



Hilliard City School District

David J. Stewart, Superintendent • Melissa N. Swearingen, Treasurer/CFO

House Ways and Means Committee House Bill 335 June 17, 2025

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to submit written testimony today on House Bill 335. This testimony is being submitted by Melissa Swearingen and David Stewart. We serve as the Treasurer/CFO and Superintendent of Hilliard City School District in Franklin County.

The Hilliard City School District is a suburban district encompassing approximately 60 square miles. We serve 16,560 students in 25 buildings, including 14 elementaries, 2 sixth grade buildings, 3 middle schools, 3 high schools, a preschool center and a 2-building innovation campus. Our district serves students residing in the City of Hilliard, as well as parts of Columbus, Dublin and several townships. Hilliard is the 10th largest district in Ohio and our K-12 enrollment is stable and has been slowly increasing since the pandemic. Our FY2025 enrollment has increased by more than 100 students when compared to FY2022. During this time period, our English Learner (EL) population has increased by 592 students and our economically disadvantaged percentage has doubled, increasing from 17.9% to 35.6%.

We appreciate the work of this committee and the General Assembly in supporting Ohio's public schools, and we respectfully offer the following comments on several provisions in House Bill 335.

Inside Millage Elimination

Our projected General fund revenues for FY2025 are \$249.7 million, with 66.5% of these General Operating funds come from property taxes. The 4.45 inside mills that are allocated generate more than \$20.8 million annually. These funds are used to pay teacher salaries and fund programming. If the District was not longer able to levy this millage, we would be forced to make immediate cuts that would fundamentally changes the way students are educated. **\$20.8 million translates to more than 260 teaching positions, which is nearly 25% of our teaching staff!**

While proponents have indicated that school districts can use income tax to offset the loss of property tax revenue, this would place the entire \$20.8 million burden on individuals within our community. Of the inside millage collections, 24% or \$5 million is paid by commercial, industrial and public utility property owners. Local boards of education are familiar with the composition of their communities and are best-suited to know which funding options garner local support. While an income tax may fit in a community with little to no commercial development, it is not the best option in one where commercial development makes up a larger percentage of the tax base.

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County Budget Commission Authority

Under HB 335, districts with an unencumbered fund balance above 30% of projected expenditures could face property tax reductions. For districts like ours, this would create serious planning challenges **and not allow us to collect more than 50% of the new operating levy dollars that our community just approved in November of 2024.**

In Hilliard, we build and maintain our moderate cash reserves to:

- Manage levy cycles and avoid frequent ballot issues;
- Navigate cash flow gaps due to the timing of tax collections and state payments;
- Support the district's bond rating and financial stability.

Our FY2024 general fund balance of 38.6%, as documented in the LSC simulations, was driven largely by one-time events including federal pandemic funding and temporary shifts to virtual learning. Per our May 2025 five-year forecast, that balance is expected to decline, even with the passage of new levy dollars. This is the nature of the operating levy cycle for districts like ours. We build a cash balance in early years to stay off of the ballot longer and prevent levy fatigue in our communities. Our community just approved a new 6.9 mill operating levy in November 2024. We spent a great deal of time providing factual information regarding district finances and the importance of maintaining a cash balance. Our \$91 million in cash balance at the end of FY2024 was no secret. We demonstrated how this balance was quickly declining with flat revenues and rising expenditures and shared that we would be at just \$38 million, or 15% of operating expenses, by the end of FY2026 and negative by the end of FY2028.

This bill grants County Budget Commissions the power to reduce taxes that voters specifically approved and raises Constitutional concerns. The Constitution requires voter approval for taxes outside the 10-mill limitation and HB 335 undermines this by allowing an administrative body to override a decision made by the voters in our community. **Districts must maintain the ability to determine levy triggers based on their own unique financial needs and not fear an administrative agency is going to override the decisions made by its voters.**

We urge the House to:

- Retain the authority for school districts to levy inside millage
- Maintain current County Budget Commission authority and not allow them the ability to reduce voter-approved levies
- Consider targeted relief, such as the circuit breaker approach included in SB22

The future of Ohio's educational excellence depends on your attention to these critical funding components. Thank you for your consideration.

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Melissa N. Swearingen

A handwritten signature in black ink, appearing to read "David Stewart".

David Stewart