

## Ohio Education Association

### Fair School Funding Plan – OEA Supports

**Status:** House Bill 33, currently before House Finance Committee

#### The Fair School Funding Plan

The Fair School Funding Plan (FSFP) represents years of work by legislators, local school leaders, and education finance experts to provide a predictable, student-centered formula based upon how much it costs to educate a child and how much a local community can afford to contribute toward these costs. This bipartisan funding plan was adopted in Ohio's last budget bill (HB 110-134th).

The funding plan was intended to be fully implemented over six years, with several important components of the formula being updated over that time. However, when it was adopted in HB 110, the formula was only funded through the end of the current biennium (June 30, 2023).

#### House Bill 33

The Executive Budget proposal contained in House Bill 33 continues the phase-in (years 3 and 4) of the Fair School Funding Plan. However, it does not provide needed updates to the base cost components. The salary inputs used are from FY 2018, while the property and income values are based on more current data. This results in a disparity in support, with the local share of funding education increasing and the state responsibility decreasing.

Additionally, Senate Bill 310 of the 133<sup>rd</sup> General Assembly authorized cost studies for students with disabilities, English learners, and gifted students in rural populations. The findings of these studies, released in December 2022, must be included to appropriately fund these categories of students.

What has been noticeably absent is the state authorization of a cost study to educate economically disadvantaged students. In this current fiscal year, roughly 48% of Ohio's children attending traditional public schools are identified in this category. Efforts to initiate this study have been twice denied by the Ohio Legislature. An economically disadvantaged cost study is a critical component to identifying the additional resources and supports they need in comparison to non-disadvantaged students.

***OEA Position: OEA recommends that the Ohio Legislature make the necessary updates to the components of the funding model and fully implement the plan this biennium. OEA also recommends a state-commissioned study on improving funding and education outcomes of economically disadvantaged students.***

- Without updating the base cost inputs, the funding formula doesn't keep up with the costs of educating students and shifts the burden of funding schools back on the local community.

- Full implementation and updates to the funding plan will ensure that all children regardless of their zip code, race, or family income will be given the resources needed to thrive and succeed.
- The Fair School Funding Plan meets the constitutional threshold set in the *DeRolph* rulings by lessening the over-reliance on local property taxes to fund schools, but only if it is appropriately updated and fully phased in.
- Ohio's economy is strong. Now is the time to fulfill the commitment to the children of Ohio who attend public schools by updating and fully funding the Fair School Funding Plan.

**Retirement Security Impact:** Any proposal that diverts resources from or limits state funding to public schools will have an impact on the ability for districts to recruit and retain staff. As staffing shortages persist, while more and more staff retire, the declining population contributing into Ohio's retirement systems could threaten the future solvency of state pension plans.