

H.B. 305 Proponent Testimony as Introduced November 7, 2019
Before the Ohio House Finance Committee
Anthony J. Calderone, Superintendent, LaBrae Local Schools

Chairman Oelslager, Vice Chairman Scherer, Ranking Member Cera and esteemed members of the House Finance Committee, good morning, my name is A.J. Calderone, Superintendent of LaBrae Local Schools, and I am grateful to the committee for the opportunity to offer proponent testimony for H.B. 305.

Over the last 15 years of my administrative experience, the biennial budget process, relative to school funding, has delivered unpredictability. Each budget cycle creates apprehension among school treasurers and superintendents as we wait in anticipation to learn of the nuanced changes to what has been an inconsistent and illogical methodology to funding schools in this great State.

Simply, Ohio's system for funding schools has been a series of ever-changing patches, band-aids and budgeting quirks. Ohio generally allocates a budgetary figure for primary and secondary education and then determines how funding calculations and variables must be amended to keep the total cost within that budgetary allocation.

For example, gain caps, subsidies for high performing districts, subsidies to districts based on 3rd grade reading passage rates, acceleration formulas that exacerbate funding reductions if a district has lost more than 5.5% of its ADM, and competition for Straight A Funds, serve as a few of the examples by which Ohio has changed the allocation model over the years, but in the process it has created winners and losers. Hundreds of districts in Ohio have fallen victim to school funding practices such as the aforementioned.

Some of the tenets of Ohio's school funding, such as the Opportunity Grant, Targeted Assistance, Economically Disadvantaged Funding, and K-3 Literacy Funding are reminiscent of the building blocks of yesterday, but these components, and others before them, are examples of Ohio's acknowledgment of the inputs necessary to appropriately fund schools. By now, each of you is aware that only 18% of Ohio districts are funded on the formula, and this fact serves as undisputed evidence that the system is broken.

The Ohio Fair School Funding Plan is our State's second serious attempt at trying to create a thorough and efficient system of educating Ohio youth. This input-based funding approach is a more logical method for funding schools as it is attempting to determine the true cost of educating a typical child. It is widely understood, the teacher in the classroom is the most critical component to student achievement, and one of the most important facets in the Base Cost is the focus on classroom instruction with 60% of the funding driven by research-based staffing needs. Also, by taking into consideration specials, substitute teachers, and professional development, it is evident the Cupp-Patterson workgroup was being thoughtful and thinking holistic as it attempted to determine all applicable inputs into the Classroom Instruction component of the Base Cost.

Evidence of this holistic approach is further seen in the Instructional and Student Supports component. Educational institutions are constantly asked to address societal issues. In addition to ensuring students are proficient on Ohio's learning standards, schools have been asked to address a myriad of issues with students from bullying, body mass index monitoring, and suicide awareness to

dating violence and CPR instruction. A state can't properly fund schools if its funding model does not account for costs associated with the social-emotional learning needs of students.

The inclusion of a funding component in the Base Cost for security, Social Emotional Learning (SEL), technology, and other learning supports are critical facets that must be included in any input-based funding mechanism. While Ohio districts are extremely appreciative of the Governor's student health and wellness dollars, and the House's improvement on the original allocation, the Ohio Fair School Funding Plan goes further by infusing this idea as a permanent component in the Base Cost. Historically, Ohio schools have been mandated to address these issues according to societal needs and legislative will. I'm confident you've heard education leaders complain of unfunded mandates. However, the Fair Funding Plan provides for the funding of those directives, with the unfunded mandates becoming funded mandates, and something roundly supported by my colleagues across the state.

Moreover, co-curricular and extra-curricular activities are an extremely important aspect of student life, and they often times serve as the motivation for students, especially those in economically disadvantaged communities such as ours, go to school each day. These programs are critical at growing the whole child, and they provide the connections, relationships, and experiences that help students become the best version of themselves. The Base Cost of the Fair Funding Plan recognizes the value of these programs and provides funding to assist districts in the costs associated with these activities.

Furthermore, the Base Cost applies the funding ratio design used in the Classroom Instruction component to the School Operations and District Leadership components of the plan. Generally, the public is not aware of what school operations entail and have difficulty justifying some of the expenses associated with these functions, but the Fair Funding Plan provides for a logical funding design to assist in the funding of these operations to ensure schools and districts are equipped with the staffing and resources to address the service needs of our students and community, and to manage all of the accountability obligations associated with public entities.

Simply put, the Base Cost is a conceptual funding model that is based on predictable data. The Base Cost, when coupled with the categorical funding components, and in light of the distribution model, create a funding system that moves Ohio in the right direction. The Ohio Fair School Funding Plan provides for a system that is predictable, reliable, sustainable, and scalable. This model provides the predictability district leaders so desire when attempting to forecast and plan long term.

Why does LaBrae support this plan? LaBrae Local Schools is a district that has an economically disadvantaged rate among students of 57%. In my opinion, our community is a great example of why the Court ruled in *DeRolph* that the over-reliance on property taxes is unconstitutional. One mill of taxation in LaBrae generates roughly \$112,000 of revenue. All of our local revenue is generated on total operating millage of 47.3 mills against property valuation that ranks LaBrae 529th in the state. Like many, we've seen our industrial tax base practically evaporate.

It has been 28 years since LaBrae last requested new operating revenue from our community. Our district has been a bastion of fiscal responsibility, having never been placed in fiscal emergency during its 49-year history. We are always mindful of balancing resources to the wants and needs of students. However, paying bills in 2019 on property valuations from 1991, while trying to do our best for students, is getting ever more difficult.

Nonetheless, our district is reaching a critical point where we can no longer assure that our current path is sustainable. The overall economy of the Mahoning Valley, and the local capacity demographics of our community, make asking for additional millage an improbable situation. It is our hope to be able to stay off the ballot long enough to see the Fair Funding Model enacted into law, thereby providing the predictable and reliable funding support that keeps LaBrae from requesting more from our property owners.

In closing, Governor DeWine in his State of the State Address focused Ohio's attention on investment and cited many areas critical to our future. He reminded us of the rationale behind investing in this great State. Like any investment venture, one does one's homework and selects viable options. It is time that Ohio stop viewing education as something to pay for, but rather adopt the position that education is something to invest in. The Ohio Fair School Funding Plan is our most viable school funding option. It is an investment in students and Ohio's economic future. The Plan is an inputs-based funding model of which Ohio is in desperate need.

As I stand here today, I am grateful for the leadership of Representative Cupp and Representative Patterson and their assembled workgroup. Also, I am truly encouraged by the support evident in the 66 co-sponsors of this bill. The bi-partisan support is exemplary, and it represents what Ohioans truly desire, our elected representatives partnering on issues that are critical to moving the State forward with legislative solutions to our problems.

H.B. 305 is a meritorious piece of legislation, despite its perceived imperfections. As this committee, and collectively the General Assembly, engage in the sausage-making that is the legislative process, I implore you to not throw the baby out with the bathwater. Please don't let the pursuit of perfection be the enemy to this very good piece of legislation. Again, I thank you for the opportunity to offer testimony, and I respectfully yield to the Chair for questions.