



BOWLING GREEN CITY SCHOOLS

2024 Operating Levy

Frequently Asked Questions

WHAT IS GOING TO BE ON THE BALLOT?

The Bowling Green City Schools' Board of Education has placed a **0.75% traditional school district income tax levy** on the **November 5th, 2024** ballot. This levy will generate approximately **\$6,683,566 per year**. The money will be used for **general operating expenses** of the school district which includes such items as bus fuel, classroom supplies, facilities maintenance, personnel costs, textbooks, technology, transportation, and utilities. This levy will be for a continuing period of time.

WHAT IS A SCHOOL DISTRICT INCOME TAX?

A school district income tax is a tax separate from federal, state, and municipal income taxes that is earmarked to support school districts. The tax must be approved by voters of a school district.

WHO PAYS THE TAX?

Any individual residing within the Bowling Green City School District would be responsible to pay the school district income tax. The source of income may/may not be taxable based on the following criteria:

Income that is NOT taxed: social security benefits; disability and survivor benefits; railroad retirement benefits; welfare benefits; child support; property received as a gift, bequest or inheritance; and workers' compensation benefits.

Income that is taxed: wages; salaries; tips; interest; dividends; unemployment compensation; self-employment to the extent included in OAGI; taxable scholarships and fellowships; pensions; annuities; IRA distributions; capital gains; state and local bond interest (except that paid by Ohio governments); federal bond interest exempt from federal tax but subject to state tax; alimony received; and all other sources.

Non-residents of the school district are not subject to the tax even if they work within the district's boundaries per state law.

HOW IS THE SCHOOL DISTRICT INCOME TAX PAID?

The school district income tax is collected in the same manner as the state income tax: through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines they currently use to withhold the state income tax. Individuals subject to the tax are required to file an annual school district income tax return.

HOW MUCH WILL THIS 0.75% INCOME TAX LEVY COST ME?

The individual cost of the school district income tax is directly related to the income of each taxpayer. A simple way to calculate the cost of this tax is to take your Adjusted Gross Income (AGI) reported on line 3 of the Ohio Tax Form IT1040 and multiply it by 0.75%. A district resident who's AGI is \$50,000 and claims only one (1) exemption would pay \$359 per year or \$29.91 per month for this tax.

HOW WILL THIS 0.75% INCOME TAX LEVY AFFECT OUR SENIOR CITIZENS?

Social security benefits are **NOT** taxed! In addition, seniors receive a **\$50 senior citizen school district income tax credit** which is allowed against the tax liability for each return filed. The senior citizen credit may be claimed if the taxpayer is 65 years of age or older anytime during the tax year.

CAN THE SCHOOL DISTRICT INCOME TAX BE DEDUCTED FOR FEDERAL INCOME TAX PURPOSES AS STATE AND OTHER LOCAL TAXES CURRENTLY ARE?

Yes, it can be deducted as an itemized deduction on Schedule A of IRS form 1040. (Note: there is no deduction allowed for the school district income tax on the Ohio personal income tax return.)

HOW DOES THE SCHOOL DISTRICT INCOME TAX AFFECT FARMERS?

Payments for the income tax may be spread throughout the year by making estimated payments or possibly through withholding from farm income, as opposed to the property tax which is payable twice a year. Additionally, this tax is based on your adjusted gross income, not how much property you own.

WHY DID THE BOARD DECIDE ON AN INCOME TAX LEVY VS A PROPERTY TAX LEVY?

The Board currently feels that an income tax is a fairer tax in that it is spread over a larger portion of district residents rather than just property owners. Additionally, the nature of what is taxed with a school district income tax is more senior-citizen friendly than an across the board real estate tax. A school district income tax does not tax social security benefits and also includes a \$50 per year senior citizen credit.

HOW LONG HAS IT BEEN SINCE SCHOOL DISTRICT TAXPAYERS HAVE APPROVED ADDITIONAL OPERATING MONEY?

District residents approved a 1.60 mill property tax levy in November of 2010. It has been 14 years since district residents approved a new levy for operating dollars to fund the day-to-day operations of the District.

WHY NOW?

The district has been publicly discussing the need for new operating dollars for three (3) years. The district's previous five-year forecasts have indicated this need for new operating dollars in the fall of 2024. The Board of Education understands the only way to continue providing the same level of services to our students is to increase operating dollars to fund the day-to-day operations and services provided.

DISTRICT REVENUES: HOW IS STATE FUNDING AFFECTING BOWLING GREEN CITY SCHOOLS?

District revenues have become stagnant over the last several years. Over the last 10 years, district revenues have increased an average of 1.75% annually. State funding has actually been reduced over that same period. Bowling Green City Schools received approximately \$327,000 less, or 3.89%, in state funding in fiscal year 2024 than the district received 10 years ago.

HOW HAS THE DISTRICT BEEN IMPACTED FINANCIALLY BY THE ROVER PIPELINE?

Bowling Green City Schools is one of three school districts in Wood County that are affected by the Rover Pipeline crossing eighteen counties across the State of Ohio. While the value of the public utility remains in question with the legal system and Ohio Department of Taxation, the district currently receives forty-two (42%) percent or \$1.23 million of the original value. The Board of Education has designated these funds for facility maintenance. It is undetermined when this issue will be resolved with the legal system and Ohio Department of Taxation which currently makes it difficult for school districts to fully understand the amount of funds to be received.

HAVE THE DISTRICT'S EXPENDITURES INCREASED?

Yes. District expenditures have increased at an average rate of 2.42% each year between fiscal year 2015 and 2024. The use of federal grant dollars actually allowed the district to reduce expenditures in fiscal year 2021 by 4.02%.

Fiscal responsibility is one of the highest priorities of this Board of Education and administration. Expenses are analyzed and reviewed often to ensure the district is being good stewards of tax dollars. However, Bowling Green City Schools is a large organization serving many students. The 2023-24 General Fund Expenses totaled \$38,586,164. The District serves approximately 2,700 students in grades PK-12, employs approximately 450 staff members, and covers 118 square miles. BGCS buses safely travel over 371,000 miles each year. The district maintains five educational and two support buildings, totaling more than 580,000 square feet. In addition to building maintenance, our grounds workers maintain green space totaling 94 acres.

Today it costs over \$105,000 a day to operate BGCS compared to 10 years ago when the cost was just over \$79,000 a day to operate the district. In 2010 the starting salary of a BGCS teacher was \$33,036. Today the starting salary of a BGCS teacher is \$48,051. In 2009 a bus cost approximately \$84,000. That same bus today is almost \$134,000. That's \$50,000 more!

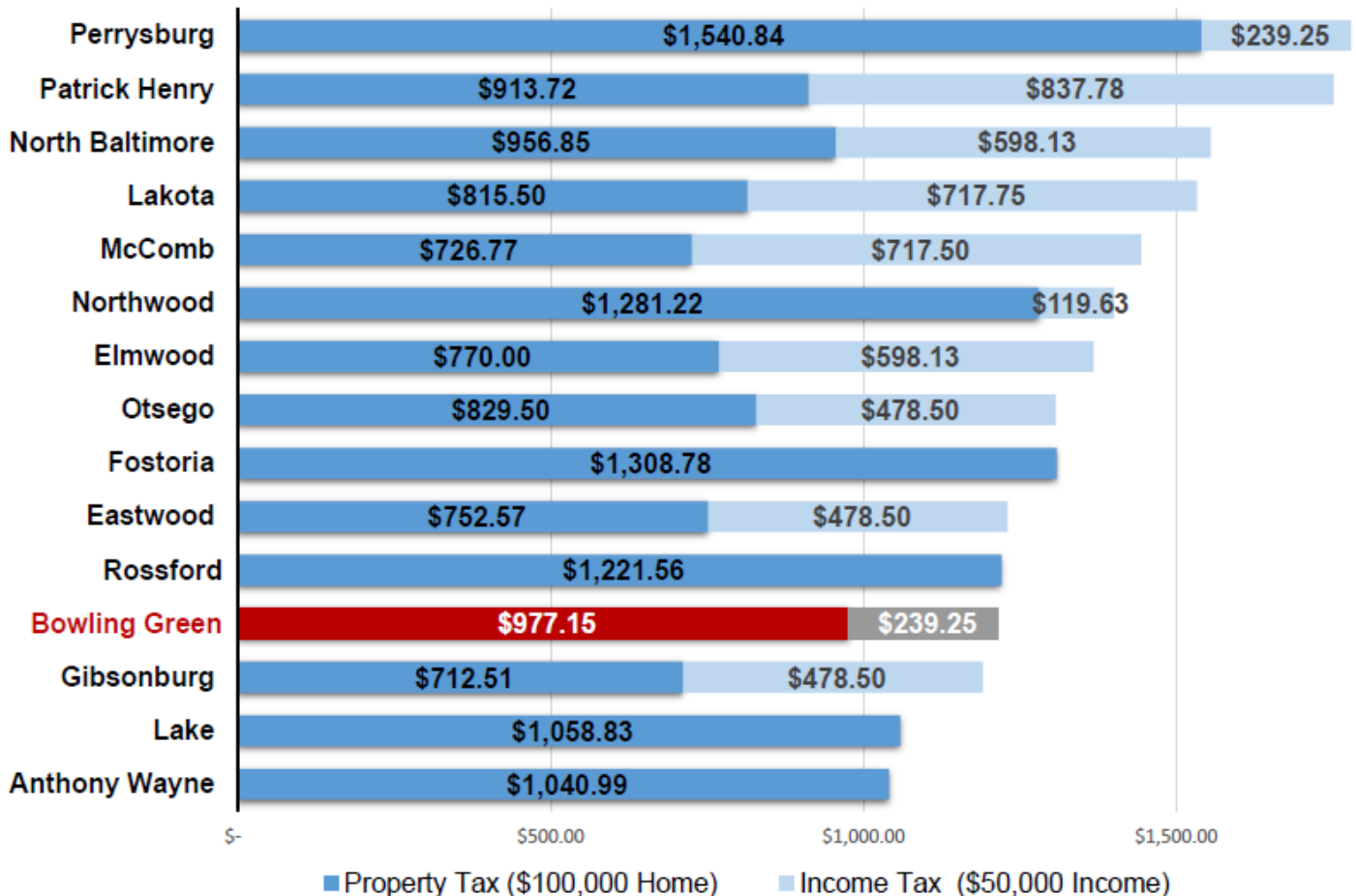
HAS THE DISTRICT BEEN SPENDING MORE THAN IT IS TAKING IN?

Despite the district's efforts to be fiscally responsibly, inflation is accelerating faster than the district's revenue causing the district to spend more than revenues received. Over the last ten years, expenditures have increased at an average rate of 2.42% while revenue has experienced an average increase of 1.75%. The district has experienced deficit spending for the last two fiscal years and is projected to have deficit spending for the current fiscal year (2024-25). This is projected to continue and compound over the next few years, eroding the cash reserves by the 2026-27 school year.

HOW DO BOWLING GREEN CITY SCHOOLS TAXES COMPARE TO OTHER WOOD COUNTY SCHOOLS?

Below is a graph comparing total school district taxes paid by a resident of each Wood County school district (If any portion of their district is within Wood County). The following assumptions are used in the comparison: \$100,000 assessed property value and \$50,000 adjusted gross income (AGI).

Wood County School Districts 2024 Local Tax Collection Comparison



WHAT WILL HAPPEN IF THE LEVY DOES NOT PASS?

The NEED for additional revenue will not go away. The Board will evaluate the results from the levy and consider the following:

- (1) Placing a levy request on the next available ballot – Spring of 2025.
- (2) Implementing major budget reductions impacting staffing and student programs.