



Testimony for the House Finance Primary and Secondary Education Subcommittee

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Dear Chairman Hayes, Ranking Member Lundy, other members of the subcommittee, I appreciate the opportunity to testify before you today. You are engaged in the most important work facing our children, their futures and that of our state.

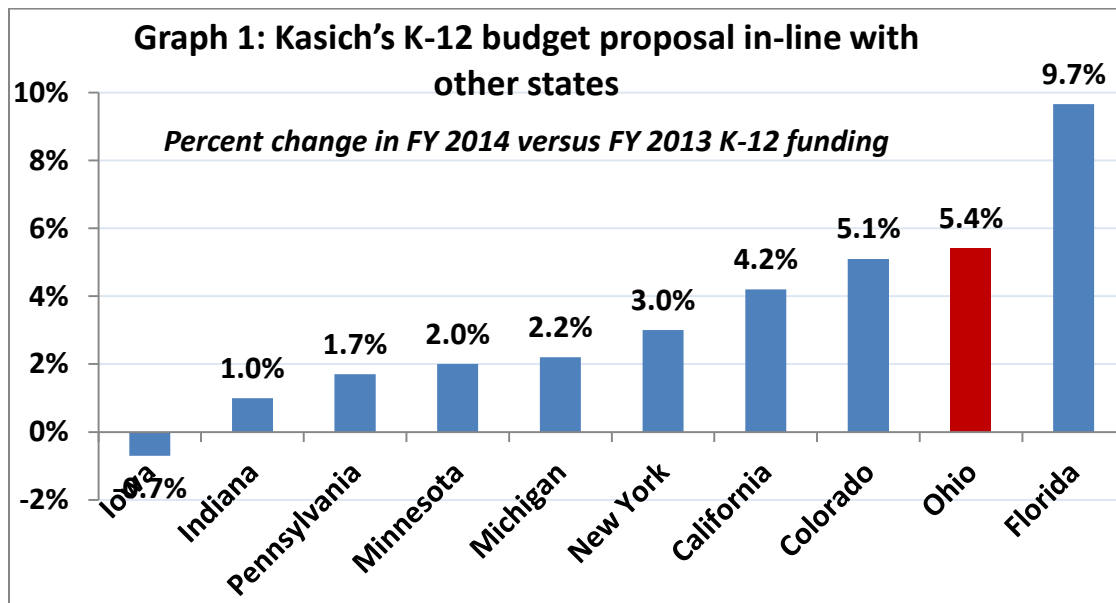
My name is Terry Ryan and I am vice-president for the Thomas B. Fordham Institute, a policy research group with offices in Columbus, Dayton and Washington, DC. We promote education reform of all stripes, with a particular focus on school choice and standards-based reform. Our sister organization, The Thomas B. Fordham Foundation, has been a state-approved charter school authorizer since 2004, and we currently authorize 11 schools across the state. I am also a Research Fellow at the Hoover Institution and the father of two daughters that attend public schools in Ohio.

I am here today to testify in support of Governor Kasich's *Achievement Everywhere* school reform plan. My testimony today is informed by our work in Ohio over the last 15-years on all manner of education issues and policies, and by the attached analysis of the *Achievement Everywhere* plan we asked school finance expert Professor Paul Hill of the Center on Reinventing Public Education to produce for us.

There is much to like in Governor Kasich's education proposals. And, there are some areas where we would suggest improvements.

First, Governor Kasich's plan calls for new investments in public schools. In fact, it seeks an increase in K-12 funding of nearly 10 percent over two years. This is generous in tough fiscal times. Graph 1 compares the new spending on K-12 education to that of other large states.¹ It shows that in FY2014 spending on schools in Ohio will outpace that of almost every other comparable state.

¹ SOURCES: Iowa: [FY 2014-15 Program and Budget](#), p. 90; Indiana: [OMB Directors Presentation to Budget Committee](#), slide 9; Pennsylvania: [2013-14 Governor's Executive Budget](#), p. A1.20; Minnesota: [2014-15 Governors Budget-Education](#), p. 8; Michigan: [Executive Budget: Fiscal Years 2014 and 2015](#), p. B-66; New York: [NY Rising: 2013-14 Executive Budget](#), p. 26; California: [K Thru 12 Education](#), p. 25; Colorado: [FY 2012-13 and FY 2013-14 Final Budget Submittal to the JBC](#), table 2; Ohio: [Ohio's Jobs Budget 2.0](#), p. D-171; Florida: [Florida Education Finance Program: 2013-14 Governor's Recommendation](#), p. 1.



More important than the new money, however, is that under *Achievement Everywhere*, the focus shifts from funding school districts to funding children. *Achievement Everywhere* is the first funding plan in Buckeye State history that targets children and their individual needs as the locus of public spending. The plan also starts to recognize just how dramatically Ohio's public system of education is changing.

When it comes to families and the schools they choose for their children, district lines are blurring and mattering less and less. Consider the following:

- **Open Enrollment** – more than 61,376 students in Ohio attend a public school outside of their home district. If these students were all in one district it would be larger than the Columbus City School District. There are 29 districts in the state with 20% or more of their students as open enrollees.²
- **Charter Schools** – five of Ohio's Big 8 cities have 20 percent or more of their students enrolled in public charter schools: Cleveland, 28%; Dayton, 26%; Toledo, 25%; Youngstown 25%; and Columbus, 21%.³
- **E-schools** – more than 37,555 children in Ohio attend a full-time on-line school. This is roughly the same number of kids attending public schools in Cincinnati.

Second, building on the work of organizations like the Center for American Progress⁴ Governor Kasich's plan recognizes the need for getting at, and reporting on, Academic Return on Investment (ROI). The plan calls for the state's accountability system to share graphs that report the academic achievement school districts produce relative to educational spending,

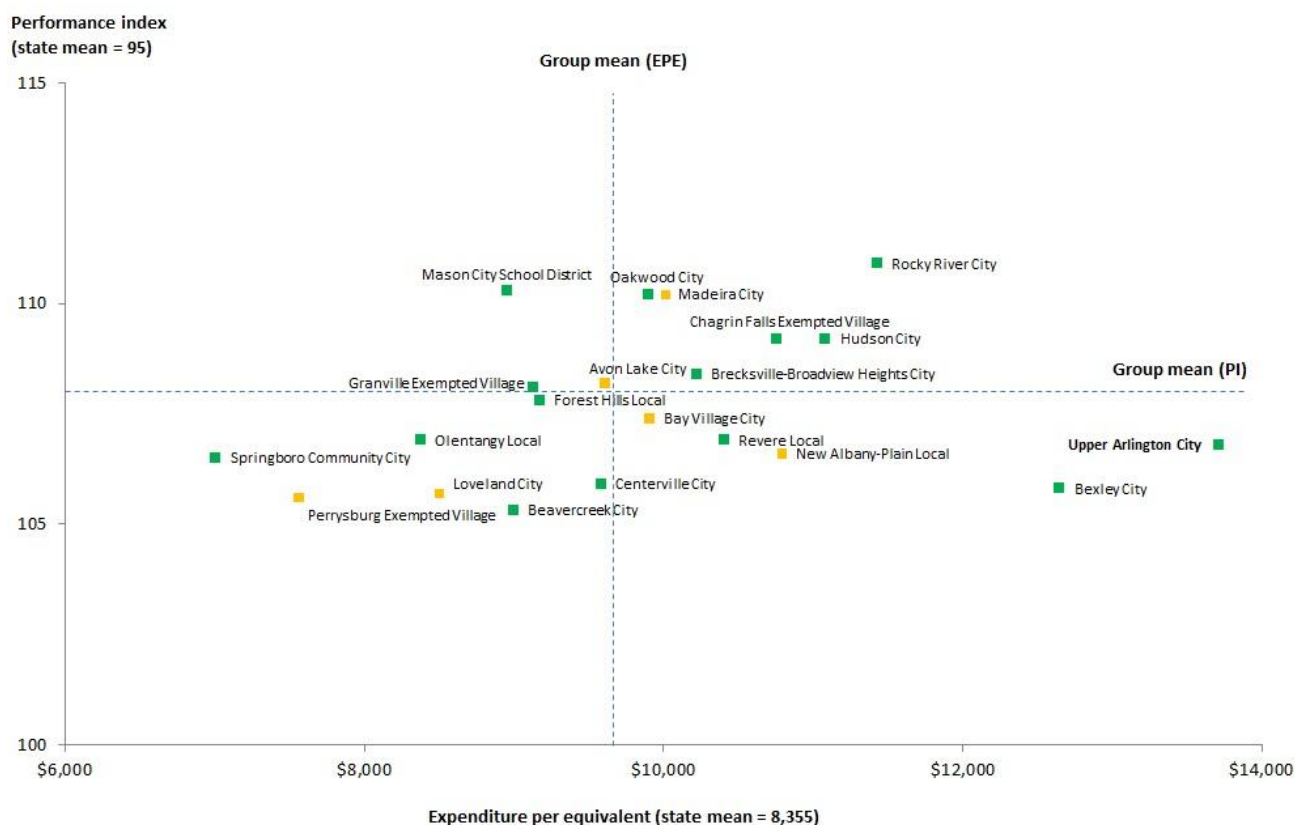
² http://www.edexcellencemedia.net/publications/2012/20121107-student-nomads-mobility-in-ohios-schools/OSMS_StatewideOverview-Jan-2013.pdf, p. 27.

³ <http://www.publiccharters.org/publication/>

⁴ <http://www.americanprogress.org/issues/education/report/2011/01/19/8902/return-on-educational-investment/>

while controlling for factors outside a district's control, such as cost of living and students in poverty. Graph 2 uses readily available weighted ODE data to show the Academic ROI for Upper Arlington City school district and its comparable peers.

Graph 2: Upper Arlington City and similar districts, efficiency ratings



The graph illustrates the fact that some Ohio school districts are more productive than others, while serving the same types of students. This information is important for a variety of reasons. It should help district officials and board members ask smarter questions about their spending and ways to do things more efficiently, while also keeping a focus on improving student achievement. Ohio has a number of highly effective school districts that others should learn from. For example, Reynoldsburg City Schools has seen its economically disadvantaged student numbers increase from 26 percent in 2007 to 38 percent in 2012. Yet, the district has seen its Performance Index score during this same time improve from 96.9 to 101.3. Reynoldsburg's annual per pupil costs in 2011 were \$9,313.⁵

Such districts prove that schools can be both efficient and high-performing. But, there is no magic formula for student success or some scientific way for determining adequacy across the state's myriad schools and school districts. The educators closest to the kids need to figure out

⁵ KidsOhio.org – Reynoldsburg School District Earns A+ with 38% Poverty Rate; Meets all 26 Indicators on State Report Card with Annual Per-Pupil Spending of \$9,300.

the right mix. Increasingly this mix includes unconventional forms of schooling (charter schools, blending learning models, STEM schools, Early College Academies, etc.), methods, technologies and uses of time.

Third, Governor Kasich's *Achievement Everywhere* promotes innovations and innovators through its Straight-A fund. The idea of an innovation fund for reform is something that the Fordham Institute, Philanthropy Ohio, and other school reform groups have been urging since at least 2008. For example, in recommendations for then-Governor Ted Strickland, the state's leaders in philanthropy argued for "an Incentive Fund to seed transformative educational innovation, support and scale up successful educational enterprises, and build a strong culture to support these activities in local communities and throughout the state's system of public education."⁶

While Governor Strickland never took this advice, Governor Kasich's *Achievement Everywhere* plan would distribute \$300 million over two years for not only incenting new programs, but pushing reforms that ultimately lead to greater student achievement and system efficiency.

Fourth, *Achievement Everywhere* tries to take some of the shackles off educators. Specifically, under the proposed "Free to Advance" provisions some regulations will be lifted so districts and schools can make more effective use of state dollars. As Paul Hill notes, if enacted, "these changes will move Ohio into the company of states that are trying to make K-12 education more effective for all their students. Governors and education leaders in New York, Louisiana, Florida, and Colorado have concluded that their public schools have been frozen in place by regulations and job protections, and are unable to cope with the demands of a changing student population, increased academic demands, and a rapidly changing economy."

Governor Kasich's *Achievement Everywhere* plan moves Ohio forward, but it could be even better. Here are five ideas for improvement that you may want to consider for this bill or for future legislation:

1. Get all dollars to follow kids to the schools they actually attend. Much funding is still stuck in categorical programs and as such flows to the child's district but not necessarily to the school he or she attends.
2. Require annual Academic ROI reporting for all public schools in the state – district and charters. Just as some districts are more productive than others so are some schools and these should be acknowledged and better understood.
3. Further eliminate mandates – regulations, laws, contracts – that force funds to be spent in particular ways across all schools regardless of student characteristics. The freedoms and flexibilities afforded the Cleveland Metropolitan School District in HB525 should be extended to all districts across the state.
4. Rapidly move away from "hold harmless" provisions and guarantees that provide funding to districts for phantom students. An obvious downside to such policies is that

⁶ Ohio Grantmakers Forum, *Beyond Tinkering: Creating Real Opportunities for Today's Learners and for Generations of Ohioans to Come*.

they support schools losing students at the expense of those gaining students. In what other line of business do organizations get funding for customers they no longer have?

5. Require annual student performance report cards for private schools that receive more than 30 percent of voucher bearing students. Schools that receive publicly-funded students need to be ranked by their performance so that both parents and taxpayers know what is working and what isn't.

Thank you Chairman Hayes, Ranking Member Lundy, and other members of the subcommittee for the opportunity to share my views with you today. I look forward to your questions.