GENERAL FUND

Five Year Forecast

July 1, 2025, Through June 30, 2030

Presented By:
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February 18, 2026

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

- O.R.C. 5705.391 and O.A.C. 3301-92-04
- HB 96 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 February 28/29 of each fiscal year
- In FY27 the date moved to August 31 and an update February 28

- 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

Purposes and Objectives of the Forecast



Engage the Board of Education and community in long range planning and discussions of financial issues facing our schools.



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".



To provide a method for the Ohio Department of Education and Auditor of State to identify school districts with potential financial problems.

Key Line Items



The five-year forecast is divided into two sections: revenue and expenditures.

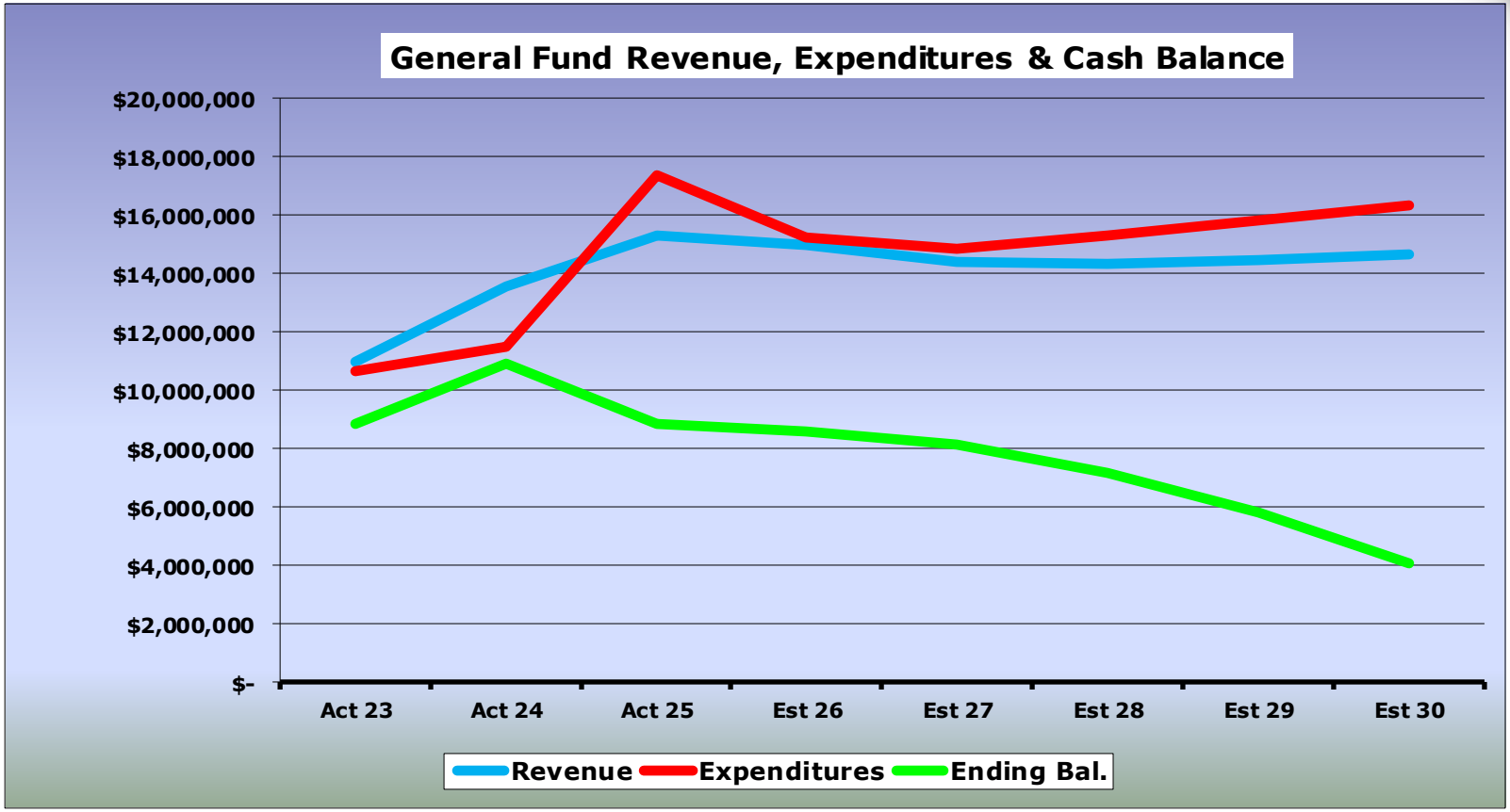


A district's revenue is made up of two main sources, local and state funding.



The expenditures are mainly salary and wages, benefits, purchased services, debt, and supplies and materials.

Revenue vs Expenditure



- Cash balance remains positive through FY30
- Deficit spending began in FY25

New Legislation Targets Property Taxation

- Governor signed into law four (4) pieces of legislation December 19, 2025
  - **HB129 / HB186 / HB309 / HB335**
- New laws take effect March 19, 2026
- 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 potentially impact first and hardest.
- 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 received from prior reappraisals/triennial update.
- Big adjustment's for send half August 2026, settlement but no authoritative ODT amounts until April to help determine it may be.

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 of a county that contains territory of the district.
- This will affect our district in tax year 2026 to collect in 2027 and is estimated to reduce taxes received by $313,648 from including the emergencies levies in the 20-mill floor, with continued loss of revenue in the future.
- 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 and 2-mill floors 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; applies this guarantee in TY2025 for TY2023 reappraisal/update counties and TY2025 and TY 2026 for the TY2024 counties.
- If applicable, ODEW will make payments in August 2026 and 2027 to ensure affected districts receive at least the same real property tax revenue as in TY2024.
- We anticipate HB186 will cost us $421,331in FY27 and possibly $280,887 annually through FY30 due to retroactive caps back to our last reappraisal/update…No authoritative amounts from ODT however!

HB186 Targets Property Taxation Retroactively

- We are estimating a guarantee payment with HB186 in FY27 of $151,944. But there is no authoritative information from ODT to verify that.
- FY27 expected to take the brunt of the HB186 implementation
- The TY2025 credit applies entirely against the second-half tax bill. Generally August and 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 2027payment 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" for districts (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 todays 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 CBCs 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.

YELLOW SPRINGS SCHOOLS
FEARLESS THINKERS
SINCE 1805

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.

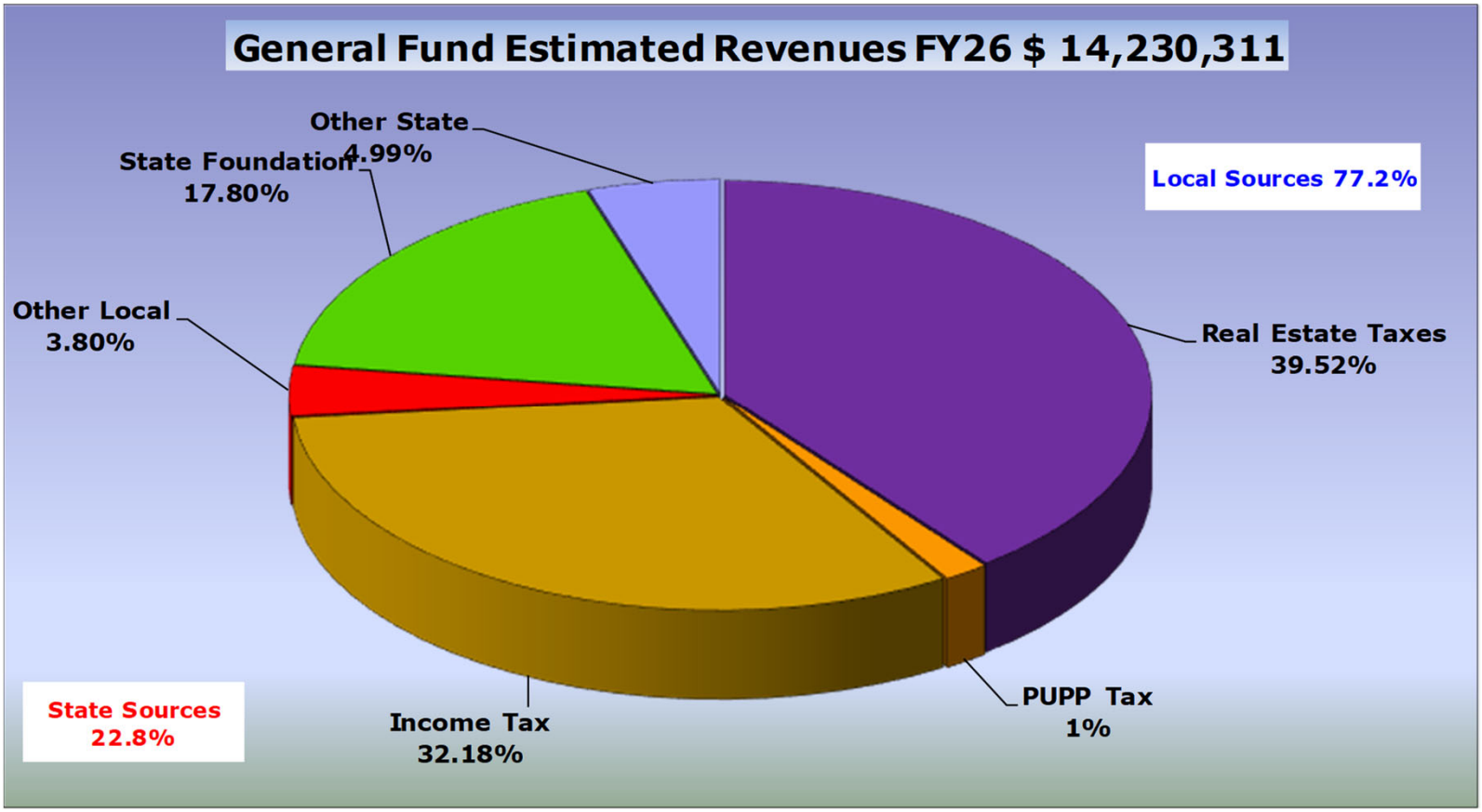
Funding Schools In the Future

- 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

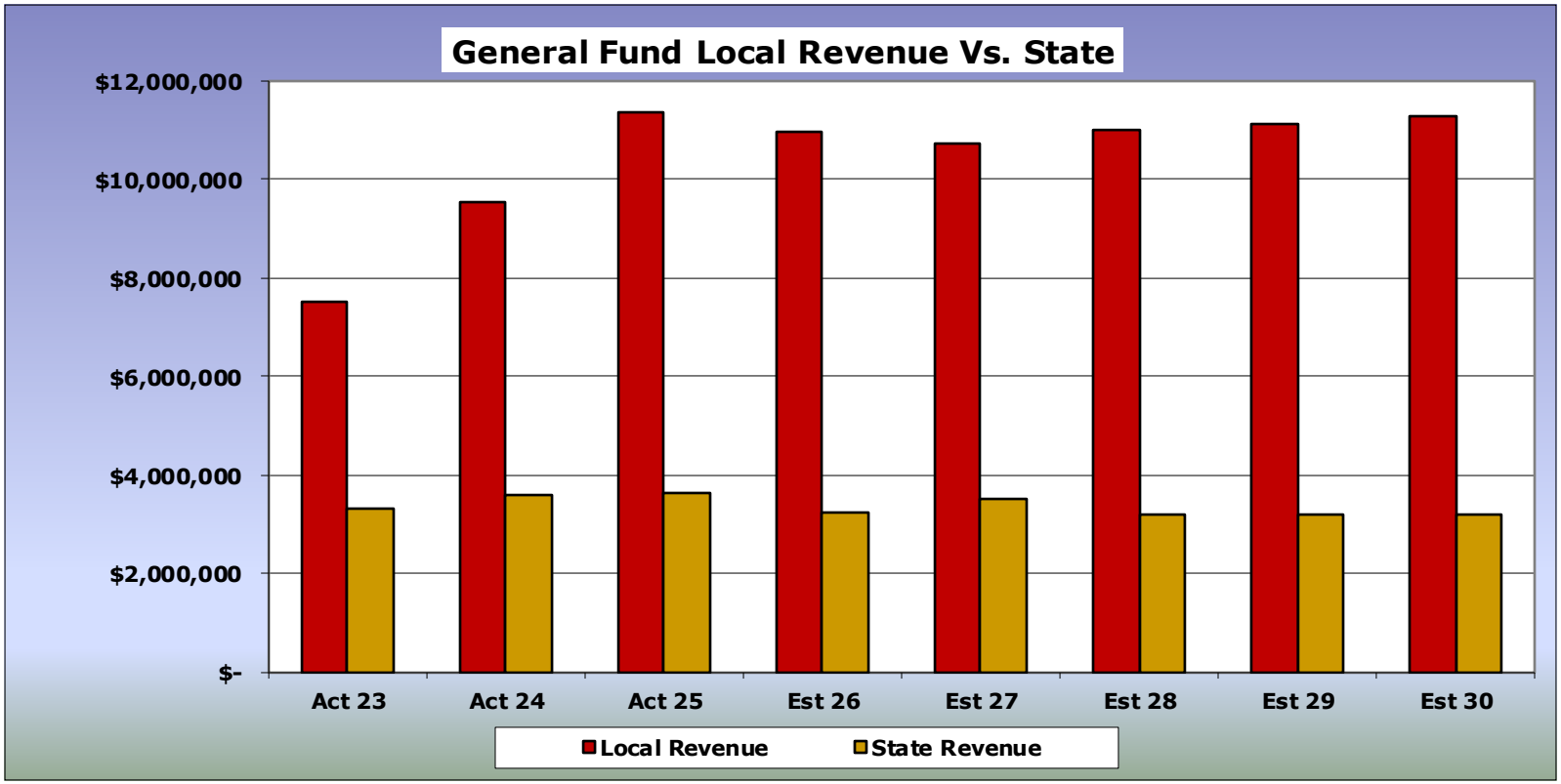
- HB96 the current state budget provided no increase in foundation funding. Only small amounts outside the formula.
- HB96 included a Piggyback Tax Exemptions law that allows County Commissioners to give a 2nd tax credit for Homestead and Homeowners 2.5% credit without reimbursement. This could cost our district $150,078 if approved by our commissioners.
- The Piggyback exemption was not approved by the Greene County Commissioners.
- The Piggyback Exemption can be approved annually by the commissioners and presents another uncertainty about property tax collections.

Est. General Fund Revenue Sources FY26



- State funding includes foundation aid, DPIA, Gifted, ESL, SWSF, Homestead, and Rollback
- Local funding includes tax revenue, tuition, interest, and Medicaid

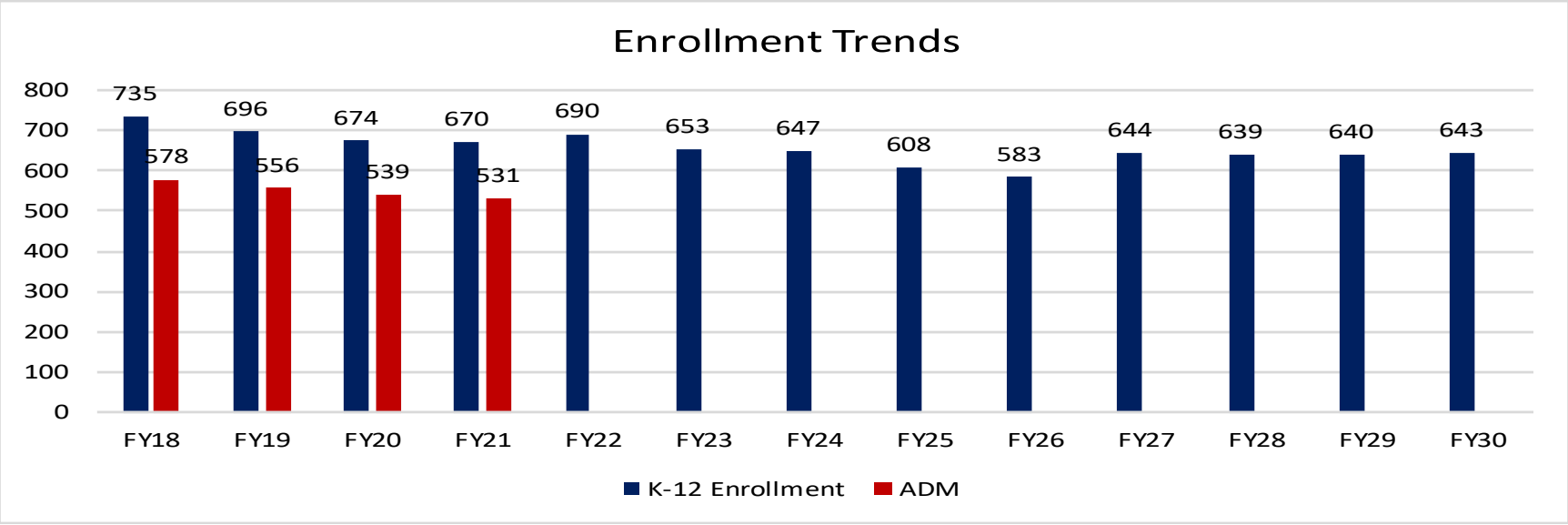
Local vs. State Funding



- The passage of the substitute levy is included in the local revenue
- Local funding includes the additional 1% income tax levy
- State funding is based on HB96 Fair School Funding Plan
- HB96 bases funding on the students enrolled in our district

Enrollment Trend for State Funding

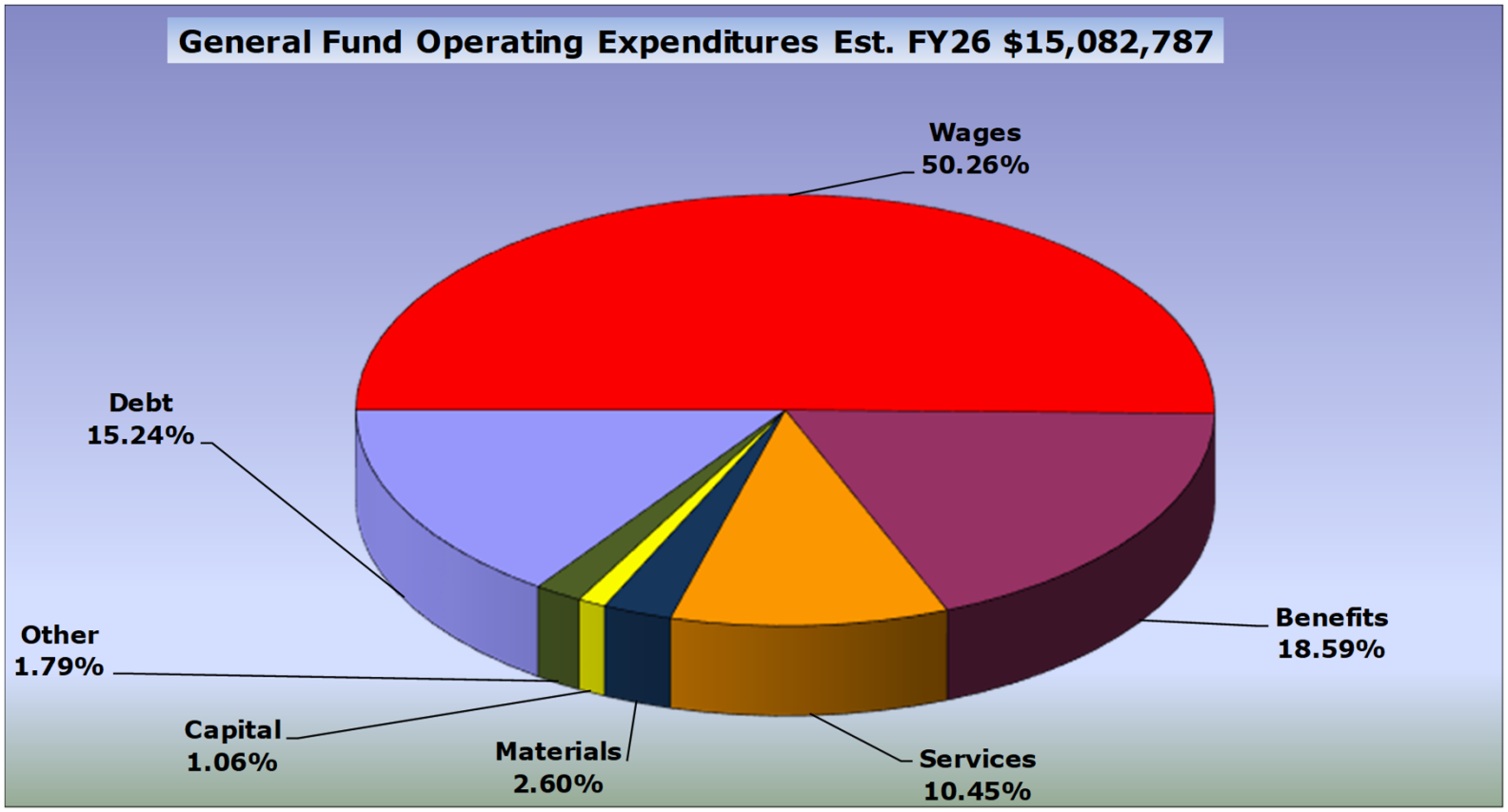
- 93 students less in FY26 compared to FY18
- Funding is based on students that are enrolled in our district
- FY22 no longer uses ADM (Average Daily Membership)



Challenges To Operating Revenues

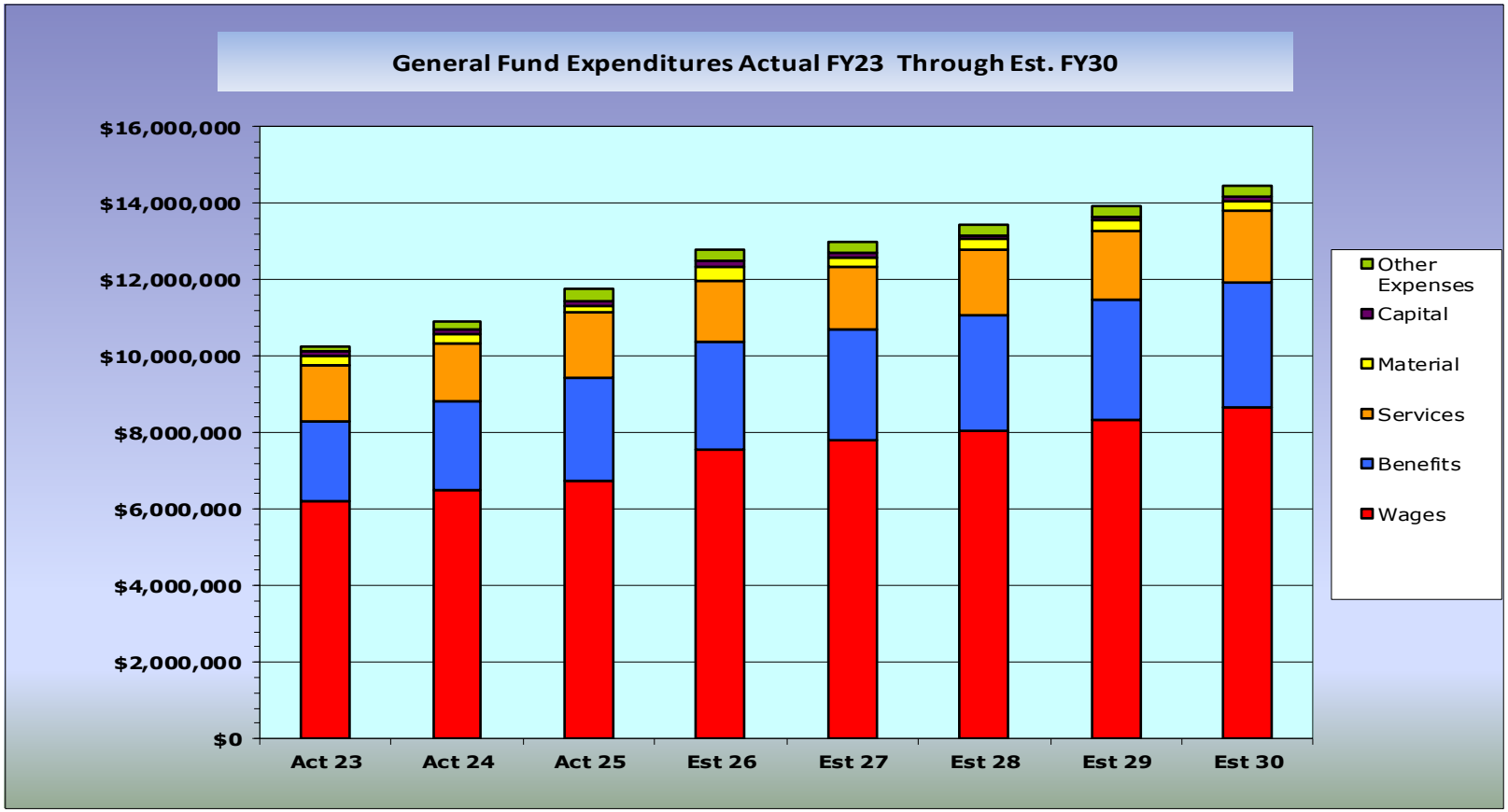
- Reappraisal in 2023 increase values by 26.32% for Class I, lowers the millage rate to the 20-mill floor
- With the new property tax legislation there is no good news about revenue in FY27 through FY30.
- Income tax is expected to grow by 2% each year of the forecast
- HB96 Fair School Funding Plan made many changes to state funding payments and expenses
- Fair School Funding Plan bases funding on the enrolled students
- Enrollment decreases may translate into decreased revenues, since we are on the formula for state funding in FY26

Est. General Fund Expenditures FY26



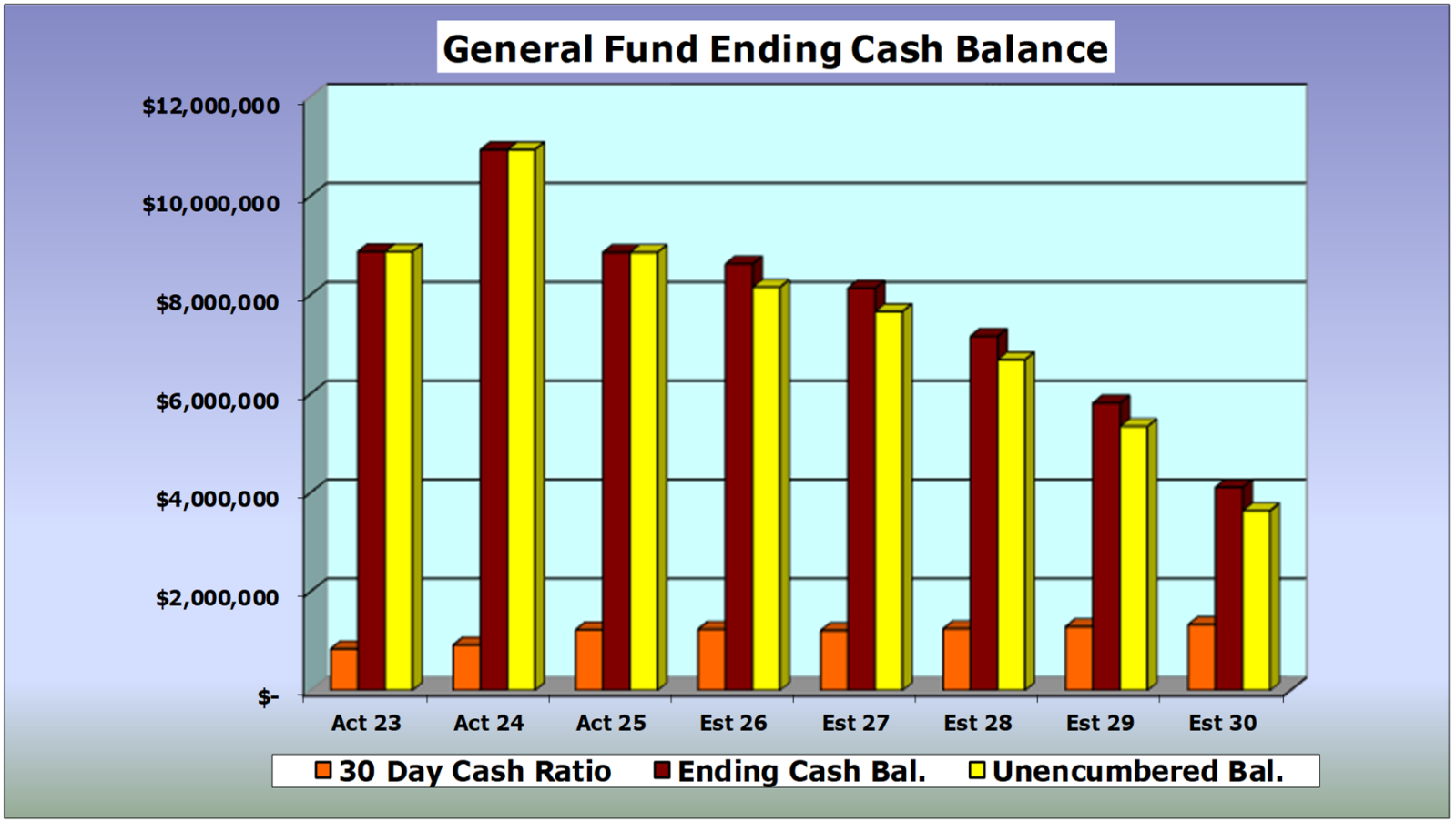
- Wages and benefits are estimated to be 69.85%
- Debt payments are for the building project

General Fund Expenditures By Object Act. FY23 through Est. FY30



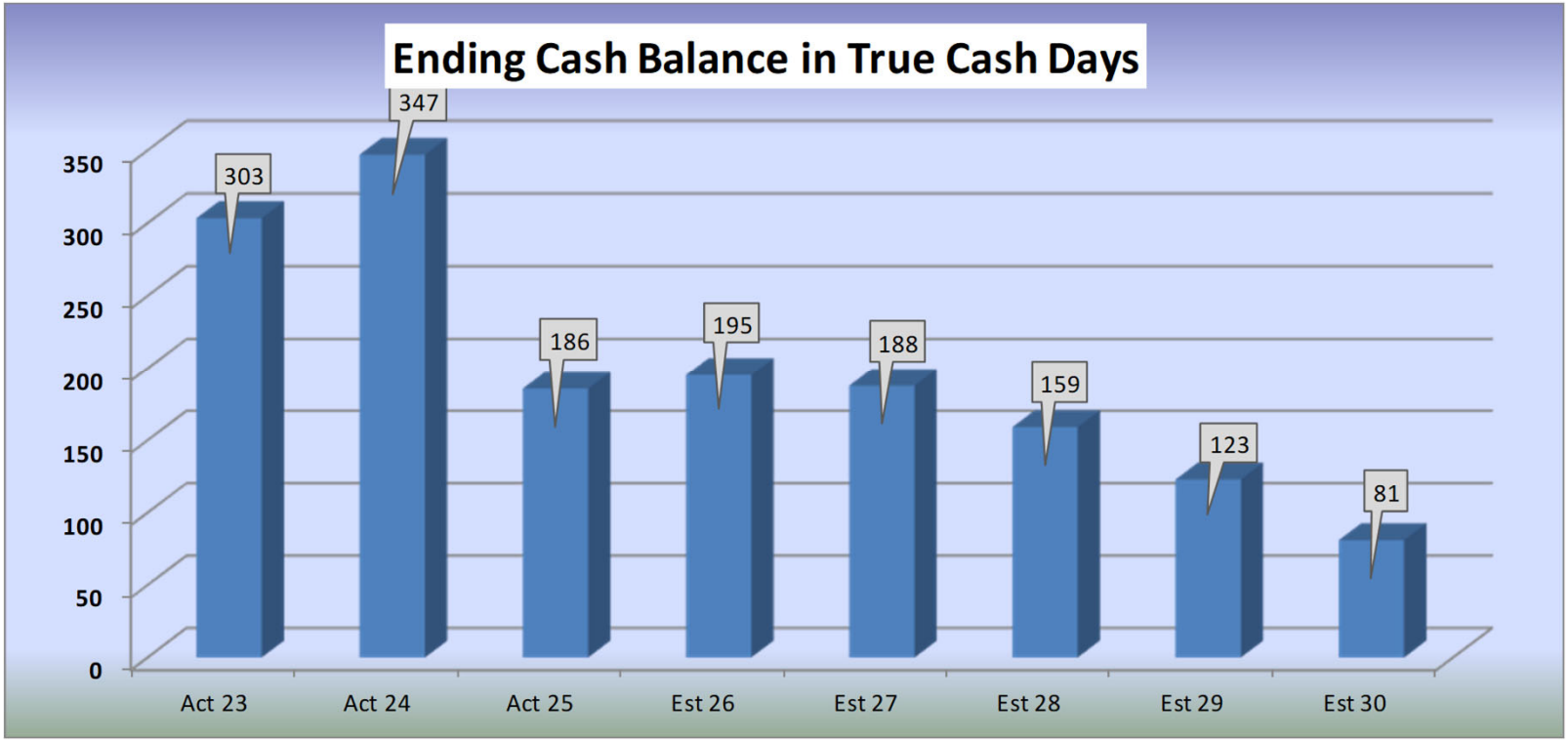
- Costs continue to rise with salaries and benefits the fastest growing cost.

Ending Cash Balance



- 30-60 Day Cash Balance is a responsible target to end year.
- No less than $-0- Required By Ohio Law.

True Cash Balance Days



- GFOA recommends 60 true cash day balance at the end of a fiscal year

Items to Consider About Our Finances

Positive balance until FY30.

Deficit spending in FY25, we will need to monitor expenditures.

Passage of substitute levy for 10 years will help stabilize our finances.

Future funding is uncertain still for FY28-30 as continued implementation of the Fair School Funding Plan is not guaranteed.

The new property tax reform laws will limit growth on future reappraisals and make it harder to pass new levies and renew existing levies.

Thank you for Listening

Questions and Answers

February 18, 2026