

Ohio School Funding

Chasing our White Whale

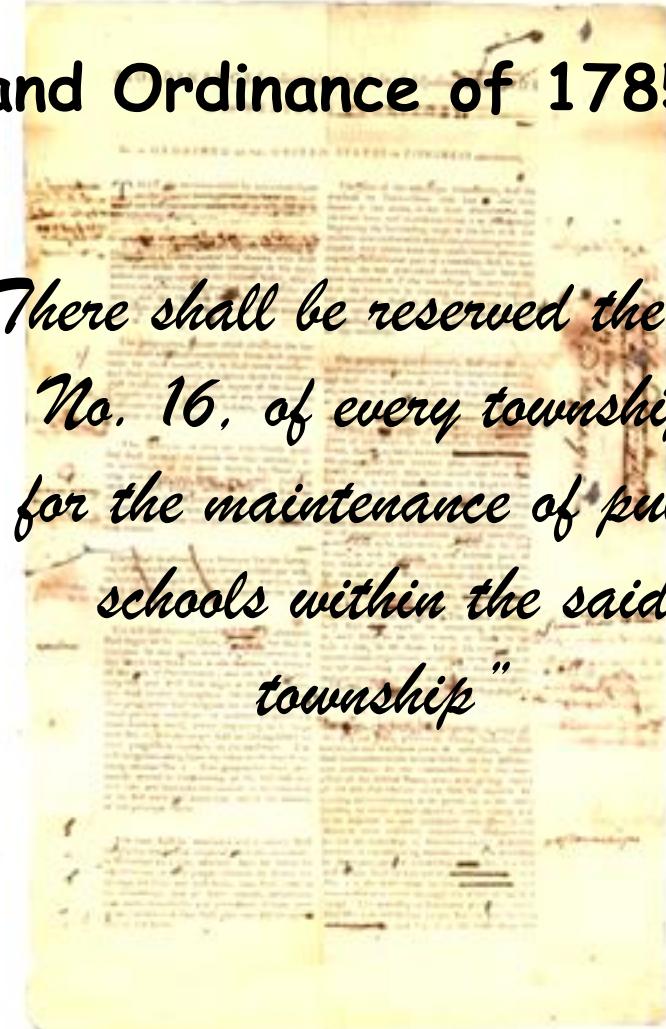
Founders and Followers

Education is the Original
Heart of it All

THEORETICAL
TOWNSHIP DIAGRAM
SHOWING
METHOD OF NUMBERING SECTIONS
WITH ADJOINING SECTIONS

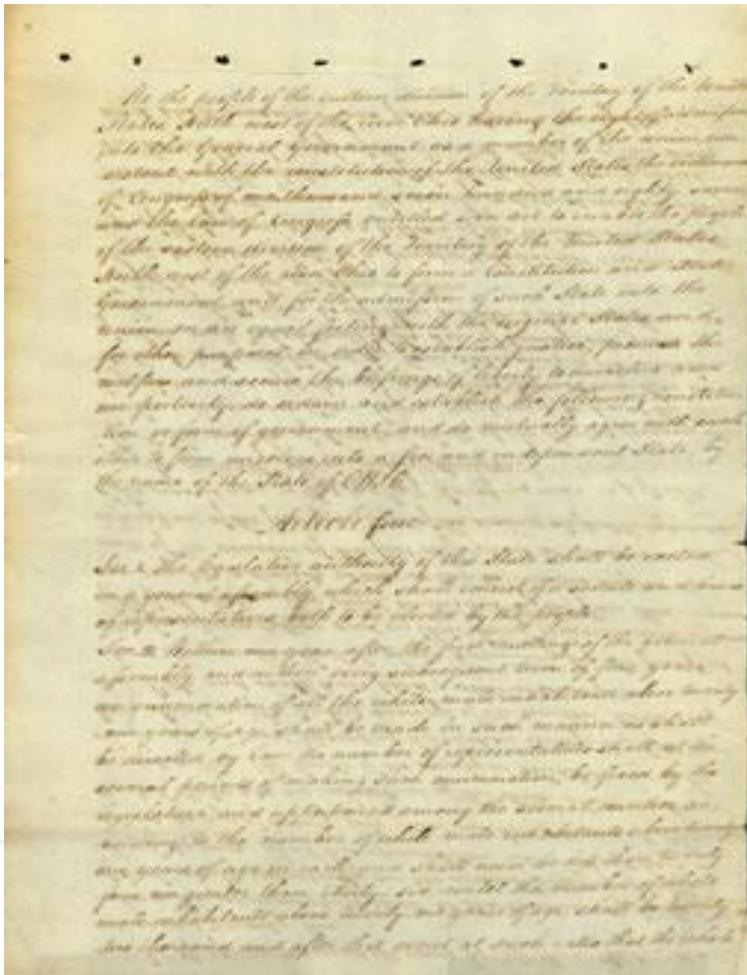
36 80Ch.	31	32	33 6 Miles - 480 Chains	34	35	36	31 80Ch.
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13 480 Chains	18	17	16	15	14	13	18
24 6 Miles -	19	20	21	22	23	24	19
25	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6

Land Ordinance of 1785



*"There shall be reserved the lot
No. 16, of every township,
for the maintenance of public
schools within the said
township"*

Founders and Followers



*"The General Assembly
shall make such provisions,
by taxation, or otherwise,
as, with the income arising
from the school trust fund,
will secure a thorough and
efficient system of common
schools throughout the
state. . . "*

“Until a complete systematic overhaul of the system is accomplished, it will continue to be far from thorough and efficient and will continue to shortchange our students.

The overreliance on local property taxes is the fatal flaw that until rectified will stand in the way of constitutional compliance.”

Ohio Supreme Court Justice Alice Robie Resnick,
DeRolph IV, December, 2002

School Funding

- Ohioans paid \$4.5 billion more in property taxes in 2023 than 2010
- School district income tax collections have jumped 130% to \$680 million
- Number of districts with income taxes increased, and rates also increased to now include >1/3 of all Ohio school districts

School Funding

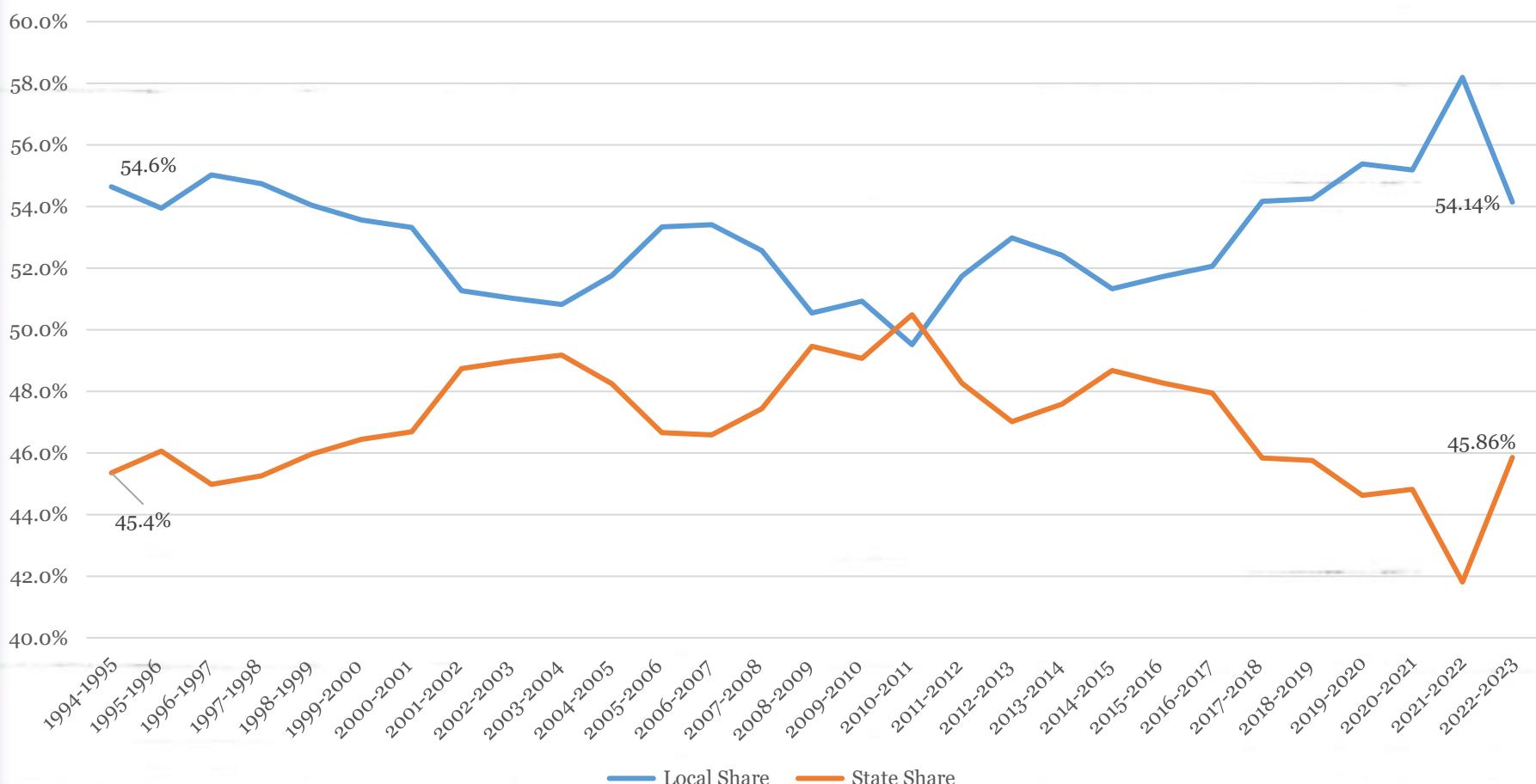
- John Kasich eliminated a property tax rollback, which instantly increased everyone's property taxes on new levies by 12.5%
- That's meant more than a \$250 increase in our property tax bills
- Makes new money levies even harder to pass

School Funding

- In the 2010-11 school year, more state than local money was going to education for the first time on record.
- We're now at about the same local funding share we had during the state's school funding case that saw the Ohio Supreme Court order the state four times to reduce the property tax reliance

School Funding

State-Local Cost Share of Education
1994-2024



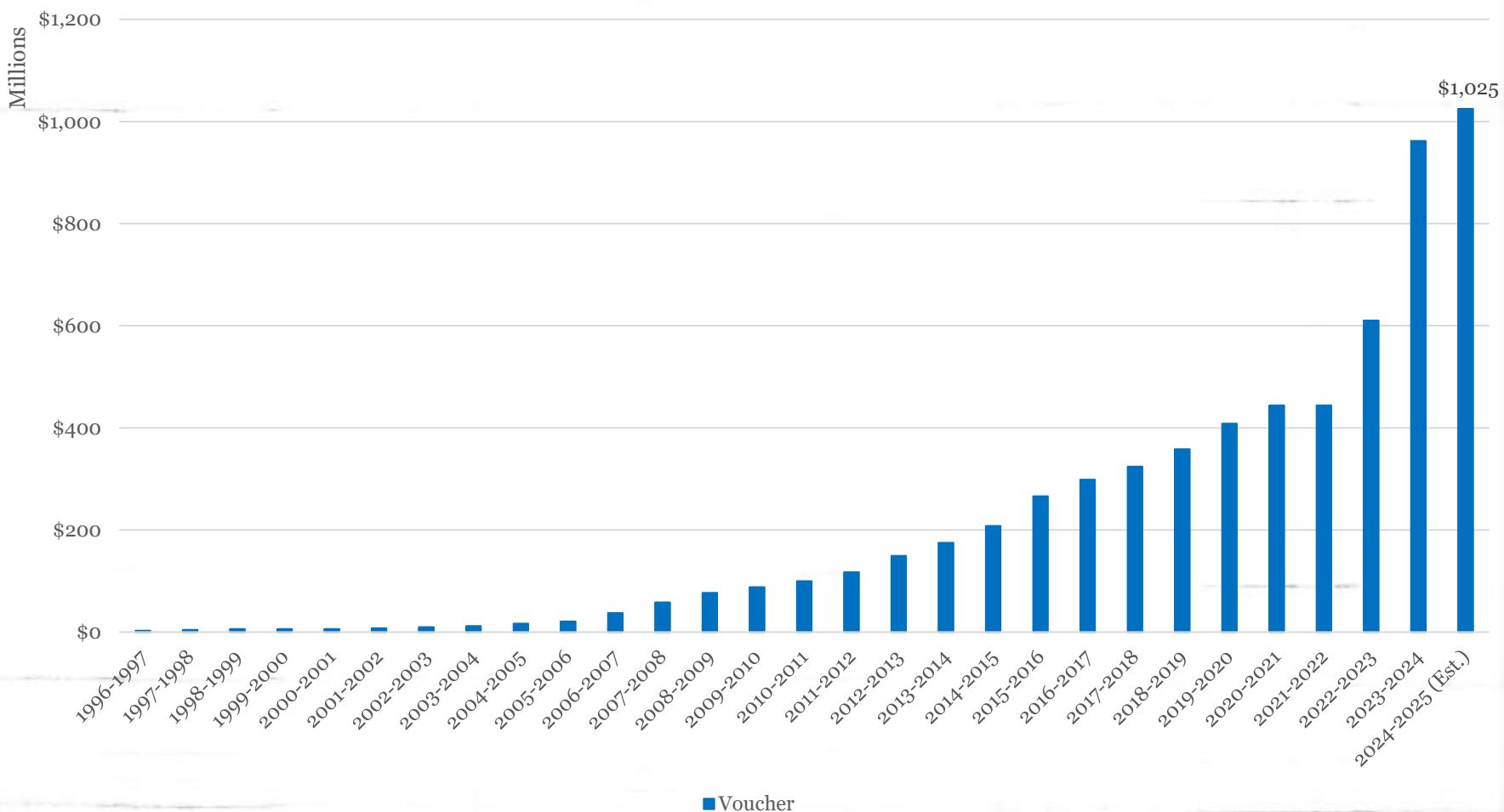
Ohio Vouchers

Ohio's endemic education funding virus



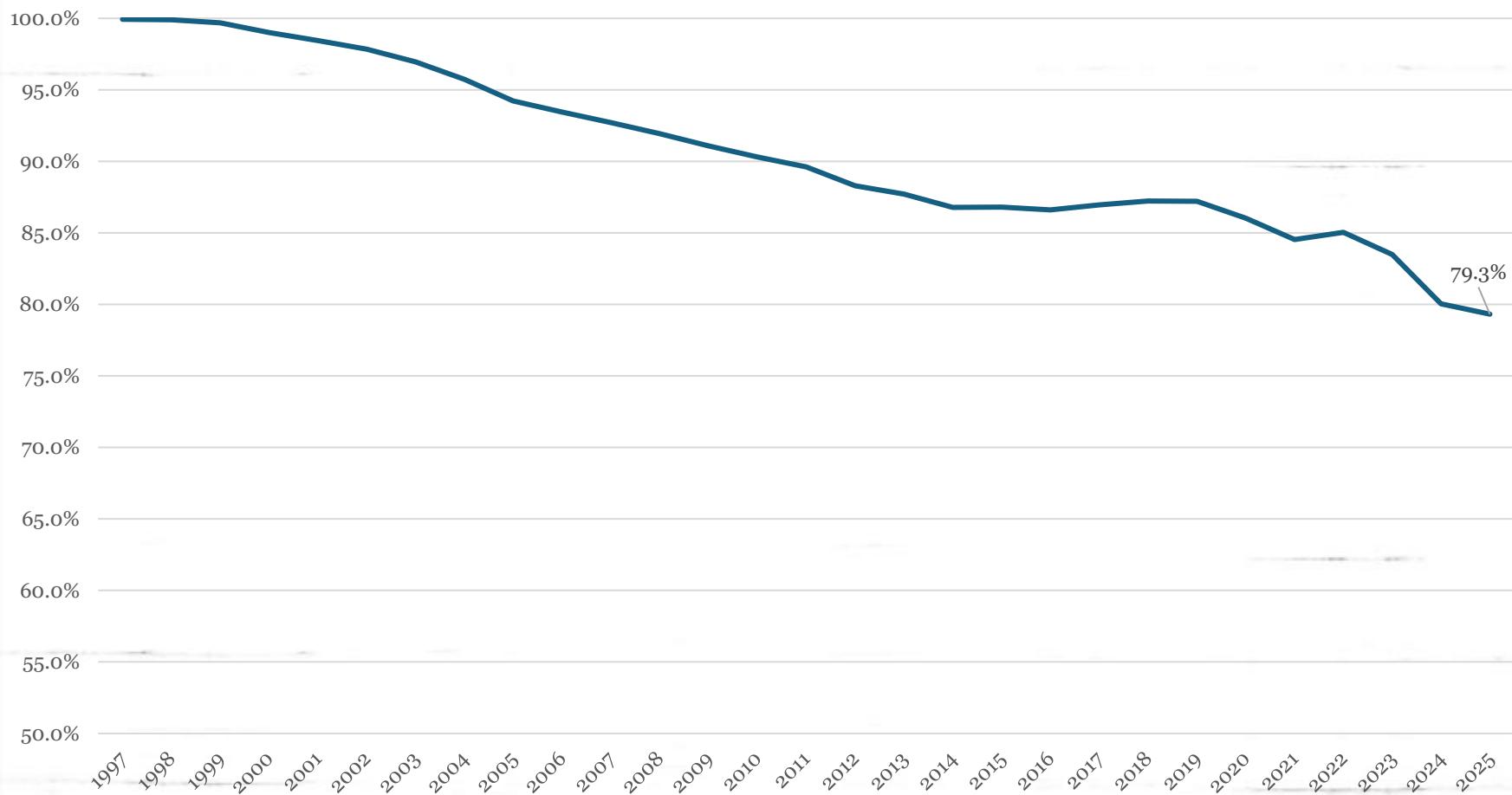
Historic Voucher Funding

Voucher Payments 1996-2025 (est.)



Historic Voucher Funding

% of Ohio's K-12 State Revenue going to Public School Students
1997-2025 (est.)

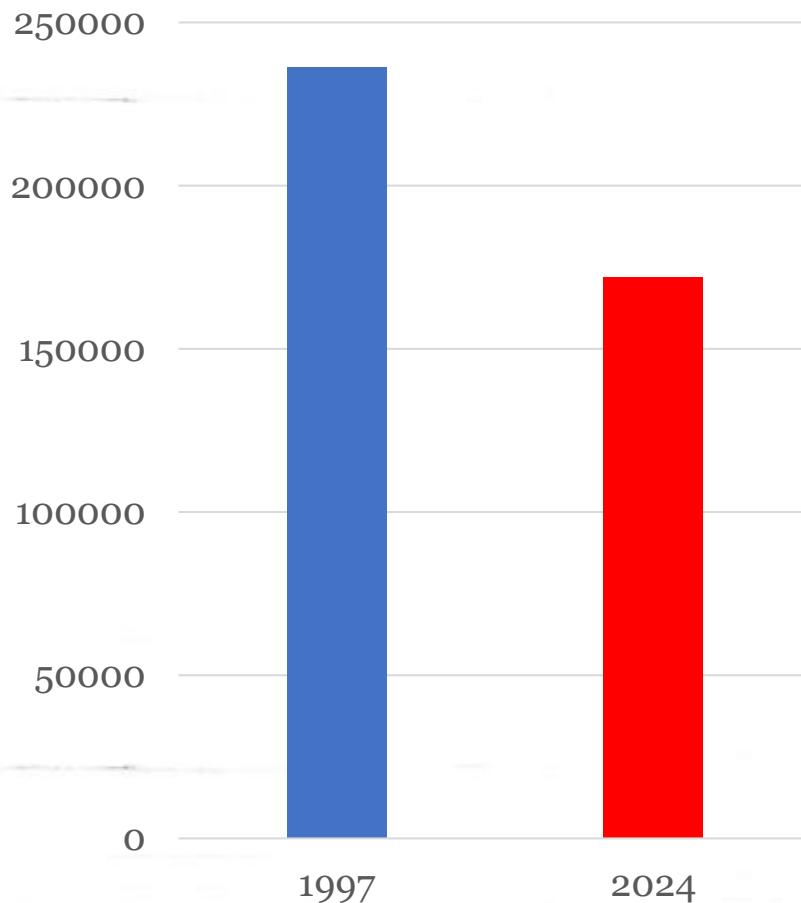


Public School Children Shorted

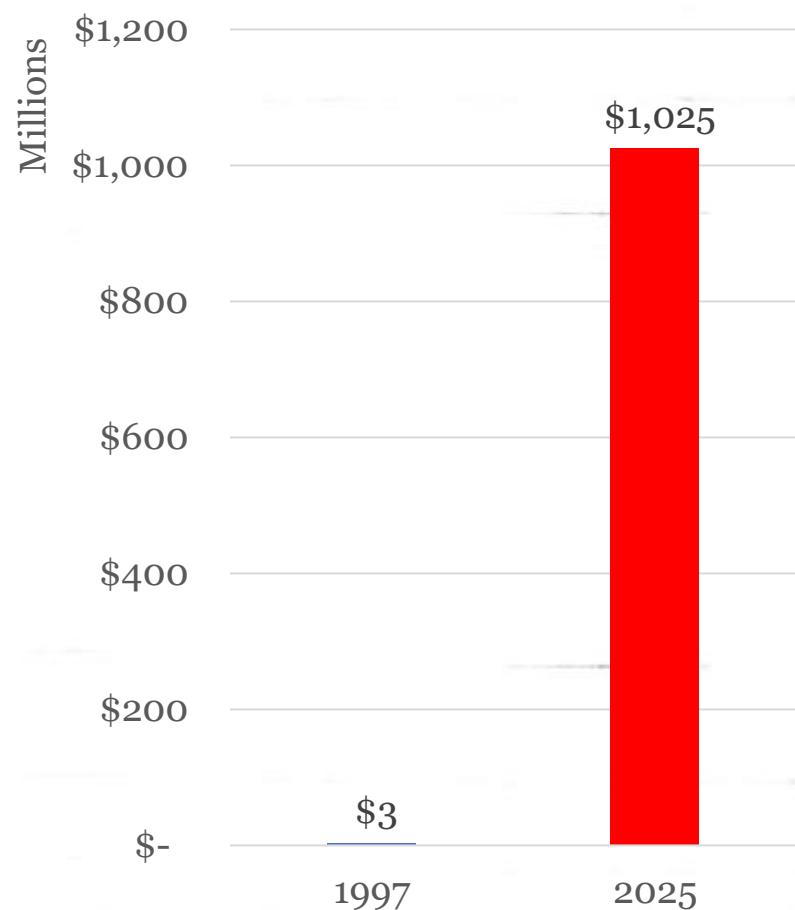
- Ohio's public school children are 84% of all Ohio school children
- Ohio's public school children receive 79.4% of all Ohio K-12 spending

School Privatization

Private School Enrollment

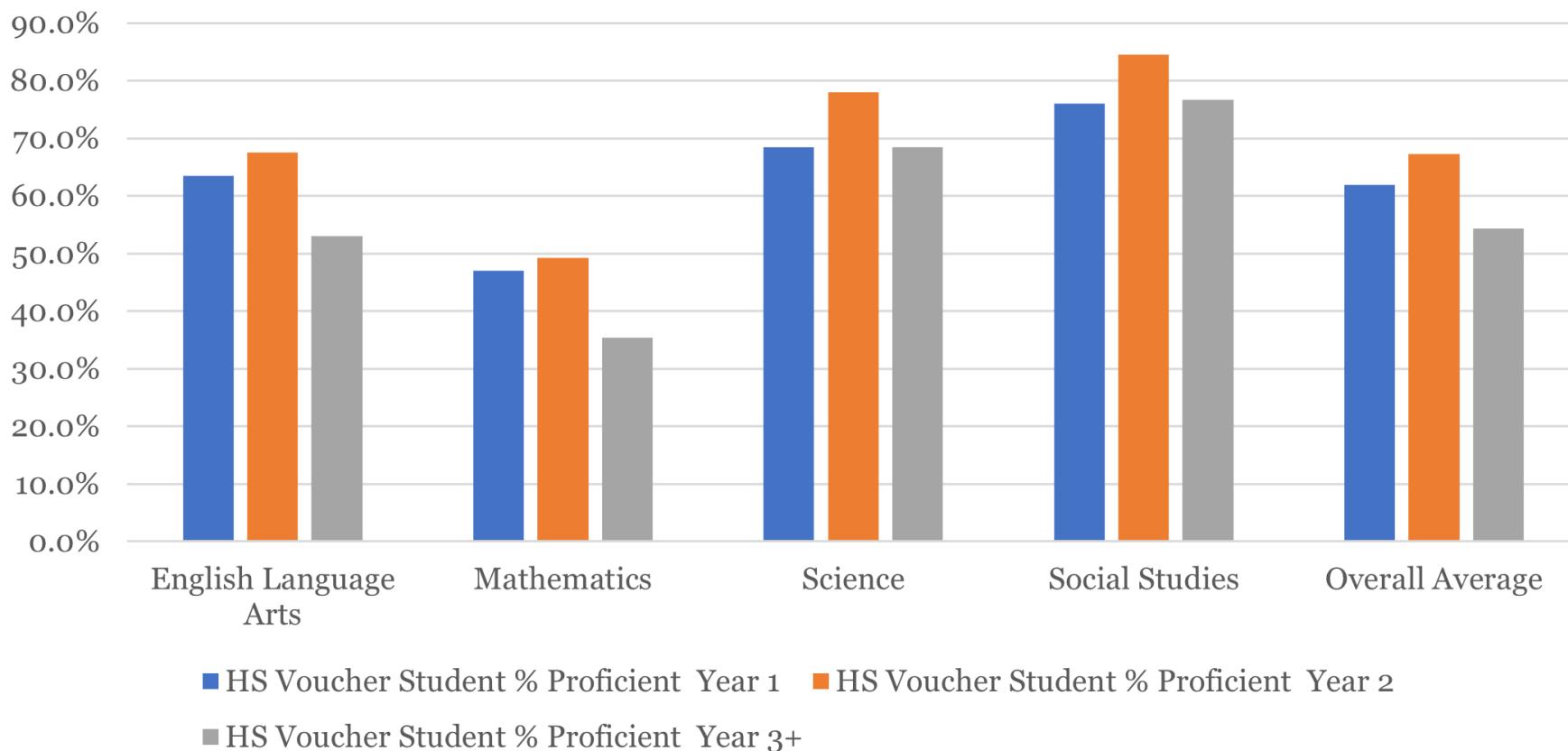


State Voucher Investment



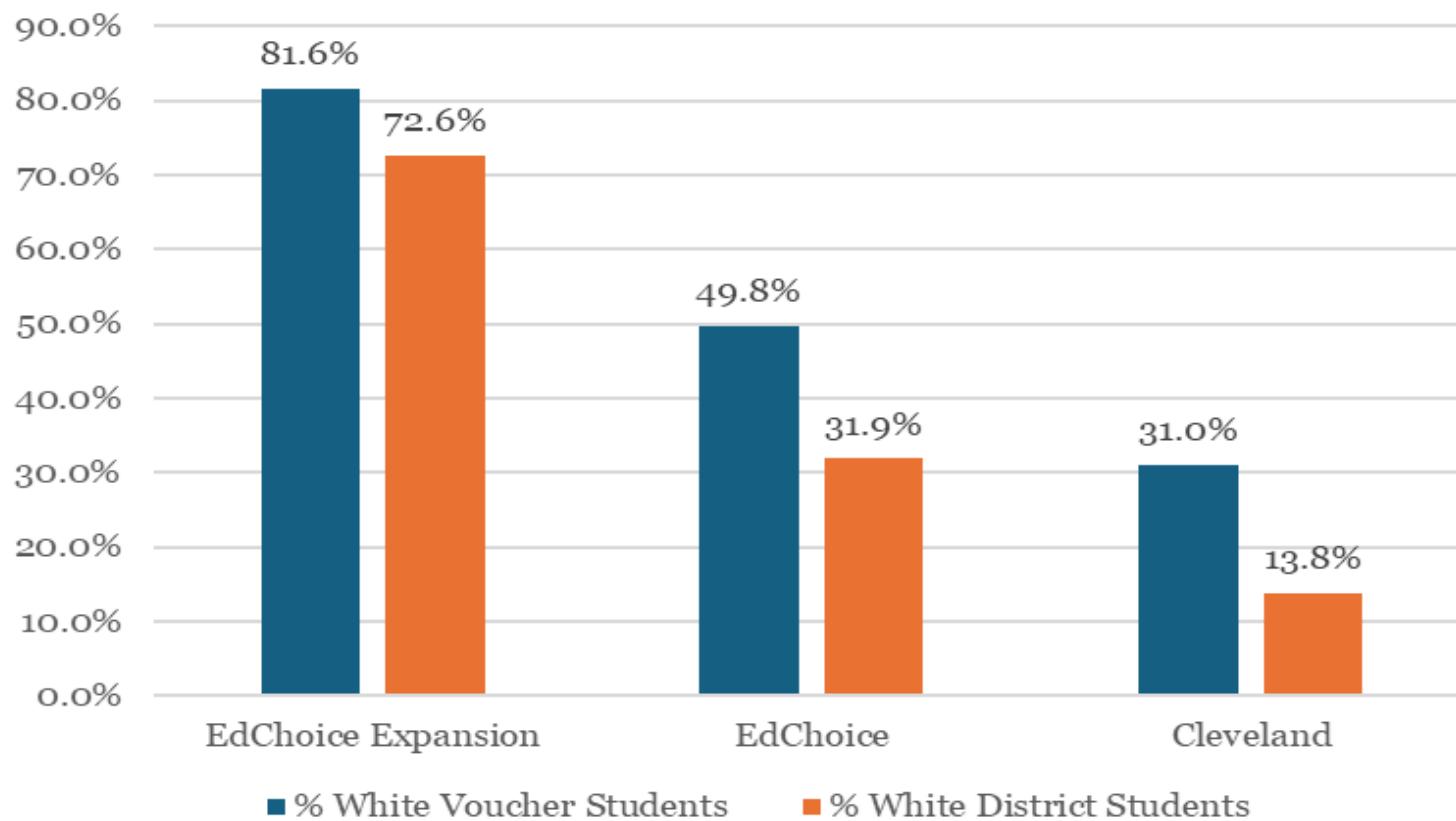
Voucher Students Perform Worse

Proficiency Rates of Voucher Recipients by Number of Years Receiving their Private School Tuition Subsidy



Increased Segregation

Racial Makeup District and Voucher
2023-2024



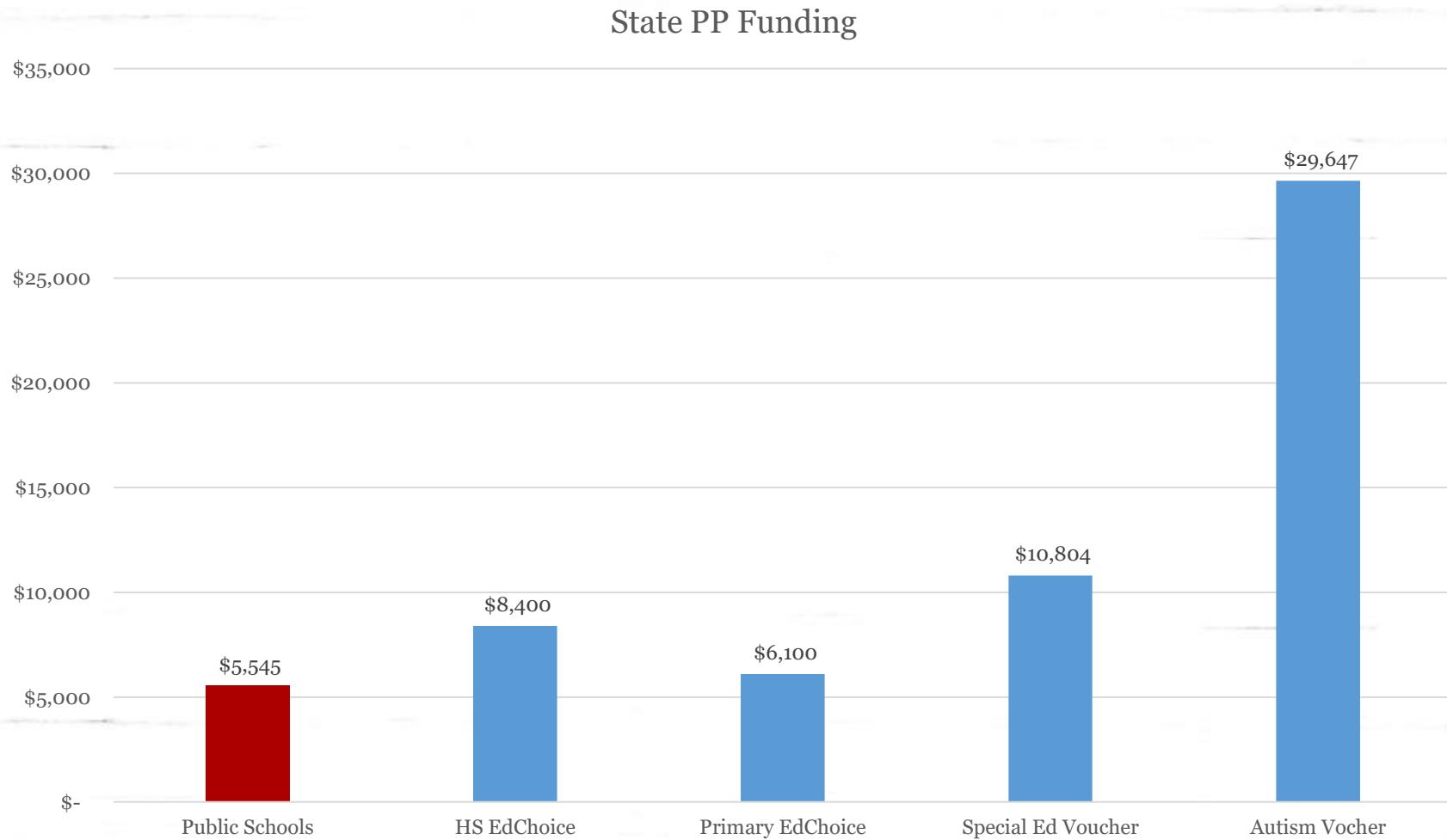
Increased Segregation

School	% Black	% Hispanic	% White
Lima City Schools	36%	9%	35%
Temple Christian	0%	0%	59%
St. Charles	0%	0%	70%

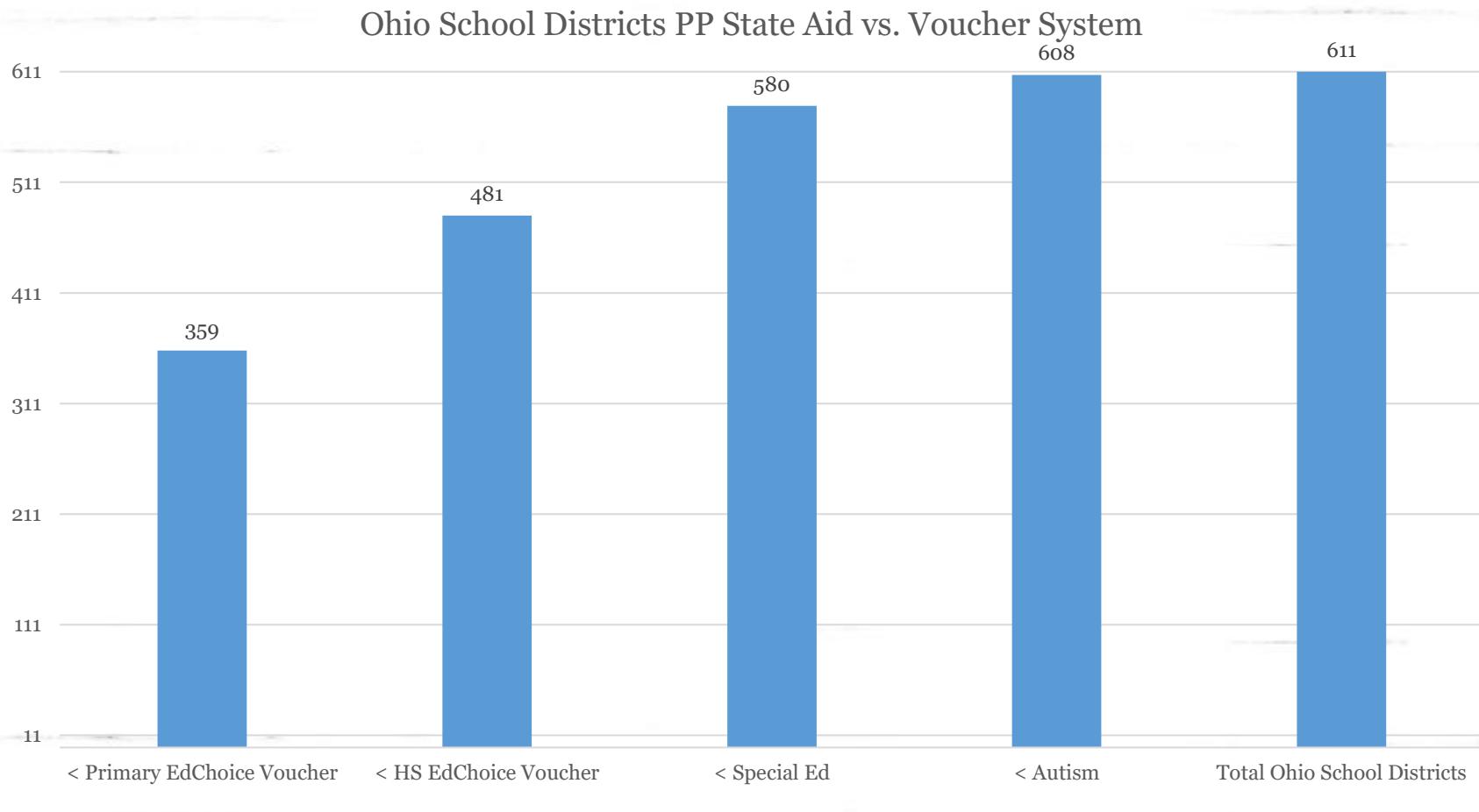
Increased Segregation

Program	New Vouchers	# White	% White
EdChoice Expansion	32238	28238	87.6%
All Vouchers	44839	33874	75.5%

Voucher kids get lots more

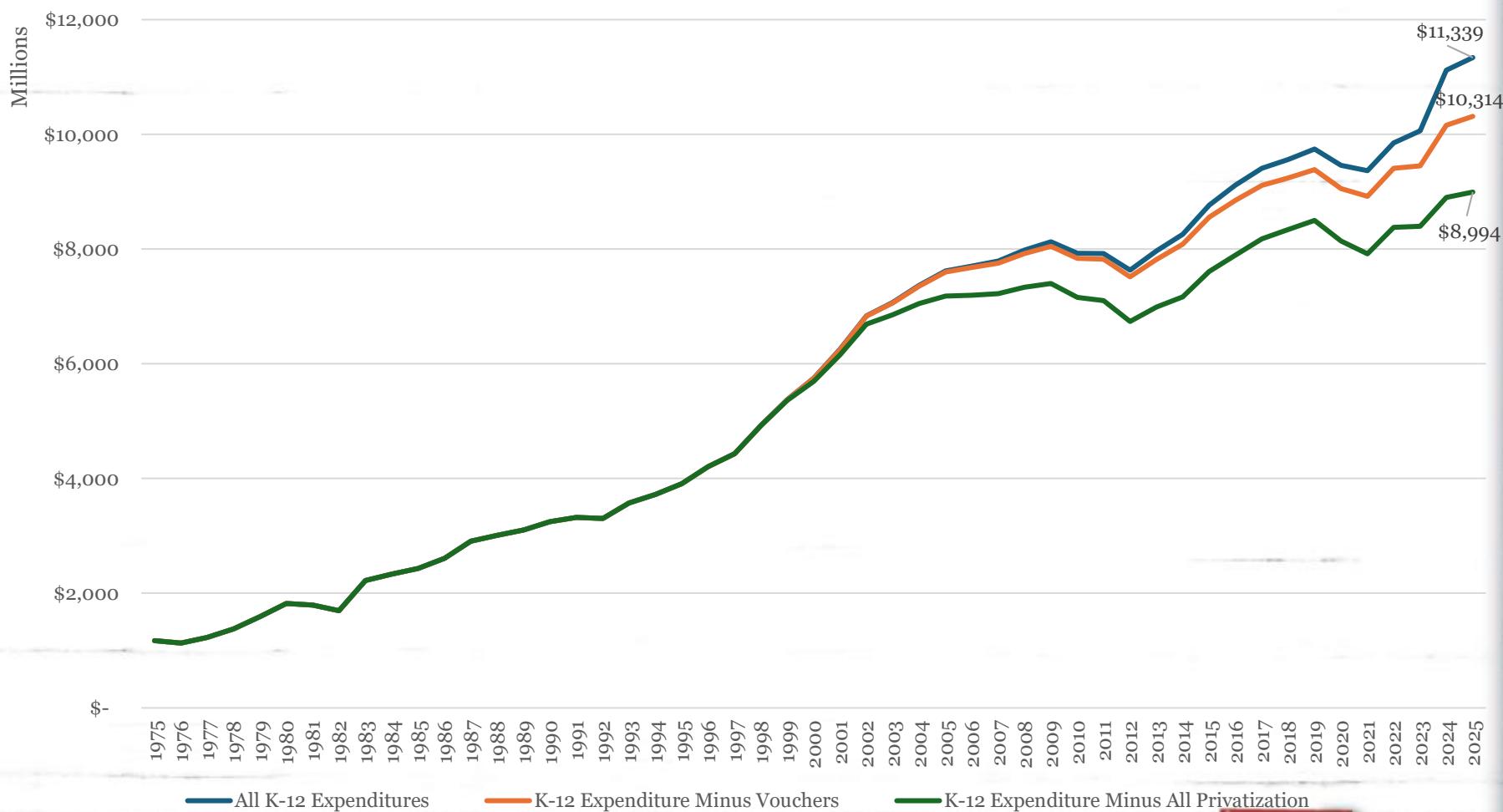


Voucher kids get lots more \$



Privatization

Impact of Vouchers and Privatization on Public School Children
1996-2025 (est.)



Privatization

- Last Year, the state was \$740 million short on the Fair School Funding Plan Implementation
- Voucher funding accounted for \$742 million of the same pot the FSFP funding came from
- But for vouchers, we could have had a fully funded FSFP ... LAST YEAR!

Ohio Department of Education and Workforce

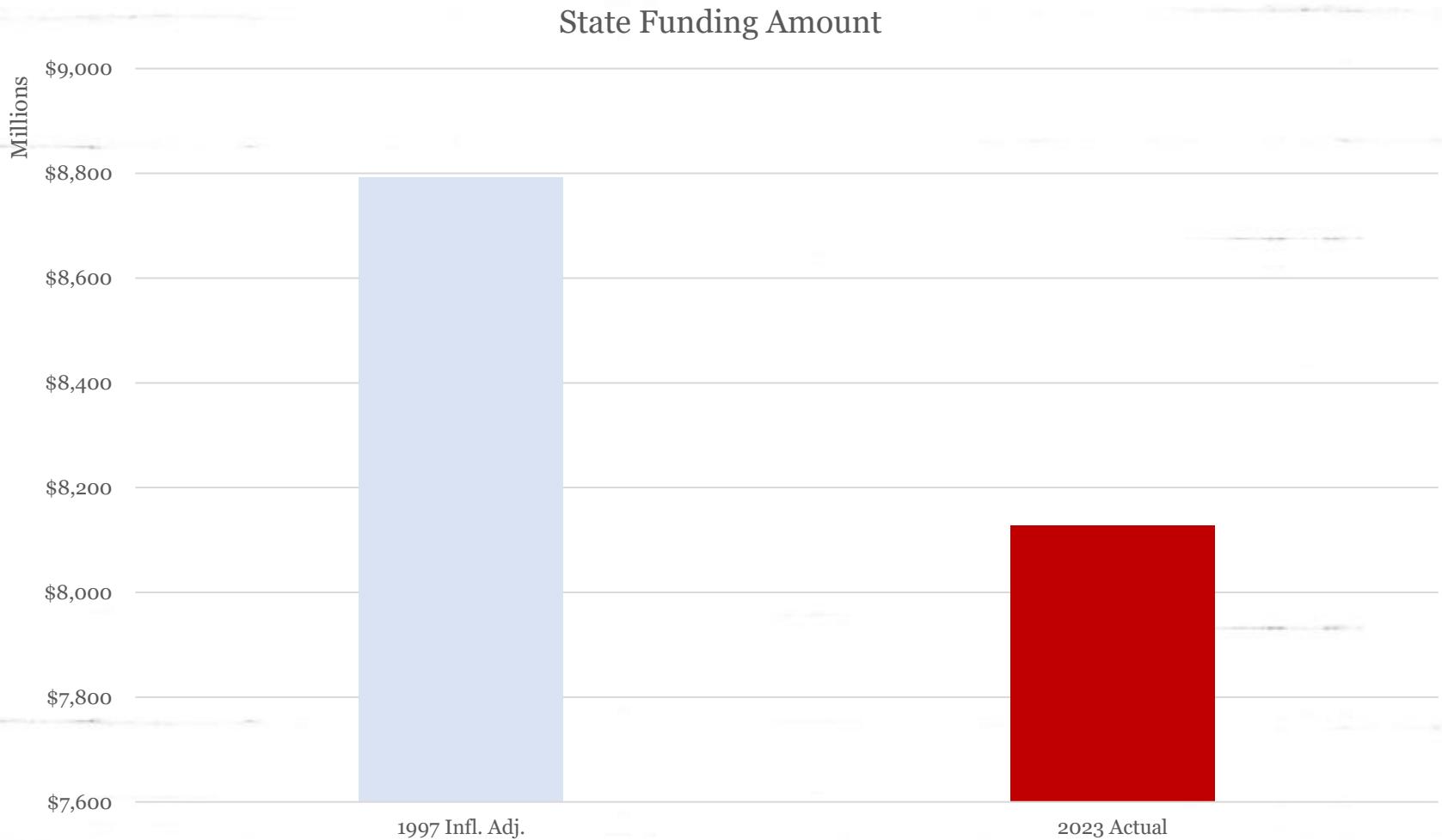
Office of Budget and School Funding

Summary School Finance Payment Report (SFPR) - Traditional School District

Final #2 Payment, Data as of 10/11/2024

Name: State Total	County: All	IRN: 999999	
[a] Base State Funding	[b] Calculated State Funding	[c=(b-a)*%] Phase-in Funding ¹	[d=a+c] State Funding
<hr/>			
State Support			
A Base Cost	\$4,168,063,058.45	\$5,125,304,297.28	\$478,620,620.57
B Targeted Assistance	\$1,095,252,873.35	\$1,056,410,539.22	\$-19,421,166.44
C Special Education	\$623,650,870.97	\$92,230,042.31	\$151,289,587.01
D Disadvantaged Pupil Impact Aid (DPIA)	\$357,961,833.07	\$578,527,859.50	\$110,283,014.68
E English Learners	\$24,665,580.88	\$47,624,854.92	\$11,479,638.13
F Gifted	\$74,131,200.17	\$78,449,087.24	\$2,158,944.39
G Career Technical Education	\$51,575,905.48	\$65,883,467.40	\$7,153,781.81
H Foundation Funding (A + B + C + D + E + F + G)	\$6,395,301,322.37	\$7,878,430,147.87	\$741,564,420.15
			\$7,136,865,742.52

Privatization



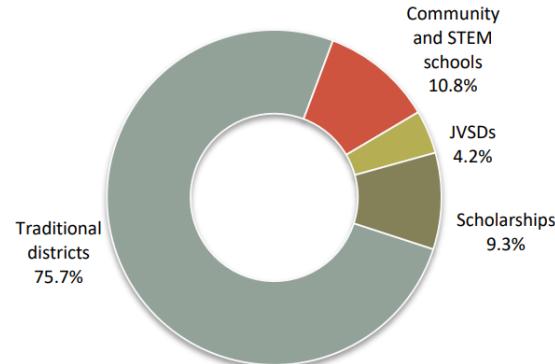
Voucher Funding Comes out of the Same State Funding Stream as District Funding

Greenbook

Under the current formula, funding flows directly to districts and community schools based on the enrollment of the students they educate.² Chart 2 shows the distribution of estimated foundation aid over the FY 2024-FY 2025 biennium by school type. About 76% of foundation aid is projected to flow to traditional school districts. Community schools are estimated to receive about 11%, followed by JVSDs at 4%. As noted above, state-funded scholarship programs, including the EdChoice programs (traditional and expansion), the Cleveland Scholarship Program, the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program, are also funded through these appropriations and comprise about 9% of projected biennium funding. The budget expands eligibility for an EdChoice expansion scholarship to any student entering grades K-12. However, it also provides for means-testing of scholarship awards for first-time EdChoice expansion scholarship recipients. In addition, the budget increases the maximum scholarship awards under the EdChoice, Cleveland, and Jon Peterson Special Needs scholarship programs. Additional details about changes to state scholarship programs are discussed in the “Overview” section.

Department of Education and Workforce

Chart 2: Estimated Foundation Aid by School Type, FY 2024-FY 2025 Biennium



While the formula provides direct funding for community and STEM schools, open enrollment, and scholarship programs, the College Credit Plus (CCP) Program is funded through foundation aid by a “deduction and transfer” mechanism.

Kids are NOT Leaving Public School Districts

District Type	Sum of Enrollment Growth 22-23 to 23-24	Sum of All EdChoice Growth 22-23 to 23-24
Major Urban	-2002	3894
Urban	-1817	5971
Wealthier Small Town	-1599	5780
Poor Small Town	-3001	4316
Rural Poor	-2265	1601
Small Rural	-1023	1349
Suburban	-2389	26444
Wealthy Suburban	1178	17480
Grand Total	-12918	66835

Kids are NOT Leaving Public School Districts

District Type	Avg. Enrollment Growth/Loss 22-23 to 23-24	Avg. EdChoice Growth 22-23 to 23-24
Major Urban	-250	487
Urban	-39	127
Wealthier Small Town	-15	53
Poor Small Town	-34	48
Rural Poor	-18	13
Small Rural	-10	13
Suburban	-31	343
Wealthy Suburban	26	380
Overall Average	-21	110

Wealthy Families Get Lots

Voucher	Grade Levels	Category	PP Voucher	# of Recipients	Total Voucher Subsidy
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 0-450	\$8,407	2706	\$ 22,749,342
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 451-500	\$7,050	551	\$ 3,884,550
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 501-550	\$5,000	474	\$ 2,370,000
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 551-600	\$3,550	373	\$ 1,324,150
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 601-650	\$2,500	323	\$ 807,500
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 651-700	\$1,750	253	\$ 442,750
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 701-750	\$1,250	182	\$ 227,500
EdChoice-Exp	9-12	Grade 9-12 Poverty Level between 751 and above	\$950	1145	\$ 1,087,750
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 0-450	\$6,165	11174	\$ 68,887,710
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 451-500	\$5,200	1557	\$ 8,096,400
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 501-550	\$3,650	1159	\$ 4,230,350
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 551-600	\$2,600	849	\$ 2,207,400
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 601-650	\$1,850	645	\$ 1,193,250
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 651-700	\$1,300	519	\$ 674,700
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 701-750	\$900	379	\$ 341,100
EdChoice-Exp	K-8	Grade K-8 Poverty Level between 751 and above	\$650	1948	\$ 1,266,200

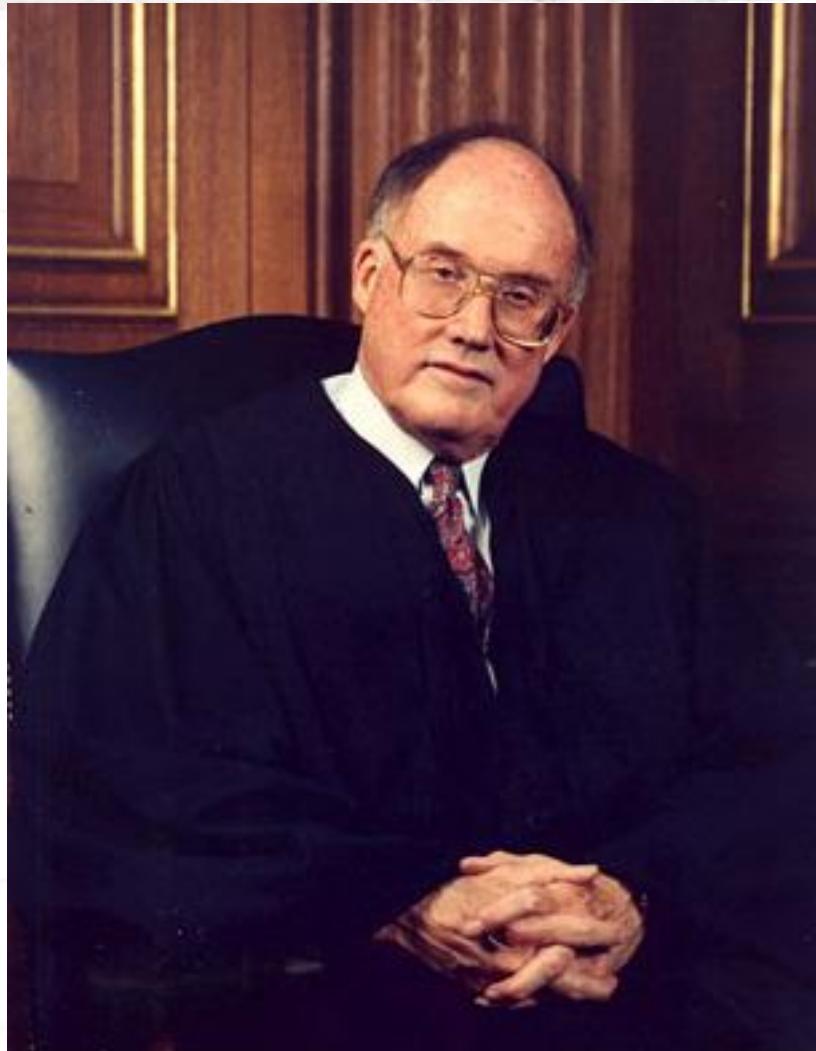
Wealthy Families Get Lots

- More new EdChoice Expansion Voucher high school recipients come from families making > \$150,000 a year than families making <\$120,000 a year.
- About \$2.3 million of your tax dollars went to subsidize the private school tuitions of families who make more than \$250,000 a year
- \$242 million of \$272 sent to families for Traditional EdChoice were NOT considered low income

Vouchers Constitutional?

Maybe 20 years ago

Zelman case 2002



- "[a]ny objective observer familiar with the full history and context of the Ohio program would reasonably view it as one aspect of a broader undertaking to assist poor children in failed schools ... [t]he program here in fact creates financial disincentives for religious schools, with private, religious schools receiving only half the government assistance given to community schools and one-third the assistance given to magnet schools."

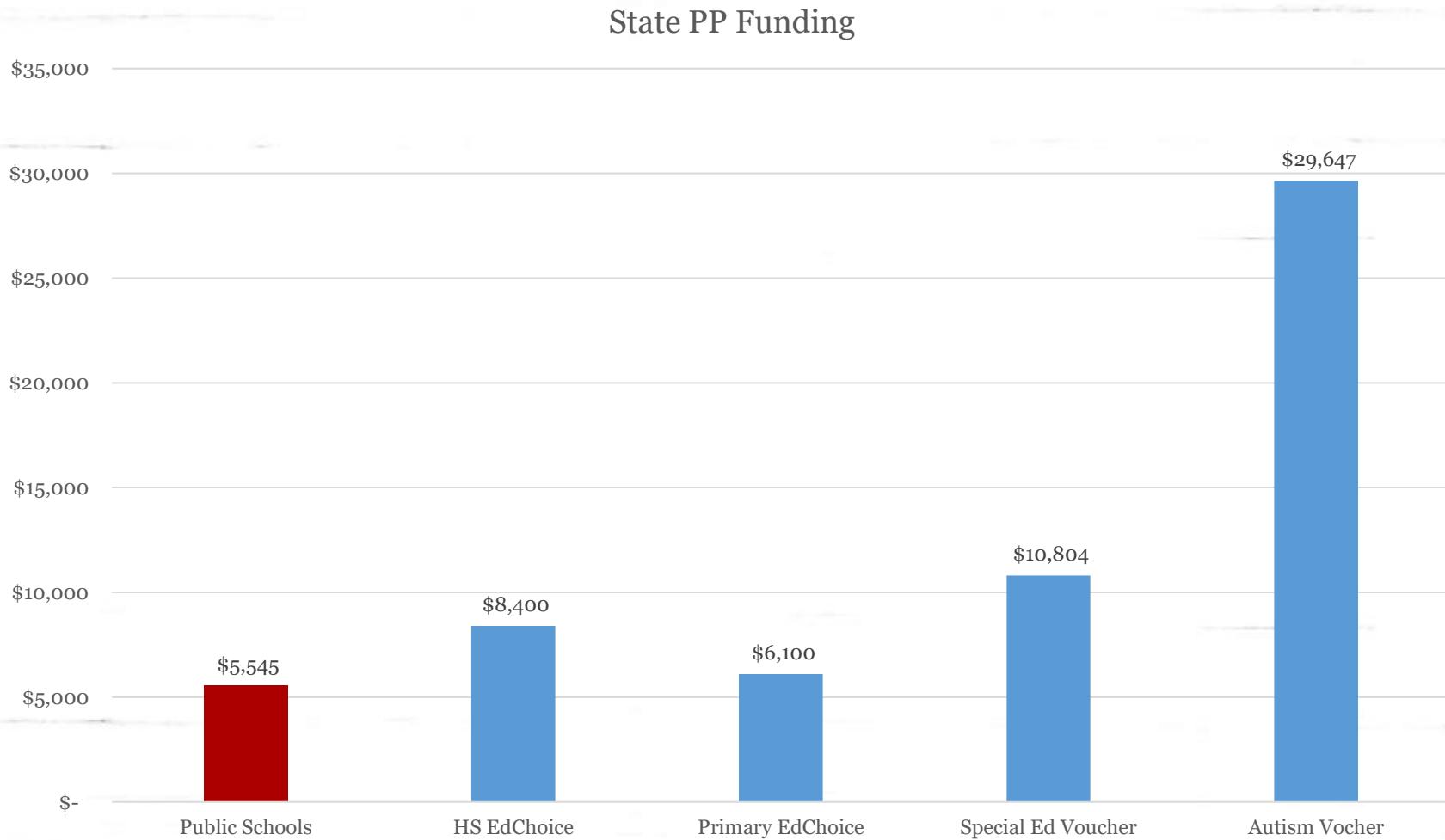
How about today?

- “assist poor children in failed schools”
- “private, religious schools receiving only half the government assistance given to community schools and one-third the assistance given to magnet schools

Voucher Students get More Money than District Kids

Review

Voucher kids get lots more



Voucher Students Perform Worse

You never hear this “vouchers are better” argument anymore

Poor kids in Failed Schools

- According to Cincinnati Enquirer, 88% of the time, kids taking vouchers attend private schools with lower proficiency rates than the school district in the private school's mailing city.
(<https://www.cincinnati.com/story/news/2020/08/19/private-school-ohio-vouchers/5399188002/>)
- Fordham Institute found that vouchers actually *hurt* performance. (<https://eric.ed.gov/?id=ED575666>)
- Beyond Ohio, there is no difference in performance, controlling for demographics.
(<https://journals.sagepub.com/doi/10.3102/0013189X18785632>)

Questions?

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