

Testimony on House Bill 1  
House Ways and Means Committee

Submitted by:  
Deborah Cooper

Chair Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the committee:

Thank you for allowing me to present this testimony in opposition to HB 1.

I am an Ohio resident and a regular voter. I have been an educator of students of all grade levels from kindergarten through 12th grade in both public and private schools. Before my retirement in 2016, I spent nearly 20 years educating members of the public about Ohio law for the Ohio State Bar Association.

I have learned that our system of government is complex, and that it requires all of us to pay close attention. It depends on lawmakers who will carefully consider the ramifications of the bills they propose. It depends on citizens who can live and work with diverse neighbors and co-workers. It depends on public schools and community services such as libraries to support ALL Ohioans and to help inform voters about our system of democracy.

On the surface, HB 1 might seem to be a good idea, but I urge you to look under the hood and consider carefully the consequences of passing such a bill.

HB 1 would institute a “flat tax” and eliminate some property tax rollbacks. Such a plan is estimated to cost more than \$2 billion per year, and part of this expense will be shifted onto public schools and local authorities through the elimination of the state-funded 10 percent property tax rollback. But how will local governments and school districts make up for an estimated loss of \$1.2 billion every year if HB 1 becomes law? Even Speaker Stephens, a proponent of this bill, has admitted that its passage could mean cities, counties, children’s services, libraries, parks, and other entities could have to go to the ballot with levies. We know how difficult it is to pass school levies in even the most affluent communities. How will lower-income communities sustain their public schools and other services?

While HB 1 is moving through the legislature, a voucher “backpack” plan is also being considered. SB 11 would take funds from public schools and move them to private schools and homeschool families. We should know, from the costly ECOT scandal (ECOT still owes Ohio \$117 million!) and from the recently uncovered Nazi homeschool network (which, despite negative publicity, continues to operate unimpeded), that oversight is vital when it comes to educating our children. Nevertheless, we’re setting up the next generation of children for uneven education with little accountability.

According to Jan Resseger (relying on data from Ohio’s school finance guru Howard Fleeter), HB 1 will increase property tax in our state by nearly one billion dollars, which (once again) flies in the face of the 26-year-old Supreme Court ruling that found Ohio’s public education funding formula to be too reliant on property tax. What happens to the Cupp-Patterson Fair Funding Plan if HB 1 passes?

We know (and Ohio’s constitution acknowledges) that any working democracy depends on robust public education. How will our children learn to work alongside those who are different from them? What will our state look like when public schools, the heart of most communities

throughout Ohio, can no longer afford to provide sports programs, for example? What are the long-term consequences if our public education system is slowly but surely destroyed? Will private schools be required to educate everyone, as public schools are required to do?

While HB 1 calls for having the state replace the money local governments would lose, plans to hold local entities harmless aren't always sustainable. The General Assembly might be willing to appropriate funds in fiscal 2024 and 2025 to make up for the impact on local governments, but what about 2026 and 2027, and beyond?

Can HB 1 possibly be worth the cost? Who will HB 1 actually benefit? According to Policy Matters Ohio, those making half a million dollars a year could see a tax cut of more than \$5,000, while many middle-income families would see less than \$3 in tax savings, and low-income families would see nothing but a loss of local services. Currently, low-income Ohioans pay nearly twice as much in state and local taxes as do the most well-to-do Ohioans. With respect to the state's financial stability, funding such a large tax cut might not be so problematic when the state's coffers are full, but what of the state's financial future? How will HB 1 affect sales and excise taxes, and who will foot the bill for these increases?

How will HB 1 help our state grow? We should have learned by now that the "trickle down" theory simply doesn't work. The huge federal tax break given to corporations a few years ago was largely used to fund stock buy-backs. It made the rich richer and increased the divide between the "haves" and "have nots."

Please consider carefully the many serious negative ramifications for the vast majority of Ohioans if HB 1 passes. How can we justify the short-term and long-term costs of a flat tax in Ohio?

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Resources:

<https://news.wosu.org/2023-02-17/schools-ohio-governments-could-lose-over-a-billion-dollars-from-tax-changes-backed-by-speaker>

<https://www.policymattersohio.org/press-room/2023/02/23/speakers-1-priority-tax-cut-for-the-rich>

<https://janresseger.wordpress.com/2023/03/23/ohio-hb-1-proposal-for-income-tax-cut-property-tax-increase-cliffs-notes-edition/>