



# Belpre City School District

2014 Rockland Avenue, Belpre, OH 45714

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Jeffrey Greenley - Superintendent

Lance Erlwein - Treasurer

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## Substitute HB 305 Testimony

Before the House Finance Committee

Jeffrey S. Greenley, Superintendent

Good Afternoon, Chairmen Oelslager and Callender, Vice Chairman Scherer, Ranking Minority Member Cera, and members of the House Finance Committee. My name is Jeffrey Greenley and I currently serve as Superintendent of Belpre City School District. Belpre City Schools serves approximately 985 students in Washington County Ohio and is nestled along a particularly beautiful bend of the Ohio River just across from Parkersburg, WV. Our district is considered high poverty with an elementary school that serves a population with 55% of students who qualify for free/reduced meals.

It is my pleasure today to offer testimony in support of Substitute HB 305, the Ohio Fair School Funding Plan. This body has already received sufficient technical testimony regarding the inner workings of the proposed Fair School Funding Plan, its various formulae and weights and its impact on the state's overall bottom line. I offer qualitative evidence on the harm that the current formula creates. I will tell this body a little about Belpre City Schools, the adverse impact the current formula has had on our district and the return on investment this body will reap should it invest in education and pass this badly needed legislation.

The current formula in conjunction with multiple school finance decisions in Ohio have resulted in many challenges for Belpre City Schools. We last testified before this body during deliberations on Substitute HB 49 regarding the catastrophic impact that Belpre City Schools dealt with in the phase out of the formerly locally generated Tangible Personal Property taxes that at one time made up about 40% of our district's budget. I have attached that testimony into the record as an exhibit to my testimony for additional background. In a nut shell, Belpre City Schools lost over \$28 million in critical revenue from the elimination of the TPPT despite the legislature's assurance that 70% of the then created Commercial Activity Tax ("CAT" tax) would be allocated to education. As many of you are aware, not one penny of that money has been allocated towards education or received by Belpre City Schools.

Despite that loss in CAT tax funding and the high need of our Appalachian students we were considered a "Capped" district, before the funding was frozen at FY19 levels, and only receive approximately one-third of the funding per pupil that the other schools in our county receive. This is due to the current formula's over reliance on property tax valuation in determining wealth. Although our property valuations may look high on paper, the reality is that more than one-third of our population is made up of aging seniors on fixed incomes who cannot easily support levy requests and a large, transient rental population. Belpre's demographic is the poster child for why the Fair Funding Plan is so badly needed. Because the proposed formula rightfully takes into account our community's income, current simulations project that we would receive nearly \$2.7 million in additional funding per year. From our perspective that isn't new money – it's the money we equitably should have received for years. My heart aches when I think about how badly our children have needed this revenue and what

more we could have done to support our most challenged learners to close the equity gap in learning.

As fiduciaries of the institution, we have taken our obligation to ensure that we have the necessary funds to meet our needs very seriously. By statute the district has two mechanisms to ensure that it has the necessary dollars to support its expenses: pass a levy or institute a reduction in force. Belpre City Schools has had historic difficulty in passing levies. Prior to 2018, the district was successful on only two new operating levies out of eleven attempts in the past 45 years. During that time period, the district failed all nine attempts to secure a bond or permanent improvement fund to support capital needs. But in May 2018 the taxpayers of Belpre City supported the district in passing a new levy to generate \$1.5 million per year in badly needed funds; funds which did not add to our offerings but just ensured we could provide the bare minimum in terms of teachers and programming for our students. Because of the convoluted and arcane funding formula, Belpre City Schools was still projected to need new operating dollars just a few years after its May 2018 five year forecast projection. The district did the responsible and prudent thing that lawmakers would have it do: it contacted the Ohio Auditor of State's office and invited it in to do a performance audit to identify potential cost savings. After reviewing the results, Belpre City School District Board of Education passed a reduction in force in May 2019 that saved the district approximately \$650,000 per year. The current funding formula requires Belpre City Schools to do both a levy and a RIF just to provide basic programming for our students. We are trapped with no other way to support our students. In contrast, prior to serving as Superintendent of Belpre City Schools I was Superintendent of Switzerland of Ohio Local Schools which, as you heard in testimony last

week, is now one of the 5 richest school districts in the state due to oil and gas revenues.

Incredibly, that district, despite its wealth, receives nearly three times what we do in foundation payments under the current funding formula and has not recently needed to pass any operational levies: an irrational result.

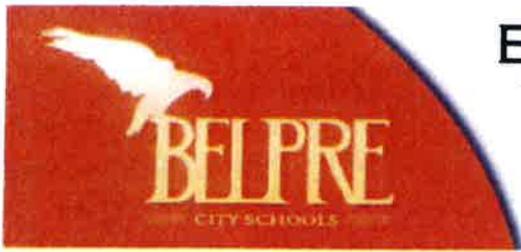
Belpre City Schools is at a crossroads. We have recently spent a great deal of time in our district to create consensus around a Portrait of A Belpre Graduate and are optimistic that we have outstanding faculty members and the right leadership team in place, with the right board of education, to make that aspiration into a reality. But to truly enact this transformative change for children we have to overcome the significant funding challenges created by the elimination of the TPP tax, the broken promise of the CAT tax and the absurdly low amount of foundation payment generated under the current funding formula. I implore this body to pass this badly needed reform. At this point an entire generation of Ohio school leaders have learned about, and struggled within, an unconstitutional funding formula. I concede that there is a great deal of economic uncertainty right now and that this body is greatly concerned about navigating Ohio through the COVID-19 pandemic. At the same time, we don't need to wait until April's end-of-course exam results to know that across the state our children are experiencing a crisis and will have even more significant learning gaps than before and will require additional resources to support. We can make the bold choice now to create a constitutional and more equitable school funding formula that will ensure our schools get the revenue needed to support learners through and beyond the COVID-19 crisis.

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 the Fair Funding Plan will catapult our students into new heights.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeffrey S. Greenley". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Greenley" following in a similar style.

Jeffrey S. Greenley JD, MBA  
Superintendent



# BELPRE CITY SCHOOL DISTRICT

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TONY DUNN – SUPERINTENDENT

LANCE ERLWEIN - TREASURER

## Substitute HB 49 Testimony

### Before the House Finance Committee

### Tony Dunn, Superintendent

Good Afternoon, Chairman Smith, Vice Chairman Ryan, Ranking Minority Member Cera, and members of the House Finance Committee. My name is Tony Dunn and I am Superintendent of Belpre City Schools, and I am here to testify on behalf of our school district. Belpre is a member district of the Coalition for Fiscal Fairness in Ohio (CFFO).

Mr. Chairman and members of the committee, thank you for the opportunity to submit testimony today. I am here to express our opposition to the continued phase out of Tangible Personal Property (TPP) reimbursements and the funding limitations placed on us as a “Capped” district in the current funding formula. Belpre City Schools and other districts in Southeast Ohio are tasked with educating some of the most underprivileged and most deserving children in Appalachia. I am here today to continue to fight for those children and our community.

Prior to the state’s tax reforms in 2005, TPP taxes made up over 30% of Belpre’s total revenues. At the time of the reforms, we were promised we would be “held harmless.” In FY19, the district is projected to receive \$1,466,179 in TPP reimbursements from the state, which now represents

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Exhibit 1, p. 1

only 13% of our total revenues. Under current law, our TPP reimbursement will continue to phase-out at a rate of \$103,595 per year until it is completely eliminated. Belpre's total cumulative loss of TPP reimbursement will total \$28,104,644 from 2010 until it is completely phased out.

The pie charts in your packets illustrate how TPP tax payments once made up around 40% of our local tax base. As you know, the Commercial Activity Tax (CAT) was touted as the replacement for the loss of local TPP taxes. You can see by this year's pie chart that nothing replaced the loss of TPP taxes at the local level, creating an entirely new tax base framework with residential taxes making up 67% of the base, as opposed to 42% just 12 years ago.

We are now struggling with the challenge of how to remain fiscally solvent after absorbing significant losses as a "Capped" district and through continued TPP reimbursement cuts. We have struggled to live within our means, we have been forced to make cuts over the last decade, and we are trying to do more with less. Our curriculum offerings and staffing levels are also well below those of "wealthier" districts around the state.

The City of Belpre is making efforts to encourage economic development in the face of stagnant growth in our area over the last few decades. One of the top barriers to entry in attracting new development into our community was identified as new school facilities. Our buildings were identified by the OFCC as not worthy of being renovated, and a bond levy could be funded at a 56% local share. With an aging demographic where 37.2% of the population is over age 55, many on fixed incomes and under the poverty level, we fail to see how we can expect the public to support a bond levy to give our students 21<sup>st</sup> century educational facilities and at the same time ask them to support an

operating levy to avoid the budget deficits that are looming just two or three years away.

There is one additional burden we face that I would be remiss not to mention. It involves the “dichotomy of realities” that exists at Belpre City Schools when TPP reimbursements are considered in the state’s “local wealth” calculations. First, we could read the writing on the wall when the state eliminated the TPP tax, but then turned around and made it a function of state funding (also with the promise of holding us harmless in perpetuity). This makes our district “appear” wealthier than it really is, and hurts us when the OFCC determines the local share required to construct new facilities. We could probably pass a building levy and remove our students from deplorable facilities if our state share was 56%-60%. Right now those numbers are reversed with our local share at 56%; and the double edged sword for us is this: as we lose TPP reimbursements, our OFCC state share increases. How are we supposed to explain this to stakeholders? We also “enjoy the benefits” of being a “Capped” district in our current school funding formula. Even if the formula “works” for Belpre, our loss of TPP reimbursements outweighs our benefit from the funding formula because of being a “Capped” district. We all know the cliché “win-win.” We are the antithesis of that: “lose-lose.” Our unique “perfect storm” leaves our students and community wondering why the state of Ohio has forgotten us.

Please leave all forms of TPP reimbursement at their current levels or return them to levels promised when the tax was phased out. The projected impact of existing law poses serious challenges for the district over the next several years. We will continue to advocate on behalf of our students as budget legislation works its way through the legislature. We are also educating our parents and stakeholders on the state budget issues we face. We are all following your actions closely.

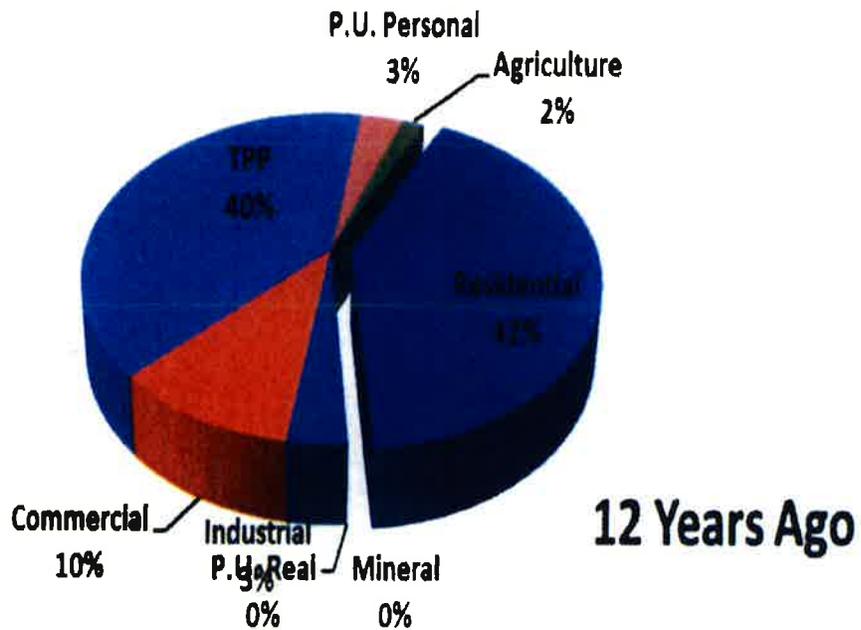
Mr. Chairman and members of the committee, thank you for your time today. I am happy to address any questions you may have about our district and how we are negatively affected by this important issue.

Respectfully,

A handwritten signature in blue ink that reads "Tony Dunn". The signature is written in a cursive style with a large initial "T" and "D".

Tony Dunn  
Superintendent

## 2005 LOCAL TAX BASE – BELPRE CITY SCHOOLS



## 2017 LOCAL TAX BASE – BELPRE CITY SCHOOLS

