

945 Locust Lane
Cincinnati, Oh 45245
March 4, 2025

House Education Committee

This is my testimony regarding the Ohio Fair Schools Funding Plan.

I support full funding of the Ohio Fair Schools Funding Plan in this budget.

The Ohio Fair Schools Funding Plan is not perfect but it does address many of the issues from the DeRolph case in which Ohio's school funding formula was declared unconstitutional. In particular, it makes a reasonable attempt to determine cost of adequacy.

Perhaps it should more appropriately though be called the Ohio FAIRER Schools Funding Plan because it still does not address one of the major issues identified in DeRolph - "Phantom Revenue"

It is called "Phantom Revenue" because the formula overestimates the revenue local school districts receive from their local tax levies. That is because the formula still uses property valuation instead of actual tax collections in determining the local share. As you know HB920 restricts the growth in local property taxes collected.

Using property valuation is equivalent to forcing school districts to place levies on the ballot. Maybe it should be called the Forced School District Levies Plan?

As you know, property valuations have increased significantly in the last few years. This dramatic increase in property valuations means that the state share of funding will be decreased accordingly. The public school budget request from Governor DeWine is less than anticipated because of this. The effect of HB920 needs to be factored into this budget and the state share should be increased accordingly.

Going forward, a component to address HB920 and the "Phantom Revenue" effect needs to be incorporated into the formula.

Thank you for this opportunity to share my viewpoint with you.

John Gray

