



Madison-Champaign Educational Service Center

We Work to Serve

Dr. Daniel Kaffenbarger, Superintendent
Matthew Ketcham, Treasurer

Senate Finance Education Subcommittee Testimony on ESC Funding in the FY 2018-2019 Biennial Budget May 25, 2017

Chairman Hite, Vice Chairman Sykes, and members of the Senate Finance Education Subcommittee, thank you for the opportunity to speak to you today regarding the funding for Educational Service Centers in the FY 2018-2019 biennial state operating budget. My name is Matthew Ketcham. I am the Treasurer of the Madison-Champaign Educational Service Center.

As you, no doubt, are aware the operating subsidy for ESCs has been significantly reduced over the years. Our current appropriation of \$41.6 million is less than one half (1/2) of one percent (1%) of the total education budget. Am. Sub. H.B. 49, while an increase over the budget proposed by the Governor, would reduce that funding to \$39 million over each year of the biennium. That is approximately a 6.3% reduction in our funding.

Our main sources of funding are the state operating subsidy, gifted units which are funded at 50% (or less), the required \$6.50 per pupil local deduct, and the majority of funding which comes in the form of fee-for-service contracts with our districts. While our state operating subsidy has been reduced over the years, our reliance on that funding remains. I would ask that, at a minimum, our funding not be reduced below the levels passed by the House. Ideally, we would prefer that our subsidy be retained at current FY17 levels.

As one of the ESCs in the lower third of ESCs in terms of size, I can speak to the fact that our operating subsidy is essential to our operations. The operating subsidy is what we use to “keep the lights on”. Without that subsidy or if our subsidy is reduced, we would be forced to charge our districts more for the services we are providing.

There seems to be a lack of understanding on a statewide level as to the value of ESCs and accountability placed on them. The Auditor of State has now been authorized to conduct a performance audit of any Educational Service Center and is required to produce a comprehensive operational study of all ESCs. The cost for these performance audits are to be borne by the ESCs thereby further reducing the funds that we rely on to operate.

While we believe that it is necessary for ESCs to be held accountable and welcome the results of these performance audits, there are currently systems in place to provide that accountability. Districts have the ability to choose their ESC each biennium; ESCs are required to post their services and the costs for those services online; and ESCs are held to the same auditing standards as are traditional school districts. These are just a few examples of how ESCs are held accountable for the services they provide.



2200 S. US Highway 68, Urbana OH 43078
Phone: (937) 484-1557 ♦ Fax: (937) 652-2221 ♦ www.mccesc.org





Madison-Champaign Educational Service Center

We Work to Serve

Dr. Daniel Kaffenbarger, Superintendent
Matthew Ketcham, Treasurer

Our districts have come to expect the high quality services we are able to provide as well as the transparency in the operation of our programs. Our ESC is one of eight ESCs in the state to be accredited through AdvancED and the North Central Association Commission on Accreditation. Our accreditation has provided our district with an extra level of accountability for the quality and effectiveness of the services we provide.

In the current operating budget, ESCs are afforded the opportunity to apply to be considered a “high performing” ESC by demonstrating the ability to save money for the districts we serve. In this process, all 52 ESCs were designated “high performing” and displayed a 32.57% savings for the districts served. Our ESC was able to identify an 18% savings for our districts and this was only using 5 core service areas. I believe that ESCs can be used as a catalyst for an even greater savings and efficiency for our districts in the coming years.

Another key program service area of our ESC that may be impacted by the current proposed budget is our Alternative School. The districts that we serve look to us provide a mechanism to support students who are on the verge of being suspended or even expelled. We believe in these students and feel there is an appropriate means of reaching them through our Alternative School. Am. Sub. H.B. 49 proposes cutting our funding the Alternative School by 44.9% in FY18 and an additional reduction of 42.6% in FY19. With these cuts, I’m afraid that our program may not be affordable to our districts and there will be students who will lose out on services that they so desperately need. I urge you to consider restoring the funding of the Alternative Education Programs.

Finally, I leave you with this. School districts and the Ohio Department of Education are increasingly looking to ESCs to provide essential services, consultation, and professional development. We are happy to do our part in advancing the education of the students in Ohio. Through maintaining our operating subsidy and enhancing the role of ESCs in partnership with the Ohio Department of Education, you can help us achieve success. All of this can be done by reallocating money in the foundation line item and does not require new money. Please consider the funding of Educational Service Centers as you continue in the budget process. Thank you very much for your time and I will be happy to address any questions or concerns.

Respectfully submitted,

Matthew Ketcham, Treasurer
Madison-Champaign Educational Service Center



2200 S. US Highway 68, Urbana OH 43078
Phone: (937) 484-1557 ♦ Fax: (937) 652-2221 ♦ www.mccesc.org

