



**Ohio 8 Coalition Interested Party Testimony**  
**Ohio House Finance Subcommittee on Primary and Secondary Education**  
**Eric Gordon, Chief Executive Officer, Cleveland Municipal School District and**  
**Ohio 8 Coalition Co-Chair**  
**April 11, 2019**

Chairman Cupp, Chairman Patterson, and the members of the House Finance Subcommittee on Primary and Secondary Education. 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 hope that our testimony today will encourage you 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 The Ohio 8 Coalition has the following strategic and tactical recommendations that we believe deserve consideration through the budget process to craft policy solutions that are sustainable for the long-term.

First, I want to applaud you and the Cupp-Patterson committee for taking on the important task of crafting a proposed Fair School Funding Plan for Ohio. Further, I support the stated goals of the proposed Fair School Funding Plan to base state school funding on what students actually need to succeed, assessing every community's ability to pay their fair share, and treating all of Ohio's school districts and taxpayers as fairly as possible.

Having said that, I believe there is still important work to be done to meet these goals and I'm here today both to support your continued work on achieving these goals and to offer suggestions that might help you do so.

- 1. Release the formula/calculation details:** First, it would be enormously helpful and aligned to the goal of a fair, transparent funding formula if the formula and calculations that informed the simulations currently available were made publicly available. My team and I are trying to do our own due diligence to create as close to an apples-to-apples comparison of the current formula versus the new formula so that we can better educate our community and provide more specific, detailed feedback to inform the final recommended funding model. Without seeing the formula, 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.

- 2. Outline a long-term funding strategy:** Second, 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 is able to on a 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 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.
- 3. Consider regional average salaries and hard to staff positions:** Third, 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 ours often have vacancies we cannot fill under traditional pay structures, meaning our students are underserved.

- 4. Consider density of poverty:** Fourth, I believe that as the committee continues to study the impacts of poverty and calculates an appropriate poverty add-on, the committee should consider 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.
- 5. Factor in the impact of Abated and Tax Exempt Properties:** Fifth, 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.
- 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 Executive version of the 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 Funding Plan in its current state.

Before I close, I want to make one final comment. In a recent Columbus Dispatch article covering the Fair School Funding Plan, there was some discussion about how much aid for financially poor school districts was enough. Admittedly, money alone is not the single answer for school improvement. However, this is exactly the question that Representatives Cupp and Patterson have put to the panel of experts working on the Fair Funding Formula. My colleagues and I know very well of the work we have to do to continue to improve Ohio's urban schools and, across many of our schools' and districts' results are improving. I want to remind the committee of the appropriate charge that led this work, to determine to create a funding formula that is based upon what all students

actually need, make transparent what communities can afford, and ensure it is as fair as possible for all of Ohio's kids, especially those who are most marginalized across our state and to avoid the temptation of deciding which kids and communities are worth a full fair investment and which are not.

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.*