

BRIGHT LOCAL SCHOOL DISTRICT

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**House Ways and Means Committee
HB 75 Opposition Testimony
Bright Local School District
April 9, 2019**

Chairman Schaffer, Vice Chairman Lipps, Ranking Minority Member Rogers, and members of the Committee. My name is Randy Drewyor, I am the Treasurer/CFO of the Bright Local School District. On behalf of Bright, I greatly appreciate the opportunity to speak to you and to express our opposition to House Bill (HB) 75.

Bright Local School District is a rural school district in southern Highland County covering approximately 120 sq miles. We educate about 700 kids. Our district's total real estate valuation is about \$103M. Ninety (90%) percent of the district's valuation comes from residential and agricultural property with the mix being 50/50. We do not have an income tax, so the district is very highly dependent on local property valuations. Any changes in the ability to collect local taxes greatly affects the district's finances.

Frankly, and I don't mean to be snarky, but from our perspective this bill seems to be a solution looking for a problem. Plain and simple, we believe the current system works. It is a well understood process that provides the opportunity for ALL interested parties to participate in a transparent manner with the proper checks and balances. We believe that changes proposed by HB 75 are unnecessary and only further complicate a process that already works.

The Bright Local School District is a tight-knit community and as a result everyone knows everyone and practically what everyone is doing. School board members know and/or are related to a large proportion of the community. These proposed changes will politicize a process unnecessarily. The process today is objective and minimizes the need for individual board members to take positions that impact their neighbors, friends and family.

The economic diversity among Ohio's 600+ school districts is huge. A one size fits all approach makes little sense. Setting a limit to when a district can challenge a valuation change is unfair to poorer districts such as mine. We have very little commercial real estate. In fact, commercial property makes up less than 1% of our total valuation. The district's average income is less about \$39k, almost half of the state-wide average. Anecdotally, in looking ta current residential sales prices in the district, homes are selling at average price of \$155k. A \$75k threshold means that residential property would have to have a proposed devaluation of 50% before the district could challenge. This threshold unfairly restricts a poorer district like ours where residential values are relatively low and there is little to no commercial property.

We agree that good governance requires that the local Board of Education should be informed of and aware of any challenges the district is making against properties viewed as valued too low. Rather than requiring the Board of Education to act on every challenge, thus increasing the potential for politicization, it makes more sense for each Board to develop administrative guidelines that outline the circumstances in which the Board approves and expects the appropriate appointed persons to challenge valuations. The development of such guidelines can be done objectively without the pressure of or potential bias associated with decisions about individual property owners.

We have enough to do in the district with our limited staff that making any challenges are well thought through in terms of the time, effort, chances of success and payback. We cannot afford to lose revenue, but nor can we waste time and effort on frivolous pursuits.

This concludes my testimony. I behalf of the Bright Local School District I again want to thank you for this opportunity to share our perspective. I urge you to oppose HB 75. I will be happy to address your questions.