

PROPONENT TESTIMONY
HOUSE BILL 305
MICHAEL DYLAN BRENNAN, MAYOR OF UNIVERSITY HEIGHTS

Good (morning/afternoon).

Chairman Oelslager, Chairman Callendar, Vice Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to address the Finance Committee to speak in favor of House Bill 305.

My name is Michael Dylan Brennan. I am the Mayor of University Heights, home of John Carroll University, and a first ring suburb east of Cleveland.

I am here to speak in favor of House Bill 305 on behalf of the residents of two cities, University Heights and Cleveland Heights, as well as our shared school board, who cannot be here today as they prepare for a teachers strike set to begin December 2 at 7am.

Why are the teachers and the board at an impasse, why, when our community just passed a school levy for the second time in four years? Because even with the new school levy, one that passed by just 145 votes out of 29,987 cast, the five-year projection for our district shows the district running out of money at the end of year two. The two sides are fighting over healthcare benefits.

Without getting into the relative merits of their positions, they are or appear to be \$3.5m apart.

Meanwhile, EdChoice is taking \$9.2 million out of the school district's funds. Add in all voucher programs, and this is over \$15.4 million. This is approximately the same amount University Heights collects every year in Local Income Tax - that's real money.

Like most of you, I support school choice. Every parent, every family, ought to be able to choose the education that is best for their children.

As public officials, it ought to be our mission to ensure that all the children are educated well.

Without wading today into the constitutional issues, it should otherwise give us no heartburn that public money may achieve this public purpose, regardless of whether it is accomplished through public or private means. Since it is our state's policy to ensure that our families have choices, the state should fund these choices directly. HB 305 – Cupp-Patterson – does that.

More than that, HB 305 also addresses at long last the DeRolph decision finding unconstitutional the funding disparities between districts with high property values versus those with low property values.

It does this by determining a base cost unique to each district, together with a new formula for local share. Cupp-Patterson resolves the over-reliance on property valuation by implementing a blend of income wealth with property wealth, about 40% of Income Wealth with 60% of Property Wealth. Functionally, this works closer to a 50-50 contribution, because Ohioans generally have more income wealth than property wealth.

A per-pupil local capacity amount is determined by taking together three factors: (1) current property values; (2) average Federal Adjusted Gross Income for the last three years per pupil; (3) median Federal Adjusted Gross Income for the tax year most recently available per pupil. This Total Local Capacity is multiplied by the statewide total median for all medians. This is then compared to the median of each individual school district. This ratio is compared to the average millage effort throughout the state, which is 22.5 mils. Off of this, a multiplier index is determined and a sliding scale employed.

For time, I have perhaps oversimplified this, but this is the gist.

And every year, each district will recalculate the property wealth and income wealth, allowing for adjustments in real time. If a district has a major employer shut down and job losses follow, an adjustment increases the state contribution to avoid disruption to the school district – right at a time where families are precarious and need stability where they can get it. And schools offer this.

The new approach offered in HB 305 is the product of the years of strong work of Speaker Cupp and Representative Patterson to address the need laid bare by DeRolph nearly a quarter of a century ago to fairly and constitutionally fund education in the state of Ohio.

What would HB 305 mean for Cleveland Heights-University Heights? We have to look at money both above the line and below the line.

Above the line, after a six-year phase in, Cleveland Heights – University Heights would be looking at an additional \$11.9m in state funding.

Below the line, CH-UH would be keeping its local share of the EdChoice dollars it is currently paying out.

Together, this is critical for the financial well-being of our school district.

For our community, it would mean stability. That is important for mayors and other local officials like me.

Locally, I have to look at taxation as a whole. Before the most recently passed levy, University Heights was receiving just \$10.46 for every hundred dollars collected in property taxes. Our residents express their concern to me about ever-increasing taxes, meanwhile our city has not raised taxes in 14 years.

What we have had is four school levies on the ballot in four years, with two of them passing, the last one by just 145 votes. And still, it is not enough.

Predictability of local taxation will promote stability in the community, and allow individuals and businesses to better plan for the future, knowing that tax bills will remain generally consistent, rather than the constant asks for tax increases.

None of that is to say that new tax levies will completely go away. Since the late 1970s, House Bill 920 has locked in what is raised by every new levy. The amount collected remains fixed regardless of increases in property value, and regardless of inflation.

By passing HB 305, we would provide relief to residents in the Cleveland Heights-University Heights School District. There would be better funding, and fewer levies with smaller asks. The result would be stability.

For years we have kicked the can down the road. On Wednesday morning at 7 a.m., the CH-UH School District reaches the end of that road.

I don't blame the school board, or the teachers' union, or anyone holding office today. None of us held these offices when DeRolph was decided.

Today, this legislature can make it right. We can do better – for the families, for the children, for our educators – in University Heights, in Cleveland Heights, and all across Ohio. Today is not a moment too soon.

My community is tearing itself apart over school funding, and how to cut up the ever-smaller pie we have. Passage and implementation of HB 305 – Cupp-Patterson – is critical to our district, and never more critical than now. I urge the committee members to forward this bill to the floor for a vote and recommend its passage. Thank you.