

# Bucyrus City School District, Ohio

## Community Taxation Policy

FINAL DRAFT

8/14/2026

### **Purpose of the Policy**

The primary goal of this taxation policy is to set clear targets and guidelines for adjusting existing taxes and/or generating new tax revenue to support school district facilities and operations. This policy outlines the types of taxes that may be used to achieve and maintain financial stability while minimizing the need for requests for additional property and/or income tax levies.

The Board recognizes that Ohio's current tax system is imperfect and that future changes to state taxation rules and/or laws may require updates to this policy. Nevertheless, the Board is committed to pursuing long-term financial sustainability while considering the standard of living and balance in the taxation of our school community.

### **Objectives**

The primary objectives, in no specific order, of the taxation policy for the District are as follows:

- 1) **Secure sufficient operating, maintenance, and debt service revenue.** Ensure adequate revenue to maintain community standards and support the District's financial stability and credit quality.
- 2) **Identify when new tax requests are necessary.** Establish clear indicators for determining when new tax revenue is required for operational and capital needs.
- 3) **Promote financial sustainability without relying on new taxes.** Utilize all reasonable tools to support and sustain the District's financial operations and capital needs while minimizing the need for additional tax revenue from residents.

- 4) **Maintain affordability for the community.** Keep overall tax burdens reasonable compared to neighboring districts while continuing to provide high-quality education, services, and facilities to our students and community.
- 5) **Promote balance in how much taxpayers pay through the types of taxes used.** Implement or adjust tax structures with consideration for the standard of living, recognizing the financial impact on taxpayers of all income demographics.
- 6) **Manage the District's cost of services to limit or minimize the cost to taxpayers.** Continuously seek efficiencies in operations and facilities management to reduce long-term cost pressures while upholding community standards.
- 7) **Seek ways to ensure all residents receive value from the District in return for their tax dollars.** Identify and seek to provide measures, services, programs, facilities, and other amenities that create meaningful value and opportunities for engagement for all taxpayers, regardless of age, whether they have children in the District, or their level of direct involvement with the school system.
- 8) **Communicate the value delivered to the community.** Maintain ongoing engagement with the community to ensure residents understand and are receiving the value associated with District services and investments in students.

### **Benchmarks and Measurements Report**

Annually, or at the request of the BOE, the Treasurer/CFO shall prepare the Benchmark Report for submittal to the BOE. The Treasurer/CFO shall determine the format for such a report and will, to the best of his or her ability, include the most recent data available for the following:

- 1) General fund balance sensitivity analysis (rainy day calculation);
- 2) Monthly operating cash flow report;
- 3) Financial forecast;
- 4) Taxpayer affordability analysis comparison;
- 5) General fund balance "Days of Cash" comparison;
- 6) Operating levy cycle comparison;
- 7) Outstanding debt balances and associated interest rates;

- 8) Key historical and current demographics of the District, including, but not limited to:
  - a. Total population;
  - b. Population under 18;
  - c. Population 65 and over;
  - d. Population at or below the poverty level;
  - e. Population receiving Social Security and/or retirement income;
  - f. Median home value;
  - g. Median family income;
  - h. Renter-occupied housing;
  - i. Income tax comparison between earned-income and traditional income taxes;
  - j. Per-pupil expenditures comparison;
  - k. Performance index comparison;
  - l. Other, as may become useful.

### **Benchmarks and Measurements Targets**

The BOE hereby establishes the following benchmarks and targets to guide decisions related to the District's financial stability, requests for new property or income taxes, and/or any reduction of taxes:

- 1) **Combined General and Capital Project Fund Balance (Fund Balances):** Maintain a minimum of 150 days and a maximum of 180 days of cash on hand, subject to additions related to ongoing tax reform efforts, or any statutorily imposed limit on the Fund Balances;
- 2) **Taxpayer Affordability:** Maintain taxpayer affordability as low as possible out of the 20 districts in the comparison group;
- 3) **Operating Levy Cycle:** Target an operating levy cycle (the period when additional operating taxes are requested) of no sooner than 10 years after the passage of the next new money levy.
- 4) **Tax Rate Floor:** Class I and Class II tax rates should reach and remain at the 20-mill (or equivalent) floor, when applicable.

### **Key Actions and Guidelines**

To maintain financial sustainability and ensure balance in taxation, the BOE hereby establishes the following actions and guidelines. These include considerations for property values, income demographics, tax structures, expenditure minimization, and revenue growth:

- 1) The District shall seek to implement and maintain, at the direction of the Board, revenue streams that adjust for inflation whenever possible;

- 2) The Treasurer/CFO and Superintendent shall strive to create operating efficiencies and minimize costs while also continuing to maximize revenue growth opportunities to avoid the need for new taxes.
- 3) The Treasurer/CFO shall report at least annually, or at the BOE's request, to the BOE on efforts to control expenditures, pursue revenue growth, or unexpected changes to revenues or expenditures.
- 4) If the Fund Balances fall below the minimum days of cash, the Treasurer/CFO and Superintendent will recommend corrective actions and a financial plan to restore Fund Balances to the minimums outlined.
- 5) If a new money levy becomes necessary, the Treasurer/CFO shall recommend the required amount to the BOE. The BOE may adjust or reject the recommendation but must ensure that the final decision preserves the District's ability to remain solvent (maintaining positive Fund Balances) for at least a five-year period following the passage of such new money levy.
- 6) If the property tax base for business is 25% or greater, then the District should avoid using an income tax.
- 7) The District should avoid a tax that takes it off the minimum property tax rate floor or its equivalent and/or upsets the balance in taxes between businesses and residents in the community as determined by the BOE.
- 8) All new levies should be requested for a continuing period of time.

### **Use of Surplus Fund Balances**

The BOE will make its best efforts to follow these guidelines to direct the use of any surplus balances accumulated in the Fund Balances, including, but not limited to, the following, as recommended by the Superintendent and Treasurer/CFO:

- 1) Maintaining, enhancing, or adding educational programs provided to students;
- 2) Constructing, purchasing, or improving District facilities, equipment, and furnishings;
- 3) Paying down or paying off outstanding debt of the District when such debt's interest rates exceed the rate of interest earned on the District's investments. However, the BOE may pay down or retire debt if it determines such action is in the taxpayers' best interest;
- 4) Reducing the amount of taxes collected from taxpayers by any legally available means at the time of such decision; and/or retaining such remaining balances to reduce or eliminate the need for future taxation of District residents.

- 5) Supporting other qualifying measures that enhance value to taxpayers through educational, civic, social, wellness, and recreational experiences offered by the District.

### **Tax Incentive Proposals**

The BOE hereby establishes the following guidelines to guide the District's behavior regarding any tax incentive proposals related to economic development using tax abatements of any type and/or Tax Incremental Financings (TIFs), whether or not BOE approval is required:

- 1) First, the BOE hereby establishes that it will be supportive of economic development proposals, subject to its review.
- 2) For activity that does not require BOE approval, the Superintendent and Treasurer/CFO shall still seek to preserve as much of the District's tax dollars as possible.
- 3) The BOE can require up to a 90-day waiting period after the BOE is given a formal written proposal before acting on such proposal.
- 4) The BOE will retain the assistance of an outside consultant, at its discretion, to assist in any negotiations regarding a proposal.
- 5) The BOE shall insist on terms of any agreement that will protect the overall interests of the District's taxpayers.
- 6) The BOE will seek to capture value for taxpayers from any economic development activity occurring in the community so that, if possible, there is an economic benefit to the District as well.

### **Review Process and Disclosure**

Annually, or at the request of the Board of Education (BOE), the Treasurer/CFO shall provide the BOE with a summary of the District's performance against established benchmarks and measurements ("Benchmark Report"). Upon review of the Benchmark Report, if no concerns arise, the BOE shall pass a resolution stating such conclusion.

If the BOE determines that material concerns exist, the Treasurer/CFO and Superintendent shall, within 60 days, provide the BOE with an analysis and recommendations addressing those concerns. The BOE shall consider these recommendations before making any decisions regarding:

- 1) Requests for new taxes;
- 2) Reductions, renewals, replacements, or substitutions of existing taxes;
- 3) Extensions or reductions of levy terms;
- 4) Movement of inside millage;
- 5) Approval of tax incentives (including TIFs) or compensation agreements;

- 6) Use of surplus funds;
- 7) Reductions in services, staffing, or programs.

The BOE shall document the rationale for any actions taken as a result of this process. At a minimum, such documentation shall be made available to the public on the District's website and in the District newsletter prior to BOE direction to the Treasurer/CFO and Superintendent or prior to BOE action.

### **Community Taxation Policy Adoption**

The Community Taxation Policy shall take effect after approval by the BOE.