

Senate Finance Committee

HB 166 Testimony Biennial Operating Budget 2020-2021

Wednesday, May 29, 2019



The Alliance for High Quality Education

*The Alliance for High Quality Education is a consortium of 74 high-performing school districts located throughout the State of Ohio including the Toledo, Cleveland, Akron-Canton, Columbus, Dayton and Cincinnati areas. The Alliance for the last twenty-seven years has represented its members' interests on matters of state education policy and funding, as well as contributing to fostering high quality educational opportunities for students in their districts and those across the state.

Chairman Dolan, Vice-Chair Burke, Ranking Member Sykes and members of the Senate Finance Committee, Thank you for the opportunity to provide testimony on HB 166, the biennial budget bill. My name is Anthony Podojil, Ph.D., and I am the Executive Director of The Alliance for High Quality Education (AHQE*).

Prior to joining the Alliance as its executive director, I served as superintendent for the West Geauga Local Schools for thirteen years. I began my educational career as an early primary teacher and served as both a Middle School and High School Principal while working in five districts ranging from rural, suburban and urban. I earned my doctorate at Cleveland State University in the area of Urban Educational Administration.

The Alliance supports the proposed investment over the biennium for targeted student wellness and success funding. We agree that funds should be prioritized outside of the funding formula to address these important needs of students. However, the Alliance is concerned that the proposed infusion of \$675 million over the biennium for this dedicated funding concentrates any “new” money available to K-12 funding to this one funding component.

The Alliance does not support flat funding all school districts based on FY19 amounts as it short-circuits the existing school funding formula. The impact of flat funding on those districts experiencing Tangible Personal Property reductions under current law is compounded when this strategy is applied. I will offer the committee a recommendation to address this issue later in my testimony.

Specific to the work of the Cupp/Patterson School Funding Task Force and Representatives Cupp and Patterson, the Alliance applauds the work of this group and appreciates the time and energy that went into the final recommendations. In my opinion, the need for a comprehensive review of the school funding model and school finance in general was long overdue. The Alliance welcomed the efforts by those on the Task Force to undertake this endeavor and believe the work completed by this group warrants strong consideration as you consider school funding for the fiscal years 2020 and 2021.

While the As Passed by the House version of the budget incorporated a few components of the Cupp/Patterson work, the final product in terms of school foundation funding leaves many districts behind. Consequently, the Alliance is asking the Senate to:

- Utilize the base cost work recommended by the Cupp/Patterson school funding group. We believe this base cost formula is both a realistic and comprehensive approach to quantify what it costs to educate a child.
- Include the distribution model proposed by Cupp/Patterson that considered a mix of both the total property wealth of a district and median income. This would be a significant upgrade from the state's current funding model. Focusing on a distribution method that reacts to local district factors rather than those occurring outside the district is a much fairer approach when determining a district's respective state share. Unfortunately, the As Passed by the House budget fails to incorporate this important concept, leaving this portion of the work of the task force unfulfilled.
- Fund student transportation outside of the formula in accordance with the Cupp/Patterson recommendations. Including transportation funding within the formula, as is the case now, has effectively rendered the transportation formula useless for many schools and districts. Funding transportation outside the formula will allow for a true cost to be determined by each district related to their unique transportation needs. With the diversity of needs related to transportation across the state, some districts have very little invested in this area while others have a tremendous burden to sustain due to geography and student need.

In addition to the above three Cupp/Patterson recommendations, the Alliance also requests the Senate include in HB 166 provisions regarding:

1. Minimum Funding Level (Fair Funding Proposal):

The Alliance feels strongly that the current minimum funding level (5% of the state share index) is arbitrary and equates to several public school districts receiving less state funding than chartered, nonpublic schools (private schools). Private schools receive state funds to underwrite the cost of essential "auxiliary services" for students and to reimburse private schools for state-mandated administrative and clerical services. The rationale for providing private schools with state funding is the recognition that these services are required and private schools should not have to cover the costs to comply with these requirements. This same rationale should apply to all public schools. The

FY20-FY21 budget should set the funding floor for traditional public school districts not less than the amount a parochial/private school receives from the state for required auxiliary services/reimbursements.

2. Think about “Capacity”, Not “Wealth”:

A district’s ability to increase funding at the local level is determined by the total amount of property wealth available to them and the willingness of the electorate to increase that funding through school levies. We encourage this Subcommittee to consider the level of funding that a community has already contributed in terms of total locally voted millage as compared to other similar districts.

3. Tangible Personal Property (TPP) Reimbursements:

There are still several districts that remain negatively impacted by the accelerated pace of the phase-out of TPP reimbursements over the past several biennia. The Alliance supports efforts to find a more equitable phase-out solution that would spread out the reductions in an effort to mitigate significant funding cuts for the school districts most adversely affected. We believe the most equitable approach would be to limit the amount of TPP reduction to whatever the corresponding increase in foundation funding for those districts until all of that district’s TPP funds are exhausted.

In addition to the above funding priorities, there are several additional budget provisions that we would like to call to the attention of the committee.

First, regarding educational service centers (ESCs), the Alliance supports the position of the Ohio Association of Educational Service Centers (OESCA) and agrees there is no need to further study ESCs and the critical supports they provide. On behalf of the ESCs that are members of the Alliance, I ask this Committee to support OESCA’s budget priorities.

Secondly, we believe the majority of school districts engaging in the BOR process by filing claims requesting valuation increases (or counterclaims defending the auditor’s values) operate in a fair and ethical manner. Our association agrees with OSBA, OASBO and BASA in opposition to the proposed major changes included in HB75 that would affect every school district regardless of prior behavior and thereby create an imbalance in the system; creating differences in how property owners and taxing entities are treated.

Finally, The Alliance and Ohio Excels, who originally developed independent proposals recommending changes to the existing graduation requirements, have collaborated to create a joint proposal. The proposal has had hearings in both Senate Finance Subcommittee on Primary & Secondary Education and Senate Education Committee.

The Alliance originally developed its proposal in collaboration with and through consultation with its members over the last year. It emphasized competency in math and English language arts, alternative ways to demonstrate competency, reductions in student testing and diploma seals to allow students to show they are well-rounded and ready for college or a career.

Ohio Excels worked with its board of business leaders to develop a proposal that provided multiple options for students to demonstrate they are ready for graduation. It emphasized early identification and supports for students, robust ways for students to demonstrate career experience and technical expertise, minimal proficiency in math and English language arts, and non-test options that are externally verified and consistent throughout the state.

The two plans shared many of the underlying principles and options for students. Seeing this, the Alliance and Ohio Excels, along with the Fordham Institute, took the best parts of each plan to create an even stronger joint proposal. That proposal calls for high school students to earn a high school diploma by (1) completing their required coursework, (2) demonstrating competency in mathematics and English language arts, and (3) preparing for college or career.

We feel strongly that this proposal deserves strong consideration and should be addressed by the Senate in this budget which would allow districts the time to begin to inform students and families of the changes.

Thank you for the opportunity to provide testimony today. The Alliance looks forward to working with the General Assembly and the DeWine administration as the budget continues to move through the legislative process. I am happy to address any questions Committee Members have at this time.