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*The OEA will lead the way for continuous improvement of public education while advocating for members and the learners they serve.*

**OHIO EDUCATION ASSOCIATION**  
**House Finance Primary and Secondary Education Subcommittee**  
**House Bill 49 Testimony**  
**March 8, 2017**

Good morning Chairman Cupp and members of the House Finance Primary and Secondary Education Subcommittee. My name is Scott DiMauro. I am a high school social studies teacher from Worthington with 16 years of classroom experience, and I currently serve as Vice President for the Ohio Education Association. Thank you for the opportunity to speak to you today about provisions contained in the budget bill for Fiscal Years (FY) 2018 and 2019. On behalf of the more than 124,000 OEA members, we look forward to working with you on House Bill (HB) 49 to ensure that a high quality public education, and the resources needed to succeed, are available for all Ohio's students. The following are some of our key concerns about the Governor's proposals in the budget bill:

School Funding

OEA believes the funding for K-12 education proposed in the Governor's budget is inadequate and falls short of meeting the needs of Ohio's students and the school districts that educate them. The proposed school funding formula further erodes the state share of education spending and creates another list of winners and losers. The funding formula is virtually frozen and the proposal provides for only a modest, overall increase in funding for public school districts from Fiscal Year 2017 to FY 2018 of approximately \$64.4 million. This represents an increase of around 20 cents per pupil per school day. To make matters worse, 390 districts are slated to lose money in FY 2018. OEA urges state lawmakers to determine what constitutes a high-quality education and then commit the necessary state resources needed to make sure all children have an opportunity to receive a high-quality education, regardless of where they live or their family's income.

We've heard comments that school districts should use money in reserves to help cover the costs of educating their students. Districts are pressed repeatedly to ask for more tax levies if they don't want to let their educational programs deteriorate over time. Districts have to ask for levies that are sufficient to carry them for two or three years so that the local school board doesn't have to be on the ballot every year. In most cases, the balances maintained by school districts are often for needed repairs to buildings or technology and aren't "unencumbered" resources. Instead these funds are necessary to carry the financial burden until the next levy. OEA believes that school districts should not be penalized for prudent fiscal practices.



OEA is concerned that the funding formula continues to disadvantage less wealthy rural districts because of the assumption that they have a “higher” capacity to generate local revenue when they don’t. The valuation per pupil measure within the opportunity aid calculation tends to make districts with low student populations appear wealthier even when their residents’ income is relatively low.

OEA continues to believe that the formula itself is the main reason that districts are placed on the guarantee. Although guarantees have been in place for several decades, they were originally intended to be temporary payments to school districts that would be eliminated as the overall level of state support for public education increased over successive budgets. OEA asserts that many of these districts had funding levels that were insufficient under the past funding formulas. We caution legislators on reducing funding to school districts without determining if these school districts will be able to continue to offer the existing level of educational programs and opportunities to students.

The proposed gain cap represents an underfunding of the formula by approximately \$824 million over the biennium. This artificial limit on growth impacts 130 school districts in FY 2018 and 103 school districts in FY 2019. Including a cap on state funding increases imposes an unfair burden on too many districts, including those with growing enrollment and those with declining property values. It also directly increases pressure to raise local property taxes. This is a flaw in HB 49 that we urge you to correct.

OEA also questions the reduction in the transportation supplements by approximately \$74 million or 12.2% over the biennium. This reduction in funding impacts approximately 275 districts over the biennium. Providing transportation is financially challenging for many districts, especially those in rural areas which have a large geographic area and low density student populations. School buses remain the safest way for students to get to and from school. OEA requests that the legislature provides sufficient funds for transportation services and for the replacement of outdated buses.

Additionally, the loss of tangible personal property tax (TPPT) revenues will have negative consequences for about 50 of Ohio’s school districts whose TPPT replacement payments will be phased out over the biennium and for an additional 81 school districts whose TPPT replacement payments will be decreased over the biennium because of the phase-out modification passed during the 131<sup>st</sup> General Assembly. Local voters will be severely challenged to replace the lost revenues. If there are to be reductions in these replacement payments, they should be offset by increases in state aid through the formula.

As the state touts the career and technical pathway to earning a high school diploma, the budget proposal tells a different story. Funding is cut for 35 of the 49 career-technical schools. If Ohio wants this budget to be about building a workforce and creating jobs, career-technical schools could potentially have a huge part to play in making that a reality. Ohio needs to make a significant new investment in career-technical schools to help attract more students to these fields of study.

OEA asks that members of the committee and the Ohio Legislature work with education stakeholders to alter the funding formula to ensure that all of Ohio's children are given the opportunity to succeed regardless of where they live or their family's income.

### Charter School Funding

OEA commends the Ohio General Assembly for passing the charter school governance reforms in HB 2 (131<sup>st</sup> G.A). These important reforms will benefit students in charter schools by improving the oversight and accountability of charter school sponsors. The time has now come to reform the way charter schools are funded.

There remains a need to find ways to fund charter schools fairly without depriving children in local public schools of needed resources. Ohio's school funding formula should be designed to provide per-pupil charter funding in a way that is fair to both school districts and charters, as well as local taxpayers.

For example, the state could avoid compelling local school districts to subsidize the cost of students who choose to attend a charter school by directly funding charters out of the General Revenue Fund. Or the state could make up the difference between per-pupil amount sent to the district and the total cost of paying for a student who attends a charter school. In either of these scenarios, the charter school would receive the same amount of funding, while also easing the current burden placed on local school districts. There could be other approaches that meet the same objective, but any means of funding charters should take into account the potentially adverse impact on the 90% of Ohio public school students who are not in charters.

We would also note that some of the money that could be used to fix the way in which charter schools are funded could be found by establishing better safeguards against the potential for waste, fraud and abuse that exists in the current EMIS system where there's evidence of students having multiple student identification numbers.

Achieving long-overdue charter funding reform could finally move us beyond a system that pits charter schools and school districts against each other and that wastes untold time and resources by requiring district officials to confirm whether charter school deductions are in fact for students who actually live in the school district.

We hope there is an opportunity for education stakeholders to work on charter funding reform that is mutually beneficial to all students, whether they attend school districts or charter schools. The rationale for reform is clear: Ohio's current method of funding charter schools does not serve the interests of students, charter schools, school districts or taxpayers.

### Educator "Externships" for Licensure Renewal

OEA is strongly opposed to the provision in HB 49 that would require teachers to complete an on-site work experience with a local business or chamber of commerce as a condition of licensure renewal beginning September 1, 2018.

Teachers recognize the importance of understanding the job skills that employers are seeking, but a requirement to work in an outside business is not necessary to achieve that understanding. Teachers currently create customized professional development plans tailored to their specific needs that are approved by the local professional development committee. This proposal could also place an unworkable burden on businesses that would need to absorb thousands of teachers in need of “externships.” Therefore, OEA feels that this is an unnecessary hoop for educators to jump through to renew their teaching license and requests the elimination of this provision from the bill.

### College Credit Plus

OEA agrees with the goals of the College Credit Plus (CCP) program to expand opportunities for college-ready students to take college-level courses prior to graduation. We are hopeful that CCP will increase student access to advanced level coursework, especially in districts that have lacked the resources to provide such courses in the past, and help make the pursuit of a higher education more accessible and affordable for all students. However, we want to ensure that the program is meeting the stated objectives and that continued implementation includes the participation of all interested parties.

To that end, in May 2015, OEA established a joint committee of higher education and K-12 members to study the CCP program. I’m pleased that HB 49 contains many changes to the CCP program that respond to the concerns of OEA K-12 and higher education members including requiring the creation of minimum eligibility standards for student placement; specifying the conditions under which an underperforming student may continue to participate in the program; and to determine what courses are eligible for funding under CCP. Additionally, the proposed textbook payment structure is an improvement to the current payment structure. OEA looks forward to providing additional input on these issues as they move through the rules process.

OEA opposes eliminating the current law that allows school districts to negotiate local agreements with higher education institutions below the default floor amount (\$41.50 per credit in FY 17). Currently, partnering school districts and colleges can jointly request a waiver from the Chancellor of the Ohio Department of Higher Education for payment below the default floor. We request that current law be retained to preserve local flexibility of the program.

### Career Technical Educator License

The proposed “Level I” and “Level II” career-technical licenses represent an experimental, local licensure approach that should not replace the current option to pursue a state-level professional educator license. Individuals holding the current professional or alternative resident career-technical educator license on June 1, 2018 would be grandfathered under the existing professional licensure framework. However, the elimination of the professional licensure track could have the unintended effect of reducing the appeal of career-technical education for future professional educators.

To the extent that the proposed “Level I” and “Level II” licenses may expand the pool of career-technical educators in vocational fields educator shortages, this could be a worthwhile objective. However, it is unnecessary and counterproductive to reduce the licensure standards and professional status of all career-technical educators by eliminating the option to pursue a professional license, which would remain available to educators in all other subjects.

OEA requests retaining the current professional and alternative resident career-technical educator licenses and make the proposed “Level I” and “Level II” local licensure track available as a supplemental option to full state licensure.

### Local School Boards

OEA is opposed to provisions in HB 49 that would require each local school superintendent to appoint three non-voting, advisory members from the local business community. It’s been suggested that these advisory members could make recommendations about curriculum, needed employment skills and ways in which the relationship between the schools and businesses could be improved.

OEA believes such decisions should be made locally by an elected school board that is accountable to the community. As the Ohio School Boards Association will testify, the majority of school board members are in fact small business owners or local business professionals. Rather than adding three ex-officio board members and eliminating local-business advisory councils (as the current version of HB 49 would do), making greater use of the existing business advisory councils would seem to be a better way of eliciting input from the business community.

Chairman Cupp, this concludes my testimony. OEA looks forward to working with the legislature on making improvements to House Bill 49. I would be happy to address your questions.