



Senate Finance Committee  
House Bill 96 Interested Party Testimony  
Buckeye Association of School Administrators (BASA)  
May 29, 2025

Chairman Cirino, Vice Chairman Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to testify on House Bill 96. My name is Paul Imhoff with the Buckeye Association of School Administrators, which represents Ohio's public-school superintendents and other senior-level school administrators. On behalf of our members, we appreciate the opportunity to share our perspective on HB 96.

**Policy Changes**

HB 96 includes many policy provisions that will positively impact Ohio. We commend Governor Mike DeWine and the House for advancing these proposals and recommend their enactment, including:

- creating a legislative workgroup on school transportation;
- expanding career-technical education programming in the 7th and 8th grades;
- creating the Principal Apprenticeship Program;
- authorizing superintendents to make teacher assignments based on the best interest of students;
- creating and funding the School Bus Safety Grant Program;
- continuing to support the Science of Reading implementation by funding literacy coaches; and
- eliminating the Resident Educator Summative Assessment.

**School Funding**

The current version of House Bill 96 includes temporary bridge funding that ensures every district receives an increase over the biennium. While we are thankful for the House's additional investments in education, we continue to advocate for an operational funding formula that enables school leaders to plan responsibly and meet the diverse needs of all students. We believe the Fair School Funding Formula represents the best path forward, though we understand and acknowledge modifications and updates are needed to adapt to the evolving budgetary and educational landscape.

### **Carryover Balance Cap**

A key provision on the minds of superintendents today is the bill's carryover balance cap of 30%, which is being promoted as property tax relief. Let me be clear – our superintendents fully support property tax relief done in a responsible manner, but this provision has a number of unintended consequences that will negatively impact Ohio's taxpayers and schools.

As you have likely heard from the superintendents in your districts, this policy will deplete carryover balances with no regard for their planned use and reduce property tax rates for one year while raising taxes in the subsequent year. Homeowners will be confused by the ups and downs of their tax bills and fluctuating escrow accounts, and they'll be further maddened by more frequent school levies as schools will be forced to take more frequent and smaller bites at the apple to live under the 30% cap. The number of schools projected to be under state fiscal oversight – Fiscal Watch, Caution, or Emergency - more than doubles under this proposal. Ratings agencies like Moody's and others rate a district's financial health much higher if it has a carryover balance of more than 25%. HB 96 turns this floor into a ceiling and may result in higher borrowing costs for schools and, ultimately, taxpayers. The provision could also disrupt districts who are using their carryover funds to finance capital projects without seeking new levies. If passed, HB 96 could force these districts into default on these financing agreements.

This change will result in a catastrophic loss of billions of dollars of school revenue that is supposed to be used to provide educational opportunities to students. Schools will be forced to cut student programs and place levies on the ballot far sooner than planned, while also having to return to the ballot on a more frequent basis. Passing a levy in Ohio is no small feat – new money levies fail 70% of the time – and HB 96 will exacerbate that failure rate and compromise our ability to provide competitive educational opportunities at a time when we need to be laser-focused on literacy, workforce development, and math.

While we cannot support this proposal in its current form, there are alternative options that could be considered, which include:

- the County Auditors' Association of Ohio's proposal that increases the threshold to 100% and requires the county budget commission to affirmatively vote to allow the district to maintain its balance and not reduce its millage. This support is based upon the condition that the commission's decision is appealable, the date by which a balance is determined is adjusted, and the balance is limited to a district's general fund. We also recommend the budget commission be required to review the entire forecast before making their decision.
- a requirement for the locally elected board of education of each school district to adopt a cash balance policy, a requirement that the policy to include a minimum and maximum carryover

balance, and requirement that the policy be adopted in consultation and collaboration with the community.

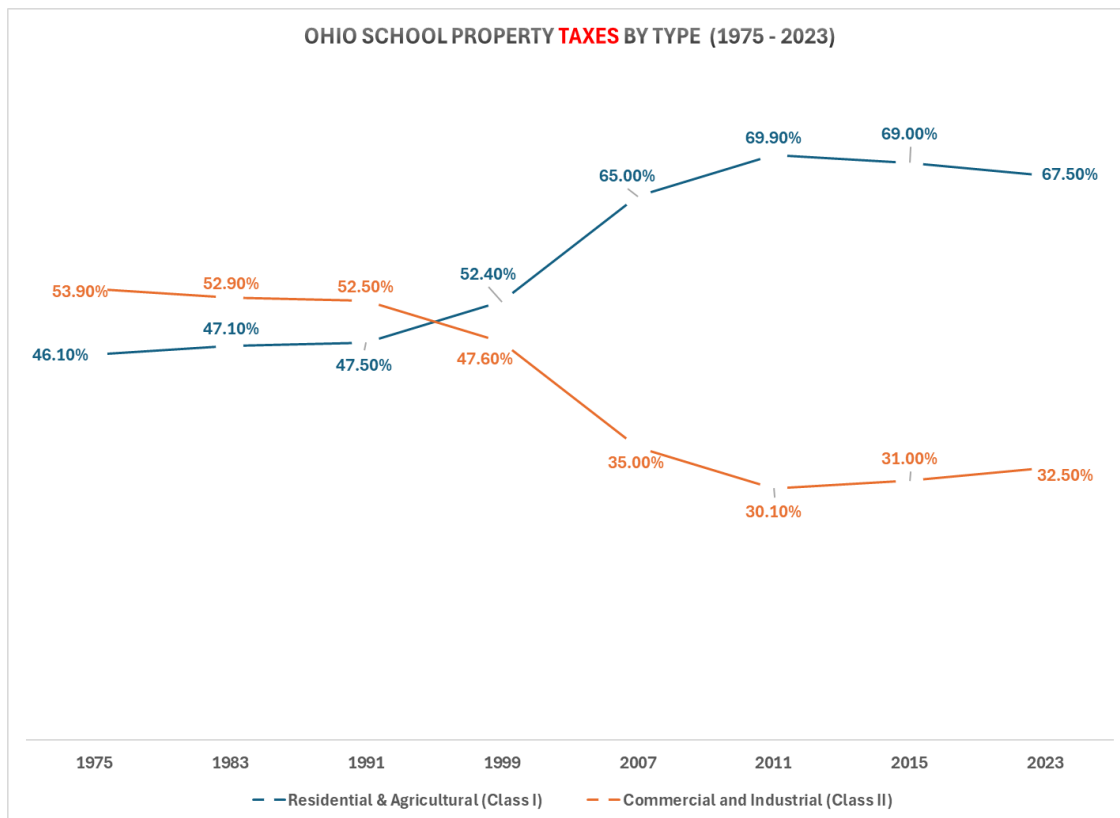
Included at the end of this testimony are simulations of what the cash balances on a statewide basis are projected to be under current law and also under HB 96. Additionally, a chart showing the shift in the school district tax base on to residential homeowners and away from commercial property owners is available at the end of the testimony.

We urge the Senate to remove this provision that has the potential to jeopardize the financial health and stability of our public schools and the students they serve and consider one of the other proposals we have described.

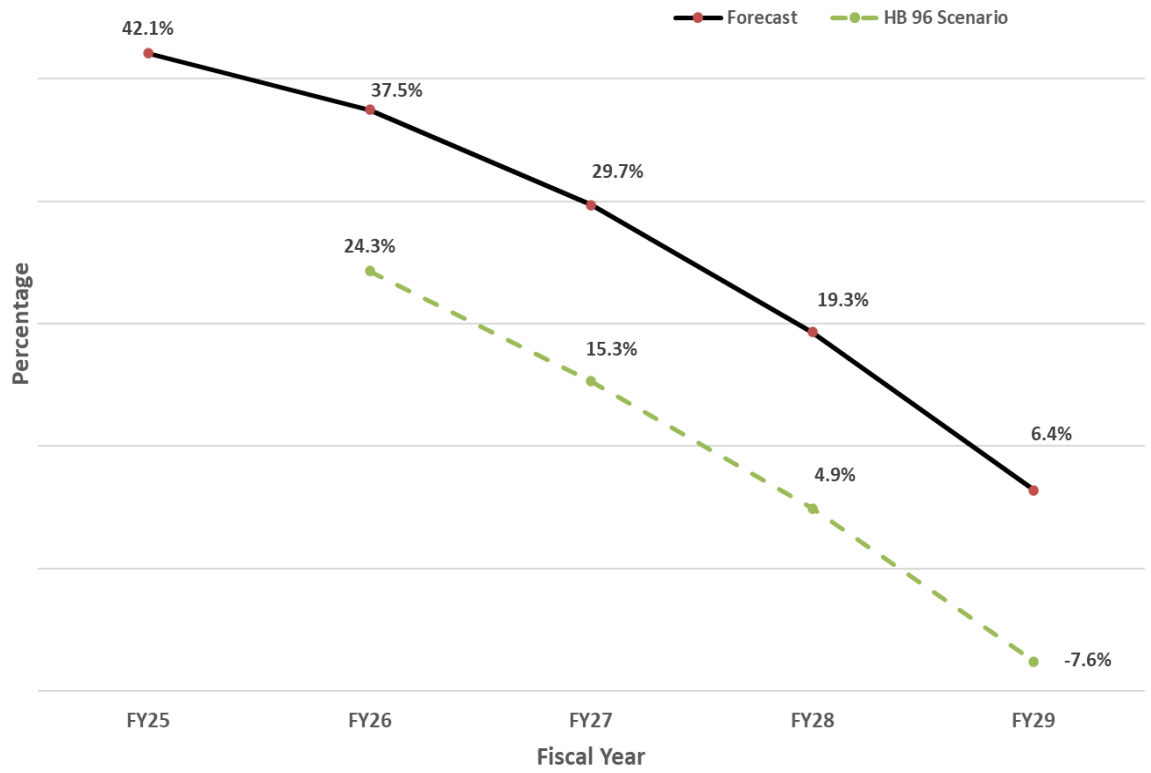
### **Educational Service Centers**

Ohio's Educational Service Centers (ESCs) have a long history of promoting shared services, yielding significant taxpayer savings. Our state's ESCs serve as a national model for efficiency and collaboration in public education. Investing in ESCs ultimately reduces costs through enhanced operational efficiencies. To support the continued effectiveness of ESCs, we respectfully request the Senate to provide an inflationary adjustment to ESC funding and update their funding formula in accordance with the Ohio Educational Service Center Association's recommendations to ensure they can continue delivering high-quality services to Ohio's schools and students.

Mr. Chairman and members of the committee, thank you for your time and consideration. We appreciate your commitment to Ohio's schools and students. I am happy to answer any questions you may have.



### Statewide Fiscal Year Cash Balance Percentages with HB 96 Scenario



Source: Ohio Department of Education and Workforce Reports Portal