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## GARAWAY 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 Sheryl Hardesty, and I serve as the Treasurer/CFO of Garaway Local Schools in Tuscarawas County.

The Garaway Local School District is a small, rural school district in the heart of Ohio's Amish country with high levels of academic achievement and test results. Garaway has four elementary school buildings located in a community of our district: Dundee (in rural Wayne Township), Miller Avenue (in Sugarcreek), Baltic (Village of Baltic) and Ragersville (in rural Auburn Township) as well as a Middle School/High School in Sugarcreek.

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 Funding Guarantee**

Like many of my colleagues across the state, we remain strongly committed to 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.

We urge the Senate to maintain the funding guarantees because as a small, rural district this is one of the key components our state funding. While Garaway has rich farm land, the citizens are hard-working families whose income is derived from the work of their hands either through farming or the many furniture- or window-manufacturers located here. Rural area salaries are much lower than and do not compare to those of the more urban areas.

Without maintaining the funding guarantee, small, rural districts like mine risk be penalized as other areas in the state grow. This creates structural imbalance and shifts more of the funding burden to our 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 very serious challenges.

***In Garaway Local School District, we build and maintain our cash reserves to:***

- *To carefully manage cash through the years to ensure a stable and quality education to the students of the Garaway district - and for the district **not** to be going back to the taxpayers again and again with additional levies. As Garaway has been a good steward of the funds entrusted to us by the taxpayers, there are no future plans for additional levies;*
- *To be able to purchase quality curriculum, supplies, and student learning technology for each upcoming school year;*
- *To be able to maintain Garaway's buildings. With four of the five of Garaway's school buildings being over 100 years old and the 'newest' school building over 60 years old, these buildings require intensive maintenance, repairs, and safety renovations. New buildings may be needed for the future. Our community places great value on their local school buildings; they promote accountability, community engagement, and citizenship - the core values that make America great;*
- *To navigate cash flow gaps due to the timing of tax collections and state payments;*
- *To maintain financial stability that allows Garaway to continue to invest in quality teachers and support staff in the long term. Fiscal stability allows Garaway to make long-term teachers' investments (that is, as teachers gain valuable teaching experience through the years, their salary increases by salary schedule steps). Like other professions, teachers deserve fair compensation for their hard work. Quality teachers will not stay in a district whose pay scale is low and not commensurate with their work efforts'*
- *To provide for additional costs associated with students coming to school with increased needs for basic literacy and math skills, special education and physical therapy needs. Other students speak little or no English, and other students need more intensive social-emotional support - all which require more intensive school services and staffing.*
- *To provide for purchase of buses for transportation. In a rural district such as Garaway, transportation of students is a key element in getting them into their classrooms. New buses need to be purchased on a rotational basis that provide safe and reliable transportation for students.*

- *To allow each student with a full and robust education, without passing on the cost of student-issued technology devices and required school courses onto families. Sports that enrich and promote student health and well-being are free to all students; there are no-pay-for participation charges. This allows Garaway to be responsive to the needs of lower income students and at the same time not add to the tax burden placed on property owners (parents, grandparents, and other family members of students) for these.*

Capping cash balances would undercut responsible financial planning and good stewardship practices that would 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.

We urge the Senate to:

- Preserve the State Foundation Guarantees;
- 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. Garaway strives to provide students with a quality education while maintaining good stewardship practices.

Chair Brenner and members of the committee, thank you for your time and attention.

Respectfully submitted,



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Treasurer/CFO  
Garaway Local School District