America’s Health Rankings 2019, Ohio www.americashealthrankings.org/explore/annual/measure/Suicide/population/suicide_15-24/state/OH.



significant investments for schools and local governments. We urge this overdue action to be taken⁷.

- Reduction of the LLC Loophole. Reducing this by half could raise an additional \$500M per year available for school funding.⁸
- In the event the revenues for sports betting (SB 176) are housed within the Lottery Commission, these revenues will be available through the Lottery Profits for Education Fund in the Ohio Department of Education's Budget. Though modest, the initial revenue estimates project about \$18M per year that can also be made available with 98% of revenues going towards education⁹.
- There is also significant federal dollars that the Governor has access to through the American Recovery Plan, however I have chosen not to address those funds here as they are time limited sources of funds. In economically disadvantaged areas – these funds can be used for social emotional and for wraparound services.¹⁰

We also recommend and want to raise the following issues for continued deliberations on HB 110:

- **Ensure Student Wellness and Success Funds are protected in this budget and used for their intended purpose.**
- **Keep the SWSF separate from the school funding formula.**
- **Fund the Phase in of the Fair School Funding Plan.**

We urge you to prioritize whole child wellbeing as the budget process continues, for the future of our children and the future of Ohio. Ohio clearly has the revenues to invest in these critical items – we simply need the will to act. There's a saying, the grass isn't greener on the other side, it's greener where you water it. I appreciate having the opportunity to provide testimony today and happy to answer any questions you may have. Thank you.

⁷ Ohio Department of Taxation. Tangible Personal Property Tax.

https://tax.ohio.gov/static/personal_property/tangible_personal_property_tax_changes_in_hb1.pdf

⁸ Policy Matters Ohio. Closing the LLC Loophole. <https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/tax-policy/closing-the-llc-loophole>

⁹ Legislative Service Commission. Analysis of SB 176

<https://www.legislature.ohio.gov/download?key=16565&format=pdf>

¹⁰ U.S. Department of Treasury. American Recovery Plan. Technical Guidance on Education Spending.