

Testimony of Jayne Geneva

before the Senate Education Committee

May 5, 2021

I am Jayne Geneva and I appreciate the opportunity to appear before legislators once again regarding public school funding, although I am perplexed to be here so many years later on the same subject. I first got involved in the public school funding issue around 1988. I began lobbying before legislators in Columbus, giving testimony, meeting with various level government officials, and talking with districts all over the state. I met with Dr. Howard Fleeter as he was conducting his initial survey of school funding and the cost of education. I wrote many educational pieces on school funding trying to make a convoluted system make sense to the common voter. I submitted four (4) amicus briefs to the Ohio Supreme Court prior to the *DeRolph* decision in 1997. At this same time, many of us spending untold hours of volunteer energy and time to keep our districts solvent by passing levies.

I applaud you for finally addressing the issue of funding of Ohio's public schools, schools which 90% of our students attend! I am hoping the Fair School Funding Plan will result in a new vision for school funding in Ohio.

I would like to go over a bit of the history Ohio's school funding.

When Ohio became a state in 1803 the settlers did not have an education system, but they realized that an educational system would have a civilizing effect on the territory. After much discussion and study, The Ohio government created a common system of schools and financed public education in Ohio with a half mil property tax in 1825.

As the state grew, the value of the common schools in Ohio remained strong. But in 1934, following the depression, often residents were not able to pay their property taxes. The state instituted a State Sales Tax of 3% on certain goods in order to help pay for education. This tax has changed at least 25 times over the years, expanding and contracting the goods and services to which it applies. Even the rate has risen and fallen. And one major change over the years is that the money collected from this tax used for the SOLE purpose of education as the tax was originally designated.

Then in 1975 an attempt was made to minimize the direct tax burden on its citizens when the legislature created the Ohio Lottery. And in the years since the passage of the Lottery Bill much money has been collected. But all the profits have not enhanced the education budget. Initially they only were used to replace what was originally designed as education dollars with lottery dollars. Not a big gain for education; at best, the gain of the cost of one book per student.

In 1976 House Bill 920 was passed in an effort once again to help residents with property taxes. This quickly became a two-edged sword. As housing values rose, the school districts were unable to gain monies on the inflated values unless additional taxes were voted. This bind became the bane of school funding for many years as property values climbed along with expenses for the school districts, but no new funding could be tapped on this increase in value to aid education.

And of course there have been rollbacks to the property tax in the form of residential and agricultural tax discounts. The Homestead exemption is one example.

As if that picture were not bleak enough, The Tangible, Personal Property tax (TPP) was rolled back in an effort to help businesses. Taxes on telephone and telecommunications and railroad properties were subtly changed when HB66 was passed in 2005, eventually eliminating these taxes over several years. This was another change in taxes that was designed to help businesses, but harmed school districts. Yes, there was a hold harmless period but that ended in 2013.

Additional state laws have also undermined public school districts' budgets: tax abatements, tax increment financing, and state mandates without underlying funding.

Although the inflationary costs of education increase, as with all businesses especially those that are personnel intensive, our funding for public education is pretty fixed and inflexible. The *DeRolph* case is clear that the current system of education funding, relying on property tax values, is unconstitutional because it is unfair and inequitable.

You have before you in the Fair School Funding Plan, a system that takes into account the diverse districts in Ohio, and one which creates a plan that will be Constitutional but more importantly will provide our Ohio young citizens the necessary school support to become productive citizens of our state.

At this time of concern over economic gains and the recruitment of businesses to relocate or start up in Ohio, we must ask ourselves if a basic solution to these concerns is not a stronger public educational system. Businesses want a trained work force; their employees want to live in a place that strongly values education. We can provide this with The Plan. As the one Constitutional expenditure the legislature is required to make, that of providing for public schools, let's push this effort forward.

As we reopen our schools, let's open the doors with gusto, with renewed support, with transparency, and with the knowledge that this is the time to burnish Ohio's image regarding education. Please support the Fair School Funding Plan.