



TESTIMONY

March 4, 2025

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Testimony to the House Education Committee on H.B. 96

Chair Fowler Arthur, Vice Chair Odioso, Ranking Member Robinson and members of the House Education Committee. My name is Hannah Halbert and I am the executive director of Policy Matters Ohio, a nonpartisan, nonprofit research organization building a more vibrant, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to present this testimony in opposition to key aspects of funding over the next two fiscal years for public schools and vouchers in the current version of House Bill 96.

Our families and communities across Ohio depend on our children's education, and in Ohio, public schools educate nearly 90% of our young people. Every child in our state should be able to get a great education at a public school in their neighborhood.

That's why we are concerned that the executive budget proposal put forward by Gov. Mike DeWine in February would cut funding for public schools by \$103 million in foundation formula funding in FY27 compared to what the Fair School Funding Plan provided in FY25. At the same time the proposal increases funding for vouchers by \$265 million over the same period.¹

This is unacceptable and risks the future of the many Ohioans who rely on their local public schools.

Fair School Funding Plan

The last state budget funded the FSFP at \$9.84 billion in FY24 and \$10.19 billion in FY25 from All Funds (GRF, DPF, and Lottery Funds) as the second installment of a six-year roll-out. Of that total budget, state investment is about 79.3%. Three funding sources — the General Revenue Fund, the State Lottery Fund (SLF), and the Foundation Funding All-Students Fund (Fund 5VS0) — make up the bulk of state investment in education.

¹ OEPI [Initial Analysis of Executive Budget K-12 Funding Proposal](#), Ohio Education Policy Institute.

The FSFP is intentionally driven by the cost to educate all students, which relies on key calculations based on what it takes to teach each district's student population, as well as the ability of each local district to raise revenue for schools based on income and property wealth.

According to the FSFP, base cost is to be calculated using the most recent cost of doing business calculated for each district (inputs) such as student-teacher levels and staffing levels and salaries – in short, the actual costs to educate the students with no additional needs who attend school in each district. Added to this are additional costs based on the number of students with disabilities, English language learners, gifted students and students who qualify as economically disadvantaged.

We are encouraged that the governor proposes implementing the final two years of the six-year phase-in of the FSFP. The problem is that the governor's proposal relies on outdated costs from 2022, thereby shortchanging our public schools by cutting funds as costs have increased. At the same time, inflation and rising property values have driven up the amount the state expects local communities to contribute. Imagine having to shop for groceries in 2025 on the same budget you had in 2022.

The importance of updating costs is made clear by looking at the difference between 2024 and 2025 state funding. Between those years, two things changed: The FSFP phase-in was increased from 50% to 66%, and the property valuations were updated. However, the costs side of the formula were pinned to 2022. The consequence of updating the local share side without updating the student need costs was a \$147 million cut in state foundation funding.² Failing to update costs does not just hold down funding to schools; it can also inflate local capacity, shifting more of the costs back to local communities. The state share is estimated to decline in more than 80% of the districts under DeWine's proposal. This is exactly the wrong direction for education funding.

The failure to update costs has the additional consequence of pushing more districts onto the guarantees. There are three reasons a district would be on a guarantee: 1) Decrease in enrollment 2) Increase in property valuation 3) Formula gamesmanship, meaning changes or holding down of some elements of the formula in a way that results in cut to the state's costs. LSC estimates of the governor's proposal hold enrollment constant, yet the guarantee increases in each year of the biennium. These increases are due to a policy decision. By choosing to update local capacity but not costs, the state share responsibility is artificially cut, pushing more districts — even some with increased enrollment — onto the guarantees.

² Ohio Education Policy Institute, FY24 vs. FY25 State Foundation Funding Comparison. <https://shorturl.at/w7l0j>.

The legislature can correct this by ensuring the local capacity to fund education and the costs of educating students are updated on the same schedule using current data.

Increasing funding for vouchers

Equally concerning, the governor's proposal would increase funding for vouchers by \$88.6 million in FY26 and another \$88.2 million in FY27, spending a combined total of \$2.4 billion dollars over the coming biennium.

The state's three general education voucher programs — EdChoice, EdChoice Expansion and the Cleveland Program — together provide a publicly funded voucher for any Ohio family, regardless of income. While EdChoice Expansion gradually reduces the voucher amount for families with incomes over 450% above the poverty line, even the wealthiest can get 10% of the full amount; Cleveland residents of all income levels are able to get the full voucher amount.

The state spent a combined \$733 million for the 2023-24 school year on these three programs, up from \$400 million the previous year. Legislators drove this increase by making EdChoice Expansion available to all: Ohio gave out nearly 69,000 new EdChoice Expansion vouchers,³ but statewide private school enrollment grew by only 3,700 students.⁴ This means that more than 65,000 vouchers went to families with children already in private schools.

That same year, participants in the EdChoice Expansion program became wealthier and whiter: Only 17% of users in 2023-24 qualified as low-income compared to 68% the previous year. The number of white participants in the Expansion program more than quadrupled in the 2023-24 school year.⁵

The percentages of new and renewing voucher recipients and those qualifying as low-income stayed relatively stable from year to year for the original EdChoice program and the Cleveland voucher.⁶

Where voucher schools are

Policy Matters Ohio's recent [voucher-mapping report](#) clearly shows that private schools are concentrated in or near urban areas. This means they

³ Ohio Department of Education and Workforce Data Portal. <https://shorturl.at/3tIsM>.

⁴ Ohio Department of Education and Workforce Enrollment Data. <https://shorturl.at/3lyfE>.

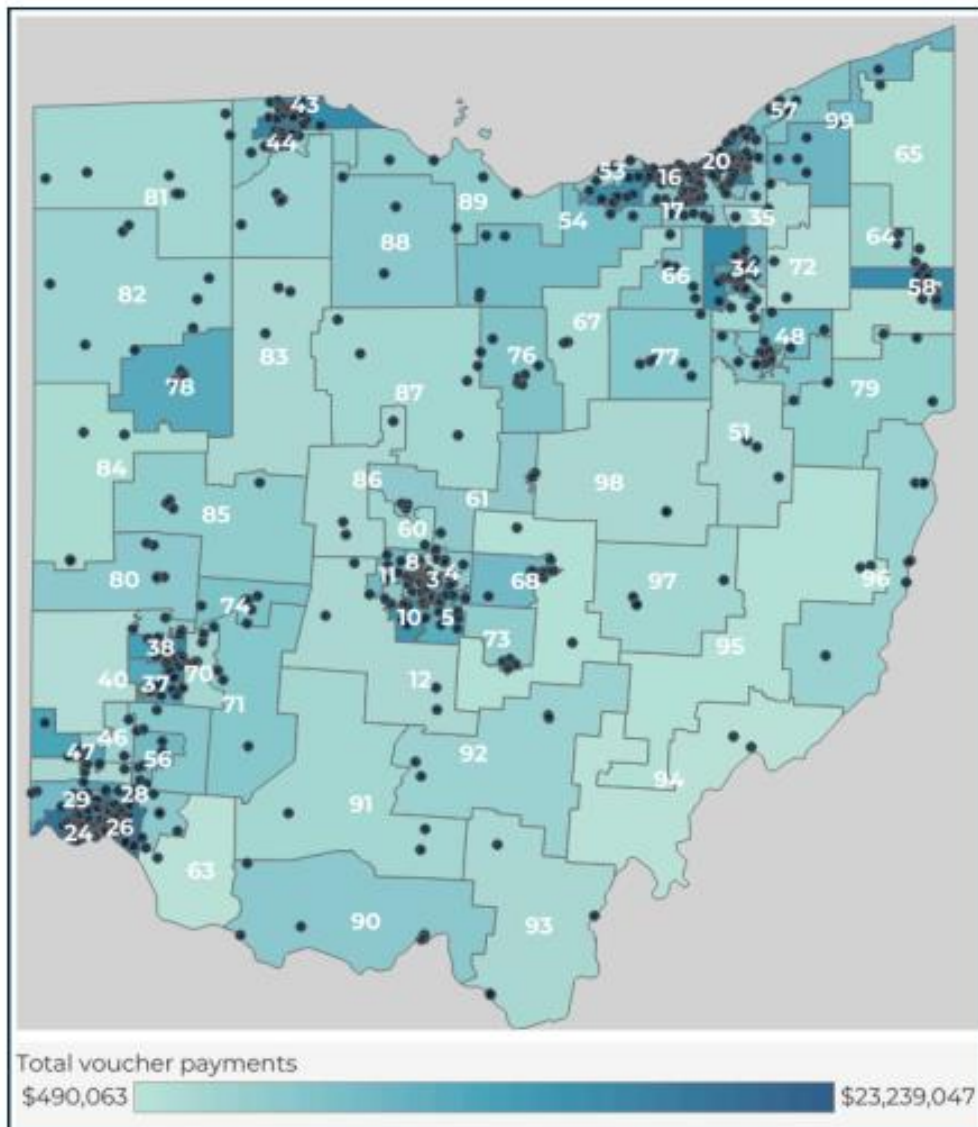
⁵ Ohio Department of Education and Workforce Data Portal. <https://shorturl.at/3tIsM>.

⁶ Ohio Department of Education and Workforce Data Portal. <https://shorturl.at/3tIsM>.

siphon funds away from public schools, especially in smaller cities and rural areas where few, if any, nonpublic schools exist.⁷

Allowing vouchers to extract more public dollars from the state budget increases school district dependence on local tax levies. This means everyday Ohioans have to make up the difference or live with increasingly underfunded public schools.

Voucher schools with Ohio House district overlay.



Policy Matters Ohio [analysis by Molly Bryden](#).

⁷ van Lier, Piet and Molly Bryden, "Public Money for Public Schools," Policy Matters Ohio, February 2025. <https://shorturl.at/TgiiB>.



Vouchers threaten communities' biggest asset: a local civic hub and a great education for all children, no matter where they live or how much money their parents have in the bank. That impacts all of us, whether we have kids in school or not.

It is up to this state legislature to understand what the continual expansion of universal vouchers in Ohio is doing to our public schools, who benefits and who is hurt. We ask you to stop this expansion, and keep public funds in public schools.

Thank you for this opportunity, and please feel free to reach out to me at hhalbert@policymattersohio.org with any questions you may have.