



Finance – Primary and Secondary
Education
SUBCOMMITTEE

Witness Form

Today's Date 05/25/2017

Name: Jeff Dornbusch

Address: 821 S Jefferson, Port Clinton, OH

Telephone: 419-732-2102, Ext # 2

Organization Representing: Port Clinton City Schools

Testifying on Bill Number: HB 49

Testimony: Verbal Written Both

Testifying As: Proponent Opponent Interested Party

Are you a Registered Lobbyist? Yes No

Special Requests: _____

Board of Education

811 S. Jefferson Street
 Port Clinton, OH 43452
 419.732.2102
 419.734.4527 fax

May 25, 2017

Port Clinton High School

821 S. Jefferson Street
 Port Clinton, OH 43452
 419.734.2147
 419.734.4276 fax

Good afternoon, Chairman Hite, Vice Chairman Sykes and members of the Senate Finance Education Subcommittee. Thank you for the opportunity to speak to you today regarding House Bill (HB) 49.

Port Clinton Middle School

807 S. Jefferson Street
 Port Clinton, OH 43452
 419.734.4448
 419.734.4440 fax

TPP – 3 letters that represent almost 1,000,000 to our district that is now scheduled to be eliminated in **1 year**, not in increments of 5/8ths of a mill. The one year reduction in state funding represents a loss of over 25% in one year per the latest H.B. State Foundation simulation.

A one year loss of 25%! This amount alone creates deficit spending for our district. We have not received an increase in state aid in over a decade, only reductions.

Bataan Memorial

Intermediate Elementary

525 W. Sixth Street
 Port Clinton, OH 43452
 419.734.3931
 419.734.3705 fax

We are labeled by the Ohio Department of Education as a High Poverty School District. Our current free/reduced rates is 50%.

Port Clinton City Schools

State Funding History:	<u>2007-08</u>	<u>2016-17</u>	<u>2017-2018</u>
State Basic Aid	3,169,234	2,948,476	2,948,476
State Rollback & Homestead	1,322,431	1,592,157	1,592,157
State – Other (Casino)		90,000	90,000
Electric deregulation reimbursement	274,545	0	0
School Bus funding	6,989	0	0
Tangible Personal Property Tax	1,056,732	0	0
TPP – Reimbursement	<u>1,022,839</u>	<u>912,666</u>	<u>0</u>
Total	6,852,770	5,543,299	4,630,633

We received 6.8 million from the state in 2008 (basic aid, rollback & homestead, TPP taxes and TPP reimbursements). 9 years later, we will receive 5.5 million in state aid.

The proposal is to cut our reimbursement another 900,000 for a total 10 year loss of 2.2 million!

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Bataan Memorial

Intermediate Elementary

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Port Clinton, OH 43452
419.734.3931
419.734.3705 fax

Bataan Memorial

Primary Elementary

575 W. Sixth Street
Port Clinton, OH 43452
419.734.2815
419.960.7672 fax

We have relied on local property taxes and cost savings through restructuring our district into 3 buildings to deal with state funding cuts. We have seen increases in the education budget while our district state funding has been reduced.

Solution:

Stop the reduction to our TPP reimbursement. We will always contend this is our money from the start and the CAT tax was in part implemented to keep us whole.

We have NOT received any increase in state aid in over 10 years, only reductions. We have NOT lost student enrollment. We have NOT received any inflationary growth in state funding.

The nearly one million we receive in TPP reimbursement is not new or extra money. This is down from the 1.8 million we once received locally as tangible personal property tax before the state changed the tax structure.

While the discussion of the TPP phase-out has been present for years, so too has the detrimental impact of that phase-out been the competing conversation. It seems reasonable for our community to expect our legislators to address any proposed loss to a local school district with a solution that at the very least holds districts from a reduction in state aid, especially when enrollment is not declining, as is the case in Port Clinton.

The on-going rhetoric that school districts knew the TPP/KHW tax was supposed to be phased out is simply insulting. We did not ask that you take our local tax revenue away. We did not ask for you to create a new CAT tax in its place. The legislature saw that part of the revenue of this new tax would go to keep school districts harmless. Now the CAT tax fund runs at a surplus, while the local schools receiving reimbursements have been reduced.

Sincerely,

Jeff Dornbusch
Treasurer