

Testimony for Presentation on May 2, 2019

Superintendent Paul Craft
Delaware City Schools

Thank you Mr. Chairman, Ranking Member, for allowing me to testify today.

I testify today to encourage the incorporation of the work of the bipartisan Cupp(R)-Patterson(D) group into this year's biennium budget. I am incredibly impressed with the work that the group has done. Transitioning from a system wherein only about 20% of districts are actually receiving their state formula amount to one in which over 80% do so represents an incredible accomplishment. Achieving that goal without any districts losing funding would be an incredible feat.

One result of this change would be an empowered legislature. Right now, if you were to make a change to the formula to further some public good, it doesn't actually make any difference to the vast majority of districts because their funding is capped or guaranteed. Once we get the majority of districts onto an actual formula, if you make a change to, for example, poverty or special education weighting in the formula, that policy would actually drive changes in funding for districts.

While I am here in support of the Cupp-Patterson work, the main issue I want to address today is a current feature of our funding system – the gain caps. For the last year I have been working to organize a group of districts that are the most negatively impacted by the current funding status quo. This group of almost 50 districts receive less than 80% of their formula funding under the current system (see attached chart). When fully implemented, the Cupp-Patterson plan would move most of those districts to being fully funded.

However, in having discussions over the last year I have realized that many stakeholders and legislators do not fully visualize the impacts of the gain caps. I'd like to walk the committee through an example.

First, a little historical perspective. The latest school funding formula was adopted just as we emerged from the recession. When that formula was being considered for adoption, it showed that many districts, primarily due to enrollment losses or valuation increases, would take large cuts to their funding. For obvious political reasons, it was legislatively problematic to have a substantial proportion of districts taking a cut in funding. Simultaneously, many districts would have received large increases in funding. However, it was a budget time that made finding the money to fully fund those districts that should have received large increases impossible. Thus, guarantees and caps were born.

There are two ways to end up as a heavily capped district. The first is to have grown during the years when school funding was flat or even decreasing. That is how we end up with districts like Olentangy, Licking Heights, even Whitehall and Delaware, that are receiving funding for substantially fewer students than they actually have.

The other way to become capped is to have taken huge hits in property valuations during the recession and then to have not had those property values bounce back fully. That is how some very non-wealthy districts, such as Maple Heights and North College Hill, have found themselves impacted by the caps.

I want to show you how the gain caps impact by using an example of one district in our coalition. Maple Heights is a 94% free and reduced lunch district with over 3,500 students in Cuyahoga County. Its calculated school funding this past year according to the current formula should have been a little over \$36,500,000. However, it actually received only around \$26,000,000, a loss of around \$10,500,000, because of the gain caps. I have attached an SFPR summary for Maple Heights and the couple of other district I will discuss so that you can view those calculations in detail.

This works out to a formula funding of \$10,390 per Maple Heights pupil, but an actual funding level of only \$7,426 per pupil, a loss of nearly \$3,000 per pupil.

Districts that the state identifies as being very similar to Maple Heights, are treated very differently. I have attached a similar district printout for Maple Heights.

For example, Lima City, out of 608 other districts, is the third most similar district in the state to Maple Heights. In that same year, Lima City, a 99% free and reduced lunch district, had a formula funding of \$12,524 per pupil and received all of that funding - \$12,524.

The second most similar district in the state is East Cleveland. East Cleveland is a nearly 100% free and reduced district located only 10 miles up Lee Road from Maple Heights. East Cleveland had a calculated formula funding of \$11,018 per pupil, but actually received \$14,855, nearly twice as much per pupil as Maple Heights.

So to recap, three very similar districts were treated very differently under our current system.

Maple Heights should receive \$10,390 per pupil but actually receives only \$7,426.

Lima City should receive \$12,524 per pupil and receives the full amount of \$12,524.

East Cleveland should receive \$11,018 per student but actually receives \$14,855.

Under the governor's proposal, all of these districts would receive the same additional \$250.00 per pupil next year, meaning that at the end of the day East Cleveland would continue to receive nearly twice as much money per pupil as Maple Heights due to the continuation of the gain caps.

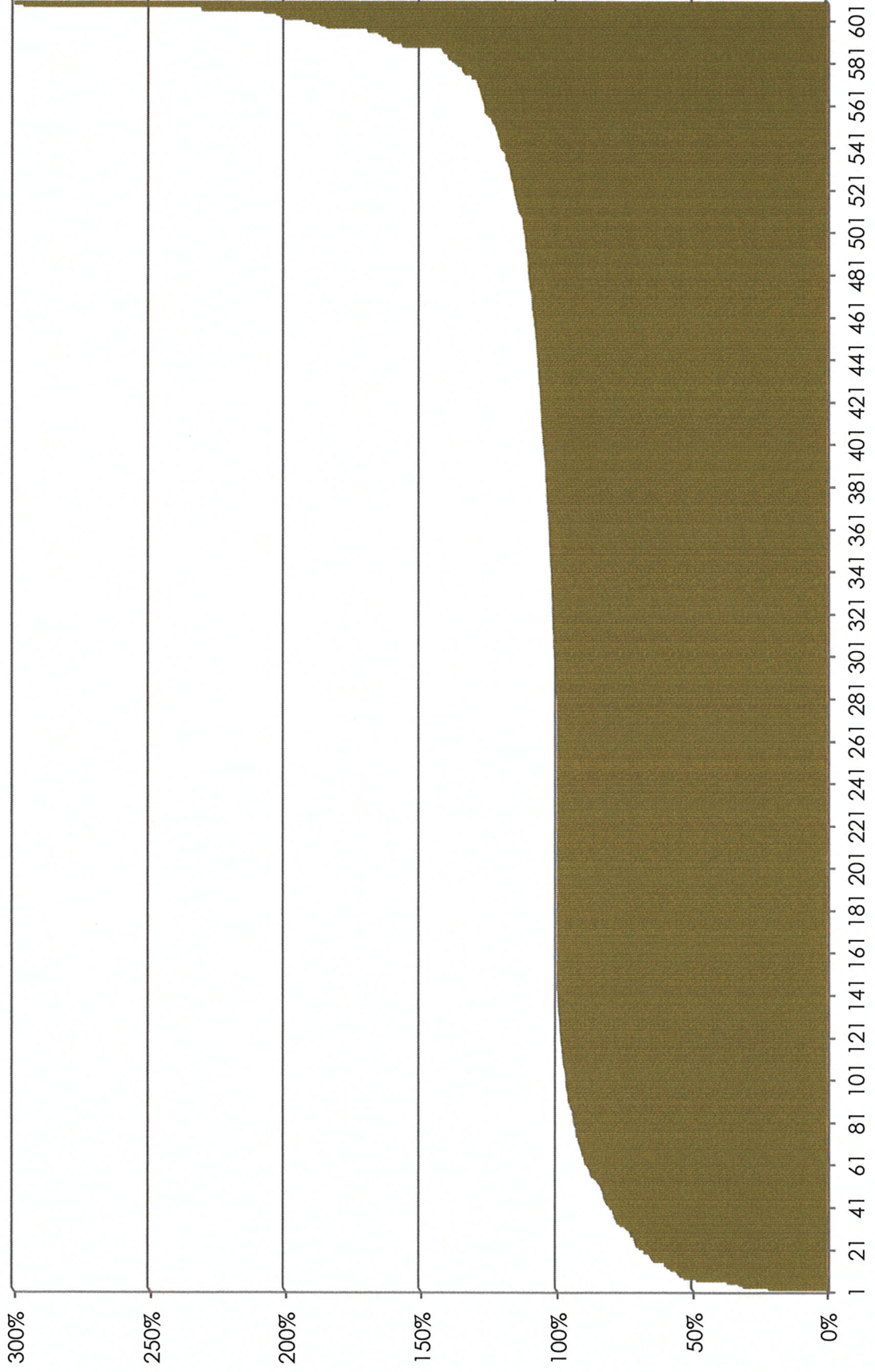
Under the Cupp-Patterson plan, many districts like East Cleveland that are on the guarantee would indeed have their funding held flat. However, it is important for the committee to remember that that flat funding is, in most cases, a very, very high level of funding as you can see from the example here and the graph I referenced earlier.

There are lots of other examples for districts of every kind – poor, average and wealthy - and I would be glad to meet and share those one on one.

In conclusion, I encourage the legislature to incorporate the Cupp-Patterson work into this biennium budget. Failing that, I encourage that, at a minimum, gain caps are addressed in a meaningful way under the current funding system, perhaps using a mechanism such as a rising floor on the cap, such that no district would receive less than 85% of their formula funding next year and 90% the year after.

I look forward to answering any questions you might have when we get to that portion of the presentation.

DISTRIBUTION OF FUNDING - FY 19



SFPR Summary Worksheet Report

OHIO DEPARTMENT OF EDUCATION
 OFFICE OF BUDGET AND SCHOOL FUNDING
 FY19 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
 (FY2019 July #1 Payment, [FY2018])

09/27/2018

IRN: 044305 District: MAPLE HEIGHTS CITY S.D.

County: CUYAHOGA

	CALCULATED FUNDING	STATE FUNDING
FOUNDATION FUNDING COMPONENTS:		
A Opportunity Grant:	20,707,248.26	13,881,336.33
B Targeted Assistance:	7,001,746.75	4,693,699.54
C K-3 Literacy Funding:	336,397.16	225,507.61
D Economic Disadvantaged Funding:	3,411,959.99	2,287,245.68
E Limited English Proficiency Funding:	5,038.00	3,377.28
F Gifted Education Funding:	187,050.84	125,391.62
G Transportation Funding (Generally Exempted from Cap):	761,375.60	761,375.60
H Special Education Additional Funding (Generally Exempted from Cap):	3,815,684.90	3,815,684.90
I Capacity Aid:	0.00	0.00
J Graduation Bonus (Exempted from Cap):	0.00	0.00
K Third Grade Reading Bonus (Exempted from Cap):	0.00	0.00
L Transitional Aid Guarantee:	0.00	0.00
M Career Tech Education Funding (Exempted from Overall Guarantee & Cap):	337,417.18	337,417.18
N Total Formula Funding:	<i>Formula = 36,563,915</i>	<i>Actual = 26,131,035.74</i>
ADDITIONAL AID ITEMS:		
O Preschool Special Education Funding:		221,497.32
P Special Education Transportation Funding:		246,111.78
Q Total Additional Aid Items:		467,609.10
TOTAL CALCULATED FUNDING::		
R Total Formula Funding Plus Additional Aid Items:		26,598,644.84
TRANSFERS AND ADJUSTMENTS:		
S Education Service Center Transfer:		-22,613.50
T Open Enrollment Adjustment:		-428,436.48
U Community School Transfer:		-3,522,481.19
V STEM School Transfer:		0.00
W Scholarship Transfer:		-994,654.80
X Other Adjustments:		-8,608.80
Y Total Transfers and Adjustments:		-4,976,794.77
NET STATE FOUNDATION FUNDING:		
Z Total Calculated Funding Plus Total Transfers and Adjustments:		21,621,850.07

- 93.7 % Free & Reduced Lunch
- 3,519 Students
- Losing \$10,432,883
- 71% Funded
- Formula funding per student \$ ~~8,628~~ 10,390
- Actual funding per student \$ ~~6,166~~ 7,426

- > Similar District Grouping
- > Data Sources 2018
- > Data Sources 2017
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- > Similar District Methodology (WORD)
- SAFE ACCOUNT SIGN IN

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Please Note: Data prior to 2018 is currently unavailable in the web application. If you need prior year data, please use the raw data files. When printing the report, please change the printer/page settings in your internet browser to landscape view.

9/27/2018

Fiscal Year 2018 Similar Districts Grouping

Comparing District: Maple Heights City(Cuyahoga)

Fiscal Year: 2018 Run

Sorted by: Most to Least Similar

Rank	IRN	District	County	Average Daily Membership (ADM)	Poverty as % of ADM	% of Population Administrative or Professional Occupations	Median Income	% of Population with College Degree or More	% Agricultural Property	Population Density	Non-Residential & Non-Agricultural Per Pupil	% Minority Students
1	044412	Mt Healthy City	Hamilton	3,218	96.0	21.9	31,938	17.5	0.1	3,001.2	18,974	84.0
2	043901	East Cleveland City School District	Cuyahoga	2,160	100.0	27.2	22,035	14.5	0.0	5,666.4	23,001	100.0
3	044222	Lima City	Allen	3,718	99.0	18.2	24,402	11.0	0.0	3,260.2	29,642	64.0
4	044628	Painesville City Local	Lake	2,958	98.0	19.7	27,294	10.6	0.0	3,329.0	16,716	77.0
5	044990	Warren City	Trumbull	4,895	100.0	24.1	23,673	12.0	0.2	2,251.3	22,472	58.0
6	044040	Garfield Heights City Schools	Cuyahoga	3,521	73.0	28.0	30,774	14.7	0.0	3,745.5	23,218	80.0
7	045070	Whitehall City	Franklin	3,399	75.0	20.2	26,454	12.7	0.0	3,718.5	32,120	71.0
8	044511	North College Hill City	Hamilton	1,582	81.0	28.0	29,775	17.4	0.0	5,127.6	21,768	90.0
9	045161	Youngstown City	Mahoning	5,123	100.0	22.0	21,515	12.1	1.8	1,454.5	45,540	86.0
10	044743	Sandusky City	Erie	3,235	99.0	21.7	25,954	16.2	0.1	2,574.1	50,049	81.0
11	048694	Trotwood-Madison City	Montgomery	2,587	100.0	23.0	27,069	15.2	6.8	668.6	24,748	93.0
12	044826	Steubenville City	Jefferson	2,385	100.0	32.8	26,831	19.2	0.6	2,034.3	28,298	39.0
13	044263	Lorain City	Lorain	6,546	100.0	20.8	25,346	10.2	0.0	3,415.4	21,757	76.0
14	044354	Massillon City	Stark	4,034	100.0	22.5	29,618	13.5	1.0	2,161.6	31,693	28.0
15	044297	Mansfield City	Richland	3,309	79.0	22.2	25,179	12.5	0.7	1,795.4	41,108	46.0
16	044081	Winton Woods City	Hamilton	3,636	74.0	33.1	35,796	31.2	0.3	2,247.5	32,576	84.0
17	043497	Alliance City	Stark	2,964	100.0	20.0	27,020	14.4	0.5	1,783.1	28,519	29.0
18	044404	Middletown City	Butler	5,912	100.0	25.2	29,180	16.5	0.2	1,880.2	46,011	40.0
19	048132	Clearview Local	Lorain	1,582	100.0	24.0	27,086	7.8	0.0	1,451.7	17,100	56.0
20	044339	Marion City	Marion	4,210	100.0	18.5	28,167	9.7	0.2	3,382.4	27,656	22.0

To report any data related issues, please contact:

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SFPR Summary Worksheet Report

OHIO DEPARTMENT OF EDUCATION
 OFFICE OF BUDGET AND SCHOOL FUNDING
 FY19 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
 (FY2019 July #1 Payment, [FY2018])

10/08/2018

IRN: 044222 District: LIMA CITY S.D.

County: ALLEN

	CALCULATED FUNDING	STATE FUNDING
FOUNDATION FUNDING COMPONENTS:		
A Opportunity Grant:	26,563,723.56	26,563,723.56
B Targeted Assistance:	9,682,240.56	9,682,240.56
C K-3 Literacy Funding:	477,356.96	477,356.96
D Economic Disadvantaged Funding:	3,328,117.46	3,328,117.46
E Limited English Proficiency Funding:	17,736.34	17,736.34
F Gifted Education Funding:	234,402.77	234,402.77
G Transportation Funding (Generally Exempted from Cap):	565,546.87	565,546.87
H Special Education Additional Funding (Generally Exempted from Cap):	3,724,811.40	3,724,811.40
I Capacity Aid:	0.00	0.00
J Graduation Bonus (Exempted from Cap):	0.00	0.00
K Third Grade Reading Bonus (Exempted from Cap):	0.00	0.00
L Transitional Aid Guarantee:	0.00	0.00
M Career Tech Education Funding (Exempted from Overall Guarantee & Cap):	743,162.89	743,162.89
N Total Formula Funding:	Formula = \$ 45,337,099 Actual = 45,337,098.81	
ADDITIONAL AID ITEMS:		
O Preschool Special Education Funding:		469,880.78
P Special Education Transportation Funding:		142,687.42
Q Total Additional Aid Items:		612,568.20
R TOTAL CALCULATED FUNDING::		
R Total Formula Funding Plus Additional Aid Items:		45,949,667.01
TRANSFERS AND ADJUSTMENTS:		
S Education Service Center Transfer:		-91,496.17
T Open Enrollment Adjustment:		-4,097,503.30
U Community School Transfer:		-2,120,383.59
V STEM School Transfer:		0.00
W Scholarship Transfer:		-3,309,625.33
X Other Adjustments:		-71,014.12
Y Total Transfers and Adjustments:		-9,690,022.51
NET STATE FOUNDATION FUNDING:		
Z Total Calculated Funding Plus Total Transfers and Adjustments:		36,259,644.50

100% Free & Reduced Lunch

3,620 Students

Losing \$0.00

100% Funded

Formula funding per student = \$ 12,524

Actual funding per student = \$ 12,524

SFPR Summary Worksheet Report

OHIO DEPARTMENT OF EDUCATION
 OFFICE OF BUDGET AND SCHOOL FUNDING
 FY19 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
 (FY2019 July #1 Payment, [FY2018])

10/08/2018

IRN: 043901 District: EAST CLEVELAND CITY S.D.

County: CUYAHOGA

	CALCULATED FUNDING	STATE FUNDING
FOUNDATION FUNDING COMPONENTS:		
A Opportunity Grant:	12,371,013.60	12,371,013.60
B Targeted Assistance:	4,214,480.24	4,214,480.24
C K-3 Literacy Funding:	243,220.74	243,220.74
D Economic Disadvantaged Funding:	2,067,022.51	2,067,022.51
E Limited English Proficiency Funding:	948.46	948.46
F Gifted Education Funding:	92,775.12	92,775.12
G Transportation Funding (Generally Exempted from Cap):	88,055.59	88,055.59
H Special Education Additional Funding (Generally Exempted from Cap):	2,835,878.26	2,835,878.26
I Capacity Aid:	1,245,461.32	1,245,461.32
J Graduation Bonus (Exempted from Cap):	0.00	0.00
K Third Grade Reading Bonus (Exempted from Cap):	0.00	0.00
L Transitional Aid Guarantee:	0,142,359.39	8,142,359.39
M Career Tech Education Funding (Exempted from Overall Guarantee & Cap):	221,512.30	221,512.30
N Total Formula Funding:	23,380,366	31,522,727.53
ADDITIONAL AID ITEMS:		
O Preschool Special Education Funding:		88,579.49
P Special Education Transportation Funding:		419,580.06
Q Total Additional Aid Items:		508,159.55
TOTAL CALCULATED FUNDING:		
R Total Formula Funding Plus Additional Aid Items:		32,030,887.08
TRANSFERS AND ADJUSTMENTS:		
S Education Service Center Transfer:		-14,033.50
T Open Enrollment Adjustment:		2,760,033.86
U Community School Transfer:		-5,693,821.03
V STEM School Transfer:		0.00
W Scholarship Transfer:		-816,831.35
X Other Adjustments:		-112,497.08
Y Total Transfers and Adjustments:		-3,877,149.10
NET STATE FOUNDATION FUNDING:		
Z Total Calculated Funding Plus Total Transfers and Adjustments:		28,153,737.98

□ 97.4% Free & Reduced Lunch

□ 2122 Students

□ Gaining \$8,142,359

□ 134% Funded

□ Formula Funding per Student = \$11,018

□ Actual Funding per Student = \$14,855