

Testimony before the House Finance Subcommittee on K-12 Education

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Education Service Centers are intermediate education units created by the State of Ohio to serve school districts and other education entities that provide direct instruction to students, but do very little direct instruction of their own. Nonetheless, they are absolutely essential in supplying high quality educational opportunities to Ohio's school age youth.

Ohio has 52 ESC's, no two of which are alike. The smallest serves approximately 4,400 students in a predominantly rural county where most districts are small and have limited resources. The largest serves a much larger number of districts, most of which are several times larger and with greater resources. The total number of students served in this mixed urban, suburban and rural 3 county area is over 200,000.

ESC's are required to provide certain services, but the bulk of their time and resources are spent on services specifically requested by their member districts. Those requests vary widely due to the size of the districts, their available resources, demographics, special needs and other characteristics of the community and student body. ESC's accurately reflect the needs and wants of their member districts and the entrepreneurial inclinations of their boards and staff. And, because districts can change ESC's every two years, active competition exists among neighboring ESC's. They are much less structured than the districts they serve.

All of these factors make the development of a single funding mechanism difficult at best, but the Subgroup is concerned that the current per pupil amount has no discernible relationship to any objective, cost related procedure, and that significant reductions have occurred in recent years. With no rational explanation.

During the deliberations of the Subgroup, the members heard testimony from officials from various ESC's about the services and programs they offered and from district officials about the benefits they derive from their respective ESC's. In addition, the Ohio Association of Education Service Centers (OESCA) provided a cost study based upon data

from a number of “representative” ESC’s. The Subgroup found merit in the study’s approach, but determined that it lacked sufficient supporting data.

As directed in SB 3, adopted by the General Assembly in December of 2016, the State Auditor’s office is in the midst of a comprehensive operational study of all ESC’s which must be completed by mid-March of 2020. It is intended to provide standards and benchmarks to inform future performance audits and possibly provide the Ohio Department of Education the basis for developing new performance standards. The Study does not currently have a funding requirement, but discussions will be held with the Auditor’s office to determine if the information it is generating could be utilized in the development of a funding methodology that would be fair to all ESC’s and the students they serve.

Meanwhile, the Subgroup recommends that an interim increase of \$.50/pupil be implemented in both FY 2020 and FY 2021 to raise the per pupil amount to \$26.50 and \$27.00, respectively.