

How Are Schools Funded? Local and State Funding

02/24/2025

6:00 p.m.

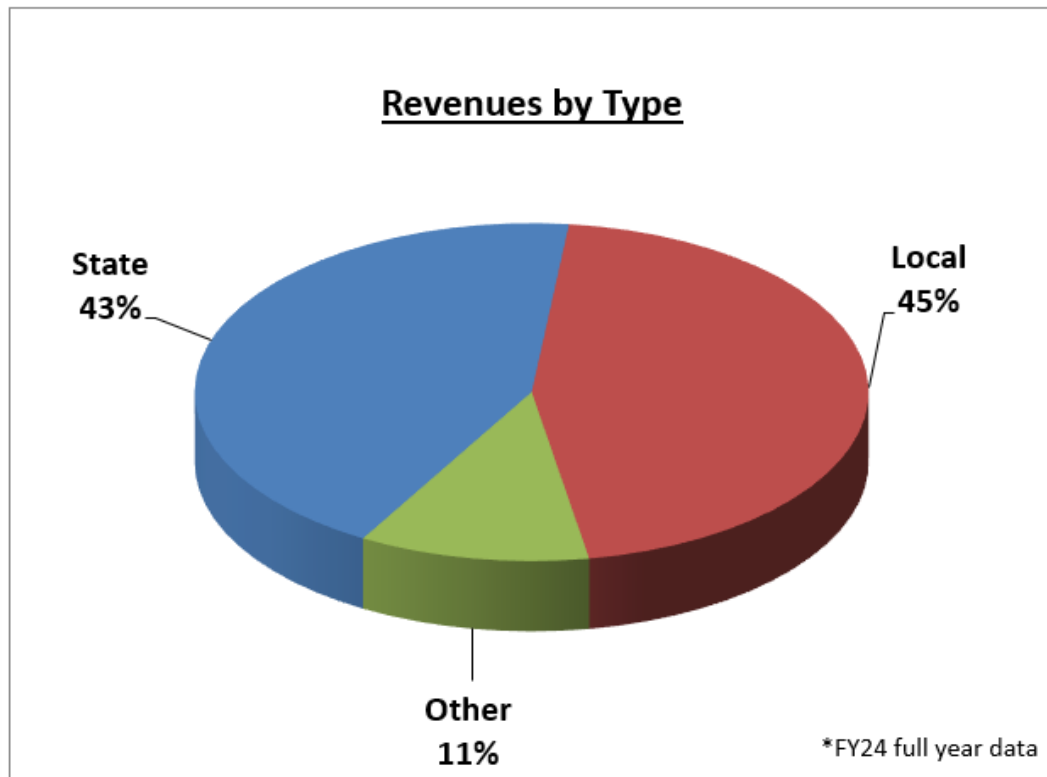




School Funding – Local and State Funding

School Districts primarily receive operating revenue from local taxpayers and from the State.

Understanding the relationship between the two is important.

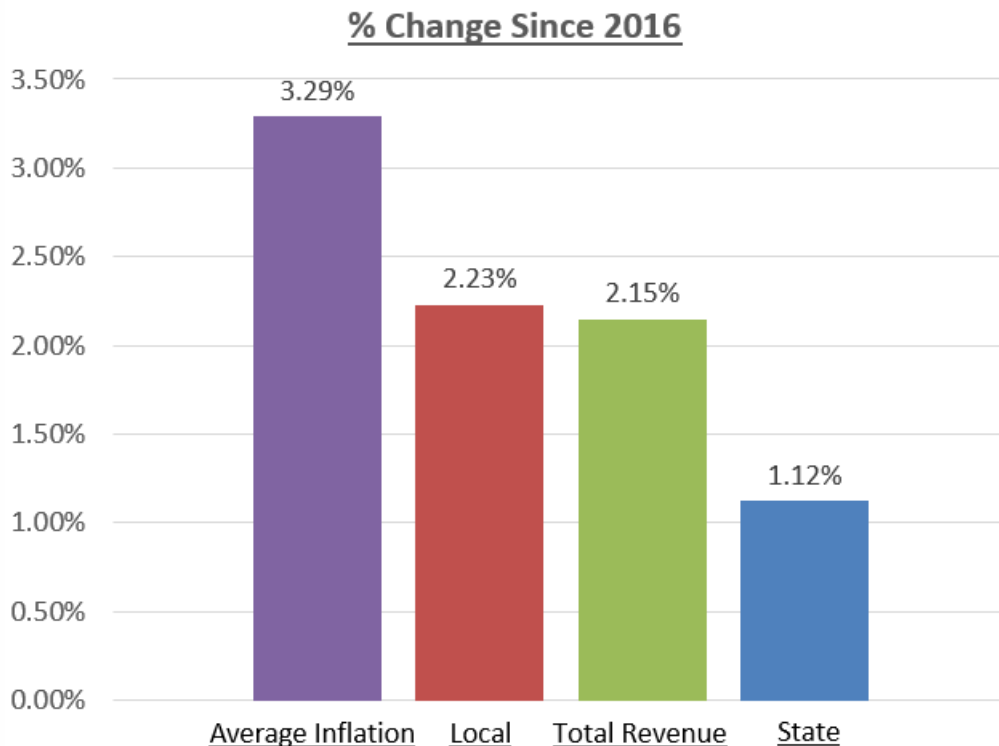




School Funding – Local and State Funding %'s Over Time

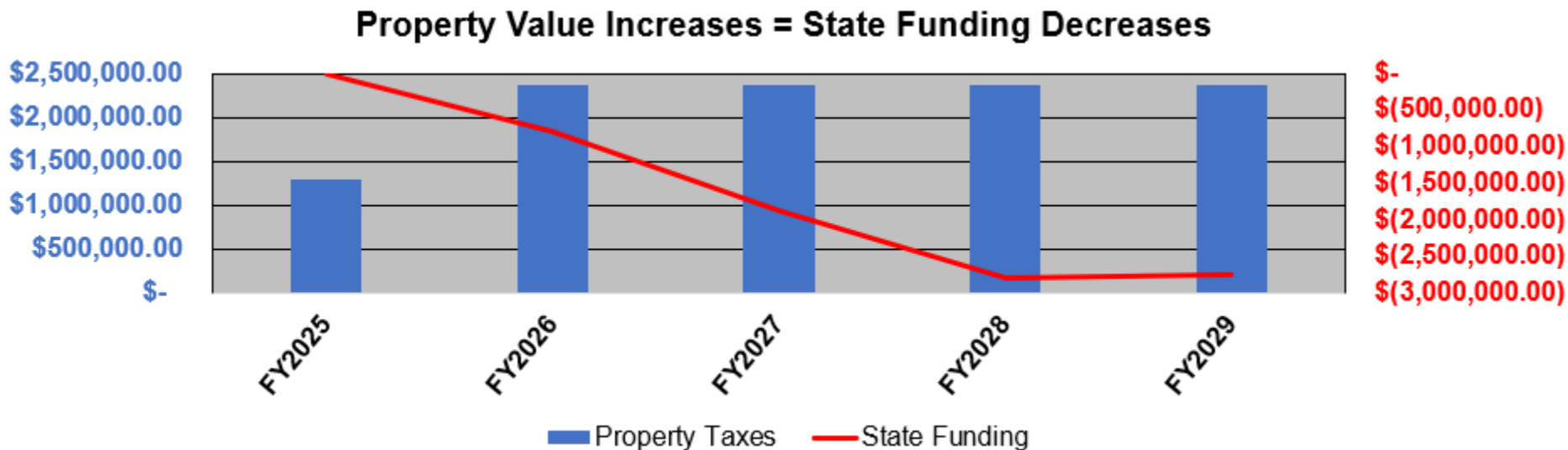
Revenue from State and Local Sources fluctuates over time. Historically, since 2016, Franklin City Schools has not received revenue increases in line with the average inflation over that same time period.

If the District would have received the same increases in revenue annually in line with the inflation for that year, the District would have received approximately \$21 million additional in revenue. That is an average of \$2.6 million annually.





Local Property Value Increase Decreases State Funding



As Local Property Values increase it decreases the level of funding from the State.

- Property Value increases is not a windfall to the District.
 - Have to look at the full picture.
 - It basically offsets the loss in State Funding.
 - Seesaw effect.





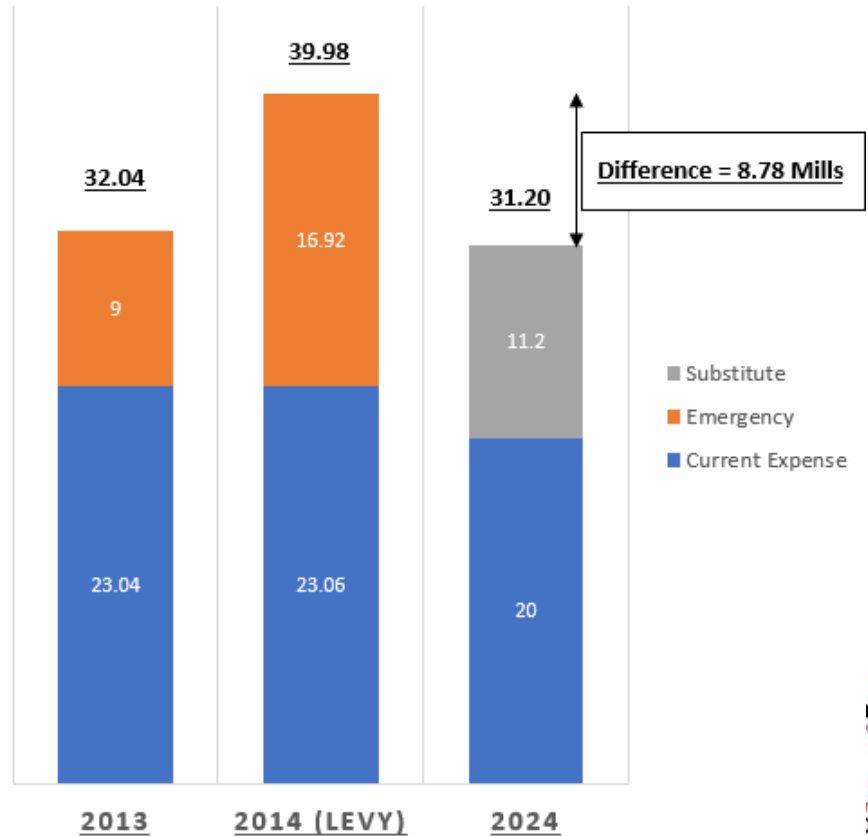
Operating Millage/Tax Rates

Due to HB920, Tax Rates decrease as home values increase.

The last operating levy that was passed in the district went into effect in 2014 (the increased millage on the graph).

The Effective Tax Rate on property taxes for operating revenue in Franklin City Schools is actually lower now than it was back in 2013. We are essentially back to pre-2014 tax rates, which was prior to the last levy.

It would take 8.78 Mills to equal 2014 levels.





School District Tax Comparison – Warren County

District	Median Home Value	2024 Effective Tax Rate/Millage	Average Annual Property Tax	Income Tax Rate	Annual Income Tax Payment per Filer	Total Annual Cost (Median)
Kings Local SD	\$331,700	40.11	\$4,657.03	0.00%	\$0.00	\$4,657.03
Mason City SD	\$415,700	30.57	\$4,448.38	0.00%	\$0.00	\$4,448.38
Springboro Community City SD	\$381,800	28.49	\$3,807.56	0.00%	\$0.00	\$3,807.56
Little Miami Local SD	\$301,000	33.56	\$3,535.55	0.00%	\$0.00	\$3,535.55
Wayne Local SD	\$302,500	31.92	\$3,379.53	0.00%	\$0.00	\$3,379.53
Lebanon City SD	\$299,600	31.34	\$3,286.04	0.00%	\$0.00	\$3,286.04
Carlisle Local SD	\$188,300	28.58	\$1,883.83	1.00%	\$968.75	\$2,852.58
Franklin City SD	\$201,900	36.17	\$2,555.96	0.00%	\$0.00	\$2,555.96

*Median home value based on Census Data (2019-2023)

- The Total Annual Cost per homeowner (median) is the lowest in Warren County.
 - 31% lower than the average of the other districts in Warren County.
 - 12% lower than the second lowest.
- It would take over 16.3 mills to be at the average in Warren County.





Questions?

