



Ohio School Facilities Commission
30 W. Spring Street, 4th Floor
Columbus, Ohio 43215

John R. Kasich
Governor

Richard M. Hickman
Executive Director

Testimony Request Slip

Commission Meeting Date 4/30/15

Please return the completed form and fourteen (copies) of your testimony and materials to the Commission Secretary prior to the start of the meeting.

Name: Keith Bell

Title/Organization Representing: Superintendent / Euclid City School District

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Euclid, OH 44123

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Topic to be addressed in testimony:

- OFEC Funding Model
 - Euclid's financial state today vs. 2009
- Bogheny
Treasure

Check if handouts or materials are provided

Good afternoon ladies and gentlemen.

My name is Keith Bell. I am the superintendent of the Euclid City School District.

As I begin, I would ask that you keep in mind two numbers. 59 and 24. Today we are here to speak with you and appeal to your sense of fairness regarding our local share of completing our building project in the Euclid City School District, which began in 2007.

Three years ago we completed the first phase of our building plan. Four elementary schools were constructed in the District, as our voters passed a 3.4 mil bond issue in 2010. This bond issue cost the average \$75 thousand dollar homeowner, 6 dollars and 50 cents per month, as it supported the \$66.5 million dollar project that built our four new elementary schools. At that time our ranking within the OFCC funding model was 358. This entitled the District to pay its **fair share** of 59 percent of the project, with the OFCC paying 41 percent. The Euclid community continued to support education as they voted for the facilities, that have improved our educational delivery in the District.

However, during the last 5 years, our school district has absorbed unimaginable losses. We are not the community we once were. Gone is the Personal Tangible Tax benefit. Gone is an entire shopping mall, gone is manufacturing that once anchored our city financially. In addition, the benefit we received from collected income tax has declined since 2008. But most impactful to our loss has been the assessed values in our community which have declined nearly \$400 million dollar since 2006 - 2007. In 2012 alone, we lost 20 percent of our tax base, as a result of the county reappraisal. We are now a community that is hurting financially. The equity list shows this, as we are now a district that would be assigned the responsibility for a 24 percent local share instead of 59 percent. We are a community that has reached a tipping point. The Euclid City School District is one of the few shining beacons in a city that is trying to recover from the devastating financial loss we have experienced in the last ten years. We are not the Euclid of the 90's and early 2000's. Yet even so, our community approved our building project in 2009 that required them to take on additional taxes, of which they were unsure of how they could afford. In addition, in 2012, our

community voted to support a 9.0 mil emergency operating levy, further showing their commitment to their children's future. Our citizens in Euclid are taxed at a higher rate than much of the state, for which we receive the most basic of services.

Despite these facts, our community believes in the school district. We have experienced enrollment growth in each of the three years since we have constructed our new elementary schools. We have improved and continue to improve the educational delivery model, which is supported by the A grade we were assigned by the State of Ohio for value added services. We have attained a Five Star Step Up to Quality Rating for our pre-school and have successfully implemented a remediation program for the 3rd Grade Reading Guarantee which resulted in 90 percent of all third graders passing their assessment before entering the fourth grade. Our community believes in us. Families who once thought that they had to leave the district are now coming back. They see what we are doing, they appreciate our vision and value the education that we are providing and they are coming back!

We are here to ask that we be treated consistently to Districts throughout the State of Ohio. We are asking on behalf of our community, that they not be required to pay more than what they can afford, based on the OFCC funding model, for their kids to have the same opportunities others throughout the State enjoy. We are not asking for a special deal. We are asking that we be treated consistently to every other District in the State. Since 2009, when we locked into a Classroom Facility Assistance Program (CFAP) rate of a 59 percent (Local)- 41 percent (State) share, we have dropped 213 spots in the OFCC District Eligibility Ranking List. 213 spots folks. Our loss is unprecedented. Without the commission's consideration to make this right, we will be asking our community to pay 35 percent more than what the OFCC's funding model proves we can afford. **We are not asking for a free ride, we are just asking for a fair ride.**

Allow me to give you some data that supports our claim.

*In 2009, our household income was roughly \$38 thousand dollars. Today, our median household income is \$34 thousand dollars.

*In 2009, our assessed valuation was \$810 million dollars. Today our assessed valuation is just over \$500 million dollars.

*In 2009, our economically disadvantaged student population was 51 percent. Today our economically disadvantaged student population is 73 percent.

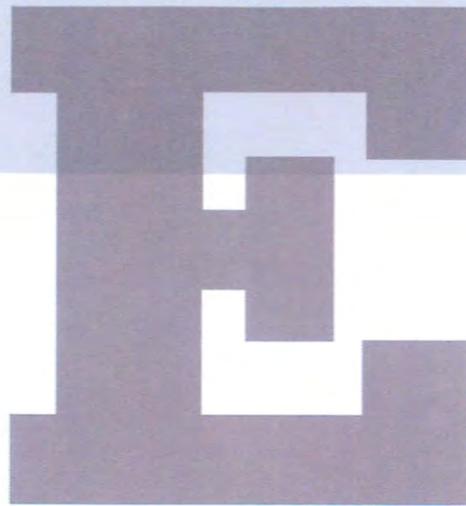
*Today our community is able to pay 35 percent less than what we were able to afford in 2009 based on the OFCC District Eligibility Ranking List.

Despite these figures, we continue to provide an education to our students that any parent would be proud for their children to receive. We have partnered with the city and local businesses and colleges, to make available programs that cannot be received anywhere else in Ohio. We have done this despite cutting 163 teachers and staff from 2006 to today. We have been fiscally responsible and continue to provide every opportunity to our students to assist in their long-term success. We have been and will continue to be responsible stewards both financially and educationally.

The issue is simple. Our residents just do not have the money to support this project as it sits today. As much as they want the project to happen; As supportive as they have been at community meetings and through polling. As excited as they are for the expanded opportunities a new facility would provide, not only for our students, but for our community as well, we just cannot ask them to pay more than their share; The 24percent share that is clearly defined in the OFCC District Eligibility Ranking list; The list that shows Euclid falling 213 spots in the rankings since 2009. The list that shows that our community can afford 35 percent less than it could in 2009. A list that is part of a program that has been amended or revised over 25 times since its inception in 1997. We are asking to be treated in the same manner that every other District has been entitled to. We are asking for our community to only have to pay 24 percent of the cost, according to what the OFCC has determined to be the fair asking price for the project. I have been told that this would be the largest building that the OFCC has ever built. Even bigger for us is that it will lead the way in an economic development and recovery plan that will improve education, provide alternative programming through partnerships with the Cleveland Clinic, Lake Erie College, Lincoln Electric, the Trade Unions and many other partners that see this campus as an opportunity for economic

recovery in Euclid. This campus will not only provide education for our students, it will provide adult education, it will provide professional development opportunities, it will prepare a work force for the technological advances that have occurred in industry, it will put a community back to work and it will be an example throughout the nation of a model that educators can use to partner with their community so that opportunities are enjoyed for all. The Euclid City School District is committed to Changing a Culture, Inspiring the Community and Creating Possibilities. We ask that the OFCC does their part in affording our community the possibility to afford this project. We are entitled to a 76 percent - 24 percent share in getting this 18 hour a day community campus built. Our community can no longer afford, according to the OFCC rankings, the 59 percent - 41 percent split that we supported in 2009. We **CAN** afford the project with the 35 percent increase in state funding. **We are not asking for a free ride, we are just asking for a fair ride.**

Euclid City School District Facilities Plan



Campus of Achievement

*Changing a Culture
Inspiring a Community
Creating Possibilities*

Euclid City School District Facilities 2015

Reinventing Euclid



DISTRICT OBJECTIVES

Student Achievement

Fiscal Responsibility

Increased Credibility

Governor Kasich

- ◆ “We know about education. You got to have it. It unlocks your future. You don’t have it, it’s not going to work. You’re going to fall behind.”

The Plan

Increase Community Involvement

- ◆ 6 – 12 Building on Euclid High School site
- ◆ Transition elementary schools to 1-5 buildings
- ◆ Pre-K / Kindergarten Village at Forest Park Site
- ◆ Redefine Vocational Offerings in collaboration with community partnerships (Lincoln Electric / Local Union Halls)
- ◆ Fire Academy
- ◆ Post Secondary Credits
- ◆ Culinary Arts move to Euclid High School
- ◆ Continue Auto Shop Classes, NJROTC and Law Enforcement at Euclid High School
- ◆ Land swap with city for Memorial Elementary / Land Swap with Metro Parks - Central Middle School
- ◆ YMCA to renovate and lease the North end of Euclid High School
- ◆ Cleveland Clinic Healthcare presence on campus

Governor Kasich

- ◆ “The fact of the matter is, feed kids’ passions. Whatever they want to do, let them have it. If they want to go home at 4 o’clock in the afternoon to work on a car, let them work on the car in school, and teach them about advertising because they’re not going to sell their services if they can’t write English. Talk to them about math because they’re going to want to charge for the work they do, but don’t cut them off from the possibility of a two year or four year education.”

Partners

Cuyahoga
Community
College



LINCOLN
ELECTRIC

THE WELDING EXPERTS



LAKE ERIE
COLLEGE



STAMCO
industries, inc.



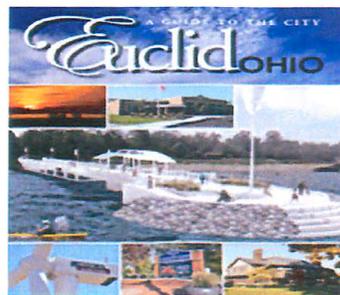
University Hospitals
...quality stampings

Rockwell
Automation

HM HOSE MASTER



Euclid Hospital
a Cleveland Clinic hospital



Villa Angela-St. Joseph
High School

Educational

Opportunities

◆ **Students**

- ◆ Business Program (Mandarin)
- ◆ Physicians Assistant Program
- ◆ General Course Requirements

◆ **Staff**

- ◆ Professional Development
- ◆ Master of Education Programs
- ◆ College and Career Readiness Support

◆ **Community**

- ◆ GED Programs
- ◆ Evening Classes
- ◆ Professional Development



Governor Kasich

- ◆ “We got to integrate business with academics. If we can bring our business community, our job creators in to K-12 and help to design the curriculum and help to give people a view of what it means to work in those different entities, we’re going to turn kids on for education.”

Industrial

Opportunities

◆ Students

- ◆ Internships
- ◆ Employment Opportunities upon Graduation
- ◆ Pursuit of Degree while employed



H.C. Starck



◆ Staff

- ◆ Support Current Engagement Initiatives
- ◆ Support Discipline Initiatives
- ◆ Professional Development



◆ Community

- ◆ Increase Tax Base
- ◆ Home Buyers
- ◆ Increased Support for Schools



Rockwell Automation



Healthcare Agency

Opportunities

◆ Students

- ◆ Curriculum Integration and Internships upon Graduation
- ◆ Access to Healthcare and Rehab Facilities
- ◆ Health and Wellness Initiative

◆ Staff

- ◆ Increased Instructional Time
- ◆ Access to Healthcare and Rehab Facilities
- ◆ Health and Wellness Initiative

◆ Community

- ◆ One Stop Shop
- ◆ Access to Healthcare and Rehab Facilities
- ◆ Exposure to Students



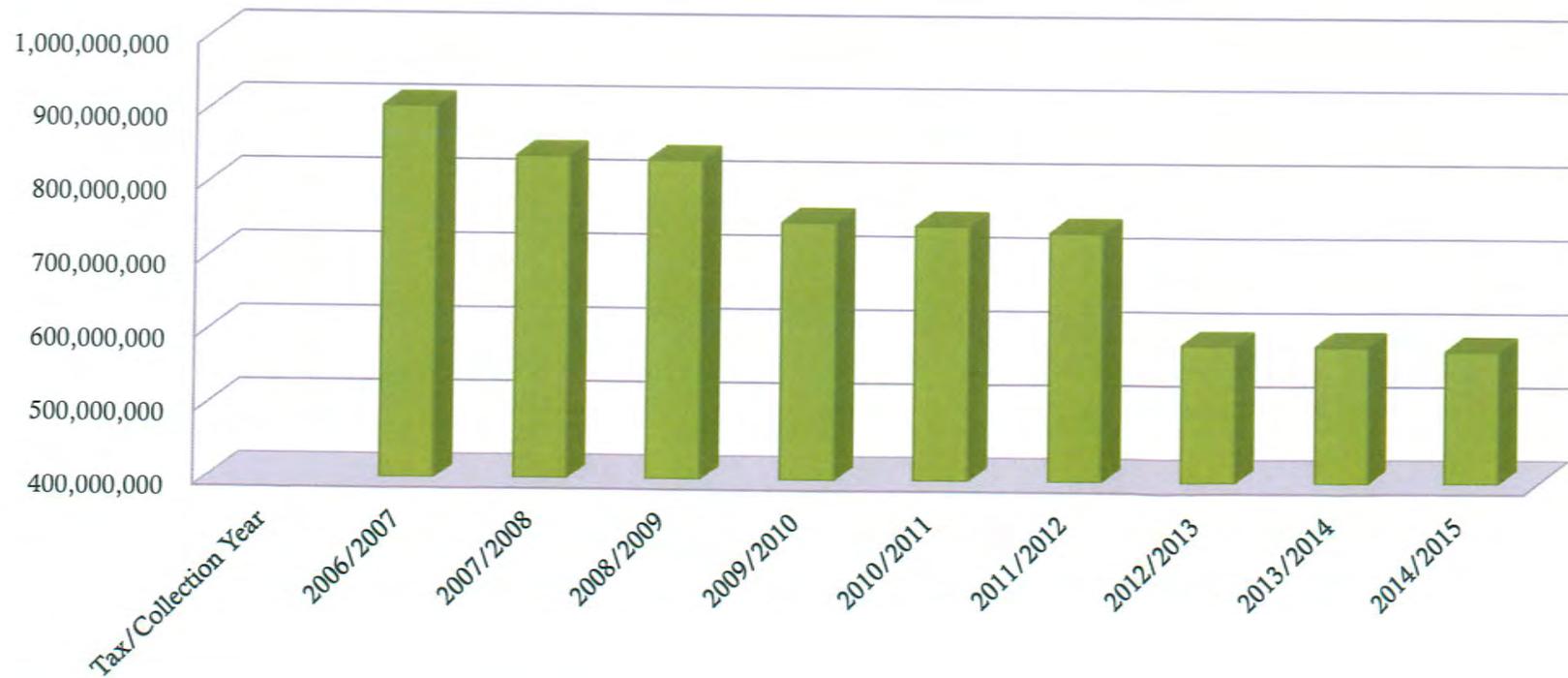
Current Facilities

(41%-59%)



Assessed Values

35.8% Loss of Value

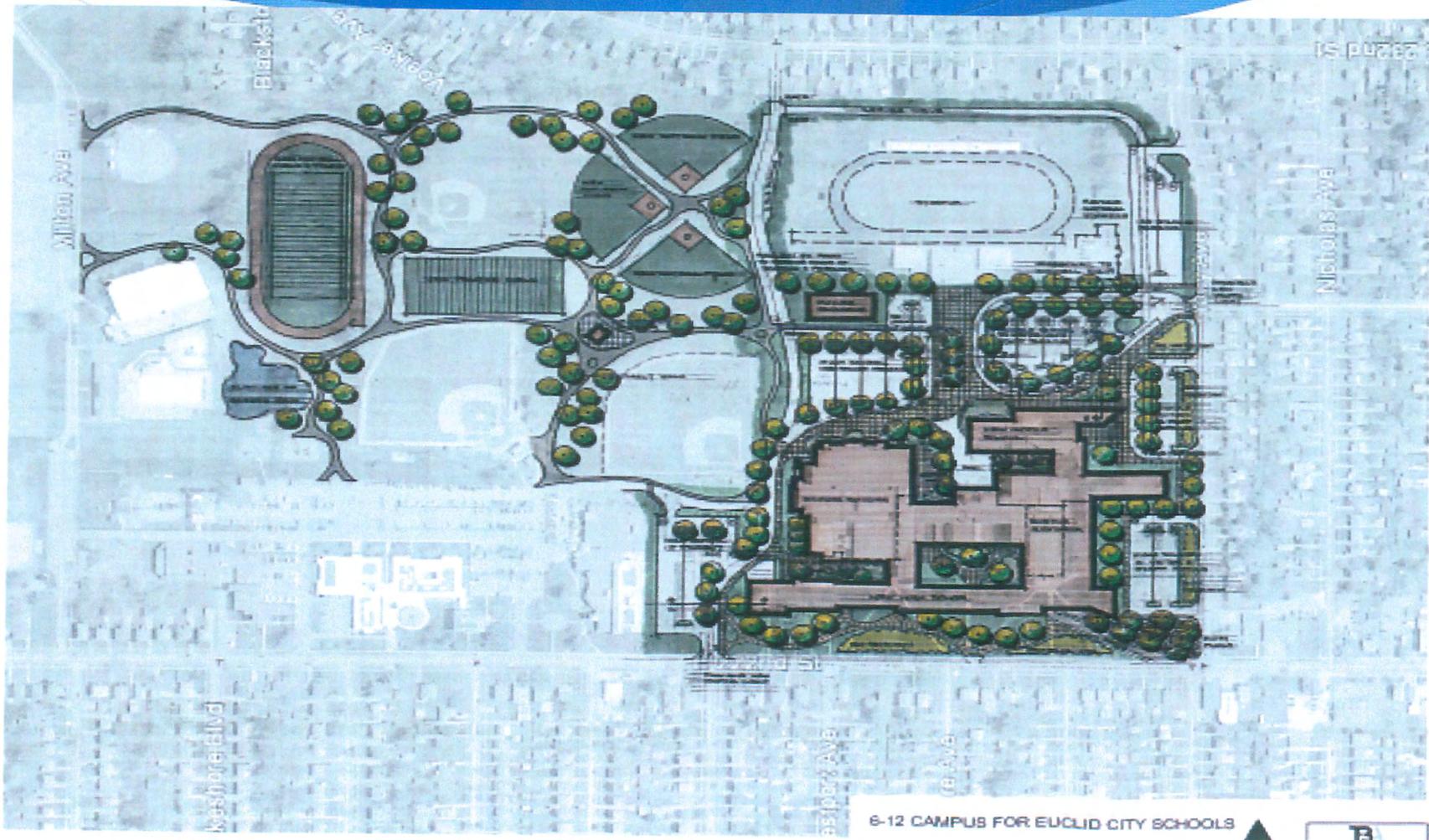


Governor Kasich

- “When it comes to school funding, we have one common sense guiding principal: Ohio must help the schools that do not have the resources to help themselves.”

Conceptual Drawing

(76%-24%)



New Euclid 6-12 Community Building

E Euclid City Schools

New Conceptual Euclid Middle and High School

Images are all Conceptual in Nature and Subject to Change



New Euclid 6-12 Community Building



New Euclid 6-12 Community Building



New Euclid 6-12 Community Building



New Euclid 6-12 Community Building



New Euclid 6-12 Community Building



Kindergarten Village



Kindergarten Village



Cost/Partners

- ◆ **6-12 Building - \$115,000,000.00**
- ◆ **Kindergarten Village - \$20,000,000.00 (Locally Funded)**
- ◆ **Stadium Renovation - \$5,000,000.00 – \$9,000,000.00
(Lincoln Electric / Cleveland Indians / Private Donors)**

- ◆ **Today \$135,000,000.00**
- ◆ **2007 Phase Costs \$108,076,530.00**
- ◆ **2001 \$71,000,00.00**

Resident Responsibility

- ◆ Bond Issue Without the Amendment (59% Local – 41% State)
 - ◆ Millage- 6.2
 - ◆ \$75,000.00 home cost- \$163.00 per year

- ◆ Bond Issue With the Amendment (24% Local – 76% State)
 - ◆ Millage- 3.21
 - ◆ %75,000.00 home cost- \$84.00 per year

Assistance Requested

- Because of the funding model through which we participated in 2007 (Classroom Facility Assistance Program), we do not qualify for the increased State share to fund the project.
- We ask to be released from the Classroom Facility Assistance Program and be approved to participate in the Exceptional Needs Program. This would allow for our project to be funded at a level (76% State / 24% Local) that the State funding model shows our community can afford.

Governor Kasich

- “The simple fact of the matter is we’re going to have to work together to make sure that we are moving our resources to those districts that have unique students, that are not wealthy- we’ve got to do it together because the current system is not serving the boys and girls in our State as effectively as we could be doing it, but we’re going to have to do it together.”

Timeline of OFCC Program Amendments and Revisions



Timeline of Events

| 1997 | 1999 | 2000 | 2001 | 2004 | 2008 | 2009 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| | | | | | | | | | | | |



Series of Changes to Ohio School Facilities Commission Program Guidelines and Laws

The following timeline demonstrates some keystone dates to program inception and changes over the last 18 years



Euclid City Schools

Timeline of Events

| 1997 | 1999 | 2000 | 2001 | 2004 | 2008 | 2009 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| | | | | | | | | | | | |

May 1997

Ohio School Facilities Commission Created

Some of the programs included:

- Classroom Facilities Assistance Program
- Emergency Assistance Program
- Short Term Loan Program
- Extreme Environmental Contamination Program



Euclid City Schools

Timeline of Events

| 1997 | 1999 | 2000 | 2001 | 2004 | 2008 | 2009 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------|------|------|------|------|------|------|------|------|------|------|
| OSFC & Funding Programs Created May 1997 | | | | | | | | | | | |

OSFC & Funding Programs Created
May 1997

February 1999

Exceptional Needs Program Established

Subsequent Revisions to Program Guidelines

- Mar 2000
- July 2001
- July 2002
- July 2003
- Sept 2004
- June 2005
- June 2006 (from 50th percentile to 75th)
- Aug 2007
- Nov 2010
- Sept 2011
- Sept 2012 (from 75 percentile to 100th – no restrictions)



Euclid City Schools

Timeline of Events

| 1997 | 1999 | 2000 | 2001 | 2004 | 2008 | 2009 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| | | | | | | | | | | | |

OSFC &
Funding
Programs
Created
May 1997

ENP Created
*11 Program
Guideline
Revisions*

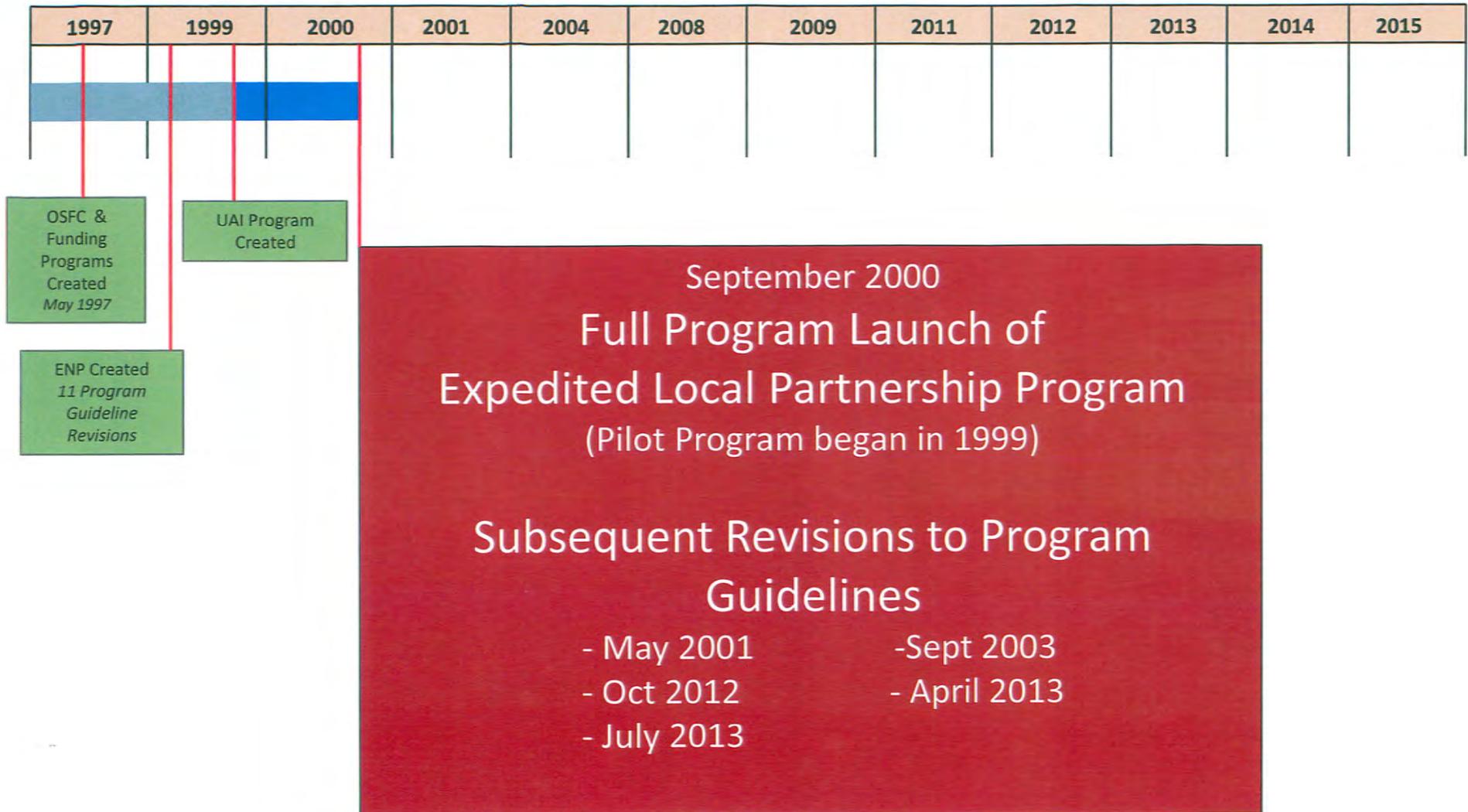
September 1999

Accelerated Urban Initiative Program Created
(The Big 8)

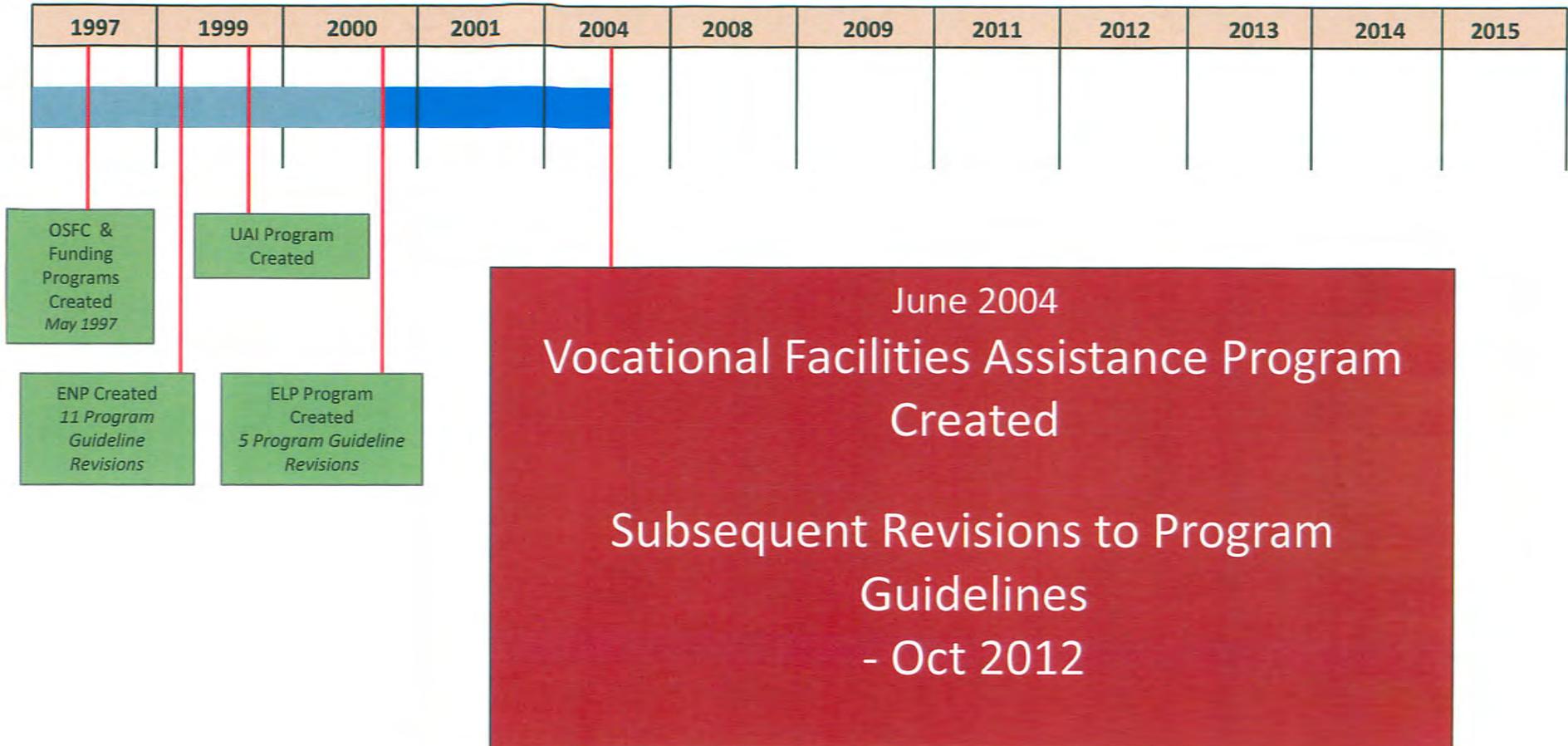


Euclid City Schools

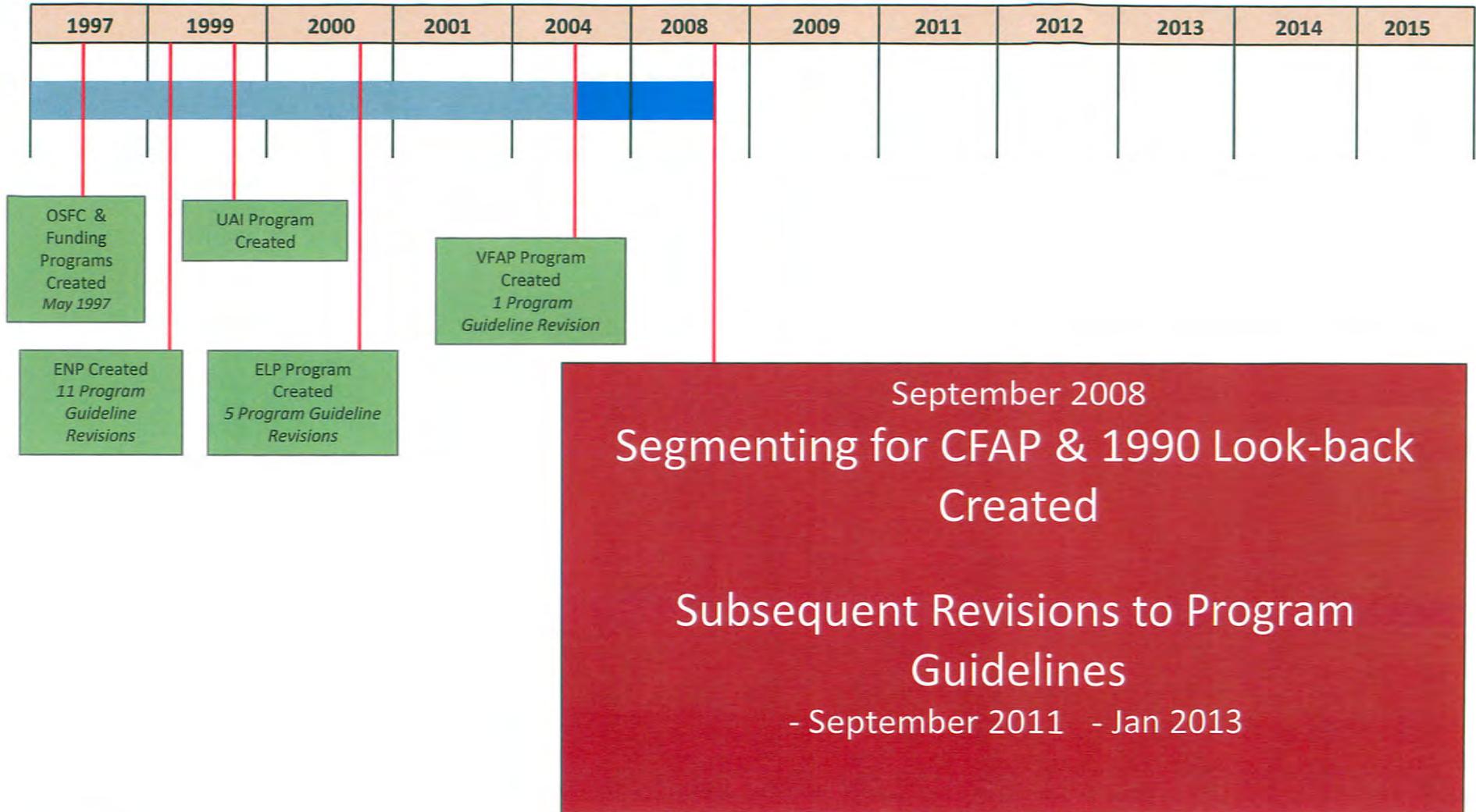
Timeline of Events



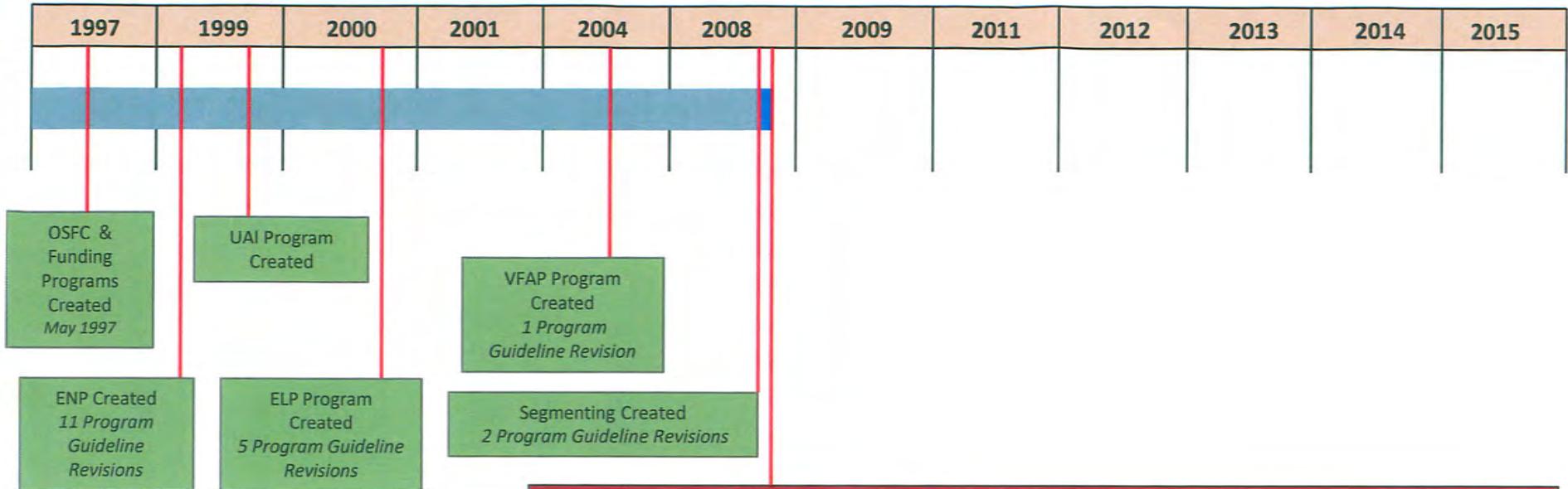
Timeline of Events



Timeline of Events



Timeline of Events



2008 House Bill 562

Requires the calculation of Alternative Ranking, based on a one-year adjusted valuation per pupil for FY 2009 funding under CFAP and the ENP for certain districts with large one-year reductions in tax valuation



Timeline of Events

“The Commission must use the alternative ranking certified on September 5, 2007. For any district ranked at least 15 percentiles lower on the alternative list than its rank on the original list, the Commission must use the alternative ranking to determine the district’s share and priority for funding under CFAP and the district’s share under the Exceptional Needs Program.”



Euclid City Schools

(1) The School Facilities Commission approved the district's project after July 1, 2006, and prior to September 29, 2007;

(2) The project was not complete by September 29, 2007;

(3) The district's voters approved financing for the district share of the project cost; and

(4) In the fiscal year prior to the fiscal year in which the district's project was approved, the district had an open enrollment net gain of at least 10% of its formula ADM.

Under the act, the Department of Education must recalculate the percentile ranking of every school district for the affected fiscal years by including the open enrollment net gain in the "valuation per pupil," and report that new ranking to the Commission. In turn, the Commission must use the recalculated percentile of any district that meets all of the prescribed conditions to recalculate the district's share of its project cost and, accordingly, must revise the Commission's agreement with the district to reflect the recalculated state and district shares.

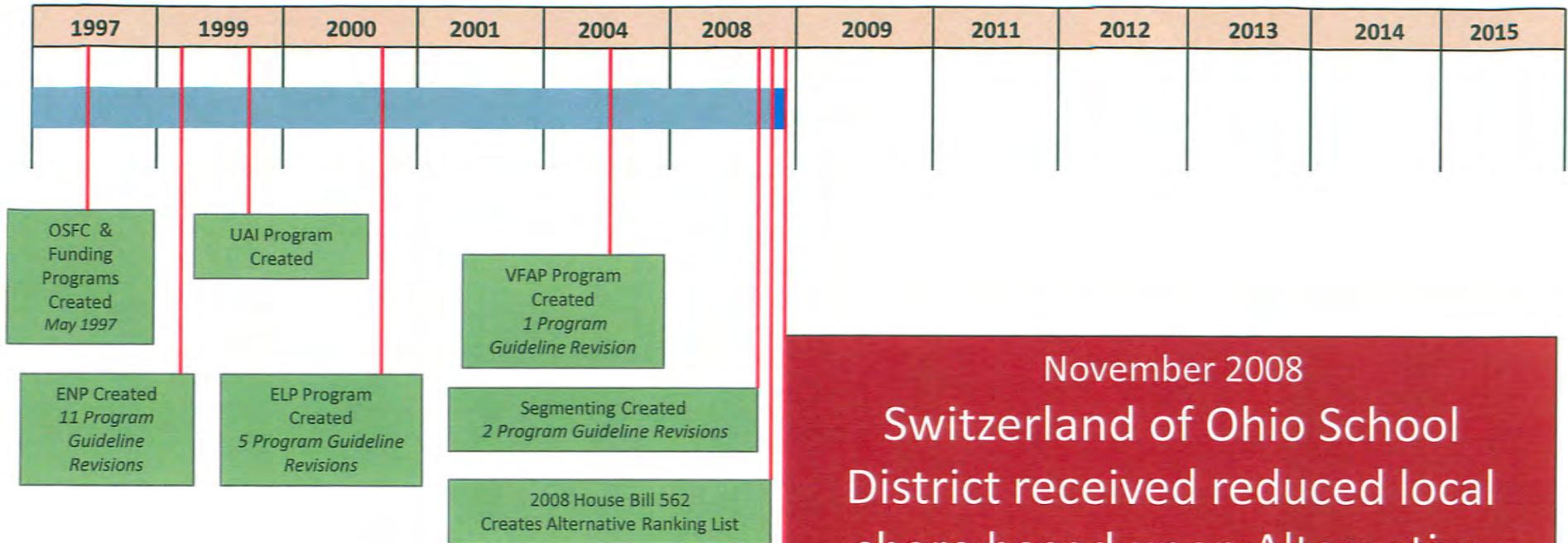
Alternative ranking for FY 2009 funding based on single-year adjusted valuation per pupil

(Section 733.14)

The act requires the Department of Education to calculate and certify to the School Facilities Commission another alternative ranking to be used to determine project funding for FY 2009 based on a one-year adjusted valuation per pupil, instead of a three-year average. That alternative equity list is based on the district's taxable valuation in tax year 2006 (ended December 31, 2006), the district's formula ADM for FY 2007 (ended June 30, 2007), and the district's income factor for FY 2007. The Commission must compare the alternative ranking to the original ranking certified on September 5, 2007. For any district ranked at least 15 percentiles lower on the alternative list than its rank on the original list, the Commission must use the alternative ranking to determine the district's share and priority for funding under CFAP and the district's share under the Exceptional Needs Program. In other words, a district with a large reduction in tax valuation in tax year 2006 may have a reduction in facilities project cost under the act.

As in the case of the alternative ranking for FY 2009 to reflect open enrollment (as described above), the one-year adjusted valuation per pupil ranking does not affect a district's *eligibility* under the Exceptional Needs Program, only its

Timeline of Events

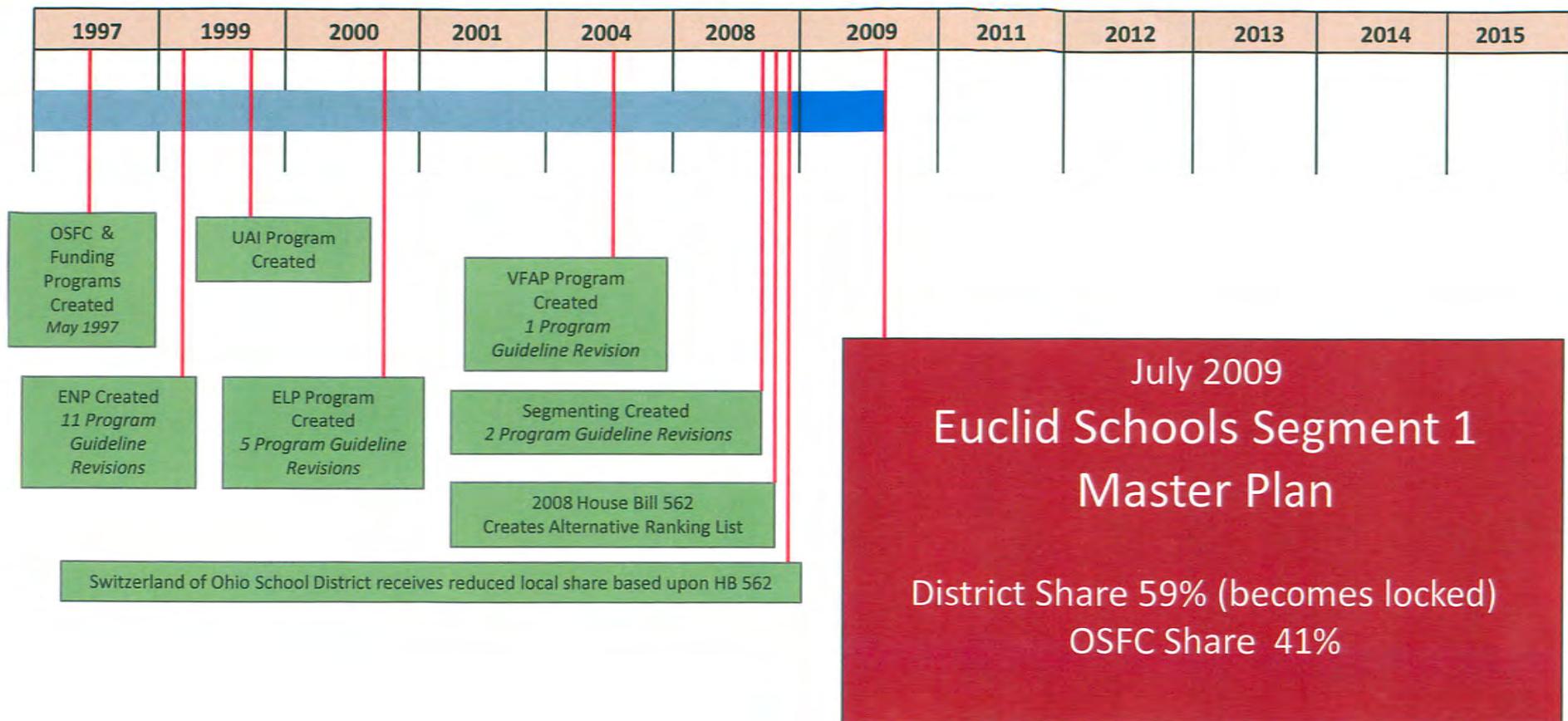


November 2008
 Switzerland of Ohio School District received reduced local share based upon Alternative Equity Rank List HB 562

-Also received waiver to 2/3rd guideline for River HS and Variance from 350 student law

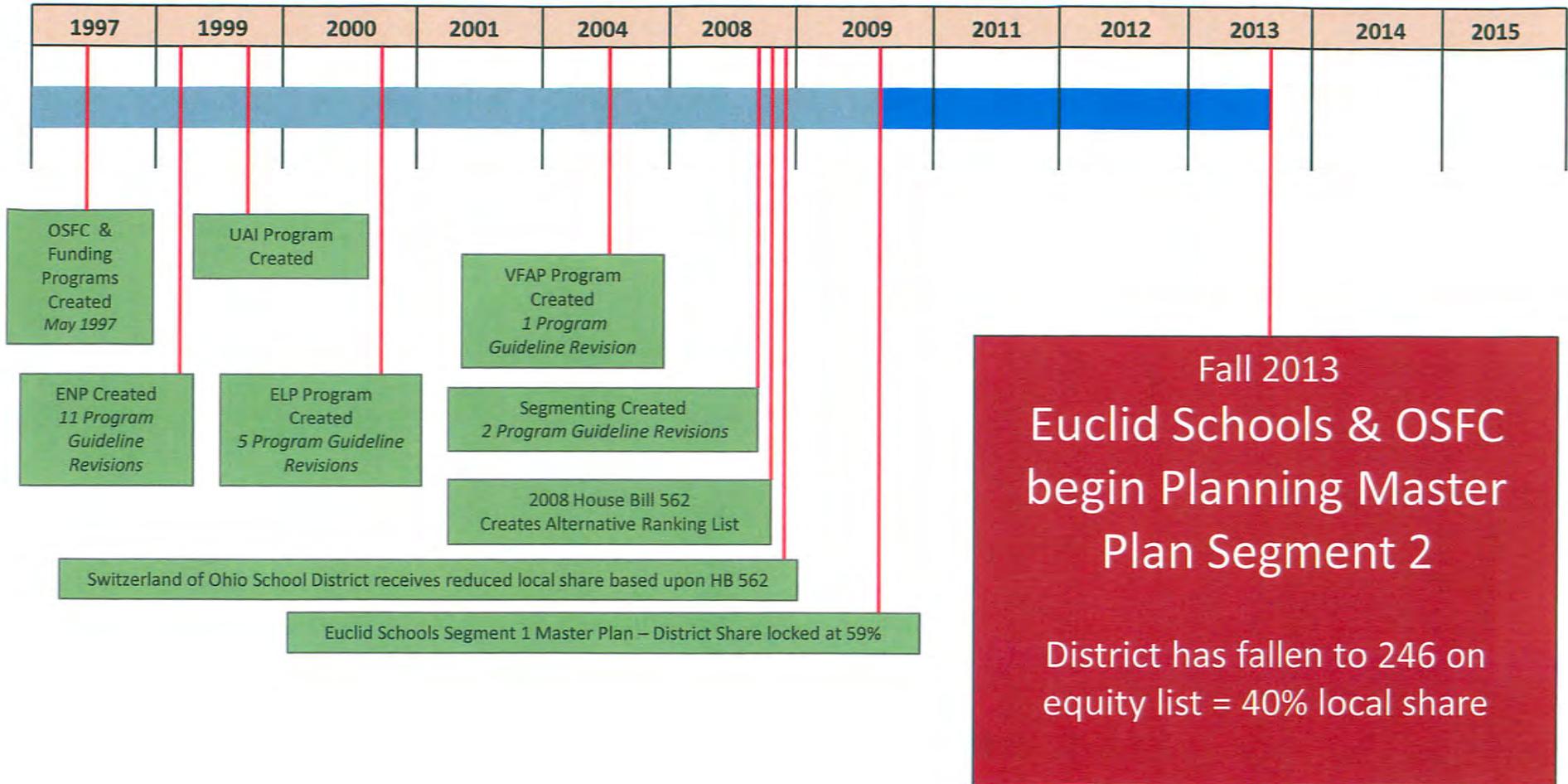


Timeline of Events



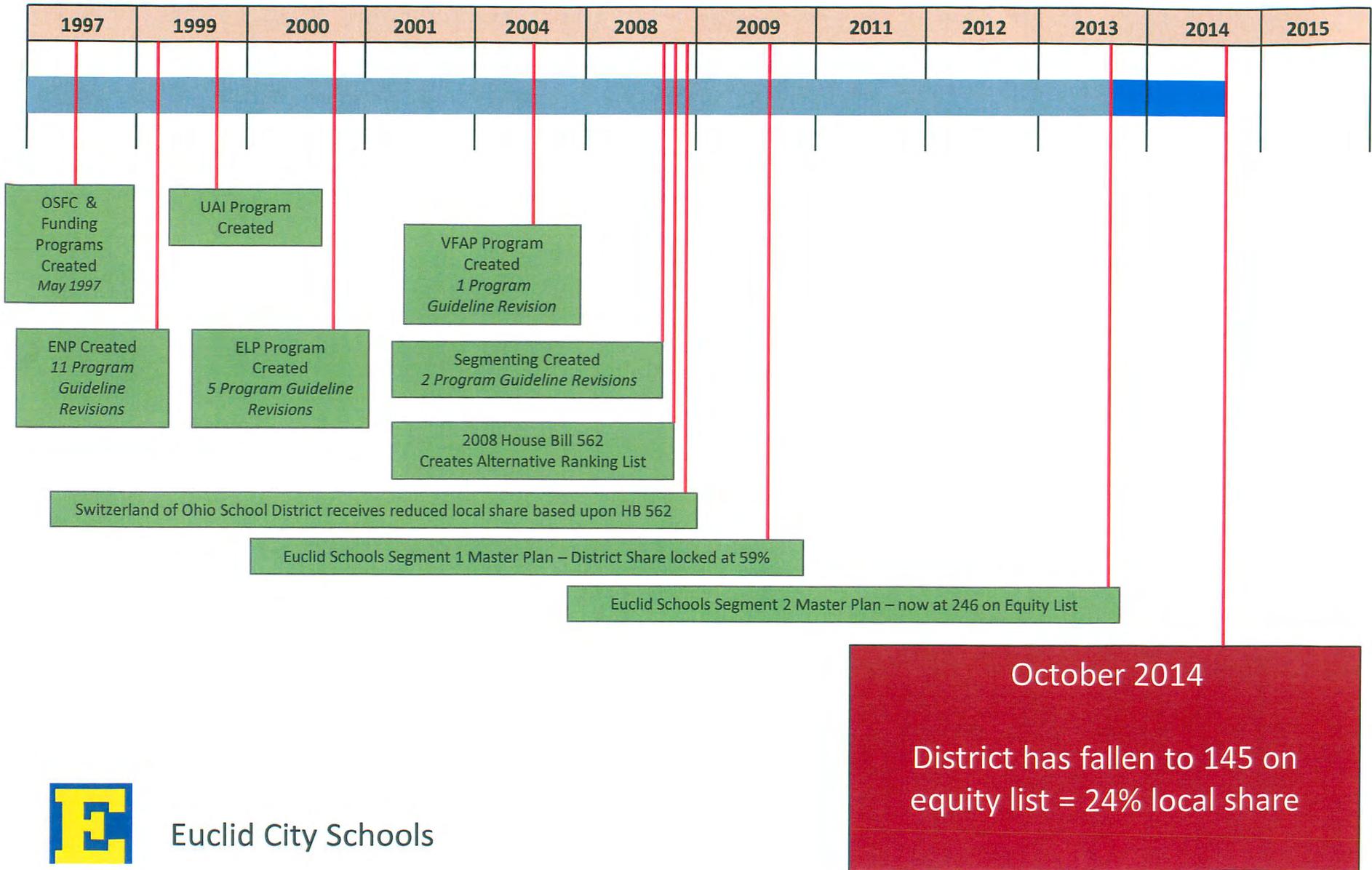
Euclid City Schools

Timeline of Events



Euclid City Schools

Timeline of Events



Euclid City Schools

Timeline of Events

| Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Equity Rank | 479 | 457 | 433 | 400 | 375 | 358 | 331 | 315 | 284 | 246 | 200 | 145 |

District has fallen 334 points on the Equity List since 2004

District has fallen 213 points since 2009 when local share was locked in by Segment 1 (difference 35 percent)

