

House Education Committee
House Bill 96
February 22, 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.

I am Kara Coates, a proud Ohio citizen, parent of two public school graduates, and proud Gahanna-Jefferson School Board President. I came to Ohio in 1987 to attend Ohio University, fell in love with this State, and became a Buckeye. My twins received an outstanding education at Gahanna-Jefferson Public Schools (GJPS) and are now thriving, because of their education, at Ohio State and Kent State – set to graduate in May. I hope they want to stay in Ohio to grow their careers and raise their families. After they graduated high school, I wanted to give back to the community that was so good to my family, and I ran for School Board. I have learned a lot in my first three years on the Board and see the complexity of the state budget and funding for Ohio Public Schools. As a parent and a board member, I have seen the positive impact that public schools have on our State. When Public Education thrives, our State thrives. As a taxpayer and citizen, I have also seen the growing burden on our fellow Ohioans. GJPS is a suburb of Columbus with 8,400 students speaking over 55 different languages, with 39% of the population on free/reduced lunch and a special education population growing 6% year to year.

What I am asking today is for two things:

1. Complete the Fair School Funding Plan Phase-In with the following adjustments:
 - Update the Base Cost Inputs - keep enrollment and property valuation adjustments consistent with input updates.
 - Add “categorical weights,” which adjust funding levels according to the different needs of students in a district.
 - Do not scale down the funding guarantees some districts receive from the state. The guarantee allows districts to plan for the future with their five-year forecasts by ensuring they won’t experience sudden cuts to state funding.
2. While doing both the phase-in and the adjustments, maintain a fair and stable shared responsibility between the State and the taxpayer.

Our why for this ask:

As an elected School Board member, I am the voice for my constituents.

I have heard loud and clear, and I feel it myself, the burden of increased taxes. We want to partner with you to maintain a fair and stable shared cost between the State and the taxpayer to eliminate the burden.

Imagine running a publicly funded business where 80% of the cost of doing that business is in people's salaries, and the guaranteed funding from the state is expected to be less in FY26 than in FY21, even though property taxes in your county have increased by 34%. That is the reality in our district, even with enrollment growth. In other words, even as the cost of doing business grows as inflation increases, our guaranteed funding is threatened.

Salaries, instructional materials and supplies, bus fuel, technology, and insurance increased between 2022 and 2025. Then, add other increases, such as increased legal fees by SB29 – costs are significantly higher today than in 2022. We need to update all formula components to 2024 data so the formula is accurate.

Although property values increased 34%, we only received 3% increase in property tax revenue. Why is that? House Bill 920 only goes to inside millage. Once a levy is approved, it doesn't increase when property values rise. In addition, our District's income from public utility property tax decreased by 1.5 million, along with that decrease in the state share. Our District appears to be property wealthy, but that doesn't equate to income wealth across the Board. 39% in my District are economically disadvantaged. The continued shift to property owners will impact this rising rate.

With the current share percentage of 79% held by the local taxpayer and the state share at 21% - without the continuation of the fair school funding plan and current cost inputs, this shifts to 83% on our local taxpayer and 17% from the state by the end of the biennium budget in 2027. I know we are all interested in lessening the burden on property owners after the last reappraisal; however, the proposed budget actually increases the burden.

Not only does this impact our local taxpayers, but our students will also feel the impact if cuts are needed to maintain a healthy budget. That impact will be larger class sizes, less programming for special education and special programs, less mental health support, less support for college/career counseling, and less administrator support to manage student discipline, and the coaching and development of staff.

How can we create a better balance of that shared responsibility?

We know sharing this cost comes with accountability. And we have met our end of that.

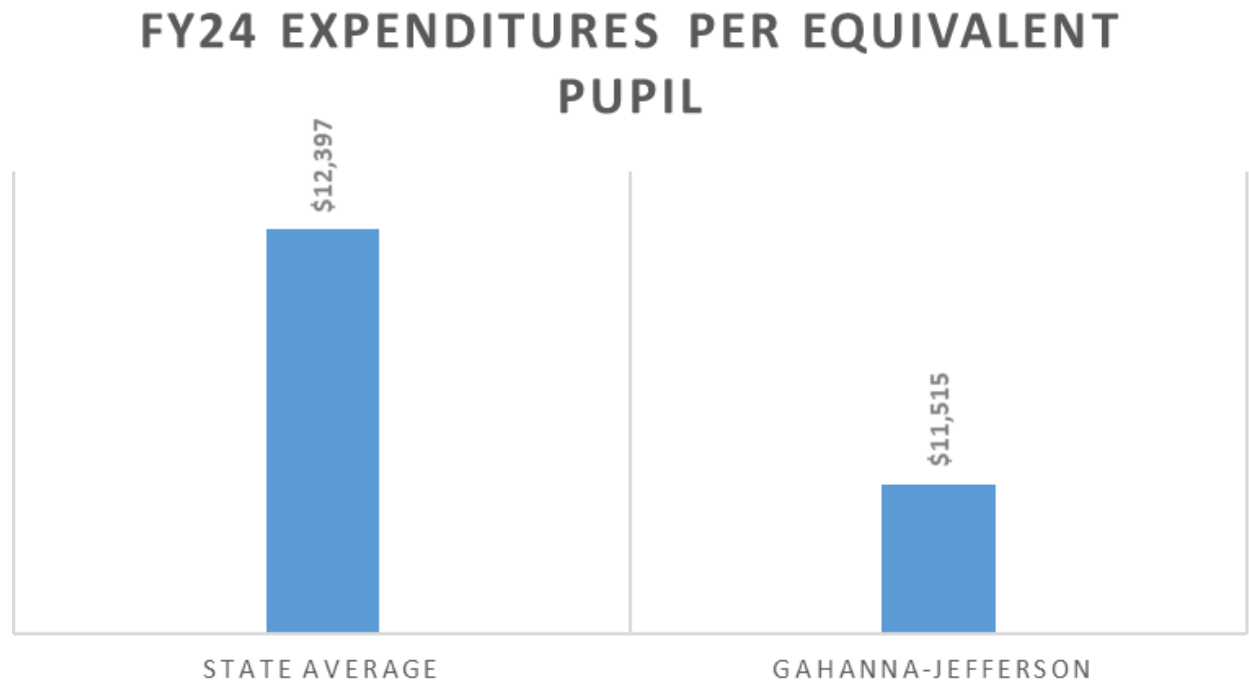
We have been a good partner to you.

From performance to cost, we have exceeded the State's standards:

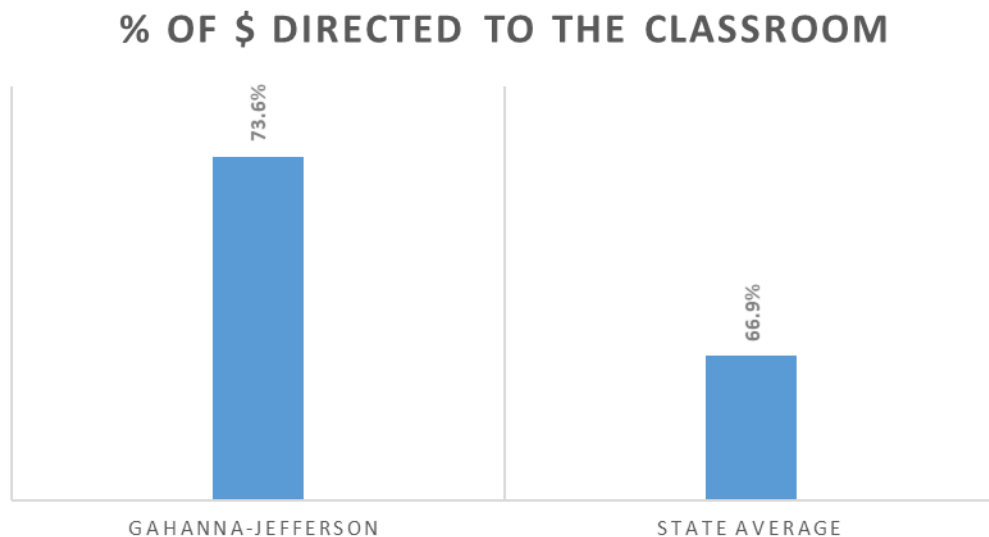
- ACHIEVEMENT: 4 STARS - Exceeds state standards in academic achievement
- GAP CLOSING: 5 STARS - Significantly exceeds state standards in closing educational gaps

- **COST EFFICIENCY**—Using the State's Expenditure per Equivalent Pupil, GJPS demonstrates stewardship with taxpayer dollars, keeping costs below the average school in the State. We are proud of this Value proposition.

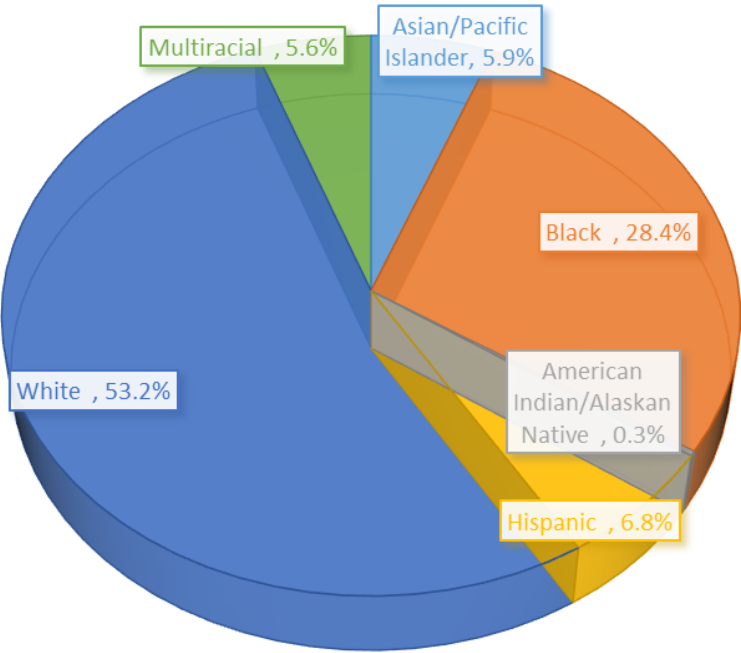
We also have a lower cost per pupil:



With more of our dollars directed to the classroom:



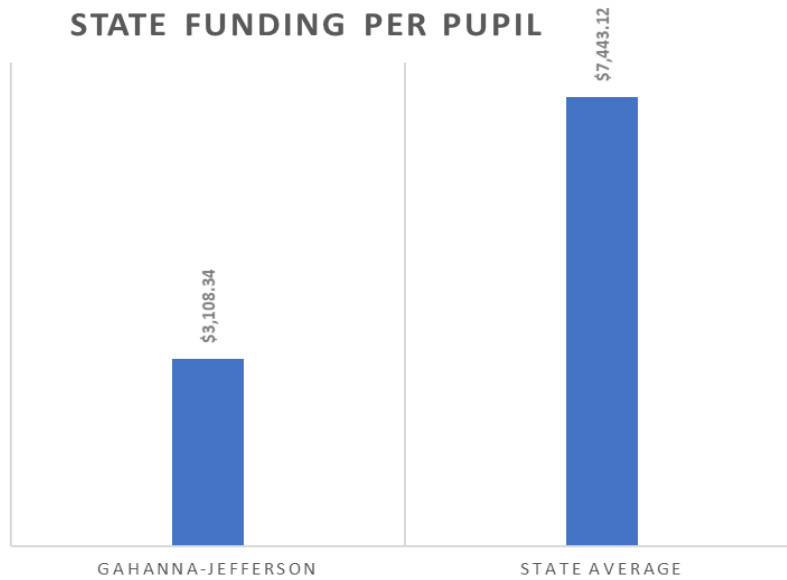
GJPS works within the current revenue share model successfully through the work of excellent staff and a community that supports our diverse and well-rounded student population:



This includes:

Economically Disadvantaged	39%
English Learners	7%
Students With A Disability	17%

With our State share of Revenue falling well short of the State average for public schools in Ohio:



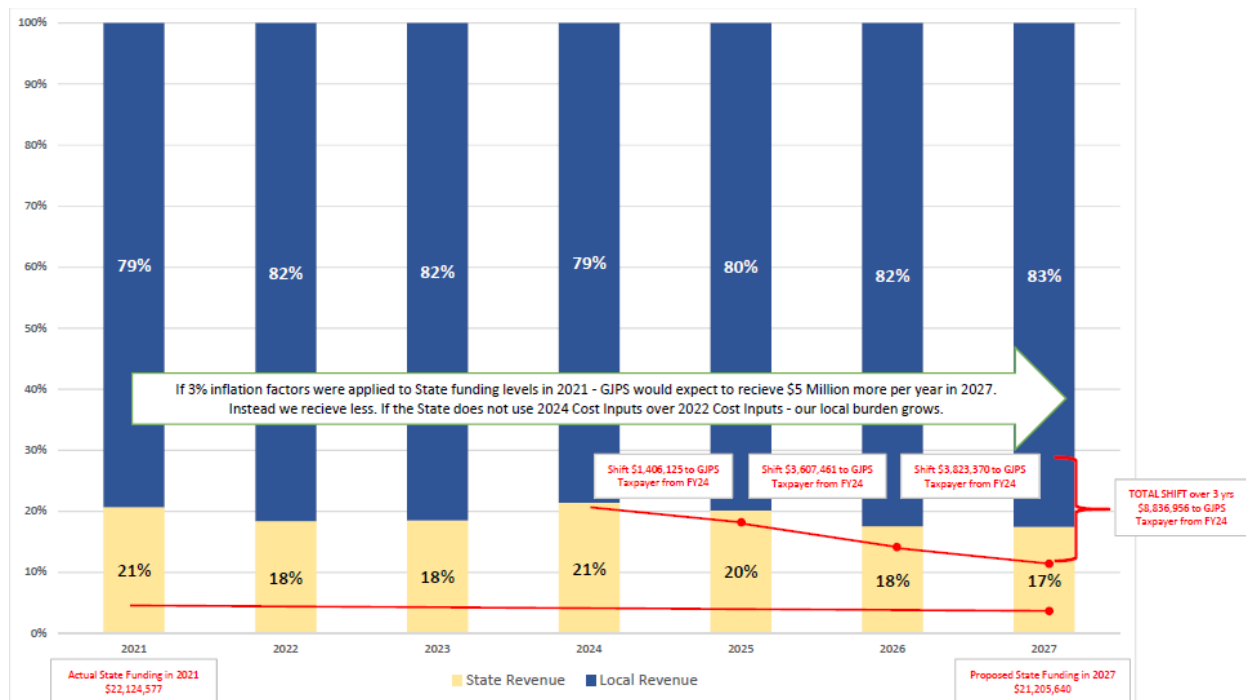
Today, the taxpayers in my community carry the burden of a faulty funding formula. We have never come to you asking for more. Not even right now. Now, I am only asking that you maintain and follow through on what was promised with Cupp Petterson.

While there is still time to reflect on the final decision, please consider the challenges this District has already met, knowing that there are ultimately limits we cannot overcome. As the District is in deficit spending, without a Fair School Funding Plan that keeps up with the current cost of doing business, the District's reserves will decline even more rapidly and cause more frequent levy cycles and potentially higher millage rates.

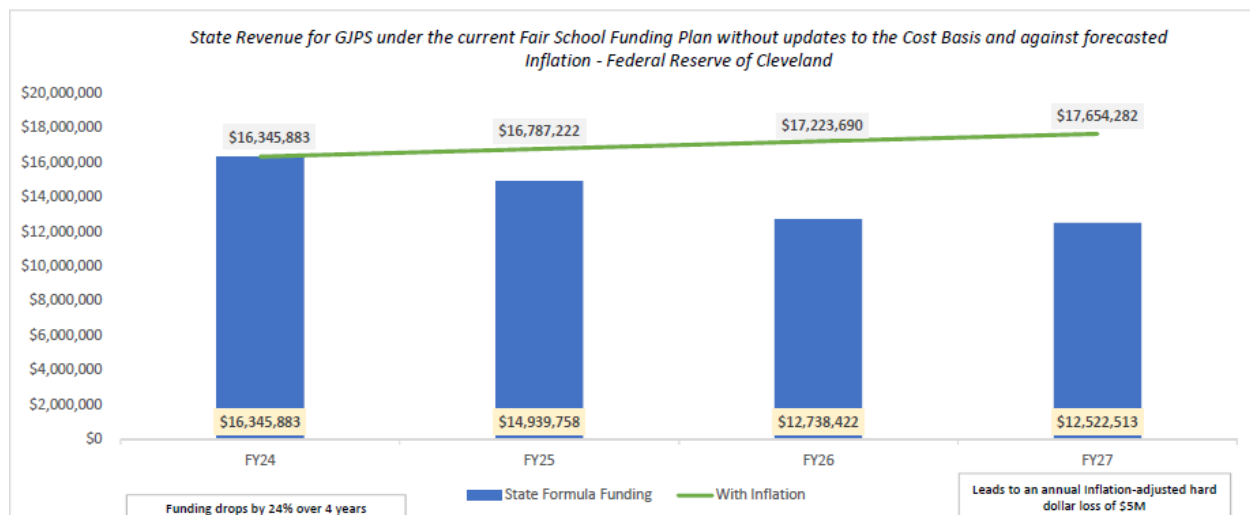
CURRENT FIVE-YEAR FORECAST CASH BALANCES

GJPS	FY25	FY26	FY27	FY28	FY29
Projected Cash Balance	\$ 51,302,548.74	\$ 44,495,972.61	\$ 30,573,203.31	\$ 11,780,339.73	\$ (13,205,960.42)
TDC	145	119	75	24	-39

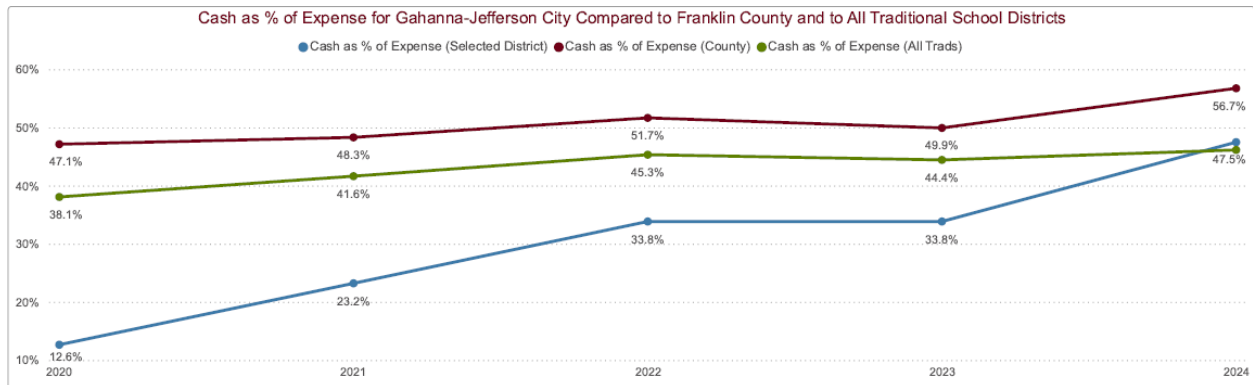
If the District loses buying power and has to shift more and more to the local taxpayers, student programs and services will fall behind. Even in a thriving area near the State House, GJPS is expected to operate with less funding than it received in 2021. Since FY11, across the state, funding has increased 19.9%; however, inflation has increased by 38.9%.



Even from now to the end of the Biennium Budget cycle, a significant funding gap is created without updated cost inputs:



We are required by law to create a five-year forecast. The barrier to making a good plan is that the state budget is done in a 2-year cycle, not a 5-year. This gap has led districts to have higher cash reserves when they can't predict state numbers and if levies will pass. Even with a reserve that is at the state average, we still made the difficult decision to decrease our new hires by 50% over each year of the 5-year forecast. This is as we continue to face growing numbers in overall enrollment and special populations. This adjustment was required based on our loss from the reappraisal; now, we stand to lose even more with the anticipated loss of funds in the budget (as you can see in the chart above).



In summary, please:

1. Complete the Fair School Funding Plan Phase-In (final two years), including updating the Base Cost Inputs to reflect actual costs to education using 2024 data.
2. Maintain a fair and stable shared responsibility between the State and taxpayer. The Ohio Constitution says there should be a shared responsibility. To say it again, we are not asking for more, we just want what has been promised to us.

The constitutional correction to funding was not a 1-time only thing; it is something that needs to be sustained for the 80% of school children in public schools.