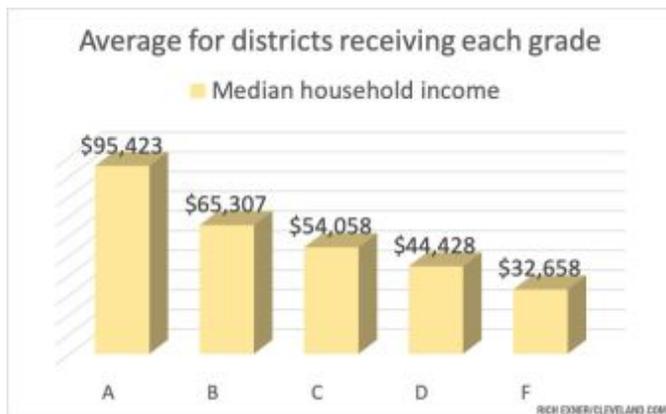


Testimony from Jan Resseger, on House Bill 110
Ohio Senate Primary and Secondary Education Committee, May 6, 2020

Senator Brenner, Vice Chair Blessing, Ranking Member Fedor, and members of the Committee: As a member of the Heights Coalition for Public Education, I commend the sponsors in both chambers of the Ohio Legislature for considering fully funding the Fair School Funding Plan as part of the state budget.

The Fair School Funding Plan, now part of HB110, enhances equity, increases the state's investment in the under-resourced public schools which serve concentrations of our state's poorest children, and ends school district deduction funding for charter schools and EdChoice vouchers for private school tuition. These are all important principles, and the need in our state for passage of the Fair School Funding Plan is urgent.

For many years---through mechanisms like the state report card which rates and ranks school districts; the third grade guarantee; the state takeovers in Youngstown, Lorain, and East Cleveland; and the assignment of charter schools and vouchers, all based primarily on aggregate standardized test scores---Ohio has doled out punishments for schools and



school districts that serve concentrations of the state's poorest children. However, a mass of educational research documents that aggregate standardized test scores for any school or school district correlate with family and neighborhood income and are a poor measure of school quality. In September of 2019, the *Cleveland Plain Dealer* published [a stunning analysis](#), by the newspaper's data expert, Rich Exner, of the school district grades awarded by the state of Ohio on the 2018-2019 state report cards. Exner's bar graphs present a series of almost perfect downward staircases, with "A" grades for school districts in communities with high median income and "F" grades for the school districts in Ohio's poorest communities. The correlation of academic achievement with family income has been demonstrated now for half a century, but too often

Ohio policy has blamed public school teachers and administrators instead of using the resources of government to assist struggling families who need better access to healthcare, quality childcare, better jobs, food assistance, and better resourced public schools.

Today Ohio is one of the states that spends less per pupil on public schools that serve poor and minority children. In an appendix to a September 4, 2019 report, [Howard Fleeter explained](#): "Over the past decade, Ohio has systematically reduced funding for school districts serving concentrations of poor children:

- "For much of the past 30+ years, funding for economically disadvantaged students has increased at a far slower rate than the foundation level. Even worse, poverty funding has actually *decreased* by 13% from FY09 to FY18.
- "Since 2001, the rate of increase in the number of low income students has been nearly 3 times as great as the rate of increase in state funding for these students.
- "Funding for economically disadvantaged students in Ohio has become significantly more structured and restricted in the past 15 years as funding has been focused on programs related to the additional needs of these students and away from unrestricted grants.
- "There has never been an objective study to determine the adequate level of funding for the programs needed to serve economically disadvantaged students.
- "The focus on funding programs for economically disadvantaged students has largely ignored the impact of poverty on the social and emotional needs of low income children. These issues need to be addressed alongside – and arguably before – the academic needs of these children."

The Fair School Funding Plan you are now considering as part of HB 110 has been carefully designed to balance the needs of the children across all of Ohio's 610 school districts and to rectify a long-standing shortage of state assistance for the schools serving our poorest children despite that these children need additional assistance.

Ohio school funding has also diminished over time with the result that the state has made funding increasingly reliant on local property taxes. In a House Finance Committee hearing on December 2, 2020, Ohio school funding expert [Fleeter presented testimony](#) explaining that, due to a long collapse in state funding, Ohio's school funding formula has ceased to work: "The FY10-11 school year was the last year in which Ohio had a school funding formula... which was based on objective methodologies for determining the cost of providing an adequate education to Ohio's 1.6 million public school students. In FY12 and FY13, Ohio employed the 'Bridge' formula which was not really a formula at all, instead basing

funding on FY11 levels. From FY14 through FY19, Ohio did have a school funding formula; however, this formula suffered from several significant deficiencies. First the base cost was not based on any adequacy methodology, instead just utilizing per pupil amounts selected by the legislature. This approach is the very embodiment of ‘residual budgeting’ which was explicitly ruled unconstitutional in the March 1997, *DeRolph* ruling.”

In a new report this month for Policy Matters Ohio, [Wendy Patton examines](#) the state’s chronic disinvestment in state funding for public education: “On average, local governments paid for the greater part of school funding in each of the last 40 years but three, 1987-1989. At times, the gap narrowed between state and local share, but the 2006-07 budget halted that progress by eliminating major business taxes and phasing in big state income tax cuts. Gov. Ted. Strickland made positive steps using federal stimulus.... But Gov. John Kasich promptly reversed that effort with a \$1.8 billion cut to school funding imposed over the two-year budget of 2012-13. School funding has lagged ever since. By 2020, the state share of school funding had fallen to its lowest point since 1985. Lawmakers.... also changed the formula for granting state aid four times over the past dozen years. Uncertainty in state aid makes planning and staffing hard for districts.”

Today, in Cleveland Heights-University Heights, the community where I live and where my children graduated from our excellent and proud public schools, the state is adding acute fiscal distress for our community and for our children through “school district deduction” funding for EdChoice vouchers. In a PowerPoint presentation last fall, the school district’s treasurer, [Scott Gainer explained](#) that the number of students claiming vouchers—and the dollars being deducted from our school district’s budget—have grown precipitously. Much of the growth occurred when the Legislature, in the FY 20-21 biennial state budget, expanded eligibility to all students in grades 8-11 in EdChoice designated schools. The amount diverted from our school district budget to EdChoice vouchers has grown from \$2,256,017 in 2017; to \$3,232,403 in 2018; to \$4,187,249 in 2019; to \$7,074,249 in 2020; to \$9,017,250 in the current 2020-2021 school year. The cost for each voucher is significantly greater than the district’s per pupil state basic aid funding.

In the current school year, 1,792 students are carrying vouchers out of our school district budget at the expense of the 4,810 students enrolled in our public schools. This year EdChoice voucher students are diverting to private and religious schools 45 percent of the school district’s state’s foundation school funding despite that they represent only 27 percent of the combined total of students the state counts as part of the district. Gainer confirms that 1,699 of the 1,792 students carrying the vouchers out of our school district—roughly 95 percent—have never been enrolled in our public schools.

To make public school funding less equitable across Ohio, last November, when the EdChoice voucher program was restructured, the legislature prescribed that from now on, only children living in the attendance zone of a federally designated Title I school can qualify for an EdChoice voucher. This change places the financial burden of the “school district deduction” vouchers only on the school districts serving concentrations of Ohio’s poorest children. Because many voucher recipients have never previously been enrolled in the school districts from whose local budgets the vouchers are being extracted, the Legislature is forcing the school districts serving masses of poor students to undertake an unexpected expense: paying for private and religious education.

Over the years, at the same time as public school funding has languished, Ohio has rapidly increased funding for private school tuition vouchers and charter schools. The Ohio Constitution does not provide for the diversion of tax dollars to privately operated charter schools or to private school tuition vouchers. The framers of the Ohio Constitution understood public education as the center of the social contract—our promise to each of our children of the right to a school that protects their rights by law and serves their particular needs.

Twenty-four years ago, the Ohio Supreme Court upheld the Constitution’s promise of adequate public school funding, equitably distributed, and rejected many years of residual budgeting. The *DeRolph* decision declared that the state is responsible for protecting our mutual responsibility to invest collectively in our children by providing a thorough and efficient system of public schooling.

In this year when federal stimulus dollars will help Ohio realize the promise of a constitutional school funding plan, I ask you to insist (1) that the Fair School Funding Plan stays in the FY 2022-23 state budget and that (2) no changes in the Fair School Funding Plan are inserted to unbalance a plan which was carefully designed to enhance equity. By ensuring that the Fair School Funding Plan remains intact in the budget, you will enable the state to comply with the Ohio Constitution’s demand to abandon residual budgeting and realize the twenty-four year *DeRolph* promise of adequate public school funding, fairly distributed.