

**Testimony in Support of House Bill 110
Proposed Fair School Funding Plan - Poverty and Preschool**

**Senate Education Committee
Senator Andrew Brenner, Chair
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Chair Brenner, Vice Chair Blessing, Ranking Minority Member Fedor, and members of the Senate Education Committee, my name is Claudia Zaler, Treasurer/CFO at Waverly City Schools in Pike County. For the past three plus years, I have had the privilege of being a part of the Fair Funding Workgroup, established by Representatives Cupp and Patterson; I serve as Co-Chair of the Economically Disadvantaged and Preschool Subgroup along with my colleague, Marlon Styles, Superintendent Middletown City School District. We appreciate this opportunity to testify today regarding the Economically Disadvantaged and Preschool portions of House Bill 110.

Economically Disadvantaged (referred to as DPIA) and Preschool were considered within the same categorical because students living in poverty face a number of systemic inequities that students in other districts do not. Middletown City School District is a proud urban district with a 100% free/reduced lunch rate while Waverly City Schools is a proud rural district with a 100% free/reduced lunch rate. Prior to the current flat funding structure, Middletown CSD was one of the Ohio districts whose funding was capped, and at \$14,400,000 short of the formula aid. As you think and listen to how many AP courses, career pathways, STEM experiences, counseling supports, technology resources, and other experiences offered by other school districts, just remember my district was underfunded by \$14.4 million. In our districts, we are working on food distribution plans, seeking partnerships for school based health clinics, summer remediation and Kindergarten camps, technology/Internet access, and more. You see, there are clearly two educational systems being funded in Ohio. Our message today calls for Ohio Legislators to be unapologetically equitable. If Legislators aren't, then some students will have opportunities. Not all. Just some.

Family Story:

- I am a Spanish-speaking parent who lives in an urban community where the median household income is \$39,000. I live in a community where 1 out of every 4 residents lives in poverty. I just lost my job. My district made \$2,000,000 in reductions last year. My child has a lot of potential, but very few opportunities due to inequities in resources. The district doesn't even have the ESL supports needed so my child can learn in school. And I'm screaming "Dale una oportunidad a mi hija."

- I live in a rural community where the median household income is \$40,000. I live in a community where the school district has been underfunded for years. The school cannot even afford to put a levy on the ballot. Reductions continue to negatively impact my child's education. My neighbors and I face the annual possibility of school levies, knowing that we won't be able to afford the increases in our taxes. And I am screaming, "Give my kid a chance."

Let us get into the Fair School Funding Plan for the economically disadvantaged categorical. As you can see from the formula provided below, the current formula for economically disadvantaged aid, a district with 100% of economically disadvantaged students, is not even receiving an additional 20% of the base cost per student. For districts with less than 100 % of ED students the % received per pupil is even less.

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 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.

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 FY19 base cost amount

It is important to note that these two calculations are based on the current formula base amount of \$6,020. Under House Bill 110 the base cost increases beyond \$6020, so the per pupil amount of ED funding received will be less than 30% of the new base cost.

House Bill 110 increases the economically disadvantaged funding amount from \$272 per pupil to \$422 per pupil. The plan further establishes this per pupil funding level, subject to the formula which increases the per pupil amount as the concentration of economically disadvantaged students increases. A study has been approved and funded allowing the per pupil amount to be revisited.

In addition to increasing the amount, we look to broaden the category of allowable expenditures to include areas such as increasing social/emotional supports, reduced class size, access to quality preschool to every economically disadvantaged 4 year old, and others. Districts need to be able to use this money on what matters for the students we serve who are living in poverty.

In HB 110 as passed by the House, separate funding for Success and Wellness (S&W) has been eliminated. The revenue that has been dedicated to that purpose is being used toward facilitating the implementation of the Fair School Funding Plan (FSFP).

Within the base formula of the FSFP, one component is for the Social, Emotional, and Security needs of students. The purposes for that base funding component closely mirror the purposes of S&W dollars. As part of a comprehensive school funding reform, all components of funding should be incorporated into the new formula, rather than having pieces remaining separate to be allocated in different manners. In recognition of the similarity between the two programs, the base component social, emotional, and security of the FSFP is being renamed as Success and Wellness funding.

As the FSFP is phased-in, HB 110 does recognize that S&W funding has existed the last two years. The amount that districts received in S&W funding in FY 2021 is being incorporated into the base level of funding for FY 2022 and FY 2023. This will insure during the upcoming biennium that no district will receive less overall funding than it received in FY 2021, including FY 2021 S&W dollars.

This funding will provide districts more assurance of sustainability for social, emotional and security programs that have been started or enable growth of such programs.

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, 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).

House Bill 110 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.

In December 2020, the 133rd House of Representatives General Assembly showed overwhelming support for the Fair School Funding Plan, House Bill 305, 87-9. On April 21, 2021, the 134th General Assembly voted 72-27 for House Bill 110, with over 50 co-sponsors. We are so grateful for the overwhelming positive support so far. Reality is we are still at the table, as passionate as every, working to push the Fair School Funding Plan across the finish line. You may have technical questions about the Fair School Funding Plan itself. You may or may not even be struggling with accepting the inequities of Ohio's current funding structure. You may or may not be wrestling with your own implicit bias regarding people who live in poverty. You may or may not be debating in your head, is change needed? Some in here today, may even already know they support the Fair School Funding Plan. What we can tell you is this. Our students are passionately wanting to help us see the world through their eyes, so we (adults) see the reason for why change in our schools is needed. Today, we stand before you to help you see education through the eyes of students and families living in poverty, so you see the need or reason for why change is needed in school funding.

When I grew up my Grandfather would always tell me. If you do what is easy, life will be hard. But if you do what is hard, life will be easy. We are here to unapologetically attempt to inspire you to shift away from doing what is easy, to shift away from accepting inequities in school funding, and to shift away from a school funding system that is only good for some. We are unapologetically in front of you right now to inspire you to support legislation that ensures equity for students living in poverty. To support school funding legislation, at its core, centered on equity. We are unapologetically in front of you, at this very moment, asking that you do what is hard so life will be filled with opportunities for students living in poverty to make their dreams come true. Provide the opportunity for...

- The urban and rural student living in poverty, who wants to be an engineer, to have access to the gifted services and pathways needed to make their dreams come true.
- Every 4-year-old child living in poverty that walks into kindergarten classrooms ready to thrive, provide them the quality preschool experience they deserve.

The Fair School Funding Plan inspires equity for all. We know you share that same core value. We ask that you continue the positive momentum for the Fair School Funding Plan. We ask that you support HB 110. Chair Brenner, Vice Chair Blessing, Ranking Minority Member Fedor, and members of the Senate Education Committee, thank you for the opportunity to testify. We are happy to answer any questions you may have.