



Stanley J. Bahorek, Treasurer/CFO

Office of the Treasurer

270 E. State Street

Columbus, Ohio 43215

Ph. 614-365-6400

Fax 614-365-5628

sbahorek@columbus.k12.oh.us

Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

Senate Finance Primary and Secondary Education Subcommittee

Substitute House Bill 49 Testimony

May 25, 2017

Chairman Hite, Vice-Chairman Sykes, and Members of the Senate Finance Primary & Secondary Education Subcommittee – thank you for the opportunity to provide testimony on the provisions of Sub. HB 49 relative to the modifications to the State’s school funding formula.

My name is Stanley Bahorek, and I am the Treasurer/Chief Financial Officer for Columbus City Schools, the State’s largest public school district. Columbus City Schools currently educates more than 51,000 students, with 17 percent having been identified as having exceptional needs, 16 percent coming from a family in which English is not the primary language, and nearly nine in ten students coming from an economically disadvantaged background.

By so many measures, Columbus City Schools is back on the right track, with measurable gains in student achievement and care, improved operational efficiencies and effectiveness, and boosted community confidence and support. Over the past several years, the District has rebuilt the integrity and reliability of its operations, restoring public trust following an all too public data scandal. We have updated our policies and procedures, introduced various controls into our processes, and brought in new personnel to bring a fresh perspective to our operations. Beginning in 2014, we have identified areas in which to realize operational and programmatic efficiencies, saving the District approximately \$50 million. Last year, we took this message of revitalization to our voters and requested that they invest in taking our students and our District to the next level. Our citizens agreed that we are moving in the right direction, overwhelmingly approving our levy request to realize these critical investments to address the specific academic and socio-emotional needs of our diverse student population.

However, if we are to continue successfully moving our District forward, we cannot rely solely upon the generosity of our voters in making the necessary investments. As you are all aware, education funding in Ohio is a state-local partnership. The State distributes its share via the School Foundation Formula. Unfortunately, this formula has yet to be fully realized, and the ensuing caps have left the District with a current calculated-to-cap deficit of approximately \$83.7 million.¹ This is the equivalent of more than 18,000 Columbus City Schools’ students – or each of our K-3 students - receiving no type of state support.

¹ May #1 SFPR, retrieved at http://webapp2.ode.state.oh.us/school_finance/data/2017/foundation/FY2017-SFPR-REPORT.asp

We understand and appreciate the challenges you are currently facing as you craft the state budget. While we would ideally like to see the formula operate as intended – a goal the Governor has stated on several occasions and one that I am confident you also share – we know that this is not realistic in the current fiscal environment absent additional revenue being made available to the State. With this in mind, we respectfully request that you increase the gain cap to 7.5 percent of the prior year, especially for those districts that have seen an increase in ADM over the past several years. In order to better achieve this, we would also ask that you maintain the components of the formula at the Executive levels.

I would also like to take a moment to address some of the discussion we have heard relative to flat funding every school district. First of all, such a move would result in severe deficits to our District in the coming years, with an approximate \$184 million hole in FY 2021 per the assumptions in our Five Year Forecast. This is the equivalent of the entire budget for Hilliard City Schools.

Second, flat funding does not maintain the status quo given that there is a cumulative effect to such a decision for school districts. Your flat funding results in deficits in planning in our out years, rippling not only into FY 2018 and FY 2019, but beyond.

Finally, it is not our vision to be at the status quo. It will take targeted investments from both the State and our local citizenry if we are to address the specific needs of our students and prepare them for leadership, service and success as a citizen in a global community. We laid out a bold vision for our local taxpayers and last fall they agreed to partner with us by increasing their financial investment in the district. If the State decides to go with the “status quo,” our District could be forced into an unprecedented level of severe cuts to student services just to keep basic operations. Cuts of this magnitude would be equivalent to immediately eliminating 535 certificated positions; for instance, we would need to cut all student support services staff, which includes school nurses, social workers, psychologists, and counselors. This path is unacceptable. We do not want to go back to our citizens to let them know that while we appreciate their investment, the State opted not to make the same level of commitment to our students. Again, neither of these options are acceptable.

I could take another twenty pages or so to discuss a variety of other nuances associated with the current funding system that are counterproductive to the constitutional mandate for the state to provide a thorough and efficient education to each of its citizens, but I believe it is more important to leave you with one key takeaway – namely, the decisions you make relative to the cap will have a lasting impact on our students not only today but in the years to come. Raising the cap to 7.5 percent will enable us to maintain the bold vision we laid out this past fall. Maintaining the cap at 5.0 or 5.5 percent (the Executive and House versions, respectively), will enable us to maintain most of that vision, though some aspects will need to be re-examined. Flat funding us, however, will have devastating effects.

I was told years ago that no business has ever cut itself to greatness. The same is true of education.

Thank you for your time and consideration.