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OHIO EDUCATION ASSOCIATION
House Finance Committee
Substitute House Bill 305 Proponent Testimony
December 1, 2020

Good morning Chair Oelslager and members of the House Finance Committee. My name is Scott DiMauro. I am a high school social studies teacher from Worthington with 16 years of classroom experience, and I currently serve as President of the Ohio Education Association. Thank you for the opportunity to offer proponent testimony today regarding Substitute House Bill 305, better known as the Fair School Funding Plan (FSFP). On behalf of the more than 122,000 OEA members, we look forward to working with you on Substitute House Bill 305 to address Ohio’s school funding crisis and to finally ensure that Ohio’s students are given the state resources needed to receive a world-class education.

Let me begin by extending our sincere appreciation to Speaker Cupp, Representative Patterson, Senators Lehner and Sykes, other legislators, and education leaders for their hard work and commitment to craft solutions to Ohio’s inadequate school funding formula – some of whom have worked for decades to make sure kids get what they need.

OEA has long advocated for state lawmakers to address the shortcomings of Ohio’s school funding system. Ohio’s current school funding system falls short of meeting the needs of students and the school districts that educate them. The Covid-19 pandemic has underscored the critical need for Ohio to create a new school funding formula and end the band-aid approach to a formula that is not driven by what constitutes a high-quality education.

Further, OEA believes that Ohio should enact a student-centered formula that is equitable, adequate, predictable, and that ensures that all students have the resources to succeed regardless of where they live or their family’s income. Additionally, the school funding formula should directly fund charter schools in a way that is fair to both school districts and charters, as well as local taxpayers.

The FSFP school funding formula outlined in Substitute House Bill 305 focuses on what students need to receive a high-quality education. It is built around the importance of supporting classroom instruction as well as focusing on social and emotional support, co-curriculars, safety and security, educator professional development, and access to technology.

The funding plan would provide an additional \$1.99 billion more in state aid when fully phased in and provides about 70% of the increased funds to the poorest urban, small town, and rural districts in the



state. The plan would also end the use of gain caps and would reduce the number of districts from the state's funding guarantee to fewer than 10 of Ohio's 613 districts. Considering every district is now either capped or guaranteed, this is quite a welcome shift. As if to accentuate how impressive the formula does work is East Cleveland. East Cleveland has been on the state guarantee since the 1970s. Yet this plan will eventually put East Cleveland on the formula – a remarkable achievement thought impossible by many.

State/Local Share Calculation

OEA has argued that Ohio's current formula for determining local share (State Share Index - SSI) was not easily understood. Districts were tied together for purposes of determining each district's SSI. When property values fluctuate in one district or a group of districts, the SSI changed for all the districts in the state. It was impossible for district leaders to replicate their own local share of the state's funding formula. Substitute House Bill 305 replaces SSI with a mechanism that address these concerns. The new method for determining the local share is derived by using property values (60%) and income of district residents (40%). Further, each district's local share is not tied to fluctuations in the property values in other districts.

The local capacity percentage (2.0% to 2.5% based on district median income), as contained in previous versions of HB 305, made poorer districts appear wealthier than what they actually are. Feedback from education stakeholders indicated the solution to this issue was to eliminate the artificial floor (2.0%) and instead the capacity percentage for districts below the 2.5% level will be the actual calculation. Substitute House Bill 305 incorporates this change resulting in a more equitable formula. OEA supports this change.

Charter and Voucher Funding

OEA supports the FSFP proposal to direct fund charter school and voucher students rather than the current district pass-through system. Under the current funding system, too many school districts are forced to subsidize the difference between the full per-pupil charter school deduction and the lower per-pupil state aid that a district receives. This results in local public schools having to either cut services for their students, tap into local revenues, or both. Direct funding of charter school students will move Ohio to a fairer system that doesn't pit charter schools and school districts against each other.

Economically Disadvantaged Student Funding

The most recent budget bill directs the state to study the true cost of educating economically disadvantaged students in Ohio. Until this study's results are available, the bill's funding formula increases economically disadvantaged student aid base amount from \$272 to \$422 per pupil. OEA supports this \$150 per-pupil increase. However, national research finds that the cost of educating an economically disadvantaged student can be more than twice as high as educating a student who is not economically disadvantaged. An Ohio-centered study is critical towards closing the education opportunity gap here in Ohio. It will provide an Ohio solution to an Ohio problem.

Transportation

The substitute bill provides much needed resources to school districts for transportation. For the transportation of students with disabilities, the measure proposes to pay school districts a percentage of their actual costs. This percentage increases annually and results in funding that more closely tracks school districts realized costs.

Additionally, the measure provides support to communities that transport students to charter and voucher schools. For years, districts have struggled to meet the largely unfunded mandate of transporting students to these districts' competitors. Having state funding help offset these costs – in some districts these costs are quite exorbitant – is a step in the right direction. In some communities, districts bus as many or more kids to charter and voucher schools than their own.

The bill also includes intent language of funding bus purchases of \$45 million in FY22 and FY23 to support school districts in efforts to replace aging school buses.

OEA supports these concepts.

Studies

Substitute House Bill 305 includes studies on special education, gifted education, incentive programs for rural districts serving gifted children, English learners, e-schools, and Educational Service Centers to be completed by December 31, 2022. The bill also includes a \$5 million appropriation for the studies. OEA supports these studies as the findings will provide Ohio specific data needed to address the support of these programs.

School Funding Oversight Committee

OEA supports the creation of the School Funding Oversight Committee. This committee is charged with making recommendations to policymakers on modifications and adjustments to the formula. Additionally, they would review and analyze the studies outlined in the bill and make recommendations based on those studies findings.

The makeup of the committee would include legislators, school superintendents, treasurers, and parents. The voices of building leaders, classroom educators and support personnel voices are notably absent. OEA requests that the bill be modified to include teachers representing a combination of urban, rural, and suburban districts appointed by the State Superintendent of Public Education with consultation from OEA and OFT.

No school funding model is perfect, and the ongoing work of this committee is extremely important. We look forward to working with the oversight committee on recommendations on to improve the school funding formula.

In conclusion, Substitute House Bill 305 represents the best hope for structural change in the way Ohio funds the education of 1.7 million students. The bill will also finally address some of the greatest issues raised by the DeRolph decision. OEA looks forward to working with members of the legislature to finally deliver the school funding system our children and communities deserve. I am happy to take questions at this time.