

General Fund
Five Year Forecast
July 1, 2025 Through
June 30, 2030

February 19, 2026

Presented By:
Todd Johnson,
Treasurer/CFO



O.R.C. and O.A.C. Requirements

- O.R.C. 5705.391 and O.A.C. 3301-92-04
 - HB96, our current state budget, changed the dates and years of a district forecast submission.
 - HB96 requires a Board of Education to submit a four-year projection of operational revenues and expenditures along with assumptions to the Ohio Department of Education prior to October 15th and an update by the end of February of each fiscal year.
 - In FY27 the date moved to August 31 and an update February 28.
- Required funds to be included in the five-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.

New Legislation Targets Property Taxation

- Governor signed into law four (4) pieces of legislation December 19, 2025...take effect March 19, 2026.
 - HB129 / HB186 / HB309 / HB335
- Impact on February forecast due to accelerated deadline although no authoritative data from Ohio Department of Taxation on details, especially HB186 the one which will likely have the largest impact.
- ODT has until April 20, 2026 to send HB186 calculations to county auditors.
- HB186 is biggest concern with possible Temporary Tax Credits that claw back money already factored into our October 2025 forecast.
- Significant reductions projected for second half August 2026 settlement but no authoritative ODT amounts until April.

HB129 Targets Property Taxation

- 20-mill floor calculation: Includes emergency and substitute levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle which is Tax Year 2028 for us.
- This will affect our district in tax year 2028 to collect in 2029 and is estimated to cost us \$7,574,819 through FY30.
- Emergency and substitute levies approved before 2026 may be renewed as a fixed-sum current operating expense levy for up to five years and may be subsequently renewed.
- Removes the option to renew multiple emergency levies in a single ballot question.
- Districts in fiscal caution, watch, or emergency (or those impacted by declared disasters) may impose a new fixed-sum levy for up to 5 years, which may not be renewed.
- Changes affect elections beginning May 5, 2026

HB186 Targets Property Taxation Retroactively

- Caps property tax growth at the 20-mill floor to inflation using the GDP deflator plus new construction over the three preceding tax years.
- Applies in counties undergoing reappraisal/update in tax year (TY) 2025 and thereafter.
- Retroactively applies for TY2023 and TY2024 reappraisal/update counties as if HB186 had been in effect then.
- Guarantees impacted school districts receive the same amount in property taxes as they received in TY2024. Tax year 2025 reappraisal districts like our was not included in the guarantee.
- We anticipate HB186 will cost us \$4,278,502 in FY27 and possibly \$12,835,507 through FY30 due to retroactive inflation caps...No authoritative amounts from ODT however!
- We hope we have more data by April...we plan to do a working forecast update in May.

HB186 Targets Property Taxation Retroactively

- FY27 expected to take the brunt of the HB186 implementation.
- The TY2025 credit applies entirely against the second-half tax bill. Generally August or September of 2026
- Will incur 100% of the TY2025 revenue loss in FY27 when the second-half payment for TY2025 is due.
- Later in FY27, will incur 50% of the estimated TY2026 revenue loss when the first-half Feb/March 2027 payment is due.
- In FY28 and years thereafter, the more conventional pattern of 1st half and 2nd half settlements should resume.
- Does not retroactively adjust local capacity in state funding formula to account for lower effective assessed value due to tax claw backs creating a "double loss" (less local revenue, less state aid).

HB186 Changes to Rollback Structure

- Modifies the 10% Rollback and 2.5% Owner occupied tax credit structure.
- This is largely revenue neutral to the district until tax year 2029 payable in 2030 when owner occupied credit will be net 2.88% higher than today's combined 12.5% Rollback credit.
- This will mean in 2030 local taxes for Class I will fall 2.88% and state reimbursements increase by the 2.88%....should be revenue neutral for our district and give a small decrease in taxes to home owners paid for by the state.

HB309 Expanded County Budget Commission Power

- Allows CBC's to reduce and override any voter-approved levy (except debt) to bring the taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary or excessive collections.
- Unnecessary collections: collections beyond the reasonably anticipated financial needs of the taxing authority, after considering fund balances, projected expenditures, and other available resources.
- Excessive collections: collections at a rate that exceeds what is required to provide services consistent with statutory obligations.
- Public Hearing Requirement: The CBC must give the taxing authority an opportunity to present information at a public hearing before any reduction.
- Preceding Year Collection Floor: A levy may not be reduced below the amount it collected in the preceding year unless the district has funds available from reserve balance accounts, nonexpendable trust funds, or carryover balances to offset a reduction.
- Exclusion of Debt Levies: The CBC is prohibited from modifying all levies for unsatisfied debt charges under this authority.

HB335 Capping Inside Millage Growth

- Caps revenue growth from inside millage to inflation, measured by the GDP deflator over the prior three years in reappraisal/triennial update years.
- Excludes revenue growth from new construction and from expiring abatements.
- Applies beginning in tax year 2026 for counties undergoing a reappraisal or triennial update.
- Requires the county budget commission, in September of the reappraisal or update year, to make this adjustment.
- By projecting increases in our forecast of reappraisal/triennial updates at anticipated GDP deflator we do not expect adjustment to our projected tax revenues.

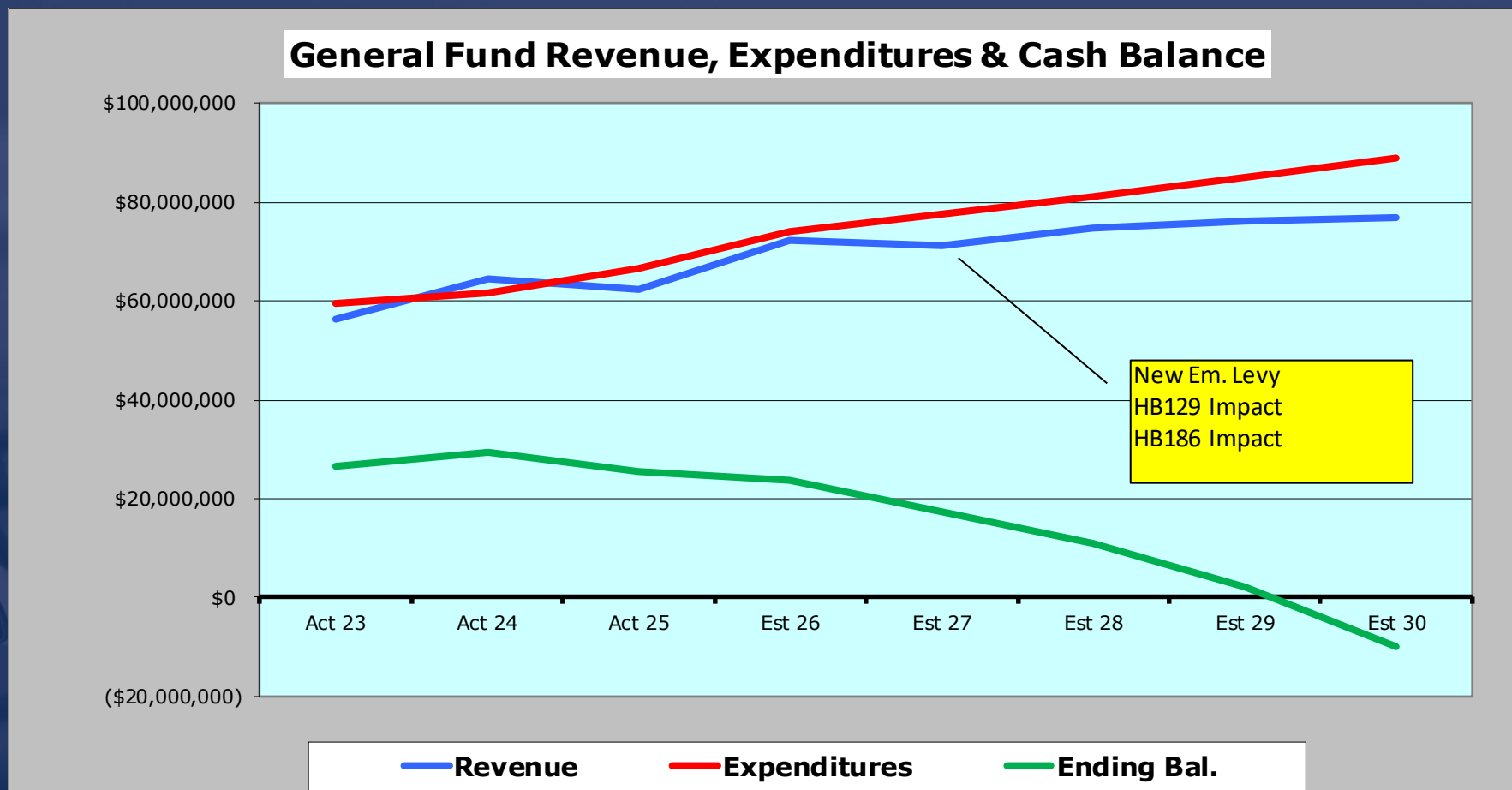
Funding Schools in the Future

- With these new property tax laws districts must reassess levy strategy, timing, and eligibility.
- Prohibits a school district from submitting a new money current expense levy to voters if its general fund carry-over balance is more than 100% of general fund expenditures in the preceding fiscal year.
- Allows a district to exclude funds to be used within the next 3 years on permanent improvements from the carry-over balance calculation.
- Modifies ballot language to include the percentage and amount of district's general fund carry-over balance for a school district current expense levy.
- New and renewal of permanent improvement levies remain unchanged.
- Renewals with an increase and replacement levies eliminated.
- Fixed sum (former emergency & substitute) levy renewals permitted for up to five years if in existence prior to 2026.
- New emergency levy authority eliminated for districts not in fiscal distress.

FY26-FY27 State Budget

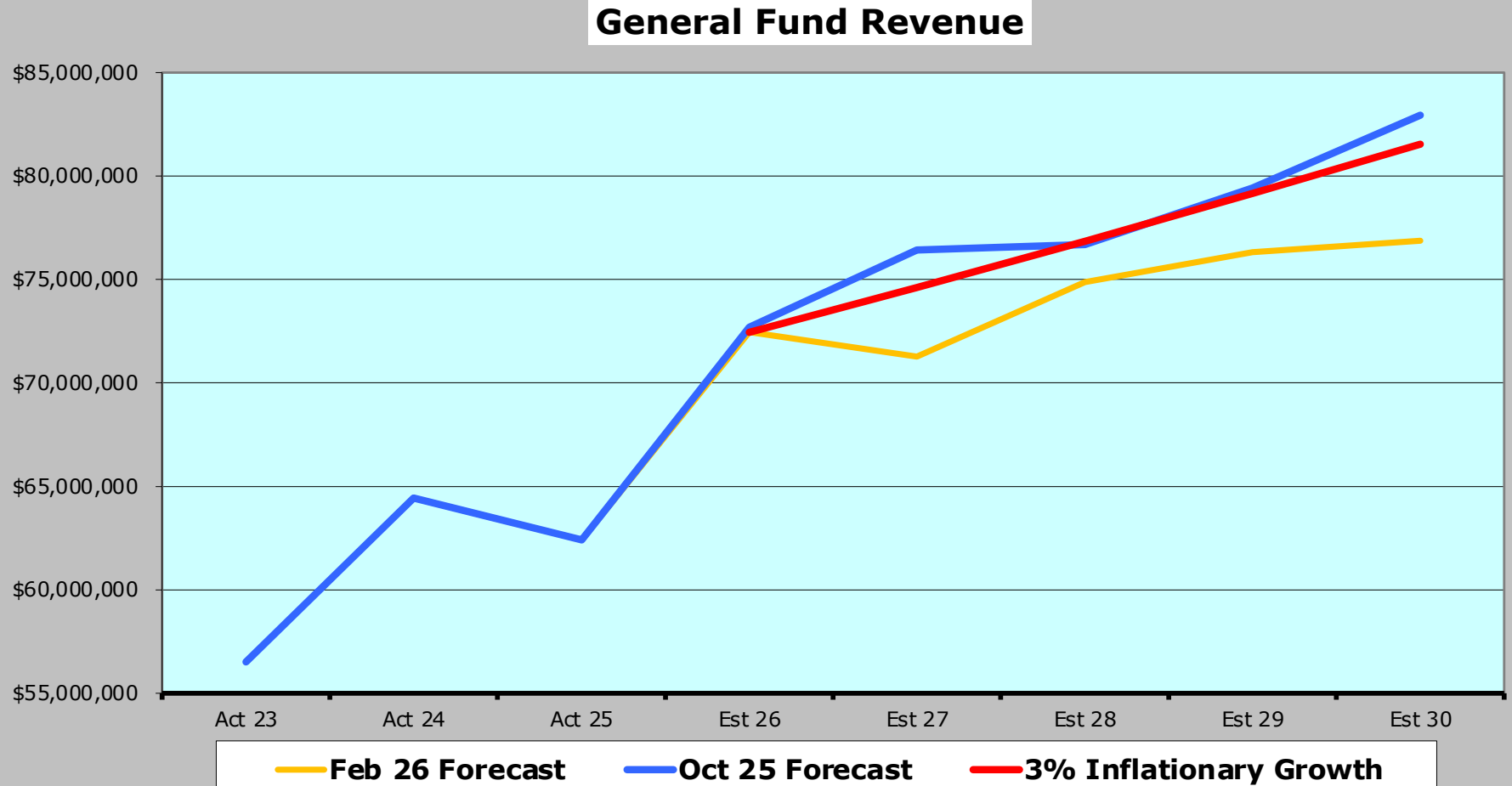
- HB96 the current state budget provided very little increase in foundation funding. Only small amounts outside the formula.
- HB96 included a Piggyback Tax Exemption law that allows County Commissioners to give a 2nd tax credit for Homestead and Homeowners 2.5% credit without reimbursement. This could cost our district \$617,048 if approved by our commissioners.
- The Piggyback exemption was not approved for Tax Year 2025 by the County Commissioners.
- The Piggyback Exemption can be approved annually by the commissioners and presents another uncertainty about property tax collections.

Revenue vs Expenditure



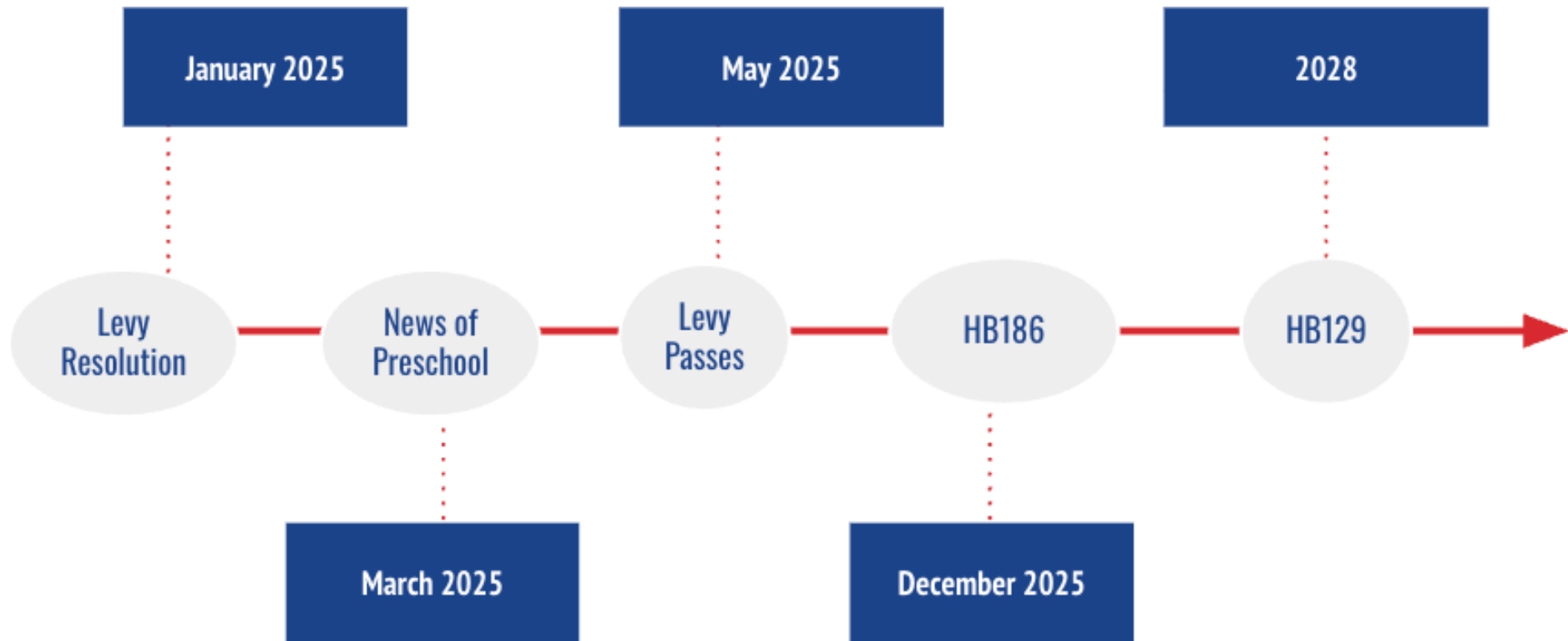
- Cash balance negative in FY30 due to HB129 and HB186.
- Even with new levy, deficit spending throughout forecast due to preschool costs and HB129/HB186.

Revenue Reductions



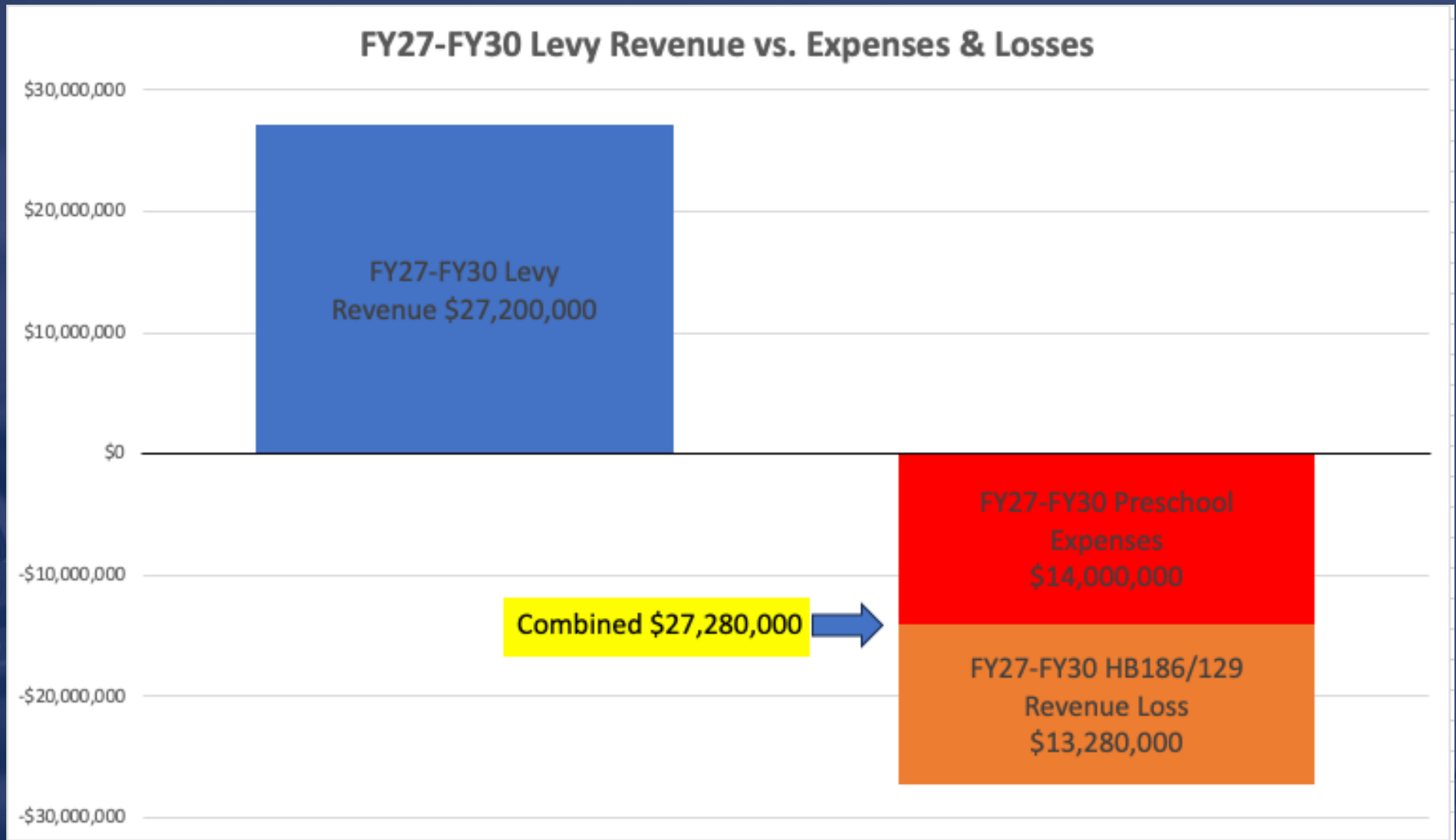
- What is a reasonable and functional revenue trend for a growing school district?
- Currently 2nd lowest revenue per pupil in the state
- Revenues do not exceed exp in any year under any scenario

Timeline - Impact to cash balance



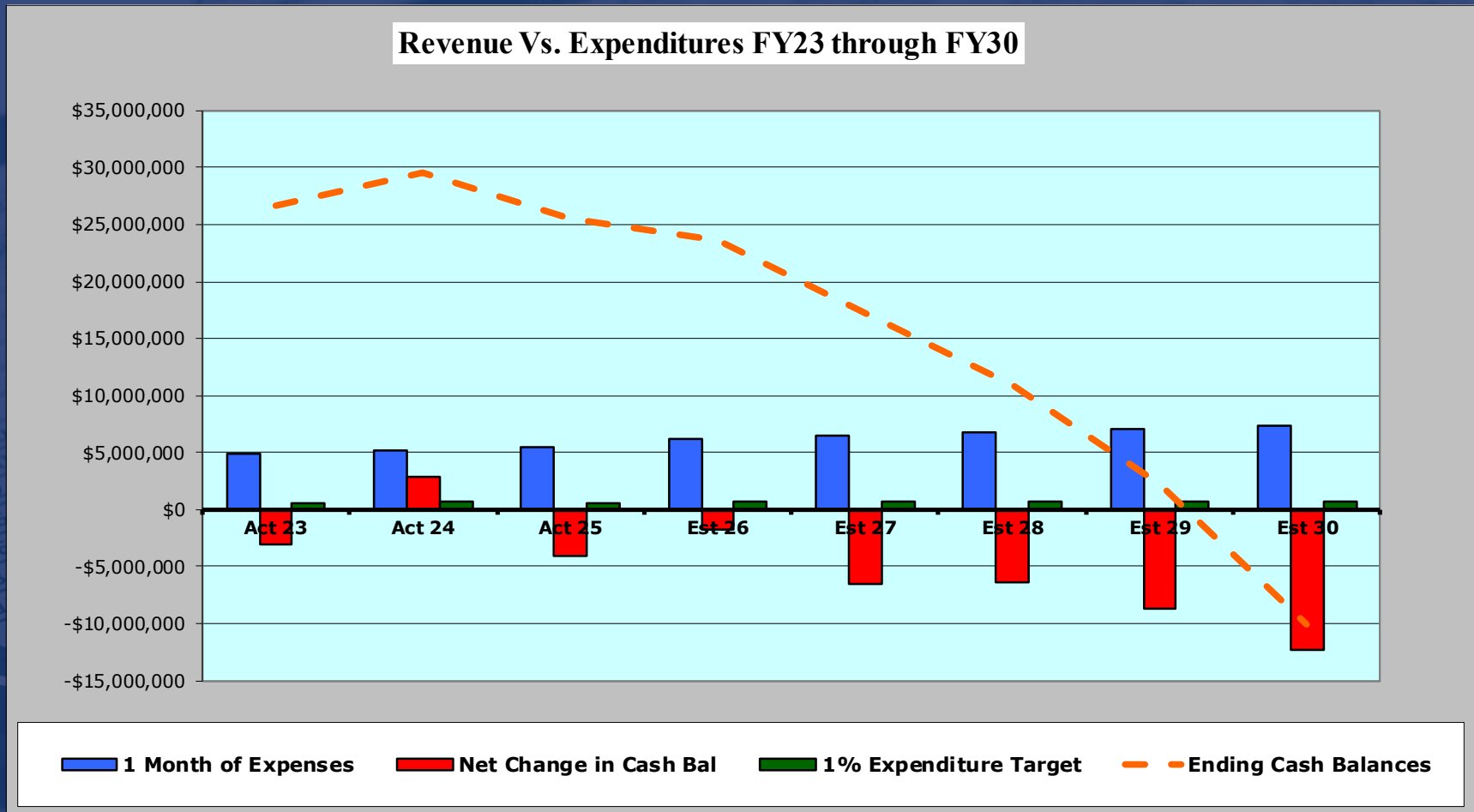
- The levy millage was selected assuming 20 mill floor growth
- Informed preschool would wipe out nearly half of the levy
- Combined with the passage of HB186&129, essentially mute the benefit of the levy

Gain vs Loss



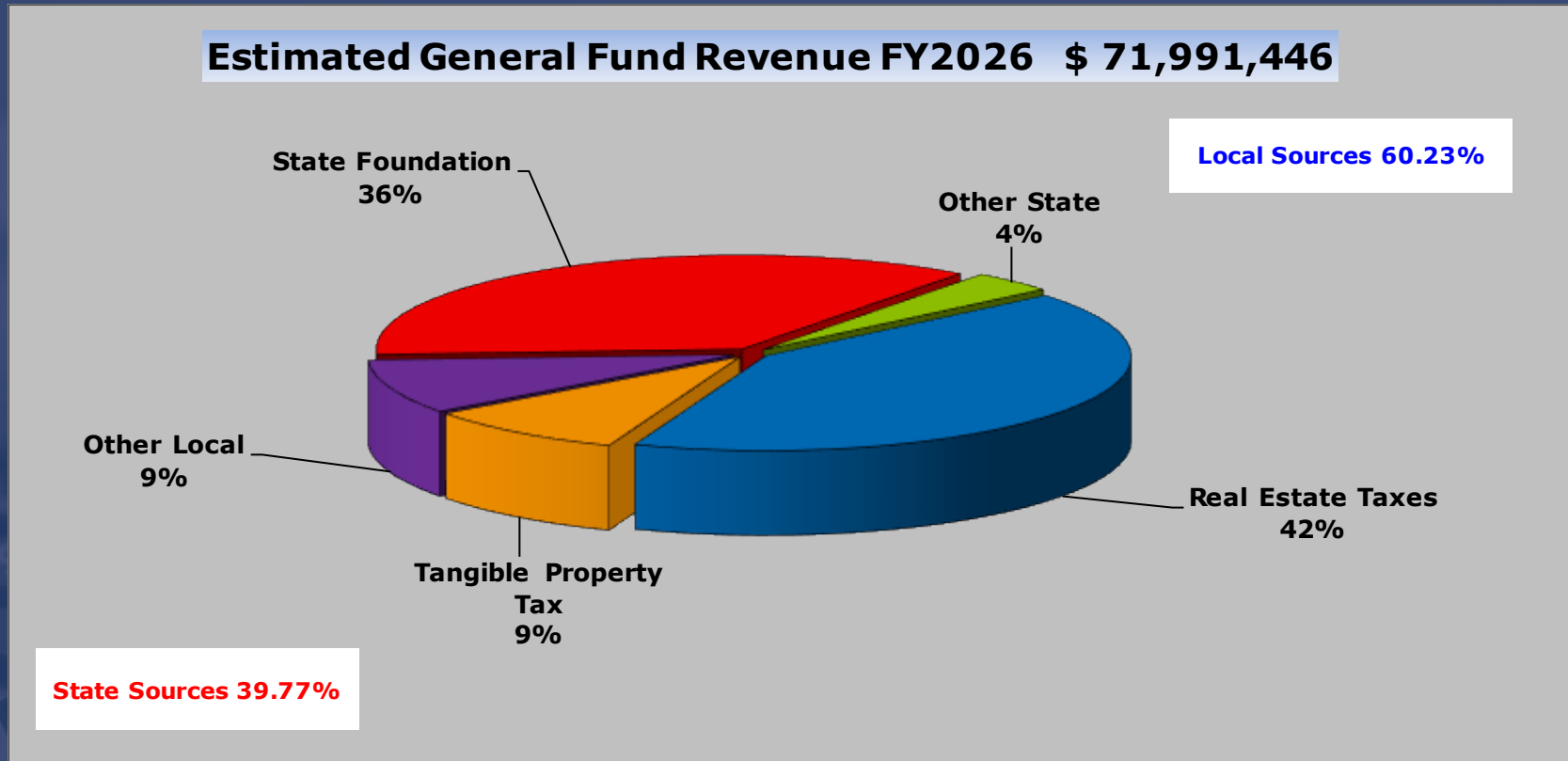
- Cost of preschool combined with loss of revenue due to property tax reform legislation exceeds revenue generated from the levy

Ending Cash Balance



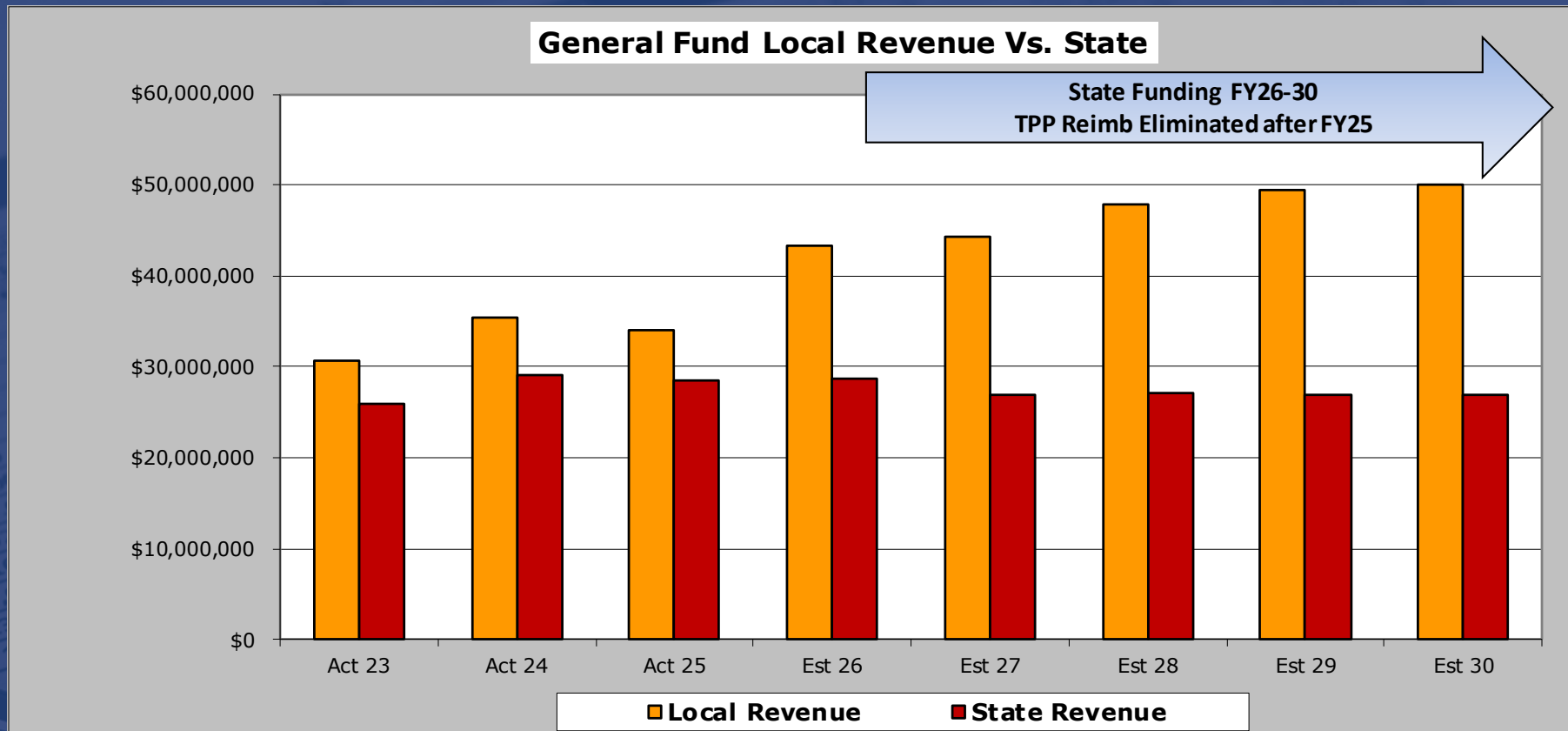
- 1 Month of expenditures maintained through FY28.
- Expenditures exceed revenue by 1% throughout.
- Cash balance falls sharply through FY29.

Est. General Fund Revenue Sources FY26



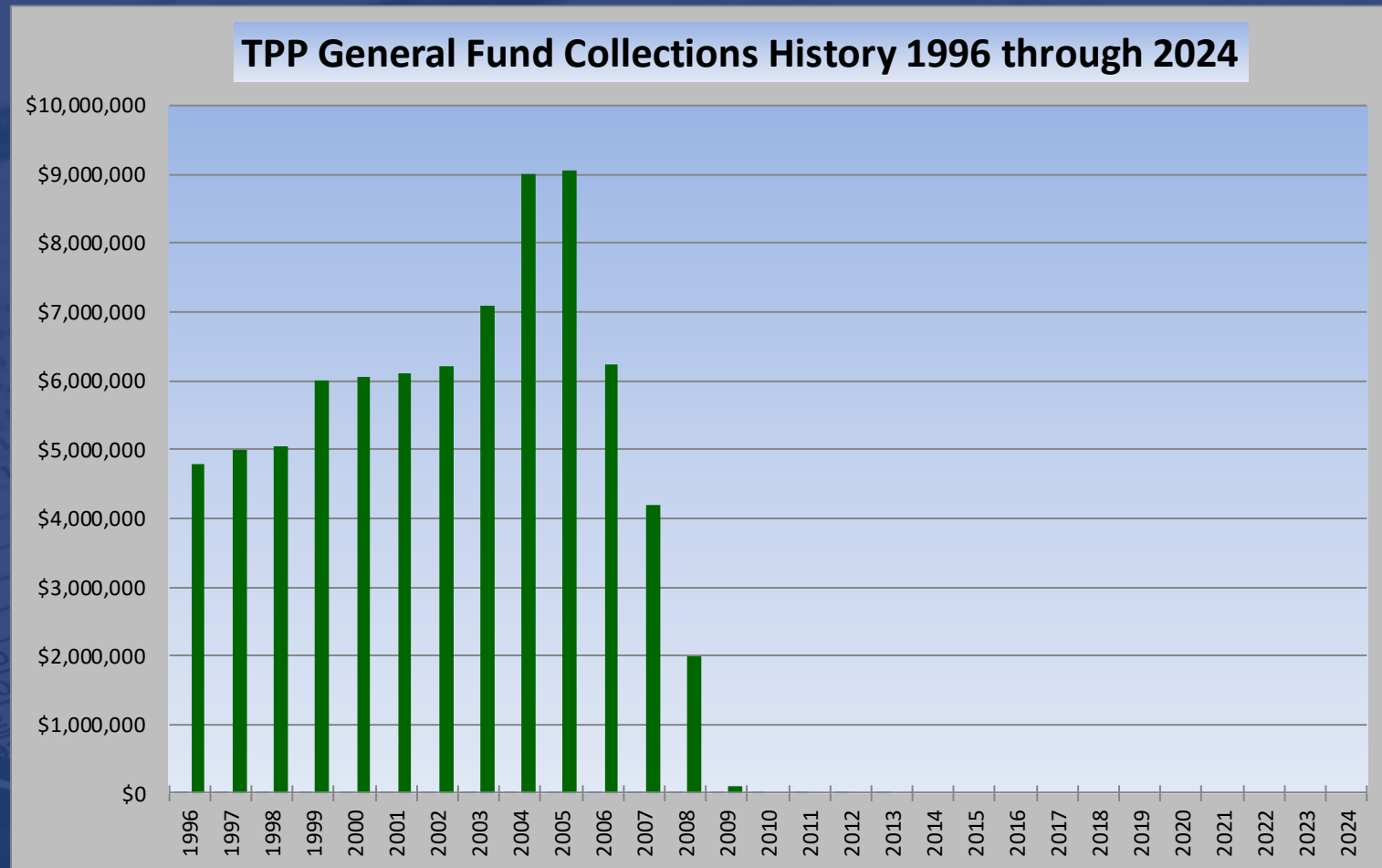
- Final TPP reimbursement FY25 of \$463k.
- HB96 has us on the formula for FY26, then guarantee in FY27.
- Assuming growth of 50 new students each year.
- New biennium budget begins FY28.

Local vs. State Funding



- HB96 state funding provided no significant increases.
 - Reappraisal increases our local capacity for FY27
- TPP reimbursements ended FY25.
- Local increase from new levy but reduced compared to October forecast due to HB129 & HB186.

TPP Taxes Eliminated



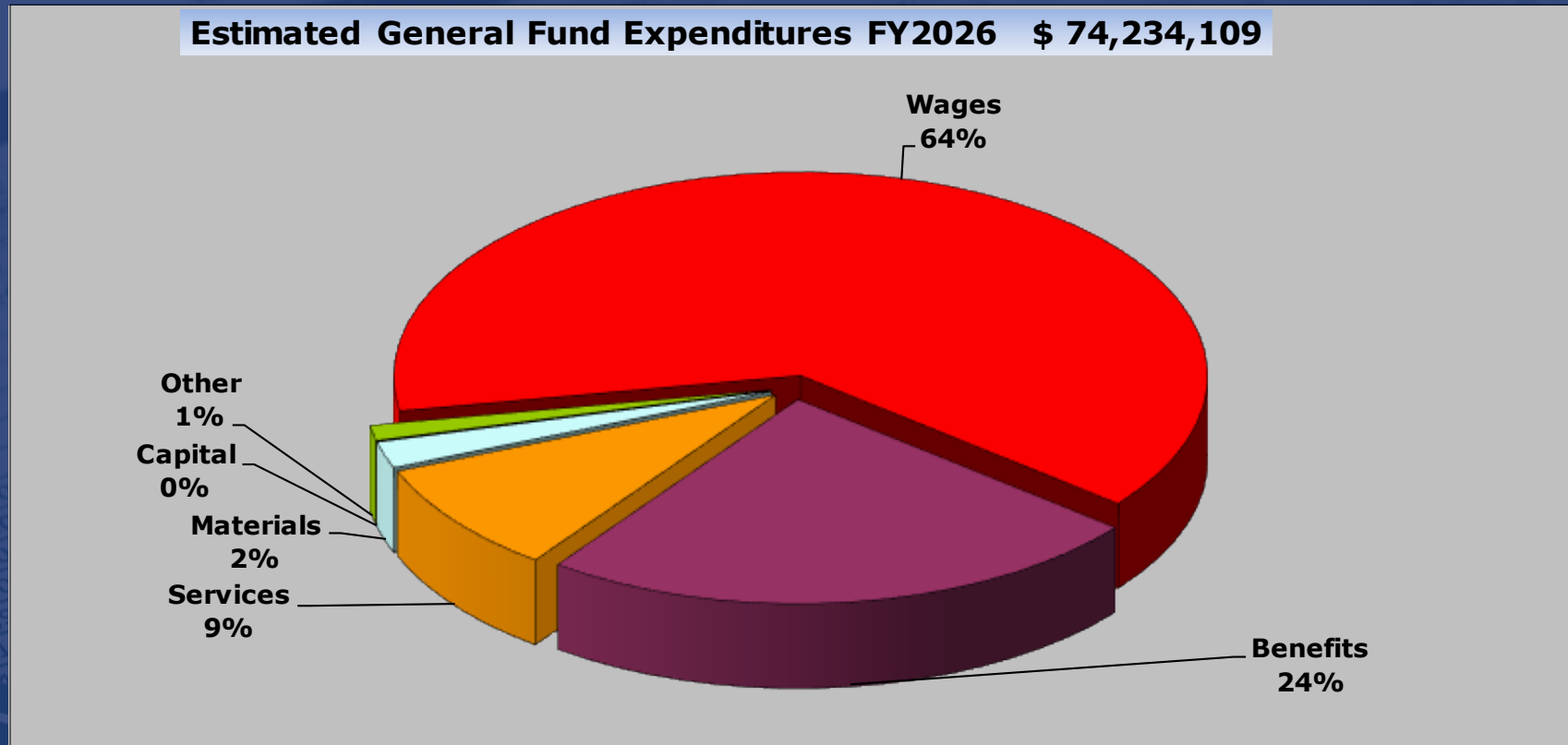
- Our district was heavily impacted by HB66, shifting tax burden to residential taxpayers.
- HB186 and HB129 are the most damaging legislation to our district since HB66.

Value Rose 26.28% TY2025

Tax Year	Agriculture	Residential	Class I Total	Class II Total	TPP	P.U. Personal	Total
2003	40,980,990	301,544,680	342,525,670	136,651,920	167,907,464	33,708,920	680,793,974
2004	39,824,490	350,730,270	390,554,760	155,785,160	206,921,855	34,990,230	788,252,005
2005	42,157,490	367,845,740	410,003,230	163,576,650	209,045,632	32,945,240	815,570,752
2006	42,158,070	383,860,330	426,018,400	173,277,940	150,034,977	36,697,280	786,028,597
2007	52,326,910	419,955,760	472,282,670	178,941,610	99,321,489	34,785,750	785,331,519
2008	48,758,160	415,489,265	464,247,425	189,193,070	42,118,470	35,623,300	731,182,265
2009	48,938,010	403,162,400	452,100,410	193,941,160	1,154,260	35,008,550	682,204,380
2010	59,312,410	402,879,460	462,191,870	191,757,760	538,340	35,035,830	689,523,800
2011	59,740,000	404,237,160	463,977,160	192,626,280	0	36,733,820	693,337,260
2012	59,680,678	407,870,848	467,551,526	186,843,428	0	38,997,660	693,392,614
2013	82,062,280	394,103,180	476,165,460	150,316,670	0	60,532,510	687,014,640
2014	83,474,140	392,790,640	476,264,780	157,365,410	0	67,337,060	700,967,250
2015	84,308,881	394,596,859	478,905,740	158,576,820	0	102,700,670	740,183,230
2016	91,277,010	450,191,020	541,468,030	162,027,150	0	107,678,300	811,173,480
2017	92,145,920	454,267,330	546,413,250	162,886,870	0	108,819,130	818,119,250
2018	92,045,730	459,222,700	551,268,430	168,653,610	0	107,957,310	827,879,350
2019	90,550,000	539,549,630	630,099,630	165,242,590	0	110,756,000	906,098,220
2020	90,550,000	552,322,150	642,872,150	170,615,900	0	113,025,700	926,513,750
2021	87,098,380	569,482,330	656,580,710	172,308,490	0	117,961,280	946,850,480
2022	105,231,560	725,529,390	830,760,950	196,000,580	0	121,408,840	1,148,170,370
2023	104,299,200	745,921,080	850,220,280	198,633,860	0	122,619,030	1,171,473,170
2024	106,299,200	790,044,880	896,344,080	206,900,220	0	131,878,320	1,235,122,620
2025	136,716,761	1,016,116,559	1,152,833,320	278,425,189	0	128,549,955	1,559,808,464

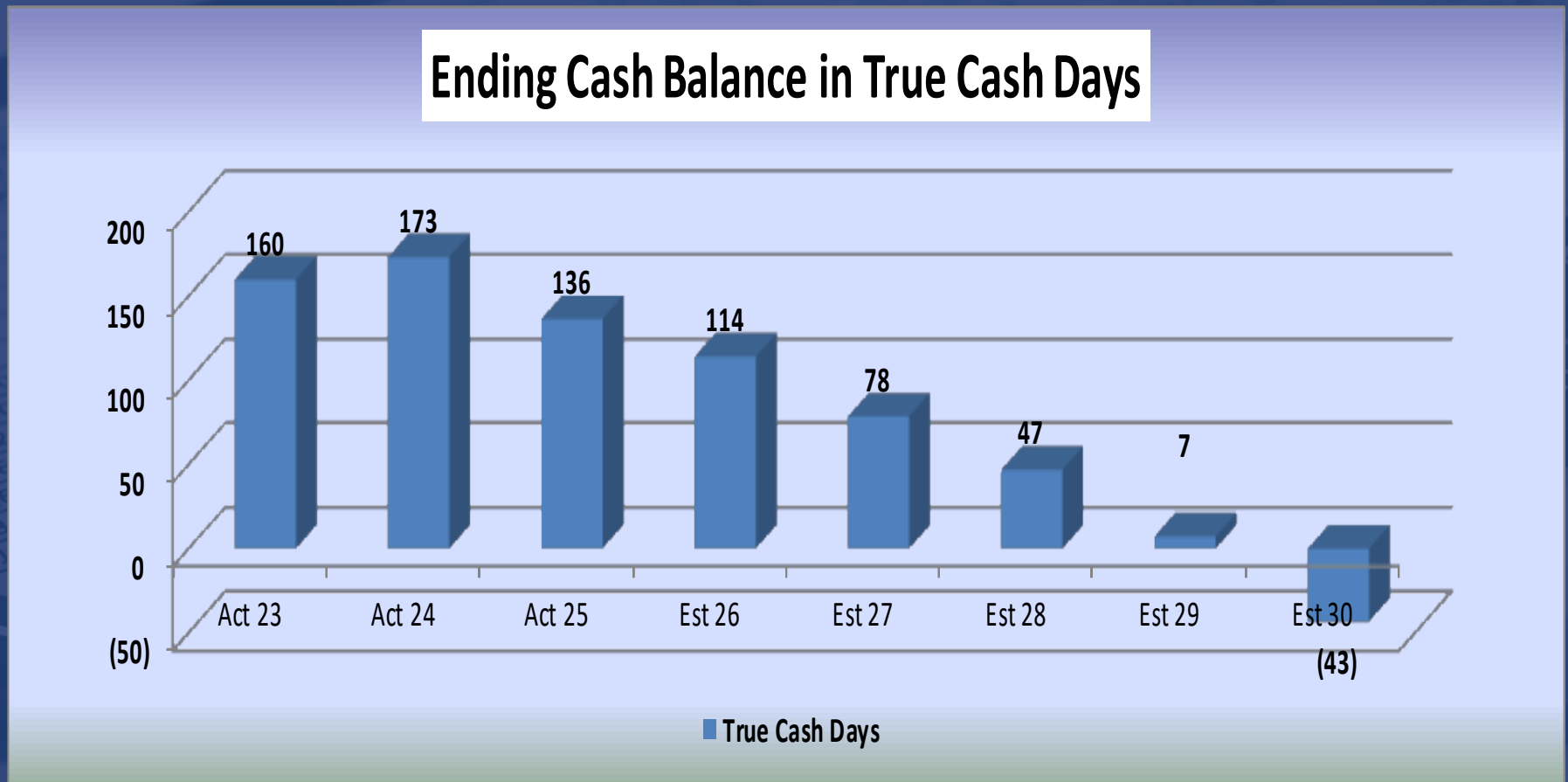
- Tax year 2025 AV up by 26.28% due to reappraisal...we are on 20 mill floor in Class I under current law but will change with HB129.
- Next update in values is in 2028; will usher in HB129 that will take us off the 20 mill floor and cost us \$5.05 million in taxes a year.

Est. General Fund Expenditures FY26



- Wages and benefits are estimated to be 88% of oper exp.
 - Spike in FY26 due to preschool and SROs
 - Assumes 6 new hires per year due to growth
- Overall exp down compared to Oct due to Health Ins 0%
 - Assumes 9% increase annually

Ending Cash Balance With Levy



- GFOA recommends 60 days of exp as cash balance
- Our policy is at least 30 days

Our District Financial Story Overview

- HB96 continued the fair school funding plan FY26 & FY27.
- Current state funding has us on the guarantee by FY27.
- Future funding is uncertain still for FY28-30 as Fair School Funding Plan not funded beyond FY27.
- We receive 40% of our revenue from the state of Ohio and 60% from local sources.
- New tax legislation has heavily impacted local funding.
- HB129 & HB186 has removed an estimated \$13.28M from our forecast through FY30...and could be more depending on how the ODT calculates future inflation cap credits from TY2025 reappraisal.
- These new laws are devastating to our district.
- Our district will need to make cuts and/or pass new levies in response to maintain our instructional programs for our students.
- Our revenue and ability to manage the district is being undermined by these new tax laws.
- Our district is projecting to have a deficit in FY30 due to HB129 & HB186.

Questions and
Answers

Thank You
for
Listening



Innovate Collaborate Inspire