



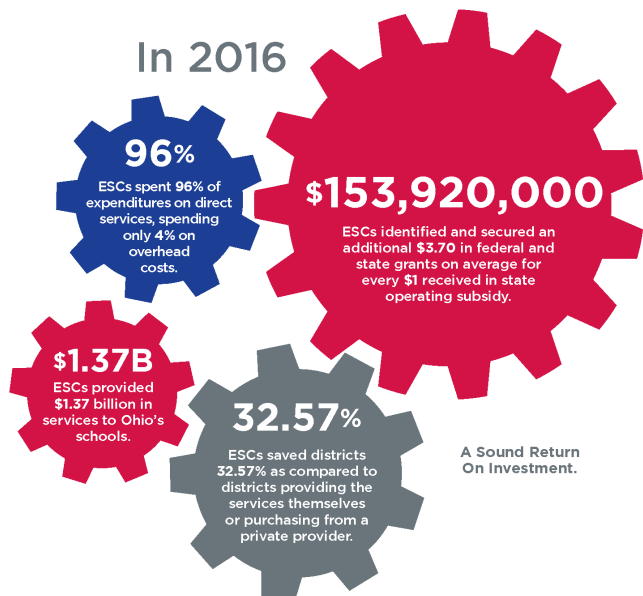
Senate Primary and Secondary Education Subcommittee of Finance  
Thursday, May 25, 2017

Testimony on Am. Sub. H.B. 49, the FY 2018-201  
Biennial State Operating Budget

**Introduction**

Chairman Hite, Vice Chair Sykes, and members of the Senate Primary and Secondary Education Subcommittee of Finance, thank you for the opportunity to testify before you today on Am. Sub. H.B. 49.

In 2016, the state of Ohio provided \$41.6 million in funding to ESCs. That year, ESCs saved districts over \$52 million dollars and identified and secured another \$153.9 million in grants. ***That means for every \$1 received in state subsidy, ESCs generated an additional \$5 for schools in costs savings and addition grant opportunities.***



House Bill 49, as introduced, cut ESCs by more than 25% and eliminated the ability of publicly-elected ESC board members to make strategic financial decisions about the use of operating funds to serve their client school districts. As introduced, the bill undercut the legislative intent and design of the ESC network to reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of educational services. Fortunately, the Ohio House addressed these issues.

Am. Sub. H.B. 49 as passed by the House sets the per pupil state operating subsidy payment amount in each fiscal year to \$25 for high performing ESCs and \$23 for all other ESCs and, if necessary, requires ODE to prorate the payment amounts to fit the

earmark for state payment of ESCs. These funding levels are up from those proposed by the Governor (\$20 and \$18 per pupil), but down from the current fiscal year (\$27 and \$25). The House passed version is approximately -6.3% below current funding levels. In the past decade, ESCs have increased services to 34 more districts with 175,070 more students while losing \$10.4 million in state support.

As such, **OESCA respectfully requests the following changes:**

- **Maintaining the ESC subsidy as unrestricted aid and flat funding of \$27/student in FY 2018 and FY 2019 as compared to FY 2017.** This is can be accomplished by reallocating funding for the ESC School Improvement earmark from within the same line item 200-550 to the ESC operating subsidy and is therefore revenue neutral.
- **Treating all ESCs and school districts equally for the purposes of allocating the ESC operating subsidy.** This is consistent with the legislative intent that all school districts take advantage of and align to an ESC.

Any further reductions in the per pupil funding for ESCs will create additional costs for school districts relying on services from the ESCs, which will have no choice but to pass along the excess costs for such services thereby compounding any cuts in foundation aid to schools.

In closing, Am. Sub. H.B. 49 as passed by the House improves significantly upon the executive budget proposal to insure ESCs have the requisite resources to provide technical assistance and support to school districts in the roll-out of new federal and state education initiatives. **We encourage you to maintain the ESC subsidy, support the enhanced role of ESCs in partnership with the Ohio Department of Education, and seek to leverage federal education dollars to maximize the impact for students and schools.**

Thank you for the opportunity to testify before you today and I would be happy to answer any questions you might have.