

Achieving Together

House Finance Primary and Secondary Education Subcommittee House Bill 49 Testimony March 23, 2017

Good morning, Chairman Cupp, Ranking Member Miller, and members of the House Finance Primary and Secondary Education Subcommittee. Thank you for the opportunity to speak to you today regarding House Bill 49. My name is Brian Hamler, Superintendent of Whitehall City Schools. Joining me for this testimony and in answering any questions is Steve McAfee, Treasurer of Whitehall City Schools.

The City of Whitehall is a suburb of 5 square miles on the east side of Columbus. The School District currently serves an enrollment of 3,530 students. The District is very reliant on state funding, as evidenced by its current state share index of 84.3%. We are here today to share our thoughts on the school funding formula, specifically the cap.

Ohio's school funding formula aims to provide an appropriate amount of funding to each of the 612 school districts based on their enrollment, student needs and capacity to generate local tax revenue. The cap hampers the formula's ability to serve its purpose.

The General Assembly should work towards every district being funded based on the formula. We recognize the State cannot afford to remove the cap all at once. It has to be phased out over multiple budget cycles. In the meantime, capped districts still have to manage the circumstances that are calling for additional state funding. It could be growing enrollment, a deteriorating tax base, a student population with a lot of needs, or a combination thereof. Whitehall City Schools is experiencing all of these:

- Our ADM grew 24.1% from FY 2011 to FY 2016, the second highest percentage increase in the state according to the Executive Budget foundation funding formula simulations
- Our property valuation dropped 19.4% from 2010 to 2016
- Our median family income is \$38,520 compared to a state average of \$61,371
- Over 13% of our students are Limited English Proficient

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• Over 80% of our students qualify for free or reduced lunch

These circumstances have caused Whitehall City Schools to be within the top 5 districts affected by the cap on a per pupil basis.

Capped districts have varying abilities to fend for themselves by asking local taxpayers for additional support. This should be taken into consideration as the General Assembly determines how the foundation formula will work in this biennial budget. It is our position

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the General Assembly should favor capped districts with less ability to generate local taxes. An effective way to do this would be to not subject the Targeted Assistance funding component to the cap.

The Department of Education defines Targeted Assistance as the second tier of the foundation formula to primarily target additional funding to school districts that do not raise much local revenue beyond the local share of the foundation formula. This funding is targeted to school districts that are below a certain threshold of wealth in the state. Wealth is measured by a combination of property valuation per pupil and median income. Supplemental Targeted Assistance is provided to districts where agricultural property makes up a relatively high percentage of their total real property valuation.

Not subjecting Targeted Assistance to the cap would provide more immediate relief from the cap to districts most reliant on state funding.

We hope you will consider our idea as you continue your work on House Bill 49. We will be happy to address any questions.

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