



Finance Education  
SUBCOMMITTEE

Witness Form

Today's Date May 11, 2015

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Organization Representing: Princeton City Schools and CFFO

Testifying on Bill Number: HB 64

Testifying AS (Mark One):

Proponent

Opponent

Interested Party

Are you a Registered Lobbyist?

YES

NO

Are you Submitting Written Testimony?

YES

NO

Comments

looking for a permanent fix to the  
TPP reimbursement especially for schools  
with a significant portion of TPP  
reimbursement as part of their budget

Written Testimony-Senate Budget

May 13, 2015

Before the Senate

Edward Theroux, Interim Superintendent, Princeton City School District

Thank you, Chairman Hite, Vice Chairman Sawyer and Senate Committee Members. My name is Ed Theroux, Interim Superintendent of the Princeton City School District. I am here to testify on behalf of the Princeton City School District as a member of the Coalition for Fiscal Fairness in Ohio (CFFO).

Mr. Chairman and committee members, again, thank you for this opportunity and your hard work that you provide to us by representing our needs. The Princeton City School District is a very unique suburban school district that is just north of Cincinnati. There are over 40 languages spoken in our schools. Our English Language Learning population is increasing. We have more students who are English Language Learners (18%) than are students with a disability (15%). Our English Language Learning population continues to grow. Our enrollment has also been increasing over the last five years. Our low socio economic status has also increased to 64.3% which means that a majority of our students come from poverty. We are a diverse school district as evidenced in our first and second grade classrooms that are 30% African American, 30% Hispanic, and 30% Caucasian. Our students who have graduated tout their Viking pride and share how our diversity and meritorious education has made them outstanding productive citizens.

Princeton has a wealth of businesses. Our businesses are thriving and generating a lot of money for the Commercial Activity Tax (CAT). However, our schools are not going to benefit from our business contribution to the CAT as evidenced by the proposed TPP reimbursement elimination. Our citizens are proud of our 6 communities that make up this one district. Many of our alumni choose to stay in Princeton. Princeton pride is found in all of our communities. Even though we have many businesses, 64.3% of our children live in poverty.

In 2007, TPP ended and the new CAT was implemented. 70% of the CAT was in the law to replace the TPP for schools due to the knowledge that highly reliant TPP schools like Princeton needed a permanent solution. Then in 2011, language was added to keep the TPP reimbursement in place. While we know that you are looking at this TPP issue, we know that a more creative solution as needed in order to fix this issue.

As you prepare your budget, please consider that Princeton has cut over \$8 million dollars already due to the Tangible Personal Property Property (TPP) reductions. We have increased class sizes, eliminated 150 staff, streamlined our administration,



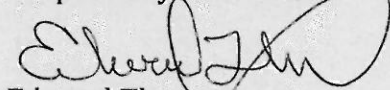
services and programs, instituted pay for play programs, increased our Kindergarten and Pre-Kindergarten tuition, and instituted a classroom supply fee. There is \$16.1 million TPP dollars currently being reimbursed. As you know, this is current law which is to maintain the TPP reimbursement. Senator Seitz who represents the majority of our district has stated that when the TPP tax was eliminated that a plan needed to be developed to make schools whole. The current legislation in 2011 keeps the TPP reimbursement. The \$16.1 million dollar represents 24% of the annual Princeton's operating budget of \$67.5 million dollars. We had \$24 million dollars (or 34% of the operating budget) in TPP before reducing it by \$8 million dollars and now are facing to reduce the last \$16.1 million dollars to zero. A reduction like this will decimate the Princeton educational system and our community. We will not be able to recover and meet the needs of our students.

The Governor included the idea to evaluate the capacity of the communities to generate additional revenue. Even though Princeton has a 64.3% poverty rate in our schools, we have been deemed to be able to generate additional revenues through levies. It is a flawed method of thinking. Not only does the school funding continue its over reliance on property tax, but it assumes a community who has a majority of its members living in poverty to raise additional funds. Our community members simply cannot financially support the additional fundraising for our schools through additional taxes.

The House of Representatives attempted to solve the TPP reimbursement issue, but did not totally understand that their solution only kicked the can down the road. We are asking you to consider finding a permanent solution to this TPP reimbursement issue. This solution might require a tiered solution and not a one size fit all approach. Princeton's TPP reimbursement is huge. Our 2014 per pupil funding established through the education funding formula is only \$832 per student. Our TPP reimbursement is \$2986 per student. As you have heard, the TPP reimbursement is a huge concern to the Princeton community. Other school districts are similar to Princeton while others are not. That is why a tiered solution and not a one size all approach may be needed to permanently fix this issue.

Today, my colleagues and I respectfully request that you continue the current CAT legislation, honor the discussions to make schools whole, and establish a permanent fix to the TPP reimbursement issue that is fair to all schools. You have a difficult task ahead of you, but you also have the creativity and ingenuity of the 33 Senators to actually fix this issue. Thank you for your time and consideration.

Respectfully Submitted,



Edward Theroux

DREAM ACHIEVE

