



Implications of HB1 on Gifted Funding

Updated May 13, 2010

1. Status of Gifted Education Identification and Service

- a. In **1998, 43%** of identified gifted students were reported as served. That percentage has **dropped to less than 22%**. State funding for gifted services has been stagnant for over a decade. The number of gifted students served dropped from 70,667 in 2007/2008 school year to 60,733 in 2008/2009. **That is a 16% drop in service in one year.** Word from the field is that the drop from 2008/2009 to 2010/2011 could be catastrophic. Gifted coordinators are particularly vulnerable to cuts.
- b. While state underfunding of gifted staff contributes greatly to the inequitable system of gifted education across the state, the accountability system exacerbates the problem. Currently, there is no specific mandate to provide services to gifted students.
- c. OAGC is currently conducting a survey to get a snapshot of how the HB1 gifted funding provisions are affecting services and staffing levels at the district level.

2. There are Significant Issues with the Gifted Transitional Aid Requirements under HB1. These requirements were put in place to ensure that gifted services and staff were protected during the transition from gifted unit funding to these requirements.

- i. **Because the gifted maintenance of effort provision called for districts to maintain state spending levels rather than service or staff levels, many districts are cutting services.** As gifted unit funding never covered the full cost of a coordinator or intervention specialist, districts are cutting gifted staff even if they are receiving the same amount of funding as they did last year for gifted staff. This is also happening at ESCs that are receiving the same funding as last year, but the funding is no longer linked directly to a unit. The bottom line is that some districts have cut gifted staff and services even though they received the same or more gifted funding than in past years.
- ii. **Some districts appear to be unaware of what the required minimal level of spending is for each district.** Some districts are not spending anything. Many more are planning to cut spending next year.
- iii. **Gifted identification funds were not included in transitional aid.** Districts receiving low state share did lose this amount of funding, which impacts the proper identification of students. This is a significant issue for wealthy districts, but it affects all districts as they are not yet required to use the gifted identification formula funds to be spent on gifted identification. In fact, while districts received a total of **\$4,544,470** in gifted identification funding in FY2009, in FY2011, the capped state share amount under the formula is **\$3,980,939**, a real loss of **\$563,531** in a total of 51 districts.
- iv. **Some districts, due to caps or lower transitional aid funding are receiving little or nothing in overall transitional aid even though they have gifted spending requirements based on gifted unit funding that technically should be in**

transitional aid. Twenty districts are affected by this (see separate spreadsheet) for a total of **\$1,402,860.**

- v. **Wealthy districts that received services through ESCs received no gifted Transitional Aid** – This is a significant issue for some districts that are at a low or zero state share. The issue is particularly acute for those wealthy districts that received services through the ESC last year as those funds are not included in transitional aid.

3. OEBM Accountability Issues that Need to be Clarified

- a. **A phased-in mandate needs to mirror phased-in funding levels for the protection of both students and districts.** Ohio Revised Code allows the State Superintendent to require districts to implement district gifted plans. Furthermore, HB1 requires a gifted performance indicator to be developed by December, 2011. ***Without a mandate or some other form of significant accountability, the new gifted formula under HB1 will fail to work as designed.*** The end result will be that inequity of services will continue across the state. This is a particular concern for urban and rural districts, where services are low overall.
- b. **Gifted education should be one of the Core Academic Strategies that are required of all districts including those rated as excellent.** Language in HB1 already indicates all districts must comply with the spending rules in FY2012, but the spending rules need to be developed (quickly) to reinforce that this is the case.
- c. **Proof of qualified gifted coordinator services should be required before gifted intervention specialist funds flow as is required in the current funding system.** With the new spending formula, the staffing rule that linked coordinator services to gifted intervention specialist funding have been decoupled. These rules need to be re-established quickly.
- d. **Coordinator and GIS services need to be limited to a maximum ADM or organizational unit level.** This is a particular problem in ESCs where a gifted coordinator may be contracted to support multiple districts.

4. The Old Gifted Unit Funding system did not Apply State Share to the Gifted Components. The New System of Gifted Funding does Apply State Share to Gifted Funding Components. This is a significant issue. If there is some way to maintain the gifted component in the OEBM formula but allow full funding (no local share) of the component, it will allow all districts to remain whole on gifted funding.

- a. **There is considerable confusion about whether districts are required to spend to the gifted formula amount in FY 2012 or only to the amount covered by state share.** If districts need only spend to the state share amount, many districts with low or zero state share will gut gifted services. These districts are currently the districts that have supported gifted services under the unit funding system.
- b. **The State Board School funding sub-committee report included a plan to phase-in new gifted funding in a way that would allow wealthier districts to be held harmless.** Perhaps, the mechanics of that plan can be reviewed and adopted in the gifted spending rules. As a side note, the weights developed under this model were both on an ADM and gifted basis. Certain activities (e.g. program development, identification) go beyond the gifted student population.

5. **Specific Formula Changes that May/Will Require ORC Changes**

- a. **Need to include phased-in mandate language in ORC to ensure that gifted services are not reduced even as more state funding is provided.** At a minimum, conflicting spending requirements language needs to be resolved. Regardless, of the funding system (e.g. organizational units, weights, or the old model) without accountability for the funds, gifted children will not be served.
- b. **In order to maintain consistency in the funding model, the gifted coordinator formula should be changed from ADM to the organizational unit basis.** The optimal number can be developed through district surveys or the gifted self-reports. OAGC is conducting a survey in May.
- c. **The salary levels for gifted coordinators and gifted intervention specialists may be insufficient.** These salaries should be evaluated based on district cost surveys and salary data already captured by ODE.
- d. **Maintenance of Effort for Districts and ESCs Needs to Relate Back to Level of Gifted Services/Staff** – If ESC funding is maintained for the next biennium, it should be on a unit basis. Maintenance of effort for districts needs to relate to 2009 service levels to gifted students rather than state spending levels.
- e. **The gifted identification spending formula may be low.** Again, cost surveys can capture the correct amount. As stated before, perhaps no local share factor should be applied to this component of the formula.
- f. **In early versions of HB1, community schools were provided gifted funding.** This funding was not included in the final bill. Community schools providing gifted services based on the operating standards should be allowed to access gifted funding.
- g. **The enrichment language needs to be clarified to exclude gifted references to ensure access to AP and PSEO courses.**