



Senate Education Committee
House Bill 96 Interested Party Testimony
Buckeye Association of School Administrators (BASA)
May 7, 2025

Chairman Brenner, Vice Chairman Blessing, Ranking Member Ingram, and members of the Senate Education Committee, thank you for the opportunity to testify on House Bill 96. My name is Paul Imhoff with the Buckeye Association of School Administrators, which represents Ohio's public school superintendents and other senior-level school administrators. On behalf of our members, we appreciate the opportunity to share our perspective on HB 96.

Policy Changes

HB 96 includes many policy provisions that will positively impact Ohio. We commend Governor Mike DeWine and the House for advancing these proposals and recommend their enactment, including:

- creating a legislative workgroup on school transportation;
- expanding career-technical education programming in the 7th and 8th grades;
- creating the Principal Apprenticeship Program;
- authorizing superintendents to make teacher assignments based on the best interest of students;
- creating and funding the School Bus Safety Grant Program;
- continuing to support the Science of Reading implementation by funding literacy coaches; and
- eliminating the Resident Educator Summative Assessment.

School Funding

Our members are pleased to see that the current version of HB 96 ensures every student in an Ohio public school district will see their district's funding increase over current fiscal year levels. While the current version provides temporary bridge funding, our members remain committed to the Fair School Funding Formula, and it's their hope that the framework of the current formula remains intact in future budgets with necessary modifications along the way.

Carryover Balance Cap

A key provision on the minds of superintendents today is the bill's carryover balance cap of 30%,

which is claimed to provide property tax relief. Let me be clear – our superintendents fully support property tax relief done in a responsible manner, but this provision is neither responsible nor tax relief. This provision will result in a tax cut today and a tax increase tomorrow.

This policy will arbitrarily deplete carryover balances with no regard for their planned use and reduce property tax rates for one year while raising taxes in the subsequent year. Homeowners will be confused by the ups-and-downs of their tax bills and fluctuating escrow accounts, and they'll be further maddened by more frequent school levies as schools will be forced to take more frequent and smaller bites at the apple to live under the arbitrary 30% cap. Ratings agencies like Moody's and others rate a district's financial health much higher if it has a carryover balance of more than 25%. HB 96 turns this floor into a ceiling and will result in higher borrowing costs for schools and, ultimately, taxpayers. The number of schools projected to be under state fiscal oversight – Fiscal Watch, Caution, or Emergency - more than doubles under this proposal.

This provision does not recognize the unique and varying reasons why a district has a carryover balance. Districts like Patrick Henry Local Schools in Henry County that used a common lease-financing agreement to finance two capital projects – without going to voters for a levy. Using its cash balance to pay the required loan payments, Patrick Henry built a new elementary building and renovated a half-century-old high school. They are not alone in this endeavor. There are 221 school districts like Patrick Henry with more than \$3 billion in liabilities for capital improvement projects sourced from carryover balances. HB 96 could lead to default on these agreements.

This provision also does not recognize the students in districts like Fremont City Schools in Sandusky County whose academic offerings are being enhanced due to back-pay now being paid by gas pipelines who sued to reduce their tax liability. And this provision does not respect the voters in districts like Solon City Schools in Cuyahoga County who voted for levies to support their schools and will now see that support overturned by this policy.

This change will result in a catastrophic loss of billions of dollars of school revenue that is supposed to be used to provide educational opportunities to students. Schools will be forced to cut student programs and place levies on the ballot far sooner than planned, while also having to return to the ballot on a more frequent basis. Passing a levy in Ohio is no small feat – new money levies fail 70% of the time – and HB 96 will exacerbate that failure rate and compromise our ability to provide competitive educational opportunities at a time when we need to be laser-focused on literacy and workforce development.

While we cannot support this proposal in its current form, what we can support is a requirement for the locally elected board of education of each school district to adopt a cash balance policy, require that policy to include a minimum and maximum carryover balance, and require that policy be adopted in consultation and collaboration with the community.

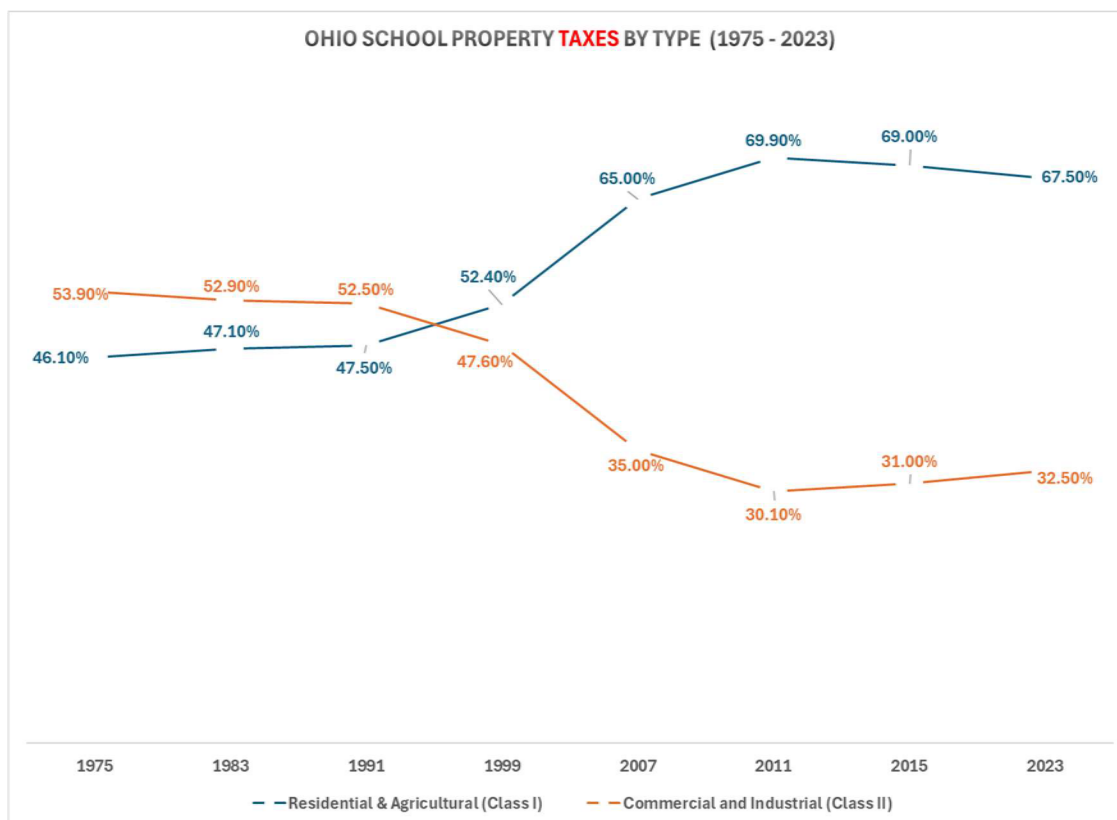
Included at the end of this testimony are simulations of what the cash balances on a statewide basis are projected to be under current law and also under HB 96. Additionally, a chart showing the shift in the school district tax base on to residential homeowners and away from commercial property owners is available at the end of the testimony.

We urge the Senate to remove this provision that has the potential to jeopardize the financial health and stability of our public schools and the students they serve.

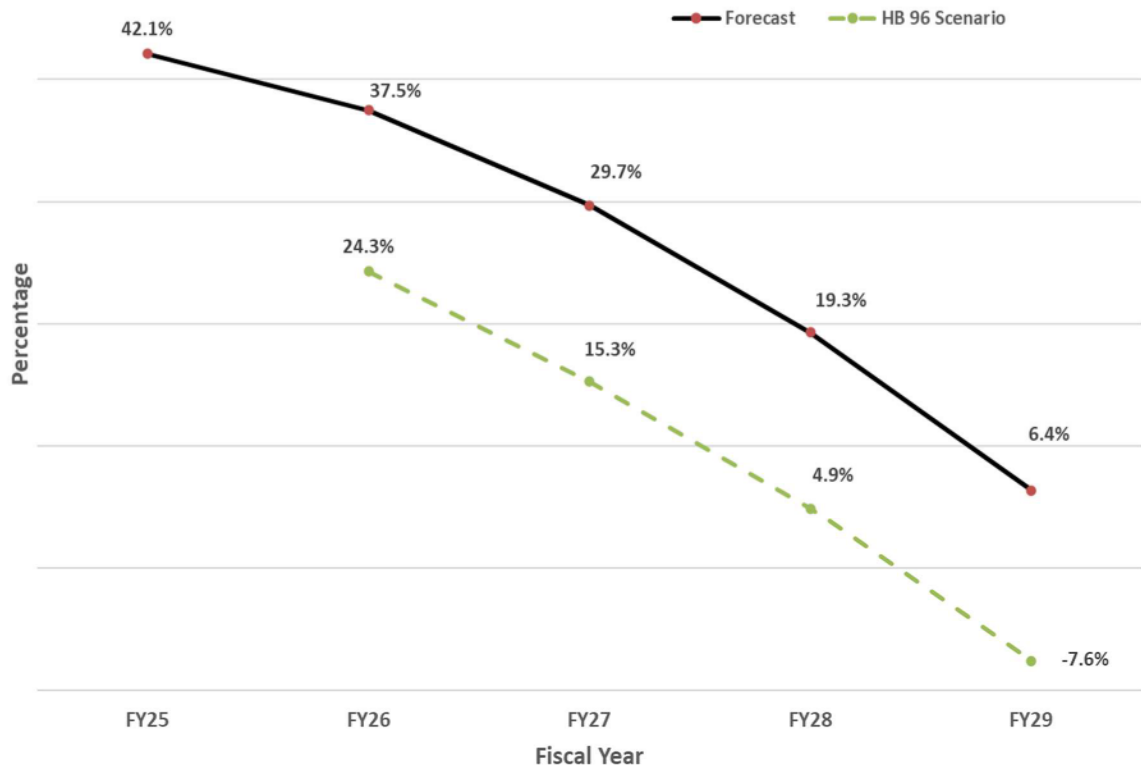
Educational Service Centers

Ohio's Educational Service Centers (ESCs) have a long history of promoting shared services, yielding significant taxpayer savings. Our state's ESCs serve as a national model for efficiency and collaboration in public education. Investing in ESCs ultimately reduces costs through enhanced operational efficiencies. To support the continued effectiveness of ESCs, we respectfully request the Senate to provide an inflationary adjustment to ESC funding and update their funding formula in accordance with the Ohio Educational Service Center Association's recommendations to ensure they can continue delivering high-quality services to Ohio's schools and students.

Mr. Chairman and members of the committee, thank you for your time and consideration. We appreciate your commitment to Ohio's schools and students. I am happy to answer any questions you may have.



Statewide Fiscal Year Cash Balance Percentages with HB 96 Scenario



Source: Ohio Department of Education and Workforce Reports Portal