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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 96, the biennial budget.

My name is Bill Wade, and I serve as the Chief Financial Officer for the Mentor Exempted Village School District in Lake County. Mentor Schools serve approximately 6,550 students across 11 schools in a suburban community. Our district is dedicated to providing high-quality education that prepares students for college, careers, and the workforce.

As the Chief Financial Officer of Mentor Schools, I witness firsthand the impact our schools have not only on the futures of our students but also on the strength of our local economy. The Fair School Funding Plan (FSFP) is crucial to ensuring that our schools have the resources necessary to support student success. A well-funded education system strengthens our communities, enhances economic growth, and ensures Ohio remains competitive.

The FSFP was designed to provide an objective, rational, and transparent solution to school funding by aligning resources with the actual costs of education. This plan accounts for critical factors such as appropriate class sizes, student support services, and educational technology—each of which plays a vital role in preparing students for success in an evolving world. However, for the formula to function as intended, it must be fully implemented with updated inputs that reflect the true cost of education today.

Investment in education has been shown to yield significant returns, benefiting students, families, and the broader economy. Every dollar spent on education contributes to higher future earnings, a stronger workforce, and reduced social costs. I am here today to urge the continuation of the FSFP phase-in with updated base cost inputs to provide the financial predictability necessary for school districts to create accurate long-term financial plans. Without these adjustments, inflationary pressures will shift a greater financial burden onto local taxpayers.

Mentor Schools faces significant challenges due to the current limitations of the funding formula. Approximately 69% of our district's revenue comes from local taxpayers, and with base cost calculations remaining stagnant, our district's perceived financial capacity continues to rise artificially. This results in reduced state aid, further shifting financial responsibility to our local community. Since 2019, our state share percentage has declined from 22.9% to just 10%, the minimum state contribution.

Under Governor DeWine's proposed budget, Mentor Schools is projected to lose approximately \$1.3 million in state funding over the remainder of our five-year forecast. This decline is largely attributed to increased local property valuations and taxpayer incomes without corresponding adjustments to the base cost. Additionally, the proposed 5% and 10% reductions to funding guarantees would result in a \$600,000 revenue loss over the next two years. As a district already operating under a deficit, these reductions would accelerate the need for additional levies, placing even greater financial strain on our taxpayers.

Mentor Schools has demonstrated a commitment to responsible financial management. Since 2021, our average spending growth has been limited to 2.63%, even as inflation has averaged 4.76% during the same period. Our district spends \$85 per student per day, with 72% of our budget dedicated to direct classroom instruction. Furthermore, we have passed only one new levy since 2004, in 2016, illustrating our ongoing efforts to maximize taxpayer investment.

Beyond the financial implications, these funding reductions threaten the quality of education for our students, particularly for those who require additional support. Currently, 16.1% of our student population receives special education services, necessitating adequate funding to meet their needs. Additionally, 36% of our students are economically disadvantaged, making Disadvantaged Pupil Impact Aid (DPIA) essential to providing necessary resources and support services.

To ensure financial sustainability and fairness, I urge the General Assembly to adjust the FSFP base cost to account for inflation and to maintain current funding guarantees. Updating funding calculations with FY24 data will more accurately reflect the actual cost of education and ensure that districts like Mentor can continue providing high-quality instruction without imposing additional tax burdens on local residents. Maintaining funding guarantees at existing levels is essential to protecting districts from unpredictable financial shortfalls.

Mentor Schools is committed to supporting Ohio's economy by expanding workforce readiness programs and strengthening career and technical education (CTE) opportunities. Through our strategic plan, we aim to increase student access to college credit opportunities, industry credentials, and workforce training. Initiatives such as expanding Advanced Placement (AP), College Credit Plus (CCP), and CTE courses, along with integrating career exploration at all grade levels, will ensure our students are well-prepared for the evolving job market.

However, reductions in state funding jeopardize these efforts. Career-technical education programs require substantial investment in specialized equipment, facilities, and instructors. Funding reductions would make it difficult to maintain these high-quality programs, particularly in

traditional high schools where CTE expansion is needed to meet growing workforce demands. Many career centers already have extended waitlists, and without adequate funding, students will have fewer opportunities to obtain the skills necessary for in-demand jobs.

As Director Dackin has emphasized, expanding CTE programs is critical to Ohio's workforce development. Budget cuts would not only hinder this expansion but also risk eliminating existing programs, reducing student access to industry-recognized credentials, and exacerbating the skilled labor shortage. The long-term economic impact of these reductions will be felt by both students and Ohio employers, particularly in industries reliant on specialized skills such as manufacturing, healthcare, and technology.

The Fair School Funding Plan represents more than a funding formula; it is a commitment to ensuring that every Ohio student has access to a high-quality education, every community has the resources necessary to support its schools, and every employer has access to a skilled workforce. By fully implementing this plan with inflation-adjusted inputs and maintaining funding guarantees, Ohio can continue to build a stronger education system, a more competitive workforce, and a more prosperous future.

Chair Stewart and members of the committee, thank you for your time and consideration. I would be happy to answer any questions you may have; I can be reached at Wade@mentorschools.org or at 440-974-5222.

Sincerely,



Bill Wade
Mentor School
Chief Financial Officer