



Testimony on House Bill 64, State Budget
House Finance Committee

On behalf of

Ohio Association of Career Technical Education
Ohio Association of Career Technical Superintendents

Ron Matter, President OACTS and Superintendent, Penta Career Center

Thank you for giving me the opportunity to share our concerns regarding career-technical education funding in House Bill 64, the Budget Bill. On behalf of the **Ohio Association of Career Technical Education** and **Ohio Association of Career Technical Superintendents**, as well as all of the state's comprehensives and compacts, we advocate for a funding mechanism for career technical education ("CTE") that allows for growth and expansion of programs and will provide over time adequate, consistent funding for CTE statewide.

Currently, CTE funds are provided on a per pupil basis and calculated by "category," based on area of study. The categories, known as "tiers," are set by statute and range based on area of study from \$4800 (manufacturing, agriculture) to \$1210 (family and consumer science). **But no JVSD, comprehensive or compact district receives the full value in these tiers. Many receive much less. Some receive zero.**

Tiered funding is calculated within the context of the overall school funding formula. Thus, if a district is on the guarantee or the cap, as many are, no new funds are generated when more students or new programs are added. Under the formula, if a district receives additional CTE funds, the district's overall state funding does not change due to the cap or the guarantee. Because CTE funds must be spent on CTE, other areas of the district (*i.e.*, special education) receive less. This is especially detrimental for compacts and comprehensive school districts that offer CTE. Practically speaking, this acts as a major barrier to starting new programs.

In addition, tiered funding is subject to the state share calculation based on the district wealth index. As a result, JVSDs, comprehensive and compact schools receive less than the amount in the tiers. Some receive *zero*.

Additionally, we note that current law requires 75% of tiered funds be spent on supplies and equipment “related to CTE.” In the JVSD context, this distorts funding decisions and creates accounting challenges. While a key policy for comprehensives and compacts, it is inappropriate for JVSDs since all JVSD spending is CTE-related.

As a solution to these funding issues, we propose amending House Bill 64 in the following manner:

- (1) Fund CTE outside the cap and guarantee to allow districts to receive the additional tiered funds;**
- (2) Over time, gradually phase-out the subjecting of the tiered funding to the state share-- thereby creating equity for all districts providing CTE; and**
- (3) Eliminate 75/25 rule for JVSDs (not for comprehensives/compacts).**

We believe this approach will benefit career-technical education and the state as a whole by allowing districts to add new programs and receive additional funding for doing so by removing career technical funding from the guarantee and cap. It also promotes fairness in funding by providing each district with the full amount tiered funds for offering the same programs (a welding program in one district would receive the exact dollars per FTE that another district would for the exact same program).

To be clear, we know the State has made a commitment to career technical education and has made workforce development a focus. But neither the current school funding formula, nor the formula in HB 64, achieves the vision we all share for a robust CTE system statewide where students can receive strong technical training for a career and employers can find qualified job applicants for in-demand jobs requiring technical skill. The pieces are all here, but the formula is holding back our state and the vision will require more resources.

We look forward to working with you on this very important issue. Thank you for your time and consideration.