

Northern Local Community State of the District Meeting

FAQ

1. What is the difference between income tax and a property tax?

Income tax is levied directly on personal income. Property tax is based on the assessed value of the property owned by a landowner.

If needed, will we run an income tax levy or a property tax levy?

Northern Local ran two income tax levies in 1992 and 1994. Both levies were voted down by over 60%. If the Board decides to run a levy, it will be during the December Board meeting.

2. What's the deficit projected for the next 5 years?

FY 2022 - \$127,941

FY 2023 - \$398,611

FY 2024 - \$126,611

FY 2025 - \$1,020,362

FY 2026 - \$1,868,511

3. Will operating the district on four 10's save money?

Our buildings are open six days a week, sometimes seven depending on events and extra curricular activities. In order to operate efficiently on four 10 hour days we would need to completely close the buildings. The closure would negatively impact student activities and extracurricular programs.

4. Why did we wait so long to have these levy conversations?

Due to circumstances in the last 20 months, the need for additional revenue has become more dire. Prior to COVID and funding reductions, the District's forecast did not dictate the need for a levy.

5. Why, given the tool of the 5 year forecast, are we in this severe situation?

5 Year Forecasts are only projections until the close of the fiscal year. Previous forecasts projected Northern to be trending in the positive direction. The yearly budget allows for adjustments to be made, however due to COVID expenses and State funding reductions projections have changed.

- 6. How much would a levy cost me? How do they figure out how much it will cost?**
The cost to the taxpayer will depend on the number of mils on the ballot. One mil would generate \$427,000 in new revenue. For example, a 2 mil levy would generate \$854,000 a year. If passed, a 2 mil levy will add \$70.00 per year per \$100,000 in valuation or \$0.19/ a day.
- 7. Have you talked to the prosecutor about filing foreclosures on non-payment of property taxes?**
The District has made multiple attempts to work with Perry County elected officials to improve collections.
- 8. Will state share go back up or trend back-up?**
Funding from the state has declined considerably each year due to false assumptions in property valuation. Historically the State share has not increased after reductions have been made.
How often is that re-evaluated?
Annually
- 9. On a five-year forecast, what is the Sale of Notes?**
The district's budget operates so lean that the cash flow issue due to the natural occurrence of expenses drives the decision to request the tax anticipation note. On the five year forecast, the sale of notes is a tax anticipation cash advance of our anticipated tax receipts.
- 10. What is the average salary of our teachers?**
The average teacher salary in Northern Local is \$64,000. Northern Local has a very high teacher retention rate. 68.46% of our teachers have 10 or more years of experience.
- 11. How would new funding be used?**
Additional revenue levied would first be used to balance the 5 year forecast. Any remaining funds will be used to address student needs.
- 12. Has anyone consulted a consultant to examine spending practices?**
Yes, the District works with forecasting consultants on a monthly basis.
- 13. What reductions have already been made?**
2010- 2014
Reduction in Administrative and Instructional Costs - \$1,014,000
(5 Administrative positions, 2 Curriculum Positions, Interpreter, Psychologist)

2015-2018

Enrollment Based Staffing & Programmatic Changes - \$500,000

(Reductions through attrition as employees retired)

2019-2021

Staff Right Sizing - \$930,000

(Based on enrollment)

Reduction In Purchased Services - \$410,000

(Review and renegotiation of purchased service agreements and cost)

- 14. Open enrollment - letting kids in with no financial revenue for them to come in - maybe a fee?**

Open enrollment decisions are made based on class sizes. The District is currently in a positive position in regards to open enrollment funding.

- 15. Step tax-increase over 3-8 years to help with changes/impacts**

The District does not want to be in the position of going back to the ballot asking for additional funding.

- 16. How much do we spend/student compared to the State?**

Northern Local spends \$11,649 per pupil, and the State average is \$12,691.

- 17. How much follows a student out (e. schools)?**

\$5,751.29 per student

- 18. Expenses in diesel: impact**

The cost of diesel fuel has risen, which impacts transportation costs.

- 19. Bonds vs operating: what can bond do/what is operating?**

Bond levies can only be used to build buildings.

- 20. Number of miles driven per day by our transportation?**

Northern Local buses travel approximately 3,000 miles/day, and cover 172 square miles.

- 21. We need to have fiscal transparency. Right now there is no fiscal section on the website. No easy place to find information on finances, 5-year forecast, audit reports, etc.**

A Finance tab has been created on the District website.

22. If a levy didn't pass, what would we lose?

The District needs to recover the deficit amount on the five year forecast to be compliant with the Ohio Department of Education. Lost services may include support service staff, administrative staff, secretarial and custodial staff. Additional reductions may include elective courses and high school transportation.

23. Timeline for levy?

The Board will determine the timeline to meet Board of Election deadlines.

24. ESSR Grant - 20% to students. What is being done to close gaps?

Summer Jumpstart program was held at each elementary school, and teachers are holding after school tutoring sessions.

25. What is the millage?

The Board is reviewing options that will generate funding to have a positive forecast.

26. What have been the ongoing conversations about lost revenue to the community?

The loss in revenue has occurred in the last two years. Due to COVID restrictions community meetings were limited, however the State of the District was posted on the District website.

27. What are projections for revenue for the district?

Projections are included in the five year forecast.

When will we receive it?

The five year forecast is available on the District website, under the Finance tab on the left

28. Will this just keep us afloat or is this for how many years?

Based on the five year forecast and the current State funding formula the District should be in a positive financial position.

29. How do increased property values impact school funding?

Increased property values decreases the amount of State funding the District receives.

30. We no longer have a gifted coordinator so where is the gifted money going?

The District uses purchased services for a Gifted Coordinator through Muskingum Valley Educational Service Center. All other funding is used for student identification.