

Ohio House Finance Committee
Substitute House Bill 305

Testimony in Support of the Proposed Fair Funding Plan for
Ohio's Schools – Poverty and Preschool

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Co-Chairmen Oelslager and Callender, Vice-Chair Scherer, Ranking Member Cera and members of the House Finance Committee, my name is Claudia Zaler, I am the Treasurer/ CFO of the Waverly City Schools in Pike County. For the past three years, I have had the privilege of being a part of the Fair Funding Workgroup, established by Representatives Cupp and Patterson, serving as a Co-Chair of the Economically Disadvantaged and Preschool Subgroup along with my colleague, Doug Ute. I appreciate this opportunity to testify today regarding the Economically Disadvantaged and Preschool portions of Substitute House Bill 305 – the proposed Fair Funding Plan for Ohio's schools.

Economically Disadvantaged and Preschool were considered within the same subgroup because the need to provide economically disadvantaged children with additional support to

prepare them for school has been well-documented over the years by a number of credible research projects.

Since the release of the landmark Coleman Report in 1966 it has been widely understood that poverty and student achievement are strongly and negatively correlated. Ohio's school funding formula has provided additional funding for districts with high concentrations of economically disadvantaged students since the mid-1970's.

More recent studies by Syracuse University, the Education Trust and the State of California indicate that schools with high concentrations of the economically disadvantaged require at least an additional 22% - 62% of additional resources per pupil compared to the school's base cost per pupil in order to properly prepare a child living in poverty. Unfortunately, like many other elements of Ohio's current funding formula, the State's funding of the economically disadvantaged population appears to have no foundation in objectively determined, needs-based standards, and, in any event does not approach the recommended % additional funding level. As a condition of receiving economically disadvantaged aid, schools are restricted to a list of specific expenditure categories for which that money can be spent. We refer you to the current list of expenditures below:

Current Economically Disadvantaged Initiatives

1. Extended school day and school year

2. Reading improvement and intervention
3. Instructional technology or blended learning
4. Professional development in reading instruction for teachers of students in kindergarten through third grade
5. Dropout prevention
6. School safety and security measures
7. Community learning centers that address barriers to learning
8. Academic interventions for students in any of grades six through twelve
9. Employment of an individual who has successfully completed the bright new leaders for Ohio schools program as a principal or an assistant principal

You will notice that this list does not include expenditures for social or emotional support services, family engagement, or for reductions in class size.

After ongoing input by advocacy groups and individual school districts reporting on their specific program, we amended our recommendation by inserting the language below:

Proposed Modification and Approved Expenditures

1. Extended school day and school year
2. Reduced class size
3. Reading improvement and intervention
4. Instructional technology or blended learning
5. Dropout prevention
6. Social and emotional support
7. School safety and security measures
8. Academic intervention and remediation
9. Access to 1 year of quality preschool for every 4 year old designated as economically disadvantaged
10. General instructional and instructional support services
11. Mentoring programs

12. Family engagement and support services
13. PD in reading instruction for teachers of students in K through 3
14. District wide PD to provide greater insight into the needs of the disadvantaged population and enhanced ability to recognize and address those needs
15. Employment of an individual who has successfully completed the “Bright new leaders for Ohio schools” program as a building principal or assistant principal

With regard to current and proposed funding levels, we invite you to examine the figure below:

Economic Disadvantaged Aid

Current FY19 Formula

Base amount = \$272 per pupil

Economic Disadvantaged Index = District % of Economically Disadvantaged Students / State Avg. % of disadvantaged students

State average % of students = 47.9%

Economic Disadvantaged Aid = \$272 * (ED Index)² * # of Econ. Disadvantaged Students

The ED Index is squared so that the per pupil amount increases as the percentage of low-income students in the district increases. This is consistent with research showing the cost of educating these students increases with their concentration.

A district with 100% economically disadvantaged students currently receives \$1186 per student:

$$100/47.9 = 2.088$$

$$2.088 * 2.088 = 4.36$$

$$\$272 * 4.36 = \$1186 \text{ per pupil}$$

FY19 base cost amount is \$6,020 per pupil

$$\$1186 / \$6020 = 19.7\%$$

Research indicates that economically disadvantaged students typically cost at least 30% more to educate than non-disadvantaged students.

However, the calculation above shows that Ohio's current formula only provides additional funding at less than 20% of the base cost – and that is in a district with ALL economically disadvantaged students. Funding is a lower percentage in districts with less than 100% ED students.

Modified Formula

Increasing the base amount by \$150 per student = \$422 per student

A district with 100% economically disadvantaged students will receive:

$$\$422 * 4.36 = \$1840 \text{ per pupil}$$

$\$1840 / \$6020 = 30.6\%$ which means that a district with all economically disadvantaged students would receive slightly more than 30% of the current FY19 base cost amount

The base cost amount is increasing beyond \$6020 under the Cupp/Pattersonn plan so the per pupil amount of ED funding received even if there was no phase-in will be less than 30% of the new base cost.

Substitute House Bill 305 increases the funding amount from \$272 per pupil to \$422 per pupil and further establishes that this per pupil funding level, subject to the formula which increases the per pupil amount as the concentration of economically disadvantaged students increases, will be fully funded, with-out phase-ins, before any monies are appropriated for any other provision of Substitute House Bill 305, until the study is completed.

PRESCHOOL

Research overwhelmingly indicates that a high quality preschool experience is beneficial to children as they enter kindergarten, especially young people who are economically disadvantaged. Ohio currently has a fragmented delivery system of preschool services with providers funded by Head Start, ODJFS (the Public Funded Childcare program) and ODE (Early Childhood Education Grants and Preschool special education services). Additionally, each of the above-mentioned programs has different eligibility criteria (Head Start uses 100% of the federal poverty level, ODJFS uses 130% of the federal poverty level and ODE uses 200% of the federal poverty level, while the preschool special education service has no income criteria).

Substitute House Bill 305 calls for every 4-year-old identified economically disadvantaged to have at least one year of high quality preschool and that identification activities be enhanced to guarantee that opportunity for all those who should qualify.

Also, therefore, HB 305 calls for the General Assembly to authorize and fund a thorough, independent study to investigate and develop recommendations regarding the following:

If it is prudent and cost-effective to continue to provide state supported preschool programs through the existing multi-provider system, and if so, how that system can be better coordinated and become more cost efficient; if not, how can the State best supply these services especially to three- and four-year-olds that are economically disadvantaged.

The best method for identifying all economically disadvantaged three- and four-year-olds in order to ensure that all qualified children are provided access to high quality preschool programs.

The appropriate per pupil funding amount required to provide essential services for economically disadvantaged children and the appropriate services and/or resources upon which those dollars should be spent.

The potential benefit of developing a structure whereby most, if not all, state services for economically disadvantaged children, regardless of what agency is currently responsible for those services, are located in public school facilities to take advantage of the 180 days per year that all such children who are of school age are reliably available for the delivery of those services. The intent would be to eliminate duplication, generate significant dollar savings for the State and provide families assurances that necessary services will be readily available

and troublesome transportation and other inconveniences substantially reduced.

And analysis of the budgets, structure, services and funding of all state agencies that regularly provide services to school age and preschool age children (ODE, OJFS, health, mental health, etc.) to determine the most effective methods for coordinating these services, improving their quality and accessibility, and making the best use of allocated state dollars.