



Ohio House of Representatives
Finance Subcommittee on Primary and Secondary Education
House Bill 49, State Budget

Testimony of Judy Wells
Superintendent, Apollo Career Center

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Chairman Cupp, Ranking Member Miller, and members of the Committee, thank you for giving me the opportunity to testify today on behalf of the Career and Technical Education (CTE) community, and specifically the Ohio Association of Career Technical Superintendents (OACTS) and the Ohio Association of Career Technical Education (Ohio ACTE). My name is Judy Wells and I am the Superintendent of Apollo Career Center, located in Lima, Ohio. The CTE community would like to share our concerns on the proposed budget, particularly with respect to the 49 Career Centers and the foundation funding formula simulations generated by the Office of Budget & Management (OBM) and the Ohio Department of Education (ODE).

On paper the total loss for the 49 career centers seems negligible at -\$540,058 (a mere .2% overall) for FY18. But it is still a loss of funding. The administration's proposal to "wean" schools off the guarantee runs contrary to the stated intention to increase funding for career-technical education, due to strong demand for more career-technical training, thanks to our business and industry partners.

We are also concerned about possible inaccuracies in the data used for the simulations. According to the simulation, 33 of the 49 career centers show a loss of students (ADM) for FY18. For example, at Apollo the simulations shows a loss of 71 ADM from 2011-2016. According to our EMIS records, our lowest year was 2012-13 at 562 students (ADM) on campus. However our enrollment has increased every year since. Vanguard-Sentinel simulations show a loss of 368 students since 2011, while their EMIS records show a loss of 236 students during that time period. They have been on the guarantee since 2008 and Apollo since 2009. Since then they have also suffered additional losses of Tangible Personal Property Tax of \$593,000, while Apollo suffered a \$571,876 from TPPT in 2011. Vantage Career Center shows a loss of 82 students, but report revenue losses of over \$1 million, including TPPT.

Representatives from the CTE community cannot determine exactly how the ADM loss/gain numbers have been generated by OBM & ODE. Our schools have little confidence in EMIS reporting mechanisms and our superintendents and treasurers have frequently notified ODE about reporting errors, particularly during the last biennium budget when CTE weighted funds were moved outside the guarantee. At the very least we have an "interpretation"

problem due to a lack of communication. As an organization we strongly support real time data infrastructure upgrades to enhance accuracy in reporting and therefore in funding.

We are aware that the Office of Workforce Transformation (OWT) is concerned with the reported loss of students enrolled in CTE—recent simulations and ODE surveys were supposed to indicate a need for more CTE programs in Ohio. I can see why OWT is concerned when the simulations from the Northwest quadrant alone show a net loss of 821 ADM!

Note, however, that a look back period of 5 years will not reflect the increased demand for our programs. At Apollo, since our FY 13 low, our enrollment has increased by 105 students (FTEs not ADM) for the current FY17 school year. Projected enrollment for FY18 indicates the possibility we will be off the guarantee! At Vanguard-Sentinel student enrollment has increased since 2014 from 975 to 1072 in FY17 with a 24% increase in high demand programs alone. We believe you will find similar reports per District and can provide you with that data, as opposed to looking back to the year 2011 when Ohio was just beginning to emerge from the Great Recession. In fact the chart attached paints a very dismal picture of the Northwest quadrant of Ohio just relying on the numbers provided by OBM.

Conclusions: In sum, the proposed budget figures and levels of funding for our career centers – which we have been unable to verify – are nevertheless insufficient if Ohio wants to become a national leader in attracting and retaining business and industry partners into the state. Ohio needs real time, accurate and verifiable data to paint a true picture. Workforce development and training programs, particularly for High School students and adult learners in our Ohio Technical Centers, are one of the first priorities considered by any new business looking for job-ready sites.

Apollo is closely aligned with economic development, Ohio Means Jobs and our corporate business and industry partners. As regional economic development leaders we can confirm that we not only have a (skilled) workforce problem but a POPULATION problem. In Allen County alone, the population has declined from 112,000 people (in 1980) to 105,000 in 2015. Ten of the 13 school districts for Vanguard-Sentinel have decreased enrollment the last three years by 39%. A closer look at the state of Ohio shows that the population in 2011 was 11.54 million; growth from 2011-2014 was a paltry .19 million increase (to 11.548 million in 2015). The entire state of Ohio is relatively stagnant, with population shifts most significantly occurring in the greater Columbus and Cincinnati region. Attaching dollars to students in pockets of declining enrollments (if indeed the data is accurate), particularly in the Northwest and Southeast regions, will not allow the state of Ohio to retain new business and industry growth, and in fact could lead to our strong partners looking elsewhere for expansion or WORSE – relocation.

In Apollo Career Center's four county area we are blessed to have worldwide manufacturing partners such as Ford, Proctor & Gamble, Husky Energy (the only shared campus with a refinery and chemical plants east of the Mississippi), General Dynamics (the only tank

manufacturing facility in the USA), Potash, Crown Equipment, Dana Corporation, Grob and Bob Evans. Construction firms are expanding as residential and non-residential building picks up (Tuttle Services, Swartz Contracting and Shook-Touchstone). Our two largest employers in Allen County are the two hospitals: Mercy Health and Lima Memorial, as well as the Orthopedic Institute of Ohio. The number one concern for these corporate partners is having a skilled workforce to hire, as their own employees are retiring in increasingly large numbers. Now is NOT the time to **decrease** investment in career-technical training programs, but the time to **INCREASE** investment in the very programs that sustain a skilled workforce for Ohio.

Thank you for your time and I am happy to answer any questions.

TOTAL PREDICTED LOSS TO NORTHWEST QUADRANT OF THE STATE FOR 9 CAREER CENTERS:

| Career Center | FY18 +/- | Percentage | FY19 +/- | Percentage | TOTAL |
|-------------------|------------------|-------------|------------------|-------------|------------------|
| Apollo | (\$232,330) | -4.1% | (\$12,289) | -.2% | (\$244,619) |
| EHOVE | (\$13,854) | -.3% | (\$26,546) | -.4% | (\$40,400) |
| Four County | (\$123,621) | -1.6% | (\$6808) | -.1% | (\$130,429) |
| Tri-Rivers | (\$255,392) | -4.7% | (\$10,082) | -.2% | (\$265,474) |
| Vanguard-Sentinel | (\$357,897) | -4.3% | (\$24,050) | -.3% | (\$381,947) |
| Vantage | (\$174,373) | -4.7% | (\$4,711) | -.1% | (\$179,084) |
| Penta | \$490,843 | 3% | (\$112,791) | -.7% | \$378,052 |
| Upper Valley | (\$17,041) | -.2% | (\$4,022) | - | (\$21,063) |
| OH Hi-Point | \$148,914 | 2.5% | \$172,470 | 2.9% | \$321,384 |
| | ADM loss: | 884 | ADM gain: | 63 | |

7 CENTERS: \$1,263,016 – 2 CENTERS: \$699,436 = \$563,580 LOSS.

Seven career centers lose, two career centers gain. These 9 Career Centers provide Career-technical training for **132 Local School Districts** in the Northwest quadrant.

**from ODE website simulations FY 2017-2019

** Ohio demographics from worldpopulationreview.com/states/ohio-population/