

Dear Chair Dolan, Vice Chair Burke, Ranking Minority Member Sykes, and members of the Senate Finance Committee,

Thank you for taking the time to read my statement. I apologize for not presenting this testimony in person. This issue is all about equity. Due to the legislative freeze to the K-12 budgetary portion of HB166, our district lost over \$3.5 million, compared to school districts with similar demographics and similar local tax valuations. In addition, legislation suspended the 028 adjustment, which would have provided a little relief, albeit to a small extent. The bill in question would in essence provide the district with the 028 adjustment, which we have received for the previous fiscal years.

The effect of the disparity in state aid our district receives resulted in making difficult decisions in efforts to balance our budget. We have decreased expenditures by approximately \$2.5 million over the previous three years. Although we reduced expenditures again this year, we will deficit spend by nearly \$500,000. Commencing next fiscal year, similar districts plan to receive (minus the reduction from COVID-19 decreased statewide revenues) between \$6-\$8 million in state aid. By contrast, our district is projected to receive \$3.3 million in state aid, which would put us at a balance of approximately (-\$50,000) in Year Three of our five-year forecast. To compound our financial strains, Kingfisher Development, LLC filed a Board of Revisions complaint, which we will be ordered to repay \$1.175 million in tax refunds.

We are attempting to do everything we can to balance our budget, including making additional cuts. However, we desperately require your assistance. Recently, our Board of Education adopted our Five-Year Forecast, which included \$1,137,555 in further reductions. These cuts resulted in a reduction in force that included a lay-off of seven employees, plus a 6% pay decrease across the board for all employees. Furthermore, we eliminated four additional positions, reduced three positions through attrition, and involuntary transferred several staff members. We closed our Manchester Educational & Activity Center and informed our Athletic Boosters and community members that the school could no longer fund football. We are attempting to do our part to save our incredible, and high academic, school district. In reference to the CARES funding, our district will only net approximately \$84,000, especially when you factor in the decreased revenue from Governor DeWine's \$300.5 million reduction to K-12 education. If you were to peruse the spreadsheet of decreased revenue from the COVID-19 reductions, you will see clearly a disparity in what Manchester Local School District lost compared to similar districts.

In closing, I would like to reiterate that this issue is solely about equity and the vast disparity in funding our district receives currently from state aid. We comprehend fully that Ohio's revenue stream is in jeopardy due to the COVID-19 pandemic. Although, we respectfully request you consider supporting this bill that would result in our district submitting a Five-Year Forecast in November 2020, displaying a positive balance for the third year. We have, and continue to do, our part by making the difficult decisions to cut nearly everything we can without sacrificing compliance and what few educational programs we have remaining. Without some type of legislative assistance, I cannot tell you honestly what will become of our district in the next few years.

Respectfully,
Dr. Brian E. Rau, Superintendent
Manchester Local School District (Adams County)