



**House Finance Committee
House Bill 96
March 13, 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 Terrah Stacy and I serve as the Treasurer/CFO, and with me is Carrie Hester, our Superintendent for the Springboro Community City School District, located in Warren County. Our district is the 39th largest school district in Ohio, serving more than 6,100 students. We are a 5 star rated school district, ranking in the highest 12% in achievement, while being the 13th lowest spending district per pupil, in the State of Ohio. Although all components of FSFP are important, we wanted to concentrate our testimony on categorical aid, and funding guarantees.

Categorical Funding

Categorical Aid provides desperately needed funding for our most vulnerable students. This funding helps support vital programs and services for our special needs students, our economically disadvantaged, and English Language Learners.

We are a 10% state minimum funded district which includes categoricals. In addition, the actual categorical funding categories, as outlined in the state commissioned cost study, are not reflective of the actual costs districts incur. In Springboro, our special needs population has increased 21% in 5 years. In FY24, we spent 12.2 million on special education and received only 614k in categorical funding, which equates to less than 5% of our actual costs.

Funding Guarantees

Funding Guarantees prevent districts from receiving less state aid than in previous years. As costs increase for all districts, so do the needs of the students we serve.

Springboro is being funded on the FY20 guarantee. This ensures that we receive the same funding we received in 2019. Since 2019, our costs have increased 24%, and our enrollment has increased by approximately 100 students. We have not

received any additional funding for any student that has moved into Springboro since 2019.

With 10k acres of undeveloped land and 9 subdivisions currently being built. We will see continued growth in the foreseeable future. If the guarantees are reduced by 10% over the biennium, we will lose 850k in funding the first two years. This will compound annually, resulting in a nearly \$4 million dollar reduction by FY29. It is not factual to assume that districts are on guarantees due a decline in enrollment. The guarantees are vital to providing these mandated services.

Gifted Education

Gifted education is another area that needs to be funded. Currently funding is only being provided for the required identification of gifted students. There is no funding being provided for services. If we are truly wanting to improve the performance of Ohio's public schools, this is another area that needs critical attention. Currently Ohio has 219k identified gifted students, with only 70% being served. In Springboro Schools, 31% of the entire student population are identified as gifted, with 86% of those students being served. When funding is not sufficient to cover mandated service, other student programs and services are affected, reduced, or eliminated.

State Statistics

75 districts are at the state share minimum of 10% funding from the state, which includes categorical funding. That number increases in the Governor's proposal to 103 districts in FY26, and 131 in FY27. Over the last 5 years, Ohio's public school districts enrollment has declined by only 1.5%. However, in that same timeframe, Special Education enrollment has increased nearly 8%, the Economically Disadvantaged population has increased 31%, and ELL Enrollment has increased 44%. The costs for these students far exceed that of a typical student, and are largely underfunded.

The Larger Conversation

School Funding & Property Tax Reform go hand in glove and the effects could make or break public education. There has been a continued shift in the shared partnership to fund nearly 90% of Ohio's children. The State is not holding up its end of the partnership. As the state share continues to go down annually, the local share continues to go up. Some local communities are being expected to cover 90+% of the costs. At the same time, with historical value increases due to sales, there is a concerted effort to lower property taxes through property tax reform.

While simultaneously looking to reduce public utility taxes for pipelines, which will push more taxes to our local residents and businesses.

Where does that leave schools? It leaves us being pitted against our local communities to ask for the funding that the state is not picking up. All of this would result in less funding to schools from the state and local communities. School Districts across the state are already experiencing continued increases in the cost to educate students, which leaves schools to have to go back more often with higher asks to their taxpayers.

There are outliers, but by and large Ohio Public Districts are doing it right. In Warren County, our schools are succeeding, most having 5 stars and being far below the statewide average on Cost Per Pupil, and carrying modest cash reserves. Springboro Schools has 73 days of operating cash on hand. We want to be part of the solution. The Warren County ESC Leadership has hired Scott Lipps as Director of External Governmental Affairs, he is working hard with all 10 Warren County School Districts leaders to help find solutions.

One solution would be to take categorical Aid out of the guarantees and fund them at appropriate levels, to ensure “the money follows the students”. This will provide equitable and adequate funding for Ohio’s most vulnerable students (Spec. Ed, ELL, Econ Disadv).

We also have some ideas on property tax reform and other legislative priorities. Please contact Scott Lipps, the WCESC or myself and we would be happy to connect you.

Thank you for your time and the opportunity to provide testimony. We urge this committee to prioritize these critical areas as you consider the state’s budget. Thank you for your time and attention, and we are happy to answer any questions you may have.

Sincerely,

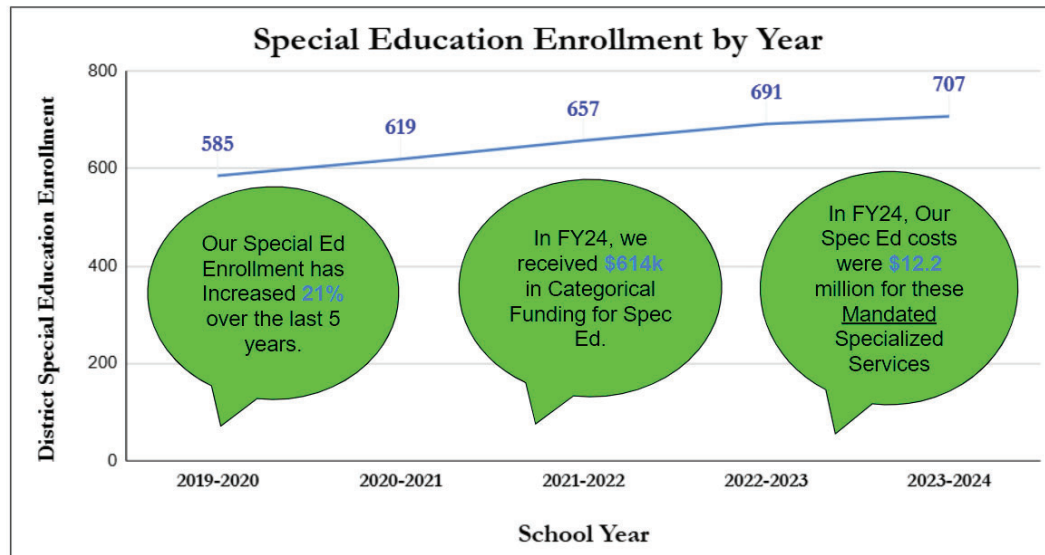
Terrah Stacy/Carrie Hester

Springboro Community City School District

tstacy@springboro.org chester@springboro.org

Special Education

Our special needs population has increased 21% in 5 years. In FY24, we spent 12.2 million on special education and received only 614k in categorical funding, which equates to less than 5% of our actual costs.

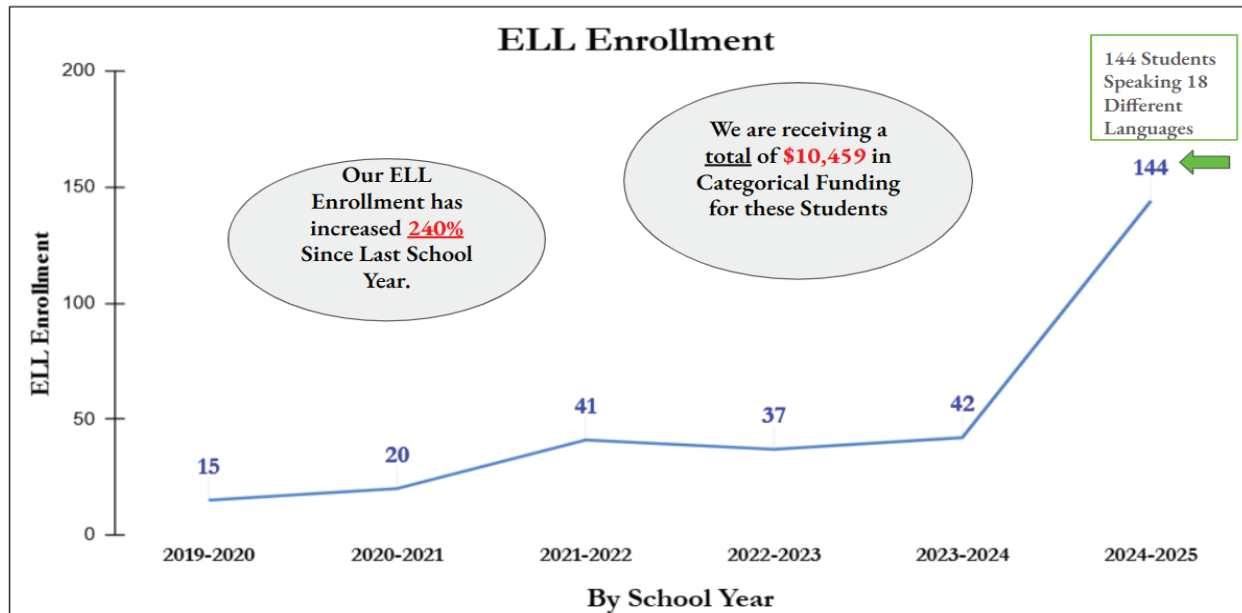


Days of Cash on Hand - Current Forecast

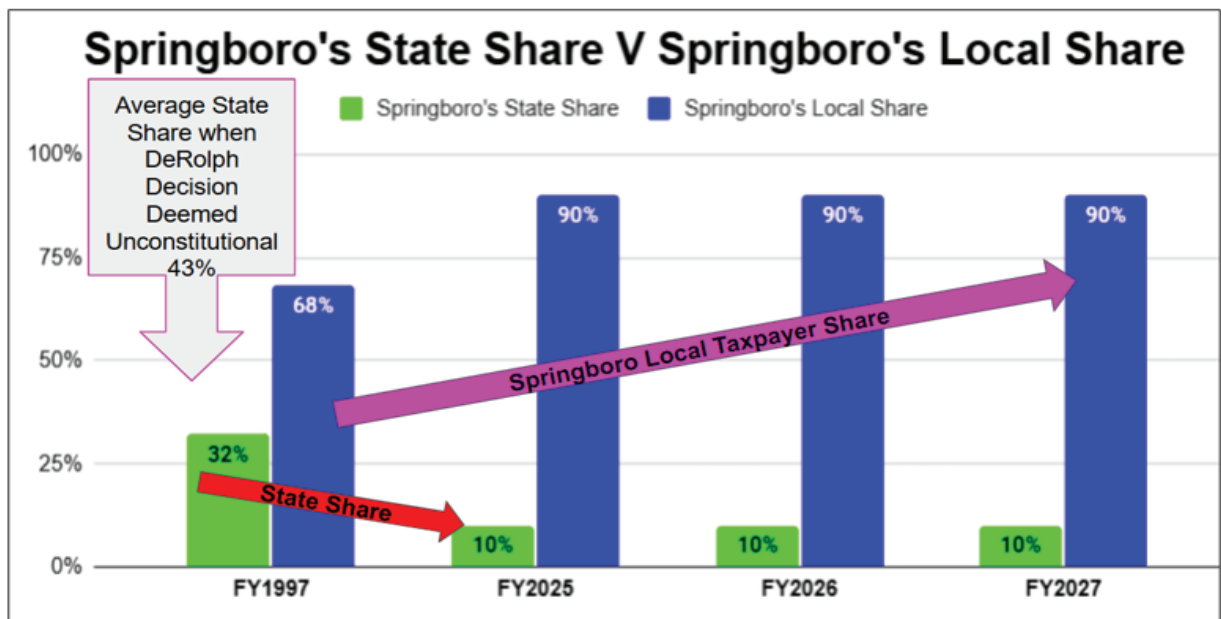


ELL Population

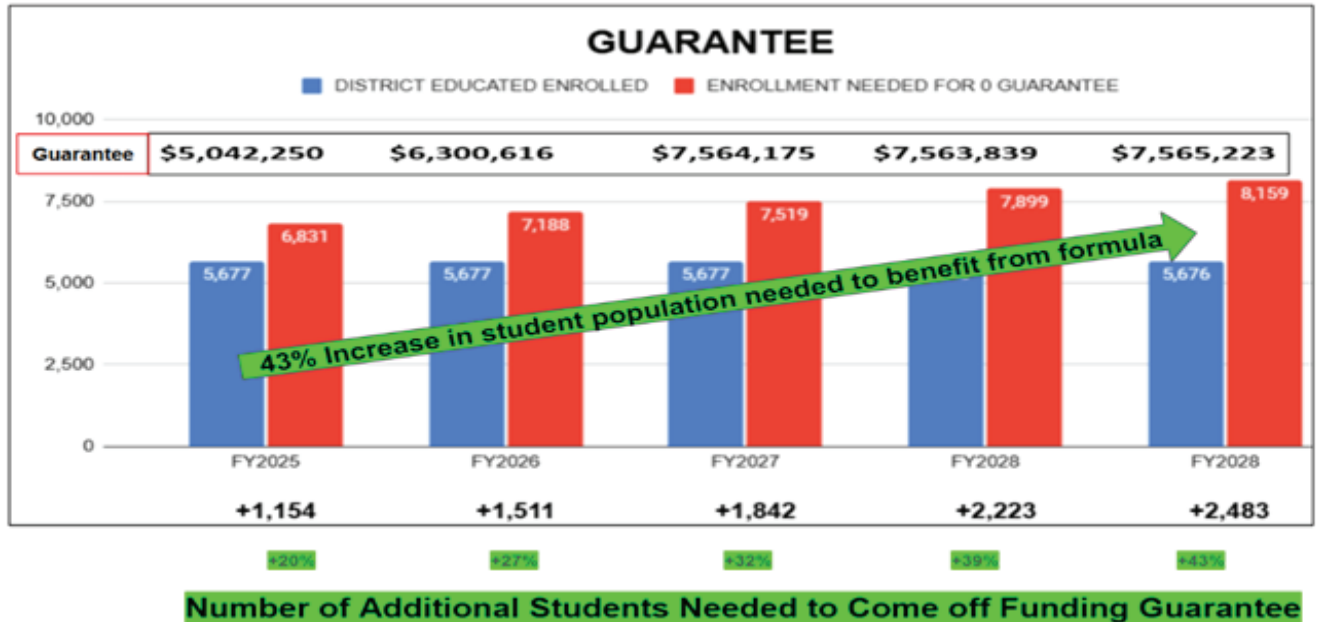
We have 144 ELL students, speaking 18 unique languages. We have experienced a 240% increase this year over last year. Our expenses are anticipated to be at least 280k, and we are to receive under 11k in categorical funding.



In 1997, the DeRolph decision determined that the state share of school funding was unconstitutional at an average of 43%. In FY25, Springboro Schools state share is only 10%, far below the DeRolph decision.



Guarantee - Springboro Schools is on the FY20 funding guarantee by over \$5 million, and increases to over 7.5 million by FY29 to receive the same funding we received in FY19. Springboro Schools will not receive any additional funding until we add over 1,511 students in FY26. As a steadily growing district, we receive 0 funding for new students.



Springboro Schools is a 5 star district, and is the 13th lowest spending district per pupil in the State of Ohio.

Expenditures Per Pupil 2024

