



Coalition of OHIO Rural and Appalachian Schools

BUDGET TESTIMONY – HOUSE BILL 96

Submitted by Randy Gardner on Behalf of The Coalition of Ohio Rural & Appalachian Schools

SENATE FINANCE COMMITTEE

May 28, 2025

Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks Hudson, long time friends and former legislative colleagues of mine, and members of the Senate Finance Committee:

I appreciate the opportunity to speak with you today, my first time addressing a committee in the General Assembly for more than two years, not since I served as Chancellor of Higher Education. I'm here today on behalf of the Coalition of Ohio Rural and Appalachian Schools, an organization tasked with representing many of Ohio's rural and small-town school districts.

We've often said that the level of government that governs best is that level closest to the people. In many of our communities, there are few entities closer to the people than our local school boards.

As I provide comments today, I do so in the spirit of the well-known conservative author, professor, and economist Thomas Sowell. As a member of the Senate, I often considered one of Sowell's most notable quotations when voting on legislation. Sowell said, "*The basic question is not what's best, it is who shall decide what's best.*" My comments today should be heard with Thomas Sowell's principle in mind.

LOCAL CONTROL: First and foremost, Ohio's K-12 education structure relies on locally elected school boards whose members are farmers, small business owners, nurses, accountants, attorneys, and people from dozens of other backgrounds and who have often lived for decades in the school community. They are best equipped to make decisions impacting the finances of local school districts. Generally, a "one-size fits all" change in education funding or regulations is often not met with the best outcomes.

CURRENT VERSION OF HB 96: Local schools, especially rural schools, appreciate that the House of Representatives provided a net increase in traditional school district funding in its version of HB 96. However, we are very concerned about a new concept that could result in billions of dollars in local property revenue losses to schools that have carryover cash balances of more than 30%, even though many of these same carryover balances have no correlation to property values, property taxes or local school spending. I have spent a lot of time in the past several weeks reviewing five-year forecasts and school district profiles on the Cupp Report. In addition, in numerous meetings with local school officials, we know the balances are largely the result of conservative school boards managing their budgets to reduce the frequency of school levy requests and to protect against significant changes in state aid.



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FAIR SCHOOL FUNDING: We ask to every extent possible, that the principles embodied in the Fair School Funding Plan be retained in the budget. Even if inputs cannot be fully updated, the foundation of the Fair School Funding Plan remains relevant and important – to support what it costs to fund a quality education for public school children in Ohio.

FLEXIBILITY FOR LOCAL SCHOOLS: We ask that the Senate remove the carryover cash balance mandate maximum and instead require that school districts establish a carryover balance policy, with minimum and maximum carryover cash balance policies. If the Senate is determined to retain the carryover cash balance policy, we ask that consideration be given to the following:

1. **Any** new dramatic change in school funding reform and regulation should begin no earlier than July 1, 2026.
2. A carryover cash balance threshold, if such a policy is decided, should be **significantly** higher than 30%.
3. School districts should have the freedom to appeal to the County Budget Commission to retain a carryover cash balance above the state maximum due to unique circumstances in the district.
4. Schools should retain the authority and flexibility to move operating funds to other accounts to preserve the ability to support permanent improvements, capital projects or other future priority needs as determined by the school board.
5. Any changes to the current “floor calculation” such as those contained in SB 66 should be either phased in over a period of time or take effect when the levies expire. In all cases, income tax levies should be removed from the bill or any potential budget amendment containing this language.
6. A dollar saved helps local schools as much as a dollar gained. There is still time in this budget process for mandate relief. We have numerous ideas to help schools with mandate costs, including support for catastrophic aid for special needs students. We want to work with you in the weeks ahead to find more savings and efficiencies for schools.

Thank you, Mr. Chairman and members of the committee. I’d be pleased to answer questions and work with you in the weeks ahead on these important issues.