



THE BUCKEYE INSTITUTE

Ohio's Education Budget Puts Students First

Interested Party Testimony
Ohio Senate Education Committee
Ohio House Bill 96

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As Prepared for Delivery

Chair Brenner, Vice Chair Blessing, Ranking Member Ingram and members of the Committee, thank you for the opportunity to testify regarding **Ohio House Bill 96**—Ohio’s biennial budget.

My name is Greg R. Lawson. I am a research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

As The Buckeye Institute has long maintained, putting **students first** means funding students rather than systems. This budget proposal keeps modestly moving in this direction—and, with a few revisions, it can do it even better.

The biennial budget helps fund Ohio’s K-12 public schools. Education funding formulas remain hopelessly complex and I will not belabor their intricacies, but public district school enrollment is broadly **declining** across the state as families decide to enroll their students elsewhere, and the General Assembly should appropriate funds accordingly. Ohio already **spends more** on public schools since the **DeRolph** court decision and has spent **more than \$12 billion** on facilities alone. Regrettably, the state’s **less-than-stellar scores** on the most recent Nation’s Report Card suggest that these significant funds may not be so well spent.

Governor DeWine, therefore, wisely pushed to **phase out guarantees** in the so-called fair funding system that needlessly over-fund public school districts with declining enrollment. Maintaining the broken status quo would continue funding empty desks and classrooms rather than sending state resources to the schools that students actually attend. Critics lament funding “cuts” in the budget, but spending under the House version exceeds the governor’s proposal and ensures no district will lose funding due to enrollment. Those decrying “cuts” mistakenly believe that the General Assembly must input new cost data in the funding formula, a change that would increase the budget further and misleadingly omits the context of cost updates and enrollment shifts. Reductions to individual school districts under the current formula are due to declining enrollment or the complex relationship between rising property values and state funding obligations—a formula for which public school districts lobbied years ago despite these foreseeable adjustments.

Accordingly, the General Assembly should modify Ohio’s school funding formula to ensure that decisions made by local school districts, driven by local collective bargaining decisions with which the state is not a party and cannot influence, do not automatically increase state funding. To the extent that the General Assembly considers additional spending, it should be for improving popular school choice options that put student and family preferences first. The proposed budget rightly increases the per-student allocation for charter school capital costs, for example, from \$1,000 to \$1,500, because charter schools do not benefit from local property taxes and already receive less per-student funding than district schools. The House version rightly allows online charter schools serving large numbers of lower-income and disadvantaged students to receive **Disadvantaged Pupil Impact Aid** (DPIA), meant to help those students. But the General Assembly should also allow recipients of all scholarships, including EdChoice, to receive DPIA for qualified students. Currently, scholarship recipients do not receive the DPIA funds available to public district and public charter school students. Extending the DPIA to non-public school

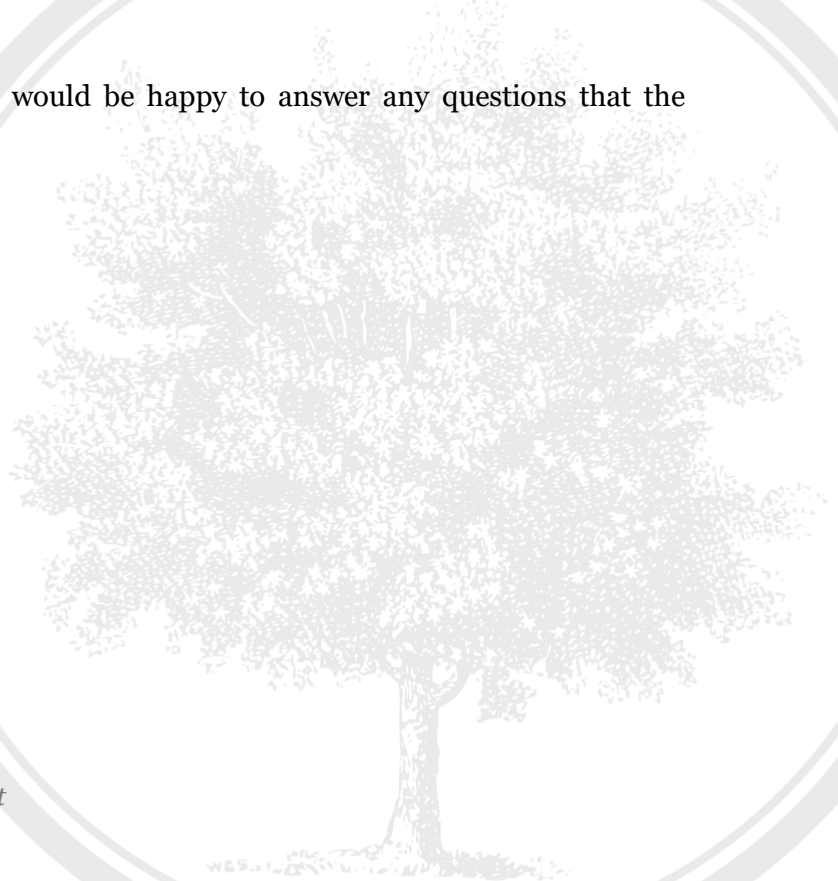
scholarship recipients will help the non-public schools reach more lower-income students and would cost about the same as the new education savings account for non-public, non-chartered schools included in the House budget. The Buckeye Institute continues to **support** universal ESAs, but given the importance of ensuring broad-based school choice options at this time, we recommend adding DPIA to EdChoice instead.

The governor's proposal would improve how public district schools treat their underused buildings. Districts underuse some of their buildings and new annual reports to the Department of Education and Workforce with updated enrollment data will help determine whether certain buildings are "unused facilities" that should be **repurposed** or sold to public charter schools with growing enrollment. Districts should not retain underused buildings, and the budget rightly modifies how to sell such buildings to high-performing charter schools. The House removed some of these provisions, and they should be restored.

As the General Assembly has debated this legislation, it has come to light that some local governments have been using zoning laws to restrict or prevent new charter and private schools from using existing structures to house educational opportunities. This should not be allowed so long as the existing structure meets current zoning requirements.

The General Assembly should closely monitor and expand the pilot school transportation program authorized in the **previous budget**. This pilot program enables two educational service centers to provide transportation for students enrolled in participating charter and private schools in order to reduce the transportation burden on school districts. Unfortunately, some school districts, including right here in Columbus, have resisted this pilot effort, resulting in **legal action** by the state attorney general. Finally, the Senate should tighten the loose statutory language governing how districts make **impracticality determinations** for transporting those students.

Thank you for your time and attention. I would be happy to answer any questions that the Committee might have.



About The Buckeye Institute

Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.

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