

House Education Committee

House Bill 96

Public Testimony – Kevin Lillie

March 4, 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 Kevin Lillie, and I am a citizen, voter, and taxpayer in Ohio and the Geneva Area City School District in Ashtabula County, a traditional public school district that used to be fully contained in District 99, but now is divided between District 99, represented by Chair Fowler Arthur, and District 65, represented by David Thomas. I also served as the Treasurer/CFO of the Geneva School District for 30 years and was actively involved in developing the transportation piece of the Fair School Funding Plan.

The Ohio Legislature adopted the Fair School Funding Plan as its education funding formula in 2021 and chose to phase in the formula over a six-year period. This was the first school funding formula to define the actual cost to educate today's student, and it provides a data-driven, research-based approach to funding education, ensuring that financial decisions reflect the real costs of providing a high-quality education to all students. This Legislature has the opportunity to complete this phase-in, as appreciatively recommended by Governor DeWine as part of his budget proposal, by moving to 83% in FY26 and 100% in FY27, and I urge you to do this. But you cannot stop there. It is clear that school funding is a state and local partnership, and to keep this partnership properly balanced, the formula needs to be not only fully phased in, but the inputs have to be updated at least every two years. Updating property valuations and income automatically every year but not updating the inputs would make traditional public school districts look wealthier and reduce their state funding, creating an imbalance in the state and local partnership. This imbalance shifts a greater financial burden onto local taxpayers and undermines the formula's goal of equitable funding distribution, while also failing to meet the constitutional standard set by the DeRolph rulings.

I recently noted comments in the media expressing concerns about the sustainability of the current school funding formula. I respectfully disagree with this assessment. With the state's previous strong financial position, I believe full implementation is achievable. If sustainability is indeed a concern, we might consider examining how recent policy decisions have impacted our education budget. These include state income tax reductions and the expansion of school choice programs that direct significant funding to private and parochial institutions.

Article VI, Section 2 of the Ohio Constitution states that "the General Assembly shall make such provisions, by taxation, or otherwise, as, with the income arising from the school trust fund, will secure a thorough and efficient system of common schools throughout the state; but no

religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the school funds of this state.” Private and parochial schools have existed for a long time, and there is a place for them, but our constitution raises important questions about their funding state tax dollars. The current voucher program directs state funds to many students who never set foot in or even intended to attend a traditional public school district. These private and parochial schools receiving state funds are not controlled by the state or held to the same standards as traditional public schools. I respectfully ask that this Legislature continue to prioritize its constitutional responsibility to “secure a thorough and efficient system of **common** schools throughout the state.”

Previous legislatures have enacted legislation that has eroded local school district tax bases. The tangible personal property (TPP) tax was eliminated for many districts, and then the state-funded TPP reimbursements that made up for that loss were eliminated. State reimbursements for the 12.5% rollback were eliminated for new levies, making it more difficult to pass local operating levies. Legislative action has made it more difficult for school districts to challenge local board of revision complaints affecting their ability to keep taxation fair for all property owners. Keep in mind that in a fair funding state and local partnership, reductions in a district’s local capacity result in the increased need for state funding. I understand there may be discussions about adjusting the 20-mill floor during this budget cycle. Because property tax relief is so complex, I believe it would be beneficial to address such significant changes in a dedicated session outside of the budget cycle.

I deeply appreciate that members of this committee and the entire Legislature are committed to representing the constituents of their districts. Every House and Senate district in the state of Ohio is comprised of a vast majority of constituents who attended public schools or have children or grandchildren attending public schools. I urge this committee and this Legislature to continue supporting Ohio’s children by: 1) completing the phase-in of the Fair School Funding Plan, 2) updating base cost inputs to use FY24 data for FY26 and FY27, 3) increasing non-traditional rider weights to cover the higher costs of transporting charter and nonpublic school students, and 4) maintaining guarantees until the formula has been fully implemented.

Thank you for the opportunity to testify, and I would be happy to answer any questions you may have.