



House Primary & Secondary Education Subcommittee

Thursday, March 12, 2015

Testimony of Craig Burford, Executive Director

Ohio Educational Service Center Association

Chairman Cupp, Ranking Minority Member Phillips, and Members of the *House Primary and Secondary Education Subcommittee*, thank you for the opportunity to testify before you today.

ESC Background

Ohio's 53 Educational Service Centers (ESCs) are defined as school districts in state law (§ 3311.055) and local education agencies (LEAs) in federal law (20 USCS §1401). Unlike traditional public school districts, however, ESCs do not have taxing authority. As a result, ESCs rely, in part, on a state operating subsidy to support the operation of our organizations and the deployment of services on behalf of the state of Ohio.

Our role is largely that of service providers and support organizations, often in partnership with the state, for traditional school districts (612), community schools (107), chartered nonpublic schools (166), and a wide range of community based organizations. Under chapter 3312 of the Ohio Revised Code, *"[i]n addition to implementing state and regional education initiatives and school improvement efforts under the educational regional service system, educational service centers shall implement state or federally funded initiatives assigned to the service centers by the general assembly or the department of education."*

This is an important function ESCs serve on behalf of the state to insure school districts are receiving the supports they need to be successful. The importance of this role is accentuated by the fact that ODE currently operates with 20% fewer staff than allowed under OBM guidelines and approximately 16% fewer than in 2007. Now is not the time to diminish the role of ESCs.

ESCs are funded through a combination of federal (9%), state (16%), local (64%) and other (11%) revenue sources with the majority of funding coming from direct fee-for-service

contracts with client school districts. Nevertheless, our state operating subsidy plays an important part in supporting our organizations and is to be utilized, *“for the operation of that service center and any services required under Title XXXIII of the Revised Code”* (ORC 3313.843(G)(1)). It is not, as some suggest, such a minor part of our funding as to be irrelevant. In fact, it provides capacity building for the state system of support and affords ESCs the ability to have a foundation of leadership expertise, instructional expertise, administrative support, and to serve as thought leaders.

Under current law, every school district in the state under 16,000 ADM is required to align to an ESC. Of the 8 districts over 16,000 ADM, five have voluntarily aligned to their respective ESCs including Lakota Local, Olentangy Local, Cincinnati Public, Columbus City and Southwestern City Schools. Even the largest of districts recognize the value of the efficient, effective ESC consortia model. The addition of these districts, however, did not come with increased funding support resulting in a reduction in per pupil funding across ESCs (See attached).

HB 64: The FY 2016-2017 State Operating Budget

There are a number of policy priorities contained within the Executive Budget proposal and HB 64 as introduced that OESCA and Ohio’s ESCs support including:

- Elimination of ESC Approval of Payment In Lieu of Transportation for Local School Districts;
- Funding for School Improvement;
- Increased Funding of Special Education Weights;
- Expansion of Early Childhood Programs;
- Early Literacy Grants;
- Standards and Professional Development for Guidance Counselors;
- Mental Health Services for Young Learners;
- Continuation of the Straight A Program;
- Expansion of Community Connectors;
- Competency Based Education Pilots; and
- Regulatory Relief for Ohio’s school districts.

However, the Executive Budget unwittingly undermines its own policy goals by reducing funding for ESCs, the state’s largest regional education service provider, by 5.8% in FY 2016 and 20% in FY 2017. The proposal fails to recognize that ESCs play a critical role in the deployment of such statewide initiatives. It is contrary to the recommendations of the State

Board of Education which recommended flat funding. And, it also exacerbates other funding reductions impacting ESCs over the years (See attached).

Additionally, the Executive Budget proposal would allow “high performing” school districts to opt out of 1) the requirement to align to an ESC, and 2) the requirement to consult with an ESC regarding the provision of services to students with disabilities. These provisions are unnecessary as flexibility already exists for districts unhappy with the ESC in their area. Districts can choose the ESC they wish to work with very two years preceding the biennial budget, and they are empowered to determine which services the ESC will provide.

What Can Be Improved in H.B. 64

As the House deliberates H.B. 64, we would request your consideration of the following:

- **Retain current ESC funding levels as recommended by the state board of education and provide funding to include the additions of Cincinnati, Columbus and Southwestern City School Districts;**
- **Remove the ability for “high performing” districts to opt out of the alignment to an ESC;**
- **Remove the ability for “high performing” districts to opt out of consulting with an ESC regarding the provision of services to students with disabilities;**
- **Utilize ESCs in the statewide deployment of professional development and technical assistance;**
- **Allow ESCs to lead consortia of districts related to the competency-based education pilots;**
- **Enable ESCs to lead consortia applications for the Community Connectors initiative;**
- **Continued transition toward full-funding of the 6-weight special education cost-based funding model; and**
- **Full funding of ESC gifted coordination units.**

Why Continue to Invest in ESCs?

ESCs provide customized services based on individual school districts’ needs. They also provide a tremendous return on investment. And, they effectively lead consortia activities on behalf of school districts such as the Straight A Fund in which 40% of the round 2 awards went to 9 projects led by 6 ESCs.

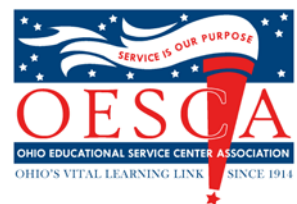
Additionally, ESCs are the primary provider of educational support services to school districts. As such, we must continue to identify ways to leverage existing assets and determine how to best support the regional education delivery system. Why is this

important? Because school districts continue to need support and assistance in the implementation of education reform initiatives including those contained within the Executive Budget. And, finally, ***the department of education needs a statewide system of support*** to provide universal access to school improvement, special education and other required support services. ***ESCs are uniquely positioned to support these efforts and have been for over 100 years.***

In closing, the executive budget proposals aimed at ESCs appear to be inconsistent with the needs of Ohio's school districts, inconsistent with the needs of the Ohio Department of Education, inconsistent with the recommendations of the state board of education and inconsistent with the requirements that Ohio have a state system of support under both federal and state law.

We would like to see ODE and school districts succeed in advancing the priorities outlined by Governor Kasich in the FY 2016-2017 biennial state operating budget. We stand ready to assist in that effort.

Thank you, again, for the opportunity to testify before you today, and I would be happy to address any questions.



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Attachments

1. ESCs and the State of Ohio
2. ESCs and Student Achievement
3. ESC Per Pupil Funding
4. ESC Funding History

Attachment 1:
ESCs & the State of Ohio:
Supporting Education Reform Efforts

On behalf of, and in partnership with, the state of Ohio, ESCs have been instrumental in deploying initiatives from the state and federal levels, communicating the most recent data and information regarding the need for change, and providing the professional development, technical assistance and support to bring about the necessary changes.

ESCs provide support in a number of different ways in partnership with the state including, but not limited to the following:

- 510 ESC personnel have been trained in the Ohio Improvement Process (OIP) to provide a network of school improvement services for school districts and charter schools.
- 16 ESCs hold contracts to serve as State Support Teams (SSTs) and intervene with the lowest performing school districts and charter schools and ensure universal access to special education-related support services. The 16 ESC-led SSTs serve 223 districts and 84 Community Schools in Differentiated Accountability and 548 Improvement Schools, 46 Alert Schools, 232 Focus Schools & 157 Priority Schools under Ohio's ESEA Waiver.
- Over 100 ESC personnel have been trained to support all school districts and community schools in implementation of the Common Core standards, Student Growth Measures (SGMs) and Student Learning Objectives (SLOs).
- More than 185 ESC and SST personnel have been certified as Ohio Leadership Advisory Council (OLAC) trainers.
- ESCs support state work through contracts with the Department of Education around the Resident Educator program, OTES, OPES, eTPES, TeachOhio, Standards and Instruction, and Race-to-the-Top among other initiatives.

ESCs have evolved from County Boards of Education and monitoring state mandated requirements in local school districts to providing professional development, technical assistance and in-depth support for statewide initiatives to all districts and specific district requested services to enable them to be more effective, efficient and accountable to students, parents, communities and taxpayers. In this economy, ESCs are also searching for other shared services opportunities to assist districts with operational costs including working with local governmental agencies.

Attachment #2

ESCs and Student Achievement

SPECIAL EDUCATION PROGRAMS: ESCs contract with school districts to offer programs to students with special needs. Students are provided direct instruction by a multi-district ESC teacher supported by ESC classroom aides and related service personnel. These ESC staff implement and monitor the progress of individual education program (IEP) goals for each student.

Direct Responsibility for Student Achievement:

- Direct instruction provided
- IEP development, implementation, and monitoring
- Parent engagement

Direct Accountability for Student Achievement

- Ohio Alternate Assessments for Students with Disabilities results
- Highly Qualified Teacher status (reported through EMIS)
- Ohio Teacher Evaluation System (OTES) rating (reported through eTPES)

ALTERNATIVE EDUCATION PROGRAMS: ESCs provide a structured opportunity for students who are unable to adjust to programs in regular classrooms. The goal is to provide each student with a safe learning environment that enhances self-esteem and strengthens academic and social skills.

Direct Responsibility for Student Achievement:

- Direct instruction provided
- Assisting students earn credits toward a high school diploma or GED
- Parent engagement
- Social and behavioral intervention provided

Direct Accountability for Student Achievement:

- Students are included in resident district local report card data
 - Ohio Achievement Assessments
 - Ohio Graduation Test/End-of-Course Exams
 - Achievement Gap Measures (AYP/AMOs)
 - Value-added Scores
 - Graduation and Dropout Rates
 - Attendance Rates

Other ESC programs with direct responsibility and accountability for student achievement:

- Specialized Contracted and Related Services
- Attendance Services
- Substitute Staffing Services

Attachment 3: ESC Per Pupil Funding

In the current biennium (FY 2014-FY 2015) ESCs were funded in statutory language at \$37 per pupil in FY 2014 and \$35 per pupil in FY 2015. However, because the appropriation in each year did not support this funding amount, funding was prorated each year to fit the appropriation. The proration factor for FY 2014 and FY 2015 created the following:

	Proration Factor	Statutory Per Pupil Funding Level	Initial Per Pupil Funding Level	Actual Per Pupil Funding Levels	Total Appropriation
FY 2014		\$ 37.00	\$ 30.89		\$ 43,600,000.00
Revised FY 2014	0.817371228	<i>Same as above</i>	<i>Same as above</i>	\$ 30.24	<i>Same as above</i>
FY 2015		\$ 35.00	\$ 27.81		\$ 40,000,000.00
Revised FY 2015	0.75815626	<i>Same as above</i>	<i>Same as above</i>	\$ 26.54	<i>Same as above</i>

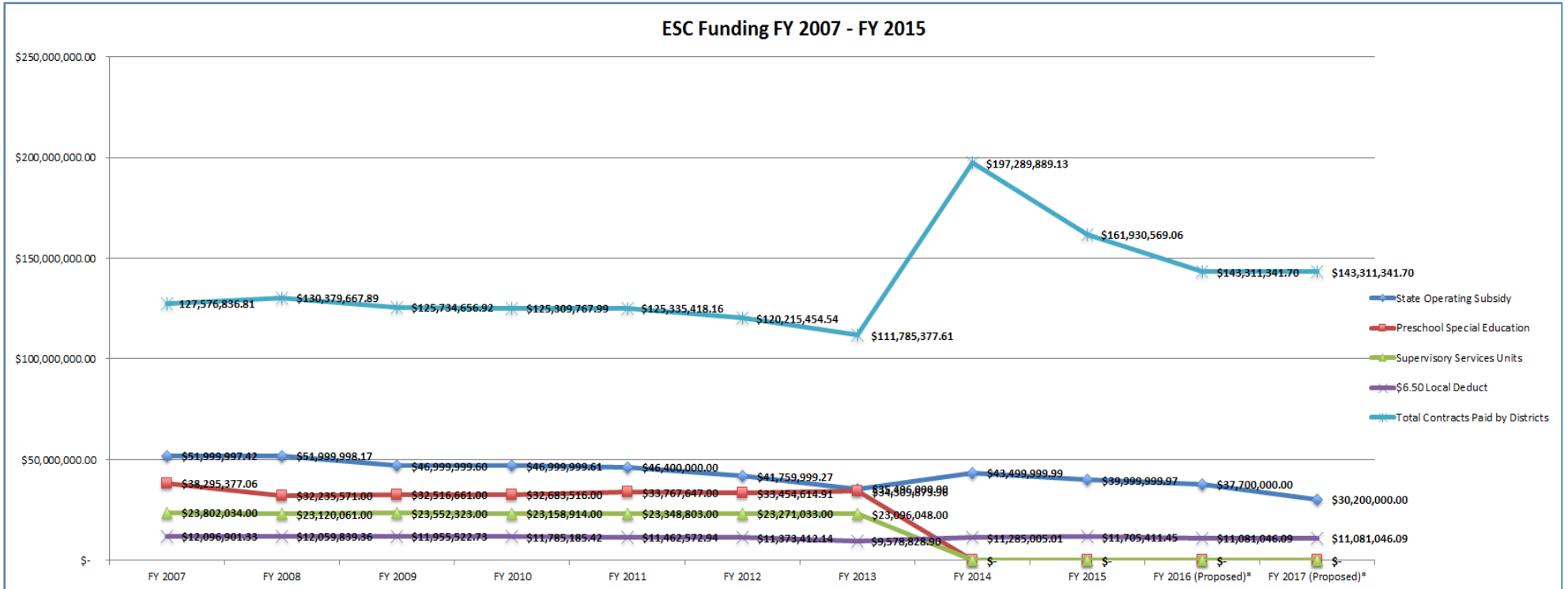
In FY 2014, the initial proration factor was adjusted downward to offset the addition of Cincinnati Public Schools ADM (29,958.57 students) to the Hamilton County ESC. This had the effect of reducing every ESCs funding \$0.65 per student from \$30.89 per student to \$30.24 per student. In FY 2015, the ESC of Central Ohio was successful in getting both Columbus City and Southwestern City School Districts to join the ESC. Again, this addition of 69,054 students, within the existing appropriation, changed the proration factor to 0.75815626 and had the effect of lowering per pupil funding amounts \$1.27 per student for every ESC in the state, from \$27.81 to \$26.54. This had a disproportionate effect on smaller, rural ESCs and the school districts and students they serve.

Funding for ESCs is further exacerbated by the Governor's executive budget proposal contained within HB 64. Under the budget as introduced, statutory language in temporary law will be amended to set the per pupil amounts at \$25 per student in FY 2016 (\$37.66 million total) and \$20 per student in FY 2017 (\$30.13 million total).

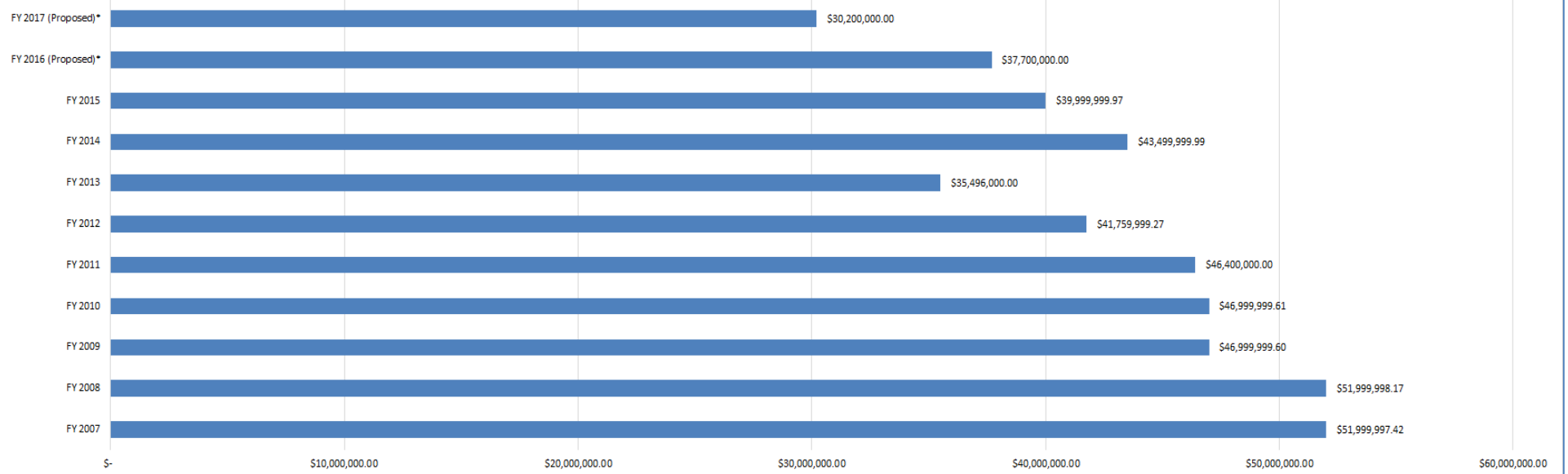
See below:

	Proration Factor	Statutory Per Pupil Funding Level	Actual Per Pupil Funding Levels	Total Appropriation
Revised FY 2015	0.75815626	\$35	\$ 26.54	\$40,000,000
Exec Budget FY 2016	NA	\$25	\$ 25.00	\$37,660,000
Exec Budget FY 2016	NA	\$20	\$ 20.00	30,130,000

Attachment 4: ESC Funding History



ESC State Operating Subsidy



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 (Proposed)*	FY 2017 (Proposed)*
State Operating Subsidy	\$51,999,997.42	\$51,999,998.17	\$46,999,999.60	\$46,999,999.61	\$46,400,000.00	\$41,759,999.27	\$35,496,000.00	\$43,499,999.99	\$39,999,999.97	\$37,700,000.00	\$30,200,000.00