



Chair Brenner, Vice Chair Blessing, Ranking Member Ingram, and esteemed members of the Senate Education Committee, thank you for the opportunity to present testimony today regarding House Bill 96, the Biennial Budget. My name is Heather Sharp, and I serve as the Treasurer/CFO of the Lima City School district in Allen County.

The Lima City School district is an urban district serving approximately 3100 students within nine square miles. Our district consists of 4 elementary schools, 2 middle schools, 2 K-8 magnet schools, 1 high school with a career technical education wing, and 1 alternative high school. We are 100% economically disadvantaged with 22% of our students having a disability or special need.

I appreciate the work of this Committee and the General Assembly in supporting our public schools, and I respectfully offer the following comments on provisions in House Bill 96.

Preserve the fair funding formula and update base cost inputs. The Fair School Funding Plan (FSFP) is student-centered, transparent, and offers predictability on the cost of educating students in our community. Having a fully phased-in and updated funding model will help our district in long-term financial planning. Base cost inputs need to reflect current costs associated with staffing, class sizes, and services offered. If we do not align funding levels with the actual cost to educate our students, we become imbalanced and we shift the funding burden to our local taxpayers.

I also ask that the Committee remove the 30% cap on the cash carryover. Every school district in Ohio has unique financial circumstances that are shaped by enrollment, property valuations, levy cycles, and building needs. As a licensed professional, my job is to preserve the financial health of the district I serve. I must adhere to strict standards and provide oversight and transparency to my stakeholders. Capping cash balances undercuts responsible financial planning and could increase long-term costs for the district and our community. Having local flexibility in managing district finances is crucial to the success of our district. Maintaining a healthy reserve allows us to preserve our bond rating and plan for unforeseen expenses without burdening our taxpayers for new money.

In addition, replacing the five-year forecast with a three-year forecast weakens our ability to plan ahead and monitor emerging deficits. A three-year forecast will make long-range planning difficult when it comes to negotiating and funding capital projects.

I urge the Senate to:

- Keep the fair funding formula with updated cost inputs
- Remove the 30% cash balance provision in HB96
- Reinstatement the five-year forecast requirement to ensure long-term planning and transparency.

Our students deserve a fully funded system that will allow us to provide high-quality education and stability. Thank you for your time and attention.