

Testimony in Opposition to House Bill 335

Presented to the Ohio House Ways and Means Committee
On Behalf of Big Walnut Local School District Board of Education
Presented by: J. Scott Gooding II, Interim Treasurer/CFO
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Overview

Thank you for the opportunity to provide written testimony in opposition to House Bill 335. My name is J. Scott Gooding II, and I am the Interim Treasurer/CFO of the Big Walnut Local School District Board of Education. As representatives of a public school district, we are committed to ensuring financial sustainability, educational equity, and accountability to the communities we serve. Big Walnut Local Schools has made significant progress in recent years. We have improved academic programs, increased student achievement, and maintained a tradition of excellence across our athletic fields, courts, and performing arts stages. At the same time, we have worked diligently to control operational costs and maximize the impact of every taxpayer dollar. These accomplishments reflect the strength and stewardship of our district—and underscore why local control and financial stability are so important. Unfortunately, House Bill 335—as introduced—poses serious concerns in all of these areas.

The District

The School District was established in 1950. The School District had an enrollment of 4,383 students at the end of the 2024-2025 school year. These students are housed in one early learning center (preschool), four elementary schools (grades kindergarten through four), one intermediate school (grades five and six), one middle school (grades seven and eight), and one high school (grades nine through twelve). The ages of the buildings vary, with the oldest built in 1926 and the latest opening in the January of 2022. The School District also operates an administrative office building, a transportation building, and a maintenance facility. The School District encompasses approximately one hundred nine square miles in Delaware County, Ohio. Delaware County was founded in 1808 and is located in central Ohio approximately twenty miles north of Columbus, the state capital. For nearly a decade, Delaware County has been the fastest-growing county in Ohio. Information about voter turnout in Delaware County's November 2023 election indicates a total of 159,535 registered voters and 95,493 ballots cast, resulting in a 59.86% turnout. This central location and vast acres of undeveloped land uniquely position the School District for the future development of housing, business, and industry.

Shift of Tax Burden to Residential Taxpayers

Big Walnut is heavily reliant of local revenue. 81.77% of our FY 2025 operating revenue is comprised Real Estate Taxes (50.52%), Public Utility Personal Property Taxes (6.79%), Income Taxes (19.06%), and Other Local Revenue (5.40%), House Bill 335 represents a

fundamental shift in how schools are funded in Ohio. It transfers responsibility for education funding from a shared state-local model to one that relies disproportionately on residential taxpayers. By emphasizing local income and property taxes, the bill reduces the share of support from businesses and commercial entities, effectively concentrating the tax burden on working families and retirees.

Lack of State Reimbursement for Homestead Expansion

The bill proposes expanding property tax exemptions under the Homestead program. While well-intentioned, this change comes without any provision for state reimbursement to schools. Local school districts will lose revenue under this proposal and will have no recourse but to return to the ballot for additional funding—further burdening the same residential taxpayers.

Unstable and Unpredictable Revenue Streams

HB 335's introduction of a district-level income tax—bundled with property tax—injects uncertainty into school finance. Income tax revenues are subject to economic cycles, making it more difficult for districts to plan responsibly and consistently. Moreover, bundling income and property tax questions into one ballot issue at special elections adds unnecessary complexity and risks voter confusion.

Increased Administrative Burdens

The procedural requirements in the bill—including mandatory filings with both the Tax Commissioner and County Auditor, timing rules, and special election coordination—create additional administrative costs and burdens that school districts will be forced to absorb, diverting resources away from classrooms.

Deepening of Educational Inequities

Income tax rates, even if uniform across districts, will produce vastly different revenue results depending on community wealth. Lower-income districts will struggle to generate sufficient funds, widening the resource gap between Ohio's school systems and directly undermining the state's constitutional requirement to provide a thorough and efficient education for all students.

Connection to House Bill 96 – Punishing Fiscal Responsibility

At the same time that HB 335 pushes school districts to rely more on local funding, House Bill 96 threatens to penalize districts for saving too effectively by capping cash balances at 50% of the prior year's expenditures. These bills—when taken together—create a double bind: districts are forced to seek local funding to cover state shortfalls, then penalized for maintaining prudent reserves to ensure stability. This is not sound fiscal policy—it is a trap.

An Attack on Public Education

Make no mistake: HB 335 and HB 96 together represent a coordinated effort to erode the stability and credibility of Ohio's public education system. Rather than investing in our

public schools, these bills signal a retreat from the state's responsibilities and a deeper reliance on communities that are already stretched thin.

A Better Path Forward

If the legislature is serious about ensuring a sustainable and equitable future for Ohio's public schools, we recommend reallocation of current state-level resources, including:

- Funds currently directed to the private school voucher expansion (participation of non-low income voucher students alone has experienced a staggering 16,250% growth since FY23),
- Subsidies for non-educational initiatives, such as professional sports facilities, and
- Recent and proposed income tax reductions that overwhelmingly benefit the highest earners.

These dollars should be invested where they can make the greatest impact—Ohio's students and the public schools that serve them.

Conclusion

We urge this committee to oppose House Bill 335 and to reconsider the harmful implications of House Bill 96. School districts should be empowered to serve their communities—not placed in a position where sound financial management is punished and public trust is eroded.

Thank you for your time and consideration. I would be pleased to answer any questions.

Respectfully,



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Interim Treasurer/CFO
Big Walnut Local School District