



OESCA's

*State*

LEGISLATIVE PLATFORM



2008-2009

## About OESCA

OESCA is the statewide organization representing the more than 8,000 administrators, teachers, paraprofessionals and other personnel employed by Ohio's 57 Educational Service Centers (ESCs).

OESCA provides legislative updates and coordinates member lobbying efforts as well as coordinating communications among its member organizations.

OESCA also provides professional development opportunities for service center administrators and personnel through issue-related seminars and major conferences.

## OESCA Mission

OESCA and its members provide leadership and services that enable school districts to increase student achievement and improve Ohio's educational system.

## OESCA Vision

OESCA will be recognized at state and national levels for educational leadership and superior member services.

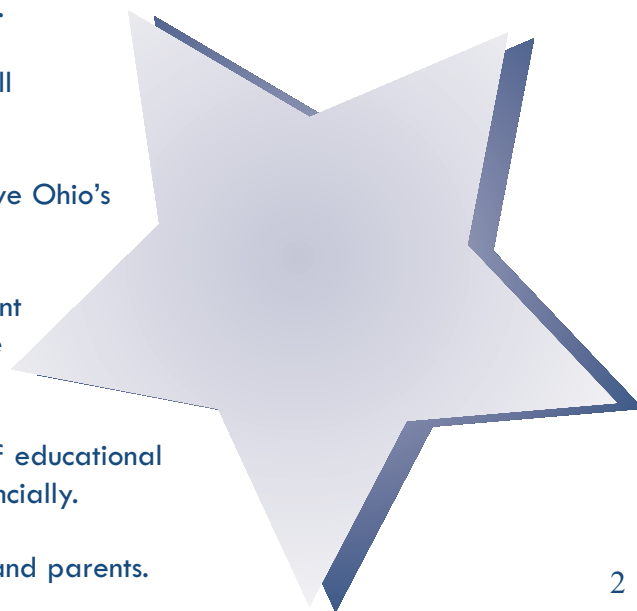


## OESCA's Core Policy Principals & Goals

The Ohio Educational Service Center Association is committed to working in cooperation with school districts, allied educational organizations, state and local policy makers, and other stakeholders to promote and support educational reform efforts that provide for an efficient, effective and quality system of education that is fiscally and academically accountable and which prepares all students to achieve high levels of academic success.

In so doing, OESCA has based its legislative policy recommendations on the following core goals:

- To advocate for the well-being of children as the basis of education policy decision making.
- To support safe and healthy learning environments that create a new culture of learning and meet the needs of all children.
- To increase student achievement and academic success for all students.
- To provide access to a thorough and efficient education to all Ohio children regardless of where they live.
- To build school district academic, operational and fiscal capacity.
- To facilitate the effectiveness, professionalism, and capacity of all school personnel.
- To increase the State's capacity to effectively and efficiently serve Ohio's schools.
- To promote pre-K-16 alignment with Ohio's economic development strategic plan addressing how to align curriculum with jobs of the 21st century.
- To achieve greater efficiency and effectiveness in the delivery of educational and professional services to schools, both academically and financially.
- To build strategic bridges between school leaders, communities, and parents.



# Beliefs that Guide the Association's Governmental Relations Activities



OESCA believes that public education is the cornerstone of our democracy. Educational service centers provide (1) leadership to help all education professionals and students reach high standards of performance and (2) cost-efficient regional services. Therefore, OESCA actively promotes and supports the following beliefs:



- OESCA believes that public schools are highly successful and continue to confront and overcome the challenges of socioeconomic status, geography, citizenship status, and the accompanying deprivations that impact learning.
- OESCA believes state resources must be focused on providing adequate support to public education. Nothing will provide a greater impact on the future of Ohio, and our nation, as developing the minds of its future citizens and leaders.
- OESCA believes accountability is an important aspect in school improvement; ESCs are best positioned to assist districts with efficient and economical operational and academic resources to support school accountability.

- OESCA believes ESCs are best positioned to provide districts with technical assistance.
- OESCA believes ESCs should be eligible to receive funding from all state education formulas and grants in order to carry out state and local education initiatives.
- OESCA supports state fiscal and tax policies that reinforce the capacity of state government to adequately support public education.
- OESCA supports cooperative efforts through ESCs and other regional service providers to enhance local resources and to create greater efficiencies.
- OESCA supports increased alignment and coordination between Ohio's systems of preschool, primary and secondary education, higher education and workforce development (P-20); efforts should be in partnership with the Ohio Department of Education, the Ohio Board of Regents, the Ohio Department of Development, the Ohio Department of Jobs and Family Services and others.
- OESCA opposes state and federal unfunded and under-funded mandates, placing requirements and restrictions on public school districts and educational service centers.
- OESCA believes the Ohio General Assembly and the United States Congress should fully fund all requirements assigned to public school districts and, further, should review current mandates and grant relief through funding or suspension, particularly during economic downturns.
- OESCA accepts the federal designation of ESCs as Local Education Agencies (LEAs) and strongly supports state recognition of this designation.
- OESCA believes alternatives within the public school system are needed, such as public charters and inter-district school choice (*open enrollment*). Alternative educational systems that have appropriate accountability (e.g., *public oversight and conform to state and federal laws and regulations*) are acceptable.



# An Increased Role for Ohio's ESCs in the Deployment of Federal, State & Regional School Improvement & Related Education Initiatives

OESCA supports an increased role for ESCs in the deployment of federally and state funded education initiatives including early childhood education, school improvement, data-driven decision making, professional development, teacher recruitment and retention, special education and related services and more.

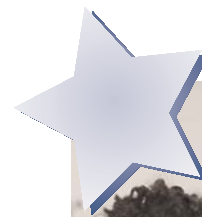


ESCs are grounded in state and federal law. ESCs are defined as school districts under the Ohio Revised Code. ESCs are defined in section 3311.05 of the Ohio Revised Code. Further, section 3311.05.5 stipulates that wherever the term "school board" or "board of education" appears in Title 33 of the Revised Code, unless expressly prohibited, the term also refers to education service centers.

Under federal law, ESCs (ESAs) are defined in the Elementary and Secondary Education Act as such, *"(A) - The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or of or for a combination of school districts or counties that is recognized in a State as an administrative agency for its public elementary schools or secondary schools. (D) The term includes educational service agencies and consortia of those agencies."* OESCA supports the use of this definition in all federal laws pertaining to ESAs for clarification and consistency between federal laws and regulations.

Ohio's ESCs can serve as a valuable, and cost-effective, conduit for the roll out of state initiatives and are important to the quality of education in Ohio for the following reasons:

- **Experienced and Effective:** During difficult economic times, it is important to identify solutions that utilize known, existing, reliable and capable service providers to deliver vital programs and services that districts need most in their efforts to increase student achievement. The solution is not always about more money. It is also about effectively targeting resources and maximizing the state's return on investment. ESCs are a central part of that solution.
- **Capacity:** adequately staffed with varied and experienced personnel – ESCs average more than 135 staff members in each ESC.
- **Accessibility:** geographically disbursed across the state – ESCs serve each county and their corresponding schools across the state of Ohio. ESCs already provide an important link between schools and health and human service agencies and other community-based organizations and can continue to serve as the conduit for "wrap around" services.
- **Integrated:** In schools working with kids and teachers on a day-to-day basis. Ninety-percent of ESC staff are in the school buildings and classrooms of Ohio's schools every day providing direct support to school-aged children and job-embedded professional development to teachers and administrators.
- **Networked:** ESCs not only operate on the local level, but also have the advantage of a statewide network through their state association committee structure and organization.



# OESCA State Funding and Policy Priorities

## State Funding Priorities

### TIER I:

#### 1. Restore ESC Funding to Pre-Cut Levels (FY 2008)

- Despite only representing 0.66% of the Department of Education's total GRF appropriations, or 2.6% not counting foundation funding, ESCs accounted for nearly 10% of the overall cut to the Ohio Department of Education in the Administration's budget rebalancing plan over both years at \$5 million per year or \$10 million of the \$101.5 million over the remaining months of the biennium (FY 2008-2009). The approved reductions had the ESCs bearing a disproportionate share of the cuts; ESCs took, at the very least, a cut more than 3 ½ times their proportional share. Ultimately, this cut to ESCs was a direct cut in services to schools as those costs were passed along to the constituent districts; such disproportionate reductions resulted in either a.) increased costs or b.) an actual loss of services to teachers and/or students. The impact is real given the fact that over 300 districts were flat funded in FY 2008 and more than 200 were flat funded in both years of the biennium. ESCs have served as a support system to these districts.
- ESCs receive state funding support to serve 577 school districts and 1,368,749 students; they also provide services to even more public, charter and private schools on a contractual basis. ESCs leverage the nearly \$47 million in GRF support from the state to provide an additional \$600 million in services to customer school districts (*this excludes additional services provided through unified/cooperative purchasing and health insurance, natural gas, electric pooling and other cooperative services*). **This is a tremendous return on investment.**

- OESCA supports, at a minimum, restoring ESC funding to pre-cut levels and encourages the state to explore full funding of city/county contracts as outlined in #6 below.
- Unlike traditional public schools, ESCs are not subdivisions or taxing authorities as defined under the provisions of the uniform tax levy and uniform bond acts. ESC governing boards are not legally authorized to borrow money, issue bonds or notes, enact appropriation measures or exercise many other powers that are generally vested in the boards of education of local, exempted village, and city school districts.
- Today, ESCs are supported by a \$47 million state General Revenue Fund (GRF) appropriation which represents, for the average ESC, 23.51% of its total funding. ESCs provide over \$650 million dollars in services each year to Ohio's schools. This does not include services provided through unified or cooperative purchasing or other cost saving activities such as health insurance, natural gas, or electric utility pooling.
- Several policy decisions over the course of the past 5-10 years have had a significant impact on ESC funding including, but not limited to, the following:
  - the transition from unit funding to weighted funding for special education,
  - flat funding over the past 12 years,
  - the loss of facility support from boards of county commissioners,
  - the elimination of the Community Alternative Funding System, CAFS, and the decision to prohibit ESC participation in the new school-based Medicaid program, and
  - an 8.95% cut in FY2008 and FY2009.
- These realities threaten the financial stability of Ohio's leading regional educational service providers. While the formula amount for local districts has increased over the last decade, the actual funding for educational service centers has decreased in relation to the formula amount.

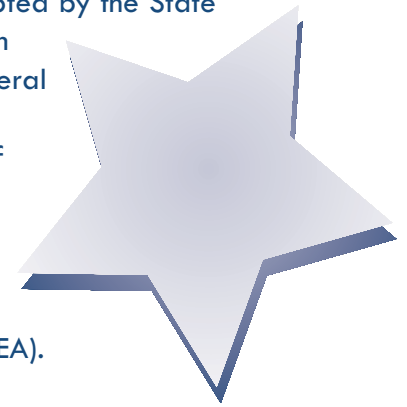
## 2. Fully Fund the Updated Special Education Cost-based Methodology

- Ohio's system of special education funding is a 6-weight system in which each weight represents a particular category of disability. The state's cost-based special education funding methodology was updated in 2006 in preparation for the 2008-2009 biennial state operating budget. It was necessary to update the cost-based methodology for funding special education to reflect the increasing market-based personnel costs associated with delivering special education and related services. This update reveals that the cost of the updated weighted system would be an additional \$192 million in FY 2006 dollars. Currently, the 6-weight system is funded at 90% of the current standard which was established in 2001 as part of the FY 2002-2003 biennial state operating budget. Under the updated weighted system, funding of the weights at current levels is actually substantially less than 90% of actual costs. OESCA supports the full funding of this updated methodology.



- OESCA supports a statutory change, consistent with language in Substitute House Bill 431 of the 126th General Assembly, requiring the Ohio Department of Education to update the cost-based methodology on a biennial basis using updated rules and the most recent fiscal year ODE personnel costs, as well as actual service level data. Updating the study regularly will help ensure that special education pupils are receiving the resources necessary to succeed.

- OESCA opposes any efforts to supplant, rather than supplement, state and local special education funding efforts through the refinancing of existing federal resources to meet state funding obligations under the cost-based funding methodology adopted by the State Board of Education and the Ohio General Assembly; OESCA supports the use of federal funds consistent with the intent, and requirements, of federal law (IDEA).



## 3. Provide Adequate Funding for Existing and New Preschool Special Education Units

- Fully funding existing preschool special education units and additional units as necessary to meet the needs of all preschool special education students and the districts that serve them is consistent with the recommendations of the School Readiness Solutions Group and other early care and education initiatives. Ohio's school districts are required by state and federal laws to provide preschool special education services to all identified children upon their third birth date. There are currently more than 3,200 preschool special education units statewide (FY 2008). According to ODE, more than 2,100 are funded units and there are approximately 1,100 unfunded units.
- OESCA supports full funding of all eligible preschool special education units and basing preschool special education unit funding on updated personnel costs.
- OESCA supports a policy shift that encourages collaboration and cooperation in the delivery of preschool special education services whereby ESCs would be eligible recipients of preschool special education units in much the same manner as school districts. **This is particularly important in difficult economic times.**

#### 4. Continued Support for Implementation of the Ohio Core Curriculum Including Funding for Dual Credit and Alternative Teacher Licensure Programs Developed by ESCs.

- The core program consists of several components to assist districts in building resource capacity:
  - 1) funds for districts to contract with institutions of higher education in math, science, or foreign language for dual credit for high school students;
  - 2) online resources for educational success in math, science and foreign language;
  - 3) alternative teacher licensure program developed by ESCs in partnership with institutions of higher education;
  - 4) intensive training to license mid-career professionals and currently licensed teachers in science, math or a foreign language; and
  - 5) Dual enrollment grant opportunities.
- With increased need for teachers in specialized areas and fewer applicants, ESC's are strategically positioned to assist districts in filling these positions through enhanced alternative teacher licensure programs.
- Building capacity is a key component of the Ohio Core initiative and is at the heart of this proposal. OESCA also supports policies to encourage participation by Ohio's public and private 2-year and 4-year colleges and universities.

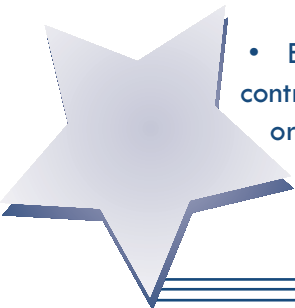


#### 5. Professional Development and Technical Assistance Funding Through ESCs to All School Districts

- OESCA supports the designation of state funding resources for professional development services and the use of ESCs and the newly created Ohio Educational Regional Service System in the delivery of high quality programs and services to all Ohio school districts. Consideration should be given to how to best utilize the system to provide technical assistance and school improvement services to all school districts not just those identified as priority 1 and 2 academic watch and emergency school districts. Better use of existing service providers will ensure that all districts have access to state funded services necessary to make adequate yearly progress (AYP).
- The Ohio educational regional service system became operational on July 1, 2007 and should serve as the conduit for the roll-out of statewide school improvement and related initiatives for all school districts.

## 6. Full Funding of City County Contracts

- OESCA believes that city, exempted village and local public school districts should be treated equally for purposes of ESC funding and as it relates to the definition of ESC territory, ESC governing board representation, and district transfer of ESCs.
- Am. Sub. H.B. 115 (126th GA) eliminated the arbitrary deadline, in permanent statute, for city/county ESC contracts to be in effect and thereby allows funding for such agreements that have been put in place since that date. The deadline was an arbitrary deadline that has kept city/county agreements finalized after that date from being put into effect and funded. All city and exempted village school districts meeting the ADM threshold should have the opportunity to receive services from an ESC.
- The January 1, 1997 deadline currently in temporary language within HB 66, the biennial operating budget, should be eliminated to allow for funding of eligible city-county agreements. Consideration should also be given to funding all school districts, up to the 13,000 ADM threshold, for curriculum, school improvement, technical assistance, and other services through Ohio's educational service centers.
- There are currently 30 eligible city and exempted village school districts, serving more than 111,150 students, that could benefit through the funding of unfunded city/county ESC contracts. OESCA supports additional funding, approximately \$4.5 million per year, to ensure that all districts are treated equally for purposes of ESC funding to support programs that train teachers and administrators, provide services to at risk and regular education students, and support effective school district operations.

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- Existing state funded city/county contracts should not be reduced in order to fund new or currently existing but unfunded city/county agreements.



### TIER II :

7. **Raise state minimum teacher salary scale (currently at FY 1993 levels)**
8. **Raise Minimum Salary Schedule for Preschool Special Education Teachers and General Education Supervisors.**
9. **Maintain Existing Alternative School Grants and Allow for Creation of New Alternative School Programs.**
10. **Provide Adequate Support of Special Education Enhancement Funding Including Replication of Best Practice Programs.**
11. **Support Gifted Education Funding.**
12. **ESC Facility/Office Space Funding (Involvement in OSFC Program)**
13. **Renew Small County Guarantee.**



**TIER I :**

**1. Create an ESC Accountability System aligned to the statutory required services provided by ESCs and consistent with the roles and responsibilities of the educational regional service system as established in Am. Sub. H.B. 115 (126th G.A.).**

- Any accountability system should be aligned to the regional quality delivery standards adopted by the State Regional Alliance Advisory Board.

**2. Make ESCs Eligible Recipients of State and Federal Funds for all Available Competitive Grants.**

- The department of education should encourage and promote expansion of all eligible grant opportunities to ESCs. Utilizing ESCs to administer competitive grants provides for greater coordination and collaboration among school districts and regional service providers and enables services to be leveraged across a greater number of children, teachers, buildings and school districts.
- ESCs (ESAs) are defined in the Elementary and Secondary Education Act as local education agencies (LEAs). Likewise, under Ohio Revised Code §3311.055 all Revised Code references to “school districts” and “boards of education” are deemed to include ESCs and their governing boards. *State department of education guidelines for grant awards should reflect ESC standing in both state and federal law.*

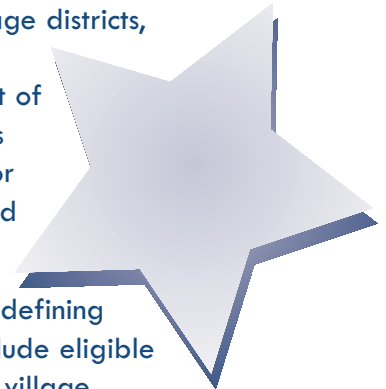
**3. Address Issues Related to ESC Closure**

- Current statute does not address issues related to ESC closure following the annexation of an ESCs last school district. Issues that must be addressed relate to the dissolution of the ESC including, payment of debt, liquidation of assets, conveyance of public records.
- OESCA supports amending Revised Code sections 3313.843 and 3311.059 to allow

City/Exempted Village School District funding to follow the contracts upon dissolution, to address the conveyance of public records, and to establish an ODE-directed process for the closure of an ESC requiring the State Board of Education to immediately appoint a qualified individual to administer the process. This proposed "dissolution" process is patterned after the procedures already provided in law for cooperative education school districts-- see ORC 3311.29.

**4. Redefine ESC Territory to Include City and Exempted Village Districts**

- ESC territory is currently defined by the local school districts only. While ESCs serve over 1.3 million students, 760,000 of which are from city and exempted village districts, these districts are not considered part of the ESC territory as defined in statute or for governing board representation.
- OESCA supports redefining ESC territory to include eligible city and exempted village school districts.



**5. Establish New ESC Governance to Reflect Redefined Territory**

- Consistent with Recommendation #3 above, OESCA supports the expansion of ESC governing board membership to include representatives of City and Exempted Village school districts.

**6. Maintain and Support Increased Alignment of Regional Educational Service Providers and the Educational Regional Service System.**

- Consistent with OESCA's 2002 plan to align Ohio's system of regional education delivery, and the recently passed Am. Sub. H.B. 115 (126th G.A.), the focus of any system change, as it relates to the delivery of state funded school improvement and technical assistance services, should continue to be on alignment

of service providers and how to better utilize the state's existing network of Educational Service Centers and regional service providers, and the newly created educational regional service system, to deliver educational services in a more effective and efficient, coordinated and systematic manner to positively impact student learning.

- OESCA supports efforts to increase greater alignment in the learning continuum from preschool through higher education and into the work force. ESCs provide services to preschool students, primary and secondary students and adult work force and can continue to partner with the state to provide support and services throughout the P-20 system.



- The State of Ohio should convene a task force to identify services and funding, currently delivered centrally from the Ohio Department of Education, which can be regionalized through the Educational Regional Service System, Educational Service Centers and other service providers in an effort to remove administrative barriers and drive services down to the closest point of delivery.
- OESCA supports greater alignment between the Educational Regional Service System, Regional P-16 councils, Regional Stem Schools/Academies, and other educational programs delivered

through a regional network. The utilization of multiple regional networks is contrary to the legislative intent behind creation of the ERSS under A.m. Sub. H.B. 115 (126th GA).

## **7. Utilize ESCs in the Creation of STEM High Schools.**

- OESCA supports efforts to promote and advance Science Technology Engineering and Math in Ohio's K-12 education system.
- STEM high schools should be an integrated component of the existing K-12 public education system with similar accountability measures and not a new, separate public education system.
- ESCs can and should serve an integral part in the recruitment and retention of new and mid-career professionals with experience in Science, Technology, Engineering and Math.
- ESCs can and should be utilized to provide alternative licensure pathways for mid-career professionals seeking to teach in STEM high schools.

## **8. Address School Psychologist and Speech/Language Pathologist Shortages including Updating the Special Education Rules to Allow School Psychologist Assistants, Speech Therapist Assistants, others.**

- Allowing the use of School Psychologist and Speech-Language Assistants will enable ESCs and school districts to meet critical needs in a cost-effective manner and maintain quality programs.

## **9. Establish ESCs as an Eligible Service Provider Under the New School-based Medicaid Program.**

ESCs are grounded in state and federal law. ESCs are defined in section 3311.05 of the Ohio Revised Code. Further, under Ohio Revised Code §3311.055 all Revised Code references to "school districts" and "boards of education" in Title 33 of

the Revised Code are deemed to include ESCs and their governing boards unless expressly prohibited. Under federal law, ESCs (ESAs) are defined in the Elementary and Secondary Education Act.



Medicaid reimbursement is an important part of the support services that ESCs provide as LEAs to their client school districts and to eligible students throughout the state. OESCA is strongly opposed to steps that have been taken by ODJFS to eliminate ESCs and County Boards of MR/DD as eligible services providers under the new school-based Medicaid program. OESCA also opposes efforts at the federal level by the Center for Medicare and Medicaid Services (CMS) to eliminate reimbursement for school-based transportation and administration costs.

**In Ohio, despite decades of experience in administering the program for school districts, a decision by the Ohio Department of Jobs and Family Services (ODJFS) has left ESCs ineligible to act as a service provider under the new School-based Medicaid Program.** The close of the CAFS program and the inability to restart it in a timely manner placed additional fiscal pressure on special education funding. This situation further compounded special education funding pressures that relate in part to the fact that the state's cost-based special education funding methodology is not fully funded because the weights are funded at 90% and have not been updated in four years.

The new school-based Medicaid plan does not include ESCs as eligible providers. Instead ESCs,

and county boards of MR/DD, would have to develop contractual relationships with the resident school districts creating a process characterized by additional administrative burdens on both the resident school districts and the providers; this process will jeopardize the access and potential of federal dollars being received by these educational entities.

Permitting ESCs and MR/DDs to bill for services would improve efficiency by dramatically reducing the number of provider billing agencies. Moreover, many ESCs employ providers serving more than one school district, and this would permit one billing rather than multiple from each of the resident districts. Many ESCs have their own programs serving the preschool population and under the new program and proposed rules would have no opportunity to access Medicaid funds for otherwise eligible students.

**The updated school-based Medicaid plan should allow for ESCs, County Boards of MR/DD and school districts to receive back payments for qualified services dating back to July 1, 2005. OESCA is supportive of these efforts to capture federal funding for services schools, ESCs and County Boards continued to provide (and were required to provide) for Medicaid eligible students with disabilities. In many cases, it is the ESCs that have the necessary billing information since they continued to collect and retain those records as they had prior to July 1, 2005, on behalf of the school districts.**

The Centers for Medicare/Medicaid (CMS) permits similar entities in other states to receive direct Medicaid payments for these services. The same recognition should be granted to service agencies (ESCs) and county boards of MR/DD in Ohio.

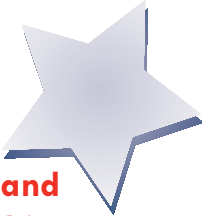


**OESCA supports:**

- A major cost-effective vehicle for delivering Medicaid reimbursements to eligible school districts **and** ESCs and the students they serve.

- ESCs are LEAs in federal and state law and, as such, should be eligible providers under the new Ohio Schools Medicaid Program.
- ESCs, County Boards of MR/DD and school districts should be eligible to receive back payments for qualified services dating back to July 1, 2005.

## 10. Utilize ESCs to Make Dropout Prevention, Early Intervention and Recovery a Priority of Every Ohio School District.



- ESCs are already required by law (ORC 3321.15) to employ school attendance officers. OESCA supports efforts to enhance existing statute and to be more purposeful and intentional in direct funding resources to effectively carry out these requirements. In addition, many ESCs operate alternative schools, drop out prevention and intervention programs, credit recovery programs, home schooling, and after school programs to provide needed programs and services to some of Ohio's most at risk youth. This infrastructure can, and should, be used to ensure that all children receive needed educational programs and services and provide opportunities beyond primary and secondary education.

## 11. Monitor Special Education Scholarships.

- OESCA supports providing students with disabilities a broad scope of opportunities to receive a high quality education. However, OESCA has significant concerns about the current system's capacity to provide adequate services in transitioning from a system that currently does not allow students to transfer to one that would allow special education students to automatically switch school districts and/or service providers. Additionally, OESCA opposes the creation of new programs when the current cost-based special education funding methodology is only funded at 90% of 2001 costs.

## 12. Eliminate outdated statutory requirements and update ESC definition/roles and responsibilities.

- Numerous statutory provisions related to outdated regulatory functions of ESCs were eliminated in the last state biennial operating budget. A review of current statutes regarding ESC roles and responsibilities should be conducted and result in recommendations for the elimination of outdated requirements and the addition of new responsibilities consistent with the evolving ESC role as a full-scale service provider.
- **Additional statutory roles and responsibilities for ESCs should be considered, as appropriate, to support state school improvement, technical assistance and professional development initiatives that lead to improved instruction and increased student performance outcomes, as well as programs and services that lead to increased efficiencies in school district operations.**
- **OESCA supports efforts to:**
  - **Replicate Regional Best Practices that Improve Student Learning.**
  - **Utilize ESCs in the Deployment of Professional Learning Communities.**
  - **Implement Statewide Positive Behavioral Intervention Support Programs through ESCs.**
  - **Support the ESC infrastructure in the Roll-Out of Statewide School Improvement, Professional Development (including professional learning communities), Technical Assistance and Related Services to All School Districts Not Just Those in School Improvement Status.**

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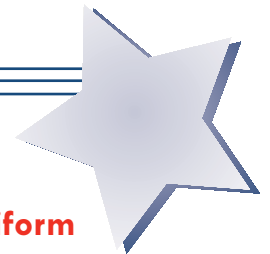


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## TIER II :

### 13. Establish Streamlined, Uniform ESC Accounting Procedures.

### 14. Provide ESCs Direct Funding as Provider of Auxiliary Services for Chartered Non-publics.





# EDUCATIONAL SERVICE CENTERS FY 2010-2011 Budget Priorities



*The Ohio Educational Service Center Association is committed to working in cooperation with school districts, allied educational organizations, state and local policy makers, and other stakeholders to promote and support educational reform efforts that provide for an efficient, effective and quality system of education that is fiscally and academically accountable and which prepares all students to achieve high levels of academic success.*

The Ohio Educational Service Center Association (OESCA) supports the vision for education and education funding reform as articulated by Governor Ted Strickland in his FY 2010-2011 biennial operating budget.

OESCA does, however, have concerns related to various, specific provisions within the overall FY 2010-2011 biennial state operating budget. These issues are addressed below:

## Issue 1: ESC Funding

- ESCs are funded at 90% of FY 2009 levels. FY 2009 was reduced by 8.95% in the first round of budget reductions.
- ESCs, under HB 1, are funded at \$42.3 million per year or 18.95% less than FY 1998.

**OESCA Position:** Restore ESC funding to \$52 million appropriation. OESCA supports the restoration of ESC funding utilizing General Revenue Fund (GRF) appropriations. However, given the current economic conditions, OESCA would support the use of federal stimulus funds, through the state stabilization fund, to restore funding to previous levels (*see attached proposal*).

OESCA is opposed to efforts to reduce ESC funding for the purpose of costly performance audits – \$164,912 per ESC over the biennium (OESCA is not, however, opposed to performance audits).

## Issue 2: Performance Audits

- Requires each ESC to undergo a performance audit during the FY 2010-2011 biennium.
- Diverts \$4.7 million each year from the ESC appropriation within the founding funding line item (200-550) for this purpose - \$164,912/ESC over the biennium.

**OESCA Position:** OESCA is not opposed to performance audits of ESCs. However, OESCA does not support reducing ESC funding levels to support performance audits (\$164,912/ESC over the biennium).

OESCA could support inclusion of ESCs in a 5-year audit process, as part of an overall ESC accountability system with appropriate performance metrics, similar to that proposed for school districts rather than a one-time performance audit as proposed.

Any ESC Accountability System should be aligned to the current, and any proposed, statutorily required services provided by ESCs and consistent with the roles and responsibilities of the Educational Regional Service System (ERSS) as established in Am. Sub. H.B. 115 (126th G.A.). Any accountability system should be aligned to the regional quality delivery standards adopted by the State Regional Alliance Advisory Board (SRAAB) as appropriate.

### Issue 3: ESC Study Committee

- Establishes the ESC Study Committee to study how the ESC system supports school districts and to make recommendation regarding a new regional service delivery system, ESC governance structure, and ESC Accountability.

**OESCA Position:** OESCA is not opposed to the creation of an ESC study committee. OESCA believes this study committee should be charged with a review of ESCs as well as the development of appropriate performance metrics for use in the performance audits as outlined above. The Association of Educational Service Agencies (AESA) and the Ohio ESC Association (OESCA) can serve as a resource for this study. Numerous state and national studies have been conducted that included Ohio ESCs. AESA, OESCA and the numerous studies can be referenced to examine metrics for operational standards, utilization of services, quality of ESC services, issues regarding territory and ESC governance, and other issues identified by the Study Committee.

### Issue 4: Ohio Evidence Based Model (OEBM) & Special Education Funding

- The OEBM is an inputs based model that seeks to determine the factors that provide a high quality education and the necessary personnel and related costs to deliver a high quality education.
- The Administration's OEBM proposed to fund special education at 90% of the 2006 updated weights as proposed by the Ohio Coalition for the Education of Children with Disabilities (OCECD). However, the weights in HB 1 are not consistent with those weights proposed by OCECD. It is unclear why the weights are inconsistent with those developed through the current cost-based methodology and updated by OCECD.
- The OEBM also applies the weight to student enrollment (ADM) rather than a per pupil funding amount; it is unclear what impact this has on the methodology.
- Further, the OEBM utilizes a 20:1 student teacher ratio for children with disabilities regardless of the disability category.
- That being said, the new formula does generate more than \$100 million in the first year of the biennium in additional funding for special education.

**OESCA Position:** OESCA supports increased funding for special education. OESCA supports funding special education through a cost-based methodology that accurately reflects the true cost of funding students with disabilities. *It is important that the OEBM maintains the integrity of the current, cost-based weighted funding approach for students with disabilities.*

OESCA supports the inclusion of language that would ensure school districts may still contract with ESCs under the new OEBM and maintain existing, cost-effective consortia models that contribute to effective resource management.

### Issue 5: Other Special Education Funding

- Exclusion of related service professionals: The bill excludes related service providers that are mandated in the Operating Standards for the Education of Children with Disabilities (OAC 3301-51-01 – 3301-51-11). Professionals such as school psychologists, speech and language pathologists, and physical therapists do not appear to be included in the bill, nor are they cited in Sec. 3306.05 or Sec. 3306.11, the instructional services support funding factors.
- Without their inclusion it is not clear that districts could use state funding to continue to employ these professionals who serve students with disabilities and students at risk. We believe this is an oversight and was not the intent, but does need clarification language. They are also not cited in the definition sections.

**OESCA Position:** OESCA supports the position of the Ohio School Psychologists Association to add a related service personnel factor to Section 3306.05 and include them in 3306.11 and the definition section of the bill. The factor should be based on the staffing requirements included in the Ohio Operating Standards for the Education of Children with Disabilities (OAC 3301-51-01 – 3301-51-11).

OESCA supports increased funding for special education. OESCA supports funding special education through a cost-based methodology that accurately reflects the true cost of funding students with disabilities. It is important that the OEEM maintains the integrity of the current, cost-based weighted funding approach.

### Issue 6: Gifted Unit Funding

- The transition to \$25 per student for all students for gifted funding purposes appears to result in a loss of direct funding for gifted services to students identified as gifted.
- The identification funding that has been critical in building the support for the appropriate identification of gifted students, particularly those in under represented populations, has been eliminated under this budget.
- The full effect of this funding system would be to reduce dedicated gifted funding from the current level of **\$48,000,000 to \$23,000,000.**
- Currently, approximately \$ 9 million flows to ESCs through 300 gifted units that in turn serve districts that contract with the ESC.
- Transition aid includes unit funding for school districts, but does not appear to include the 300 units (\$9 million) funded through ESCs.

**OESCA Position:** OESCA supports funding gifted services at an appropriate level to ensure the continued success of gifted students. OESCA supports the positions of the Ohio Association for Gifted Children (OAGC) as it relates to the inclusion of coordinators, student intervention specialists and professional development and identification funding in the new Ohio Evidence Based Model. OESCA also supports the inclusion of ESC units in the transitional aid calculation for school districts under the new OEEM. While OESCA prefers a direct funding source to ESCs for provision of these services, the association would not oppose a funding model that fully funds districts and allows them to continue to contract with ESCs for the provision of gifted and other services.

### Issue 7: Elimination of School Psychology Intern Program and Parent Mentor Program

- Ohio's nationally recognized intern program has since its beginning been a collaborative model established by the Ohio Department of Education (ODE), the Interuniversity Council of School Psychology Training Programs (nine universities) and the Ohio School Psychologists Association (OSPA). For over 40 years ODE has funded the program by allocating a salary stipend (approximately \$29,000 per intern) payable to the school district intern sites. The funding has been included under the special education enhancement line item in the most recent budget cycles. This state funded program places approximately 100 interns in school districts in each school year. The quality of the training depends on the continued state funding, as school districts are approved based on their ability to provide interns the experiences required in the ODE approved Intern Program Guidelines. Without the state funding, placement of 103 interns next school year and 100 for the following year is jeopardized.

**OESCA Position:** OESCA supports the position of the Ohio School Psychologists Association to add the school psychology intern program funding to the special education enhancement line item GRF 200540. This would result in adding \$2,987,000 in FY 2010 to fund 103 interns and \$2,900,000 in FY 2011 to fund 100 interns. OESCA also supports adding the parent mentor program funding to this line item.

## **Issue 8: ESC Closures**

- The budget currently does not include a provision addressing this issue.
- The Sandusky County ESC closed on July 1, 2008, as a result of its local districts exercising the option to transfer, or annex, to an adjoining ESC.

**OESCA Position:** Current statute does not address issues related to ESC closure following the annexation of an ESC's last school district. Issues that must be addressed relate to the dissolution of the ESC including, payment of debt, liquidation of assets, conveyance of public records.

OESCA supports amending Revised Code sections 3313.843 and 3311.059 to allow City/Exempted Village School District funding to follow the contracts upon dissolution, to address the conveyance of public records, and to establish an ODE-directed process for the closure of an ESC requiring the State Board of Education to immediately appoint a qualified individual to administer the process. This proposed "dissolution" process is patterned after the procedures already provided in law for cooperative education school districts-- see ORC 3311.29.

## **Issue 9: Reductions in Force**

- HB 1 removes the phrase "for financial reasons" from the list of statutory reasons a school district or educational service center may make reductions in force in its teaching and nonteaching staff.
- Repeals current law specifying that statutory standards for reductions in force of teaching and nonteaching employees prevail over conflicting provisions of collective bargaining agreements entered into after September 29, 2005.

**OESCA Position:** Oppose proposed changes; support current law. Eliminating ESC flexibility to reduce staff, given ESC staff are hired based on contracted services and proposed funding reductions in the Executive Proposal and HB 1, would create significant financial strain for Ohio's 57 ESCs.

## **Issue 10: Office of School Resource Management**

- HB 1 establishes the Office of School Resource Management within the Ohio Department of Education and charges it with specific duties.

**OESCA Position:** Amend sec. 3301.80 to include ESCs in the list of entities. Focus should be on improving efficiency of ESC educational and operational systems by using data and state and national best practices specifically related to educational service agencies (ESCs).

## **Issue 11: The Office of Urban and Rural Success**

- HB 1 establishes the Office of Urban and Rural Success within the Ohio Department of Education and charges it with specific duties.

**OESCA Position:** Amend sec. 3301.81 to include an analysis of how educational service centers can support and enhance school improvement strategies for urban and rural school districts.

## Issue 12: The Center for Creativity and Innovation

- HB 1 establishes the Center for Creativity and Innovation within the Ohio Department of Education and charges it with specific duties.

**OESCA Position:** Amend sec. 3301.82 to include ESCs in the list of entities and/or charge ODE with examining how ESCs and the Educational Regional Service System (ERSS) can be best utilized to support the work of local, exempted village, city and JVS districts in implementing the strategies developed by the Center.

## Issue 13: Teacher “Residency” Requirement

- HB 1 requires teacher candidates to participate in a 4-year residency program.

**OESCA Position:** ESCs can play an important support and/or mentoring role for new teachers and those entering the teaching profession through alternative pathways. ESCs have the capacity and experience to participate in this process due to their efforts, and partnerships with higher education, in existing alternative teacher licensure programs.

# Educational Service Center Funding



**Issue:** Reduction of ESC Funding in 200-550 Foundation Funding

**Position:** Restore ESC funding to pre-cut levels (FY 2008 as appropriated) of \$52 million per year.

**Rationale:** ESCs play a significant role in Ohio's System of Public Education. Last year, Ohio's ESCs employed over 13,100 full- and part-time individuals – 90 percent of whom are in the buildings and districts every day providing services to students, teachers and other district personnel. In the 2007-2008 school year, Ohio's ESCs provided direct services to 270,823 students or 15.5% of Ohio's student population - many of whom are at-risk students. Other ESC programs and services also indirectly impact over 1.6 million students. ESCs play an important role in Teacher professional development as well. In the same year, ESCs hosted 10,475 different professional development activities attended by 242,853 total attendees.

ESCs have been flat funded since FY 1999. During this same time period, ESCs lost facility and maintenance support provided by Boards of County Commissioners. In FY 2008, ESCs were cut 9.65% in the first round of state budget reductions in both FY 2008 and FY 2009. House Bill 1 proposes an additional 10 percent cut.

In addition to the reductions in the ESC per pupil subsidy, ESCs will be also be impacted by other budget reductions in areas such as alternative school grants, bus purchase allowance, literacy professional development, literacy classroom grants, and school improvement services. These are services that ESCs provide not only to assist school districts, but also to build the capacity of the state to provide cost effective services for districts in need of assistance.

**Proposal:** OESCA supports funding ESCs at the \$52 million appropriated in each year of the FY 2006-2007 biennium (and the original appropriation for FY 2008-2009). OESCA believes there is both a rational and legitimate way to accomplish this proposal.

Returning ESC funding to the \$52 million appropriation could be accomplished by utilizing a combination of the the GRF funds diverted for performance audits and the federal stimulus money from the State Fiscal Stabilization Fund. These federal funds are to be utilized to restore State aid to elementary, secondary, and higher education. More specifically, states are to assure that in each of Fiscal Years 2009, 2010 and 2011, that they maintain State support for elementary, secondary, and public postsecondary education at least at Fiscal Year 2006 levels.

Further, Governors must use 81.8 percent of the allocation to support elementary, secondary, and higher education with first priority to school districts under the State's primary elementary and secondary education funding formula to the greater of Fiscal Year 2008 or Fiscal Year 2009 in each of Fiscal Years 2010, 2011, and 2012.

Ohio' local, city and exempted village school districts did not take a direct cut to the per pupil subsidy during budget reductions in FY 2008 or FY 2009. However, ESCs did. ESCs are defined as Local Education Agencies (LEAs) or school districts under both state and federal laws, and thus, are the only districts to experience a reduction in their per pupil subsidy amount funded through the foundation funding line item.

Because Educational Service Agencies (ESCs) are defined as Local Education Agencies (LEAs) in the Elementary and Secondary Education Act (ESEA), the Higher Education Act (HEA) and the Perkins Act and because Educational Service Agencies are defined in state law as school districts, Educational Service Agencies (ESCs) would be eligible to receive direct funding support under the federal stimulus package.

Utilizing these funds to restore ESC funding to the pre-cut level would be consistent with the intent of the federal stimulus package backed by the Strickland Administration.