

Chairman Beagle, Vice Chairman LaRose, Ranking Minority Member Williams and members of the Senate Public Utilities Committee thank you for the opportunity to provide testimony on this very important issue. My name is Terry Armstrong and I am Superintendent of Lordstown Local Schools. I have had the honor of testifying to another Senate Committee concerning cuts in funding experienced by Lordstown Schools and am providing testimony here today about the positive impact de-regulation and free-market forces has had on the growth of the energy sector in Northeast Ohio.

As a life-long resident of the Mahoning Valley I have witnessed the decline of the steel industry, the severe downsizing of heavy manufacturing and declines in jobs associated with the auto industry. Just recently General Motors has laid off an entire shift of workers at their Lordstown facility and announced an extension of summer layoffs as well. At one time Lordstown Schools received nearly \$3 million dollars in revenue associated with the General Motors-Lordstown facility. Due to changes in tax laws and the decline of valuations at the facility we now receive under \$800,000.00. At the same time, our school is one of about 120 other districts in Ohio standing to lose a collective \$550 million dollars in reimbursement funding from the state.

Despite these challenges I can state with both experience and confidence that the Mahoning Valley is a great place to live and work with great people, high-ranking schools, and within a short drive to some of the best healthcare institutions in the country.

I had the opportunity to teach and serve as Principal at Lordstown Schools prior to taking the position of Superintendent. Our school have great kids, wonderful families and a supportive community. Upon taking this position three years ago it became very apparent that finances were our biggest challenge.

The current economic bright spot and the industry that has provided an opportunity to diversify our tax base is the growth of the gas-fired electric generation facilities. The Lordstown Energy Center currently being built in our school district helped us avoid a budget deficit that would have resulted in further cuts in staff, programs and services to our students and school families. The Lordstown Energy Center worked with Lordstown Schools, Lordstown Village and Trumbull County to provide a financial incentive package that addressed immediate financial needs and much-needed revenue in the face of continued loss of state revenue (TPP reimbursements of 20% of our budget) and loss of revenue due to the growth cap in place (amounting to nearly \$800,000.00). If not for this revenue our district would not be the same today. Our district is not unique to these circumstances, in fact there are many school districts throughout the state that share a similar story and have or will be realizing a vital source of revenue from new gas-fired power plants in various stages of development across the state.

The impact of the Lordstown Energy Center not only provide operating revenue to the school but also funded two scholarships for local students, purchased uniforms for all varsity sports at the school and donated money to construct a new Soccer/Track facility for use by Lordstown High School athletes and the community of Lordstown Village. We look forward to the Lordstown Energy Center being a strong corporate partner for many years to come.

This opportunity is only made possible by the free market, de-regulated electric generation model Ohio has embraced for many years. We ask that members of the Ohio Senate Public Utility Committee continue to support this free market environment to encourage further development of increased capacity leading to continued stable pricing to the consumer as well as the benefits to communities like Lordstown schools in relation to revenue and support.

Thank you Mr. Chairman and members of the Senate Public Utilities Committee.