

**Written Testimony – Substitute HB 64**  
**Before the Ohio House Finance Committee**  
**Richard Micko, Vice President, Board of Education, Strongsville City Schools**  
**April 17, 2015**

Thank you Mr. Chairman and members of the House Finance Committee, my name is Richard Micko, Vice President of the Board of Education for Strongsville City Schools and I am here to testify on behalf of the Strongsville Schools and our community.

Mr. Chairman and members of the committee, I am here today to urge you to modify the proposed funding formula that drastically reduces and eliminates the Tangible Property Tax Reimbursement to school districts because of the disproportionate outcome to districts like Strongsville. In addition, I appear to support changing the calculation for community school transfers.

In March, our Board President appeared before the Primary and Secondary Education Subcommittee to advocate for changes to HB 64. I echo his testimony that Strongsville has managed its finances well during a historic economic recession. We have already faced \$5.2 million in state funding cuts since 2007 along with increases in health cost, food cost, and fuel cost. Strongsville City Schools has been a model for fiscal prudence: living within our means while educating our students well.

So first, I want to thank you for taking a first step with Substitute HB 64 by allocating an additional \$179 million into the foundation formula and insuring all districts will receive at least the same foundation funding as they do in 2014-2015.

However, I now urge you to take the next step with regards to the TPP Reimbursement. Using the budget information provided, Strongsville would receive \$1.38 million less in state aid next year and a 2 year reduction of \$2.8 million. This is a 21.6% 2 year reduction over current levels. Strongsville will not be able to maintain the curriculum and educational achievements of its students in the face of these draconian reductions. Ohio's current education funding model has no mechanisms in place to allow school boards to quickly react to reductions of this magnitude. Even if it were as simple as "districts with the capacity should raise taxes locally", the reality is not that simple. The proposed reductions could occur in June. As a practical matter, it will take any school district much longer – years and perhaps not ever – to pass a levy whose message is "you have to pay more because at the state level someone figured out you can." The practical result will be lasting harm to the students in Strongsville and the other 93 districts who will have to endure cuts if the proposed TPP reduction stands. In Strongsville we will be forced to determine which programs and services to cut. Plain and simple and brutal.

The current TPP reimbursement formula attempts to fix funding inequities especially for rural districts, but will also create new problems for districts that have a historic industrial base and

associated TPP revenue. A logical approach would be to tackle the deficiencies in the application of the CAT Tax before eliminating the TPP reimbursement.

I urge the members of the House finance Committee to apply the same rationale used for foundation funding to the TPP Reimbursement. Smooth out the increases to “winning” districts with sensible reductions and maintain the funding levels to districts like Strongsville. In a budget that will increase the overall education investment, the outcome should not create a “robin hood” effect with perceived “winners” and “losers”.



In addition to addressing the TPP reimbursement, I wish to address the calculation for community school transfers. The current and proposed formulas reduce per pupil funding by the State Share Index. In Strongsville, the \$5800 per pupil amount is reduced to approximately \$1600. However, if a student transfers to a community school, the full amount (a minimum \$5800) is deducted from Strongsville. Regardless of education priorities and initiatives, there is a lack of logic and reasonableness to this formula. When I speak with Strongsville residents and taxpayers, I have no common sense explanation to this quirk in the funding formula. The real-world effect for Strongsville is a \$925 thousand reduction in state funding after the fact. Decoupling I would support a change that decouples community school funding from traditional public school funding. However, a practical and commonsense compromise solution would be to apply the SSI to the community school transfer.

Mr. Chairman and committee members, in closing, I recognize the many and sometimes competing interests that must be addressed by you as legislators. However, the current Substitute HB 64 budget still redistributes funds in a way that is not equitable or justifiable to taxpayers of the 93 districts that will still lose millions. I repeat the message shared with you by our Board President, Carl Naso:

**Please, allocate state funding for K-12 education in a fair and equitable way. We ask that in your 2016-17 budget that you freeze the state funding levels for any school district that has already absorbed major state funding cuts and demonstrates strong performance.**

As we all know, education funding in Ohio is complicated. Attempting to “fix it” in less than six months as part of the biennium budget is probably naïve. The last few budget cycles that I

have witnessed would seem to support that it is ineffective. As a school board member, the single most important factor I seek from State funding is stability and predictability. The whipsaw effect of the budget cycle is certainly far from that ideal. After you finalize a budget that keeps our funding levels even, perhaps better path would be to begin work in July. One of the amendments to HB64 embodies this effort and we stand ready to work with you.

Thank you for the opportunity to present here today and for considering our position.