

NORTHWEST LOCAL SCHOOL DISTRICT

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Senate Finance Committee

House Bill 96

May 21, 2025

Senator Cirino and members of the Senate Finance Committee, thank you for the opportunity to submit written testimony on House Bill (HB) 96, the biennial budget.

Our names are Darrell Yater, Superintendent, and Amy M. Wells, CFO/Treasurer for the Northwest Local School District in Hamilton County. We are a suburban district located north of Cincinnati, spanning 52 square miles and serving approximately 8,000 students across 10 buildings. Our district faces significant challenges, with 80 percent of our students coming from economically disadvantaged backgrounds and 20 percent receiving special education services. Despite these challenges, we continue to operate with one of the lowest per-pupil expenditures in Hamilton County.

As the Superintendent in Northwest, I see firsthand how our schools shape not just individual student futures, but the vitality of our entire community. That's why we are writing to you today about Education funding - because when our schools thrive, our communities thrive, our economy thrives, and Ohio thrives. As a public school, we partnered with our business community to create a portrait of a graduate which helps ensure students are prepared for today's workforce. In order to continue to position Ohio to be an economic engine, we must invest in our ability to foster a pipeline to the workforce from our public schools.

Our diverse student population requires a variety of supports and resources in order to maximize their potential. Our special needs costs are 20 percent of our overall budget and growing. Our poverty rate is 80 percent and our English Language Learner population continues to grow to a current level of 7.6 percent. We are seeing more and more students with significant needs which requires the district to shift dollars to maintain our 3 percent community partnership and maintain our levy cycle. Our students have increasing needs and reducing the

state funding will only shift the burden to our local community in order to maintain our current services.

Based on the population we serve, transportation continues to be a vital but vulnerable part of the operation. We do not transport outside of one mile nor high school, which makes it difficult for our students to get to school on inclement weather days. This can impact our absenteeism rates and our students' ability to stay current in their studies.

We are concerned about several provisions from the House proposal and others from the Governor's proposal. First and most concerning, is the cap on carry over balances. This artificial limit takes away local control from the community and Boards of Education to use funds in a strategic manner. It limits the amount that can be collected from community approved levies and penalizes schools for collecting more in the beginning of the levy cycle to maximize their resources to last over many years. This limit will require more levies to be approved in more frequent cycles.

Although the House has not considered continual funding of the Fair School Funding Plan, it does provide an objective, rational, and transparent solution to school funding. Created in collaboration with school district leaders and expert practitioners, it translates real student needs into concrete resources. For example, the formula accounts for the actual costs of providing essential education components like appropriate class sizes, student support services, and educational technology - resources that directly impact student success in today's world.

However, for the formula to work as designed, it needs to be fully implemented with updated inputs. When only one side of the equation increases, in this case, the local capacity side (property valuation and income) this shifts the burden of funding public schools onto the local community. Research consistently shows that education investment generates significant returns. Each dollar invested in education can generate economic benefits through increased earnings and reduced social costs.

As the CFO/Treasurer, having a predictable formula allows us to forecast and plan long-term. Without a consistent funding formula we are unable to make long-term plans for programs that are sustainable. Reducing total state funding due to being on a guarantee does not represent the reasons for being on the guarantee nor equate to it. We agree that losing students should and does reduce staffing. We have a staffing plan that we use. As our number of students reduces, so does our staffing. However, 5 percent of our guarantee is approximately \$91,000 vs. 5 percent of our overall state funding at approximately \$2.5 million.

We are writing - on behalf of our students, district, and community that we serve - to request that the Senate consider a stable and predictable model of school funding that will honor the Constitutional commitment to a system of common schools and enable fiscally responsible systems like ours to manage our resources with a predictable and adequate level of support from the State. This will provide the stability and predictability our schools need to create accurate five-year forecasts, implement sustainable educational programming, partner with our community and will account for the inflation we are all experiencing.

Our district's cash balance is decreasing as we are at the end of a levy cycle. Reductions in state funding will accelerate this. When district's are above the 20 mill floor, our funding is flat when levies are passed which requires us to go back to our community on a levy cycle to maintain services. Changes to the school funding formula disrupt this levy cycle, services and long-term planning. This is why it is imperative for districts to have a predictable school funding formula to plan and maintain fiscal sustainability.

Our local valuation increased in 2020 - our first increase since 2005. The 2023 valuation increase was 30 percent which we partnered with our local community to utilize this increase in revenue to replace a 101 year old elementary school that is literally falling down versus increasing operations.

Similar to our local 3 percent Partnership with our Community, this is a commitment where we have agreed not to increase our operations by more than 3 percent annually and our community has committed to support our district. As a fiscally responsible district we have exceeded that partnership by not growing more than 1.5 percent over each of the last 14 years. Without the state's support, it will make it difficult for our community to sustain our district and the services it provides to our children and community. Thank you for your consideration of these crucial next steps in supporting Ohio's educational excellence.

Additionally, our Board of Education unanimously passed a resolution in support of the content presented in this letter.

Chair Cirino and members of the committee, thank you for your time and attention. We are looking forward to answering any questions you may have.

Darrell Yater
Superintendent

Amy M. Wells
CFO/Treasurer