

OSBA Urban Commission Quarterly

Summer '07

Michelle Francis, staff coordinator

Alton

Canton

Cincinnati

Cleveland

Cleveland Heights-
University Heights

Columbus

Dayton

East Cleveland

Elyria

Euclid

Hamilton

Lima

Lorain

Mansfield

Middletown

South-Western

Springfield

Toledo

Trotwood-Madison

Warren

Youngstown

Mark your calendars

CUBE 40th annual conference

The National School Boards Association's Council of Urban Boards of Education (CUBE) is holding its 40th Annual Conference in Atlanta, Georgia from Sept. 27-30 at the Georgia Tech Hotel and Conference Center. The conference is titled Serving America's Urban Public School Children.

Programs include:

- ◆ Governance training
- ◆ Site visit to Atlanta Public Schools
- ◆ State of urban education
- ◆ Successful urban students: What's health got to do with it?
- ◆ Governing in difficult times: CUBE districts and state school boards associations in partnership
- ◆ Civil rights tour of Atlanta
- ◆ Diversity in student assignment
- ◆ Getting the board, superintendent, and communication director to fly in formation
- ◆ Strategic communications plans

For more information, please visit www.nsba.org/cube.

Statehouse news

Strickland signs first budget bill

The Ohio General Assembly passed the biennial budget bill, Amended Substitute House Bill (HB) 119, with historic bipartisan support from both the House and the Senate. Gov. **Ted Strickland** signed the \$52.4 billion measure into law on June 30. Before signing the bill, he vetoed several provisions, including a provision that would have created a special education voucher pilot program. He also vetoed the following:

- ◆ Language that would have hindered the ability and authority of the School Employees Health Care Board (SEHCB) to develop best-practice standards and health care plans to create cost savings for school districts.
- ◆ Language that would have prohibited the Ohio Department of Education (ODE) from withholding payments to a charter school when a school district disputes the student's enrollment, pending determination.
- ◆ Language that would have created a special services district with taxing and debt-issuing authority in Cuyahoga County to serve special education students.
- ◆ Language that would have moved the Expedited Local Partnership Program (ELPP) districts in the Ohio School Facilities Program (OSFC) higher on the equity list.

The following is a brief summary of the education provisions contained in the final version of the budget:

Funding formula

- ◆ Retains the building-blocks approach for determining the base-cost formula amount.
- ◆ Increases the base-cost per-pupil formula amount by 3% each fiscal year to \$5,565 in FY '08 and \$5,732 in FY '09.
- ◆ Adjusts the hourly rate used to calculate the base-funding supplements for academic intervention by 3% each fiscal year. The base-funding supplements per-pupil will be \$49.42 in FY '08 and \$50.90 in FY '09.
- ◆ Retains the second formula average daily membership (ADM) count under current law for the first full week in February.
- ◆ Authorizes ODE to adjust a school district's formula ADM to account for its resident students enrolled in a community school for only a portion of the school year, regardless of the number of such students reported by the district.
- ◆ Eliminates the cost-of-doing-business factor from the funding formula.
- ◆ Eliminates the base-cost, re-appraisal and poverty-based assistance (PBA) guarantees.
- ◆ Retains one bottom line transitional aid guarantee that ensures school districts and joint vocational school districts will receive at least as much state aid as they received the previous year.
- ◆ Includes PBA and parity aid in the base-cost calculation, which will increase the state share percentage for districts and will increase some districts' categorical funding amounts such as special education and career-technical education funding.

Poverty-based assistance

- ◆ Retains a poverty indicator based on participation in the Ohio Works First (OWF) program.
- ◆ Bases the poverty index on the average poverty count of the preceding five years and the average formula ADM of the preceding three years.
- ◆ Increases PBA funding by 13.8% in FY '08 and 6.8% in FY '09.
- ◆ Increases flexibility for use of PBA funds.
- ◆ Adds a new subsidy for closing the achievement gap. Renames the class-size reduction subsidy as a payment for increased classroom learning opportunities.
- ◆ Big Eight districts will receive per student from \$70 to \$122 in FY '08 and \$72 to \$126 in FY '09 for dropout prevention.
- ◆ Urban 21 districts will receive per student, approximately \$11 to \$122 in FY '08 and approximately \$11 to \$126 in FY '09 for community outreach.

Parity-aid

- ◆ Increases the millage rate used in the parity-aid calculation to 8 mills in FY '08 and 8.5 mills in FY '09.
- ◆ Changes the parity aid calculation so that only districts up to the 67th percentile in wealth in FY '08 and 60th percentile in FY '09 will receive parity-aid funding.

Categoricals

- ◆ Continues funding of special education weights at 90%.
- ◆ Increases state transportation funding by 1% in FY '08 and FY '09.

Community (charter) schools

- ◆ Permits new start-up community schools under certain circumstances.
- ◆ Permits an early college high school, which is currently run by a Big Eight school district in partnership with a private university, to operate as a new start-up community school beginning in the 2007-2008 school year, if (1) the governing authority and sponsor of the school enter into a contract under the law and both parties adopt and sign the contract by July 9, 2007, (2) the school's governing authority enters into a contract with the private university under which the university will be the school's operator, and (3) the school provides the same educational program the school provided while part of the Big Eight school district. This provision affects Dayton City School District's Dayton Early College Academy.
- ◆ Permits a community school student to enroll in the career-technical program of the student's resident district. Permits both the district and the community school to receive state funds for the student for the proportion of the time the student attends each school.
- ◆ Allows community schools to provide their own transportation services and receive per-pupil transportation funding that would otherwise be paid to resident school districts.
- ◆ Prohibits the sponsor of an unauditible community school from entering into contracts with additional community schools until the state auditor completes a financial audit of the school.
- ◆ Stops all state payments to a community school that fails to make progress in bringing its records into compliance within 90 days after being declared unauditible.

Science, technology, engineering and math (STEM)

- ◆ Provides \$3 million in each fiscal year for start-up grants for new STEM schools and \$3.3 million in each fiscal year for STEM Programs of Excellence.
- ◆ Creates a STEM Subcommittee of the Partnership for Continued Learning and authorizes the subcommittee to issue a request for proposal for the establishment of STEM schools. Authorizes the subcommittee to approve up to five STEM schools (grades 6-12) to open in FY '09.
- ◆ Authorizes partnerships of public and private entities that include a school district, higher education entities and business organizations to submit proposals to establish STEM schools.
- ◆ Authorizes the STEM Subcommittee to award grants to STEM Programs of Excellence operated by school districts and educational service centers for grades K-8.

Tangible personal property tax (TPP) replacement

- ◆ Dedicates 70% of annual commercial activities tax (CAT) revenue in FY 2019 and thereafter to school funding.

Alternative education programs

- ◆ Earmarks up to \$6,227,310 in FY '08 and FY '09 for alternative education grants for the Urban 21 school districts.

School improvement initiatives

- ◆ Earmarks up to \$236,250 in FY '08 and FY '09 for Project GRAD.
- ◆ Earmarks up to \$7,988,985 in FY '08 and up to \$8,323,985 in FY '09 for creating early college high schools and converting existing large urban high schools into small, personalized high schools.

Other important areas

- ◆ Requires the State Board of Education to adopt physical education standards for grades K-12 by December 31, 2007.
- ◆ Requires school districts to report to ODE the number of minutes per week and the number of classes per week of physical education provided to students in grades K-8 in the previous and upcoming school year.
- ◆ Requires a school district to consider, upon request, the transportation of a nonresident student

in grades K-12 to a nonpublic school if (1) the student's resident district is not required to transport the student and (2) the parent agrees to reimburse the nonresident district for the costs of transportation that exceed the amount the district receives from the state. Also requires the nonresident district to state in writing its reasons if it declines the request.

- ◆ Increases fees paid by schools to county auditors in the formula for real estate re-appraisal fees.
- ◆ Allows certain election expenses now paid by counties to be passed on to other subdivisions, including school districts. Expenses include: the cost of poll workers, placing and removing voting machines, printing precinct voter registration lists, supplies for printing voter verified paper audit trails, and the cost of contractors to operate voting machines.
- ◆ Makes changes to the Campaign Finance Law enacted in HB 694 from the 126th General Assembly that restricts public contracting based on political contributions. Changes include increasing from \$500 to \$10,000 the minimum cost of a contract awarded by a political subdivision that subjects the contractors to the public contractor contribution limits and certification requirements.

The FY '08 and FY '09 SF-3 simulations for each district are now available on ODE's website. The projections are based on data available at this time, and can be viewed at

www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEPrimary.aspx?page=2&TopicRelationID=995.

OSBA, along with the Ohio Association of School Business Officials, the Buckeye Association of School Administrators and the Ohio Education Association, presented joint testimony and sent letters to the General Assembly and governor throughout the budget process. Copies of these documents are available on the OSBA Web site at www.osba-ohio.org/advocacy.htm.

Editor's Note: All information in this article was current as of July 27, 2007. The House and the Senate have recessed until September.

Studies & reports

KnowledgeWorks report on PSEO

KnowledgeWorks Foundation recently released a report titled "The Promise of Dual Enrollment: Assessing Ohio's Early College Access Policy," which examines Ohio's Post Secondary Enrollment

Options (PSEO) program in the wake of an additional \$5.7 million in funding that was included in the state's biennial budget bill, HB 119.

For over 18 years, Ohio's high school students have been able to take college courses for both high school and college credit at no cost to them, thanks to Ohio's PSEO program. While this policy redirects almost \$18 million in state funds to pay for these courses, until now no comprehensive review has been done to determine how effective the policy is in better preparing students and the state's workforce.

The report from the KnowledgeWorks Foundation is the first to collect and analyze available data on the program. It finds both promise and problems in how the PSEO program is implemented across the state. Researchers found that high school students who take college courses through PSEO may be more likely to attend college and get degrees faster than the general population, but identified faults in how data is collected that make it impossible to determine whether these outcomes are a result of early college access. The report's findings also contradict some commonly held conceptions of how the policy has been used, document both direct and indirect costs associated with the policy, and pinpoint possible inequalities in access.

A copy of the report is available at www.kwfdn.org/resource_library/publications/pseo_report.asp.

Washington Beat

FY 2008 federal budget

Two major sources of funding to school districts for compliance with the No Child Left Behind Act (NCLB) are Title I and IDEA funding. The current funding levels for these programs in Federal FY 2007 are \$12.8 billion for Title I and \$10.7 billion for IDEA.

The U.S. House of Representatives has passed the FY 2008 Labor-Health & Human Services Education Appropriations bill, H.R. 3043, which contains over a \$4.2 billion increase for education funding. However, the bill faces a possible veto threat from the White House because its overall spending level is above the President's budget request. If a veto occurs, the programs will be level-funded; and no increases for school districts will be realized.

Currently, the House Appropriations bill would provide more than a 10% increase in funding over FY 2007 levels for NCLB programs and special education. Specifically, the bill would increase funding for Title I grants by approximately \$1.5 billion. In addition, the proposed spending bill would provide an increase of \$375 million for Title I School Improvement grants, and would provide an over \$550 million increase for special education.

Meanwhile, the U.S. Senate has not scheduled a floor debate on its education-funding bill, S. 1710. Now is the time to talk to your member of Congress while they are home for the August recess and urge them to support a final spending bill for education and ensure its enactment before the end of the Federal fiscal year.

For the latest information on the Federal FY 2008 education budget, visit www.nsba.org.

Editor's note: All information in the Urban Quarterly was current as of Aug. 6, 2007.