

Levy FAQ

For more information, contact the Madison Local School District Central Office at 440-428-2166.

Levy Details

Are the Madison Schools seeking a levy in May?

- Yes. On February 2, 2021, the Board of Education voted to place an operating levy on the May 4, 2021 ballot in the amount of 6.99 mills.

How much revenue will the levy generate annually?

- \$2,782,740

How much will the levy cost?

- If approved, this levy will add \$20.39 per month per \$100,000 in assessed home value.

What is assessed home value?

- This is the value of your home per the County Auditor. It is NOT your market or appraised value. You can find your assessed value on the Auditor's site, <https://www.lake.iviewauditor.com/>. Find your listing and click on the "Valuation" tab. The assessed value is usually lower than your appraised value. You may also call 440-350-2532.

Why 6.99 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 with minimal reductions and revenue enhancements, assuming no unforeseen situations occur.

Where will the new funds be used?

- The new funds will be used to fund the day-to-day operations of the district and help to maintain the programming that currently exists.

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.

Need

Why is the levy needed?

- Because the district's revenue has decreased and expenses have increased due to inflation, the district has been deficit spending – that is, spending more money each year than it is bringing in – for several years. The district has been “living” off of its cash balance.
- The projected cash balance for the end of this fiscal year is \$43,550. This equates to a little over two DAYS' worth of cash. Fiscal best practices suggest at least 8-12 weeks' worth of cash is on hand at all times.
- By the end of the 2021-2022 fiscal year, the district will have a negative balance. Per law, a school district cannot operate with a negative balance; thus, the need for additional funds.

Do we need to pass this levy now?

- Yes. We currently do not have enough cash and projected revenue to take us through the 2021-2022 fiscal year. We must balance the budget.
- The district has reduced expenses regularly, and we are cutting expenses again even before this levy in May.
- If the levy does not pass in May, we will make even more cuts that will go deep into what our district provides to our students. These cuts must include teachers and programs as we have already reduced everywhere else that is possible.

Financial Details

How has the stimulus money received impacted district finances?

- Due to the COVID-19 pandemic, the state reduced state funding to all Ohio districts. Our total cut was \$510,000.
- The \$347,000 in initial stimulus money received in May 2020 was used to offset part of this budget cut from the State of Ohio.

I heard the district will be receiving additional stimulus funds. Why do we need a levy if we get this stimulus money?

- Stimulus funds are one-time payments that must be used for specifically-identified, COVID-related reasons.
- Approved uses include items such as programs to help students “catch up” from learning loss due to the pandemic; staffing to meet COVID-19 protocols; and transition and after-school programs for students to help with learning and social-emotional needs caused by the pandemic.

Why has there been a change in the projected ending balances for FY2021 and FY2022?

- The Five-Year Forecast is just that – a forecast. The balance will change each year as actual spending and new required expenses are added to the forecast.
- For FY2021 and FY2022, the ending balance has decreased for four reasons:
 - We received \$1.4 million in additional stimulus funds in FY2021, a majority of which will be used to help offset the projected deficits.
 - The state budget cut and subsequent stimulus funds mentioned above reduced the carryover by appr. \$200,000.
 - The district received an additional \$300,000 workers’ compensation refund.
 - The district is receiving less in open enrollment revenue and paying more for students attending community and charter schools. More students chose to attend community/charter schools this year due to the pandemic. This is a reduction of \$110,000 vs. what was originally projected for this year.

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

- The district has been fiscally responsible and proactive over the years, reducing expenses regularly since 2009 to ensure taxes remain as low as possible for Madison school district residents.
- Expenditures this year are actually at the same level that they were in the 2008-2009 school year, despite inflation over this period of 24%. District revenues have also declined during this same 12-year period by a little over \$200,000.
- Performance audits were conducted in 2012 and 2016; these helped the district implement changes to save money.
- The district developed a strategic plan, which prioritizes the work of the district and focuses spending on those goals.

- Prior to May, we are making additional cuts to ensure the FY2022 budget is balanced and the amount we must request from the community is as low as possible.

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

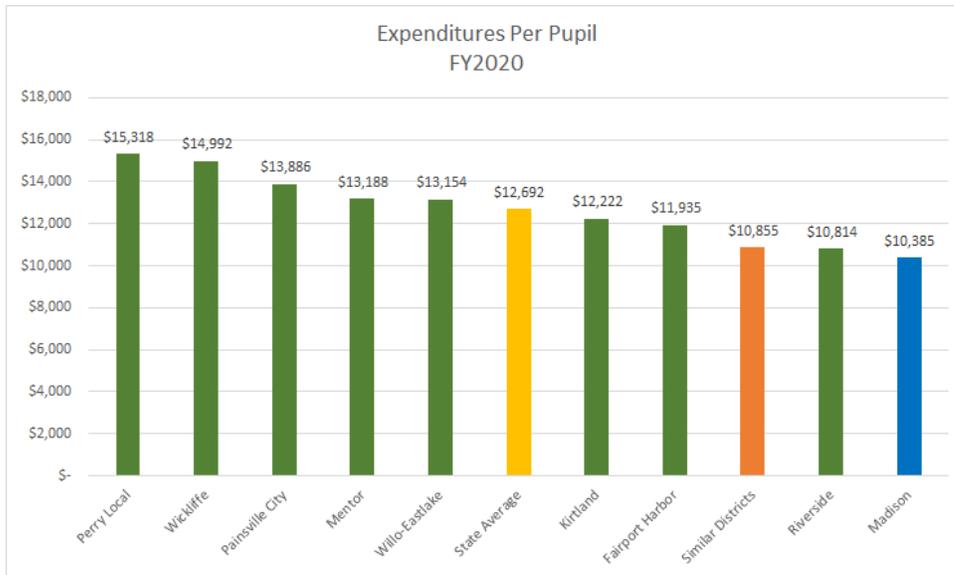
- In the last 11 years, the total of staff increases to base salary has averaged 0.89%. Since 2010-2011, our staff has taken a freeze on the base 5 out of 11 years.

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 these retirees while benefiting from the vast experience s/he brings to the job.

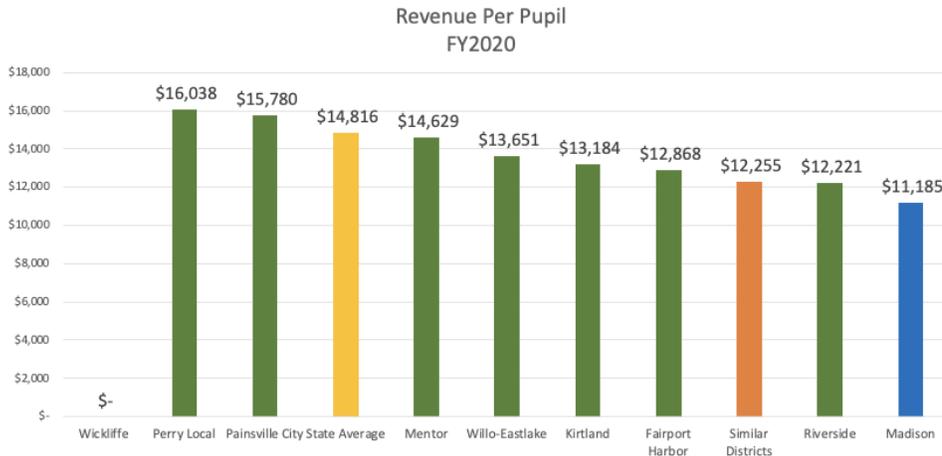
How do we compare to other districts in terms of our cost per pupil?

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



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

- Madison receives the least amount of revenue per pupil than any other school in Lake County.



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

- We are aggressively seeking federal, state, and foundation grants.
- We are encouraging the continued growth of private donations.
- We are exploring other opportunities for corporate support of the schools.
- We have been actively talking with state representatives about the funding situation and the need in this district.

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.
- However, the budget process is just beginning, and there are always changes from the Governor’s version of the budget to the final one approved by the legislature in July.
- The budget will continue to go through revisions as state legislators review it. The final budget will most likely not be approved until July.

Does the district receive money from the lottery?

- While Ohio schools receive money from the lottery, this amount is reduced in other places, netting out at no extra funds to the district.

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 already calculated into our existing budget.

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

- After a failed levy more than 15 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.
- 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.
- However, even then, fluctuations of \$1 million were not unexpected in a total budget of over \$25 million. This represents just under 14 days of operating expenses for the Madison Local Schools – appr. 4% of the district’s total budget.
- It is not uncommon to see differences in forecasted balances in excess of 5% due to the many variables to go into school funding, as well as changes in costs to items such as utilities, curriculum, and gas – not to mention unexpected expenses, such as we are seeing with COVID this year.
- Since that time, the district’s revenue has decreased due to cuts by the state of Ohio and reduced property values. Because of this, the district has made significant cuts in spending, including the reduction of 41.5 teachers and 41 support and administrative staff members.

Madison Schools Operating Levy History

What is an “operating levy?”

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

When was the last time an operating levy was approved?

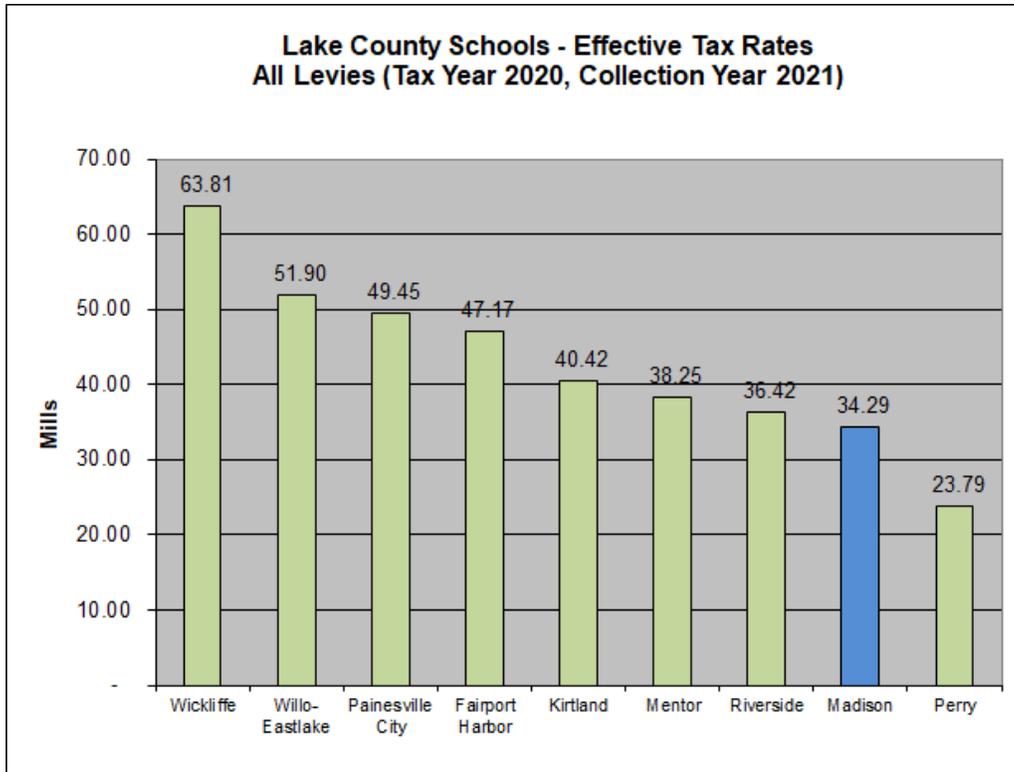
- The last new operating levy was approved in 2017.
- Prior to that, the district last passed new operating dollars in 1989.
- Due to the way school funding is structured, an average Ohio school district requires new operating funds from their community every 3-4 years.

Since we just passed a levy in 2017, why does the district need more money?

- At the time of the 2017 levy, we explained that additional funds would be required in appr. 4 years – which is the average amount of time between school levies in Ohio.
- Despite the financial challenges that COVID has caused, we are still able to honor that 4-year commitment to our community.

How do our taxes compare to other districts?

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



Open Enrollment

How does open enrollment impact the Madison Schools financially?

- The district receives \$1,235,357 in additional funding because of open enrollment.
- Open enrollment students fill “holes” in classrooms that do not cost the district any additional yet bring in significant extra funds.

Are classes over-crowded because of open enrollment?

- No. Class sizes are determined by district-set teacher to pupil ratios. These ratios would be in place with or without students who enroll from neighboring districts.
- Open enrollment students only fill “empty seats” in classrooms that are below the set ratio.

Facilities

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. We combined three elementary buildings into two.

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 for items including keeping buildings open, paying employees, purchasing curriculum and technology, and transporting students.