



# RICHARD D. JONES

Treasurer/CFO  
Southwest Licking Local School District  
rdjones@laca.org

## Senate Education Committee House Bill 96 May 29, 2025

Chair Brenner, Vice Chair Blessing, Ranking Member Ingram, and members of the Senate Education Committee, thank you for the opportunity to testify today on House Bill 96. My name is Richard D. Jones, and I serve as the Treasurer/CFO of Southwest Licking Local School District in Licking and Fairfield Counties.

The Southwest Licking Local School District (School District) is a suburban school district which covers approximately 65 square miles. The School District consists of three elementary schools, one intermediate school, one middle school, and one high school which services 5,112 students.

The School District is finishing up our OFCC master plan with the completion of a new elementary school. Upon completion of the new elementary, one of our existing elementary schools will be converted to a BRIDGE Academy to service students with severe behavior issues. As a result of the OFCC enrollment projection significantly underestimating our enrollment (OFCC enrollment project estimated the School District would have 4,250 students for the 2025-2026 school year, our actual enrollment is 5,112 for 2024-2025 school year), the School District had a bond levy on the May 6, 2025 special election, for a new 1,200 student 5-6 school building, a 450 student addition on the new high school, and an indoor facility, that failed. The School District will now have to decide if the bond levy will be placed on the November 2025 election.

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.

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

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:

- 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.

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.

### **Cash Balance Cap 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.

In Southwest Licking Local School District, we build and maintain our cash reserves to:

- Manage levy cycles and avoid frequent ballot issues;
- Support the district's bond rating and financial stability; and
- Additional staffing and program needs for a growing school district.

Capping cash balances would undercut responsible financial planning and could increase long-term costs for both school districts and local taxpayers.

We urge the Senate to:

- Remove the 30% cash balance provision from HB 96.

**Not currently included in HB 96 but may be under consideration by the Senate.**

### **Including Emergency and Substitute Levies in the 20 Mills Floor Calculation**

As mentioned earlier in this letter, Southwest Licking Local School District is a growing school district, and as such, needs the substitute levy to keep up with the new staff needed to operate a growing school district. Including the substitute levy in the 20 mills floor calculation would result in the School District receiving less and less of the substitute levy revenue because of H.B 920.

Below is the Southwest Licking Local School District five-year forecast with the substitute levy outside the 20 mills floor calculation and the five-year forecast with the substitute levy included in the 20 mills floor calculation. With the substitute levy not included in the 20 mills floor calculations, the school district has estimated the following amounts for General Property Tax (Real Estate) line 1.010 - FY 2027 (\$32,518,186), FY 2028 (\$35,128,840), and FY 2029 (\$36,483,329). With the substitute levy included in the 20 mills floor calculations, the school district has estimated the following amounts for General Property Tax (Real Estate) line 1.010 - FY 2027 (\$30,545,854), FY 2028 (\$31,582,458), and FY 2029 (\$32,658,979). The result of this loss of property tax revenue, due to including the substitute levy in the 20 mills floor calculation, the school district's estimated cash balance at the end of FY 2029 goes from \$11,452,430 to \$870,988. Therefore, the School District will need to go back to the voters for another levy because the substitute levy, the voters previously approved for a continuing period of time, will have disappeared into the 20 mills floor.

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## Five-Year forecast with the substitute levy outside of the 20 mills floor calculation

**Southwest Licking Local School District**  
**Licking County**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;  
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

	Actual			Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	19,182,757	20,165,974	25,518,342	15.8%	27,908,334	29,643,243	32,518,186	35,128,840	36,483,329
1.020 Public Utility Personal Property Tax	1,715,382	1,953,418	2,002,941	8.2%	2,064,437	2,192,235	2,263,123	2,335,671	2,422,915
1.030 Income Tax	7,748,085	9,007,057	8,810,672	7.0%	9,487,235	10,175,074	10,935,924	11,783,003	12,746,127
1.035 Unrestricted State Grants-in-Aid	15,620,391	16,128,493	19,257,224	11.3%	19,422,904	15,734,650	15,481,310	15,228,206	14,975,341
1.040 Restricted State Grants-in-Aid	999,854	1,089,628	1,598,176	27.8%	1,562,353	1,361,353	1,361,353	1,361,353	1,361,353
1.050 State Share of Local Property Taxes	2,614,208	2,693,814	3,140,814	9.8%	3,575,438	3,679,041	3,986,608	4,281,819	4,404,909
1.060 All Other Revenues	1,426,906	2,400,852	3,229,909	51.4%	3,405,009	3,223,519	3,061,180	2,916,092	2,786,546
1.070 <i>Total Revenues</i>	49,307,583	53,439,236	63,558,078	13.7%	67,425,710	66,009,115	69,607,684	73,034,984	75,180,520
<b>Other Financing Sources</b>									
2.040 Operating Transfers-In	553,386	642,429	737,956	15.5%	660,000	679,800	700,194	714,198	728,482
2.050 Advances-In	61,604	599	13,461	1024.1%	17,182	-	-	-	-
2.060 All Other Financing Sources	197,028	483,137	180,386	41.3%	161,896	160,277	158,674	157,088	155,517
2.070 <i>Total Other Financing Sources</i>	812,018	1,126,165	931,803	10.7%	839,078	840,077	858,868	871,286	883,999
2.080 <i>Total Revenues and Other Financing Sources</i>	50,119,601	54,565,401	64,489,881	13.5%	68,264,788	66,849,192	70,466,552	73,906,270	76,064,519
<b>Expenditures</b>									
3.010 Personal Services	27,451,985	28,571,595	30,697,213	5.8%	35,948,749	39,511,252	42,464,228	45,201,776	48,079,060
3.020 Employees' Retirement/Insurance Benefits	10,763,973	11,639,642	13,195,503	10.8%	15,159,220	16,953,605	18,338,401	19,793,603	21,391,765
3.030 Purchased Services	3,927,000	6,272,065	6,517,871	31.8%	11,784,581	5,959,981	6,257,980	6,570,879	6,899,423
3.040 Supplies and Materials	1,360,478	1,523,845	1,503,640	5.3%	2,700,464	2,086,305	2,144,395	2,204,227	2,265,854
3.050 Capital Outlay	22,201	2,968	683,939	11428.6%	24,150	24,150	24,150	24,150	24,150
4.300 Other Objects	603,292	753,641	834,006	17.8%	946,161	974,546	1,003,782	1,033,895	1,064,912
4.500 <i>Total Expenditures</i>	44,128,929	48,763,756	53,432,172	10.0%	66,563,325	65,509,840	70,232,936	74,828,529	79,725,165
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	553,667	642,429	737,675	15.4%	32,184,505	834,300	859,329	876,516	894,046
5.020 Advances-Out	599	13,461	21,504	1103.5%	19,400	-	-	-	-
5.030 All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040 <i>Total Other Financing Uses</i>	554,266	655,890	759,179	17.0%	32,203,905	834,300	859,329	876,516	894,046
5.050 <i>Total Expenditures and Other Financing Uses</i>	44,683,195	49,419,646	54,191,351	10.1%	98,767,230	66,344,140	71,092,265	75,705,045	80,619,211
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	5,436,406	5,145,755	10,298,530	47.4%	(30,502,442)	505,052	(625,713)	(1,798,776)	(4,554,692)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	27,548,311	32,984,718	38,130,471	17.7%	48,429,001	17,926,559	18,431,611	17,805,898	16,007,122
7.020 <i>Cash Balance June 30</i>	32,984,717	38,130,473	48,429,001	21.3%	17,926,559	18,431,611	17,805,898	16,007,122	11,452,430

## Five-Year forecast with the substitute levy included in the 20 mills floor calculation

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**Licking County**  
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1.030	Income Tax	7,748,085	9,007,057	8,810,672	7.0%	9,487,235	10,175,074	10,935,924	11,783,003	12,746,127
1.035	Unrestricted State Grants-in-Aid	15,620,391	16,128,493	19,257,224	11.3%	19,422,904	15,734,650	15,481,310	15,228,206	14,975,341
1.040	Restricted State Grants-in-Aid	999,854	1,089,628	1,598,176	27.8%	1,562,353	1,361,353	1,361,353	1,361,353	1,361,353
1.050	State Share of Local Property Taxes	2,614,208	2,693,814	3,140,814	9.8%	3,575,438	3,667,127	3,755,874	3,841,727	3,935,954
1.060	All Other Revenues	1,426,906	2,400,852	3,229,909	51.4%	3,405,009	3,223,519	3,061,180	2,916,092	2,786,546
1.070	<i>Total Revenues</i>	49,307,583	53,439,236	63,558,078	13.7%	67,425,710	65,910,518	67,404,618	69,048,510	70,887,215
<b>Other Financing Sources</b>										
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2.080	<i>Total Revenues and Other Financing Sources</i>	50,119,601	54,565,401	64,489,881	13.5%	68,264,788	66,750,595	68,263,486	69,919,796	71,771,214
<b>Expenditures</b>										
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5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
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6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	5,436,406	5,145,755	10,298,530	47.4%	(30,502,442)	406,455	(2,828,779)	(5,785,250)	(8,847,997)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	27,548,311	32,984,718	38,130,471	17.7%	48,429,001	17,926,559	18,333,014	15,504,235	9,718,985
7.020	<i>Cash Balance June 30</i>	32,984,717	38,130,473	48,429,001	21.3%	17,926,559	18,333,014	15,504,235	9,718,985	870,988

I urge the Senate to:

- Not include emergency or substitute levies in the 20 mills floor calculation, or
- Grandfather existing emergency and substitute levies, and all new emergency and substitute levies would be included in the 20 mills floor calculation.
- I personally believe a cap on the increase in property valuation would be a better long-term solution than including the emergency and substitute levies in the 20 mills floor calculation.

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

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