



Norwalk City School District

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House Education Committee
House Bill 96
February 24, 2025

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

My name is Joyce Dupont, and I serve as the School Treasurer for the Norwalk City School District in Huron County. The Norwalk City School District is considered a small town, high poverty type of school district. The district is partnering with OFCC to consolidate 5 elementary buildings into one new PreK-8 building directly across from our high school that was totally community funded in 1999. We have deep community support as was shown by passing our bond levy in November 2024 on the first opportunity to do so. Although a city school district, we encompass 32 square miles and 4% of our total valuation is agricultural. We serve just under 2400 students.

Having been a school treasurer since 2009 I was encouraged by the development and adoption of the Fair School Funding Plan in the fy22-23 state budget. However, for the formula to work as designed, it needs to be fully implemented with updated inputs. Norwalk City School District is a formula district, we are not a guarantee district.

Due to the 6-year phase in, Norwalk City did not receive the actual amount of funding the Fair School Funding Plan would have provided. The difference between the Fair School Funding Plan and what was actually received from the state is:

fy22 -\$2,126,112.97
fy23 -\$1,268,696.94
fy24 -\$1,815,690.34
fy25 -\$1,659,880.79

This was a shortage to the district of \$6,870,381 over the last 4 years based on a methodology of the amount of money required to provide a typical student a basic education.

In the Norwalk City School District, property values increased by 26% in the 2024 reappraisal. This new 2024 valuation will be figured into the FSFP going forward and our state funding will be reduced. This puts more burden for school funding on local taxpayers. If the inputs (expenses) are not updated to the currently available data but the property valuation increases, it will shift even more of the cost to local residents. Because the inputs did not change from fy24 to fy25 while the taxpayers income and property valuation did update, our state share decreased from 59% in fy24 to 57% in fy25; this meant the state funded less. Our local capacity increased from \$3,260 in fy24 to \$3,479 in fy25. And this uses data prior to the 2024 reappraisal! If the inputs (think expenses) do not stay current in the next budget bill but the income and property values do, it will make the difference even greater.

Because of the restrictions placed on state funding it is possible that the district will have to return up to \$171,733 in gifted education funding from fy24 and fy25. There are very few allowed activities for gifted funding expenditures and due to the difficulties for teachers to receive a supplemental gifted license, there is a shortage of gifted teachers.

The district was fortunate to receive federal ESSER funding that allowed us to continue to provide services to students and not have to make reductions in staffing since fy22. Norwalk City Schools was able to add a School Resource Officer, literacy coordinators, learning loss tutors, a social worker that focused on helping students and families, and retain all our teaching staff. The district eliminated all school fees and participation fees with the help of our booster groups and are providing no cost lunch and breakfast to all students through the Community Eligibility Provision program. We provided school supplies during the pandemic with the federal funds and added driver's education to the high school curriculum this year to help our students and families.

Norwalk City School District is also not a district with a large cash balance; our current cash balance at the end of fy24 would only cover 68 days of operations. This is much less than the recommended minimum of 90 days cash on hand. Cash balances are often pointed to as a reason not to fund schools but there are multiple reasons why districts need a rainy day fund. A few examples from our district – Norwalk CSD passed a bond issue in November to build a new PreK-8 elementary; when we went to the ratings agency for a

credit score for our bonds, the agency cited our low cash balance over the years as a reason for a lower rating. This is super unfortunate as it means our taxpayers will pay a higher interest rate. As a district we also have to pay our expenses and then wait for reimbursement from the state and federal government; specifically for our school lunch program, our federal funds (Title I teachers, IDEA intervention specialists, ELL director, SRO, equitable services for private schools . . .) and pay the auxiliary fund expenses for the non-public schools. We were required by the state to pay Science of Reading stipends to our teachers and then ask the state for reimbursement. Our January 2025 school lunch claim was over \$109,000 and as of February 24, 2025 we are still awaiting the reimbursement.

As a part of the budget process, I would like to request that “Threshold Costs” ORC §3317.0214 are addressed. Before the Fair School Funding Plan was adopted, the state set aside an appropriation for schools that had students with exceptionally high needs. Districts submitted their students’ costs, and depending on the appropriation amount and the number of claims submitted, districts would receive some funding toward the costs. But when the Fair School Funding Plan was adopted, a change was made to deduct 10% of every districts special education funding to fund the threshold cost program, instead of a separate state set aside appropriation. This 10% deduction language is in ORC §3317.0215.

The issue is higher poverty districts like Norwalk receive more money from the state while higher wealth districts receive very little state money. Therefore, very little funding is deducted from a high wealth district while low wealth districts like Norwalk have a large deduction. The threshold cost reimbursement doesn't even cover the 10% deduction from our special education funding, let alone help cover the catastrophic costs we have incurred.

An example – in fy23, neighboring district “P” had 199.23 full time equivalent (fte) special education students and a 14.49% state share. They had a deduction of \$13,096 from their special education funding. They filed threshold costs and received \$172,547.58 from the state. A net positive of \$159,451.58. Compared to Norwalk with 373.45 fte special education students and a 58.49% state share. Our deduction was \$149,357 from our special education funding. We filed threshold costs and received \$134,362.70 from the state. A net loss of \$14,994.30.

As a school treasurer I have always submitted for catastrophic/threshold costs but when it changed to a 10% deduction from our special education funding in fy22 there has only been one year that I was able to even recoup my district's deduction amount. And it was only \$14,776 that my district received back on approved catastrophic/threshold costs of \$429,522. In effect, districts in the lower wealth typology groups are, in aggregate, effectively subsidizing the Threshold Cost payments received by districts in the wealthier typology groups.

Norwalk City School District is known for its outstanding and caring special education department that serves our students. We have families that move to the district, or open enroll in the district, to take part in our special education services but it is very expensive, and we need the state to help support our students.

I am requesting on behalf of my students, my district, and my community 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.

I also request that the 10% deduction from special education is eliminated and replaced with a state appropriation as it was for many years prior.

Thank you for your consideration and for 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. My email is treasurer@norwalktruckers.net and my office phone is 419-660-1807.

A handwritten signature in cursive script, reading "Joyce Dupont".

Joyce Dupont
Treasurer
Norwalk City School District