



SPRINGBORO SCHOOLS
People First / Always Growing / Better Together

**Senate Finance Committee
House Bill 96
May 23, 2025**

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to testify today on House Bill (HB96).

My name is Terrah Stacy and I serve as the Treasurer/CFO, for the Springboro Community City School District, located in Warren County. Our district is the 39th largest school district in Ohio, serving more than 6,100 students. We are a 5-star rated school district, ranking in the top 12% in achievement, while being the 13th lowest spending district per pupil, in the State of Ohio. No district in Ohio achieved higher, and spent less per pupil than Springboro.

While Springboro's combination of high achievement and low per-pupil spending is often seen as a model of fiscal and academic efficiency, this success also masks significant vulnerability. We operate with lean resources and maintain only modest cash reserves — currently just 20% of our annual operating expenses, or about 73 days of cash on hand. Because of these limited reserves, any reduction or disruption in state funding would have an immediate and significant impact on our ability to maintain the quality programs and services our students rely on.

Funding Guarantees

As a district funded at the minimum 10% state share, we are heavily dependent on funding guarantees to sustain current programming. If HB96 reduces or phases out these guarantees, Springboro stands to lose millions of dollars — despite the fact that our student enrollment is growing, not shrinking. The funding we receive under the guarantee is not supporting empty seats; it is supporting real students, with real needs, in a steadily growing community.

It is also important to note that all guarantees are not the same. Springboro is on the FY20 Transitional Aid guarantee. This guarantee ensures that we wouldn't receive less funding due to the implementation of the FSFP. Under the previous funding formula, we were heavily capped, as the formula determined we should have received more funding than the state could afford to provide. In FY25, we are still receiving the same amount we received in 2020, despite a 24% increase in

costs and annual enrollment growth. We have not received additional funding for any student who has enrolled in Springboro since 2019.

With 10,000 acres of undeveloped land and nine subdivisions currently being proposed. We will see continued growth in the foreseeable future. If the guarantees are eliminated, we would lose 40% of our State funding.

Categorical Funding

In addition to base aid, categorical aid provides critical funding for our most vulnerable students. This funding helps support vital programs and services for our special needs students, our economically disadvantaged, and English Language Learners.

We are a 10% state minimum funded district which includes categoricals. In addition, the categorical funding categories are not reflective of the actual costs districts incur. In Springboro, our special needs population has increased 21% in 5 years. In FY24, we spent \$12.2 million on special education and received only 614k in categorical funding. This equates to the state covering less than 5% of our actual costs for our most vulnerable students, shifting 95% of those costs to be covered by cash reserves and ultimately our taxpayers through additional levies.

Base Costs

Base cost updates were not included in the Governor's budget or house-passed version. By not updating base costs to account for inflation, the funding formula will use outdated 2022 costs, while using current taxpayer income and property values. This results in an unbalanced state funding formula and causes an unfair reduction in state funding, and further shifts the financial burden to local taxpayers. Instead of updating Base Costs, the House version simply gives an additional \$20 per student, so no district receives less than in FY25. The issue is this would abandon the funding formula that has been in place for 4 years that with continual updates and tweaks, is working. If this formula is abandoned, we will be repeating history of a new funding formula every few years, that is not equitable, predictable, or sustainable.

The Larger Conversation

There is a larger conversation that needs to be had. State Funding & Property Tax Reform go hand in glove and the effects could make or break public education. There has been a continued shift in the shared partnership to fund nearly 90% of Ohio's children. The State is not holding up its end of the partnership. The state

share continues to go down, and the local share continues to go up. Some local communities are being expected to cover 90+% of the costs. At the same time, bills are being drafted left and right for property tax reform to lower the burden on taxpayers.

However, this problem is not due to increasing property values, its being created by the continued reductions in state funding. Property tax reform would not be needed if there wasn't an over-reliance on taxpayers to pick up the lion's share of the costs. The state is not paying their fair share of the partnership to educate Ohio's children. We urge the Senate to:

- Fully fund the final phase of the FSFP, and update base costs to 2024 levels to reflect inflation and keep the formula balanced.
- Maintain funding guarantees at 100%, they are not funding empty seats in Springboro. Without the funding guarantee, we would only receive 10% funding from the State for base costs and categorical aid, shifting 90% to our taxpayers.
- Increase categorical aid to 50%, categorical aid supports the additional costs needed to educate our most vulnerable students
- Reject proposals that take away local control or confuse taxpayers, by cutting voter-approved taxes based on district cash balances.

Thank you for your time and the opportunity to provide testimony. We urge this committee to prioritize these critical areas as you consider the state's budget. Thank you for your time and attention, and I am happy to answer any questions you may have.

Sincerely,

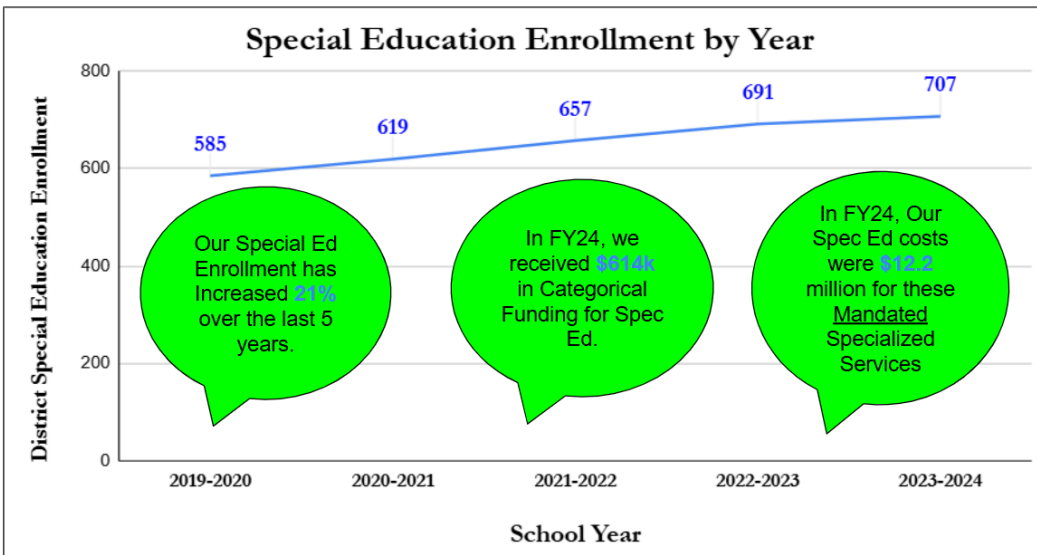
Terrah Stacy

Springboro Community City School District

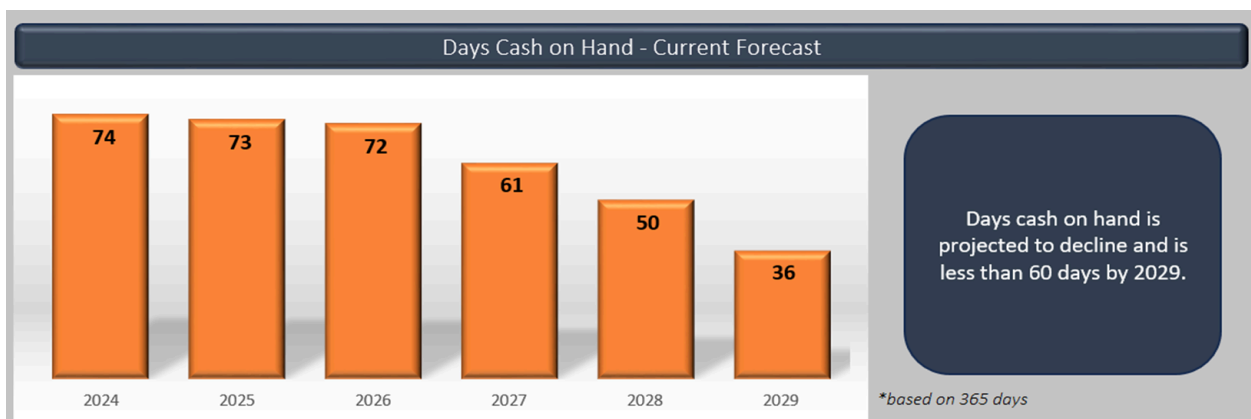
tstacy@springboro.org chester@springboro.org

Special Education

Our special needs population has increased 21% in 5 years. In FY24, we spent 12.2 million on special education and received only 614k in categorical funding, which equates to less than 5% of our actual costs.

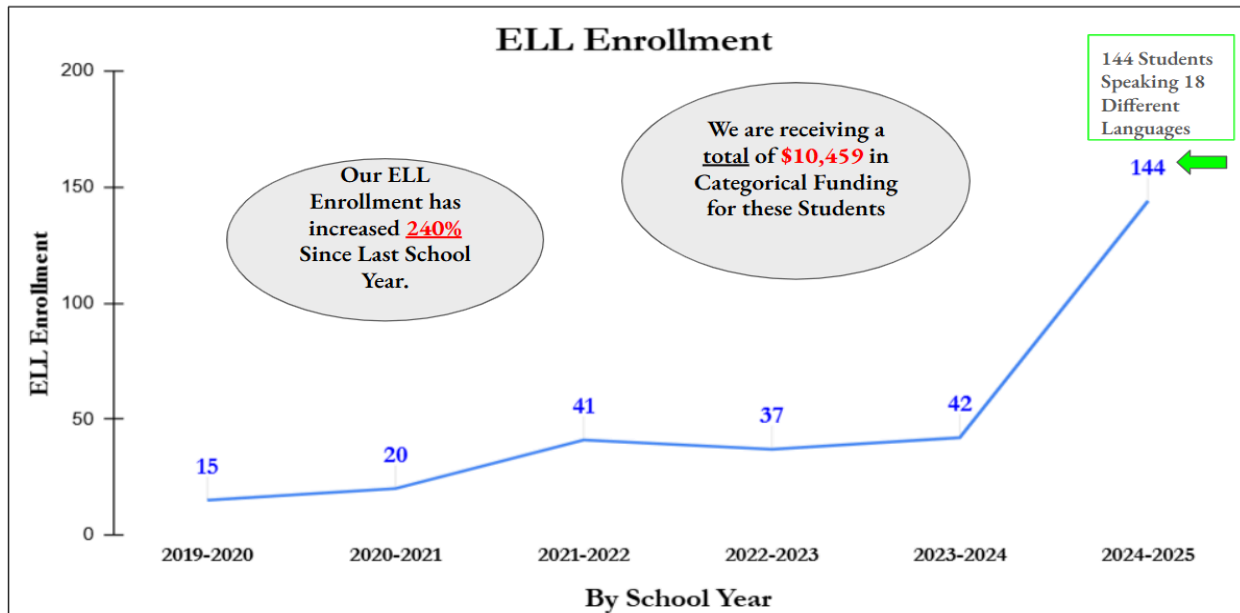


Days of Cash on Hand - Current Forecast

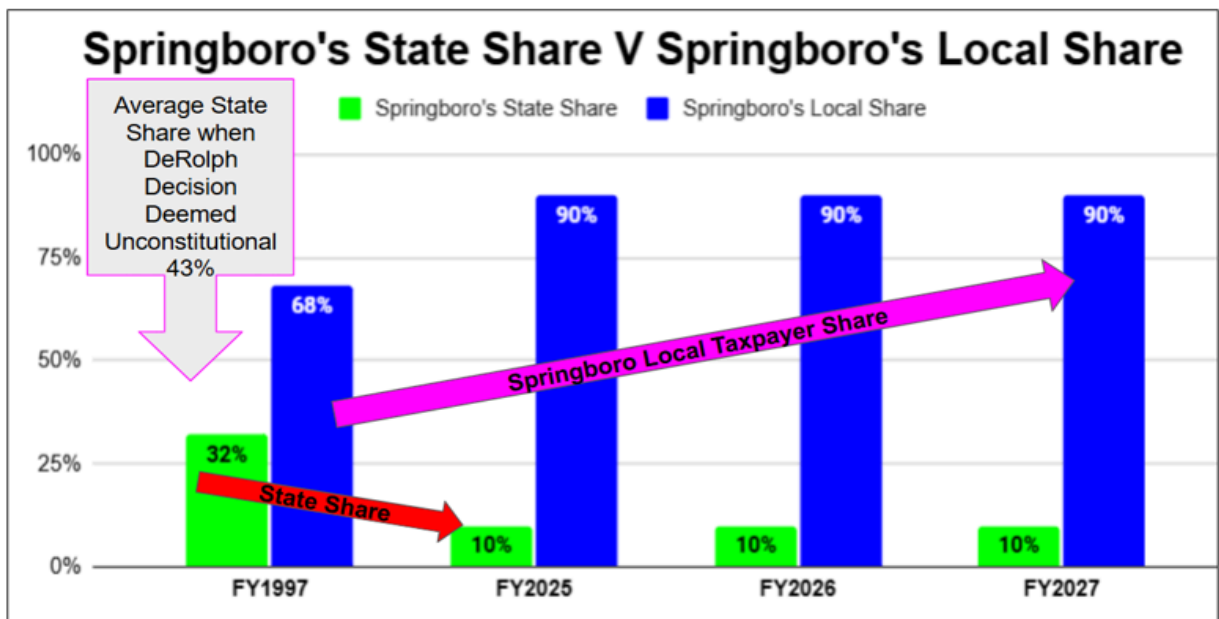


ELL Population

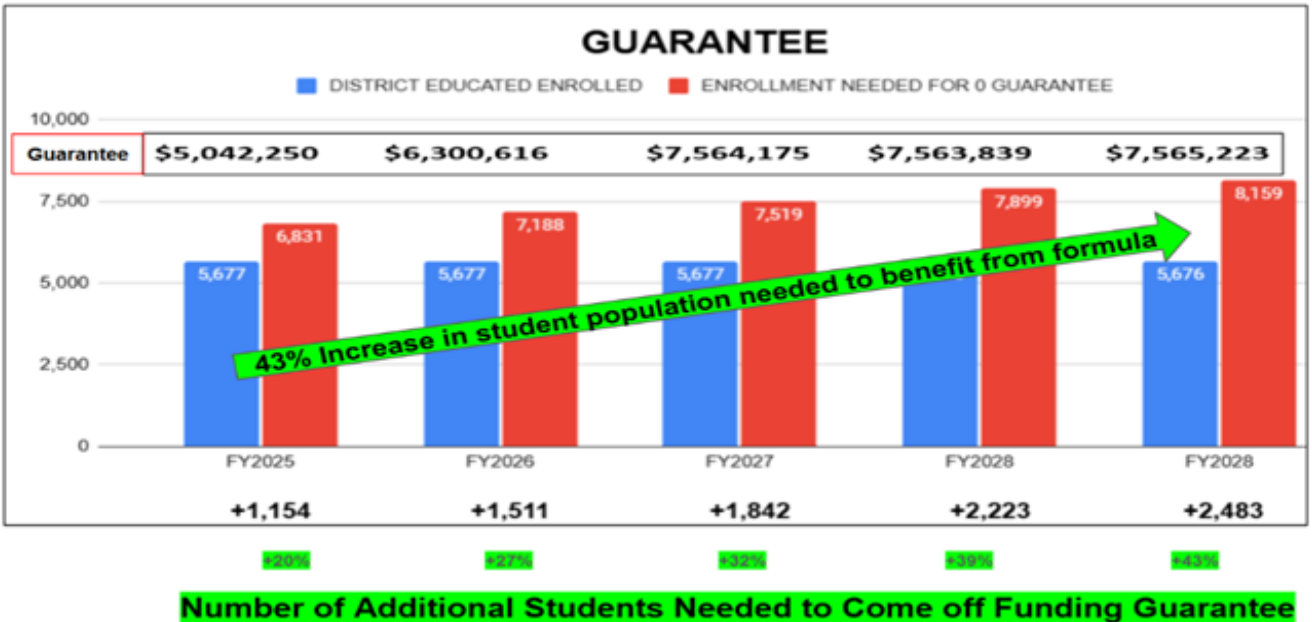
We have 144 ELL students, speaking 18 unique languages. We have experienced a 240% increase this year over last year. Our expenses are anticipated to be at least 280k, and we are to receive under 11k in categorical funding.



In 1997, the DeRolph decision determined that the state share of school funding was unconstitutional at an average of 43%. In FY25, Springboro Schools state share is only 10%, far below the DeRolph decision.

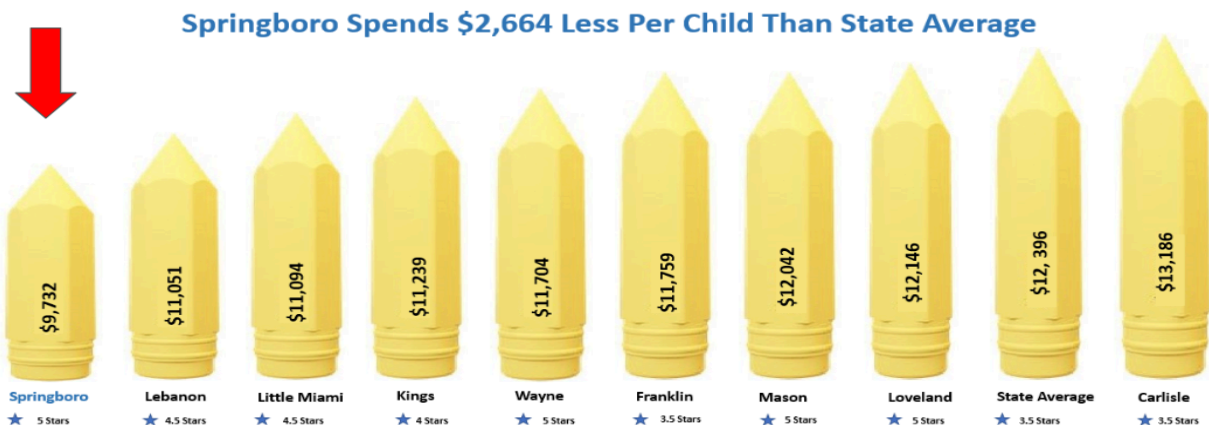


Guarantee - Springboro Schools is on the FY20 funding guarantee by over \$5 million, and increases to over 7.5 million by FY29 to receive the same funding we received in FY19. Springboro Schools will not receive any additional funding until we add over 1,511 students in FY26. As a steadily growing district, we receive 0 funding for new students.



Springboro Schools is a 5 star district, and is the 13th lowest spending district per pupil in the State of Ohio.

Expenditures Per Pupil 2024



STATE FUNDING						
A	MAY FORECAST	FY2025	FY2026	FY2027	FY2028	FY2029
A1	per pupil base cost (SF4 Line C)	\$8,086	\$8,089	\$8,089	\$8,089	\$8,089
A2	state per pupil share (SF4 Line E)	\$809	\$809	\$809	\$809	\$809
B	enrollment (SF1a)	5677.245	5676.974	5676.59	5676.358	5676.045
C	State's Share of Total Base Cost (A2*B)	\$4,590,620	\$4,592,104	\$4,591,794	\$4,591,606	\$4,591,353
D	State's Share of Categoricals (SF5)	\$812,968	\$812,945	\$812,899	\$812,854	\$812,808
E	targeted sf6	\$0	\$0	\$0	\$0	\$0
F	Calculated FSFP Formula (C+D+E)	\$5,403,588	\$5,405,049	\$5,404,693	\$5,404,460	\$5,404,161
G	2020 BASE FUNDING W/O DPIA	\$12,977,420	\$12,977,420	\$12,977,420	\$12,977,420	\$12,977,420
H	FSFP Formula to 2020 BASE (F-G)	-\$7,573,832	-\$7,572,371	-\$7,572,727	-\$7,572,960	-\$7,573,259
I	FORMULA PHASE IN ASSUMPTION	66.67%	83.33%	100%	100%	100%
J	FSFP Formula Phase in (H*I)	-\$5,049,474	-\$6,310,057	-\$7,572,727	-\$7,572,960	-\$7,573,259
K	2020 SFPR +FSFP Formula Phase in (G+J)	\$7,927,946	\$6,667,363	\$5,404,693	\$5,404,460	\$5,404,161
L	2020 DPIA BASE (SF6)	\$2,363	\$2,363	\$2,363	\$2,363	\$2,363
M	Calculated DPIA Step (SF6)	\$17,466	\$15,638	\$14,290	\$13,295	\$12,572
N	DPIA Phase In	66.67%	83.33%	100%	100%	100%
O	Phased In DPIA Funding (L+(M-L)*N)	\$12,432	\$13,425	\$14,290	\$13,295	\$12,572
P	Supplemental Targeted (SF6)	\$0	\$0	\$0	\$0	\$0
Q	Add on DPIA and Supplemental Targeted (O+P)	\$12,432	\$13,425	\$14,290	\$13,295	\$12,572
R	CURRENT FY FUNDING (K+O)	\$7,940,379	\$6,680,789	\$5,418,983	\$5,417,755	\$5,416,733
R1	2020 BASE (G) Plus DPIA Base (L)	\$12,979,783	\$12,979,783	\$12,979,783	\$12,979,783	\$12,979,783
R2	2020 Transitional Aid R1-R)	\$5,039,404	\$6,298,994	\$7,560,800	\$7,562,028	\$7,563,050
R3	Current Year's Funding (R+R2)	\$12,979,783	\$12,979,783	\$12,979,783	\$12,979,783	\$12,979,783
S1	Open Enrolled ADM Loss Impact	\$0	\$0	\$0	\$0	\$0
S2	Special Education Set Aside (SF5)	-\$72,586	-\$67,059	-\$61,527	-\$61,524	-\$61,520
T1	Career Awareness Revenue	\$0	\$0	\$0	\$0	\$0
T2	CTC Associated Services Adj.	\$0	\$0	\$0	\$0	\$0
T3	Transportation (SF7)	\$2,325,981	\$2,678,192	\$3,058,255	\$3,201,236	\$3,350,905
U	2021 Transition Supplement	\$0	\$0	\$0	\$0	\$0
V2	Supplemental Targeted (SF6)	\$0	\$0	\$0	\$0	\$0
W	Total State Funding	\$15,233,178	\$15,590,916	\$15,976,511	\$16,119,495	\$16,269,168
	Casino	\$400,972	\$404,958	\$408,985	\$413,051	\$417,158
	Total Special Ed Transportation	\$325,719	\$358,271	\$390,819	\$390,797	\$390,775
	Total Preschool Revenue	\$286,584	\$288,752	\$288,752	\$288,752	\$288,752
	Total Other Unrestricted	\$1,013,275	\$1,051,981	\$1,088,556	\$1,092,600	\$1,096,685
	Total Unrestricted Funding	\$15,674,755	\$16,141,063	\$16,633,221	\$16,781,266	\$16,935,769
	Restricted Funding	FY25	FY26	FY27	FY28	FY29
	Student Success & Wellness	\$334,301	\$277,099	\$219,930	\$219,917	\$219,905
	CTE, ELL, (SF5)	\$10,519	\$11,747	\$12,975	\$12,975	\$12,975
	Gifted	\$214,446	\$199,563	\$184,651	\$184,642	\$184,632
	DPIA above	\$12,432	\$13,425	\$14,290	\$13,295	\$12,572
	Threshold Cost (not in base funding)	\$484,783	\$475,000	\$475,000	\$475,000	\$475,000
	Total Restricted Funding	\$1,056,481	\$976,834	\$906,846	\$905,829	\$905,084