

INVESTING IN OUR SCHOOLS

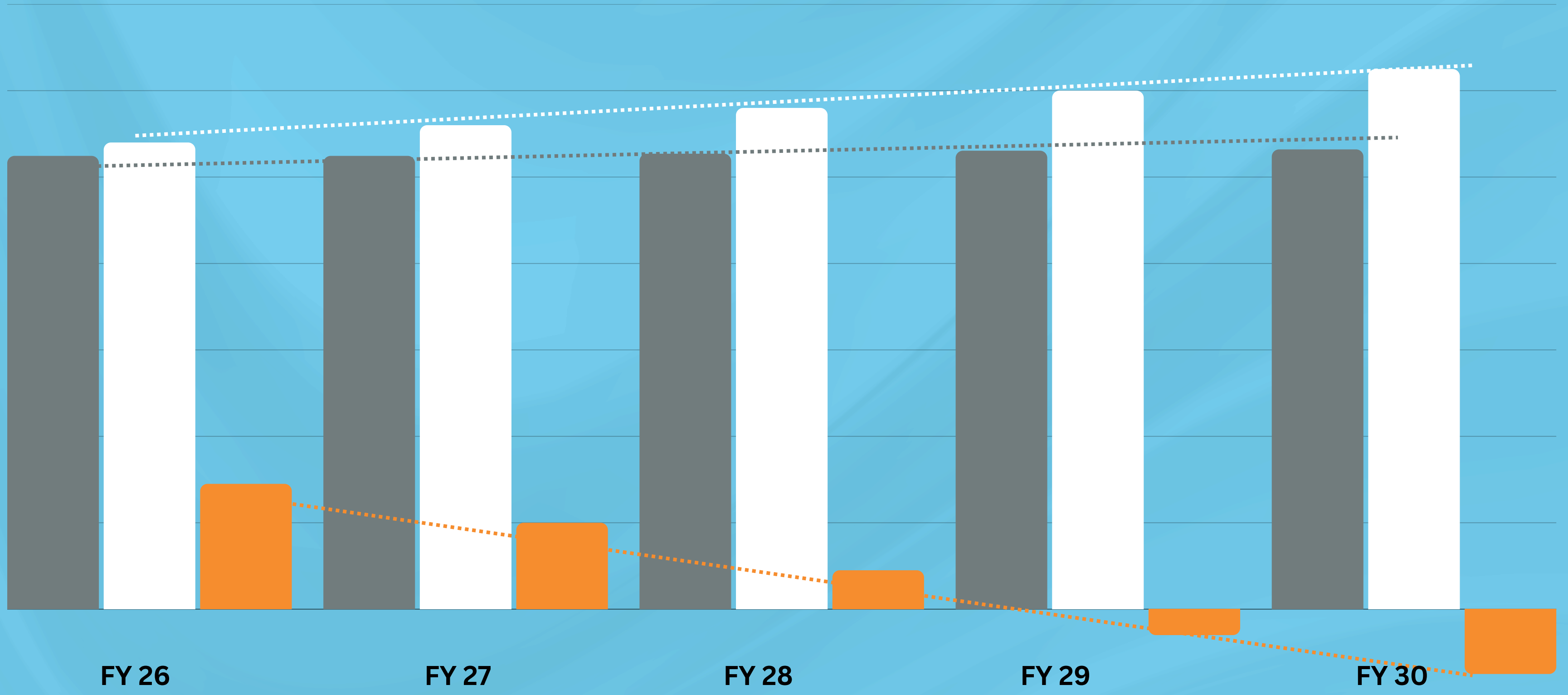
November 2026 Levy Discussion



Presented by Adam Koch, Treasurer



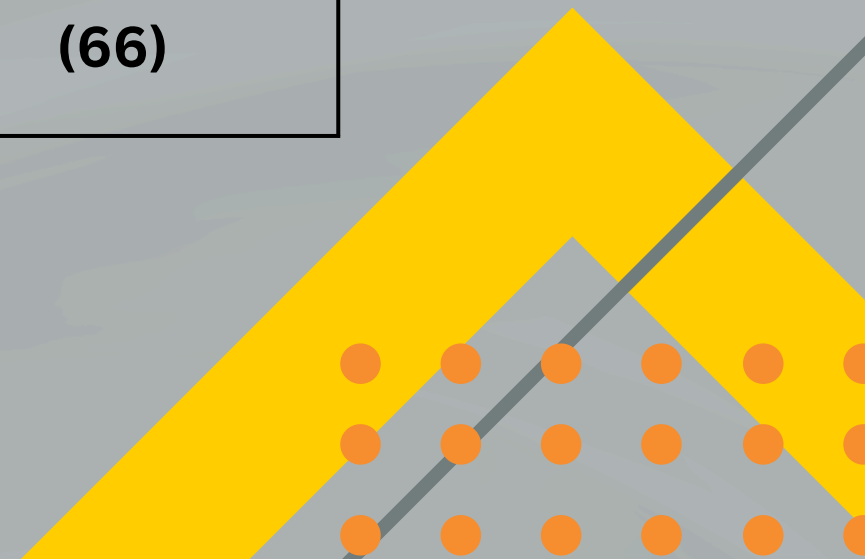
Expenses Outpacing Revenues - Fiscal Year 2026 through 2030



-  Revenue
-  Expenses
-  Fund Balance

FORECAST SUMMARY

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Total Revenue	104,900,000	104,912,220	105,418,037	106,100,336	106,896,089
Total Expense	108,165,000	112,362,497	116,797,029	120,875,207	124,672,909
Excess Of Revenues over (under) Expenditures	(3,265,000)	(7,450,277)	(11,378,992)	(14,774,871)	(17,776,820)
Beginning Fund Balance	32,231,632	28,966,632	21,516,355	10,137,363	(4,637,508)
Ending Fund Balance	28,966,632	21,516,355	10,137,363	(4,637,508)	(22,414,327)
Days of Cash on Hand	98	70	32	(14)	(66)





Current Position

- Fund Balance at the end of FY 26 is expected to be at 98 Days
- Expenditures continue to exceed revenues throughout the forecast period

Why It Matters?

- Limited flexibility for unplanned costs
- Reduced reserves constrain our ability to absorb changes in state and local funding shifts
- Cash Reserves fully depleted by FY 29

Our Commitment

- Preserve Programming, classroom learning, and extracurricular opportunities
- Continue improving efficiency in non-instructional areas
- Uphold transparency and fiscal stewardship

Next Steps

- Continue to evaluate cost-saving measures
- Explore additional revenue sources



Our priority is to preserve opportunities for students while maintaining the financial stability that sustains Sylvania Schools for years to come.



7.9 Mill Property Tax Option

November 2026

- 7.9 Mill Property Tax
- 5 Year Levy
- Currently All Property Taxes are Continuing for Sylvania Schools

Revenue Collections

- Collections would start in Calendar Year 2027
- In Fiscal Year 2027 Collections would be ½ of the Annual Amount
- Estimated Annual Revenue: \$18,281,825



Budget Impact

- Positive Cash Flow until Fiscal Year 2031
- Deficit Spend by an estimated \$2,433,462 in Fiscal Year 2031



Detailed Estimate of a 7.9 Mill Property Tax Levy in November 2026



	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032
Total Revenue	104,912,220	105,418,037	106,100,336	106,896,089	107,697,809	108,505,543
Total Expense	112,362,497	116,797,029	120,875,207	124,672,909	128,413,096	132,265,489
Net Income	(7,450,277)	(11,378,992)	(14,774,871)	(17,776,820)	(20,715,287)	(23,759,946)
New Levy Income - 7.9 Mills	9,140,913	18,281,825	18,281,825	18,281,825	18,281,825	18,281,825
Net Income with New Levy	1,690,636	6,902,833	3,506,954	505,005	(2,433,462)	(5,478,121)
Beginning Fund Balance	28,966,633	30,657,269	37,560,102	41,067,056	41,572,060	39,138,598
Ending Fund Balance	\$30,657,269	\$37,560,102	\$41,067,056	\$41,572,060	\$39,138,598	\$33,660,477
Days of Cash on Hand *	100	117	124	122	111	93

* Information above are estimates





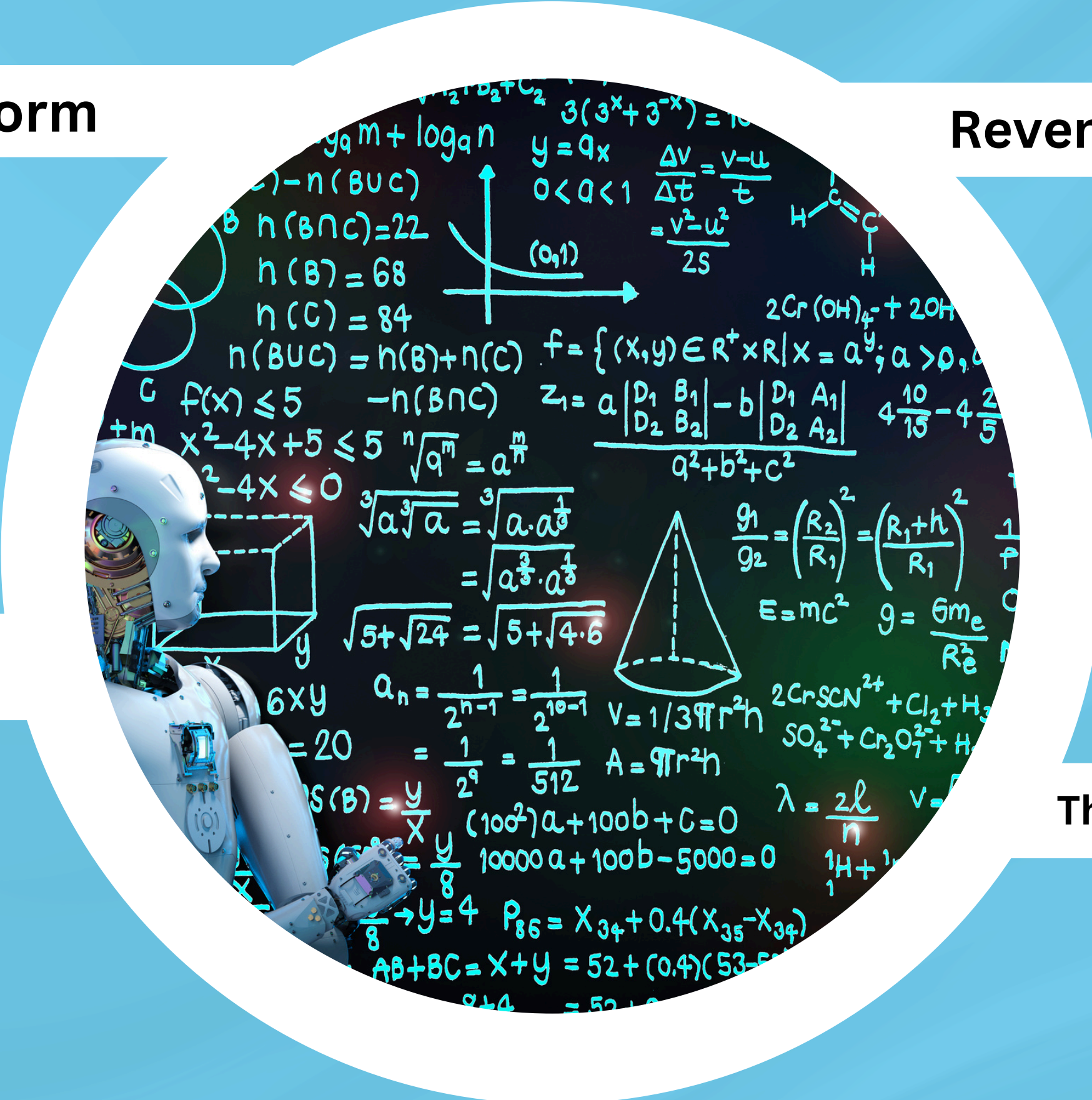
Why Consider an Income Tax?

Property Tax Reform

- Growing discussion about regarding reform and concerns about rising values
- Diversify funding rather than relying solely on property taxes

Modern, Fairer Approach

- Can be viewed as a fairer forward looking approach that supports working families
- Many districts have also followed this approach in recent years



Revenue Growth Potential

- Unlike property taxes, income tax revenue can grow with the local economy
- Creates a more sustainable long-term funding model

Thinking Differently for the future

- Shows we are thinking creatively and strategically about long-term stability
- Demonstrates we are considering new, equitable, and modern funding tools

Alternative Option to Property Taxes



	Traditional School District Income Tax	Earned Income School District Tax
Definition	Tax on all Ohio Taxable Income of residents within the district.	Tax on earned income only – wages and self-employment income reported on IRS Schedule C.
Who Pays	All district residents who have any type of taxable income, including wages, pensions, interest, dividends, capital gains, and retirement income.	Only residents who earn wages or self-employment income.
Exempt Income	Excludes social security benefits, disability and survivor benefits; railroad retirement, welfare, child support, property received as a gift, inheritance, and workers' compensation.	Excludes retirement income, Social Security, interest, dividends, capital gains, unemployment, and pensions.
Tax Base Stability	Broader and generally more stable because it includes retirees and investment income.	Narrower; tied directly to the working population's earned income and employment trends.
Revenue Growth Potential	Increases as total taxable income rises – includes economic and investment growth.	Grows only with employment and wage increases; may stagnate if workforce shrinks.
Economic Sensitivity	Moderate – less affected by recessions because it includes fixed-income taxpayers (retirees).	Higher – declines more sharply during recessions or job losses.

*

As of Tax Year 2026, 214 school districts in Ohio have a school district income tax (146 traditional and 68 earned)

Detailed Estimate of a .75% Traditional Income Tax Levy and 2 Mill Property Tax Reduction

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032
Total Revenue	104,912,220	105,418,037	106,100,336	106,896,089	107,697,809	108,505,543
Total Expense	112,362,497	116,797,029	120,875,207	124,672,909	128,413,096	132,265,489
Net Income	(7,450,277)	(11,378,992)	(14,774,871)	(17,776,820)	(20,715,287)	(23,759,946)
New Levy Income - .75% Trad.	2,268,677	17,015,081	23,821,113	25,636,055	26,020,595	26,410,904
2 Mill Property Tax Reduction	(2,314,155)	(4,628,310)	(4,628,310)	(4,628,310)	(4,628,310)	(4,628,310)
Updated Net Income	(7,495,755)	1,007,779	4,417,932	3,230,924	676,998	(1,977,352)
Beginning Fund Balance	28,966,632	21,470,877	22,478,656	26,896,588	30,127,512	30,804,510
Ending Fund Balance	\$21,470,877	\$22,478,656	\$26,896,588	\$30,127,512	\$30,804,510	\$28,827,158
Days of Cash on Hand *	70	70	81	88	88	80

* Information above are estimates

Detailed Estimate of a 1% Earned Income Tax Levy and 1 Mill Property Tax Reduction



	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032
Total Revenue	104,912,220	105,418,037	106,100,336	106,896,089	107,697,809	108,505,543
Total Expense	112,362,497	116,797,029	120,875,207	124,672,909	128,413,096	132,265,489
Net Income	(7,450,277)	(11,378,992)	(14,774,871)	(17,776,820)	(20,715,287)	(23,759,946)
New Levy Income - 1% Earned	2,058,621	15,439,656	21,615,518	23,262,415	23,611,351	23,965,522
1 Mill Property Tax Reduction	(1,157,078)	(2,314,155)	(2,314,155)	(2,314,155)	(2,314,155)	(2,314,155)
Updated Net Income	(6,548,734)	1,746,509	4,526,492	3,171,440	581,909	(2,108,580)
Beginning Fund Balance	28,966,632	22,417,898	24,164,407	28,690,900	31,862,339	32,444,248
Ending Fund Balance	\$22,417,898	\$24,164,407	\$28,690,900	\$31,862,339	\$32,444,248	\$30,335,669
Days of Cash on Hand *	73	76	87	93	92	84

* Information above are estimates

Comparison: Property Tax vs. Income Tax



	Income Tax	Property Tax
Tax Base	Based on Resident Income (either all taxable or earned only. Narrower base as its only district residents.	Based on assessed property value (35% of market value. Broader Base as it includes residential, commercial and Industrial Property.
Who Pays	Only residents of Sylvania. Non residents that own property in the district do not pay.	All property owners including residents, businesses, and non resident property tax owners.
Revenue Growth	Grows with the economy and wage increases.	Does not grow automatically - limited by HB 920.
Stability	Revenue can fluctuate with local employment and economic conditions.	More predictable and stable because it is less tied to the economy but also does not grow.
Equity	Often times can be viewed as a fairer tax since it is based on the ability to pay (income).	Based on Property ownership; not tied to income levels.
Impact on Retirees	Traditional - includes pensions and investments. (Excludes social security) Earned - Excludes retirees.	Retirees pay property taxes regardless of income.
Ease of Explanation	Less familiar - Education on the difference between Earned and Traditional Taxes.	Widely understood but recent valuation increases and statewide perception on property taxes are changing (new legislation being proposed and changes happening).
Voter Perception	May appeal to working age families and earned income option would appeal to retirees.	Often viewed as a traditional funding sources but this perception is changing.
Timing of Receipts	Slower distributions (per ODT - a year and half until fully collected. (quarterly distributions).	Semi-annual collections; revenue begins the next year. ½ the first fiscal year and then full year of collections.



Revenue Generated by Option

	7.9 Mill Property Tax	.75% Traditional Income Tax with a 2 Mill Reduction	.1% Earned Income Tax with a 1 Mill Reduction
Revenue Generate	18,281,825	22,686,774	20,586,208
Millage Reduction	0	(4,628,310)	(2,314,155)
New Revenue Generated	\$18,281,825	\$18,058,464	\$18,272,053

Summary of the Levy Options



	7.9 Mill Property Tax	.75% Traditional Income Tax	1% Earned Income Tax
Net Revenue Generated	\$18,281,825	\$18,058,464	\$18,272,053
Positive Cash Flow until ?	2031	2032	2032
Fund Balance in 2032	\$33,660,477	\$28,827,158	\$30,335,669
True Days Cash in 2032	93	80	84

* Information above are estimates



Which Option?

- Property or Income

Timeline of Decision

- Two Separate Board Resolutions need to be passed by August 5, 2026



Expenses

- Continue to evaluate cost-saving measures
- Continue improving efficiency in non-instructional areas
- Uphold transparency and fiscal stewardship



THANK YOU

For more information or if you have questions about the finances of Sylvania Schools do not hesitate to reach out via email or phone.



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