



## ***Bath Local Schools***

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### **Senate Education Committee House Bill 96 May 14, 2025**

Chair Brenner, Vice Chair Blessing, Ranking Member Ingram, and members of the Senate Education Committee, thank you for the opportunity to testify today on House Bill 96. My name is Mike Estes and I serve as the Superintendent of Bath Local Schools in County. With me today is our Treasurer Joel Parker.

I appreciate the work of this committee and the General Assembly in supporting Ohio's public schools, and I respectfully offer the following comments on several provisions in House Bill 96.

#### **Cash Balance Cap & Five-Year Forecast Elimination**

Under the House-passed version of HB 96, districts with a carryover balance above 30% of the prior year's expenditures could face property tax reductions. For districts like mine, this would create serious planning challenges. We would like to express the following concerns:

- Bath Local School District in Allen County is a successful 4- and 5- star school district serving 1,650 students and a community of 12,000 residents;
- 83% of residents choose public school for their children;
- Bath Local School District is a desired choice as evidenced by having over 200 open enrollment applications each year;
- the Bath Local School District provides appropriate benefits for all residents as a function of taxation as evidenced by a strong desire to move into Bath Local School District resulting in home purchase contract acceptance within an average of only three days of listing;
- the Bath Local School District Board is a lawfully elected layer of local government with the trust and authority of our constituents that is charged with management of our services and finances;
- local levies have been lawfully supported by the constituents of the district;
- Bath Local School District has a well defined plan for short-term and long-term spending and understands this annual spending is not flat by design;
- Bath Local School District has aging buildings requiring investment to maintain;
- Bath Local School District has to keep up with technology upgrades, inflation in all areas of cost and unfunded mandates imposed on us;
- Bath Local School District has taken a conservative approach fiscal management to always be prepared for unforeseen circumstances and excellent bond rating to maximize utilization of taxpayer money and should not be punished for this;

Th Bath Local School District does ask the State House, State Senate, and Governor to allow local school districts to manage their districts by funding all schools fairly and continuing to allow management of taxation levels and cash balances at the will of the local residents.

Capping cash balances would undercut responsible financial planning and could increase long-term costs for both school districts and local taxpayers.

In addition, replacing the five-year forecast with a three-year projection would weaken our ability to plan ahead, monitor for emerging deficits, and communicate with our communities. Years four and five are often when deficits appear—particularly in districts dependent on levy renewals.

We urge the Senate to:

- Remove the 30% cash balance provision from HB 96; and
- Reinstate the five-year forecast requirement to ensure long-term financial transparency.

Thank you for your consideration of these crucial next steps in supporting Ohio's educational excellence.

Chair Brenner and members of the committee, thank you for your time and attention. We would be happy to answer any questions you may have at this time.