

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to share my testimony regarding HB 96. My name is John Espy, and I am a proud father of two Loveland City Schools (LCS) students, and I serve professionally as Treasurer/CFO for the school district. If you have never been to Loveland, I would encourage you to come visit our vibrant, active community.

Loveland City Schools serves over 4,000 students and covers more than 15 square miles in Warren, Clermont, and Hamilton counties. On the most recent state report card, LCS received a perfect 5 stars in every category. As you can imagine, this is something that we are very proud of in the Loveland community. In the sub group of similar districts with 5 stars in every category, LCS had the highest amount of students served per teacher and the second lowest expenditures per pupil. In Loveland, we like to say that we provide above average results at below average costs. This can be further found by examining Loveland's state funding per pupil that is in the bottom 15% in the state.

LCS is at the minimum state share percentage of 10%, and is a guarantee district. In addition to being proud of our fiscally responsible approach to education, we are also proud to educate every student that comes through our doors. In meeting the needs of our special education students in FY24, Loveland Schools spent local funds of over \$11,500,000, while we received just over \$950,000 in state funding. This means that our local funds covered 92% of our special needs learner's education. With the rising needs of our student population, this is not sustainable for our district without your help. Over time, our district has reacted appropriately to enrollment changes with commensurate staffing levels that we transparently post for our community at every Board of Education meeting. This, among other local initiatives, is how LCS is able to stay below the state average in expenditures per pupil. I would be remiss if I did not mention the torment that school levies have brought to our community. Unfortunately, with reductions to the guarantee, levies would be more frequent for the Loveland community and likely lead to further divide.

I, like many of my colleagues across the state, remain committed to the Fair School Funding plan (FSFP). It is centered around the actual costs it takes to educate our children while also working to share that responsibility between local and state funding. LCS respectfully requests the Senate to do the following:

- **Maintain the current guarantee.**
 - Losing the guarantee would be catastrophic for our district's future and ability to meet the needs of our students.
- **Provide increases that are at or closer to the predicted inflationary levels of 2.3%.**
- **Remove the cash balance provision from HB96**

Due to Ohio collecting property taxes in arrears, 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 Loveland City Schools, we 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;
- Meet our obligations of severance payments to retiring employees; and
- Sustain our capital and strategic plans

Capping cash balances would undercut responsible financial planning and could increase long-term costs for both school districts and local taxpayers. **LCS would stand to lose \$4.5M in the short term while currently in the bottom 22% of cash balances in the state.**

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 revenue.

We 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.

In closing, we believe that tax relief to our community members and throughout the state is important. We believe that the efforts must be coordinated to reduce the burden on taxpayers, and feel that the current state of HB96 will lead to further need for our district to go on the ballot to request funding from our community. Please consider finding a way to increase state aid, remove the cash balance provision, and allow our district to plan and anticipate funding gaps with the current use of the five-year forecast model. There cannot be winners and losers when it comes to educating Ohio's students as they are the future for us all.

Chair Cirino and members of the committee, thank you for your time and attention. Mike Broadwater, Superintendent of Loveland City Schools, and I would be happy to answer any questions you may have at this time.

John Espy & Mike Broadwater
Loveland City School District