

Co-Chairman Blessing, Co-Chairman Roemer, and members of the Joint Legislative Committee on Property Tax Review and Reform. Thank you for the opportunity to offer testimony here today on behalf of the Clark-Shawnee Local School District.

My name is Brian Kuhn and I am the Superintendent of the Clark-Shawnee Local School District in Clark County. I am here to express my strong opposition to the use of Tax Increment Financing, or TIF, due to its detrimental effects on Ohio public schools and urge this committee to make recommendations that protect Ohio's public schools.

Tax Increment Financing is a tool that cities and municipalities use to stimulate economic development by diverting future property tax revenue increases from a defined area toward an economic development project or public improvement. While TIF is intended to promote growth and development, it often has significant negative consequences for public education, particularly in Ohio.

Firstly, TIF districts divert crucial property tax revenue away from public schools. Schools rely heavily on local property taxes for their funding. When a TIF district is established, the increment of increased property tax revenue is not available to the school districts, which can severely limit their financial resources. According to the Ohio Education Association, the loss of revenue due to TIF districts can be substantial, leading to budget shortfalls that force schools to cut programs, lay off teachers, and increase class sizes.

Secondly, the impact of TIF on school funding exacerbates existing inequalities in our education system. Wealthier districts are better equipped to absorb the financial impact of TIF because they have other sources of revenue and more robust tax bases. However, poorer districts, which are often already underfunded, suffer disproportionately. This can lead to a widening of the educational achievement gap, where students in less affluent areas receive a lower quality education compared to their peers in wealthier districts.

Furthermore, the lack of transparency and public oversight in the TIF approval process is concerning. Decisions to create TIF districts are frequently made without adequate input from the communities that will be affected, particularly the schools. This lack of accountability can lead to the approval of projects that do

not serve the public interest and instead benefit private developers. When the voters of Springfield Township generously approved a tax levy for school operations, I would argue that very few had any idea that tax dollars they voted to fund school operations could be diverted to reimburse a developer.

My school district is home to around 1,650 students. We completed a building project through the OFCC and this is the third year in our new PreK-6 school and renovated 7-12 building. When we were in the design and planning phase, we followed the rules. The rules stated that the schools would be sized based on the historical population trends. At that time, our district had not seen residential development in 30 years and we were not aware of any new developments coming to our district. It was not until after construction started that the initial discussion of new residential development landed on our plates.

Now we have one new residential development of over 260 homes and, because of TIF, we are only receiving 25% of the taxes we would otherwise be due but are required to educate 100% of the students coming from the development. Three more developments are in the works. Two are seeking TIF funding and one has elected to use the CRA (Community Reinvestment Area) provisions that allow for 100% of the taxes to be diverted for 15 years. Between all four developments, there are in excess of 1700 new homes coming to our district. We do not have space for these students or the resources to build a new facility because we will not even be receiving adequate funding from our local tax revenues to educate these students due to TIF and CRA provisions.

Our District and Board of Education supports development, but not when the development is at the expense of the community it is designed to serve.

I urge you to reconsider the use of TIF and seek alternative methods of funding development that do not compromise the education of our students. We need to prioritize our public schools and ensure that they have the resources necessary to provide a high-quality education for all children in Ohio.

Thank you.

Respectfully submitted,
Brian Kuhn

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