

Lexington Local School District
Precaution ODEW Written Plan Narrative
December 17, 2025

Introduction

With the continued legislation passed by the State Legislature and the related impacts on school funding, the negative financial conditions for Lexington Local Schools reflect an escalation of deficits directly related to the actions taken by the State Legislature. As a result, the District Board of Education (“BOE”) has engaged our community for a series of public sessions to gather input as to the most desired and best course of action to address the projected deficits.

Through these meetings and collaborative discussions, the BOE has developed a District Tax Policy. The BOE’s preferred course of action, based on a variety of factors and input from community members, is that the projected deficit is eliminated with the passage of a 1.5% continuing income tax levy in May 2026 generating approximately \$9 million annually for the District. With the passage of such a levy, the intent of the District will be to allow the two existing emergency levies to expire, beginning with the emergency levy set for a 2026 renewal. With the recent actions of the State Legislature, it is prudent to assume no future increases in State funding or appropriate updates to base costs inputs of the State Funding Formula.

At the time of the completion of the District’s financial forecast, the State Legislature had eliminated the authority to renew existing emergency levies, and the existing emergency levy set for 2026 renewal was removed from the District’s financial forecast, resulting in precautionary status for the District based on resulting deficit projections for FY27 and FY28. With recent changes made by the State Legislature, while existing emergency levies may be renewed, the intent of the BOE is to allow for the existing emergency levies to expire should the planned income tax levy pass by a vote of our community. Should the income tax levy fail in May, the BOE will have to consider including the renewal of the existing emergency levy on the ballot in November. Changes in assumptions have been updated accordingly to reflect recent additional legislation passed by the State Legislature..

Changes in Assumptions

The changes in assumptions included within the workbook are the following:

- A reduction of District property tax revenues in the amount of \$280k annually due to the passage by the Richland County Commissioners of the 2.5% owner occupancy “piggyback” tax exemption;
- Increases and additional State foundation funding, including performance supplement, base funding supplement, transportation funding, and special education funding, totaling approximately \$250k annually that were not known or included in the financial forecast previously;
- Changes to FY26 actual severance payouts based on actual retirees and updates to future severance payout forecasts for FY27-FY29 based on eligible retirees, retirement expectations, and historical data.

- Updates to medical and dental insurance premiums based on \$0 increases for 1/1/26 with increased impact in outlying years for FY27-FY29;
- Reduction of projected tuition reimbursement payments for FY26-FY29 to reflect historical patterns;
- Removal of the preschool rental costs from MidOhio ESC for FY29 based on projected completion of the District's new elementary building;
- Removal of tuition and mileage costs for students set to age out of services currently provided at external education facilities beginning in FY26 for one student and beginning in FY27 for another student;
- Release of the District budget reserve of \$87,929;
- Inclusion of the renewal of the District's existing emergency levy as mentioned above based on State Legislature changes.

Revenue Enhancements

The revenue enhancements included within the workbook include the following:

- Additional technology fee of \$50 for each K-12 student annually;
- Increase in preschool tuition from \$125 per month to \$150 per month;
- Addition of a \$100 athletic fee for students in grades 7-12 per sport;
- Increase in school fees for elementary students from \$30 per student to \$50 per student annually;
- Addition of a preschool snack fee of \$100 per student annually.

Expenditure Reductions

The workbook includes the following expenditure reductions as part of the BOE overall plan:

FY26 Implementation Actions

- Transportation Director resignation and absorption through reorganization beginning January 2026. Reduction includes salary and related benefits while there are no severance or other separation costs (#1-3);
- Discontinuing the 2nd School Resource Officer position beginning January 2026 while maintaining our existing District-wide School Resource officer through agreement with the Village of Lexington (#4);
- Elimination of one Renhill 1:1 aide position based on classroom and student needs beginning in January 2026 (#5-7).

FY27 Implementation Actions

- The elimination of two additional FTE administrative positions through retirement, attrition, or reduction in force with the positions not being filled (#8-13). This will be in addition to the two administrative positions eliminated beginning in January 2026 (one of which potentially returning beginning in FY27) with the other eliminations beginning in FY27. Such reductions include salary, related benefits, and separation costs as applicable;

- The elimination of 13.5 FTE teacher positions through the District through retirement, attrition, or reduction in force beginning with the 26-27 school year. Such reductions include salary, related benefits, and separation costs as applicable (#14-37, #52-57, and #61-69);
- The elimination of six FTE support staff positions through retirement, attrition, or reduction in force beginning with the 26-27 school year. Such reductions include salary, related benefits, and separation costs as applicable (#38-46, #58-60);
- Discontinuing summer STEAM Camp activities beginning with the summer of 2026, resulting in a reduction of approximately \$43k in salaries and \$7k in benefits annually (#50-51);
- Inclusion of annual premium holidays for FY27 and FY28 of approximately \$400k annually, based on current self insurance fund balances and previously negotiated plan changes (#73);
- Absorption of Board Certified Behavior Analyst (BCBA) services into psychologist services obtained from Mid Ohio ESC contract services, resulting in approximate savings of \$52k annually (#74);

All reductions planned for implementation either in FY26 or the start of the FY27 school year are projected to continue throughout the entirety of the District's financial forecast.

Financial Oversight

The BOE is kept informed of District finances through the monthly financial report prepared and provided by the Treasurer/CFO. This will continue throughout the duration of this action plan as the BOE will monitor implementation of these plans and the results achieved with the continued goal to eliminate any projected deficits. The financial report provided to the BOE contains the following information:

- ***General Fund Spending Plan;***
- ***Financial Cash Summary Report by Fund;***
- ***General Fund Cash Balance Comparisons;***
- ***Disbursement Summary Report;***
- ***Receipt Ledger;***
- ***Revenue Account Summary;***
- ***Appropriation Account Summary.***

The BOE will be kept informed of any and all implemented revenue enhancements and expenditure reductions and the ongoing related impacts through review of this monthly financial information and additional updates.

Closing Statement

This plan has been created based upon the best available information at this time along with current revenue estimates, existing negotiated contracts, spending obligations, and existing staffing levels and demographics. Contingent upon the May 2026 ballot outcome, additional actions taken by the State Legislature, additional student needs, unknown additional staffing changes, or other variables that may arise, reductions may vary from those listed to yield similar or higher savings.

I hereby certify that the Board of Education of the Lexington Local School District has reviewed and approved all worksheets contained within the written plan workbook and approved this plan narrative.

Date of Board of Education meeting and approval: **December 17, 2025**

Keith Stoner, Board President
Lexington Local School District

Jeremy Secrist, Superintendent
Lexington Local School District

Jason Whitesel, Treasurer/CFO
Lexington Local School District