House Ways and Means
House Bill 186

Springboro Community City School District, Warren County
Terrah Stacy, Treasurer/CFO & Carrie Hester, Superintendent

October 15, 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 today on House Bill 186. My name is Terrah Stacy, and I serve as the Treasurer/CFO, and with me is Carrie Hester our Superintendent of Springboro Community City School District in Warren County.

As school leaders and taxpayers, we understand the concern about rising property taxes and share the goal of finding relief for Ohioans. But any solution must be responsible and balanced — one that helps taxpayers **without destabilizing schools**.

Ohio's school districts are not mismanaging funds. We operate within the laws and framework established by the General Assembly. Yet, over time, that framework has **shifted the burden of funding schools from the state and businesses to local homeowners and farmers**.

To summarize how we got here:

- In 1976, the legislature enacted HB920 to stabilize property taxes and created the 20-mill floor to ensure a base level of funding.
- Schools can only raise revenue through voter-approved property or income tax levies — tools given to us by the legislature.
- During each biennium budget, the state determines how much it will contribute to public education, with the rest being expected to be paid locally. In 1999, the first year after the DeRolph decision, the state share for funding Ohio Schools was nearly 46% with 54% being passed on to local taxpayers. By 2027, the state share will be 32%, with 68% being passed to the local communities. When state support declines, local taxpayers are expected to make up the difference.
- Ongoing tax breaks for businesses and public utilities have pushed an even greater share of costs onto homeowners. In 1975, businesses paid 54% of the local share and residents and farmers paid 46%. By 2025, through previous policy decisions, businesses pay only 25% of the local share, with homeowners and farmers paying 75% of the local share.

As a result of the last biennium budget, the **state's share of public-school funding will fall to just 32.2% by FY27 — the lowest in Ohio's history**. Nearly 70% of the cost to educate Ohio's 1.6 million public school children will come from local communities.

The economic impact will be significant. In many areas, school districts are the largest employers. **When you cut deeply into schools, you're cutting jobs, services, and community stability.** Teachers, bus drivers, aides, custodians, food service workers — all are affected.

In **Springboro**, HB186 would mean a loss of **$8.9 million**, or about **41 positions**. We already have **higher class sizes than 96% of Ohio districts**, low reserves of just **79 days of cash**, and we rank as the **11th lowest spending district in the state**. There is simply no room to absorb a loss of this magnitude without cutting programs and opportunities for students.

Every dollar removed from public education funding has a multiplier effect. When we cut positions, families lose income, local businesses lose customers, and property values decline. You cannot remove billions from Ohio's schools and expect our economy to remain stable.

And importantly, the bill **does not backfill** the lost revenue. This means **direct cuts** to schools — forcing districts to either make reductions or go back to taxpayers, even as levy passage rates are at an all-time low of 21%.

Meanwhile, the **state's Rainy-Day Fund** holds nearly **$4 billion — the highest balance in Ohio's history**. When the fund reached its cap in 2024, the legislature raised the threshold from 8.5% to 10%, rather than using it to provide relief. Those are our tax dollars, and if there were ever a rainy day, it's now.

Instead of cutting schools, **use the Rainy-Day Fund to provide tax relief to all Ohioans without harming public education**. HB186 punishes districts for operating under laws the legislature wrote — and blames schools for the results.

Members of this committee, public schools are not a liability to manage; they are **the foundation of our state's future workforce and economy**. We are not your adversaries — we are your partners in educating Ohio's children.

I respectfully ask that you **oppose or amend HB186** so that:

- Districts do not lose net revenue
- Any property tax relief is fully backfilled by the state
- The state recommits to its constitutional obligation to fund public education

It’s time to stop shifting the burden to local taxpayers and instead **fund education responsibly, fairly, and collaboratively**. Use the Rainy-Day Fund to help taxpayers now — without dismantling Ohio’s public schools.

Thank you for the opportunity to testify. We would be glad to answer any questions.

Respectfully,

Terrah Stacy - Treasurer/CFO

Carrie Hester – Superintendent

Springboro Community City School District