

River View Local School District

"Building Educational Excellence for Tomorrow. . . Today"

Office of the Superintendent

26496 SR 60 North, Warsaw, Ohio 43844

(740) 824-3521

www.river-view.k12.oh.us

Good morning Chairman Hite, Ranking Member Sykes, and members of the Primary and Secondary Education Sub Committee. My name is Dalton Summers, Superintendent of the River View Local School District in Coshocton County, and I testify today on HB 49, as passed by the Ohio House of Representatives.

The River View Local School District is the 8th largest geographical school district in our state, covering 376 square miles. We cover the majority of Coshocton county and smaller portions of Licking and Muskingum counties. Our current enrollment is approximately 2090 students. We operate four rural elementary schools in facilities from 75 to 102 years old, one junior high school and one high school. We have a 52% free and reduced lunch population with a median household income of around \$31,000. Our county unemployment rates unfortunately remain among the highest in the state. We are a very rural district with specific rural challenges.

Despite these obstacles, we have been consistently a higher achieving school district, although this has been becoming more difficult with our increased poverty based challenges. Our graduation rate over the last ten years averages around 94%. We offer over 40 college credits within our high school and have 7 credentialed college credit plus teachers on our relatively small staff. We have always found ways to adapt to the continual changes in state funding, our changes in local valuations, and our struggling local economy. Like many rural, Appalachian school districts, we have succeeded while doing more with less.

There are many components in this current proposed funding formula that will have negative and potentially devastating impacts on the River View Local School District. Any change in the current funding for transportation, as has been proposed, will negatively impact our district as we currently travel 2,910 miles a day and spend over 1.6 million dollars annually, almost 7.6% of our operating budget, just to transport our students to and from school. According to the rationale behind these potential changes in funding, we are a district that does not "need" the funding for transportation that we currently receive. Under the original proposal from the administration, we were expected to lose around \$172,000 in the first year of the new budget. Under the latest House version, we would be losing around \$106,000. While both of these numbers are significant losses in needed revenue, neither represent my district's greatest fear and concern at this time.

I am here to speak to a much greater worry that directly involves districts, like River View, who have coal burning power plants located in them. Our request is for a mechanism to be put into place to recalculate property valuation for the purpose of the school funding formula for any year that a power generating facility is closed, decommissioned, sold at a value below current appraised value, or loses value due to an impairment.

River View houses a power plant that accounts for \$73,023,160 of our total valuation in just Coshocton County. (This is tax collection year 2016 data from our County Auditor.) Our total public utility valuation from all three counties is \$120,115,650. This largely explains our 34% state share index. Due to the volatility and uncertainty of this type of local revenue source, sudden changes to valuation can, will, and already have been devastating to our small district and its immediate future.

In November of 2016, this current school year, we were made aware that a portion of our power plant was sold to another company at a value considerably lower than the current appraised

value. We suddenly were informed that this did, in fact, decrease our total local property valuation. In January, we were given the exact impact. Our property valuation in Coshocton County dropped \$21,000,000, which according to our county auditor's report, translated to an immediate loss of over \$300,000 to district property tax revenue.

Even more alarming, in November of this school year, we were notified that the remaining portion of this same power plant had filed for an impairment of zero value with the Ohio Department of Taxation. Should it receive this, and we should know by this November, we could stand to lose an additional \$1,824,184 in property tax revenue that would take effect in tax collection year 2018. After the loss of the \$300,000 plus, whatever loss we sustain from the state funding formula when this budget process is complete, and any potential losses as a result of potential changes in the current CAUV calculations, any more devalue would be devastating to the educational opportunities and programs that we are offering our kids.

We are grateful that the House added a provision for the valuation index used in the state share index for certain eligible school districts with a high concentration of utility property taxes would be based on the change in taxable value between 2015 and 2016. However, to address the probable pending issues in River View Local, I am requesting that 2017 be added so that the formula would look at the change in value between 2015 and 2017.

Finally, there is the greatest fear of all, which would be the actual closure of our coal burning power plant. The projected loss to the district's local revenue could be over 2.2 million dollars, over 10% of our general operating budget. This, quite frankly, would be more than we could sustain while waiting for an adjustment based on three years of completely different property valuations to average into the State Share Index.

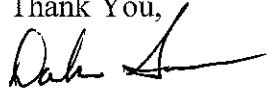
The River View Local School District has always acted responsibly with its funding sources. We recognize that the Power Plant has been a great contributor to the opportunities we have been able to offer our small, rural, Appalachian School District. The tax base it has generated over the years contributes greatly to the perception of wealth as it pertains to the current and past funding formulas. As changes have occurred over the years and the revenue generated has decreased, we have made adjustments and learned to do more with less. Unfortunately, these potential, substantial, and immediate types of changes can't be just absorbed and adjusted to over time. We have already put plans in play to eliminate some programs and staffing to adjust to the loss of revenue we have already received. We have had to reinstitute pay-to-participate fees, we have decreased some funding we contributed to local agencies such as "First Step" who provide our kids with much needed outside services. We have reduced some staffing which resulted in the elimination of our Elementary Art program. We are currently making plans for much greater cuts should the previously mentioned items become reality. These cuts will be devastating not only to the school district, but ultimately the community as well.

In conclusion, The River View Local School District has always and will always work to provide our students with the best opportunities and quality education that is within our local means. While we have concerns about many components of the administration's current proposals, we have faith that these concerns, with regards to transportation and basic formula funding criteria, will be worked out by this Committee and other members of our legislative branches to best serve the children of this state. We ask that you please consider these very current, as well as future, volatile situations that can and are occurring in communities like ours. These are the communities where there are coal burning power plants that have such great impacts on local funding and total property valuations. We ask that you consider a provision that allows districts, like River View, who suffer from large decreases in valuation in a single year to have our SSI based on the most current tax year valuation as opposed to a three year average valuation which would fail to most accurately represent actual need. This provision must apply to not only these circumstances that

have already happened, but also those, like in our case, which will likely happen within the next few years.

Mr. Chairman, I thank you for this opportunity to offer testimony on HB 49, and I will be happy to address the committee's questions at the pleasure of the Chair.

Thank You,

A handwritten signature in black ink, appearing to read 'Dalton S.', with a stylized flourish at the end.

Dalton Summers
Superintendent, RVLSD