

WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT

FIVE -YEAR FORECAST – GENERAL FUND
JULY 1, 2026, THROUGH JUNE 30, 2031

- Presented By:
- Becky Mullins, CPA, Treasurer/CFO
- August 24, 2026



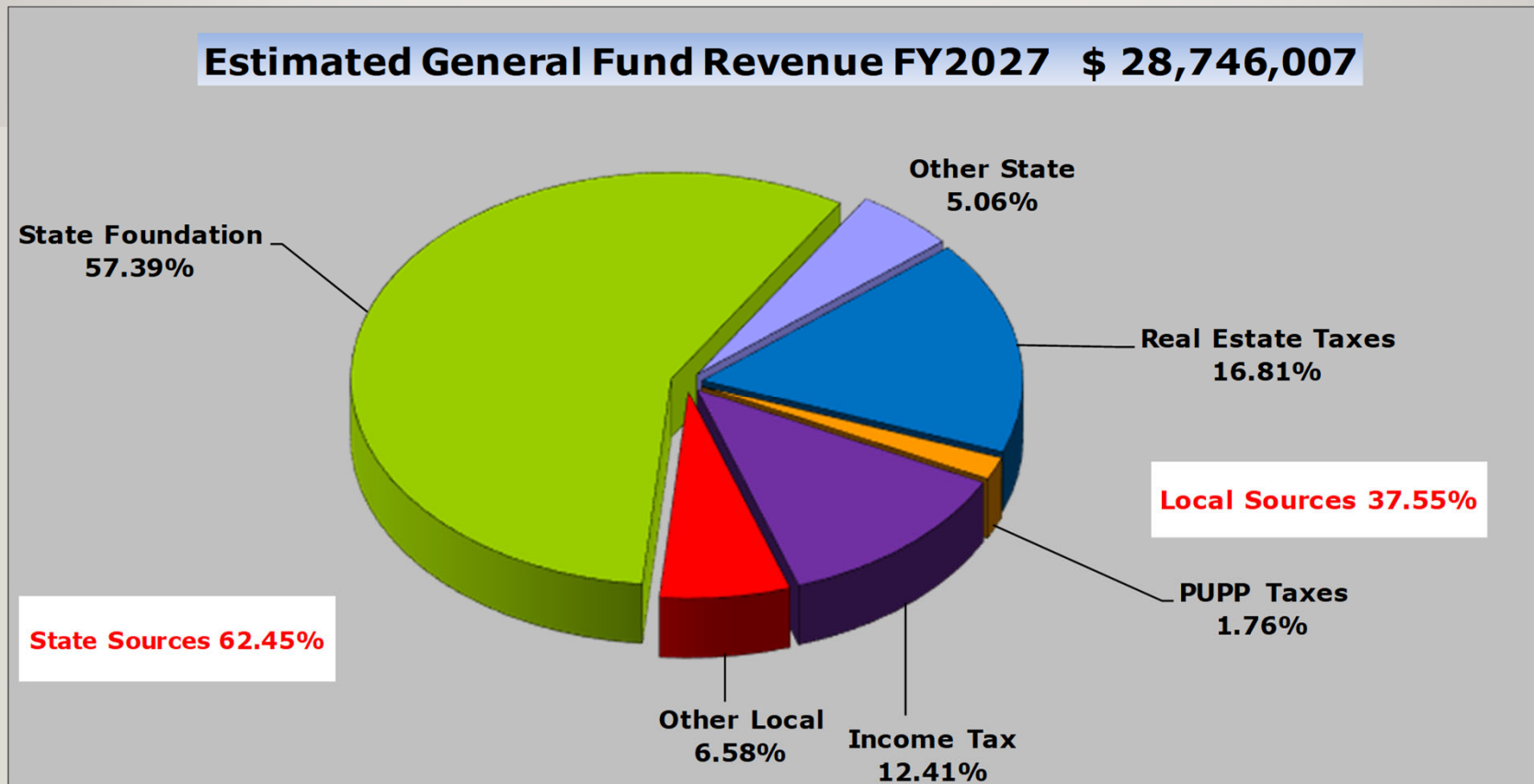
O.R.C.AND O.A.C. REQUIREMENTS

- 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
- Beginning with FY27, the required forecast submission deadlines are:
 - Initial FY27 forecast: on or before **August 31, 2026**
 - Updated FY27 forecast: on or before **February 28, 2027**
- 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
- HB 96 also changed the substance of the forecast. It now includes the current fiscal year's budget information plus projections for the **three succeeding fiscal years**—essentially a four-year outlook instead of the former five-year projection. Our district, however, will continue to utilize a five-year forecast and planning horizon

NEW FORECAST FILING DEADLINES NOT ALIGNED TO DATA FOR ACCURATE FORECASTING

- February 2026 forecast no data on HBI86 and no 1st half tax settlements.
- August 2026, we have HBI86 forms but no 2nd half tax settlements to verify payment of taxes...for potential major adjustments.
- New forecast rules want baseline year to match district permanent/final appropriations.
- State Law permanent/final appropriations have to be complete by September 30
- The August forecast should be no earlier than September 30 NOT August.
- February forecast update will likely be before we have the final 1st half settlement = a complete mismatch for key data.
- In state budget years, the sitting governor has a state budget deadline January 31, newly elected March 15. We will have little or no idea what is being proposed.
- With former May forecast date we would see the budget proposal, and have an idea what state funding may be in the future.
- It appears the decision to move the filing dates From November and May, was as ill conceived as the confusing and convoluted new tax laws.

GENERAL FUND REVENUE SOURCES FY27



REVENUE ASSUMPTIONS

- District is now less dependent on State of Ohio due to the income tax levy and mismatched changes to base inputs
- Local revenues will decrease throughout the forecast due to the income tax levy renewal not being reflected and property tax millage being capped due to HBI 86.
- Future funding is uncertain concerning local property taxes and State funding formula.

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 and FY29 (the effect if not renewed). This portion has been moved to line 11.010.

STATE FUNDING CONSIDERATIONS

➤ Enrollment Trends

- Our enrollment trend is decreasing

- FY2015 to FY2027 a decline of 658 students

➤ 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 or local revenue capacity



NEW LEGISLATION TARGETS PROPERTY TAXATION

- Governor signed into law four (4) pieces of legislation December 19, 2025

➤ **HB129 / HB186 / HB309 / HB335**

- New laws took effect March 19, 2026.
- HB129 should not impact our district as we are on 20-mill floor without emergency levies and our levies are already affected by HB920.
- HB186 will impact our revenue as credits from the 2024 reappraisal are given to taxpayers. The State will provide some funds to offset this loss, but not all.
- HB309 allows County Budget Commissions to reduce/override voted levies for school districts to limit collections...this is likely to not be implemented equally by county budget commissions statewide.
- HB335 limits inside millage growth on reappraisal/update years. Our forecast is growth at or below the estimated GDP deflation level, to minimize any unpredicted loss.



HB 129 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 **not** affect our district since we do not have any emergency levies.
- 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

HBI 86 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 HBI 86 had been in effect then. Latest Fayette County reappraisal was in 2024.
- 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 HBI 86 will cost us \$872,201 in FY27 and possibly \$581,467 annually through FY31 due to retroactive caps back to our last reappraisal/update...No final 2nd half settlements yet to verify.
- The district has received the HBI 86 reimbursement payment of \$582,458, in the August 2026 payment. We are also anticipating reimbursement of \$320,325 in FY28. No guarantee of any reimbursements thereafter.
- Does not retroactively adjust local capacity in state funding formula to account for lower effective assessed values due to tax claw backs, creating a "double loss" for districts (less local revenue, less state aid).



HB186 CHANGES TO ROLLBACK & OOC 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.
- HB479 (eff. 9/30/26) Doubles Homestead for 1 year with reimbursement



HB186 CHANGES TO ROLLBACK & OOC STRUCTURE

HB186 10% Phase down and OCC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Collect CY26	Collect CY27	Collect CY28	Collect CY29	Collect CY30
10% Rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					



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.

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. Reminder of the August forecast deadline.
- By projecting increases in our forecast of reappraisal/triennial updates at anticipated GDP deflator we do not expect negative impacts to our projected tax revenue estimates.



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 \$224,310 if approved by our commissioners.
- Piggyback exemptions have not been approved by the Fayette County Commissioners, so far, but they can be approved annually and presents another uncertainty about property tax collections.



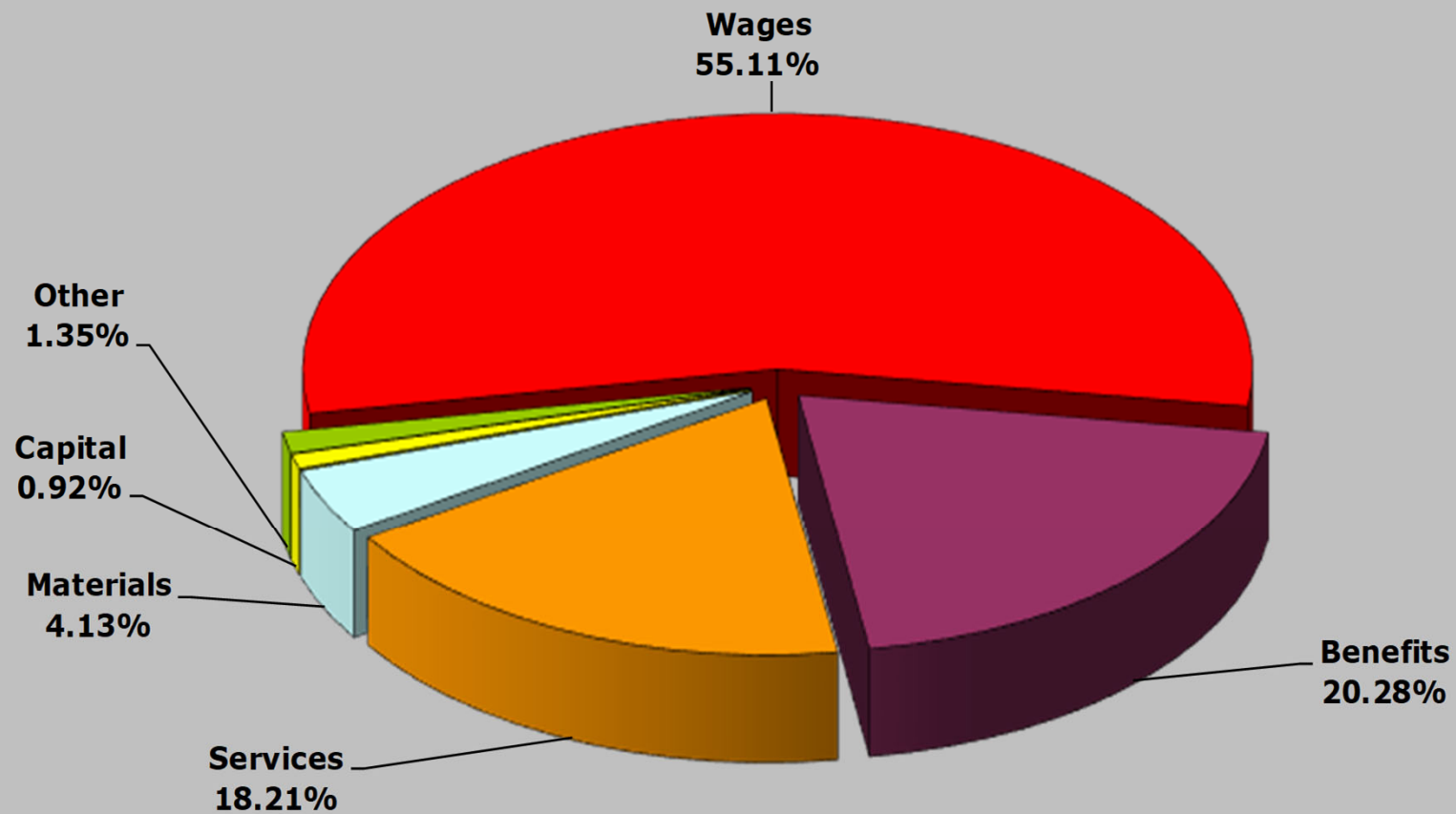
TOP STATE FUNDING FACTORS

- Current legislative proposals freeze the funding bases at FY22 levels but lets local capacity (property valuations) increase which sharply reduces our funding for future years.
- New property tax legislation presents no good news about revenue in FY27 through FY31.
- Enrollment based on students within our buildings
- Level of economically disadvantaged and special education students
- College Credit Plus (CCP) and other state mandated programs



GENERAL FUND EXPENDITURES FY27

Estimated General Fund Expenditures FY2027 \$ 28,200,213



MOST SIGNIFICANT EXPENDITURES

- Wages and Benefits make up 75.39%
- Services make up another 18.21% of the budget and is primarily costs associated with tuition paid to other districts, and professional services (OT,PT, speech, etc.), leases, utilities, liability insurance, etc. provided for the education and assistance of our students
- These three-line items comprise 93.6% of district expenditures leaving a small percentage for supplies, capital outlay, debt payments and other miscellaneous items.

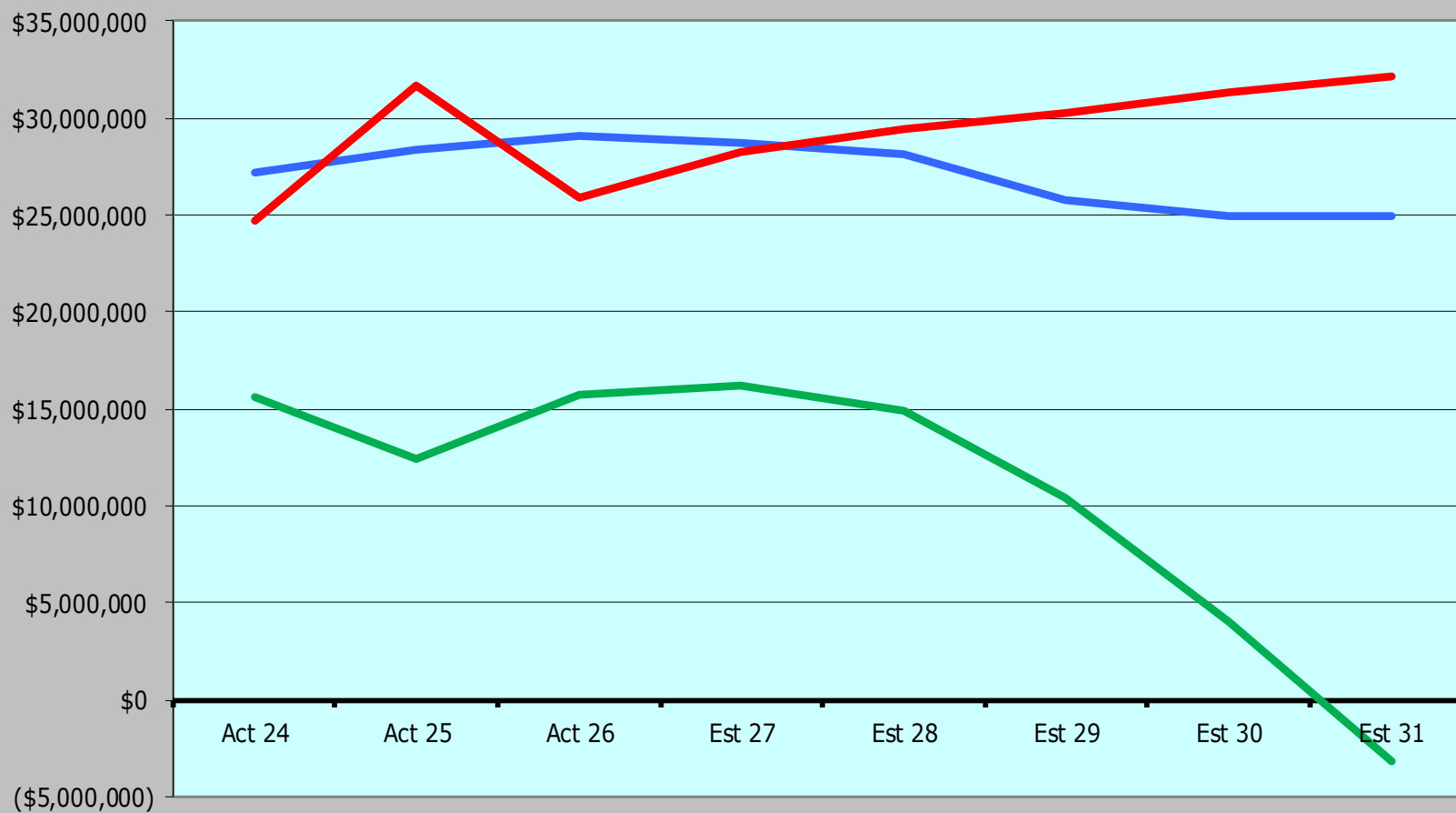
EXPENDITURE ASSUMPTIONS

- 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 OVERVIEW

General Fund Revenue, Expenditures & Cash Balance

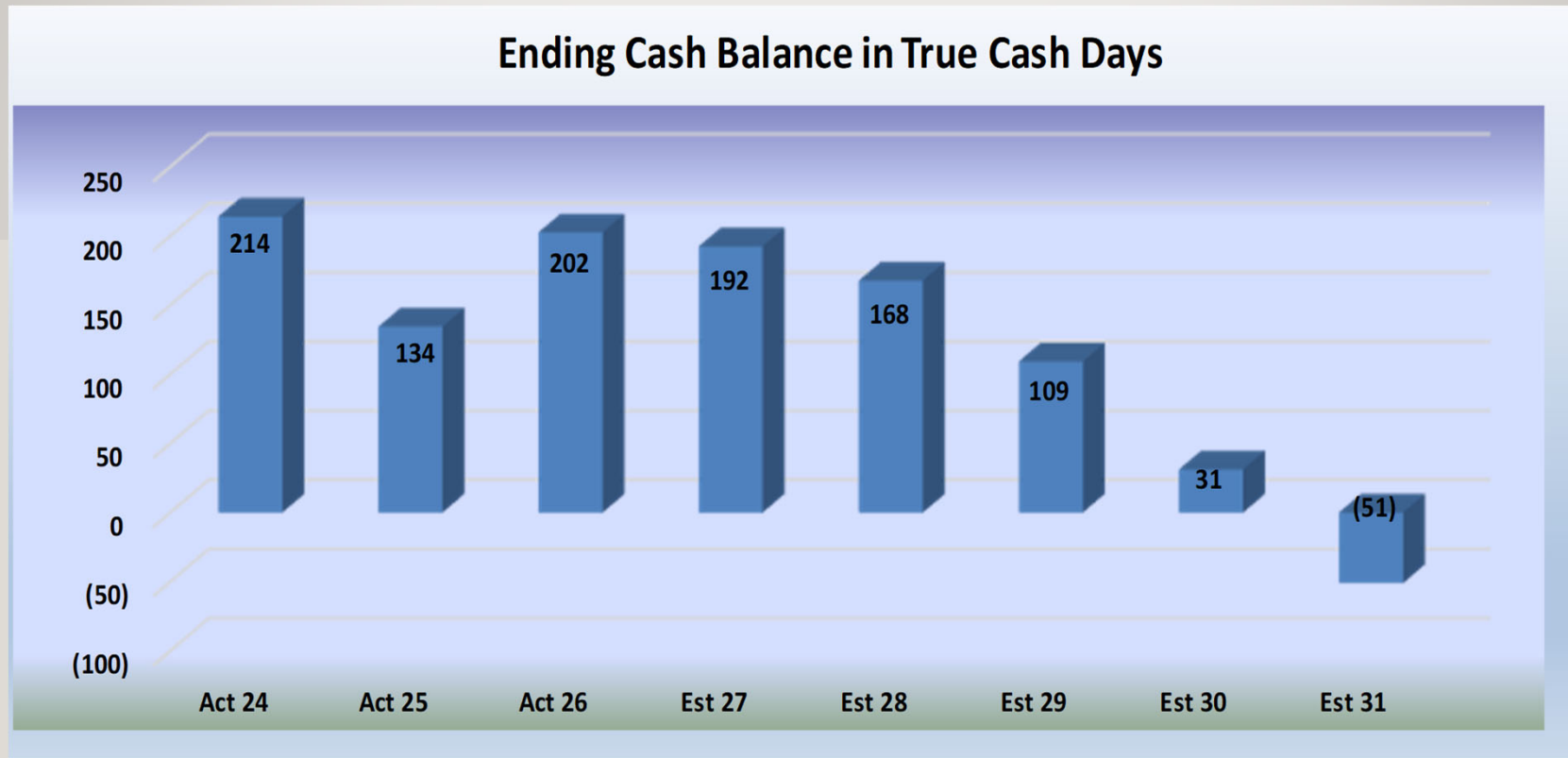


Revenue

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 FY31
- 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 monitor their growth
- With 62.45% of our budget coming from the State our long-term economic viability relies almost entirely on future State budgets FY28 and beyond
- The new property tax reform laws will limit growth on future reappraisals and make it harder to pass new levies and renew existing levies.
- Our local revenue and ability to manage the district is under threat as a result of the recent property tax legislation.



LEVY HISTORY

- The last new operating property tax levy passed was...
 - 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

WCHCS Millage Overview

How current millage is structured (voted vs. effective)

WCHCS Levy History • How We Reached the 20-Mill Floor

Inside Millage (No Vote Required)

Type	Voted	Effective
Operating	2.70	2.70
Permanent Improvement	2.00	2.00

Operating Levies

Included in Five-Year Forecast

Year	Voted	Effective
1976	20.50	10.13
1980	2.50	1.35
1981	3.00	1.62
1989	4.75	2.61
1991	2.90	1.59

36.35 mills approved → 20 mills effective today

Nearly 50 Years of Rollbacks (HB 920)

Other Levies

Type	Year	Voted	Effective	Term
Bond	2005	4.20	4.20	28 years
Bond	2005	2.10	2.10	28 years
Facility Maintenance	2005	0.50	0.28	23 years

Clear, factual information for our Blue Lion Family • #WeAreBlueLions



THANK YOU FOR LISTENING

Questions and Answers

