

## **WESTERVILLE EDUCATION FOUNDATION**

### **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 Martha Sweterlitsch, and I serve as a Director of the Westerville Education Foundation (WEF). We are a charity, and we support innovative projects for classroom teachers and student organizations that enhance learning in the Westerville City School District.

<https://www.westervilleeducationfoundation.com/>

The Westerville City School District (WCSD) is the 11th largest school district in Ohio, serving approximately 14,571 students. It covers a 52-square-mile area in northeastern Franklin and southern Delaware counties. The district operates 15 elementary schools, 5 middle schools, and 3 high schools.

On a personal note, I have lived in Westerville since 1976, and my daughter is a graduate of Westerville South High School. She has been a public high school teacher for over 20 years and will be receiving her Doctorate in Education from Boise State University on May 10, 2025. She is a WCSD success story.

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.

#### **Fair School Funding Plan: Preserve the Phase-In and Update Base Cost Inputs**

I join my friends and colleagues at the WEF who are strongly committed to public education and the Fair School Funding Plan (FSFP). It is a student-centered, transparent, and predictable model that reflects the actual cost of educating students in our communities.

Replacing the FSFP phase-in with temporary "bridge funding" moves away from this progress and reintroduces uncertainty into a system we've worked hard to stabilize. School finance is hard, and our General Assembly should NOT be making it harder. Our children deserve more, not less from public education. If the House changes go through, our children will all receive less, a lot less.

We urge the Senate to:

- Remove temporary "bridge funding" and maintain the phase-in as proposed by Governor DeWine;
- Update the base cost inputs to reflect current costs, such as staffing, class sizes, and services; and
- Maintain guarantees until full implementation of the FSFP is complete, including updated categorical funding.

Without updated base costs, districts like mine risk being penalized even as other formula inputs—such as property valuations or income data—are refreshed. This creates structural imbalance and shifts more of the funding burden onto local taxpayers.

### **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.

Ohio collects property taxes in arrears, which means that any reduction triggered by a June 30 balance wouldn't affect collections until 18 months later—long after the budget for the affected year has been adopted.

Like families, schools need cash reserves. In Westerville we build and maintain our cash reserves to:

- *Manage levy cycles and avoid frequent ballot issues;*
- *Navigate cash flow gaps due to the timing of tax collections and state payments;*
- *Sustain capital, maintenance, or strategic plans; and*
- *Support the district's bond rating and financial stability.*

Capping cash balances punishes districts for planning for emergencies, would undercut responsible financial planning and could increase long-term costs for both school districts and local taxpayers. It could also increase the risk of a district defaulting on the terms of their debt if a district has to tap a mandated lower cash balance to meet an emergency need. As someone with years of experience with tax exempt bond financing I can assure you that these kinds of defaults can have devastating consequences for the borrower.

In addition, replacing the five-year forecast with a three-year projection would weaken District 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
- Reinststate the five-year forecast requirement to ensure long-term financial transparency.
- Robustly support the mission of free public education for all children as it is the foundation of our success as a nation and democracy.

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 to this matter.

Martha J. Sweterlitsch, J.D.

Westerville Education Foundation