

Public Comment at School Funding Formula Working Group Meeting  
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Thank you for this opportunity. My background is both as a retired teacher in the Providence public schools and a retired state-certified real estate appraiser.

I suspect that all of you have spent precious hours on this task. Having looked at some of those formulas, I congratulate you and hope that you still retain your eyesight at the end of your work! My special thanks to Councilman Zurier for his help in decoding some of the math. But as I wrote to Mr. Zurier, the very complexity of this formula disqualifies it in my view as a vehicle for legislation that we would want to call democratic, and I hope part of your work will be to simplify it for public consumption.

Public education in Rhode Island for most of our history has been funded by local property taxes, and that worked well for hundreds of years. In fact, it is somewhat mysterious to me why state funding became involved at all. I did note when I returned to RI after being out of state for college and early jobs, that the property tax was then and continues to be referred to quite frequently as a "burden" by public officials and in publications. After I bought a house in Providence I began to keep track of my own taxes, and every year my individual income taxes, (which are rarely called "burdens") were higher than my property tax! And I suspect that this may be true for many other middle-income people in the state, and it is certainly true for those of lower incomes who rent instead of owning property. Who then does the property tax really "burden"? I would have to say those of upper income, who may own valuable properties in extremely desirable areas or may own many properties as investments that may be worth in the many millions of dollars. Unlike income taxes, property values cannot be hidden by sophisticated accounting. The land and buildings are there for all to see. Perhaps that is the "burden?"

This relates to my objections to the School Funding Formula. I can certainly see adding up the Assessed Values of the cities and towns and dividing by the number of students in RI to arrive at a hypothetical tax ability per child. But I strongly object to the next step of looking at *median family incomes* in various communities for the stated purpose of judging that district's ability to pay for schools! I object for two reasons: first, *family incomes* are *only* found only in residential properties, so this crucial step essentially minimizes the commercial, industrial and vacant land tax base (henceforth I will call these all "commercial properties"). But schools impact commercial values as well as residential, so to my mind it is only fair that those properties should fully participate in school funding. We read frequently that quality of schools affects companies' interest in moving to RI; and ALL property values throughout a city or town, not just residential values, rise and fall with those interests. Secondly, it is not a coincidence that cities with valuable commercial tax bases are also where many poor folks live. Rents and home prices are too high in the suburbs, so many families are consigned to cities with less desirable housing and rents that are lower but by no means low. In addition to family income, the formula also looks at numbers of children receiving free or reduced price lunches or English language instruction, and this allows for even more evidence of "poor cities." How ironic that the net effect of discounting commercial values actually either lowers the potential amount available to schools in cities that need it most, or raises those funds from state taxes on payrolls and sales that hit the poor the hardest, whose children we're allegedly trying to help!

One quick example from Providence: The total assessed value of its real estate alone is about \$9 billion dollars, of which about \$6 billion is residential, and \$3 billion is commercial, industrial and vacant land. So as I see it, the adjustments being made to this formula have the potential to wipe out \$3 billion dollars worth of Providence's liability to the funding formula! Similar patterns exist in Pawtucket, with \$3 billion of taxable real estate, Central Falls, etc.

I hope that you will be able to address the issues I have raised here as well as simplify the formula.

Thank you. ###