



**Testimony to House Finance Subcommittee on Primary and Secondary Education
March 19, 2015
The Ohio 8 Coalition**

Superintendent Adrian E. Allison, Canton City School District

Chairman Cupp, Ranking Member Phillips, and members of the House Finance Subcommittee on Primary and Secondary Education, on behalf of The Ohio 8 Coalition we appreciate the opportunity to share with you our testimony related to House Bill 64. It is The Ohio 8 Coalition's goal to provide a unified school administrator and Union President perspective on issues of primary concern in the Executive Operating Budget related to the following 10 issue areas. In the interest of time we will focus on the first six topics but are happy to answer questions from the committee related to our entire testimony.

1. Instability of School Funding Decision Making
2. School Funding Calculations
3. Funding for Charter Schools
4. Funding for Special Populations
5. Tangible Personal Property Tax
6. Transportation Funding and Related Methodology
7. Testing Limitations/Caps
8. Fall Administration of the Third Grade Reading Assessment
9. High Stakes Testing Strategy Development
10. Student Learning Objectives (SLOs)
11. Charter School Transparency

Instability of School Funding Decision Making

As many of you know, during the last several years significant changes to state school funding and policy provisions have been made by the legislature. In fact, the funding formula and policies have been tweaked, to varying degrees, 5 out of the last 7 years. As a result, every district in Ohio has faced considerable challenges. The constant evolution of our school funding formula and related policies has prevented us from planning in as strategic of a manner as would otherwise have been possible. Additionally, it is critical to keep in mind that every January, our school districts must begin planning for the upcoming school year, which means we are faced with having to make guesses about these funding formula and policies that will not come our way until the following July.

As you can imagine, this makes both short and long-term financial planning extremely difficult. As you move ahead with this year's changes, **The Ohio 8 Coalition urges you to design policies that are intended to be maintained long-term (at least two years) and to make an effort to implement any future modifications over the course of multiple years, not a few short months.**

School Funding Calculations

The Ohio 8 Coalition is happy to see that base per pupil funding is increased in Governor Kasich's proposed budget and we believe that Governor Kasich's focus on supporting low-wealth districts (considering local capacity based on property values and income levels) is well intentioned, however we are concerned about the complexity of the calculations themselves, particularly those related to transportation and per pupil funding. While the formula is technically outlined within HB 64 the calculations are so complex that it has been difficult for our districts to understand the impact.

Ultimately, The Ohio 8 Coalition wants to ensure that the funding formula does not unintentionally pit districts against one another as all districts around the state - urban, suburban, and rural - are working to fulfill our commitment to provide excellent educational opportunities for all of our students. While a state budget must balance many priorities we believe there must always be resources that support educational opportunities for all Ohio students.

Funding for Charter Schools

HB 64 includes a number of increases to charter school funding. We believe it is critical that any increases in funding for charter schools be matched with increased levels of transparency that ensure tax payer dollars are being appropriately spent to support the educational needs of students and increased funding levels must commensurate with an appropriate level of accountability.

The Ohio 8 Coalition works to partner with high-performing charter schools within our communities in an effort to ensure that students, regardless of their school setting, are receiving a quality education. We believe that the following recommendations will further support these efforts. In addition to our recommendations today, The Ohio 8 Coalition provided testimony on HB 2 and would like to reinforce two recommendations that were not included in the omnibus amendment approved by the House Education Committee yesterday. Specifically:

- 1. Establish requirements that charter school financial records be publicly audited and disclosed. Additionally, The Ohio 8 Coalition recommends the following requirements be established to further support charter school transparency.**
- 2. Establish additional requirements that prohibit a charter school from reopening under a new name with the same sponsor, operator, board, or treasurer.**

Ultimately, increasing transparency and decreasing the uncertainty related to the stability of charter schools will help to drive innovation and partnerships that better serve taxpayers, students, and parents. Holding charter schools and traditional public schools to the same standards creates opportunities for partnerships that ensure all students, families, and communities can be successful. More information related to The Ohio 8's charter school transparency recommendations are outlined later in our testimony.

Funding for Special Populations

The Ohio 8 Coalition supports many students with exceptional needs. On average, 85% of our students are economically disadvantaged, nearly 20% are classified as special education, 4% are English language learners, and nearly 10% are gifted. These numbers and the needs of these students are not insignificant and should demand a greater level of investment from the state. While we support the proposals in the Executive Budget that increase subgroup allocations for special education by 2%, career-technical education by 4%, and K-3 literacy by 5%, the funding for gifted, limited English proficient, and economically disadvantaged students has been kept flat. The Ohio 8 Coalition is committed to providing excellent and individualized educational opportunities to all of our students. An example of this dedication can be seen in every Ohio 8 district, including my own, where all middle schools have been transformed from neighborhood schools to interest-based academies where students choose between Arts, Competency-based instruction, STEAMM, Career-Tech and College and Career Readiness.

Many of our districts continue to see not only increasing populations among these students, but ongoing and increased needs of these populations. For example, The Ohio 8 Coalition districts have English language learner (ELL) populations that come from varying and significant circumstances, including refugee camps and/or never having attended formal schooling in their lives. Transitioning these students is certainly related to learning a new language and that is many times the focus of policies related to these students, but even more significant is learning a new culture, including things we take for granted like understanding the idea of formal education (sitting in a classroom all day, and lesser known, but significant issues, such as learning how to use indoor plumbing). Further, The Ohio 8 Coalition works tirelessly to identify and serve gifted students with limited resources; the fruits of these efforts can be seen in every district as evidenced in Columbus where In 2014, six of Ohio's thirteen Gates Millennium Scholars (GMS) were Columbus City Schools' students. The GMS is awarded annually to just 1,000 students across the country.

In addition to the needs of gifted and limited English proficient students, The Ohio 8 Coalition supports the needs of a student population composed of nearly 100% economically disadvantaged students. These students often face challenges outside of school that can make learning challenging, including inconsistent frequency and quality of meals, high housing mobility rates, and varying levels of one-on-one quality attention from their parents and guardians. Providing high-quality educational opportunities to all students is a critical component to the work we do, and is made significantly harder when

resources do not keep pace with requirements. As a result, **The Ohio 8 Coalition recommends that gifted, limited English proficient, and economically disadvantaged students also receive increased funding of at least 2%, as these student needs are no less significant than any other student classified as a special population.**

Tangible Personal Property Tax

HB 64 proposes to reinstate the phase-out of the tangible personal property (TPP) and public utility tangible personal property (PUTPP) tax replacement payments to school districts. It is The Ohio 8 Coalition's understanding that the original intent of the legislature regarding this phase-out was to ensure that losses to school districts were offset by increases to school funding. While it appears that the funding formula may have accounted for this phase out, the complexity of the funding calculations make it difficult to determine this with accuracy.

Although we will continue our own analysis, The Ohio 8 Coalition urges you to ensure that the school funding formula does indeed offset the TPP and PUTPP tax phase out through a reliable and ongoing increase in overall school funding.

Transportation Funding and Related Methodology

It is always preferred that students be transported via school bus as it is the safest, most efficient, and most predictable form of transportation available. For most school districts-urban, suburban and rural - state funds to support student transportation have not kept pace with actual costs of aging bus fleets and increased gasoline costs. From my own district's perspective, Canton spent about \$3 million in FY 12 transporting more than 4,000 public, non-public, and charter students, logging nearly 5,000 miles each school day- these numbers have since increased. We were reimbursed - only \$1.9 million - of that total cost. In the same year, Akron spent about \$11 million and was only reimbursed \$3.7 million. Similar gaps exist not only across all of our Coalitions' districts but across rural and suburban districts as well.

House Bill 64 alters the existing transportation funding formula by reducing the minimum state share from 60% to 50%, alters the process by which average daily ridership is calculated, adjusts the definition of total ridership (the average number of total riders who are provided school bus services during the first full week of October), and reduces the busing radius for which districts are required to provide transportation. Shifting the minimum state share from 60% to 50% will likely have a negative impact on many districts across the state. For example, in Columbus, this alteration will result in a 3% decrease in FY16 and a 2.6% decrease in FY16. We believe that this calculation may have negative unintended consequences.

With regard to transportation, The Ohio 8 Coalition's recommendations remain the same as presented nearly two years ago before this committee. It is clear there is great support to address broader transportation issues and it is something that requires an in-depth discussion. We must continue to close the gap between the price of transporting students

and the low level of reimbursement for those costs from the state. **The Ohio 8 Coalition has the following recommendations related transportation funding.**

- Ensure that the transportation reimbursement for charter schools choosing to transport their own students be calculated in the same way reimbursements are calculated for traditional public schools, and that all funding flow directly from the state to the charter school.
- Use total ridership rather than qualifying ridership as this provides a more accurate picture of the total number of students districts are transporting.
- Retain the factor of sixty percent or the state share, whichever is greater, rather than the proposed fifty percent, for purposes of calculating the funding.
- Provide additional funds for student transportation based on the existing gap between state contribution and district expenditure;
- Increase the excise tax reimbursement to a level that is at least equal to mass transit levels; and
- Establish a transportation commission that will review Ohio's school transportation funding alongside transportation experts from rural, urban, and suburban school districts to holistically address issues and identify opportunities to help ensure students are transported safely and efficiently while district costs and policies that drive those costs are more appropriately addressed.

In the interest of time I will conclude my testimony here. As you can see, we have additional recommendations related to testing limitations, student learning objectives, the fall administration of the third grade reading assessment, and high-stakes testing strategy development. I thank you for the opportunity to share these recommendations and we look forward to continuing to help in any way we can as you work on this legislation. I am happy to answer any questions you may have.

Testing Limitations/Caps

The Ohio 8 Coalition has concerns related to the testing cap recommendations outlined in the executive budget, and ODE's testing report. The caps outlined do not seem to have a research-based rationale behind them, meaning it is not necessarily based on what best supports students but seemingly an arbitrary number that is loosely tied to the average amount of testing currently administered across the state.

ODE's report includes a 3% testing cap, for prep and administration that seems to be an arbitrary decision. From the perspective of The Ohio 8 Coalition, any caps should be based on the needs of our student populations and aligned with the real purpose of testing, to assess student achievement. **Therefore, it is The Ohio 8 Coalition's recommendation that any testing or test prep caps apply only to state mandated assessments and that districts be allowed to exceed caps based on student needs.** Our districts certainly want to limit time used for testing and preparation in order to provide as much classroom instruction time possible but we also believe that some students simply need additional time and want the local flexibility to do what is best for those

students. We know that special needs students are held outside the cap but we request additional flexibility for those students who are typically developing but just might need a little extra preparation.

We believe that every classroom learning moment prepares students for success and such success will be measured through assessments. As a result, it is critical that testing limits be developed in a way that is meaningful and not arbitrary. In order to best serve the unique needs of every student it is critical that local districts continue to determine the necessary levels of testing and test prep. **We further recommend that any limits on local testing be guidelines and not mandated by the state.**

Student Learning Objectives (SLOs)

Our districts have invested significant time, energy, and resources to support student-learning objectives and as such **it is our recommendation that SLOs be maintained in their current framework.**

Although not perfect, it is the system we have been working with for just one full school year and we believe that there should be a consistent system in place to avoid policy that is an ongoing moving target. Rather than including a yet-to-be-defined replacement policy in legislation, The Ohio 8 Coalition recommends that a policy be developed, proposed, vetted by practitioners (including those from The Ohio 8 Coalition), and then implemented over time to allow acclimation at the administration and building levels. In the interim, districts that want to maintain their investment and use of SLOs should be allowed to do so. Many of our districts have formal strategies in place that have implemented SLOs in a successful manner. We request the ability to continue this work to maintain consistency and preserve the investment within our districts for something that is working.

The Ohio 8 Coalition appreciates that SLOs have been part of an ongoing dialogue related to deregulating high-performing school districts and if those districts want to eliminate SLOs we encourage the ability for districts to make that local decision. We only ask for the same flexibility to keep what works for our districts and to preserve the investment made in our strategies up to this point in time to best support the students we serve.

Fall Administration of the Third Grade Reading Assessment

The Ohio 8 Coalition would like to maintain the fall administration of the third grade reading assessment. This fall benchmarking opportunity is critical to the Ohio 8 districts from an administrative, educator, parent, and student perspective.

Maintaining the fall administration of the assessment ensures that school district administrators and educators have the ability to guide and tailor instruction to the unique needs of their students from the **beginning** of the school year. In addition, the fall assessment provides a baseline allowing for a true apples-to-apples comparison between the fall and spring assessment this allows for teachers to establish a clear and defined

trajectory to for that student for the year ahead instead of waiting until the spring assessment.

In addition to the benefits gained for students, the fall administration of the third grade reading assessment provides a unique opportunity for robust engagement among the teacher, parent and child early on in the school year. It establishes an expectation among all parties from the start and allows for ongoing communication related to that initial assessment for the balance of the school year. It also allows us to engage the broader community on the relevance and critical nature of not only the assessment but also progress and outcomes related to it. All Ohio 8 districts have seen gains in their 3rd grade reading results. There is certainly more work to be done but at this juncture the community has an expectation that we will improve year after year and an apples to apples comparison between fall and spring will help support community, parent, teacher and student engagements.

As with the SLOs The Ohio 8 Coalition appreciates the conversation around deregulation of school districts but **requests that to meet our local need, and allow our districts to maintain the fall third grade reading assessment. We further recommend that this assessment be held outside of any testing caps that might be established within this legislation.**

High-Stakes Testing Strategy Development

The Ohio 8 Coalition encourages this committee to elevate the statewide conversations related to high-stakes testing by establishing an advisory commission or taskforce that includes practitioners from rural, urban, and suburban school districts. We recommend that this commission work to develop a statewide framework that helps Ohio to do all of the following:

- Address why and how we use high-stakes testing;
- Allow flexibility for districts to monitor and measure student growth in a strategic manner through local assessments;
- Maintain accountability for teacher performance;
- Establish consistent requirements across the state (based on what needs to be assessed, not a percentage of the school district's calendar); and
- Consider the total testing burden from the lens of the testing schedule not just the overall quantity.

Charter School Transparency

The Ohio 8 Coalition is committed to supporting quality educational opportunities for all students in our communities. We believe that every parent deserves transparent access to school performance and financial information to support their efforts to make the best educational choices for their children. To this end, The Ohio 8 Coalition works to partner with high-performing charter schools within our communities in an effort to ensure that students, regardless of their school setting, are receiving a quality education. We believe that the following recommendations will further support these efforts.

While HB 64 will help bring greater accountability and transparency to Ohio's charter school laws, The Ohio 8 Coalition believes the legislation lacks specific information related to two critical areas—1) public audit requirements and 2) the process by which a closed charter school can reopen.

As a result, The Ohio 8 Coalition has the following recommendations.

Establish requirements that charter school financial records be publicly audited and disclosed. Additionally, The Ohio 8 Coalition recommends the following requirements be established to further support charter school transparency.

1. Annual audit of the receipt, transfer, and expenditure of all public funds.
2. Name of board members to be made available online.
3. Name of Treasurer/CFO/Fiscal Agent to be made available online.
4. Disclosure of conflict of interest statements must be on file and made available online (financial disclosure statements).
5. Require the return of assets acquired with public dollars to the Local Educational Agencies.
6. Annual audit of student records.
7. Require teacher and administration salary schedules and total expenditures to be disclosed and made available online.

In order to ensure that parents have access to the information they need to make an informed choice regarding their child's education, we must first hold charter schools and traditional public schools to the same financial reporting and auditing standards. We believe that high-quality learning environments are more likely to exist in places where financial accountability and transparency is demanded.

Establish additional requirements that prohibit a charter school from reopening under a new name with the same sponsor, operator, board, or treasurer. Specifically, we recommend that a closed charter school be prohibited from reopening if any of the following are true:

- The new school has the same sponsor as the closed school;
- The new school has the same chief administrator as the closed school;
- Fifty percent or more of the governing authority of the new school consists of the same members that served on the governing authority of the closed school during that school's last year of operation; or
- Fifty percent or more of the teaching staff of the new school consists of the same individuals who were employed as teachers at the closed school during that school's last year of operation.

Under current law charter schools that close under a definition other than "permanent closure" are exempt from the limitations on reopening. In order to ensure that poorly

performing charter schools that have closed for any reason do not reopen without making major administrative changes it is critical that we clarify the language of the law as outlined above.

Ultimately, increasing transparency and decreasing the uncertainty related to the stability of charter schools will help to drive innovation and partnerships that better serve taxpayers, students, and parents. Holding charter schools and traditional public schools to the same standards creates opportunities for partnerships that ensure all students, families, and communities can be successful.

We thank you for the opportunity to share these recommendations and look forward to continuing to help in any way we can as you work on this legislation. I am happy to answer any questions you may have.

The Ohio 8 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.