

A CRITICAL TIME FOR OUR SCHOOLS

The Fair School Funding Plan formula is a move toward **equitable** and **adequate** funding of Ohio's schools. For decades, school funding was inadequate, inequitable and overly reliant on local property and income taxes. This plan addresses those issues, but **its success hinges on full implementation of the model as designed**.

The Governor's budget, now being considered in the House, includes the "final phase-in" of the plan. However, the budget does <u>not</u> include updates to base costs; rather, it freezes them at 2022 levels. **If these changes pass, the formula will <u>no longer function as designed</u>. In this budget proposal, the formula will no longer account for inflationary increases in costs to educate a student. As a result, school districts will collectively experience reduced state funding, necessitating increased local financial support for education.**

WHAT DOES THIS MEAN TO DOVER SCHOOLS?

The exclusion of inflationary base cost updates from the Governor's budget equates to <u>a</u> <u>reduction of approximately \$1.7 million over the next two years</u>, compared to the full implementation of the model as it was <u>designed</u> and <u>promised</u>. Without these funds, the District would need to take necessary actions to reduce spending by reducing programming or increasing locally generated revenue in order to balance the budget.

WHO DO WE CONTACT and HOW CAN WE HELP?

Representative Jodi Salvo

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Senator Al Landis

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How Do I Share My Thoughts with Our Representatives?

- 1. Share your name and your perspective (community member, parent, teacher, school staff member, etc.).
- 2. Share in a few sentences why you support your public school, providing examples of how your public school provides value to you, your family, and the community. *This is YOUR STORY and it matters.*
- 3. Specifically ask for your legislator to **support BOTH** the (1) **full implementation of the Fair School Funding Plan AND** the (2) **updated inputs** to plan for today and the future.
- 4. *Thank them.* Locally, we are blessed with legislators who take time to hear our concerns and engage in our community. They have a history of supporting strong public schools in many different ways, and we count on and appreciate their continued support on this important issue.

KEY IMPORTANT POINTS ...

ALL OHIO PUBLIC SCHOOL STUDENTS ARE COUNTING ON US.

For perspective, **90% of Ohio's students attend public schools** and **97% of students in Tuscarawas County attend public schools**.

YET... under the current budget proposal ...

- 1. More than half of the public school districts in Ohio will experience a <u>reduction</u> in **state funding**. Many of these districts increased in enrollment in the last year.
- 2. The **state share of the cost to educate a student decreases both years**, which is contrary to the DeRolph school funding decision ruling that the state's school funding system was unconstitutional because it relied too heavily on local property taxes.
- 3. Charter schools and voucher programs will receive a half *billion* dollar <u>increase</u>: a 1.9% increase the first year and 1.4% increase the second year ... while public schools' resources are reduced

PROPERTY TAXES/VALUATIONS:

In Ohio, when you talk about property taxes, you are talking about school funding.

TRUTH: Increases in valuation do not always lead directly to increases in property tax due to the tax reduction factors for many districts who are not on the 20-mill floor.

TRUTH: Our property *values* (<u>not</u> property *tax rates*) increased 18% in our district in 2022. While your property taxes increased, eventually, with the absence of base cost inflationary inputs, these resources simply begin reducing the state's share.

The last reappraisal in Tuscarawas County provided additional revenue because we are on the 20-mill floor. While this increase was a positive for Dover Schools, the absence of updates to inputs/base cost will trigger a reduction in the percentage of state funding we receive. As property values rise, local capacity (a district's ability to "pay their share") increases -- thus reducing the state share of base cost. The result is a double-edged sword. Dover residents experience increased local property taxes due to inflation AND assume the remaining cost that the state is neglecting to fund by not making these necessary updates.

SB66: A CURRENT PROPOSAL TO CHANGE the "20-MILL FLOOR":

If approved, this would reduce property tax revenue that our district has depended on for decades.

The "floor" is what allows a district, being at the *minimum* millage collection, to see increases to revenue with property valuation increases. Senate Bill 66 would change how a school district's effective millage floor is calculated, making it include emergency levies, substitute levies, all inside (or reduced-over-time) millage, and school district income taxes in the 20-mill floor calculation. **This would have a significant negative impact on Dover City Schools.**

This creates serious constitutional concerns. This action would fundamentally alter the terms under which the levies were originally approved by voters. For Dover, these changes could pull us (substantially!) off "the floor" and freeze additional revenue through valuation growth.