

State Funding Town Hall

April 16, 2025

Tonight's Agenda

- *Introductions*
- *What We've Been Doing* - Background Information
- *Where We Are Now* - Governor's Budget Proposal Impacts
- *What Comes Next* - Community Advocacy
- *Question and Answer Session*

#beLOVEland Strategic Vision

Created with our
Community in 2021-22

LOVELAND CITY SCHOOLS STRATEGIC VISION

#beLOVEland:
Success for every student
at the heart of education



GOAL 4

FISCAL RESPONSIBILITY

Loveland City School District supports students' evolving educational and facilities needs in a fiscally responsible manner.

GOALS

4-A COMMUNITY ENGAGEMENT:

Loveland City School District will inform stakeholders about students' needs, fiscal decision-making, and school funding.

Strategies

1. Educate stakeholders about Ohio's school funding system, focusing on funding sources and rules.
2. Partner with our community to ensure students' educational needs are appropriately funded.
3. Communicate the rationale behind the use of funds and alignment with district financial goals.

4-B DIVERSIFICATION OF FUNDING SOURCES:

Loveland City School District will establish community, educational, and corporate/business partnerships.

Strategies

1. Advocate for solutions to Loveland's unique state funding challenges.
2. Leverage corporate partnerships to expand student educational offerings.
3. Utilize fundraising and grants as additional sources of funding.

“Advocate for solutions to Loveland’s unique state funding challenges.”

State School Funding Committee

- About 50 community members
- Met three times last year
- Deep-dive discussion about finances
- Identified some state funding risks
- Identified areas of state funding improvement

This is a state funding issue, not a spending issue



ABOVE AVERAGE RESULTS, BELOW AVERAGE COST

LOVELAND

vs.

Ohio Districts

Ohio School
Report Card
2023-24

★★★★★
every category

97% of districts score lower

State Funds per
Student
FY24

\$4,250

85% of districts receive more state funding per student

Student-to-
Administrator Ratio
FY24

144 to 1

75% of districts have more administrator support per student

Student-to-
Teacher Ratio
FY23

20.4 to 1

97% of districts have more teacher support per student

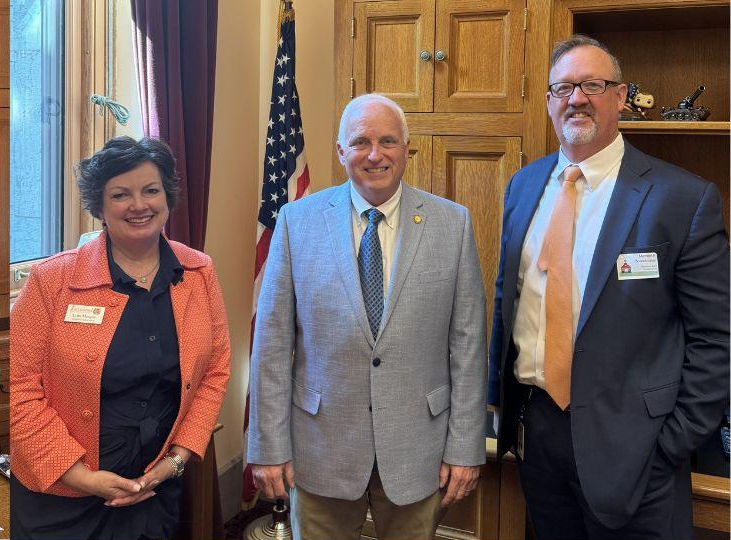
Expenditures per
Student
FY24

\$15,420

55% of districts spend more per student

Advocating for Solutions

- Talked to similar districts across Ohio
- Worked with statewide lobbying groups
- Spring 2024 trip to meet with lawmakers
- Spring 2025 testimony
- Spring 2025 trip to meet with lawmakers



Our Three Funding Requests

- Protect the “Guarantee”
- Fully Implement the Fair School Funding Plan
- Increase the state share minimum

What We Hoped For...

More State Funding for Loveland City Schools

Where We Are Today...

Fighting Potentially Devastating Cuts

State Funding Proposals

John Espy, Treasurer/CFO

Key Terms:

Funding Formula: How the state calculates the funding amount it gives to local school districts

Fair School Funding Plan: Newer version of the “Formula” that is supposed to fix the unconstitutional funding system in Ohio

Phase In: Ramping up of the Fair School Funding Plan. Was supposed to take six years, or three state budget cycles

The Guarantee/Guarantee District: Some districts don’t fit well within the school funding formula, so their funds are “guaranteed” to past levels

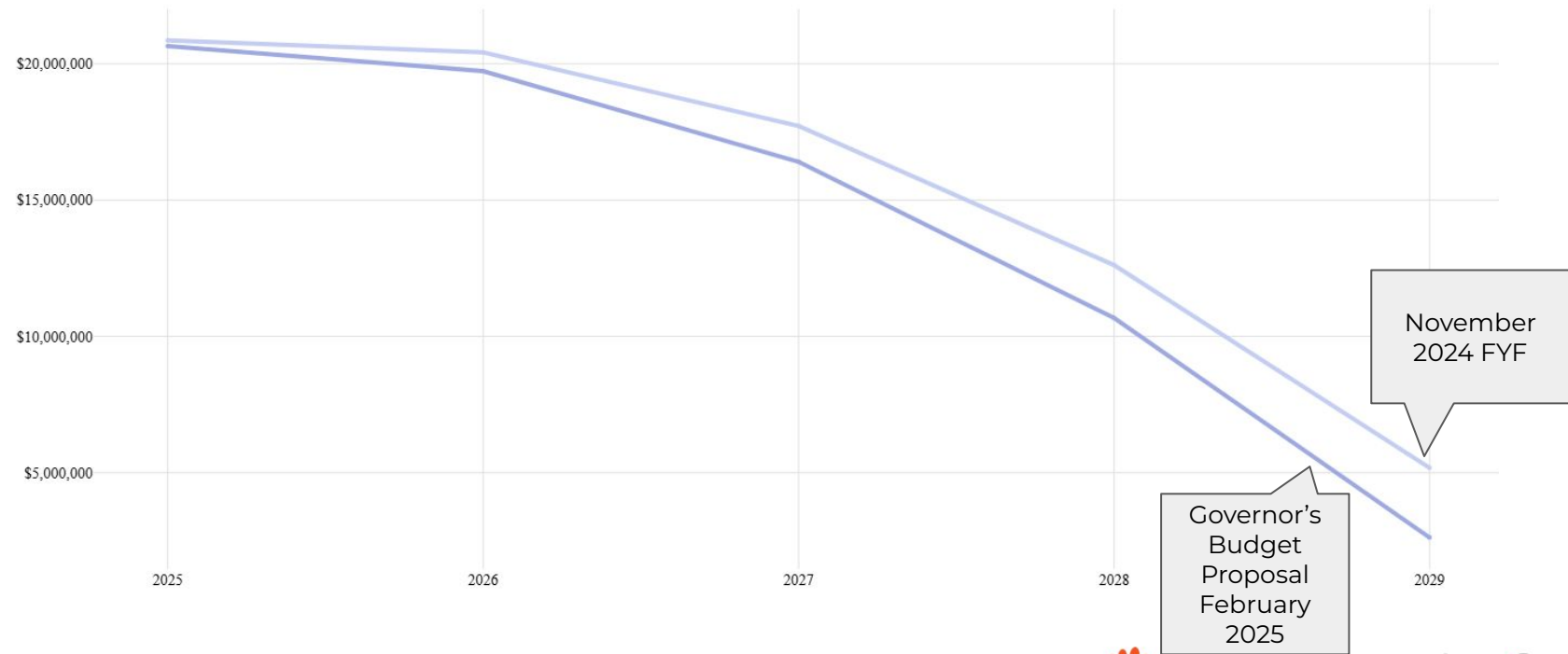
Budget Process Steps

- Governor's Proposal
- Ohio House
- Ohio Senate
- Conference Committee
- Final Budget

Governor DeWine's Budget Proposal (HB 96)


- Includes phased in reductions for districts on the funding guarantee (roughly 56% of Ohio School Districts)
- Reductions include:
 - a **5% reduction** in guarantee funds in FY26 (2025-26 school year)
 - a **10% reduction** in guarantee funds in FY27 (2026-27 school year) and holding for future years
- This means that LCSD, that already receives **less than 85%** of other Ohio school districts in per pupil funding, would be negatively impacted beginning next school year
- Some Ohio Legislators have said the Guarantee funds empty seats. This is not the case in LCSD as we have maintained a below average cost per pupil

Effect on LCS Cash Balance



Effect on LCS Cash Balance

Ending Cash Balances



Amount	2025	2026	2027	2028	2029
Amount	\$20,646,694	\$19,725,304	\$16,402,225	\$10,674,068	\$2,624,778
Amount	\$20,857,710	\$20,416,215	\$17,714,571	\$12,615,365	\$5,177,283

\$2.5M
negative
impact on
cash
balance

THREE STEPS TO SUPPORT OUR HIGH-QUALITY, LOW-COST DISTRICT

1. PROTECT THE "GUARANTEE"

It is critical the funding guarantee be protected for Loveland and similar districts.

If the guarantee were to be eliminated, Loveland would suffer a catastrophic loss of \$25,000,000 in state funding over the next four years. Replacing these funds would require voters to approve approximately 22 mills of new local property taxes over the same period of time.

2. FULLY IMPLEMENT THE FAIR SCHOOL FUNDING PLAN

The Loveland City School District Board of Education has unanimously approved a resolution calling for the full implementation of the Fair School Funding Plan (FSFP) - joining with groups like the Buckeye Association of School Administrators (BASA), Ohio Association of School Business Officials (OASBO), and Ohio School Boards Association (OSBA) in our continuing support of the Fair School Funding Plan.




Complete the phase-in of the Fair School Funding Plan and update the inputs.

3. INCREASE THE STATE SHARE MINIMUM TO 20%

Currently, the per-pupil state share of the base cost cannot be less than 10%. We ask that it be raised to 20%.

Increase the state share minimum to ensure that public education remains a shared state and local responsibility.

Budget Bills Vs. Loveland's Needs...

Loveland's Requests	House Budget Bill	Senate Budget Bill	Final Budget Bill
Protect the Guarantee		?	?
Fully Implement Fair School Funding Plan		?	?
Increase the State Share Minimum		?	?

House Budget Major Changes



- **Guarantee Remains**

- Revenue would also increase .6% (\$75k) and .3% (\$37k) in next two fiscal years.



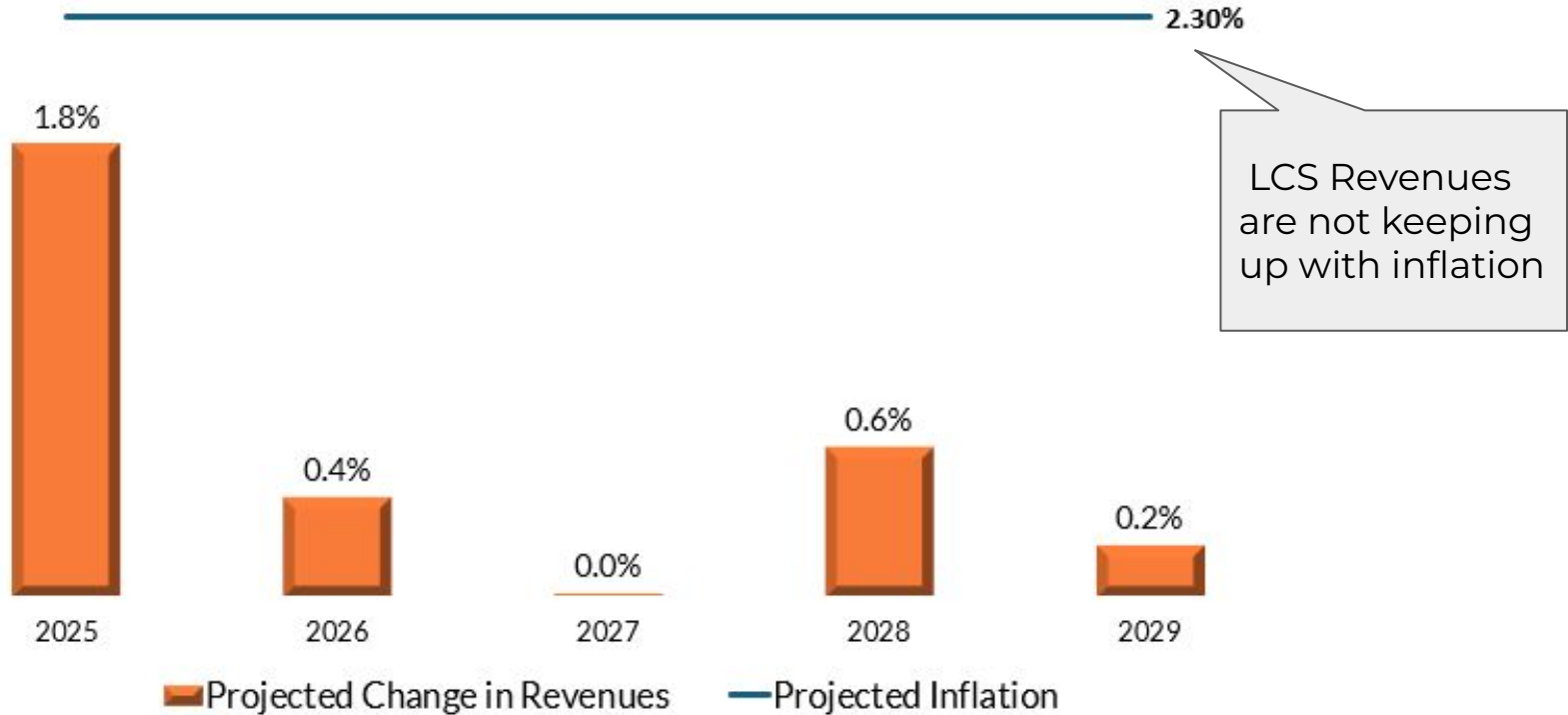
- **Cash Balance Provision**

- Allows the county budget commission the ability to reduce school district revenue if a school district exceeds a 30% cash balance when comparing to the prior year's total expenditures.



- **Moves from a 5 year Forecast to 3 year Forecast**

Revenue and Inflation



What LCS is asking for...

- **Continue to Protect the Guarantee**
 - LCS would lose \$25M over the current Five Year Forecast if the Guarantee were to be removed completely.
 - LCS would \$2.5M less with Governor DeWine's initial budget proposal
- **Ensure State Funding Keeps Pace With Inflation**
 - Inflation is projected at 2.3% and we are requesting state revenue increases to be at or closer to this level over the two-year budget
- **Remove the Cash Balance Provision**
 - LCS is in the bottom 22% of district cash balances in the state
 - Request for the state to fund a cash balance statewide study

Tentative Budget Timeline



- **Governor's Proposal**



- **Ohio House**

- House Budget Approved

- **Ohio Senate**

- Hearings in Education Committee - April 28-May 16
- Public Testimony - Week of May 26
- Senate Budget Bill Approved - Possibly June 12

- **Conference Committee**

- **Final Budget**

- Deadline June 30

Call to Action

1. Contact Legislators with a phone call, email, letter
2. Be student focused, be specific
3. Reference our three lobbying steps
 - a. Attach the updated flyer
4. Spread the word
 - a. Make a personal appeal to 10 friends for a phone call, email, and letter
 - b. Share on social media

Lobbying resource center: lovelandschools.org/lobby

Updated Funding Request

THREE STEPS TO SUPPORT OUR HIGH-QUALITY, LOW-COST DISTRICT

1. PROTECT THE “GUARANTEE”

It is critical that the funding guarantee be protected for Loveland and similar districts.

If the guarantee were to be eliminated, Loveland would suffer a catastrophic loss of \$25,000,000 in state funding over the next four years. The Governor's proposal would cut \$2,500,000 from Loveland City Schools over our Five-Year Forecast.

2. ENSURE STATE FUNDING KEEPS PACE WITH INFLATION

Inflation is projected at 2.3%, and we are requesting that state funding increase at or near the same rate during the two-year budget.

Failure to increase state funding in line with inflation shifts more of the burden for public education to local taxpayers.

3. REMOVE THE CASH BALANCE PROVISION

Limits on carry-over balances will have unintended consequences for school districts and create more confusion for local taxpayers.

We request the state study the issue and consider separate legislation regarding cash balance policies.

Question and Answer Session

Thank you!

Probable Federal Funding Reductions

- **Title I-A:** targets schools with students from low income families
 - REDUCTION: \$78,650
- **Title II-A:** focuses on improvement student achievement by providing staff professional development and other resources
 - COMPLETE ELIMINATION: \$112,750
- **Title III:** supporting English learners becoming more proficient with the language
 - COMPLETE ELIMINATION: \$30,100

TOTAL REDUCTION: \$221,500