



Jonathan Alder Local Schools
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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. Budgets are about priorities, and the substitute budget bill as introduced in the Finance Committee on June 4, 2025 shows that public education is not a priority in Columbus.

We applaud the inclusion of the Fair School Funding Plan, and having it fully phased in. We also appreciate the inclusion of an enrollment growth supplement and performance bonus that recognizes growing, successful school districts like ours. However, for the formula to work it must be fully funded using updated inputs on the state spending side. As introduced in the Finance Committee, the funding formula is underfunded by approximately \$600 million. We encourage the Committee to fully fund the formula so it can provide the maximum benefit for Ohio's students and communities. If it is not possible to update the state base cost inputs this biennium, we would like to suggest delaying the update of local wealth factors as a compromise. Doing so will maintain our current state/local share and prevent the District from falling to the funding guarantees due to increased wealth in our District.

While we are disappointed to see a cap on carry over cash balances remain in the substitute bill, we appreciate the modifications made to the original proposal as introduced in the House. It shows that the Committee listened to school funding experts and addressed many of the concerns that we have over the proposal. We feel that the better approach is to require a cash balance policy, which will allow local Boards of Education to determine the appropriate target balances based on their local conditions. Jonathan Alder LSD has such a policy that was developed with input from stakeholders and the Board of Education. I am copying the policy to the end of my testimony. Our policy guides our budgeting discussions and played a role in our latest round of negotiations with our teacher union. Cash balances are not excesses, but represent prudent, long-term financial management. Micromanaging local budgeting decisions at the state level takes away local control that has been a bedrock to our democratic system since Ohio's founding.

The expanded authority of County Budget Commissions (CBC) would undermine voter intent and provide further budget instability for school districts. The use of subjective terms as "unneeded" and "excessive" allows for the 88 CBC's across the state to interpret their responsibilities very differently from each other. Jonathan Alder LSD has territory in three different counties. Would each county's budget commission have a say on what is "unneeded" or "excessive"? My District has a voter approved permanent improvement levy that is used as part of our capital planning. If the CBC deems that funding "unneeded" it will jeopardize

our ability to properly plan for needed facility, technology, or fleet replacements and improvements. We urge the Senate to eliminate the provisions expanding the power of the CBC to override voter intent and the control of our local Board of Education.

Finally, all school districts deserve strong, effective leadership. The two roles that answer directly to the Board of Education are the superintendent and treasurer. Those roles have significant responsibilities and require specialized training to ensure the effective operation of school districts across the state. Eliminating the Board of Education's ability to pay for those administrator's portion of STRS and SERS contributions, respectively, discourages the recruitment and retention of capable leaders in these crucial positions. We are currently seeing a critical shortage of qualified candidates in these roles. In order to ensure boards of education can fill these positions with capable leaders, they need to retain the ability to compensate them accordingly. We urge the Committee to strip this provision from the bill before voting to send it to the full Senate.

Thank you for your time and consideration. If there are any questions, please feel free to contact me at any time.

Mark Ingles
Chief Financial Officer
Jonathan Alder Local School District

Board Policy 6220:

CASH BALANCE RESERVE

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies shall be pursued, and/ or the District's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures.

Promptly upon receiving any indication that such cash balance may not be achieved within any year of the five (5) year forecast, the treasurer/CFO shall report such a finding to the Board. Upon such notification by the treasurer/CFO, the Superintendent and treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality.

Further, the Board believes the financial goals of the District should be in alignment with the District's strategic plan and instructional goals. When a General Operating Fund cash balance exceeds 180 days at the end of the current fiscal year or forecasted for the subsequent fiscal year, the Superintendent may prepare a plan for the expenditure of the excess General Operating cash balance on one or more of the deliverables of the strategic plan. Alternatively, the excess cash balance may be transferred to a reserve fund for future needs. This plan must be approved by the Board of Education and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the rolling five (5) year forecast.