



AOF Budget Review Webinar

April 5, 2019



- HHS Agency Testimony
- Next Week: Public Testimony
- Amendment Deadline Friday April 12



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Fair School Funding Plan



Representative Bob Cupp

Representative John Patterson

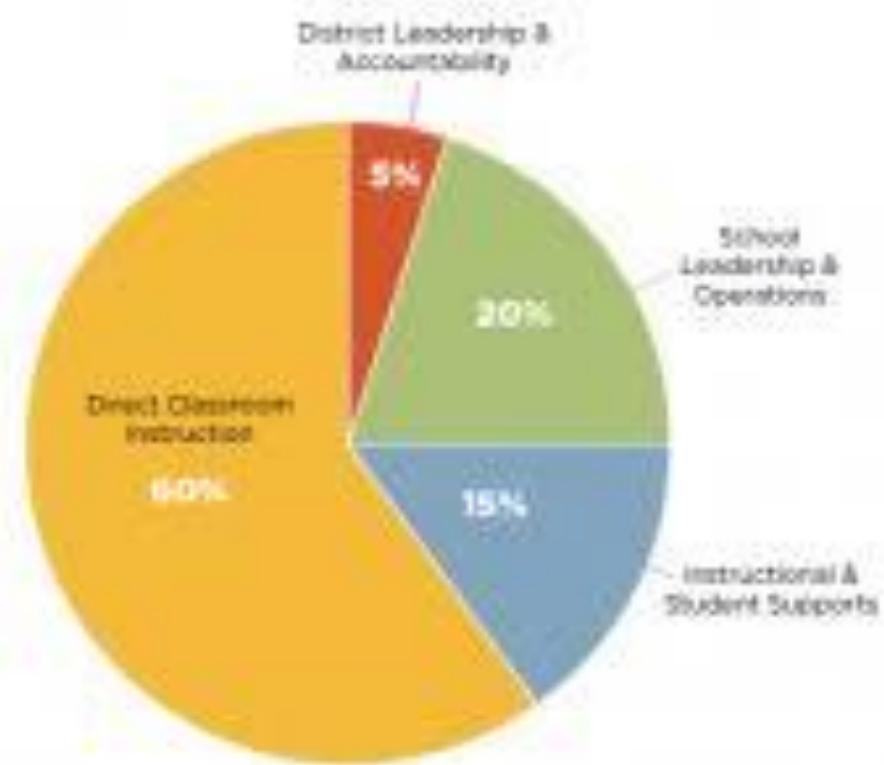
BASE COST

The “foundation” upon which all other elements of a funding formula are built is an appropriate per student base cost amount. The base cost amount allocates sufficient resources to provide an average child – one with no disabilities, or special gifts, who does not live in poverty and is not an English learner – with the essential high quality educational opportunities necessary for success.

QUESTIONS TO DETERMINE BASE COST:

What does it cost to
educate each child?

What does each
district need to
operate?



TAKE POVERTY INTO ACCOUNT

- Make more funding available for students (22%) living in poverty.
- Increase current (@\$272) per student funding, which is far too low.
- Increase needed for social, mental health and emotional support.
- Let districts select the support services that best meet their local needs.
- Establish per student additional funding high poverty schools and students pending an in-depth study to determine the right amount and resources.

PRESCHOOL

Children living in poverty who attended high quality preschools perform better academically during their school years as a result. Preschool helps children from poor families keep up academically with children who grow up in middle-class homes. Research and evidence points to the need for at least one year of quality preschool to meet the standards set by the Ohio Department of Education for every 4-year-old impoverished child. Ohio's preschool delivery system is fragmented with services provided by the federal Head Start Program, the Ohio Department of Jobs and Family Service's childcare program, the Ohio Department of Education's childhood education grants and preschool education services and school-based programs.

RECOMMENDATIONS

1. Authorize and fund a thorough study to determine the following:
 - Ways whereby Ohio's multi-provider system can be made more efficient and accommodate more preschoolers in high-quality programs.
 - What should be the appropriate definition of children living in poverty if implementing a new preschool program?
2. Provide every four-year-old child identified as living in poverty an opportunity for at least one year of high quality preschool.

SPECIAL EDUCATION

According to the Ohio Coalition for the Education of Children with Disabilities, students with disabilities account for approximately 15 percent of the more than approximately 1.6 million public school students in the State of Ohio.

There are six disability categories in special education, and the more intense the disability, the greater the cost in providing needed services. For example, a severely autistic student may cost \$100,000 per year in education, care, and transportation. It is important for Ohio to stay current with the best remedial practices and the cost of those services.

RECOMMENDATIONS

- Fund and authorize an updated cost study
 - Last full study 2001, updates in 2006 and 2014
- Return to a multiplier of the base cost per student
 - Possible parity issues with dollar per student amounts
- Fund special education preschool based on calendar/percent of time
- Fund special education at 100% Setting aside 10% for catastrophic

Additional Resources & Media Coverage

- [Fair School Funding Plan Summary](#)
- Statehouse News Bureau: [New School Funding Formula Costly, With Increases Or Flat Funding For All Schools](#)
- Cleveland Plain Dealer: [More money would go to schools in “Fair Funding” plan, just with some surprising gains and freezes](#)
- Cincinnati Enquirer: [See how much your school district would get under the new Ohio school funding proposal](#)



Transportation Budget - Background

- Separate budget process from the General Revenue Fund
- Biennial (2-year) Budget
- Revenues made up largely of:
 - Gas tax
 - Motor vehicle registration & license fees
 - Federal Transportation dollars
- Funds Ohio Departments of Transportation, and Public Safety (as well as a small for Public Works and Development Services)
- Not typically controversial, moves very fast
- Statutory Deadline: March 31st

HB62 Transportation Budget FY2020-2021

- At issue: Major stakeholders advocating for increase in Gas Tax (Fix Our Roads Ohio or FOR Ohio)
- Governor DeWine creates Transportation Infrastructure Advisory Committee who recommends increase in Gas Tax
- Governor's Executive Budget Proposal includes:
 - 18 cent gas tax increase (for both gasoline and diesel) = \$1.2 billion new revenues annually
 - \$40 million / year for public transit in federal flexible transportation dollars

Transportation equity coalition re-activates



- Transit has been in crisis for decades
- Recommendations:
 - \$150 million for public transit, based on ODOT's 2015 Transit Needs Study
 - \$30 million set aside for safe pedestrian and bicycling infrastructure
 - A portion of any gas tax increase should go to public transportation (20%)
- 40+ groups- diverse organizationally and geographically
 - Older adults & people with disabilities
 - Historically disadvantaged communities
 - Environmental advocates and Transit union workers
 - Locally-based transit coalitions in Cleveland, Columbus, Cincinnati, Toledo, and Lorain County

Ohio Earned Income Tax Credit (EITC)

- Gas tax, like sales taxes, is regressive
- Disproportionate impact on low- to moderate-income families
- Ohio has an EITC, to ameliorate this negative impact, but it needs reform to be effective
- Ohio's Earned Income Tax Credit
 - Expand
 - Remove the existing income cap and
 - Make it refundable

Transportation Budget Process–FY2020/2021

- House of representatives –
 - reduces size of proposed gas tax increase
 - Increases transit to \$100 million in federal flexible transportation dollars
- Senate
 - Reduces size of proposed gas tax further
 - Zeroes transit out of transportation budget, puts it in GRF, lowers amount to \$55 million
 - Adopts EITC reform
 - Increases size of credit from 10% to 30%
 - Removes income cap
 - Does NOT, however, make it refundable



Transportation Budget-Final-FY2020/2021

- Conference committee
- Gas tax:
 - Increase 10.5 cents gas, 19 cents on diesel
 - Roughly \$865 million in new revenues for roads
- Public transit
 - \$70 million per year – almost double where it was during last budget cycle
 - In the GRF, not the Transportation Budget
- Ohio EITC
 - 30% the amount of the federal EITC (increased from 10%)
 - Income cap at \$20,000 removed – now mirrors federal EITC with slow phase out
 - NOT refundable
 - Cost estimated at \$38 million



Takeaways & Next Steps

- **Transit**

- Positive step in the right direction on amount of funding
- Setback that it was taken out of the transportation budget and put in the GRF
- **Short run** – considering advocacy for interagency/legislative taskforce
 - Non-Emergency Medical Transportation (NEMT) and other agency dollars for transportation to and from services (\$250 million), school busing (\$527 million) to
 - Tackle shared revenues, coordination, and role for public transit
- **Long run** – need to work to get line item for public transit back in transportation budget, continue to advocate for increase in public transit funding
- **EITC** – Educating about the importance of refundability, and looking at state models for tiered system of refundability