



**Ohio 8 Coalition Interested Party Testimony
Ohio House Finance Committee
Eric Gordon, Chief Executive Officer, Cleveland Municipal School District and Ohio 8
Coalition Co-Chair
May 6, 2019**

Chairman Oelslager, Ranking Member Cera and members of the House Finance Committee. On behalf of the Ohio 8 Coalition, I appreciate the opportunity to share with you our testimony on the K-12 components of the State Operating Budget, in particular school funding. My name is Eric Gordon, Chief Executive Officer, Cleveland Municipal School District and Ohio 8 Coalition Co-Chair. The Ohio 8 Coalition districts serve nearly 200,000 students across Ohio. We've worked closely with many of you throughout the budget process to leverage the knowledge and expertise of our Coalition to ensure there is meaningful change to policy that impacts our students, teachers, and administrators. In that vein, I'm speaking on behalf of The Ohio 8 Coalition as an Interested Party regarding the Fair School Funding Plan proposal being led by State Representative Cupp and State Representative Patterson.

First, I want to thank Representatives Cupp and Patterson and the school funding committee for taking on the important task of crafting a proposed Fair School Funding Plan for Ohio. We have been in regular, sometimes daily contact, with them to help provide insight from our leadership team as to how to refine the funding approach so that it more adequately addresses the needs of larger school districts with deep poverty and large diverse populations with significant needs while at the same time not compromising what is also best for school districts that are different from ours. We are grateful for this ongoing level of partnership, transparency, and trust to ensure we craft what is best for all students in Ohio.

I also want to thank each of you for your continued thoughtful deliberation on this topic. Ohio is at an important decision point. The fix to Ohio's education funding challenge requires both the political will and the resources needed to make it happen. We are at a point in our state's history where there is the political will and I believe the social desire to prioritize education funding and to finally make a change in the way we support our children. At the same time, Ohio's and the nation's economy is strong, allowing the legislature to make some politically difficult decisions today that you may not have been able to make in the past. Now is the time to finally resolve a constitutional challenge of Ohio's funding system that has plagued us for nearly 40 years. Please know that we stand ready to make this a reality for students now and for generations to come. We are so close. My testimony today seeks to continue this ongoing dialogue. In my opinion, we

must make this happen now. We cannot let this once in a generation opportunity slip away. In that spirit, the Ohio 8 Coalition offers the following recommendations:

- 1. Consider density of poverty:** We've been working very closely with the Cupp Patterson team to find a way to include an appropriate poverty add-on that considers both the number of children living in poverty and the density of poverty in each community, as calculated using Federal Census data. This is the weighting structure used by the Federal Government for the distribution of Title I dollars and best mitigates the impact of living in and being educated in communities of dense poverty like those in many of Ohio's cities and some of Ohio's rural communities.
- 2. Factor in the impact of Abated and Tax Exempt Properties:** Second, when using property value as a method of calculating a community's ability to pay, the committee should consider removing properties that are tax abated and those that are exempt from taxation, such as churches, schools, colleges and universities and hospitals, and therefore not actually contributing resources to school districts. Without removing these properties, there is essentially "phantom revenue" reintroduced into the formula, particularly in Ohio's cities where the city has the authority to offer tax abatements on residential properties and on certain commercial properties without the approval of that city's school district.
- 3. Release the formula/calculation details:** Third, we are still seeking the formula and calculations that inform any simulations. We must have this so that we can better educate our community and provide more specific, detailed feedback to inform the final recommended funding model. Without seeing this level of detail, we are left to make assumptions that may or may not be true and therefore can't fully provide feedback that we think would be useful to the work teams.
- 4. Outline a long-term funding strategy:** Fourth, we believe that a final funding proposal must also contemplate the anticipated sources of funding in both the near and long term if you are to achieve the goal of funding what students actually need as opposed to simply funding what the state has left to provide education in its biennium budget. This is especially important because at both the Federal and State level, education has been plagued with the understanding that the cost of educating a child and the resources provided are mismatched. Furthermore, while it has been stated that many districts should be on the formula by 2022, the currently contemplated phase-in for Columbus City Schools goes beyond this timeframe until 2024. Too often we have been told that additional funding will be on the way; that we will eventually fully fund the formula. Unfortunately, what has often happened is that full implementation is kicked down the road for another biennium, and

then another. This is the current situation in which we find ourselves. By identifying and dedicating a funding strategy now, Ohio will be in a better position to protect that funding over time and therefore better prepared to honor the commitment of funding the actual costs of educating Ohio's children.

- 5. Consider regional average salaries and hard to staff positions:** Fifth, I would encourage the committee to revisit the average salary structure in the base costs portion of the formula. Educating children is a people-intensive profession. Therefore, the great majority of a school district's resources are committed to salary and compensation. While using average salaries for the various positions anticipated in the base cost portion of the formula is a good start, the formula as we currently understand it does not consider differences in regional economies across Ohio, meaning the average cost of a teacher in Northeast Ohio may be very different than the average cost of a teacher in Southeast Ohio. Fortunately, the state already has some methods for considering regional costs. The Ohio Facilities Construction Commission (OFCC), for example, has evaluated markets across nine regions in Ohio and takes those into account as part of their funding strategy. This, or a similar strategy, may be helpful for the Fair Funding model as well.

In addition, the committee should consider additional resources to help high need communities with hard to staff positions. Psychologists, Occupational Therapists, and Library/Media specialists, as examples, are in high demand and low supply. And while many suburban communities can successfully attract candidates for these positions, high need districts like those of the Ohio 8 Coalition often have vacancies we cannot fill under traditional pay structures, meaning our students are underserved.

- 6. Reconcile Fair School Funding Plan with Governor DeWine's student health and wellness funding:** Sixth and finally, the committee must take into consideration the release of Governor DeWine's student health and wellness funding. The Ohio 8 districts are anticipated to receive significant additional dollars under the House enhanced version of the Governor's proposed Operating Budget while currently four of the Ohio 8 districts are not anticipated to receive any additional support with the current Cupp-Patterson simulations. These dollars are critical to addressing the non-academic needs of our students. Further, the Executive Budget was widely publicized in our communities upon its release and, despite our cautions as school leaders, there is a perception that our districts will benefit from these dollars. The potential of not seeing additional funds within the Cupp-Patterson formula for similar needs leaves districts in the position of explaining to the local community why we could leave those dollars on the table and makes it harder to support the Fair School Funding Plan in its current state.

As I conclude my remarks, I want to also acknowledge the fact that fixing the decades long constitutional challenge to provide a thorough and efficient education for Ohio's children requires a deep initial budget investment. The Cupp-Patterson Fair School Funding Plan is close to doing so and with the recommendations my colleagues and I have provided, we believe this goal can finally be achieved. However, implementation of this plan is also threatened by the state's State Appropriation Limit or SAL regulations. My colleagues and I realize that regulations like the State Appropriation Limit should be carefully respected. However, if ever there was a time to suspend these regulations, we believe it would be at this time, when a potential fix for a decades old constitutionality issue can finally be addressed, to the benefit of the most important people in the state of Ohio – our children, who will grow to be the leaders of our great state in the years ahead!

I know the legislature has an immediate responsibility to send a budget proposal to the Ohio Senate in the days ahead. And I know there is more work to do to finalize a Fair School Funding Plan for Ohio. My fervent hope, and the ask of our Ohio 8 School Districts is that you continue to support the work of Representatives Cupp and Patterson and their work groups so that, in this biennium budget, we at last see a constitutional fix to Ohio's school funding system.

Thank you for allowing me to testify before you today and thank you for your efforts to date and the efforts I know you will continue to make to significantly improve Ohio's school funding formula.

[The Ohio 8 Coalition](#) is a strategic alliance composed of the superintendents and teacher union presidents from Ohio's eight urban school districts – Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown. The Ohio 8 Coalition's mission is to work with policy makers to improve academic performance, increase graduation rates and close the achievement gap for urban children throughout Ohio. The Coalition carries out its mission by working closely with legislators, educators, parents, labor and community officials. The Coalition brings a shared administrator-teacher voice to help shape state education policy.