

Ohio Senate Finance Committee
S.B. 376
Proponent Testimony
Anthony J. Calderone, Superintendent, LaBrae Local Schools
December 1, 2020

Chairman Dolan, Vice Chairman Burke, Ranking Member Sykes, and esteemed members of the Senate Finance Committee, good morning, my name is A.J. Calderone, Superintendent of LaBrae Local Schools, and I am grateful to the committee for the opportunity to offer proponent testimony for S.B. 376. I present this testimony not only representing my support for Senate Bill 376 and Substitute H.B. 305, but also with the support of 132 school district leaders, including superintendents, treasurers/CFOs and other school district officials in the Northeast Ohio region, whom have signed on to this testimony in support of its goals, concepts, and objectives. You can view the full list of those who support this testimony at the end of this document.

In the last 23 years, the Ohio General Assembly has been unable to create a funding system that meets Ohio's constitutional standard of securing "... a thorough and efficient system of common schools throughout the state."

Over the last 16 years of my administrative experience, the biennial budget process, relative to school funding, has delivered unpredictability. Each budget cycle creates apprehension among school treasurers and superintendents as we wait in anticipation to learn of the nuanced changes to what has been an inconsistent and illogical methodology to funding schools in this great State.

Simply, Ohio's system for funding schools has been a series of ever-changing patches, band-aids and budgeting quirks. Ohio generally allocates a budgetary figure for primary and secondary education and then determines how funding calculations and variables must be amended to keep the total cost within that budgetary allocation.

The previous biennial budget identified 503 school districts out of 610, or 82%, either "capped" in their funding, or on the "guarantee," which is a testament that Ohio's funding model is not effective. Another example, gain caps, subsidies for high performing districts, subsidies to districts based on 3rd grade reading passage rates, acceleration formulas that exacerbate funding reductions if a district has lost more than 5.5% of its ADM, and competition for Straight A Funds, serve as a few of the examples by which Ohio has changed the allocation model over the years, but in the process it has created winners and losers. Hundreds of districts in Ohio have fallen victim to school funding practices such as the aforementioned. In fact, \$300 million in school funding cuts implemented in both FY2020 and FY2021, induced by the realities of a nationwide pandemic, effectively have 100% of Ohio school districts on the "guarantee" as no district is being funded by the current distribution model. One cannot dispute that the system is broken.

Some of the tenets of Ohio's school funding, such as the Opportunity Grant, Targeted Assistance, Economically Disadvantaged Funding, Student Wellness, and K-3 Literacy Funding are reminiscent of the building blocks of yesterday, but these components, and others before them, are examples of Ohio's acknowledgment of the inputs necessary to appropriately fund schools.

The Fair School Funding Plan is our State's second serious attempt at trying to create a thorough and efficient system of educating Ohio youth. This input-based funding approach is a more logical method for funding schools as it is attempting to determine the true cost of educating a typical child. The funding components of the Fair School Funding Plan are based upon research and will remain current by the Plan's recommended study groups. It is widely understood, the teacher in the classroom is the most critical component to student achievement, and one of the most important facets in the Base Cost is the focus on classroom instruction with 60% of the funding driven by research-based staffing needs. Also, by taking into consideration specials, substitute teachers, and professional development, it is evident the Cupp-Patterson workgroup was being thoughtful and thinking holistic as it attempted to determine all applicable inputs into the Classroom Instruction component of the Base Cost.

The inclusion of a funding component in the Base Cost for security, Social Emotional Learning (SEL), technology, and other learning supports are critical facets that must be included in any input based funding model. While Ohio districts are extremely appreciative of the student health and wellness dollars appropriated in the current biennial budget, the Fair School Funding Plan goes further by infusing this idea as a permanent component in the Base Cost. Historically, Ohio schools have been mandated to address these issues according to societal needs and legislative will. I'm confident you've heard education leaders complain of unfunded mandates. However, the Fair Funding Plan provides for the funding of those directives, with the unfunded mandates becoming funded mandates, and something roundly supported by my colleagues across the state.

Simply put, the Base Cost is a conceptual funding model that is based on researched-based predictable data. The Base Cost, when coupled with the categorical funding components, and in light of the distribution model, create a funding system that moves Ohio in the right direction. The Fair School Funding Plan provides for a system that is predictable, reliable, sustainable, and scalable. This model provides the predictability district leaders so desire when attempting to forecast and plan long term.

Why does LaBrae support this plan? LaBrae Local Schools is a district that has an economically disadvantaged rate among students of 57%. In my opinion, our community is a great example of why the Court ruled in *DeRolph* that the over-reliance on property taxes is unconstitutional. One mill of taxation in LaBrae generates roughly \$112,000 of revenue. All of our local revenue is generated on total operating millage of 47.3 mills against property valuation that ranks LaBrae 529th in the state. Like many, we've seen our industrial tax base practically evaporate.

It has been 29 years since LaBrae last requested new operating revenue from our community.

Our district has been a bastion of fiscal responsibility, having never been placed in fiscal emergency during its 50-year history. We are always mindful of balancing resources to the wants and needs of students. However, paying bills in 2020 on property valuations from 1991, while trying to do our best for students, is getting ever more difficult.

Nonetheless, our district is reaching a critical point where we can no longer assure that our current path is sustainable. The overall economy of the Mahoning Valley, and the local capacity demographics of our community, make asking for additional millage an improbable situation. It is our hope to be able to stay off the ballot long enough to see the Fair Funding Model enacted into law, thereby providing the predictable and reliable funding support that keeps LaBrae from requesting more from our property owners.

While I share my LaBrae experience with you today, the problem is bigger than just the district I represent. Across Northeast Ohio, there is tremendous diversity in schools and the communities we represent. From English language learners to exorbitant special education costs, poverty, nutrition, and transportation needs, Northeast Ohio district responsibilities are varied and vast. There are supportive Ohio communities across the northeast region that love and support their schools. There are communities that don't have the income or property wealth to always support requests for new monies. The Fair School Funding Plan provides these districts a solution. Conversely, there are a myriad of communities with the means and collective will to support their schools, but even those communities have limitations on how far they can go to support the varied needs of students. The Fair School Funding plan provides these districts a solution.

The Ohio Fair School Funding Plan is a bipartisan solution that draws upon the expertise of the practitioners in the field. This legislation is founded on an extensive collaborative process of informed input that has resulted in a rather accurate estimate of the costs associated with providing a quality education to all Ohio students. The bipartisan efforts of the Cupp-Patterson mission, and the overwhelming legislator co-sponsorship support is exemplary, and it represents what Ohioans truly desire, our elected representatives partnering on issues that are critical to moving the State forward with legislative solutions to our problems.

Is the legislation perfect? No, but with its passage, Ohio is making a commitment to ongoing research of the varied funding components so that current and accurate data on poverty, transportation, special education, etc. can provide decision making guidance to refine the funding framework in order to optimize its effectiveness for all districts. It is a model piece of legislation deserving the support of the Ohio General Assembly.

In closing, the Ohio Fair School Funding Plan is our most viable school funding option. It is an investment in students and Ohio's economic future. The Plan is an inputs-based funding model of which Ohio is in desperate need. I encourage you to support the passage of this legislation. Help Ohio invest in our students and invest in our future. Again, I thank you for the opportunity to offer testimony, and I respectfully yield to the Chair for any questions.