



March 12, 2015

Testimony on House Bill 64, State Budget
Ohio House of Representatives, Finance Subcommittee on K-12 Education

On behalf of

Ohio Association of Career Technical Education
Ohio Association of Career Technical Superintendents

Ron Matter, President OACTS and Superintendent, Penta Career Center

Chairman Cupp, Ranking Member Phillips, and Members of the Subcommittee:

Thank you for the chance to testify today on HB 64, the Governor's proposed biennium budget. As the Superintendent at Penta Career Center and the President of the Ohio Association of Career Technical Education Superintendents, I would like to thank you for the General Assembly's support of career technical education. As you know, in career tech we work every day to ensure that our students are both college and career ready, and appreciate the partnership we have with the State to make this happen. I am testifying on behalf of Ohio ACTE and OACTS, but also endorse the comments made on behalf of CCS, the association for city and compact schools delivering CTE to students across Ohio.

With respect to HB 64, let me first say that we are grateful it includes "weighted funding," which recognizes that the cost of CTE is greater than that of traditional education. As you know from visits to any of our facilities across the state, programs like welding, automotive, and advanced manufacturing require a significant upfront investment in labs and equipment, and those programs can have greater operational costs as well. The State has responded over the years with a variety of mechanisms to provide additional "weight" in the school funding formula to cover these costs.

The last budget changed weighted funding so it would be targeted in different amounts to programs that were seen as in greater demand fields. The weighted funding is now as follows:

<u>Category</u>	<u>Program</u>	<u>FY '15 Weight</u>
1	Agriculture and Environmental Systems Construction Technologies, Engineering, Finance, Health Science, IT, Manufacturing	\$4800
2	Business, Hospitality/Tourism, Human Services, Law and Public Safety, Transportation, Arts and Communications	\$4550



3	Career-Based Intervention	\$1660
4	Education and Training, Marketing, Workforce Development academics, Public Administration, Career Development	\$1410
5	Family and Consumer Sciences	\$1210

We note several observations about this weighted funding system, which HB 64 would continue:

- **“Tiers”:** The move toward these “tiers” in the last budget resulted in a significant reduction of weighted funds to CTE programs statewide as compared to the previous system of weighted funds. The estimated loss of weighted funding from FY 09 to FY 14 is approximately \$101 per CTE student which translates into an almost \$ 7,000,000 loss to career centers alone. Specifically for Penta Career Center, we saw our FTE count increase by 21 students but lost approximately \$440,000 in weighted funding.
- **Reduced by State Share:** These weights are reduced by a district’s state share with no career centers receiving the full value of the weight.
- **Some Get None:** Several career centers with a zero percent state share receive no weighted funding at all. Unlike with traditional districts, there is not even a 5% “floor.”
- **Caps and Guarantees:** A significant number of JVSDs are on a guarantee or a cap. For those schools, the addition of new students does not draw down any additional weighted funds.

These four factors make it very challenging for JVSDs to start new programs, or serve new student populations such as middle school students.

At the heart of the career tech mission is our commitment to be responsive to the local employer community and help our high school, middle school, and adult students connect with those employers. But we are at a point where these factors are converging such that program expansion and allowing access to CTE for more students is becoming more and more difficult.

In addition, several of our CTE treasurers have reviewed the statewide impact of the proposed formula and discovered that the changes applicable to all districts (such as the rollback of the guarantee and reduction in TPP) result in a combined \$15 million reduction in funding for JVSDs alone.

Solution: Given the continued desire to see CTE expanded, we recommend a funding stream outside the caps and guarantees, which CTE providers can access to create new programs or serve new students. It could be provided through the “associated services” funding CTE already receives so as not to run into the limitations described above, and perhaps provided in an amount equal to the reductions we would see based on the bill As Proposed.

We are glad to work with this committee to implement such a solution if there is interest. Thank you.