



**Testimony Regarding House Bill 49  
FY 18-19 Biennium Budget  
Ohio House Finance Subcommittee on Primary and Secondary Education  
Representative Robert R. Cupp, Chair**

**Ronda C. Johnson, Treasurer  
Mason City School District**

**March 8, 2017**

Chairman Cupp, Ranking Member Miller and members of the subcommittee, thank you for the opportunity to offer testimony regarding the proposed changes to public education funding in House Bill 49. My name is Ronda Johnson and I am the Treasurer of the Mason City School District. On behalf of over 10,500 Mason City Schools' students, I want to share my concerns regarding the proposals related to caps and guarantees in the school funding formula.

Mason City Schools is located predominantly in Warren County in southwest Ohio, encompassing 25 square miles and home to approximately 50,000 residents. We are the 16<sup>th</sup> largest school district in the state of Ohio, and our nearly 3,500 high school students are served in Ohio's largest public high school. Our students are consistently among the highest performing in Ohio while our spending is less than the state average.

**Ohio's School Funding Formula**

Throughout my nearly 20 year career in Ohio school finance, we have debated Ohio's school funding formula. Everything has been changed – the name of the formula, the way we count students, the way we measure local responsibility (state share), the way we weight categories of students, the implementation of performance bonuses, the way we do or don't fund certain programs like transportation, the expansion of school choice ..... But consistent in the formula over the past 10 years has been the existence of caps and guarantees.

**Caps and Guarantees – an example**

Mason City Schools grew quickly, nearly doubling in a decade that saw Mason's K-12 enrollment go from 5,398 in 1998-1999 to 10,415 in 2007-2008. Our enrollment has stabilized and is 10,507 today. Our District's enrollment and funding story as it relates to caps and guarantees is an interesting one and bears review in light of the proposals in HB49.

Over the past 6 years, Mason has been on the Guarantee, the Cap and is now currently formula funded. HB49 current simulations project Mason to be on the Guarantee over the next biennium.

FY11-12	Bridge Formula	Guaranteed against Evidence Based Model phase-in
FY12-13	Bridge Formula	Guaranteed against Evidence Based Model phase-in
FY13-14	Current Formula	1.0625 Cap – Mason underfunded by \$3.3 million
FY14-15	Current Formula	1.105 Cap – Mason underfunded by \$1.2 million
FY15-16	Current Formula	Formula
FY16-17	Current Formula	Formula
FY17-18, 18-19	HB49 as introduced	Guarantee

Mason is a district that could be impacted by the proposal to reduce state funding if enrollment drops more than 5% from the FY11 levels. This budget proposal is alarming to us for two reasons. First, it assumes that all of our students were appropriately and adequately funded in FY11. As a reminder, in FY11 Ohio Public Schools were funded on the PASS formula under the Evidence Based Model. The model itself was residually funded – as the State could not afford full implementation and components were partially funded as a percentage of implementation costs. Second, a straight percentage reduction of total enrollment assumes that the composition of our students is exactly identical to that of FY11. For example, LEP students weren't even recognized on Mason's FY11 PASS funding worksheet but we have 591.27 students on the FY17 SFPR today. While we understand that the 5% reduction isn't being calculated from the FY11 funding total, any approach that oversimplifies the enrollment variables and results in a reduction of funding against the guarantee causes us extreme concern.

With regard to the cap, HB49 includes a 5% funding formula cap each year, which is the lowest cap that I could find on record. In Budget Director Keen's testimony last week, he admitted the obvious that "districts won't receive the full amount of funding they're due under the formula because of the gain cap" and added that every funding decision that doesn't increase the base per pupil amount ends up shorting school districts. Capped districts are often schools with rapidly growing enrollment, which accurately classified Mason for many years. Ten years ago, Mason City Schools traveled with teachers, parents and students to the 127<sup>th</sup> General Assembly in a campaign to "fund every child;" so even though we're not on the cap currently, we've been fighting this good fight for a long time!

### **School Districts Need Stable Funding**

With regard to formula guarantees, please understand that school districts want stable funding and guarantees do offer us a bit of protection against policy decisions – sometimes outside of the formula - that would significantly impact our bottom line. From our perspective, there is no merit to the argument that guarantees are "unfair," especially to a district like Mason who had over \$4.5 million in unpaid capped formula funds in the last biennium and lost \$3.4 million in TPP reimbursements in the last two years.

School funding in Ohio continues to be incredibly complex. Ohio's public schools are advocating for stable funding and a formula that works. Until we have one, on behalf of the Mason school community, we ask that you remove the 5% enrollment loss provision against the guarantee and revisit the cap to more appropriate levels. Thank you for your time and I would be happy to answer any questions.

### **About Mason City Schools**

*The Mason City School District is one of Ohio's highest-performing public school districts. Students in every grade level consistently score above the state and national average in reading, writing, math, science, and social studies, and on the SAT, ACT and AP tests. Mason City Schools spend \$10,342 per student - \$822 less per student than the state average.*