

Fiscal Meeting Question and Answer

Wednesday October 14th, 2026

How was the ballot language determined?

The ballot language was provided to the district by the Board of Elections. The district did not write the ballot language.

How is the Flightline Center affecting our finances?

The Flightline Center has an annual loan payment of approximately \$235,000. In FY26, that payment was made from the capital fund rather than the general fund. The capital fund has since been closed, and its remaining cash balance was transferred to the general fund. Beginning this fiscal year, the loan payment will be made from the general fund.

In FY26, the district's general fund expenditures exceeded revenues by slightly more than \$1 million. That amount did not include the Flightline Center loan payment. Including the payment, the annual shortfall was approximately \$1.25 million.

The Flightline Center contributes to the district's expenses, but it is not the sole cause of our financial challenges. As the Board of Education acknowledged at a public meeting, knowing what we know today would have led to different decisions about the project in 2023 and 2024. At that time, the district's financial outlook was positive, revenues consistently exceeded expenditures, and additional property tax revenue was anticipated as the district reached the 20-mill floor.

Changes to state funding and property tax laws in 2025 substantially changed that outlook. State revenue and anticipated property tax growth have not met earlier expectations.

What is the district doing to address declining enrollment at Franklin Monroe?

Declining enrollment is largely related to changes in the district's demographics. Our population is not growing, and there are no new housing developments bringing additional families into the district.

Our focus is on providing a quality education and strong student services that make Franklin Monroe an attractive choice for families. We currently have more students open enrolling into Franklin Monroe than resident students open enrolling into other districts.

What income is taxed, and how is the levy's estimated revenue determined?

Ohio allows two types of school district income taxes: traditional and earned income. Franklin Monroe currently has a 0.75% traditional income tax. The Board of Education is requesting an

additional 1.25% traditional income tax for five years, which would bring the combined rate to 2% during that period.

A traditional school district income tax generally applies to wages, salaries and net self-employment income, including business and farming profits. It also generally applies to taxable pensions and retirement account withdrawals, interest, dividends, capital gains, rental profits, S corporation profits, unemployment benefits, and lottery or gambling winnings.

An earned income school district tax generally applies only to wages, salaries and net self-employment income, including qualifying business, farming and partnership earnings. Retirement and investment income are excluded. Rental profits are generally excluded unless they qualify as self-employment earnings. S corporation profits are also excluded, although wages paid to shareholders are taxable.

Social Security benefits are not taxed under either type of school district income tax.

Because a traditional income tax applies to more types of income, it generally generates more revenue at the same tax rate. Based on the estimates used for district planning, a 2% traditional income tax at Franklin Monroe would generate approximately the same revenue as a 3% earned income tax.

The district uses revenue estimates provided by the Ohio Department of Taxation for planning purposes.

If the levy fails, could the state become involved in the district's finances?

Ohio has three levels of state fiscal oversight: fiscal caution, fiscal watch and fiscal emergency.

Based on current projections, without additional revenue or spending reductions, the district anticipates reaching fiscal caution sometime next year. The district is committed to taking action before that occurs.

If the levy passes, the additional revenue will help address the projected shortfall. If it fails, the district will make reductions in expenditures to bring spending in line with available resources. Our goal is to maintain financial stability and avoid state fiscal oversight.

How much of the district's spending supports athletics?

The general fund pays the salaries of coaches and the athletic director as well as transportation costs. These costs represent a small share of the district's overall general fund expenditures.

Athletic supplies and equipment, including uniforms, equipment, supplies, and officials are paid for through athletic ticket sales and fundraising by the athletic department or individual teams.