

Citizens of Kettering: to Education Director, responded to our protests by saying, "Well, with an \$8 billion deficit, the money has to come from

The purpose of this letter is to inform you of an issue of critical importance to our schools and our community. The state Budget Bill (House Bill 153) now being considered in the Ohio General Assembly, contains a measure that could deliver a crippling economic blow to the Kettering City Schools.

The governor and the legislature are preparing to place the burden of The Tangible Personal Property Tax (TPPT) was a tax on manufacturing all functions such as machinery, equipment, and inventories. The elimination of the TPPT was supposed to make Ohio a more business-friendly state.

rational solution to the TPPT dilemma.

Some school districts, Kettering being one, relied heavily on the TPPT because of the income it brought to the district. When the TPPT was eliminated, Ohio Legislators and then-Governor Taft guaranteed that schools would not be negatively affected. It was agreed that schools would be reimbursed for their TPPT losses for a number of years from a new tax, the Commercial Activity Tax (CAT). One of the last actions Governor Strickland took was to extend the TPPT reimbursement to schools two more years. Now, Governor Kasich and the Ohio Legislature are poised to abruptly phase out the TPPT reimbursement to schools and keep the CAT tax revenue to cover the state deficit.

The Kettering City School District was to receive \$17.6 million from the Tangible Personal Property Tax and Public Utilities Tax reimbursements over the next two years. Even with Governor Kasich's proposed 2% per year loss cap, Kettering City Schools would lose \$5.5 million in reimbursements over the next two years. A 2 mill levy would be needed just to make up these state cuts.

Kettering City Schools

We did nothing to deserve this serious fiscal impact. We did not manage carelessly or spend recklessly. In fact, this school district has been extraordinarily efficient and effective, cutting \$10 million from the budget over the last five years and still making Excellent with Distinction. With one stroke of the pen, the governor and the legislature will wipe out the savings we have worked so hard to realize over the last several years.

If this Budget Bill becomes law, the Kettering City School District will have no choice but to slash programs and personnel or ask taxpayers for more money.

Bob Summers, the Ohio Education Director, responded to our protests by saying, "Well, with an \$8 billion deficit, the money has to come from someplace." Tim Keen, the Ohio Budget Director, said, "Changing the law is not like breaking a promise." Such glib comments seem to indicate that the people in Columbus don't get it or just don't care.

The governor and the legislature are preparing to place the burden of improving the business climate of this state squarely on the backs of a small number of unlucky school districts, including Kettering. Of course we want Ohio businesses to be competitive; what we are asking for is a fair and rational solution to the TPPT dilemma.

Please do not put this letter aside, the time to act is now. The Budget Bill is moving through the General Assembly right now. I have included a letter I wrote to our Senator Lehner regarding the TPPT situation as well as a copy of her response to that letter. I have listed the addresses and office phone numbers of our State Senator Peggy Lehner, and our two State Representatives Terry Blair and Jim Butler below.

Please plan to attend a community meeting on this topic on Monday, May 2, at 7:00 p.m., in the Auditorium at Van Buren Middle School.

This is a matter that will impact our schools and everyone in our community. I ask that you please give it your careful consideration.

Dr. James J. Schoenlein, Superintendent
Kettering City Schools

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