

WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT

FIVE YEAR FORECAST – GENERAL FUND
JULY 1, 2025, THROUGH JUNE 30, 2030

- Presented By:
- Becky Mullins, CPA, Treasurer/CFO
- September 29, 2025



O.R.C. AND O.A.C. REQUIREMENTS

- O.R.C. 5705.391 and O.A.C. 3301-92-04
- HB 96 the current state budget changed the dates and years of the forecast submission
- HB96 requires a Board of Education to submit a four-year projection (current year and three additional years) of operational revenues and expenditures along with assumptions to the Ohio Department of Education and Workforce prior to October 15th with an update by February 28th of each fiscal year
- In FY27 the submission dates will move to August 31st with an update by February 28th
- Required funds to be included in the four-year forecast are:
 - General Funds (001)
 - Any special cost center associated with general fund money
 - Emergency levy funds (016)
 - Any debt service (002) activity that would otherwise have gone to the general fund
- Our district will continue to utilize a five-year forecast and planning horizon as we believe it is a prudent business practice for planning purposes



GENERAL FUND REVENUE SOURCES FY26

Estimated General Fund Revenue FY2026 \$ 28,898,178

State Sources 61.46%

**State Foundation
58.87%**

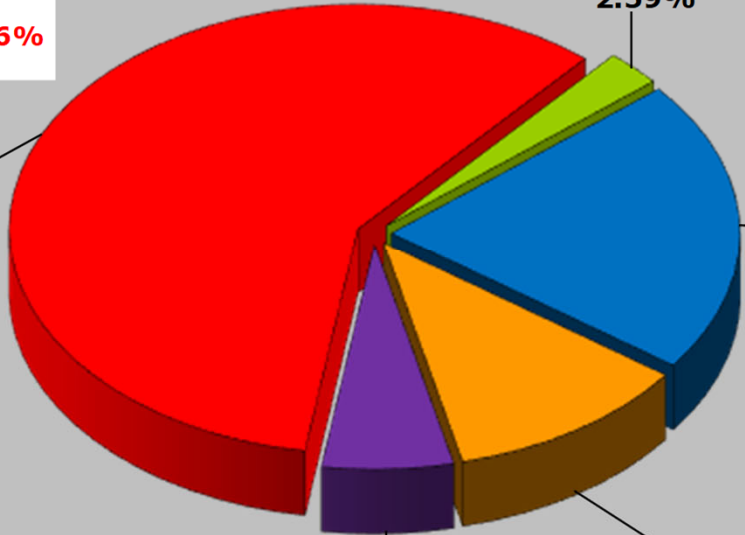
**Other State
2.59%**

**Real Estate Taxes
21.15%**

Local Sources 38.54%

**Income Tax
11.31%**

**Other Local
6.07%**



FY26-FY27 STATE BUDGET/LEGISLATIVE CONCERNS

- HB96 the current state budget provided no increase in foundation funding. Only small amounts outside the formula.
- Governor vetoed 4 key provisions of HB96 that would have heavily impacted school local revenue and cash balances.
- More importantly there are still 14 (9 house and 5 senate) proposed laws to impact local property taxes and/or valuations that could reduce local funding for all public schools in Ohio.
- The Governor's Tax Reform Work Group is currently reviewing ways to stop property tax increases...primarily in school districts.
- Proposals from the Work Group and/or future legislative actions seem imminent and would impact property taxes which are 21.15% of our revenue.

FY26-FY27 STATE BUDGET/LEGISLATIVE CONCERNS

- The House voted in July to override one of the Governor's Veto's on levy types. The Senate has not considered this veto yet or if they will move to override other vetoes.
- The Senate can act on these up to **December 31, 2026**. In essence, portions of HB96 may not be final until that date.
- The “Taxpayers Freedom Trilogy Act” was introduced in August, which includes HB420, HB421 and HB422. These bills, if passed into law, would eliminate continuing levies, potentially set aside inside millage, and create more than 50% approval margins for new levy approval. All would be devastating to the local revenues we count on to educate our children.

REVENUE ASSUMPTIONS

- Local revenues will increase throughout the forecast due to the income tax levy and property tax millage being at the 20 mill floor
- Property Tax Reform (proposed legislation, veto overrides, and sub bills)
 - Future funding is uncertain concerning local property taxes due to numerous pieces of legislation and Governor's Tax Reform Work Group
 - Piggyback Tax Exemptions (HB96)
 - Allows the County Budget Commissions (CBC) to double the 2.5% owner-occupied rollback and homestead exemption
 - These credits are currently reimbursed to school districts
 - Piggyback exemptions will not be reimbursed to the district
 - Potential loss to district revenues of \$240,000+ annually

REVENUE ASSUMPTIONS

- Property Tax Reform (proposed legislation, veto overrides, and sub bills) - *continued*
 - Need to watch activity of substitute versions of HB309, and HBI86
 - HB309 - Grants CBCs **discretionary authority** to reduce millage on any voter-approved levy (other than debt) to avoid "excessive" collections (a vetoed budget provision).
 - **Impact:** The substitute version gives CBCs broader discretion to step into local levy decisions.
 - HBI86 - Growth at the 20 mill floor would be capped at inflation with retroactive application and no offset to lost school district revenue.
 - **Impact:** The retroactive application raises **major legal and budgetary** concerns for districts. Already-certified valuations and budgets would be undercut mid-cycle, impacting contracts, cash flow, and 412 certifications.
 - Potential loss to the district of approximately \$620,000 for tax years 2025 and 2026 and \$780,000 in tax year 2027.

INCOME TAX REVENUE

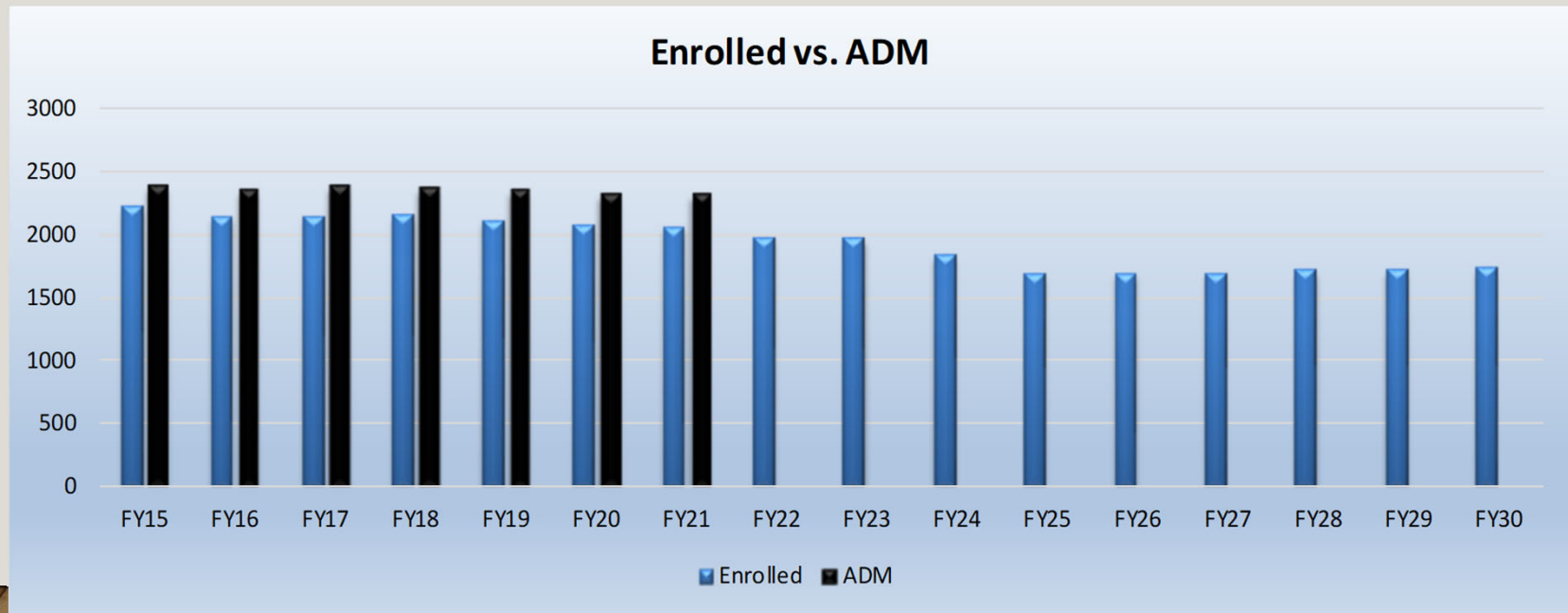
- 1% Income tax passed August 2020
- Collection begins 2021
- Collection takes 18 months to collect one year based on the following collection cycle:
 - FY21 will receive approximately 5% of total
 - FY22 will receive approximately 69% of total
 - FY23 will receive the final payments from tax returns or 26% of the total
- Income tax revenue is shown on line 1.030 of the forecast. However, the renewal of an income tax must be shown on line 11.010 of the forecast until it has been approved by the voters.
- You will see a reduction in income tax revenue on line 1.030 in FY28-FY30 (the effect if not renewed). This portion has been moved to line 11.010.

STATE FUNDING CONSIDERATIONS

- State Budget Cycle
 - Biennial Budgets FY26-27, FY28-29, FY30-31
 - Three State budgets affect current FYF
- Legislation
 - We must be cognizant of any legislation that adversely affects our level of State Funding
- Enrollment Trends
 - Our enrollment continues to decline
 - 2015 to 2026 a decline of 531 students

ENROLLMENT VS. ADM

- Funding is based on students that are enrolled in our district
- FY22 no longer uses ADM for resident students attending other districts
- Student enrollment in FY15 was 2227 while estimated enrollment for FY26 is 1696 a loss of 531 students in 12 years



ENROLLMENT STATS

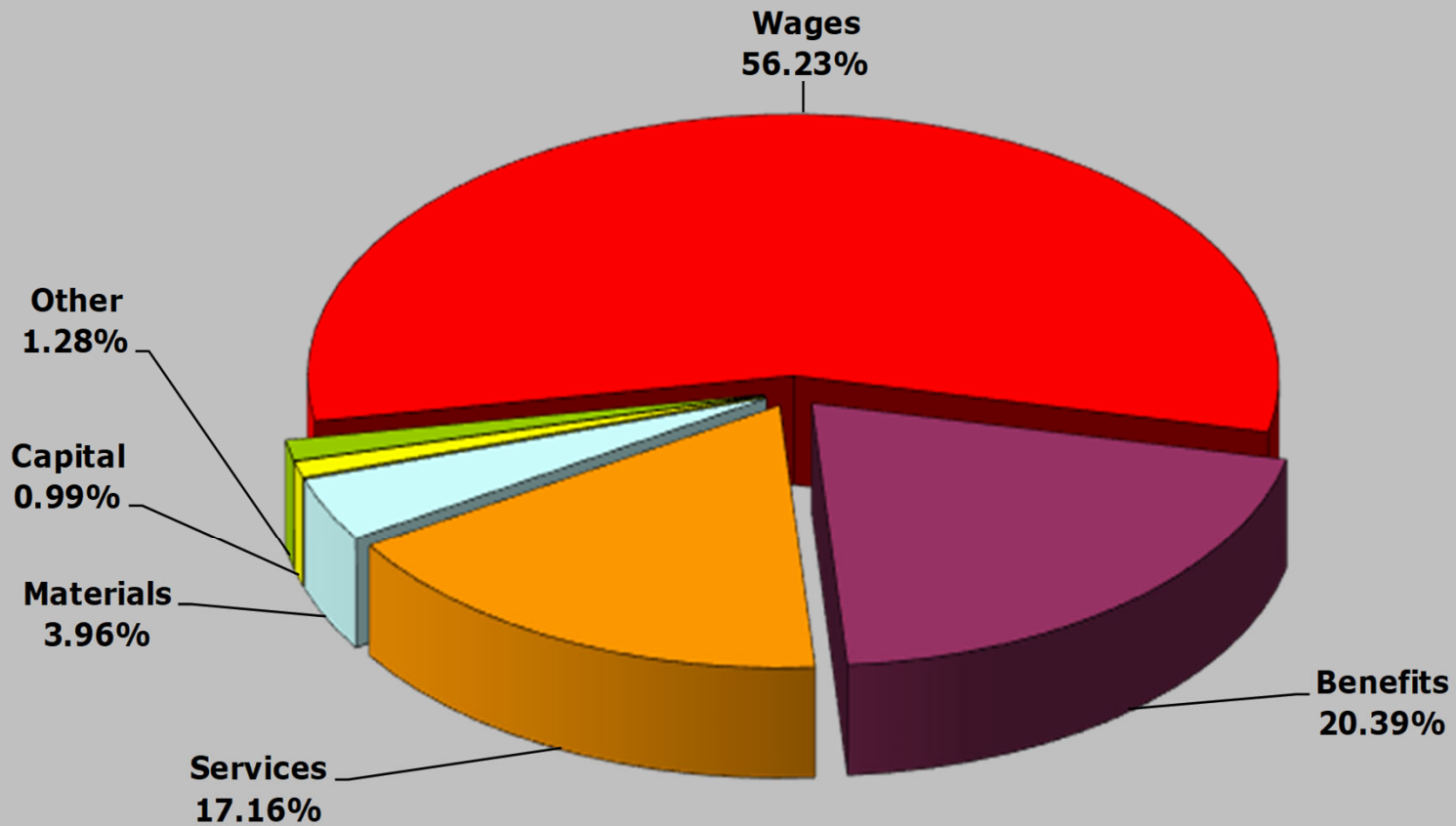
- Enrollment by building (as of 9/12/25):
 - CH – 366 K-2
 - BA - 373
 - MS - 395
 - HS – 476 (9-12) plus 86 JVS
 - Preschool – 108 (not counted in total enrollment)
- Fayette Christian - 12
- Homeschooled - 47
- Open Enrolled Out – 415 (390 to Miami Trace)
- Open Enrolled In – 100 (82 from Miami Trace)
- Foster Placed Out - 18
- Foster Placed In - 41

TOP STATE FUNDING FACTORS

- Current legislative proposals freeze the funding bases at FY22 levels but lets local capacity increase which sharply reduces our funding for future years.
- If the state of Ohio cuts or reduces our state funding and severely impacts our ability to raise local funding, our district will need to make cuts and/or pass new levies in response to these severe revenue challenges in order to maintain current instructional programs for our students.
- Enrollment
- State Share Index based on:
 - 60% property value; 20% FAGI and 20% Median FAGI
- Level of economically disadvantaged and special education students
- College Credit Plus (CCP) and other state mandated programs
- Old legislation, new impact

GENERAL FUND EXPENDITURES FY26

Estimated General Fund Expenditures FY2026 \$ 26,271,091



MOST SIGNIFICANT EXPENDITURES

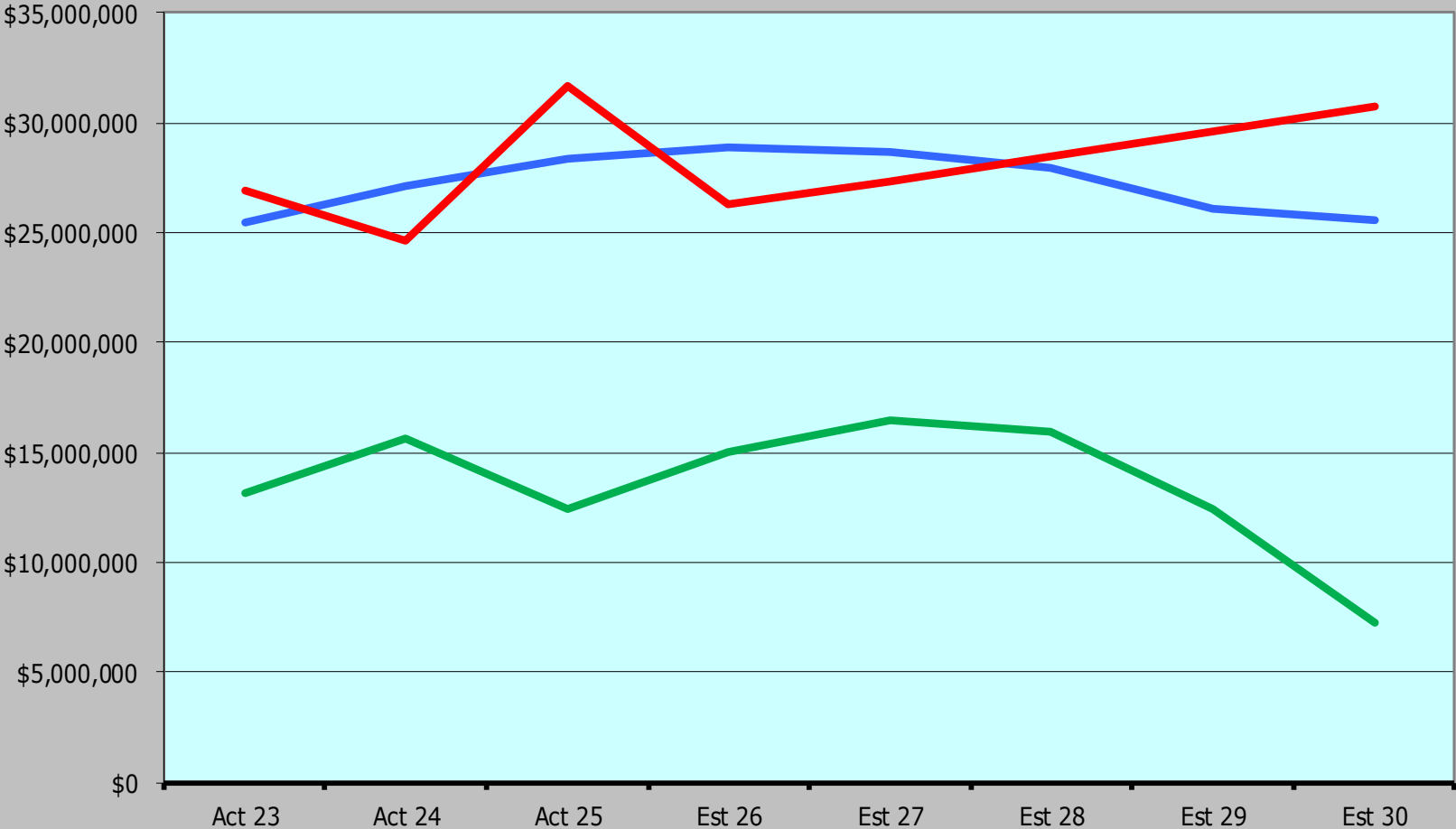
- Wages and Benefits make up 76.62%
- Services make up another 17.16% of the budget and is primarily costs associated with utilities, tuition paid to other districts, and professional services (OT,PT, speech, etc.) provided for the education and assistance of our students
- These three-line items comprise 93.78% of District expenditures leaving a small percentage for supplies, capital outlay, debt payments and other miscellaneous items.

EXPENDITURE ASSUMPTIONS

- Bargaining agreement and salary schedules
- Insurance projections and industry trends
- Inflation rates
- Textbook, equipment, and technology replacement cycles
- Legislative changes
- STRS/SERS retirement system changes
- Capital Maintenance
- Enrollment figures
 - Maintain proper staffing levels
 - Supplies, inside and outside of classroom
 - Facility needs

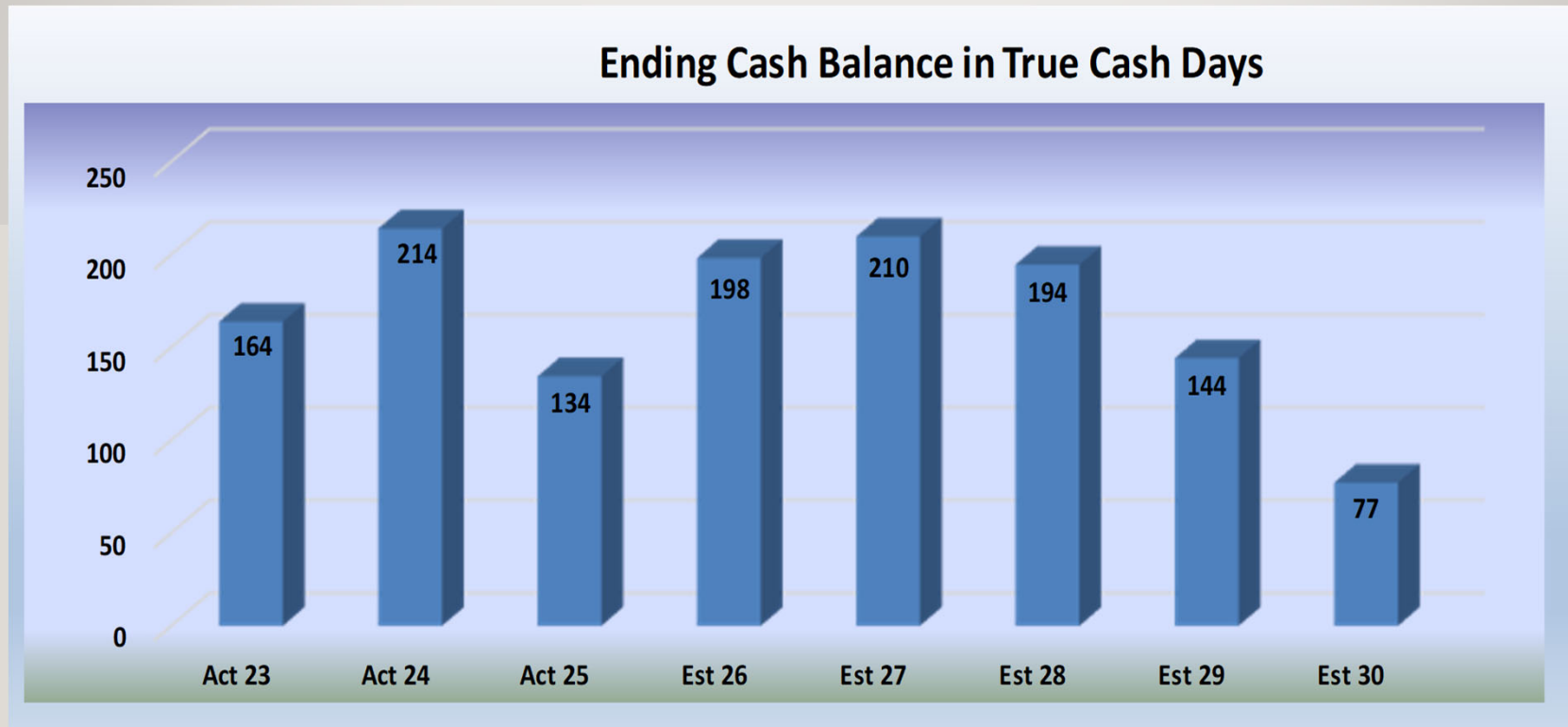
REVENUE VS. EXPENDITURE

General Fund Revenue, Expenditures & Cash Balance



Revenue **Expenditures** **Ending Bal.**

ENDING BALANCE IN DAYS



The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, for a district to maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

THE QUICK RECAP OF OUR FINANCES

- Projected to have a positive cash balance through FY30
- Projected to begin deficit spending in FY28
 - **Clear indication of the need for a renewal of the income tax**
- Costs are still rising, and we must continue to try and monitor their growth
- With 61.46% of our budget coming from the State our long-term economic viability relies significantly on future State budgets FY28 and beyond

LEVY HISTORY

- The last new operating property tax levy passed
 - A 2.9 mill levy passed on November 5, 1991
 - Through strong financial management the district had gone 29 years without new/increased operating revenue locally
 - An impressive feat since most districts are on the ballot every 4-5 years during the same time
- A 1% Earned Income Tax passed in August 2020
 - The Earned Income Tax levy will need to be renewed by voters by 12/31/2027

THANK YOU FOR LISTENING

Questions and Answers

