

My name is Steve Moore. I'm a recently retired Director of R&D for Procter & Gamble, with my university training in Chemical Engineering and finance. I joined the Princeton school board eight years ago because of the importance of education for our local and global businesses, and the positive impact a high quality technical education has for our children.

Over this eight years, I have had to develop an expertise not just in education governance, but unexpectedly a deep experience in school financing...due to the tremendous impact TPP (tangible personal property tax) and C.A.T. (commercial activity tax) has on our schools, community and businesses.

From this school financing experience, we have worked hard to educate our community on the impact of the original TPP a legislation and the promises made to replace TPP revenue. We have worked to inform the community on the impact of TPP reimbursement on our children's education, local tax requirements, and property value...and the negative impact of promises not kept.

In Princeton we know TPP in 2007 was \$24 million in local revenue source-- about 30% of our budget.

We know that TPP was replaced by the CAT tax for the good of business development and Ohio...which we supported, because good business development benefits us all.

We know, it was promised to replace the our local TPP revenue, with the CAT revenue. We know that the CAT tax is now successful, and is raising more than enough revenue.

We know, despite promises, we have already lost \$8 million in TPP reimbursements

We know, to fill the fiscal gaps by this \$ 8 million missed commitment, we have had to raise taxes with a 6.5 mils operating levy. We had to cut 150 positions (now down to 700 employees). We had to trim academic programs, cut health care benefits, outsource transportation, pursue shared services, and more.

We know, that in 2011 legislation was passed to permanent replace the remaining, \$16.1 million TPP revenue.

We know, that it is proposed, by the governor, and now, perhaps by this House committee, that these reimbursements funds be phased out or eliminated. We understand that current "funding formula" proposed changes only offer a minor help, and do not replace the biggest part of the funds on a stable/sustainable basis

We know, for us locally to replace the \$16.1 million would require nearly 12 mils in local tax increase, or a reduction of 160 staff...we know that these types of changes would decimate our education systems and these levels of tax increases are not affordable for our community--who has below state average income levels.

Princeton communities has worked hard the last 50 years to develop our business base...we have strong economic vitality...Ford transmissions is on fire with success/growth, GE Jet Engine development is growing, the associated local support businesses, supply chains and other businesses and services are healthy.

The major problem is the the school system is NOT benefiting from this development now...in fact our revenues, as noted have been declining. Our future economic development relies on a healthy education system....you are proposing decrease funding even further....in an area where you should be supporting economic development.

Those of you who where around in 2005-07 know that not only did you promise to return the TPP a revenue to our schools and communities, that our local businesses were also promised their local contributions to taxes would be returned to the communities in which they operate. For proper economic development, businesses need their local communities to be financially healthy to provide quality services, educated employees and housing.

As a summary....A 24% reduction of our revenues is not sustainable or replaceable for our schools, students, communities...and does not support future economic development.

We implore you to sustain the current TPP legislation and local revenue replacement...our Princeton business communities earn these CAT dollars for our local economy as well as Ohio.

We know the impact of this decision, we hope, and pray, you do to.

Thank you for your time.

Steve Moore
Princeton School Board