

RIVERSIDE LOCAL SCHOOLS

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House Bill 9 Conference Committee

EdChoice Testimony

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Chairman Jones and members of the conference committee, thank you for the opportunity to speak to you today regarding Ohio's EdChoice scholarship program. I am Gary Platko, Treasurer/CFO of the Riverside Local School District in Lake County. I am here today to share with you the devastating financial effects the EdChoice scholarship program will have on my district.

Based on current law, Riverside High School will become an EdChoice eligible school building starting with the 2020-2021 school year. The state biennium budget, House Bill 166, removed the requirement for a student to attend the public school in the year prior to receiving a scholarship for high school students. Interestingly, this prior requirement remains for all other grade levels. There are approximately 192 high school students in my district that are transported to private schools. If each student receives a \$6,000 scholarship, Riverside would lose \$1,708,000 in local funding each year! This figure does not include any students that currently attend Riverside High School that may elect an EdChoice scholarship next year or other private students that we may not be aware of. Therefore, the financial loss to my district can and will be more.

Under the previous state biennium budget, the Riverside Local School District received approximately \$1,267.32 of basic state aid per regular education student for the 2018-2019 school year. Under the current biennium budget, we are no longer on a formula and districts receive the exact same total dollar amount for this school year and next school year as they did in 2018-2019. Riverside's enrollment increased for 2019-2020 school year. Therefore, we are actually receiving less than \$1,267.32 per student. Also, current private school students are not included in our state funding. Therefore, the anticipated loss of \$1,708,000 per year would directly reduce our local resources.

In addition to the cost of the EdChoice scholarships, we are already required to transport private school students that live in our district to private schools located within a thirty-minute drive. Riverside transports approximately 300 private school students each day costing more than \$300,000 annually. We also make "payment in lieu of transportation" payments for 189 students totaling nearly \$36,000 annually where transportation to these schools is deemed impractical. To make matters worse, transportation funding was significantly cut in the prior state biennium budget resulting in a loss of funding in excess of \$475,000 between fiscal year 2017 and fiscal year 2019.

We were fortunate to pass a 4.9 mill operating levy in May 2017 that generates \$4,791,193 per year. It was our first successful new operating levy since March 2004. This allowed us to restore high school busing, increase transportation in grades K-8, and restore elementary specials that were cut years ago after several failed levy attempts. It also allowed us to reduce pay to participate fees to a more affordable level. Most importantly, it offset a significant loss of tangible personal

property tax reimbursements from the State of Ohio of more than \$3 million per year. Now that we are back on our feet thanks to the support of our community with increased property taxes, we are faced with another significant loss to fund 100% of the cost of private school vouchers. When voters of the Riverside Local School District approve a levy, it is for the benefit of the Riverside Local School District. The ballot language states this. Our voters believe this. It is not to subsidize private education.

Let's take a moment to look at the big picture by looking at Riverside's state funding:

Riverside Local School District - State Funding Overview		
State Foundation Funding:		8,351,708.66
Add: Student Wellness:	184,667.73	
Add: Preschool Special Education:	211,680.23	
Add: Special Education Transportation:	<u>121,875.06</u>	
Total Additional Aid Items:		<u>518,223.02</u>
Total Funding and Additional Aid:		<u>8,869,931.68</u>
Less: Net Open Enrollment Loss:	(677,603.15)	
Less: Community School Deduction	(614,553.88)	
Less: STEM School Reduction:	(302,188.94)	
Less: Jon Peterson Scholarship Deduction:	(321,063.75)	
Less: Other Scholarship Deduction:	(79,380.00)	
Less: ESC Deduction:	(25,181.00)	
Less: Other Adjustments:	<u>(71,670.36)</u>	
Total Deductions and Adjustments:		<u>(2,091,641.08)</u>
Net State Funding After Adjustments:		<u><u>6,778,290.60</u></u>

Riverside's net state funding after adjustments is only \$6,778,291. This figure does not even include the additional unfunded mandate of College Credit Plus tuition that reduces this by another \$378,295. If the EdChoice scholarship program is not fixed, the state will deduct an additional \$1,708,000 or more from our state funding payments. **This puts Riverside at \$4,691,996 in net state funding to educate over 4,200 students, employ more than 500 employees, maintain six school buildings, and support a \$45.6 million general fund budget.** Imagine if our middle school or four elementary schools became EdChoice eligible buildings? Our state funding could be reduced to nearly \$0! This funding level is severely inadequate and further places the burden of funding our schools on the property owners in our district.

Here are a few points to consider if the state decides to continue the EdChoice scholarship program. Private schools who accept publicly funded vouchers are really no longer private schools. If the state continues to award public dollars to private schools, the private schools should be subject to the same report card published by the Ohio Department of Education and should not be awarded funds if they do not meet the same metrics required of public schools. All of their records should be subject to public records laws. All of their teacher and administrator salaries should be posted online for the world to see, just like mine. Private schools should be required to accept and educate any student who elects to use a publicly funded voucher. Also, private schools should be subject to an annual audit by the Auditor of State's office with their financial statements posted online for everyone to see.

In conclusion, I am opposed to using local funds from public schools to subsidize private education. I am also opposed to using performance-based vouchers based on a flawed state report card system, that in turn, also exempts private schools from that same system.

Private and Parochial schools, who participate in the EdChoice program, should be subject to the same academic and fiscal accountability measures that public schools are currently under.

We must fix both the short-term and long-term consequences associated with the changes made to the EdChoice program while subsequently continuing to focus on the state constitutional requirement to secure a thorough and efficient system of common schools throughout the state.

Regardless of your deliberations over the next month, if you cannot find a path that works for all parties in terms of reworking the EdChoice scholarship program, at a minimum you will need to find a fix to the expansion that has placed nearly 1,200 school buildings on the EdChoice list.

We must make this right for all stakeholders in the State of Ohio.

Once we tackle this issue, we must then focus our attention on fixing the school foundation funding model of public education that Representatives Cupp and Patterson have proposed in House Bill 305.

Thank you for your time and consideration. I'll be happy to address your questions.

Sincerely,



Gary A. Platko
Treasurer/CFO