

## **Jan Resseger: Opportunity Hoarding in the Ohio Budget...with Public School Funding the Most Important Exception.**

Jan Resseger relates the new Ohio budget for fiscal years 2024 and 2025 to a chapter in Princeton University sociologist, Matthew Desmond's new book, [Poverty, by America](#). She quotes from the chapter, "How We Buy Opportunity":

"Equal opportunity is possible only if everyone can access childcare centers, good schools, and safe neighborhoods—all of which serve as engines of social mobility... Opportunity can be hoarded... not only by abandoning public goods for private ones, but also by leveraging individual fortunes to acquire access to exclusive public goods, (like) buying yourself into an upscale community." (*Poverty, by America*, pp. 106-112)

Jan also references a report from Policy Matters Ohio and *The Columbus Dispatch*. Her central message is that the new State budget favors one class of Ohioans over the rest of the folks. Please read and contemplate the message.

### **Opportunity Hoarding in the Ohio Budget... With Public School Funding the Most Important Exception**

Posted on [July 11, 2023](#) by [janresseger](#)

This blog has focused recently on the fraught political debate about public school finance as part of Ohio's budget—passed on June 30 and signed into law on the 4th of July. Two years ago, the Ohio Legislature failed to implement a long-awaited Fair School Funding Plan in a stand-alone law. Although a new formula must be fully enacted for the state to allocate adequate school funding and distribute it equitably, the legislature chose to phase in the formula in three steps—making its full implementation dependent on the will of the legislature across three biennial budgets.

Despite efforts this year by the Ohio Senate to undermine school finance equity, the second step of the Fair School Funding Plan was, thanks to House Speaker Jason Stephens and his coalition, enacted fully in the new budget.

Ohio's new budget and the political fight that led up to it has epitomized what Princeton University sociologist and acclaimed author of [Evicted](#), Matthew Desmond defines as a fight about "opportunity hoarding." Desmond devotes a chapter of his new book, [Poverty, by America](#), to "How We Buy Opportunity":

"Among advanced democracies, America stands out for its embrace of class extremities... What happens to a country when fortunes diverge so sharply, when millions of poor people live alongside millions of rich ones? In a country with such vast inequality, the poor increasingly come to depend on public services and the rich increasingly seek to divest from them. This leads to 'private opulence and public squalor'.... As our incomes have grown, we've chosen to spend more on personal consumption and less on public works. Our vacations are more lavish, but school teachers must now buy their own school supplies. We put more money into savings to fuel intergenerational wealth creation but collectively spend less on expanding opportunity to all children... By 2021, government spending on all public

goods... made up just 17.6 percent of GDP... Equal opportunity is possible only if everyone can access childcare centers, good schools, and safe neighborhoods—all of which serve as engines of social mobility... Opportunity can be hoarded... not only by abandoning public goods for private ones, but also by leveraging individual fortunes to acquire access to exclusive public goods, (like) buying yourself into an upscale community.” (*Poverty, by America*, pp. 106-112)

[Policy Matters Ohio’s press release about the new Ohio budget](#) might have been copied right out of Desmond’s chapter on opportunity hoarding: “Years of underfunding in our public sector have taken a toll which has been compounded by stagnant wages for many workers... Ohio tax revenues consistently beat estimates, in large part due to rising incomes spurred by federal support for COVID recovery, and a tight labor market. Instead of putting those dollars to work strengthening programs that ensure Ohioans share in the prosperity they help create, lawmakers once again prioritized giveaways to private interests, as well as tax cuts for the wealthy and big business.”

Policy Matters Ohio summarizes some of the details: “The operating budget includes a \$1-billion-per-year income-tax cut that disproportionately benefits the wealthy, does nothing for Ohioans in the lowest-income 20%, and temporarily increases taxes for some middle-income households. According to modeling provided by the Institute on Taxation and Economic Policy... 85.4% of the value of this billion-dollar cut will go to the richest 20% in Ohio... The budget also reduces the state’s main business tax, the Commercial Activity tax... The governor signed off on a \$2-billion giveaway to private schools through voucher expansion... Kids will have continuous Medicaid coverage through age 3, greatly reducing gaps in care and supporting healthy kids and babies. However, the conference committee removed provisions that would have extended health insurance coverage for kids and pregnant people to those with incomes up to 300% of poverty.... The bill that made it to Governor DeWine’s desk raised wages for the direct care workforce to \$18 over the biennium. The mandate was removed by the governor and replaced with only a promise to work toward implementing an increase. Child care workers did not even receive that... The elements of this budget that benefit the majority of Ohioans pale in comparison to the great need.”

Likewise, the [private school tuition voucher expansion shifts the entitlement to wealthy families](#). Making students in families with income at 450% of the federal poverty level (\$135,000) eligible for a full voucher, and students in families with even higher incomes eligible for a 50% or 25% or a minimal 10% voucher as family income gets higher—only exacerbates a current trend that tilts Ohio voucher use to middle and upper income families. These are families who were previously ineligible because their incomes are too high.

In the *Columbus Dispatch’s* primary report on the new budget, I was struck with individualist framing as opposed to consideration of the common good. The story, [“How Ohio’s Two-Year Budget Impacts You,”](#) lists 69 ways the budget will affect Ohioans: “Pay income taxes: You’re getting a tax cut.” “Own a business: You could be in for a tax cut.” “Hate paying sales tax: Ohio will have a sales tax holiday in August 2024.” “Enjoy visiting the Rock and Roll Hall of Fame and Museum: The budget allocated \$5 million to the museum in fiscal year 2024.”

In its list, the *Dispatch's* report does cover some public benefits, but frames them as gains for individuals: "Have a child buying reduced school lunches: They will now be covered entirely." "Are a new teacher: The base salary you can earn increased from \$30,000 to \$35,000." "Struggle to find affordable housing: The budget created new tax credits for builders that construct rental units for lower-income Ohioans." "Attend one of Ohio's public or chartered private high schools: Students who graduate in the top 5% of their classes will be eligible for \$5,000 annual college scholarships for four years...."

Perhaps it is the individualist framing that caused the *Dispatch's* reporters to forget about one of the most consequential public investments in the new budget: the [Legislature's investment of \\$1.8 billion](#) over the next two years to fund the second stage in a three step Fair School Funding Plan. Somehow in their list of budget items, the *Dispatch* reporters entirely omitted the budget's school funding accomplishment for over 1.6 million children and adolescents enrolled in the state's public schools. These are the public schools at the heart of every one of our communities, the institutions that are required by law to protect each of our children's civil rights and serve their particular needs, whether the students are rich or poor, disabled or learning the English language.

There is a lot of opportunity hoarding in Ohio's new budget, but, by contrast, the Legislature's action on school funding significantly confronts the lack of educational equity for our state's children. In a state whose school funding formula has for years made it easier for wealthy communities to provide an enriched education for their own children, last week the Legislature upheld educational experts' hope for full funding of the next step of the phase-in of the Fair School Funding Plan. In its press release, Policy Matters Ohio captured the importance of this statewide investment in our collective children: "Ohioans who joined together to advocate for their families and communities did win some important investments... Remarkably, the state made critical improvements to the Fair School Funding Plan, adjusting estimates to better reflect the true cost of educating a child."

Except for the statement from Policy Matters and [a statement from the teachers unions and their allies](#), I have not noticed much serious attention to the importance of the continued phase-in of the new school funding formula. Ohio's state constitution requires a thorough and efficient system of common schools designed to serve every child and adolescent, not merely the students who live in wealthy communities. The Ohio Senate set out to cut \$541 million by tinkering with the part of the new formula that measures each school district's local capacity to pass property tax levies. The Senate's action would have reduced the state's investment in the new formula, made local school districts more reliant on passing local levies, and made it far more difficult for poorer communities to maintain quality public schools while wealthy communities can glide along on their elevated property tax base. By beating back the [Ohio Senate's effort to make the mathematical school funding formula less sensitive](#) to each school district's capacity to raise its required local share of funding, Jason Stephens and his Ohio House Coalition restored the new formula's calculated cure for school finance inequity.

Despite a mass of problems in the new Ohio budget, the Legislature's continued phase-in of the Fair School Funding Plan must be recognized as a significant accomplishment. The new school funding formula was designed to obliterate the opportunity hoarding that has gone on for years in Ohio public school funding.

CC3568 7.13.23 Thursday

[Opportunity Hoarding in the Ohio Budget... With Public School Funding the Most Important Exception | janresseger \(wordpress.com\)](#)