

May 28, 2025

By email attachment to:

The Honorable Jerry C. Cirino, Chair, Senate Finance Committee,

Cirino@OhioSenate.gov

The Honorable Brian Stewart, Primary Bill Sponsor, Rep12@ohiohouse.gov

Copied by email attachment to:

The Honorable Hearcel F. Craig, craig@ohiosenate.gov

The Honorable Dontavius L. Jarrells, Rep1@ohiohouse.gov

Re: House Bill 96

Dear Senator Cirino and Representative Stewart,

Thank you for the opportunity to submit written testimony regarding to House Bill 96, the biennial budget bill. I write in my individual capacity and from my perspective as the President of the Bexley City School District Board of Education. I have had an over 30-year career as an attorney and serve as the Bexley City School Board of Education's legislative liaison.

House Bill 96 does not fully implement the Fair School Funding Plan envisioned to meet the Constitutional mandate and contains a provision that caps school districts' carryover funds at 30% of the prior year's operating expenditures, reducing locally-approved property taxes in order to effectuate the cap (the "30% Cap"). In Bexley and in other school districts across our State, 30% Cap would undermine financial stability, increase reliance on local tax levies, threaten local control, could force cuts to student programs, and may threaten the Bexley City School District's ability to obtain the bond rating needed to go forward with facilities work that we are currently planning.

In Ohio, public school funding is based on a concept and practice of shared responsibility between the State and the local community. In Bexley, the community is holding up its end of the bargain by supporting reasonable levy requests. This past November, the Bexley voters passed an incremental levy that provides the district with increasing property tax amounts over a five-year period. The incremental levy was designed by our Treasurer and his Finance Advisory Council to permit the district to receive tax funding from our community property owners in line with our projected needs as reflected in the district's five-year forecast and strategic plan. Bexley's residents voted for this incremental levy in support of the operations of our schools. The Bexley community receives regular communication regarding the district's finances and

was well informed leading up to their decision. It would be inappropriate for the budget bill to override the vote of our community regarding school funding. It is not workable for planning and maintaining successful educational programs on behalf of our students to require the district to face running out of funds before we near the end of our levy cycle.

The Bexley City Schools, like other districts, maintains reserves to manage uncertainty in state funding, delays in revenues, reductions in volatile revenue sources such as our School District Income Tax, and to meet five-year forecasting requirements, making the 30% Cap fiscally irresponsible.

The 30% Cap will for many districts, run counter to the advice of experts such as the Government Finance Officers Association, which recommends that districts maintain, at a minimum, a cash balance of at least two months' regular operating general fund revenues. In Bexley, we have responded to this advice by adopting a Cash Balance Reserve Policy requiring that, if at any point within the first four years of the Five-Year Forecast the ending cash balance drops below 70 days of cash, an evaluation from the Superintendent and Treasurer must be submitted to the Board of Education, permitting us to foresee and work to avoid immediate threats from fiscal cliffs. Requiring districts to stay at or below a 30% cash balance year in and year out will threaten this effort in Bexley and most likely for many other districts in Ohio.

Considering property tax relief is valid and reasonable, and such relief is being considered by the 136th General Assembly in a number of other bills where a process to address the needs of Ohioans can be more appropriately considered.

I urge you to remove the 30% Cap and from House Bill 96, and further urge you to pass a budget bill that contains no similar cap of any kind and that implements the Fair School Funding Plan as originally envisioned.

Thank you for the opportunity to provide written testimony. Please do not hesitate to contact me with any questions.

Respectfully submitted,

/s/ Victoria E. Powers