

We are **MADISON!**

Levy FAQ

Are the Madison Schools seeking a levy in May?

- Yes. On January 24th, 2017 the Board of Education voted to place an operating levy on the May ballot in the amount of 4.99 mills.

Why is the levy needed?

- The district's 5-Year Forecast shows a negative balance of \$ 722, 662 at the end of the 2018-2019 school year.
- Since 2009, funding for the district has decreased by \$2.3 million per year.
- Because the district's revenue has decreased and expenses have increased due to inflation, the district is currently deficit spending...that is, spending more money than it is taking in annually.
- The message from Columbus is that if additional funds are needed to operate schools, they will have to come from the local community. **Ohio Governor, John Kasich** said, *"If you have a greater capacity in your district based on income and property values, the state should do less."*
- By law, the district cannot operate with a negative cash balance, thus the need for additional funds.

In what ways has the district tightened its belt and made budget reductions?

- The district has implemented cost saving measures which has decreased the expenses by about \$3,000,000 less each year than they were in 2009. In the next few years, inflation will cause expenses to rise while the revenue will remain flat. Each of these years, expenses will once again be greater than revenue.
- Performance audits have been conducted in 2012 and 2016, that have helped the district to implement changes to decrease spending.
- The district has recently developed a strategic plan, which prioritizes the work of the district and focuses spending on those goals.

Do we need to pass this levy now?

- Yes. The 5-year forecast predicts a negative balance in fiscal year 2019. If our levy does not pass this year, in the Spring of 2018 the district will need to make cuts. Those cuts will include teachers and programs for students.

When was the last time an operating levy was approved?

- The last new operating levy was approved in 1989.

Why 4.99 mills?

- The Board discussed the recommended millage rate based on the district's five-year forecast to ensure the levy balances the budget for five years.

How much will the levy cost?

- Cost per month is \$14.55 per \$100,000 in home market value.

Where will the new funds be used?

- The new funds will help to preserve and protect programming that currently exists.
- The new funds would be used to fund the day to day operations of the district.
- If we are successful in May, in addition to protecting and preserving existing programs and staff, we will add STEM programming at the middle and high school. STEM (Science, Technology, Engineering and Math) is an area that addresses rigor for our students as well as providing career paths for students when they graduate.

How much revenue will the levy generate annually?

- \$1,780,690

Where can I find my home value for tax purposes?

To find market value used by the county to calculate your taxes, you can use the property tax search tool on the Lake County Auditor's website or by calling 440-350-2532.

When is the election?

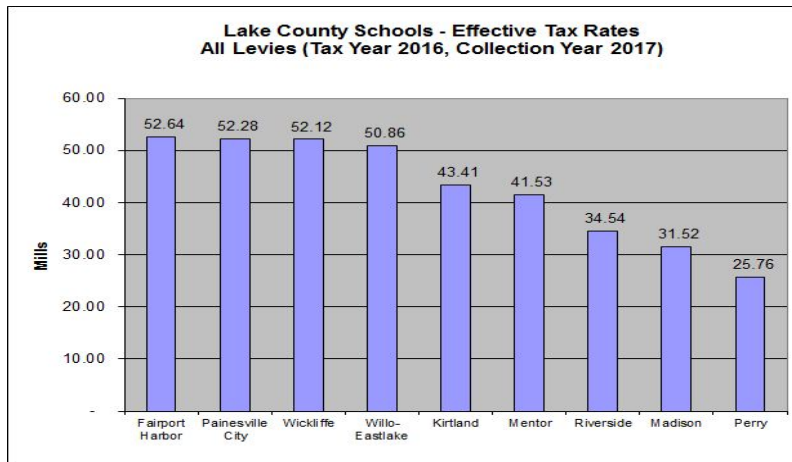
- The election is May 2, 2017.

Where can I find voting information, including timelines, registration information, absentee ballot information, etc.?

- Voter registration information for Lake County can be found at <http://www.lakecountyohio.gov/lakeelections/VoterRegistrationInformation.aspx> or call 440-350-2700.

How do our taxes compare to other districts?

- We have the second lowest tax rate in Lake County.



What are teachers and the other unions doing to help pay their fair share?

- Our staff pays more for their insurance when compared to most of the other schools employees in the Lake County Schools Council Health Care Consortium.
- The base pay for the employees was not increased for 4 of the last 7 years.

How does open enrollment impact the Madison Schools financially?

- The district realizes \$1,712,822 in additional funding because of open enrollment.

Are classes over-crowded because of open enrollment?

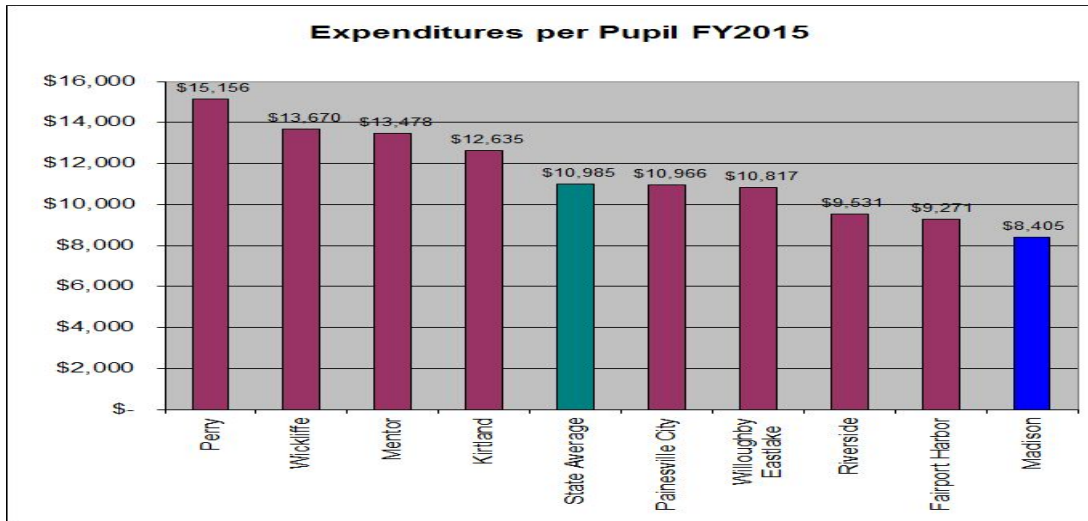
- No. Class sizes are determined by district-set teacher to pupil ratios. Those ratios would be in place with or without students who enroll from neighboring districts.

Why does the district sometimes hire staff members who have retired?

- The district will sometimes opt to hire staff who have retired. This practice allows the district to save money on the salaries of such individuals, while benefitting from the vast experience he/she brings.

How do we compare to other districts in terms of our cost per pupil?

- Madison has the lowest cost per pupil in Lake County.



What is the district doing to develop new revenue sources for the schools?

- Aggressively seeking federal, state, and foundation grants
- Encouraging the continued growth of private donations
- Exploring other opportunities for corporate support of the schools

Did the new buildings increase our expenses, resulting in this levy request?

- No. The new buildings allowed the district to become more efficient and with staff reductions has helped to delay a deficit until fiscal year 2019.

What is the difference between capital improvement funds and operating funds?

- Capital improvement funds can only be used for buses, equipment and building repairs. Operating funds, like the funds from this levy, are used to keep the buildings open, pay the employees and transport the students.

Does the district receive money from the lottery?

- Schools in Ohio do not receive any additional money from the lottery. The lottery money reduces the amount of other funds the State of Ohio needs to fund the schools.

Does the district receive money from the casino?

- Unlike the lottery, the district actually receives funds from the four casinos in Ohio. These funds are received via separate payments during the year and are calculated into our existing budget.

How were funds received from logging the back property at the middle school used?

- The district received about \$58,000 from the logging.
- These funds, along with contributions from LakeHealth and the Madison Recreation Board, were used to pay for the outdoor fitness track on the middle school property.

How can funds from the sale of the former Homer Nash Kimball and North Madison Elementary properties be used?

- These funds, by law, can only be used for capital expenses.
- The funds were used to upgrade technology throughout the district, purchase additional buses, and replacement of the cafeteria roof at Madison High School. Funds are also set aside for a new roof above the gymnasium at Madison High School.

I've heard that when a previous levy did not pass, the district suddenly "found a million dollars." What is that all about?

- After the failed levy issue more than 10 years ago, the district notified the community that it could avoid specified cuts because it had realized approximately \$1,000,000 that was not in the forecast.
- \$1,000,000 represents just under 14 days of operating expenses for the Madison Local Schools...approximately 4% of the district's total budget.
- It is not uncommon for differences in forecasted balances in excess of 5% due to the many variables to go into school funding.
- Since that time, the district has seen reduced revenue from the State of Ohio and from reduced property values. As a result, the district has made significant cuts in spending, including the reduction of 41.5 teachers and 41 support and administrative staff members.

- The Board of Education, superintendent, central office administration, and Treasurer have all changed since that levy request. The existing team is committed to monitoring the day to day financial operation of the district.
- The need is real. The district has made cuts with low to moderate impact to academic programming as much as possible. Future cuts would greatly impact student opportunities.

Where can I get more information?

- Contact the Madison Local School District Central Office at 440-428-2166.

What is an “Operating Levy?”

- An operating levy generates funds for the day-to-day operating expenses of the schools.

I hear the Governor’s new budget will provide more money for schools.

- The current budget proposal would provide additional funding for some schools in the state of Ohio. As it is written now, it is not likely schools in Lake County will see increases in revenue. The budget will continue to go through revisions as state legislators review it. It will not be finalized until July, most likely.