



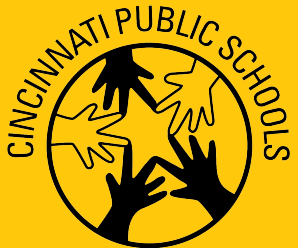
CPS State Budget Update

July 9, 2025



Thank you for Supporting Cincinnati Public Schools!

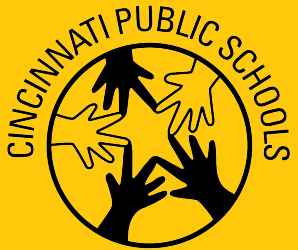
- Board Members
- Union Partners
- Leadership Team
- Staff
- Media
- Families and Community Members who sent Letters, Emails, or made Phone Calls to our Legislators



Thank you Governor DeWine!



67 Vetoes!



Critical Areas of Concern for CPS!

1. State Formula: Need to update the cost factors/inputs to 2024 values

\$6.3 M reduction from the House version will force us back to the ballot more often



2. Emergency Levies: Remove the language that eliminates Emergency (Fixed Sum) Levies, Substitute Levies and Replacement Levies

At Risk - three levies (\$48M, \$65M, \$52M) = \$165M (26% of our annual revenue)

School District Income tax (SDIT) - 1.5%



3. 20 mil Floor Calculation: Remove the language that moves Emergency (Fixed Sum) levies millage into the calculation of the 20 mil floor

\$ 10.9 M reduction in revenue for a full tax year



CPS Concern: Loss of Local Control

VETOED

Annual General Fund Carryover Limit of 40%

VETOED

County Budget Commission can reduce tax rates

VETOED

Requires buildings used less than 60% capacity to be offered for sale

Reduces 5 Year forecast to 3 Years

VETOED

Prevents district from paying retirement pick-up to the Superintendent or Treasurer

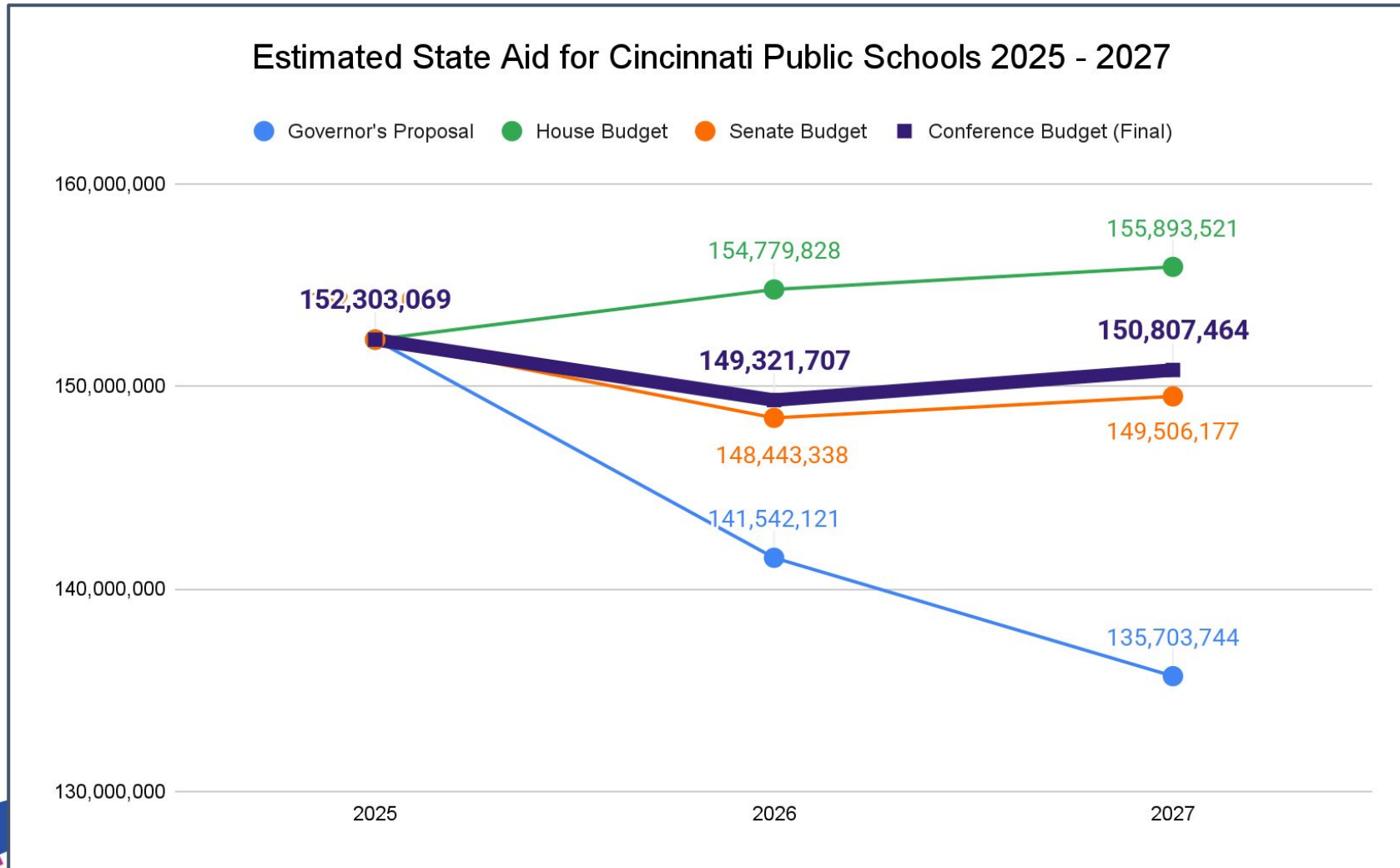


The Good Stuff! Positive Items for our Youth

- Expansion of Career Tech, Apprenticeships, Job training for Ohio's needs
- Prohibition on Cell Phones and Schools required to develop an AI policy
- Prioritizing reading and Science of Reading work
- Expansion of School Based Health Centers
- Comprehensive Eye Exams for K-3 students
- More state funding for mental health, especially for young people
- Expanded requirements for driver's training
- Continued investment in homeless shelters
- Additional funding for maternal and early childhood health services



State Funding Summary



The Conference Budget reduced State Aid by:

- \$5.5 M compared to the House Budget
- \$3M compared to our FY25 estimated aid

This version preserves the Fair School Funding Plan, but did not update all the base cost inputs.

All simulations are based upon data from the January # 1 Foundation Payment

Big Winners & Big Losers

Change in State Funding from FY25 Estimate to FY26 Approved Budget

Districts who gained the most

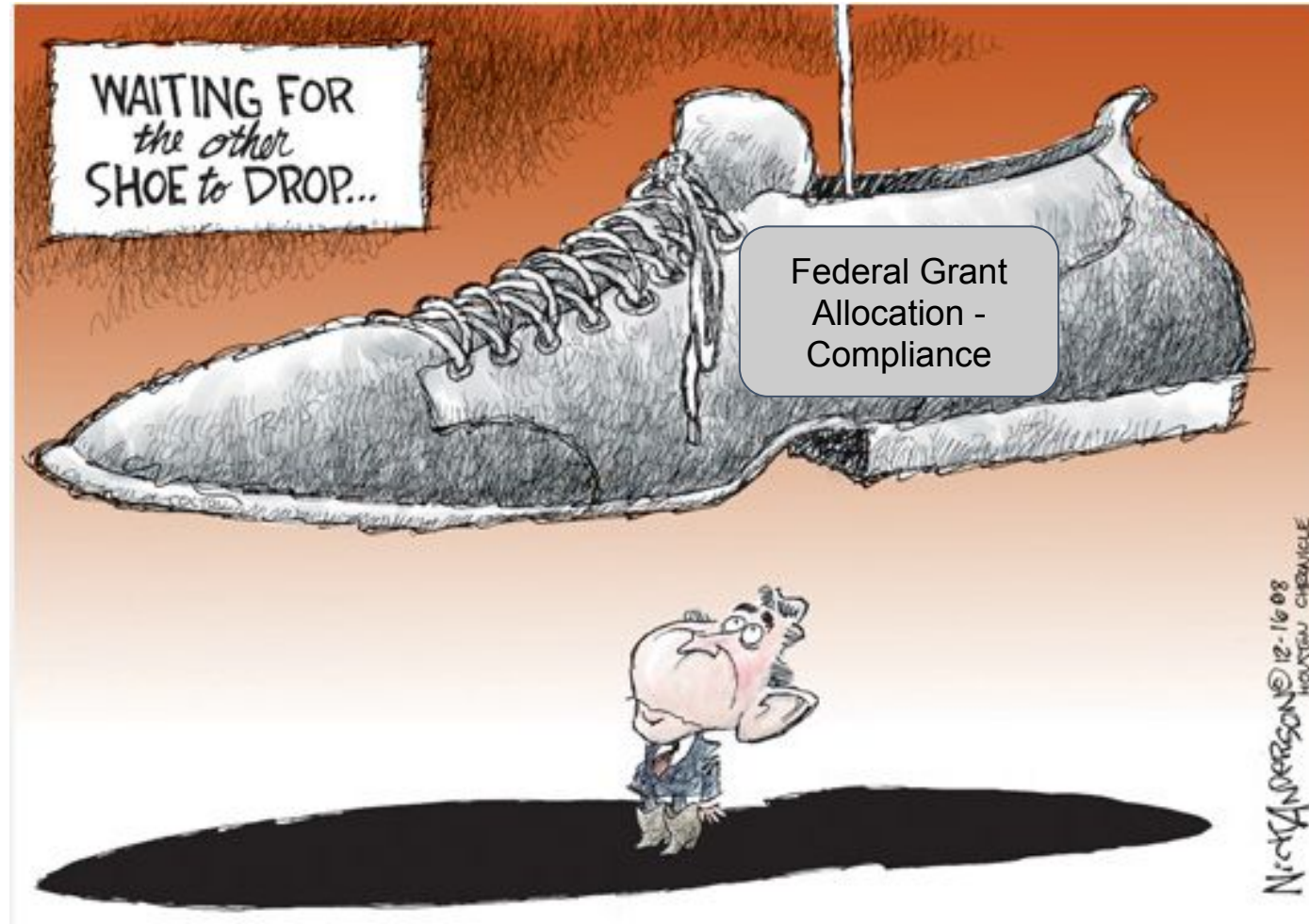
1.	Washington Local (Lucas Co)	\$ 5.4 M
2.	Lakota Local	\$ 3.9 M
3.	Pickerington Local	\$ 3.6 M
4.	Licking Heights	\$ 3.4 M
5.	Reynoldsburg	\$ 3.0 M
6.	Middletown	\$ 3.0 M
7.	Sycamore	\$ 2.9 M
8.	Dublin	\$ 2.8 M
9.	Bethel (Miami Co)	\$ 2.6 M
10.	Warrensville Heights	\$ 2.4 M

Districts who lost the most

1.	Columbus	\$ -16.0 M
2.	Parma	\$ - 3.2 M
3.	Canton	\$ - 3.1 M
4.	Cincinnati	\$ - 3.0 M
5.	Lorain	\$ - 2.4 M
6.	Youngstown	\$ - 1.7 M
7.	Mount Vernon	\$ - 1.6 M
8.	North Olmstead	\$ - 1.3 M
9.	Delaware	\$ - 1.3 M
10.	Lima	\$ - 1.2 M

Source: Conference Committee Simulations

Federal Grants, Property Tax Reform & Other Bills



Pending Bills to watch

House Bill 335 - “Property Tax Relief Now Act”

- Package of prior bills (HB 129, HB 186, HB 309)
- Abolishes inside millage
- Caps revenue growth from 20 mill floor to inflation
- Eliminates Emergency, Substitute and Replacement Levies
- Expands County Budget Commission Authority to reduce rates for “excessive” cash reserves (over 30%)

Senate Bill 66 - Include emergency levies, substitute levies, income tax in 20 mill floor

Various Bills expanding Rollbacks and Homestead Exemptions (SB206, HB273, HB22, HB261, HB266, Hb103, HB40, HB61, SB81, SB92)

Statewide Ballot Initiative to Eliminate Property Taxes

20 Mill Floor - Loss of Revenue

- Adding in Emergency Levies to the 20 mill floor will cause a reduction of the effective rates of our current expense levies.
- We anticipate this would affect tax collections starting in 2027 with a loss of 1.8 mills
- Reductions will continue each year until we reach the floor again

Fiscal Year	2026	2027	2028
Loss of Property Tax Revenue	\$ 0	\$ 5.45 M	\$ 10.9 M



Impact of Other Property Tax Changes

Elimination of all Property Taxes, ballot initiative - \$393 M

62.5% of forecasted revenues

Would require a School District Income tax (SDIT) > 3%

Elimination of inside millage, part of HB335 - 4.19 mills

Loss of ~ \$36 M

Would require a School District Income Tax = .5%



Federal Funds Update



Federal Funds Overview

- CPS receives over \$ 47M in Federal Grant Funds each year, excluding the portion for non-public schools. We are also allowed to carryover some funding from year to year
- Grants included are Title I, Title II, Title III, Title IV, IDEA-B, Aspire (Adult Ed), Carl Perkins (Career Tech), McKinney-Vento Homeless, Head Start. Each grant is restricted to a specific purpose
- Federal Budget Years are ahead of CPS Fiscal years
 - Federal FY25 - Funds being held now
 - Federal FY26 - Recently Passed Budget Bill - Impacts us in FY27
- Grants generally become available on July 1st and must be fully used by the following September 30th

CPS Fiscal Year 2026 Impact

On June 30th, states received this notice from the US Department of Education:

“Given the change in Administrations, the Department is reviewing the FY 2025 funding for the [Title I-C, II-A, III-A, IV-A, IV-B] grant program(s), and decisions have not yet been made concerning submissions and awards for this upcoming academic year. Accordingly, the Department will not be issuing Grant Award Notifications obligating funds for these programs on July 1 prior to completing that review. The Department remains committed to ensuring taxpayer resources are spent in accordance with the President’s priorities and the Department’s statutory responsibilities.”



CPS Fiscal Year 2026 Impact

Grant	Expected Allocation	Key Initiatives
Title II	\$ 1,692,647	Teacher recruitment; staff development; professional development; learning technology and support
Title III	\$ 574,496	Services for English language learners, Staff PD, Supplemental textbooks
Title IV	\$ 1,672,098	Social and emotional learning programs, International Baccalaureate program, World Languages materials
ASPIRE	\$ 1,262,138	Adult Education program and staffing
Total	\$ 5,201,379	Includes 37 FTEs

On 7/2/25, ODEW notified us that they are removing placeholder allocations for these grants from the state system and warned us that neither they, nor we, have authority to spend these funds.

CPS Fiscal Year 2027+ Fiscal Impact

Based on current budget proposals, we should expect the following for future years:

- Elimination of Title III - ELL Services - \$500,000
- Combination of Title II and Title IV into a state-level block grant
 - Reduced overall allocation - impact up to \$3 M
 - More state control over how the funds are allocated and used

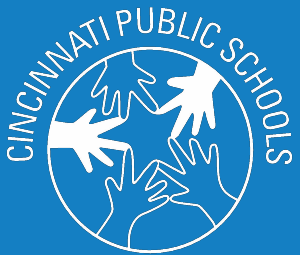


Expect another challenging budget

- State Aid - flat to slight increase
- Expect some version of Property Tax reform to reduce tax revenues
- Reduction of Federal Funds - Loss of Title III, reductions in Title II and IV
- Increased balloon payment for tech devices - \$ 6 M additional



Our Journey to a FY26 General Fund Balanced Budget



Our Journey began in building the FY25 budget

Original estimated budget gap - FY25 (January 2024) = \$104M

Property Tax Update (increased revenues) +17.2M

Reduced/Eliminated contracted services -5M

Eliminated Positions:

School Based - 222.5 FTEs (mostly vacant)

Central Office - 51.6 FTEs (6%)

Journey to a FY26 Balanced Budget

Oct

**Student
Projections**

Nov

**5 Yr
Forecast &
Budget
Target**

Dec

**School
Staffing**

Jan

**School
Staffing**

Journey to a FY26 Balanced Budget

Feb

**Board
Workshop**

Mar

**Critical
Minimums**

Apr

**Union
Collaboration**

**May
19th**

**May 5 yr forecast
(HB version)**

Journey to a FY26 Balanced Budget

**Jun
2nd**

Approved Fixed,
Obligated, Vendor,
Contract
Reductions, Central
Vacancies

**Jun
23rd**

Approved Master
List, SSW, Spring
TAC, RIF, Sched E

**Jul
9th**

**Final
Budget
Approval!**

Revenue Updates



Forecast and Revenue Projections

Fiscal Year 2026 Anticipated Revenue, in millions					
	November Forecast		May Forecast		Revenue Projection 7/2/25
Local Taxes	365.3		366.7		366.7
State Aid	155.1		161.3		159.8
State Share of Local Taxes	26.7		26.6		26.6
Other Revenue	60.0		57.7		57.6
Advances In	10.0		10.0		9.5
Other Financing Sources	5.8		6.3		6.3
Total	622.9		628.6		626.5
Budget Target	624.6		624.6		Revised



State Aid Changes

Between January and the end June 2025, our State Aid grew by \$ 6 M. This was driven by enrollment growth and improved data reporting for our weighted student populations

FY 25 Funding Element	January # 1 Settlement	June # 2 Settlement	Change
Base Cost	82,603,195	82,747,579	144,384
Base - Student Wellness	4,148,772	4,156,024	7,252
Targeted Assistance	3,746,944	3,746,944	0
Special Education	19,564,374	20,462,859	898,485
Disadvantaged Pupil Impact Aid	17,171,728	22,088,269	4,916,541
English Learners	1,673,228	1,879,049	205,821
Gifted	1,489,514	1,526,237	36,723
Career Tech	1,200,482	1,266,347	65,865
Transportation	12,305,543	12,305,543	0
Preschool Special Education	2,370,955	2,172,123	-198,832
Special Education Transportation	6,063,642	6,063,642	0
Total	\$152,338,377	\$158,414,616	\$6,076,239

Total does not include Casino Revenue or Catastrophic Costs reimbursement

Revenue and Budget Target

FY26 Revenue and Budget Target		
Update Revenue Projection	626,482,007	Projection as of 7/2/25
Additional City TIF payments	5,000,000	Approved to add to revenue 6/23/25
Sale of Property Proceeds	1,500,000	Approved to add to revenue 6/23/25
Total Revenue	632,982,007	
Reserved for Cash Balance	-500,000	
Preschool Levy Prior Year Cash	2,200,000	Was \$ 1.8 M on 6/23; adjusted to \$ 2.2 M based on their FY26 Budget
Total (Budget Target)	634,682,007	



Pathway to Balanced

FY26 Modified Budget = FY25 CO Budget + FY26 Provided School Budgets		\$686,538,137.52
Updated Budget Target		\$634,700,000.00
Gap		\$51,838,137.52
Master List of Reductions		\$28,962,129.04
<i>Contracts</i>		\$19,696,568.56
<i>Impact Positions: 32.4 Central Office</i>		\$3,667,738.10
<i>Other Expenses (Office supplies, mileage, copy clicks, etc)</i>		\$3,262,768.70
<i>Right Sizing Preschools Positions</i>		\$2,335,053.68
Gap		\$22,876,008.48
Additional Reductions		\$21,105,364.20
<i>Schedule E reduction</i>		\$200,000.00
<i>Move items to Title funding</i>		\$1,300,000.00
<i>Defer ITM Device Lease payment</i>		\$6,282,000.00
<i>Executive Assistant realignment</i>		\$52,000.00
<i>Reduce SSW (8 positions, 6 vacant)</i>		\$954,600.00
<i>Spring Enrollment/Projection Staffing Update: 109.9 Teaching Positions</i>		\$12,316,764.20
Gap		\$1,770,644.28
Budget Refinement		\$1,770,644.28
<i>Indirect Costs charged to Grants</i>		\$500,000.00
<i>Updated Previous Year Encumbrance Neg. Contingency (NET)</i>		\$1,270,644.28
Gap		\$0.00

