

TO: Those interested in my responses/answers to six questions posed to all persons running for Monroe's Board of Education, by the Voice for the November 2009 election.

FROM: Michael R. Irwin, School Board Member and Candidate

DATE: October 01, 2009

I realize that this is a long document; however, it is important to be open and accurate as possible when answering these six questions. There is no short answer for most of these and they often require background information that many people may not have.

The pages that follow are my answers to the following questions:

- ***Why would you be a good school board member?***
- ***What's more important, academics or sports?***
- ***What is your opinion of Superintendent Elizabeth Lolli's administration?***
- ***How sound is the school district financially, in your opinion?***
- ***What should the school district do about the proposed Coke making facility (Suncoke)?***
- ***Do you believe in communicating to the community thru blogs, discussion threads or other internet based communication?***

It is important to note that these are my personal opinions, positions, and comments and do not necessarily reflect the views or positions of the School Board. These answers are not and do not represent any official representation of Monroe Local Schools. They are solely given as comments and answers from me, Mike Irwin, a citizen of Monroe, running for the Board of Education, not as an official on the Monroe Board of Education.

I have answered all six questions openly and frankly, often supplying background information, that I have learned from the vast research and/or training that I have attended. I have done this to give the reader insight into why I answer the questions the way I have. Unless I have specified actual law, the opinions I have expressed here are based on information that I am aware of and based on how I understand and interpret that information. It should be factually accurate; but understand I have been wrong before.

Finally, it has been an honor to have had the opportunity to represent the community of Monroe Local Schools over the past year. I would be honored to represent the citizens of the school district during the next four years. Working together we can assure the success of our youth. Together we can make our school "Excellent with Distinction."

Thank you for your understanding.



Michael R. Irwin

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Why would you be a good school board member?

Overall, I believe that I have fulfilled my duties over the past term representing the best interests of the citizens of Monroe concerning the educational process of our schools. I would like to continue to represent them as our schools continue to move forward.

I take my position, as your elected representative to the School Board, serious and will continue to do so, when I am reelected.

My focus is on all the children of Monroe Local Schools – their welfare and education come first. The goal is to prepare each student, by the time they graduate, to become a productive citizen of society.

I am so dedicated to the youth of Monroe schools and their success that I am active in many extracurricular activities and other programs within Monroe schools.

[See Note 1: for examples, including why I don't take the \$125 per meeting 'salary' as a board member.]

I am committed to and continue to learn and explore opportunities that advance the academic performance of our children. To be willing to institute positive change that will benefit the educational opportunities offered to our children. I have dedicated hundreds of hours of personal time researching and learning about programs and educational opportunities for all levels of student performance, from special needs, through gifted education.

I attend as many training sessions that I can to learn about topics that affect the schools, my job as a board member, and education.

I set personal goals for myself each year, as a board member, and have attained them each year. In contrast, although I tried to get us, the board, to set goals, the idea has fallen on deaf ears – no goals have been set by the board collectively. I will continue to attempt to convince the Board, collectively, of the importance of setting Board level goals. At a minimum, it seems ironic that the Board requires goals/performance be set for the Administration and Staff and those goals be reviewed each year. The board doesn't even review the performance of the Treasurer or Superintendent; although required to do so.

{See Note: 2 for the type of personal goals I have}

Fiscal responsibility is not just a word to me. I *am* committed to being fiscally responsible with the taxpayer's money; to question how our hard earned money is being spent and how it will benefit the educational opportunities of our children. My first question is always, "How does this improve the education of the youth of Monroe Local schools?"

I believe it is essential that we, the Board and School, be transparent in all of our actions when it comes to spending the taxpayer's hard earned money. In the past the Board, which I am a member of, have made decisions with little or no public discussion. When this has

happened, I have spoken out, voicing my opinion about making decisions that the public is often unaware of that affect the school and educational process.

[There are many examples of this that I could site for those interested.

Attached to this paper is a document of notes where I have include a recent issue concerning the Atrium contract and another as Note: 3]

I stay up-to-date on the laws and regulations concerning public education and how school boards operate for the purpose of protecting the school district and the taxpayers' interests. It is important to understand the roles of a School board, the individual member, and the administration and how they differ. I believe I have a good understanding of our role as a Governance Board.

Again, I am personally concerned about the welfare and success of every student in our schools. I am dedicated enough that I give of my time freely in tutoring students, free of charge, finding the resources necessary for parents to help their children, researching and helping when parents have problems – often this may simply be a case of referring them to the correct Bylaw or Administrative code; or just what the school's chain of command is and how to handle a complaint.

I strive for excellent, cost effective education for all the children of Monroe Local Schools.

I would like to continue to accomplish what I have started as a member of the Monroe School Board, as your representative.

What's more important, academics or sports?

First, I assume that the question is more personal – “What is more important to me, Mike Irwin – academics or sports.”

If a board member, or candidate, understands the purpose of Public schools, this question is misleading and only has one answer.

Clearly, the purpose of Public Schools isn't one of weighing educational opportunities based on some scale of importance through comparison of curricular and extracurricular activities. Public schools, unlike their counterpart, private schools, are governed, in part, by different laws and regulations because of how they are financed – by the public. So the first issue, before any discussion of academics or sports can be addressed is simply – what is the purpose of public schools?

Rather than going into a lot of explanation, let me give a short answer to this issue:

The short answer is that academics, the curricular education of our youth, are the principle purpose of all public schools in the United States. Public schools in Ohio, through authority of the 1851 Ohio Constitution and Ohio Revised Code (ORC) § 3313.48 must offer ‘a free education’ (Constitution, Article 2) to all youth who live in the State.

Interestingly, ORC also authorizes sports as a part of any school's extracurricular (outside of the primary curriculum) activities. However, ORC directs that, 99.5% of public funding for public education **MUST** go toward academics; “one-half of 1%” of the total budget can legally be used for **all** extracurricular activities.

Federal funding for schools is usually restricted to specific programs and/or purposes. Sports, and other extracurricular activities, are NOT funded by the Federal Government.

If a local school community wants to place a higher emphasis on any extracurricular activity they can fund it through other avenues, like Booster clubs or donations to a school to be set aside for a specific purpose. Even local tax revenues that are imposed on taxpayers can't be used for extracurricular activities beyond the “one-half of 1%” as mandated by Ohio law.

Therefore, the principle purpose of any public school is academics. So what is more important? Clearly academics, as directed by law.

It is also important to point out that it is the academic “report card” that is used to compare schools within the State of Ohio. It is this same academic comparison that is used by Real Estate people to sell houses within a community. Often property values are linked directly to how good the schools are academically (their rating) and how many courses, beyond the core educational list, are offered to the students. Again the importance of academics surfaces as the principal factor of a public school.

With that said (in my opinion), sports, as well as all extracurricular activities are important and must be supported by our schools. They are important parts of the educational process and add to the richness of programs offered to our students.

However, there are many extracurricular activities, beyond sports, that should be made available to all students. These include programs like art, music (Band, Orchestra, and so on), acting (drama, musicals, and plays), photography, computer programming, debate, writing, chess, and so much more.

All sports that are offered by public schools, including Monroe, typically affect ten percent (10%) of the total student body. Extracurricular activities, including sports, in the State of Ohio, are **not a requirement** for graduating from High School; that is, if you do not participate in some extracurricular activity, like football, it will not stop you from graduating with a diploma.

Again let me say that sports, like other extracurricular activities, are important. Students who participate in extracurricular activities are afforded additional learning experiences beyond mandated education for public schools. Extracurricular activities, including sports, often allow our students to fully develop into more productive citizens of our community. Often the students that migrate and participate in sports and other extracurricular activities are gifted in the fields they participate in. By supporting extracurricular activities, we offer our students additional avenues to achieve success. Many students are afforded opportunities to go to college because of the scholarships that are offered to them as a result of their involvement in sports or other programs.

However, again, Monroe public schools primary focus **must** be on academics, as mandated by law.

One final thought, sports help build **camaraderie** and **pride** in the school; within the student body as well as the community at large. This tangible feeling of pride, with the opportunities afforded those students who participate in sports, makes sports a critical part of any school system.

Yet, a community's pride in a school should be much more than 'How well their teams are doing.' It should be all inclusive. There should be equal pride in knowing that their students have placed through other fields of interest in local, State, or Federal level competitions. Pride in students who have achieved top honors for our student body, school, city, and community, like when –

- several students received top honors at a Regional MathCOUNTS
- students have placed Outstanding (the highest ranking) in the State level Science Fair
- students have ranked at the top in a Power-of-the-Pen competition
- a student placed 2nd in a State Chess competition
- 25% of students taking AP courses received a 4 or 5 (out of 5) on the Federal AP Tests
- several students win local, State, and National recognition for their Art

- one student's art work is displayed in the Capital Building in Washington for a year
- several of our students are invited to participate in concerts at the local symphony
- our students place in a local or regional band competition
- our Thespian students are invited to perform at a State level competition
- our Teachers receive local, State and Federal recognition and awards

I am sure you ask, what is his point in all of this? The community of Monroe Local Schools should take pride in all the accomplishments of all students and staff and actively demonstrate that pride as strongly as they do with sports. We should want to publicly display all trophies and awards our students receive in all extracurricular activities as much as we do our sports trophies. Monroe Local Schools has so many things to be proud of and we, the community, should celebrate all of them.

What is your opinion of Superintendent Elizabeth Lolli's administration?

I am unclear concerning what the purpose of this question is and where its focus lies.

If it is concerns what I think about how Superintendent Lolli is performing her duties as the Superintendent; that is one answer. If it is, as I guess it means, what do I think about the Superintendent's administration (principals, curriculum director, special services director and so on); that is another. In other words, the second interpretation is a question about the Administrative staff instead of the Superintendent.

I will attempt to offer my understanding of both questions. As for the first, how the Superintendent is doing her job, some background needs to be added.

It is imperative to understand the role and purpose of a school board and how they interact with the Superintendent and Treasurer.

Understanding the Boards' Role and interaction with Superintendent and Treasurer

No board power is given to any single board member. The Board of Education is made up of the collective members who are elected to represent the community – in Monroe's case that is five members. This means that all power is solely in the body, or group of, five members; not any individual. No individual can make decisions or take any action in behalf of or represent the school district without an action or decision of the entire board. Only the complete Board of Education, as an individual entity, has the power to make decisions or approve actions.

Any local school board's role is principally one of governance. The board, collectively, are the moral trustees for the ownership of the school district and must bear responsibility for the integrity of governance.

NOTE:

Their moral obligation, and legal obligation, to the owner's of the school far outweigh the board's relationship to the Superintendent, Treasurer, and staff.

So the first role of any school board is to represent the community concerning the education of the children and youth of that community. They, as a body of five in the case of Monroe, are the go-between for the community and school.

The collective board have the sole responsibility to hire the Superintendent and Treasurer – both employees answer directly to the collective Board. These are the *only two employees* that answer directly to the board. This means that the Board is responsible for performance reviews of these two leaders (minimal once yearly, by contract, for superintendent and annually for the treasurer).

The next role of a board is to delegate all authority of the school concerning the day-to-day operations to the CEO/CFO. This means that all operations concerning the fiscal health of the district are turned over to the Treasurer and all other operations of the school district are delegated to the Superintendent.

The board also sets the vision and direction of the school; which the Treasurer and Superintendent are charged with fulfilling. This vision and direction are at a high level – not the day-to-day goals of specific issues (those issues fall on the two leaders). However, it is the role of the Board to set ‘goals’ for the Superintendent and Treasurer; then get out of the way to let them do their job.

Finally, with these ‘goals’ and tasks defined, the board’s role falls to one of monitoring performance as it relates to the Vision, Mission and direction of the school. This is accomplished by the Board members asking the questions – What? Why? How Much? How Well? For example, how well did our students (collectively) do on the AP tests this last year? If the answer is ‘not so good’ then the question could be “What can be done to improve them?” This is what is necessary to assure good governance.

Therefore the relationship of the board to the Superintendent (and Treasurer) is one of authority from a governance point of view. Once hired, the board has a responsibility to make sure that the Superintendent and Treasurer are fulfilling the needs of the community regarding the educational process. With some limited exceptions, that is the limit of the board. Under no circumstances should they be involved in the day-to-day decisions of the District –the role of the two leaders of the school.

With the role of the Board defined and understanding that School Boards must meet collectively and openly, make all governance decisions, and delegate all day-to-day operations to the top two leaders, the performance of the Superintendent can now be answered.

Rating the performance of our Superintendent

Our current Superintendent has been with us since January 2008 – one and a half school years. She has entered into her second full school year as the district’s leader.

As a board member, in my opinion, I can determine how she has performed based on three distinct questions:

1. Has the Superintendent met the goals given to her by the board?
2. Has the school improved academically?
3. Have programs been reviewed and modified as appropriate or new programs instituted that offer a better educational experience for our students?

Superintendent performance based on the question 1 –

“Has the Superintendent met the goals given to her by the board?”

As a member of the Monroe Board of Education during and since Dr. Lolli's hiring, I know that we, the **collective** board have not outlined or set any specific goals for the Superintendent. Therefore, I can't comment on her meeting goals and/or the performance related to those goals as set by the representatives of the community – your School Board.

So based on the first question of meeting the goals given to the superintendent, I have to say there is no answer. So this question is not applicable.

Superintendent performance based on the question 2 –

"Has the school improved academically?"

Determining if the overall school district has improved academically, we need to turn to the State academic report card. It can show how the school has done based on past performance and against other schools in the State of Ohio.

The report card was released Tuesday, August 25, 2009. Having spent the past over three weeks reviewing and analyzing our State report card and several related reports, I can say that overall the school district, as a collective whole, has slightly improved, moving from an overall Performance Index of 97.8 (FY 07) to 98.0 (FY 08) to 98.9 (FY 2008-09, last year).

As a school district, we have not attained an "Excellent" rating (or Excellent with Distinction) although the Superintendent has stated publically that it is her official goal for the school to bring us up to Excellent (and ideally with Distinction) within another two years (FY 2011-2012). However, we have attained a rating of "Excellent" in two of our school systems – the Elementary and High Schools; however, we have fell short in the Junior High School and the Primary is not part of the rating system.

There are many factors that drive overall performance, scoring, and yearly rating. School districts actually earn ratings or "designators" (Excellent with Distinction down to "Academic emergency) based on five measures combined that determine the designation –

- State Indicators – the report cards of a percentage of students who passed each state test (Ohio Achievement Test [OAT] / Ohio Graduate Test [OGT]) – there were 30 indicators this year.
- Value Added Growth – Did each student learn what s/he should have over the past year? The measure rates how our schools or district have added value and growth to each individual student's education.
- Adequate Yearly Progress (AYP) – Looks at special groups of students and determines if they are meeting State/Federal standards in reading and math. These categories are addressed in the Notes portion of this document.
- Performance Index Score – This index measures how much improvement occurred since the last report card based on the mathematical average of all students' scores. It looks at a collective average of all students, including those below proficient levels. These values are compared to the previous year's results.

- Performance Index score – This is an index score that is the average of all students' scores, measuring how much improvement has occurred (overall) since the last report card. It considers issues like the overall improvement and growth of all students, including those that are below proficient levels (the Performance Index).

To attain an Excellent Rating the school district needs an overall Performance Index score of 100 or better (up to 120).

A big part of the rating process is based on, "How many students scored at each performance level (per grade/per overall tested material)? Our students are actually grouped into five categories, based on their performance/proficiency level:

- Advanced
- Accelerated
- Proficient
- Basic
- Limited

These levels and individual ratings for each student are found in the State of Ohio report that each parent receives at the end of the year from the State with their student's individual performance on each test (OAT) their child took and where their performance sits on a graphical scale - showing the above five proficient levels.

The school receives an overall rating based on the number of students that fall into each performance/proficiency level. These level ratings are given a value that is increased or decreased with the center value PROFICIENT being equal to a 1.0. This weighting of scores can offer a higher multiplier that will increase our overall Performance Index. For instance the "Advanced" rating is multiplied by a factor of 1.2 versus the Proficient (multiplied by 1.0.)

NOTE:

What is meant by Advanced, Accelerated, and Proficient? These ratings/levels suggest there is a comparison of the overall ability of each student when compared to other students and how well they have learned over the last year. This is true; however, it also suggests that we want our students to receive a rating of proficient or better. It sounds like being proficient is great – it means my student is right where they need to be – learning what the average student needs to know to move on to the next level (grade) and be successful. Nothing could be further from the truth. A rating of proficient does not mean that the student has gained the level of knowledge necessary to move on. Instead, it means that the student has barely received sufficient knowledge to meet the MINIMUM standards from the State of Ohio for that subject – not *sufficient* to move on with *sufficient* knowledge to assure success at the next level (grade). To actually be fully prepared for moving forward, each student should strive for a rating of Accelerated. This is the true rating of sufficient knowledge gained for each student to be prepared for the next level of education.

The problem, how many parents, or for that matter, teachers, have believed that having the majority of their youth meet proficient is a good thing?

SIDENOTE:

In my opinion, we need to change the attitude of the school and individual parents that when our youth receive a rating of "Proficient," we should be satisfied. Instead, we should set and then attain a goal of 80% or more of our students having a rating of "Accelerated" or higher!

With an understanding of how the overall rating system works and to receive a 100 or more on a Performance Index; there is another issue to consider.

It must be pointed out that a school district or individual school can have an excellent rating and still have too many students performing below the State required 75% threshold in academic performance measures.

For example, our Elementary School (defined as a 3rd through 6th grade school) received an excellent rating. Yet our 5th grade students did not meet two of the four state indicators (less than 75% of those students passed the achievement test) – only 65% of 5th graders passed the Social Studies State test and only 70% passed the Mathematics test.

SIDENOTE:

In my opinion, although our school can be rated Excellent with only 75% of our students passing the Ohio Achievement Tests (State administered tests in specific reading, math, science, and social studies), we need to strive for 95-100% of our students passing these tests.

Then I believe we can truly call ourselves and "Excellent" school.

As pointed out, academic progress is not the only indicator used by the State to determine the 'grade' a school receives. It uses other factors beyond test taking passage. These include a Value Added Measure (VAM) and Adequate Yearly Progress (AYP – a federally required measurement) and a few other indicators.

It is because of these other factors that our Elementary can receive a rating of "excellent" while only meeting 10 of 12 academic factors/categories.

This last year our overall school district met the VAM indicator; yet we fell short – did not meet - the AYP indicator. It is because of this factor and having an overall score less than 100 that we were not graded an Excellent School District.

[VAM analysis and information is further explained in Note: 4]

Last year we did not pass AYP which held us back from reaching excellent. When looking back four years, the only year we met AYP was FY 08, the first year that Superintendent Lolli came to the district (January 2008). That year, the district met AYP due to a Safe Harbor condition that the District could use in the AYP determination for the IEP subgroup (Students with Disabilities). This Safe Harbor condition was not usable for the last year (FY 09). We also missed AYP the two years before because of this same issue – our Students with Disabilities.

Using last year's report card there are 10 sub-groups of students that must pass AYP in a series of categories. If any subgroup does not meet AYP, the District can't meet AYP.

[AYP is also further explained in Note: 4].

So with this long explanation, I can partially answer the issue of 'has the Superintendent lead the District to better academic improvement when compared to previous years using the State Report Card?' the answer is YES, by a slight margin. There have been improvement in the overall Performance Index and we have improved in value added measures.

Remember, the Superintendent as the leader of the school is the driving force behind the overall performance of the school district.

I have to say, the Superintendent appears to moving the District in the correct direction.

[For a detailed explanation of how I reached my conclusions see Note: 4]

Superintendent performance based on the question 3 –

"Have programs been reviewed and modified as appropriate or new programs instituted that offer a better educational experience for our students"

In addition to meeting board specified goals and the State Report card, the Superintendent's performance can be measured by implementation of changes within the school district as they apply to the academic performance of the student body.

This is the one area that the new Superintendent has driven the district. Since joining the school district, the superintendent has implemented a data-driven decision model approach to track our schools performance.

This means that she directed the administration to look at the different information and data available on students' performance, collectively and based on grade level. The superintendent directed new tools be used to help analyze that information. Teams were created, consisting of teachers and administrative staff, to analyze and work with the information; draw conclusions as to performance (weaknesses and strengths); devise a plan-of-action to be implemented; determine impact of implementation including cost and budgetary issues. Based on these activities, the Superintendent then recommended changes to the board

for approval. Several new programs have been implemented based on the Superintendent's leadership and insight.

Some of the programs that the superintendent has put into place include:

A new district-wide balanced literature program

It was initially started at the elementary level fiscal year (FY) 2007-2008 and in the junior high FY 08-09. This program is being fully implemented in the current year (FY 09-10). It will take a few years to see the results; preliminary results appear positive – yet are not reflected clearly in the Report Card.

A new math cross-grade curriculum program

This program was implemented in Elementary and Junior High School last year (FY 2008-09). Results seem to be stronger for this program by the results of the State Report card – grades 4 through 8 (all grades) showed a slight improvement in percentage of students passing the State mathematics test last school year.

High Quality Professional Staff Development

The Superintendent has implemented a new focus on professional development for our staff. It is often based on Best Practices Principles. She has brought numerous experts in to work with the staff on academic issues.

Documentation and Support of cross-grade teaching methods

The school had two years of five addition waiver days for teacher training that included focus on academics and learning consistency across all grade levels and subjects. There have also been updated programs and documentation of programs implemented.

Reformation of Special Services

The Superintendent has hired new staff to focus on the special services programs. She has implemented new programs that follow the States full range of services for our Special Needs children. She has directed a review and restructuring of the Talented and Gifted programs. Ultimately the goal is to offer services for these students that range beyond the current 4th – 6th grade programs in the Elementary, with observation of those students in 7th and 8th; to a full K – 12 series of programs.

In addition the Superintendent is addressing our growing English as Second Language needs. There are currently about 60 plus ESL students who have been integrated into our schools and they seem to be doing well, as shown by the State Report card. She has brought a tutor in for our staff to learn the student's native language to build better communication skills with our ESL students.

Improvements in Technology and its' use

Over the last year, the Superintendent has focused on updating and implementing Technology in the classroom. Each class in Elementary and Junior High has had 'smart board' type technology added. This allows the teacher to utilize or embed web based, assisted education, into their curriculum. I believe that the staff have all been trained to utilize these new tools.

Embracing the Challenges of 21st Century education

The Superintendent has committed to the next level of education and is the driving force moving our school toward this direction. The school has become a part of the High AIMS (Achievement In Math and Science) Consortium. This consortium is currently comprised of 22 school districts in the Greater Cincinnati area. They have grown from 6 schools in 1998 to today's consortium. They are charged with, "...ensure[ing] that all students and staff achieve exemplary levels of mathematical and scientific understanding ...". They look at the achievements of our students when compared with 4th through 8th grade students in other countries. They rely heavily on the group **Trends in International Mathematics and Science Study** (TIMSS). This group is a part of the International Activities program which is endorsed by the U.S. Department of Education's Institute of educational services (ies).

TIMSS does assessments and comparative analysis of student performance in math and science. This is the basis for the High AIMS consortium in southwest Ohio. As a member, Monroe local schools are committed to improving the performance of our students. The Superintendent is the driver of this and as a result we have moved toward membership in other programs that will focus on the improvement of all our students.

Study and Implement the Ohio Improvement Project (OIP)

Again the Superintendent has our schools to setting goals, implementing a management system and monitoring tools for each

school – Primary, Elementary, Junior and Senior High. These multipage goals reports are self driven and will be constantly monitored and updated. Typically the goal is to “improve the academic performance of each student as measured by the OAT/OGT in reading by 3% - 5% by 2010-11.”

So, based on these program changes and implementation of new programs, the teacher training issues, and structured methods of data-driven analyze, I again have to say, the Superintendent appears to moving the District in the correct direction.

I believe, in my opinion, the Superintendent is moving the District in the right direction based upon the academic progress of the district.

The next part of this question concerning the Superintendent has to do with the question:

What do I think about the Superintendent’s administration (principals, curriculum director, special services director and so on)?

In other words, about the Administrative staff instead of the Superintendent.

I can answer this question quickly, from my perspective. Since a Board of Education is concerned with the governance of the district and the Superintendent is charged with the day-to-day operations, it is not the Board’s role to micromanage the superintendent.

With that said, a few caveats are in order. First, it is important that the Superintendent, from a fiscal point-of-view, stay within the Budget as controlled by the Treasurer and approved by the Board. Let me repeat that, to stay within the Budget as **controlled** by the Treasurer. Second, the Board needs to perform its role and responsibilities by setting direction for the school; creating goals for the Superintendent (and Treasurer); and reviewing the performance of the two leaders.

The Board should NOT have any direct role in leading, reviewing, or interacting officially with the administrative staff; that responsibility falls under the superintendent’s authority. They work for the Superintendent and the Superintendent works for the collective board.

Remember: the board should set goals for the superintendent from a governance viewpoint and those goals should reflect the wishes of the community concerning our students. Once accomplished, the board should be mindful of its role and have the superintendent answer to them about the progress of those goals through questions of – What? Why? How Much? How Well? Possible example question: This new program you are suggesting we implement – how much will it improve the opportunities for our students and how will the cost to implement it impact the district. This second question needs to be also answered by the Treasurer.

I do have a few general comments about the Administrative staff.

I can note that the district has had an increase in the number of Administrative staff since the new superintendent has been hired. However, the number of people hired is less important than the answer to a few questions concerning the increase in Administrative staff.

The first question should be: "How has the additional support staff helped advance the performance of the district and our students?"

The second: "What has been the financial impact on the budget when compared to the academic improvement of the educational process?"

The third (more specific): "You want us to approve retire/rehire of two of our Principals; how will this action benefit the educational process and is this for a limited time period?"

With this said, I believe that it is not the duty of an individual board member to have any direct role in the administrative staff.

The exception to this belief is if board members hear comments from the public or make personal observations about the conduct of or other issues concerning the Administration. The board action taken should be to direct the person with a comment or complaint to the appropriate person – Superintendent. When a board member makes a personal observation, as an individual, they should take their concerns directly to the Superintendent and perhaps the whole board, if required.

SIDE NOTE:

As for comments from the public, it is each board member's role to represent the community and they should share those comments with the superintendent and if appropriate, with the board as a whole.

So, if the question is about what I think about the Superintendent's administrative (admin staff/personnel), I have to say that this issue is beyond the Governance role of a board member. In my opinion, my only concern is, "Has the changes/additions in Administrative personnel improved the academic environment for our youth and has it been within the District's budget."

How sound is the school district financially, in your opinion?

This question is one of utmost importance to me personally. Although I discuss this in detail here and in notes, the simple answer, from my perspective is that we are in trouble – the red flags are flying high. Soon the flags will pull and tear and possibly fly through the air so we can all see them high in the sky!

Before I ran for the School Board I had many questions concerning the academic performance of the school and the apparent constant need for coming back to the taxpayers for more money.

In turn, once on the school board, I asked numerous questions about the fiscal health of the school district – questions like: What is our total debt to property value ratio? What percentage of our revenues is being set aside for emergencies? Do we have a 'rainy day' fund? What is the school's cost (financial, academic, and discipline related) versus revenues received for open enrollment? Many questions were asked. Not all were answered.

Since being on the School Board, I have continually monitored and questioned the financial health of the District. I have had concerns over the past four years and am still concerned with the financial status of the School District.

If our District were a business, I personally believe we wouldn't last much longer without a serious realignment of financial issues. Yes I know this is a strong negative statement. In my opinion, reality supports this statement.

When we look at the debt ratio of the school to the aggregate property values of the entire school district we have previously been way beyond the 'safety-net' range of 9% as mandated by State law. It is important to note that the long term increase of property values have corrected this problem. (Currently we may still be slightly beyond that ratio value when all debt is included.)

We went far outside of that safety zone when we built our new School Facilities via the bond levy passed by the citizens of the school district. It was important to do so; we were able to build a much larger school district at the time because of that waiver. Is this a problem? Yes when you consider that we are still facing student growth (although it has slowed considerably) and will have to face capacity and space issues (office and classroom) in the foreseeable future. Add to this, we are still paying down on the current school facilities. If we need to build new facilities, the new cost will again put us way outside of the 9% safety-net. Worst yet – we have no reserve fund to talk of.

NOTE: There are a couple of other issues that make our debt situation serious. This debt obligation **does not** include the \$4.6 million US dollars still owed on a 24 year loan for the Football Stadium and complex, or the more recent \$340,000 loan to repair the Primary building's roof. We have no reserve set aside to pay these debts.

[See Note: 5 for more on these issues]

I am worried about how our funds are being utilized and where we will find additional funds, in the future, to continue to operate our schools and offer excellence in education opportunities for our youth.

I am concerned about the schools current financial welfare, *today*, and what we are doing to maintain solvency in contrast with the growth and academic progress of our schools. Our revenues, while rising every year, are continually being used year-after-year to pay rising expenses. Even when we receive more revenues than we budget for at the beginning of the year, we find new ways to spend the additional dollars – simply adding new expenses as more funds come available. No moneys are being diverted to a reserve fund for anticipated future use.

Our student population continues to grow – and that is a good thing. However with it comes increased cost relative to the educational process. The State does give the school a per-pupil funding amount. However, for our District, the amount of money received from the State represents approximately 25% - 33% of the total per-pupil cost. The additional cost comes from the local revenues raised from taxes placed on the local tax-base.

The economy is poor and it appears, to me, that it will continue to be challenging over the coming years. This is an issue when attempting to raise additional tax revenues for the educational process.

[See Note: 5 for a deeper explanation of this issue]

The school faces an imbalance of funding sources; still relying heavily on the home owners. This is due to many outside forces (e.g. City of Monroe controlled and imposed tax abatements and TIF agreements with the school) controlling the school's source of revenues.

NOTE:

We do have an opportunity to gain additional revenues through conversion of our current Emergency Levies (3) to a single Substitute levy this November. It has the ability to raise new revenues from the new construction while the existing taxpayers will only be responsible for the existing values of the three Emergency levies.

[Note: A separate paper is written concerning the Substitute Levy issue.]

With all this said, the District has stayed solvent since its inception. An analogy would be swimming in the ocean and the waves keep coming and we keep our head barely above the water – at times we go beneath the waves and have to struggle back up to the surface.

It is important to note that the District has had to borrow money from the State just to stay solvent two years ago. In addition, the Stadium complex is a large expense that is outside

of the budget and must be paid. The District has borrowed money for replacement of the Primary building roof. The District is still maintaining the old empty High School, controlled by law, at a cost to the school. There is no money available to raze, destroy, the old building. All of these issues are just those I am aware of and hopefully there are no others.

We are constantly told by several board members that our Cost per Student amount is the “lowest in Butler County.” According to ODE’s website, our cost of education per Monroe pupil for FY 2008-09 was \$ 8,302. That is GREAT! But it doesn’t include many costs in that formula – it doesn’t include the cost of sports (pulled out of our General Fund to lower the cost per student in the formula), the cost of the stadium complex, and other costs.

[NOTE: This is further explained in Note 5, under the title “**Per Pupil Education Cost and Those items NOT in the REPORT**”]

Because of these issues and others discussed in detail in Note: 5, I personally believe the District is not financially sound. I further believe that the taxpayers will have to make some serious decisions over the next few years concerning the financial health of the District.

[Again it is important to read the detailed explanation of this found in Note: 5]

What should the school district do about the proposed Coke making facility (Suncoke)?

This is perhaps the simplest, yet most emotional, question I can answer. In general this is a municipal issue versus a school issue and it is better left in the hands of the community through the City government.

However, there is one issue that does impact on the schools concerning the location and running of a new 'coke' plant, named Suncoke.

From the school's perspective, that issue is related to the health and welfare of our students. In this case, the potential detrimental short and long term health issues that may be associated with the plant and potential contaminants being expelled into the atmosphere near the school.

It is because of this, during last school year, when Middletown was soliciting comments from the community, that the Monroe School Board passed a unanimous (5-0) resolution to send a letter of concern about the location of the plant (closeness to the school complex) and potential health issues for our students and staff.

With that said, I believe that the school's concerns should be limited to the school and the health and welfare of its population. Since the school has no regulatory authority to control these issues, we need to turn to the City of Monroe, Butler County, State of Ohio EPA, and the Federal government EPA for their expertise and regulation. So I believe that the school needs to allow the convening authorities to do their jobs and protect the school and the community.

I do believe that if the plant is located at the proposed site, the school should be diligent in their observations of the operations of the coke plant. Should readings of contaminants become high, the school should take an active role in notifying the appropriate authorities.

I would suggest that the city consider setting up monitoring equipment around the area of Monroe and be vigilant in reporting violations to the appropriate authorities.

Do you believe in communicating to the community thru blogs, discussion threads or other internet based communication?

This question is again easy to answer. However, there are two answers – one based on supplying information; the other representing official District communication. There is a fine line to follow when answering questions, via an unofficial blog, concerning the School as a Board Member.

I have actively participated in blogs, email, and discussion threads using the Internet. I personally believe it is and will continue to become one of the primary sources of information that the community does and will use. Clearly printed information from newspapers and weekly's is dwindling. Even the nightly news is seeing a rapid decline as the source of news. All three of these sources have moved to an on-line presence as well. Many information sites and blogs have emerged that give up-to-the-minute news within seconds of happening.

With that said, there are issues like the accuracy of information being blogged. For instance, when someone spreads a rumor they have heard without first verifying its veracity, the Web can and often does spread false information that may take months or even years to correct. The blog can still be an excellent tool if the person answering the issue is accurate and does not embellish the range of their knowledge.

I have also experienced personal attacks and have seen where participants of blogs, hiding behind screen names (often not linked to real names), will say personal and often hateful, derogatory things. Concerning school issues, I saw it happen during the past two tax levies, the cheer-leader incident, and the girls' basketball coach issue. All of these issues, while enlightening as to which side people supported, often without sufficient information, were elucidating to me as a board member and how quickly people can become emotional about an issue while hiding behind aliases. Yet, only two people actually called and spoke to me about these issues. I represent you, the public of Monroe, as your representative on the School Board. It seems to me that someone needs to monitor these blogs and issue threads and make sure that they don't become personal.

It also seems to me that people need to question what they read – asking for supporting documentation to support someone's statement. This is especially true when asking a representative a question about some action taken by the body and they start to interject personal opinions while embellishing their comments with "I would have, could have ..."

As a board member, when addressing questions there are several different types that require different answers. First, no board member can use the blog or thread to represent the official communication of the school. The exception to this is if the Board votes to have a single representative (board member, Superintendent ...) act as an official voice for the school.

For example, if someone is making a complaint, or has an educational problem, in a thread, or asking if anyone else is aware of the issue, as a thread member, I have a moral

responsibility to guide that person to the right person that can resolve their issue. It is the responsibility of the person who starts the thread to let the community know the resulting actions. If someone threads an issue that is about a pending or new education/school issue, the representative, while participating as an individual only, not a representative of the school, should try to obtain additional information. That individual could then take the issue to the appropriate authority – either the board collectively, treasurer, or superintendent.

Understand, it is difficult to communicate actions beyond the final decisions made by the collective board. It is possible to answer, and I will gladly do so, questions about process from a governance perspective. To answer questions like what sources the person needs to get to solve their problem – this may simply be directing them to the chain-of-command for a complaint. If I know the correct bylaws, administrative code, code of conduct reference, or other legal reference that concerns a person's issue, I will gladly share it with that person. If they need help, I will even try to get the information for them.

Supporting document notes

[Note: 1] – Personal commitment to Students

My personal commitment to the students of Monroe schools and the activities I participate in to help our youth.

For example, for a couple of years, I helped assist the tennis coach, at no cost, members of the tennis team. I helped the students put a petition together to get bowling as a sport for Monroe. I pushed for Boy's volleyball. I help with the Chess Club, Power-of-the-Pen, and other programs.

With my children, we tutor students who need help in an assortment of subjects, at no cost to the students. Most of them have needed help in science or math. I have helped several students with preparing for OGT. Two were unable to graduate or receive their diplomas until they passed the test. One student had failed the math portion over five times. I am happy to say that they both finally passed the OGT!

I have committed and have kept my commitment to do my job as a Member of the Board of Education and receive no compensation for doing so. Instead of taking the \$125 per meeting, I refused payment and asked that the money be returned to the school district and used for our youth.

[Note: I have been forced to receive one US dollar a meeting, up to 24 meetings a year for my service. I have never cashed any of the checks given to me and will be returning all of them from the past four years to the school at the October, 2009 meeting.]

I joined the Monroe Optimists and became active for the sole purpose of helping create programs for our youth and funding extracurricular programs for the youth of Monroe.

[If you wish to learn more about the programs I am personally involved in for Monroe Youth through the Optimist, go to Note: 1a]

[Note: 1a] – Monroe Optimist Club

More about the Monroe Optimist and my personal involvement to help the youth of Monroe Schools:

Programs that I have personally driven to help students in school, include,

- (1) Built a MathCounts team for two years (6th – 8th grade students),
- (2) Started and ran the Science fair for two years and then the Junior High took it over, under Lisa Hoddits tutelage – the club continues to support the Elementary and Junior High Science fairs.
- (3) Support, through volunteering, the Power-of-the-Pen program. Our club helps fund this worthy program. It is in its third year and we have had students go beyond local level competitions the past two years.

(4) Personally re-built the '100 Book Club', a reading program that promotes reading in the Elementary. Created new certificates and awards for children as they read books.

(5) Support, again through volunteering, the Chess club. The Optimists help supply equipment and other materials needed for this successful program.

(6) Started a scholarship program that gives two scholarships to graduating seniors going on to higher education. It can be a trade school, college or some other form of additional education.

(7) Started the local program and run the Oratory contest for students under 16 years old. This contest gives student's confidence in public speaking; they must create a speech and talk for a period of 4 to 5 minutes. It also allows them to compete for a \$3,000.00 scholarship from Optimist International Ohio District. The money is set aside for the student until they are ready to go to college.

(8) Started the local program and run the Essay contest for students under 19 years old. This contest gives student's confidence in writing; they must create an essay between 400 and 500 words. It also allows them to compete for up to a \$5,000.00 scholarship from Optimist International and \$3,000 from the Ohio District. The money is set aside for the student until they are ready to go to college.

[Note: 2] My Individual Board Member goals

Here are some examples of my commitment to setting and fulfilling goals as a board member. I am sure some may seem obvious, but they are goals that I have set for myself for School Year 2008/09:

- ☐ I will stay abreast of and follow the laws of the school, county, State and Federal Government.
- ☐ I will remember that my position, as a Board Member, is to represent the interests of all Students and focus most of my attention on the educational process.
- ☐ I will attend every General/ Special/Emergency meeting of the board; except sickness/injury reasons. Note: I missed two meetings due to health issues – one due to the Special meeting be set when I was out of the country working.
- ☐ I will spend a minimum of five hours preparing for each board meeting. Note: The average time spent preparing for meetings is over six hours.
- ☐ I will attend at least two State Board of Education meetings.
- ☐ I will attend at least five additional extracurricular sports events and at least three additional extracurricular non-sports events. Note: I was able to attend more events than I set a goal to attend.
- ☐ I will attend at least seven training sessions by OSBA; five at Convention; two others.
- ☐ I will attend at least one state level training session. Note: I attended two; Gifted Education training and updates of the 'gifted' law -
- ☐ I will attend at least one national level training session. Note: I attended, at my expense, several educational sessions/Congressional Hearing in Washington, DC concerning NCLB, educational funding, and educational decline/rise comparative to Global education. In addition, attended Mariam Carver training for Governance Policy
- ☐ I will stay abreast of education issues and dedicate \$1,000.00 personal funds to purchase training sessions, books, DVDs, and other materials to stay abreast. Note: I actually have spent in excess of \$1000.00 (not counting DC trip), July 2008 - June 2009.

These goals are similar to those that I have set every year since becoming a member of the Board of Education.

Overall, I believe that I have fulfilled my duties, representing the best interests of the citizens of Monroe concerning the educational welfare of the youth of our schools.

[Note: 3] – Commitment to Transparency

My commitment to transparency and my concern about times when I believe, we the Board have been less than transparent, is exemplified here:

A recent example: During the past few months, the Board made a decision to enter into a contract with Atrium. The board had briefly discussed this a year ago in executive session and took no action at that time. This means that it was brought to the attention of the Board in a 'private' meeting and the public not only had no idea it was discussed, they were not given the opportunity to hear the views and opinions of the board members. The next time this topic came up was at a special meeting this summer – June 29, 2009 that was held at the Superintendent's office at 7:00 in the morning. It was announced to the public that there would be a Special meeting (outside of the regular schedule) to discuss Contract Negotiations. It was advertised in the Middletown Journal saying that the meeting was going to be about contractual matters. It did not specify that it was about the Atrium contract. It was the only PUBLIC meeting where the issue was discussed. I was not at this SPECIAL meeting as that I was out of the country and the Board President and other members of the board were aware of this. I was not afforded the opportunity to go to that meeting. It was set up only a week before, while I was out of the country. According to the minutes, it was decided at that meeting to ***"to move forward with the contract with the Atrium. The contract will be included on the agenda for the July 20, 2009 meeting for approval."*** The public didn't even know that the board was discussing this subject. This contract meant that we would eliminate two supplemental agreements to two trainers. This contract had wording that I had problems with – we were to receive \$20,000 a year for fifteen years from Atrium in exchange for their being the sole provider of sports trainer work. They, Atrium, were also to have sole rights, no competition, to advertise a 'partnership with Monroe' and have advertisement signs, banners, and so on ... at all sports events. Worse, \$15,000 of the first \$20,000 would be used to pay for those signs around the Football Stadium. In the contract, Monroe will supply "a full page AMC [Atrium Medical Center] advertisement and trademark logo in all MLSD junior varsity and varsity sports programs and host tournaments..." at Monroe's expense. Since this was to be placed on the agenda for the next public meeting for approval, there would be little or no time to discuss this matter, simply vote.

At the July 20th meeting, having received an incomplete, unfinished, contract with what appeared to be conflicting statements in it, I made a motion to table the contract until it was completed and all the specifics were in the contract in black-and-white. It was not seconded. I was not necessarily against the agreement – but, I did have questions concerning some issues in the contract. As that the only public meeting concerning the contract was a 'special meeting' held while I was out of the country, I didn't believe that either I or the public had any real ability to comment on it. Instead: the contract was approved with the understanding that the Superintendent would have it corrected (with no specifics about what needed to be corrected). The board approves the contracts, not the Administration. So we, the board, approved an incomplete contract with possible conflicting sections in it. I abstained, Mr. Snyder voted NO and the others voted YES – it passed.

SIDE ISSUE: This Special meeting was in violation of the Sunshine Laws

When the meeting was held, which I was not afforded the right to attend, the board and superintendent added additional items to the agenda beyond those stated to the Public. This was a violation of the Sunshine Laws. They hired additional personnel that evening and discussed items beyond the stated purpose of the meeting. It was corrected, and the actions were re-affirmed, re-approved, at the next General Meeting – July 20th.

The board was made aware of this when they tried to hold another special meeting two days later, on July 1, 2009, where I was present. At that meeting, they again added items to the agenda beyond the stated purpose of the meeting. They also held the meeting at a location other than the stated meeting place told to the Public. I objected to this and motioned to remove all items beyond the stated items to the Public. It wasn't seconded. I then requested that the minutes reflect the correct location of where the meeting was held and not where they said it would be held. I left that meeting, not willing to participate in an illegal act. After holding the initial hearing, the meeting was quickly adjourned via a conversation with the school attorney.

A more recent example concerns the last Special meeting, held September 4, 2009 at 7:00 am in the Superintendent's office. At that meeting we did announce to the public all the items we were going to cover. My problem is why we had to take action at a "Special Meeting" for most of the actions. Many actions are things that could have been done at our regularly scheduled meeting. Actions like approving the resignation and hiring of new personnel, approving the annual Washington DC 8th grade trip for next spring, or approving the ratified MEA contract. These items probably could have waited until our regular meeting. The one item that seemed appropriate for the special meeting was a detention/retention pond issue that was a safety issue.

The pond near the farm at the foot of the school had a serious problem with erosion from runoff water coming from the school parking lot over the past several years. Apparently the initial design of the school and this issue had not been authorized by the Board in the past and the past Superintendent signed off on design changes that caused this problem. To me, this seemed like a legal issue with the previous Architects and whoever 'cut corners' at the time the pond and runoff issues were addressed. In fact, the Board authorized the Superintendent and Legal personnel to go into 'non-binding' (also known as advisory) arbitration. They did so and came back with an agreement to get the issue resolved.

In part the agreement said that the original company that did the work would pay for an architect/engineer or some other specialist to come in and decide how the area could be fixed. After that, the company says that it should only cost \$50,000 USD and they are willing to pay \$35,000 toward the bill. The school would pay the difference of \$15,000. Although I believe it is a design flaw and possibly wouldn't have passed OEPA previously, I also realized that it would probably cost more if we held out and went to court. PROBLEM: I asked for a contract or

written agreement that laid out the understanding of who would do what. There was none; I was told that arbitration doesn't have a contract come out of it. However, I believe that once arbitration has been completed, the arbiter (arbitrator) issues a written "award" or decision and it usually presented to both parties the same day of the arbitration.

NOTE: I have been involved in binding and non-binding arbitrations as an elected official in Maryland as a mayor and in each case, we received a written decision (award). I have even been involved in a Lemon Law arbitration years ago and the same thing was true.

So I asked why we have nothing in writing, not even a statement of understanding. I was told there is nothing to be issued. My next question: What would happen if the specialist comes back and tells us that it will cost \$80,000 USD? The answer, 'they will only pay \$35,000!' In other words, the school pays anything over \$50,000 and we have nothing in writing that says we will only pay \$15,000 should the total bill be \$50,000. I made an amendment motion to modify the motion to accept this agreement that said, "if the amount of money exceeds \$50,000, the school will return to arbitration or to trial (paraphrased) ." Mike Lane seconded and it was passed 4-1. When the original motion came back up for a vote, I again stated my concern of nothing in writing to cover the school. I again asked why we had to do this and was told something to the effect, "it is the only way the people can come on our land and determine the depth of the problem and how much it will cost. I related my believe that passing this motion was not related to allowing them access to our property and that if they don't know how much it will cost, why are we even voting for it. Finally, I voted "Abstain" to the final motion. I am still concerned about this action.

I personally believe these two examples show a lack of transparency in our actions and doing business in the public eye. At least the second Special meeting was advertised and did follow the letter of the law.

[Note: 4] – Overall academic performance

My comments concerning the improvement of the school's overall academic performance follows. I have broken it into several categories for easy review of any specific section.

Understand, the following is my understanding of these issues and I may not fully understand the intricacies of these measures.

Explanation of the Value Added Measure (VAM) and its impact on Monroe:

VAM is directly related to scores based on overall composite ratings for grades 4 through 8. It is determined by representing the progress the district has made with the students since the previous school year. Two years ago (FY 2006-07), three report cards ago, the indicator was known as the District Improvement Status and the school was at risk.

Under Superintendent Lolli (part year superintendent), during FY 2007-08, the district did not meet VAM – 4 of 10 indicators were not met, even though Grades 4 and 5 had not met Reading goals and grades 5 and 7 had not met Mathematics goals. Three indicators were above expected growth, while 4 were at expected growth (met).

In contrast, during FY 2008-09, the school DID MEET VAM even though the district had 5 of the 10 indicators below expected growth and only three above. Grades 4, 5, 7 and 8 had NOT met the Reading goals and grades 7 and 8 had not met Mathematics goals. That is a total of 5 indicators out of 10 that were below expected growth.

This confused me when I starting looking at the comparative analysis from FY 07/08 to 08/09 to see the improvement from year to year when there were only 4 below expectancy in FY 08 and 5 in FY 09 (past year). To better understand this, look at the VAM comparison for each year:

	<u>Grade 4</u>	<u>Grade 5</u>	<u>Grade 6</u>	<u>Grade 7</u>	<u>Grade 8</u>
READING					
FY 07-08	BELOW	BELOW	<i>Above</i>	met	<i>Above</i>
FY 08-09	BELOW	BELOW	<i>Above</i>	BELOW	BELOW
MATHMATICS					
FY 07-08	met	BELOW	met	BELOW	<i>Above</i>
FY 08-09	<i>Above</i>	met	<i>Above</i>	met	BELOW

Looking at the chart above comparing years, out of 10 categories, there was a rise in 4 categories from FY 08 to 09. All four growth categories were in Math: grades 4 and 6 from met to above; grades 5 and 7 from below to met. There were 3 categories with no change. These were in Reading: Grades 4 and 5 remained below, while grade 6 remained above. This left 3 categories where performance went below the previous year – Reading: Grade 7 from met to below; grade 8 from above to below; and Math: grade 8 from above to below.

As the above shows, when comparing between FY 07/08 and FY 08/09, the Monroe Schools have a mix message. Fiscal year 07/08 had four measures (out of 10) below expected growth; while FY 08/09 had five measures below expected growth. Yet FY 07/08 had a BELOW (NOT MET) rating while FY 08/09 had a met indicator.

After looking at the data I saw that overall performance from FY 08 to 09 concerning meeting expected growth was a difference of:

$$4 (+\text{above}) + 4 (0 \text{ or no value for Met}) + 3 (- \text{below}) = 4 + 0 - 3 = 1 \text{ (overall above)}$$

Composite score of 1 above (the difference between below and above) and 4 no change out of the 10 indicators or a plus one.

– Thus it is shown that the school has met the Value-Added- Measure.

I am not sure, by looking at the data, if I am comfortable in saying that the school has done a ‘bang-up-job’ moving from below expectations to meeting them based on improvements from the year before.

My impressions are that looking closely at the data we have a lot of work to do. We need to focus on reading skills for all grades (except by the data, grade 6 is consistently doing above expectation). The other grades are either consistently below expectation or have results that are mixed with both spectrums being represented. Either way, reading is a critical area that needs LOTs and LOTs of attention. We need to figure out what 6th grade is doing that gives us an above each year. As for math it is a bit confusing. Grades 4 and 5 have maintained met or above expectations. This is good. Yet grades 5 and 7 have improved (but insufficient information is available to determine if this will be a trend) from below to met. Finally grade 8 has moved significantly downward.

It is important to note that this indicator is different than the issue of each grade’s overall students passing the State indicator tests (75% or more must pass). This is more a question of where the students are based on their yearly growth of knowledge.

To understand this a look at the progress results as compared with the actual State report card indicators of passage (75% or more) can indicated further analysis.

Relationship between the Value Added Measure and State Report card performance:

	<u>Grade 4</u>	<u>Grade 5</u>	<u>Grade 6</u>	<u>Grade 7</u>	<u>Grade 8</u>
READING	Passage	Passage	Passage	Passage	Passage
FY 07-08	BELOW (88.5%)	BELOW (77.4%)	Above (91.4%)	met (85.9%)	Above (87.3%)
FY 08-09	BELOW (91.3%)	BELOW (81.2%)	Above (94.8%)	BELOW (84.3%)	BELOW (76.3%)
MATHEMATICS	Passage	Passage	Passage	Passage	Passage
FY 07-08	met (81.4%)	BELOW (65.9%)	met (89.6%)	BELOW (80.4%)	Above (66.0%)
FY 08-09	Above (89.1%)	met (69.5%)	Above (90.8%)	met (84.3%)	BELOW (71.1%)

Looking at the above there appears to be no direct correlation between student percentage of passage of the State indicator tests and the Value added measure. Looking at them in each grade you see the percentage of passage goes up for the students in every grade for mathematics; while growth goes up for grades 4 through 6 in reading and down in grades 7 and 8. So the value added measure is apparently not related to passage percentages from year to year. Yet the school met Value Added Measure last year with (5 below expected growth factors) in comparison to the previous year of only 4 below growth factors.

Adequate Yearly Progress:

This measure is a federally required measure and is part of the No Child Left Behind act. Every school must meet AYP goals set for Reading and Mathematics proficiency and participation. In addition, all students are measured for Graduation Rate and Attendance.

These goals are broken into ten student subgroups. (1) All Students, (2) Economically Disadvantaged students, (3) Asian/Pacific Islander, (4) Black, non-Hispanic, (5) American Indian/Alaska Native, (6) Hispanic, (7) Multi-Racial, (8) White, Non-Hispanic, (9) Students with Disabilities, and (10) Limited English Proficient students.

If any one sub-group does not meet AYP in Reading or Math proficiency or the overall graduation rate or attendance rate is not met, then the school does not meet AYP. Monroe local school district did not meet AYP because two categories were not met – Students with Disabilities did not meet AYP for Reading and Mathematics. Thus the district did not meet AYP.

The superintendent is addressing this issue by having found federally funded money to hire some specialists to do one-on-one assistance for our special needs students for FY 09-10.

[Note: 5] – District Revenues

Follows is an explanation of a wide variety of issues concerning school revenues and the welfare of the District.

Outstanding debt obligations

The school, as noted, earlier, has no reserve funds set aside for expenses. We have a taxpayer Bond funded debt that still has just under \$20,000,000 of the \$30,000,000 loan to pay down. I believe it was originally over a 30 year term; it was restructured in 2006 at better terms and setting the ending year to 2029 (versus 2035 – the original ending date). I don't remember for sure. However, this debt is not a principal concern of mine – there is sufficient money collected to pay this debt from year-to-year via the taxpayer approved Bond levy and is outside the scope of the General Fund.

NOTE: Like I did in 2006, when interest rates make it advantageous to re-finance, I will push for refinancing the obligation if it lowers our taxes and millage rate.

In addition to this non General fund obligation, there are other long-term debts (3 years or more) that are not funded by voter approved bonds and also outside of the General fund and are funds that the taxpayers have not approved.

First is the Football stadium and complex as noted when answering the question concerning the financial state of the school. We still owe approximately \$4,600,000 on these – worse \$1.6 million of that debt is currently an interest only payment – we are paying NOTHING down on the principal. The \$1.6 million will need to be restructured over the next year or two. The debt never goes down on this. This is a 24 year loan that I believe has 20 years left. This obligation must continue to be paid by money that is not approved by the taxpayer or even accounted for in the General Fund. There appears to be no money set aside in any fund to pay this expense.

We owe approximately \$290,000 on the roof that was repaired on the Primary building last year. This is a 5 year obligation; with four years left. There is about \$30,000 available from the original \$340,000 note that can be returned; this amount is already accounted for in the amount of \$290,000. This expense is accounted for in the current budget process and has been certified as being payable within the current budget financing. Yet it is typical of the kind of issue that arises over the life of the school facilities.

General background of our school's financial state

In the past, the school district has disproportionately relied upon the home owners of Monroe schools to fund the schools. That is, the amount of revenues the schools have taken in come more from the home owners than businesses.

This is a reality that we must face. We must also face the reality that these are trying times right now. The economy is problematic. People are having trouble keeping their jobs, paying their bills, just trying to stay afloat from day-to-day. They have little if any spare money.

Some say, the worse is over and that the economy is recovering quickly. I am less optimistic, even as a lifetime Optimist member of Optimist International. Yes we can see new homes being built and that for a few weeks many cars have been purchased.

I believe these two events do not relate to a financial recovery; rather a reality of people taking advantage of Federal handouts. The car sales are clearly from the Cash-for-Clunkers program and new home construction from the New-Home-Buyers tax break being offered this year. The new home construction may also be a result of the depressed values of homes and speculators purchasing them for future sales. Financing for those homes is still tight and, I believe, will continue to be tight for the foreseeable future. Speculators and those who have sufficient cash to purchase homes are only a small percentage of the long term survival of the housing market. So times have been hard the past year or two and will continue to be challenging over the next few years. I hope I am wrong, but history shows I am right.

Based on these factors, I have to say it will be difficult for the school to ask for any additional funding without clearly presenting the need and 'tightening-the-belt' before coming to the taxpayers.

Potential issues facing the District and their impact on our finances

I believe the district is facing some real choices over the next few years. Choices that must be faced and openly discussed with the public – the people the Board of Education are suppose to represent.

Those choices are based on real issues that deal with the financial health of the district. Here are just a few facing the District:

- The school continues to grow in student population with limited space available to house those students.

Space must be found over the next couple of years to house the increase in student population – especially at the Elementary and Primary buildings. We either need to build new structures or find a way to better utilize our existing properties; including the part of the old high school that is safe and currently being used by Butler Tech.

We have been accepted into the Ohio School Facilities Commission program to assist with the cost of building new facilities. However, the State will help by supplying funds to cover 24% (or slightly more possibly) of new construction. The remaining cost, 76% of construction or more, will have to come from the tax payers and a new Bond Levy. In today's economic climate I personally don't believe this can be accomplished in the near future.

- State funding for our school for FY 10 and FY 11 will be 2% less each year than the previous year. So the school will receive less funding from the State.
- With the growth of students and the limited resources available, we also will need to find space for the Administrative staff that is currently housed in the trailers of the Primary school.
- Over the coming year open enrollment will be phased out to make room for those students that live in the boundaries of the Monroe Local School District. This means a loss of revenue gained from open-enrollment.
- The old abandoned high school is an albatross that increases the districts cost each year due to insurance and safety issues. It will need to be razed in the near future – this will be at least a \$1.0 million obligation. There is no money set aside to cover this expense.
- We still owe approximately \$4,600,000 on the Stadium and Complex – There is no money set aside in any fund to pay this expense.
- We owe approximately \$290,000 on the roof that was repaired on the Primary building last year. This expense is accounted for in the current budget process; yet strains our budget.
- The school has no reserve set aside for emergencies. That is why we had to take a bank loan out to pay for the repairs to the Primary building last school year. We have known expenses and emergency expenses like the heating and air conditioning plant has broken down over and over. The parking lot will need repairs in the near future. The pond area near the farm has a serious soil erosion condition due to drainage. The buildings have problems that need attention and repair. Again there is no money in the budget to cover these and other expenses like them. Since these types of problems will surface and have to be paid, we will probably have to take additional loans out to pay for them; putting the District into further debt. This is but another critical warning sign of financial health of the district.
- We will have to figure a way to pay for additional housing issues for student growth. This housing issue includes both classroom space and space for the Administrative staff. There is no money set aside or budgeted for these problems. This is another serious sign of potential financial crisis.
- The new State funding law (HR-1) has several non-financed regulations that must be paid for. Since the State is not paying for it, the local taxpayers will have to. This includes all-day kindergarten starting in two years. This means more classroom space, more teachers, more aids, and a need for more money. In addition, the State requires within a few years that grades 1 through 3 have no more than 15 students per teacher. There is no additional money or money set aside to fund these issues.
- Every year of the last four years, while I have been a Board Member, the school income from property taxes and other sources has grown each year. Instead of putting some of that additional income aside, the school has spent almost 100% in additional expenses from year-to-year. We have had so little a carryover from year to year that one year we had to borrow over one million dollars from the State. The carry over for the current year was less than one month's payroll. I believe this is a serious warning sign that the school is in financial stress.

There are more issues, but I will stop here. I believe you get the idea – we have known expenses that we will face and no money set aside to pay for them.

NOTE:

From my viewpoint, there are two ways to balance any budget. One is to simply “tighten one’s belt”, cut expenses. The other is to find additional funding. Realistically it requires both methods.

Many times, from my viewpoint we haven’t learned to live-within-our-means. As we get more revenues in each year, (and we do every year), we need to set aside a portion of that for future expenses.

Business taxes and Tangible Personal Property Tax (TPP)

For the past two years we have seen a drop in tax revenues from the business taxes in Monroe – some due to the abandoned or empty warehousing around the city. In addition the business tangible personal property tax (inventory type tax) will be phase out in three years and is currently held at the 2005 level (I believe), with the State paying a guarantee percent based on that level. The actual amount of tax received has declined at a rapid pace; while the guarantee pays a percent back to the school, based on 2005 levels, to compensate for the loss.

This source of income will be gone in a few more years. The State talks of some other business tax that will either replace it as revenue for the schools or compensate for it. The new CAT (Commercial Activity Tax) currently in place (since 2005) in Ohio is intended to partial replace the revenues being lost with the phase out of the TPP. Until recently, our Treasurer keep announcing that the CAT tax was ruled illegal. On September 19, 2009, the Ohio Supreme Court ruled (SLIP OPINION NO. 2009-OHIO-4872) that “that collecting the state’s commercial activity **tax (CAT)** from grocers based on their gross receipts is not an unconstitutional ‘excise **tax** upon the sale or purchase of food.’” This opened the door to use of this money for school funding in the future. We will have to wait and see what happens.

The fact is that TPP revenues represent approximately \$1.0 Million dollars to the schools that will be lost. That is a lot of money when you consider our budget is around \$17.0 Million.

New Business Construction and TIF agreements or tax abatements

Having previously served as a council member and Mayor of a small town in Maryland, I have some insight as to the importance of Tax abatements and Tax Increment Financing (TIFs). However, they are a tool that should be used carefully and monitored throughout their lives.

I do not profess to have any inside knowledge about the City of Monroe’s growth and welfare, so I am not here to comment negatively or positively on the decisions of the leaders of our city concerning these issues. I accept the reality of the situation and believe we need to move forward with open eyes concerning how they will impact the funding of our schools.

The new shopping complex is not tax abated, which is good for the city and schools. However, it does have a TIF agreement that affects the schools greatly. As written the schools receive 40% of all the revenues received by the City of Monroe in reference to the properties. In the agreement, a 20+ year agreement (if I remember correctly), the school receives a little more

than 40% during the first several years of the agreement. Although these revenues do not match the potential tax revenues that the school could receive if the property were developed with no TIF in place, the school should receive income equal or slightly greater than 40% - 45% of what it would have received. This was controlled by the City with agreement of the School Board to receive future consideration of tax abatement issues.

There will be additional construction and growth in the City over the coming five years – including a Honda car dealership, according to the City manager. There are many new homes that will eventually be constructed within Monroe City Limits and Lemon Township. These will all bring additional revenues to the school.

However, any construction within the boundaries of Monroe city will be dependent upon several TIFs.

City of Monroe TIFs (post 1994) and the Monroe Local School District

It is my understanding that there are currently, at least, three agreements with the City pertaining to TIFs:

1. Vandacar, (100% tax abatement). This requires that the school district receive 45% of the TIF revenue;
2. Mall. (Outlet). This requires that the school district get 40% of the TIF revenues;
3. Residential incentive district TIF. This requires that the school district get 68.35% of the TIF revenue plus another 8.825% or a total of 77.175% of the TIF revenues.

Source is a letter of explanation from our Bond Counsel,
Peck Shaffer, & Williams LLP, dated July 13, 2009

These TIFs impact the school's revenue taxes (in the case of abatements) and all future taxes and revenues. I believe that the TIFs still have 20+ years remaining before expiration of the exemptions.

[This is covered a bit more in a separate paper concerning the potential revenues from converting the existing emergency levies to substitute levies]

Understanding school taxes

Schools have several sources of revenues; however, it is important to understand a little about the different types of taxes that the school places on the owners of Monroe. Generally these fall into three primary categories. These are based on fixed millage or fixed dollar value.

1. Fixed millage is taxes that have a direct relationship to property values.
 - These taxes grow as property values rise (which usually happens)
 - They also and shrink as property values fall (which doesn't happen very often)

These taxes include **permanent** school levy taxes and “**inside millage**” taxes.

In addition, most other bonds, like school construction bonds, school improvement bonds, and other construction bonds fall under this category – fixed millage. The difference is that these bonds do not raise any more money than is specified in the specific multi-year debt service agreement where the millage will change year after year based on the monetary P/I agreement for each year. These bonds and their millage do not raise any more money than that amount agreed to and specified when the bonds were issued. They tend to remain stable, but can raise or lower property taxes based on the rate of millage for a specific year and the bond pay down through principal and interest.

2. Those based on a dollar value against the entire collective value of all the properties within the Monroe Local School District. Individual property owners pay a pro-rated amount of that total based on the ratio of their property value to the whole property value of the properties within the school district.
 - When property values go up (which usually happens) the individual property taxes will go down. (a very slight amount)
 - When property values go down (which isn't often) the individual property taxes will go up. (a slight amount)

Without going into a lot of detail, schools use both types (1 and 2) of property taxes based on a formula of which type to use against the general funding of schools. This formula depends upon a special taxing condition known as the 20 mill floor and State funding. Simply put, the school wants to have the amount of taxes collected from taxpayers to be close to but not above the 20 mill (floor) per household.

There is a tax adjustment factor (House Bill 920) that has existed since 1976. This helps keep the taxpayer taxes down when tax rates are against property values. Rather than trying to explain it, let me quote from the Ohio School Boards Association pamphlet titled “understanding school levies” –

What is the house Bill 920 Factor?

An Adjustment by which the law reduces the taxes charged by a voted levy to offset increases in values is called the property tax reduction factor. House Bill 920 was the legislation that created this law in 1976. The reduction factor applies only to Class I (farm/homes) and Class II (business) real property.

Under HB 920, permanent school levies can't be rolled back below 20 effective mills. In theory this can result in additional revenue for the schools. However, the charge-off in State funding formulas offsets any gains the school may see. (I don't mean to confuse you; just remember, the goal, keep your combined permanent taxes as close to the 20 mill as possible.)

Confusing the issue further is when these taxes are between 20 and 23 mills. When permanent taxes go above 20 mills floor and while less than 23 mills, the State takes the difference away from the school in State shared funding. Some call this 3 mill difference the phantom income of schools.

Confusing? You bet. Just understand that the schools have several different types of taxes they can raise – taxes known as inside millage (actual name and this type go against 20 mill floor), construction and repair (general reference, not actual name, used for building and improving building), emergency levy (actual name – not an emergency – just the name and this does not go against the 20 mil floor), and several others (including an income tax levy).

It is imperative that schools have funds to fulfill their job of educating the children of Ohio. It is also important for schools to receive as much money from the State toward that education, without imposing on the taxpayers of the local school district.

Some school board members constantly reference House Bill 66 (Business Tax Reform laws of 2005) as being the source of limiting taxes to the schools. Actually this law, HB 66 concerns the replacement of both the Tangible Personal Property Tax (TPP Tax) and Corporate Franchise Tax with the new Commercial Activity Tax (CAT) with a phase in over 5 years. As pointed out earlier, the new CAT has passed challenge at the Ohio Supreme Court level in September, 2009. It is unclear how this will be utilized to fund additional revenues to the schools of Ohio.

Because of all this complex permanent levy tax issues, schools tend to turn to tools like Emergency Levies to raise money for the day-to-day expenses (General fund revenues) of the school – salaries, books, and so on.

Understanding Emergency Levies

It is because of the complexity of permanent millage issues surrounding the 20 mill floor and the nature of Emergency Levies that most Ohio schools come back to the taxpayer every five years to request or renew emergency levies. It is also a fact that most schools have multiple Emergency levies that start and end in different years; meaning they come back to the taxpayer's year-after-year renewing expiring 5 year emergency levies.

NOTE:

Before explaining emergency levies, let me make one thing clear – they are not money that the school asked for to fulfill a 'short-term' emergency. They are named Emergency levies in contrast to permanent levies. The name is confusing. They have a limited lifespan – previously 5 year, now up to 10 years. They can only be used for general operating expenses – the running of the school day-to-day. They can't be used to build new schools or other needs outside of day-to-day operations.

As a hypothetical let's say we renewed a 5-year levy two years ago and another one comes up this year – a different emergency levy. Often schools may have two or more renewal levies for different emergency levies coming on the same ballot. The point of this – those multiple emergency levies are the life blood of school funding for the day-to-day operations and schools simply renew them every time they are due to expire. There is actually a very real reason for this.

An Emergency levy has two distinct parts to it. First it is for a fixed length of time – usually 5 years, but can now be for 10 years. Second, it is for a fixed dollar value based on the needed amount of money the District anticipates it needs per year for future expenses (over 5 years). This second part is critical because it is for a fixed dollar value. An example is due here.

Say the district anticipates that over the next 5 years it will need \$5.0 million dollars to cover expected increases in cost over that five years – possibly due to cost of living and/or additional staff. This figure is then put on the ballot for a \$1.0 million dollar emergency levy ($\$1.0 \times 5$ years). The total amount of money that can be collected from year to year is a total of \$1.0 Million dollars. No more; no less! It is based on the total property values of all the properties in the school district. Again, the amount never changes – each year the school receives \$1.0 million. There is no cost of living increase; no inflation adjustment increase; and there is no additional **new** tax money raised when a new business is built. Is if for a flat \$1.0 million.

When the school asks for money over a set period of time, the actual amount of money needed is estimated over the life of the emergency levy. This means that during years one and two of the five year lifespan, the district collects more money than it actually needs. This excess is suppose to be put aside as a carryover for the remaining three years. Typically, if planned correctly, the third year should break even (not touching the excess put aside from the first two years). Finally, the fourth and fifth year should need more money than collected for those two years (\$1.0 million) and dip into the reserve set aside from the first two years.

In theory that is how emergency levies are supposed to work. The purpose is to fund the anticipated increased needs of the district over the life of the emergency levy.

Two problems arise here: (1) when it is time to renew the emergency levies, they can only be renewed for the same value as when they were initially offered (in this case \$1.0 million per year). (2) If the cost of expenses goes up during the next five years, AND the increase in taxes received from the permanent levies is insufficient to keep up with costs, then simply renewing it will consistently keep the school in the hole. That is why it is critical that the administration and board keep an eye on expenses and remember that they are the keepers of the taxpayers money and they must spend it wisely.

Of course, in the above example, costs may exceed the overall collection of \$5.0 million dollars over five years. When this happens, even the initial moneys raised will put the district in a serious dilemma. It is because of the nature of emergency levies and how they are created to

raise money that the board must rely upon the Treasurer to make sure that we do not spend, what appears to be excess funds; especially the additional moneys raised during the first two years of the life of the emergency levy.

There is another reality to emergency levies. Since emergency levies are for a set dollar value the amount paid by individual taxpayers is affected due to property value adjustments.

If the property values of the entire school district go up; either through inflation or new construction, the amount of taxes paid out by each property owner is pro-rated to their share of the aggregate total of the emergency levies against the new property valuation. Some taxpayers believe their taxes go up for emergency levies as their property values increase. This is not necessarily true.

The critical part of all this is that when we get new construction, those values are added into the overall obligation of the emergency levy. As our overall property values go up (in the school district) the entire \$3.5 million obligation is shared by all property owners. As new properties are added to the tax valuation, they are rolled into the overall obligation to pay the \$3.5 million emergency levy money. This does mean a SLIGHT drop in what each home owner pays if their property values stay constant or go up by a limited amount. It also means that if a property owner's valuation goes down at a rate faster than the fall of property values, they will pay more.

The end result is threefold: (1) new construction growth leads to no additional money for the school district from emergency levies. [Note that new money does come in for the permanent levies, less any agreed tax abatements or TIFs the city puts in place]. (2) The amount of taxes paid by existing property owners is relatively constant, even with property value escalation. Finally, (3) the amount of money received by the school is always the same for emergency levies.

Continuing ...

Since each Emergency Levy is always set for a specific dollar value, when the levy expires, the school district, still needing the money that was collected from this levy, can either renew the levy for the same amount of money, or attempt to replace the levy for a new amount of money. Rather than the second method, schools tend to do the first method – simply renew. That is why taxpayers hear, “renewing this will not raise taxes.” It is true as long as the property values go up. However, schools exist in the real world and have real bills that go up with inflation or new resources. Schools tend to ask taxpayers for more money through the Emergency Levy tool; by adding another Emergency levy to the taxpayer's plate of taxes. Over time schools may have as many as five or more levies that are being used to fund the school district. Ours is no different. We currently have at three emergency levies that I am aware of.

As pointed out earlier, these levies simply pay the day-to-day expenses (operations) of the schools. Because of this, it is clear that there are two problems. The first is that the cost-of-living goes up every year for schools, just like it does for a home and office – everything costs more. Second, the amount of money each levy raises is fixed. Since the amount of money collected this year is the same as five years ago, it quickly becomes obvious that there aren't enough dollars to pay the same bills that were being paid five years ago.

Taxes collected by the school

Understand, this does not mean that our school district never collects more taxes. Far from it, typically our tax base has increase anywhere from half a million a year to \$1.2 million a year. However, this increase does not come from Emergency levies it comes from those other levies that amount to around 20 mill floor.

Per Pupil Education Cost and Those items NOT in the REPORT

According to the Department of Education, State of Ohio, the total cost of education per Monroe pupil for FY 2008-09 was \$ 8,302.

It is great to vociferate or shout out this figure and declare, "We have the lowest cost per pupil in Butler County!" But there is more to the picture. Per pupil cost is determined by taking the total General Fund Expenses and dividing it by the student population, as reported to the State of Ohio. As the student body count goes up, the cost per student goes down – if you use the same resources. There comes a point where the increase in student population requires additional resources – teachers, more books, and so on. Every year, since our school was created in 2001, the District has received additional revenues. This past year, the overall Revenues increased by about 6% over the previous year; we spent almost 100% of the increased revenues.

The cost-per-pupil is lower than the previous year. As mentioned, the figure is based upon General Fund expenditures only. It does not reflect the true cost per-student that we pay – only the General Fund expenditures.

The cost per student formula does not include

- the annual loan cost of the Field House and Stadium (24 year loan with 20 years left and an outstanding balance to date – Sept 2009, of around \$ 4.6 Million);
- nor does it include the annual payments for the cost of the loan for the primary school roof – (\$290,000, where the actual debt is \$30k higher but the school didn't use \$30k of the loan and it is in reserve. This is a five year loan.)

These items are not in the General Fund determination of educational cost per student. The cost per pupil per year would depend upon the average amount paid on each obligation (pay down of principal loan and interest) per year divided by the number of pupils. I don't have those figures so I can't emphatically state how much that is per student. Of course, these two

items aren't directly related to the cost of education. Nor is the loan being paid off for the new school construction.

However, there is another monetary factor that is missing from this year's cost per pupil and that is the sports cost. In the past, Monroe has reported the Sports costs in the General Fund. Last year, the board, through the Treasurers recommendation, agreed that the cost of sports (FY 08-09 was \$ 780K) should be tracked separately to better understand our actual costs vs. income. Thus a new account outside of the General Fund was set up – the 300 fund. One advantage of this is that the money spent on sports and tracked outside of the general fund is no longer tracked in the cost per pupil formula. This means that the sports related amount spent by the school is not included. If we have 2100 students (approx. count for last year) and divide that number into the \$804k we get a per pupil additional cost of about \$402 per student.