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Chagrin Falls Levy Committee  
Mary Kay O'Toole, Treasurer  
100 Foxhall Drive  
Chagrin Falls, OH 44022

**Our Children**  
**Our Community**  
**Our Future**

*Answers to  
frequently asked  
questions about the*

## **Chagrin Falls School Levy**

**Our Children**  
**Our Community**  
**Our Future**

*Know the facts before  
you vote on*

**November 6, 2007**

*For more information visit*  
[www.ChagrinFallsLevy.com](http://www.ChagrinFallsLevy.com)

# What will happen if the levy doesn't pass?

Dear Resident:

It is our honor to bring you this booklet containing the most up-to-date information regarding the need for a 7.9 mill levy for the Chagrin Falls Exempted Village District.

Not only are we passionate about supporting our school district, but first and foremost, we are passionate about preserving the integrity of our very special community.

It is the strong link between our community and the schools that continues to make Chagrin Falls and its surrounding communities of South Russell, Bentleyville, Moreland Hills, Bainbridge, and Russell a desirable place to live. As other communities within the Cleveland area struggle to attract new residents, the Chagrin Valley has remained strong and vibrant, in large part, because of its thriving school systems.

Information on the need for the levy is extensive and we've tried to condense it to the most frequently asked questions. All we ask is that you educate yourself on the need for the levy before you vote on November 6, and understand the consequences if it doesn't pass.

If you would like to see more in-depth financial figures or discuss an issue further, we urge you to contact Steve Thompson, the superintendent of schools, or Anne Spano, the treasurer. They may be reached at 440-247-5500. You may also visit [www.ChagrinFallsLevy.com](http://www.ChagrinFallsLevy.com).

Sincerely yours,

*The Chagrin Falls Levy Committee*

The Chagrin Falls Levy Committee  
Becky Borden & Mike Pierce,  
Co-Chairpersons

***“These pioneers know well that the three great forces which constitute the strength and glory of a free government are the family, school and church. These three are planted here . . .”***

Future President of the United States,  
James A. Garfield, speaking at an  
1873 holiday celebration in Chagrin Falls.

## If You Vote No . . .

Schools are prohibited by law to operate at a deficit; therefore, *a further cost reduction of \$1.6 million will be required in 2008/2009* to achieve a balanced budget.

Because over 80% of the district's operating budget is dedicated to salaries and benefits, the district will need to consider:

- ♦ Reducing a significant number of teachers and staff, leading to much larger class sizes
- ♦ Further reducing course offerings
- ♦ Eliminating bus transportation within a two-mile radius of each school, including Gurney
- ♦ Eliminating high school bus transportation
- ♦ Increasing pay-to-participate fees and substantially reducing extracurricular and athletic offerings

*The district will also need to consider:*

- ♦ Eliminating technology/computer updates and replacement purchases
- ♦ Eliminating textbook purchases
- ♦ Substantially reducing funds allocated to general maintenance and repair of our aging facilities

The Chagrin Falls school budget appropriations and five-year forecast are public information and are available online at [www.ChagrinSchools.org](http://www.ChagrinSchools.org).

Please visit the Levy website at [www.ChagrinFallsLevy.com](http://www.ChagrinFallsLevy.com) to volunteer and for regular updates.

# What will happen if the levy passes?

# Why do we need another operating levy?

## If You Vote Yes . . .

If the levy passes in November, the district will be in a position to re-evaluate and consider the following for the 2008/2009 school year:

- ◆ Returning to appropriate staffing levels
- ◆ Assessing the future kindergarten model based upon teacher/parent recommendations and academic performance of students
- ◆ Preserving course offerings and reinstating elementary foreign languages
- ◆ Eliminating pay-to-participate fees
- ◆ Retaining current transportation policy
- ◆ Initiating and maintaining technology/computer replacement purchases
- ◆ Retaining funds allocated to general maintenance and repair of our aging facilities
- ◆ Retaining a one month emergency cash reserve fund for unexpected expenses.

The schools need a levy to meet rising expenses because school revenues from local property taxes are fixed, and state support and other revenue sources are declining.

- ◆ A state law called House Bill 920, enacted in 1976 prevents an increase in tax revenues to schools when property values rise. Unlike income and sales taxes, which rise with inflation, school revenue is frozen at the last dollar amount approved by voters.
- ◆ This means that all Ohio schools must return to the voters on a regular basis to request more money to cover inflationary cost increases. Chagrin schools have maintained a regular operating levy schedule and the last operating levy that passed was for 7.9 mills in 2003.
- ◆ Property taxes currently comprise 76% of Chagrin schools' operating revenue. This percentage will increase over the next 4 years, because the other sources of income for Chagrin Schools are shrinking.
- ◆ Ohio's phase-out of a business tax known as Tangible Personal Property Tax and the deregulation of the electric and natural gas industries have led to reduced revenue sources which will continue in the future.
- ◆ Additionally, because of our high property values, we receive a low level of state assistance. Out of 613 Ohio school districts, we rank 593 on the state funding list.



### Did you know?

Chagrin Falls Schools were rated #1 in *Cleveland Magazine's* June 2007 Ratings of Northeast Ohio Schools.

Revenue Sources	2003/2004	Projected 2010/2011
Local Property Taxes	73.1%	77.4%
State Foundation	11.8%	9.9%
Other State Funds	10.4%	9.3%
Tangible Personal Prop. Tax	3.7%	1.9%
Other	1.0%	1.5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

# Has the district been fiscally responsible?

## Chagrin's spending has increased at less than the rate of inflation.

- ◆ Chagrin has always spent a modest amount of money when compared to other "Excellent" rated schools in the area.
- ◆ Additionally, its spending has increased at a lower rate than the average of all the "Excellent" rated school systems in the area.
- ◆ Chagrin's cost per pupil went down from \$10,984 in 2005 to \$10,746 in 2006 due to cost-saving measures.

### Excellent Schools Per Pupil Spending Comparison

DISTRICT	1995	2006	% Change
Strongsville	5,635	10,376	84.1%
Olmsted Falls	5,243	9,624	83.6%
Orange	10,139	17,518	72.8%
North Olmsted	6,361	10,919	71.7%
North Royalton	5,613	9,019	60.7%
Westlake	6,914	10,955	58.4%
Kenston	6,350	9,910	56.1%
Cuyahoga Heights	11,615	17,811	53.4%
Bay Village	6,642	10,181	53.3%
Chardon	5,407	8,130	50.4%
<b>Chagrin Falls</b>	<b>7,235</b>	<b>10,746</b>	<b>48.5%</b>
Brecksville/Broadview Hts.	6,712	9,862	46.9%
Solon	7,660	11,125	45.2%
Mayfield	8,319	12,052	44.9%
Rocky River	7,388	10,612	43.6%
West Geauga	6,279	9,009	43.5%
Berkshire	5,385	7,343	36.4%
Independence	9,340	12,573	34.6%
Beachwood	13,573	17,368	28.0%
Average	7,464	11,323	51.7%
<b>Average Change for All Schools</b>			<b>51.7%</b>
<b>Consumer Price Index 1995 to 2006</b>			<b>49.2%</b>
<b>Chagrin Schools Change</b>			<b>48.5%</b>

Source: [www.ode.state.oh.us](http://www.ode.state.oh.us) for school spending data  
[www.bls.gov](http://www.bls.gov) for CPI data

# When was the last levy passed?

## The last operating levy was passed by voters in 2003.

That operating levy was planned to meet the district's budgetary needs for four years, and it did. This new levy is also planned to meet the district's financial needs for four years.

**The last bond issue was passed by voters in 2005.** Bond issues are different from operating levies because the revenues are used for capital improvement - not operating expenses. Bonds are like a mortgage on a house because they are paid off in time.

### The revenue from the 2005 1.4 mill Bond Issue has provided the following:

- Renovations to the High School
- Infrastructure repairs to the High School and Intermediate School including heating, ventilation, restroom updates, and masonry restoration.
- A 765-seat Performing Arts Center was constructed
- Technology upgrades including telephone systems allowing two-way communication for increased safety
- Artificial grass was installed on the athletic field, allowing participation to increase from 50 events per year to over 617 separate events each year *and saves \$50,000 a year in ground maintenance fees.*

The Ohio Revised Code prohibits funds from the Bond Issue to be used for general operating expenses. At the time the Bond Issue was passed, the district had already planned for the 2007 operating levy as part of its customary 4-year operating levy cycle.

### Did the Performing Arts Center go over budget?

NO. Initial construction bids came in extremely high and were rejected by the Board. Modifications were made to the project to lower the cost, including reducing space, seating, and lobby size, using more modest finishes and eliminating the orchestra pit. Private donations have allowed many of these eliminated items to be reinstated. No operating funds were used to construct the auditorium.

# How much will the new operating levy cost me?

**\$242 for every \$100,000 of appraised value**

- ◆ A 7.9 mill-operating levy will cost a homeowner \$242 per year for every \$100,000 of appraised value.
- ◆ For example, a Chagrin Falls homeowner with a house appraised for tax purposes at \$250,000 would spend an additional \$605 per year.  
*That's about \$50 per month or \$1.66 per day.*
- ◆ Additionally, property taxes paid are a deductible item on Federal Income Tax returns. Many taxpayers receive a significant savings on income tax due to the dollars paid in local real estate taxes!
- ◆ Senior Citizens who qualify for the state Homestead Exemption will pay less because the exemption will help offset the levy tax. The average Homestead Exemption savings is about \$400.

## Why is it important to support the Levy if I don't have children enrolled in the district?

Every Chagrin resident has a stake in the quality of our public schools. An investment in our public schools is an investment in the value of our homes.

According to the National Association of Realtors, "Of all the local neighborhood amenities that can influence a buyer's decision to purchase a home, proximity to good quality schools is one of the most influential."

Strong schools draw families to Chagrin Falls, creating demand for homes.

Quality schools positively affect the quality of life in our community. To maintain this legacy, continued support is absolutely essential.

# How do our teacher salaries & benefits compare?

**On average, Chagrin pays 14% less than the top district**

District	Bachelor Minimum	Bachelor Max	Masters Minimum	Masters Max
Beachwood	\$41,748	\$66,792	\$48,416	\$82,310
Orange	\$40,945	\$69,607	\$45,203	\$81,890
Solon	\$40,134	\$63,593	\$43,594	\$74,686
Shaker Hts.	\$39,453	\$72,002	\$42,215	\$68,031
Aurora	\$36,950	\$59,156	\$42,492	\$68,031
<b>Chagrin Falls</b>	<b>\$36,480</b>	<b>\$61,286</b>	<b>\$37,939</b>	<b>\$71,501</b>
Kenston	\$35,864	\$58,010	\$39,809	\$71,118
West Geauga	\$35,016	\$55,098	\$37,148	\$71,825

Source: Greater Cleveland School Superintendent Association's Annual Salary & Fringe Benefit Survey - November 2006

## What's Happened Since the Last Levy?

Since the last operating levy passed in 2003, the Chagrin Falls Exempted Village School District has been recognized for its outstanding excellence in the following areas:

- 2004 The Chagrin Falls High School was named a National Blue Ribbon School .
- 2005 Gurney Elementary School was named a Hall of Fame School by the Ohio Association of Elementary School Administrators.
- 2005 The Chagrin Falls High School was named a State School of Distinction.
- 2005 The Chagrin Falls Intermediate School was named a Hall of Fame School by the Ohio Association of Elementary School Administrators.
- 2006 School of Distinction - Gurney Elementary
- 2006 Buckeye Best Healthy School Award Intermediate School. This is the fifth year receiving this award.
- 2007 High School principal named Ohio Principal of the Year by Ohio Association of Secondary School Administrators.

### For five consecutive years:

- Chagrin Falls High School has been recognized as one of Newsweek Magazine's Top Schools in the Nation.
- The Chagrin Falls School District has met every indicator of success as determined by the State of Ohio.

During the past 5 years, the Chagrin Falls School District has been rated #1 in Northeastern Ohio in the areas of:

- 7th grade math proficiency test
- 3rd grade proficiency tests
- Number of foreign languages offered
- Average ACT scores
- Percent of students taking Advanced Placement (AP) Tests
- Graduation rate
- High School State of Ohio Graduation Test

# Is the district controlling costs?

**Yes! An average annual savings on utilities of \$50,000+**

The district has already undertaken spending reductions to control costs.

Chagrin Schools participate in utility consortiums and group purchasing programs that have saved over \$400,000 between 1997-2005 for an average annual savings of more than \$50,000.

Additionally, the district has renegotiated health care insurance rates, saving the district over \$300,000 a year.

When the last operating levy was passed in 2003, the district planned a budget that would last 4 years, through the 2006/07 school year. Through careful spending and cost reductions, it kept its promise.

2006/07 cost containment measures resulted in savings of almost \$300,000. This included:

- ◆ Reducing staffing by 2.7 people
- ◆ Reducing coaches and advisors
- ◆ Reducing overtime, supplies and materials, and administrative support
- ◆ Reducing field trips and bus routes

Because the operating levy request failed in May 2007, further cost reductions totaling \$1.2 million were put into place in order to achieve a balanced budget for the 2007/08 school year, including:

- ◆ A wage freeze for staff
- ◆ Every other day kindergarten
- ◆ A reduction of 17.6 full-time equivalent (FTE) staff members
- ◆ Elimination of Board members salaries
- ◆ Institute a pay-to-participate policy
- ◆ Reduced money allocated to repair and maintenance of our facilities.

# What is in the budget for the new levy cycle?

**Budgets are based on four-year levy cycles**

**The Current Four Year Levy Cycle Budget**

<b>Millions</b>	<b>Year 1 2007/08</b>	<b>Year 2 2008/09</b>	<b>Year 3 2009/10</b>	<b>Year 4 2010/11</b>
Revenue w/out Levy	\$ 20.1	\$ 20.3	\$ 20.5	\$ 20.7
7.9 mill Levy Proceeds	\$ 1.9	\$ 3.7	\$ 3.7	\$ 3.7
<b>Total Revenue</b>	<b>\$ 22.0</b>	<b>\$ 24.0</b>	<b>\$ 24.2</b>	<b>\$ 24.4</b>
Change Versus Previous Year	7.2%	9.2%	0.9%	0.9%
Wages & Benefits	\$ 16.9	\$ 19.0	\$ 20.0	\$ 21.1
All Other Expenditures	\$ 3.3	\$ 4.2	\$ 4.0	\$ 4.0
<b>Total Expenditures</b>	<b>\$ 20.2</b>	<b>\$ 23.2</b>	<b>\$ 24.0</b>	<b>\$ 25.1</b>
Change Versus Previous year	-3.5%	14.7%	3.8%	4.6%

Numbers on this chart are rounded to the nearest hundred thousand. Please visit [www.ChagrinFallsLevy.com](http://www.ChagrinFallsLevy.com) for the full values.

- ◆ Revenues go up in the first two years of a levy cycle then remain flat until another levy is passed. This is because schools only receive half the levy proceeds in the first year, then the full amount in subsequent years. The average annual increase in revenues over this four year levy cycle is less than 4.6% per year.
- ◆ Wages and benefits make up about 82% of the district's budget. Expenditures went down in 2007/08 versus the previous year due to cuts in staffing and services resulting from the failed May levy.
- ◆ The 14.7% increase in expenditures in 2008/09 reflects the return to normal staffing and services if the levy passes in November. The average annual increase in expenditures over this four year levy cycle is 4.9% per year, which is similar to the previous 4 year levy cycle.