

Prepared Notes for TPP Line Item Veto Override

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Before starting another one of these long, drawn out, yawn inducing speeches, I want to sincerely thank President Keegan, Superintendent Bowers and Treasurer McCuen for continuing our tradition of legislative advocacy.

Our first resolution discusses the Governor's Line Item Veto of a TPP hold harmless provision in FY17. The veto makes it clear that the state is going to proceed to complete their plan to confiscate what was a local tax without identifying a replacement, essentially depriving us of 10 million dollars per year, or, putting it another way, requiring an entire levy of around 5 mills annually in addition to normal inflationary increases to make up that funding.

Still, Worthington has suffered funding declines before without debating a resolution, so what was different this time? For me, the difference was the overwhelming sentiment of the Ohio House and the Ohio Senate that in a time of relative prosperity in the state, no school district should see a funding cut.

On April 22, House Speaker Cliff Rosenberger and budget committee chair Ryan Smith noted in a press release that the budget that passed the Ohio House ensures that no school will see a decrease in state funding over the next two years. Additionally, the passed legislation specifically allocates funding to make up for dollars lost because of the TPP and KWH reimbursement phase out. His comments were echoed by other House leaders. The specific intent was to negate the impact of the ongoing TPP reimbursement phase out with artificial increases (aka The TPP Supplement).

Meanwhile, over in the Ohio Senate, after the introduction of the Senate Budget, President Faber and Senator Widener specifically mentioned the intent that every school district receive as much in each of the next 2 years as it did in the last year. Senator Widener was quoted as saying that the new budget will hold harmless every district for the next two years and Senate President Faber specifically mentioned an intention to hold TPP-dependent districts harmless.

On June 26, after the Ohio House passed the conference committee report, they indicated in a press release that (quoting) "Through the passage of this legislation, no Ohio school will receive a reduction in state funding from 2015 for fiscal years 2016 and 2017. The budget appropriates an additional \$900 million in state aid to Ohio's schools. Additionally, the bill allocates funding to make up for dollars lost because of the TPP and KWH reimbursement phase-outs." That same day, Senate Budget Committee Chair Oelslager echoed similar sentiments.

The vote for the conference committee report was overwhelming, 62-33 in the House and 23-9 in the Senate. Both of these numbers represent sufficient majorities for a line item veto override which, unlike the budget itself, should be a bipartisan endeavor, which leads us to tonight's first resolution. In a nutshell, all we are asking for is a confirmation vote – that when the legislature voted for a two year hold harmless, the vote was designed to have teeth and was not merely to placate the throngs of Superintendents, Treasurers and Board Members (including me) that testified at each step of the process.

Finally, the resolution asks for a permanent solution to this problem. A successful veto override sets up a fiscal cliff situation for many school districts as the phase out continues. A resolution to the problem must incorporate a way for TPP dependent districts to recapture a portion of that business revenue, perhaps by allocating a portion of the CAT tax on a per district basis, or allowing a property tax strictly on business properties. I thank everyone for their attention.