

# Ohio debate begins on school aid shift

COLUMBUS, Ohio (AP) — Almost awesome in scope, a major proposal to restructure school financing in Ohio faces a rocky road in the legislature — before it ever gets on a statewide election ballot.

Rep. John E. Johnson, D-Orrville, spent two hours Wednesday going over its complex provisions with the House Ways and Means Committee. The reaction was mixed, but Johnson held the members' attention.

A fourth-term House member and perennial sponsor of complicated tax measures, the Wayne County attorney spent months devising his scheme as a replacement for the state's embattled method of distributing state tax dollars to local school districts.

Under his proposal, there would be substantial increases in the state income tax, but reductions in property taxes that should make it more palatable to homeowners who in recent years, many feel, have borne a disproportionate share of the schools' financial burden.

The plan, which also includes a

separate bill to implement it, also has some enticements for industries and businesses which would get further property tax breaks but have to pay higher corporate income taxes:

Johnson wants to establish a Basic Education Fund into which income, lottery, and local property tax revenues would be placed, then divided among the state's 616 school districts on an equal, per pupil basis.

It would do away with the present distribution formula which recently was declared unconstitutional by a judge in Hamilton County — a point Johnson stresses.

The plan calls for 95 percent of all revenues from the state income tax as well as all profits from the state lottery to be pumped into the Basic Education Fund, along with revenues from local millage collected for education purposes.

The proceeds from these sources would produce about \$3.5 billion in the first year of implementation, in the 1979-1980 school year. Presently, all revenues from these same

sources total about \$2.6 billion a year, Johnson said.

The state currently subsidizes local districts about \$1,200 a year for each of Ohio's 2.2 million primary and secondary school pupils. Johnson's plan would hike the amount to about \$1,700 in 1980, he told the ways and means committee.

Committee members showed keen interest in the plan although some made it clear they have concerns and reservations. Rep. Robert E. Netzley, R-Laura, said he could see in it a possibility of the state exercising more control over schools which he opposes.

Rep. Robert Taft II, R-Cincinnati, said he feared the plan could hurt Ohio's chances of attracting research and technology-type industries which would have to pay higher income taxes but not benefit from reductions in property and equipment they don't own or need.

The proposal will get a second hearing next Wednesday before the House committee.