Ottawa Hills Schools

2023 District Enrollment Growth and Finance Update
Review of How Our Schools are Funded

- Ohio School Districts Are Financed With A Combination Of Federal, State And Local Funds.
- State Level - Funding Received From The Ohio Department Of Education And Lottery Profits
- Local Level - Funding Received From Locally Levied Property Taxes
Five Years Ago, Where were we...

- Declining Enrollment - *Implemented Tuition Program*
- Large Bond/Perm. Improvement Levy Failed
  - Culture Of Post Levy Failure - *Uncommon For Ottawa Hills*
  - Trust & Collaboration Challenges
- Decision To Stretch Nov 2013 Operating Levy and Spend down Cash Balance
Where are We Now...and WHY?

- Success Of Educating During The Covid-19 Pandemic
- Passage Of November 2020 Operating Levy & **Bond Levy**
  - To Add Staff, Services And Support, As Well As To Update Facilities (JHHS)
- Capped School District Due To District Financial Profile
- Enrollment & Student Need Unexpectedly Increased (Projections Were That It Would Continue To Decline)
- Currently At One Of Our Largest Enrollments Ever
Enrollment Increase Over the Years

Your District Educated (Enrolled)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16</td>
<td>901</td>
</tr>
<tr>
<td>FY 17</td>
<td>908</td>
</tr>
<tr>
<td>FY 18</td>
<td>951</td>
</tr>
<tr>
<td>FY 19</td>
<td>980</td>
</tr>
<tr>
<td>FY 20</td>
<td>1,010</td>
</tr>
<tr>
<td>FY 21</td>
<td>1,040</td>
</tr>
<tr>
<td>FY 22</td>
<td>1,040</td>
</tr>
<tr>
<td>FY 23</td>
<td>1,078</td>
</tr>
</tbody>
</table>
Revenue shortfall can be an indication of the amount of additional revenue and/or budget cuts needed to balance the budget. The revenue shortfall in one or two years is often the target indicator of revenue and/or cuts needed.

Annual Revenue Surplus/(Shortfall) by Fiscal Year

- $1,047,763 (2020)
- $366,349 (2021)
- $1,377,272 (2022)
- $936,106 (2023)
- $1,555,517 (2024)
- $2,122,505 (2025)
- $2,765,917 (2026)
- $2,765,917 (2027)
Cost Savings We Are Making to Help Budget

- Securing as many Grants as we can - school safety related ($100,000), facility related, technology grants ($400,000), etc.
- Private Donations - The Ottawa Hills Schools Foundation
- Board Finance Committee Looking Hard At Current District Spending (Making Savings Of $650,000 To Date)
- Evaluating More Cost Savings Measures For The 23-24 School Year ($750,000 In Savings) - Attrition, Elective Programs

Without Increased Revenue We Will Soon Be In “Fiscal Caution”

And Will Have To Make Deeper Staffing Cuts
Cost Savings Already Made- $650,000

- Administrative Pay Cut, Retire/Rehire of Asst. Principal at JHHS and eliminated all travel and conferences for Admin and the Board
- Eliminated Administrative Position- Full Time Comm. Director
- Eliminated 1 Gifted Intervention Teacher- ESC position
- 10% Budget Cuts in all District Budgets
- Delayed new English Language Arts Curriculum Adoption
Cost Savings End of School Year-$750,000

- Eliminate Consumer Science Program and Teacher
- Attrition of an English Teacher at JHHS (Kinkaid)
- Eliminate Junior High Gifted Intervention Teacher-ESC position
- Eliminate 1 School Nurse (COVID related hire)
- Eliminated ½ World Language Position (retire/rehire savings)
- Retirement Savings for Lindsay/Mendez/Lavetter
- PE Program Changes- allowing for ½ time PE position cut
Options to Pursue

Common Types of School Tax Levies

- **Property Tax Operating Levy** - Primarily for operating expenses or permanent improvement funding.

- **School District Income Tax** - Percentage on income of district residents.
Operating Levy Costs to Homeowners

Based on a 10 mill levy:

For every $100,000 of Home Value = about $30 a month

Average Home Valuation In Ottawa Hills = $325,075

10 Mill Levy Cost = $94.79 a month

Home Valuation For A $500,000 Home

10 Mill Levy Cost = $145.83 a month
Income Tax Levy

Increasingly Attractive Around The State And Comparable Districts

- 273 Districts In Ohio Have An Income Tax Levy
- 210 Are Traditional (Ohio Earned Income)

Tax On Personal Income Of The Residents Of The School District Business Income Not Taxed

Two Types:

- Ohio Adjusted Gross Income
- Earned Income Only

Term Can Be Time-Limited Or For A Continuing Period Of Time

Not Subject To Millage Reduction Factors Of Property Taxes (HB 920)
### Ohio Department Of Taxation

#### Estimated Income Tax Collections For 2023

<table>
<thead>
<tr>
<th>Rate</th>
<th>Traditional Base</th>
<th>Millage Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5%</td>
<td>$2,773,065</td>
<td>15.229</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate</th>
<th>Earned Income</th>
<th>Millage Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5%</td>
<td>$1,653,318</td>
<td>9.12</td>
</tr>
</tbody>
</table>
Next Steps for Communication and Decision Making

- Begin Increased Internal & External Communication On District Financial State
- Monitoring District Expenses And Enrollment To Accurately Set Need Amount
- Continuing To Gauge Community Feedback And What Will Be Supported To Be Successful
- Begin To Build A Community Led Levy Team
Time for “Conversation with the School Board”.

Thank you for your time and support.