

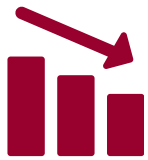


1.0 % EARNED INCOME TAX LEVY NOVEMBER 3, 2026



OHIO PROPERTY TAX CHANGES

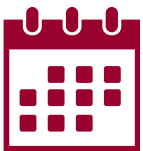
Recent legislative changes to property tax laws in Ohio have significantly altered how school districts receive funding. While these state-level changes were intended to provide relief to property owners, they have created a gap in the anticipated revenue for our schools.



- **New state laws lowered property taxes.**
- **Schools now receive less funding than expected.**
- **Revenue growth is limited, creating a shortfall in the five-year forecast.**
- **Costs are rising, and resources are limited.**
- **Without a new source of revenue, our district will face a staggering \$8.5 million yearly deficit by 2030 and a \$11.2 million deficit by 2031, leaving us with a negative \$7.2 million cash balance by 2031.**

LOOKING AHEAD: FUNDING AND STABILITY

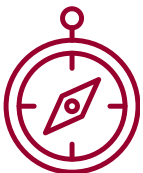
To maintain the current level of staffing, programming and the quality of education and services our community expects, the district must address this revenue shortfall.



- **The district must replace lost revenue to maintain current staff and programs.**
- **The district has placed a 1.0% Earned Income Tax Levy on the November 3, 2026 ballot.**
- **If funds are not approved, major budget cuts will be required in the coming years.**
- **79% of the district's budget is personnel.**

WHAT THIS MEANS NOW

We are committed to being proactive and fiscally responsible during this transition period.



- **We have reduced costs whenever possible through attrition and careful allocation of funds.**
- **No large cuts are being made at this time.**
- **Earned income tax levies only apply to individuals' current wages and income and do not include businesses, retirement, pensions, Social Security, dividends, interest or capital gains.**
- **This levy will diversify revenue streams and will reduce the district's reliance on property taxes.**
- **If the income tax levy passes, the district will provide property tax relief over the next two years.**





1.0 % EARNED INCOME TAX LEVY NOVEMBER 3, 2026



NEED FOR INCREASED REVENUE

- **State property tax reform reduced anticipated revenue by \$13 million over the next four years with no increased revenue from the State.**
- **Without a new source of revenue, our district will face a staggering \$8.5 million yearly deficit by 2030 and a \$11.2 million deficit in 2031, leaving us with a negative \$7.2 million cash balance by 2031.**
- Right now, the cost of running our school district is growing at 3.77% annually due to inflation, rising operational costs, and specialized student needs.
- Meanwhile, our overall income is only growing at 2.06% per year which creates a widening gap where expenses outpace revenue. While we have made spending adjustments annually, this shortfall problem cannot be overcome by minor budget changes.
- **In addition, Lebanon is seeing a major spike in housing developments and new families. As our community grows, we need scalable funding.**

CONTINUING TO INVEST IN OUR EDUCATIONAL PROGRAMS

- **Unlike fixed property taxes, which will no longer grow due to reform, an earned income tax grows naturally as new wage-earners move into the area, ensuring the district can proactively hire staff, handle enrollment surges, and continue to meet the needs of our students as Lebanon grows.**
- If the levy does not pass, the district will be forced to begin reducing expenses in the 28/29 school year. This would result in deep, disruptive cuts to academic programs, student services, and classroom teachers.
- **If the levy passes, the district can provide tangible property tax relief to residents:**
 - 2027: District can pay off Bond 2.5 years early due to refinancing and smart fiscal stewardship. This will reduce Property Tax collection by 1.38 mills and will save the District \$210,000 in future interest.
 - 2028: District will cease collection of 0.77 mill permanent improvement levy and will not seek renewal in 2028.
 - Result will be 2.15 mills of property tax reduction in the next two years.

KEY COMMUNITY BENEFITS

- **Targeted Tax Relief: Delivers direct tax decreases for senior citizens, retirees, and residents on fixed incomes who are most impacted by rising property values.**
- District will budget \$2 million annually towards Permanent Improvements, instead of the \$1.4 million generated currently by the Permanent Improvement levy, which will increase annual facility maintenance and permanent improvements expenditures.
- Diversified revenue reduces the district reliance on property taxes amid historic property value increases.
- **Scalable revenue at a time of significant housing and population growth: Income taxes will increase as new wage-earners move into the district, ensuring revenue grows as our population grows.**

