

The Fair School Funding Plan

(Senate Companion Bill to House Bill 305)

Today's Agenda

- ✓ Recognition of Legislators
- ✓ Recognition of Workgroup Members
- ✓ Process to the Fair School Funding Plan
- ✓ Review of Simulations
- ✓ Next Steps



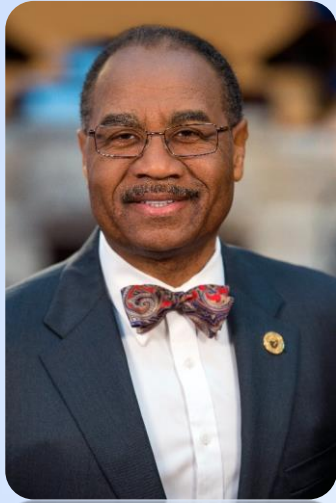
Ohio's Superintendent Association



Legislators



Senator
Peggy Lehner,
6th Ohio Senate
District



Senator
Vernon Sykes,
28th Ohio Senate
District



Representative
John Patterson,
99th House
District



Representative
Gary Scherer,
92nd House
District



Speaker
Robert Cupp,
4th House
District



FAIR SCHOOL
FUNDING PLAN

Presenters



Tom Hosler,
Superintendent Perrysburg
Exempted Village



Ryan Pendleton,
Chief Financial Officer
Akron Public Schools



Mike Sobul,
Senior Analytics Advisor,
Forecast5 Analytics & Advisor
to the Fair School Funding Plan



**FAIR SCHOOL
FUNDING PLAN**

SUBGROUPS

Chairs and Co-Chairs

BASE COST

Ryan Pendleton

Treasurer/CFO
Akron Public Schools

Tom Hosler

Superintendent
Perrysburg Exempted Village
Schools

DISTRIBUTION

Jared Bunting

Treasurer
Trimble Local Schools

Mike P. Hanlon, Jr., Ph.D.

Superintendent
Chardon Local Schools

POVERTY & PRESCHOOL

Claudia Zaler

Treasurer/CFO
Waverly Local Schools

Doug Ute

Superintendent
Newark City Schools

SPED, GIFTED, ELL

Jenni Logan

Treasurer/CFO
Lakota Local Schools

Michael J. Barnes, Ed.D

Superintendent
Lakewood City Schools

OPEN ENROLLMENT, CHARTERS, VOUCHERS

Steve McAfee

Treasurer
Whitehall City Schools

Scot Prebles

Superintendent
Forest Hills Local Schools

ESC, CTE & STEM

Jerome (Jerry) R. Brockway, Ph.D.

Superintendent
Ashtabula County Career Technical
Center

Carrie Herringshaw

Treasurer
PENTA Career Center, Wood County

TECHNOLOGY

Michael Tefs

Superintendent
Wooster City Schools

Cajon Keeton

Treasurer
Benton-Carroll-Salem Local
Schools

TRANSPORTATION

Kevin Lillie

Treasurer/CFO
Geneva Area City Schools

Dalton Summers

Superintendent
River View Local Schools

TECHNICAL SUPPORT

Jim Betts

Coordinator

Mike Sobul

Treasurer/Consultant
Granville Schools

Howard Fleeter

School Finance Consultant

Pete Japikse

Ohio School Boards
Association

Geoffrey Andrews

Executive Director
MCOECN

COMMUNICATIONS

**Ellen McWilliams-Woods,
Ph.D.**

Assistant Superintendent
Akron Public Schools

The Fair School Funding Plan

Three
Essential
Steps

1.

Step 1: Base Cost

2.

Step 2: State and Local Share

3.

Step 3: Categorical Aid

Rational, Transparent and Clear Funding Plan



FAIR SCHOOL
FUNDING
PLAN

Our Critical Values

Define

- What does it cost to educate every child and operate a district?

Ensure

- All students can achieve their greatest potential, regardless of their economic circumstances or their school district's property wealth.

Provide

- Stable funding formula that does not favor one district over another.

Fund

- Dollars flow directly to where students are educated.



Fair School Funding Plan

Step 1: Base Cost



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Step 1: Base Cost - How is this approach different than the past?

- ✓ We built this formula around the student and the student's educational experience.
- ✓ We considered the "whole student" – instruction, co-curriculars, professional development, social-emotional needs, career readiness counselors and technology – these are just some of components that went into building our model that has never been in previous models.
- ✓ It is a unique model – built around Ohio's learners today and Ohio's workforce needs of tomorrow.

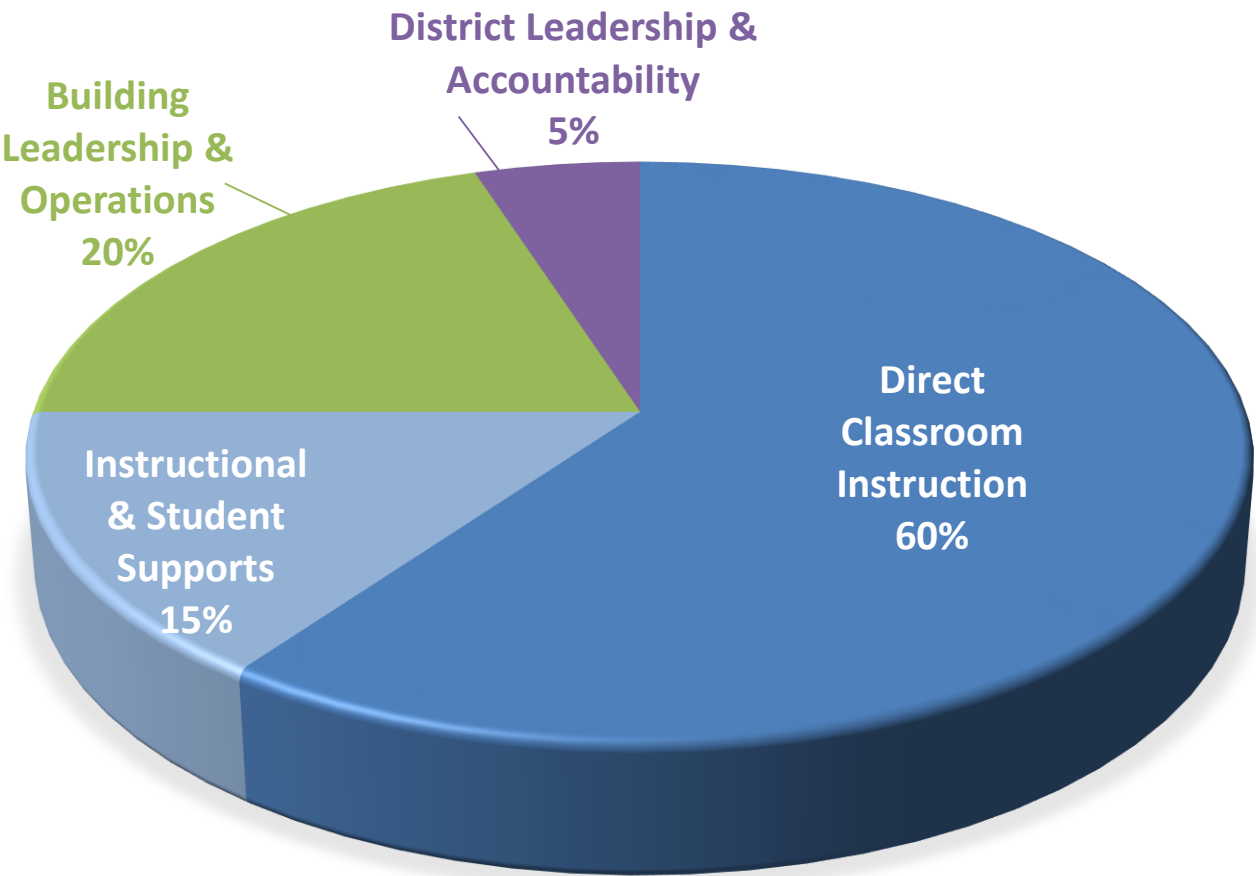
It is NOT prescriptive

Respects local control and frees you to do what you need to do.



**FAIR SCHOOL
FUNDING PLAN**

Base Cost Breakdown



District Funding Model - Base Cost						
Direct Classroom Instruction	Base Aid Teacher Funding					
		Grade Level	Pupil Teacher Ratio Per FTE	Headcount Enrollment	Funded Teachers	
		Kindergarten	20	57	2.9	
		1st Grade	23	64	2.8	
		2nd Grade	23	51	2.2	
		3rd Grade	23	52	2.3	
		4th Grade	25	60	2.4	
		5th Grade	25	79	3.2	
		6th Grade	25	60	2.4	
		7th Grade	25	77	3.1	
		8th Grade	25	58	2.3	
		9th Grade	27	62	2.3	
		10th Grade	27	66	2.4	
		11th Grade	27	42	1.6	
		12th Grade	27	40	1.5	
		Base Aid Teacher Funding			768	31.2
		Other Direct Instruction		Min/Max		
	Specials Teachers (Art, Music, P/E)	1 per 150 students	6	6.0		
	Substitute Teachers	5 Days per teacher per year				
	Professional Development	4 PD days per year				
	Other Direct Instruction					
	Total Direct Instruction					
Instructional & Student Supports	Co-curriculars - Academic		Amount per pupil			
	Co-curriculars - Athletic (Inc. Athletic Director)		Amount per pupil			
	High School Guidance Support		1	1.0		
	Safety & Security - Non-Personnel		Amount per pupil			
	Supplies & Academic Content		Amount per pupil			
	Library/Media Operations/Support		1 per 1,000 students	0.8		
	Social/Emotional/Security/Life Support		1 per 250 students	5	5.0	
	Instructional Technology		Amount per pupil			
	Total Student Support Instruction					
		Total Instructional Costs				
Building Leadership & Operations	Building Leadership		1 per 450 students		1.7	
	Building Operations and Support		Amount per pupil			
	Building Leadership Support		1 per 400 students	3	1.9	
	Total Building Leadership & Operations					
	Total Building Leadership & Operations Costs					
District Leadership & Accountability Data	Superintendent		1	1		
	Treasurer		1	1		
	District Leadership		1 per 750 students	2	2.0	
	Fiscal Support		1 per 850 students	2	2.0	
	EMIS Support		1 per 5,000 students	1	1.0	
	ITC Support, Technology Infrastructure Maintenance		Amount per pupil			
	District Leadership Support		1 per 3 administrators	1	1.0	
	Total District Leadership & Accountability Data					
		Total District Leadership & Accountability Costs				

Fair School Funding Plan

Step 2: State and Local Share



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The Challenge – Distribution

Current Local Share of Local Funding



60%-100% - PROPERTY VALUES



0-40% - BASED ON RESIDENT INCOME



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Fair Base Funding Distribution

- Unlike the current formula, which is too dependent on property values, the new plan uses both property values and resident income to identify each community's capacity to pay their fair share.
- A district's state and local share will be determined by its capacity to generate local dollars.
- Only a change in a district's resident income, property value or enrollment would cause a change in that district's local capacity.



With New Fair Funding Plan Distribution Determination of Local Share of Funding



60% BASED ON PROPERTY VALUES



40% BASED ON RESIDENT INCOME



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Fair School Funding Plan

Step 3: Categorical Aid



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Step 3: Categorical Aid – Outside of Base Cost

- Poverty
- Preschool
- Special Education
- Gifted Education
- English Language Learners (ELL)



Poverty and Preschool

Poverty

- There is a significant difference between rural and urban poverty in terms of resources.
- Increase categorical aid to include additional resources to provide increased social and emotional support for disadvantaged students.
- Establishes the recommended increase from \$272 per pupil to \$422 per pupil and further establishes that this per pupil funding will be fully funded, without phase-ins, before any monies are appropriated for any other provision of H.B. 305.

Preschool

- Every economically disadvantaged four year old be guaranteed access to at least one year of high quality preschool.
- Every ESC in the state be funded to create the position of Community Preschool Director to coordinate early childhood services.
- Investigate and develop recommendations regarding:
 - The most appropriate basis for defining economically disadvantaged students and identifying those who are three and four year olds.
 - An analysis of the various methods currently being utilized to deliver and fund high quality preschool to determine the most effective and efficient delivery system or systems.
 - Conduct a comprehensive study of all state agencies currently providing services to school age and preschool age children



Special Education, Gifted and English Language Learners (ELL)

Special Education

- Fund and authorize an updated cost study
- Return to a multiplier of the base cost per pupil
- Fund special education at 100% (setting aside 10% for catastrophic)

Gifted Education

- Per pupil funding amounts for identification, referrals, PD, gifted coordinators & services based on May, 2018, gifted cost study
- Establish workgroup to study & recommend improvements to financial reporting of gifted expenditures
- Establish an incentive program for rural districts

English Language Learners (ELL)

- Fund and authorize a cost study to establish funding needs
- Return to a multiplier of the base cost per pupil
- Revise the existing Category 2 & Category 3 funding levels
 - Category 2 to include all ELL students after 180 days until proficient
 - Category 3 for the 2 years following proficiency



Transportation

Transportation

- Resolve transportation service requirements for asynchronous calendars and bell time conflicts
- Modify the transportation funding formula for bus riders to fund all students transported, reward efficiency, report the greater of the morning or afternoon ridership, include a funding adjustment for districts transporting a higher percentage of nontraditional students.
- Increase available funds for special education transportation, and grant local boards the authority to operate their buses for trips other than for educational purposes.
- Increases the set-aside for bus purchases to \$45 million dollars per year to allow for a complete replacement of the statewide total of 15,000 operating buses every ten years.
- Restores density supplement payments, but changes the threshold eligibility to 28 riders per mile and the median to 14 riders per mile to reflect the change to the density calculation based upon riders per mile instead of students per mile



Fair School Funding Plan

Other Funding Considerations



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ESC, CTE and STEM

Educational Service Centers (ESCs)

- Creates a tiered funding mechanism that provides gradually decreasing per pupil amounts as the number of pupils in districts served increases with the smallest per pupil amount being just under \$31 per pupil, approximately \$5.00 more than the single per pupil amount that currently applies to all ESCs.
- Smaller ESCs would receive considerably more per pupil and all ESCs would receive a basic amount that would cover most of an ESC's statutorily required costs.

Career Technical Education (CTEs)

- Base aid for career technical centers will align with base aid for traditional districts with several line item descriptions modified to reflect activities taking place within the career technical setting
- Career Exploration/Career Awareness budget line item to be administered and delivered by CTPD (Career Technical Planning District) to all students within the CTPD

Science, Technology, Engineering and Mathematics (STEM)

- Standalone STEM schools will be funded in the same manner as charter/community schools



Open Enrollment, Community Schools & Vouchers

Remove students participating in school choice programs from the ADM of the traditional public school district in which they reside.

- Inputs will be based solely on number of students a district is educating
- Calculates for each school, its own per pupil Direct Instructional costs, using the same base cost components and teacher cost data as in traditional schools except there would be no minimums
- Funding of community schools and voucher programs will become its own separate conversation once their funding is untangled from traditional public school districts.

Open enrollment in/out will not require a transfer of funds.

- The Distribution Method will account for the adjustment based on its per pupil calculation.
- Included language that ensures no new incentives or disincentives are created by the bill.



Traditional School District Formula Aid Estimates, H.B. 305 Substitute Bill (L-0626-6) Fully Implemented

Estimates are based on student counts derived from data supplied by the Ohio Department of Education. The projected enrolled ADM are from the FY 2020 June #2 payment file, and do not change in FY 2021. Formula ADM is the count of students residing in a district, including students educated outside the district in a community or STEM school, another district through open enrollment, or a nonpublic school through certain scholarship programs. Enrolled ADM, in contrast, is the count of students the district is actually educating.

The proposed formula guarantees each district a total amount of foundation funding equal to its funding for FY 2020 prior to any state budget reductions ordered by the Governor but after adjusting for the applicable school choice program transfers, including open enrollment. However, during the period of the phase-in, if the number of open enrollment students entering a district decreases from the prior year by the greater of 20 students or 10%, the district's guarantee base is reduced by an amount equal to the product of the statewide average base cost per pupil and the reduction in the number of open enrollment students above the threshold. Transportation aid is subject to a separate guarantee, also based on FY 2020 funding levels.

Estimated Formula Aid Net of Transfers (Current Law) represents state foundation aid after adjusting for transfers for community and STEM school students, students attending another district through open enrollment, and students attending nonpublic schools through scholarship programs.

Actual aid will be calculated based on actual data and is subject to change.

The primary purpose of these estimates is to determine a state total obligation. Changes between estimates and actual aid may be significant, especially for individual school districts.

			A	B	C	D	E	F	G	H	I	J	K
County	District	IRN	Formula ADM (Current Law) FY20	Enrolled ADM (L-0626-6) FY20	% Change Enrolled ADM to Formula ADM FY20	Temporary Transitional Aid (Current Law) FY19	Effect of Gain Cap (Current Law) FY19	Capacity Per Pupil (L-0626-6) FY21	Per-Pupil Local Capacity Percentage (L-0626-6) FY21	State Share Percentage (L-0626-6) FY21	Estimated Formula Aid Net of Transfers (Current Law)	Proposed Total Formula Aid (L-0626-6) FY21	\$ Change Total Formula Aid (L-0626-6) to Current Law FY21
Adams	Ohio Valley Local SD	61903	3,724	3,564	-4.3%	\$ 1,780,545	\$ -	\$ 106,173	1.85%	72.5%	\$ 29,318,824	\$ 30,344,202	\$ 1,025,379
Adams	Manchester Local SD	442	776	785	1.2%	\$ -	\$ -	\$ 123,614	1.78%	67.3%	\$ 3,749,210	\$ 8,601,352	\$ 4,852,142
Allen	Allen East Local SD	45757	999	1,066	6.7%	\$ -	\$ -	\$ 130,943	2.31%	57.7%	\$ 6,897,353	\$ 7,394,369	\$ 497,017
Allen	Delphos City SD	43885	1,041	954	-8.3%	\$ 544,804	\$ -	\$ 219,822	2.19%	35.0%	\$ 3,152,508	\$ 3,667,507	\$ 514,999
Allen	Shawnee Local SD	45799	2,366	2,354	-0.5%	\$ -	\$ (1,066,022)	\$ 206,461	2.36%	30.8%	\$ 5,262,095	\$ 6,423,369	\$ 1,161,275
Allen	Bluffton Ex Vill SD	45211	996	1,160	16.6%	\$ 107,446	\$ -	\$ 138,110	2.37%	54.7%	\$ 5,636,776	\$ 6,820,371	\$ 1,183,595
Allen	Spencerville Local SD	45807	890	959	7.7%	\$ 282,462	\$ -	\$ 127,679	2.27%	61.2%	\$ 6,270,775	\$ 7,700,112	\$ 1,429,337
Allen	Lima City SD	44222	4,810	3,374	-29.8%	\$ -	\$ -	\$ 90,735	1.44%	80.3%	\$ 35,382,172	\$ 37,859,614	\$ 2,477,442
Allen	Bath Local SD	45765	1,634	1,687	3.2%	\$ -	\$ (1,170,143)	\$ 148,963	2.27%	51.1%	\$ 6,227,205	\$ 8,908,981	\$ 2,681,776
Allen	Perry Local SD	45781	493	683	38.6%	\$ -	\$ -	\$ 139,788	1.93%	62.4%	\$ 3,368,136	\$ 6,312,505	\$ 2,944,369
Allen	Elida Local SD	45773	2,510	2,252	-10.3%	\$ -	\$ (467,311)	\$ 169,313	2.10%	48.5%	\$ 8,340,702	\$ 11,319,819	\$ 2,979,117
Ashland	Hillsdale Local SD	45823	816	776	-4.8%	\$ 352,874	\$ -	\$ 286,276	2.27%	16.8%	\$ 3,352,324	\$ 3,457,508	\$ 105,184
Ashland	Loudonville-Perrysville Ex V	45468	969	950	-2.0%	\$ 350,342	\$ -	\$ 177,966	1.95%	52.3%	\$ 5,055,726	\$ 6,043,528	\$ 987,802
Ashland	Mapleton Local SD	45831	895	850	-5.0%	\$ 59,707	\$ -	\$ 160,454	2.25%	51.6%	\$ 4,488,266	\$ 5,886,611	\$ 1,398,345
Ashland	Ashland City SD	43505	3,150	3,030	-3.8%	\$ 103,445	\$ -	\$ 169,913	2.01%	51.0%	\$ 12,052,662	\$ 14,791,594	\$ 2,738,932
Ashtabula	Grand Valley Local SD	45864	1,029	1,030	0.2%	\$ 248,669	\$ -	\$ 171,945	2.19%	47.0%	\$ 6,143,617	\$ 6,301,391	\$ 157,773
Ashtabula	Geneva Area City SD	44057	2,139	2,149	0.5%	\$ 2,007,407	\$ -	\$ 155,380	2.05%	53.1%	\$ 11,159,008	\$ 12,234,886	\$ 1,075,878
Ashtabula	Pymatuning Valley Local SD	45880	1,124	1,089	-3.1%	\$ 479,888	\$ -	\$ 136,764	1.92%	62.6%	\$ 8,017,691	\$ 9,257,291	\$ 1,239,600
Ashtabula	Conneaut Area City SD	43810	1,566	1,498	-4.4%	\$ 2,396,888	\$ -	\$ 138,393	1.77%	64.7%	\$ 10,573,872	\$ 11,849,022	\$ 1,275,150
Ashtabula	Jefferson Area Local SD	45872	1,639	1,665	1.6%	\$ -	\$ -	\$ 147,931	2.19%	54.3%	\$ 8,403,302	\$ 10,061,224	\$ 1,657,922
Ashtabula	Buckeye Local SD	45856	1,528	1,735	13.6%	\$ 19,051	\$ -	\$ 137,709	2.04%	60.2%	\$ 8,003,326	\$ 11,103,193	\$ 3,099,867
Ashtabula	Ashtabula Area City SD	43513	3,822	3,204	-16.2%	\$ -	\$ -	\$ 133,491	1.70%	67.2%	\$ 22,928,946	\$ 29,193,125	\$ 6,264,179
Athens	Alexander Local SD	45906	1,466	1,432	-2.3%	\$ 1,838,224	\$ -	\$ 165,852	2.11%	49.6%	\$ 9,175,622	\$ 9,194,737	\$ 19,115
Athens	Trimble Local SD	45922	727	742	2.1%	\$ -	\$ -	\$ 67,373	1.78%	82.4%	\$ 10,117,985	\$ 10,677,493	\$ 559,508
Athens	Federal Hocking Local SD	45914	1,138	987	-13.2%	\$ 218,720	\$ -	\$ 162,442	2.02%	55.8%	\$ 7,600,700	\$ 9,272,582	\$ 1,671,882

Timeline

- **Nov. 10** - Testimony scheduled for House Finance Committee; possibly for Senate Finance Committee
- **Nov. 11** - No activity, Veterans' Day
- **Nov. 12** - Remote possibility of testimony in Senate
- **Nov. 17, 18, 19** - Possibility on any day of testimony in both Chambers; remote possibility of action in House to get to the floor for vote
- **Thanksgiving Week** - Little possibility of any activity in Columbus
- **Dec 1, 2, 3** - Possibility on any day of testimony in both Chambers; need to get bills out of committee, on to the floor and passed
- **Dec 8, 9, 10 and possibly 11** - Bills need to be out of committee, to the floor and passed ASAP, so conference committee can deliberate, reach agreement on report for adoption by both chambers
- **Dec 15 and beyond** - Legislature does not want to be in session after 12/11



Ohio Needs Comprehensive, Fair School Funding Now

- Unfortunately, Ohio's school funding system is not tied to any type of determination of what it takes for students to succeed in the 21st century – diminishing our future workforce and economy.
- The Fair School Funding Plan will allocate base costs tied to the actual needs of students, resident's income, and its property values.
- It will help students with special needs and mental health concerns, make all students more safe and secure, update technology, provide essential services for high poverty districts, provide expanded quality preschool, and reflect the real cost of operating public schools.
- Fair School Funding will prepare our state and local workforce for the challenges ahead.



Ohio Fair Funding Plan Resources

Ohio Fair School Funding Website

<https://sites.google.com/view/ohiofairschoolfunding>



Ohio Fair School Funding on Twitter
@OHschoolfunding



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Thank you!

Please submit questions using the link below:

[Fair School Funding Plan Questions](#)



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