



**Board of Education** ★ City School District of the City of Cincinnati ★ Office of the Treasurer  
PO Box 5384 ★ Cincinnati, OH 45201-5384 ★ Phone: 1-513-475-7170 ★ FAX: 1-513-475-4483

**House Extended Subcommittee on Primary and Secondary education  
Cincinnati City School District  
July 18, 2012**

**Good afternoon, Chairman Amstutz, ranking member Sykes, members of the House Finance Committee. My name is Diana Whitt, and I am the Treasurer/CFO of the Cincinnati City School District in Cincinnati, Ohio.**

**The Board of Education, Superintendent and I appreciate the opportunity for me to present testimony regarding the funding for our school system and some issues that need to be considered in a new funding formula.**

**I have been the Treasurer/CFO of the District for ten months, however, during this time I quickly recognized and appreciated the significant opportunities that are afforded the students in the District. Some examples are:**

- **We are the first Ohio urban school district to earn the Effective rating on the Ohio Report Card.**
- **We are showing significant increases in student achievement in the lowest-performing schools targeted for turnaround assistance through the District's Elementary Initiative, and**
- **We have nationally recognized exemplary schools, including Clark Montessori High School and National Blue Ribbon winners Taft Information Technology High School, Kilgour School, Walnut Hills High School and the School for Creative and Performing Arts. We are extremely proud that The Chorale and Meridian 8 Jazz Group of The School for Creative and Performing Arts received the top Gold Diploma Honors in the Open Division of the 2012 World Choir Games on July 6<sup>th</sup> and 7<sup>th</sup>.**

**As we continue to afford these opportunities to our students Cincinnati City School District has some financial challenges. Property tax collections are the largest single revenue source for the school system. Fifty-eight percent of our revenue is from local property taxes. However, since the recession, the City of Cincinnati has the highest number of distressed properties compared to the other four urban districts. (See Exhibit 1) Also, the assessed valuations for residential property dropped by 10.56% and commercial/industrial values by 4% based on the 2011 Hamilton County reappraisal. This is estimated to reduce operating revenues by approximately \$2.18 million on a calendar year basis as of January 2012. In addition to lower assessed values, at the close of the 2010 tax year delinquent tax collections were at \$14.4 million. This is a substantial amount unpaid to the District.**

**In 2012 our residential assessed values are \$3.6 billion. These values have not been this low since 2005. (See Exhibit 2) This pattern is repeated in the commercial and industrial values. Prior to 2012 our Utility Personal Property was the lowest level we have seen in many years. If not for the valuation of Duke Energy our values would still be significantly lower than the past. Lastly, the elimination of the school districts personal tangible valuation of \$776 million has also significantly reduced our total tax values.**

**Cincinnati City School District has experienced an overall reduction in our values to leave us at \$6 billion in valuation today, a number this school district has not seen since the year 2000. The pattern of loss of value is consistent among many of the urban school districts including Cincinnati. (See Exhibits 3)**

**Finally, it is true that Cincinnati City School District has enjoyed relative success with its voters. Exhibit 4 shows our election history. We have been good stewards of the taxpayer dollars to educate the more than 32,000 students in our District. Even though we have enjoyed voter support, it is not realistic that we can count on the community support in the future. An example would be the failure of the School District Permanent Improvement Levy this past November.**

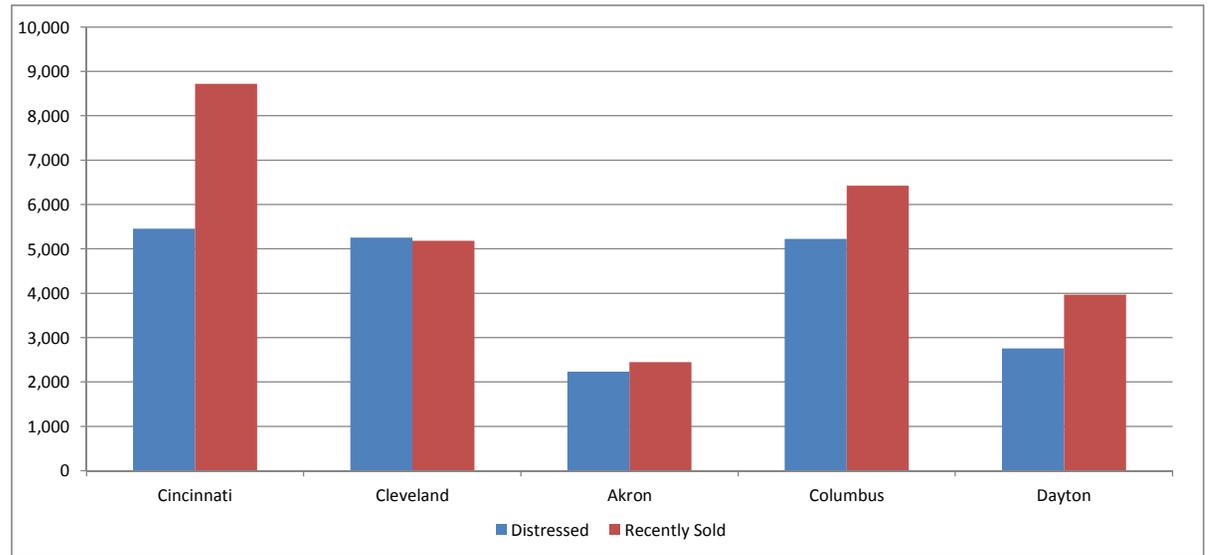
**The economy around the State and in Cincinnati, although slowly improving, will put pressure on voter's opinion about the affordability of any future taxes. One factor that contributes to this is the statewide rate of unemployment. Exhibit 5 shows the unemployment rates through May of this year. In addition to unemployment rate, the continued contraction of taxpayers in our community will put an additional burden on those remaining in the school district to pay future taxes. (See Exhibit 6)**

**In closing, Cincinnati City School District, like other urban schools, would benefit from any adjustments to the funding formula which would compensate districts for the aforementioned circumstances. I am willing to assist in any way that I can to enable the State to provide sufficient resources for the schools to provide appropriate education services for the students that we serve.**

**This concludes my testimony for today. I will be happy to address any questions.**

Cincinnati Realty Data		Cleveland Realty Data		Akron Realty Data		Columbus Realty Data		Dayton Realty Data	
	No. of Homes								
Pre-foreclosure	2,247	Pre-foreclosure	3,116	Pre-foreclosure	1,187	Pre-foreclosure	3,351	Pre-foreclosure	790
Foreclosure Sales	685	Foreclosure Sales	582	Foreclosure Sales	484	Foreclosure Sales	905	Foreclosure Sales	701
Bank Owned	2,503	Bank Owned	1,548	Bank Owned	561	Bank Owned	965	Bank Owned	1,260
Govt. Owned	21	Govt. Owned	9	Govt. Owned	3	Govt. Owned	7	Govt. Owned	7
For Sale	2,159	For Sale	1,209	For Sale	1,041	For Sale	1,162	For Sale	542
Recently Sold		Recently Sold		Recently Sold		Recently Sold		Recently Sold	
Prev. 3 Months	2,401	Prev. 3 Months	1,520	Prev. 3 Months	718	Prev. 3 Months	1,105	Prev. 3 Months	835
Prev. 3-6 Months	3,416	Prev. 3-6 Months	2,086	Prev. 3-6 Months	898	Prev. 3-6 Months	2,756	Prev. 3-6 Months	1,752
Prev. 6-9 Months	2,904	Prev. 6-9 Months	1,577	Prev. 6-9 Months	832	Prev. 6-9 Months	2,565	Prev. 6-9 Months	1,383
<b>Total Distressed</b>	<b>5,456</b>	<b>Total Distressed</b>	<b>5,255</b>	<b>Total Distressed</b>	<b>2,235</b>	<b>Total Distressed</b>	<b>5,228</b>	<b>Total Distressed</b>	<b>2,758</b>
<b>Total Recently Sold</b>	<b>8,721</b>	<b>Total Recently Sold</b>	<b>5,183</b>	<b>Total Recently Sold</b>	<b>2,448</b>	<b>Total Recently Sold</b>	<b>6,426</b>	<b>Total Recently Sold</b>	<b>3,970</b>

	Distressed	Recently Sold
Cincinnati	5,456	8,721
Cleveland	5,255	5,183
Akron	2,235	2,448
Columbus	5,228	6,426
Dayton	2,758	3,970



Source: RealtyTrac.com



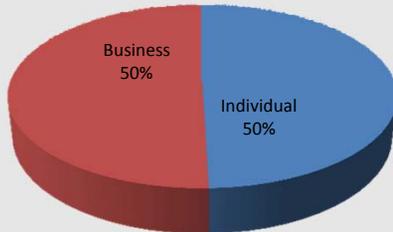
## Cincinnati Public School District

### Historical Assessed Valuation

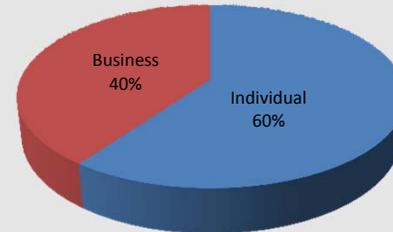
	AGRICULTURAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	UTILITY REAL	UTILITY PERSONAL	PERS TANGIBLE	TOTAL AV	% RES/AG
Collection									
1991	1,236,510	1,966,418,230	1,374,917,340	216,054,560	4,822,680	401,322,040	762,755,750	4,727,527,110	42%
1992	976,380	1,985,080,880	1,371,277,410	213,982,070	4,215,930	426,408,590	776,030,080	4,777,971,340	42%
1993	925,530	1,998,893,820	1,360,329,830	225,009,910	4,982,060	458,697,880	735,816,670	4,784,655,700	42%
1994	1,031,080	2,235,903,040	1,553,880,160	225,923,280	5,474,470	476,696,450	719,889,779	5,218,798,259	43%
1995	974,540	2,248,531,220	1,526,183,220	227,308,590	5,128,350	488,980,260	719,057,000	5,216,163,180	43%
1996	959,510	2,258,384,560	1,519,695,130	227,361,420	4,152,340	456,333,680	737,092,460	5,203,979,100	43%
1997	905,770	2,493,187,040	1,509,251,010	231,708,660	7,461,200	455,125,360	755,208,830	5,452,847,870	46%
1998	1,395,390	2,495,015,890	1,505,434,030	231,278,700	7,235,760	430,297,850	743,936,230	5,414,593,850	46%
1999	1,140,460	2,502,415,380	1,523,014,490	228,603,450	7,261,020	435,846,600	728,160,780	5,426,442,180	46%
2000	1,394,320	2,981,961,690	1,705,018,120	252,525,580	3,910,440	415,658,040	717,580,330	6,078,048,520	49%
2001	1,181,940	2,992,834,470	1,695,072,150	254,004,960	3,650,630	416,351,860	728,375,690	6,091,471,700	49%
2002	1,246,770	2,986,189,290	1,707,498,440	259,947,710	3,502,110	333,228,120	737,473,360	6,029,085,800	50%
2003	1,512,360	3,367,252,420	1,865,855,250	272,047,400	2,765,950	356,407,620	690,728,880	6,556,569,880	51%
2004	1,033,270	3,376,788,610	1,923,289,260	274,611,670	2,765,950	351,963,000	610,416,380	6,540,868,140	52%
2005	1,108,040	3,392,210,280	1,816,353,120	275,368,380	2,859,400	340,158,954	601,315,870	6,429,374,044	53%
2006	1,358,710	4,077,694,370	1,893,350,850	278,555,450	2,765,530	342,961,680	595,793,000	7,192,479,590	57%
2007	1,483,340	4,078,643,080	1,901,397,520	286,662,010	2,121,680	331,579,200	456,209,191	7,058,096,021	58%
2008	2,057,800	4,100,391,950	1,880,800,490	287,270,450	2,501,240	282,061,930	369,662,387	6,924,746,247	59%
2009	1,750,200	4,144,345,120	1,957,389,220	298,038,080	5,597,710	281,527,460	196,999,660	6,885,647,450	60%
2010	2,092,660	4,118,029,620	1,981,113,290	298,081,900	6,266,570	295,608,390	30,403,260	6,731,595,690	61%
2011	2,031,890	4,085,218,650	1,909,229,670	290,002,700	6,260,460	271,786,030	16,251,580	6,580,780,980	62%
2012	1,614,220	3,619,222,410	1,800,466,960	279,692,050	6,608,950	328,847,870	0	6,036,452,460	60%

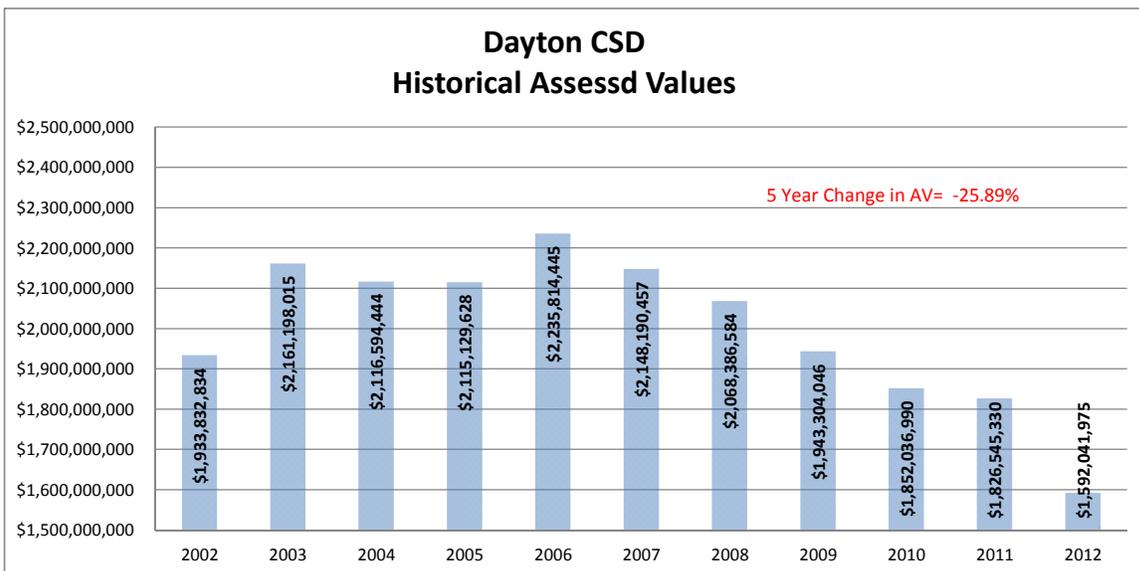
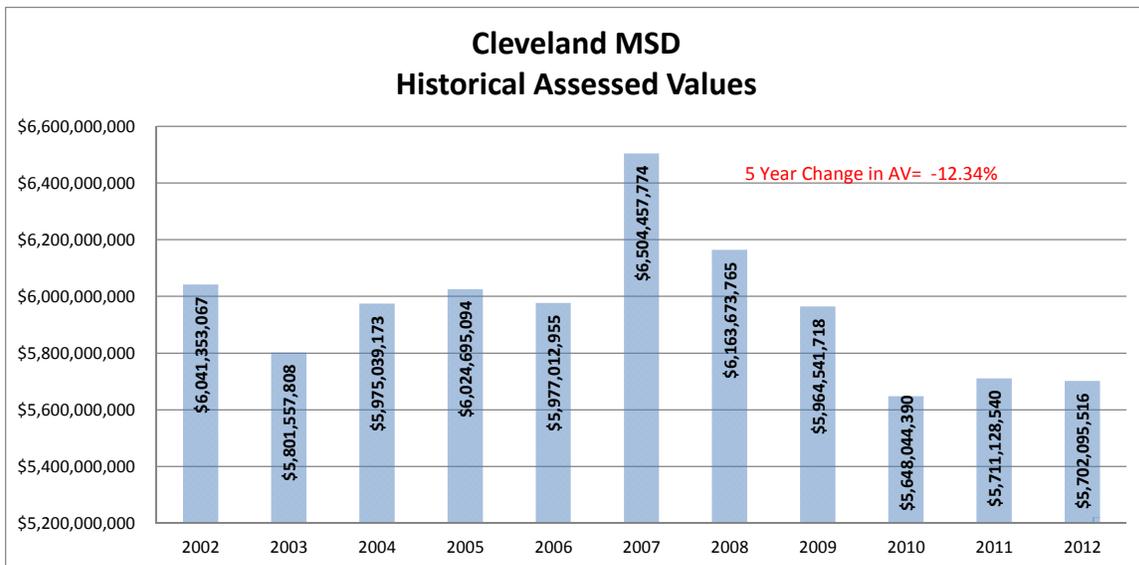
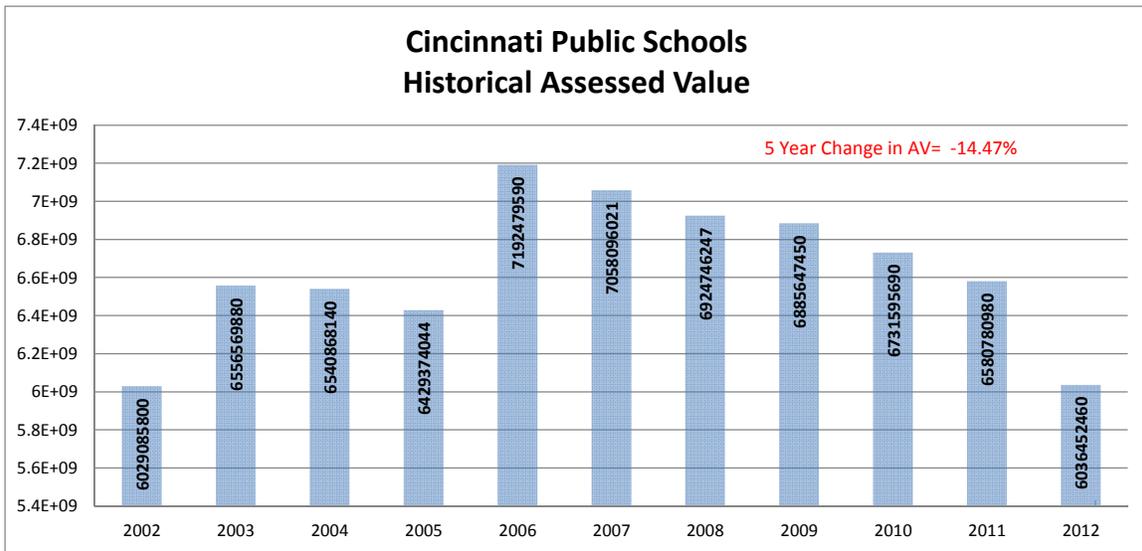
### Shift in Tax Base

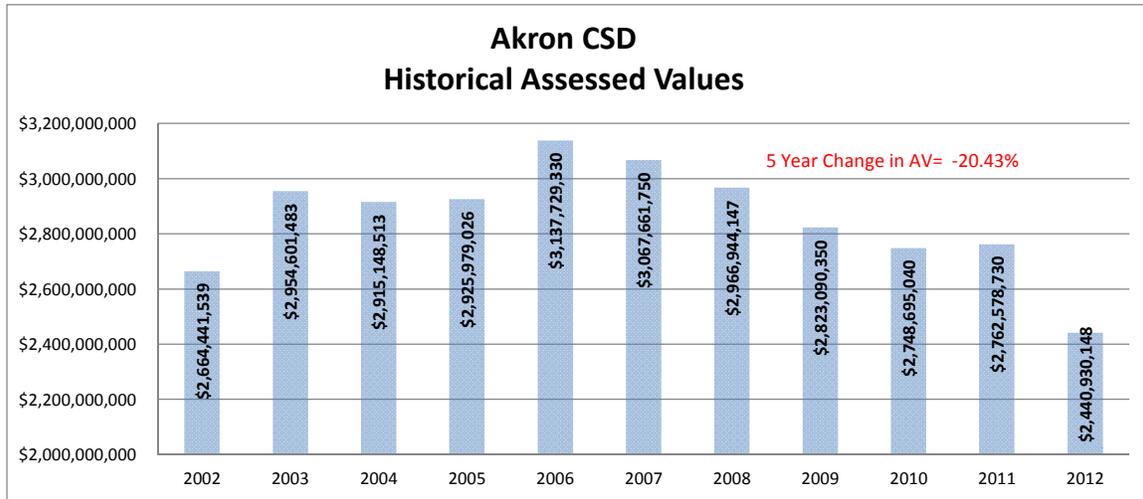
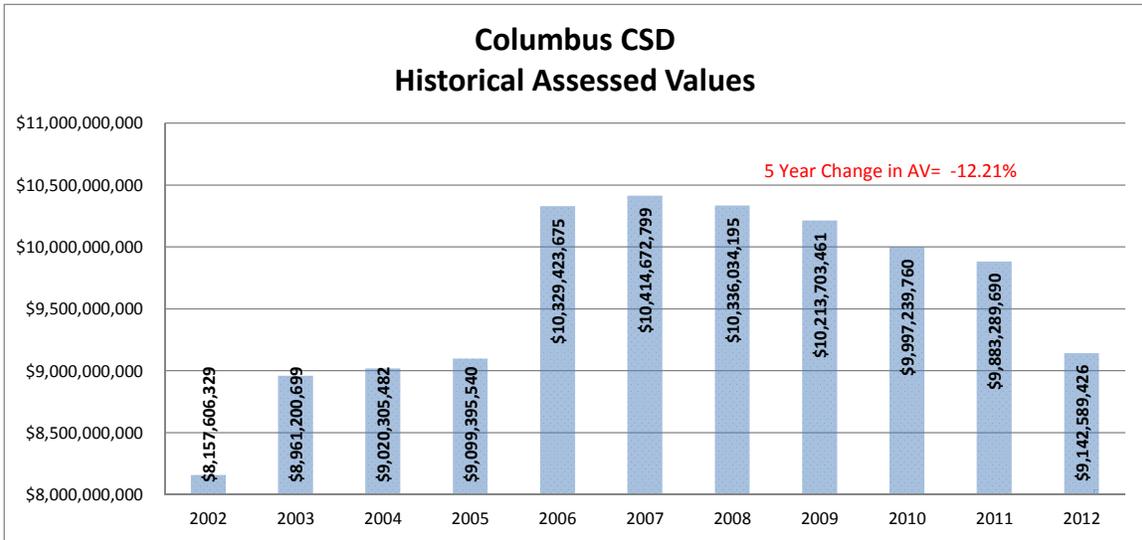
Collection Year 2002



Collection Year 2012









## Cincinnati Public School District, Hamilton County, Ohio Election History

### Bond Elections

Election Date	Millage	Bond Issue Amount	Purpose	Years	Result	For	Against	Percentage For (Against)
5/6/2003	4.61	\$480,000,000	Schl Cnstrctn	28	Approved	25,272	22,789	52.58 % (47.42 %)
11/5/2002	4.89	\$480,000,000	Schl Constrctn	28	Defeated	44,796	45,407	49.66 % (50.34 %)
11/4/1975	0.45	\$12,000,000	Real Estate, Bldg. & Equipment	23	Approved	0	0	N/A

### Levy Elections

Election Date	Millage	Purpose	New/Renewal	Years	Result	For	Against	Percentage For (Against)
11/8/2011	7.95	Permanent Improvement	New	CT	Defeated	39,050	42,892	47.66 % (52.34 %)
11/3/2009	9.11	Emergency	Renewal	5	Approved	50,293	32,583	60.68 % (39.32 %)
3/4/2008	7.89	Emergency	New	5	Approved	49,771	45,925	52.01 % (47.99 %)
11/6/2007	9.95	Emergency	New	5	Defeated	29,065	36,975	44.01 % (55.99 %)
11/2/2004	10.14	Emergency	Renewal	5	Approved	93,186	63,733	59.38 % (40.62 %)
11/7/2000	6.00	Current Expense	New	CT	Approved	77,783	59,357	56.72 % (43.28 %)
3/7/2000	6.50	Current Expense	New	CT	Defeated	28,909	31,424	47.92 % (52.08 %)
3/7/2000	10.94	Current Expense	Renewal	5	Approved	36,295	24,551	59.65 % (40.35 %)
11/2/1999	4.50	Current Expense	New	CT	Defeated	36,389	38,834	48.37 % (51.63 %)
3/19/1996	8.80	Current Expense	Renewal	5	Approved	65,498	26,233	71.40 % (28.60 %)
11/7/1995	3.74	Current Expense	Renewal	5	Approved	68,123	32,301	67.84 % (32.16 %)
11/7/1995	5.00	Current Expense	New	CT	Approved	52,632	45,862	53.44 % (46.56 %)
11/8/1994	3.73	Current Expense	Renewal	5	Defeated	46,549	50,340	48.04 % (51.96 %)
11/8/1994	0.74	Permanent Improvement	Renewal	5	Approved	51,112	45,825	52.73 % (47.27 %)
11/5/1991	9.83	Current Expense	New	5	Approved	59,127	50,505	53.93 % (46.07 %)
11/6/1990	7.21	Current Expense	New	5	Defeated	47,771	64,228	42.65 % (57.35 %)
11/7/1989	4.64	Current Expense	Renewal	5	Approved	52,301	36,653	58.80 % (41.20 %)
11/7/1989	0.74	Permanent Improvement	Renewal	5	Approved	54,775	32,962	62.43 % (37.57 %)
11/3/1987	8.93	Current Expense	New	CT	Approved	50,351	50,202	50.07 % (49.93 %)

### Cincinnati Public School District Ballot Success Statistics

	Approved	Defeated	Total	Success Rate
May	1	0	1	100.00%
November	11	6	17	64.71%
Other	3	1	4	75.00%
<b>Total</b>	<b>15</b>	<b>7</b>	<b>21</b>	<b>71.43%</b>
6 mills or higher	8	4	12	66.67%

Hamilton County, Ohio Historical Unemployment Rates										
Month/Year	Unemployment Rate	Month/Year	Unemployment Rate	Month/Year	Unemployment Rate	Month/Year	Unemployment Rate	Month/Year	Unemployment Rate	
Jan-08	5.2	Jan-09	7.5	Jan-10	10.3	Jan-11	9.5	Jan-12	8.3	
Feb-08	5.0	Feb-09	8.1	Feb-10	10.1	Feb-11	9.1	Feb-12	8	
Mar-08	4.9	Mar-09	8.2	Mar-10	9.8	Mar-11	8.6	Mar-12	7.5	
Apr-08	4.5	Apr-09	8.1	Apr-10	9.4	Apr-11	8.2	Apr-12	7	
May-08	5.1	May-09	8.4	May-10	9.0	May-11	8.2	May-12	6.7	
Jun-08	6.0	Jun-09	9.3	Jun-10	9.5	Jun-11	9.1	Jun-12		
Jul-08	6.2	Jul-09	9.4	Jul-10	9.6	Jul-11	9.2	Jul-12		
Aug-08	6.1	Aug-09	9.3	Aug-10	9.5	Aug-11	8.8	Aug-12		
Sep-08	6.0	Sep-09	9.1	Sep-10	9.0	Sep-11	8.6	Sep-12		
Oct-08	6.0	Oct-09	9.4	Oct-10	9.0	Oct-11	8.3	Oct-12		
Nov-08	6.1	Nov-09	9.1	Nov-10	8.9	Nov-11	7.7	Nov-12		
Dec-08	6.4	Dec-09	9.2	Dec-10	8.6	Dec-11	7.6	Dec-12		
<b>Avg-2008</b>	<b>5.60</b>	<b>Avg-2009</b>	<b>8.80</b>	<b>Avg- 2010</b>	<b>9.4</b>	<b>Avg-2011</b>	<b>8.6</b>	<b>Avg-2012 YTD</b>	<b>7.5</b>	

### Cleveland City School District Federal Adjusted Gross Income Table

Year	Number of Income Tax Returns	Percentage $\Delta$	Number of Personal Exemptions	Exemptions Per Return	Total Federal Adjusted Gross Income	Average Income per Tax Return	Percentage $\Delta$	FAGI State Rank
1994	168,696	0.00%	316,579	1.88	\$3,797,287,143	\$22,510	0.00%	596
1995	170,900	1.31%	320,736	1.88	\$3,939,104,087	\$23,049	3.73%	598
1996	173,779	1.68%	327,735	1.89	\$4,110,491,877	\$23,654	4.35%	600
1997	176,913	1.80%	335,428	1.90	\$4,355,200,925	\$24,618	5.95%	603
1998	188,482	6.54%	358,187	1.90	\$4,871,128,137	\$25,844	11.85%	605
1999	191,415	1.56%	365,515	1.91	\$4,991,278,341	\$26,076	2.47%	606
2000	191,643	0.12%	367,780	1.92	\$5,209,711,425	\$27,184	4.38%	602
2001	186,970	-2.44%	361,237	1.93	\$5,094,885,483	\$27,250	-2.20%	607
2002	181,479	-2.94%	355,650	1.96	\$4,985,556,188	\$27,472	-2.15%	607
2003	172,961	-4.69%	338,502	1.96	\$5,114,633,901	\$29,571	2.59%	594
2004	168,050	-2.84%	327,498	1.95	\$5,184,648,595	\$30,852	1.37%	589
2005	165,329	-1.62%	321,480	1.94	\$5,129,911,162	\$31,029	-1.06%	599
2006	161,817	-2.12%	313,124	1.94	\$5,269,371,142	\$32,564	2.72%	592
2007	165,944	2.55%	315,560	1.90	\$5,483,796,870	\$33,046	4.07%	596
2008	157,559	-5.05%	299,297	1.90	\$5,079,136,460	\$32,236	-7.38%	603
2009	146,690	-6.90%	281,157	1.92	\$4,666,739,221	\$31,814	-8.12%	601
2010	145,534	-0.79%	275,599	1.89	\$4,761,979,112	\$32,721	2.04%	601
<b>Average</b>	<b>171,421</b>	<b>-0.81%</b>	<b>328,298</b>	<b>1.91</b>	<b>\$4,826,168,239</b>	<b>\$28,323</b>	<b>1.45%</b>	<b>600</b>

Source: Ohio Department of Taxation

