

Members of the Ohio House Finance Committee,

As a Washington Local School District Board of Education member, I urge you to support the Governor's proposal for the full implementation of the Fair School Funding Plan.

Washington Local, like many Ohio school districts, is facing significant challenges that are increased by the current proposal released by the House - which would disregard the Fair School Funding Plan in favor of a bridge formula. The proposed reduction in the state aid we were expecting undermines the funding necessary to meet the needs of our students.

The Governor's plan for the Fair School Funding formula would provide our district with the increase in state aid needed to ensure our students receive the best possible education. However, with the House's recommendation, our FY 2025/2026 state aid would decrease from a \$4.9 million increase to only \$2.5 million, and our FY 2026/2027 increase would drop from \$4.4 million to just \$2.2 million. More concerning, the proposal would reduce our aid for FY 2026/2027 from \$9.3 million to just \$4.7 million - further minimizing needed resources for our students.

While our treasurer and Board have always been cautious in forecasting future state aid increases, it's important that you realize the House's proposal would limit our ability to address increasing costs such as staffing needs, recent tariffs, and inflation. Due to uncertainty in state aid, especially every biennium, this May we have to forecast what we will receive in state aid for the next four years – but we don't know what we will be receiving in six weeks.

Furthermore, due to the nature of school district revenue and expenditures, our cash balance is closely watched, but it fluctuates and peaks before it will inevitably decline. Additionally, the temporary reduction in expenditures from COVID relief funds has temporarily offset some of the financial challenges districts will soon face, contributing to an artificially high cash balance. This makes the House proposal's emphasis on cash balances problematic.

The state's decision to cap ending balances to 25% of prior year expenditures, requiring county auditors to reduce district tax rates when this is exceeded, further complicates the situation. Unlike other government entities, school district revenues and expenditures are not stable year-to-year.

As a district, we are relying on the increased state aid as proposed in the Governor's plan. The loss of this increase would inevitably force us to make tough decisions, potentially affecting staffing, programs, and resources that will impact student achievement and success.

I ask that you support the Governor's plan to fully implement the Fair School Funding Plan. We, as Board members, have pledged our due diligence in making sure each dollar is spent wisely. Our students cannot afford to be shortchanged, and the stability provided by the Governor's proposal will ensure that we can meet their needs in the future.

Thank you for your time and consideration.

Karen A. Mayfield

Vice-President, Washington Local School District Board of Education
Toledo (Lucas County), Ohio