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**Senate Local Government Committee
Substitute HB-129**

**Springboro Community City School District, Warren County
Terrah Stacy, Treasurer/CFO & Carrie Hester, Superintendent**

November 12, 2025

Chair O'Brien, Vice Chair Gavarone, Ranking Member Smith, and members of the Senate Local Government Committee, thank you for the opportunity to testify today on substitute House Bill 129. My name is Terrah Stacy, and I serve as the Treasurer/CFO, and with me is Carrie Hester our Superintendent of Springboro Community City School District in Warren County.

As leaders of Springboro Schools, a district of roughly 6,100 students and more than 700 staff. Our community values fiscal discipline and transparency, and we share your goal of meaningful, responsible property tax relief for homeowners.

We agree relief is needed. Families in fast-appreciating counties are being squeezed by valuation spikes due to home sales. But relief that simply reduces school district funding without a plan to backfill the loss, shifts costs to classrooms or sends districts right back to the ballot. Substitute HB 129, as advanced, does exactly that.

For Springboro, HB 129 would count our continuing substitute (fixed-sum) levy in the 20-mill floor calculation. In plain terms, it pulls more voted millage under the "floor," which will take us off the floor and remove revenue growth from this levy as property values rise. That may be exactly your intent, but the effect for kids is that it removes local operating revenue the districts already relies on, without any state backfill.

Supporters frame HB 129 as a homeowner safeguard. But HB 129 works by counting fixed-sum levies toward the 20-mill floor to curb growth, but not by providing state dollars to replace what schools lose. There's no backstop for districts or for students. Creators of this bill simply think schools should cut, share costs, then ask its local residents in different ways than we ask now.

What you may not realize is that this is already occurring. School Boards, Superintendents, Treasurers, and district leaders already share costs with ESC's and other consortiums. For instance, Springboro Schools is part of a consortium (EPC) for health insurance, property fleet

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Together, these bills reduce school districts' local capacity without replacing a single dollar of lost revenue. The state is not being honest with Ohioans. The state is not taking responsibility for the tax system it has created, and instead are blaming schools for the results. The over reliance on property taxes is because this body has only provided two options for schools to receive revenue (property tax levies, and income tax levies).

The State needs to fix the system, not just put band-aids and short-term fixes in place. The state has not kept the Fair School Funding Plan (FSFP) current with real costs. This body has not updated the base costs and left them at 2022 levels, while updating income and property values. The result will lower the state share to roughly 32% by FY 2027, the lowest in Ohio history. This is not the fault of the FSFP, the plan itself is the best plan Ohio has ever had. It's that the state is covering a shrinking slice, while local revenue is being capped on multiple fronts, but let's be clear, the costs are still being shifted to local residents.

Even the Legislative Service Commission and education finance experts have acknowledged that the FSFP, when based on outdated 2022 costs, cannot reflect the actual expense of educating students in 2025. The state share continues to shrink, while inflation, and student needs continue to grow.

Springboro operates very lean, and we run a tight ship. Our continuing Substitute Levy was structured under the state's own rules to provide stable operating support. HB 129 would now count that levy toward the 20-mill floor, suppressing growth that currently offsets inflation in wages, utilities, transportation, and special education services. There is no state mechanism in HB 129 to make Springboro whole for the revenue loss, which will exceed \$4 million. We are already at the state share minimum of 10% in state funding, our enrollment isn't shrinking, and our special education population continues to increase. The state share isn't going up or being adjusted to cover the difference.

This will force Springboro, and many others, to return to the ballot just to maintain current service levels. And when we do, we will have fewer options for levies, and they will lose the 12.5% rollbacks previously afforded. HB 129 is budget-neutral to the state while pushing risk and cost back onto local districts and voters. This approach undermines local fiscal stability, weakens schools, and ultimately harms the very communities it seeks to help. This is not sustainable, nor is it honest relief.

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We stand ready to work with you on balanced relief that protects homeowners and protects students. It's important to note that during the November election only 10 of 27 new money operating levies (whether property or income tax) were approved by voters of (37%). The state cannot allow for these changes to occur without a plan to backfill.

1. Pair any cap or floor change with a state backfill. If the General Assembly reduces local school revenue through statute, replace it dollar-for-dollar so students don't pay the price.
2. Update FSFP base-cost inputs to current-year costs before enacting further local constraints. Out-of-date inputs create falling state share, plus levy caps, is a recipe for structural gaps.
3. Adopt renewal and timing fixes so existing emergency and substitute revenues aren't forced into immediate new money campaigns that raise homeowner bills through rollback loss without adding classroom funding.
4. Sequence reforms. Evaluate HB 129 only in concert with HB 186, HB 335, and the state's share of funding (FSFP) for schools, and use a combined fiscal note showing district-level impacts over multiple reappraisal cycles, not in silos.

Ohio's Constitution establishes a state-local partnership to provide a thorough and efficient system of public schools. Today, the state's share is dropping while HB 129, along with HB 186 and HB 335, would constrain local school revenues further. That isn't a partnership, it's a pass-through and Ohio's kids pay. If the state reduces school districts' ability to collect local revenue, what is the State's plan to fund the difference so students don't lose? There is none in HB 129.

I respectfully urge the committee to reject HB 129 as drafted, or at minimum amend it to:

- Provide a mandatory state backfill for any revenue suppressed by the 20-mill floor change.
- Allow renewal pathways and reasonable timing for emergency and substitute levies.
- Update FSFP costs so the state carries its constitutional share before imposing new local constraints. That is the only path that delivers real relief without sacrificing educational opportunities. The State has many buckets of money, including nearly 4 billion of Ohioans tax dollars in a rainy-day fund. It's time for this body to put kids before sports teams, and special interests, and fund the next leaders of our country.

Respectfully submitted,

Terrah Stacy
Treasurer/CFO
Springboro Community City Schools

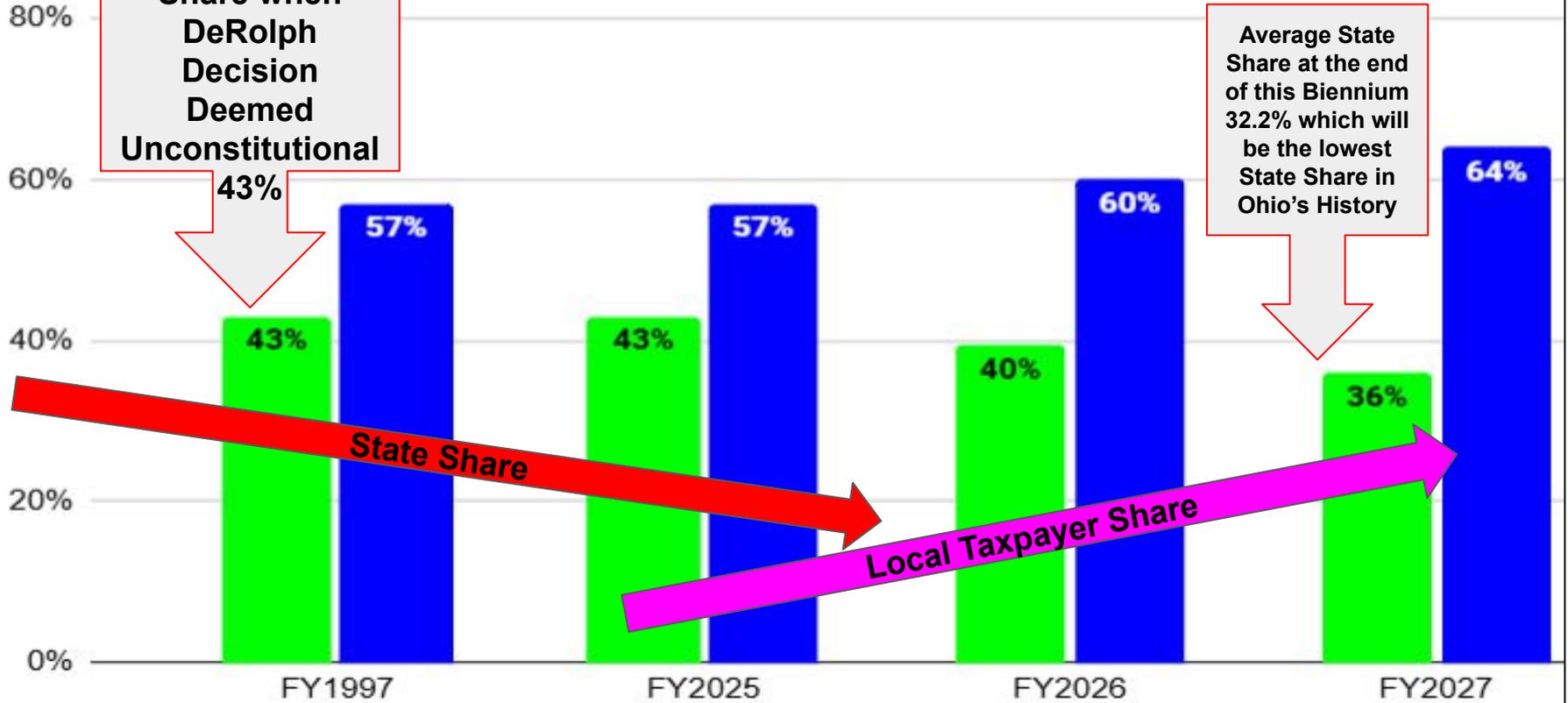
Carrie Hester
Superintendent
Springboro Community City Schools

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State Share V Local Share

State Share Average Local Share Average



Average State Share when DeRolph Decision Deemed Unconstitutional

43%

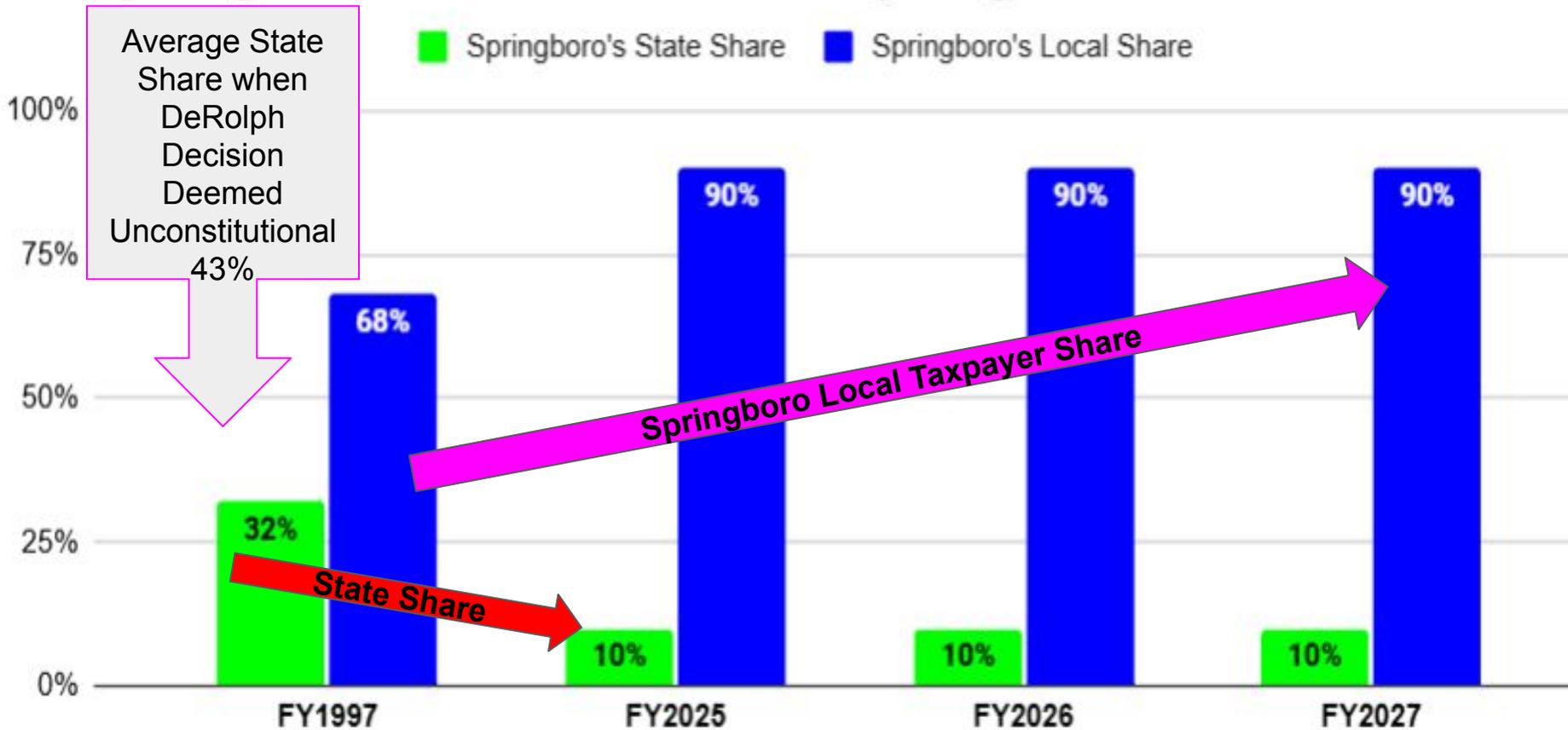
Average State Share at the end of this Biennium 32.2% which will be the lowest State Share in Ohio's History

36%

State Share

Local Taxpayer Share

Springboro's State Share V Springboro's Local Share



Property Tax Reform

As Passed by the House  Now in Senate

- **House Bill 129: School District Millage** (Rep. Thomas) Include all fixed sum levies in the calculation of a school district's millage floor.
 - House Bill 129 is similar to ***Vetoed Item 65*** which would include emergency, substitute, and other fixed sum levies in the 20-mill floor calculation. **Springboro Could lost 4.5 million over forecast for this provision**
- **House Bill 309: County Budget Commissions** (Rep. Thomas) Modify county budget commissions, property taxation, and apportionment formulas. **We carry low reserves, so I don't believe the budget commission would reduce us**
 - House Bill 309 mirrors ***Vetoed Item 55*** which would allow county budget commissioner's discretion to reduce non-debt voted levies to avoid "excessive" collections. This authority would be subject to some limits, but ***represents a significant shift away from local control of voter-approved levy proceeds.***
- **House Bill 186: School District Revenue; 20-mill & 2-mill Floors** (Rep. Hoops, Rep. Thomas)
 - Recently amended to apply retroactively to 2023 and 2024 reappraisals, but make districts whole for tax year 2024 and 2025 using 360 million from the Tax Holiday Fund **Springboro would lose 3,699,154 in FY27-FY29**
- **House Bill 335: Property Tax Overhaul** (Thomas D.) Limit revenue increases from inside millage levies due to a reappraisal or update **This would result in about a 4,165,115 in FY27-FY29.**
 - Recently amended to focus solely on capping inside millage, allowing growth of approximately by inflation.

Special Education Enrollment/Costs 11 Year Look



ADM Category	Special Education Enrollment and Disability Category											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
K-12 Category 1 ADM	62	67	57	52	58	65	75	79	91	93	97	98
K-12 Category 2 ADM	412	363	327	331	315	319	339	358	352	382	413	379
K-12 Category 3 ADM	14	19	18	17	23	21	20	19	20	22	22	22
K-12 Category 4 ADM	9	6	6	4	3	4	2	2	2	1	1	2
K-12 Category 5 ADM	19	17	22	25	21	25	25	23	25	25	25	24
K-12 Category 6 ADM	49	60	71	76	78	83	88	88	73	78	85	97
Pre-School Category 1 ADM	9	6	7	15	26	22	24	31	38	34	32	38
Pre-School Category 2 ADM	27	28	41	32	28	15	21	23	27	20	19	22
Pre-School Category 3 ADM	1	1	1	0	0	1	3	2	1	0	1	2
Pre-School Category 4 ADM	0	0	0	0	0	0			0	0	0	0
Pre-School Category 5 ADM	2	1	2	2	3	2	3	3	3	1	0	0
Pre-School Category 6 ADM	3	5	4	3	5	6	11	10	8	11	12	9
Total Enrollment	606	573	554	557	561	563	611	639	640	666	707	693
% of Budget Spent on Spec Ed	15%	16%	16%	17%	16%	15%	15%	15%	16%	17%	19%	20%
Amount Spent on Special Education	\$ 6,444,540	\$ 7,284,841	\$ 7,296,092	\$ 7,577,934	\$ 8,391,209	\$ 8,620,917	\$ 9,019,742	\$ 9,350,718	\$ 10,060,881	\$ 10,617,964	\$ 12,213,626	\$ 13,521,038
Categorical State Funding for Special Education	\$ 1,297,642	\$ 1,388,400	\$ 1,471,116	\$ 1,573,046	\$ 1,462,045	\$ 1,536,430	\$ 1,538,966	\$ 1,538,966	\$ 647,020	\$ 421,845	\$ 702,347	\$ 612,526
Percentage of Expenses Covered by Categorical Funding	20%	19%	20%	21%	17%	18%	17%	16%	6%	4%	6%	5%

