



WHAT IS A CASH BALANCE/ CARRYOVER, AND WHY DOES IT MATTER?

The Ohio House passed its version of HB 96, the state's biennial budget, which would require county budget commissions to reduce local funding for districts with a cash balance or carryover of more than 30%. This could lead to massive cuts to student programs or force schools to put a levy on the ballot sooner than expected.

The money on hand in a district on June 30 of each year is referred to as the cash balance or carryover. Think of it like your checking account at home. This money is used to pay for day-to-day expenses like student services, buses, salaries, food service, utilities and instructional materials. This is not an emergency fund or savings account — just the money needed to keep things running.

WHERE DOES THE MONEY COME FROM?

State Funds

The Ohio Department of Education and Workforce gives districts money twice a month based on a formula.

Local Funds

Property and income taxes collected twice per year.

Grants

Special funds for specific projects.

HOW IS THE MONEY USED?

This funding covers the district's day-to-day expenses, such as bus fuel, teacher pay, utility bills, special education services and more.

WHY WOULD A DISTRICT HAVE A CASH BALANCE OR CARRYOVER?

State vs. Local Funding

School funding in Ohio is a shared responsibility between the state and local communities. The state share of funding varies from district to district, with a minimum state share of 10%. In these districts, the local community must generate the other 90%. Local funding is given to the district two times a year. The leftover money will cover future costs and student needs.

Levy cycle

Some districts seem to have extra funds right after a levy passes. But this doesn't mean the district has more money than it needs. It's planned that way to make sure there's enough to support students over the life of the levy. As time goes on, things become more expensive. The money collected at the start will cover rising costs in the later years. This helps the district meet student needs and reduces how often a district brings a levy to voters.

Pipeline payments

The Nexus and Rover pipelines have been added to local tax records, increasing the amount of money some school districts have received. Most recently, the Nexus pipeline settled with some districts, resulting in larger payments deposited into their accounts. Districts are using the money to improve education and student opportunities over time.

Grant funding

When a school receives a grant, it may receive all the money upfront but spend it over the course of the project.

Growth

Schools plan for building new facilities, so extra funds are reserved to cover those future costs.



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