



Westerville City Schools

Department of Treasurer/Fiscal Services
Nicole Marshall, Treasurer/CFO

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April 2, 2025

Vision

Our vision is
to be the benchmark
of educational
excellence.

Mission

Our mission is
to prepare students
to contribute
to the competitive
and changing world
in which we live.

Values

Respect
Inclusiveness
Community
Communication
Collaboration
Innovation
Nurturing
Trust
Accountability

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and Members of the House Finance Committee, thank you for the opportunity to provide testimony on the State's budget. My name is Nicole Marshall and I serve as the Treasurer/CFO for the Westerville City School District, located in both Franklin and Delaware counties. Our District serves nearly 15,000 students and employs nearly 2,000 people and spans multiple municipalities.

Our student demographics include 16% special education, 23% gifted education, and nearly 11% English learners. Over 43% of our students and their families are economically disadvantaged, yet we are still considered a wealthy suburban District under Ohio's school funding formula.

Our local community provides for over 64% of our general operating revenue through local property taxes. We are not on the 20 mill floor and our voted levies are subject to the reduction factors from HB920.

We have seen our general fund balance grow due to our careful approach to increased costs and our strategic use of ESSER funds from the federal government, even with the state funding cuts we experienced during the pandemic. Given that we have been subject to caps and reduced funding with the state's funding formulas, as well as lack of revenue growth on voted levies due to HB920 over the last several years, we have worked hard to put our District in a place where we do not have significantly cut programs for our students when funding is reduced.

Our District failed a levy in 2011 and had to shift a payroll date from late June to early July due to a lack of cash flows. That same levy failure resulted in programs being gutted across our District, including our middle schools. Up until 2019, some of our middle school students had 2 or 3 study hall periods due to the lack of staffing.

We have worked hard to build our programs back up, now offering electives in our middle schools like Extreme Engineering and Medical Detectives for career pathways. We have also seen the needs of our students grow significantly in special education, gifted education, mental health, economically disadvantaged and English learners over the last several years.

We failed a levy in November of 2024 that would have provided needed operating funds and bond funds for facilities. We are not yet eligible for the state's facilities funding through the Ohio Facilities Construction Commission. We are part of the Expedited Local Partnership Program and have accumulated over \$25 million in credit from the state to date.

We had intended to use a portion of our general fund cash balance to help offset the cost of a new bond issue for facility work. However, since the levy failed in 2024, we now need those funds to keep our general fund in a positive cash balance throughout our five-year forecast period and allow us to sign long-term contracts. We have also worked on austerity measures due to the lack of additional operating funds, reducing over 30 positions for the next school year and delaying curriculum and technology updates, among other things.

The state has decreased its share of funding for our nearly 15,000 students by 20% since FY2021.

We lost \$4 million in state funding from FY2024 to FY2025 due to the state only updating our local capacity calculation and not updating the cost inputs in the formula. We gained over 100 students in the funding formula during the same time period.

Please understand that the volatility of our revenues with local property taxes and our state funding puts us in a position to need to keep a substantial general fund balance to ensure that our programs remain consistent for our students and the community we serve. The state is only required to complete a two-year budget, yet we are required to submit a 5-year forecast twice a year. We do not want to repeat our history of needing to gut our programs for our students.

I worked for the Auditor of State's Office between 2005 and 2012. During the recession of 2008 and afterwards, I worked with local governments and public schools on fiscal watch and emergency projects. Public schools were criticized for not having adequate fund balances to help during times of economic downturn. Now public schools are being criticized for being fiscally responsible and keeping adequate fund balances to help ensure that we can keep consistent programming in our schools to serve our students during times of economic downturn. We completely disagree with the requirement that the county should reduce our tax rates based on fund balances without taking into account plans made by our locally elected officials. We ask that you remove this from the state's budget bill.

Our per-pupil expenses range from \$12,400 to over \$16,000 (depending on which measure you use), just above the state average, despite our higher cost of living in central Ohio. We receive only about \$3,000 per student from the state funding formula.

With declining revenue growth and increasing student needs, our financial model is unsustainable. No business can function by reducing revenue while increasing services.



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We urge the State of Ohio to fully fund the Fair School Funding Plan with updated cost inputs. Specifically, we request:

- Maintaining or increasing the state's share of funding in the next biennium budget
- Using 2025 data to reflect actual education costs, not outdated 2022 figures
- Increasing special education funding in line with cost studies
- Ensuring no additional unfunded mandates on public schools

Thank you for your time. I welcome any questions you may have.

Sincerely,

Nicole Marshall
Treasurer/CFO
Westerville City School District

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