

AYERSVILLE LOCAL SCHOOLS
FAST FACTS – Questions and Answers
Updated January 22, 2020

What kind of a levy are we running on March 17, 2020?

The Ayersville Board of Education voted on December 4, 2019 to proceed with a .75% Income Tax Levy to be on the ballot, March 17, 2020. This request is for 2 years beginning in January 2021. The request will generate approximately \$678,000 annually. This request would cost a resident with an income of \$100,000 about \$2 per day or a resident with an income of \$50,000 about \$1 per day.

What is a school district income tax?

It is an income tax, separate from federal, state and municipal income taxes, that is earmarked specifically to support school districts. A school district income tax must be voter-approved by residents of the school district in order to be implemented. There are 2 different types of income tax - traditional and earned.

Who pays the tax?

Any individual residing in the State of Ohio who lives during all or part of a tax year in a school district that levies the tax. A part-time resident must pay the school district income tax based upon income received during the portion of the taxable year that he/she is a resident of the school district. Workers who are not residents of the school district do not pay the tax. Social security benefits are NOT taxed.

How does the school district income tax affect farmers?

A school district income tax would generally benefit farmers who bear a large share of the property tax burden in many rural school districts. Unlike a property tax, a tax on income is reduced when the farm profits fall. 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 that is payable twice a year.

How is the tax collected?

The school district income tax is collected in the same manner as the state income tax: through employer withholdings, individual quarterly estimated payments and annual returns. Please know that the school district does not collect your taxes, nor does the district know how much tax you as an individual pays. The state collects the taxes and then disburses it to the school district. The School District tax filing number is 2001.

What cuts/reductions will be made if the levy passes?

The district will limit professional development activities and restrict educational and supply purchases. In addition to that, the district will reduce the following positions:

- Half (.5) assistant to the treasurer effective January 24, 2020; *[this decision has been made since the original FAQ]*
- One (1) maintenance position effective March 1, 2020;
- One (1) principal effective April 1, 2020; *[this decision has been made since the original FAQ]*
- One (1) kindergarten teaching position for the 2020-2021 school year;
- two (2) additional teaching positions in 2021-2022;
- one (1) section of preschool.

This plan will reduce spending by at least \$400,000 over the next two years.

In addition, the district is currently scheduled to begin negotiations on January 23 with the Ayersville Education Association on contract changes for the 2020-21 school year.

What happens if the levy fails?

This will be devastating to the Ayersville Local School District. In the event that the levy fails, in addition to the planned \$400,000 in reductions, the district will need to make \$600,000 in additional cuts.

Additional possible cuts include:

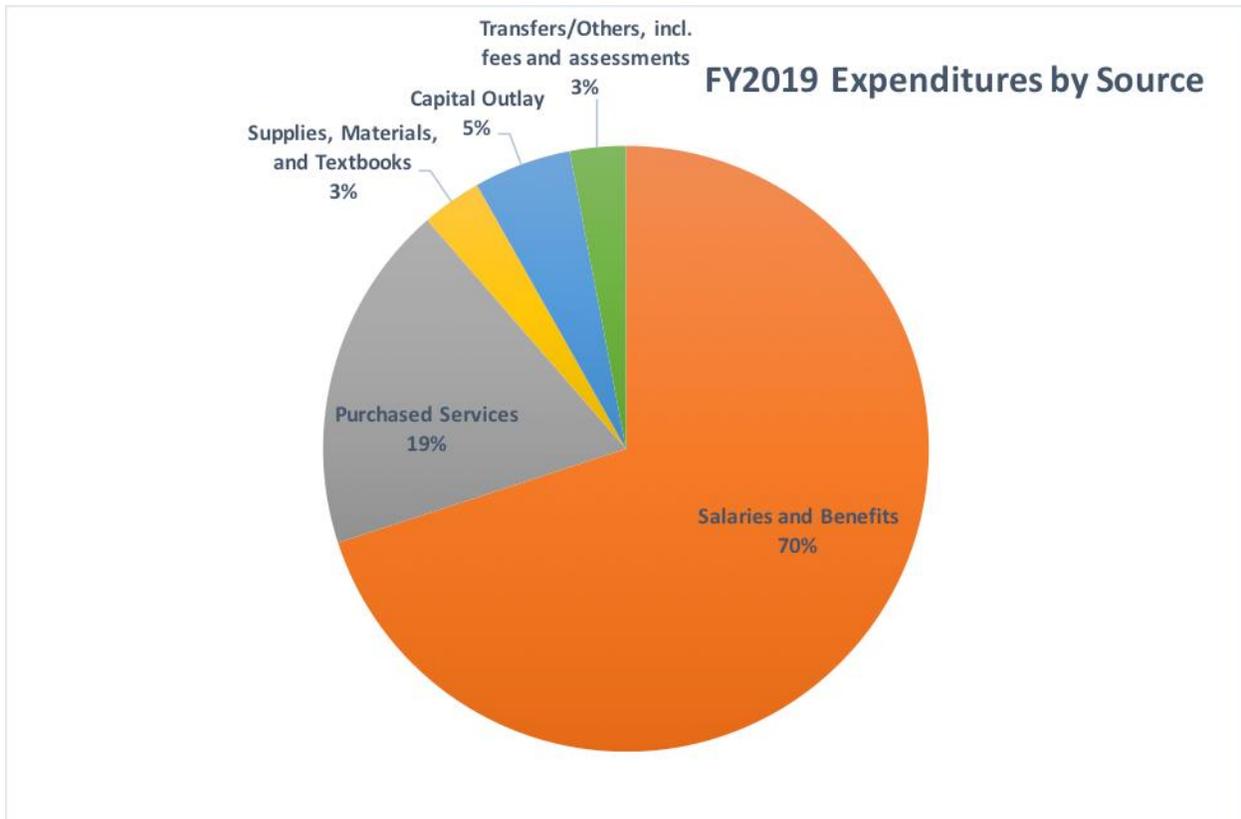
- Secretarial position (1)
- Vocational Ag (1)
- Family/Consumer Science (1)
- HS Teacher (1)
- Art (1)
- Special Education (1)
- Elementary teacher (1) *[please note the typo corrected here from the original FAQ]*
- SRO (1)
- Media Specialist (1)
- Transportation Secretary (.5)
- Assistant Technology (1)

The district may also institute a Membership Fee for Athletics and Performing Arts (extra-curricular activities).

Please note, this plan would leave one art teacher, one vocal music instructor, and one instrumental music instructor in the building.

Where are the funds actually going?

The funds are going toward the district's operational expenses, including staffing, utilities, and supplies.



How did the district get into this situation?

The Ayersville Local School District has not asked the community for additional operating funds since 2007. Since then, the district has experienced losses of revenue.

1. Loss in revenue from property tax

The district has experienced loss of revenue from state and local property taxes. In fact, for the last two (2) years, the actual property tax (paid by taxpayers) has decreased by almost \$90,000. For the last two (2) years, the actual property tax allocation (received from the state) has decreased by almost \$130,000. While our current assessed property tax is at 50.58 mils, it is collecting at 31.66 mils.

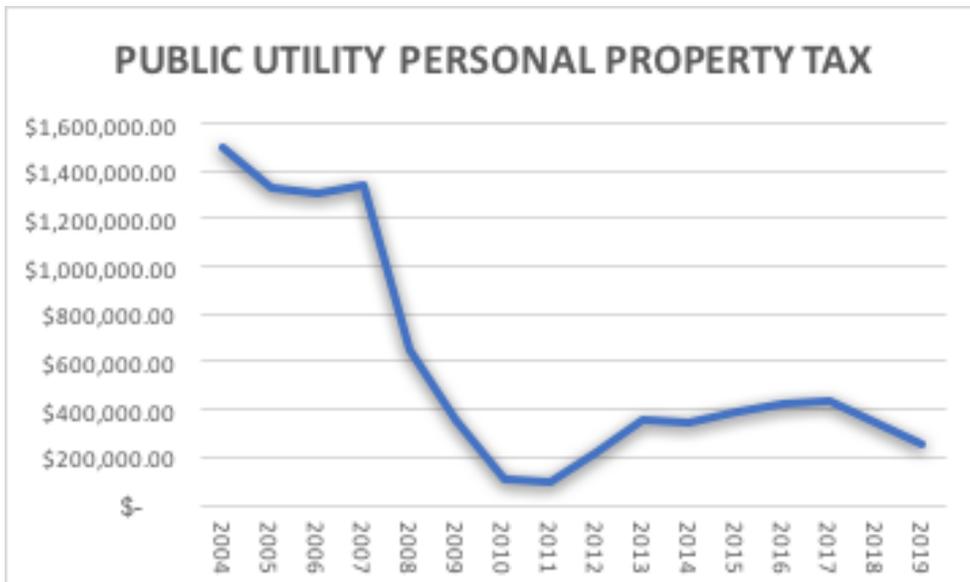
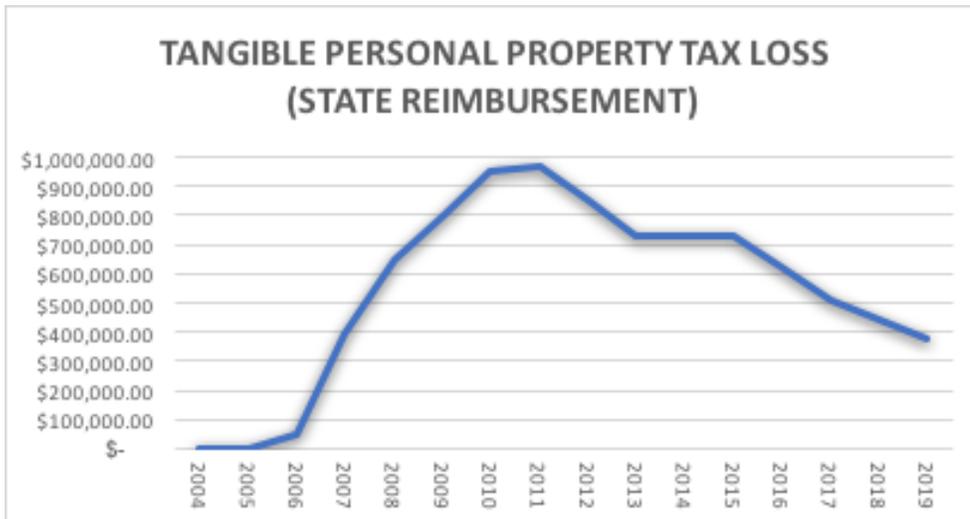
2. The effect General Motors (GM) has had on the district's tax revenue

In October of 2017, the district was notified that it would stop receiving \$250,000 a year from GM in the form of public utility personal property tax (PUPP) (this is in addition to the TPP state reimbursement already declining) beginning with taxes paid in the 2018 calendar year.

3. State aid has been frozen

HB 166, the current biennium budget, has frozen the district's state aid for 2020 and 2021 at the 2019 level. The district was notified of the freeze in July 2019.

4. The effect of the reduction of tangible personal property tax (TPP) reimbursement and public utility personal property tax (PUPP) reimbursement has had on our revenue



Our property valuation has increased. How has that affected school funding?

The County Auditor appraises all taxable property once every six years which is called reappraisal. There is also a reappraisal every third year more or less as an update. The millage rate is then determined for the school district. Local property tax rates are always computed in mills. There is **inside millage** that is set up by the Constitution of the State of Ohio and doesn't have to be voted on. It is limited to 10 mills which get spread out to public schools, cities, counties, and other local governments. There is also **outside millage** which has to be voted on by the public. The reason the millage rate is determined is due to HB920 which has been in effect since 1976. This bill freezes all voted property millage at the dollar amount collected the first year the voted millage went into effect. As property values increase, the millage rate on that voted levy is decreased so that the levy generates the same amount of money. This reduced millage rate is referred to as **effective millage**. *This "Effective" millage can never bring in more money for the schools than when it was 1st passed.* The only increase in revenue Ayersville will see from voted millage is from new construction or from having their millage reduced to the minimum amount allowed by law (20 mill floor).

House Bill 920 is one of the major reasons that school districts are forced to put levies on the ballot periodically. There is not a built-in inflation factor for running school districts. The district currently has 50.58 mills but is collecting on 31.90 mills.

Examples:

	Passed	Collecting
1976 Current Expense	13.6 mills	5.66 mills
1978 Current Expense	2.00 mills	0.83 mill
1983 Current Expense	1.9 mills	0.84 mill
1991 Current Expense	5.7 mills	2.62 mills
2004 Current Expense	11.68 mills	8.37 mills
Permanent Improvement	2.00 mills	0.89 mill
Current Expense Natatorium	1.60 mills	0.74 mill
2015 Bond	6.60 mills	6.45 mills
2015 Maintenance	0.50 mill	0.50 mill
Total	50.58 mills	31.90 mills

Your tax bill shows the full amount of what you pay in property taxes at the "effective rate". Your bill is calculated on the assessed value of your property, which is 35%. For example, if the market value of your property is \$100,000, then you will pay property taxes on \$35,000; if the market value is \$400,000 then you will pay property taxes on \$140,000.

Can the district divert funds from somewhere else?

No. Permanent improvement funds are to be used for permanent improvements that last 5 or more years. Natatorium funds can only be used for the pool. Property taxes collected for the bond issue can only be used to pay off the bonds.

What has the District done to reduce costs and deficit spending?

The district is always looking to operate as cost-effectively as possible. One example of that is that the district belongs to consortiums (shared services) for purchase of insurance, utilities, school buses, operating supplies, and other miscellaneous services to leverage our purchasing pricing and terms.

Also, since the 2008-09 school year, the District has reduced the following positions:

2008-09	English Teacher
	French Teacher
2012-13	Music Teacher
2014-15	Business Teacher
	English Teacher
	5th Grade Teacher
2015-16	6th Grade Teacher
2016-17	Bus Driver
2017-18	Physical Education Teacher
2018-19	High School Science Teacher
	Special Education Teacher

The district has also made extensive energy management improvements, including:

- LED lighting retrofitting, temperature controls, and solar thermal pool heater is anticipated to save about \$32,000 annually in electric, natural gas, and maintenance costs.
- The Solar Array will produce about 85% of our electric needs and locked in a price of \$0.09 per kWh for the next 25 years.

Also, with the most recent copier lease, the district was able to save over \$45,000 in lease payments over a five year period. In that same lease, it is estimated the district will save almost \$16,000 on colored copies.

It feels this situation was hidden and not planned for, why is that?

The administration first reviewed the forecasted deficit during the current year of a forecast on October 16, 2017 during the board meeting. Since this date, the forecast has been revisited twice a year in May and October at the public board meetings.

Then, the levy proposals were discussed at the following meetings:

June 24 Board Meeting
July 10 Special Board Meeting
July 22 Board Meeting
September 27 Senior Breakfast
October 7 Town Hall Meeting
October 21 Board Meeting
October 24 Senior Breakfast

Is it possible to not make any cuts, but instead, freeze salaries or a combination of both?

At this time, it is not fiscally possible to not make cuts.

When personnel positions are omitted, what are the deciding factors involved?

The main deciding factor is If those responsibilities can be redistributed to other qualified individuals. Other items taken into consideration include operating standards for Ohio schools, graduation requirements, and the number of students affected.

Why wasn't there a committee put together to determine what needed to be cut first, so that the decisions were made by a group of individuals that could determine what areas were most necessary to be cut?

There was not a committee because it is the responsibility of the Board of Education and administration to make these hard decisions. State minimum standards were taken into consideration.

How many people are on the budget committee for Ayersville Schools?

The finance committee is composed of six people, including community members, and the board of education is composed of five elected community members.

Why aren't other Defiance County School Districts going through financial problems?

In Defiance County:

- Hicksville just passed a .75% Income Tax Levy.
- Fairview just passed a 10 year .5% Income Tax Levy.
- Tinora has increased revenues from the pipeline going through their district.

Will there be an outside audit prior?

The State of Ohio conducts an audit annually. A copy is available at the Ohio Department of Education's website.

Why is transportation not being cut before teachers?

The school district has 432 students riding the bus. Student safety is a high priority to the district. With no sidewalks in Ayersville, the district does not feel this would be a safe reduction. The district also struggles with the idea of a bus driving past a high school student's residence or picking up a sibling, but not allowing the high school student to ride.

Keep in mind that, at a minimum, the district is required to provide transportation for grades K-8 who reside more than 2.0 miles from school and a shuttle from the high school to a member vocational school is required. In addition, the district would still have an obligation to transport those students with special needs as identified in those students' IEPs.

Also, a planned bus purchase will not be made in 2022 (approximately \$92,000.)

Why are there three people in the treasurer's office?

The full time assistant is resigning January 27. The position will be cut to part-time. This will mean that while there are three employees in the treasurer's office, it will be a full-time treasurer and two part-time assistants. Most schools in the area have one full-time person as assistant. By having two part-time assistants, the district will be saving money as one of the assistants is offered reduced benefits and the other will not be eligible. The reduction in the position of Assistant to the Treasurer will save the district approximately \$23,000-28,000.

Is it really necessary to cut so many teachers? Or has the district been employing too many teachers in the past? How many teachers are in the high school and what is the student teacher ratio for the high school as some students attend Four County or take college classes.

If the levy fails, it is necessary to make the proposed reduction of force. The district has worked hard at streamlining duties over the last several years. There are currently 22 teachers in the high school, and the high school student/teacher ratio varies from class to class with the highest at 26 and the lowest at 3. For the class of 3, there is more to that story. The high school has two classes with 3 students, both are Advanced Placement (AP). In the one class, AP Spanish is also taught with/at the same time with Spanish 4 (a total of 9 students). One other thing to consider is that both are senior level classes and we only have 46 students in the senior class. Eight attend Four County and two are full time College Credit Plus students. As a result we only have 36 seniors taking classes on site.

How were the solar "field" and auditorium renovations paid for?

The solar array field is a project with EnTrust. This project did not cost the district anything except the use of the land. EnTrust owns and provides all maintenance for the solar array. Savings is anticipated at just under \$14,000 in the first year by producing 85% of our electric supply and the agreement locks in the cost at \$0.09 per kwh for 25 years.

The auditorium and other capital improvement projects are being paid for through a 15-year lease agreement with no upfront cost to the district. By making significant Energy Conservation Measures including lighting retrofits, solar thermal pool heater, and a new building management system the district anticipates electric, gas, and maintenance savings of just under \$32,000 with an annual capital funding requirement of about \$35,000.

When my kids attended Ayersville there were 2 kindergarten teachers and now there are 4. Why is that?

Before the district transitioned to all day, every day kindergarten, there were two kindergarten teachers teaching 4 kindergarten sections, every other day.

Why is the district's per-pupil expenditure so high?

Here are a couple of things to keep in mind when looking at per-pupil expenditures.

- When the district installed new boilers (the old building had the original boiler, so with the new building, the same boiler systems were installed into both buildings), per-pupil expenses went up **\$365.67** per student.
- When the district resurfaced the track (this hadn't been done in over 20 years and there were holes in the pavement waiting for an injury to occur), the district's per-pupil expense went up **\$239.76** per student. Because of the condition of the track, the district lost hosting the district track meet which cost the Athletic Boosters \$10,000 in concession revenue over a two day period.
- When the district received a \$50,000 donation from a community member, \$15,000 from the PTO, and \$15,000 from the Ayersville Athletic Boosters to be used to buy a Shelter House for the elementary playground and blacktop the drive to the stadium, that made our per-pupil expense go up **\$101.27** per student for a donation!
- When the district buys a bus, per-pupil expenditure goes up **\$120.00**.

In short, every time the district makes capital improvements using general fund dollars, the per-pupil expenses go up.

With the proposed cuts in the levy passage plan, the per-pupil expenditure should start to trend down.

What is going to happen to the open enrollment students?

At this point, there is no plan to reduce or eliminate open enrollment.

Would the district save money if it didn't accept Open Enrollment students?

No. The district's 2019 cost to educate a student was \$13,116. The amount received for open enrollment students is \$6,020 per student. If the district did not accept open enrollment students, the cost to educate a student would have been approximately \$21,800, and the district would have received \$1.6 million less in revenue.

Example: If there is a class of 16 students and 5 open enrolled students are added to the class making it a total of 21, \$30,000 is added to the general fund and paid for ½ the salary and benefits for the teacher. Neither the teacher salary or health care costs are impacted if there are 16 or 21 students in the class.

By taxing only Ayersville residents and not all of the open enrollment kids seems outrageous!

Parents of open enrollment students pay taxes in the district in which they live, and the district receives that in the form of open enrollment funding.

Does Ayersville pay for preschool or does the Educational Service Center?

The district is required to provide preschool services at no cost to students in the district who have learning disabilities. The district opens its preschool to typically developing students as space permits. Typically developing students pay \$75.00 per month to the ESC. The ESC receives state funding for students with disabilities. Currently, the district has 29 students in the program; 7 of the 29 have a learning disability. At the end of the year, the ESC sends Ayersville an invoice for the balance. For 2019, Ayersville paid \$61,000 for preschool services.

Will vocational ag/FFA be cut even if the levy passes?

Should the levy pass, FFA will NOT be eliminated.

Does Ayersville pay for Vocational Agriculture and Family and Consumer Science or does Four County Career Center?

State funding is provided to Four County on a per-student basis. Four County pays the teachers' salaries, benefits, and program expenses. At the end of the year, Four County sends Ayersville an invoice for any remaining costs for the programs.

For 2019, Ayersville paid over \$90,000 for Vocational Agriculture and nearly \$25,000 for Family and Consumer Science.

Why did the school buy a Toolcat?

The Toolcat was purchased as an all around utility piece of equipment. Two-thirds of the cost was paid with Permanent Improvement dollars.

It came with a bucket, forks, brush, and snow blower attachment. There are many more attachments that can be added if needed. It is used not only push snow but to move it. In many cases, just pushing snow with a blade can cause damage to fences, playground equipment, and other structures. In some cases, how effectively the district can move and push snow around can determine if school is cancelled or not. The brush is used on the playground area to make it safe to play and for general cleaning of the parking areas. The forks are used to unload deliveries. This saves the district about \$100 to \$150 per delivery. The snowblower attachment is used to move snow on sidewalks and in confined areas. The bucket is used for moving stone, dirt, and other heavy materials. The Toolcat has also recently been used to remove fence posts.

Is the 7 Mindsets program mandated by the state? Could you tell us more about this program?

This program specifically is not mandated by the state, but the Ohio Department of Education has set social emotional learning standards. Research demonstrates that students who receive support for social and emotional learning in schools do better academically, socially and behaviorally. Ayersville Local Schools uses the 7 Mindsets as curriculum for social emotional learning.

Social emotional learning is the process through which children and adults acquire and effectively apply the knowledge, attitudes and skills necessary to understand and manage emotions, set and achieve positive goals, feel and show empathy for others,

establish and maintain positive relationships and make responsible decisions. It is hoped that social emotional learning has a 365/24 hours a day benefit for students and staff.

The 7 Mindsets online lesson portal makes it easy for teachers to follow a lesson plan, which cuts back considerably on planning time for the lesson. Teachers in grades K-8 spend 30 minutes per week teaching a Mindset lesson and most teachers also embed the 7 Mindset language/curriculum into their content areas.

The goal of the 7 Mindsets program is for students to understand what it means to live a happy, successful life and that the definition of happy and successful is their own choice. Because of this program, Ayersville students are challenged to grow in many areas. Most recently students, staff and the community raised well over \$10,000 for a former employee because they've learned what it means to Dream Big. Throughout the last 4 years, students and staff have led many positive initiatives that have impacted the school.

How much does it cost the district for The Seven Mindsets program?

The curriculum is \$5,000 a year; the district is currently reviewing all of its software costs in order to reduce expenses.

How much tax money was spent on "Mindset" trips?

Over a 3 year period of professional development, the district provided opportunities for teachers to engage in learning in which they can implement in their classrooms (Ron Clark Academy/7 Mindsets). The cost to the district over those three years was \$25,000.

Why weren't the teacher's salaries frozen 3 years ago, as well as the administration?

During negotiations three years ago, the district was not aware of some of the losses of revenue. The administrators settled in June of 2017 at 2% per year, the teachers settled in September of 2017 at 2.5% per year. The district received notice of the GM PUPP loss in October of 2017 and the freeze in state aid in July of 2019.

Did the administration receive a 3.4% pay raise last year?

They received a 2% increase with a longevity step.

Why does the district need three principals?

After April 2020, the district will only have 2 principals.

How many aids does the district employ?

- A. Library Aid (1)
- B. Playground (3 part time positions)
- C. Multiple duties (1)
- D. 1 on 1 teacher aid (1)

Why does the district employ retire/rehire employees?

Retire/rehire employees actually save the district money as they are rehired at a lower salary rate. In the event of reduction of force, a qualified teacher would take place of the retire/rehire teachers.

Why did you hire staff when you knew we were in trouble?

The following positions were hired over the last few years:

- A. School health care aid - The Defiance County Health Department provided part time nursing services to the district. When those services were eliminated, the district hired a health care aid. This position is funded through a wellness grant.
- B. School Resource Officer - The district saw the importance of students' safety. This position is also funded through the wellness grant.
- C. ½ and ½ Maintenance and Custodial - The additional maintenance position was created to help transition into the head of maintenance role.
- D. Assistant Technology - The district saw the need for additional help within the technology office. The district houses approximately 1,000 staff and student devices (MacBook laptops, Chromebook laptops, iPad tablets, Desktop computers, keyboards, mice, monitors, video cameras, etc.)

Other key systems administered or maintained by the technology office include:

- Network and email accounts
- PowerSchool - Student Information System
- Access Control (key fobs and door schedules)
- Security Cameras
- Printers/Copiers - Software on the print server as well as staff and student devices. Hardware: maintain paper and toner in the printer/copiers as well as troubleshoot any problems and coordinate repairs when needed.
- Telephones
- Paging & Bells
- Digital Sign
- Antivirus Software
- Student Dining Accounts
- Device Backups
- Transportation
- Interactive Panels in the classrooms (CleverTouch)
- Audio systems (Pool, Commons, Gyms, Classrooms)
- AESOP - substitute teacher calling system
- School Website and Emergency Notifications

Why is Ayersville schools IEP (Special Ed) percentage so low compared to other schools in the state and the state average for public schools? Is this not an important service to students that also brings in revenue?

Students who are identified and meet the criteria of a learning disability are placed on an IEP and receive specialized services. Currently Ayersville has 82 students on IEPs; 43 of which are receiving services in the building. The remaining students attend neighboring districts that offer the least restrictive environment. Ayersville pays those districts to provide those services because it is financially prudent, saving the district money.

When will work begin on the Kunesh property?

Work has begun on the Kunesh property with the installation of the solar panels. No other work is planned to start at this time. Due to the current financial situation of the district, administration feels that all of our efforts at this time must be concentrated on protecting opportunities for students, both academic and extra-curricular. Also, student safety, mental health, and teaching jobs are our highest priority items at this point.

Why isn't the pool utilized more?

The community is very fortunate to have a natatorium on its property. The facility is used daily for gym class beginning in first grade, and it is also utilized in the summer for swim lessons and open swim. Residents can check the website for current available hours.