Perrysburg 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 provide this written testimony on House Bill 96. I would have preferred to provide this testimony in person, but grandfather duties called me elsewhere.

My name is Randy Drewyor, and I serve as the CFO/Treasurer for the Perrysburg Exempted Village School District. Perrysburg Exempted Village School District is in northwest Ohio, in northern Wood County, south of Toledo. Perrysburg is a relatively wealthy bedroom community. The district educates approximately 5,800 students in eight buildings (preschool, 4 – K-4 elementaries, 1 - 5/6 intermediate building, 7/8 jr. high and 9-12 high school). Approximately 12% of the district's students are supported by special education programs. The district has 14.2% of its students identified as economically disadvantaged. Over 25% of the district's students are identified gifted. We have 161 students who are English Language Learners speaking over 20 different languages. The district's enrollment is growing at an average rate of 1.5% per year.

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 provisions in House Bill 96.

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

I greatly appreciate the House's efforts to provide additional funding to public schools but the way it attempts to do so, while well intentioned, is misguided. Like many of my colleagues across the state, I remain committed to the Fair School Funding Plan (FSFP). The FSFP offers a student-centered, transparent and (very importantly) predictable model that reflects the actual cost of educating our students. By its very structure I realize that the General Assembly must operate on a two-year cycle. However, public schools (along with the private sector) must look beyond two-cycles to plan for growth, capital investment and long-term maintenance.

For many years Perrysburg was "capped" and therefore not receiving the total funding the state allocated per student. With the implementation of the FSFP and the updating of base costs inputs, the district is now formula funded. A tangible example of the impact of this change is that we've been able to offer tuition-free all-day kindergarten for the first time.

With the implementation of the FSFP and updating base cost inputs districts were moving off guarantees and on to a formula. By doing so funding has become more transparent and predictable. Replacing the FSFP phase-in with temporary "bridge funding" puts districts (including ours) back on a non-formula model which essentially drives us on to a dreaded guarantee eliminating transparency and any measure of stability and predictability.

Without updates to the base cost inputs the Fair School Funding Plan doesn't work. Without base cost updates the formula is essentially eliminated. In Perrysburg's case, growing student enrollment is not enough to overcome the impact of wealth changes. Local wealth changes combined with not updating base costs inputs significantly shifts the public-school funding burden away from the state and onto local residences.

Therefore, 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

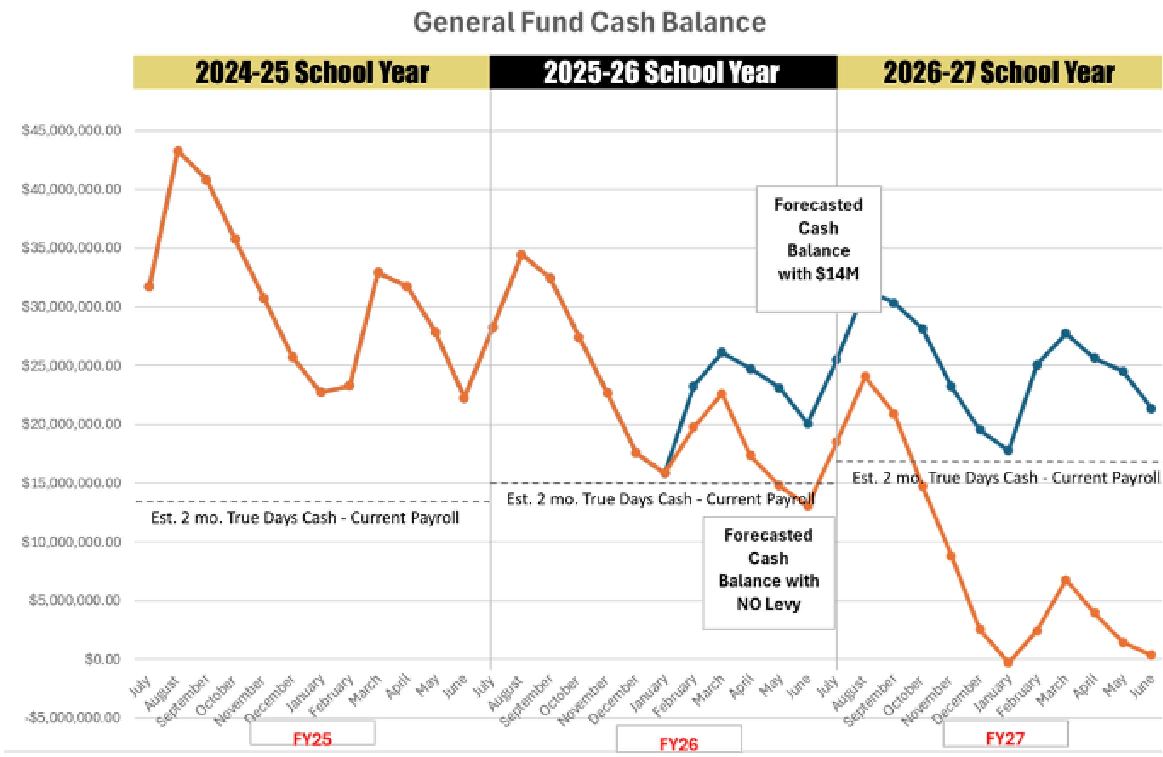
Under the House-passed version of HB 96, districts with a carryover balance above 30% of the prior year's expenditures could face property tax reductions. For districts like mine, this would create serious planning challenges and conflicts with stated board policies concerning cash management.

Perrysburg EVSD has a cash reserve policy that requires the Treasurer and Superintendent to manage our general fund cash reserves over the term of the Five-Year Forecast. The district has a stated objective to maintain end-of-year cash balance of at least 120 days (which is approximately 33%). This requires an understanding of the levy cycle. Typically, at the beginning of a new levy cash balances rise but then shrink over the term of the levy. Arbitrarily setting a 30% cap would require more and shorter levy cycles and usurps the will of the community.

Here's a real example of what a 30% cap would have done in Perrysburg:

> In FY 2024, Perrysburg Schools had a cash reserve of 36.2% or $25,523,320.
>
> Voters rejected a replacement levy in November 2024 and the district stopped collecting $13.5 million on January 1, 2025.
>
> The district used $7.5 million from its cash balance, or general fund, to avoid mid-year reductions in the 2024-2025 school year.
>
> For the 2025-2026 school year, the district is implementing $6 million in cuts by reducing programming, services and 66 staff members.
>
> If Sub. HB 96 were in effect, Perrysburg Schools would have had a cash balance of 30% or $21,165,400 or $4,357,920 less in cash on hand.
>
> With the 30% cap on cash balance in Sub. HB 96, the district would have looked to cut up to an additional $4,357,920. This would have resulted in deep cuts to programs and services and an additional reduction of 15-20 staff members.
>
> A second major impact of an arbitrary cash balance cap is on cash flow management. Here's how it looks for Perrysburg:

The School District's need to carry a cash balance, as the cash balance is more like a person's checking account than their savings account, or the State of Ohio's "Rainy Day Fund." As the chart shows, state aid payments and local tax collections occur in such a way where there are significant fluctuations in the cash balance, just like a checking account.



Analogy: *Annually, the months of July and August for school districts are like when a person gets their paycheck direct deposited in their checking account. The moment their deposit hits their checking account; their available balance is at its highest amount - perhaps above 30% of their expenditures at that moment. However, as that person begins to write checks to pay bills, buy groceries, and fuel their vehicle throughout the month, the balance of the checking account is gradually reduced until the next payday.*

What is important is that each district has a cash balance policy that defines its limits based on their individual cash flow and levy cycles. As the representatives of local taxpayers voted, the Board needs this flexibility to meet community expectations. If the community is unhappy, they can address their concerns at the polls.

I urge the Senate to remove the 30% cash balance provisions from HB 96!

Five-Year Forecast Elimination

The last element I want to address is the replacement of the five-year forecast with a three-year projection. The Five-Year Forecast as a tool and a product is very important to our ability to monitor and communicate the financial health of the district as well as plan for future needs. As a district we are very heavily reliant on local levies. The Five-Year Forecast is one of our most important tools in looking at our levy cycle, determining financial needs and being able to communicate those financial needs.

In addition to the points just stated, the Five-Year Forecast is a critical tool in working with our bargaining units during labor negotiations. The Five-Year Forecast is a commonly accepted tool for making financial decisions during bargaining.

Finally, the Five-Year Forecast is a very important tool in other contractual considerations. Many times, the district can save money by longer term commitments to high demand products and services. Without the support of financial information provided by the Five-Year Forecast the district could not make these contractual commitments.

As a result, I urge the Senate to reinstate the five-year forecast requirement to ensure long-term financial transparency.

Thank you for your support of public education and your consideration of these important next steps in supporting Perrysburg's students and all Ohio students.

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

Randy Drewyor
CFO/Treasurer
Perrysburg Exempted Village School District