

Robin Klenk, Treasurer

ASSUMPTIONS

Recent legislation adopted by the Ohio General Assembly, including House Bills 186, 335, 129, and 309, introduces new limits and adjustments to how property tax revenues are calculated and collected by school districts, with the intent of moderating revenue growth associated with rising property values.

These changes are still in the process of being implemented. The Ohio Department of Taxation is continuing to work through the technical and administrative details of the new laws, and county auditors are awaiting guidance and certified tax rates before final impacts can be communicated to school districts. In addition, several of these bills were enacted in close succession, and questions remain regarding how certain provisions interact with one another. Further guidance or technical changes may be needed as implementation continues.

Accordingly, revenue assumptions reflect the best information available at the time of this forecast and may be revised as additional guidance, certified rates, or statutory changes occur.

The Board of Education and administration regularly review financial forecasts and compare projected revenues to actual results to ensure resources remain aligned with educational priorities, operational needs, and long-term financial stability. While these evolving changes present planning challenges, the District remains committed to transparency, thoughtful fiscal management, and strong stewardship of community resources.

REVENUES:

1.010 Property Tax – This forecast assumes just over a 2% increase to real estate in Fiscal Year 26 and moving forward projected increases of just 2%. FY25 is displaying a higher increase due to the county reappraisal. With changes to law, our district's real estate increases are capped at the current inflation rate, set by the State of Ohio.

1.020 Tangible Personal Property Tax – This area encompasses taxes paid by corporations in which they operate a public utility within the school district. Public utilities subject to taxation on their tangible personal property include electric, rural electric, natural gas, pipeline, water works, water transportation, heating, and telegraph companies. Fiscal Year 2025 came in just over 10% compared to the prior fiscal year. We are bracing for the

potential impacts of HB15 and what that might mean for local public utility taxes going forward. We have forecasted a 2% increase here moving forward.

1.035 Unrestricted Grants-in-Aid This line encompasses the unrestricted state funding from DEW. Based on current enrollment we anticipate a 1.39% increase in state funding for FY26. We do not anticipate a sudden loss in enrollment, so we are looking at our state funding to be relatively flat through the life of this forecast. The current Fair School Funding formula does not take into account for current financial inputs, to determine the current cost to educate and student and when factoring for the current state share of revenue the state is looking at new valuations of the district, rather than looking at the inflationary reduction value that has been brought on by HB186.

1.040 Restricted Grants-in-Aid This line encompasses our restricted funding from ODE, including Career Technical funding, DPIA, English Language Learners, Wellness, Gifted, and other miscellaneous restricted funding.

1.050 Property Tax Allocation – The property tax allocation or homestead and rollback receipts include a 10% property tax rollback for all real property tax owners. An additional 2.5% rollback was enacted for owner occupied homes. These tax credits are reimbursed to the school districts. HB 6 eliminated the rollback for business real estate. As home values have increased, we have seen an increase to this line item. We expect this amount to hold steady in years where we do not have an update or county reappraisal. Our County Commissioners recently agreed to increase the amount of Homestead / Rollback for local taxpayers. While this is a great option to lower taxes, this will cost all municipalities across the county. We anticipate a loss of just over \$32,000 once fully phased in.

1.060 All Other Revenues – This category encompasses a number of revenue sources, including incoming tuition, interest income, among other receipts.

EXPENDITURES:

3.010 Personal Services – We have forecasted salaries and wages based upon our anticipated and already negotiated union contracts within the district. We will see a slight reduction in staff costs this fiscal year, due to some staff turnover.

3.020 Employees' Retirement/Insurance Benefits – Fringe benefits are based upon two main categories, required retirement contributions and employee medical, dental, vision, and life insurance offerings. Medical insurance premiums have been one of the district's largest expenses in recent years and we anticipate increases through the life of the forecast. We project a 5% increase on insurance costs for FY26, as these have been approved in conjunction with our consortium.

3.030 Purchased Service – This line encompasses services that the district utilizes in the everyday educational setting. Items include utilities, educational service center offerings, tuition paid to other school districts, College Credit plus, and more. Half of the SRO contract was

added back to the General Fund in FY25 as ESSER dollars were used up. The remaining balance of the SRO contract will come out of other Federal grant dollars.

3.040 Supplies & Materials - All textbooks come from this account. CCP textbooks are also an additional cost to this category which it is hard to determine what those costs will be. In FY26 we have placed money in the forecast for curriculum purchases.

3.050 Capital Outlay –This line encompasses purchases that have a useful life of over 5 years. We have also budgeted funds in this line item to replace outdated technology, such as district computers. The district has also anticipated the purchase of 1 school bus per year from this expense category. This year we added new furniture, auditorium upgrades, Chromebooks, additional district lighting, and more.

4.300 Other Objects – We expect nominal increases due to inflation in this area. Also, with our increased property tax collection over the life of the forecast, we should also see our property tax collection fees increased proportionately.

5.010 Operating Transfers-Out This category includes transfers to our Capital Projects fund. We anticipate transfers to these funds as the budget allows. The Crestview Board of Education recently approved an architect to begin plans for future improvements. In order to prepare for these upgrades, the district transferred \$10 million into our Capital Projects fund in FY25. I will note that these funds may be moved back to the General Fund if the need for additional operating dollars arise. The district is very reliant on public utility, Pipeline, dollars and if these ever go away or the company does not pay taxes, we will use these funds to operate the district.