

Ohio House Republicans propose school funding change, dump DeWine priorities in state budget

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COLUMBUS, Ohio -- House Republicans unveiled a leaner state budget Tuesday, stripping out tax hikes, scaling back several of Gov. Mike DeWine's proposed spending increases and reworking how the state funds education.

The revised \$218 billion, two-year plan rejected new taxes on sports gambling companies, cigarettes and marijuana while limiting funding boosts for new programs. It also scrapped DeWine's proposed child tax credit and cuts back on initiatives like the Dolly Parton Imagination Library, which sends monthly books to children up until age 5.

"Anywhere there was a program to be added or expanded, we said no or flattened out the increase," said House Finance Chair Brian Stewart, a Circleville Republican.

With the sin taxes out, the House [proposed \\$600 million in bonds](#) to help the Cleveland Browns build a new \$2.4 billion stadium in Brook Park.

The House did increase spending for public schools. Stewart said they added about \$220 million more than what DeWine's budget had proposed.

But he also signaled lawmakers may be moving away from the major funding formula overhaul they implemented in 2021.

The budget is still in its early forms. The House already has 1,200 amendments from representatives, and the Ohio Senate started informal hearings on its own plan.

The two chambers will pass their own versions of the budget but must reconcile their plans before sending it to DeWine for his signature. They face a June 30 deadline, under state law.

Here's what we know about the House version:

Education changes

Lawmakers adopted the Cupp-Patterson plan, also known as the fair school funding plan, in 2021 as a way to address schools' reliance on local property taxes and ensure more equitable funding for districts. It was a bipartisan deal, but House Speaker Matt Huffman, a Lima Republican, has long harbored concerns about how costs would rise year after year.

"We won't be doing the Cupp-Patterson Plan, but all (school) districts will be getting an increase," Huffman said.

That's a big departure from Gov. Mike DeWine's budget, which proposed using the formula but keeping the cost inputs flat. DeWine's plan uses what it cost to educate children in fiscal year 2023 instead of 2025.

Districts argued that amounted to a \$103 million cut to public schools when you factored in other education changes.

"I don't think that anybody could have predicted the property value spikes we've seen, and I don't think the formula addresses that...," said state Rep. Adam Bird, a Butler County Republican. "I think it's a recognition that we may be moving away from Cupp-Patterson in the future."

The House budget also proposed lowering property taxes for homeowners whose school districts keep more than 25% of their operating costs in savings.

Huffman thinks they should spend some of their reserves before asking for more money.

The move would affect 86% of the state's 615 districts, according to data from the Ohio Department of Education and Workforce.

Moody's, a financial services company that rates investment risks, requires districts to keep 25% in savings if they want a AAA rating. Districts that range from 17% to 25% get a AA. Lower ratings mean borrowing costs increase.

"I see nothing fiscally responsible about making our school districts not be good stewards of the taxpayer dollars...," said state Rep. Bride Rose Sweeney, a Westlake Democrat. "We have to look at the real reason as to why school districts have large carryovers and work with our school districts."

The House budget also recommended eliminating the elected positions on the State Board of Education.

Currently, the 19-member board has 11 elected members and eight governor appointees. But its role in shaping public education was stripped in Ohio's last biennial budget.

This budget would drop that down to five appointees.

Lawmakers [moved control over state learning standards](#) from the partially-elected board to the governor's office. That move is still being litigated in court.

Marijuana changes

The governor's budget would have doubled the taxes paid on recreational cannabis to 20% of sales and given the money to local jails, suicide prevention, addiction treatment and other programs.

The House budget keeps marijuana taxes at 10% and gives 20% of what's collected to local governments with dispensaries.

In addition, the budget bill now includes part of Stewart's previously introduced plan to change where the state tax revenue from recreational marijuana goes.

Right now, such tax revenue is split between municipalities with dispensaries, an addiction education and treatment fund, and a jobs and social equity fund that provides grants and loans to minorities, women and Ohioans hurt by the war on drugs.

Under the revised budget plan, for the next five years, 20% of state tax revenue from recreational marijuana would be diverted to local municipalities that have at least one dispensary.

The money would be divided up proportionally based on how much marijuana tax revenue each local government pays; local officials could use the money for "any approved purpose."

The rest of the revenue would go to the state's general fund.

Childcare changes

The governor proposed a refundable state tax credit of up to \$1,000 per child that he paid for by raising tobacco taxes.

The House took it out.

Medicaid changes

Federal and state lawmakers have been talking about changing how to provide health insurance to low-income Americans.

DeWine [has asked the Trump Administration](#) for permission to add a work requirement for about 585,000 Ohioans who use Medicaid insurance.

And the governor added what's called a trigger, which means [if federal lawmakers cut their funding for Medicaid, Ohio will do the same](#). About 771,000 Ohioans who received Medicaid coverage under a 2013 expansion would lose coverage in that scenario.

House Republicans kept that trigger and directed Ohio's State Auditor to review the program.

Library changes

Other House GOP budget changes would revamp how the state calculates funding for public libraries.

Ohio public libraries operate off a combination of state and local dollars. The state provides about 51% of all library through the Public Library Fund, according to the [Ohio Library Council](#).

Each month, the fund receives 1.7% of what the state collects from all tax revenues (sales, income, etc). Huffman and Stewart want to change that to a flat amount.

"I don't think Ohioans really know how much we spend on libraries," Stewart said. "This just provides some transparency."

Ohio would spend \$485 million on libraries in the first year of the new budget and \$495 million in the second. That's slightly more than libraries got in fiscal year 2024

as a percentage of [all state tax revenues](#). The money would be given out based on population and county governments would decide how to divvy up their dollars.

Additional changes

The House removed a \$2 million-per-year increase in state funding to the Dolly Parton Imagination Library, a project that DeWine and First Lady Fran DeWine have championed. Instead, the revised House budget plan keeps state funding for the literacy project at \$8 million per year – the same amount provided in the current state budget for this fiscal year.

The budget proposal also extends a policy limiting state colleges and universities from increasing tuition and fees for first-year students by more than 3% over what was charged the year before.