

## COMMENTARY

### **Build Ohio's future in the classroom, not with tax cuts**

#### **New studies take a gloomy look at Ohio's disinvestment in education**

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Sunday, March 8, 2015

In his recent State of the State message, Gov. John Kasich called education a “top priority” and a “critical part of our economic revival” in Ohio — a basic matter of “getting kids the opportunity that they deserve and that they need.” Who would argue with that?

School funding, the governor told state lawmakers, is “about distributing precious resources as best as we can to be in a position where kids can all have an equal chance.” Again, no dispute.

So on issues of the adequacy and fairness of state aid to basic and higher education, it’s time for Columbus finally to start putting its money where — well, you know.



Dave Kushma

Several separate new analyses offer gloomy assessments of Ohio’s disinvestment in education in recent years, and its troubling consequences for the future of this state:

- A report by the Ohio conference of the American Association of University Professors concludes that our state “has been abandoning its commitment to affordable and accessible public higher education over the last 30 years.”
- A study by the liberal think tank Innovation Ohio asserts that “school funding has been squeezed over the last two decades by a steady reduction in the state income tax and the rapid increase in state funding to charter schools.”

- And one of Ohio's foremost experts on aid to education, economist Howard Fleeter of the Ohio Education Policy Institute, testified before a legislative committee last week that "the current time frame is as challenging as any period I have seen in the past 25 years in terms of school funding."

None of these alarms comes from a disinterested party. But that doesn't mean that Statehouse politicians can dismiss their warnings as mere special-interest pleading. They're more urgent than that.

Governor Kasich's proposed two-year budget would do a number of useful things for public schools and universities. But these advantages are greatly limited by his insistence on a further unnecessary, unbalanced cut in the state income tax. And there's no telling what his plan will end up looking like after lawmakers get their hands on it.

#### Less for universities

The professors' study reports that between 2008 and 2013, state aid to public higher education in Ohio declined by more than 18 percent per student, while tuition revenue rose by more than 16 percent per student. As recently as 2002, public universities got more than one-fourth of their funding from the state. Today, it's less than half that share.

The implication is clear: The burden of paying for public higher education has shifted from the state to students and their families. Even as the Ohio economy continues to recover, the report concludes, state aid per student remains far below what it was before the Great Recession, and below what most other states spend.

That's a detriment to Ohio's ability to compete. So is the fact that the typical Ohio university student graduates with more than \$29,000 in debt.

While they call for more state funding, the professors concede that Ohio's public universities must do more to cut costs. They propose reining in what they call "administrative bloat," curbing universities' real-estate developments, and — horrors — limiting their athletic budgets.



McNay

“It’s time to fund Ohio’s higher education system properly, with substantial new investment,” John McNay, the president of the faculty association and a history professor at the University of Cincinnati, told me last week, “and to refocus the money that is being spent to the central educational mission.”

The news isn’t more encouraging for the state’s traditional public schools. The Innovation Ohio study calculates that the state has slashed aid to K-12 education by an average of \$3 billion a year over the past decade, as it has pursued tax cuts. That has shifted much of the cost of school operations to local taxpayers.

As late as 2010, state aid still paid for most school spending, the report says. Now, local property taxes are the source of most school funding, and the gap between the local and state shares is growing. It is widened further by the increasing amount of state aid diverted from traditional schools to public charter schools, the study adds.

#### Where to spend?

Innovation Ohio calls on the governor and General Assembly to apply revenue from Mr. Kasich’s proposed increases in the state cigarette and commercial activities taxes to school aid rather than an income tax cut. “With this revenue,” the report says, “the state would need to develop a new funding formula that would more accurately reflect the cost of a high-quality education.”

Mr. Fleeter, the Ohio Education Policy Institute economist, told lawmakers last week that Governor Kasich’s proposed changes in the formula for state aid to public schools would especially benefit urban districts such as Toledo’s, as well as poor small-town districts.

That’s consistent with Mr. Kasich’s proper goal of directing more state aid to districts with low property tax wealth. But Mr. Fleeter said the changes would tend to work to the disadvantage of rural districts, even though they “offer fewer courses overall and fewer advanced courses than do other school districts.”

The governor’s budget plan, in addition to its efforts at greater equity in funding, includes more money for schools. It would invest more in student transportation and early-childhood education, and crack down on charter schools that perform poorly.

Mr. Kasich also would limit tuition hikes at state universities, and make it easier for high school students and adult workers to earn college credit. All these things are commendable.

Yet the state's funding of basic and higher education is just now returning to where it was before the recession. Climbing out of the hole is essential, but not enough.

The elephant in the classroom is the governor's demand for a further cut in the income tax, which would benefit the wealthiest Ohioans at the expense of most other taxpayers. A greater state investment in basic and higher education would do more to help young people, improve Ohio's economy, and create good jobs.

"The not-so-funny joke," the professors' report concludes, "is that Ohio's public colleges and universities have gone from state funded, to state supported, simply to state located ... College in Ohio is becoming a luxury for those who can afford it, or those willing to be burdened by ever-increasing student debt."

To reverse these trends, from kindergarten through college, the governor and state lawmakers — and the rest of us — need to concede that the tax-cut spree of the past decade hasn't kept, and won't keep, the extravagant promises that have been made for it. The fantasy needs to be scrapped, not expanded.

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**Original article:**

<http://www.toledoblade.com/DavidKushma/2015/03/08/Build-Ohio-s-future-in-the-classroom-not-with-tax-cuts.html>