

**Testimony before the House Finance Subcommittee on
Primary and Secondary Education**

**The Honorable Bob Cupp, co-chair
The Honorable John Patterson, co-chair**

**HB 166 (As Introduced)
Biennial Operating Budget 2020-2021**

Tuesday, April 9, 2019



The Alliance for High Quality Education

*The Alliance for High Quality Education is a consortium of 74 high-performing school districts located throughout the State of Ohio including the Toledo, Cleveland, Akron-Canton, Columbus, Dayton and Cincinnati areas. The Alliance for the last twenty-seven years has represented its members' interests on matters of state education policy and funding, as well as contributing to fostering high quality educational opportunities for students in their districts and those across the state.

Good morning Co-Chairmen Cupp and Patterson and Members of the House Finance Subcommittee on Primary and Secondary Education. Thank you for the opportunity to provide testimony on House Bill 166 as introduced by Governor DeWine.

My name is Anthony Podojil, Ph.D., and I am the Executive Director of The Alliance for High Quality Education (AHQE*). Prior to joining the Alliance as its executive director, I served as superintendent for the West Geauga Local Schools for thirteen years. I began my educational career as an early primary teacher and served as both a Middle School and High School Principal while working in five districts ranging from rural, suburban and urban. I earned my doctorate at Cleveland State University in the area of Urban Educational Administration.

I would like to begin my testimony addressing the as introduced budget provisions the AHQE supports. I will then offer feedback regarding the Alliance's school funding priorities and thoughts related to specific provisions from the Cupp/Paterson School Funding Report.

Regarding the as introduced version of the budget, the Alliance supports the proposed investment of \$550 million over the biennium for targeted student wellness and success funding. We agree that funds should be prioritized outside of the funding formula to address the needs of students. Under the Governor's proposal, schools and districts will be provided necessary resources for mental health counseling, wraparound services, mentoring, and other important support programs for students.

The Alliance also supports the proposed new funding for high-school industry-recognized credentials. A renewed focus on ensuring students are aware of, and ultimately reimbursed for, earning industry-recognized credentials is very important. The Alliance member districts are looking forward to learning more about the administration's plans to establish and operate the Innovative Workforce Incentive Program and the proposed initiatives that prioritize senior-only credentialing programs.

The Alliance thanks the DeWine administration for the proposed budget initiatives that seek to invest additional funds and resources directed at our youngest Ohioans. We agree it is mission critical to focus energy and supports on children ages birth to five and we support increased federal funding to advance the state's Step Up to Quality (SUTQ) program.

Specific to the work of the Cupp/Patterson School Funding Task Force, I applaud the work of this group and appreciate the time and energy that went into the final recommendations. In my opinion, the need for a comprehensive review of the school funding model and school finance in general was long overdue. The Alliance welcomed the efforts by those on the Task Force to undertake this endeavor and believe the work completed by this group warrants strong consideration as you consider school funding for the fiscal years 2020 and 2021.

In terms of the report's recommendations, I will comment on several of the major components and also identify a couple of areas that still need to be addressed.

- First, the Alliance strongly recommends that you utilize the base cost work recommended by the school funding group. We believe this formula is both a realistic and comprehensive approach to quantify what it costs to educate a child.
- Second, the distribution model that considers a mix of both the total property wealth of a district and median income is a significant upgrade from our current funding model. Focusing on a distribution method that reacts to local district factors rather than those occurring outside the district is a much fairer approach when determining a district's respective state share.
- Third, funding transportation outside of the formula will allow for a true cost to be determined by each district related to their unique transportation needs. Including transportation funding within the formula, as is the case now, has effectively rendered the transportation formula useless for many schools and districts. With the diversity of needs related to transportation across the state, some districts have very little invested in this area while others have a tremendous burden to sustain due to geography and student need. We agree, as the Task Force has recommended, funding transportation outside of the formula will allow for these differences to be adequately addressed and funding to be targeted.

Regarding the Task Force's ESC funding proposal, the Alliance supports the position of the Ohio Educational Service Center Association (OESCA) and agrees there is no need to further study ESCs and the critical supports they provide. On behalf of the ESCs that are members of the Alliance, I ask this Committee to support the per-pupil amount recommended by OESCA, which is \$42.52 per-pupil to be phase-in over the next four fiscal years.

With respect to issues not addressed by the Task Force or funding components simply carried over from the existing formula, the Alliance recommends this Committee consider the following:

Minimum Funding Level (Fair Funding Proposal)

AHQE feels strongly that the current minimum funding level (5% of the state share index) is arbitrary and equates to several public school districts receiving less state funding than chartered, nonpublic schools (private schools). Private schools receive state funds to underwrite the cost of essential “auxiliary services” for students and to reimburse private schools for state-mandated administrative and clerical services. The rationale for providing private schools with state funding is the recognition that these services are required and private schools should not have to cover the costs to comply with these requirements. This same rationale should apply to all public schools. The FY20-FY21 budget should set the funding floor for traditional public school districts not less than the amount a parochial/private school receives from the state for required auxiliary services/reimbursements.

Until such time as the school funding formula fairly funds all high-performing traditional public schools and the minimum funding and “cap” issues are addressed, the Alliance opposes any increase to per-pupil funding for high-quality community schools as proposed in the as introduced version of HB 166.

Think about “Capacity”, Not “Wealth”

A district’s ability to increase funding at the local level is determined by the total amount of property wealth available to them and the willingness of the electorate to increase that funding through school levies. We encourage policymakers to consider the level of funding that a community has already contributed in terms of total locally voted millage as compared to other similar districts.

Tangible Personal Property (TPP) Reimbursements

There are still several districts that remain negatively impacted by the accelerated pace of the phase-out of TPP reimbursements over the past several biennia. AHQE supports efforts to find a more equitable phase-out solution that would spread out the reductions in an effort to mitigate significant funding cuts for the school districts most adversely affected.

Thank you for the opportunity to provide testimony today. The Alliance looks forward to working with the General Assembly and the DeWine administration as the budget moves through the legislative process. I am happy to address any questions Committee Members have at this time.