PROP O & PROP H

#OneHowell

Appearing on the **Nov. 3, 2026** Ballot

Francis Howell School District

HOME SCHOOL COMMUNITY

LEARNING TOGETHER

Agenda

- ★ Context
  - School Finance Basics
  - Our Current Reality
- ★ Overview of Prop O and Prop H
- ★ Ballot Language
- ★ Q&A

PROP O & PROP H PRESENTATION

We are here to inform, not advocate.

This presentation is intended solely to educate and inform residents about two questions that will be before voters. These materials are not intended to advocate for or against the ballot measures. Each voter should vote for or against the questions based on their own judgment.

PROP O & PROP H PRESENTATION

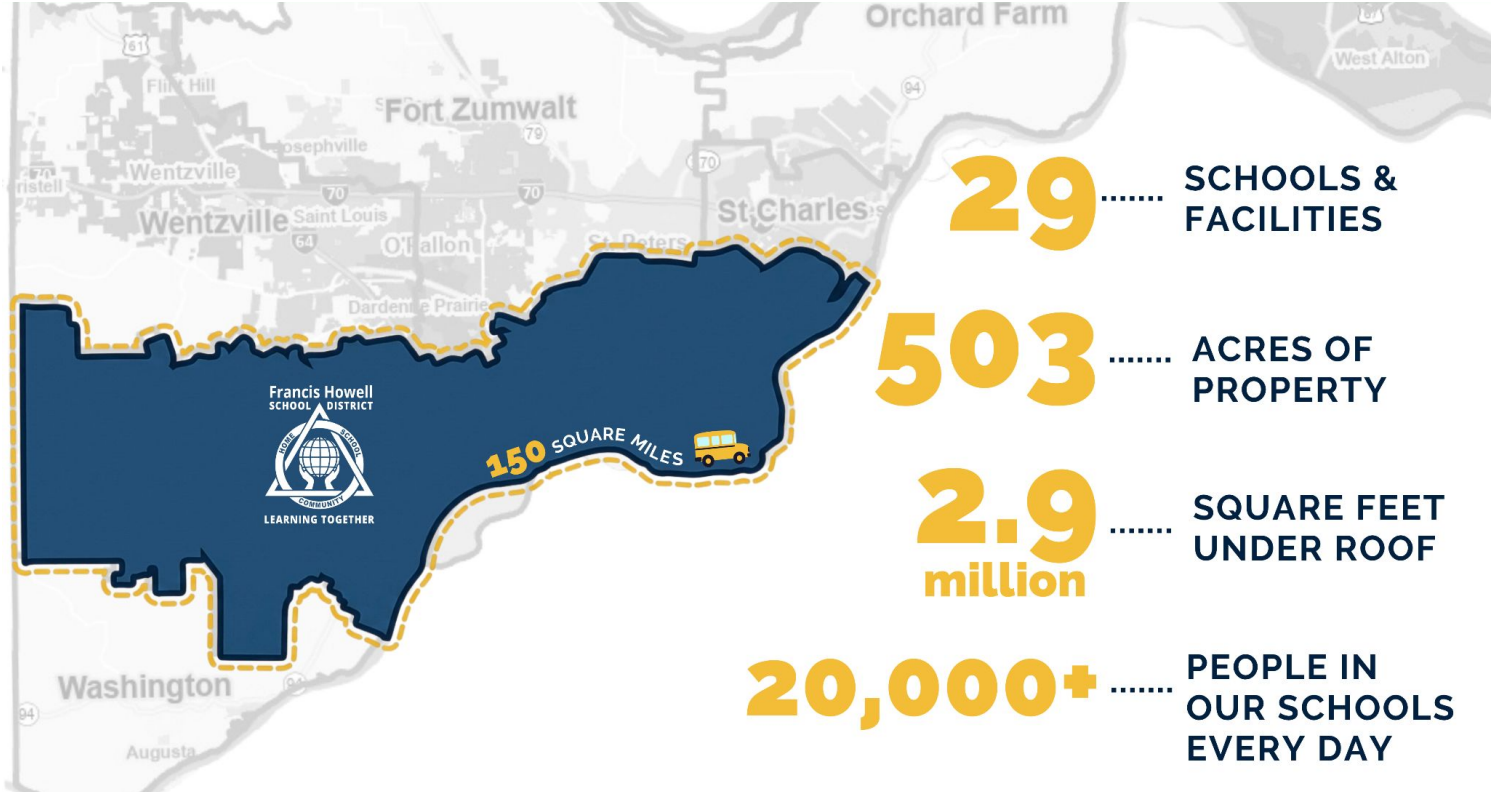
CONTEXT:

FHSD Finance Basics

Francis Howell

- ★ One of the top-performing districts in the state
  - All high schools in Top 5% in Missouri
  - 5 National Blue Ribbon Schools of Excellence
  - 2 National Schools of Character
- ★ Competitive teaching salaries
- ★ Fewer administrators than similar-sized districts
- ★ Higher student-to-teacher ratio
- ★ Lowest per-student expenditure among peer districts
- ★ Preparing students for college, trades and workforce
- ★ Many community and business partnerships

FHSD has a large footprint.



1 ..... FHSD

Francis Howell SCHOOL DISTRICT

HOME SCHOOL COMMUNITY

LEARNING TOGETHER

=

18 ..... BUSCH STADIUMS



At **503** total acres, the **Francis Howell School District** is about the same size as **18 Busch Stadiums**.

7th

LARGEST DISTRICT IN MISSOURI

119,000

TAXPAYERS

Francis Howell SCHOOL DISTRICT

HOME SCHOOL COMMUNITY

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16,500

STUDENTS

6th

LARGEST EMPLOYER IN ST. CHARLES COUNTY





7

BOARD MEMBERS

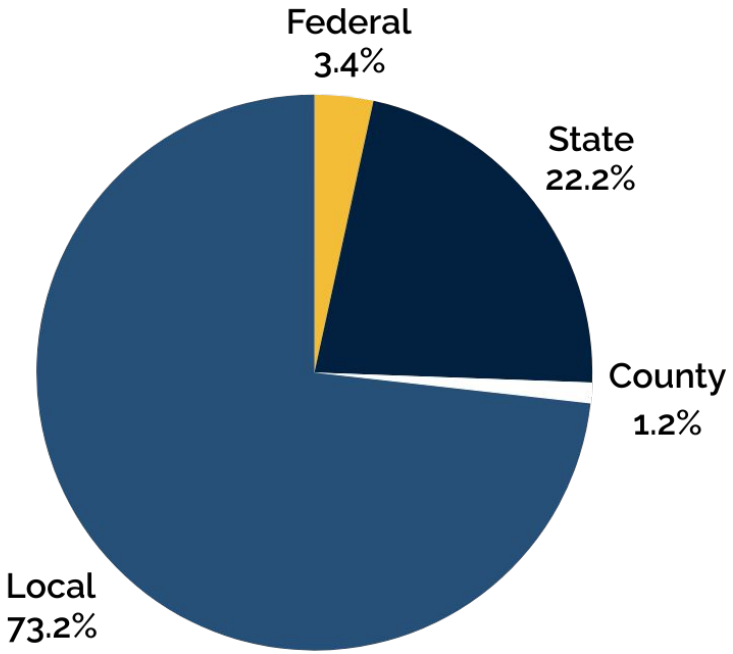
2,400

STAFF

42,000

PARENTS

Where does the money come from?

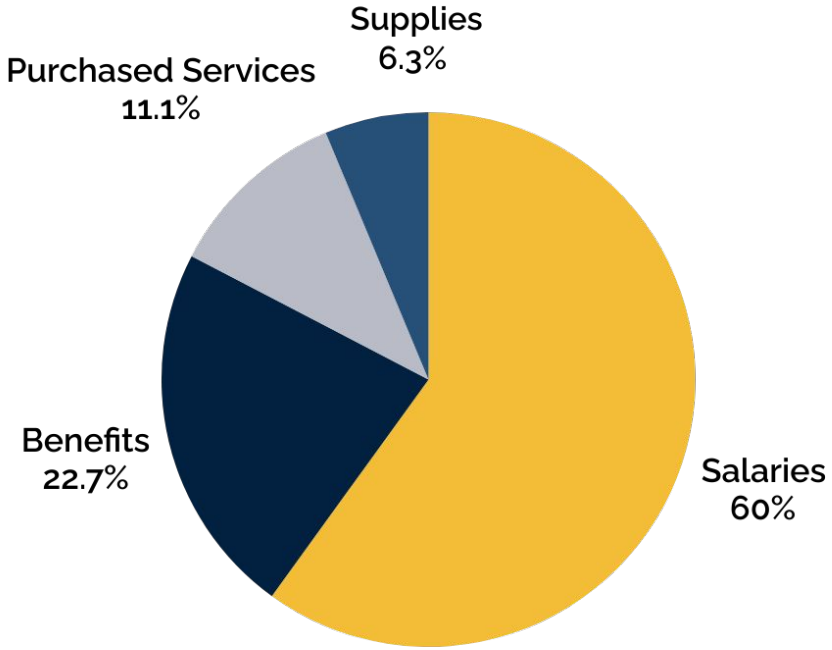


74% of the District's operating revenue comes from local property taxes.

Revenue Sources

All Funds (2025)

Where does the money go?



Salaries and benefits make up more than 80% of FHSD's expenditures.

Expenditures

Operating Fund

Missouri Fund Requirements

School funds must be spent according to specific rules.

"Operating Funds"



General Fund

- Staff salaries & benefits
- Learning materials & supplies
- Student transportation
- Services
- Furniture & equipment under $5K



Teacher Fund

- Teacher salaries & benefits
- Tuition for special programs (CAPS, Lewis and Clark, Center for Autism, etc.)



Capital Fund

- Construction, renovations
- Facility improvements (bond projects & regular capital projects)
- Lease purchase agreements (buses, technology, etc.)
- Large capital purchases over $5K

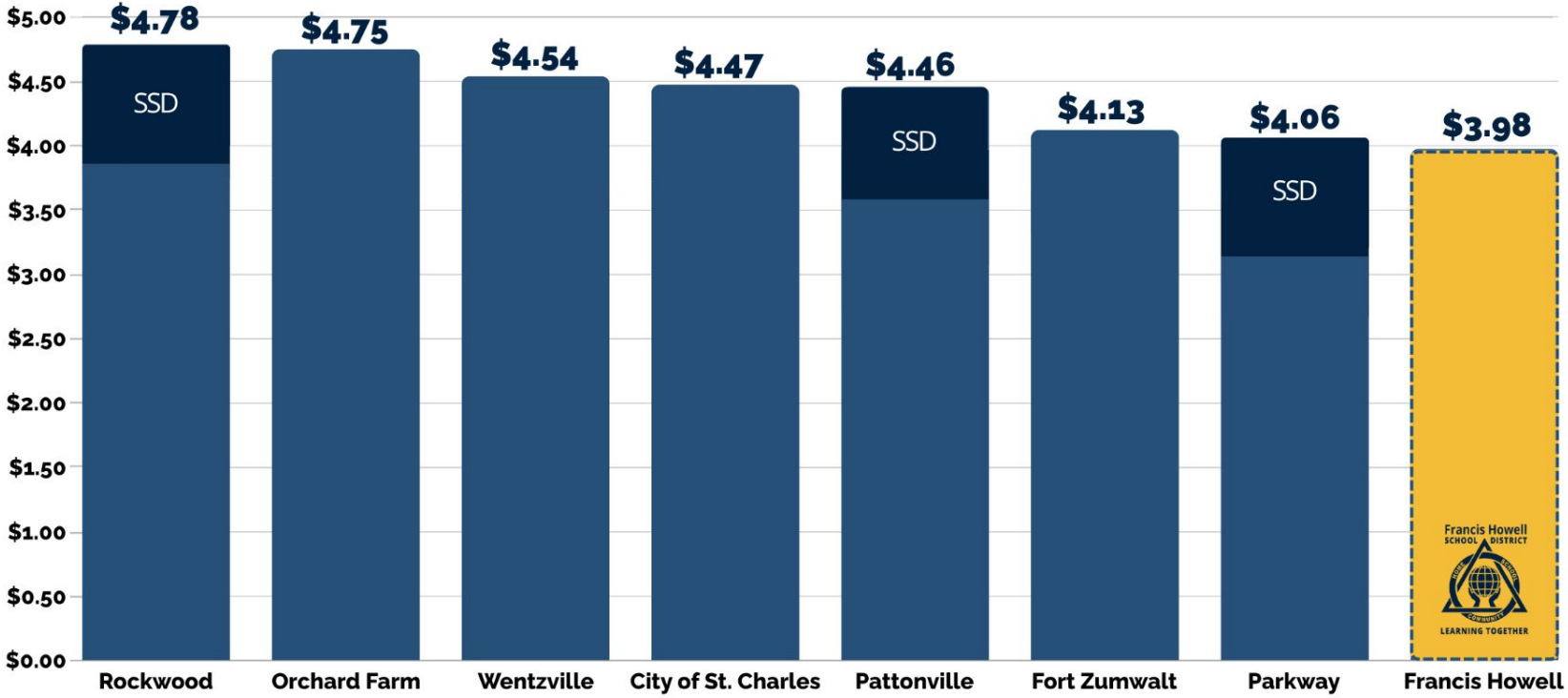


Debt Service Fund

- Long-term debt payments

Total Tax Rate Comparison

with Special School District (SSD)



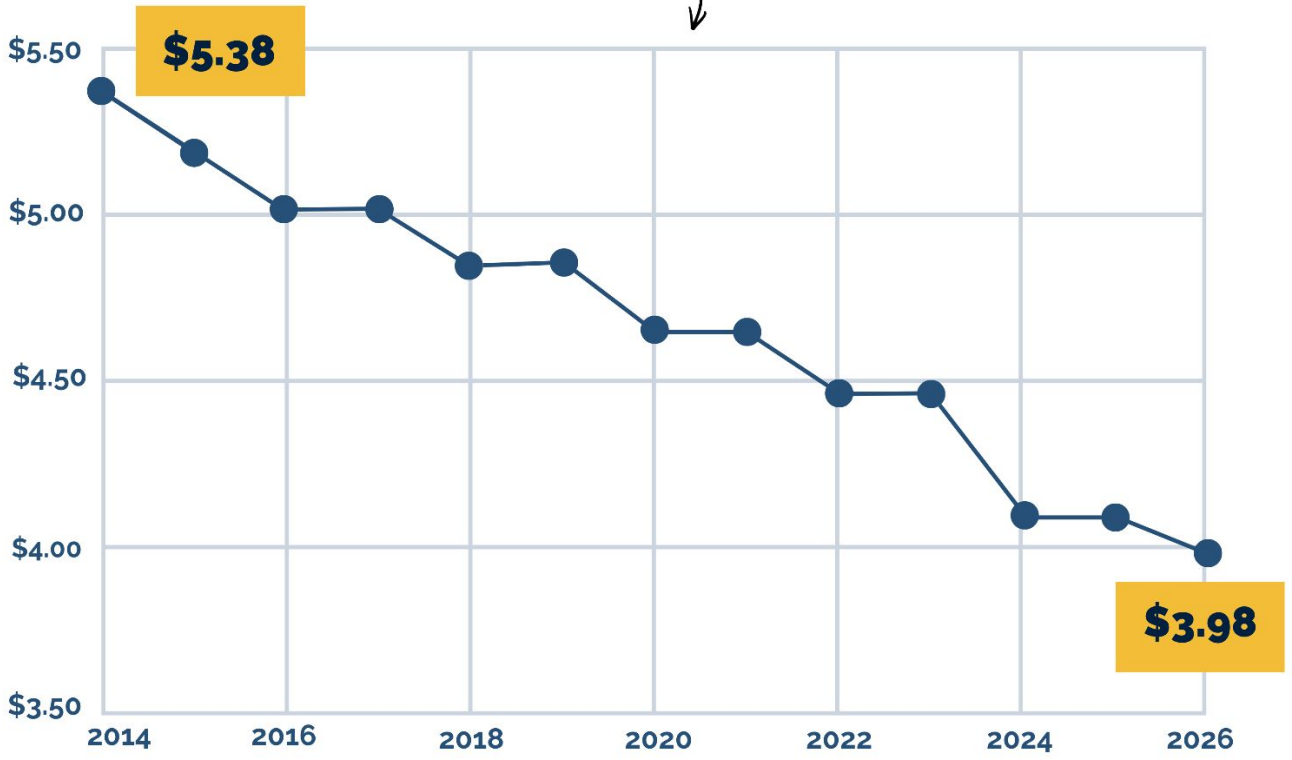
The total tax rate shown for St. Louis County school districts includes the $0.90 levy paid to Special School District.

Source: Missouri Comprehensive Data System (2025)

FHSD Tax Rate History

Our tax rate is lower today than it was a decade ago.

The **Hancock Amendment** prevents school districts from collecting a revenue "windfall."



The Hancock Effect

Our **Revenue Growth** is based on the **LOWEST** of AV Growth, CPI (inflation), or 5%.

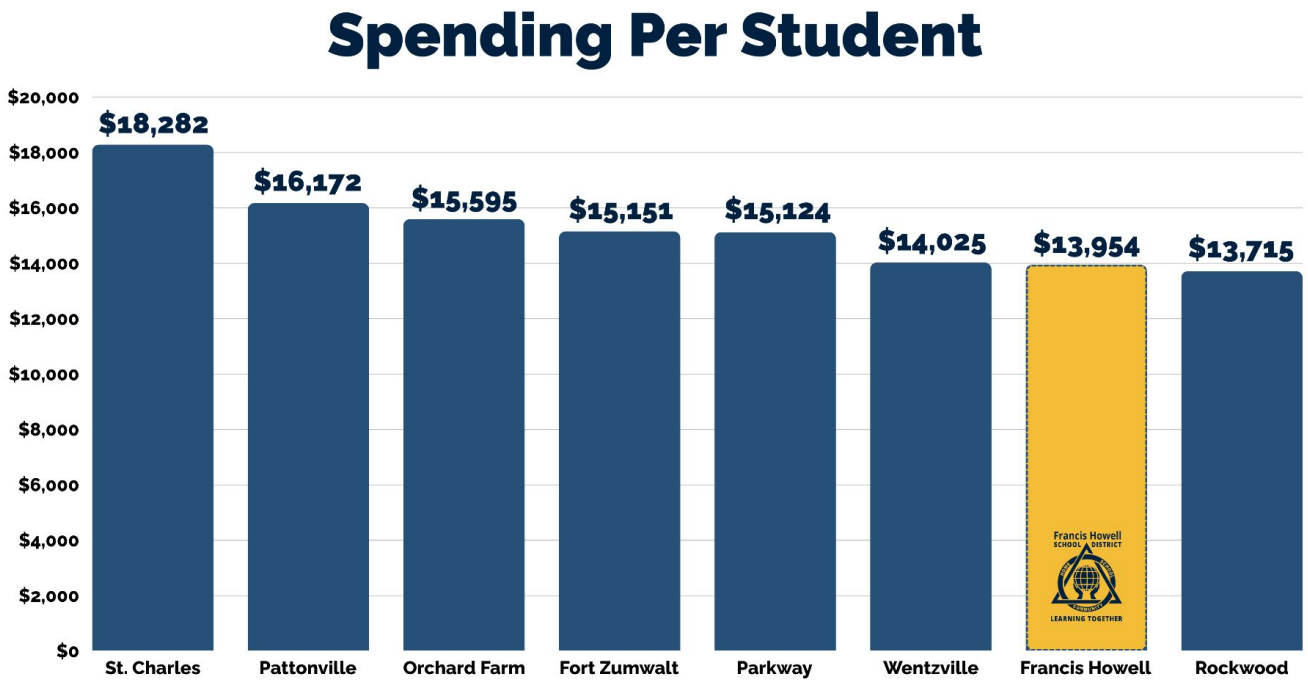
Tax Year	AV Growth	OR	CPI	OR	5% →	Actual FHSD Increase
2026	**0.23%**		2.7%		5%	0.23%
2025	6.50%		**2.9%**		5%	2.9%
2024	**-0.92%**		3.4%		5%	0.0%
2023	16.50%		6.5%		**5%**	5%
2022	**0.12%**		7.0%		5%	0.12%
2021	6.52%		**1.4%**		5%	1.4%
2020	**0.15%**		2.3%		5%	0.15%
2019	7.47%		**1.9%**		5%	1.9%
2018	**0.23%**		2.1%		5%	0.23%
2017	6.56%		**2.1%**		5%	2.1%
2016	**0.25%**		0.7%		5%	0.25%

Table reflects Operating Revenue.

The Hancock Amendment caps our revenue growth.

There is not a similar legislative mechanism to cap our expenses.

Return on Investment



Source: Missouri Comprehensive Data System (2025)

FHSD has 2nd lowest spending among peers.

Last Operating Levy Increase: 2004

NAME	ELECTION DATE	PUPOSE	RESULT
Prop S	June 2020	$244M zero-tax-rate-increase bond issue	PASSED
Prop Learn	April 2018	48¢ operating levy increase	FAILED
Prop Howell	November 2016	60¢ operating levy increase	FAILED
Prop Y	August 2015	90¢ operating levy increase	FAILED
Prop B	November 2008	$78.5M zero-tax-rate-increase bond issue	PASSED
"Operating Levy"	April 2004	89¢ operating levy increase	PASSED

2004

22 YEARS AGO

The last time FHSD had an operating levy increase that passed.

Here's what was happening in 2004.

Federal minimum wage
$5.15 per hour

The St. Louis Cardinals went to the World Series

NASA rovers landed on Mars

Gas averaged about
$1.71 per gallon

Kindergarteners who started school in 2004 are almost 30 years old today. Some may now have children of their own attending **FHSD**.

F·R·I·E·N·D·S aired its series finale

Gmail launched and you needed an invitation to join

Facebook launched as "TheFacebook" for Harvard students

iPhones, YouTube or Twitter did not exist yet.

PROP O & PROP H PRESENTATION

CONTEXT:
Our Current Reality

CURRENT REALITY

RISING COSTS

- **18%** increase in fuel costs
- **21%** increase in health insurance
  - **$15M** cash infusion to stabilize health fund
- **$4M** cost-of-living raise

Recent cost-cutting measures have resulted in more than $8.6M in savings.

Additional reductions will impact our ability to maintain quality schools.

REVENUE

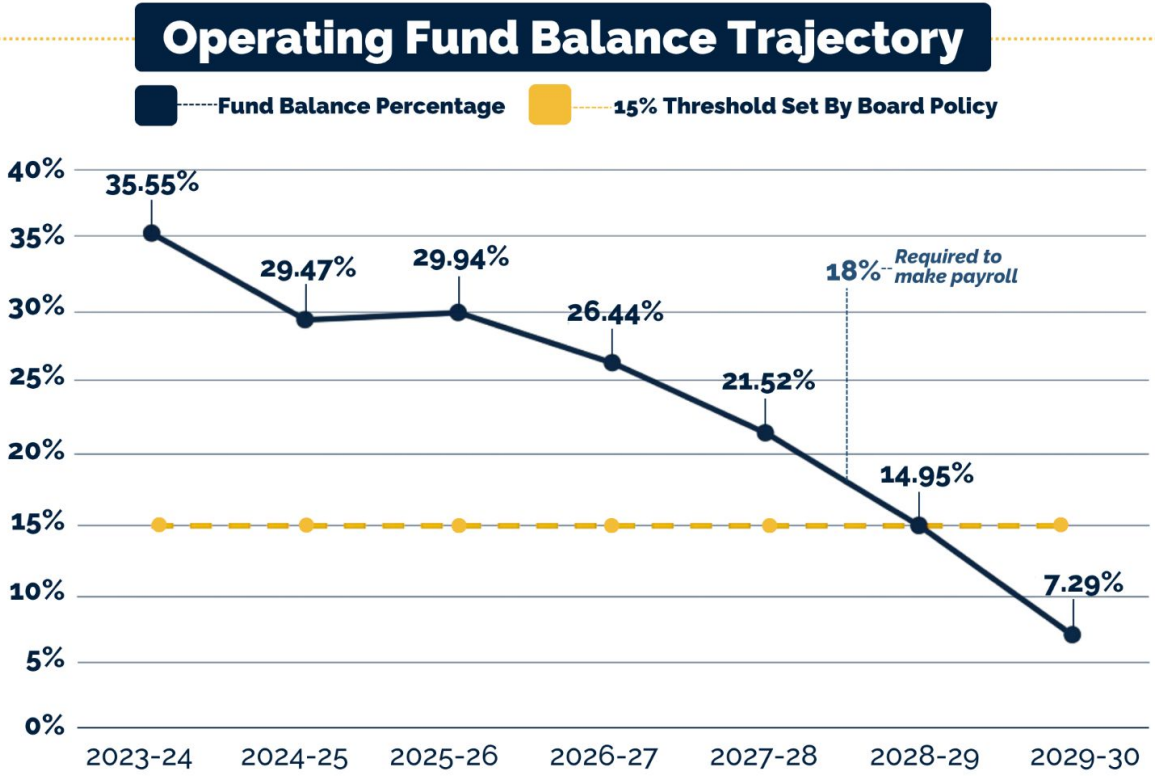
- **$7.6M** impact of partially funded state Foundation Formula (FY26 & FY27)
- **$1,033,387** impact of senior property tax freeze (FY26)

While revenue has increased, it is not projected to keep pace with rising costs.

Uncertainty at the state level (rewriting the Formula) and local level (tax reform initiatives) is an ongoing concern.

Projected FY27 Budget Deficit:

$2.6M



The path we're on is not sustainable.

We are not alone.

UPCOMING & RECENT BALLOT ISSUES	
Fort Zumwalt	Prop 1: $90M Bond Issue (Nov. 2026)
Orchard Farm	Prop T: $23M Bond Issue (Nov. 2026)
Parkway	Prop P: $0.46 Operating Increase (Nov. 2026)
Wentzville	Prop O: $185M Bond Issue (Aug. 2026)
Hazelwood	Prop H: Levy Transfer (Aug. 2026)
Clayton	Prop O: $135M Bond Issue (April 2026)
Rockwood	Prop S: $0.45 Operating Increase (Nov. 2025)

Other local districts are pursuing ballot initiatives in November 2026 or recently placed an issue before voters.



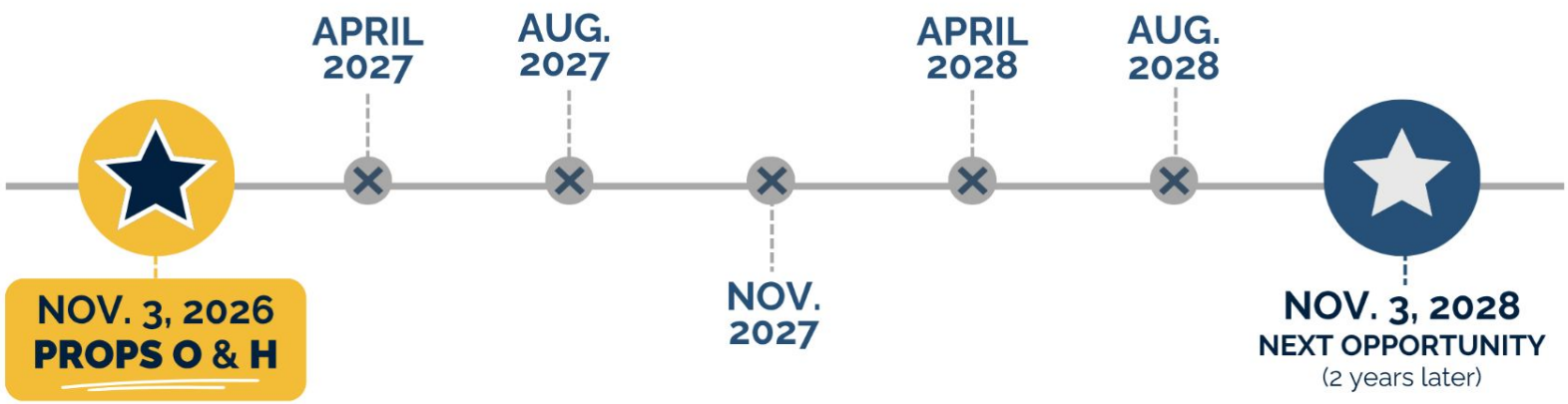
Two Issues. Zero-Tax-Rate-Increase.

WHY NOVEMBER 2026?

State law now limits when FHSD can ask voters to consider ballot measures.

SB 1002 requires tax and bond proposals for school districts in St. Charles County to be presented at the **November** general election in even-numbered years.

Took effect Aug. 28, 2026



New legislation restricts school districts in St. Charles County to November ballot issues in even-numbered years. April and August elections are no longer an option.

About Prop O

12.5 ¢
Levy Transfer

Requires voter approval to transfer levy from Debt Service Fund to Operating Fund

ZERO
Zero-Tax-Rate Increase

Increases operating levy by 12.5¢ and reduces debt service levy by same amount. Overall tax rate stays the same

50% + 1
Approval to Pass

Requires a simple majority (50% plus 1 "yes" vote) to pass

$5.5 M
Operating Support

Makes $5.5 million available each year for staff salaries, benefits and student learning

Not new money or more money. Just shifting the levy from one account to another.

UNDERSTANDING THE LEVY TRANSFER



12.5¢
Transfer



DEBT SERVICE FUND

Pays off old bond debt

OPERATING FUND

Pays for salaries and learning

Reduce Debt Service Levy **−12.5¢**

=

Increase Operating Levy **+12.5¢**

Total Tax Rate Stays the Same! **NOT A TAX RATE INCREASE.**

About Prop H

$150 M
Bond Issue

District seeks voter permission to borrow $150 million for safety and facility improvements

ZERO
No-Tax-Rate Increase

The tax rate stays exactly the same at 67 cents per $100 of assessed value

57%
Approval to Pass

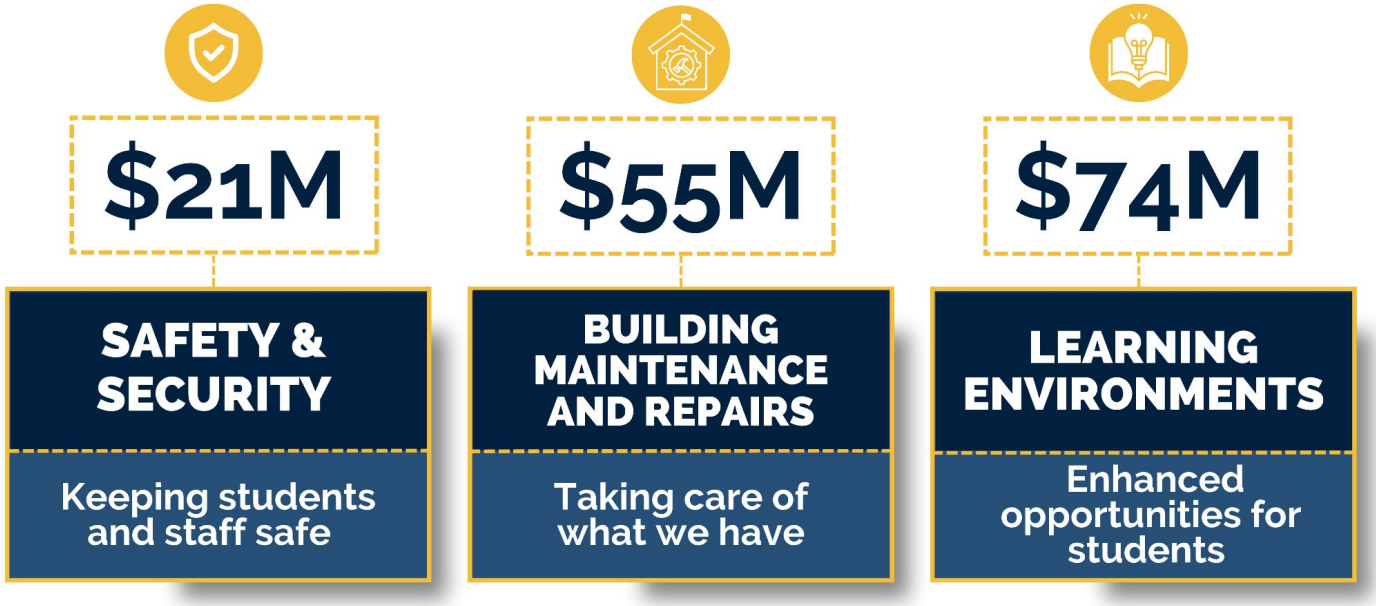
Bond issues require 57.14% voter approval to pass on Election Day (Nov. 3)

5 Years
Extends Payments

Does not change the overall tax rate, but extends debt repayment schedule by 5 years

The Capital Budget alone is not sufficient to support facility needs.

Prop H Priorities

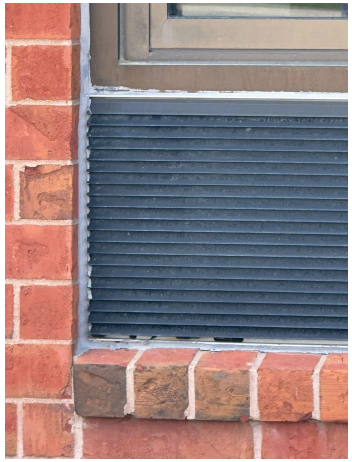


Prop H is about maintaining & improving existing buildings, not constructing new ones.

Building Envelope (Masonry, Windows, Doors, etc.)













Site Conditions (Drainage, Paving, Fencing, etc.)









Interior Finishes (Ceilings, Floors, Doors, Casework, etc.)

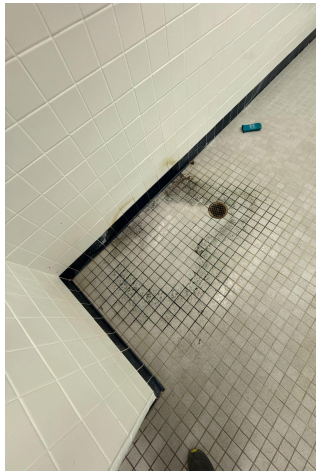










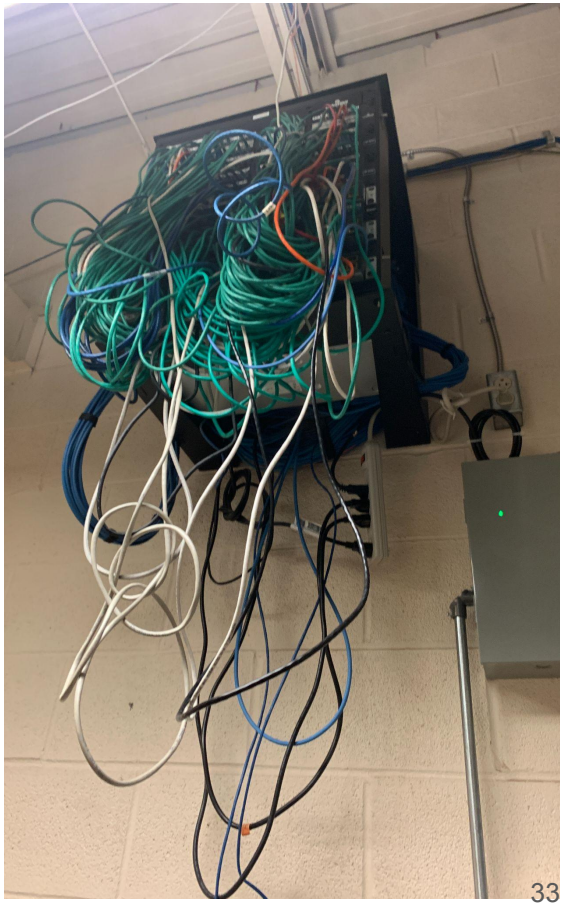


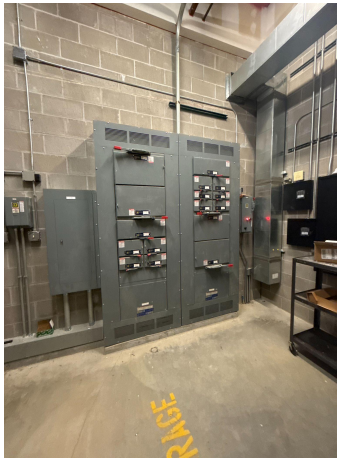
Building Systems (HVAC, Electrical, Plumbing, etc.)













Learning Environment Improvements





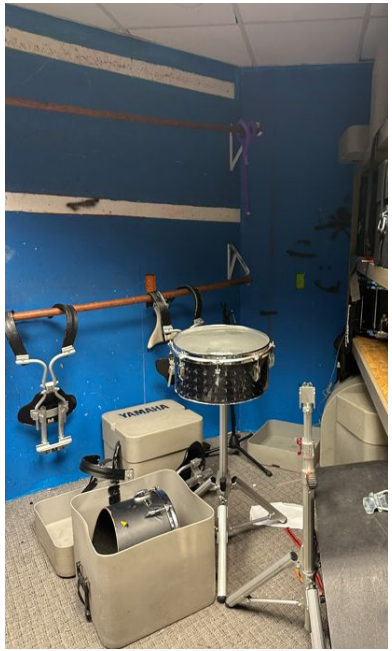




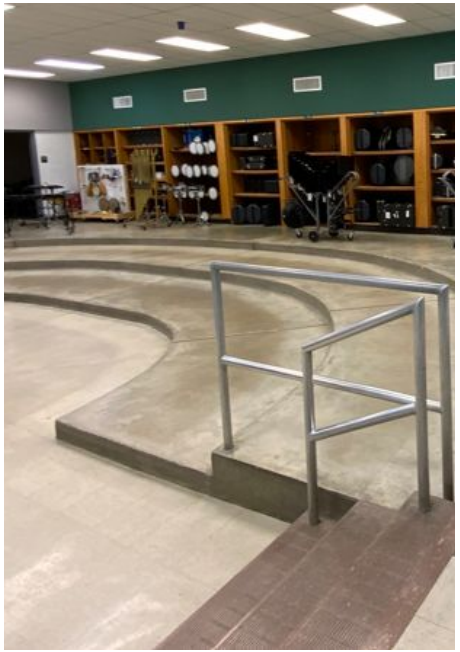
Woodshops | Culinary Spaces | Science Labs | FACS Classrooms

Learning Environment Improvements







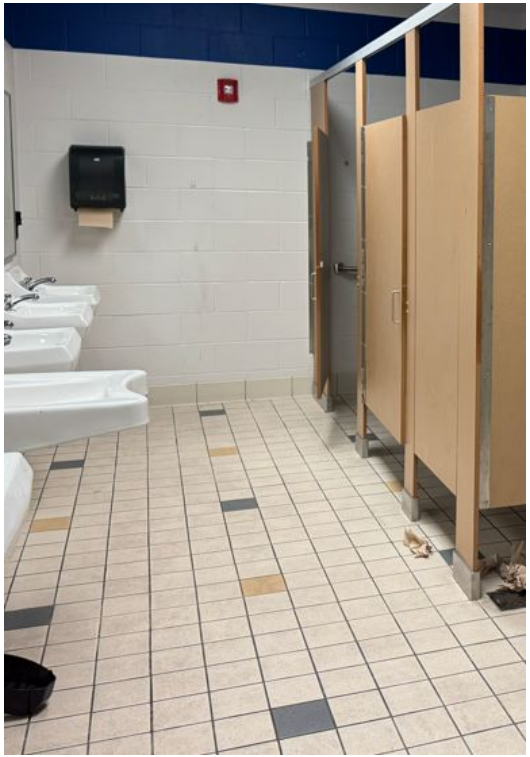


Band | Choir | Music | Drama Classrooms

Learning Environment Improvements













Locker Rooms | Weight Rooms | Baseball Fields

Learning Environment Improvements

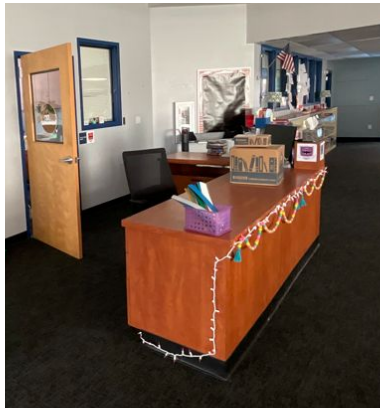


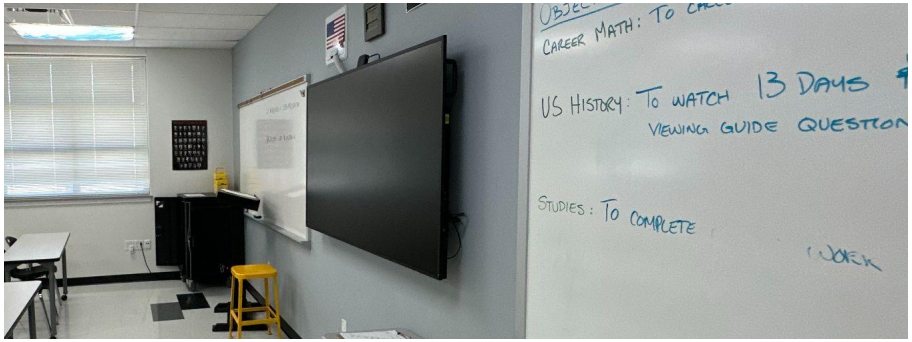








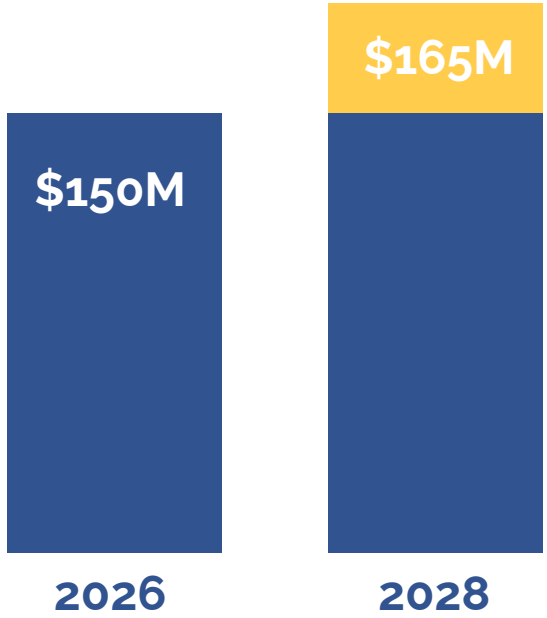




Library Media Centers | Classroom Technology

Cost Escalations

Due to inflation, construction and renovation projects get more expensive with time. The cost to wait could be $15M+.



PROP O & PROP H PRESENTATION

OFFICIAL BALLOT LANGUAGE

PROP O
BALLOT LANGUAGE

Mentions an operating tax increase, but it is important to keep reading through the second paragraph where the corresponding decrease is shown, resulting in no increase to the overall tax levy.

FRANCIS HOWELL R-III SCHOOL DISTRICT

Shall the Board of Education of the Francis Howell R-III School District, St. Charles County, Missouri be authorized to **increase the operating tax levy** ceiling to $3.4306 per $100 of assessed valuation of real and personal property according to the 2027 assessment and to use such funds to provide for **general operating costs, including increasing employee compensation to attract and retain quality faculty and staff**?

If this question is approved, it is expected to result in **no increase to the overall tax levy** of the District as the operating tax levy is estimated to increase by $0.1250 per $100 of assessed valuation and the debt service tax levy is estimated to **decrease by the same amount**.

YES NO

Shows how the **zero-tax-rate-increase** is possible: the debt service levy will decrease by the same amount that the operating tax increases. Prop O asks for voter permission to shift levy from one account to another; it does not seek additional taxpayer dollars.

Shows the intended use of funds

Clarifies that the overall tax rate will not increase

PROP H

BALLOT LANGUAGE

FRANCIS HOWELL R-III SCHOOL DISTRICT

Shall the Board of Education of the Francis Howell R-III School District, St. Charles County, Missouri, borrow money in the amount of one hundred fifty million dollars ($150,000,000) **for the purpose of constructing, repairing, renovating, expanding, improving, furnishing and equipping school and district facilities,** including, but not limited to: (1) repairing or replacing failing and aging roofs, windows, mechanical and electrical systems, HVAC, sidewalks and parking lots; (2) enhancing safety and security systems; (3) improving traffic flow and campus access; (4) expanding and modernizing instructional spaces and career and technical education facilities; (5) renovating and upgrading learning environments and student support spaces; and (6) addressing accessibility infrastructure, and issue general obligation bonds for the payment thereof?

If this proposition is approved, it is estimated that the District's debt service tax levy will remain unchanged at $0.6713 per $100 of assessed valuation of real and personal property and the District's total tax levy will not increase.

◯ **YES** ◯ **NO**

Shows the intended use of funds

Indicates that the District's tax rate will not increase

PROP O & PROP H PRESENTATION

FREQUENTLY ASKED QUESTIONS



Will my taxes go up?

Same Tax Rate. No Change.



Higher tax bills may be due to economic factors, higher assessed property values, home improvements and renovations, loss of exemptions or credits, or increases in levies from other taxing entities.



How is Prop H different from the previous proposition?

Prop S vs. Prop H

PROP S (2020)

- **$244 Million**
- **Larger, more complex projects**
  - Construction of a new high school
  - Significant additions and storm shelters at several schools
  - New bus garage

PROP H (2026)

- **$150 Million**
- **Focus is on maintaining and improving existing facilities**
  - Roof repairs
  - Heating and cooling systems
  - Paving and sidewalks
  - Safety improvements
  - ADA improvements
  - Upgrades to science labs, performing arts spaces and libraries

Changes since Prop S

- Revised four policies related to construction contracts and bonds
- Future construction work cannot begin until the full cost of the project is known
- Board must approve all changes prior to bid
- Internal oversight of construction projects
- Monthly bond report shared with Board and community
- Added purchasing manager position

Changes in policy and procedures will prevent similar issues.

NEW PROCESS FOR LARGE-SCALE PROJECTS:

Board has 5 opportunities to review prior to bid

STEP 1

BOARD GIVES APPROVAL TO EXPLORE

STEP 2

INITIAL DESIGN DEVELOPMENT

STEP 3

SCHEMATIC DESIGN

STEP 4

DESIGN DEVELOPMENT

STEP 5

CONSTRUCTION DOCUMENT

STEP 6

BID PROJECT



How will senior citizens be impacted?

Seniors eligible for the Senior Tax Freeze may actually save money.



NOT FROZEN
for eligible seniors

Debt Service Levy will be reduced to $0.54 if Prop O passes

FROZEN
for eligible seniors

By moving debt service funds to the operating budget, those funds become eligible for the senior tax freeze.



Didn't we just have a bond issue? Why are you asking for more?

COST COMPARISON

Schools require regular maintenance and repairs - just like your home, but on a much larger scale.

	2,000 Sq. Ft. Home	Average Sized School
Roof replacement	$18,000 - $22,000	$700,000 - $1.2M
HVAC system	$13,000 - $18,000	$1.5M - $3M
Door replacement	$8,000 - $12,000	$125,000 - $225,000
Window replacement	$15,000 - $30,000	$200,000 - $500,000
Parking lot / driveway replacement	$5,000 - $10,000	$500,000 - $1M
Security cameras / access control system	$2,000 - $4,000	$300,000 - $400,000

Source: Hollis + Miller (Historical Missouri / Midwest Educational Facility Bid Data & Market Projections)
Hard costs only; 2026 estimates.

The Capital Budget alone is not sufficient.

$248 Million

Needs identified in 2025 Facility Master Plan

$2.8 Million

Generated annually for the Capital Budget from the tax levy

$5 Million

Annual transfer from Operating Budget to Capital Budget

LOCAL DISTRICTS WITH MULTIPLE BOND ISSUES IN RECENT YEARS

Fort Zumwalt	Prop 4 (**2022**, $125M) >> Prop 1 (**2026**, $90M)
Wentzville	Prop E (**2018**, $125M) >> Prop C (**2020**, $105M) >> Prop O (**2026**, $185M)
Orchard Farm	Prop E (**2024**, $72M) >> Prop T (**2026**, $23M)
Parkway	Prop S (**2018**, $120M) >> Prop S (**2022**, $265M)

Bond issues every 5-7 years are common to maintain schools and facilities.



How much money can the District borrow and can we afford the payments?

FHSD Bonding Capacity

15%

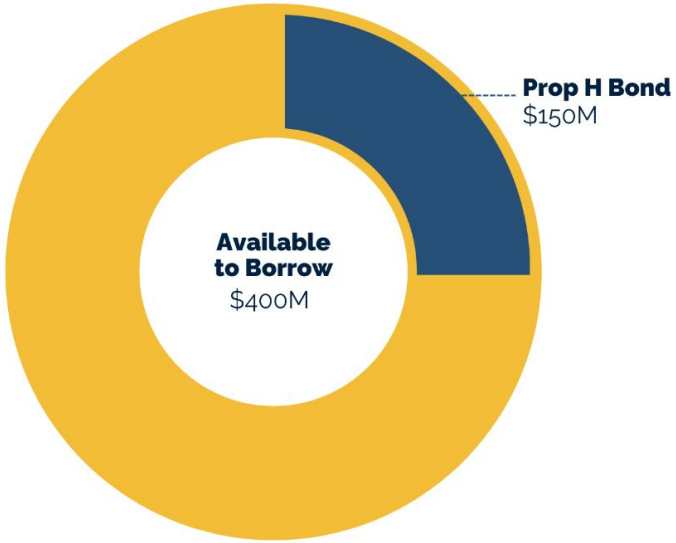
Statutory Limit of Assessed Value

Missouri school districts are legally allowed to borrow 15% of their Assessed Value.

$640M+

Total Debt Capacity

FHSD maintains exceptional financial health with more than $400 million available for future investments.



Debt Payments

Actual Annual AV Growth Over Last 20 Years	Actual Annual AV Growth Over Last 10 Years	Assumed Annual AV Growth Over Next 20 Years
3.7%	6%	3.5%

A cash flow model prepared by Piper Sandler shows that a reduced debt service levy of $0.5463 will be sufficient to meet payment obligations for existing debt and new bonds (Prop H).

Annual debt payments range from $14M to $35M over the life of the bonds. By law, school districts can hold two years of payments in the account as reserves.



What cuts has the District made?

Cost-Saving Measures

$8.6 million in reductions and efficiencies

Interest Savings from Early Debt Payments *(debt service)*	**$3.8M**
Bell Time Changes (for busing efficiencies)	**$1.4M***
Reduction in Employee Health Insurance Benefits	**$1.3M***
1-Mile Walk Rule Savings	**$1.2M***
Chromebook Distribution Model (1-to-1 vs. classroom carts)	**$300,000**
Administrator Reductions	**$250,000***
Early Childhood Program Restructuring	**$200,000***
Energy Consumption Reductions	**$192,000**

* *Ongoing savings*



What will happen if the propositions pass and what will happen if they fail?

If Prop O & Prop H pass...

- $5.5 million available in operating budget:
  - Maintain student programs and opportunities
  - Deliver future raises to teachers and staff
  - Limit health insurance premium increases
  - Prop O alone will not correct the downward trend in fund balance; additional cost-saving measures are needed
- Critical facility needs will be addressed
- Debt payment schedule extended by five years

The tax rate <u>will not change</u> based on the outcome of the election.

If Prop O & Prop H do not pass…

- Additional expense reductions, which could include:
  - Salary and hiring freezes
  - Health insurance premium increases
  - Staffing reductions
  - Higher class sizes
  - Reductions in student programming and activities
  - Changes to bus transportation
- Delaying school repairs and safety improvements
- Future bond issue (earliest Nov. 2028)
  - Project costs estimated to increase by $15M

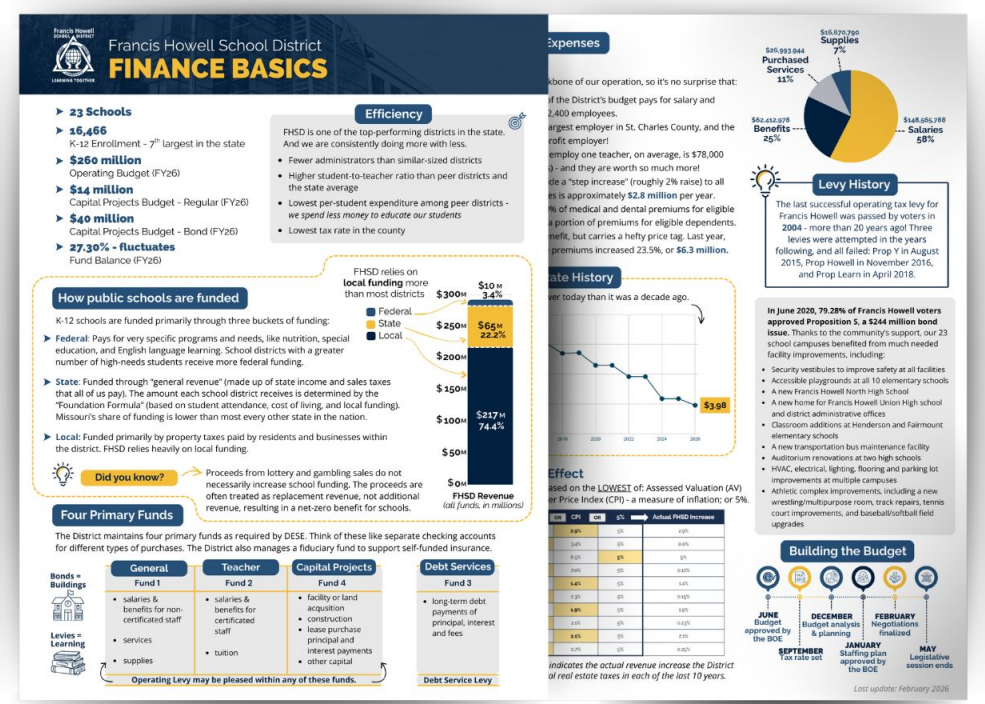
The tax rate will not change based on the outcome of the election.

Handouts

School Finance Basics *(link)*

Prop O/H Fact Sheet *(link)*

Prop H Bond Projects *(binder)*



Francis Howell School District
FINANCE BASICS

- 23 Schools
- 16,466 K-12 Enrollment - 7th largest in the state
- $260 million Operating Budget (FY26)
- $14 million Capital Projects Budget - Regular (FY26)
- $40 million Capital Projects Budget - Bond (FY26)
- 27.30% - fluctuates Fund Balance (FY26)

Efficiency

FHSD is one of the top-performing districts in the state. And we are consistently doing more with less.

- Fewer administrators than similar-sized districts
- Higher student-to-teacher ratio than peer districts and the state average
- Lowest per-student expenditure among peer districts - *we spend less money to educate our students*
- Lowest tax rate in the county

How public schools are funded

FHSD relies on **local funding** more than most districts

K-12 schools are funded primarily through three buckets of funding:

- **Federal**: Pays for very specific programs and needs, like nutrition, special education, and English language learning. School districts with a greater number of high-needs students receive more federal funding.
- **State**: Funded through "general revenue" (made up of state income and sales taxes that all of us pay). The amount each school district receives is determined by the "Foundation Formula" (based on student attendance, cost of living, and local funding). Missouri's share of funding is lower than most every other state in the nation.
- **Local**: Funded primarily by property taxes paid by residents and businesses within the district. FHSD relies heavily on local funding.

Federal $10M 3.4%
State $65M 22.2%
Local $217M 74.4%
FHSD Revenue (all funds, in millions)

Did you know? Proceeds from lottery and gambling sales do not necessarily increase school funding. The proceeds are often treated as replacement revenue, not additional revenue, resulting in a net-zero benefit for schools.

Four Primary Funds

The District maintains four primary funds as required by DESE. Think of these like separate checking accounts for different types of purchases. The District also manages a fiduciary fund to support self-funded insurance.

	General Fund 1	Teacher Fund 2	Capital Projects Fund 4	Debt Services Fund 3
Bonds = Buildings			• facility or land acquisition • construction • lease purchase principal and interest payments • other capital	• long-term debt payments of principal, interest and fees
Levies = Learning	• salaries & benefits for non-certificated staff • services • supplies	• salaries & benefits for certificated staff • tuition		

Operating Levy may be pleased within any of these funds.

Debt Service Levy

Expenses

Supplies $10,070,790 7%
Purchased Services $20,993,944 11%
Benefits $62,412,978 25%
Salaries $148,565,788 58%

Levy History

The last successful operating tax levy for Francis Howell was passed by voters in **2004** - more than 20 years ago! Three levies were attempted in the years following, and all failed: Prop Y in August 2015, Prop Howell in November 2016, and Prop Learn in April 2018.

In June 2020, 79.28% of Francis Howell voters approved Proposition S, a $244 million bond issue. Thanks to the community's support, our 23 school campuses benefited from much needed facility improvements, including:

- Security vestibules to improve safety at all facilities
- Accessible playgrounds at all 10 elementary schools
- A new Francis Howell North High School
- A new home for Francis Howell Union High school and district administrative offices
- Classroom additions at Henderson and Fairmount elementary schools
- A new transportation bus maintenance facility
- Auditorium renovations at two high schools
- HVAC, electrical, lighting, flooring and parking lot improvements at multiple campuses
- Athletic complex improvements, including a new wrestling/multipurpose room, track repairs, tennis court improvements, and baseball/softball field upgrades

Building the Budget

JUNE Budget approved by the BOE
DECEMBER Budget analysis & planning
FEBRUARY Negotiations finalized
SEPTEMBER Tax rate set
JANUARY Staffing plan approved by the BOE
MAY Legislative session ends

Last update: February 2026



OTHER QUESTIONS?

Francis Howell School District

HOME SCHOOL COMMUNITY

LEARNING TOGETHER



Two Issues. Zero-Tax-Rate-Increase.