



**Testimony to Senate Finance
May 30, 2013
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Chairman Oelslager, Ranking Member Sawyer and members of the Senate Finance Committee, my name is Adrian Allison. I am member of The Ohio 8 Coalition and the Superintendent of Canton City Schools. Thank you for allowing me the opportunity to speak with you today on behalf of The Ohio 8 Coalition about some specific provisions of House Bill 59. And thank you for your hard work and listening to many of the concerns we've had up to this point.

The Ohio 8 is a strategic alliance composed of the superintendents and teacher union presidents from Ohio's eight urban school districts – Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown. The Ohio 8 Coalition's mission is to work with policy makers to improve academic performance, increase graduation rates and close the achievement gap for urban children throughout Ohio. The Coalition carries out its mission by working closely with legislators, educators, parents, labor and community officials. The Coalition brings a shared administrator-teacher voice to help shape state education policy.

The purpose of my testimony is three fold:

- 1) To outline some of our continued concerns regarding Substitute House Bill 59;
- 2) Provide recommendations so the bill can better address the needs of children across the state; and
- 3) Continue to offer our assistance in providing context and perspective on the impact of policy and funding changes.

1. CONTRACT OUT PROVISION (Section 3317.40)

This provision would require school districts that fail to show "consistent progress," in serving certain populations (i.e. special education or economically disadvantaged) to pay the allotted state funds provided for that subgroup to an organization that has "demonstrated" the ability to improve the educational outcomes for that subgroup of students.

While we believe this provision seeks to ensure that special populations of students are being served in a way that ensures they are making academic progress. In reality this provision is based on the assumption that we do not contract already and comes with a wealth of unintended consequences and implementation issues that, if enacted, will be very damaging to students and districts alike. The following is a list of points to consider while you review the merits of this provision:

- To the extent possible, districts already work to partner with experts in order to provide the best level of care for their special populations. This provision fails to

take into consideration the high level of contracting that already occurs. If there is an entity that serves students successfully and can provide those services within budget, we are likely already working with them.

- The state dollars dedicated to student groups are only a portion of their funding. As a result, contracting out with amounts that are sometimes a few hundred dollars would not necessarily resolve the academic performance issue this provision seeks to address.
- Special populations are designated as such for a reason. They require additional time, resources, and attention that must be dedicated in a holistic manner. This provision could take away tools from the school district working to serve the student (time and resources) and make it extremely challenging for a school to plan ahead financially.
- Sometimes, many school expenditures for special populations cannot be tied directly to academic performance but are necessary costs in order for the child to be able to participate in a traditional school setting such as:
 - Mobility training- teaching sight impaired children to navigate with a cane
 - Hygiene assistance- some students require someone to help them go to the bathroom, clean their ventilator tubes, or help them to eat
 - English Language Learners often face more challenges than learning to speak and read English. In many schools these students are coming from parts of the world where they are not accustomed to a formal classroom setting, getting acclimated to the use of indoor plumbing and don't have experience wearing their shoes and/or tying shoe laces.
- These expenditures are necessary in order for the child to participate in the academic environment but don't necessarily have a direct impact on their test scores.
- Implementation questions are extensive and not addressed in the provision. Contracting needs will be student specific to the point that we don't believe it to be possible for legislation to address many student situations. Additionally, implementation will likely be very costly for districts. Some implementation questions to consider are below:
 - What dollar amount will districts contract out- their state allocation, or what they actually spend on the student (typically much higher)?
 - Who will transport the student if the services are not in their school building- who will pay for that transportation?
 - What types of services can even be contracted out in order to improve the academic performance of some subgroups such as economically disadvantaged students?
 - How would a district contract out if organizations to help these student populations don't exist? ie: rural areas
 - What if the organization that the district is supposed to contract out with doesn't have services at the price point of the student allocation?
 - What if the organizations don't have room to accommodate the increased number of kids?

Recommendation: We respectfully ask that this provision be removed. For school districts like ours that already practice contracting out for special services, this

provision is redundant and does not take into account that dollars dedicated to these students, many times are unrelated to direct instruction and most of the time do not cover the total costs of their needs. In fact, this provision will hinder a school district's ability to teach and support their special student groups over time and in a consistent, and financially reliable manner.

2. PAYMENT IN LIEU (Section 3327.01)

This provision would allow for parents to request payments in lieu of transportation from the Ohio Department of Education (ODE). The language around this change in legislation removes the district's involvement in the decision – eliminating local control/decision-making.

As outlined below, current law allows for the involvement of all interested parties (school district, parents, and if necessary, ODE). It is always preferred that students be transported via school bus as it is the safest, most efficient, and most predictable form of transportation available. Our school districts do not utilize the payment in lieu approach unless it is absolutely necessary.

Current process is as follows:

- After considering each of the following factors, a local board of education may determine (via board resolution) that it is impractical to transport a pupil who is eligible for transportation to and from school:
 - Time and distance required to provide transportation;
 - The number of pupils to be transported;
 - The cost of providing transportation in terms of equipment, maintenance, personnel, and administration;
 - Whether and to what extent the additional service unavoidably disrupts current transportation schedules;
 - Whether other reimbursable types of transportation are available.
- Parents have the ability under current law to refuse payment in lieu of transportation. ODE may then be called upon to mediate and determine if the district's resolution is sound.

We have three primary concerns regarding this change:

- The parents of children who are currently transported via school transportation may request a payment in lieu of transportation. While the district may then end up with fewer students on a bus, the route will likely still need to exist- creating a level of inefficiency and raising the district's cost/pupil.
- Districts will no longer be able to identify students who are truly impractical to transport and may then be required to provide transportation to students who live a great distance from their school. This will result in the district needing to purchase additional school buses to cater to a small number of children who will be transported a great number of miles for an extended period of time as well as all other associated costs (maintenance, driver, storage, fuel).
- Districts might have the need to purchase additional buses. For example if the all parents in Akron Public Schools currently receiving payment chose bus service over payment, it would likely require the district to purchase an additional 16

buses and related drivers, mechanics, etc.

Recommendation: We respectfully ask that current law be maintained and the new payment in lieu provision be removed from the bill.

3. VOUCHER EXPANSION (Section 3310.03)

Under the current system, in order to be eligible for a voucher students must be attending a school that has a history of systemic low performance, meaning the school is either in academic emergency/watch or they have been ranked in the lowest 10% of public school buildings for the past two of three years. Substitute House Bill 59 includes three voucher related expansions as outlined below as well as a financial consideration related to budgeting for these expansions:

- a. The proposed income based expansion would make students in families who are at or below 200% of the federal poverty level eligible for a voucher regardless of the performance of the public school they are attending.

We are concerned about this expansion because students who become eligible for this voucher may be attending schools with very high performance ratings. This voucher would allow for the student to be moved to a school that is not held to the same accountability standards as our public schools

- b. The 3rd Grade Reading Expansion extends voucher eligibility to students in grades K-3rd based on the building's failure to achieve a literacy grade higher than a "D" AND did not receive grade of "A" for making progress in improving literacy K-3.

We are concerned that the 3rd grade reading guarantee would only serve to remove children from a system that requires the 3rd grade reading guarantee, related diagnostics and intervention and place them in schools where the 3rd grade reading guarantee is not required.

- c. The substitute bill goes even further to allow students that have not yet spent time in a failing school (but just happen to move into the boundaries of a particular school districts) to be eligible for vouchers. Therefore, students moving to Ohio from another state and students who were previously homeschooled, regardless of their grade level, will be eligible for scholarships.
- d. In addition, we have an overarching concern regarding the real financial commitment that these voucher expansions will mandate. In Ohio, we have a policy of not taking away a student's voucher once it has been given. This means that even if these voucher expansions are not renewed in the next budget Ohio will have the responsibility of supporting these student vouchers for up to 10 additional years and these costs have not been take into consideration beyond the two years this budget covers.

We don't believe that this trio of expansion meets the needs of our students, particularly as the demand for vouchers has been decreasing over time.

Recommendation: We respectfully ask that the existing voucher program be

maintained but the expansion of vouchers based on income eligibility, 3rd grade reading guarantee, and the additional expansion seen in the substitute bill for automatic eligibility be removed.

4. **STUDENT TRANSPORTATION**

We are grateful that the House provided an increase in student transportation reimbursement levels, recognizing that for most school districts- urban, suburban, and rural- state funds to support student transportation have not kept pace with actual costs of aging bus fleets, and increased fuel costs. For example, Canton spent just under \$3.0 million in 2012 to transport students (public, charter, private) and is reimbursed just under \$2 million—leaving a gap of one million dollars. In addition, the cap placed on funding levels by the House also applies to transportation funding. We recognize that student transportation involves several components (motor fuel/excise tax, ridership, miles traveled, and special education transportation reimbursement) and addressing all of these areas might not be possible during this budget.

Recommendations: Transportation is, to say the least, a reoccurring issue during budget conversations and while we recognize there is not enough time to address all transportation policy and funding concerns, we do believe that there is a resolution to be found that is equitable for all types of school districts and urge you to consider our recommendation to establish a special commission that will study the best approach to ensure students are transported safely and efficiently while district costs and policies that drive those costs are more adequately addressed for **all** types of Ohio public schools. The Ohio 8 has begun those conversations internally and is ready to take the lead should that commission be established.

5. **STATE REVENUE PROJECTIONS**

According to the May 24, 2013 report released by The Hannah Report, the State of Ohio actual *total* revenue is ahead of estimates by \$1,058 million. When a one-time transfer of \$495 million to the GRF in February (transfer of the state liquor enterprise to JobsOhio) is considered, total revenues are up \$563 million through the first 10 months of FY2013. *Tax* revenues exceeded estimates by \$571 million (\$260 million more than the pace through March). In addition, total State expenditures were \$137 million less than anticipated. The combination of revenue ahead of forecast and expenditures less than the forecast yielded a bottom line of plus \$1.195 billion for the fiscal year to date.

We hope you consider these funds to help support the priorities we've outlined in our testimony today and the use of these funds will be considered as you finalize your list of priorities.

In conclusion, as Members of this committee, you have a tremendous task before you. The Ohio 8 looks forward to continue to help in any way we can. Thank you for giving me the opportunity to speak and I'm happy to answer any questions you may have.