

ELIDA LOCAL SCHOOLS

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**House Finance Primary and Secondary Education Subcommittee
House Bill 64 Testimony
Elida Local Schools
March 19, 2015**

Good morning, Chairman Cupp, Vice Chairman Derickson, Ranking Member Phillips, and members of the House Finance Primary and Secondary Education Subcommittee. Thank you for allowing me to speak with you today in regards to House Bill (HB) 64. My name is Joel Parker, CPA/Treasurer for the Elida Local Schools.

I am here today to reflect on school funding and review how various policies have impacted our district. School funding still remains today, very complicated and imperfect. As we look at this budget bill and the next several budget bills, there are few fundamental questions that need to be addressed.

Are we working to reduce the over-reliance on property taxes?

At the conclusion of this year, our district will have been on the ballot 15 times since the year 2000. This represents an enormous amount of time campaigning instead of performing strategic planning for our district. Per the most recent Cupp Report, our spending per pupil \$7,610 is one of the lowest in the state. Only 17 districts spend less than we do. We are lean! Yet when you examine state funding over the last decade (with the same enrollment), our state aid has went from \$7.5 million in 2004 to \$7.5 million in 2014. This means the formula is still broke. For our district, we struggle to make ends meet. At the same time, our Tangible Personal Property (TPP) tax went from \$1.5 million to \$290,351. It is very difficult to keep pace with inflation when your revenue streams are shrinking or flat. We have cut 43 positions over the past decade. For our district, cutting positions as a funding model is not sustainable nor is in the best interest of students. As the budget bill is studied, please keep an eye on this issue. Ohio ranks first in the nation for the number of times school districts appear on the ballot.

Why are we a capped district?

During the last budget bill we lost \$2.6 million dollars to the cap. This means, based on our enrollment, we should have received an additional \$2.6 million dollars from the state.

How do I explain to our voters that are not receiving what we should be from the state? This means we are back on the ballot sooner and our voters already suffer from levy fatigue. As we examine the enrollment data, could we move to a 3 or 5 year average on ADM (average daily membership) to help transition those districts with a declining enrollment (to help move away from the guarantee). With a 3 or 5 year average, instead of chasing enrollment numbers, base the current year funding on the last (3 or 5). For example, the enrollment numbers for FY 14-15, could be based on the prior 5 year average ended June 30, 2014. Schools would be able to start the year with a known enrollment figure and a known budget.

How does our state revenue per pupil compare?

Elida receives \$3,415 in state revenue per pupil (83% of schools in Ohio receive more state revenue). When considering that 50.36% of students in our district live in poverty, I have a growing concern that certain areas of the state will receive a greater increase in state revenue during this budget cycle. Here is how Elida compares to a few other districts as it relates to state revenue per pupil, per the most recent Cupp Report:

Portsmouth \$10,280
Rock Hill \$9,469
Meigs \$8,439
Trimble 8,239
Western \$8,184
Elida \$3,415

This means we will return to the ballot much sooner than the other districts. We have failed our last 4 new money levy attempts. We may have a higher tax base, but that means nothing when a levy won't pass. During the budget process, please keep those districts in mind that are capped and have high levels of students living in poverty.

Another example in our district, if you live on Robb Ave, one side of the street you receive \$3,415 per pupil in state revenue, the other side of the street (different school), the student is worth \$9,366 per pupil (same county, same city, same street, same poverty, different levy cycle). With high poverty and low income, our district does not have the capacity to be on the ballot every year. I question whether the formula treats us fair in that regard.

How does the charter school money flow?

During FY 12-13 we received \$3,415 per pupil in state revenue. For the same year, we sent \$5,876 per pupil to ECOT. This means, \$2,461 per pupil in local dollars flowed to this community/charter school. In my mind, this raises many questions. With local money flowing to charter schools, do we have a seat at the table when making decisions? When their CEO spends \$1,300,000 on political contributions, can we question that expenditure? Is that a good use of taxpayer money? The fraud and abuses in the charter school experiment need to end. The audit findings for recovery in charter schools are at

an all-time high. All schools need to be accountable. I have attached a letter I sent to Senator Faber and the Auditor of State. If the charter school fraud is dealt with, that would free up resources for schools in Ohio that operate within the laws set forth in this state. Charter schools do not fix the complex problems created by poverty.

Who is Fetullah Gulen?

Please see the attached letter with more detail.

Can our carry-over be considered a funding stream?

In our district, this concept is impossible. With the various funding cuts, and multiple levy failures, we cannot reach a 60 day carry-over. This concept will not work in our district.

What can be done to help schools in Ohio?

- Eliminate the unfunded mandates.
- Reduce the testing mandates.
- Fund the testing mandates.
- Include educators in education policies.
- Fund preschool and kindergarten.
- Close fraud riddled charter schools (as identified by the auditor of state).
- Review funding for special education.
- Review laws that allow charter schools to fund foreign countries(Keep the money in Ohio).
- Review laws that allowed failed charter schools to reopen in a different area or under a different name.
- Do not expand charter schools (why expand a program that is full of fraud and poor academic performance).

What do we want for Elida Local Schools?

We continue to strive, using our modest resources, to be one of the best schools in Ohio! We welcome competition and work hard to give our students the tools to be the next generation of great Americans.

Thank you for taking the time to hear my testimony today. I greatly appreciate the opportunity to tell our story. I am happy to answer any questions.

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February 12, 2014

Senator Keith Faber
Statehouse
1 Capitol Square 2nd Floor
Columbus, OH 43215

Dear Keith,

I hope your cold new year is off to a great start and that you have a warm desire to fight for all taxpayers in northwest Ohio. In our school district, we work hard every day to deliver a quality education, to **all** students who come to us, while working from a budget with revenue streams that are a decade old. As you review the Cupp report, you can see we are very lean in operating costs and administrative costs per pupil. Very few schools in the state of Ohio operate as efficiently as we do. We work hard every day to save state and local taxpayer money. At Elida, we welcome EQUAL accountability and we welcome EQUAL competition from other area schools.

I am contacting you because of a few stories recently found in the Dayton Daily News and the Columbus Dispatch. The stories involve charter schools and what I feel is approaching outrageous abuse of tax payer money. The abuses recently reported include the following:

1. \$24,700,000 - Reported Findings for Recoveries against Charter Schools that were written off the auditor's books (this means that 6 years went by and these dollars were not collected). I have two questions here: Did anyone go to jail? Were assets recovered? This seems like a huge sum of money to fall through the cracks. My guess is that a public school official would have paid a high price for this kind of action.
2. Fethullah Gulen – A Turkish national who resides in Pennsylvania and maintains 19 charter schools in Ohio. Some have linked Gulen to unrest in the Middle East. The FBI has raided some of his schools in other states. Some of his schools have been closed and their charters revoked.

The nineteen schools listed below document the charter schools in Ohio of Fetullah, who has the luxury of never running a levy and never living in Ohio. While we are sleeping, he is making and sending money to the Middle East. The double standards of the charter school system allow this to happen. For every hour legislators debate calamity days, they need to dedicate 100 days to reviewing the tax dollars wasted on failed charter schools.

Management organization: Concept Schools <http://www.conceptschools.org>

1. Horizon Science Academy Cincinnati <http://www.horizoncincy.org/>
2. Horizon Science Academy Cleveland <http://www.hsas.org/>
3. Horizon Science Academy Cleveland Middle School <http://www.hsacms.org/>
4. Horizon Science Academy Cleveland Elementary School
<http://es.horizoncleveland.org/>
5. Horizon Science Academy Columbus High School
<http://www.horizoncolumbus.org/>
6. Horizon Science Academy Columbus Middle School
<http://www.horizoncolumbus.org/ms/>
7. Horizon Science Academy Columbus Elementary School
<http://es.horizoncolumbus.org/>
8. Horizon Science Academy Dayton Elementary School
<http://es.horizondayton.org>
9. Horizon Science Academy Dayton <http://www.horizondayton.org/>
10. Horizon Science Academy Dayton Downtown <http://dt.horizontoledo.org>
11. Horizon Science Academy Denison Middle School
<http://www.horizondenison.org/>
12. Horizon Science Academy Denison Elementary School
www.denisonelementary.org/
13. Horizon Science Academy Lorain <http://www.horizonlorain.org/>
14. Horizon Science Academy Springfield <http://www.horizonspringfield.org/>
15. Horizon Science Academy Toledo <http://www.horizontoledo.org/>
16. Horizon Science Academy Toledo Downtown <http://dt.horizontoledo.org>
17. Horizon Science Academy Youngstown <http://www.horizonyoungstown.org/>
18. Noble Academy-Columbus <http://www.noblecolumbus.org/index.php>
19. Noble Academy-Cleveland <http://www.noblecleveland.org/>

3. ECOT- Elida taxpayers sent ECOT \$117,525 dollars last year. I have the following concerns with ECOT:

ECOT's CEO donated \$1,300,000 to politicians over a 10 year period.

ECOT's CEO purchased a \$1,300,000 condo.

ECOT's graduation rate is 35%.

ECOT collected \$2,950,000 in Straight A funds

ECOT collected \$88,370,050 from Ohio schools in FY 2013

4. Other charter schools facts:

\$1,400,000,000 to charter schools never receiving a C or higher.

29% of charter schools have closed.

Since 2000, 110 charter schools have misspent \$22,600,000.

\$6,912 per pupil state aid to charter schools.(I'm not sure additional dollars are needed for facilities).

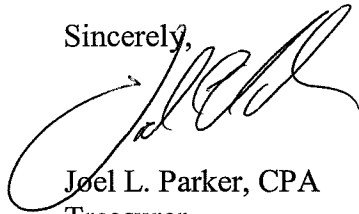
\$3,472 per pupil state aid to public schools.

Bottom line, I have real concerns regarding where Elida taxpayer money is going. I have real concerns, in some cases, about how these expenditures by charter schools meet the threshold of public purpose.

All students in Ohio deserve a chance to learn and succeed. This may come via public, private, on-line or charter school. All taxpayers deserve to have their tax dollars accounted for. All schools in Ohio need to be EQUALLY accountable. If charter schools are exempt from 200 state laws, I feel accountability is just a myth. All schools need to compete fairly and squarely. Every tax dollar wasted is a lost opportunity for students.

I would like to meet and discuss these items further. Please contact me anytime at 419-235-6238.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel L. Parker', with a large, sweeping flourish extending from the end of the signature back towards the beginning.

Joel L. Parker, CPA
Treasurer
Elida Local School District

