

# ***EASTERN LOCAL SCHOOL DISTRICT***

11479 U.S. HIGHWAY 62

· WINCHESTER, OHIO 45697

Phone (937) 695-6275

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Jordan R. Michael – Superintendent

Kevin Kendall - Treasurer

## **Senate Education Committee**

### **House Bill 96**

**May 27, 2025**

Members of the Senate Education Committee:

Thank you for the opportunity to submit written testimony on House Bill 96. My name is Jordan Michael, and I serve as the Superintendent of Eastern Local Schools in Brown County, Ohio.

The Eastern Local School serves around 1,100 kids. We are a high achieving district and received 4.5 stars on our most recent report card. We have a 55.7% economically disadvantaged population. On average we spend less than the state average per pupil and less than districts similar to us. Our teacher salaries are below the state average and below the similar district average. We also employ fewer administrators than the state average and less administrators than districts of similar size. All of this considered we are still one of the highest achieving districts in our area and the highest in Brown County. I heard references about lack of accountability for public schools at the legislator's luncheon. There was mention of districts who spend over \$20,000 per pupil and still have test scores in the teens. As you can look up on our district report card, that is not us. We are getting it done with great scores, all while spending conservatively and taking advantage of attrition when necessary.

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. Our district is currently at a 44% carryover in comparison to our previous year's expenditures. The main reasons we have a healthier cash balance at the moment is due to the allotted ESSER funds from COVID. This helped us increase our carryover for the time being, however we forecast deficit spending beginning in 2027. This funding was an anomaly and something we may never see again. We are very conscious of utilizing attrition when given the opportunity. We are frugal and are already forced to make decisions balancing what is best for kids and what is best for our budget. HB 96 will cause every decision we make to think about money and not what is best for kids. We apply for grants nonstop and utilize title 1 dollars to fund much needed positions. We have finally gotten to a point where we can start looking at some new STEM related innovative programs, adding a foreign language, and adding additional dual credit options. The cap limit presented in HB 96 will not be helpful when trying to accomplish these things.

We want to share with you several concerns that have been raised by public school districts across Ohio, and that we strongly echo:

- **The proposed cap would undermine sound financial planning and credit ratings.** Our district works diligently to maintain financial stability and favorable credit ratings, which directly impacts our ability to borrow responsibly and affordably. A mandated cap risks weakening that position. Moreover, this policy would severely hinder a

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district's ability to maintain a top-tier credit rating, as AAA ratings generally require a minimum of 25% in reserves, while the State Auditor requires at least 50%.

- **The proposed cap would undermine sound financial planning and credit ratings.** Our district works diligently to maintain financial stability and favorable credit ratings, which directly impacts our ability to borrow responsibly and affordably. A mandated cap risks weakening that position.
- **It ignores operational realities.** School districts like ours receive the majority of property tax revenue only twice a year. Maintaining healthy reserves is not optional—it's necessary to cover payroll, utilities, and other ongoing expenses in the months between revenue distributions.
- **It reverses important financial lessons.** In prior economic downturns, the state criticized local governments for lacking sufficient reserves. This proposal contradicts that experience and could leave districts like ours financially exposed in the future.
- **It jeopardizes emergency preparedness.** Our reserves are a critical safeguard against unexpected expenses—whether for emergency building repairs, technology replacements, or unforeseen needs. A cap could force districts to delay solutions or seek levies that take significant time to implement.
- **It undermines local governance.** Our locally elected school board is directly accountable to the community. Stripping their authority to manage finances undercuts their ability to serve students and taxpayers effectively.

In short, we view this policy as **rigid, misguided, and out of touch with the diverse realities faced by Ohio's school districts.**

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 urge the Senate to:

- **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. Our district is on the guarantee and this protection is vital to our district. It allows us to continue providing a world class education at Eastern.**

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.

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## **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.

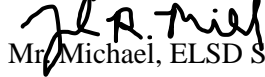
Ohio collects property taxes in arrears, which means that any reduction triggered by a June 30 balance wouldn't affect collections until 18 months later—long after the budget for the affected year has been adopted.

We urge the Senate to:

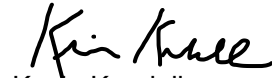
- **Remove the 30% cash balance provision from HB 96; and**
- **Reinstate the five-year forecast requirement to ensure long-term financial transparency.**

Thank you for your consideration of these crucial next steps in supporting Ohio's educational excellence.

Thank you,



Mr. Michael, ELSD Superintendent



Kevin Kendall  
District Treasurer

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