CHILLICOTHE
CITY SCHOOL DISTRICT

425 Yoctangee Parkway
Chillicothe, Ohio 45601

Chillicothe City School District

November 3, 2026 Proposed 0.75% Earned Income Tax Levy

Frequently Asked Questions

What type of levy is this?

This is a 0.75% earned income tax levy over 5 years. This means that the levy will apply to earned income such as salaries, wages, tips, and self-employment income. It will not apply to social security, pensions, interest earnings and dividends, or capital gains. Another ballot issue would have to be passed for it to extend longer than 5 years. Income tax levies are levied based on residence, so it will apply only to those who live in Chillicothe City School District.

It will appear on the ballot as follows:

PROPOSED INCOME TAX

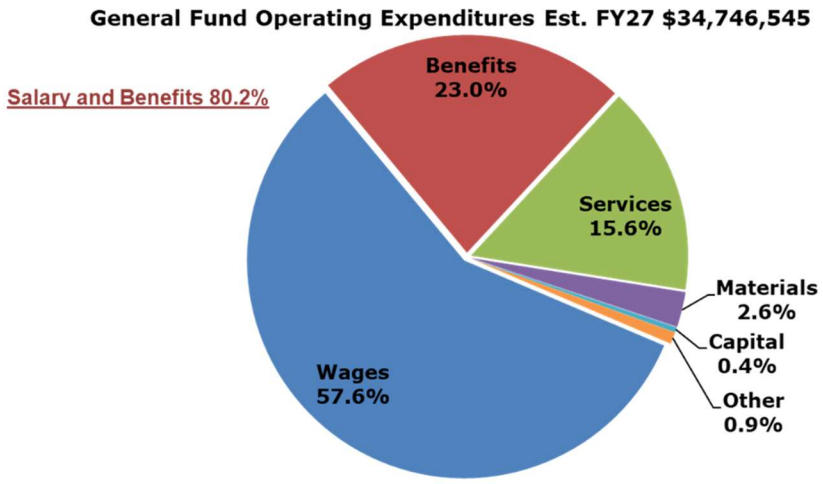
Chillicothe City School District

Shall an annual income tax of 0.75 per cent on the earned income of individuals residing in the school district be imposed by Chillicothe City School District, for 5 years, beginning January 1, 2027, for the purpose of current expenses?

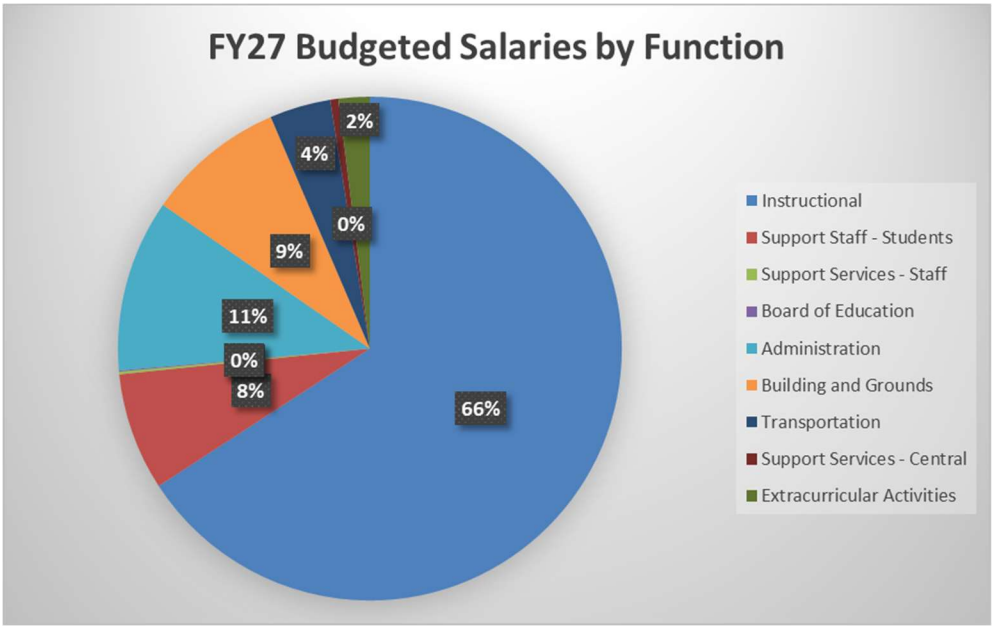
For the Tax ☐

Against the Tax ☐

How does CCSD spend its money?



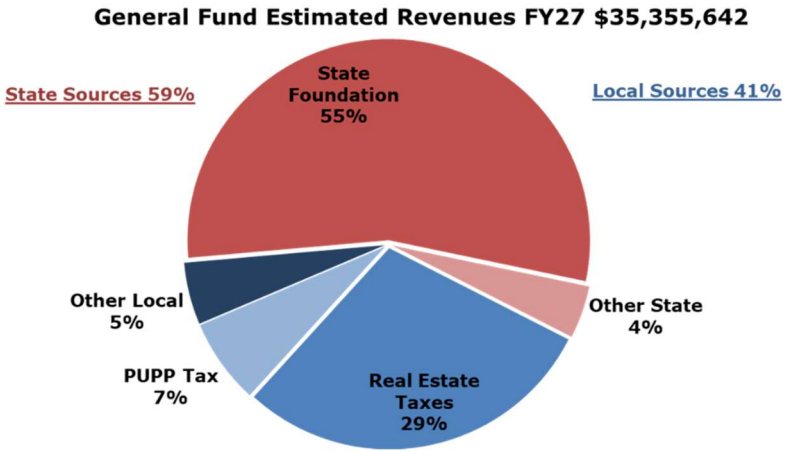
The pie chart above shows the breakdown of district general fund spending. Salaries and benefits comprise the bulk of spending and is very close to the national average of 80%. In the most recently available District Profile Report for FY 2025, CCSD's total operating expenses per student were 4% below the state average. This was before the additional $4 Million in cuts that took place before this school year.



The pie chart above shows the breakdown of the budgeted salaries by function. The administration salaries shown include administrative support staff. In the most recently available District Profile Report for FY 2025, CCSD's administrative expenses per student were over 3% below the state average. Instructional expenses per student were within 1% of the state average. These numbers, again, were before the additional reductions prior to this school year.

Where does CCSD's revenue come from?

Below is a chart showing the breakdown of projected revenue for this fiscal year from the district's August 2026 5-year forecast:



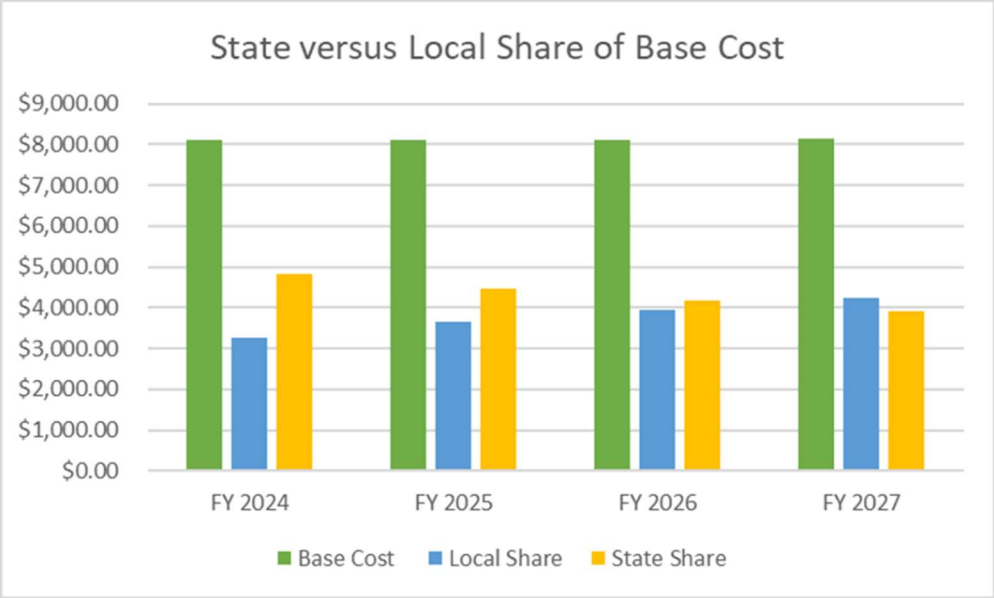
Overall, the district received $2,590.60 (14%) less in revenue per student than the statewide average in the most recently available School District Profile Report (Cupp Report). This was largely due to a local tax effort index 35.5% below the statewide average.

How has the most recent state budget impacted CCSD?

Ohio's current system of public school funding is called the Fair School Funding Plan. For the plan to function as intended, the "base cost" to educate a typical student was meant to be updated each school year.

However, these costs were not updated in the last state budget. This means that districts are receiving base funding from the state based on the 2021-2022 school year (FY 2022). This is as inflation has increased by a rate of 16.4% from 2022 through 2025 based on GDP-Deflator values.

How much of the base cost for a student is covered by the state?



The graph above displays the impact of not raising the base costs in the most recent state budget. The blue bar shows local taxpayers' share of the base cost. Property value increases are driving the increased strain on local taxpayers. When the base cost (green bar) does not get increased, schools do not receive more per student, the burden just shifts. Essentially, if the base cost does not go up, local share will always continue to increase and state share will decrease.

During the 2023-24 school year, 59.6% of the per pupil funding for CCSD students came from the state. This school year, that percentage has dropped all the way to 48.8%.

Across the state, the state's share of per student base funding in Ohio is now lower than it was when the courts deemed Ohio's system of public education funding unconstitutional because it relied too much on local property wealth. (DeRolph v. State of Ohio, 2003).

What has the district done to reduce expenditures?

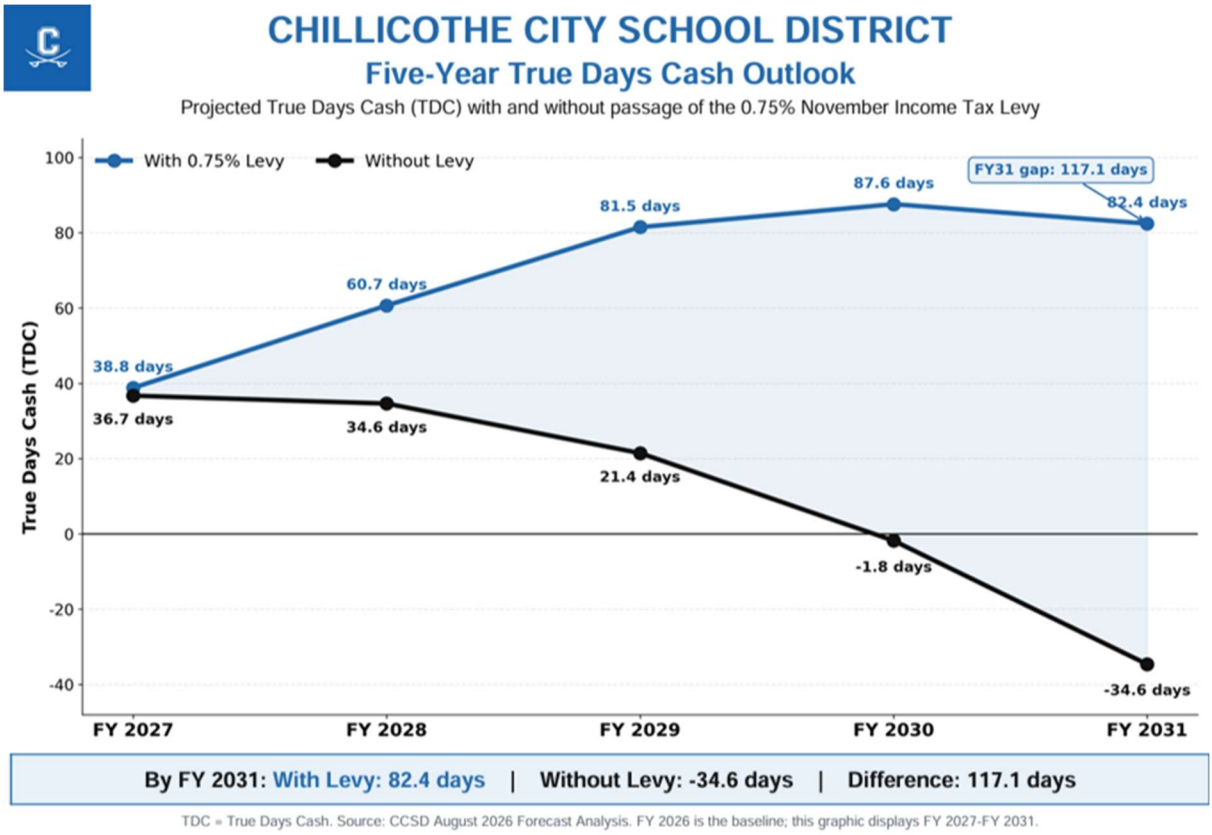
The district has undergone extreme reductions since last school year, totaling over $4.3 Million in reduced expenditures/added revenue for the 2026-2027 school year. 47 positions have been cut or not replaced since the 2025-2026 school year including 6 administrator positions. An additional 9 staff members who left the district were replaced with lower salaried replacements.

In addition to the large staff reductions, the district has cut purchased service contracts, reduced transportation services, cut supplementals, implemented additional fees to generate additional revenue, limited trips, and moved sports from school-sponsored to club teams.

Why does CCSD need the levy?

The district currently has a cash balance that is less than 1/3 of its required minimum per Board policy and best practice. The district is projected to return to deficit spending next school year despite the reductions. The levy would generate needed revenue, allowing the district to return to its required minimum cash balance over the forecast period and avoid the need for additional major cuts.

What does CCSD's cash balance look like with and without the levy?



The above graph displays the impact of the levy. The blue line represents the district's cash balance in True Days' Cash if the levy were to pass while the black line represents the district's cash balance without the levy passing. The graph illustrates district decision making on the 0.75% earned income tax amount, as it would allow for the district to approach closely its required minimum of 90 True Days' Cash by the 2029-2030 school year.

What has CCSD done to advocate for state funding moving forward?

District leadership have arranged to meet with state legislators to advocate for needed state funding and possible changes to the funding formula moving forward. As we move forward, the district will work to message everything being provided by public schools, work with legislators to help them understand the local impact of state budgeting

decisions, and continue to strive toward being as efficient as possible to maximize student outcomes. Whether the levy passes or not, the district will pursue these goals and put the students of Chillicothe City School District at the forefront of every decision made over the coming years.

Kathy Payne, Interim Superintendent

Nick Rose, Treasurer