



Jonathan Alder Local Schools
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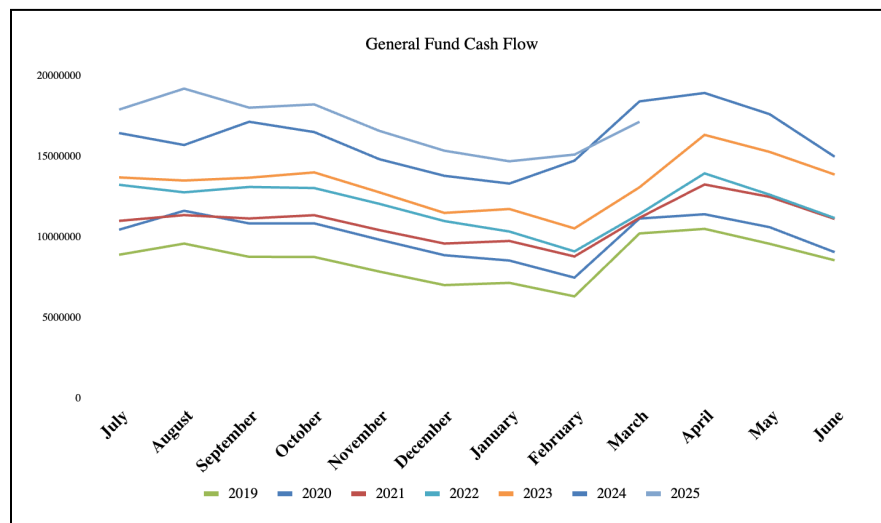
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Representative Brian Stewart
Chairman, House Finance Committee
77 South High Street
13th Floor
Columbus, OH 43215

Dear Representative Stewart,

Thank you for considering my earlier testimony concerning the proposed biennium budget submitted by the Governor. It is apparent through the preservation of the funding guarantee that the concerns of myself and the Jonathan Alder Local Schools Board of Education was taken into consideration in the development of the substitute bill. However, there are portions of the substitute bill that are cause of concern for my district.

We are alarmed over the provision that mandates the county budget commission to reduce our collected tax rates if our cash balance exceeds 25% of the previous year's expenditures. We take pride as a district of being prudent with the tax dollars entrusted to us by our voters. It is through this effective fiscal management that we have avoided asking our voters for any new operating property tax millage since **1979**. We are able to utilize existing resources to weather unexpected repairs and maintenance while investing in our students. Using the ending fiscal year cash balance ignores the fact that cash balance fluctuates throughout the year, as the graph below shows.



As with the majority of the districts across the state, our lowest month of cash is in February. There is a \$4 million fluctuation between our highest and lowest months in terms of cash balance. Reducing the collected

millage based on our cash balances in June will have a detrimental impact on our cash flow throughout the year, leading to months where making payroll or paying bills is difficult.

Based on the language of the substitute bill, Jonathan Alder LSD can stand to lose approximately \$14 million in revenue over the last four forecasted years. This revenue is not made up for in state foundation funding, as we stand to gain a net \$66,430 over the biennium based on the released simulations.

	2026	2027	2028	2029	Cumulative
Original Forecast	\$14,061,469	\$14,689,770	\$15,266,063	\$15,916,827	\$59,934,129
Sub Bill 96	\$12,128,504	\$10,294,421	\$9,927,760	\$13,656,981	\$46,007,666
Difference	(\$1,932,965)	(\$4,395,349)	(\$5,338,303)	(\$2,259,846)	(\$13,926,463)

It is not clear from the language if the county budget commission is required to raise the tax rates in the event our cash balance is less than 25% of the prior year expenses. My colleagues and I fear that this provision will lead to a permanent revenue loss. Under this provision, my district will be placed in a state of fiscal distress by the Department of Education and Workforce and Auditor of State. We are projected to be out of cash by the end of FY 2028 due to this revenue loss. The numbers don't lie, and they spell disaster for my district.

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenues	\$32,816,368	\$31,830,698	\$28,383,696	\$26,008,296	\$29,186,806
Total Expenditures	\$32,197,882	\$33,594,718	\$34,910,116	\$36,307,464	\$38,255,764
Result of Operations	\$618,486	(\$1,764,020)	(\$6,526,420)	(\$10,299,168)	(\$9,068,958)
Ending Fund Balance	\$15,354,938	\$13,590,918	\$8,910,356	(\$1,388,812)	(\$10,457,769)

We are also disappointed to see the Fair School Funding Plan (FSFP) has been more or less discarded. The FSFP has been a game changer for public schools in that the actual cost of educating children is used to determine funding. Going back to a flat funding model ignores the unique aspects of the school districts throughout the state. Our student population is different from those in southeast Ohio or in the "big 8" urban districts. Treating us all the same ignores the specific needs for our students. While we are glad to see a supplemental revenue source for districts seeing enrollment growth like ourselves, the flat funding model is not sufficient to account for the specialized student populations within our district, such as those facing poverty or learning english. The weighted funding in the FSFP took those variables into account. It is also easier to explain to our stakeholders how our state funding is calculated if it is based on variables such as staff levels, student demographics, and local cost factors. I encourage the committee to reincorporate the FSFP, and fully fund it, before voting on the substitute bill.

If you would like to have further discussions on how the state budget impacts our District, please do not hesitate to contact me or Dr. James Miller, Superintendent, at any time. Our contact information is below. Again, we thank you for your support of our District and look forward to working with you in the future.

Have a great day,

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