



SOUTHWEST LOCAL SCHOOL DISTRICT

10800 Campbell Rd Harrison, Ohio 45030 (513) 367-4139 Fax (513) 367-2287

John C. Hamstra
Superintendent

Thomas J. Lowe
Treasurer

Corinne M. Hayes
Assistant Superintendent

Adam D. Lohbeck
Director of Operations

House Education Committee

House Bill 96

February 25, 2025

Chair Fowler Arthur, Vice Chair Odioso, Ranking Member Robinson, and members of the House Education Committee, thank you for the opportunity to testify today on House Bill (HB) 96, the biennial budget.

My name is Thomas Lowe, and I serve as the Treasurer for the Southwest Local School District in Hamilton & Butler Counties. The Southwest Local School District is a 68 square mile district, 4,200 students, 38% free and reduced students, and spends \$12,954 per student to educate students. This spending is the lowest in Hamilton County on a per pupil basis, and \$3,356.35 less than the state average.

As a Treasurer in Southwest Local Schools, I see firsthand how our schools shape not just individual student futures, but the vitality of our entire community. That's why I'm here to speak about the Fair School Funding Plan - because our schools thrive, our communities thrive, our economy thrives, and Ohio thrives.

The Fair School Funding Plan provides an objective, rational, and transparent solution to school funding. Created in collaboration with school district leaders and expert practitioners, it translates real student needs into concrete resources. For example, the formula accounts for the actual costs of providing essential education components like appropriate class sizes, student support services, and educational technology - resources that directly impact student success in today's world.

However, for the formula to work as designed, it needs to be fully implemented with updated inputs. Research consistently shows that education investment generates significant returns. Each dollar invested in education can generate economic benefits through increased earnings and reduced social costs.

I am here today to ask on behalf of my students, my district, and the community I serve to request that the House continues the phase-in of the formula with updated base cost inputs. This will provide the stability and predictability our schools need to create accurate five-year forecasts and implement sustainable educational programming and will account for the inflation we are all experiencing.

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Motto: "Excellence through Relationships!"

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Under the proposed budget, Southwest would receive a total reduction in state aid of over 10% totaling \$1,800,000 over the next two years. In fiscal year 2027, cuts to Southwest represent 6% of the cuts to education in all of Ohio even though Southwest only represents .20% of the State's spending on education. Currently, Southwest receives \$4,817.98 in state aid per pupil, \$2,625.14 below the state average. If the state does not increase base costs, Southwest would lose nearly \$5,500,000 in state aid per year by fiscal year 2029. That represents a per student reduction of \$1,300 in 2029. This is all while seeing student population growth of nearly 100 students a year over the last 5 years.

It is important that state aid grows for all districts. Without growth schools cannot keep pace with inflation. Southwest works regularly to educate our community on how school funding works and why funding our schools is important. On March 11, 2025, we will be holding a community event to share how this budget proposal will affect their community. Unfortunately, for Southwest and all schools, local taxes will need to rise to offset the dramatic reductions in state aid. Our community takes pride in having financially efficient schools, but they also know the importance of having adequately funded schools, as our community has local funding of 44%, 4% higher than our state's average. Our community is pulling their weight from a funding perspective, we need the state to continue to pull theirs.

As inflation has soared over the last two years, Southwest has continued to be a leader in financial efficiency, spending less than our peers and leading the county in efficiency. However, the reductions necessary to balance our budget under this plan will be unsustainable, resulting in much higher student to teacher ratios, elimination of important programs key to graduation, and the elimination of many programs for gifted students. Southwest has not asked for additional operating levy funds since 1993. The current budget takes Southwest to a negative cash position by 2028 without significant reductions. Whereas a simple adjustment of using fiscal year 2024 inputs and increasing base cost at just 3% keeps Southwest on track for the next 5 years with a balanced budget.

The current budget proposal destabilizes education in Ohio and takes away the predictability of state funding. While we completely understand the need for a balanced state budget, we cannot emphasize enough the need for predictability and reliable increases in state funding for growing schools. It will never be sustainable to decrease funding to schools every year for years on end. Like all businesses, costs at schools rise, and often these rises in costs are entirely out of our control. Special education costs are a significant portion of all schools' costs in Ohio and current methodologies cover only a very small portion of these costs. At Southwest we regularly have students move in that need nurses, one on one aides, physical therapy, speech, and other significant forms of care that we are legally required to provide. If we cannot rely on reasonable

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increases to base cost, we will need to make further reductions to important programs district wide. Southwest recently added gifted programming for 3 elementary schools and our junior school. These 4 gifted intervention specialists were added based on the realistic assumption that the state would increase base cost funding. We must be able to make basic financial decisions knowing that state funding will provide reliable, realistic funding in the future.

Recently, following the guidance and urging of former Lieutenant Governor John Husted and the Ohio Department of Education for a better prepared and more skilled workforce, we have added many career tech educational programs to help prepare our students for work outside of school, increase graduation rates, and help to further reduce poverty in our communities. If these programs are not funded at a reasonable rate, Southwest will see a decrease in graduation rates in the most vulnerable portion of our student populations. These programs ensure that our students come out prepared for the work force and are ready to succeed in their future, even if that future is not college.

In closing, the Fair School Funding Plan represents more than just a funding formula - it represents our commitment to every Ohio student, family, and community. By fully implementing this plan, we invest in stronger communities, a more competitive workforce, and a brighter future for Ohio. Thank you for your consideration of these crucial next steps in supporting Ohio's educational excellence.

Chair Fowler Arthur and members of the committee, thank you for your time and attention. I would be happy to answer any questions you may have at this time.

Thank you,

Thomas J. Lowe
Treasurer
Southwest Local School District
Hamilton / Butler Counties

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