

Written Testimony – HB 64
Before the House Subcommittee on Primary and Secondary Education
Carl Naso, President, Board of Education, Strongsville City Schools
March 25, 2015

Thank you Mr. Chairman and members of the House Finance Primary and Secondary Education Sub-Committee, my name is Carl Naso, President of the Board of Education for Strongsville City Schools and I am here to testify on behalf of the Strongsville Schools and our community.

Mr. Chairman and members of the committee, I am here today to urge you to modify the proposed funding formula for K-12 education because of the disproportionate and unfair outcome to districts like Strongsville.

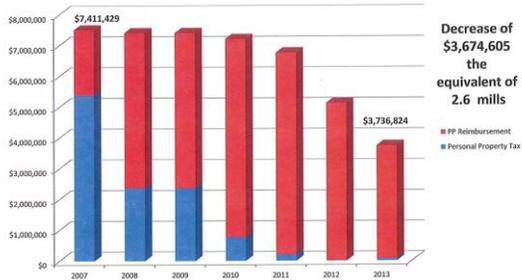
The Governor proposed \$10.3 billion in K-12 funding – the most in Ohio history. However, the proposed funding formula has a “Robin Hood effect” that harms our community.

In total, school funding from the new funding formula will receive an additional \$700 million over two years per Governors Kasich’s website.

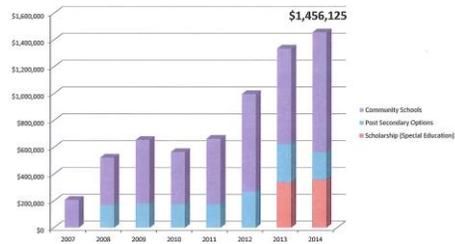
Working with the Budget Simulation files I calculated Winning districts receiving \$592million in increases and Losing districts receiving \$133 million less This means that overall, while funding increases by \$ million over two years, districts like Strongsville actually lose \$133 million over the same timeframe. This is patently unfair and instead, I ask that you commit to funding education in ALL Ohio districts and that no district will lose existing funding in this budget.

Since 2007, Strongsville Schools have faced \$5.2 million in state funding cuts and increased deductions. The District found efficiencies and reduced expenses to address those cuts without asking residents for additional operating funds. While absorbing double digit increase in health costs, food cost and fuel cost. However, we now face the highest level of cuts in both years of the new budget, a loss of another \$4.2 million in state funding. This is a 32.2% additional reduction while many districts actually receive higher state funding levels.

Strongsville Schools
 Money Lost Due to Elimination of Tangible Personal Property Tax
 & Declining Reimbursement



Strongsville City Schools
 Deductions from State Education Aid



The proposed funding model puts Strongsville at the top of the total funding loss as a percent of our total budget and the third worst in total dollars lost. We simply cannot recover from that.

The funding model is based on a perceived ability for district to raise local funds. The model is far too simplistic and makes significant assumptions. It is a change but not progress or improvement. It does not appear to take into account previous levy success, current bond issue impacts, and other significant local events. Our district and community cannot absorb this major funding cut without devastating the quality of education. We strongly disagree with the Governor's assertion that, "Wealthier districts, with the capacity to raise more funding locally through tax levies, should do so." The capacity assumption is flawed.

We say this for several reasons. State cuts are slated to occur this year, leaving no time to plan for absorbing massive state funding cuts. This means we will have no choice but to slash expenditures and harm the quality of local education in Strongsville. The notion that Strongsville can simply pass a local property tax levy is not realistic. Strongsville has already absorbed state school funding cuts, has endured a contentious teachers strike and recently passed an \$81 million dollar local bond issue while only receiving a 7.3% state match. We've also faced operating levy losses and have not seen new levy money since 2007. We have a significant levy that will expire in 2017 and will be on the ballot in 2016. In these troubling economic times a renewal levy require a concentrated effort and prayers to pass. Our tax-adverse electorate will not simply replace the lost state funding with an increase in local property taxes. This means that as a practical matter you are destroying what we've built in Strongsville and local education will suffer for years if not decades to come.

Strongsville Schools are providing excellent education in a fiscally responsible way. Please find a solution that doesn't redistribute funds as proposed, it is not fair to the taxpayers of the districts that stand to lose millions with the new formula. **Please, allocate state funding for K-12 education in a fair and equitable way. We ask that in your 2016-17 budget that you freeze the state funding levels for any school district that has already absorbed major state funding cuts and demonstrates strong performance.**

The "Blueprint for a New Ohio" will cut state income taxes for all by 23% and provide a total net tax cut of \$500 million for Ohioans. However, if the tax burden is simply shifted to homeowners or tax revenue is redistributed to neighboring districts, we believe that outcome is fundamentally unfair and should not stand.

We have lived within our means. In the last several years, Strongsville Schools:

- Reduced our operating budget from \$74 million in 2011 to just under \$68 million dollars.
- Reduced employees by 20%, from 941 in 2007 to 755 in 2014.
- Reduced overall salary costs by 17%, from \$44.2 million in 2009 to \$36.8 million in 2013.
- Reduced benefit costs by 21%, from \$23 million in 2009 to \$18.2 million in 2013.
- Participate in purchasing consortiums for electricity, fuel, gas and insurance saving between 16-30% each year.

Strongsville Schools are providing excellent education in a fiscally responsible way. On our most recent state report card we met 95.8% of state indicators and received an "A" for overall Value-Added for student progress. We have a 93.4% graduation rate and 100% of students met the Third Grade Reading Guarantee. Simply put, we are already doing more with less and there is nowhere left to cut without damaging the quality of education in Strongsville. This budget proposal is the difference between an excellent district and a devastated one.

We stand ready to work with you to find a solution that does not penalize districts like Strongsville and we urge you to not allow such devastating and unjust cuts in state funding. Thank you for the opportunity to present here today and for considering our position.