



children's defense fund ohio

House Finance Subcommittee on Primary and Secondary Education HB 166 Testimony

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Chairman Cupp, Chairman Patterson, and members of the House Finance Subcommittee on Primary and Secondary Education. Thank you for the opportunity to testify on House Bill (HB) 166. My name is Tracy Nájera, and I am the Executive Director Children's Defense Fund-Ohio.

The Children's Defense Fund is a private, nonprofit organization. We have been standing for children in Ohio since 1981. The Children's Defense Fund-Ohio's Leave No Child Behind® mission is to ensure every child a *Healthy Start, a Head Start, a Fair Start, a Safe Start and a Moral Start* in life and successful passage to adulthood with the help of caring families and communities. We provide a strong, effective and independent voice for all of Ohio's children, who cannot vote, lobby or speak for themselves.

A quality education is the foundation for a child's success later in life. For many years in Ohio, educational achievement and attainment has been closely correlated with a child's zip code. In other words, an equitable education, regardless of where a child lives, has been out of reach for too many children, for too many generations in this state. Racial, economic, and geographic inequities in our state have resulted in deep disparities, in particular, for children living in poverty, children of color and children living in our rural and Appalachian regions of the state. These disparities have long-term effects on an individual's health, economic well-being, and ultimately the well-being of their own children. The Cupp/Patterson Fair School Funding Plan presents the children of Ohio with an opportunity to flip the script and provide all children with – especially our most vulnerable – with the resources needed to be successful.

I offer testimony in support of the Fair School Funding Plan and for important components included in the plan that address critical educational and non-instructional needs for Ohio's vulnerable children and offer powerful tools to ensure all children in Ohio grow up healthy, education, happy and ready to transition into successful adulthood. I believe that this plan represents an important step in achieving this goal and offer recommendations for consideration.

Governor's FY2020-2021 School Funding Proposal

On March 15th, Governor DeWine introduced the FY2020-2021 Executive Budget. The proposal focuses on directing an additional \$550 million in funding to support "student wellness and success" with a

particular emphasis on the well-being of low-income students. As proposed by the DeWine administration, the FY2020-2021 K-12 budget recommendation has two parts:

- 1) Maintaining district funding at FY2019 levels for all public school districts in Ohio, including the state's 49 joint vocation and career technical education (CTE) districts and the 326 community schools currently operating in the state for both FY2020 and FY2021.

- 2) Supplemental Funding for Student Wellness and Success – All new education investments in the biennium would be allocated through a formula allocation of \$250 million in FY2020 and \$300 million in FY2021 based on need. In this formula, it would be driven by the percentage of economic disadvantaged students enrolled who were at or below the 185% Federal Poverty Level (FPL) threshold. The proposal allowed for a funding range between \$25 and \$250 per pupil allotted to districts based percentage of total student population who met this poverty threshold. Minimum caps for wealthier districts ranged from \$25,000 in FY2020 and \$30,000 in FY2021. Districts with the highest concentrations of economically disadvantaged students (meeting the threshold of 51.1%) would receive the maximum per pupil allocation in each year. Approximately 122 school districts with the highest concentrations of low-income students would receive the maximum benefit.

The DeWine administration's additional proposed investments would be for Student Wellness and Success, described as including services such as mentoring support, after-school programming, wraparound services for students (vision, dental, health services), and mental health counseling.

These are important non-instructional supports that allow children to receive much needed services while at school. According to a [2018 report by Child Trends](#), one in ten children nationally has experienced three or more Adverse Childhood Experiences (ACEs), placing them in a category of especially high risk. In five states—Arizona, Arkansas, Montana, New Mexico, and Ohio—as many as one in seven children had experienced three or more ACEs.

Further, [1 in 5 children in our state are living in poverty](#) and many more are living close to that threshold. The trauma experienced by children as a result of trauma and poverty are significant and growing in our schools. We must face these challenges head-on and ensure that we can provide the proper services and supports for our children.

Many times, low-income parents lack access to transportation, paid time off, and other resources necessary to secure needed services for their children – even if they do have insurance coverage for them. Further, low-income working parents need these types of supports for their children to ensure they are safe and cared for during the time after school.

A major shortcoming of the DeWine plan is that it does not address our state's lack of a rational school funding formula. The additional funding directed to our most vulnerable children does provide some needed resources in the interim if the intent was to develop a plan for the FY2022-2023 biennium.

Fair School Funding Plan

The Fair School Funding Plan provides Ohio with a rational, inputs-based school funding methodology that determines the critical components of an adequate education including classroom instruction, instructional and student supports, school operations, and district leadership and accountability. It also provides some additional time for studies of three essential components regarding special education and

updating cost methodology for the different types of needs, education for English language learners, and costs associated with economically disadvantaged students. It also calls for additional work to be done in terms of cost study for preschool and implementation of the 2018 Gifted Cost Study.

The purpose of my testimony today is to share with you some additional recommendation to ensure that all children – especially those living in concentrated poverty receive the funding needed to mitigate the effects of poverty and concentrated poverty on their educational endeavors and to help them successfully transition into adulthood.

Children Living in Poverty

I commend the plan’s attention and focus on children living in poverty. As the Fair Schools Funding Plan states, one in five Ohio children live in poverty and many more live in families that struggle to provide the basic necessities. Further, the plan commits to a study to determine the, “most desirable academic, social and emotional services that should be provided to Ohio’s children living in poverty and the cost of those services.” The plan further recommends that the study determine the potential benefits of developing a structure where by most, if not all, state services for children living poverty, regardless of what agency is responsible for delivering and paying for those services, be located in public school facilities to take advantage of the 180 days per year that all school age children are reliably available for the delivery of those services.

I submit for your consideration that children living in poverty and most at-risk be the priority in any funding plan. Many of our school districts throughout the state are investing significant resources addressing the symptoms of poverty expressed in their schools – hunger, homelessness, post-traumatic stress disorder, and the list goes on.

Many school districts are stressed financially as they attempt to address non-instructional needs of their students – the children in their care. This overburden exists throughout the state and is felt most acutely in our high poverty, low wealth school districts. The first dollar spent should be to support those children living in areas of high concentrated poverty.

Impact on High Poverty Districts

The inclusion of a funding guarantee in a school funding formula is the mark of a formula in transition – awaiting full funding – or of a formula that doesn’t work. Ohio has operated with guarantees in place for nearly 30 years – primarily to ensure that wealthy districts are provided some level of state funding and that those districts decreasing in enrollment are not significantly impacted immediately. Though the Cupp/Patterson proposal marks a significant decrease in guarantee districts there is also a curious trend where nearly 20% of districts with the highest concentrations of poverty (greater than 95%) receiving no additional funding. They are:

Huntington Local SD (Ross)

Lima City SD (Allen)

Crestline Exempted Village SD (Crawford)

East Cleveland City SD (Cuyahoga)

Mouny Healthy City SD (Hamilton)

Dayton City SD (Montgomery)

Windham Exempted Village SD (Portage)

Portsmouth City SD (Scioto)
Warren City SD (Trumble)
Youngstown City SD (Mahoning)
Sebring Local SD (Mahoning)
Loraine City SD (Loraine)
Cleveland Municipal SD (Cuyahoga)

Education funding in Ohio represents a state and local partnership. This partnership requires that more state resources are provided to our low capacity districts. The fact that districts with the highest concentrations of poverty are not growing in funding is surprising – especially with the changes made in this funding formula

- The increase in the base cost
- the new input-based methodology,
- the resolution of the long-standing community school deduction controversy (as a result of the appropriation of the “local share” of funding as part of the reduction in each district’s state aid), and
- the increase in economically disadvantaged aid

Regardless, of the funding that the formula generates, a test of that formula’s efficacy is whether it generates the anticipated result. I’m sure it wasn’t anticipated that these districts receive no additional funding. This observation in the formula’s output represents opportunities for further hypothesis testing and experimentation. One way to address this issue is to increase the levels of economic disadvantage funding for districts as their concentration of students in poverty increases. This increase need not be linear given that the effects of poverty are not linear. For example, one could apply a multiplier to the base cost as the concentration of poverty grows greater. This in combination with additional funding to address non-instructional needs of our most vulnerable children would no doubt pay extraordinary dividends to the child, their family, and our communities.

Conclusion

I commend the Representative Cupp and Representative Patterson for focusing on the four significant issues that have affected school districts and funding issues for quite some time now. However, the needed changes in the formula are negated by the formula’s treatment of some districts with high concentrations of impoverished student. As a matter of equity, it would be expected that a formula based upon input and driven by the motivation to target funding where needed most – to provide for an adequate and sufficient education for all children, would prioritize additional funding to our poorest districts.