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

Chair Brenner, Vice President 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 Dr. Neil Gupta, and I serve as the Superintendent of Oakwood City Schools, located just outside Dayton with a little over 2,000 students. I serve in a community that has community members and staff who believe in the power of public education and are highly active in wanting the best for our students at Oakwood School.

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.

Like many of my colleagues across the state, I believe that the Fair School Funding Plan (FSFP) 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" would reverse years of progress and reintroduce uncertainty into a system we and many of you have worked hard to stabilize.

An important piece of the current funding plan is the guarantees that are in place so that districts, like Oakwood, can maintain at least the amount of funding it received in the prior year. Guarantee districts have a chance to get off of the guarantee and onto the funding formula only if the phase-in of the FSFP continues and the inputs are updated every year. 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 a structural imbalance and shifts more of the funding burden onto local taxpayers.

Neil Gupta, Ed.D. | Superintendent

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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.

I’m also here on behalf of our students, staff, and the broader Oakwood community to oppose any proposed legislation that would mandate a 30%, or any specific maximum carryover limit for school district budgets.

In Oakwood, we face a unique financial reality. We don’t have a large commercial or industrial tax base. 95% of our total district property value is residential property. There are no malls, warehouses, or major business parks within our boundaries. Instead, we rely almost entirely on our residents—our local homeowners—to fund their schools. In fact, 67% of our total district budget comes from local revenue sources.

If a 30% cap were imposed, Oakwood's 52% projected cash reserve for FY2025 would need to be reduced by \$7.5 million to meet the cap requirement.

Falling below that 30% threshold doesn’t just hurt our ability to respond to emergencies — it also undermines our chances of earning the AAA bond rating we’ve been working toward, which would ultimately *save taxpayers money* through lower borrowing costs.

As the educational leader for Oakwood, I understand the concern about some districts carrying what some perceive as “excessive” balances. But a one-size-fits-all solution doesn’t reflect the diverse realities of communities across Ohio. Some districts have growing enrollment, others are declining. Some rely on business taxes, while others, like Oakwood, rely almost solely on residents.

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Local control is a bedrock of public education in Ohio. It allows elected Boards of Education, who are closest to their communities, to make decisions in the best interest of their students and taxpayers. That's why I respectfully ask that you consider allowing districts to set their own ceiling and floor for cash reserves, and allowing the local boards of education, through feedback from their community, to vote on what makes sense to them and their local needs. Transparency and accountability are critical, and I welcome a process that encourages open dialogue with our residents. But let local control be the driver.

There's been a lot of misinformation circulating—some of it from legislators and county auditors—suggesting that carryover caps will lead to tax relief. But this isn't a permanent tax cut. At best, it's temporary. What it actually does is force school districts to come back to voters more frequently, and often earlier, to ask for new levies. That doesn't make the system more efficient—it makes it more confusing.

The public already struggles to understand school finance. Levies don't rise with inflation, so even with prudent financial planning, we must return to the ballot. The addition of arbitrary caps will only add to the confusion and fuel mistrust. Bonds, emergency levies, and permanent improvement levies already create layers of complexity that most voters don't fully understand.

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. Deficits often appear in years four and five, particularly in districts dependent on levy renewals.

I 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.

I've dedicated over 25 years to education in four different Ohio school districts. My background is in instruction, not finance, but I've learned how important financial stewardship is in my role as superintendent.

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I've built systems to enhance learning, improve literacy and mathematics, and implement the Science of Reading. I've led STEM initiatives that connect students to real-world experiences through internships and partnerships with local industry. I'm passionate about setting up pre-apprenticeships to help students not only graduate through an alternative pathway but also prepare students for life beyond high school.

Over the last five months, I've spent countless hours in meetings about school finance, both locally and at the state level. As Superintendent, I accept that responsibility. But these proposed changes would fundamentally shift how I spend my time. Instead of focusing on student achievement, I'd be spending even more time explaining why we have to go back to voters again, trying to build and rebuild trust, and navigating uncertainty in how we attract and retain our staff and sustain our programs.

This doesn't serve our students. It doesn't help us lead effectively. And it undermines our ability to plan with confidence.

Please reconsider imposing arbitrary restrictions that ignore local context. Let's instead empower communities to make informed, transparent decisions—together.

Thank you for considering these crucial next steps in supporting Ohio's educational excellence.

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

Neil Gupta, Ed.D. | Superintendent