

What's Our Story?

Lakewood City School District's Funding Story

Lakewood City School District is proud to provide a high-quality education for our students, and funding plays a big role in making that possible. Like most public schools in Ohio, our district is mainly funded through local property taxes, state funding, and some federal support. Each piece of funding helps us maintain our buildings, pay our hardworking staff, and provide the programs and services that make our schools strong.

Where Does Our Funding Come From?



Local Property Taxes

The largest part of our funding comes from property taxes paid by homeowners in Lakewood. This funding supports day-to-day operations, including classroom instruction, educational supplies, technology, and building maintenance.

We rely heavily on our community for financial support through these local taxes. Residential taxes make up the majority of the district's property tax revenue. Homeowners pay approximately 76% of the real estate property tax revenue. The remaining 24% of property tax revenue is paid by public utilities and commercial property owners.

In Fiscal Year 2026, general operating property taxes are projected to provide over \$54 million, making up 62% of our \$87.3 million total revenue. It's important to note that taxes collected on voted levies do not increase as property values rise, even as the district's operational costs grow due to inflation.

In Tax Year 2025, the district is collecting on 37.56 mills. This equates to approximately \$1,315 per year in taxes for every \$100,000 of home value. (This is before state property tax reimbursements like the Homestead and Rollback tax relief programs). Of these total mills, 29.62 mills go to the General Fund for operating expenses. The remaining mills are collected for permanent improvements and bond debt.

State Funding

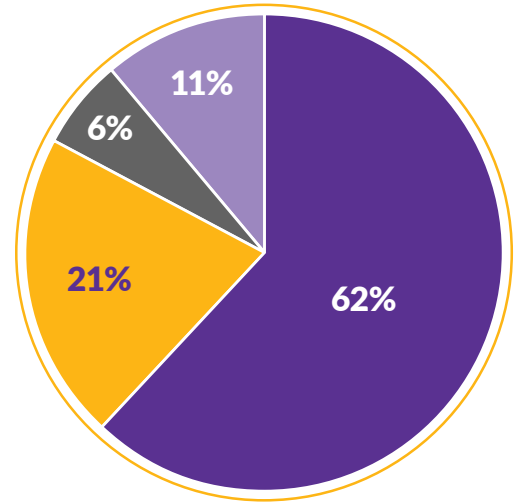
The State of Ohio provides funding based on the funding formula passed by the Ohio Legislature, currently known as the Fair School Funding Plan. The state's formula calculates the cost to educate a student and then determines the "share" of that cost that the state will pay and the "share" of the cost that the local community should pay. Because Lakewood is considered a wealthier community, the district receives less state aid/less of a state share compared to most of the other public school districts in the state.

Lakewood CSD is on what is called the state funding guarantee. Being on the guarantee means that our district receives the same amount of basic state funding as the district did in 2021.

Our state funding remains flat, with about \$18.3 million projected for FY26, making up 21% of our total revenue. Funding from the State of Ohio comes with some uncertainty, as the funding can change every two years as the state's biennium budget is passed every two years. In FY20, the state provided 24% of our total revenue.

Federal Funds

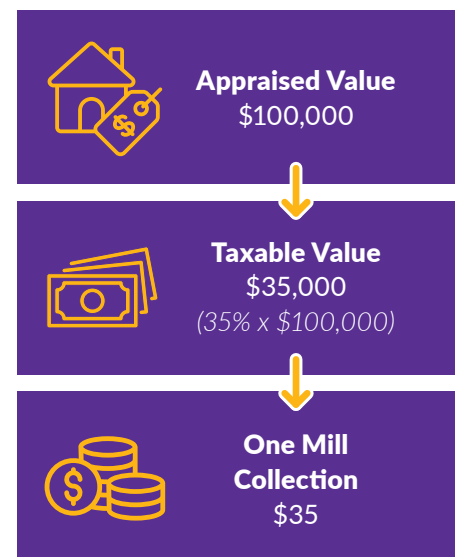
A relatively small portion of our overall budget comes from federal programs, mostly used for special education services and specific grants. These funds do not mingle with general operating funds (therefore, federal funds are not included in the revenue graph above). In the 2025-26 school year, the district qualified for approximately \$3M in federal funds. Federal funds are granted by the federal government and are administered by the State of Ohio.



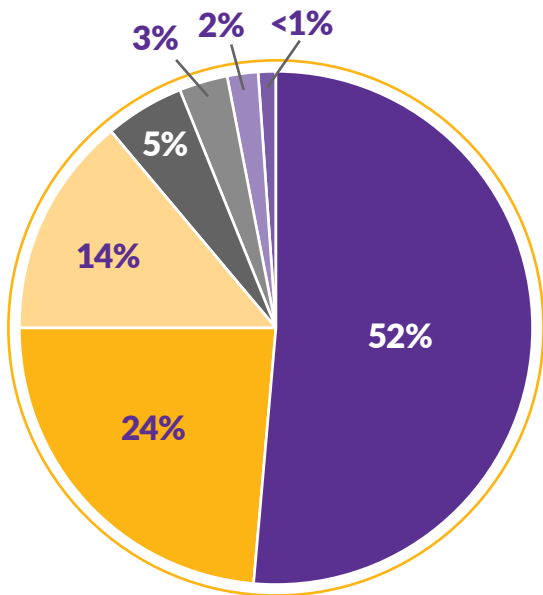
- Property Taxes - 62% (\$54,152,316)
- State of Ohio Education Funding - 21% (\$18,309,610)
- State Reimbursements Property Tax Credits - 6% (\$5,349,748)
- All Other Income - 11% (\$9,534,564)

How do property taxes work?

- Property in Ohio is taxed in **mills**.
- One mill = \$1 for every \$1,000 of taxable value
- Residential property tax is taxed at 35% of its value in Ohio.



School District Portion of Residents' Total Tax Bill



This graph shows how residents' tax bills are distributed to the different government entities taxing Lakewood residents. The school district receives approximately 52% of the total tax bill.

Residential (Class I) Taxes by Political Unit Tax Year 2024

- Lakewood City School District 52%
- Lakewood City 24%
- Cuyahoga County 14%
- Cleveland Metroparks 3%
- Lakewood Library 2%
- Cleveland-Cuyahoga Port Authority <1%

Understanding Our Levy Cycle

Think of our school district's funding like a household budget. Every few years, we ask our community to approve a new operating levy, which establishes a stable and predictable source of revenue to cover essential expenses.

Our Current Cycle Began in 2020

In May 2020, voters approved our most recent operating levy. That set our funding level moving forward. However, in Ohio, school levies collect a fixed dollar amount, meaning revenue does not increase with inflation or rising costs. This is due to legislation, HB 920, that adjusts tax rates down as property values rise over time.

Spending Reserves Wisely

Since school costs (salaries, utilities, supplies) rise over time, our district planned ahead. We built up our cash reserves, allowing us to operate without immediately needing another levy. This careful planning gives us time and flexibility before asking voters to approve additional funding.

Looking Ahead

As we continue to spend smarter, we monitor our finances closely. The length of this levy cycle depends on how long our reserves last and how we adjust spending to meet student needs. Eventually, we will need to return to voters to renew or approve additional funding to maintain high-quality education.



Our Levies and Long-Term Investments



The district currently utilizes three types of levies: operating, bond issue, and permanent improvement levies.

Operating Levies

All of the district's existing operating levies are for a continuing period of time, providing stable support for daily operations. All of the funds generated by the operating levies go into the district's General Fund. Operating levies account for 29.62 mills of taxes collected.

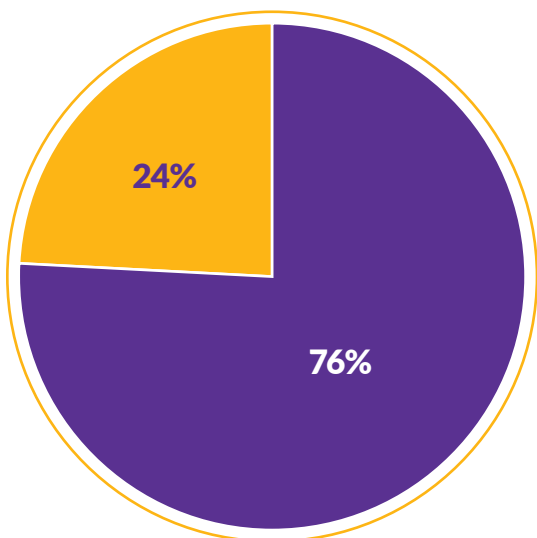
Permanent Improvement Levies

The district collects two permanent improvement levies that were passed to begin collections in 2013 and 2020. Permanent improvement levies raise funds for districts to spend on its buildings, grounds, and equipment lasting longer than five years. Permanent Improvement levies account for 0.84 mills of taxes collected.

Bond Issue Levies

The district has three bond issue levies passed to begin collections in 2004, 2007, and 2013. These types of levies are used to borrow large amounts of money at once for building projects, similar to a homeowner's mortgage to purchase a house. The bonds have been refinanced over the last few years to achieve lower interest rates, which saves the district and taxpayers money on interest expenses. As a result of these refinancings, taxpayers will see a reduction of 2 mills in taxes for bond levies in tax year 2026 (payable in calendar year 2027). The 2004 bond issue will be paid off entirely in 2031. Bond levies account for 7.1 mills of taxes collected.

Spending Smarter for Our Students



Our district is committed to spending smarter. We carefully plan how to use every dollar to benefit our students. This means expanding opportunities, maintaining safe and welcoming school buildings, and offering programs that support academic success and student well-being.

In FY26, our projected spending includes \$90.7 million in expenses. Our cost per day of operation is approximately \$258,555. Additionally, 76% of our funds are spent directly on classroom instruction, making Lakewood City Schools a leader in directing dollars to students in the classroom compared to our peers and districts across the state.

Spending Allocation

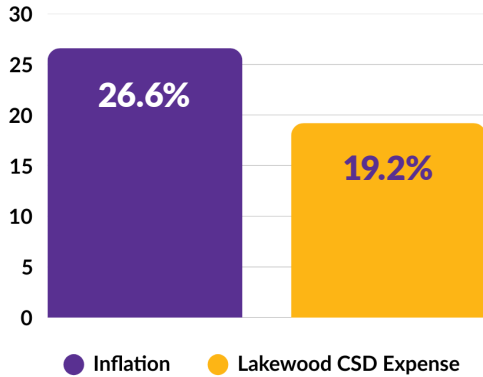
- Classroom Instruction 76%
- Other Expenses 24%

Managing Inflation and Spending Smarter



Expenses Overall:

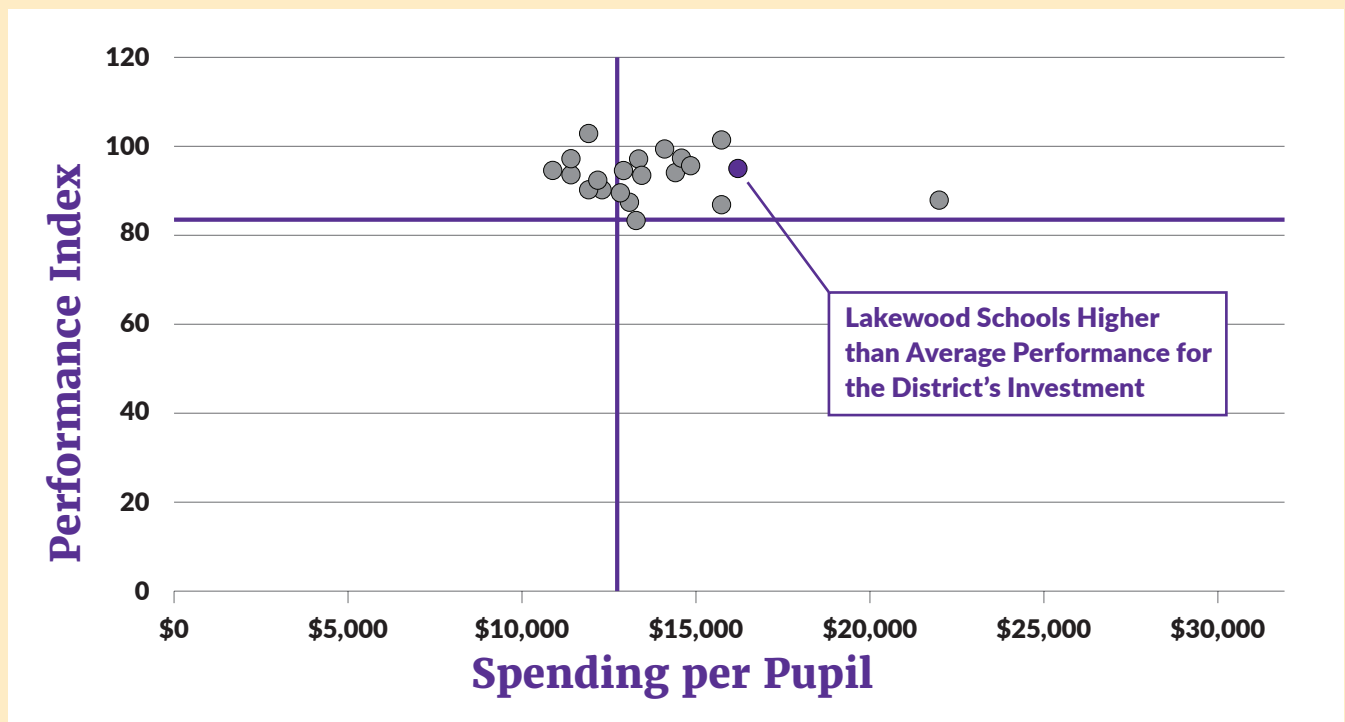
Percentage Increase from 2019 to 2025



Between 2018 and 2025, the district's expenses increased at a rate lower than the overall inflation rate during the same period. This reflects our commitment to responsible financial stewardship by controlling costs, making strategic decisions, and spending smarter. By carefully managing expenses, we protect taxpayers' investment in our schools while ensuring that more resources are directed to students and the classroom where they have the greatest impact. Measuring spending against inflation is one way the district ensures that financial decisions align with our long-term priorities. Remember, Lakewood Schools was able to manage its expenses.

Performance & Investment

According to the 2025 Ohio state report card, Lakewood City Schools continues to perform at high academic levels. The graph below is from the 2025 State of Ohio report card and compares Lakewood students' performance to similar districts in the state. Lakewood consistently scores above average in academic performance. This success is a reflection of the community's investment in quality education.



Community Programs and Financial Transparency



In addition to its K-12 educational responsibilities, the Lakewood City School District also provides financial oversight for certain community assets, including the Lakewood Civic Auditorium and Lakewood Community Recreation and Education programs.

These operations are tracked as distinct categories in the District's financial reports and are managed separately from classroom instruction and student services. Community Recreation programs generate revenue through fees and tuition, which help offset the cost of those programs.



Community Support Matters

The support of our community is vital and helps us provide the best possible education for our students. Because so much of our funding comes from local property taxes, we are especially reliant on the continued support of Lakewood families, staff, and residents. We are grateful for the trust and partnership of our community.



Together, we are creating a brighter future for every student!