

Ottawa Hills Schools

2023 District Enrollment Growth
and Finance Update





Review of How Our Schools are Funded

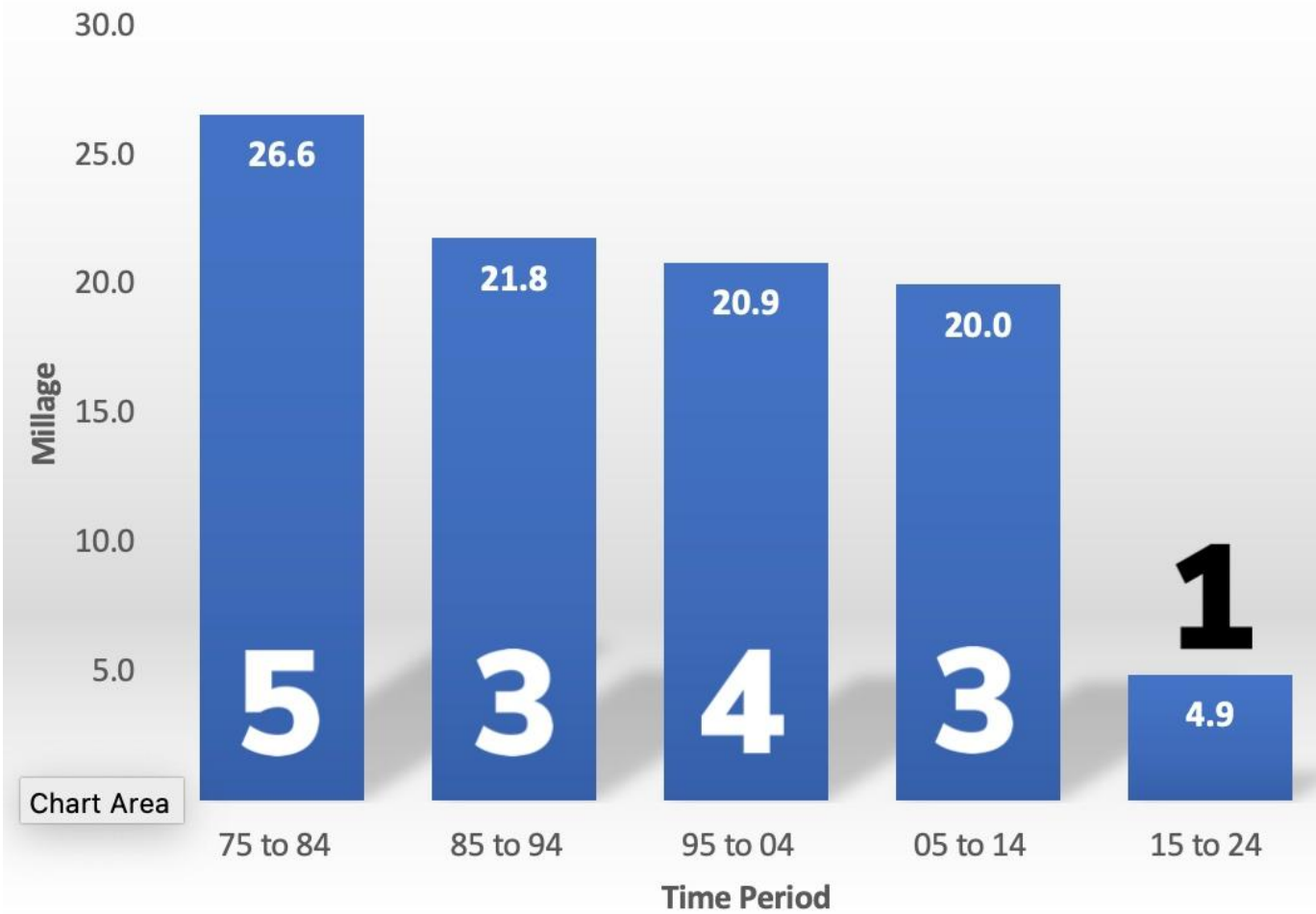
- Ohio School Districts Are Financed With A Combination Of Federal, State And Local Funds.
- State Level - Funding Received From The Ohio Department Of Education And Lottery Profits
- Local Level - Funding Received From Locally Levied Property Taxes



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

Voted Millage

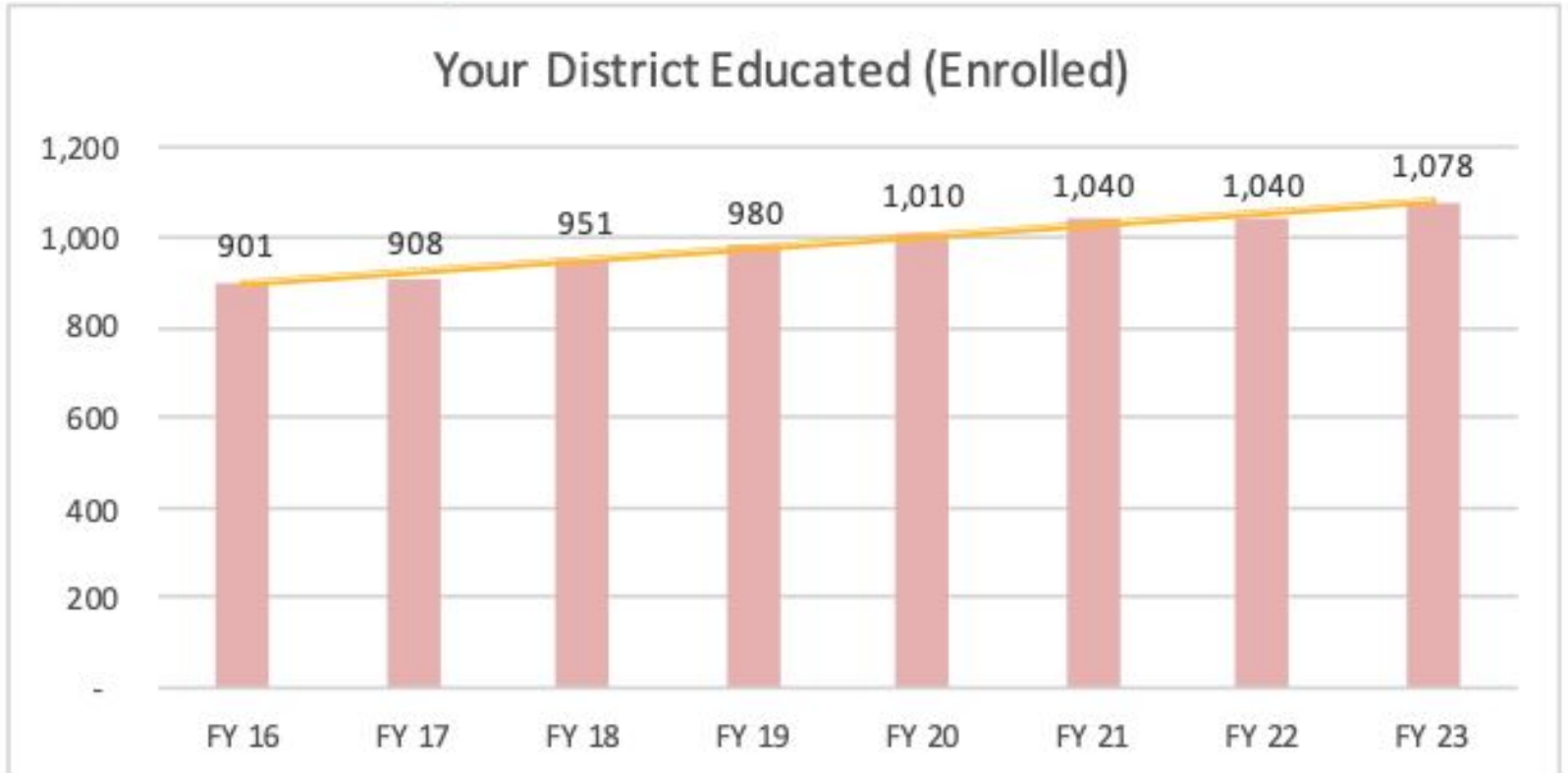




Where are We Now...and WHY?

- 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



General Fund Revenues, Expenditures, and Cash Balance



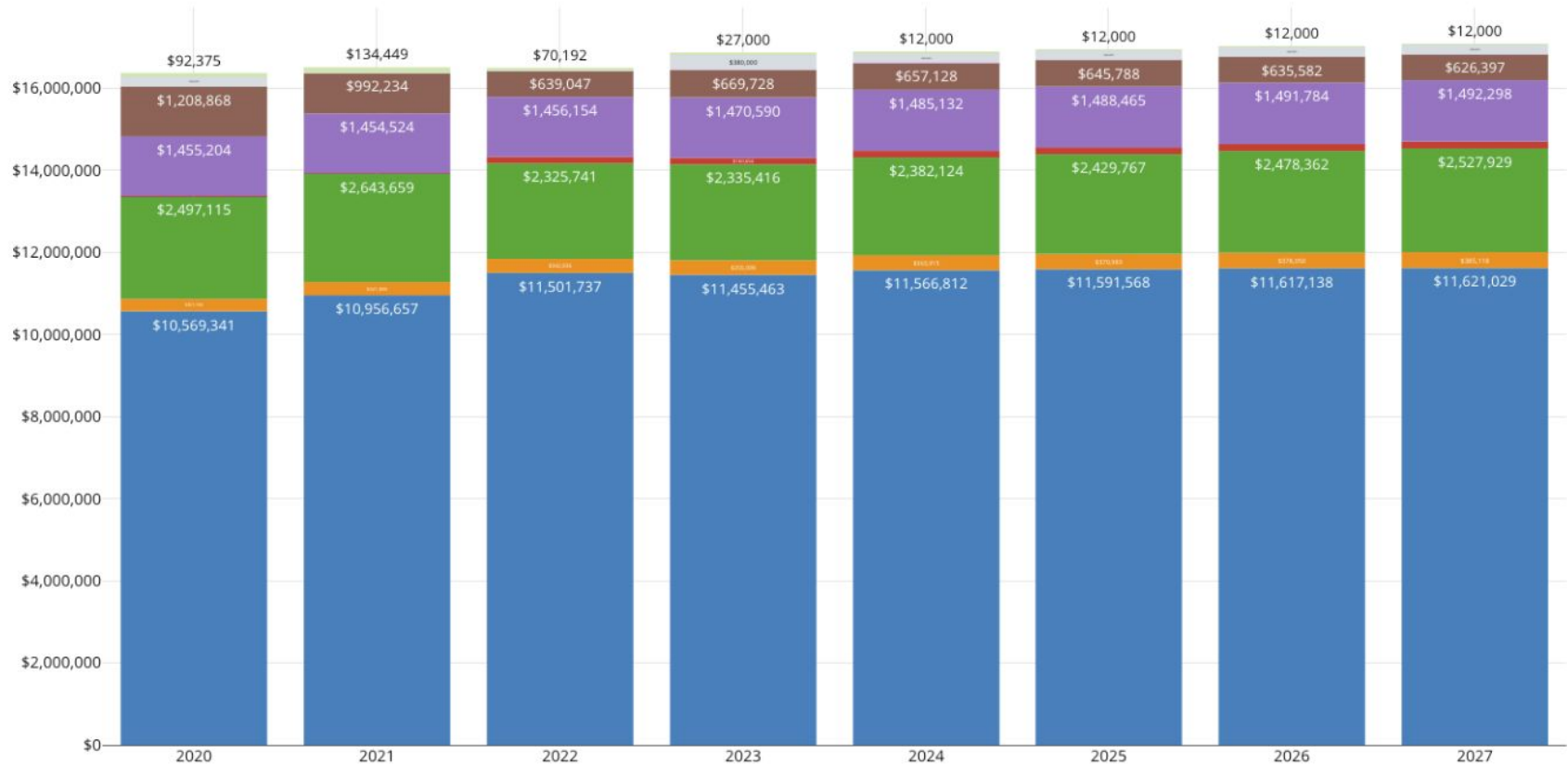
Revenue shortfall can be an indication of the amount of additional revenue and/or budget cuts needed to balance the budget.

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



Total Annual Revenues by Forecast Line



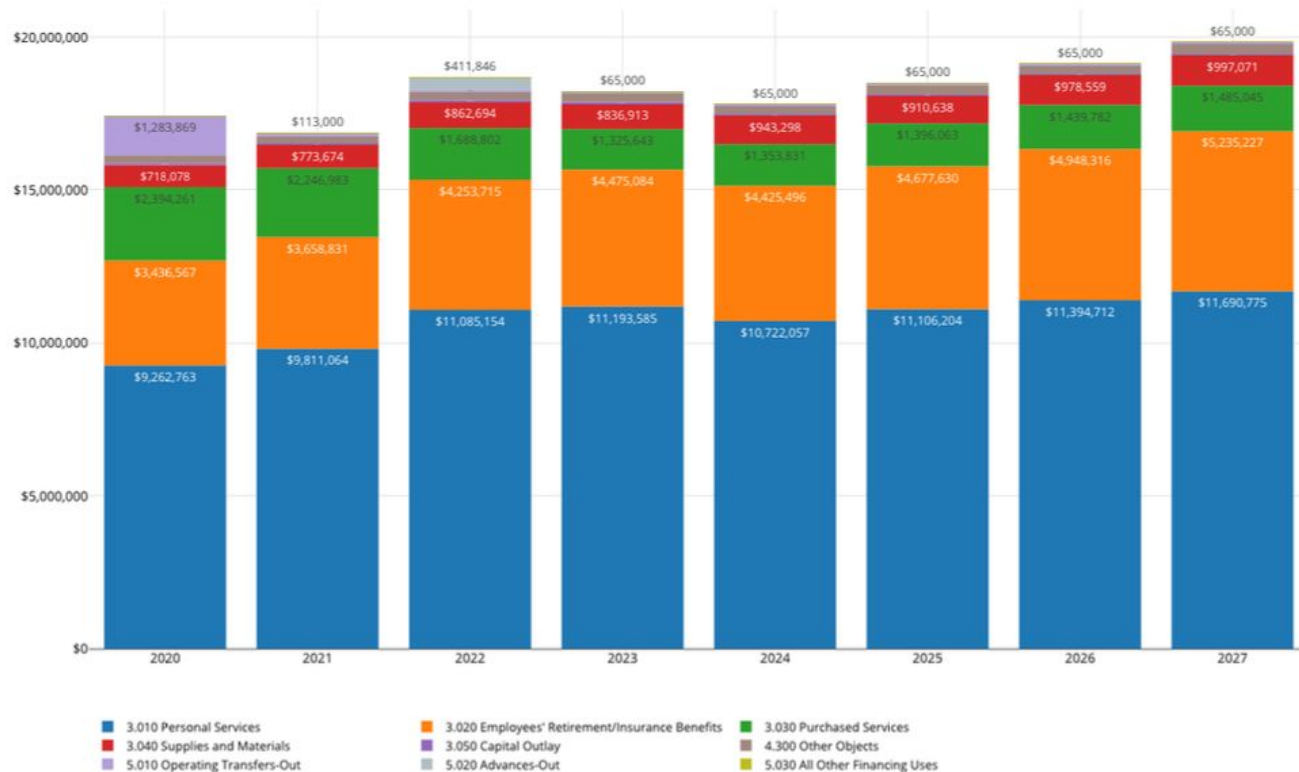
- 1.010 General Property Tax (Real Estate)
- 1.020 Tangible Personal Property Tax
- 1.035 Unrestricted State Grants-in-Aid
- 1.040 Restricted State Grants-in-Aid
- 1.050 Property Tax Allocation
- 1.060 All Other Revenues
- 2.040 Operating Transfers-In
- 2.050 Advances-In
- 2.060 All Other Financing Sources

Expenditure Detail

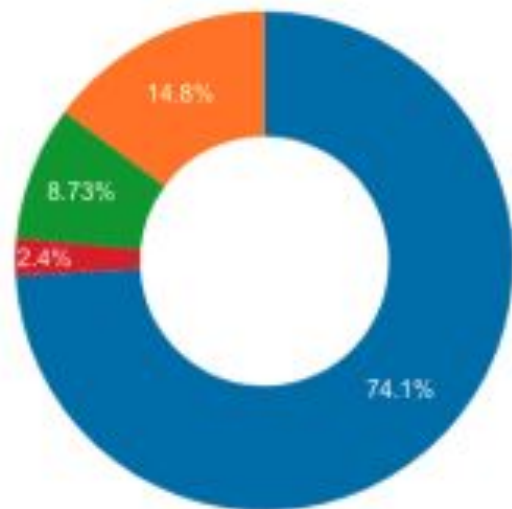
Ottawa Hills Local SD

May 23 Draft

Total Annual Expenditures by Forecast Line

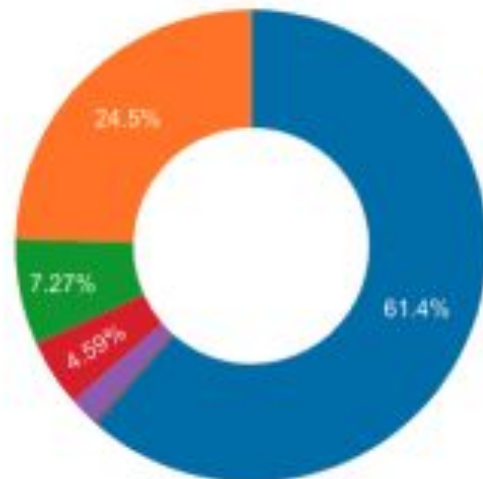


General Fund Current Year Revenue by Source



Local Sources
State Sources
Property Tax Reimbursements
Intermediate and Other Sources

General Fund Current Year Expenses by Object



Salaries and Wages (100)
Benefits (200)
Purchased Services (400)
Supplies (500)
Other (800-900)
Capital Outlay (600)



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 \$500,00 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)



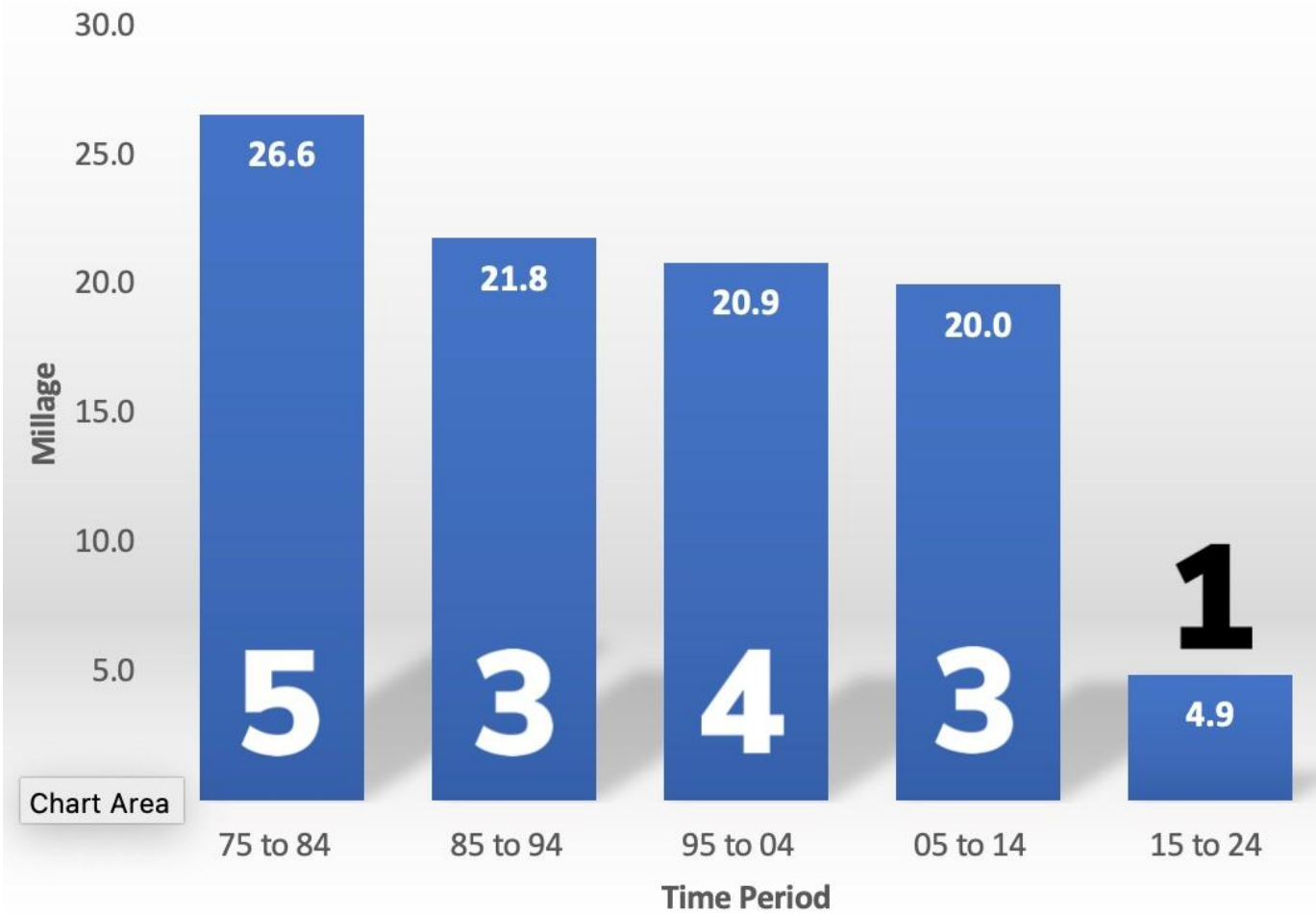
Income Tax Levy Continued

Ohio Department Of Taxation
Estimated Income Tax Collections For 2023

Rate	Traditional Base	Millage Equivalent
0.5%	\$2,773,065	15.229

Rate	Earned Income	Millage Equivalent
0.5%	\$1,653,318	9.12

Voted Millage





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.

