

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 Mike Heberthal, and I am Superintendent of the Centerburg Local School District located in Knox County. Thank you for this opportunity to testify on House Bill 64, the biennial budget bill for Ohio.

My testimony today is specifically in reference to the education funding provisions of HB 64 and a comment on the guarantee.

Centerburg Local School District is a rural school district with approximately 1200 students from preschool through 12th grade. Centerburg schools have a property valuation of about \$111,000 per pupil. We are categorized as a small town/rural school district. Our local effort is 0.9997, which means our community is paying their local share. Per pupil spending is \$8,832, down from \$9,150 per pupil in FY 11. This cost per pupil is lower than 75% of the public school districts in the state of Ohio. In 2011, Ohio Education Matters recognized Centerburg School district for being in the top 5% of schools with the lowest administrative costs per student.

Centerburg, like many schools, have gone through major staff reductions due to funding stagnation. Since the time we were recognized for lowest administrative costs, we have further reduced our administrative staff by eliminating the 6-12 assistant principal. We have reduced our number of employees from 123 down to 110. Along with the administrative reductions, we have cut teaching positions, bus drivers, janitors, classroom aides and coaching positions. We reduced our transportation department and have gone to single route bussing which caused our instructional time at the middle school and high school to be reduced. Our Teacher's association agreed to a total 3% increase over that past 6 years. That is an average of 0.5% per year for the past 6 years. They are receiving step increases but understand our beginning salary is for our teachers is \$32,247 and the top of our pay scale is 67,790 with 27 yrs. of service. Last negotiations I thought about negotiating our pay scale to fewer steps but eventually came to the conclusion that doing so would cost the district more rather than less. Our administrative staff pay was frozen for 5 years. Last year the principals received their first raise in six years, which was an average 1.8%. This means they have averaged a 0.3% raise a year over 6 years. As a superintendent I have remained frozen, voluntarily, for 7 years. I do not provide these numbers to try state that our employees have been mistreated but to show we have been holding the line on salaries for 6 years.

We have one advanced placement course (AP). We have the basic academic courses along with music, PE, Art and Vocational Agriculture. We have no international baccalaureate programming and minimal gifted services. We pretty much are at basic, no frills level of services. We envy schools that have the ability to spend much more per student and offer innovative and exciting opportunities for their students. The idea that a students educational opportunity

is based on their zip code is accurate and, although I feel our students are prepared for their future, they do enter college at a disadvantage due to lack of opportunity.

Even with the above demographic information, and the fact that our foundation funding is at the same level it was in 2006, the governor's proposal cut our district by 1.26%. That equates to \$182,000. We are on the guarantee by \$63,054 so this reduction is beyond reducing the guarantee. If this proposal is approved we will be forced to eliminate music, art, or Vo-Ag. Even with that cut I doubt it will be enough to absorb the full reduction. I do not understand the calculation that has led to this proposal since we are at basic services, our community is shown to be paying their share but yet we must somehow be seen as a district that has more ability to pay. I don't know about the calculation but I would suggest that those who think Centerburg is a wealthy district visit one of the 75% of schools that spend more than we do and then visit our school and advise us on where we are being inefficient.

I would like to quickly address the guarantee. Centerburg school district is on the guarantee for \$63,054 or 19 students. That doesn't sound like much but when you look at our end of year financials you'll see that we are very close to breaking even every year. Some years we are in the black and some years we're in the red. We have funds in reserve but are slowly spending those monies. Based on current funding we will need to ask the community to pass a ballot issue in 3-5 yrs. If the proposed cuts are made we will have to ask sooner. This request will not be for increase services but only to maintain what we have. I think it is important to point out that a reduction due to 19 students is across 13 grades. This means we have reduced our student population by less than 2 students per grade. There is no way to cut staff in any grade when you have 2 less students than before. I understand and somewhat agree with the problem of maintaining the guarantee but the reality of the guarantee is that less students does not necessarily mean less costs.

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.