WITNESS INFORMATION FORM

PLEASE COMPLETE THE WITNESS INFORMATION FORM BEFORE TESTIFYING

DATE: MARCH 13, 2015

NAME: MICHAEL P. HANLON, JR., PH.D.

ORGANIZATION: CHARDON LOCAL SCHOOL DISTRICT
(IF APPLICABLE)
POSITION/TITLE: SUPERINTENDENT

ADDRESS: 428 NORTH STREET

CITY: CHARDON STATE: OHIO ZIP: 44024

TELEPHONE: 440-622-6085

ARE YOU REPRESENTING: YOURSELF_____ ORGANIZATION XXX

DO YOU WISH TO TESTIFY ON
LEGISLATION (BILL NUMBER): HB 64
SPECIFIC ISSUE: _____
SUBJECT MATTER: _____

DO YOU FAVOR _____ OR OPPOSE XX THE ENACTMENT OF LEGISLATION REGARDING THIS ISSUE?

PLEASE GIVE A BRIEF STATEMENT OF THE GROUNDS ON WHICH YOU FAVOR OR OPPOSE SUCH ENACTMENT:

AS A LOCAL SCHOOL DISTRICT SUPERINTENDENT, THE IMPACT OF THE PROPOSED SCHOOL FUNDING FORMULA WILL HAVE A SIGNIFICANT DETRIMENTAL IMPACT ON THE CHARDON LOCAL SCHOOLS. SPECIFC CHANGES TO TRANSITIONAL AID AND TANGIBLE PERSONAL PROPERTY TAX PHASE-OUTS WILL AFFECT OUR ABILITY TO EDUCATE OUR STUDENT EFFECTIVELY.

WILL YOU HAVE A WRITTEN STATEMENT, VISUAL AIDS, OR OTHER MATERIAL TO DISTRIBUTE?
YES XX NO____
(IF YES, PLEASE PROVIDE COPIES TO THE CHAIRMAN OR SECRETARY)

HOW MUCH TIME WILL YOUR TESTIMONY REQUIRE? 5-7 MINUTES

House Finance Primary and Secondary Education Subcommittee
House Bill 64 Testimony
Michael P. Hanlon, Jr., Ph.D., Superintendent
Chardon Local Schools
March 19, 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 Michael Hanlon, and I am Superintendent of the Chardon Local School District located in Geauga County. My testimony today is intended to represent the 3000 students served by a dedicated staff in our schools each day, as well as each of the 7 Geauga County School districts that do an exemplary job educating approximately 10,000 students in our respective communities. Thank you for this opportunity to testify on House Bill 64, the biennial budget bill for Ohio.

Under the proposed biennial budget, Chardon Schools will see a budget reduction of approximately $935,000 in FY 16 and in $462,000 FY 17 for a combined loss of nearly $1,400,000 over the biennium. The impact in other districts in Geauga County is similar and equally detrimental with total projected reductions of nearly $5,800,000 during the biennium.

In recent testimony on this matter, Barbara Shaner offered this salient question when considering one of the inherent purposes of the biennial budget, "...does a district have the necessary resources to serve the students?" I believe this is the central question that has faced our state for many years and one our legislature is considering through this budget process. On a local level, the proposed reductions in Chardon and other Geauga County districts will be devastating and translate into the following themes being played out across each school district; challenging the assumption that our districts have the necessary resources to meet the needs of our students:

The first theme is an immediate curtailing of many of the curriculum, staffing and program initiatives being undertaken in these high performing districts. This work is linked directly to the available carryover balances in each district to sustain these efforts. Recent discussions have focused on school districts having the necessary carryover balances to successfully absorb the proposed reductions in HB 64. The inherent flaw in this logic is that these carryovers are surplus revenue. In fact, these funds have been carefully cultivated, and are purposeful and strategic, with specific curricular and programmatic initiatives in process and relying on these resources for successful completion. As these balances are shifted to address the loss in funding, these initiatives will stall and our students will not have the necessary resources to become college and career ready.

A second theme is the continued erosion of educational opportunity for our students in the form of staff reductions and elimination of programs. Chardon Schools dramatically slashed programs and courses and increased class sizes for students in response to failed levy

attempts and a weakened economy. The recent passage of a significant levy in November 2013 was originally earmarked for restoration of some, not all, of these staff positions and curricular offerings, but will now be directed at simply maintaining the previously-reduced levels of programming in order to meet commitments to our community concerning the projected lifespan of school levies.

A third theme concerning the local trust and credibility of school leaders will also continue to play out. Chardon, and other districts in the Geauga County, have either recently passed significant levies or have tax issues on the ballot this spring - several after multiple failed attempts. Five-year forecasts were developed, as required by law, with anticipated funding levels considered by school leaders, treasurers and boards of education. Communities did their part in many cases supporting school levies, and in one case, two districts successfully completed a territory transfer to achieve a measure of fiscal stability. The current budget proposal will force each of the districts to place a ballot issue before their respective communities far sooner that reflected in our forecasts, undermining commitments made to our voters, and often with limited expectation of levy passage, creating an increasingly difficult public dialogue that undermines the trust and credibility that we have developed with our respective communities.

We recognize that it is difficult for any formula to address the needs of all school districts across Ohio. However, we also agree that the proposed reduction in transitional aid to districts should be carefully reviewed with respect to whether districts have the necessary resources to meet the needs of our students. All of our districts have cut programming as a result of the recent economic crisis and continuing down that path will be catastrophic for our communities. In Chardon alone, the loss in transitional aid represents approximately seven teachers.

With respect to the Tangible Personal Property (TPP) and Public Utility Tangible Personal Property Tax (PUTPP) replacement payments, our districts will see significant losses in available resources, compounded by the transitional aid reductions. These were intended to phase out over time with the funding formula accounting for these losses. In reality, this has not occurred in our districts. The Commercial Activity Tax was enacted to replace the TPP losses that districts were incurring and school leaders understood that a majority of this new resource would be directed to our districts. We do appreciate the freeze in the phase-out in the current biennium and request that if there are reductions in this area that the formula be adjusted to account for these reductions.

Mr. Chairman, thank you for this opportunity to offer testimony on House Bill 64, and I stand ready to address questions from the committee at the pleasure of the Chair.

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DATE: MARCH 13, 2015

NAME: MADELON HORVATH

ORGANIZATION: CHARDON LOCAL SCHOOL DISTRICT
(IF APPLICABLE)
POSITION/TITLE: BOARD OF EDUCATION MEMBER

ADDRESS: 428 NORTH STREET

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House Finance Primary and Secondary Education Subcommittee
House Bill 64 Testimony
Madelon Horvath, School Board Member
Chardon Local Schools
March 19, 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 Madelon Horvath, and I am a member of the school board of the Chardon Local School District located in Geauga County. Thank you for this opportunity to testify on House Bill 64, the biennial budget bill for Ohio.

By State Law, school districts are required to project a five-year budget forecast. However, every two years the State sees fit to change the formula by which we do that planning. Therefore, after two years, we are unable to count on "foundation" income.

According to HB 64, Chardon is considered one of the "rich" districts in the State of Ohio. Here is what "rich" looks like: Our teachers' salaries are below the State average. 2003 was the last time we were able to purchase new text books. In other cost-cutting measures, we increased our "pay to play" fees. We cut arts, phys ed, and gifted classes at elementary and middle school levels, and 40 elective classes at the high school. We put off major repairs of buildings, roofs, and heating units, keeping our buses and buildings band-aided and taped together. We are now dealing with terrible leaks in our roofs, among other maintenance issues.

Last year, Chardon finally passed an operating levy. It took 6 tries over 3 years. After we passed our levy – and with very careful deliberation and research, we purchased new English books ($675,000), gave our teachers and classified personnel a .75% raise, adjusted our "pay to pay" fees to ease the burden on families with students that participate in multiple extracurricular activities, and leased Chrome Books for our students so that they would be ready to take the mandated PARCC tests. We provided professional development to get our staff caught up with Common Core standards and PARCC testing. Our administrators added the very lengthy OTES evaluations to their already overburdened schedules. We even managed to enlarge one of our parking lots in order to make things safer for our students as they arrive and leave school.

For 2015-16, we were hoping to give our teachers a 1 or 2% raise (which will barely cover the increase they will be paying to STRS), continue purchasing sorely needed text books in math and science and continue staff development for Common Core and technology. We need to update our antiquated phone system because we will no longer get the "E rate" discount. (By antiquated, I mean to say that – for example - there is no voice mail capability for our administrators' phones.)

At this time, with an approximate cost of $11,000 per student, Chardon gets less than $1800 per student from the State – and HB 64 proposes to lower even that amount. Between reduced foundation funding and the elimination of the Tangible Personal

Property reimbursement we currently stand to lose $1.4 MM dollars – as of July of this year! This will effectively eliminate or severely curtail any of the above possibilities.

On top of that, the State of Ohio is giving more and more money to Charter Schools – who don't have to follow the same rules we do – who can afford million dollar advertising budgets! The State has seen fit to mandate that we have home-schooled, charter-schooled and parochial-schooled children in our extra curricular activities, provide bus service for all of these students, spend hundreds of thousands of dollars toward special education, and provide ever more costly testing, evaluation procedures, graduation requirements, and new rules on reporting our attendance. Yet, we can't afford to offer all day, every day kindergarten.

Our tax-payers demand that we stay within a budget, and indeed we try to do that responsibly. But how can we begin to do that when the State keeps lowering our basic funding?

Our children are our most important asset – and yet, in Ohio, our children's education is being systematically destroyed - and the blame is put on our teachers and our local districts. The US was built on a foundation of good public schools that would produce educated citizens. Our local public schools can do that if we are given a fair share of State funding – as was ruled by the Ohio Supreme Court in 1997.

Mr. Chairman, thank you for this opportunity to offer testimony on House Bill 64. I stand ready to address questions from the committee at the pleasure of the Chair.