

To: LWVO
From: Joan Platz
Education Update for July 6, 2009

Please Note: The next Education Update will be published in September. A special report on Am. Sub. HB 1 (Sykes), the FY10-11 state budget, will be published after it becomes law.

1) 128th General Assembly: The Ohio House and Senate missed the July 1, 2009 deadline to approve the FY10-11 state budget (Am. Sub. HB1). Lawmakers added language to HB16 (Sykes), the budget for the Industrial Commission, to fund most state agencies and departments at 70 percent through July 7, 2009. This bill was approved on June 30, 2009 and later signed by Governor Strickland.

Exceptions to the 70 percent funding level were made to maintain current funding for school districts (second foundation payment of June 2009), colleges and universities (instructional subsidy), Medicaid, programs funded by federal stimulus dollars, debt services, and non-GRF programs. The interim budget also authorized the Office of Budget and Management to use the \$1 billion Budget Stabilization Fund (rainy day fund) to balance the FY09 budget so that the state could end the fiscal year without a deficit.

The House approved on July 2, 2009 HB 245 (Sykes) a second interim budget, which extends funding for state services through July 14, 2009, with the same exceptions included in HB16.

2) This Week at the Statehouse: The Ohio House and Senate have scheduled sessions this week. The Senate has scheduled one session on Monday, July 6, 2009. The House has scheduled sessions on July 7 & 8, 2009. There are no education committee meetings scheduled. The Senate and House will hold the following hearings on Am. Sub. HB1 (Sykes), the \$53 billion state budget for FY10-11:

-The Senate Select Committee on Video Lottery, chaired by Senator Mark Wagoner, has scheduled a tentative meeting for Monday, July 6, 2009 at 1:45 PM in the Finance Hearing Room and on July 7, 2009, time and place to be announced.

This committee was appointed on July 1, 2009 by Senate President Bill Harris and includes Senators Tim Grendell, Jon Husted, Capri Cafaro, and Dale Miller. It was appointed to investigate the proposal offered by Governor Strickland to raise additional state revenue by placing video lottery terminals (VLTs) at Ohio's race tracks. The VLTs would be operated by the Lottery Commission.

The VLT proposal was included in a framework presented by Governor Strickland to address a \$3.2 billion budget gap and differences between House and Senate versions of Am. Sub. HB1 (Sykes), the FY10-11 state budget bill, now in conference committee. Governor Strickland introduced this framework on June 19, 2009. The framework also includes approximately \$2.4 billion in state department and agency cuts.

- The House Finance and Appropriations Committee chaired by Representative Sykes will meet on Monday, July 6, 2009 at 10:00 AM and July 7, 2009 at 2:00 PM in room 313. The committee is accepting public testimony on the impact that additional cuts would have on state departments, agencies, and programs. Additional cuts are needed to close a \$900 million spending gap in the proposed state budget bill, Am. Sub. HB 1, if lawmakers reject a proposal to raise state revenue by placing video lottery terminals (VLTs) at seven Ohio racetracks.

3) Superintendent Delisle Testifies: Superintendent of Public Instruction, Deborah Delisle, testified before the House Finance and Appropriations Committee, chaired by Representative Sykes, on July 2, 2009 along with other state agency and program directors. The purpose of her testimony was to highlight the impact of additional budget cuts on the Ohio Department of Education and school districts. Additional budget cuts may be needed to close a spending gap of approximately \$900 million in Am. Sub. HB 1, the proposed budget for FY10-11, if lawmakers reject a proposal to raise state revenue by placing video lottery terminals (VLTs) at seven Ohio racetracks.

In her testimony Superintendent Delisle shared two scenarios for reducing funding for K-12 education if another round of cuts is necessary to balance Am. Sub. HB1. She noted that the ODE has already made significant cuts (\$158 million), which have reduced or eliminated funding for literacy initiatives, STEM grants, bus purchases, etc. Approximately 94 percent of the ODE's budget is passed through to school districts through Foundation Funding; 4 percent provides direct subsidies to educational entities; and 2 percent is used to operate the ODE and all of its programs. 50 percent of ODE staff is supported by General Revenue Funds, and 50 percent by federal funds.

The first scenario would reduce funding for the ODE by another \$290 million by reducing all line items except Foundation Funds. This reduction would have a significant impact on several programs including public pre-school; career tech/tech prep; accountability (\$18.5 million in reductions); gifted education (up to \$47 million); nonpublic schools (up to \$42 million); technology (\$13 million); performance audits by the Auditor of State; community school oversight; etc. It would also mean a one-third reduction in ODE staff supported by the GRF.

In some cases the state-required match for federal dollars could not be met if this scenario is implemented. This would jeopardize federal funding for other education programs, federal stimulus dollars, and compliance with state and federal laws. Ohio's participation in national initiatives, such as the Common Core State Standards Initiative, would also be affected.

In general the result of these cuts would mean that local school districts would be required to assume additional responsibilities and costs for state education mandates required by law.

The second scenario reduces funding for the ODE by \$345 million, including Foundation Funding (line item 200-550); Special Education enhancements; transportation, etc.

Again, this scenario would mean that Ohio could not match federal funds or maintain state spending levels for some programs.

Superintendent Delisle noted that this scenario would jeopardize federal funding, including \$845 million in federal budget Stabilization Funds; \$373 million in federal stimulus funds (ARRA) for Title 1; \$438 million in ARRA funds for Individuals with Disabilities Education Act; \$512 million for Title 1; and \$416 million for IDEA.

4) Update on Special Education Lawsuit: Judge John D. Holschuh of the U.S. District Court for the Southern District of Ohio, Eastern Division, announced on July 2, 2009 preliminary approval for a partial settlement in a case filed sixteen years ago called Doe v. State of Ohio. A hearing on the fairness of the agreement will be held in October 2009, and then the court will give final approval of the order and the provisions of the agreement.

The lawsuit was first filed in the early 1990s, but the original plaintiffs dropped the lawsuit when the DeRolph decision was issued by Judge Linton Lewis in Perry County in 1994. The Ohio Legal Rights Service (OLRS) requested to take over the lawsuit representing eight students with disabilities, their parents, and a plaintiff class of over 250,000 Ohio students with disabilities.

The case was continued to ensure that state officials were meeting their obligations to ensure that children with disabilities receive a free appropriate public education (FAPE) under the Individuals with Disabilities Education Act (IDEA), and to address the impact that inequities in Ohio's school funding system have on the education of children with disabilities. The plaintiffs are seeking relief under IDEA, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and the U.S. Constitution.

Another part of the lawsuit concerning school funding was not addressed in the settlement agreement, and can go to trial.

According to a press release by the OLRS, the lawsuit challenged the way the Ohio Department of Education implemented procedures under IDEA. In the settlement, the ODE agrees to do the following:

- Ensure public access to information from the state's monitoring activities and to publicly post local school districts' compliance with the Individuals with Disabilities Education Act (IDEA) requirements.
- Provide oversight when waivers are requested to bypass specific special education service delivery ratios (class size, provider to student ratios, etc.). Parents whose children with disabilities may be affected by these waivers must be given notice of such requests before a decision is made on the waiver request.
- Provide additional notice to parents/guardians about the complaint process and information about advocacy resources after a state-level complaint is filed.
- Conduct a more thorough investigation of complaints about claimed violations of rights under the IDEA and ensure that violations of the law are corrected in a timely manner.
- Deny complaint timeline extensions (except in extraordinary circumstances) unless the request is agreed to by both the parent/guardian and the school district.
- Require a school district to correct deficiencies within a year when the district fails to meet federal or state standards.

The press release and additional information about the settlement are available at <http://olrs.ohio.gov/asp/DoeConsent.asp>

5) Florida Voucher Study Released: A study was released on June 16, 2009 called "Evaluation of Florida's Corporate Tax Credit Scholarship Program First Follow-Up Report - Participation, Compliance and Test Scores in 2007-08" by economist David Figlio of Northwestern University. The study examines the achievement of private school students participating in Florida's Corporate Tax Credit Scholarship Program (a voucher program) compared to students attending public schools, and finds no difference in their achievement. The study compared 2007-2008 test score gains of voucher students to similar students in public schools, using 2006-2007 as a base line year.

The Florida legislature called for the study of the scholarship program, which served 23,259 students in 2008. Vouchers are available to any student who qualifies for free or reduced lunch. Participants in the Florida scholarship program are not required to take the Florida Comprehensive Assessment Test, but must take a comparable test. The scores on the comparable tests were used to conduct the evaluation. However, some complications with the study were noted by the researcher. For example, the 2006-07 data was incomplete, and the researcher found some discrepancies in the data, because some Florida families had applied for free and reduced price lunch status, even though they could not qualify because of their higher income levels.

For more information about the report please visit

<http://blogs.tampabay.com/schools/2009/06/florida-voucher-students-learning-no-more-no-less-than-public-school-students-study-shows.html>

###