

House Finance Primary and Secondary Education Subcommittee
House Bill 64 Testimony
Mr. Steve Anway, Superintendent
Old Fort Local Schools
March 18, 2015

Chairman Cupp, Ranking Member Phillips, and members of the Primary and Secondary Education Subcommittee of the Ohio House Finance and Appropriations Committee, my name is Steve Anway, and I am Superintendent of the Old Fort Local School District located in Seneca County. My testimony today is intended to support and give a real life example to Ms. Ramos' testimony regarding a more proactive approach to supporting small, financially struggling school districts whose enrollment trends are declining. Thank you for this opportunity to testify on House Bill 64, the biennial budget bill for Ohio.

On July 1, 2014 the territory of the Bettsville Local Schools, with 144 students, was transferred into the Old Fort Local School District which had 460 students. On that day, the Bettsville Local School District ceased to exist. This was the first transfer of territory in this manner in the state of Ohio to occur in 21 years. Bettsville had accumulated a debt of \$775,000 with the state Solvency Fund and was stuck in a downward spiral in both finances and enrollment. In one meeting regarding the payment of solvency funds, it was estimated that a 37 mill levy would have to be passed by the Bettsville district to achieve sustainable solvency. Obviously this was an unrealistic solution to the problem. Under the guidance of the state auditor's office, both school boards, and with the support of Senator David Burke, the transfer of Bettsville to Old Fort Local Schools, with the forgiveness of the \$775,000 debt to the Solvency fund, has been an unqualified success on many levels.

While Old Fort had not borrowed from the solvency fund, it was estimated that they may have been in the same position as Bettsville in 3 to 5 years if a levy for new money was not passed. Financially, the Old Fort Local Schools 5 year forecast now shows stability and solvency without the need for new levy

money through the term of the forecast. The Old Fort district went from a deficit spending situation to a situation where, with sound practices, there also will not be deficit spending throughout the forecast.

While so many things boil down to money in the end, there have been other benefits to the students of the district. For the past two to three years Bettsville had not played varsity sports because of a lack of numbers. There were 5 students in the band. Students now have options and opportunities not only in athletics but in the arts and other extra and co-curricular activities.

Another benefit has been in the upturn of staff morale. Staff morale improved greatly with the addition of the Bettsville staff and students. Teachers now have more staff members to collaborate with. Staff has learned from the teachers of both schools and implemented best practices from both. Students now benefit from teachers who are able to focus on 3 or 4 high school classes rather than one teacher who taught a class of every grade level from grade 6 through 12 at Bettsville with their skeleton staff.

To make this transfer work it was necessary for the Bettsville Board of Education to say “enough is enough” and put their support behind the transfer. Like Ledgemont schools, the Board at Bettsville tried to pass levies and cut programming wherever possible and be good stewards of the taxpayers’ money but in the end a lack of enrollment sealed their fate. In a small proud community, whether it is Bettsville, Ledgemont or any of the other small districts across the state, this is not an easy decision. While many saw the handwriting on the wall and supported the Transfer, some still hold the Board responsible for giving up on their district. Bettsville and Old Fort are 5 miles apart and in the hay day of each district they were rivals in athletics. The old guard in both communities has not been fond of this move, but even they, when presented with the financial facts, grudgingly acknowledge that it was the best option for both districts.

To support Ms. Ramos' testimony, I would concur that it would be in the best interest of constituents in districts like Bettsville and Ledgemont, and for taxpayers as a whole, for the state to form a committee to examine the finances of small districts that are overseen by the Fiscal Commission and enact legislation that would be a catalyst for consolidation, merging, or transferring one district's territory to another. Local sentiment often delays action like this until it is too late for one district to survive. With some foresight and guidance by the legislature I believe districts could be guided toward this process. It is necessary to be able to objectively look at finances and make them trump local sentiment to make the process work. I probably don't need to tell you this process may alienate some of your constituents in a district that was Ledgemont or Bettsville that ceased to exist. I would hope that the more objective constituents would laud you for the foresight and leadership to work to solve a problem before tens, hundreds of thousands, or even millions of dollars are borrowed to keep a district operating with the knowledge that pay back will be nearly impossible. This has been our experience.

I too, along with Ms. Ramos, would be willing to work on a committee or task force that works toward solutions for financially strapped districts before they get to the point that Bettsville and Ledgemont reached. I believe there is guidance that can help these districts and I believe it can be spearheaded by legislators who have the courage and leadership skills to work toward proactive solutions.

Thank you for allowing me to speak before you today. Ms. Ramos and I would both entertain any questions you might have for us at this time.