

**Budget Testimony - Senate Education Committee**  
**Dr. John Marschhausen - Superintendent, Dublin City School District**

Chairman Brenner, Ranking Member Sykes, and members of the Senate Education Committee. My name is Dr. John Marschhausen, and I serve as the Superintendent of Dublin City Schools. It is an honor to submit written testimony on the crucial topic of funding Ohio's schools.

First, I want to acknowledge the inherent complexities involved in crafting a fair and equitable funding model for the diverse needs of our students and districts across the state. I recognize the significant challenges you face in balancing these needs with the fiscal realities of our state budget.

Chairman Brenner, I would also like to express my sincere gratitude for your over a decade of personal commitment and collaborative work with educators across Ohio to improve educational opportunities for all students. Your dedication to this endeavor has been evident, and your partnership has been invaluable.

Our local community has consistently demonstrated its strong support for our schools through voted levies. This local investment reflects our community's commitment to providing a high-quality education for our students. Our district is transparent in our planning and communication with the community during each levy cycle.

However, the current structure of the proposed state budget, particularly the cap on cash carryover, presents a significant challenge for districts like ours that are overwhelmingly reliant on local funding through voted mills. Due to the timing of levy cycles and the prudent fiscal management expected of us by our community, we often find ourselves in a position of responsible cash carryover. Under the proposed budget, this responsible fiscal stewardship could be penalized, limiting our ability to plan strategically and address future needs.

Furthermore, as one of a few school districts with a AAA rating from S&P, we save our taxpayers considerable money as we sell bonds to meet the needs of our growing district. AAA is the top tier in S&P's credit rating scale, representing the highest level of creditworthiness. Entities with AAA ratings are deemed to have an exceptionally strong ability to fulfill their financial commitments, such as paying interest and principal on debt obligations. A healthy cash balance is required to earn this financial distinction.

Adding to this concern is the reality that the current cap on district reserves would inevitably create the need for more frequent school levies. Responsible fiscal management often involves setting aside reserves to address unforeseen circumstances, economic downturns, or significant capital needs. By limiting the ability of districts to maintain adequate reserves, the state effectively necessitates that locally funded districts return to their taxpayers more frequently to seek additional operating revenue. This increased frequency of levy campaigns places an additional burden on our communities and can create instability in school funding. It disrupts long-term planning and can lead to voter fatigue, potentially jeopardizing the consistent local support that is a cornerstone of our funding model.

Therefore, I strongly encourage the Senate to consider either removing the cap on cash carryover altogether or, at the very least, creating a specific provision for districts that are

identified as being in a deficient spending position by year three of their five-year forecast. This provision would acknowledge the unique fiscal landscape of locally funded districts and allow us to maintain the financial stability necessary to effectively serve our students without being unduly penalized for the strong support of our taxpayers and without the added burden of more frequent levy requests.

Furthermore, I want to emphasize the importance of a five-year planning cycle, as opposed to a shorter three-year forecast, for effective school district budgeting. Education requires thoughtful and purposeful financial planning that extends beyond immediate needs. A five-year horizon allows districts to strategically invest in long-term initiatives, address anticipated enrollment changes, and ensure the sustainability of educational programs. Short-term forecasts can sometimes lead to reactive rather than proactive budgeting, potentially hindering innovation and strategic growth. We strive to be purposeful in our budget planning, aligning our financial resources with our educational goals to provide the best possible outcomes for our students.

Thank you for your time and consideration of these important matters. I am confident that through continued collaboration, we can ensure a strong and sustainable future for Ohio's schools and, most importantly, for the students we serve. I am always willing to answer any questions you may have.