



House Ways and Means Committee
House Bill 186 Interested Party Testimony
Buckeye Association of School Administrators (BASA)
Ohio School Boards Association (OSBA)
June 4, 2025

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to testify on House Bill (HB) 186. My name is Paul Imhoff, and I serve as Director of Governmental Relations with the Buckeye Association of School Administrators, which represents Ohio's public school superintendents. Joining me with this testimony and in answering your questions is Nicole Piscitani with the Ohio School Boards Association, which represents Ohio's boards of education.

We would like to thank Representatives Hoops and Thomas for their efforts to provide property tax relief to Ohioans. This issue continues to be a top priority for both the citizens of this state and the General Assembly, and we are committed to working together to craft solutions to this complex and challenging issue. We also want to thank the sponsors for engaging our members in the development of this legislation. As you know, HB 186 would limit the increase in property tax revenues for 20-mill floor districts to the three-year average rate of inflation. It would also adjust the school funding formula to reflect this limitation, so schools are not judged by revenue-generating capacity they no longer have.

The calls you hear from constituents for property tax relief – we want you to know that our members hear them too. They live in the same communities, face the same rising tax bills, and understand why change is needed. That is why we are here today as an interested party to engage in a solution that strikes the right balance. Our members have concerns about this bill especially as you are considering a number of other changes to property taxes and the 20 mill floor, but we remain committed to working together to find solutions and that protect our taxpayers and prioritize Ohio's children.

In addition to limiting revenue growth, HB 186 makes necessary adjustments to the school funding formula. As you know, Ohio provides funding to schools based not on what a district raises in revenue locally, but what it *can* raise based on its property valuation and the income of its residents – this is what is referred to as local capacity. If this adjustment were missing from the bill, districts impacted by HB 186 would be treated in the state's funding formula as though

their local capacity was unchanged by the bill even though the bill alters that capacity. In other words, districts would appear wealthier than they actually are and thus receive less state aid. For example, for a district on the 20-mill floor that sees a 25% increase in overall property valuation due to reappraisal, the funding formula would treat the district as having greater local capacity based on that higher valuation and thus reduce the state aid to the district. But under HB 186, the state will still calculate the district's local capacity as if it had access to the full 25% increase.

Without the adjustment currently in the bill, the legislature would be creating a new version of phantom revenue, where the formula assumes a district has more revenue and capacity than it actually has, even though the bill explicitly limits both. That's why the funding formula must be recalibrated to reflect the new statutory limitations on local revenue growth.

We understand that the committee is considering an amendment that would remove this critical adjustment. This represents a shift away from the balanced approach our members worked toward and would compel us to formally oppose the bill moving forward. Any reduction in local tax capacity must be met with a corresponding adjustment in the state funding formula for schools. Without that, we are not just capping property tax growth — we are cutting opportunities for the students we serve.

We remain committed to working together toward solutions that promote both taxpayer fairness and adequate learning opportunities for children. These are not mutually exclusive goals - they are shared responsibilities, and we hope we can get this right for Ohio taxpayers and for our students.

Chair Roemer and members of the committee, thank you for your time and attention. I am happy to answer any questions you may have.