

**Paulding Exempted Village Schools 2025 Income Tax Levy
Frequently Asked Questions**

Q: What does the Paulding EVSD Permanent Improvement Income Tax Levy pay for?

A: The purpose of this levy is to generate revenue that the Board anticipates will be needed to maintain and improve District buildings, equipment, and facilities and replace needed curriculum and technology. The 23-year OFCC levy expired in 2023. Non-recurring grant awards totaling \$645,811 have helped bridge the gap from 2019 to 2024, but continuation of grant funding is not guaranteed. Maintenance costs are rising and District buildings range in age from 20 to 60 years old. Projected expenses to maintain current assets exceed current revenue levels by an average of \$1,187,719.33 per year. A permanent improvement income tax levy can be used to cover these types of expenses.

Q: What maintenance and improvement of buildings, equipment, and facilities is anticipated to be needed?

A: District buildings range in age from 20 to 70 years old. The membrane roofing is approaching the end of its lifespan. The boilers in the high school and Oakwood Elementary are 37 years old and 23 years old, respectively, and the chillers for the Paulding campus currently have less than half of the designed cooling capacity. The Oakwood Elementary boilers are malfunctioning and requiring increasing maintenance. Air handler units in both Paulding and Oakwood are reaching the end of their lifespan. Much of the remaining large HVAC equipment is approaching the end of their lifespan and will need to be replaced soon. The copper plumbing at the Paulding campus is starting to degrade, and pin holes have started appearing. Oakwood's fire suppression system will need a new pump within a year. Bleacher inspections have reported needed repairs, with new issues being reported with increasing frequency. Maintenance vehicles are 10 and 14 years old, and the three vans used for student transportation are 8, 10, and 12 years old. The 20 Year Capital Plan details the condition and replacement costs of district assets, summarized in the table below:

DESCRIPTION	20 YEAR TOTAL
Roofing	\$4,119,690.00
Mechanical / General Maintenance	\$3,930,500.00
Asphalt	\$1,178,100.00
Maintenance / Custodial Equipment	\$343,320.00
Transportation	\$9,115,000.00
Flooring	\$1,274,865.00
Athletics and Grounds Maintenance	\$4,150,500.00
Building Furniture	\$793,189.00
Curriculum	\$3,867,160.00
Technology Equipment	\$3,180,000.00
Total	\$31,952,324.00

Q: How much does PEVS receive now for permanent improvement?

A: In school fiscal year 2024 (7/1/2023-6/30/2024), PEVS received \$409,893.87 from the permanent improvement property tax and windmill PILOT (payment in lieu of taxes).

Q: How much does PEVS need each year for permanent improvement?

A: Based on the figures in the District's Capital Plan, PEVS needs \$1,597,616 each year on average to maintain our current facilities, make repairs, and replace outdated and obsolete equipment.

Q: Why can't the District use revenue from existing operating levies to cover costs in the Capital Plan?

A: Operating levies are paid into the General Fund, which is currently covering all of the overflow costs that the permanent improvement fund cannot pay. However, the General Fund has lost \$114,389 in FY 2024 and is on track to lose \$1,020,331 in FY 2025.

Q: Why can't the General Fund continue to pay permanent improvement costs?

A: Currently, our General Fund is on the decline, and current permanent improvement spending levels from the General Fund are unsustainable. Pending legislation, if passed, will adversely impact revenue from property taxes and state foundation revenue. General Fund money will be needed to make up that shortfall in revenue.

Q: Will this levy go towards giving staff raises?

A: This levy will not go towards salaries, benefits, or other personnel costs- those costs are not allowable expenditures from the Permanent Improvement fund and would be subject to the annual financial audit by the Auditor of State to ensure compliance.

Q: What tax levies recently expired?

A: In 2023, two property tax levies expired – the OFCC maintenance levy and the emergency levy – resulting in a loss of District revenue. The OFCC maintenance levy was the local share for the 2000 school construction project and was going to expire regardless as it was for a 23-year period starting in the year 2000. The emergency levy is the 5-year levy that appears to have been renewed every 5 years since 1983, and was renewed in the Nov. 2023 election.

Q: When was the last time the District passed a “new money” levy?

A: Paulding has not passed a levy for new money – meaning a levy that was not a renewal of an existing levy – since 2000 when the OFCC maintenance levy was passed as part of the school construction and renovation projects of the time, and that levy expired in 2023. The last time the district passed a levy for new money without state assistance was the 1990 income tax and a 1984 property tax.

Q: How high are our taxes compared to other schools?

A: Comparing current tax rates of school districts in Defiance, Paulding, Putnam, and Van Wert counties, Paulding EVSD has the 8th highest income tax (tied), 9th highest permanent improvement property tax millage, and 17th highest total operating millage. However, Paulding has the 4th highest student count among those same school districts, which puts Paulding at 5th *lowest* for property tax revenue per pupil and 6th *lowest* local revenue per pupil (local revenue includes both property and income taxes).

Q: How much will this levy cost me?

A: This is a 0.75% income tax, so for a person making \$40,000, it would only cost \$11.54 per biweekly pay check. ($\$40,000 / 26 \text{ pays} \times 0.75\% = 11.538$)

Q: How long will this levy last?

A: This levy would be for a continuing period of time, meaning it would be a permanent income tax, similar to the current 1% income tax levy.

Q: Why is this levy a continuing/permanent levy?

A: Current revenue in the permanent improvement fund is less than the expenses projected on the Capital Plan. The General Fund is currently in deficit spending. The levy, if passed, would create a sustainable permanent improvement revenue source to pay for the current revenue shortfall.

Q: Will the levy pay for anything other than buildings?

A: This levy money could be used to pay for our increasing maintenance costs; furnish our classrooms with educational technology, equipment, and curriculum materials; and provide the resources needed to replace critical infrastructure such as building roofs, HVAC equipment, security systems, and buses. In addition to annual bus, student technology, and curriculum purchases, improvements under consideration include replacement of our bus garage, replacement of degenerating 40-year-old high school gym bleachers, and replacement of 40-year-old locker rooms at the football field and the addition of training equipment for practices located at the athletic fields.