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**Testimony**

**Before the**

**Ohio Senate Primary and Secondary Education Subcommittee**

**Michael Sheppard, Superintendent, Berea City School District**

**May 25, 2017**

Chairman Hite, and members of the Senate Primary and Secondary Education Subcommittee, my name is Michael Sheppard. I am the Superintendent of the Berea City School District, and I am here to testify on behalf of our school district. I am also joined today by our school district CFO Ryan Ghizzoni.

Thank you for the opportunity to submit testimony today. As Chief Executive Officer of the Berea City School District, I would like to express my concern with a school funding issue that has been occurring in our school district that involves the educational expenses associates with a private residential treatment program.

The Berea City School District has a residential treatment program that operating within the school’s geographical boundaries. This residential treatment program is operated by Ohio Guidestone and offers services for children and adolescents with mental or behavioral health problems who require intensive supervision in an out of - home care setting. These programs include a full complement of mental health and room and board services and is typically paid under contract agreements between the Ohio Guidestone and county governments throughout the State of Ohio.

Since this residential treatment program is located within the Berea City School District, the school district is responsible for the educational services that are provided to the students attending the program. The Berea City School District, however, does not have a say in what students are accepted into the residential treatment program.

Currently, our district provides the facility with 1 principal, 17 teachers and 10 support staff that service special needs children and at risk youth from across the State of Ohio. It is not uncommon that at any given time, there is not a single Berea City School District student being educated at this facility. Therefore, the district is required to bill the expenses incurred from the facility back to the student’s residential district.

A portion of these expenses incurred for special needs students are supposed to be reimbursed to the district through the state funding formula. These students for state funding purposes are counted as residents of the Berea City School rather than the resident district. However, since the Berea City School District is significantly on the funding cap, the district does not actually receive those funds. This resulted in the school district not receiving almost $300,000 in revenue to offset the cost of expenses incurred at the Ohio Guidestone facility to educate students from other school districts. As a result, the district was forced to use local funds for students that attend this facility but are not residents of the school district.

This financial burden, if not corrected, will eventually lead to the school district having to eliminate services to student that reside in the Berea City School District to pay for the financial obligations of students that a separate non-profit organization has financial contracts with other governments to provide mental health, room and board for.

We are here today to support the amendment that Senator Dolan will be submitting for consideration to correct this funding inadequacy. By adopting the changes in section 3313.6110 of the Ohio Revised Code that we have submitted with our testimony, school districts in similar situations to the Berea City School District, will be guaranteed to receive 100% of costs they incur for students that they are educating at private residential treatment facilities.

Chairman Hite, and members of the Senate Primary and Secondary Education Subcommittee, thank you for your time today. We are happy to address any questions you may have about our district and how we are affected by this important issue. Thank you.