

Ohio Senate Finance Committee  
Senate Bill 376

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

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Chairman Dolan, Vice-Chair Burke, Ranking member Sykes, and members of the Senate 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 Poverty and Preschool Subgroup along with my colleague, Doug Ute. I appreciate this opportunity to testify today regarding the Poverty and Preschool portions of SB 376 – the proposed Fair Funding Plan for Ohio's schools.

As Ryan Pendleton mentioned in his testimony, there are three steps to the Fair Funding Plan; Step 1 Base Cost, Step 2 Distribution and Step 3 Categoricals. I will start Step 3 the Poverty and Preschool.

Poverty and Preschool are considered within the same subgroup because the need to provide economically disadvantaged children with additional support to prepare them for school is 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 indicates 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 does not approach the recommended percentage of additional funding.

As a condition of receiving economically disadvantaged aid, school districts are restricted to a list of approved expenditure categories and are required to complete an annual survey reflecting how those funds were expended. I refer you to the current authorized list of expenditures below:

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

As you can see this list does not include expenditures for social or emotional support services, family engagement, or reduction in class size. After ongoing input by advocacy groups and individual school districts reporting on their specific program, we amended our recommendation by inserting language below:

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 (without grade restriction)

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, I invite you to examine the figure below:

### **Economic Disadvantaged Aid**

#### Current FY20 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)<sup>2</sup> \* # 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:

$$100/47.9 = 2.088$$

$$2.088 * 2.088 = 4.36$$

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

FY20 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:

$\$422 * 4.36 = \$1840$  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 FY20 base cost amount

SB 376 will increase the funding amount from \$272 per pupil to \$422 per pupil and 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 SB 376, until the study is completed. The study, as previously authorized, is to determine the appropriate amount of funding needed, in addition to base cost, to properly prepare an economically disadvantaged child for success.

### 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).

SB 376 calls for every 4-year-old identified as economically disadvantaged have access to at least one year of high quality preschool education and that identification of those children be enhanced to guarantee that opportunity for all those who should qualify.

In addition, SB 376 calls for the authorization and funding of 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 four-year-olds that are economically disadvantaged.

Determine 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 so that 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 those children who are of school age are readily available. 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.

Chairman Dolan, Vice-Chair Burke, Ranking Minority Member Sykes and members of the Senate Finance Committee, thank you for this opportunity to offer testimony today. I look forward to answering any questions you may have.