

**BOARDMAN LOCAL SCHOOL DISTRICT- MAHONING COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026, THROUGH JUNE 30, 2030**



**Forecast Provided By
Boardman Local School District
Treasurer's Office
Arthur Ginnetti, Treasurer**

October 2, 2025

Boardman Local School District

Mahoning County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual				Average Change					
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010 General Property Tax (Real Estate)	\$32,744,253	\$33,129,235	\$34,138,844	2.1%	\$33,689,430	\$33,402,801	\$30,576,588	\$26,345,153	\$23,959,286	
1.020 Public Utility Personal Property Tax	3,268,836	3,339,948	3,394,116	1.9%	3,600,208	3,288,100	2,867,848	2,465,289	2,161,387	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	8,076,777	9,938,760	9,947,598	11.6%	9,202,721	7,871,885	7,875,714	7,879,601	7,883,547	
1.040 Restricted State Grants-in-Aid	849,563	1,132,082	1,158,342	17.8%	799,323	788,816	788,816	788,816	788,816	
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0	
1.050 State Reimbursement for Property Tax Credits	3,320,224	3,304,627	3,322,240	0.0%	3,338,167	3,410,415	3,261,761	2,975,660	2,928,408	
1.060 All Other Revenues	2,377,754	2,860,616	2,782,951	8.8%	2,640,850	2,580,762	2,524,097	2,470,685	2,420,369	
1.070 Total Revenues	\$50,637,407	\$53,705,268	\$54,744,091	4.0%	\$53,270,699	\$51,342,779	\$47,894,824	\$42,925,204	\$40,141,813	
Other Financing Sources										
2.040 Operating Transfers-In	-	2,064	-	0.0%	-	-	-	-	-	
2.050 Advances-In	\$22,196	\$0	\$0	0.0%	\$88,597	\$50,000	\$50,000	\$50,000	\$50,000	
2.060 All Other Financing Sources	29,490	34,819	67,687	56.2%	28,000	28,000	28,000	28,000	28,000	
2.070 Total Other Financing Sources	\$51,686	\$36,883	\$67,687	27.4%	\$116,597	\$78,000	\$78,000	\$78,000	\$78,000	
2.080 Total Revenues and Other Financing Sources	\$50,689,093	\$53,742,151	\$54,811,778	4.0%	\$53,387,296	\$51,420,779	\$47,972,824	\$43,003,204	\$40,219,813	
Expenditures										
3.010 Personal Services	\$27,032,089	\$28,655,111	\$30,504,650	6.2%	\$32,146,393	\$33,530,619	\$34,976,192	\$35,817,322	\$36,679,000	
3.020 Employees' Retirement/Insurance Benefits	11,428,525	12,168,788	13,114,132	7.1%	14,151,997	14,996,728	15,894,152	16,739,167	17,620,330	
3.030 Purchased Services	5,362,504	6,542,694	6,761,597	12.7%	7,704,086	8,010,738	8,330,649	8,664,422	9,012,683	
3.040 Supplies and Materials	1,319,815	1,939,458	2,065,792	26.7%	2,403,856	2,199,881	2,265,877	2,333,854	2,403,870	
3.050 Capital Outlay	136,421	87,987	784,723	378.2%	569,960	525,000	525,000	525,000	525,000	
Debt Service:				0.0%						
4.020 Principal-Notes	-	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	-	0	0	0.0%	0	0	0	0	0	
4.300 Other Objects	735,120	748,431	792,117	3.8%	812,297	824,767	837,507	850,523	863,824	
4.500 Total Expenditures	\$46,014,474	\$50,142,469	\$54,023,011	8.4%	\$57,788,589	\$60,087,733	\$62,829,376	\$64,930,288	\$67,104,707	
Other Financing Uses										
5.010 Operating Transfers-Out	\$888,820	\$687,437	\$5,514,350	339.8%	\$922,267	\$922,267	\$919,267	\$800,000	\$800,000	
5.020 Advances-Out	0	0	88,597	0.0%	50,000	50,000	50,000	50,000	50,000	
5.030 All Other Financing Uses	2,783	927	8,201	359.0%	0	0	0	0	0	
5.040 Total Other Financing Uses	\$891,603	\$688,364	\$5,611,148	346.2%	\$972,267	\$972,267	\$969,267	\$850,000	\$850,000	
5.050 Total Expenditures and Other Financing Uses	\$46,906,077	\$50,830,833	\$59,634,159	12.8%	\$58,760,856	\$61,060,000	\$63,798,643	\$65,780,288	\$67,954,707	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$3,783,016	\$2,911,318	(\$4,822,381)	-144.3%	(\$5,373,560)	(\$9,639,221)	(\$15,825,819)	(\$22,777,084)	(\$27,734,894)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$17,296,483	\$21,079,499	\$23,990,817	17.8%	\$19,168,436	\$13,794,876	\$4,155,655	(\$11,670,164)	(\$34,447,247)	
7.020 Cash Balance June 30	\$21,079,499	\$23,990,817	\$19,168,436	-3.1%	\$13,794,876	\$4,155,655	(\$11,670,164)	(\$34,447,247)	(\$62,182,141)	
8.010 Estimated Encumbrances June 30	\$800,468	\$974,062	\$393,824	-18.9%	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
Fund Balance June 30 for Certification of Appropriations	\$20,279,031	\$23,016,755	\$18,774,612	-2.5%	\$13,594,876	\$8,006,053	\$2,490,797	(\$2,236,969)	(\$5,892,016)	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	4,050,397	10,310,563	18,049,318	24,079,847	
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$4,050,397	\$14,360,960	\$32,410,278	\$56,490,125	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	\$20,279,031	\$23,016,755	\$18,774,612	-2.5%	\$13,594,876	\$8,006,053	\$2,490,797	(\$2,236,969)	(\$5,892,016)	
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
14.010 Revenue from Future State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
15.010 Unreserved Fund Balance June 30	\$20,279,031	\$23,016,755	\$18,774,612	-2.5%	\$13,594,876	\$8,006,053	\$2,490,797	(\$2,236,969)	(\$5,892,016)	

Boardman Local School District –Mahoning County
Notes to the Five-Year Forecast
General Fund Only
October 2, 2025

Introduction to the Five-Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district.
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate".
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the October 2025 filing.

Economic Outlook

Ohio's economic outlook is for slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%. The state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for affordable housing. In the short term, the state anticipates continued to moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- 1) Property tax collections are the largest single revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, predominately local taxes, equating to 75% of the district's resources. Our tax collections in the March 2025 and August 2025 settlements showed average collection trends.

The District has a 5.9 mill and 6.0 mill operating levies that expire December 31, 2026; a \$4.6 million emergency levy that expires December 31, 2027; a \$4.9 million emergency levy and 5.9 mill operating expiring December 31, 2028, and; a \$1.99 million emergency levy expiring December 31, 2029. The District will need to renew all levies to remain financially viable long term.

- 2) Mahoning County experienced a full reappraisal for all property values in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased assessed values by \$238.73 million, or 41.17%. Overall values rose \$292.43 million or 33.03%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2026 for collection in FY27. We anticipate future reappraisal and/or update values to be more in line with historical trends. There is always a risk that the district could sustain a reduction in values or changes to tax laws by the Ohio Legislature.
- 3) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies

The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor's vetoes remain in effect.

As part of the Governors' vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed 11 members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, local governments, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025.

The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. Many of these pending bills represent a serious risk to our school district funding. We are watching legislation closely for any impact on our local revenues.

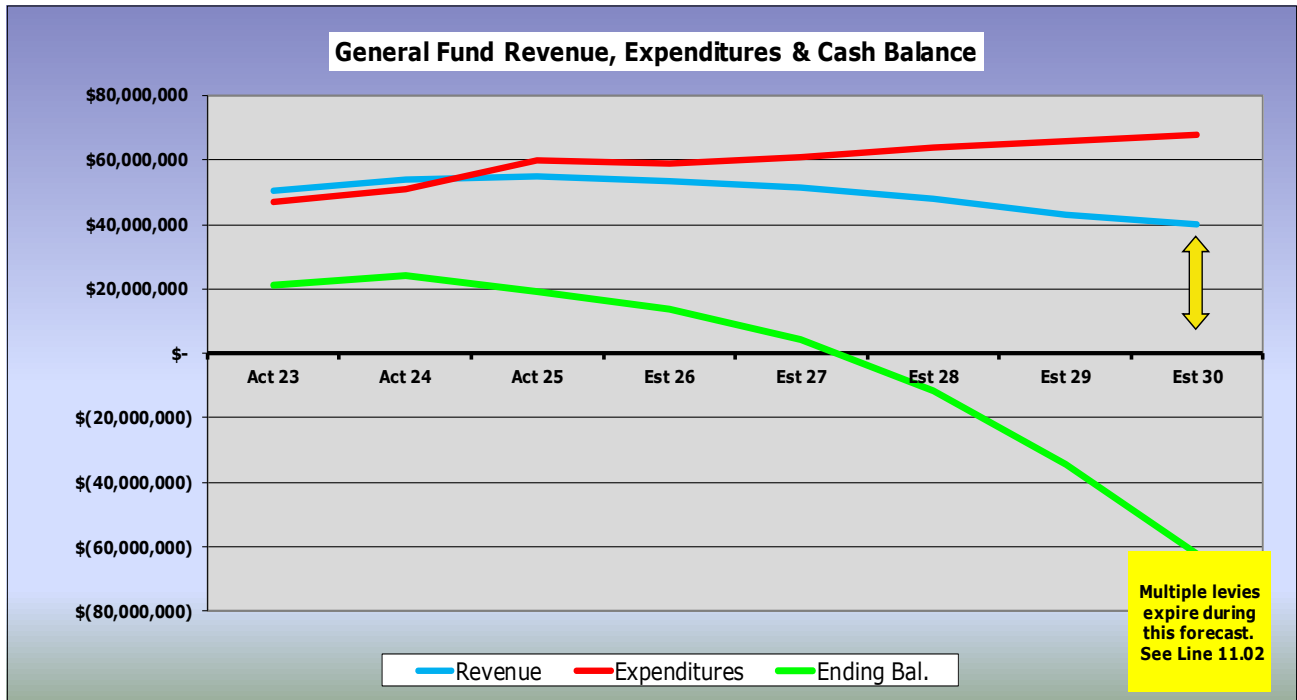
- 4) The state budget represented 25% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
- 5) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 6) HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$1.2 million from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Arthur Ginnetti, Treasurer, at 330.726.3403 x67113.

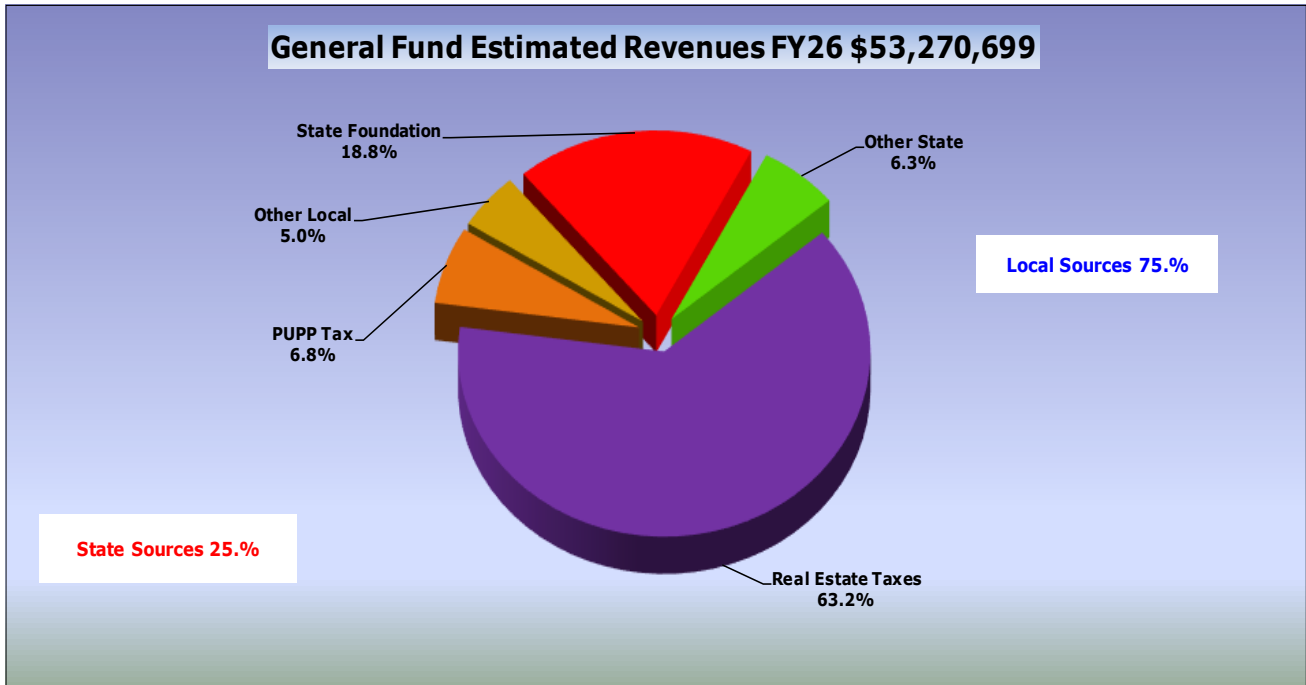
General Fund Revenue, Expenditures, and Ending Cash Balance FY23-25 and Estimated FY26-30

The graph below captures, in one snapshot, the operating scenario facing the district over the next few years if several renewal levies do not pass.



Revenue Assumptions

Estimated Operating Revenue Sources General Fund FY26



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Mahoning County experienced a sexennial reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased overall assessed values by \$292.43 million or an increase of 33.03%, including the update and new construction for all property classes. A triennial update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property by \$72 million for an overall increase of 6.11%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

Public Utility Personal Property (PUPP) values increased by \$4.66 million in the tax year 2024. We expect our values to continue to grow by \$1.5 million each year of the forecast.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over legislative actions that may take place in the spring of 2025 that limits property tax growth.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2025	TAX YEAR2026	TAX YEAR2027	TAX YEAR2028	TAX YEAR2029
<u>Classification</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>
Res./Ag.	\$824,789,350	\$891,772,498	\$892,772,498	\$893,772,498	\$966,274,298
Comm./Ind.	353,703,930	358,720,969	360,200,969	361,680,969	363,160,969
Public Utility Personal Property (PUPP)	63,807,440	65,307,440	66,807,440	68,307,440	69,807,440
Total Assessed Value	<u>\$1,242,300,720</u>	<u>\$1,315,800,907</u>	<u>\$1,319,780,907</u>	<u>\$1,323,760,907</u>	<u>\$1,399,242,707</u>

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 57.69 mills while the Class I effective millage rate is 29.67 mills and the Class II effective millage rate is 36.66 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor, the District has three (3) emergency levies collecting 9.36 mills and \$11.56 million in taxes. This must be closely monitored due to potential HB96 veto overrides by the House and Senate which could change the 20-Mill Floor all the way through December 31, 2026.

ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Property Taxes	<u>\$33,689,430</u>	<u>\$33,402,801</u>	<u>\$30,576,588</u>	<u>\$26,345,153</u>	<u>\$23,959,286</u>

Property tax levies are estimated to be collected at 96.5% of the annual amount. This allows a 3.5% delinquency factor. In general, 52.75% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.25% in the August tax settlement. Collections in FY26 are estimated to be lower due to delinquent Class II taxes due to a large commercial tax payment not paying their taxes.

Property tax collections in Line 1.01, 1.02 and 1.05 will decline starting in FY27 as we have two (2) operating levies that expire in 2026; a \$4.6 million emergency levy that expires in 2027; and, a \$4.9 million emergency levy that expires in 2028 that impact this forecast. These revenues must be moved to Line 11.02 of the forecast as noted below.

Levy Renewal –Line # 11.02

The District renewed a 5.9 mill operating levy and a 6.0 mill operating levy on November 3, 2020 that will expire December 31, 2026. The District also has a \$4.6 million emergency levy expiring December 31, 2027 and a \$4.9 million emergency and 5.9 mill operating levy expiring December 31, 2028, and finally a \$1,999,547 emergency levy expiring December 31, 2029. We plan to renew all levies. State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on this line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district unless they are substitute emergency levies. We are renewing levies for the same revenue we currently collect.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Renewal 5.9 and 6.0 Mill Expire 12/31/26	\$0	\$4,050,397	\$7,789,226	\$7,789,226	\$7,789,226
Renewal 5.9 Mill Expires 12/31/28	0	0	0	2,745,144	5,279,124
Emergency Levy \$1,999,547 Expires 12/31/29	0	0	0	0	1,035,423
Emergency Levy \$4,646,975 Expires 12/31/27	0	0	2,521,338	4,848,726	4,848,726
Emergency Levy \$4,917,534 Expires 12/31/28	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,666,221</u>	<u>5,127,349</u>
Total Line # 11.020	<u>\$0</u>	<u>\$4,050,397</u>	<u>\$10,310,563</u>	<u>\$18,049,318</u>	<u>\$24,079,847</u>

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table below, which was \$3.39 million in assessed values in 2024 and is collected at the district’s gross voted millage rate. Collections are typically 54.8% in March and 45.2% in August, along with the real estate settlements from the county auditor. The values in 2024 rose by 8.08% or \$4.66 million and are expected to grow by \$1 million each year of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property PUPP	<u>\$3,600,208</u>	<u>\$3,288,100</u>	<u>\$2,867,848</u>	<u>\$2,465,289</u>	<u>\$2,161,387</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB96 through June 30, 2027

Unrestricted State Foundation Revenue– Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY27 on the new Fair School Funding Plan (FSFP). HB96 did not include increase funding in the foundation formula. Funding bases were kept at the FY22 level and our local capacity was allowed to increase and the tax year 2023 reappraisal increase of 33.3% was not offset by these frozen funding bases. This resulted in a significant drop in foundation revenue for FY26 and FY27. The funding formula will only work if the state actually funds it.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding’s state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is \$27 in FY26 and \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible

enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We anticipate receiving \$183,374 in FY26 and FY27 as we qualify for the payment.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$8,235,630	\$6,879,560	\$6,879,560	\$6,879,560	\$6,879,560
Additional Aid Items	<u>715,568</u>	<u>737,029</u>	<u>737,029</u>	<u>737,029</u>	<u>737,029</u>
Basic Aid-Unrestricted Subtotal	8,951,198	7,616,589	7,616,589	7,616,589	7,616,589
Ohio Casino Commission ODT	<u>251,523</u>	<u>255,296</u>	<u>259,125</u>	<u>263,012</u>	<u>266,958</u>
Total Unrestricted State Aid Line # 1.035	<u>\$9,202,721</u>	<u>\$7,871,885</u>	<u>\$7,875,714</u>	<u>\$7,879,601</u>	<u>\$7,883,547</u>

Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after this forecast period.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$385,658	\$416,192	\$416,192	\$416,192	\$416,192
Career Tech	0	0	0	0	0
Gifted	96,083	62,745	62,745	62,745	62,745
ESL	30,178	22,475	22,475	22,475	22,475
Other State Restricted Funds	0				
Student Wellness	<u>287,404</u>	<u>287,404</u>	<u>287,404</u>	<u>287,404</u>	<u>287,404</u>
Total Restricted State Revenues Line #1.040	<u>\$799,323</u>	<u>\$788,816</u>	<u>\$788,816</u>	<u>\$788,816</u>	<u>\$788,816</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>Summary of State Foundaton Revenues</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line # 1.035	\$9,202,721	\$7,871,885	\$7,875,714	\$7,879,601	\$7,883,547
Restricted Line # 1.040	799,323	788,816	788,816	788,816	788,816
Rest. Federal Grants #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$10,002,044</u>	<u>\$8,660,701</u>	<u>\$8,664,530</u>	<u>\$8,668,417</u>	<u>\$8,672,363</u>

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$1.2 million from current operating levies, if our County Commissioners implemented this.

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead Line #1.050	<u>\$3,338,167</u>	<u>\$3,410,415</u>	<u>\$3,261,761</u>	<u>\$2,975,660</u>	<u>\$2,928,408</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

Interest income is based on the district’s cash balances. While interest income in FY26 should remain steady due to laddered investment strategies, expected Federal Reserve rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

<u>Source</u>	FY26	FY27	FY28	FY29	FY30
Tuition Income-1200	\$681,544	\$688,359	\$695,243	\$702,195	\$709,217
Interest	1,340,931	1,273,884	1,210,190	1,149,681	1,092,197
Medicaid	362,753	362,753	362,753	362,753	362,753
Class & Transportation Fees	28,777	28,921	29,066	29,211	29,357
Other Income and rentals	<u>226,845</u>	<u>226,845</u>	<u>226,845</u>	<u>226,845</u>	<u>226,845</u>
Total Line # 1.060	<u>\$2,640,850</u>	<u>\$2,580,762</u>	<u>\$2,524,097</u>	<u>\$2,470,685</u>	<u>\$2,420,369</u>

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

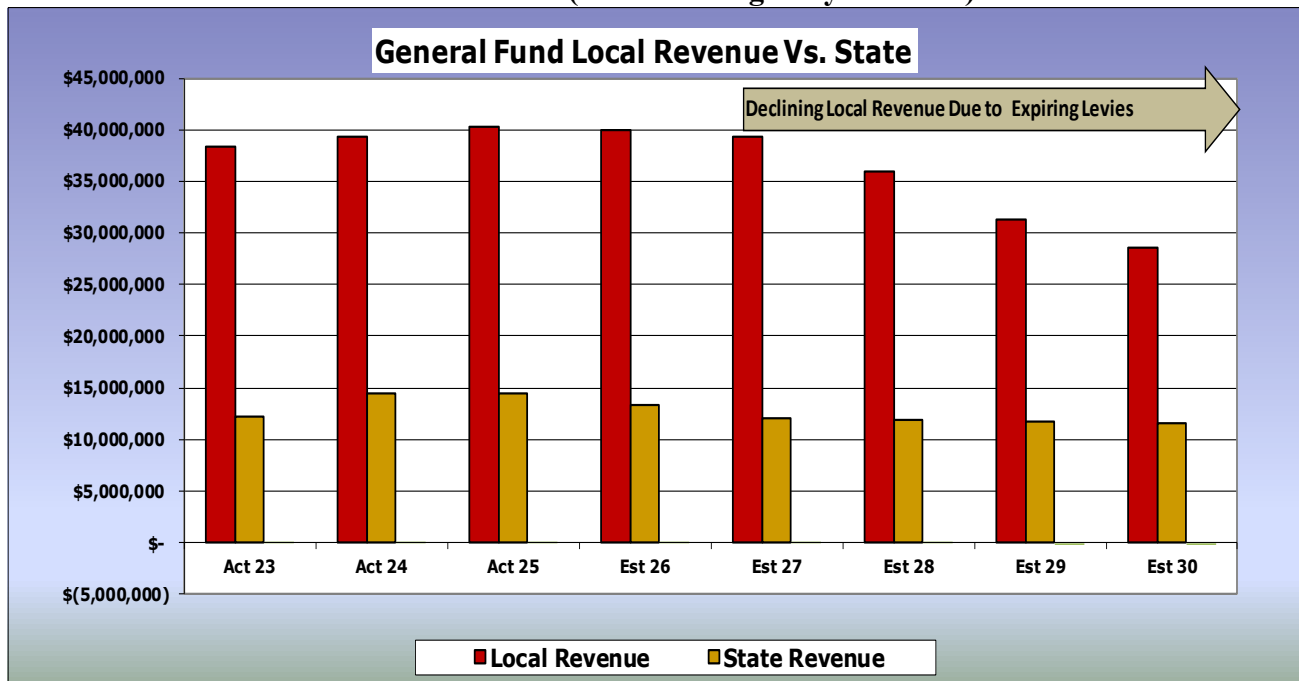
<u>Source</u>	FY26	FY27	FY28	FY29	FY30
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>88,597</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$88,597</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

	FY26	FY27	FY28	FY29	FY30
Other Financing Sources Line 2.06	<u>\$28,000</u>	<u>\$28,000</u>	<u>\$28,000</u>	<u>\$28,000</u>	<u>\$28,000</u>

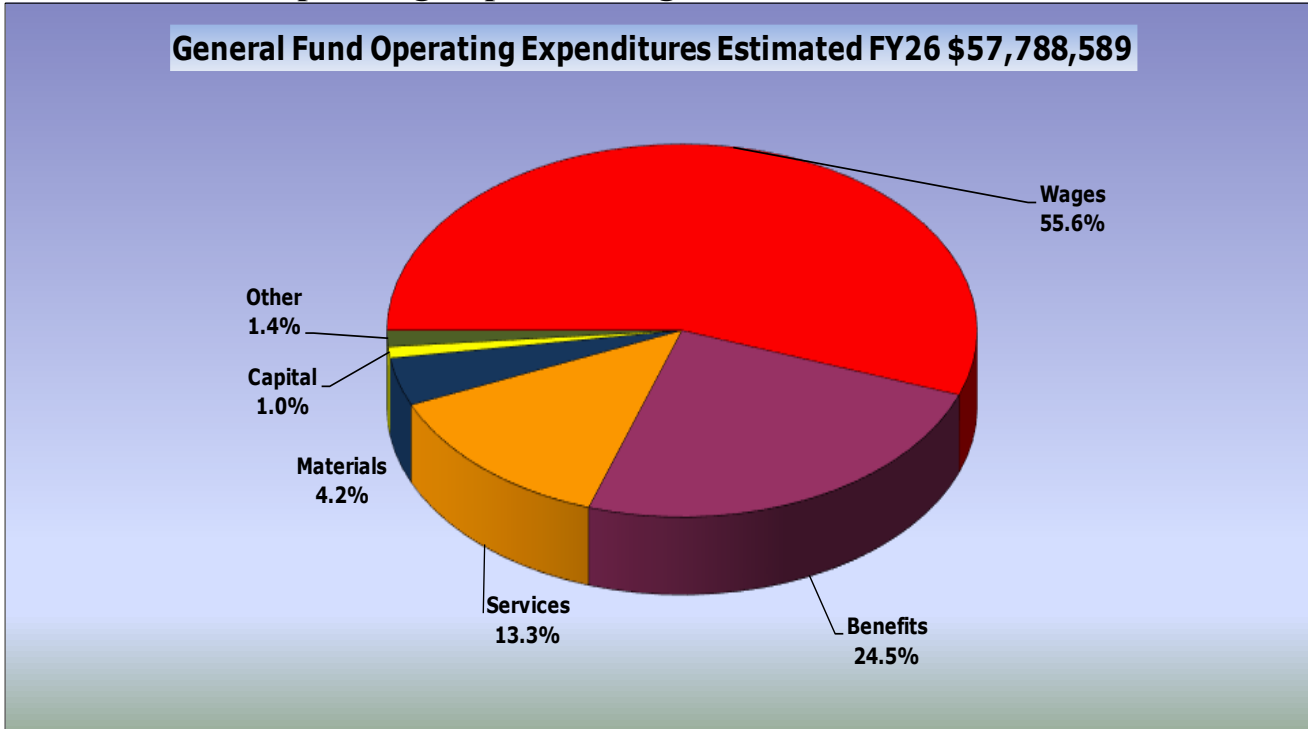
Total General Fund Local Revenue (Not including Levy Renewal) Vs. State Revenue



Expenditures Assumptions

The district’s leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY26



Wages – Line #3.010

Negotiations with bargaining unit members were completed in spring 2023 and fall of 2023 resulting in a three-year agreement that includes a base increase of 3% for FY24 through FY28. Step and training increases are included for FY26-30. For planning purposes, a 1% increase is planned for FY29-FY30. In FY22 we added staff for an operations manager, speech pathology position, school psychologist and an auditorium manager. In addition, we have added costs for classroom and independent aids, bus driver and bus driver aides and added costs for existing staff for additional coverage. Those costs continue in the forecast in FY26-30.

Source	FY26	FY27	FY28	FY29	FY30
Base Wages	\$29,316,685	\$30,627,141	\$31,996,174	\$33,426,403	\$34,252,035
Increases/Stipend	879,501	918,814	959,885	334,264	342,520
Steps & Training	430,955	450,219	470,344	491,368	503,505
Classified Substitutes & All Supplementals	1,519,252	1,534,445	1,549,789	1,565,287	1,580,940
Staff Reductions/Attrition	0	0	0	0	0
Total Wages Line #3.010	\$32,146,393	\$33,530,619	\$34,976,192	\$35,817,322	\$36,679,000

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all benefits and retirement costs. These payments and HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

We saw an increase of 14% for FY25 and are planning on a 7% increase for FY 26 through FY30, which reflects the trend of our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.8% of wages FY26– FY30. Unemployment is likely to remain at a shallow level FY26-FY30. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

E) Other/Tuition

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

Summary of Fringe Benefits – Line #3.020

Source	FY26	FY27	FY28	FY29	FY30
A) STRS/SERS	\$4,991,400	\$5,214,516	\$5,447,605	\$5,597,518	\$5,735,777
B) Insurance's	8,439,227	9,029,973	9,662,071	10,338,416	11,062,105
C) Workers Comp/Unemployment	257,471	268,545	280,110	286,839	293,732
D) Medicare	459,693	479,488	500,160	512,188	524,510
E) Other/Tuition	<u>4,206</u>	<u>4,206</u>	<u>4,206</u>	<u>4,206</u>	<u>4,206</u>
Total Fringe Benefits Line #3.020	<u>\$14,151,997</u>	<u>\$14,996,728</u>	<u>\$15,894,152</u>	<u>\$16,739,167</u>	<u>\$17,620,330</u>

Purchased Services – Line #3.030

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. The district partnered with Community Behavioral Consulting and HWS Best Health to provide comprehensive support services. Services include counseling, case management, and behavioral interventions for students across all district buildings.

<u>Source</u>	FY26	FY27	FY28	FY29	FY30
Base Services	\$385,408	\$389,262	\$393,155	\$397,087	\$401,058
Professional/Instructional	2,447,387	2,520,809	2,596,433	2,674,326	2,754,556
Miscellaneous	193,556	197,427	201,376	205,404	209,512
ESC, SF14 Tuition & Scholarship Costs	2,679,522	2,813,498	2,954,173	3,101,882	3,256,976
Building Maintenance & Service	1,160,104	1,218,109	1,279,014	1,342,965	1,410,113
Utilities	<u>838,109</u>	<u>871,633</u>	<u>906,498</u>	<u>942,758</u>	<u>980,468</u>
Total Purchased Services Line #3.030	<u>\$7,704,086</u>	<u>\$8,010,738</u>	<u>\$8,330,649</u>	<u>\$8,664,422</u>	<u>\$9,012,683</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. An average increase of 3% is projected in this area for the forecasted period.

<u>Source</u>	FY26	FY27	FY28	FY29	FY30
Supplies, Textbooks & Technology	\$1,582,709	\$1,354,100	\$1,394,723	\$1,436,565	\$1,479,662
Building and Transportation	<u>821,147</u>	<u>845,781</u>	<u>871,154</u>	<u>897,289</u>	<u>924,208</u>
Total Supplies Line #3.040	<u>\$2,403,856</u>	<u>\$2,199,881</u>	<u>\$2,265,877</u>	<u>\$2,333,854</u>	<u>\$2,403,870</u>

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay. We are estimating buying two (2) new busses and two (2) new SPED vans in FY26, and two (2) new busses a year running through FY30.

ESSER II and III funds were utilized by September 2024, and those items have been incorporated into the General Fund in FY25 and continue on in this forecast.

<u>Source</u>	FY26	FY27	FY28	FY29	FY30
Capital Outlay	\$68,000	\$250,000	\$250,000	\$250,000	\$250,000
Replacement Bus Purchases	<u>501,960</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>
Total Equipment Line #3.050	<u>\$569,960</u>	<u>\$525,000</u>	<u>\$525,000</u>	<u>\$525,000</u>	<u>\$525,000</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

All payments for the two HB264 projects, the Qualified School Construction Bonds, and the related interest charges will be reflected as a transfer out to the bond retirement fund of the district where these obligations are paid beginning in FY18 and end in FY28.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, the annual audit, and other miscellaneous expenses. A rate of 1.5% increase is projected in this area.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$522,051	\$527,272	\$532,545	\$537,870	\$543,249
Liability Ins., Prof. Dues & Audit Costs	241,645	248,894	256,361	264,052	271,974
Other expenses	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>
Total Other Expenses Line #4.300	<u>\$812,297</u>	<u>\$824,767</u>	<u>\$837,507</u>	<u>\$850,523</u>	<u>\$863,824</u>

Transfers and Advances Out – Lines #5.01 and #5.02

This account group covers fund-to-fund transfers and end-of-year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. We are detailing the transfer out section for debt payment to reflect what amount the general fund supports to pay debt for the district in several series of debt issued over the past years. The district has two current debt issues it is supporting payment of principal and interest from the General Fund. Debt payments are made from the district’s Bond Retirement Fund (002 Fund). The #4 HB264 debt supported by a Qualified School Construction Bond (QSCB) is no longer split with the Permanent Improvement Fund (003 Fund) starting in FY25. HB264 #3 includes the new principal and interest payment schedule from the refund of that issue in October 2017 that will save the district over \$114,000 in interest costs over the term of the notes which will be paid off in FY28. The district has several capital projects that must be addressed and will transfer \$4.7 million in FY25, \$1.34 million in FY26 to the Permanent Improvement Fund, and then \$500,000 transfer to the Permanent Improvement Fund will be continued FY27-29.

<u>Purpose</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Fund 035 Severance	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Fund 003 P.I.	500,000	500,000	500,000	500,000	500,000
Fund 300 Athletics	25,000	25,000	25,000	25,000	25,000
Fund 002 HB264 #3 & #4 -QSCB Debt	122,267	122,267	119,267	0	0
Other Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfers Out Line #5.010	922,267	922,267	919,267	800,000	800,000
Advances Out Line #5.020	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$972,267</u>	<u>\$972,267</u>	<u>\$969,267</u>	<u>\$850,000</u>	<u>\$850,000</u>

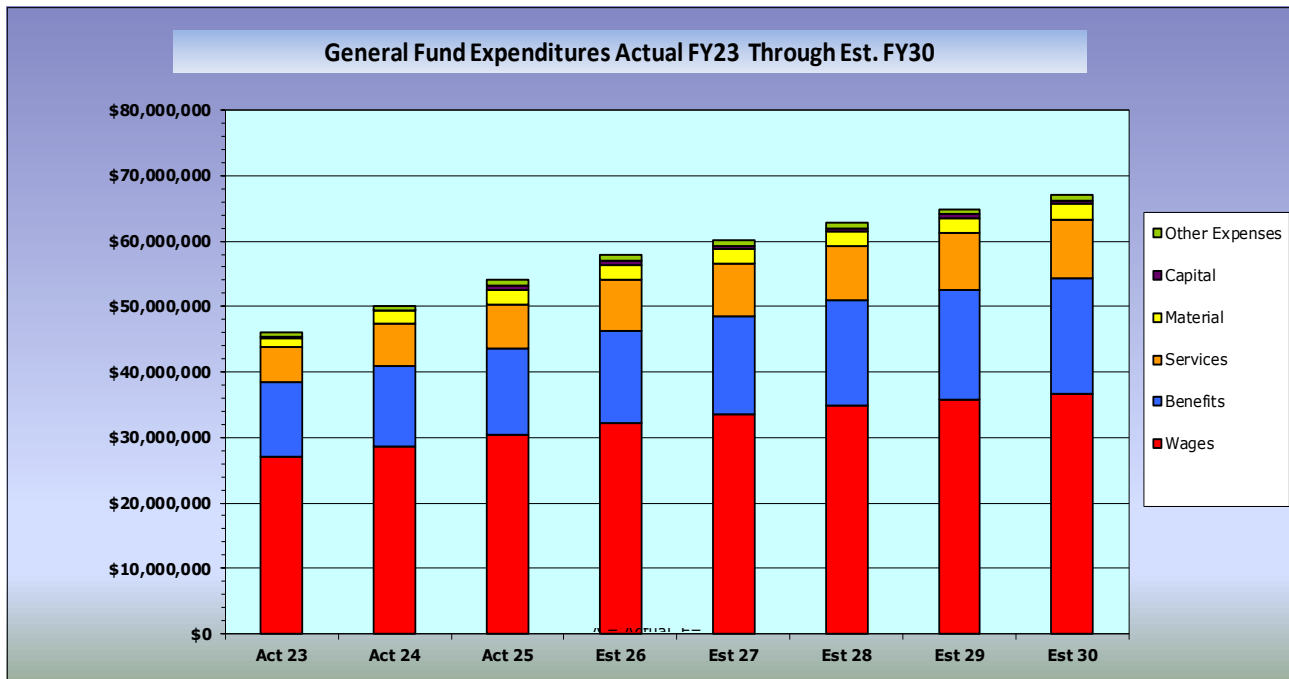
Encumbrances –Line#8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



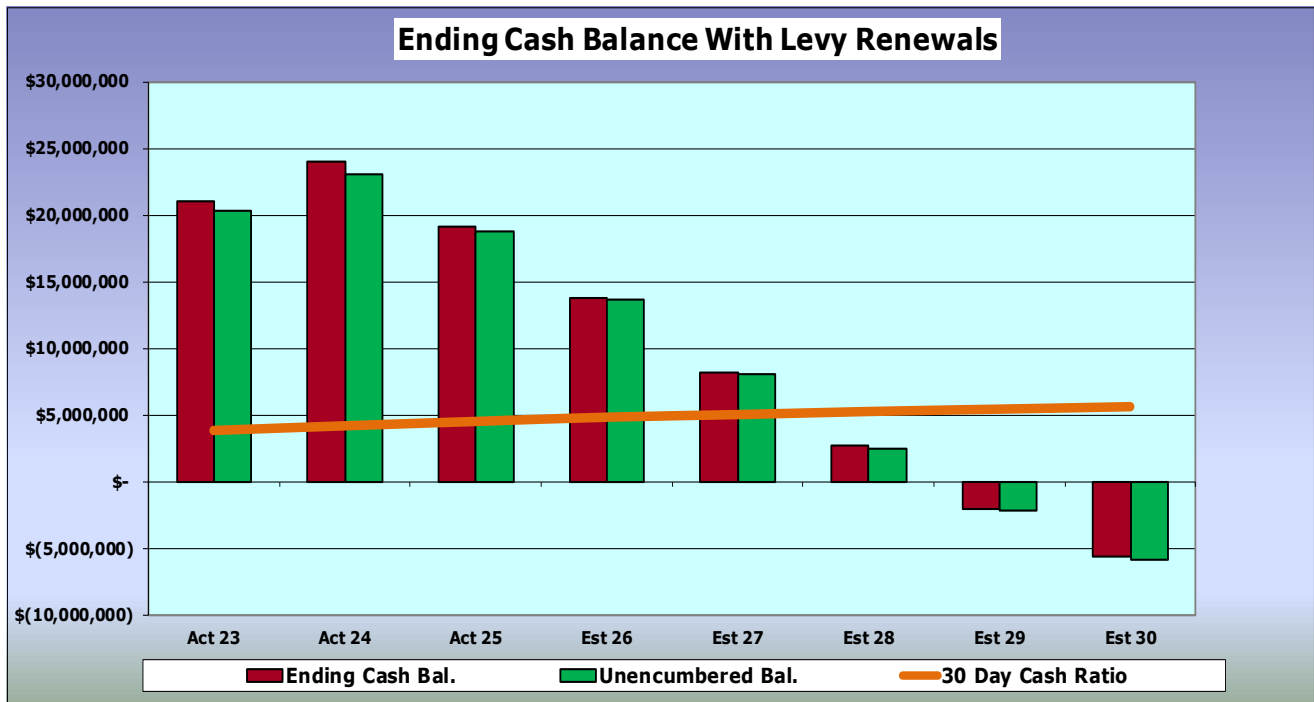
Ending Unencumbered Cash Balance Including All Levy Renewals – Line#15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates O.R.C. §5705.412, punishable by the personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$4.5 million for our district.

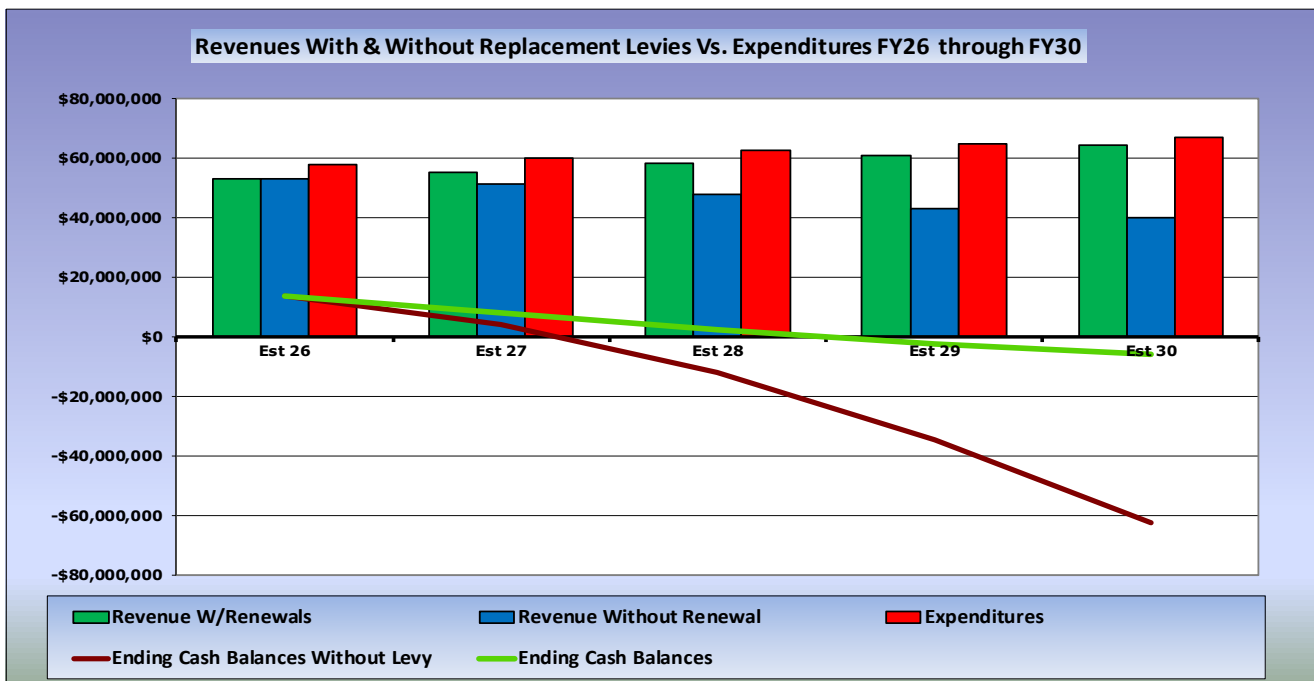
The Graphs on the following page shows cash balances compared to one month or a 30 day reserve, including renewal of all expiring levies that the district has included in this forecast period. The second graph shows a combination of revenue with and without the levy renewals and the impact on our ending cash balance if the levy was not renewed. This points out the financial exposure the district has to levy renewals and the impact it would have if any or all were to fail.

Ending Unencumbered Cash Balance Line #15.010 with Renewal Levies

	FY26	FY27	FY28	FY29	FY30
Ending Unencumbered Cash Balance	<u>\$13,594,876</u>	<u>\$8,006,053</u>	<u>\$2,490,797</u>	<u>-\$2,236,969</u>	<u>-\$5,892,016</u>



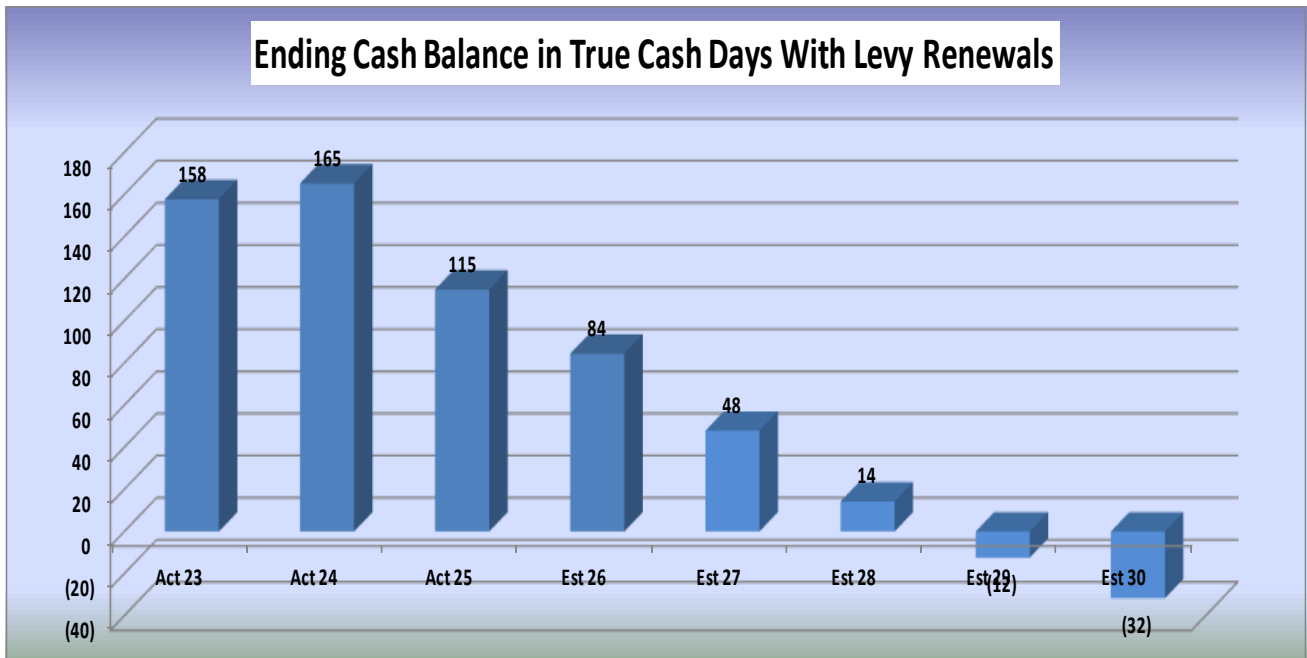
Ending Unencumbered Cash Balance Line #15.010 With & Without Renewal Levies



True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more

depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Conclusion

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.