

Education Finance Subcommittee

House Bill 64 Testimony

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March 19, 2015

Good morning Chairman Cupp, Ranking member Phillips, and committee members.

Thank you for providing me the opportunity to speak about the impact the Governor's proposed budget has upon my district. Crooksville Exempted Village School district is a poor rural district made up of 42 square miles in Perry County. For frame of reference, we are about 25 minutes south of Zanesville. Our enrollment has been relatively steady over the last 4 years. Our student population is made up of 46 % of students that qualify for free and reduced lunch through direct certification. This enables us to take advantage of the federal community eligibility option to provide breakfast and lunch to all of our students at no cost to them. For some of our students, these are the only two meals they may receive in a day. As you can imagine, we are in the poorest quartile in the schools according to the new budget numbers. Including grant funding, we spend roughly \$10,000 per student.

Under the Governor's previous budget, we were capped at a 10.5% increase largely due to increased funding from the wealth based targeted assistance, which was \$1.3 million this school year. Under the Governor's most recent proposal, we are back on the guarantee for the upcoming school year. I understand that any formula that is fair and sustainable in the long term should be free of guarantees and caps. However, the shift in our district funding from being at one extreme of the spectrum to the other in a manner of two years is quite puzzling.

My understanding of why my district is faced with this rapid shift in extremes is because of property valuations. In our district, CAUV values and mineral values have caused our property valuation to rise from \$75.5 million to \$78 million, which results in a per pupil evaluation of \$78, 000, \$62,000 less than the state average of \$140,000. Our median income has remained relatively the same, at \$28,000, 15% below the state median income of \$33,000. This means that our farmers and mine owners are paying a greater amount of taxes; however since we are proposed to be on the guarantee, the state would be giving us less money in state aid than we received last year. It should be easy to understand that the increases in taxes to my farmers and mine owners, along with the fact that our median income is well below the state average, it is extremely unlikely that we would ever be able to pass a levy.

Further contributing to the disparity from the previous budget to the proposed one is the rolling three-year averages used to determine property valuation. In the last

budget, the three years used to determine property valuation were 2010, 2011, and 2012. In the proposed budget, they are using 2014, 2015, and 2016. The fact that none of the same years are used in the proposed budget that were used in the previous budget totally nullifies the point of using rolling averages, and thereby magnifies the problem within the formula for our district.

I agree with the Governor's logic that districts that can afford to pay more to fund the education of their children at the local level should do so through local levies. Those districts that cannot afford do so, should receive more state funding. However, the proposed budget formula is not consistent with this logic. How can Crooksville with median incomes 15% below the state average and property valuations 44% below the state average per pupil evaluation receive a cut in state aid when there is a proposed funding increase of nearly \$700 million for education in FY16?

According to Mr. Fleeter's report, under the current proposal, Poor Rural and Rural districts will receive on average \$54/pupil in increased funding, Urban and Major Urban districts will see an average increase of \$829/pupil, and Crooksville School District will see a decrease of 1%, or roughly \$102/student.

The formula being used is clearly flawed. It is having the exact opposite result than was intended for many poor rural school districts, including Crooksville Exempted Village Schools. Our district has remained largely unchanged from two years ago. We are still a very poor rural school district. However, this budget has caused us to swing from being on the cap to now being on the guarantee. I do not believe that is a sign of a fair and equitable funding for our schools, nor does it provide thorough and efficient education throughout the entire state.