

Proponent / Opponent Witness Slip
Name: J. Scott Gooding II, Interim Treasurer/CFO
Organization: Big Walnut Local Schools
Position: Opponent
Date: 10/15/2025
Committee: Ohio House Ways & Means

Testimony in Opposition to HB 335 and HB 186

Chair Roemer, Vice Chair Thomas, and Members of the Committee:

Thank you for the opportunity to present testimony on behalf of Big Walnut Local Schools. We respectfully submit this testimony in strong opposition to HB 335 and HB 186, both of which would severely undermine local school district fiscal stability, program offerings, and long-term planning.

I will begin with a summary of our concerns, then address how each bill would harm Big Walnut - and, by extension, many other Ohio school districts.

General overarching concerns

1. Erosion of local control and voter-approved levies
Both bills propose structural changes that could override or weaken voter-approved levies and inside millage mechanisms. This undermines the principle that local voters should have a say in funding their own schools and communities.
2. Unfunded revenue losses / fiscal instability
Enacting either bill would threaten significant revenue losses to districts like Big Walnut, with no reliable state replacement. The pressures would force cuts to teaching positions, class offerings, support services, or forced levy campaigns.
3. Disproportionate impact & inequity
The impact will not be evenly distributed. Schools in growing, suburban, or “millage floor” districts may face severe reductions, while some low-value districts may see little change. This will exacerbate disparities in educational opportunities across Ohio. For example, under HB 186 critics note that “170 districts would lose at least 10% of their property tax revenue in tax year 2027, threatening layoffs, larger class sizes, and reduced academic offerings.”
4. Planning & predictability disrupted
School districts operate on multi-year forecasting, budgeting, and strategic planning. Sudden changes in the tax structure or levy rules would disrupt that reliably, forcing reactive decisions rather than thoughtful, sustainable ones.
5. Cascade effects on staff, programs, and student outcomes
Cuts in revenue translate quickly into staff reductions, elimination of elective courses, extracurricular programs, intervention services, increased class sizes, and deferred maintenance. Over time, student learning, retention, and graduation outcomes suffer.

Specific concerns with HB 335

HB 335 is a sweeping property tax and local government reform bill that would modify, among many things, property taxation, county budget commission authority, local government apportionment, and particularly the ability to levy inside millage.

From the perspective of Big Walnut:

- Loss of inside millage revenue
HB 335 would eliminate the ability to levy inside millage (i.e. the base operating levy under the 10-mill floor) for many local governments and school districts. The Ohio School Boards Association estimates that HB 335 could eliminate \$1.5 billion statewide from school district funding.
For Big Walnut, that could translate into a severe multi-million dollar loss annually, depending on our assessed value growth and voter levies.
- Override authority by county budget commissions
The bill would allow county budget commissions to reduce millage on voter-approved levies under certain circumstances, potentially nullifying the will of local voters.
This is deeply concerning: we could win a levy vote from local citizens, only to have that revenue later curtailed by administrative fiat.
- Loss of predictability for future capital and operational planning
With inside millage eliminated and revenue subject to new formulas or apportionment rules, we lose confidence in multi-year projections. Districts like ours may have to resort to emergency levies or drastic cuts without adequate time to plan.
- Impact on staffing, programs, and student services
Many districts already warn of staff layoffs, elimination of electives, reductions in special programs, and increases in class sizes. In small or mid-sized districts, these cuts are not optional—they are existential. For instance, West Branch estimates a \$2 million annual loss under HB 335. Chardon Schools projects a loss of \$4.3 million, roughly equating to 120 teaching positions.
- No guarantee of full compensation from the state
HB 335 does not include commitments to fully offset district losses with state funding. Many districts would be left to absorb revenue shortfalls.

In sum, HB 335 would fundamentally weaken the fiscal foundation on which local school districts operate, making them more vulnerable to state budget swings, market shifts, and political trends.

Specific concerns with HB 186

In its current 136th General Assembly version, HB 186 would amend taxation and school funding laws to authorize reductions in school district property taxes (particularly those affected by a “millage floor”) and require adjustments in the state school funding formula.

From Big Walnut’s perspective, key concerns include:

- **Mandated reductions in property tax revenue**
By limiting increases in property taxes tied to inflation or millage floors, HB 186 would impose downward pressure on district revenue, especially for districts that have built budgets anticipating modest growth. As reported, 170 districts face losing 10% or more of property tax revenue in 2027 under this bill. Many of those districts rely on those revenues to fund core services - so sudden loss of that magnitude would be catastrophic.
- **Disproportionate benefits & unfair targeting**
According to reporting, wealthier, high-value districts like Indian Hill would see tax cuts, while poorer districts like East Cleveland would see no relief. In other words, the bill gives with one hand and takes with the other, exacerbating inequality across districts.
- **Unclear or inadequate state offset / funding formula adjustments**
While HB 186 calls for adjustments to the state funding formula to “correspond” with reduced property taxes, the bill lacks clarity and enforceable guarantees that those formula changes will fully or fairly compensate districts for losses. Districts like ours, reliant on stable property tax backing, may find these formula changes insufficient or delayed.
- **Destabilization of multi-year budgets, staffing, and offerings**
As with HB 335, the uncertainty and likely revenue reductions would force districts into reactive cuts or rushed levy proposals, rather than well-considered strategic planning.
- **Mismatch with enrollment and program growth pressures**
Many districts face rising enrollment, infrastructure needs, and inflationary cost pressures (salaries, utilities, construction). Imposing constraints on revenue growth while expenses continue to rise places districts in an untenable position.

Examples & Local Impacts (for Big Walnut, or comparable districts)

Below I outline likely or illustrative impacts for a district like Big Walnut:

- Loss of several million dollars annually, which would require cuts in staff (teachers, support staff), elimination or consolidation of elective courses, reductions in special programs (e.g. intervention, arts, extracurriculars), increased class sizes, or deferred maintenance.
- Increased pressure to place a new tax levy on the ballot prematurely, possibly without adequate community engagement, after years of planning.
- Loss of ability to invest in capital projects, facility improvements, and technology upgrades.
- Potential negative effect on teacher recruitment and retention, as districts offer fewer supports, resources, and less financial stability.
- Reduced capacity to serve high-needs students (e.g. special education, intervention, mental health supports), those who often require more per-pupil spending.

Conclusion & Recommendations

Big Walnut Local Schools stands opposed to HB 335 and HB 186 because both threaten the financial stability, control, and capacity of our district to deliver a quality education.

If the General Assembly is serious about property tax relief, it should do so in a manner that is:

- Targeted (e.g. circuit breakers, income-based relief) so that districts are held harmless for revenue losses;
- Fully funded or offset by state contributions so districts do not suffer cuts;
- Transparent and predictable, with gradual transitions rather than sudden jolts;
- Respectful of voter decisions and local control.

We respectfully urge the Committee to:

1. Reject HB 335 and HB 186 in their current forms;
2. Ensure that any property tax reform maintains or protects locally approved school funding levels;
3. Consider alternatives that relieve taxpayer burden without undermining educational quality, such as circuit breakers, state reimbursements, or more equitable state funding models;
4. Provide more time and input for local districts to analyze and respond (i.e. avoid embedding such changes in “budget wrap-ups” without full scrutiny).

Thank you for your time and for your service to Ohio’s education system. I welcome any questions the Committee may have.

Respectfully submitted,



J. Scott Gooding II
Interim Treasurer/CFO
Big Walnut Local Schools