



# BATH LOCAL SCHOOLS

2650 Bible Road  
Lima, Ohio 45801-2299  
(419) 221-0807 Option 21  
FAX (419) 221-0983

Dale E. Lewellen  
Superintendent

Annette Morman  
Treasurer

Senate Finance Education Subcommittee Testimony – Interested Party

May 7, 2015

Dale E Lewellen, Superintendent, Bath Local School District

Thank you Chairman Hite, Vice Chairman Sawyer, and members of the Senate Finance Education Subcommittee for this opportunity to speak with you concerning the budget bill before you now. I also would like to thank you for what I perceive as a renewed understanding of the importance of public education by many members of this general assembly as demonstrated by several members of this subcommittee. Although there are many facets to this budget bill, I only have five minutes so I will restrict my comments to one, the elimination of the Tangible Personal Property reimbursement, which is of particular concern to me as it relates to the Bath Local School District.

Due to the presence of Ford, Proctor and Gamble, and Dana in our district, we had a heavy reliance on the Tangible Personal Property Tax (TPPT) and continue to have a significant reliance on the TPPT reimbursement. We currently receive \$712,850 annually in reimbursements for our fixed rate operating levies that will simply disappear between now and FY2019. Additionally, we have a 3.25 mill permanent improvement levy that will lose \$140,000 in TPPT reimbursements annually. Currently, both the House budget and the Governor's budget proposals provide increases that offset the reductions for this biennium. Therefore, a district that was supposed to get increases based on the formula will only break even.

When I was hired at Bath a little more than three years ago, the district was deficit spending by \$1 million annually on a \$15 million budget. This condition was mainly due to the TPPT reimbursement reductions that occurred in the 2009 budget cycle coupled with property value reductions throughout the region. Significant reductions were made over the past three years to mitigate the deficit spending as we look at revenue trends giving us no hope to restore services without ensuring continued deficit spending.



## BATH LOCAL SCHOOLS

2650 Bible Road  
Lima, Ohio 45801-2299  
(419) 221-0807 Option 21  
FAX (419) 221-0983

Dale E. Lewellen  
Superintendent

Annette Morman  
Treasurer

If the reductions outlined thus far seem large, I am yet to address my greatest concern. The Bath School District maintains, as part of our revenue base, a \$3.725 million emergency levy. Making up part of this sum is \$998,973 in TPPT reimbursements. This TPPT revenue will not be lost to the district as we will be held harmless on the backs of the local property taxpayers. Since this is a fixed sum levy, when the almost \$1 million in TPPT reimbursements go away, the 11 mill levy will increase to 15 mills adding about \$200.00 annually to the property tax bill of the owner of a \$150,000 home in our district.

In current law, this TPP elimination will occur suddenly in FY2018. In the two proposed budgets, this will happen over a five year period from 2018 through 2023. Regardless of how quickly or how gradually this occurs, I think it is wrong. School boards over the years have been tasked with generating revenue with the tools provided by the legislature. In the 1980's, Tangible Personal Property Tax was one of those tools and Bath used it as any board would. Now the rules have changed and we are somehow supposed to simply adjust.

If I do nothing else in this budget cycle, I would like to bring light to the fixed sum levy issue and ask that we find a way to hold the local property taxpayer and the school district harmless of this dilemma that is not of our making. I fear that I stand to lose something far more important than money, my community.

Respectfully,

Dale E Lewellen, Superintendent

Bath Local Schools

Lima, Ohio