

# Olentangy Schools Virtual Community Conversation

March 5, 2024

## Community Question & Answer

- **Q: How does Olentangy’s effective millage compare to comparable districts that might spend more per pupil? How does their state versus local funding compare to Olentangy Schools?**
  - **A:** Because Olentangy Schools have grown so rapidly, and since past state funding formulas have not provided as much funding as current funding formulas, our District has had to go back to the ballot more frequently to keep up with growth. Because we are also considered to be a District with higher local capacity, most of our funding must come from local sources. We have worked diligently to increase state funding, and our increased state funding has allowed us to make this 4.25 mill levy the lowest operational in nearly 30 years. Despite the increased state funding, we will almost certainly remain a district that is predominantly locally funded. In our immediate area, our total residential/agricultural millage ranks as follows:

Home County Name	School District Name	Total Class I (Residential & Agricultural) Rate
FRANKLIN	WORTHINGTON CSD	47.68
FRANKLIN	DUBLIN CSD	47.03
DELAWARE	OLENTANGY LSD	43.98
FRANKLIN	UPPER ARLINGTON CSD	43.91
DELAWARE	DELAWARE CSD	41.49
FRANKLIN	WESTERVILLE CSD	39.01
FRANKLIN	BEXLEY CSD	37.94
FRANKLIN	NEW ALBANY-PLAIN LSD	37.24
FRANKLIN	HILLIARD CSD	36.21
FRANKLIN	CANAL WINCHESTER LSD	35.91

Note that Bexley City Schools also have a .75% income tax, and Canal Winchester has a .75% income tax.

The following chart shows the formula funding per pupil, for the 2023-24 school year, for Olentangy's comparable group:

<b>Local Education Agency Name</b>	<b>Formula Per Pupil</b>
Mason City	\$3,526
Lakota Local	\$2,793
Forest Hills Local	\$2,659
Springboro Community City	\$2,601
Hudson City	\$2,534
Olentangy Local	\$1,604
Dublin City	\$1,300
Sycamore Community City	\$1,060
New Albany-Plain Local	\$969
Upper Arlington City	\$748

- **Q: If the levy and bond issue do not pass, would the state provide additional funding for the District?**
  - **A:** Not passing a levy will not increase state funding allocated to Olentangy Schools. The state is responsible for funding all schools in Ohio - not just a singular school or district. The passage or failure of an individual levy in any individual school district will not impact the level of formula funding provided by the state of Ohio.
  
- **Q: Can we build larger schools to hold more students?**
  - **A:** Our high schools are 4 of the 16 largest in central Ohio and 41 largest in the state; the average high school size in Ohio is 700 students. Our middle schools are 6 of the 40 largest in Ohio. Our 16 existing elementary schools are among the 20% largest K-5 schools in the state; the average K-5 elementary school in Ohio is 434 students and our average elementary enrollment is over 650.

The Olentangy School Facilities Committee has studied costs and savings related to many school designs and configurations over the years. They have determined that our current school designs minimize construction costs and maximize operational efficiencies. Simply put, our experts have determined that larger schools would cost taxpayers more. Larger buildings also can

create a less personal experience for students, which has a direct effect on school culture and students' engagement in their education. Higher enrollment at each school means reduced opportunities, both in extracurricular activities and elective classes.

- **Q: What is the cost of adding modular classrooms at elementary schools?**
  - **A:** The price of Cheshire Elementary's six-classroom modular was \$500,000 to install and \$88,000 to lease for the year. If we add six classroom modulares at 9 elementary schools, it will cost the district at least \$5.3 million. These are sunken costs, directly out of the operating budget, impacting dollars that could go toward instruction. The expenses represent a non-refundable, interest-accruing investment (i.e. renting vs. owning).
  
- **Q: Are OLSD employee benefits, such as health care, also self-insured?**
  - **A:** Yes. Olentangy employee benefits are considered self-insured. Every pay period, employees who have opted into healthcare coverage have their portion of the premium deducted from their payroll; the district pays .80 cents on the dollar, while employees pay .20 cents on the dollar. Both employee and employer premiums are paid into the District's self-insured loss fund to cover the cost of medical claims.
  
- **Q: When is the next time we can expect another levy request?**
  - **A:** In Olentangy Schools, future levies are always a possibility due to growth and the need to continue to maintain our current aging facilities. The District will continue to be responsible stewards of taxpayer dollars and maintain a low cost per pupil compared to other school districts in central Ohio and across the state. We will also maintain a high allocation of taxpayer dollars to classroom instruction.

The timeline of a future levy will be determined by various economic factors impacting the District, with perhaps the most critical factor being future funding allocated to Olentangy Schools by the state funding formulas approved by the Ohio General Assembly during the biennium budgeting process.

- **Q: Has there been a study as to when the growth is expected to slow and new schools will no longer be needed?**

- **A:** Based on current projections, the District forecasts that we will reach enrollment that is just shy of 32,000 students in the mid-2040s. However, those projections are based on land development, which is further based on current zoning, proximity to utilities, and other factors that can and often do change over time. Current data and enrollment trends lead to the conclusion that our enrollment will increase by at least 5,000 students in the next 10 years.

- **Q: Why doesn't the new tax income from the growth of the district pay for needed additional resources? With the growth projections for the future, will this be a recurring ask every few years?**

- **A:** Income from new housing developments does not culminate in enough new income to negate the need for a levy. The district's largest source of income is through voted tax levies, which remain constant on existing properties year over year due to House Bill 920. Annual increases in revenue are received through a small amount of inside mills and new building property taxes.

In tax year 2023, inside mills and new property taxes accounted for approximately \$13 million in new general fund revenue. While \$13 million in new revenue is a large sum, it does not cover the contracted annual salary increases and additional staff needed to address growth in the opening of new schools and other costs driven by growth.

- **Q: Has the district tried to identify any cost-saving measures?**

- **A:** Olentangy Schools is committed to identifying cost-saving measures and being responsible stewards of taxpayer dollars. We continue to model fiscal responsibility and transparency in seeking cost-saving initiatives such as those outlined in the chart below.

# FISCAL RESPONSIBILITY IN ACTION

TOTAL SAVINGS FY2020-2023	CATEGORY	DESCRIPTION
\$3,000,000	Insurance Premium Holiday	The positive performance of Olentangy's claims fund allowed the District to issue a premium holiday in November of 2023, resulting in a \$3 million direct savings for the District's general fund.
\$3,500,000	Energy Savings Program	Olentangy's operations team has participated in two energy savings initiatives. First, the District is monitoring the use of mechanical and electrical in Olentangy buildings to avoid malfunctions and unnecessary use of energy. Second, the District is making energy upgrades that reduces costs, prevent the purchasing of additional mechanical equipment, and allows the District to be self-contained through energy savings.
\$11,953,387	Debt Refunding Since 2020	The District reduced its aggregate debt service payment on existing debt; equivalent to refinancing a home.
\$715,000	Bus Route Efficiency	Olentangy transportation reduced the number of bus routes for the 2023-24 school year from 165 to 154 routes by increasing walk zones and impractical transportation determinations.
\$6,959,578	School Construction and Design Savings	Replicating school designs for the different building levels and partnering with reputable architectural and construction vendors has resulted in significant savings of taxpayer dollars.
\$2,300,894	Workers Compensation Savings, Self-Insurance	Olentangy became self-insured for workers compensation in 2015 and has saved over \$2.3 million since 2020 by not paying premiums to the bureau to remain fully insured.
\$8,482,172	1¼ Mill Debt Service Reduction	Olentangy Schools voluntarily rolled back millage to provide taxpayer relief. Reducing the debt service millage by 1¼ mill will provide between \$4.7 million and \$4.9 million in reduced taxes for district residents. Prior to the rollback, millage was 7.5 mills, and has now been reduced to 6.25 mills. Debt service millage can only be used to pay debt service and cannot be used for operating expenses or permanent improvements.
<b>\$36,911,031</b>	<b>TOTAL SAVINGS</b>	

- **Q: If the district saved nearly \$37 million in 4 years, why do you need to ask for more money? Especially with the increased standard of living for taxpayers?**
  - **A:** The savings noted in the Community Conversations have been achieved through diligence and hard work by the District. This diligence, in concert with our successful efforts to increase state funding, has allowed us to ask for only what we need, which at 4.25 mills is the lowest operational ask in nearly 30 years. By way of comparison, our levy ask in 2020 was for 7.90 mills; it was for 6.90 mills in 2016; and 7.90 mills in 2011.
  
- **Q: How do you see the Berlin Business Park impact the need for more school taxes?**
  - **A:** We don't have specific estimates at this time. We work with all of our townships to understand the developments they have created, especially where there are abatements or other economic development incentives. We also meet with each township every year to evaluate existing abatements and evaluate if they are achieving stated goals in terms of new jobs, new value added, income taxes, etc.
  
- **Q: Why is the vote for a “permanent operating levy?”**
  - **A:** All of the levies passed by the Olentangy Schools over the past 20 years or so have been for a continuing period of time. The 'permanent' part of the

permanent improvement levy does **NOT** refer to the time period. A permanent improvement means an expense for equipment, buildings or other assets that has a useful life of 5 years or more.

- **Q: Would the new high school addition in 2027-28 affect the students placed in high schools already across all grades, would it only impact new incoming students at grade 9?**
  - **A:** Historically, Olentangy Schools has opened new high schools with three grade levels. Grades 9, 10 and 11. In the opening year of a high school, grade 12 students remain at their originally assigned high school.
- **Q: My home value just increased 60% during the latest reappraisal. With this, my property taxes have drastically increased by 31%. Will my property taxes increase again if the levy passes? If so, why would the 31% not be enough to cover the new levy tax?**
  - **A:** The average increase for residential property in the Olentangy district for the 2023 tax year was about 34%. A 34% increase in home value also increased the total taxes paid on that same home by about 5% to 7%.

Where the value of a home appreciated more than 34%, the increase in taxes would be higher than 5% to 7%. But homes that appreciated less than 34% might not have had an increase in taxes at all, or those homeowners experienced a decrease in real estate taxes.

Whether a homeowner's real estate tax bill increased or decreased depends upon the magnitude by which the home's value increased compared to the overall average of 34%. For the District, this means that, as designed by law, the aggregate amount of funding derived from existing homes for its voted levies does not increase year over year. This is exactly how levy law is designed to work—as values increase, voted levy rates decrease to offset that increase in value so that the school district doesn't get more in voted taxes on existing properties.

Home valuations and their effect on property taxes are a complex formula. We've created a series of three videos that can be found on the [Treasurer's webpage](#) to explain this formula. In these videos, we demonstrate that when a home is reappraised at a higher value, it does not result in taxes increasing at the same percentage, and the school district does not automatically

receive more money in voted taxes. [Find Your Neighborhood Average Home Value and Tax Impact](#)

- **Q: How does the state determine how much funding each district should receive?**
  - **A:** The state funding formula provides each district with an amount of money that reflects that district's ability or capacity to raise its own funds locally through property taxation and/or school income taxes. Olentangy Schools does not have a school district income tax, and therefore our local share must come from property taxes. As a district with higher property wealth than most districts, the current state funding formula shows our state share of the state funding formula to be 24.71%. This means that for every dollar that the state provides via the funding formula to Olentangy, the District must actually come up with about 75 cents of that dollar via local funding (property taxes). Additional information on the funding Olentangy receives from the state and the Fair School Funding plan on the [district website](#).

- **Q: Did Olentangy get a large windfall of money from the legalization of Ohio's sports gambling? Does Olentangy get additional funding from gaming in Ohio, including the Ohio Lottery or casinos?**

- **A:** As the District has shared with our community, we have received increased state aid from the Ohio General Assembly via the Fair School Funding Formula.

But no school district in Ohio, including Olentangy, receives any funding *directly* from sports gaming or the Ohio Lottery.

Rather, the Ohio General Assembly determines the total amount that it will provide to Ohio's public schools via the Fair School Funding Formula and other funding sources (e.g., transportation aid, preschool funding and special education transportation). These amounts are determined as part of the biennial budgeting process that takes place every two years.

Section 265.10 of HB 33 (the 2024-25 biennium budget) shows the various sources of revenue that the state of Ohio uses to comprise the total funding provided to Ohio's public schools via ODEW. The principal source of funding for the state funding formula comes from the state's general fund. The state of Ohio also includes funding from the State Lottery Fund Group and the sports gaming fund to *supplement* the funds provided for by the general

fund. Each district's formula funding is determined by the budget bill and Ohio law, but the law also does not include Ohio Lottery proceeds or sports gaming profits *in addition to* formula funding.

A [recent article published by WBNS 10TV on its website](#) might lead some to conclude that public schools throughout Ohio, including Olentangy, received additional funding or a windfall from the legalization of sports gaming.

Specifically, the article noted, "Other school systems in the Columbus area are receiving millions in funding, which is also a combination of gambling money and general funds." It is important to note that the statement clearly denotes that the money schools are receiving... "**[are] a combination of gambling money and general funds.**" In other words, the amounts noted for the various Ohio public schools are the amounts provided by the Ohio Fair School Funding Formula when the budget was enacted effective July 1, 2023, NOT an increase or windfall in new funding for the listed schools *on top of the funding formula*.

Indeed, the article notes that Olentangy Schools are noted as having received \$36.9 million for the 2023-24 school year. Note that data published on the Ohio Department of Education and Workforce's webpage shows that the current funding formula amounts for Olentangy Schools as of the 2<sup>nd</sup> monthly payment from ODEW in February, 2024, is about \$36.122 million—note that the data provided on the ODEW website is the most current and up to date as per the District's EMIS submission on February 5, 2024.

Finally, there is one form of gaming money that is paid directly to Ohio school districts. The state of Ohio makes 2 direct payments each year to Ohio public schools from Casino profits. For the 2023-24 school year, Olentangy received a payment of \$785,512 in August of 2023, and another payment of \$752,181 in February of 2024. This totals \$1,537,694, which is only about \$69/funded pupil. In subsequent fiscal years, the District is budgeting for about \$69-\$70 per pupil in Casino funding, which will bring in revenue for the District that accounts for less than .5% of total general fund revenue in any fiscal year.



- **Q: Have you investigated whether splitting into two separate districts would improve the financial situation, like with state funding?**
  - **A:** We are One Olentangy, and our community is stronger and thrives together because of our schools. Creating a new school district is a massive undertaking with the Ohio Department of Education and Workforce that would be financially detrimental to taxpayers. Additionally, the Ohio General Assembly must ultimately approve all new school districts created by the Ohio Department of Education and Workforce that happen after the 2004-05 school year. There could be unintended consequences that would arise from creating new school districts within Olentangy's existing attendance boundaries, including:
    - Splitting a board of education elected by constituents from our current 95 square-mile district would create 2 superintendents, 2 treasurers, and additional administrative overhead that would be an inefficient use of taxpayer resources.
    - Splitting the property tax base, with the commercial tax base being inequitably distributed in certain areas over other areas can result in a greater residential tax burden in those areas.
    - Splitting the revenue streams, i.e., levies.
    - Splitting the debt that the school district currently has for facilities.
    - Splitting our workforce, with employees having to change employers.
    - Splitting district assets like school buses, maintenance equipment, technology, and more.
    - Splitting neighborhoods and communities.
    - Completely re-drawing all district boundaries and attendance zones.
  
- **Q: Why can't developers pay for or contribute to the building of new schools?**
  - **A:** The school district itself has **no** legal authority to assess or collect any type of fee on developers. Municipalities are able to collect impact fees on new developments; however, the Ohio Supreme Court struck down township impact fees in *Drees Co. v. Hamilton Township*, 2012.

However, developers have partnered with the school district to donate land for new schools (i.e. Shale Meadows Elementary, Peachblow Crossing Elementary).

Most TIFs in Olentangy Schools are non-school, meaning the school district still gets the tax revenue it would otherwise get, notwithstanding the TIF. Where we do have compensation agreements because a TIF exceeds 75% in total abatements or exceeds 10 total years, we strive to get the best value for the District. Some examples of TIF compensation payments that we get as a District involve cash or direct payments but have also come in the form of donated land for future schools and the expansion of school infrastructure (roadways, walking paths and utility infrastructure, etc.).

- **Q: Have you considered raising the tuition fees for all students?**
  - **A:** As a public school district, we cannot charge tuition to our residents. Any resident within Olentangy Schools' attendance boundary is entitled for their children to attend Olentangy Schools tuition-free.
  
- **Q: If this levy passes, is the district adding new SROs or security personnel?**
  - **A:** The operating levy would allow Olentangy Schools to provide dedicated security personnel at all elementary schools. Beyond the additional staff, the District's planned security enhancements include upgraded access points, cameras, and technology.
  
- **Q: If the levy does not pass, does the district know which elementary buildings would be impacted by overcrowding or if they need modular classrooms?**
  - **A:** No decisions on overflowing students or modular classrooms have been made for the 2024-25 school year. The district is looking at enrollment projections for the upcoming year to determine which schools might be considered "high utilization" buildings.
  
- **Q: If the levy passes, how many more redistricting events will be needed over the next five years?**
  - **A:** Redistricting processes traditionally take place as new schools open and are performed by an Attendance Boundary Committee. If the levy passes, there will be redistricting processes as new buildings open.
  
- **Q: Does Olentangy Schools directly fund organizations such as Olentangy for Kids (OFK) or the Olentangy Education Foundation (OEF)?**

- **A:** No. Olentangy Education Foundation (OEF) is a 501(c)(3) not-for-profit that supports the overall educational mission of the Olentangy Schools. OEF is a separate legal entity. **Olentangy Schools does not fund OEF** rather, OEF raises funds that are used to provide grants and other support to Olentangy Schools.

Olentangy For Kids (OFK) is a local political action committee (PAC) that operates in the Olentangy community. **This levy PAC is not a subsidiary or in any way legally affiliated with the Olentangy Schools.**

**From the OFK website:**

**ABOUT OFK**

Olentangy for Kids is a grassroots group of Olentangy residents dedicated to educating the community about upcoming school ballot issues. Our goal is to provide the voters of Olentangy with the facts surrounding the upcoming ballot issue so that they can make an informed decision at the polls. We are completely funded by private donations and rely on community support through our network of volunteers.