

**Testimony in Support of House Bill 1
Proposed Fair School Funding Plan - Poverty and Preschool**

**House Finance Subcommittee on Primary & Secondary Education
Representative Tracy Richardson, Chair
February 24, 2021**

**Claudia Zaler, CFO
Waverly City School District**

**Marlon Styles, Superintendent
Middletown City School District**

Chair Richardson, Ranking Member Troy, and members of the Finance Subcommittee on Primary and Secondary Education, my name is Claudia Zaler, Treasurer/CFO at 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; 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 1 – the proposed Fair Funding Plan for Ohio’s schools.

Economically Disadvantaged 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. 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 1 the base cost increases beyond \$6020, so the per pupil amount of ED funding received even if there was no phase-in will be less than 30% of the new base cost.

House Bill 1 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. The funding level would be fully funded, with no phase in, before any monies are appropriated for any other provision of House Bill 1. 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 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.

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 1 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.

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 that walks into kindergarten classrooms ready to thrive, provide them the quality preschool experience they deserve.

In December, the 133rd House of Representatives General Assembly showed overwhelming support for the Fair School Funding Plan 84-8. Today, House Bill 1 has over 50 co-sponsors from the 134th House of Representatives General Assembly. Our final message is intended for all Ohio's Legislators because honestly some still need to hear it. The school finance structure offers opportunities for some, and that does not include those living in poverty. The Fair School Funding Plan inspires equity for all. We can do more to support Ohio's students living in poverty. Ohio can do better. The Fair School Funding Plan, no other plan, the Fair School Funding plan at its core supports Ohio's students. Support HB 1. Chairwomen Richardson, ranking minority member Troy, and members of the House Finance Committee's subcommittee on Primary and Secondary Education, thank you for the opportunity to testify. We are happy to answer any questions you may have.