

Prepared Notes for House Education Committee

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Chairman Stebelton, Ranking Member Luckie, thank you for allowing public participation in this process. My name is Marc Schare and I am the President of the Worthington City Schools Board of Education, however, I write to you as an individual taxpayer concerned that through House Bill 136, property taxes that I and other Worthington taxpayers voluntarily agreed to pay for a quality school district will be redirected away from the Worthington public school system and sent elsewhere.

Let me start by saying that I believe strongly in School Choice and I believe wholeheartedly in the policy initiatives embedded in House Bill 136. In my experience, competition works every time it is tried and I think that competition will make public schools better. I also believe that most people in my community will choose a Worthington public school experience even if the private or charter school experience is free. My problem with House Bill 136 is primarily philosophical. I do not believe the State of Ohio has the moral authority to redirect local taxpayer dollars that are raised as the result of a voluntary property tax levy to an alternative provider.

Quoting from the LSC analysis of the legislation:

PACT scholarships are funded by first counting the scholarship students in the average daily membership (ADM) of the resident school district in order to calculate the district's state aid, and then deducting the amount of the scholarship from the state aid sent to the district

Under the funding formula contained in HB153, Worthington will receive approximately 12.35 million dollars in state aid and approximate 12.85 million dollars in TPP reimbursements in FY12, however, as the grade levels eligible for the PACT scholarships increase, our TPP reimbursement will decrease, eventually going to zero. When HB136 is fully phased in FY15 and assuming stable enrollment, we'll be down to 19 million dollars from the state, inclusive of TPP reimbursements, or approximately \$2000 per student. This proposal indicates that the value of a PACT scholarship is anywhere from \$2313 to \$4626 depending on income level. This means that proportionately, up to \$2600/student receiving one of these scholarships will be paid for by **local** property taxes. A similar model applies to special education scholarships except that the local taxpayer contribution is dramatically higher.

Asking my neighbors to increase their taxes to benefit my school district is not something that comes easy to me. When a community makes that choice, it is simply not right to have those dollars ripped away from the cause which justified the tax increase and sent elsewhere, and I say this while agreeing that in many cases, the "elsewhere" may be a

better option for the child and the family. It would be as if this legislature took dollars from a local police levy and used those dollars to fund home security systems. They might do a better job for some people, but that isn't why the money was generated in the first place.

I've heard the argument that this is fair because the public school district no longer has the responsibility to educate the child. If Worthington spends \$12,000 per student and the state takes \$4,600 but removes the student, I should be \$7,400 to the good. The argument is incorrect because removing a student here or there does nothing to reduce my fixed costs. If all students receiving special education or PACT scholarships were in the same part of my district and I could reduce staff or close a school, the argument would be correct, but they are not. Just as adding a student does not increase my fixed costs, decreasing a student does not help my bottom line.

I've heard the argument that this is fair because my neighbors voted their tax dollars to educate the children in the community and those children are still being educated with those tax dollars. Most levy campaigns are run using a variation on the theme that a strong public school district maintains strong property values and that there is some inherent benefit to living in an area with strong public schools even if you don't have children using those schools. Most campaigns also use an explicit or implicit threat that items that a community values such as busing, extracurricular activities and so forth are at stake. No campaign ever has or ever would make an argument that the local money is needed so that your neighbor's kid can go to a private or charter school. I hazard a guess that most levys would not be successful using that tactic, yet, HB136 would have exactly that result.

Members of the committee, the legislative session began with HB30, a bill that promised to repeal some of the recent unfunded mandates inflicted on school districts. I submit to you that HB136 is a huge, unfunded mandate that dwarfs any savings I might get from HB30.

In summary, I applaud the policy objective; however, I believe that if the state wants to mandate PACT and/or Special Education scholarships, the state should pay 100% of the cost of those scholarships. You can accomplish this with one minor change. If a student accepts a PACT or Special Education scholarship, do not add that student to the public school districts ADM and have the state pay the provider directly rather than using the public school district as a middleman. I thank you for taking the time to read my submission and if you have any questions, please feel free to contact me at the phone number or email address listed above.