



**Jonathan Alder Local Schools**  
9200 US Route 42 S  
Plain City, Ohio 43064

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**Dr. James Miller**  
Superintendent  
(614) 873-5621  
[millerja@japioneers.org](mailto:millerja@japioneers.org)

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**Mark Ingles, Treasurer**  
Phone: (614) 873-8685  
Fax: (614) 873-8462  
[inglesma@japioneers.org](mailto:inglesma@japioneers.org)

**Dear Senate Finance Committee Chair Sen. Cirino, Vice-Chair Sen. Chavez, and Ranking Member Sen. Hicks-Hudson,**

I am writing this message to you on behalf of the Jonathan Alder Local School District Board of Education because we feel that some situations require a show of solidarity, support, and resolve. In simple terms, the Ohio House has passed its version of the state budget that includes a proposal that limits school districts' end-of-year carryover to 30% of the year's expenditures. If a district has more than 30%, the county budget commission is directed to reduce the district's property tax rates until the district's cash balance drops below the cap. While from a 30,000-foot view this seems like a great way to reduce the property tax burden on district taxpayers, this cap could have devastating effects on how public schools in Ohio operate. We will outline the general concern, and then speak to how it directly affects Jonathan Alder Schools if this proposal should make it through the Ohio Senate as written.

First, we agree that reducing stress on the local taxpayer is a good thing. However, the mechanism proposed to do it is faulty, shortsighted, and flat out wrong. It takes the local control and understanding of each district's financial situation and applies a one-size-fits-all approach to limiting carryover. The determination of how much carryover is necessary for each district should be made by the duly elected individual boards of education. This mandate should not be in a state budget bill. As we know in the world of education, a one-size-fits-all approach to anything rarely, if ever, works. We feel that other proposals, such as SB22, offer a more sustainable approach to addressing this issue by providing targeted relief to those who need it most.

Second, having a carryover greater than 30% is not something to be punished for, but celebrated. We will outline some of the specific ways it is imperative for Jonathan Alder below, but, in general, the carryover allows for the funding of additional programming, staffing, special education needs, and even capital projects not only today but in future years. The Board of Education has passed a [Board Policy](#) that limits our carryover balance to 180 operating days in order to limit our cash carryover. The superintendent and treasurer would be required to identify ways to further our strategic plan using any excess funds if that cap is forecasted to be exceeded. As a result of this policy, we are ensuring our taxpayers that we are using their tax dollars in a timely and responsible manner.

Third, these punitive efforts are only directed at public schools. While we understand that public schools absorb the highest amount of taxpayer dollars, other public entities have been exempted from this carryover cap. We are not advocating for the other entities to have the carryover cap instituted, we are advocating for the elimination of the proposed cap altogether.

The following is an example of the effect of the proposal on Jonathan Alder Local School's financial situation if the bill were in effect for fiscal year 2024.

- We ended the year with \$15,092,624 million dollars of carryover.
- We had expenditures of \$29,878,662 million dollars.
- Our carryover was 51%, and over the 30% cap by \$6.1 million dollars.
- The Madison County Budget Commission (our home county for tax purposes) would be directed to reduce our property taxes to get us below the 30% cap. Our taxes the following fiscal year would be reduced by 88% in order to get us under the cap.
- Our local taxpayers would see a decrease in their tax bills for one year, but immediately see a jump the following year as our carryover is reduced below the cap. This leads to a yo-yo effect that makes it hard for our residents to plan year to year as their financial situation changes as a result of this proposal.
- We fully expect to start spending down the carryover balance as early as this fiscal year, as inflation also hits school districts and we add staffing and programming to provide the support our students need to succeed not only today but also for tomorrow. The carryover allows us to budget well into the future to ensure our students can be successful.

In short, we feel that local representatives are the ones best suited to make decisions for their communities. We are encouraging you to provide property tax relief in a way that is not punitive, that allows school districts to plan for the future, and provides a sustainable solution to all parties involved.

We thank you for your time and consideration. Please feel free to reach out if you have any further questions about this important topic.

Mark Ingles  
Chief Financial Officer  
Jonathan Alder Local School District