

Kasich budget underfunds education Some schools lose substantially

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Ohio schools will go backward under Governor Kasich's funding proposal, which does not keep up with inflation. Funding for the Ohio Department of Education from all state sources increases by just 3.2 percent in the governor's budget for fiscal years (FYs) 2018 and 2019 compared with the current, two-year budget. State aid for school districts rises by just 0.71 percent from fiscal year 2017 to 2018, and just 1.2 percent from 2018 to 2019. Almost two-thirds of all school districts (390 districts) lose funding even without considering inflation. This is because of new policies that affect foundation funding as well as continued phase-out of tax reimbursements.

Funding for most districts is cut, a few are flat-funded, and some receive increases. Funding changes affect districts differently by district typology and percent of students living in poverty. Ohio's school funding formula is somewhat progressive in that the state provides more funding for poorly resourced districts than well-resourced districts, which can raise more local revenue for schools. Research shows that schools in higher poverty areas need to spend more per student than wealthier districts to achieve the same outcomes.

Reviewing total state aid by percentage of students in poverty shows the progressivity of the state funding. Overall, the lowest poverty districts have had funding cut and the highest poverty districts have the largest percent increase. Despite receiving less state aid, wealthier districts are still able to provide more funding for students. This is due to their ability to raise more local tax revenue for education.

Recommendations

To better fund school districts, additional funding should be added to the budget and changes should be made to the funding formula:

- Increase per pupil funding in the foundation formula
- Modify reductions in funding for districts with greater than 5 percent enrollment declines from 2011-2016
- Restore the funding increase maximum from 5 percent in the current budget to the 7.5 percent maximum in the previous budget
- Increase funding for formula components that help low-income districts

For a more sustainable and equitable funding model, the state should determine the real cost of educating students and provide additional funding for students in low-income communities. School districts cannot do more with less and neither can the state. Ohio needs to boost tax revenue, so K-12 education can be appropriately funded.