

# NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

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**Testimony Regarding House Bill 49  
and the FY 17-19 Biennium Budget  
Finance Subcommittee on Primary and Secondary Education  
Representative Robert R. Cupp, Chair  
3/23/2017**

Chairman Cupp, Ranking Member Miller, and members of the Primary and Secondary Education Subcommittee of the House Finance and Appropriations Committee, I am Adam Bird, Superintendent of the New Richmond Exempted Village School District in Clermont County, and I testify today on House Bill 49, as introduced.

New Richmond Exempted Village School District covers 66 square miles including 80% of the county's frontage along the Ohio River. We have an enrollment of 2400 students. We have a very financially diverse community as we rank 2nd in household income in Clermont County while also ranking 2nd in the percentage of students on Free and Reduced Lunch. Our community has a strong work ethic and feels great pride in their schools. Our school district is the largest magnet for Open Enrollment students in Clermont County.

Our school district attracts so many students and also retains our own because of our strong commitment to the well-rounded education of ALL students. We have a Strategic Plan that declares our commitment to the innovative teaching of ALL students. Academic Focus, the Arts, Athletics, and our commitment to Special Needs students give us a strong brand name among parents county-wide.

However, our district Administrative Team is meeting next week to form recommendations on what we will reduce next year and the years thereafter. Not because of an expenditure problem, but because of a sudden revenue problem. We will be considering the reduction of teachers and aides, important technology initiatives, project-based learning initiatives, athletic participation fees, removing art electives, and eliminating after school programming. Everything is on the table.

So what is our revenue problem? It is not caused by our district or by our tax payers. It is caused by the perfect storm of power plant issues.

1. Duke Energy has closed the coal-fired Beckjord Power station. This resulted in a loss of \$700,000 of school taxes in 2015 and an additional \$300,000 in 2016 for a total of \$1,000,000 in lost school taxes this year and each year forward.

2. Duke Energy sold its share of the Zimmer Power station (the largest single unit power plant in the US) to Dynegy for \$42,000,000 less than it had previously been valued at. This sudden change resulted in a loss of \$1,349,000 in school taxes this year and each year forward.
3. Inexplicably, the state of Ohio continues to phase out PUTPP reimbursements. The PUTPP reimbursement is funded by a tax upon the electricity sold in Ohio in Kilowatts/hour. Electricity sales in Ohio are STRONG! Electricity production by the Zimmer Power Station is STRONG! Ohio's cash balance is \$2,000,000,000! In 2010, this PUTPP reimbursement to NR schools was \$8.1 million. It was arbitrarily reduced to \$7.1 million for 2 years. Then it was reduced in 2013 to \$6.5 million. In 2017 it is \$5.1 million. And the plan is to continue to phase this out? Why? Electricity production continues unabated. The Phase-out of the PUTPP Reimbursement money has a dramatic impact on New Richmond Schools and there is no financial reason for the state of Ohio to do this to us. Do we "phase out" the taxes paid to schools by home owners? No.

We do not want to cut Reading Specialist for our students. We do not want to cut counselors and mental health therapists. We do not want to cut music teachers. We do not want to cut Science Olympiad. Our school district has been thrifty with the funds generated by the power plants in our district. We have built and/or renovated buildings without asking for state aid from the Facilities Commission. Our teachers are in year 7 of base salary freeze.

As you deliberate House Bill 49, please consider the impact that the perfect storm described above will have upon the students of New Richmond and southern Clermont County. All of these tax losses add up to \$5,000,000 in lost tax revenue PER YEAR. That represents 17% of our budget IF salaries and health care costs do not climb. It would take a 10 mill levy to replace this loss IF expenditures do not increase.

Mr. Chairman, I know you have some difficult decisions to make. I thank you for your service and thank you for listening. I will be happy to address the committee's questions at the pleasure of the Chair.

Respectfully Submitted,

Adam C. Bird  
Superintendent  
New Richmond Exempted Village School District