

Jan Resseger: Ohio Public School Funding Looks Precariously Insecure As Ohio Senate Debates the State Budget

Jan Resseger's May 30 [blog](#) sets forth a trail of actions and statements by some Senate leaders that indicate their reticence to embrace the Cupp/Patterson Fair School Funding Plan. They will use any excuse for not supporting the plan. Jan states:

Ohio Public School Funding Looks Precariously Insecure As Ohio Senate Debates the State Budget

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It is becoming clear that Ohio Senate President Matt Huffman and Senate Finance Chair Matt Dolan are not committed to funding the state's public schools adequately and equitably. What clues can we see that the leaders of the state senate want to support a vast expansion of private school vouchers instead of funding the continued phase-in of the Fair School Funding Plan?

The first clue is last week's intimidating and threatening demand by Huffman that the more than 100 plaintiff school districts suing the state in the Vouchers Hurt Ohio lawsuit must report to the legislature what they are spending on the lawsuit to block the state from diverting millions to private school vouchers each year from the state's school foundation budget.

Senate President Huffman had his attorney Matt Oyster ask Auditor Keith Faber to demand that the Vouchers Hurt Ohio plaintiff school districts report how much they are spending on legal fees. The *Dispatch's* [Anna Staver quotes Oyster's instruction to Keith Faber](#): "To aid in the Senate's evaluation and deliberation of current policy and funding issues and enhance the transparency of the use of public resources, we respectfully request the assistance of the Auditor of State... The Senate seeks a report ... detailing Ohio school district... funding or financial support of the litigation over the past two fiscal years." Huffman clearly intends for members of local school boards to understand that the Vouchers Hurt Ohio Lawsuit is somehow connected to the Senate's state budget deliberations with the goal of threatening these school districts and encouraging them to drop out of the lawsuit. It is also a reminder of Huffman's top priority: expanding vouchers at the expense of public school funding in the state budget.

The *Plain Dealer's* [Laura Hancock quotes](#) Cleveland Heights-University Heights school board member Dan Heintz promptly comparing the district's legal fees for joining the lawsuit to the outrageous annual cost of vouchers for that public school district: "This is all public record. Cleveland Heights-University Heights was losing \$10 million a year to vouchers. We are investing less than \$11,000 a year to protect our schools, our families, our students, and our taxpayers." Heintz is describing the lawsuit's purpose: shielding the public schools from the legislature's explosively large diversion of school funding dollars to vouchers in a state whose constitution promises that the state will provide "a thorough and efficient system of common schools throughout the state."

Plain Dealer editor, Chris Quinn, not usually given to hyperbolic rhetoric, exploded angrily as he wondered how Huffman can condemn Ohio's public school districts for trying to protect the state dollars

guaranteed in the Ohio constitution. Here is Quin last Wednesday, in the May 24, *Plain Dealer Today in Ohio* podcast, [Ohio Lawmakers, Auditor Try to Intimidate School Districts Suing the State Over Funding](#): “The schools all have a role here in fighting to make sure there’s equitable education... It’s getting clearer and clearer that the Republican supermajority created by gerrymandering is changing the whole way this state is governed, and people are no longer in charge. Every step these folks take is to reduce any chance of anybody questioning what they do. And Matt Huffman is the leader of it all. He is probably the most sinister politician we’ve seen in twenty years.”

In a column published on Sunday in both the *Columbus Dispatch* and the *Cleveland Plain Dealer*, columnist [Thomas Suddes elucidates](#) the problem: “One of the great Statehouse public relations cons of recent times is the claim that Ohio’s Republican-run General Assembly is conservative. Not so. It’s revolutionary, pushing the state and its power into more and more features of everyday life in Ohio... One by one, the General Assembly is making war on the common institutions that make Americans Americans and Ohioans Ohioans, starting with public schools, whose major fault seems to be that many teachers are unionized... So, beginning with the 1995-1997 state budget, and initially only in the Cleveland Metropolitan School District, GOP legislators created a ‘pilot’ private school voucher plan that in the 28 years since has become five separate state voucher programs. According to the Legislative Service Commission, the five programs cost the state \$555 million in the fiscal year that ended last June. That’s money that otherwise could have gone to public schools. And the legislature wants to further expand school vouchers in Ohio, regardless of the Ohio Constitution’s demand that the legislature must provide ‘a thorough and efficient system of common schools’—public schools—‘throughout the state.’”

A second clue about the pro-voucher/anti-public school intentions of Ohio’s state senate leaders is that Huffman seems to question whether school districts even need the increased state funding at the heart of the new Fair School Funding Plan, now part way through its six year phase-in. Huffman continues to point out that school districts are operating with carry over balances. The *Plain Dealer’s* [Laura Hancock describes](#) Huffman’s claim that school districts have plenty of money: “He... said that he doesn’t buy into the idea that the Fair School Funding Plan has a six-year plan, even though the plan’s architects built it that way. He said too many school districts are sitting on significant cash reserves.”

While Huffman appears not to grasp how Ohio school funding works, the mothers and fathers across our state who have devoted months-long parts of their lives trying to convince their neighbors to pass school levies can tell you that school districts have to maintain carry-over balances because their school districts have no built-in way to accommodate inflation between school levies. Ohio House Bill 920, a tax freeze law embedded into the Ohio constitution in 1980, provides that each year in perpetuity a particular local school operating levy will produce the dollar amount approved by the voters on the day the levy passed—despite that as time passes, inflation drives up the school district’s costs. The school board, superintendent, and school treasurer have to figure out how to stretch the local revenue being produced by that levy over several years—by carefully managing a carry over balance—to ensure that the local voters do not have to go to the voters with a new school district operating levy every year. I wonder if Senate President Huffman and Senate Finance Chair Dolan ever tour the public schools in their own districts to observe the fiscal realities.

Discussion of the ongoing phase-in of the Fair School Funding Plan is part of this year's state budget debate. The Ohio legislature must produce the next Fiscal Year 2024-Fiscal Year 2025 state budget by June 30. The Ohio House passed its version of the state budget, House Bill 33, in late April and forwarded it to the Ohio Senate for further hearings. Tomorrow, May 31, the Senate Finance Committee will hear testimony on the school funding sections of the budget. Two years ago, as part of the state budget, the legislature launched the first phase of a new school funding formula, with a second phase to be accomplished in the budget being developed this year, and the final phase-in to be completed in Fiscal Years 2026 and 2027. Although the Legislature launched the phase-in of the plan two years ago, legislators did not establish the plan in a stand-alone bill. It's existence, therefore, rests on legislators' continued commitment to funding the full phase-in as part of the biennial FY 2024-FY 2025 state budget to be passed by June 30.

The Fair School Funding Plan was developed by an expert working group whose members spent three years calculating the real costs of reasonable class size for students from Kindergarten through twelfth grade and the state investment required for a full curriculum along with special programs for children with special needs, English language learners, and students living in concentrated poverty. The new plan is designed to make it possible for school districts lacking property wealth to fund their public schools adequately. When the Ohio House passed its version of the new budget in April, the House fully funded the next step of the projected six-year phase-in of the Fair School Funding Plan and at the same time, the House updated the data on which the formula calculates each school district's state revenue.

It is becoming clearer, however, that Senator Huffman and the Senate Finance Committee Chair Matt Dolan are balking about funding the new formula in perhaps two different ways. First, they may stop or slow down the phase-in. It is important to remember that if the legislature were to abandon the continued phase-in of the plan, our state would lack a working school funding formula.

Second, by questioning whether the new budget should update the school district cost data from FY 2018 to FY 2022 (the most recent data currently available), Senator Dolan has expressed skepticism about the required regular updating of the data on which the new formula is calculated. The [Plain Dealer's Editorial Board worries](#) about Dolan's reluctance to update the new formula to accommodate inflation in the costs school districts face: "State Sen. Matt Dolan, a Chagrin Falls Republican who chairs the budget-writing Senate Finance Committee has raised concerns about the House's decision to change (the Fair School Funding Plan's) base year from FY 2018 to FY 2022. Dolan recently argued to the *Columbus Dispatch* that using FY 2022 data would amount to a 'huge increase'—potentially hundreds of millions of dollars... 'Funding our schools is important... but we need to be doing it in a way that we can afford.'"

Ohio school finance expert, [Dr. Howard Fleeter explains](#) that Dolan's reticence to implement the required update of the data in a complicated mathematical formula will undermine the entire plan: "For the school funding formula to have any integrity as an accurate reflection of the adequate levels of school funding required in Ohio it must be based on current and appropriate data... (I)t is just not defensible to claim that Ohio's funding formula is adequate if the underpinnings of the formula are not the most current data available... Ohio's funding formula can be thought of as having two main parts,

with Part 1 being the formula amounts for the base cost and categoricals (adequacy) and Part 2 being the state/local share calculation which determines the share of funding for each district that should come from the state and the share which is expected to come from local resources (equity).”

Fleeter concludes: “It is important... to clarify that updating the property value and income data each year is the correct thing to do. The problem is that updating the data on one side of the formula (the state/local share side) while not updating the data on the other side of the formula (the funding adequacy side) leads to an imbalance in the formula... Again, the issue here is... that *the two sides of the funding formula must move in parallel with one another.*” (emphasis in the original).

In [Public Education at a Crossroads: Funding, the State Budget, and All of Us](#), a recent forum sponsored by the Ohio League of Women Voters, Jim Betts, who was part of the working group that designed the Fair School Funding Plan, explains that by failing to update the cost data from FY 2018 to FY 2022, the Ohio Senate would shift the tax burden of paying for public education from the state to local property taxpayers. While in FY 2018 and FY 2019, the state assumed 50 percent of the cost of funding public schools, that percentage fell in FY 2022 to 42.2 percent, and in FY 2023 to 39.8 percent. If the Ohio senate does not update the cost data, the state’s contribution will fall to 37.4 percent in 2024 and 35.5 percent in FY 2025.

Betts concludes: “The House version would basically sustain the phase-in, would sustain the values that are built into the Fair School Funding Plan, and... would sustain a reasonable relationship between the state and local share. That goes away if... the Senate does not concur in the change of the data year from 2018 to 2022... If that version coming out of the Senate does not include that data update... the plan would basically put a much larger burden percentage-wise on the (local) taxpayer... That is a huge transfer of responsibility.”

Ohio’s 1.6 million students need a thorough and efficient system of well funded public schools whether they live in rural areas, towns, small cities, suburbs or the state’s 8 large cities. The system needs to be adequate and equitable. The Ohio Senate should concur with the Ohio House provisions for phasing in the Fair School Funding Plan in HB 33, the next Ohio state budget.