BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT

General Fund Five-Year Forecast

July 1, 2026 through June 30, 2031

August 26, 2026

Presented by Craig Yaniglos, Treasurer/CFO

Bee Your Best. Bee the Future. Bee One Community.

Protect the Banner!

What we file, and what it is for

AUG 31 filing **FEB 28** update

HB96 changed the dates and the years. A four-year projection of operating revenues and expenditures, with assumptions, now goes to the Ohio Department of Education by August 31, with an update by February 28.

Funds required in the projection

- 001 General Fund
- – General fund special cost centers
- 016 Emergency levy funds
- 002 Debt service otherwise in the general fund

01 Engage

Engage the Board of Education and community in long range planning and discussion of the financial issues facing our schools.

02 Certify

Serve as the basis for determining the district's ability to sign the certificate required by O.R.C. 5705.412, the “412 certificate”.

03 Signal

Give the Ohio Department of Education and the Auditor of State a way to identify districts with potential financial problems.

A forecast is a painting of the future built from a snapshot of today. It is a planning tool and an early warning system. It is not a budget and it is not a bargaining position. Our district will continue to use a five-year horizon.

The filing deadlines work against accurate forecasts

Old dates: **NOVEMBER · MAY** moved to **AUGUST 31 · FEBRUARY 28**

The August filing

- We have HB186 forms but no second-half tax settlements to verify payment of taxes, so major adjustments stay unconfirmed.
- New forecast rules require the baseline year to match district final appropriations.
- State law allows a district to have appropriations final by September 30. The August forecast should be no earlier than September 30, not August.

The February update

- February 2026 had no data on HB186 and no first-half tax settlements.
- We will likely never have the final first-half settlement in hand. A complete mismatch for key data.
- In state budget years a sitting governor files by January 31 and a newly elected one by March 15. We will have little or no idea what is being proposed.
- With the former May date we would see the governor's proposal, the House and the Senate before filing.

The decision to move filing off November and May was as ill conceived as the raft of confusing and convoluted new property tax laws.

Four new laws target property taxation

HB129
Levy types counting toward the 20-mill floor

HB186
Inflation cap credits and clawbacks

HB309
Expanded county budget commission power

HB335
Cap on inside millage growth

Signed **December 19, 2025** Effective **March 19, 2026**

- The accelerated filing deadline hits this forecast with no final second-half tax settlements to confirm the factual impact on taxes.
- The Department of Taxation has sent DTE form 186 and Certified Tax Credit Factors to help identify the likely inflation cap credits or clawbacks.
- HB186 brought in inflationary cap credits that claw back money already received from prior revaluations.

Together these laws limit growth on future reappraisals and make it harder to pass new levies and renew existing ones.

HB186 targets property taxation retroactively

- Caps property tax growth at the 20-mill floors to inflation, using the GDP deflator plus new construction over the three preceding tax years.
- Applies in counties undergoing reappraisal or update in tax year 2025 and thereafter.
- Applies retroactively for TY2023 and TY2024 reappraisal and update counties, as if HB186 had been in effect then.
- Guarantees impacted districts receive the same amount in property taxes as they received in TY2024. That guarantee applies in TY2025 for TY2023 counties, and TY2025 and TY2026 for TY2024 counties.
- If applicable, ODEW will make payments in August 2026 and 2027 so affected districts receive at least the same real property tax revenue as in TY2024.

If a credit applies, this is when it lands

Aug / Sep 2026 the TY2025 credit applies entirely against the second-half bill, so 100% of that year's loss lands in FY27.
Feb / Mar 2027 50% of the estimated TY2026 loss lands with the first-half payment.
FY28 onward the conventional first-half and second-half pattern resumes.

Our read

We anticipate HB186 will have no impact on our district.

We are not a 20-mill floor district, so the cap and the guarantee do not reach us.

The double loss

HB186 does not retroactively adjust local capacity in the state funding formula for lower effective assessed value after a clawback. An affected district gets less local revenue and less state aid at the same time.

Changes to the rollback and owner-occupancy credit

	TY25 Collect CY26	TY26 Collect CY27	TY27 Collect CY28	TY28 Collect CY29	TY29 Collect CY30
10% rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% owner occupancy	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 increased OOC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	**12.50%**	**13.22%**	**13.94%**	**14.66%**	**15.38%**
Homestead	varies	2x	varies	varies	varies

** Non-timber farm land will still keep the 10% rollback.*

Neutral until TY2029

Largely revenue neutral to the district until tax year 2029, payable in 2030, when the owner-occupancy credit runs 2.88% above today's combined 12.5% rollback credit.

Then it swaps

By 2030 local taxes for Class I fall 2.88% and state reimbursements rise by the same 2.88%. Revenue neutral for us, and a small tax decrease for homeowners paid for by the state.

+2.88%

Net owner-occupancy credit above today's 12.50% combined rollback, by CY2030. The state picks up the difference.

Also watch

HB479, effective 9/30/26, doubles the homestead exemption for one year, with reimbursement.

One year of relief, then it reverts. Plan around the cliff, not the credit.

New power over levies, new cap on growth

HB309

County budget commissions may now reduce or override any voter-approved levy, except debt.

- Unnecessary collections are those beyond the reasonably anticipated needs of the taxing authority, after considering fund balances and other resources.
- Excessive collections are those at a rate exceeding what statutory obligations require.
- The commission must hold a public hearing and let the district present information before any reduction.
- A levy may not be cut below the prior year's collections, unless the district holds reserves or carryover to offset it.
- Levies for unsatisfied debt charges are excluded.

HB335

Caps revenue growth from inside millage to inflation in reappraisal and triennial update years.

- Growth is measured by the GDP deflator over the prior three years.
- Excludes new construction and expiring abatements.
- Applies beginning in tax year 2026 for reappraisal or triennial update counties.
- The county budget commission makes the adjustment in September of that year.

Our read

We already project reappraisal and update increases at the anticipated GDP deflator, so we do not expect an adjustment to our projected tax revenues.

Watch the floor exception in HB309. A district sitting on carryover is the one case where a commission can cut a levy below what it collected last year.

Funding schools in the future

The carryover test

A district may not put a new money current expense levy on the ballot if its general fund carry-over balance is more than 100% of general fund expenditures in the preceding fiscal year.

Permanent improvement funds to be spent within three years can be excluded. Ballot language must state the carry-over amount.

- New and renewal permanent improvement levies remain unchanged.
- Renewals with an increase, and replacement levies, are eliminated.
- Fixed sum renewals, the former emergency and substitute levies, are allowed for up to five years if in existence before 2026.
- New emergency levy authority is eliminated for districts not in fiscal distress.

$0

increase in foundation funding under HB96. Only small amounts outside the formula.

The piggyback exemption

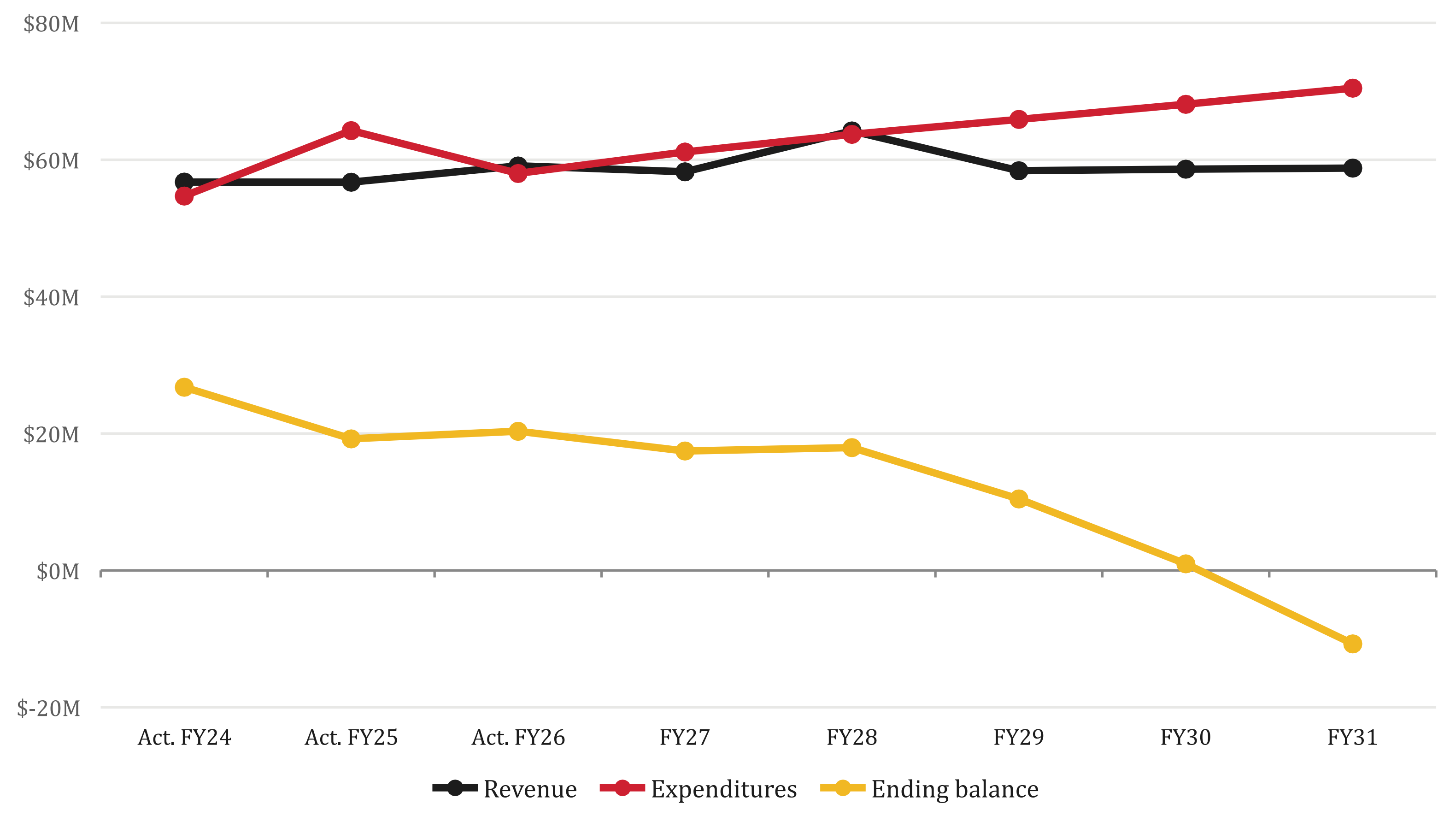
HB96 lets county commissioners grant a second credit for homestead and the 2.5% homeowner credit, without reimbursement. They can approve it annually. If ours do, it costs the district more.

Fair School Funding

HB96 continued the plan through FY27. Nothing is committed for FY28 through FY31, which is four of the five years in this forecast.

With these new laws, districts must reassess levy strategy, timing, and eligibility.

Money in, money out, money left



FY28

The only year in the forecast period without deficit spending.

Through FY30

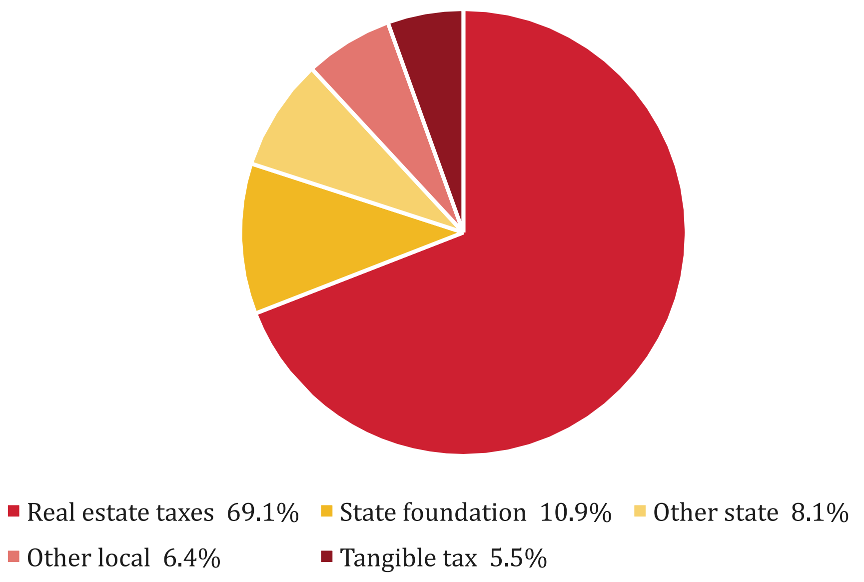
Cash balance stays above zero through fiscal year 2030, then goes negative in FY31.

$12.3M

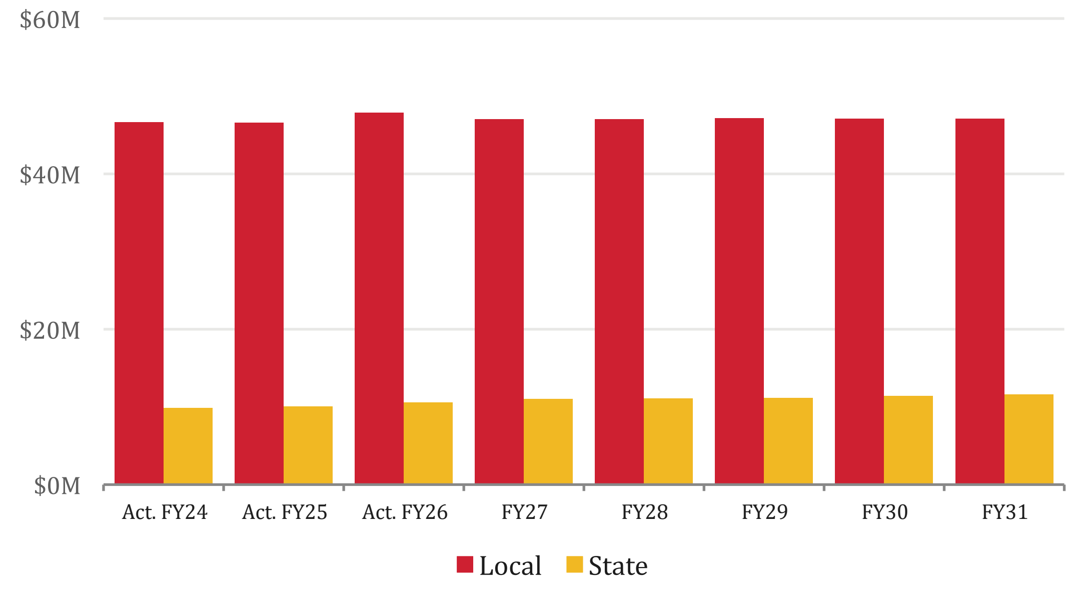
Operating cost growth from FY26 to FY31, against $253,000 of revenue growth over the same five years.

Where general fund revenue comes from

FY27 revenue by source



Local revenue against state revenue, FY24 through FY31



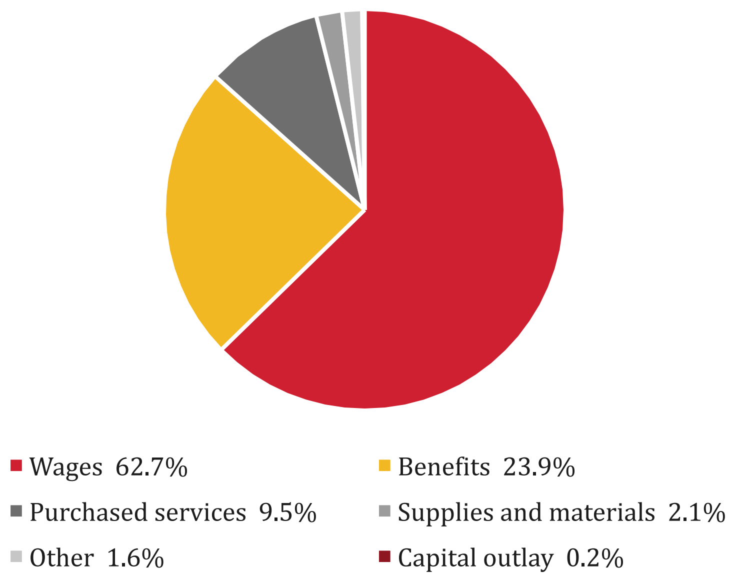
81.0% of revenue is raised locally

19.0% comes from the State of Ohio

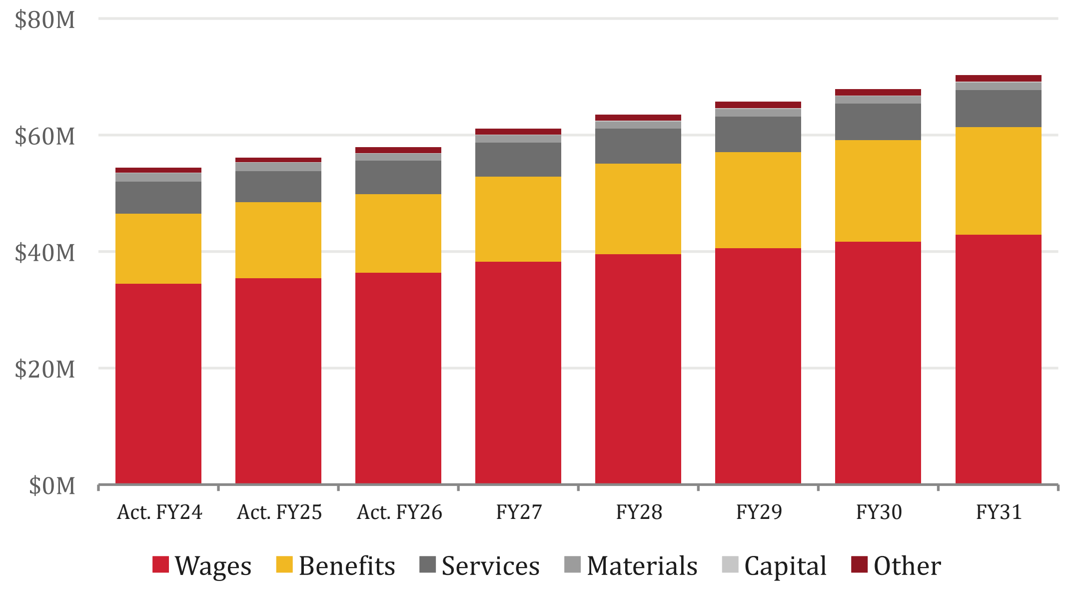
+0.4% growth in total receipts, FY26 to FY31

Where general fund money goes

FY27 operating expenditures by object



Expenditures by object, FY24 through FY31

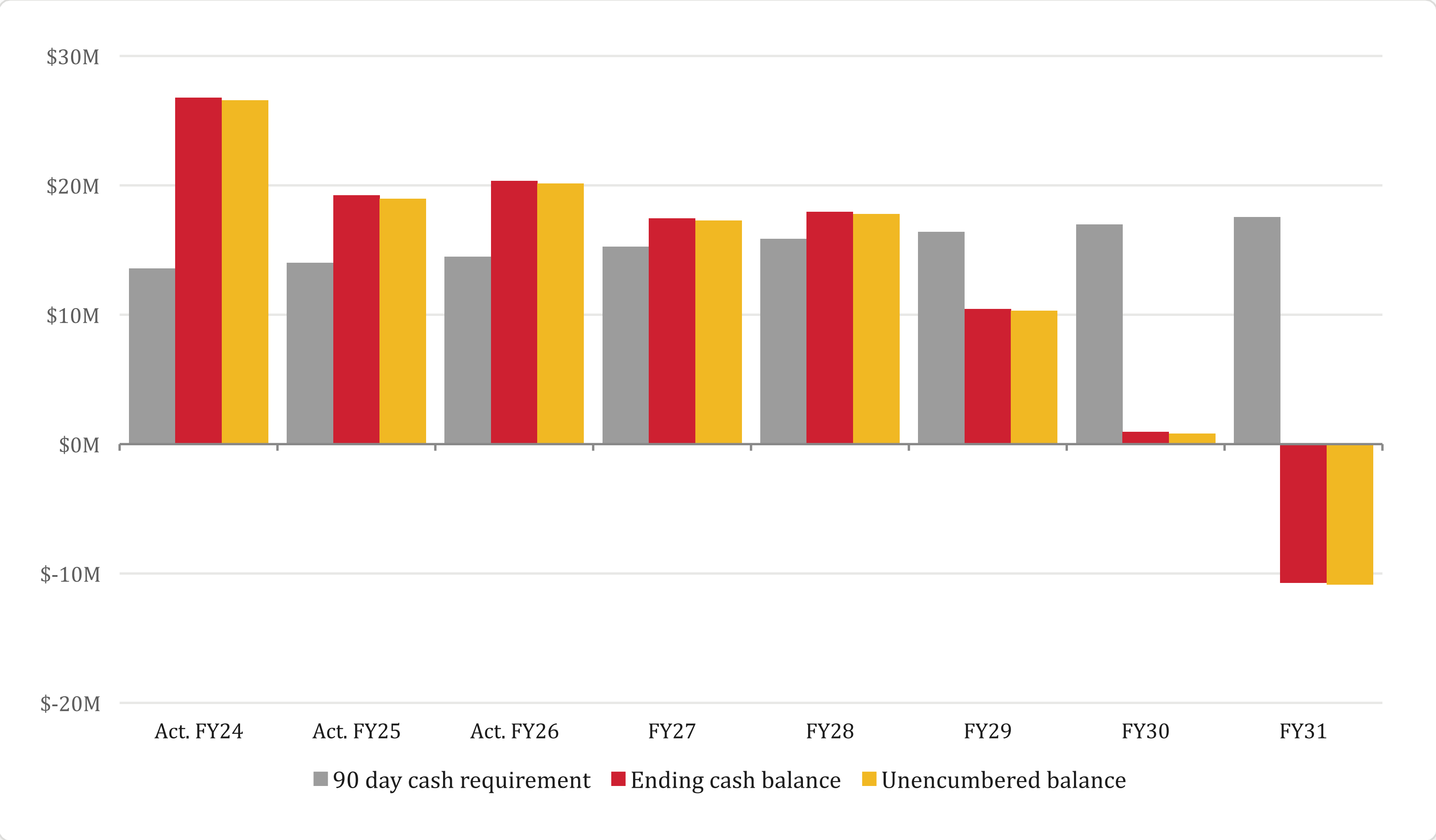


86.6% of spending is wages and benefits

93.6% of all cost growth to FY31 is wages and benefits

+29.2% total expenditure growth, FY24 to FY31

Ending cash balance



FY29

The ending balance drops below the 90 day requirement and stays there.

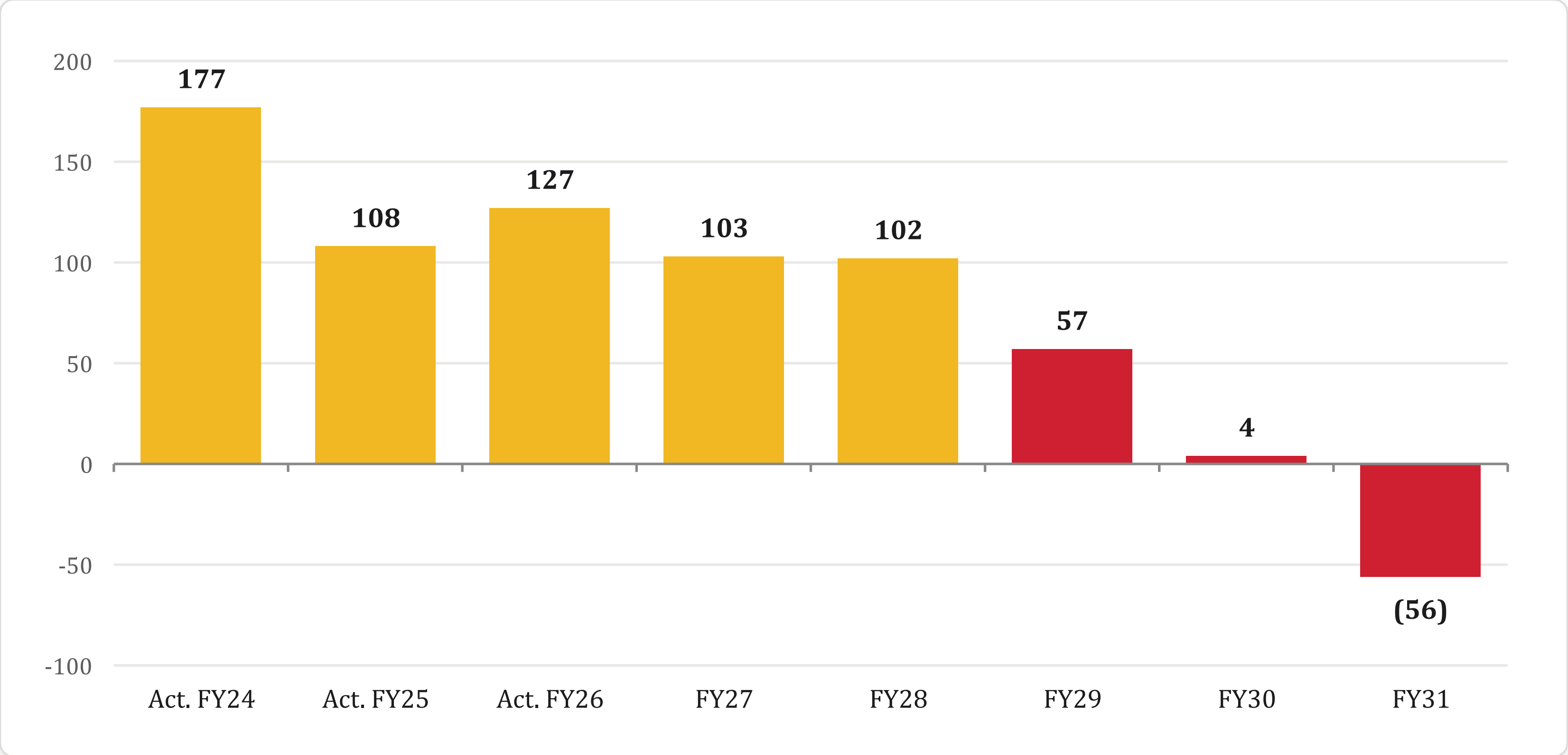
FY30

$964,161 left at June 30. The last year above zero.

FY31

Negative $10.7 million. Ohio law does not allow the district to get there.

How many days of bills we can pay



90 days
Board Policy 6215 reserve target

60 days
GFOA recommended minimum

0 dollars
The floor Ohio law allows

FY29 falls below the 60-day GFOA minimum. **FY30** holds four days of bills. **FY31** goes negative.

Our district financial story

81.0%
of revenue is raised locally

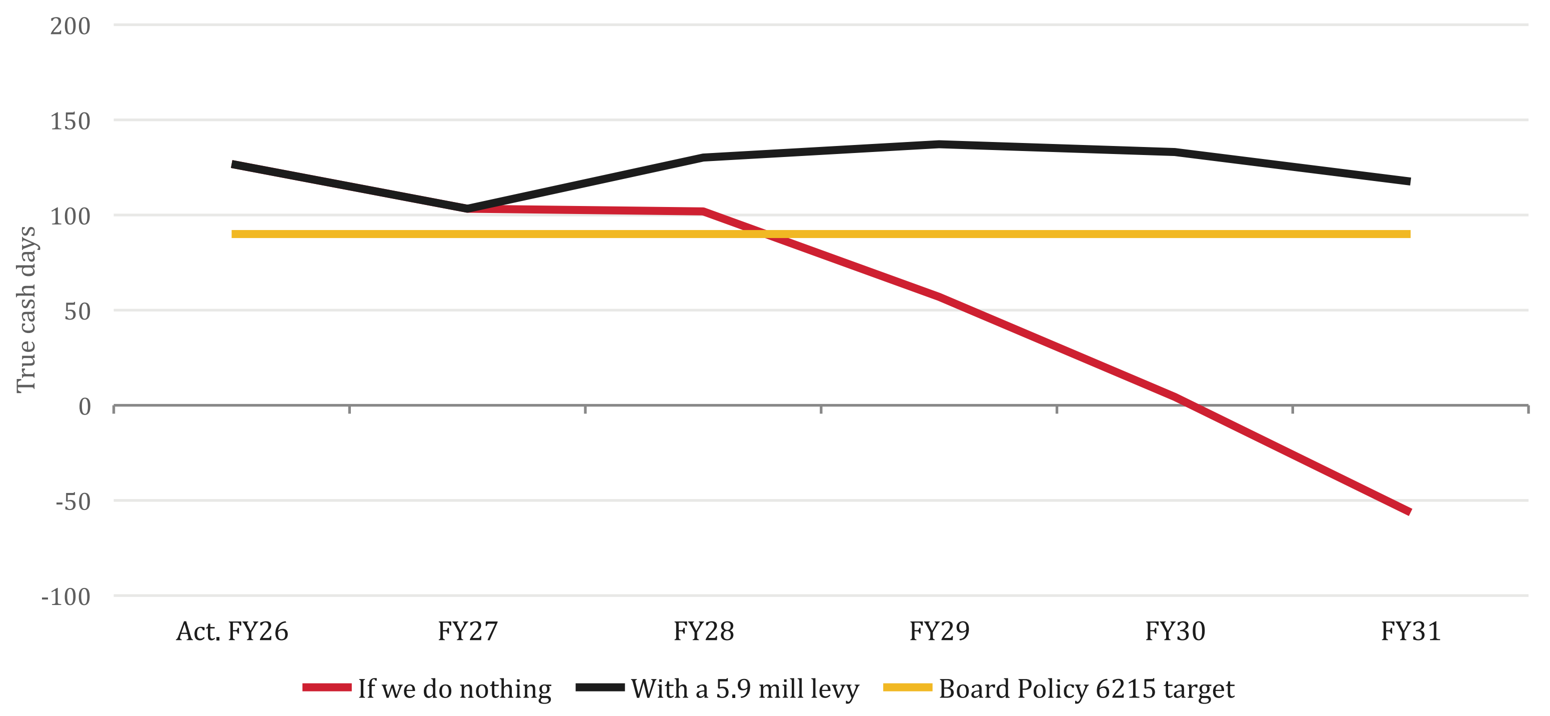
$0
state foundation increase in HB96

FY30
last year with positive cash

- HB96 continued the fair school funding plan for FY26 and FY27. Nothing is funded beyond FY27.
- The property tax reforms effective March 19, 2026 will reduce property taxes for our district, though some will not hit us immediately.
- The new laws limit growth on future reappraisals and make it harder to pass new levies and renew existing ones.
- Costs rise $12.3 million from FY26 to FY31 while total receipts rise $253,000. Nearly all of that growth is wages and benefits.
- If the state cuts our funding while our ability to raise property taxes is limited, the district will need to make cuts, seek new revenue, or both, to hold our instructional programs.
- Under current law and current state funding we still project a positive cash balance in FY30.

Our local revenue and our ability to manage this district are under threat as a result of the recent property tax legislation.

If we do nothing, and if we ask



Do nothing

Days of cash fall to 57 in FY29, 4 in FY30, and go negative in FY31. We break Board Policy 6215 two years from the certificate signing, and Ohio law will not let us reach FY31 as forecast.

5.9 mills

May 2027 ballot, first collection January 2028. Days of cash never fall below 103, peak at 137 in FY29, and finish FY31 at 118. Above the 90 day policy in every year.

$4.9M partial-year collection in FY28

$9.5M full annual collection from FY29

10 years since voters last approved new operating money

The economy our families are living in

3.4%

Inflation, 12 months through July. Wage growth is 3.2%, so prices are outrunning pay.

-23,000

U.S. payrolls in July. May and June were revised down a combined 103,000.

3.50-3.75%

Fed funds. Held 9 to 3 in July, with three votes to raise. Next meeting September 15-16.

$18.8T

Household debt. 4.7% of it is in some stage of delinquency, concentrated in lower-income households.

Why a school district watches this

- Eighty-one percent of our revenue is local property tax. When a household budget tightens, the mortgage and the utility bill get paid first and the tax bill waits.
- Cuyahoga's last sexennial reappraisal raised values about 32%. Bigger bills landed on households whose incomes did not move as much, and county delinquent balances climbed.
- Inflation has outrun wage growth for four straight months, which shows up in our fees, our pay-to-participate revenue, and in how a levy campaign is received.
- Ohio's jobless rate fell to 3.4% because 15,000 people left the labor force. Local government education lost 50,000 jobs nationally in July.

Our own number

+88%

Growth in delinquent tax collections, FY25 to FY26. $979,788 to $1,843,163.

Money paid late is money our neighbors could not pay on time. The forecast models it back down. We are watching it closely.

Thank you for listening

Questions and answers

Craig Yaniglos, Treasurer/CFO · Brecksville-Broadview Heights City School District