

The Honorable Senator Peggy Lehner
Senate Building
1 Capital Square
Columbus, OH 43215

Senator Lehner:

As you know, the proposed budget bill (HB153) phases out the reimbursement for losses due to the elimination of the Tangible Personal Property Tax (TPPT). This measure represents a serious reduction in funding for Kettering City Schools. Even with the "cap" on losses, the Kettering City School District stands to lose several million dollars over the next two years and eight million over the life of the reimbursement phase out.

I believe this district has been very fiscally responsible. We have reduced wherever we possibly could and we have cut millions from our budget over the last several years. We had planned for the TPPT reimbursement money to go away, but not starting until 2014, as we were promised by the previous governor. To now expect this district to either cut millions more or launch an unexpected tax levy is unfair and unrealistic.

It seems incredibly unfair for those districts who once received a substantial amount of support from the Tangible Personal Property Tax to now have to bear a disproportionate share of the burden of balancing the state budget. What did Kettering City Schools do wrong or badly that we should suffer more financial hardship than other districts?

Kettering City Schools is one of a few districts that once drew a significant amount of revenue from Tangible Personal Property Tax. The TPPT was eliminated to make Ohio a more business-friendly state. The TPPT was replaced with the CAT tax which goes into the state coffers. Local districts were held harmless by funneling CAT tax revenue back to them by way of the TPPT reimbursement process. The TPPT reimbursement is now being phased out. This leaves the burning question: Why should a few school districts, including Kettering City Schools, now suffer extraordinarily heavy fiscal burdens in order to make the entire state more attractive to business?

You are the voice of the Kettering community in the General Assembly. This is not a philosophical issue or a party-line issue; this is a matter of you fighting to alleviate undue and unfair suffering imposed on one of your communities.

Possible options include:

- Leave the TPPT reimbursement in place and further reduce state foundation payments equivalent to the amount the state would save under the TPPT reimbursement phase-out. In this way, all districts suffer equally.
- Leave the TPPT reimbursement intact for two more years, as Governor Strickland put into place, as we expected, and as we planned for.
- Modify the phase-out by reducing the lose "cap" to .5% or stretching the phase out period to 25 years for all districts affected

Thank you for your consideration of this serious matter.

Senate Building

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Dr. James J. Schoenlein, Superintendent

Kettering City School District

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