

House Ways and Means Committee
House Bill 1 – Opposition Testimony
March 27, 2023

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on H.B. 1.

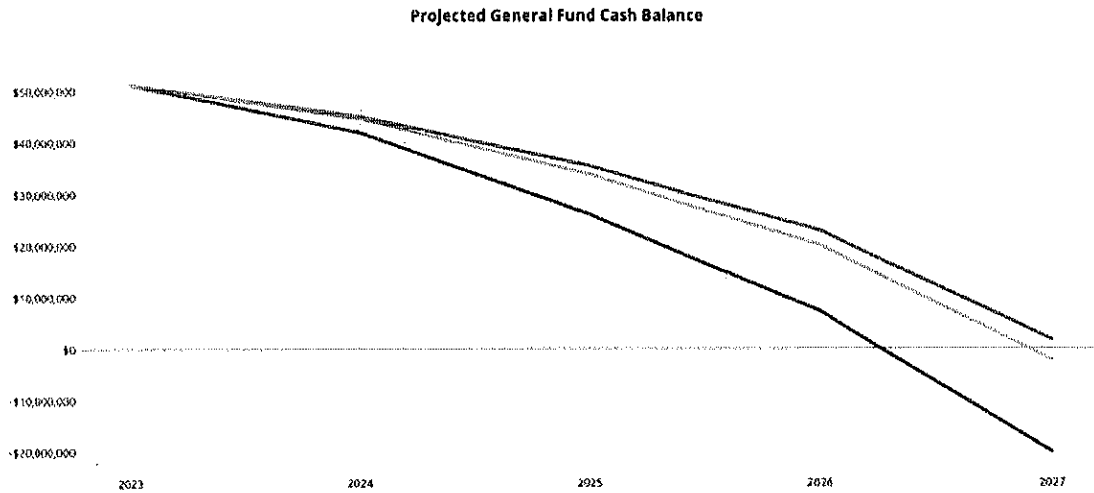
I am Bill Wade, CFO/Treasurer of the Mentor Board of Education. Mentor Schools in Lake County is a suburban school district that serves more than 7,000 students. Mentor High School is one of the largest in the State of Ohio. While providing a high-quality education and keeping students safe is a top priority, maintaining fiscal responsibility by being good stewards of our taxpayer dollars is equally important.

Like all districts in Ohio, Mentor Schools must raise local dollars to provide its local share of funding as required by the Ohio Constitution. Under Ohio law, a school district is limited in its ability to raise its local share, with funds raised primarily through local property taxes. In fact, when analyzing Mentor Schools' state and local share for school funding, 76% of our funding comes from local property taxes - that is 33% higher than the state average. Thus, any legislation that impacts our voter approved property taxes causes great concern.

Revenue Impact on Mentor Schools

Below is a graph that demonstrates the impact of HB 1 on our cash balance over the life of our five year forecast. The red line is our current forecasted cash balance. The gray line represents if HB 1 (as introduced) and HB 920 is continued to be implemented as the constitution requires. The black line represents the impact on our cash balance if the constitutional requirement of HB 920 is not implemented and HB 1 is instituted. As you can see, regardless of HB 920s implementation, HB 1 has a negative impact on our current voter approved revenues. Specifically, we stand to lose between \$1 million to \$5.5 million dollars a year over the life of our forecast (or \$4 million to \$22 million dollars in total). To put that in terms of impact that would equate to 9 to 50 teachers next year being eliminated to reduce expenses in order to alleviate the impact of the lost revenue or if we wait until 2027 that would be 36 to 200 teachers losing their jobs. As you can see, either way that has a serious detrimental impact on our educational program of our students; in a time where we are coming of the pandemic and need to provide more support than ever to our students to reduce learning loss and catch students up post pandemic.

Cash Balance Comparison Dashboard
(Five Year Forecast)



Property Tax Increase for Taxpayers

Additionally, we have run an analysis to determine the impact of the 10% reduction of the assessed valuation from 35% to 31.5% on our local taxpayers. We have determined that if HB 920 continues to be applied and HB 1 is passed our taxpayers will see a loss in revenue of \$4 million dollars over the next 4 years and an increase in their property taxes of \$99.05 per \$100,000 (market value) of their home.

| | Current | HB 1 w 920 |
|----------------------|--------------|--------------|
| Home Value | \$100,000.00 | \$100,000.00 |
| Assessed Value | 35.00% | 31.50% |
| Millage | 33.100357 | 36.24 |
| Cost Per \$100,000 | \$1,158.51 | \$1,141.71 |
| Less Rollback | \$115.85 | 0 |
| Net Paid by Resident | \$1,042.66 | \$1,141.71 |
| Increase | | \$99.05 |
| % Increase | | 9.50% |

To summarize, HB 1 does not lower property taxes for our voters - in fact, it increases them. Likewise, it will reduce the amount of revenue for the levies our taxpayers have already voted for based on current property tax laws, which in turn will increase the burden on our taxpayers further as we will need to seek higher millage rates than previously expected to generate enough

revenue to cover our current expenses and the lost revenue as a result of HB 1. For these reasons, I ask Committee members to oppose HB 1.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bill Wade". The signature is written in a cursive, somewhat stylized font.

Bill Wade
Mentor Schools CFO