

History of school funding in Ohio: The 1976 Equal Yield Formula to the DeRolph School Funding litigation.

Before the state income tax and Ohio lottery were available, the portion of the total revenue for K-12 education diminished from 50 percent in 1935 to 30 percent by 1970. By the 1970's state services, including public education, were at a low ebb due to a flawed state tax system. In the mid 1970's, a major school finance study was conducted. As a result of this study, the state enacted the Equal Yield Formula for use beginning in 1976. (At that time, 45 percent of the state General Revenue Fund was devoted to K-12 education.)

Even with the new income tax and the Ohio lottery, the state refused to fully fund the Equal Yield Formula. It was phased in at 17 percent in the first year; 40 percent in the second year; 79 percent in the third year. By the fourth year most of the school districts were on a guarantee, which means that the formula was underfunded so severely that it died. The State Board of Education then recommended a new foundation formula which the legislature enacted.

Beginning in the 1970's, the state started to fund programs for private schools: Auxiliary Services, Nonpublic Administrative Cost Reimbursement, and the continuation of pupil transportation that started in the 1960's.

During the 1970's and 1980's, numerous school finance studies were conducted by private groups, the House, the Senate, the Governor and the State Board of Education. All of these studies pointed to a common problem. The funding system was inequitable and inadequate.

In the late 1980's, the Coalition of Rural and Appalachian Schools (CORAS) was established to lobby state officials for better funding for rural schools. After two years of lobbying, the rural coalition formed the Ohio Coalition for Equity and Adequacy of School Funding to address the flawed school funding issue in Ohio.

The next post will begin with the DeRolph School Funding litigation.