

**LWV Ohio Statehouse Day – March 19, 2013**  
**LWVO Lobbyist Report**  
**Primary and Secondary Education**  
**Joan Platz, Education Specialist**

**A Constitutional System for Funding Schools**

**Message:** LWVO supports continued efforts to secure a constitutional system for funding Ohio's public schools in accordance with the steps outlined in the DeRolph decisions of the Ohio Supreme Court.

Governor Kasich is on track to propose a more equitable school funding system, and the new *equal yield formula* (Core Opportunity) might be a start. Targeted state funding for school districts based on income and property wealth, similar to parity aid, is also positive, along with providing additional state support for students with special needs, gifted and talented students, students learning English, students in poverty, early childhood education, career-tech, all-day Kindergarten programs, etc.

But, the proposed state funding levels fall short when so many low-wealth school districts are on the guarantee, raising questions about how equity, adequacy, and stability will be achieved through this new formula?

Lawmakers should adjust the proposed new formulas to ensure that schools/districts have sufficient learning resources to support a high quality education for all students, and the school funding system reduces reliance on property taxes to fund schools.

**Background:** Governor Kasich's proposed FY14-15 Executive Budget (HB59 – Amstutz) increases state aid by \$1.32 billion over FY13 levels. General Revenue Fund (GRF) and lottery fund allocations for K-12 education would be \$7.7 billion in fiscal year 2014, an increase of 6.9 percent compared to FY13 levels, and \$8.0 billion in FY 2015, an increase of 4.3 percent over FY14 levels. The total FY14-15 GRF and Lottery Profits allocation for K-12 education is comparable to the total GRF funding for K-12 education in FY08-09 of \$15.8 billion.

The Executive Budget includes a new *equal yield* state aid funding formula (referred to as Core Opportunity) rather than the *per pupil foundation formula* used in the past. The new formula guarantees all school districts the same amount of funding at 20 mills as generated by school districts with a \$250,000 per pupil tax base. This translates to a state average of \$5,000 per student in basic state aid, and is comparable to the state per pupil amount in the FY04-05 budget.

The new formula also provides state aid on an additional 5-15 mills in FY14 and 6-18 mills in FY15 depending on school district property and income wealth (referred to as Targeted Aid), and provides additional state aid through various formulas to support students in poverty, early childhood education, career-technical education, transportation, students with disabilities, students learning English, gifted students, and all day Kindergarten programs where available. Additional state support is also provided for a number of education programs and the operations of the Ohio Department of Education.

To help stabilize school district budgets the Executive Budget continues to fund the guarantees, so that over 396 school districts in FY14 and 382 school districts in FY15 do not receive less state formula aid than in FY13. According to an analysis by Howard Fleeter of the Education Tax Policy Institute, over 80 percent of low wealth poor and rural school districts will not receive additional state aid through this new formula, while 52.2 percent of wealthy suburban school districts will receive increases in state aid in FY14.<sup>1</sup> This raises questions about the adequacy of the formula.

If more school districts on the guarantee lose this state aid, the percent of school districts depending on local revenue will increase even more, which will make achieving a constitutional school funding system even more difficult. Currently the percent of total funding for school districts in FY11 from local taxes is 47.61 percent compared to 42.49 percent of funding from state sources and 9 percent from federal sources.<sup>2</sup>

**Public Money for Public Schools**

**Message:** The LWVO opposes taxpayer support for students attending private schools and increases in state aid for nonpublic school programs included in HB59 (Amstutz). The League believes that public money should be spent only on public schools, which are accountable and responsive to the public through elected boards of education, and comply with standards that ensure a high quality education.

**Background:** Governor Kasich's FY14-15 Executive Budget increases state support for nonpublic schools to \$193.2 million (5.5 percent increase) in FY14 and to \$199.1 million (3 percent increase) in FY15 for Auxiliary Services, Nonpublic

<sup>1</sup> Ohio School Boards Association, Ohio Association of School Business Officials, Buckeye Association of School Administrators Email. *Excel Spreadsheets: Simulations with Typology and IRN Numbers*. Retrieved February 8, 2013.

<sup>2</sup> FY11 Cupp Report, State Data, Retrieved February 11, 2013 at

<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1441&ContentID=122224&Content=132699>

Administrative Cost Reimbursements, and Auxiliary Services Reimbursements. This is an increase of about \$10 million over FY13 levels.

Governor Kasich is also proposing two new voucher programs in the FY14-15 Executive Budget. The first new program would provide a voucher to any Kindergartener whose family has a household income 200 percent or less of the federal poverty level, or about \$46,000 a year for a family of four. The vouchers would be worth up to \$4,250 a year at eligible private schools. The following year the voucher program would be expanded to students in kindergarten and first grade. The governor's plan provides \$8.5 million for vouchers the first year, and \$17 million the second, which caps the program at 2000 students in FY14 and 4000 students in FY15. The vouchers are funded by the state, and would not be deducted from school district state aid, unlike the other voucher programs.

Vouchers would also be made available to K-3 students who attend schools that do not meet the third grade reading guarantee measure on the Local Report Cards.

Currently Ohio has four scholarship (voucher) programs that provide public funds to support eligible students at eligible private schools: the Jon Peterson Special Needs Scholarship Program (approved in 2011), the Autism Scholarship Program, the Educational Choice Scholarship Program, and the Cleveland Scholarship and Tutoring Program. These programs are funded as deductions from school district state aid.

House Bill 153 (Amstutz), the FY12-13 Budget, increased the number of Educational Choice Scholarships from 14,000 a year to 30,000 in FY12 and to 60,000 in FY13, but so far only 15,968 students have applied for the program, raising questions about the need for more vouchers.

According to Policy Matters Ohio, voucher programs received at least \$86 million in state support last year, and, since funds for the programs are deducted from state aid to school districts, the program lacks transparency.<sup>3</sup>

The proposed expansion of voucher programs, would not only divert more public funds from public schools, at a time when public schools are struggling to balance budgets, but would also divert public attention and support away from strengthening and improving a "system of common schools". This is troublesome, because our public schools have an important role to prepare ALL students for careers, higher education, and citizenship in our democratic form of government.

When public tax dollars are distributed to nonpublic schools the funds are used to achieve different missions and purposes than public schools. Nonpublic schools are not accountable to the taxpayers through elected boards of education; can select the students they want to serve; and are not required to comply with the same operating, teacher licensure, performance, and accountability standards as public schools.

Proponents of state funding for nonpublic schools say that students and parents need education choices to meet student needs, but the Ohio Constitution does not guarantee parents a "choice" in schools, but does direct the General Assembly to provide "...a thorough and efficient system of common schools throughout the state; but no religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the school funds of this state." (*The Ohio Constitution 6.02.*)

## Community Schools

**Message:** The LWVO urges lawmakers to approve legislation that requires community schools to comply with the same standards as traditional public schools (operating, teacher licensure, etc.), and be accountable and responsive to taxpayers through elected boards of education.

**Background:** The LWVO does not have a specific position regarding community schools. When reviewing legislation about community schools, the LWVO uses our positions on state education standards and accountability/responsiveness to tax payers to inform our opinion.

According to Policy Matters Ohio, "Over the 10-year period beginning in FY 2003, charter school enrollment has increased 262 percent, while funding for charters has increased more than 500 percent over the same period."<sup>4</sup> In FY 2012 about \$774 million is allocated for charter schools, which is a growth of about 5 percent in privatized school funding, and at least \$950 million will be spent on charters and vouchers in Ohio in FY 2013.

Governor Kasich's FY14-15 Executive Budget provides \$100 per student to support community school facilities for a total of \$7.5 million in FY14 and \$7.5 million in FY15. Community school students continue to be funded as deductions from school district state aid, which means that some school districts could be subsidizing community school payments with local revenue after exhausting their state aid allocation.

There are no additional accountability provisions in HB59 (Amstutz) that would require all sponsors or schools to be accountable to elected boards of education, or comply with the same standards (operating, teacher licensure, and evaluation, etc.) as traditional public schools. This means that overall, charter school laws still do not align with LWVO positions.

---

<sup>3</sup> Policy Matters Ohio. *A Budget that Works. K-12 Education Lost Funding, Faced Increased Privatization.* Retrieved February 7, 2013 at <http://www.policymattersohio.org/budget-k12-education-jan2013>

<sup>4</sup> Policy Matters Ohio. *A Budget that Works. K-12 Education Lost Funding, Faced Increased Privatization.* Retrieved February 7, 2013 at <http://www.policymattersohio.org/budget-k12-education-jan2013>