

Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde, and members of the House Government Accountability and Oversight Committee, My name is James Joseph Pengov, Jr., I live in Lorain County, and I appreciate the opportunity to offer testimony today in opposition to HB 512.

## HOME SCHOOLS and 08 SCHOOLS

HB512, Page 312, Lines 9146, et seq., creates ORC Sec. 3301.062, which reads, "Whenever the term "state board of education" is used, referred to, or designated in any statute...or designation shall be construed to mean the "department of learning and achievement,".... This wording transfers the power to "prescribe conditions governing the issuance of excuses," codified in Ohio Revised Code, Section 3321.04 (C), from the State Board of Education, a board of eleven elected representatives and eight governor-appointed officials, to the Department of Learning and Achievement, a new mega-agency run by one person who is appointed by the governor, and "subject to removal at the pleasure of the governor." (HB512, Page 84, Line 2522, et seq.) The State Board of Education currently writes the rules concerning "Excuses from Compulsory Attendance for Home Education", Ohio Administrative Code, Section 3301-34-03, Notification (of home education). This means that HB512 will remove elected representation from the laws governing Home Schools and 08 Schools, known as such because they comply with the state standards established in OAC 3301-35-08, by removing the power to create such rules from the constitutionally mandated State Board of Education and placing said power in the hands of a single person that sits at the pleasure of the governor, a bureaucrat.

## MEGA-DEPARTMENT IS MEGA IN BUDGET AND UNRESTRAINED IN SIZE

11.1 Billion from the Ohio General Revenue Fund, hereinafter GRF, will be placed under the control of a single appointed person. In 2017, just over 19 billion was the total expenditures for all Ohio schools according to the spreadsheets found on the Ohio Department of Education's website, ([www.education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecast](http://www.education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecast).) Rules and regulations governing state school requirements dealing with that 19 Billion will now be moved to a single agency which is headed by a person sitting at the "pleasure of the governor."

HB512, Page 31, Line 9172, et seq., creates the new Department of Learning and Achievement and transfers all of the powers and duties vested in and imposed upon the Department of Education, the Department of Higher Education, the Superintendent of Public Instruction, the State Board of Education, the Ohio Board of Regents, and the Chancellor of Higher Education, to this new mega-department.

Although there is not currently a large number of employees in some of these departments, unlimited power is given to the new director of learning and achievement to hire and fire anyone he so chooses and as many as he deems necessary. Adding to the budgetary concerns is the fact that HB512, Page 321, Line 9420, allows this director to "fix the salary of" "all employees," line 9419.

Moreover, this new director will supervise the administration of all federal funding, Line 9430. That is a 1.1 Billion dollar oversight.

Adding to the number of employees is within the sole discretion of the new director, according to HB512, Page 321 and Page 322, Line 9438, et seq.

#### HOW WILL IT GET PAID FOR?

This is perhaps one of the more unnerving questions. There are no financial provisions or limitations discussed in HB512, but the obvious answer is that the new department expenditures will be paid from the GRF. When considering costs associated with this new mega department it is important to remember all of the basic items needed such as new computers, paper, pens, toners, telephones..... All items that will be paid for with money which could have been put directly into the education fund. Will this department be funded by skimming some of the 11.1 billion dollars that was spent from the GRF on education or will this new department need to be funded by a new tax or a tax restructuring?

The answer may be hidden in a HB628 which was introduced during the 131 General Assembly by State Representative, and committee member, Andrew Brenner, “The Powell Republican has proposed a bill that would wipe out all local school levies and bond issues and fund every school in Ohio through the state. Out would go all the local campaigns to raise your property taxes every few years. The disparities in taxes raised by districts with lots of industry and those with none would vanish. You'd pay the same state property tax rate for schools as residents anywhere else in Ohio.” According to a December 15, 2016, Plain Dealer article written by Patrick O'Donnell.

HB628 has been slightly amended and re-introduced, on March 7<sup>th</sup>, 2017, as HB102. HB102 has been referred to the Finance Committee. The new funding bill would fund a “thorough and efficient system of common schools” with a new 1.6% state sales tax increase along with property tax, HB102, Page 748.

In understanding the scope of money that such a proposal would entail it is important to understand that the total statewide expenditures for traditional school district in Ohio, in FY17, was just over 19 billion dollars with a total ending cash balance of just over 6 ½ billion dollars. In total, we are looking at just over 25.5 billion dollars, according to the Ohio Department of Education's Five Year Forecast for Traditional Districts. Reports are available at: <http://education.ohio.gov/Topics/Finance-and-Funding/Five-Year-Forecast>. (FY17 School District Cash Balance.)

That 25.5 Billion dollars does not take into account the money Ohio spends on higher education.

## ALL THAT POWER TO ONE MAN

HB512, Page 84, Lines 2517-2519, creates the Department of Learning and Achievement and makes the director the sole administrator of said department.

The director of learning and achievement is created in HB512, Page 86, lines 2552 and 2553.

As noted earlier, this director hires and fires all employees of the department.

This new director is subject to removal by and at the pleasure of the governor, according to HB512, Page 85, Line 2523, et seq.

Through his political appointee, the governor will dictate the administration of all traditional school districts in Ohio, making it one of the most partisan agencies in the state. Moreover, it is safe, or at least reasonable, to expect that a new governor may want “his man” in that appointed position, and that has the potential of completely overturning the entire department, and all of our state school policies, every four years, assuming that the governor does not change the department head sooner, “at his pleasure.”

## A BETTER OPTION

Reduce partisan politics from the education system by:

1. Removing the governor-appointed state board of education members and doubling the number of elected state board of education members.
2. Establish a system of binding arbitration where the elected state board of education members hear controversies between the other departments involved in education. Such a system would allow for elected representatives to have the final decision-making process and would significantly reduce partisan political influence in the public school system.

Respectfully submitted,

James Joseph, Pengov, Jr.