

Testimony in Support of HB 1

**Ohio House of Representatives
House Finance Subcommittee on Primary & Secondary Education
Representative Tracy Richardson, Chair
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**Jenni L. Logan, Treasurer/CFO
Lakota Local School District**

Chair Richardson, Ranking Member Troy, and members of the House Finance subcommittee on Primary and Secondary Education, thank you for the opportunity to speak before you today. My name is Jenni L. Logan, and I serve as the Treasurer/CFO of the Lakota Local School District, Butler County, Ohio. Today I am delivering testimony on behalf of Jerry Brockway and Carrie Herringshaw, who have both served as the co-chairs representing Educational Service Centers.

Educational Service Centers (ESCs) are intermediate education units created by the State of Ohio to serve school districts and other education entities that provide direct instruction to students. ESCs provide little direct instruction but are essential in supplying high quality educational opportunities to Ohio schools. Ohio has 51 ESCs, no two of which are alike. The smallest ESC serves just over 5,800 students in a rural county where most districts are small and have limited resources. The largest ESC serves many more districts in a three-county area including urban, suburban, and rural districts with a total student count of more than 200,000.

ESCs are required to provide certain services, but the bulk of their time and resources are spent on services specifically requested by their member districts. Those requests vary widely due to the size of the districts and their available resources, and demographics, special needs, and other characteristics of the student population. ESCs accurately reflect the needs and wants of their member districts and the entrepreneurial inclinations of their boards and staff. In addition, because districts may change ESCs every two years, active competition exists among neighboring ESCs.

All of these factors make the development of a single funding mechanism difficult at best, but the Subgroup is concerned that the current per pupil amount has no discernible relationship to any objective, cost-related procedure, and that significant reductions have occurred in recent years with no rational explanation.

During the deliberations of the Subgroup, the members heard testimony from officials from various ESCs about the services and programs offered and from district officials about the benefits they derive from their respective ESCs. In addition, the Ohio Association of Educational Service Centers (OESCA) provided a recommendation to the committee that was deliberate and thoughtful and contained valuable information in assisting us in developing our recommendation.

In keeping with the base aid recommendation and the components therein, each Educational Service Center shall receive state aid in the amount of \$356,250. This is based on the following calculation:

\$115,000 – superintendent salary
\$88,000 – treasurer salary
\$50,000 – central office administrative assistant
\$63,250 – benefits for three positions
\$40,000 – facility costs

In addition, an interim formula to be implemented (with no phase-in) to fund ESCs until a study is complete.

A study is currently underway in the Auditor of State’s office (directed by SB3 as adopted in December 2016), to provide standards and benchmarks and possibly provide the Ohio Department of Education a basis for developing new performance measures. While the study does not have a funding component, discussions will be held with the auditor’s office to determine if results of the study could be used in the development of a permanent funding methodology that would be fair to all ESCs and the students they serve.

The interim formula proposed provides for an additional \$24.72/pupil for ESCs for pupil count 5,001 to 35,000, and an additional \$6.18/pupil for ESCs for students 35,001 and above. All ESCs will see an increase over current funding levels. Once the study is complete, a permanent funding model for ESCs will be considered.

The increase in ESC funding will help cover basic costs ESCs incur by their mere existence. Like the Base Aid recommendation, this is not a “prescribed” model for spending funds but a way to calculate funds an ESC will receive which may then determine the best way to spend those funds.

Conclusion

ESCs are the central component of the Ohio Educational Regional Service System (ERSS) under Chapter 3312 of the Ohio Revised Code, which was created by the Ohio General Assembly to increase efficiency, reduce duplication and redundancy, and provide school improvement and other technical assistance and support functions. Under this statute, ESCs are required to carry out anything charged to them by the General Assembly and/or the Ohio Department of Education in addition to other statutorily defined services including:

- Coordination of cooperative special education programs
- Establishment of Business Advisory Councils
- Professional Development related to state standards, model curricula, and assessments
- Technical assistance and support related to value added and the state report card

These requirements dictate that ESCs have the support and basic infrastructure in place to respond as directed by the state of Ohio and to support the field on behalf of the Ohio Department of Education.

Thank you again for your time and consideration. I am happy to address any questions you may have.