

Tax & Budget

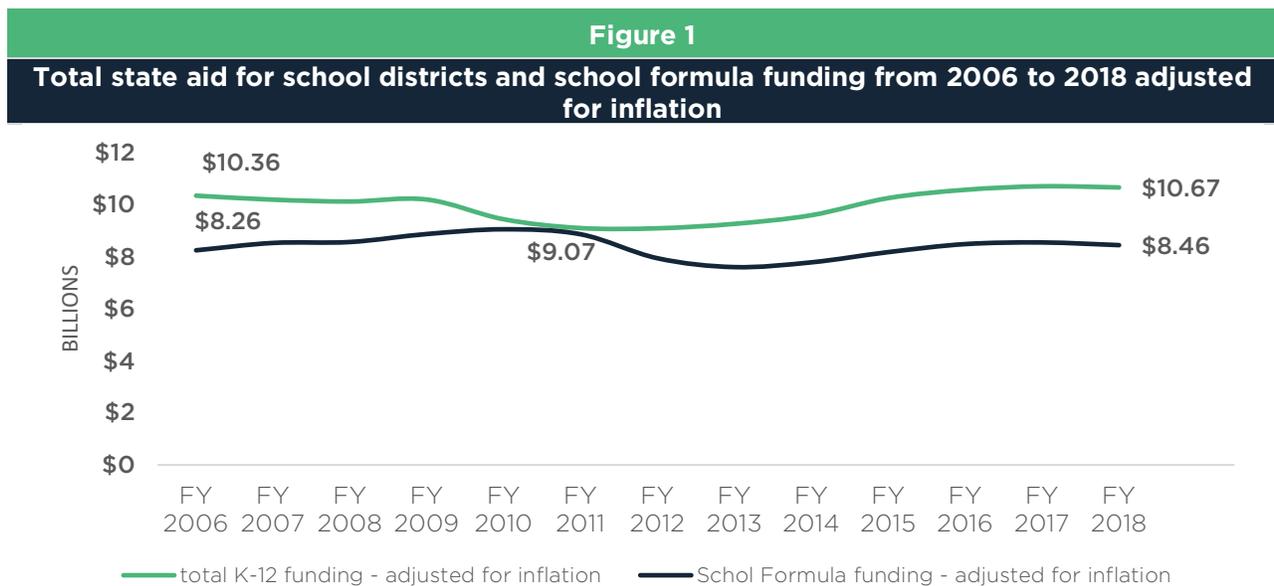
**Testimony on HB 166 before the House Finance: Primary and Secondary Education Subcommittee**

Victoria Jackson

Good morning, Co-Chairman Cupp, Co-Chairman Patterson, and members of the Committee. My name is Victoria Jackson and I am a researcher with Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more vibrant, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to submit testimony. I am writing today to ask the committee to invest more in K-12 education and public preschool.

**More funding for economically disadvantaged students is needed**

K-12 education is underfunded. When adjusted for inflation, state aid for school districts has barely increased since fiscal year 2006 (see figure 1).



Source: Policy Matters Ohio based on LSC historical expenditure table: state-source GRF, LGF and ELPF

School funding should be based on the cost of educating students, including wraparound services such as mental health counselors, social workers, and school nurses. Ohio needs a new constitutional and equitable funding formula based on the full cost of educating students. Representative Cupp and Representative Patterson have proposed the “Fair School Funding Plan” designed to address the shortcomings of the current formula. The plan deserves praise for fixing

some important issues in the formula; however, recent reporting on the plan shows that schools with the lowest student poverty would receive significantly larger increases in state aid than school with the highest student poverty. Of the 10.5 percent increase in funding for the new plan over two years, wealthy, low-poverty suburban districts would receive 15 percent of new funding compared to only 5 percent for large urban districts and 9 percent the poorest rural districts. High poverty districts would get an average per pupil funding increase of \$280 compared to \$392 for low poverty districts.<sup>1</sup> The Fair School Funding Plan should direct resources to districts serving low-income students.

Ohio needs a funding formula that directs more resources to districts educating large shares of low-income students. To improve the current formula, more money should be allocated for aid to economically disadvantaged districts. There were 826,000 economically disadvantaged students in Ohio's public schools in 2018. These students may face hunger, homelessness and trauma. Schools must offer social and emotional support, specialized academics for the students and training for teachers and staff. The number of very low-income students grew by 67 percent since 1999, but targeted funding for schools that serve them grew by only 23 percent. Funding should be increased in the 2020-21 budget from the current (arbitrary) figure of \$272 per disadvantaged student to at least \$425 with increases over time. The cost of the increase would be about \$256 million a year.<sup>2</sup> Research has shown that low-income students that receive significantly more funding for in-school resources are able to achieve at the same level as their high-income peers.<sup>3</sup>

Governor DeWine proposed \$500 million for wraparound services including mental health counselors in schools. All children, especially children dealing with trauma and poverty, need in-school mental health counselors. A majority of Ohio children – over 1.3 million – experienced at least one major traumatic event during childhood.<sup>4</sup> Over a quarter of Ohio children survive two or more Adverse Childhood Experiences (ACEs). Ohio ranks in the bottom 10 among states on this sad statistic.<sup>5</sup> Kids who have survived these traumas are more likely to experience chronic illness, risky health behaviors, poor life outcomes, and even early death. Some adverse experiences are much worse than others, but any of them might require skilled counseling assistance. Adverse childhood experiences include: poverty, parental death, parental addiction or suicidal tendencies, domestic violence, parental incarceration, parental divorce or separation, and being treated or judged unfairly due to race or ethnicity. One in five Ohio children lives under the official poverty line, itself a traumatic experience. This is a step in the right direction for bringing wraparound services to all public schools.

### **Stop the expansion the charter schools and vouchers**

On top of funding cuts, charter schools and voucher programs drain resources from traditional public schools, which educate the vast majority of Ohio's children. In fiscal year 2019, charter schools siphoned off over \$800 million from school districts.<sup>6</sup> Money for charter schools is deducted from funding for school districts. The "Fair School Funding Plan" decouples charter school funding from school district funding, which is an improvement. On average, charter

---

<sup>1</sup> Jim Siegel, "Wealthy Districts Would Gain Money in New Ohio Schools Plan - News - The Columbus Dispatch - Columbus, OH," The Columbus Dispatch, April 8, 2019, <https://www.dispatch.com/news/20190408/wealthy-districts-would-gain-money-in-new-ohio-schools-plan>.

<sup>2</sup> Wendy Patton, "Investing in Ohio and Ohioans" (Policy Matters Ohio, February 22, 2019), <https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/budget-policy/investing-in-ohio-and-ohioans>.

<sup>3</sup> Jackson, C. Kirabo, Rucker C. Johnson, and Claudia Persico. The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms. Working paper no. 20847. January 2015. Accessed July 5, 2018. <http://www.nber.org/papers/w20847.pdf>.

<sup>4</sup> "Addressing Children's Trauma: A Toolkit for Ohio Schools" (Children's Defense Fund - Ohio, July 2015),

<https://www.policymattersohio.org/wp-content/uploads/2015/07/Addressing-Childrens-Trauma-A-Toolkit-for-Schools.pdf>.

<sup>5</sup> United Health Foundation, "Explore Adverse Childhood Experiences in Ohio 2018 Health of Women and Children Report | AHR," accessed April 9, 2019, <https://www.americashealthrankings.org/explore/health-of-women-and-children/measure/ACEs/state/OH>.

<sup>6</sup> "Community School Funding Report FY 2019" (Ohio Department of Education), <http://odevax.ode.state.oh.us/htbin/F2019-COMMUNITY-REPORTS.COM?act=01&irn=000556&district=999999&comdtl=y>.

schools do not perform better than public schools, and they lack the oversight and accountability standards public schools meet. Ohio has five voucher programs that cost \$310.6 million in 2019. Most funding for vouchers is deducted from state aid from the home school district of a voucher student. Although on average students who use vouchers are wealthier than their peers who stay in public school, they perform worse on math and English tests. Governor DeWine proposed increasing the EdChoice Expansion voucher from \$47.7 million to \$71 million in 2021 despite the lower academic performance of students using vouchers.<sup>7</sup>

### **Expand public preschool to all eligible children**

Ohio lags the nation in low-income students' access to public preschool. Currently, Ohio's early education grant program only serves about 18,000: Just 5 percent of 4-year-olds (nationally, 29 percent are in state public pre-school) and 2 percent of 3-year-olds (nationally, 5 percent of 3-year-olds are enrolled). Preschool helps students learn to read. Children who attend preschool are better prepared for kindergarten than children who do not. The benefits are even more pronounced for low-income students, disadvantaged students and English learners.<sup>8</sup>

Ohio now provides \$4,000 per child for public preschool for low-income students with family incomes at or below 200 percent of the poverty level, or \$42,660 for a family of three.<sup>9</sup> Although many more qualify, only about 18,000 students are helped by the grant - \$440 million would extend preschool to almost 97,000 more Ohioans. Public preschool should be expanded to all eligible children to ensure every child is prepared for kindergarten.<sup>10</sup>

### **Recommendations**

- Invest \$256 million more in economic disadvantaged aid by increasing the per student amount to \$425
- Increase funding for public preschool by \$440 million to give access to an additional 97,000 low-income three- and four-year-olds
- Do not increase funding for the EdChoice Expansion program to expand to sixth and seventh grade

---

<sup>7</sup> Office of Budget and Management, "The State of Ohio Executive Budget Fiscal Years 2020-2021," March 15, 2019.

<sup>8</sup> Claudio Sanchez, "Benefits Of Preschool: Kids Who Attend Public Preschool Are Better Prepared For Kindergarten : NPR Ed : NPR," National Public Radio, May 3, 2017, <https://n.pr/2yixUFm>

<sup>9</sup> "U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs" (U.S. Department of Health & Human Services, November 23, 2015), <https://aspe.hhs.gov/poverty-guidelines>.

<sup>10</sup> Jackson, Victoria, Investing for Growth, Policy Matters Ohio, February 18, 2019 at <https://bit.ly/2V4um5q>