



Hilliard City School District

David J. Stewart, Superintendent • Melissa N. Swearingen, Treasurer/CFO

Senate Education Committee House Bill 96 May 12, 2025

Chair Brenner, Vice Chair Blessing, Ranking Member Ingram, and members of the Senate Education Committee, thank you for the opportunity to submit written testimony today on House Bill 96. My name is Melissa Swearingen, and I serve as the Treasurer/CFO of Hilliard City School District in Franklin County.

The Hilliard City School District is a suburban district encompassing approximately 60 square miles. We serve 16,560 students in 25 buildings, including 14 elementaries, 2 sixth grade buildings, 3 middle schools, 3 high schools, a preschool center and a 2-building innovation campus. Our district serves students residing in the City of Hilliard, as well as parts of Columbus, Dublin and several townships. Hilliard is the 10th largest district in Ohio and our K-12 enrollment is stable and has been slowly increasing since the pandemic. Our FY2025 enrollment has increased by more than 100 students when compared to FY2022. During this time period, our English Learner (EL) population has increased by 592 students and our economically disadvantaged percentage has doubled, increasing from 17.9% to 35.6%.

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

Like many of my colleagues across the state, I 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 need the formula to be fully implemented to ensure sustainability throughout the state. When the future of funding is unpredictable, districts are not able to plan for student needs and implement the programming necessary in their communities and schools.

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. **Without updates to the base cost, Hilliard will shift to the 2020 Transitional Aid Guarantee as soon as FY2026, not due to declining enrollment, but due to the imbalance that results when base cost and capacity inputs are not both updated.**

Ready For Tomorrow

2140 Atlas Street • Columbus, OH 43228 • Phone (614) 921-7000 • FAX (614) 921-7001
www.hilliardschools.org



I 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.

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 **and not allow us to collect more than 50% of the new operating levy dollars that our community just approved in November of 2024.**

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.

In Hilliard, 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;
- Support the district’s bond rating and financial stability.

Our FY2024 general fund balance of 38.6%, as documented in the LSC simulations, was driven largely by one-time events including federal pandemic funding and temporary shifts to virtual learning. Per our November 2024 five-year forecast, that balance is expected to decline, even with the passage of new levy dollars. This is the nature of the operating levy cycle for districts like ours. We build a cash balance in early years to stay off of the ballot longer and prevent levy fatigue in our communities. Our community just approved a new 6.9 mill operating levy in November 2024. We spent a great deal of time providing factual information regarding district finances and the importance of maintaining a cash balance. Our \$91 million in cash balance at the end of FY2024 was no secret. We demonstrated how this balance was quickly declining with flat revenues and rising expenditures and shared that we would be at just \$38 million, or 15% of operating expenses, by the end of FY2026. It was our own cash balance reserve policy that led us to closely examine our future cash balances and determine the need to be on the ballot.

Lower cash balances also impact a district’s ability to sign multi-year agreements, including bargaining contracts, jeopardize bond ratings and reduce investment income, all of which save taxpayers money long-term. Imposing restrictions on a district’s cash balance punishes districts who are fiscally responsible and plan for future needs. It also undermines the cash balance and spending policies approved by local Boards of Education. **Districts must maintain the ability to determine and set their own cash balance policies and levy triggers based on their own unique financial needs.**



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.

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.

The future of Ohio's educational excellence depends on your attention to these critical funding components. Thank you for your consideration.

Melissa N. Swearingen