



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

I want to explain the piece of Ohio school finance that affects Eastwood 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, you may find this helpful.



House Bill 920: The Dial

Over the years, Eastwood voters have approved a total of 26.90 mills of general fund property tax. Here is something that surprises most people: the district does not collect anywhere near that.

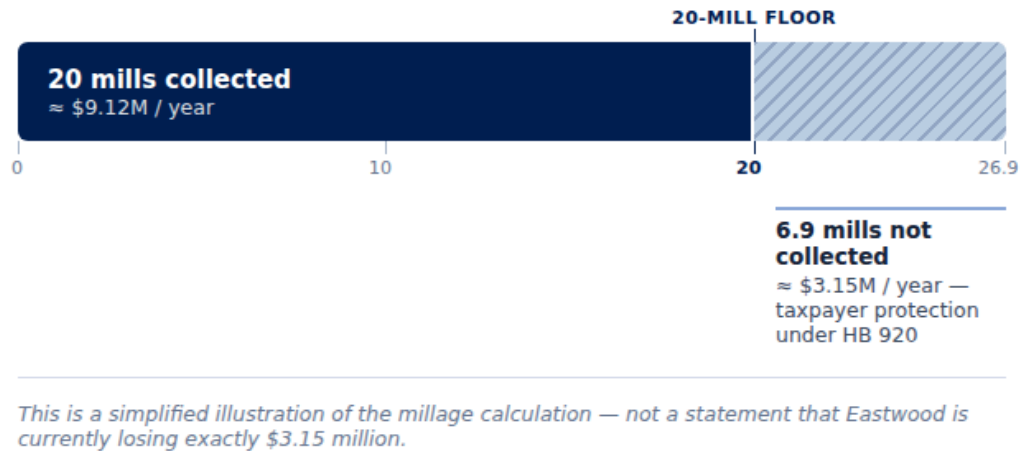
The reason is a law called House Bill 920, passed in 1976. Under HB 920, when property values rise, tax rates are automatically dialed down so that the levy continues to generate roughly the same dollars it produced when voters approved it. If your farm or home is reappraised at a higher value, the rate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

Growing values do not 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 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 states that the effective rate for current expense levies cannot fall below 20 mills. This is called the 20-mill floor, and Eastwood is on it for both residential and agricultural property and commercial and industrial property. Of the 26.9 mills you approved, we collect 20.

Here's what that 6.9-mill gap looks like in dollar terms — one mill generates approximately \$456,113 for Eastwood Local Schools:



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

When Wood County completed its reappraisal in 2023, residential and agricultural values rose 25 percent, and 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.

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 — a broad, government-published measure of how much prices are rising across the entire U.S. economy, not just for consumer goods. And it applies that cap retroactively to the 2023 through 2025 reappraisal cycle.

Here's what that means for Eastwood's budget — and for taxpayers:



Why This Matters for Eastwood

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.

For us today, this means that one of the pillars holding up your schools — property taxes, alongside our income tax — now grows more slowly than the costs it pays for. This is reflected in the most recent financial forecast that was presented at the August Board of Education meeting and submitted to the State of Ohio. That is a fact this community deserves to understand.

The Bottom Line

You approved 26.9 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.

One last thing worth clarifying: everything above is about Eastwood's general fund — the account that covers day-to-day operating costs like staffing, transportation, and utilities. It is separate from the bond funding under consideration for the Nov. 3 facilities project, which by law can only be used to build and renovate school buildings, not to cover operating costs.

As always, my door is open — email, call, or stop by with any questions.

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