

The Fair School Funding Plan

Frequently Asked Questions and Other Talking Points

The Fair School Funding Plan bases state school funding on what students actually need to succeed. It treats all Ohio school districts and taxpayers fairly, based on capacity to pay. Together, we strive to ensure that Ohio's children will have the quality educational opportunities they all deserve. And together, we can adopt a comprehensive, fair school funding plan that meets the needs of Ohio's children, future workforce, economy, and communities in the years ahead.

1. Question: What makes the Fair School Funding Plan different from prior state school funding formulas?

Answer: This is the first time that Ohio's state school funding formula has been developed by a group of practitioners as part of a bipartisan effort. Additional information about this process is outlined in the bullet points below.

- At the direction of Speaker of the House Bob Cupp and Representative John Patterson, the components of Substitute House Bill (HB) 305 were developed by a work group *comprised of superintendents and treasurers from all regions of Ohio, representing all school types* (the "Cupp-Patterson Workgroup").
- The Cupp-Patterson Workgroup began this work three years ago—November 15, 2017. This is the first time in the history of Ohio public education that practitioners have developed a funding plan that answers the questions: "What does it cost to educate a child in the state of Ohio?" and "What does each district need to operate?"
- To answer that question, the Cupp-Patterson Workgroup analyzed national research, best practices, actual Ohio school district spending data, and drew on their own extensive experience in educating students and operating school districts to make recommendations for a school funding system that meets the needs of all Ohio's students in the 21st century.
- Throughout the process, Speaker Cupp, Representatives Patterson and Scherer, Senators Lehner and Sykes and members of the work group have sought feedback from a variety of stakeholders and have continually refined the fair school funding formula based on that feedback.

2. Question: How is the Fair School Funding Plan different from the current state school funding formula?

Answer: There has been no state school funding formula since the 2018-19 school year, and prior to that, a vast majority of the school districts were not on the state's school funding formula. Additional information on this point include:

- When the Cupp-Patterson Workgroup began their work in 2017, an estimated 80% of Ohio school districts were not on the state's funding formula.
- Currently, no Ohio school districts are on the state's school funding formula.
- *DeRolph v. State of Ohio (1997)* ruled that Ohio's method for funding schools through the state's school foundation program was unconstitutional. Since that time, Ohio's solution to satisfy the Ohio Supreme Court's order has been to pass a series of biennial budgets containing politically expedient remedies that have not eliminated the over-reliance on local property tax or mitigated the discriminatory nature inherent in the series of "funding fixes" legislated over the last 23 years.

3. Question: What are the main components of the Fair School Funding Plan? Is there an “easy” way to explain those components?

Answer: The Fair School Funding Plan is a rational, transparent and fair system for funding schools that can be broken down into three main components: the base cost; the state and local share; and additional targeted assistance/categorical aid. These three components are outlined in greater detail below.

- #1: *Base Cost* – *The Fair School Funding Plan establishes a base cost of educating a “typical child” in Ohio.*
 - In an effort to bring school funding into the 21st Century, the Fair School Funding Plan’s new formula provides instructional resources to ensure high quality education for Ohio’s children. Decisions to spend base funds should be locally controlled. How much funding each district receives is based on the actual cost of educating its students.
 - The “Base Cost” formula includes:
 - 60% for Direct Classroom Instruction, including: Classroom teachers, specials teachers (i.e., art, music, physical education, technology, etc.), substitute teachers, and professional development
 - 15% for Instructional and Student Supports, including: Co-Curriculars (Academic and Athletic), Guidance Support, Safety and Security (Non-Personnel), Supplies and Academic Content, Library/Media Operations/Support, Social/Emotional/Security/Life Support, Instructional Technology
 - 20% for Building Leadership and Operations, including: Building Leadership, Building Operations and Support, Building Leadership Support
 - 5% for District Leadership and Accountability, including: Superintendent, Treasurer, District Leadership, Fiscal Support, EMIS Support, ITC Support, Technology Infrastructure Maintenance, District Leadership Support
- #2: *State and Local Share* – *The responsibility of funding the base costs should be shared between the state and local district, with the local share based upon the ability of a school district’s community to generate revenue considering its income level and its property values (i.e., district capacity).*
 - Under the Fair School Funding Plan, a district’s capacity is clearly defined. The Fair School Funding Plan minimizes funding guarantees and caps.
 - The responsibility of local communities to fund their schools is easy to understand and based on a fair, defensible measure of the district capacity to generate funds locally as follows:
 - Local fiscal capacity is determined by property value (60%) and income wealth (40%)
 - The “charge off” ranges from a high of 2.5% for high-capacity districts to a low with no limit for low-capacity districts, providing for equity of funding to all school districts.
 - Under the Fair School Funding Plan, alternative educational opportunities for students, or “choice options,” are funded directly by the state – not deducted from a school district’s funding.
- #3: *Categorical Aid/Targeted Assistance* – *Beyond base funding, the state must respond strategically to critical needs that impact some districts more than others. Categorical aid, unlike base cost, is funding provided for a specific purpose and, generally, its use is restricted to that purpose. The Fair School Funding Plan provides categorical aide to school districts for:*
 - *Economically Disadvantaged Students* – Because serving the needs of Economically Disadvantaged Students is one of our school districts’ greatest challenges, it is important to note:
 - National research (The Education Trust, Syracuse University and the State of California) says that each economically disadvantaged child needs at least 26% to

- 62% more than his/her district's base cost amount in order to overcome the handicaps associated with the child's circumstances.
 - Those amounts exponentially increase as concentration of the disadvantaged students increases.
 - Ohio currently provides \$272/pupil as an initial starting amount but increases to a maximum of approximately \$1,100/pupil at a 100% concentration of economically disadvantaged students in a district.
 - The Fair School Funding Plan establishes the recommended increase from \$272 per pupil to \$422 per pupil and further establishes this per pupil funding level, subject to the formula which increases the per pupil amount as the concentration of economically disadvantaged students increases.
 - The Fair School Funding Plan also requires that funding for Economically Disadvantaged Students will be fully funded, without phase-ins, before any monies are appropriated for any other provision of the Fair School Funding Plan, until a study mandated by the Fair School Funding Plan is completed.
- *Students with Disabilities* – Since Ohio adopted its current method of weight-based funding for Special Education in the early 2000's, Ohio's special education community has been generally satisfied with the State's support of children with disabilities. Since then, changes in technology, remedial practices and education philosophy have been significant. The Fair School Funding Plan therefore provides for the following:
 - An in-depth review of the current funding categories, remedial practices and commonly used technologies to confirm that current funding levels are appropriate, and, if not, to recommend changes;
 - Increasing the current 90% funding level for existing categories to 100%, with the final 10% to be set aside for catastrophic cases; and
 - Funding the six disability categories using a multiplier of the base cost amount.
- *Gifted students*
 - The Fair School Funding Plan will implement the funding recommendations from the Ohio Department of Education (ODE) 2018 Gifted Funding Report.
- *English Language Learners*
 - The Fair School Funding Plan directs ODE to conduct a cost study of ELL to determine the validity of current funding amounts or to recommend new ones.
- *Transportation* – The Fair School Funding Plan continues to fund school transportation through a separate formula.
 - 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.

4. Question: How is Career Technical Education funded under the Fair School Funding Plan?

Answer: Ohio adopted a method of weight-based funding for career technical education in the early 2000s. Career technical education providers (career technical centers, comprehensives and compacts) are satisfied with the State's support of career technical education. Therefore career technical weighted funding is proposed to initially remain at the current funding level.

5. Question: How will Educational Service Centers be funded?

Answer: In keeping with the base aid recommendation and the components therein, each ESC will receive state aid in the amount of \$356,250. In addition, an interim formula providing additional funds will be contained within the Fair School Funding Plan to fund ESCs until a recommended study is complete. All ESCs will see an increase over current funding levels. Once the recommended study is complete, a permanent funding model for ESCs will be considered.

6. Question: How are alternative educational opportunities for students, or "choice options," funded under the Fair School Funding Plan?

Answer: The Fair School Funding Plan provides funding for students where they are being educated—at community schools, at other schools through one of the state scholarship programs, and in the district of court-placed students and open enrollment students. Funding goes directly to the educating entity which would eliminate "deductions" from districts' foundation payments.

7. Question: How many districts receive less money from the state as a result of the new formula under the Fair School Funding Plan?

Answer: There are no districts that lose money under the new formula. There are 11 districts that receive no increase over the current formula.

8. Question: How many districts will be on the guarantee?

Answer: There are 11 Districts that will be on a guarantee.