



## Conference Committee Talking Points

### School funding – capacity calculation

We greatly appreciate the House and Senate continuing the phase-in of the Fair School Funding Plan and using the updated FY22 base cost inputs. However, the Senate modified the capacity calculation that determines the state and local share. This change results in an inequitable shift in funding onto local school districts.

The Ohio school community supports the Fair School Funding Plan because it is a fair, predictable, equitable, and adequate approach to school funding for Ohio's children. Part of that predictability comes from the capacity calculation that determines the state and local share. The capacity calculation identifies a local community's ability to participate in funding based 60% on its property value and 40% on the income of its residents. The 40% income component consists of 20% of the district's federal adjusted gross income (FAGI) per pupil (the "mean" FAGI) and 20% adjusted FAGI per pupil (the "median" FAGI).

The Senate-passed plan **eliminates** the **median FAGI** per pupil component from the capacity calculation. This change has two effects:

1. Districts immediately look wealthier because the median is no longer **protecting against extreme outliers** that do **not** represent the average income wealth of a community. By eliminating the 20% median FAGI, these extreme outliers are included, reducing the state share and increasing the local share.
2. **Anomalies**, such as a one-time sale of a business in a community, can **greatly skew** the average income from one year to the next. Again, by eliminating the 20% median FAGI component, these one-time anomalies are included, resulting in more volatility in the state share calculation.

Thus, by removing the **median FAGI** component from the calculation, the formula will be less equitable, predictable, and reliable.

**Thank legislators for continuing the phase-in of the Fair School Funding Plan and using the updated FY22 base cost inputs. Ask legislators to use the capacity calculation from the House version, based 60% on the property valuation per pupil, 20% FAGI per pupil, and 20% adjusted FAGI per pupil.**

### Economically disadvantaged student cost study

After the last biennial budget, Ohio undertook several studies to look at the unique educational needs of certain categories of students including students with disabilities, gifted students and English learners. However, Ohio has yet to conduct a study on the needs of economically disadvantaged students, which account for nearly 50% of Ohio's students.

***Ask legislators to restore the requirement for an independent comprehensive analysis of the true costs of providing supplemental services to economically disadvantaged students in Ohio along with the funding to conduct the study.***

### **Educational Service Center (ESC) funding**

Educational Service Centers (ESCs) serve as a vital link and partner in the educational process. ESCs provide a wide variety of direct and support services, including curriculum development, staff development, technology assistance and special education services to the public school districts they serve. Reduced funding for ESCs means increased costs for local districts. This funding is critically important.

***Request that the inputs for ESC funding be updated to use FY22 levels. This will mirror the funding update for traditional public school districts and other educational entities. The use of FY 22 inputs will ensure that ESCs can continue providing high quality services to districts as the priorities outlined in this budget are implemented.***

### **School funding – minimum state share percentage**

The Senate-passed plan increases the minimum state share percentage from 5% to 10%. This change is necessary because no public school district should receive less funding from the state than private schools. Under the proposals in both chambers, private schools receive approximately \$1,375 per pupil for auxiliary services and administrative cost reimbursement. Increasing the state share percentage from 5% to 10% results in districts receiving approximately \$820 per pupil, which does not completely close the funding gap, but brings public school districts closer to receiving the minimum amount provided to private schools.

***Ask legislators to keep the Senate’s minimum state share percentage of 10% to help close the funding gap, as no public school district should receive less funding from the state than private schools.***

### **Accelerated Appalachian School Building Assistance Program (AAP)**

The House-passed plan included the Accelerated Appalachian School Building Assistance Program (AAP), which allows school districts in the Appalachian region who have not participated in an Ohio Facilities Construction Commission (OFCC) construction program to apply for special assistance under the Classroom Facilities Assistance Program (CFAP).

This program is needed to ensure Appalachian students have access to equitable school facilities by setting them on an accelerated track to being taught in new school buildings – buildings that, in some cases, are more than a hundred years old.

***Ask legislators to restore the Accelerated Appalachian School Building Assistance Program (AAP) to ensure Appalachian students have access to equitable school facilities.***

### **Voucher expansion**

Ohio should first invest in the approximately 80% of students who have chosen Ohio’s public schools. These students continue to wait for the state to fully fund their success through the Fair School Funding Formula. In addition, the expansion of vouchers should come with additional academic and financial accountability to protect students and taxpayers.

Both the House-passed and Senate-passed versions increase the income eligibility threshold, from 250% to 450% of the federal poverty level (FPL), to qualify for the income-based EdChoice vouchers. Based on 2021 Ohio Census data, 74.3% of children reside in households at 450% or less than the FPL.

The Senate-passed version provides universal eligibility to Ohio students with specified dollar amounts for students in families with income above 450% of federal poverty levels and a minimum award of \$650 for a student in grades K-8 or \$950 for a student in grades 9-12 for families above 750% FPL. See the omnibus amendment summary for additional details.

***Request legislators to protect all students, families, and Ohio taxpayers by requiring any private school receiving these funds to have the same assessments, report cards, financial reporting, and audits as public schools.*** Providing the same measures and reporting will provide parents with transparent and consistent information across school settings while ensuring that taxpayer funds are being used in appropriate ways to provide a quality education. In addition, ***ask legislators to fully fund the 80% of Ohio's children attending traditional public schools before increasing funding for the 10% of students in private schools.***

### **Withholding funds for transportation noncompliance**

Pupil transportation presents a significant challenge for many districts. As a result of the current environment, some districts have been forced to make choices that have resulted in the district being found to be out of compliance by ODE resulting in the withholding of funds. We requested that the budget remove financial penalties, but those penalties remain in both the House and Senate versions of the budget.

***Ask legislators to use the House version which calculates the penalty based only on the daily amount for students who did not receive transportation.*** Even though this version contains a penalty for noncompliance, it does ensure that districts are only losing funds for those students that did not receive transportation.

### **Student transportation-impracticality to transport**

The Senate version would require that determinations of impracticality be reevaluated at least every other year and be reconsidered each year if a parent/ guardian has a change of circumstance and requests transportation.

***Ask legislators to remove the Senate changes.*** The change of circumstance provision is not clearly defined. Current law allows a parent/guardian who appealing a decision of impracticality to the State Board of Education to continue receiving transportation until a final determination is made. Allowing a parent/guardian to have an impracticality determination reevaluated annually would create a loophole in this process. At the very least, there should be language that excludes reevaluation if the case has been decided by the State Board of Education.

### **Transportation for students with disabilities**

The Senate version requires school districts to provide transportation as a related service to students with disabilities that live in the district but attend a private school if the district is provided documentation through the student's individualized education program, individual service plan or academic support plan.

***Ask legislators to remove the changes made by the Senate.*** Transportation of students with disabilities to private schools is a complicated topic and there is no simple universal answer. Processes and procedures for determining the transportation of private school students with disabilities already exist in the law.

### **Third Grade Reading Guarantee**

The flexibility around the retention provisions of the Third Grade Reading Guarantee provided districts and parents during the last three school years allowed educators, school leaders, and parents to make promotion decisions that were best for students on a case-by-case basis. This flexibility was a positive change for many young students and gave those closest to the child the ability to make decisions based on what is best for that student.

***Ask legislators to restore the elimination of the mandatory retention provisions of the Third Grade Reading Guarantee from the House-passed version keeping the rights of parents to make decisions about their children.***

### **Changes to the State Board of Education – OSBA members**

The Senate-passed version includes provisions from Senate Bill 1 that will undermine the role and authority of the elected members of the State Board of Education. By stripping it of all but its regulatory role, the board would no longer be acting in any significant way on behalf of the citizens they represent. At the core of our existence is the belief that education in Ohio will be at its best when the interests of the people are served through publicly elected boards and the State Board of Education is no different.

The current state board policymaking process acts in the open with many observers and interested parties weighing in on the decisions before the board. In addition to our association, over the years, we have seen parents, school leaders, educators and the public take advantage of the public nature of these deliberations. Decisions about important topics such as setting the state's learning standards, graduation requirements for students and school district report cards would be removed from State Board's responsibilities, thus diminishing the voice of Ohio citizens who voted to elect their State Board member.

***Request that the provisions of SB 1 be removed from the bill to allow for the continuation of open, transparent policymaking that exists today.***

### **Fraud reporting – OASBO members**

The Senate version includes provisions from Senate Bill 91 that would modify the Ohio Auditor of State fraud reporting requirements. SB 91 requires the creation and administration of training materials to all public employees and officials to ensure they know how to identify and report fraud. The bill also establishes a list of public employees and officials who must make a report of ***“fraud, theft in office, or the misuse or misappropriation of public money.”*** through the Auditor of State's fraud reporting system.

We strongly support the intent of this legislation – to identify and report fraud and theft immediately so that actions can be taken to recover public dollars and penalize individuals who engage in these crimes. In fact, we believe that the reporting requirement should apply to any entity receiving public funds.

However, as drafted, it is unclear whether the misuse or misappropriation of public money must be an intentional act. Considering the crimes of fraud and theft are defined by statute and

require intent, it could be assumed that intent is read into the remaining phrase; however, this should be made explicit. If this is not clarified, it is **highly likely** that the Auditor's system will be **flooded with overreporting** of mistakes made in the course of daily operations (which are later corrected and addressed during the audit process) and increase the time it will take the Auditor of State's office to investigate the reported mistakes and decipher if it is fraudulent.

*Please request that the provisions of SB 91 be removed from the bill to allow for the legislative process to continue, with an amendment to clarify that intent is required (i.e., "fraud, theft in office, or the intentional misuse or misappropriation of public money").*