

Ohio Education Association State Budget (Substitute HB 59)

School Funding

House Bill (HB) 59, as introduced, included Governor Kasich's proposed new school funding formula. Under the Governor's plan, the base amount of the formula (Core Opportunity Aid) equalizes a school district's valuation per pupil up to 20 mills at \$250,000 in valuation, generating \$5,000 per pupil. This was a drastic reduction from the existing formula, the bridge, that funds basic aid at \$5,732 per pupil. This higher number has not been adjusted since FY 09.

The substitute House proposal returns the base per pupil amount to \$5,732 in FY 14 and \$5,789 for FY 15. This approach seems to provide a better path forward for funding distribution than the methodology originally proposed. The plan reduces the number of districts that would receive hold harmless guarantee funds from 398 to 175 in FY 14.

While the House proposal makes progress, it does not fully fund school districts because it places a 6% gain cap on funding increases in each year of the biennium. Approximately 364 districts are subject to the gain cap in FY 14 and 312 districts in FY 15. Another shortcoming in the House proposal remains the fact that it fails to identify the components needed for a high quality education and what it costs to provide that education.

The plan also proposes to return transportation and career technical money to the formula calculation. OEA continues to analyze this impact on overall support for schools.

Both plans include additional components to the funding plan such as targeted assistance funds (based on property wealth and income) and funds directed at special education students, English language learners, gifted students and those who are economically disadvantaged.

OEA Talking Points: Ohio must adequately support our most valuable resource – our children. Therefore, OEA recommends increasing the per pupil base amount from the current \$5,732 to adjust for inflation. Additionally, OEA recommends an ongoing process to determine the components of a high quality education, costing these provisions out and making recommendations to the legislature for changes to the funding formula.

- The plan fails to fully address the reductions districts experienced from the last budget cycle (\$1.8 billion) that resulted in lost opportunities for students.
- The formula fails to define what components are needed for a high quality education and what it costs to provide that education.
- The House proposal makes progress; however, it does not fully fund school districts because it places a 6% gain cap on funding increases in each year of the biennium. Approximately 364 districts are subject to the gain cap in FY 14 and 312 districts in FY 15.

- The House plan reduces overall education spending by more than \$300 million from the Executive Budget proposal. These funds should be reinstated and used to help school districts provide high quality opportunities for Ohio’s students.
- The House plan returns to special education weights instead of dollar amounts. OEA supports this change; however, the weights are only funded at 90%. OEA supports 100% funding of special education weights.

Income Tax Changes

- Substitute HB 59 replaces Governor Kasich’s proposed 20% across-the-board income tax cut phased in over three years with a permanent 7% income tax reduction. This proposal, if passed, would cost \$1.5 billion and be paid for by anticipated revenue growth and a carryover balance from FY 2012. The income tax reduction predominately favors higher income Ohioans.

OEA Talking Point: We need to adequately and equitably fund our public education system first rather than provide an income tax break that primarily benefits the wealthy.

Vouchers

HB 59 calls for the creation of a new, statewide voucher program available to students based solely on household income. In the 2013-14 school year, children entering Kindergarten with a household income below 200% of the federal poverty level (\$46,100 for a family of four) would be eligible. The program expands to first grade the following year. Unlike current voucher programs and charter school funding, this new voucher does not have “pass-through” funding from local school districts. The program would be funded directly from lottery profits (more than \$25 million over the two year budget).

Additionally, beginning in the 2016-17 school year, the bill would expand eligibility for the Ed Choice voucher program to students assigned to schools that earn a “D” or “F” on the K-3 literacy component of the report card.

OEA Talking Points: Urge legislators to remove the new expansion of vouchers from the bill. Scarce resources should be used to ensure adequate funding for our public schools where the vast majority of Ohio’s students are educated.

- This proposal would expand vouchers statewide even in the highest-performing school districts.
- There is no evidence of improved academic performance under Ohio’s existing voucher programs.
- Over 90% of Ohio’s students are educated in public schools that are still reeling from the massive cuts of \$1.8 billion in the last budget. Instead of creating new voucher programs, scarce resources should be used to adequately fund our public schools.
- This program and its costs would increase dramatically over time. Once a student receives a voucher, they get priority for a renewal each year until they graduate from high school—even if they no longer qualify based on family income.

Single Salary Schedule

OEA opposes the elimination of statutory language requiring that public school employees be paid based on a single salary schedule. The single salary schedule requires equal pay for employees with the same levels of experience and training. In fact, the budget even eliminates statutory language requiring that salary schedules for non-teaching public school employees be based on training and experience.

Urge legislators to reinstate the single salary schedule requirement for public school employees, which prevents favoritism and discrimination by requiring equal pay for employees with the same levels of experience and training.

- Single salary schedules based on experience and training prevent unfair and arbitrary pay differentials based on biases regarding grade level taught, subject of instruction, job duties, race, and gender.
- The elimination of the single salary schedule based on experience and training creates an open invitation to favoritism and arbitrary treatment in the compensation of public school employees, which is what single salary schedules were designed to prevent.

Minimum Teacher Salary Schedule

OEA opposes the elimination of the state minimum salary schedule for teachers based on years of service and training. State minimum teacher salaries were last updated in 2001. For example, the minimum base salary for a teacher with zero years of service and a Bachelor's degree is \$20,000. State minimum salaries are still relevant. Six Ohio school districts had 2012 starting base salaries below \$25,928, which is the inflation adjusted value of the \$20,000 state minimum salary established in 2001. The lowest starting teacher salary in Ohio is \$23,660.

Urge legislators to reinstate the state minimum salary schedule for teachers. In addition, encourage legislators to increase minimum teacher salaries for the first time in over a decade, which will help to ensure the competitive salaries that recruit and retain high quality educators.

- The state minimum salary schedule for teachers is still relevant and serves an important function in setting a fair and competitive salary floor for teachers. Six Ohio school districts had 2012 starting base salaries below \$25,928, which is the inflation adjusted value of the \$20,000 state minimum salary established in 2001. The lowest starting teacher salary in Ohio is \$23,660.
- Competitive salaries are a critical part of recruiting the high quality teachers needed to raise student achievement in Ohio. Instead of eliminating the state minimum salary schedule for teachers, the OEA recommends that the Governor and legislature focus on updating minimum teacher salaries, which were last increased in 2001.

Days to Hours

HB 59, as introduced, proposed to make changes to Ohio's standards for a minimum school year to be based on hours rather than days and hours beginning in the 2014-2015 school year. The hour requirements would be 910 hours for all-day Kindergarten-6th grade and 1,001 hours for grades 7-12 (same as current law). The bill also eliminates language in law defining a school week as five days, permits a chartered non-public school to have school on the weekends and eliminates the five statutory calamity days and the need for a school district to approve a contingency plan.

The changes to the minimum school year would not apply to any collective bargaining agreement executed prior to July 1, 2014 but would require that any collective bargaining agreement or renewal executed after that date comply with those provisions.

HB 59 was amended in the Ohio House to require school district boards to hold a public hearing on the school calendar 30 days prior to adopting the school calendar and prohibits a school district from reducing the total number of hours of instruction from the previous years, unless the reduction is approved by the district board.

OEA Talking Points: OEA recommends that the House reinstate language defining a school week as five days for public schools and support the new safeguards included in the bill.

- By not defining a school week as five days, it would be permissible to shorten the school week and lengthen the school day. A longer school day is problematic for children, especially those in lower grade levels, as their capacity to focus, be active participants in the classroom and retain information will be diminished. It is also problematic for older students who participate in extracurricular activities or have a job.
- Allowing school districts to reduce time on task is the wrong approach when the Ohio Legislature continues to increase expectations for our students.