

OHIO ISSUES REPORT

State Issues Ballot
Information for the
May 5, 1998
Primary Election

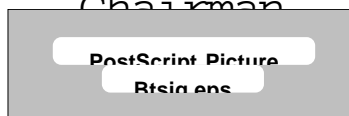
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The Ohio Ballot Board
Secretary of State Bob Taft
Chairman

This publication gives Ohioans an opportunity to compare the arguments for and against the statewide issues on the May 5 ballot. The ballot language and explanation for Issue 1 was written by the nonpartisan Ohio Ballot Board and the ballot language for Issue 2 was submitted by the General Assembly. The arguments for Issue 1 and the arguments for and against Issue 2 were written by the individuals listed and are printed as submitted to my office.

We urge all Ohioans to study the issues carefully and then vote on May 5.

OHIO BALLOT BOARD

Chairman



Secretary of State Bob Taft

State Senator Ben Espy
State Senator Robert Cupp
Mr. William N. Morgan
Mr. Thomas R. Winters

ISSUE 1

PROPOSED CONSTITUTIONAL AMENDMENT

(Proposed by Resolution of the General Assembly of Ohio)

- 1** To Adopt Sections 2(n) and 17 of Article VIII of the Constitution of the State of Ohio

THIS PROPOSED AMENDMENT WOULD:

1. AUTHORIZE THE STATE TO ISSUE BONDS AND OTHER OBLIGATIONS IN ORDER TO PAY COSTS OF FACILITIES FOR A SYSTEM OF COMMON SCHOOLS THROUGHOUT THE STATE AND FOR STATE-SUPPORTED AND STATE-ASSISTED INSTITUTIONS OF HIGHER EDUCATION, INCLUDING COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, EXPANSION, PLANNING AND EQUIPPING FACILITIES.
2. PROVIDE THAT THESE OBLIGATIONS WILL BE GENERAL OBLIGATIONS OF THE STATE, BACKED BY THE FULL FAITH AND CREDIT, REVENUE AND TAXING POWER OF THE STATE.
3. PROVIDE THAT NO DIRECT OBLIGATIONS OF THE STATE, INCLUDING OBLIGATIONS REFERRED TO ABOVE, MAY BE ISSUED IF THE AMOUNT REQUIRED FOR FUTURE FISCAL YEAR DEBT SERVICE ON STATE DIRECT OBLIGATIONS TO BE PAID FROM THE STATE GENERAL REVENUE FUND OR NET LOTTERY PROCEEDS WOULD EXCEED FIVE PERCENT OF THE TOTAL EXPENDITURES OF THE STATE FROM THE GENERAL REVENUE FUND AND NET LOTTERY PROCEEDS DURING THE FISCAL YEAR IMMEDIATELY

PRECEDING THE ISSUANCE. AN AFFIRMATIVE VOTE OF AT LEAST THREE-FIFTHS OF THE MEMBERS OF EACH HOUSE OF THE GENERAL ASSEMBLY MAY WAIVE THE FIVE PERCENT LIMITATION AS TO A PARTICULAR ISSUE OR AMOUNT.

4. PROVIDE THAT NET STATE LOTTERY PROCEEDS MAY BE PLEDGED OR USED FOR PAYMENT OF DEBT SERVICE ON OBLIGATIONS ISSUED TO PAY COSTS OF FACILITIES FOR A SYSTEM OF COMMON SCHOOLS, BUT NOT FOR DEBT SERVICE ON OBLIGATIONS ISSUED TO PAY COSTS OF FACILITIES FOR HIGHER EDUCATION INSTITUTIONS.

5. PROVIDE THAT THE GENERAL ASSEMBLY SHALL PROVIDE BY LAW FOR COMPUTING THE AMOUNTS REQUIRED FOR PAYMENT OF DEBT SERVICE, AND MAY PROVIDE FOR ESTIMATING PAYMENTS OF DEBT SERVICE ON BONDS ANTICIPATED BY NOTES. THE CERTIFICATION OF THE GOVERNOR OR THE GOVERNOR'S REPRESENTATIVE OF THE FISCAL YEAR EXPENDITURES, AMOUNT REQUIRED TO BE APPLIED FOR DEBT SERVICE, AND OTHER FISCAL MATTERS SHALL BE CONCLUSIVE FOR THE PURPOSE OF THE VALIDITY OF ANY OBLIGATIONS ISSUED.

If adopted, this amendment shall take immediate effect.

A majority yes vote is necessary for passage.

	YES	SHALL THE PROPOSED AMENDMENT BE APPROVED?
	NO	

EXPLANATION OF STATE ISSUE 1
(As prepared by the Ohio Ballot Board)

1. This amendment authorizes the State of Ohio to pay for or assist in paying for capital facilities of local public school districts and state-supported and state-assisted institutions of higher education, including the costs of acquisition, construction, improvement, expansion, planning and equipping facilities, by issuing general obligation bonds or notes. Those general obligations would be backed by the full faith and credit, revenues and taxing power of the State.
2. To promote good financial management practices for the State and in order to better protect the State's credit ratings, the State may not issue any direct obligations, including those referred to above, if such issuance would result in debt service on state direct obligations in a future fiscal year, to be paid from the State general revenue fund or net lottery proceeds, exceeding five percent of the total expenditures of the State from the general revenue fund and net lottery proceeds in the fiscal year preceding the year in which the proposed obligations are to be issued. The General Assembly, by at least a three-fifths majority vote of both houses, may waive the five percent limitation as to a particular issue or amount of obligations.
3. It authorizes net state lottery proceeds to be pledged or used for payment of the debt service on the obligations issued by the State for public school facilities, but not for debt service on obligations issued for higher education institutions.
4. The General Assembly is to establish the method for computing the amounts required for payment of debt service or for estimating payments of debt service on bonds anticipated by notes. The amounts required for debt service, as well as other pertinent fiscal factors, as certified by the Governor or the Governor's representative will be conclusive for purposes of the validity of the obligations issued.

ARGUMENT FOR STATE ISSUE 1

State Issue 1 will authorize the state of Ohio to issue general obligation bonds to help fund facilities for elementary and secondary education and for higher education institutions. Because these bonds will be backed by the “full faith and credit” of the state, the interest cost will be lower than the cost for the bonds that can now be issued for such purposes.

State Issue 1 prohibits the state from issuing more debt than can be financially managed in a prudent and efficient way. With this amendment, the state could not issue bonds whenever the debt service on all bonds paid from state funds exceeds 5 percent of the preceding fiscal year’s General Revenue Fund expenditures and net lottery profits. Lottery profits could not be used to pay for any higher education bonds.

Support Issue 1 for These Reasons:

- Allows the state to use the lowest cost method of borrowing money for elementary and secondary school buildings and higher education facilities.
- Enables the state to save millions of dollars in future interest costs while improving facilities for elementary, secondary and higher education.
- Caps the amount of bonds that can be issued, thus protecting the public from too much state debt.
- Enhances the state’s already excellent credit rating.
- Keeps lottery profits for primary and secondary school use only.
- Encourages more careful planning by the Governor and Legislature for capital improvement commitments.

COMMITTEE TO PREPARE ARGUMENT FOR STATE ISSUE 1

Representative Joan Lawrence

Senator Roy Ray

Representative Randall Gardner

Senator Robert Cupp

Representative Edward Thomas

Senator Eugene Watts

Representative Vernon Sykes

Representative Mark Mallory

ARGUMENT AGAINST STATE ISSUE 1

No argument was submitted against the proposed constitutional amendment.

ISSUE 2

EDUCATION LEGISLATION SUBJECT TO VOTER APPROVAL
(Proposed by the General Assembly of the State of Ohio)

2

Shall the provisions of House Bill 697 levying a statewide one per cent sales and use tax, to be used one-half for school operations, education technology, school facilities, and debt service for school facilities, and one-half for additional property tax relief for homesteads, be approved?

If approved, the tax shall take effect July 1, 1998.

A majority yes vote is necessary for passage.

	YES, TO APPROVE THE TAX
	NO, TO REJECT THE TAX

ARGUMENT FOR STATE ISSUE 2

VOTE “YES” FOR OHIO’S CHILDREN; VOTE “YES” FOR LOWER PROPERTY TAXES

Issue 2 will provide additional funding for our children’s education and will lower property taxes for Ohio homeowners through the creation of two separate funds dedicated exclusively to education and residential property tax reductions.

The new **School Trust Fund** is dedicated solely to primary and secondary education. This revenue source adds to the existing education budget and does not replace funds already provided to Ohio schools. Issue 2 builds on recent legislative reforms aimed at improving the financial and academic accountability of school districts.

The new **Property Tax Relief Fund** is dedicated solely to reducing residential property tax.

Voting “Yes” will benefit our children. The passage of Issue 2 will:

- Increase state education funding** by more than \$500 million annually;
- Make funds immediately available** for much needed school building repairs, renovations and construction;
- Improve learning opportunities** for disadvantaged children by funding smaller class sizes in many districts;
- Provide additional computer technology** for Ohio’s children.

Voting “Yes” is a vote for a significant tax cut for Ohio homeowners. Issue 2 will:

- Provide over \$500 million annually to lower the property taxes of homeowners;**
- Require these funds be used for one purpose and one purpose only: reducing the residential property taxes of Ohio homeowners.**

Issue 2 is part of a broad package of legislative initiatives which:

- Cuts \$100 million from state agency budgets and redirects those funds to primary and secondary education;**

- Increases financial accountability requirements to help ensure that school districts spend education funds wisely;
- Focuses on academic basics — reading, writing, science and math;
- Establishes new education standards of excellence to help Ohio children succeed in the 21st century.

VOTE “YES” FOR KIDS AND FOR PROPERTY TAX CUTS!

COMMITTEE TO PREPARE ARGUMENT FOR ISSUE 2

Representative Thomas Johnson Senator Merle Grace Kearns

Representative Vernon Sykes

ARGUMENT AGAINST STATE ISSUE 2

VOTE NO ON ISSUE 2

The Ohio Supreme Court ordered the legislature to overhaul Ohio's method of funding schools. The General Assembly responded with inadequate legislative initiatives concluding with the passage of H.B. 697 (ISSUE 2).

Issue 2 is another tax increase thrust upon Ohio taxpayers in the name of education without a clear explanation of how the money will be spent. Ohio taxpayers have heard this before and should send a clear message to Columbus by saying 'NO' to this tax hike.

- ISSUE 2 COULD TURN OUT TO BE "LOTTERY 2", BECAUSE THERE IS NO GUARANTEE THAT MORE MONEY WILL BE SPENT ON SCHOOLS.**
- ALTHOUGH SUPPORTERS PROMISE PROPERTY TAX RELIEF, ISSUE 2 LEAVES IT TO THE LEGISLATURE TO LATER DECIDE WHO WILL RECEIVE PROPERTY TAX RELIEF AND WHAT PROGRAMS WILL BE ELIGIBLE FOR FUNDS. CITIZENS SHOULD NOT BE ASKED TO PAY FOR A TAX WITHOUT KNOWING HOW THE TAX WILL IMPACT THEIR FAMILIES.**
- ISSUE 2 PLACES AN UNFAIR BURDEN ON THE OHIO CITIZENS WHO CAN LEAST AFFORD IT. WHILE ALL CITIZENS WILL PAY THE EXTRA PENNY, LOW INCOME HOUSEHOLDS, APARTMENT DWELLERS, AND SENIORS ON FIXED INCOMES WILL BE HARDEST HIT.**
- A TAX INCREASE MUST BE THE LAST RESORT. OHIO IS EXPERIENCING THE LARGEST SURPLUS IN ITS HISTORY (NEARLY ONE BILLION DOLLARS). TAXING OHIO CITIZENS WHILE THE STATE'S COFFERS OVERFLOW IS UNCONSCIONABLE.**
- BUSINESSES IN BORDER COUNTIES WILL FACE A SIGNIFICANT COMPETITIVE DISADVANTAGE WITH THEIR CROSS BORDER RIVALS. AS A RESULT, OHIOANS WILL LOSE JOBS.**

- **ISSUE 2 DOES NOT REDUCE RELIANCE ON PROPERTY TAXES AS MANDATED BY THE SUPREME COURT.**

In conclusion, Issue 2 is a bad deal for all Ohioans and is an inadequate response to the Ohio Supreme Court's decision.

COMMITTEE TO PREPARE ARGUMENT AGAINST ISSUE 2

Representative Robert Netzley

Senator Ben Espy

Representative Ronald Gerberry

Senator Linda Furney

Dates To Remember

March 31

Absentee balloting begins.

April 6

Deadline for Voter registration
for the May 5 election.

May 2 at noon

Deadline for applying for an absentee ballot by mail
for the May 5 election.

May 4

Deadline for applying for an absentee ballot in person at a
county board of elections for the May 5 election.

May 5

Election Day

Polls open 6:30 a.m. to 7:30 p.m.

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