

Buckeye Local School District

Medina County

Financial Forecast Assumptions August FY27

REVENUES

General Property Taxes/Real Estate (Line 1.010)

Property taxes are based on collections, tax appeals, scheduled updates (reappraisals and triennial updates), and projections from the County Auditor's Office. The passage of significant pieces of legislation from the Ohio Legislature, future revenue streams have been negatively impacted. Our FY27 property taxes will be reduced by \$528,000 in FY27. The new legislation caps growth at for Districts at the 20-mil floor to a GDP inflation rate and the 20-mil floor calculation will now include our emergency levy which will reduce funding from that specific levy as well.

Additionally, growth for inside millage will be capped as well. These new restrictions will prevent revenue growth and will require the district to go to the community for additional tax levies at a more frequent rate to make up for the very limited revenue growth.

School District Income Tax (Line 1.030)

The Buckeye Schools do not currently receive a school income tax.

State Foundation Unrestricted Grants-in-Aid (Line 1.035)

The State of Ohio Fair School Funding formula is not being fully implemented this year which provides cause for concern. The net effect on Buckeye will be a flat revenue stream for the next few years before assuming a modest increases in FY29 and FY30. The data from the state will be closely monitored to determine any changes in state aid.

Restricted Grants-in-Aid (Line 1.040)

This line includes Economic Disadvantage and Career Tech Funds. This line has been based on student enrollment in specific programs and certain economic indicators within our community. This line is estimated to increase slightly over the next few years.

Property Tax Allocation (Line 1.050)

This property tax allocation is a percentage of tax receipts. These are the Homestead and Rollback reductions taken at the county level which in turn is made up by the State of Ohio. These payments will be reduced as they are directly tied to the property taxes collected. However, Medina County has passed legislation to “Piggyback” on the homestead and rollback reductions for 2026 which may continue into the future. Our forecast assumes this reduction will continue.

All Other Operating Revenue (Line 1.060)

The revenues from all other sources have been based on historical patterns. The Interest Revenue from our cash reserve balances provided additional revenue last year. With our new capital plan and the transfer of \$32,000,000 into a capital projects fund, we will see a decrease this year. The Interest will be mostly credited to the Capital Projects fund.

EXPENDITURES

Personal Services (Line 3.010)

Staff salaries and wages are generally the largest category of expenditures for schools as we are service oriented organizations. The category can be affected by negotiations with unions, the experience and training levels of those employees, the number of substitutes required during the year, as well as the number of annual retirements and severance pay. We have negotiated a new contract with BLEA that includes possible cost reductions in the form of a retirement incentive plan. The OAPSE agreement calls for a 3% increase in FY27 with contract negotiations set for the spring of 2027.

Employee Retirement / Insurance Benefits (Line 3.020)

This category includes costs for employee health insurance, retirement, Medicare, worker’s compensation, and other employee related costs. Buckeye Local Schools is a member of the North Central Ohio Trust (NCOT) insurance consortium for employee benefits which facilitates more purchasing leverage and better pricing for these benefits. The medical insurance costs will increase by 6.2% in FY27, and the same increase is anticipated for FY28. We are looking into other options that may reduce these rising costs; however the process takes time and the implementation could take over a year.

Purchased Services (Line 3.030)

This category covers a wide variety of costs including utilities, professional development, tuition, legal services, repairs, post-secondary options and all other contracted services. This category can fluctuate based on current needs and unexpected situations. In FY25 non-capital costs were moved from the 003 and 071 funds and into the General fund, creating a bump in these expenses. This change in accounting policy more accurately reflects the general fund obligation for purchased services. With the addition of preventive maintenance contracts and transportation contracts in FY26, this line has increased.

Supplies and Materials (Line 3.040)

The category covers instructional supplies, textbooks, library books, office supplies, bus fuel, maintenance and custodial supplies. In FY25 non-capital costs were moved from the 003 and 071 funds and into the General fund, creating a bump in these expenses. This change in accounting policy more accurately reflects the general fund obligation for supplies and materials.

Capital Outlay (Line 3.050)

This category covers all general fund equipment purchases. This is based on District's needs and the availability of funding. Several capital purchases were moved into the General Fund from the 003 and 071 funds in 2025 to more accurately view the available funds for capital projects. These funds have been increased in FY26 to help with the multitude of capital projects the district has undertaken. This line item will continue to be part of our future planning as we navigate the construction of the new high school and the renovation of the former high school.

Other Objects (Line 4.030)

This category covers expenses for the county auditor/treasurer fees, audit expenses, election costs and has been used to transfer funds for the principal and interest payments for the COP's loan. The district has also allocated funds in the Permanent Improvement Fund (PI Fund) to cover a wide variety of capital needs. The PI fund is not part of the forecast; however, it is mentioned to illustrate that the general fund will not have to pay for capital purchases for normal operations. Also, the Food Service department has been self-sufficient and therefore will not require general fund support in the foreseeable future.

Outstanding Encumbrances (Line 8.010)

This line is an estimate based on historical patterns.