

March 30, 2025

The Honorable Brian Stewart, Chair
House Finance Committee

Amended Testimony on Ohio House Bill 96: Fair School Funding Formula

My name is Kathryn Garvey. I served eight years on the Chagrin Falls Board of Education and received an MBA from Case Western Reserve University. As a former school board member, and someone who has a working knowledge of school finance, I was prepared to speak with you today about respecting the integrity of the Fair School Funding Formula. To ask you to commit to the State's fair share of what it costs to educate 90% of Ohio's students.

Yesterday afternoon, when the sub bill was released, I was dumbfounded by the proposal to manipulate the Formula to achieve a predetermined result. Essentially abandoning the Formula because you don't like the output.

I thought surely our State Representatives know that the Fair School Funding Formula is the fairest, most accurate constitutional funding formula the State of Ohio has ever had. That when the math is done right, it calculates the true cost to educate a child in Ohio.

Surely they trust the bipartisan group of lawmakers who worked with experts to develop the Formula and they believe the school treasurers, superintendents, and school board members who testified that fully funding the Formula with current data will result in a fair and appropriate allocation of State and local dollars for public education.

Surely they are aware that Ohioans know that when the State chooses to pay less, local property owners have to pick up the slack and pay more.

Now this was only released yesterday afternoon - after the deadline to submit testimony for today's committee hearing - so that made it virtually impossible for those of here today to fully reflect on all the issues this sub-bill raises.

As I understand - House Republicans choose to not cover the State's fair share of the true costs to educate Ohio's public school students. By fair share, I mean the calculated amount from the Fair School Funding Formula that everyone agreed in the last two General Assemblies was fair and equitable. Instead, they propose to give each district a little more than last year. Now, a cynic might say this is so that Republicans can claim they are giving schools more and more each year. But the reality is that a 2% increase will not even cover inflation, so it is actually giving schools less money. This leaves local property owners to pay the local share plus make up the difference that the State won't pay.

But the sub-bill makes that more difficult. It proposes reducing revenue from voted levies if the school district has cash reserves that exceed 25% of operating costs. Let's look at the interpretation of this new language:

- In opposition to local control, House Republicans are saying that when it comes to what schools need, they know better than Ohio taxpayers – better than local school leaders, elected boards, and members of that school community.
- House Republicans would subvert the will of Ohio voters. Voters who approved levies because they trust the financial management of their schools and value the quality of their local public schools – *more than their legislators do, apparently.*
- House Republicans would force schools to operate on razor-thin cash balances. Which will force schools to have more frequent property tax levies to pay the bills.
- House Republicans would compel Ohioans to pay higher interest rates on Bonds for updating old school buildings – which affects the vast majority of schools in the state. To qualify for a AAA Bond rating with the best interest rates, schools need a cash balance of at least 25% of expenses yet this bill would make it impossible for schools to do so.

It seems like House Republicans want public schools to fail and for private schools to flourish. It seems like they think Ohioans won't notice.

Ohioans want fairness. We expect the state to pay its fair share, and we will pay our fair share.

I am here today to ask you to trust the Fair School Funding Formula. Don't nullify it just because of sticker shock.

I get sticker shock from the high cost of groceries, but I pay what I have to for healthy food so my kids can grow and thrive. Your constituents – the families of the vast majority of Ohio kids who attend public schools – are telling you that public education should be the top priority for Ohio, and that it is worth the investment.

As you attempt to balance the budget, don't manipulate the Formula. Update the inputs so they are accurate and current. Trust the math. If the result is something you choose not to fund, then consider extending the phase-in over the next 3 to 4 years instead of the next 2. This allows you to gradually meet your commitment to your constituents and allows schools to plan accordingly.

No doubt, Ohioans will be disappointed by any delay, but they will appreciate the transparency and the intent to move toward a future State budget that acknowledges the State share of the real costs to educate Ohio's kids.