

Wayne County Schools Career Center
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
June 30, 2023, 2024 and 2025 ACTUAL
Forecasted Fiscal Years Ending
June 30, 2026 through June 30, 2030



Forecast Provided By
Mary Workman, Treasurer
February 18, 2026

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Wayne County Schools Career Center

Wayne County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010	\$5,248,613	\$6,100,984	\$6,791,844	13.8%	\$6,859,000	\$5,988,000	\$6,561,000	\$6,580,000	\$6,937,000	
1.020	1,222,404	1,088,581	1,661,036	20.8%	1,238,000	1,229,000	1,221,000	1,213,000	1,205,000	
1.030	-	-	-	0.0%	-	-	-	-	-	
1.035	4,647,979	5,287,650	5,583,553	9.7%	6,004,000	6,240,000	6,241,000	6,242,000	6,243,000	
1.040	1,987,858	2,264,537	1,903,647	-1.0%	2,843,000	2,411,000	2,411,000	2,411,000	2,411,000	
1.045	-	-	-	0.0%	-	-	-	-	-	
1.050	656,377	754,423	856,601	14.2%	856,000	1,577,000	898,000	899,000	923,000	
1.060	560,295	970,480	1,079,019	42.2%	810,000	675,000	624,000	632,000	589,000	
1.070	\$14,323,526	\$16,466,655	\$17,875,700	11.8%	\$18,610,000	\$18,120,000	\$17,956,000	\$17,977,000	\$18,308,000	
Other Financing Sources										
2.010	-	-	-	0.0%	-	-	-	-	-	
2.020	-	-	-	0.0%	-	-	-	-	-	
2.040	-	-	-	0.0%	-	-	-	-	-	
2.050	-	-	-	0.0%	-	-	-	-	-	
2.060	5,503	12,239	-	11.2%	11,000	11,000	11,000	11,000	11,000	
2.070	\$5,503	\$12,239	\$0	11.2%	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	
2.080	\$14,329,029	\$16,478,894	\$17,875,700	11.7%	\$18,621,000	\$18,131,000	\$17,967,000	\$17,988,000	\$18,319,000	
Expenditures										
3.010	7,310,956	7,650,605	8,300,702	6.6%	\$8,709,000	\$9,230,000	\$9,688,000	\$10,167,000	\$10,476,000	
3.020	3,248,951	3,324,539	3,570,389	4.9%	3,734,000	4,047,000	4,339,000	4,654,000	4,962,000	
3.030	1,531,377	1,795,702	2,113,862	17.5%	2,447,000	2,625,000	2,739,000	2,859,000	2,985,000	
3.040	616,636	677,192	747,181	10.1%	1,000,000	1,071,000	1,071,000	1,071,000	1,071,000	
3.050	270,467	252,055	920,231	129.1%	670,000	225,000	225,000	225,000	225,000	
3.060	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
4.010	-	-	-	0.0%	-	-	-	-	-	
4.020	-	-	-	0.0%	-	-	-	-	-	
4.030	-	-	-	0.0%	-	-	-	-	-	
4.040	-	-	-	0.0%	-	-	-	-	-	
4.050	-	-	-	0.0%	-	-	-	-	-	
4.055	-	-	-	0.0%	-	-	-	-	-	
4.060	-	-	-	0.0%	-	-	-	-	-	
4.300	168,743	180,135	228,076	16.7%	252,000	263,000	272,000	282,000	293,000	
4.500	\$13,147,130	\$13,880,228	\$15,880,441	10.0%	\$16,812,000	\$17,461,000	\$18,334,000	\$19,258,000	\$20,012,000	
Other Financing Uses										
5.010	175,007	171,507	2,767,007	755.7%	293,257	253,257	253,257	253,257	253,257	
5.020	-	-	-	0.0%	-	-	-	-	-	
5.030	-	-	-	0.0%	-	-	-	-	-	
5.040	\$175,007	\$171,507	\$2,767,007	755.7%	\$293,257	\$253,257	\$253,257	\$253,257	\$253,257	
5.050	\$13,322,137	\$14,051,735	\$18,647,448	19.1%	\$17,105,257	\$17,714,257	\$18,587,257	\$19,511,257	\$20,265,257	
6.010	\$1,006,892	\$2,427,159	-\$771,748	4.6%	\$1,515,743	\$416,743	-\$620,257	-\$1,523,257	-\$1,946,257	
7.010	\$9,405,825	\$10,412,717	\$12,839,876	17.0%	\$12,068,128	\$13,583,871	\$14,000,614	\$13,380,357	\$11,857,100	
7.020	\$10,412,717	\$12,839,876	\$12,068,128	8.6%	\$13,583,871	\$14,000,614	\$13,380,357	\$11,857,100	\$9,910,843	
8.010	\$226,498	\$330,953	\$330,953	23.1%	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	
Reservation of Fund Balance										
9.010	-	-	-	0.0%	-	-	-	-	-	
9.020	-	-	-	0.0%	-	-	-	-	-	
9.030	-	-	-	0.0%	-	-	-	-	-	
9.040	-	-	-	0.0%	-	-	-	-	-	
9.045	-	-	-	0.0%	-	-	-	-	-	
9.050	-	-	-	0.0%	-	-	-	-	-	
9.060	-	-	-	0.0%	-	-	-	-	-	
9.070	-	-	-	0.0%	-	-	-	-	-	

Wayne County Schools Career Center

Wayne County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
9.080 <i>Subtotal</i> <i>Fund Balance June 30 for Certification of</i>					0.0%	-	-	-	-	-
10.010 <i>Appropriations</i>	\$10,186,219	\$12,508,923	\$11,737,175		8.3%	\$13,283,871	\$13,700,614	\$13,080,357	\$11,557,100	\$9,610,843

Wayne County Schools Career Center – Wayne County
Notes to the Five-Year Forecast
General Fund Only
February 18, 2026

Introduction to the Five-Year Forecast

The forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below, the current state budget approved in HB96 changed the forecast based on what the State of Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district leadership to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the board of education and the community in long-range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current year's budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future year's projections. Our forecast is updated to reflect the most current economic data available for the February 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

1. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309 and HB335. These laws become effective March 19, 2026, which is after the February, filing deadline for this forecast. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments. The ODT has until April 20, 2026 to calculate any tax reductions that impact school districts.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 2-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 2-mill floor.
- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 2-mill floor.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Because the new accelerated February, filing deadline for school district forecasts and the ODT's deadline of April 20, are misaligned, authoritative data concerning HB186's official impact on our district will not be received as of the filing of this forecast. We have estimated revenues and expenses based on the limited

data available and understanding of this legislation. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast. The items below give a short description of the current issues and how they may affect our forecast in the long term:

2. Being in multiple counties can pose many challenges in determining the increases or decreases in values, however, we are very fortunate that most of the district's valuation is in Wayne County. Property tax collections are one of the largest sources of revenue for the Career Center. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 47.8% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.
3. Wayne County experienced a reappraisal update in the 2023 tax year to be collected in FY24. The 2023 update increased assessed values for Class I and Class II by \$826.21 million for an overall increase of 28.5%. A reappraisal will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next reappraisal/update in tax year 2026. We have anticipated any 2-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any significant impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
4. The state budget represented 52.1% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond, if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
5. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of FSFP. HB96 did not increase the base cost inputs (no increase from the state on formula funding) while

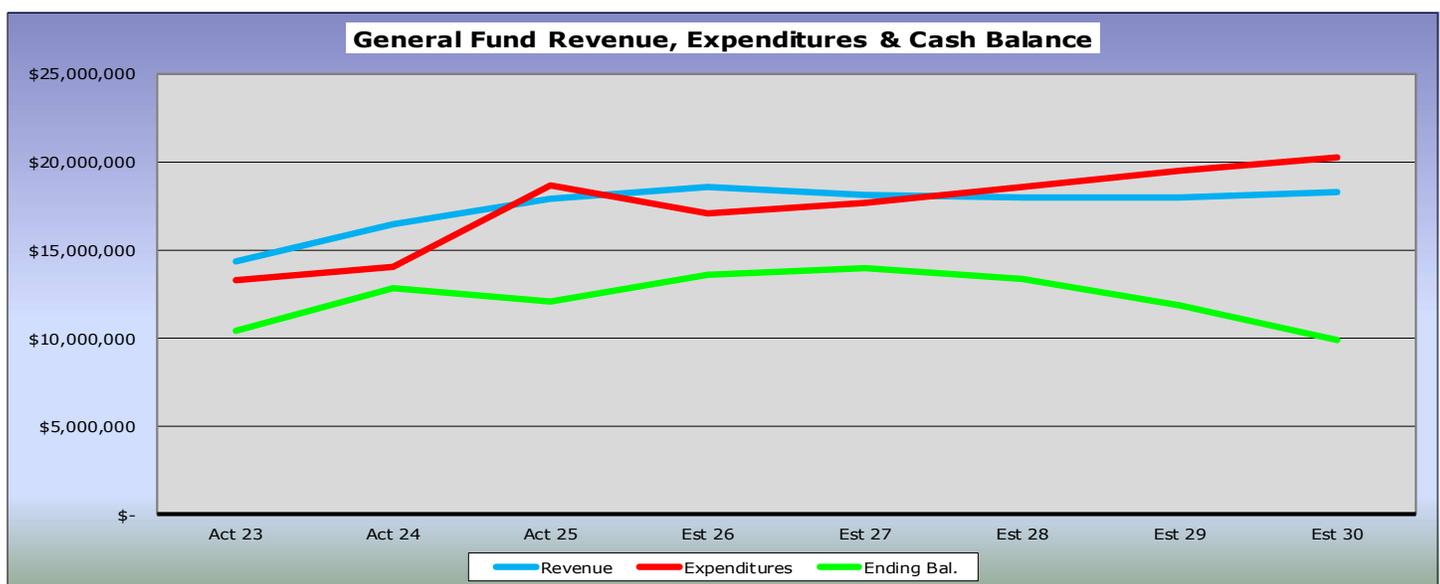
allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.

6. HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded “Piggyback Property Tax Exemptions” will NOT be reimbursed. Our county commissioners in Wayne County did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. However, Holmes and Medina counties did expand the exemptions. HB96 would allow this to occur every year and if they were to be approved could result in reduced property tax collections for the school district. This new law creates a potential risk to our local tax collections every year. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.
7. The Ohio Department of Taxation on January 15, 2026 announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will not be impacted by this change.
8. Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

The significant line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you want further information, contact the Treasurer’s office.

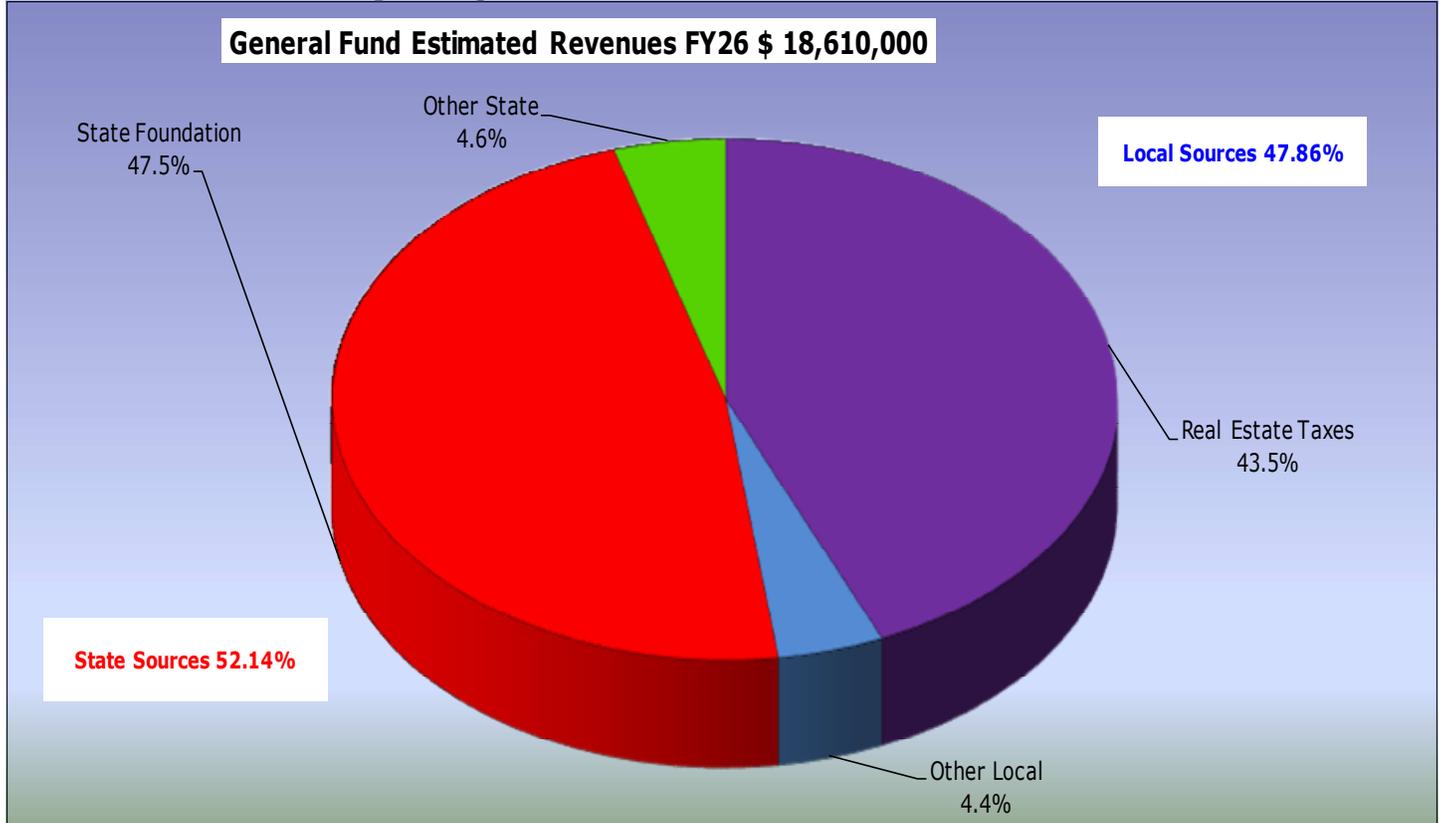
General Fund Revenue, Expenditures and Ending Cash Balance

The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

Estimated General Fund Operating Revenue for FY26



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property values are established each year by the County Auditors based on new construction and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of GDP DF. There was an update in 2023 for the collection in 2024 in Wayne County. Class I residential/agricultural values increased by 34.25% or \$802.7 million due to the update led by an improving housing market. There was an increase in the Class II commercial/industrial values of 4.23% or \$23.5 million for the update lead mostly by new construction.

The next reappraisal will be in 2026 for collection in 2027 for Wayne County. Currently, we are projecting a 5% increase or \$162.2 million in valuations during the reappraisal for Class I. We are expecting a decrease in Class II of about \$1.7 million for the reappraisal valuations.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Actual	Actual	Estimated	Estimated
	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029
Classification	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>
Res./Ag.	\$3,200,054,870	\$3,363,432,614	\$3,366,807,615	\$3,370,182,617	\$3,542,066,750
Comm./Ind.	\$600,973,514	\$606,144,258	\$610,714,029	\$615,283,801	\$626,006,412
Public Utility Personal Property (PUPP)	\$301,323,253	\$299,323,253	\$297,323,253	\$295,323,253	\$293,323,253
Total Assessed Value	<u>\$4,102,351,637</u>	<u>\$4,268,900,124</u>	<u>\$4,274,844,897</u>	<u>\$4,280,789,672</u>	<u>\$4,461,396,418</u>

Tax Rate Assumptions

A career center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Wayne County CTC has 4.1 mills voted that are collecting at 2.0 mills in tax year 2024 for Class I, but the millage rate cannot go any lower than 2 mills or the voted amount, whichever is less, at any time. Due to HB920, the district's effective millage will decrease as values increase until they reach the 2-mill floor. During the forecast period, we are expecting to remain on the 2-mill floor. Increases in collection estimates are due to new construction being collected at the voted rate in the first year it is taxable.

HB129 is a new law that restores fixed sum levies and now includes them in the 2-mill floor calculation. HB129 will be in effect following the next reappraisal/triennial update. Our district does not have fixed sum, or emergency levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has already been collected by school districts. The temporary tax credits for impacted districts will start in their reappraisal or triennial updates in tax years 2023, 2024, and 2025. These funds have already been realized and have been spent and/or included in future educational planning. The Ohio Department of Taxation is charged as the authoritative source with calculating the adjustments due to HB186, but has until April 20, 2026 to do so, which is after the filing deadline for this forecast.

Wayne County Career Center is at the 2-mill floor and is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation at this time on the actual claw back amount. When authoritative data is released by the Ohio Department of Taxation, we will adjust the forecast accordingly.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

As noted in the Forecast Risks and Uncertainty section above, there is no authoritative data for school districts that has been released by the Ohio Department of Taxation (ODT) on HB186. The ODT is the authority noted in HB186 to calculate all of the temporary tax credits and inflation cap credits to be used in tax year 2025 to collect in calendar year 2026. We will continue to monitor guidance as it is released and will update our forecast accordingly.

We have been conservative with any future value increases for reappraisal or updates due to implementation uncertainty over the new legislative changes as noted in the Forecast Risks and Uncertainty above.

Estimated Real Estate Tax - Line #1.010

Property tax levies are estimated to be collected at 97.2% of the annual amount. This allows a 2.8% delinquency factor. In general, 56.7% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 43.3% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

Estimated Public Utility Personal Property Tax – Line #1.020

Public Utility Personal Property (PUPP) taxes are generally received in two installments: approximately 50% in February and 50% in August. The amounts received are tied to ongoing property tax collections from public utilities, including pipelines.

The amounts below are public utility personal property (PUPP) tax payments from public utilities, including pipelines. Collections are currently approximately 82.15% in February and 17.15% in August. The increase in collections in FY25 were due to a delinquent payment and Nexus pipeline settlement which has impacted the collection trend.

On August 13, 2025, the Ohio Supreme Court upheld the Board of Tax Appeals' (BTA) decision, valuing the Rover Pipeline at \$3.669 billion. Rover had previously disputed this value, seeking roughly 56% of the value. Since 2020, Rover has been paying taxes based on a lower value under a “Tender Paying” method while the case was pending.

Although the Supreme Court case was expected to conclude the matter with no further appeals possible, Rover filed an appeal on November 10, 2025, in Franklin County Common Pleas Court contesting the Ohio Department of Taxation’s post-2019 valuations. The case is not currently scheduled to be heard until November 18, 2026, if it proceeds as anticipated. Separately, as a result of the Supreme Court’s prior ruling, Rover is required to pay back taxes, interest, and penalties retroactive to Tax Year 2019. We have not projected these potential amounts in our forecast; therefore, this will not impact our revenue risk but could increase revenues once finalized. We are closely monitoring this matter as it develops and will incorporate revenues into our forecast once factual data is available regarding the amounts and timing of payments, which may extend several years into the future.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue on the formula in FY27-FY30 on the Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated is available from the Ohio Department of Education and Workforce. Please visit the Ohio Department of Education and Workforce at:

<https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27.

However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26 but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

CTE Credential Program: HB96 authorized, industry-recognized credentials for high school students. This program is to be used by the Department of Education and Workforce and the Governor's Office of Workforce Transformation to operate the Innovative Workforce Incentive Program. The Office of Workforce Transformation shall maintain a list of credentials that qualify for the program. The Department of Education and Workforce shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to \$725 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated. If the \$16 million per year that is appropriated is not sufficient, the Department shall prorate the amounts so that the aggregate amount appropriated is not exceeded.

Career Awareness and Exploration Funds

The State of Ohio requires the lead district or each CTC to receive career awareness and exploration funds and to report the use of the funds to ODEW. The amount per pupil in HB96 was reduced from \$10 to \$3 per pupil for FY26 and FY27.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY30 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of gross casino revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

B) Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new DPIA formula modified the weight given to these

student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

There is an adjustment in FY26 for prior year revenues that will return to normal levels in FY27.

C) Restricted Federal Grants in Aid – Line #1.045

There is no restricted federal funding projected in this forecast.

Summary of State Foundation Revenues	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line # 1.035	\$6,003,301	\$6,239,189	\$6,240,351	\$6,241,536	\$6,242,744
Restricted Line # 1.040	\$2,842,703	\$2,410,125	\$2,410,125	\$2,410,125	\$2,410,125
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	\$0	\$0	\$0	\$0	\$0
Total State Foundation Revenue	<u>\$8,846,004</u>	<u>\$8,649,314</u>	<u>\$8,650,476</u>	<u>\$8,651,661</u>	<u>\$8,652,869</u>

State Reimbursement for Property Tax Credits– Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. Homestead exemptions are credits paid to the district from the State of Ohio for qualified elderly and disabled.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act’s temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district’s real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do anticipate a hold harmless payment for HB186, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been investment interest, tuition for court-placed students, student fees, payment in lieu of taxes, and general rental fees.

Interest income is based on the district’s cash balances. While interest income in FY26 should remain steady due to laddered investment strategies, expected Federal Reserve rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Transfer-In/Advances-In – Line #2.040 and Line #2.050

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district is not anticipating any transfers or advances-in.

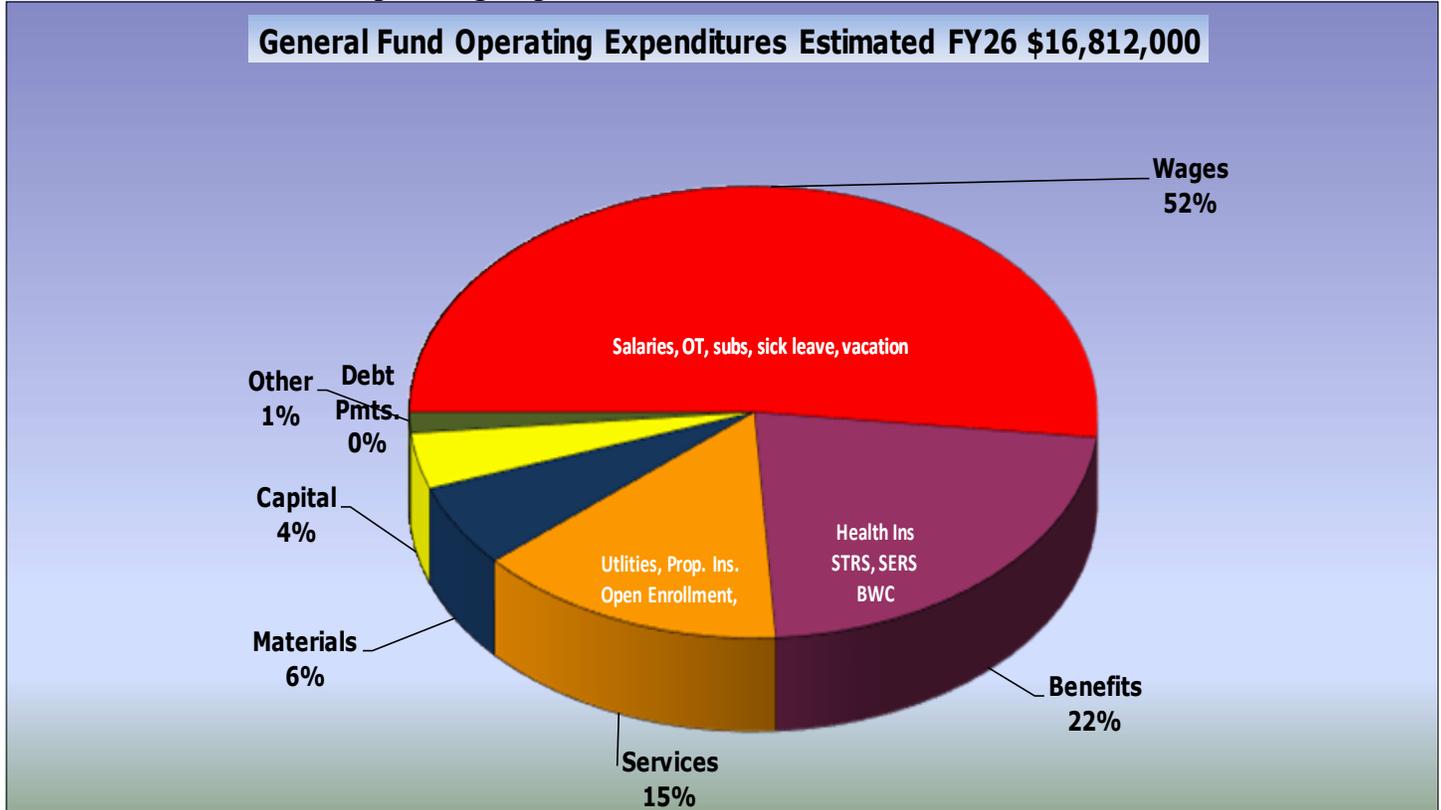
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditure that is very unpredictable, therefore the district does not expect to have any significant refunds during the forecast years.

Expenditures Assumptions

The district’s leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

Estimated General Fund Operating Expenditures for FY26:



Personnel Services – Employees’ Salaries and Wages – Line #3.010

The district maintains exempt employees, association employees, and administrators. The school has one bargaining unit: WCJVS Education Association for certified, classified and part-time staff. The Association contract is for a 3-year term effective July 1, 2023, through June 30, 2026. As per negotiated agreements, base salary increases are as follows for the certified bargaining unit: 3.5% for FY24, 3.25% for FY25 and FY26 with steps averaging between 1.55 % and 1.94%. The classified bargaining unit and the part-time bargaining unit base increases are as follows: \$2.00 for FY24, 3% for FY25 and FY26 with steps averaging between 2.28% and 2.31%.

The district recently settled new 3-year contracts effective July 1, 2026, through June 30, 2029. As per the negotiated agreements, base salary increases are 3.5% each year for the certified bargaining unit with steps averaging between 1.31% and 1.68%. The classified bargaining unit and the part-time bargaining unit base increases are 3.25% each year with steps averaging between 2.15% and 2.45%. The district is forecasting 1.5%

base wage increases for FY30. However, increases in base salary are subject to the negotiated agreements between the Board of Education and the Association. Any increases agreed upon by both parties will be based on financial solvency and the ability to sustain such increases.

There is also a 3% increase each year for substitute wages and increases consistent with the steps and raises for supplemental wages from FY26 through FY30.

The district has added some new programs in FY26 and FY27 and the associated staff costs have been reflected in the forecast.

The district contracts services with the Tri-County Educational Service Center as well as shared services with the ESC and area schools. This has reduced the salaries/benefits line, increased the purchased services line, as well as provided flexibility, and cost savings of shared services. Additional staffing adjustments are made each year to align staff with student needs.

Employees' Retirement & Benefits Estimates - Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district anticipates an insurance rate increase of 4.97% for FY26. The district is expecting insurance trends to be 10% for FY27-FY30. The Stark COG has issued at least one health insurance premium holiday each year. The district is forecasting that it will receive one month of an insurance holiday from FY26 through FY30. We will review the insurances and trends annually.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about stable for FY26–FY30. Unemployment is likely to remain at a shallow level in FY26 through FY30. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

E) Other/Tuition

The district reimburses employees for tuition as per language in the bargaining unit agreements. Tuition reimbursement is to further their education to maintain licensure for teaching.

Purchased Services – Line #3.030

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trends. An average increase of about

5% is projected in this area for the forecasted period. The district also anticipates some additional costs associated with the new programs in this area.

Supplies and Materials – Line #3.040

Expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, and bus fuel. The district anticipates some additional costs associated with the new programs in this area for FY27. The district is also accounting for increased expenditures due to inflation but will hold expenses flat each year of the forecast beyond FY27.

Capital Outlay – Line #3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs. The district anticipates a consistent need for equipment purchases throughout the forecast period.

Other Expenses – Line #4.300

The category of other expenses consists primarily of auditor & treasurer fees, election expenses, our annual audit and other miscellaneous expenses.

Transfers/Advances Out – Line #5.010

This account group covers fund-to-fund transfers and end-of-year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund.

The OSFC renovation project required the school to transfer a total of \$6,600,000 into the 034 Maintenance Fund over a 23-year period. This equates to a transfer of \$164,757 each year to meet this commitment. The school implemented a drug free club program in FY15. The Board committed to match up to \$12,500 in community donations to this club each year to assist in managing the expense of the actual drug testing kits. The Board grants two \$500 Ambassador Program Achievement Awards each year, which began in FY16. A Severance Fund transfer began with an initial amount of \$176,000 in FY25 to address the calculated need. The transfer for FY26 is estimated at \$115,000. In each of the following years, the transfer will decrease to \$75,000 but will be adjusted as needed upon annual review.

In FY25, the district transferred \$2 million out of the General Fund to renovate the Ag Mechanics/Power Technologies Lab and \$420,000 for a parking lot. It is anticipated to proceed with the bidding process in the Spring of 2026.

There are additional project needs that are currently being evaluated through a maintenance/capital projects plan along with strategic planning at the district that could result in additional transfers. However, this is not reflected in this forecast.

Encumbrances – Line #8.010

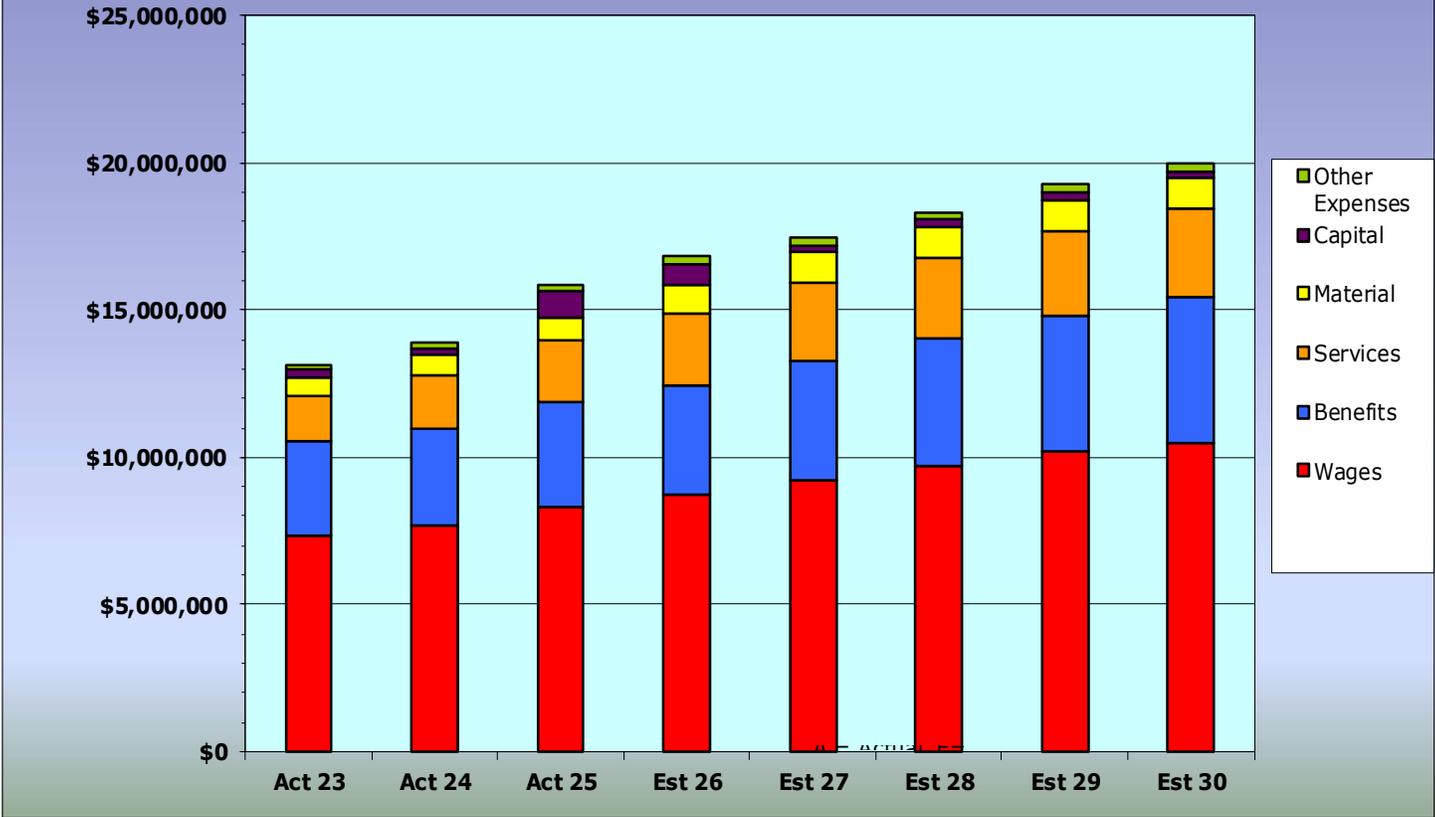
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

Total Expenditure Categories Actual FY23 through FY25 and Estimated FY26 through FY30

The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.

General Fund Expenditures Actual FY23 Through Est. FY30



Ending Unencumbered Cash Balance “The Bottom-line”– Line #10.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

	FY26	FY27	FY28	FY29	FY30
Ending Unencumbered Cash Balance	\$13,283,871	\$13,700,614	\$13,080,357	\$11,557,100	\$9,610,843

True Cash Days Ending Balance

Another way to look at ending cash is to state it in “True Cash Days”. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption.

Ending Cash Balance in True Cash Days



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.