

A Study by the Ohio Education Policy Institute (OEPI) Shows That State Formula Aid Plus Tangible Personal Property Replacement Aid for School Districts Has Not Kept Pace With Inflation Since Fiscal Year 2011. Funding for Charters and Vouchers Has Been Generous.

The state budgets reveal the priorities state officials embrace. Expanded funding for vouchers and charters since 2011 compared to increases for public school districts is shocking. A recent study by OEPI should jar public school advocates into action. An excerpt from the report provides a summary:

However, during the FY11-FY22 timeframe, there was more than \$1 billion in reductions in TPP replacement payments to school districts, which significantly undercuts the impact of these formula funding increases. The following three points summarize the main findings from reviewing this data:

- The “Total Foundation Aid + TPP Replacement” row of the table shows that it was not until FY17 that formula funding had increased enough to offset the aggregate loss in TPP which began in FY12.
- Even though total FY22 formula + TPP funding is \$588.3 million higher than it was in FY11, the increase in state funding has not kept pace with inflation. The \$308.9 million net increase in state funding from FY11 to FY19 (prior to the Covid-related reductions) of 4.4% was less than one third the 14.6% rate of inflation over the same time frame. Furthermore, FY21 formula + TPP funding was only \$365.8 million (5.2%) higher than FY11, which is just over one-fourth of the 19.0% rate of inflation over that time period. Note that inflation started its recent rapid increase in April 2021, $\frac{3}{4}$ of the way through FY21, so the FY11-FY21 comparison of net state funding to inflation is only very slightly impacted by the recent high inflation rates. Another way to look at this is that state funding has increased by 8.3% since FY11; however, this increase is only sufficient to offset the impact of inflation partway through FY17.
- While not shown on the table, over the same FY11-FY22 time period where total state funding for traditional districts and JVSDs was increasing by \$588 million, state funding for community schools increased by \$324 million (44.8%) and state funding for Ohio’s 5 voucher programs increased by \$465 million (to 5.7 times its FY11 level).

<http://www.oepiohio.org/index.php/newsroom/spring-2022-newsletter/changes-in-ohio-school-foundation-funding-tpp-replacement-from-fy11-fy22/>