



Office of General Counsel
Education Center 2651 Burnet Avenue Cincinnati, Ohio 45219
Phone: 513-363-0114 Fax: 513-363-0055 hoyingd@cps-k12.org

June 11, 2019

Chairman Louis W. Blessing, III
Primary and Secondary Education Committee
Ohio House of Representatives
133rd General Assembly

Re: Proponent Testimony of H.B. 43

Dear Chairman Blessing and members of the committee:

On behalf of Cincinnati Public Schools (CPS), I write in support of H.B. 43, a bill to eliminate the current Ohio Revised Code requirement that public schools offer to lease or sell unused real property to charter schools. Eliminating these unwieldy requirements is a common sense solution that will enable public school districts to operate more efficiently.

CPS, similar to most public school districts in the state, is one of the largest owners of real property in the region. Naturally, CPS is involved in numerous real estate sale and purchase transactions every year. Each property disposition transaction is made more difficult because of the Ohio Revised Code requirement to offer school properties to charter schools.

Some transactions involve small parcels of land or buildings that are not functional as school facilities. For example, in 2017, CPS sold a six-acre, wooded tract at the Jacobs Center in Winton Ridge to the Greater Cincinnati Municipal Sewer District to make improvements to the Kings Run stream watershed. The property could not have been developed by CPS or any charter school into a useful school facility. Nevertheless, the District was required to have the property appraised, to offer the unused parcel to charter schools, and to hold the offer open for the minimum number of days required by statute. The watershed project was delayed, in part, by CPS's need to give a first right of purchase to charter schools even though the parcel never could be used for a charter school.

In other cases, CPS has unnecessarily needed to involve the City of Cincinnati as a third party intermediary to facilitate real estate transactions that benefit the region and school district. For example, in 2018, CPS exchanged property with the City of Cincinnati in the West End to make way for the construction of the F.C. Cincinnati

stadium. Similarly, in 2016, CPS sold a permanent easement to the City for the construction of a roadway to the MedPace business development in Madisonville. Both transactions would have been more efficient if CPS could have dealt directly with the private entity without involving the City. Direct deals were not possible, however, without offering the parcels to charter schools.

Finally, and most importantly, the requirement to offer vacant buildings and properties to charter schools, has left CPS with a significant shortage of school properties. Twenty years ago, the Ohio School Facilities Commission estimated that CPS's enrollment would decline to 25,000 and continue falling. CPS renovated or rebuilt some schools according to that projection, and CPS was required by law to offer all its other vacant parcels and buildings to charter schools.

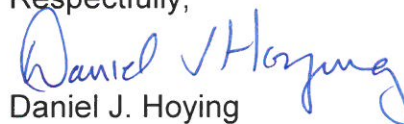
Instead of declining, CPS's enrollment is nearly 36,000 and still growing by more than 500 students per year. To accommodate the growth, CPS has had to lease and purchase real property to open new schools. CPS opened three new schools at the beginning of the 2018-19 school year. In August 2019, CPS will open a school on a campus in Westwood that it purchased at an appraised value from the Sisters of Mercy. CPS will expand its elementary Montessori opportunities on Cincinnati's west side with over 300 students enrolled in the Gamble Montessori Elementary School. Also in August, CPS will open the Clifton Area Neighborhood School in a building that had been leased to a community arts center.

Now CPS is actively searching for buildings and grounds that are suitable to purchase for new schools. Later this year, the District intends to acquire the Lighthouse Community School in Madisonville. And the District is still paying to lease space for classrooms at full market rents throughout Cincinnati.

It would have benefitted CPS (and its taxpayers) to still be in possession of the 10-15 school buildings that were disposed of in the early 2000s. In some cases, the school properties were put on the market solely because of these Ohio Revised Code requirements. Several of these school buildings were purchased by charter schools that subsequently closed and/or sold the buildings to non-school private purchasers. The irony (or tragedy) will be if the District has a need to buy these buildings back now at taxpayer expense to open new schools to accommodate CPS's growing enrollment.

CPS strongly supports proposed H.B. 43 and the elimination of the requirement for public school districts to offer vacant properties and buildings to charter schools. If you have any questions, please do not hesitate to contact me.

Respectfully,



Daniel J. Hoying
General Counsel