

PAULDING EXEMPTED VILLAGE SCHOOL DISTRICT

Panther State of Mind – Do What is Right – Do Your Very Best – Treat Others As You Want to Be Treated

The Dial, the Floor, and the Cap: The 20 Mill Floor Explained

PEVS Community,

I am Jake Thiel, and I've had the pleasure of serving as the Treasurer of Paulding Exempted Village Schools for the past three years. Before joining the district, I worked as a financial auditor with the Auditor of State's office, where I became familiar with the Paulding community and local governments, including several audits here at PEVS.

I want to explain the piece of Ohio school finance that affects Paulding more than almost anything else in the law books: the 20 mill floor. Three ideas explain it: a dial, a floor, and a cap. If you have ever wondered why your school taxes work the way they do, or what the property tax reform you have been reading about since December actually means for our district, this letter is for you.

House Bill 920: The Dial

Over the years, Paulding voters have approved a total of 26.7 mills of general fund property tax. Here is something that surprises most people: the district does not collect anywhere near that.

The reason is a law called House Bill 920, passed in 1976. Under HB 920, when property values rise, tax rates are automatically dialed down so that a levy keeps generating roughly the same dollars it produced when voters approved it. If your farm or home is reappraised at a higher value, the rate drops so the district's total collection stays about level.

Growing values do not always mean growing tax revenue for your schools. The dial simply turns down. It is one of the strongest taxpayer protections in the country, and it is why many Ohio school districts return to the ballot as often as they do.

The 20 Mill Floor: Where the Dial Stops

There is a limit to how far the dial can turn. Ohio law says the effective rate for current expense levies cannot drop below 20 mills. This is called the 20-mill floor, and Paulding is on it for both residential and agricultural property and commercial and industrial property. Of the 26.7 mills you approved, we collect 20.

Being on the floor meant something unusual. Because our rate could not be reduced any further, revenue finally grew when property values did.

When Paulding County completed the triennial update in 2025 and residential values rose 28 percent, floor districts like ours saw real revenue growth for the first time in years, without asking voters for anything new. For a district trying to keep pace with rising costs, that growth mattered. It is why Paulding has not needed new property tax levies for over 23 years.

House Bill 186: The Cap

The property tax reform laws signed in December 2025 changed the rules for floor districts. House Bill 186 caps our revenue growth at the rate of general inflation, measured by an index called the GDP deflator. And it applies that cap retroactively to the 2023 through 2025 reappraisal cycle.

The result for Paulding is a credit that now appears on taxpayers' bills. That credit is real tax relief for property owners, and I want to be straightforward about that.

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It also reduces the district's collections by an estimated \$888,000 this fiscal year and roughly \$592,000 each year after, about \$3.2 million through 2031. The credit is permanent and will be recalculated at each future reappraisal.

Why This Matters for Paulding

Here is the plain version. For years, the floor guaranteed that a growing community meant a modestly growing school budget, enough to help offset costs that rise faster than general inflation, without needing additional levies. Under the new law, that growth is capped at inflation, and dollars from the last reappraisal have been clawed back.

The impact is already seen in the forecast- our cash reserves are healthy, but our budget is not balanced, and our fiscal forecast, filed with the state this month, shows a growing deficit that will need to be addressed.

It also means one of the two local pillars holding up your schools, property taxes alongside our income tax, now grows more slowly than the costs it pays for. That is a fact this community deserves to understand, especially with the school income tax levy on the ballot this November.

The Bottom Line

You approved 26.7 mills. You pay 20. That gap is decades of taxpayer protection working exactly as designed. The new laws add another layer of protection for property owners, and a new constraint for your schools. Both of those things are true at once, and my job is to make sure you never have to take my word for either one. The full fiscal forecast, with every number in this letter and the assumptions behind them, is posted on the district website.

As always, if you have questions about any of this, my door is open. Email me, call the treasurer's office, or stop by. That's what I'm here for.

Jake Thiel

CFO/Treasurer, Paulding Exempted Village Schools
