



Akron Public Schools

Sylvester Small Administration Building

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, Members of the Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on H.B. 126 and a potential amendment.

I am Ryan Pendleton, CFO/Treasurer of Akron Public Schools. We are the fifth largest district in Ohio with approximately 22,000 students enrolled.

Ohio's new school funding plan relies on a local share contribution by a board of education. The Summit County Fiscal Officer annually set valuations and millage rates for which taxpayers may contest the valuations providing a dollar-for-dollar potential loss of revenue. Only in a subsequent year is revenue loss partially offset by changes in valuation and millage rates. The following table is a summary of recent challenges to revenue of APS and all taxing entities:

Tax Year/Collection Year	Number of Commercial Decrease Complaints	Potential Loss of Revenue to APS for Tax Year and Remainder of Triennium	Potential Loss of Revenue to All Taxing Entities for Tax Year and Remainder of Triennium
2012/2013	46	\$546,671	\$774,011
2013/2014	63	\$587,495	\$838,106
2014/2015	88	\$1,710,030	\$2,428,959
2015/2016	59	\$1,152,288	\$1,642,335
2016/2017	49	\$826,915	\$1,188,282
2017/2018	52	\$1,095,410	\$1,553,821
2018/2019	48	\$1,161,336	\$1,647,443
2019/2020	33	\$427,567	\$613,608
2020/2021	103	\$1,272,735	\$1,845,311

In addition to filing counter-complaints, a board of education can file increase complaints on a recent sale of property to offset the loss of revenue from the commercial decrease complaints.

The Fiscal Officer independently sets valuations relied on by taxpayers and taxing entities. Relying on mass appraisal and limited information, any tax assessor is challenged to correctly value large, complex commercial properties. No appraisal is undertaken under mass appraisal of a specific property.

In this independent role, the tax assessor does not defend their valuations. The Board of Revision is independent. The Fiscal Officer does not present information or an appraisal at a BOR hearing.

Under the law, the presentation by a complainant of a sale or an appraisal creates a presumption for the BOR to approve the evidence and shifts the burden to the party opposing the evidence to refute the evidence and/or present other evidence. In fact, the County expects the board of education to provide the defense to engage an attorney and an appraiser as the board of education levies the majority of revenue at issue.

A one-sided system excluding the board of education will result in the loss of challenged revenue and open the flood gates to valuation challenges. Such a skewed system will jeopardize funding necessary for education and public services and increase the burden on homeowners and the State of Ohio to provide additional funding.

We appreciate your consideration of our objections and look forward to working with interested parties, the sponsor, and the committee for additional discussions.

Thank you,

A handwritten signature in black ink that reads "Ryan Pendleton". The signature is written in a cursive style with a long, sweeping underline.

Ryan Pendleton, CFO/Treasurer