



PRESS STATEMENT

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Contact: Wendy Patton

wpatton@policymattersohio.org

614.582.0048

Substitute House budget bill includes school funding reform, costly tax cut

Today the Ohio House of Representatives passed their version of the 2022-23 state budget. The House moved closer to fixing the state's unconstitutional school funding system by moving the Fair School Funding Plan, currently under consideration in House Bill 1, into the budget bill. House lawmakers also added a 2% income tax cut that will drain the state of \$380 million in public resources. In response, Policy Matters Ohio Senior Project Director Wendy Patton released the following statement:

"The House version of the state budget bill moves the state forward on school funding, backward in tax policy, and does too little to help college students struggling with the excessive cost of higher education.

"The Fair School Funding Plan in the state budget bill is similar to what was passed on a bipartisan basis by the House last fall. It makes progress toward ensuring that all students, no matter what they look like or where they're from, have the resources they need for an excellent education. This is a major step forward in addressing one of the most pressing needs of the state. The sooner it can be fully funded and phased in, the better.

"Yet the tax cut lawmakers included would further skew our tax code in favor of the wealthy while putting just a few extra dollars in Ohioans' [pockets](#). Instead of another tax giveaway that mostly benefits the wealthiest Ohioans, we need our state leaders to invest in our communities. We have enormous immediate needs, such as improving our public schools, helping more students complete their college education, making child care affordable for families, and reducing Ohio's unconscionably high rate of Black infant and maternal death."

"In addition, the tax cut itself may trigger [rules](#) in the American Rescue Plan Act, causing the state to send \$380 million in federal dollars back to Washington. The loss of resources for needed services could total \$760 million.

"The \$760 million state representatives put at risk with a reckless and ineffective tax cut could make a tremendous difference in funding higher education and boosting financial aid, among other things. Ohio's lawmakers have set ambitious goals for boosting graduation and certification rates, but they failed again to make the investments necessary to meet them. Ohio recently ranked 45th in college affordability, yet state support for need-based aid remains well below 2006 levels, adjusted for inflation. Ohio ranks 7th among the states with the most student loan debt, and the bill does nothing to change Ohio's punitive approach to the collection of debt owed by students to the state's public colleges and universities.

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.

“It’s up to the Senate to pass a ‘peoples’ budget’ that expands opportunity for all Ohioans, no exceptions. We will look to the Senate to move the Fair School Funding Plan forward and to eliminate the risky tax policy of the House.”

Read more about [Policy Matters’ recommendations](#) for the state budget here.

Learn about the [People’s Budget](#).