

**Ohio House Finance Committee**

**Substitute House Bill 305**

**Proponent Testimony**

**Nicole Marshall, Treasurer/CFO**

**John Kellogg, Superintendent**

**Westerville City School District**

**November 17, 2020**

Co-Chairmen Oelslager and Callender, Vice Chair, Scherer, Ranking Member Cera and members of the House Finance Committee. I am Nicole Marshall, Chief Financial Officer for Westerville City Schools. With me is my colleague, Dr. John Kellogg, Superintendent for Westerville City Schools. Thank you for the opportunity to submit our testimony today in support of Substitute House Bill 305 - the proposed Fair School Funding Plan for Ohio's Schools. We give our testimony today with the support of 83 Central Ohio school district leaders, including superintendents, treasurers/CFOs and other school district officials who have signed on to our testimony. You can view the full list of those who support this testimony at the end of this document.

Nicole Marshall:

Please allow me to share with you a brief summary of Westerville City Schools' financial history. Westerville City Schools educates approximately 15,000 students each year. That number has grown by over 1,300 since our district last opened new buildings in 2003 and we are projected to grow by another 1,300 students over the next 10 years. Thanks to the support of our community, we will be building two additional school buildings to help accommodate the growth we are seeing. The bond issue supported by our community was for \$103 million for the additional buildings and much needed facilities work. In reaching out to the Ohio Facilities Construction Commission, we learned that it would be at least another six or seven years before Westerville would even be considered for state funding for facilities, so our taxpayers stepped up, as they have had to do time and time again. In addition to the bond issue, our voters also approved a 5.9 mill operating levy to support the continuing operations of the district. That levy is estimated to produce \$15.6 million in new revenue for the district annually.

It wasn't too long ago when Westerville had to make deep cuts due to the failure of a levy in order to keep a balanced budget. Cuts that no doubt caused a tremendous hardship to our community. I think people forget from time to time that public schools are some of the largest employers in communities across the state and each time we have to make cuts due to the lack of funding, the effects are felt far and wide.

I could talk about how Westerville is underfunded by about \$12 million annually due to the cap. I could talk about how we lose over \$8 million dollars a year to charter and private schools. I could talk about how that money going out is completely and totally funded by my local taxpayers given that we have

never received the amount of funding that any formula has calculated for us. I could also talk about how the state has never sent a penny of funding for approximately 3, 000 of our 15, 000 students. But you have already heard all that in some form or another, I'm sure.

What I do want to talk about is why I support the Fair School Funding Plan. My taxpayers are tired of our school funding system being broken. They deserve better. My students deserve better. School Treasurers and CFOs should not be the only people that understand how school funding is calculated.

The Fair School Funding Plan is a good starting point to what my students and taxpayers deserve. It was developed by a workgroup that included my colleagues for whom I have a great deal of respect. It is clear, transparent and thoughtful. It is driven by research and not politics. It reduces the overreliance on my local taxpayers and it provides for a predictable formula that we can use to plan.

John Kellogg:

Thank you. As I share my testimony in support of Substitute House Bill 305, The Fair School Funding Plan for Ohio's Schools, I want to say from the outset that I do so from a spirit of optimism. I say that knowing that there are many observing this process with a sense that this current heroic, three-year journey to get to a Fair School Funding Plan is going to suffer the fate of previous efforts. It has been said that the plan is doomed, that it is dead on arrival.

I am choosing to remain optimistic.

For those who may wonder why I have not joined them in their pessimism, I say this. I believe the Fair School Funding Plan will gain traction because it has been developed in a manner that demonstrates a commitment to listening to the voice, because it reflects the ideas of those who are vested in the outcome, and quite honestly, because it just makes sense.

Now, as we consider the pros and cons of the current plan, I would suggest that we do so from the perspective of someone other than school superintendents, treasurers, boards of education, and legislatures. Instead, I would like us to consider the perspective of the Ohio taxpayer.

You see, I think it's important to remind each other that this isn't our money. It's taxpayer money that has been collected to provide a service that is so important, it's mandated by the Ohio Constitution. So, my comments on the Fair Funding Plan are framed from the context of how it addresses the expectations of taxpayers related to clarity, priorities, predictability, and needs.

My first point is this. One of the strengths of this plan is that it is clear about what is being funded. The details associated with defining the base cost are more evident than anything in Ohio's previous history. Taxpayers can clearly see what they are funding in their public schools. We can clearly say to our taxpayers, this is what you are paying for in our public schools.

Second, budgets are intended to align with priorities. What is determined to be critical is more likely to get funded. This funding plan provides a means of highlighting the state's priorities for its public schools. In times of financial challenges, we all have to make difficult decisions about what to fund and at what level. This plan allows the state to clearly demonstrate to taxpayers what is being supported and what will have to be set aside until conditions improve. Budgets demonstrate priorities. We can say to our

taxpayers, “Here are the goals for our public schools and this is the level of financial support we are providing to those goals.”

The third point is predictability. This has been a long standing frustration for schools and their communities for decades in Ohio. As policy makers change seats, so do the means of funding schools. As you know, treasurers and school boards are required to create five year financial forecasts. One of the greatest challenges they face when preparing this document is predicting when additional local funding may be needed for their schools. On top of that, determining exactly how much funding is needed is no more than a guessing game. The plan before you addresses these challenges by providing a more stable means of refining the predictable nature of school funding. We can say to our taxpayers, “Here is what we see as our financial resources for our future.”

The last point I will make relates to needs. Under our current situation, it is challenging to make associations between school performance and financial resources from the state. We engage in debates about whether or not outcomes we get are influenced at all by the policy level decisions related to funding. In the proposed plan, we can literally connect those relationships which can help drive future policy decisions. The financial and performance data that will be available can be used to measure whether we are investing enough to get the outcomes we strive for, or if our practices are flawed. We can say to our taxpayers, “Here are the needs of Ohio’s students and here is how we are funding those needs.”

In Westerville, our leadership talks about honoring commitments. The taxpayers of Ohio provide us, superintendents, treasurers, elected boards of education, and legislatures, financial resources to operate a system of public schools. They have made a commitment. Our responsibility is to honor that commitment by providing taxpayers with a school funding plan that achieves the following: It clearly spells out what is funded; it demonstrates Ohio’s priorities for public schools, as well as how those priorities are being supported financially; It can be used to predict what the future funding needs will be; and it can demonstrate some understanding of whether current student needs are being funded equitably and adequately.

So, with the taxpayer in mind, I urge you to join me in supporting Substitute House Bill 305- the Fair School Funding Plan.

### **Central Ohio School District Leaders in Support of This Testimony**

Kirk Grandy, Treasurer, Berne Union Local Schools

Shawn Haughn, Superintendent, Bloom-Carroll Local Schools

Nick Roberts, Treasurer, Canal Winchester Local Schools

James Sotlar, Superintendent, Canal Winchester Local Schools

Nick Roberts, Treasurer, Canal Winchester Local Schools

Brian Petrie, Superintendent, Cardington-Lincoln Local Schools

Jon Mason, Treasurer / CFO, Cardington-Lincoln Local Schools - Morrow County

Kris Weldy, Board of Education Member, Centerburg Local Schools

Mike Hebenthal, Superintendent, Centerburg Local Schools

Lori Houck, Treasurer, Centerburg Local Schools

Deborah Swinehart, Superintendent, Chillicothe City Schools

Deborah Lawwell, Treasurer, Chillicothe City Schools

Jonathan Davis, Superintendent, Circleville City Schools

Kristen Rhoads, Treasurer/CFO, Circleville City Schools

Tonya Mickley, Treasurer/CFO, Danville Local Schools

Melissa Swearingen, Treasurer/CFO, Delaware City Schools

Heidi Kegley, Superintendent, Delaware City Schools

Todd Hoadley, Superintendent, Dublin City Schools

Brian Kern, Treasurer/CFO, Dublin City Schools

Aaron Johnson, Treasurer/CFO, Fairbanks Local Schools

Marie Ward, Superintendent, Fairfield County ESC

Chad Belville, Superintendent, Fairfield Union Local Schools

Heather Darnold, Treasurer, Fredericktown Local Schools

Michael Verlingo, Treasurer, Gahanna Jefferson City Schools

Jason Kee, Transportation Supervisor, Gahanna Jefferson Public Schools

Jeff Brown, Superintendent, Granville Exempted Village Schools

Garilee Ogden, Superintendent, Groveport Madison Local Schools

Jon Mason, Treasurer / CFO, Highland Local - Morrow County

Nathan Huffman, Superintendent, Highland Local Schools

Brian Wilson, CFO, Hilliard City Schools

John Marschhausen, Superintendent/CEO, Hilliard City Schools

Mark Ingles, Treasurer, Jefferson Local Schools

"Mark Gleichauf, Ed.D.", Superintendent of Schools, Lakewood Local Schools

Steve Wigton, Superintendent, Lancaster City Schools

Julie Taylor, Treasurer, Lancaster City Schools

Steve Wigton, Superintendent, Lancaster City Schools

Michael Johnson, Superintendent, Liberty Union-Thurston Local Schools

April Bolyard, Treasurer, Liberty Union-Thurston Local Schools

Todd Griffith, Treasurer/CFO, Licking Heights Local Schools

Philip Wagner, Superintendent, Licking Heights Local Schools

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Sally Rudduck, District Registrar, Licking Heights Local Schools

Kelly Moore, Transportation Secretary, Licking Heights Local Schools

Anna Annett, Director of Curriculum and Instruction, Licking Heights Local Schools

Kim Henderson, Director of HR and Student Discipline, Licking Heights Local Schools

Becky Morrison, Treasurer's Assistant, Licking Heights Local Schools

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Amy Ucan, Assistant Treasurer, Licking Heights Local Schools

Mallory Sribanditmongkol, Communication Specialist, Licking Heights Local Schools

Tonya Boyd, Treasurer, Licking Valley Local Schools

Steve McAfee, Treasurer, Logan Elm Local Schools

Kristine Blind, CFO/Treasurer, London City Schools

Lou Kramer, Superintendent, London City Schools

Robin Klenk, Treasurer, Madison Local Schools (Richland County)

Todd Mustain, Treasurer/CFO, Madison-Plains Local Schools

Ron Iarussi, Superintendent, Marion City Schools

Todd Johnson, Treasurer, Marysville Exempted Village Schools

Danielle Prohaska, Superintendent, Mechanicsburg Exempted Village Schools

Michael Sawyers, Superintendent, New Albany-Plain Local Schools

Julio Valladares, Treasurer/CFO, Newark City Schools

Emily Hatfield, Treasurer/CFO, Olentangy Local Schools

Randy Harvey, Treasurer, Ontario Local Schools

Lisa Carmichael, Superintendent, Ontario Local Schools

Dennis Franks, Superintendent, Pickaway Ross JVSD

Jolene Carter, Treasurer, Pleasant Local Schools

Tammira Miller, Treasurer, Reynoldsburg City Schools

Melvin Brown, Superintendent, Reynoldsburg City Schools

Adam Wickham, Superintendent, River Valley Local Schools

Richard Jones, Treasurer/CFO, Southwest Licking Local Schools

Tamara Woods, Treasurer/CFO, Tolles Career & Technical Center

Emmy Beeson, Superintendent, Tolles Career & Technical Center

Cu Brooks, Board Member, Tolles Career & Technical Center

Michael Oler, Supervisor of Academics, Tolles Career & Technical Center

Cindy Alderman, Admissions Specialist, Tolles Career & Technical Center

Tom Bichsel, Board member, Tolles Career & Technical Center

John Rose, Treasurer, Union-Scioto Local Schools

Paul Imhoff, Superintendent, Upper Arlington City Schools

William Kirby, Superintendent/CEO, Walnut Township Local Schools

Brian Hamler, Superintendent, Whitehall City Schools

John Walsh, Treasurer, Whitehall City Schools