



October 7, 2025

Five-Year Financial Forecast



 Promise



Important Dates:

November 2025: Board of Education Election

December 31, 2026: Expiration of the Current Expense Levy, Passed May 2021

November 2027: Board of Education Election

December 1, 2027: Final Payment of the 2016 Bond Refunding

June 30, 2028: Expiration of CBA with IHEPO Negotiated in July, 2024

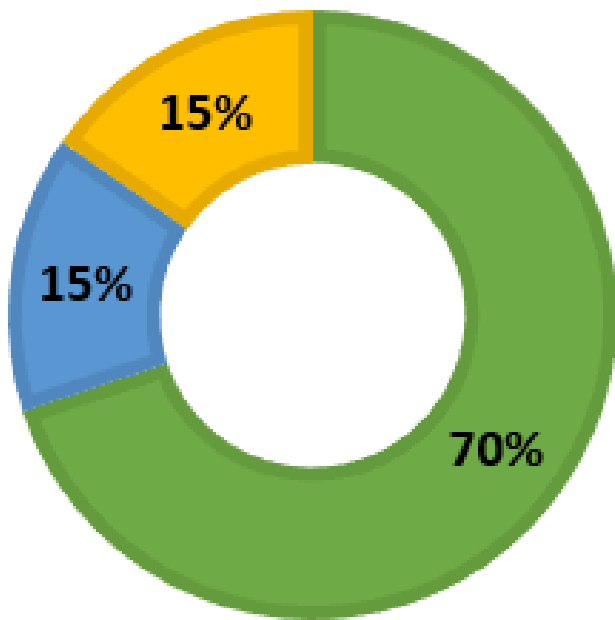


Overview:

- District Revenue Forecast (Uncertainty)
- Expenditures
- Summary



Revenue Sources

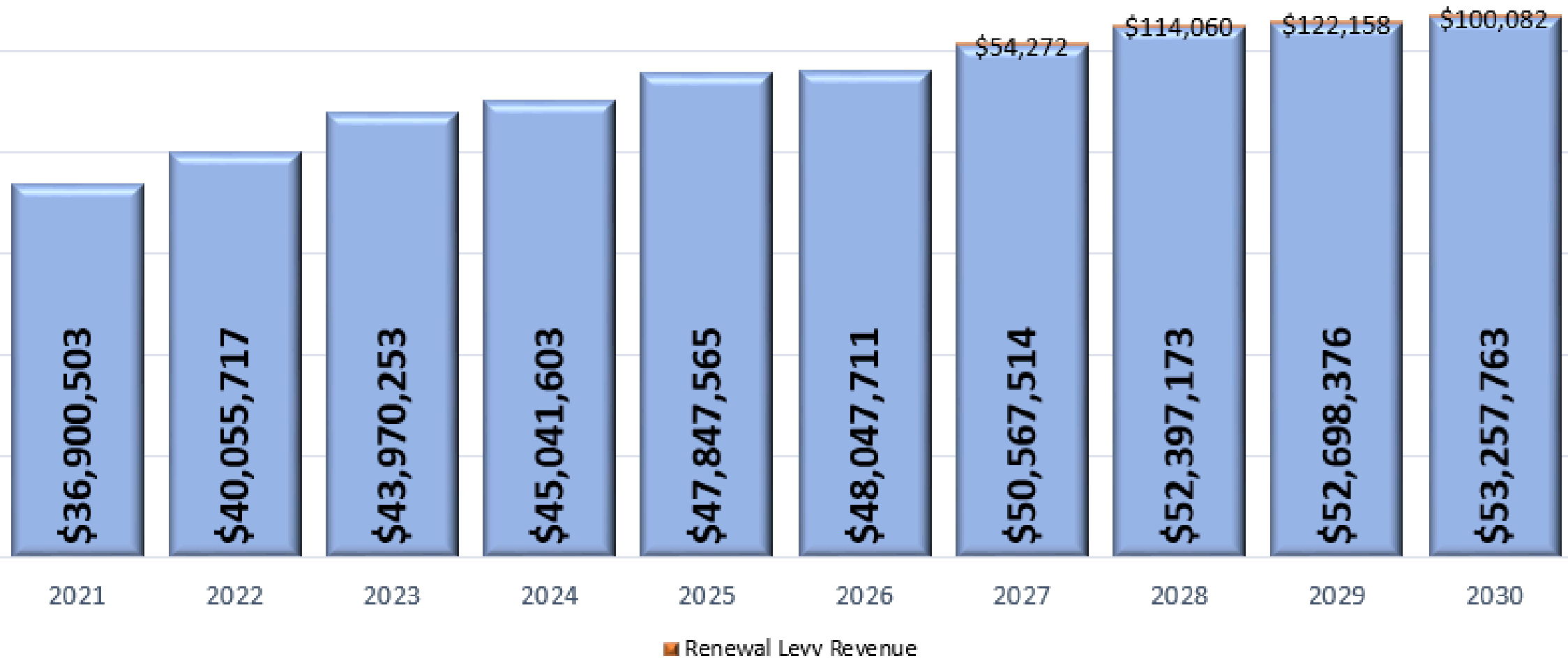


Local Taxes	
Real Estate Tax	67.96%
Public Utility Tax	1.94%
Income Tax	0.00%

State Sources	
State Funding	5.76%
Restricted Aid	1.45%
State Share of Local Tax	7.56%

All Other Revenue	
Other Revenue	15.15%
Other Sources	0.18%

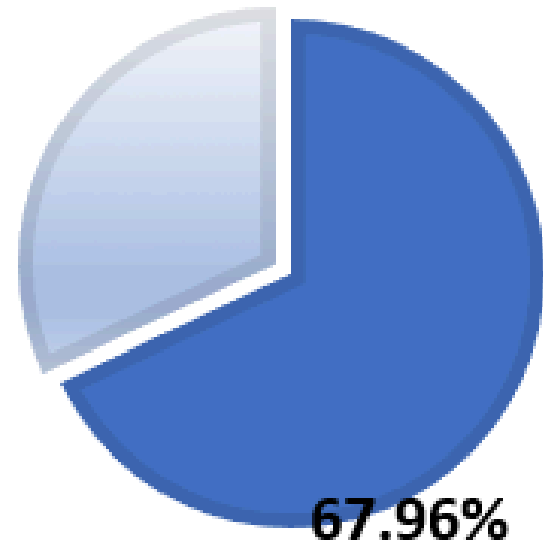
Annual Revenue Actual + Projected



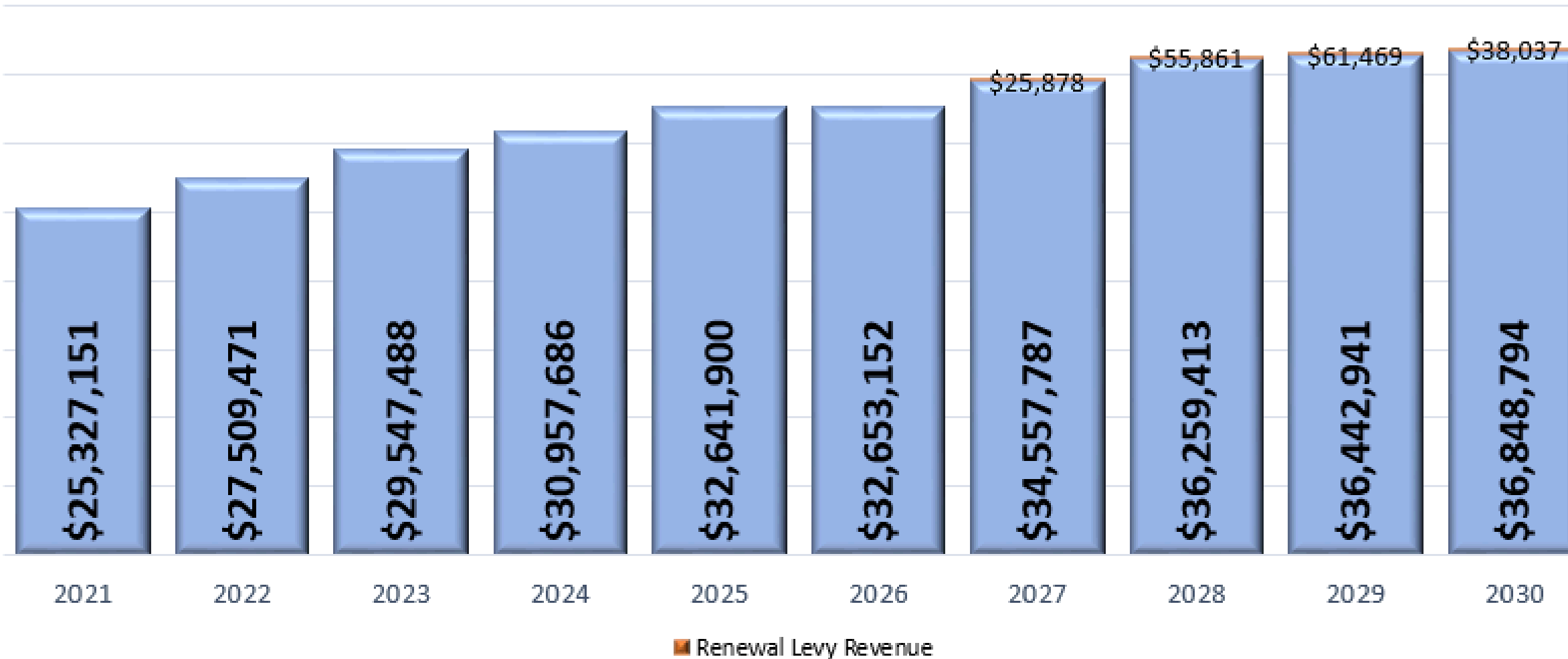
Revenue Overview

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 67.96% of total district general fund revenue.

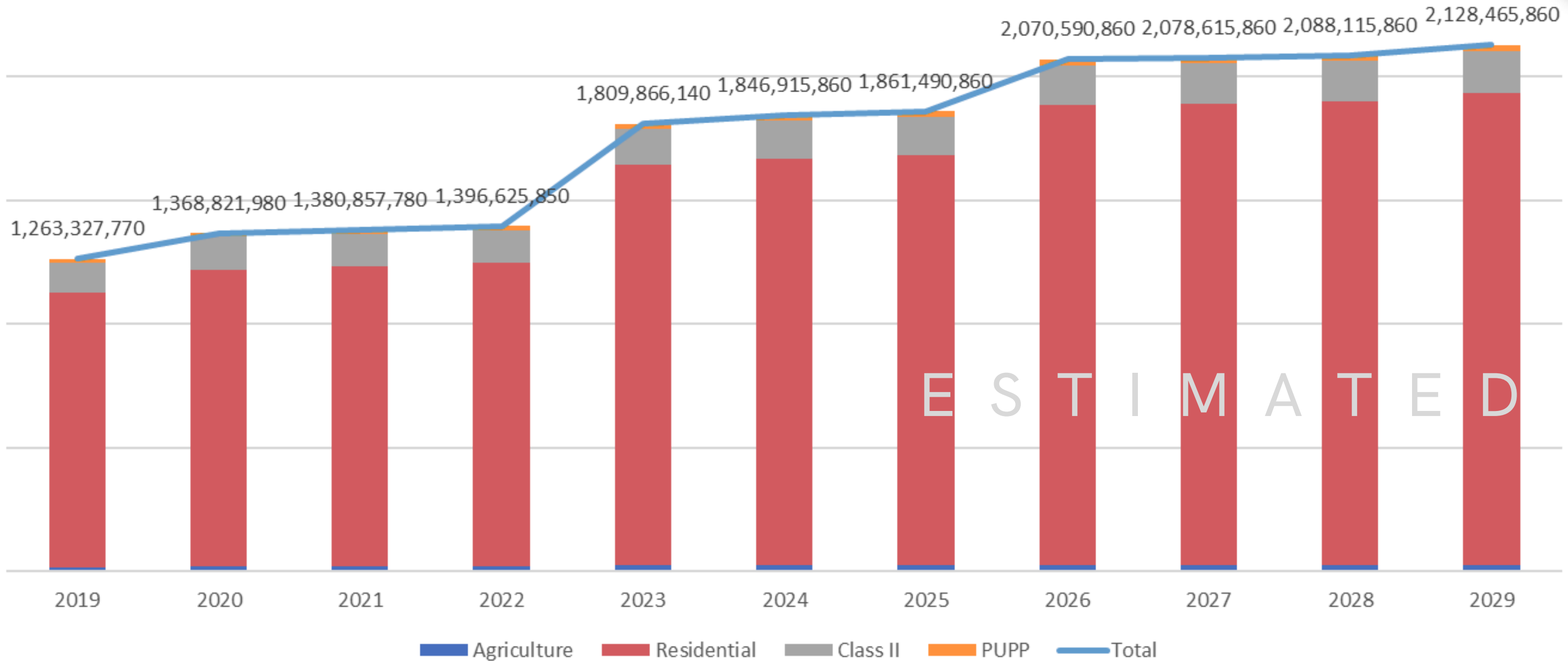


District Revenue Forecast

Property Value Breakdown Trends:



District's Property Values by Tax Year



House Bill 920

In 1976, House Bill 920 (tax reduction factor) became Ohio State Law. This law provides a credit against all voted tax millage. When expected inflation causes property value to increase, additional credits are added to tax levies previously voted upon. This allows property owners to not pay more taxes than the amount in the voted upon levy. This means, that all increases in revenue received from districts who have a voted levy is from the additional amount added due to new construction.

**House Bill 920 - Does not allow school district revenue to increase uniformly with property market values*

The 20-Mill Floor

The total tax rate for school district general fund levies cannot fall below 20 mills. Because of this, Ohio property tax rate cannot be adjusted down below the 20-mill mark. Because of this, when property value increases and the tax rate is not adjusted accordingly, taxes increase.



Property Taxes

The confluence of four forces has propelled Ohio's residential property tax plight:

- Rapidly escalating home values.
- A relatively slow-growth Ohio economy with below average per capita income making it harder for many to pay their rising property tax bills.
- Twenty years of state tax policy changes that have diminished state and local resources available for schools and local government funding, including a reduction in the share of local residential property taxes paid by the state and, separately, by businesses and public utilities, thus placing a greater burden on local residential and agricultural property owners. And to the extent that these are good ideas, this underscores the difficulty of addressing real property tax problems.
- Local citizens dutifully and repeatedly supporting real property tax increases forced on them by a system that is overly constraining as it relates to limiting certain property tax growth.



Source: Ohio Education Policy Institute

House Bill 96 (Bi-Annual Budget Bill)



Governor Vetoes

- Elimination of 5 levy types
- 40% carryover balance cap
- Inclusion of emergency and substitute millage in 20 mill floor calculation
- County budget and commission authority to reduce millage
- STRS pick-up
- Political affiliation for school board races

Potential Legislative Overrides

- Legislature can override any vetoes until December 31, 2026
- Many proposed vetoes but only 1 veto overturned
 - Elimination of the 5 levy types



SUMMARY OF HOUSE BILL 96 OVERRIDE VETO

School District Voted Levy Options		
LEVY TYPE	PERMITTED	ELIMINATED
Traditional (Millage Based) Property Taxes	New current expense levies if the school district's carryover is not 100% or more of prior General Fund expenditures	New current expense levies if the school district's carryover is 100% or more of prior General Fund expenditures
	New levies for permanent improvements and other permitted purposes (other than current expenses)	Renewal with an increase levies
	Renewal and renewal with a decrease levies	Replacement levies
Traditional Emergency (Fixed Sum) Property Taxes	None	All new and renewal options
Substitute (Emergency) Property Taxes	None	All new and substitute (renewal) options
Incremental (Millage) Property Taxes	New current expense levies if the school district's carryover is less than 100% of prior General Fund expenditures	New current expense levies if the school district's carryover is 100% or more of prior General Fund expenditures
	Renewal and renewal with a decrease levies	Renewal with an increase and replacement levies

Increasing (Dollar or Percentage) Property Taxes	New current expense levies if the school district's carryover is less than 100% of prior General Fund expenditures	New current expense levies if the school district's carryover is more than 100% of prior General Fund expenditures
	Renewal levies	
Combined Current Expense and Permanent Improvement Property Taxes	New levies if the school district's carryover is less than 100% of prior General Fund expenditures	New levies if the school district's carryover is more than 100% of prior General Fund expenditures
	Renewal levies	Replacement levies
Combined Income Tax and Fixed Sum Property Taxes	None	New and renewal levies
Income Taxes	New and renewal levies on traditional base (without estates) or earned income base	Collection of income tax on estates for new and existing traditional base levies

Source: <https://www.brickergraydon.com/insights/publications/navigating-school-district-levy-options-going-forward>



House Bill 186

- **Inflation cap credit:** The bill proposes an "Inflation Cap Credit" for property owners in districts that are at the 20-mill floor for school taxes. This credit would limit increases in unvoted property tax revenue for those school districts to the rate of inflation.
- **Statewide application:** An amended version of the bill was updated to make the tax credit applicable to eligible homeowners in all 88 Ohio counties at the same time, rather than just in counties undergoing a reappraisal.
- **Expansion of scope:** The amended bill also provides an immediate tax credit to all qualifying property owners, not just those experiencing large increases due to a reappraisal.
- **Adjustments to funding:** The bill also mandates adjustments to the school funding formula to account for the property tax reductions.
- **Property types:** The credit applies to residential and agricultural properties, as well as business and industrial property.

Indian Hill Impact

- Loss of \$4.5 million of future revenue



Other Bills Pending

- **HOUSE BILL 156 - Senior Property Tax Credit**
 - Provide relief for senior citizens from rising property taxes.
- **HOUSE BILL 335 - Elimination of Inside Millage**
 - Has been eliminated
 - House Ways and Means Committee - adjust the rate of inside millage levy to limit any increase in revenue to 3%
- **HOUSE BILL 420 - Discontinuing the Continuum**
 - To gradually eliminate property taxes levied for a continuing period of time, with the goal of ending them by 2030
- **HOUSE BILL 421 - Arresting Inside Millage**
 - To give voters more power to reduce "inside millage," which are property taxes counties can charge without direct voter approval
- **HOUSE BILL 422 - The Triumph of the Tax Payer**
 - To increase the vote threshold required to pass new property tax levies

Constitutional Amendment to Eliminate Property Taxes



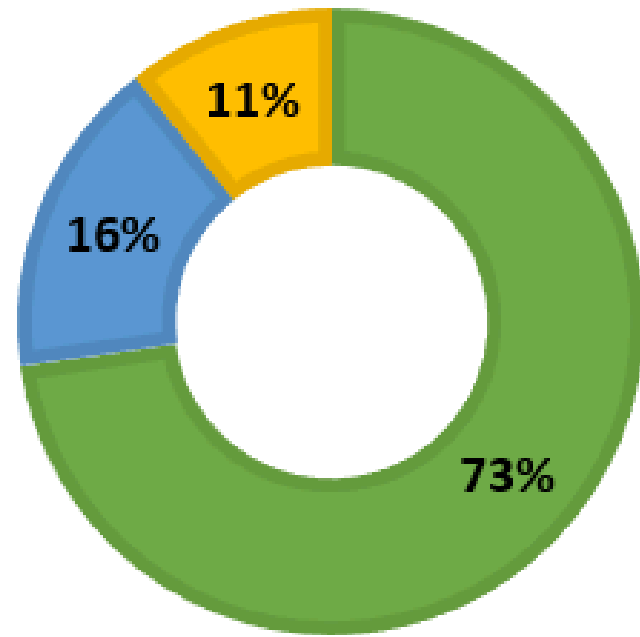
Proposed amendment would:

- Add to the constitution, “no real property shall be taxed, and no law shall impose any taxes on real property.” It defines real property as land, crops, buildings and other permanent improvements.
- In addition to schools, property taxes fund emergency services, parks, libraries, local governments, and other entities.
- Property values are reduced by 35% when calculating taxes.
- Other exemptions such as homestead, non-business credit, and the owner-occupancy credit which are reimbursed by the state.



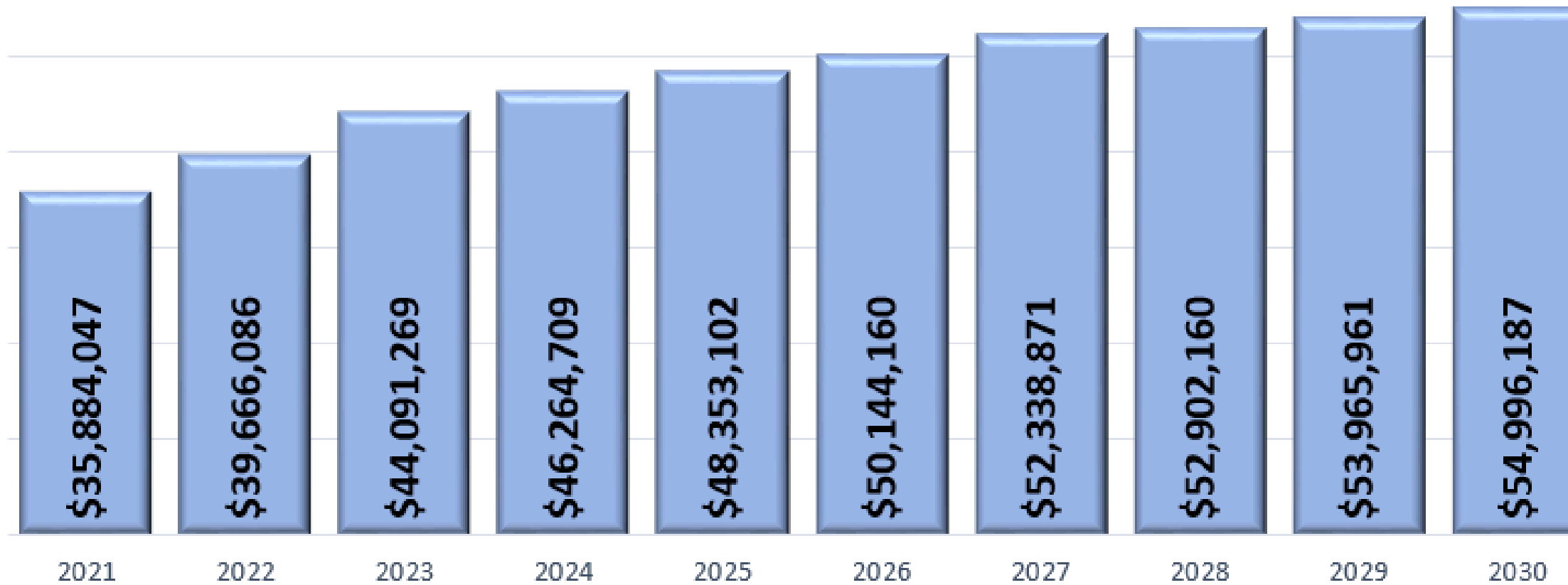
Expenditures

Expenditure Categories



Personnel Costs	
Salaries	53.54%
Benefits	19.17%
Purchased Services	
16.52%	
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	10.02%
Other Uses	0.74%

Annual Expenditures Actual + Projected



2026



	2026 (ESTIMATED)	2023
TOTAL EXPENDITURES	49,774,160	43,486,199
SALARY	54%	56%
BENEFITS	19%	18%
PURCHASED SERVICES	17%	15%
SUPPLIES & MATERIALS	5%	4%
CAPITAL OUTLAY	2%	3%
DEBT SERVICE	2%	1%
OTHER	1%	1%



SALARIES

2023-2026 up 10.1% or 3.4% per year

- **New positions**
- **Salary increases offset by replacement positions**



BENEFITS

2023-2026 up 19.8% or 6.6% per year

- **Retirement increases in relation to salary**
- **Medical insurance**
 - **Up 23.3% or 7.8% per year**
 - **44.4% of benefits budget and 8.6% of total budget**
 - **2026 Renewal - 15.1%**
 - **Increase in HSA contributions**



PURCHASED SERVICES

2023-2026 up 23.2% or 7.7% per year

- **Controllable vs. Non-Controllable Expenses**

PURCHASED SERVICES

UTILITIES

2023-2026 up 69.9% or 23.3% per year

- 13.4% of purchased service total and 2.2% of total budget
- Inflation
- Heating & Cooling (much larger square footage)

RELATED SERVICES

2023-2026 up 40.0% or 13.3% per year

- 30.3% of purchased service total and 5.1% of total budget
- More students
- Inflation

CUSTODIAL

2023-2026 up 29.2% or 9.7% per year

- 14.4% of purchased service total and 2.4% of total budget
- Inflation



PURCHASED SERVICES

SUBSTITUTES

2023-2026 up 13% or 4.3% per year

- 7.5% of purchased service total and 1.3% of total budget
- Variable by year

COMMERCIAL INSURANCE

2023-2026 up 70.5% or 23.5% per year

- 3.1% of purchased service total and 0.5% of total budget
- Inflation
- Increase in cybersecurity
- New buildings/equipment

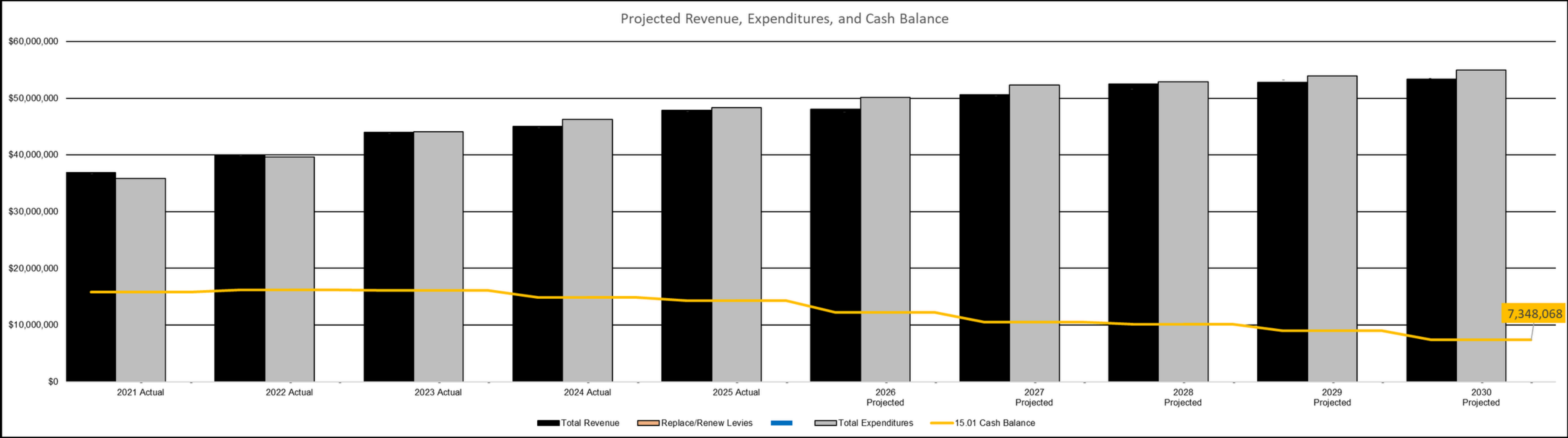
PROFESSIONAL DEVELOPMENT/TRAVEL

2023-2026 down 5.3% or 1.8% per year

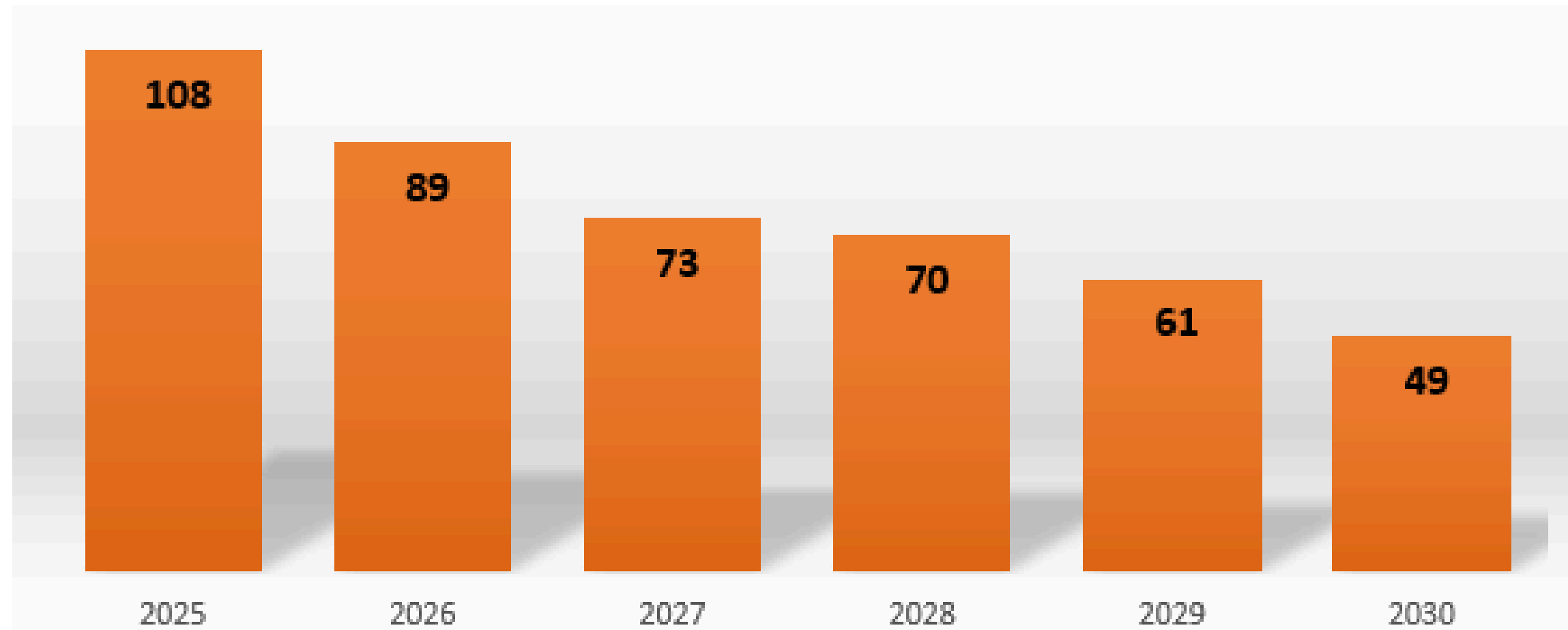
- 3.2% of purchased service total and 0.5% of total budget
- Increase over time of PD to match with our strategic plan
- Decrease - more internal opportunities



Projected Revenue, Expenditures, and Cash Balance



Days Cash on Hand - Current Forecast



**based on 365 days*

Days cash on hand is projected to decline and is less than 60 days by 2030.

5-Year Average Annual Change - Inflation, Revenue and Expenditures



Mick Davis, CFO/Treasurer

Indian Hill Exempted Village School District

For additional details &
to view the complete presentation, visit:

<http://www.indianhillschools.org/Finance.aspx>

