



Week of March 31, 2025

House unveils budget proposal, vote set for Wednesday

A new version of the biennial budget bill – House Bill 96 – was unveiled Tuesday in the House Finance Committee. Moments before, House Speaker **Matt Huffman** and Finance Committee Chairman **Brian Stewart** [held a press conference announcing the changes](#), which focused on – in this order – school funding, property tax relief, school choice, and several other priorities.

The House’s school-funding plan, which funds school districts at modified FY25 levels with increases layered on top of the FY25 base, increases traditional district funding by \$100.8 million in FY26 (compared to FY25) and an additional \$78.3 million in FY27 (compared to FY26). District-by-district funding simulations are [accessible here](#).

The House also made a number of policy changes to both the governor’s version of the budget and current law, which are [accessible here](#). Perhaps no change carries a greater impact than the provision that would automatically reduce the millage rates of a district with a cash balance of greater than 25% so that the reduction equals the difference between the district’s current cash balance and what it would be at 25%. That provision is [accessible here](#). An estimate from the Legislative Service Commission on the gross dollar amount for districts that is above 25% and thus subject to a reduction is [available here](#).

Speaker **Huffman**, Chairman **Stewart**, and other members of the House Republican Caucus, including a caucus expert on property tax policy Rep. **David Thomas**, have all vehemently defended the proposal. The House's goal here appears to be twofold: provide direct and immediate tax relief to property owners at no cost to the state and reduce the historically high cash balance amounts to what the House argues to be an acceptable level of 25%. Likely the top priority for the House, this provision is expected to remain intact next week when the House passes the bill.

526 districts (86%) have a cash balance of greater than 25%. Among those, \$9.1 billion was most recently carried over, of which a total of \$5.1 billion was above the 25% threshold. It appears that this total – \$5.1 billion, which for Alliance districts is predominately voted property tax dollars – represents the amount by which millage rates would be reduced. Proponents indicate the millage rates in the following year would increase, resulting in a higher tax liability in that year than what the initial reduced tax liability yielded in the prior year.

Alliance members are strongly encouraged to contact their House Representative – and their State Senator soon after – to educate them on the impact of this change.

Sponsors defend 20-mill floor inflationary cap proposal

Two former county auditors now serving in the Ohio House – Reps. **Jim Hoops** and **David Thomas** – spoke this week in favor of a proposal that would cap at the rate of inflation the property tax revenue that school districts on the 20-mill floor receive from reappraisal. Thomas, a leading property tax expert in the caucus, has indicated this bill is a foundational component of the chamber's strategy to provide property tax reform to Ohioans. The bill is scheduled for proponent testimony next week.

Other legislative activity

The legislature sent to the governor Senate Bill 33, which will allow school districts and other employers to post labor law notices on the internet.

The House Education Committee held hearings on various bills, including [HB 62](#), which modifies the College Credit Plus program.

Meanwhile, the Senate Education Committee held hearings on the following bills:

- [SB 7](#), which requires, among other things, instruction in grades K-12 on the harmful effects of short-term or chronic substance use. The committee adopted an amendment to require districts to provide instruction in bullying and hazing, among other changes.

- [SB 34](#), which now (1) requires four, rather than one, historical documents to be displayed and (2) requires the documents to be only be displayed in social studies or history courses starting in the fourth grade;

- [SB 127](#), which prescribes closure requirements for public schools; and

- [SB 156](#), which requires districts provide instruction on the [Success Sequence](#) in a course required for high school graduation.

The House Transportation Committee held a hearing for proponent testimony on [HB 3](#), which enacts the School Bus Safety Act.

Heard Around the Statehouse

“We won’t be doing the Cupp-Patterson Plan, but all (school) districts will be getting an increase.” - House Speaker **Matt Huffman**, speaking about his chamber’s changes to the school-funding formula.

“So, I had meetings with school officials four months ago, right when I got this job, and the pitch was we were going to come in and say that “We need to update the inputs to fiscal year 24. Yes, we know it's going to be a \$1.8 billion additional expense to the state,” but that's what we're going to ask for. I know that I said at that time, I thought that was highly unlikely we were going to be able to afford that, and that's probably not going to be a place where we end up. Two months ago, we started these hearings and that was the only pitch, \$1.8 billion, \$1.8 billion, \$1.8 billion. Everybody's singing from the same

hymnal, using the same talking point. We've spent four months being asked to do something that we have conveyed about at least two months ago, and probably four months ago was not going to be possible.

So, to now have the answer be that, "Well, we're doing something new and whoa, whoa, whoa, whoa, whoa. The train's rolling too fast." And again, no actual counter here on what we've actually proposed. So, I would just suggest in the time that we have left, if folks want to sharpen their pencil, make edits, propose something different than 25% (cash balance threshold), put some extra provisions in here, work on extra guardrails. That's where the time should be spent.

But if the ask is just going to be "take it all out, we're not going to go down this road," I think that's going to be a waste of time. So, I hope that in the time we have left, we start to engage on the actual realm of the possible here and what the House has come up with in the absence of a more realistic proposal over the last four months." - House Finance Committee Chair Rep. **Brian Stewart**, speaking in the House Finance Committee after the statewide school superintendent, school board, and treasurer organizations testified on the budget bill.