

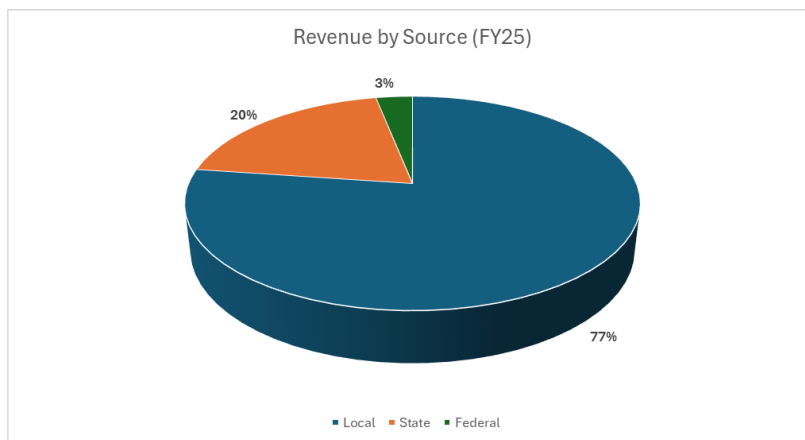


**House Finance Committee
House Bill 96
March 11, 2025**

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to testify today on House Bill (HB) 96, the biennial budget.

My name is Randy Drewyor and I serve as the CFO/Treasurer for the Perrysburg Exempted Village School District. Perrysburg Exempted Village School District is in northwest Ohio, in northern Wood County, south of Toledo. Perrysburg is a relatively wealthy bedroom community. The district educates approximately 5,800 students in eight buildings (preschool, 4 – K-4 elementaries, 1 - 5/6 intermediate building, 7/8 jr. high and 9-12 high school). Approximately 10% of the district's students are supported by special education programs. The district has 14.2% of its students identified as economically disadvantaged. Over 25% of the district's students are identified gifted. There are 161 students who are English Language Learners speaking over 20 different languages. The district's enrollment is growing at an average rate of 1.5% per year.

Perrysburg Schools are heavily reliant on local funding. The graphic below shows the breakdown between local, state and federal funding. Today's story reflects the challenge to



protect state funding to ensure a true local and state partnership in funding public education.

For this portion of the story, we are focused on the Fair School Funding Plan and the impact of the base cost calculations. Base cost funding is the district's largest source of state funding and is emblematic of the funding challenge.

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 show you, on behalf of my students, my district, and the community I serve, the impact of not continuing the phase-in of formula with updated on base costs. I am also here to request that the House continue the phase-in of the formula and update base cost inputs. Completing the phase-in and updating the base costs will provide the stability and predictability our schools require in order to create accurate five-year forecasts, implement sustainable educational programming and help account for the increasing costs to educate our children.

For this discussion here are some key assumptions:

1. Enrollment will continue to grow at an annual rate of 1.1%
2. Residential valuations and new construction will continue to increase 1.1%/year in non-update or reappraisal years.
3. In the next update year (2026) residential property values will increase 12%.
4. Household incomes will continue to rise at the current trend rate of 7.5%

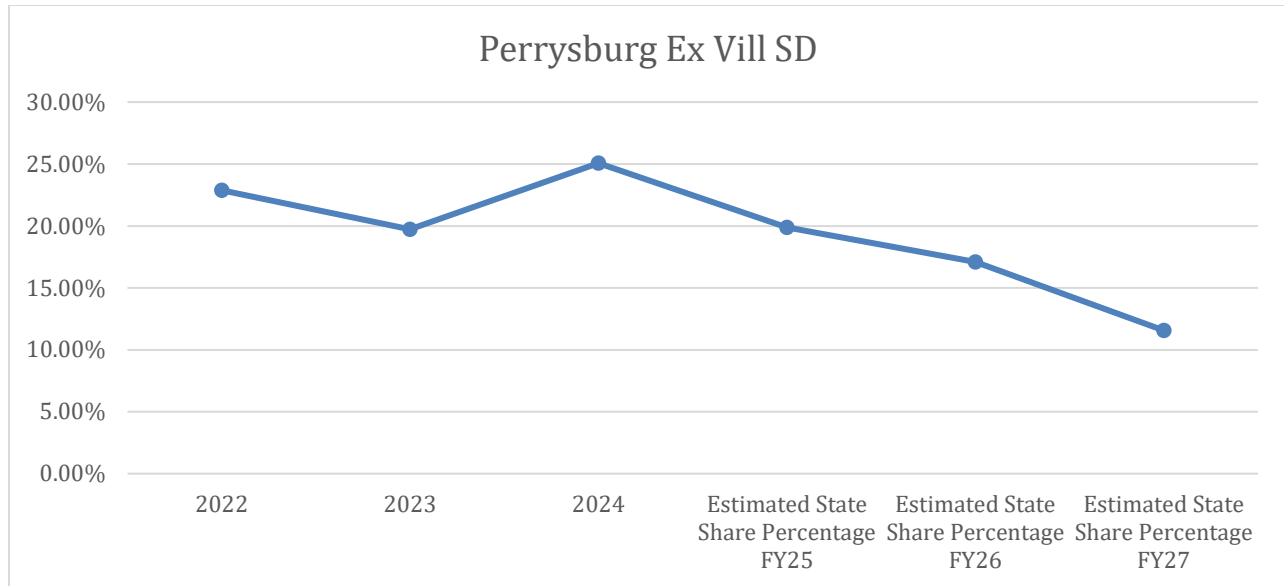
The Perrysburg story begins with the base cost and local capacity reports. From these reports we determine the split between and state and local share of base costs.

	FY2025
Per Pupil Base Cost	\$8,112
Local Capacity Per Pupil	\$6,500
State Share Per Pupil Base Cost	\$1,612

The story really begins with what happens next. If the Fair School Funding Plan is fully implemented but the inputs (base costs) are not updated the state vs local share is turned on its head as illustrated below:

	FY25	FY26	FY27	FY28	FY29
Per Pupil Base Cost	\$8,112	\$8,112	\$8,112	\$8,112	\$8,112
Local Capacity Per Pupil	\$6,500	\$6,650	\$6,932	\$7,121	\$7,301
State Share Per Pupil Base Cost	\$1,612	\$1,462	\$1,180	\$991	\$811

Another way to look at it is the funding share percentage being provided by the state. Despite having a growing student population, the state share of district funding drops by almost 50% toward the state minimum as illustrated by the graph below.



Clearly when the local factors increase (wealth index) but the base cost inputs are not increased, the district capacity looks greater and greater resulting in less state funding per pupil. Operating under the assumption that the General Assembly will maintain the funding “floor” at FY20 levels and using the assumptions and calculations from above the funding picture looks as follows:

	FY25	FY26	FY27	FY28	FY29
State Share of Base Costs	\$8,541,430	\$7,859,505	\$6,419,669	\$5,438,525	\$4,513,307
State Share of Categoricals	\$1,459,195	\$1,346,714	\$1,107,404	\$944,789	\$791,164
Targeted Assistance	\$1,169,083	\$883,279	\$677,748	\$565,785	\$457,620
Calculated Formula Funding	\$11,169,708	\$10,089,498	\$8,204,821	\$6,949,099	\$5,762,091
FY20 SFPR Base Funding w/o DPIA	\$9,751,043	\$9,751,043	\$9,751,043	\$9,751,043	\$9,751,043
FSPF Formula to FY20 Base Difference	\$1,418,665	\$338,455	-\$1,546,222	-\$2,801,944	-\$3,988,952

These calculations very clearly show that, even though Perrysburg is a district with a growing enrollment, with no changes made to the base cost inputs the district will be driven deep into the “guarantee.” Driving districts onto and/or deeper in the guarantee make no sense when the stated objective is to phase-out or eliminate guarantees. Furthermore, not phasing-in the formula and updating base costs puts increased pressure on the property tax burden, a situation incongruous with some legislative priorities.

What happens if base costs are increased modestly by 4% in FY26 and FY28? Using the same analysis as above with the only change being a 4% increase in base costs in FY26 and FY28 here are the results:

	FY25	FY26	FY27	FY28	FY29
Per Pupil Base Cost	\$8,112	\$8,435	\$8,436	\$8,772	\$8,770
Local Capacity Per Pupil	\$6,500	\$6,650	\$6,932	\$7,122	\$7,318
State Share Per Pupil Base Cost	\$1,612	\$1,785	\$1,504	\$1,650	\$1,452
Funded Enrollment	5315	5377	5440	5502	5565

Without an increase in base costs each the overall state share per pupil still slips over the five years but not so dramatically. As the table below shows, updating base costs has a significant impact on the district remaining formula funded.

	FY25	FY26	FY27	FY28	FY29
State Share of Base Costs	\$8,541,430	\$9,598,956	\$8,179,500	\$9,068,790	\$8,074,502
State Share of Categoricals	\$1,459,195	\$1,627,421	\$1,392,784	\$1,532,797	\$1,369,436
Targeted Assistance	\$1,169,083	\$883,279	\$677,748	\$565,785	\$457,620
Calculated Formula Funding	\$11,169,708	\$12,109,656	\$10,250,032	\$11,167,372	\$9,901,558
FY20 SFPR Base Funding w/o DPIA	\$9,751,043	\$9,751,043	\$9,751,043	\$9,751,043	\$9,751,043
FSPF Formula to FY20 Base Difference	\$1,418,665	\$2,358,613	\$498,989	\$1,416,329	\$150,515

Without updates to the base cost inputs the Fair School Funding Plan doesn't work. Without base cost updates the formula is essentially eliminated. In Perrysburg's case, growing student enrollment is not enough to overcome the impact of wealth changes. Local wealth changes combined with not updating base costs inputs significantly shifts the public-school funding burden away from the state and onto local residences.

In closing, the Fair School Funding Plan represents more than just a funding formula - it represents a continued commitment between the state and local communities to fund public education by which 90% of Ohio students are educated. This is just not a commitment to every Ohio student, but also to their families, and their communities. The plan, although not perfect, is very good. By fully implementing the Fair School Funding Plan, we continue the investment in our students which will help build stronger communities, a more competitive workforce, and a brighter future for Ohio. Thank you for your time and consideration.

Chair Stewart 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.

Submitted by:

Randy Drewyor
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Perrysburg Exempted Village School District