

Wadsworth City School District
Request: 1.0% Earned Income Tax
Duration: A Period of Five (5) Years
Election: November 3, 2026

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My property taxes went up. Shouldn't the amount of money the School District is receiving go up as well?

In short:

- Higher property values do not automatically increase school district revenue.
- HB 920 limits growth on voted school levies.
- Most property tax increases do not result in schools receiving additional funding.

We understand that many homeowners have seen increases in their property tax bills and may assume that school districts are receiving significantly more funding as a result. In most cases, that is not how Ohio's property tax system works.

Although approximately 70% of your property tax bill supports schools, an increase in your property value results in a fractional increase in property tax revenue to the school district (see inside mills below). The 2025 Medina County reappraisal averaged a 25% increase in property values and resulted in a 5.5% increase in property tax revenue to Wadsworth Schools over a two-year period.

Under House Bill 920 (HB 920), the effective millage rate on voted school levies is rolled back as property values increase. This means that for voter-approved levies, school districts generally receive the same total dollar amount from your property today as they did when the levy was first passed, even if your home's value has increased.

School districts can receive additional revenue from "inside mills," which are not subject to HB 920 rollbacks. However, inside mills typically account for only about 15% of a homeowner's total property tax bill. The majority of school funding from property taxes comes from voted levies that are limited by HB 920.

The School District is double-dipping by pulling funds from our property taxes and now from a proposed income tax; why?

The Board of Education believes the income tax is a fair and equitable way to collect the additional funds needed to fund education in Wadsworth. There is a lot of discussion about high property tax rates in Ohio, which has led to numerous property tax reform bills being passed in 2025. Given the reasons for the property tax reform, the Board of Education believes an income tax is more equitable than a traditional property tax based on the current property/income tax environment in Ohio.

The School District is proposing a tax that will generate more than the current projected deficit in Fiscal Year 2029; why?

The School District is projected to have a cash deficit of over \$2,400,000.00 in Fiscal Year 2029. While that figure is significant, it does not tell the full story.

The School District's revenues have experienced limited growth as expenses have continued to increase. Despite continued efforts to manage and cut costs where possible and utilizing operating cash reserves to maintain services, the School District began to face a situation, beginning in Fiscal Year 2023, where its ongoing expenses exceeded its annual revenue. This pattern is expected to continue unless corrective action is taken. Based on current projections, the School District is estimated to face the following deficits:

- Fiscal Year 2029 deficit: approximately \$2,400,000.00
- Fiscal Year 2030 deficit: approximately \$13,000.00.00

This means the School District's financial challenge is not only a one-time cash shortfall, but a structural imbalance between revenues and expenses.

To fully address the issue, the School District is unable to rely on cuts alone. It must also generate additional recurring revenue to couple with ongoing cost-saving measures. Focusing only on closing the \$2.4 million cash deficit would provide temporary relief but would place the School District back in a deficit position the following year.

Sustainable solutions must address both the cash balance and the ongoing gap between revenues and expenditures to ensure long-term financial stability.

What about funding from the State of Ohio? Why is the answer additional local funding?

The slide below displays not only what has happened to the level of State funding that our School District receives, but the fact that if State funding had kept up with local funding, there would be no need for the Board of Education to ask our community for additional financial support at this time.

State Aid:



<u>Year</u>	<u>Total Property Taxes</u>	<u>Total State Aid</u>
2016	\$19,315,840 (50%)	\$19,071,630 (50%)
2025	\$33,851,874 (63%)	\$19,478,794 (37%)
Increase:	\$14,536,034	\$407,164

What if: Property Taxes and State Aid were still 50/50

- **State aid would be \$14.3M more annually**
- **1.5% Income Tax = \$13M annually**

The School District overspent and should have to live within its means like the rest of us. Why should the community be responsible for bailing the School District out?

The underlying issue is limited revenue growth over the past five years, not poor financial practices. The School District cannot just cut its way out of the issue and still maintain the level of services it provides to its students.

During this period, both state funding and local property tax revenue have remained relatively stagnant, while operating costs have continued to rise due to inflationary pressures that affect all households and organizations. These increasing costs include salaries, benefits, utilities, transportation, and contracted services.

The School District is audited annually and has consistently received clean audit opinions. In addition, the School District has been recognized multiple times with the Auditor of State Award, which reflects a high standard of financial reporting, transparency, and accountability.

If additional revenue is not secured, what does that look like to our community?

If the School District does not secure additional revenue, operations would need to be reduced. The Board of Education is currently working on a plan to address the deficit in fiscal year 2029. There is no way that the reductions will not impact programming and services available to students. For an idea on the type of services the Board is discussing, all which exceed state minimum operating standards, please see the [Future Planning Survey Results](#) from the spring of 2026.

How is the earned income tax calculated?

Per [the Ohio Department of Taxation](#), earned income is calculated as follows:

“Earned income includes only the following items to the extent that they are included in your modified adjusted gross income (MAGI):

- *Employee compensation, such as wages, salaries, and tips; and*
- *Self-employment income from sole proprietorships and partnerships.*

Earned income does not include items such as retirement income, interest, dividends and capital gains, and unemployment benefits.”

This is NOT a property tax and is not tied to the value of your home.

If the earned income tax is approved by voters, who pays it?

If approved, the earned income tax is paid by residents of the Wadsworth City School District, as outlined in [the question above](#).

The School District just opened a new intermediate school, and now it cannot pay to operate it. Why?

While it is true that part of the combination (operating/bond) levy passed in 2021 was used to build the new intermediate school (the bond portion), state law does not allow bond revenue to fund general operating expenses, where our deficit is found. In addition, the law has narrow allowable uses for sales tax and maintenance fund dollars. The new intermediate school has helped the School District reduce expenses paid by its general operating fund by increasing efficiency (e.g., utilities).

What has the Board of Education done to reduce expenditures?

The Board of Education continually evaluates operating expenditures and reduces spending at every opportunity.

The Board of Education has continued to adjust staffing levels to meet the needs of our students while adjusting to our declining student enrollment. In the last three (3) school years, the Board of Education has reduced over fifty (50) positions. For a full list of the reductions and fee increases implemented in the 2026-2027 school year, click [here](#). The most recent reductions total a savings of over \$4,000,000.00 annually.

In addition, the Board of Education opened the Charles R. Parsons Grizzly Academy in the 2023-2024 school year to reduce the number of students it sends to schools outside of our School District to meet each student's educational needs. In the 2024-2025 school year, the Grizzly Academy saved the School District \$75,000.00 when compared to what it would have spent on tuition and transportation to the alternative schools outside of our School District. With the expansion of Grizzly Academy through twelfth grade last school year, the Board anticipates the cost savings to continue to grow and is working to complete the same financial analysis for the 2025-2026 school year that was completed at the end of the 2024-2025 school year.

Where can I find additional information relating to the Board's decision to place the earned income tax on the November 3 ballot?

Below, you will find links to various items that explain the need for the request.

- [May 26, 2026 Board of Education meeting](#);
- [June 8, 2026 Board of Education meeting](#); and
- [July 20, 2026 Board of Education meeting](#).

How can I obtain information if I have additional questions?

If you have questions or need information, please contact Andy Hill, superintendent of schools, at 330-335-1300 or ahill@wadsworthschools.org.

What have you been spending my money on?

Like all schools, our greatest costs are in recruiting and retaining qualified staff to teach and keep our students safe. Doing so allows Wadsworth to:

- maintain smaller class sizes K-2, jumpstarting students' education
- maintain neighborhood elementary schools
- provide safe, reliable transportation to students 1 mile or more from school
- offer diverse electives to high schoolers to prepare them for a changing world and workforce
- offer affordable extracurriculars
- support the materials to support this learning

These are things that make Wadsworth a great place for families to live and our community strong.