



Belpre City School District

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Tony Dunn, Superintendent

Missy Griffith, Treasurer

HB 64 Testimony

Before the

Senate Finance Education Subcommittee

Missy Griffith, Treasurer, Belpre City Schools

May 13, 2015

Chairman Hite, and members of the Senate Finance Education Sub-Committee, my name is Missy Griffith. I am the Treasurer of Belpre City Schools, and I am here to testify on behalf of the Belpre City School District.

Mr. Chairman and members of the committee, thank you for the opportunity to submit testimony today. As part of the Administrative team and a representative of Belpre City School District, I would like to express our opposition to ending the tangible personal property tax reimbursements to school districts. Prior to the state's 2005 tax reform of tangible personal property and franchise business taxes, 30% of Belpre Schools' revenue came from tangible personal property taxes.

Belpre currently receives \$1,946,328 in TPP reimbursement for its fixed rate millage levies, and \$260,071 for its fixed sum (emergency) levy. Today, our TPP reimbursement is about \$800, or 29%, less per pupil than the local tangible personal property taxes provided in 2004. If this reimbursement is eliminated our district's students would each lose \$1,948 in funding. Belpre's taxpayers would need to vote to increase their tax rate by 56%, which is equivalent to \$449 for a \$100,000 house, to make up this loss. Approximately 60% of Belpre students receive free or reduced school lunches. Clearly, our schools' families struggle financially. Since 2003, the number of individuals in Belpre filing State Income Tax returns and receiving the Senior Credit has increased 45.5%. There are currently more Belpre residents over the age of 65 years than there are residents 18 years or younger. With many of our elderly taxpayers on fixed incomes, I cannot get the support for a 56% tax increase, and I hope that you would

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not ask me to do so.

The Belpre Schools and community have always been supportive of business. We worked hand in hand with local businesses, granting tangible personal property tax abatements for improvements and updates. We want the businesses in our community, providing jobs for our community.

In the 2013 school year, Belpre City Schools spent \$9,311 per student. The elimination of TPP reimbursement will, over time, erode \$1,948 per student, bringing the amount available for the education of each student to \$7,363.

Today, Belpre City Schools faces the challenge of how to survive with the State taking the TPP reimbursement portion of its revenue. We have already stated the 56% increase Belpre citizens would see in their taxes. Businesses now paying the replacement Commercial Activity Tax would also face similar, significant increases in local property taxes to provide students with the same level of funding received in 2013.

Belpre City Schools has been proactive in maintaining its fiscal stability despite continued unfunded mandates and reduced State support. As stated, Belpre City Schools spent \$9,311 per pupil in 2013, well under the state average. Since the 2007-2008 school year, our district has reduced the number of certified staff members by 24% and our classified staff by 15% to address the lack of adequate funding to our students. In addition, our employees have accepted a 0% base wage increase three times and have made concessions on health insurance. None of these reductions even begins to address the impossible task of maintaining our outdated and inefficient facilities. Belpre students "enjoy" 1960s and older facilities while trying to compete in a 21st century world. Just supplying electricity for modern technology is incredibly difficult in classrooms with only two (2) electrical outlets. The Ohio School Facilities Commission said in 2008 that our buildings are not worthy of being renovated. A bond issue to finance a new building in Belpre could be funded 40% by the state if the citizens of Belpre would fund the other 60%. Our community might be able to afford a single new building if that ratio was reversed. Until then, we use our money wisely to fix and maintain those things we must to provide the safest environment we can.

Unfortunately the "As passed by the House" version did not change the Governor's proposal, but added a supplement to keep districts from losing total state aid over FY2015 levels. While we appreciate the recognition of the problem, the supplemental TPP guarantee is placed in temporary law and is funded mostly by Medicaid dollars which could be subject to the Governor's line-item veto powers. In addition, the House version maintained the Governor's language to eliminate TPP which would certainly create a huge financial erosion by 2018. As you are aware, highly reliant TPP districts are not all the same, but unfortunately, the impact

of the changes made in both the "As Introduced" and "As passed by the House" would still have a devastating impact on a community such as Belpre. It is for that reason we respectfully ask that you please leave all forms of TPP reimbursement at the current levels or return them to the levels promised when the tax was phased out until a reasonable solution can be reached.

Mr. Chairman and members of the committee, thank you for your time today. I am happy to address any questions you may have about our district and how we are affected by this important issue. Thank you.