



## What Do I Need To Know About the Levy?

More Questions? Go to [www.chagrinfallslevy.com](http://www.chagrinfallslevy.com)  
Or email [info@chagrinfallslevy.com](mailto:info@chagrinfallslevy.com)

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

**Chagrin schools will need to cut an additional \$1.6 million** from the 2008/09 school budget if the November levy does not pass.

- This is **on top of \$1.2 million in cost cuts** that were put into place for the 2007/08 school year, to balance the budget after the failed May 2007 levy.  
Cuts included
  - a wage freeze for staff
  - every other day kindergarten
  - a reduction of 17.6 people:
    - 11.8 teachers
    - 4 custodians
    - 1 technology director
    - .8 administrators
- The **\$1.6 million further cost reduction** will be required to achieve a balanced budget. Schools are prohibited by law from operating at a deficit.
  - Since salaries and benefits account for about 85% of the school's operating budget, the district will need to **reduce a significant number of teachers and staff**
  - Which leads to **much larger class sizes**
  - **Reduced course offerings**, in addition to the current cuts
  - **Elimination of transportation within a 2 mile radius** of each school at ALL SCHOOL BUILDINGS
  - **NO High School transportation** will be provided
  - Significant **reductions in co-curricular and extra-curricular** activities
  - Significant **reductions in athletic offerings**
  - **Elimination of technology/computer replacement** purchases
  - **Increased pay to participate fees**
  - **Elimination of funds allocated to general maintenance** and repair of our aging facilities
  - **No emergency cash reserve** fund for the district to handle unexpected expenses

## How do we compare to other local schools in spending per pupil?

The cost per pupil for students in the Chagrin Falls School District is notably lower than those of other local school districts.

	FY2005	FY2006
Beachwood	\$17,763	\$17,368
Orange	\$16,344	\$17,518
Shaker Heights	\$14,127	\$15,103
Independence	\$11,123	\$12,573
Mayfield	\$11,680	\$12,052
Solon	\$11,038	\$11,125
<b>Chagrin Falls</b>	<b>\$10,984</b>	<b>\$10,746</b>
Kenston	\$ 9,801	\$ 9,910
West Geauga	\$ 9,189	\$ 9,009

## How do we compare to other local schools in academic performance?

Chagrin Falls schools produce superior results for notably lower per pupil spending (see previous question)

2006/2007 State Performance Index Score	
Solon	108.6
<b>Chagrin Falls</b>	<b>108.2</b>
Kenston	105.7
Beachwood	105.0
Independence	103.5
West Geauga	103.3
Orange	103.0
Mayfield	100.3

## Why do we need another operating levy?

### FROZEN SCHOOL INCOME + INFLATION = PERIODIC LEVIES

- Local property taxes, which comprise about 76 % of school revenues for Chagrin Falls , **do not rise with inflation.**
- At the same time, **state support and other revenues are declining**
- The district is losing revenue through the gradual repeal of personal property taxes (business-inventory/equipment)
- The district is also losing revenue from the **deregulation of the electric and natural gas** industries.
- Inflation and other factors continue to **drive up school costs**

## Why don't property taxes for schools rise with inflation?

A state law known as **House Bill 920, enacted in 1976, prevents an increase in tax revenues to schools when property values rise .** What this means is that over time, when your home gains more value, the school district does not also gain the taxes on the increase.

When inflation causes property values to increase, state law (House Bill 920) requires the auditor to **cut the school tax rate so schools do not receive more money from existing levies .**

Under House Bill 920, schools do get more money from taxes generated on new construction, but there is very little new construction in the Chagrin district.

House Bill 920 applies only to school taxes.

## When was the last operating levy passed?

The last operating levy was passed in 2003, for 7.9 mills. That operating levy was planned to meet our operating budget for four years (2004-2007), and it has. This new levy is also planned to last four years (2008-2011). Chagrin Falls has been on a 2-4 year operating levy cycle dating back to the 1980's.

## Is this a renewal or replacement levy?

**It is neither a renewal nor a replacement levy.** This is an additional levy for general operating purposes – for a continuing period of time (no expiration). All of the operating levies that have been approved in the Chagrin Falls School District have been for continuous periods of time.

## How much will the new operating levy cost?

A 7.9 mill-operating levy will cost a homeowner \$242 per year for every \$100,000 of appraised value. For example, a homeowner with a house appraised at \$250,000 would spend an additional \$605 per year, or about \$50 per month.

*Collections on this tax increase would not occur until January 2008.*

## Have there been any spending reductions?

Over the last two years, the district has reduced spending through:

- reductions in staffing (2.7 positions in 2006/07),
- reductions in supplemental positions (22 activity advisors/coaches),
- reductions in overtime
- reduction/elimination of field trips
- reduction in administrative support
- reduction of bus routes
- reduction of purchasing new equipment
- reduction in purchasing new supplies/materials
- Chagrin Falls per pupil spending went down from \$10,984 in 2006 to \$10,746 in 2007 as a result of these savings.

Because the operating levy request failed in May 2007, a salary schedule freeze was agreed upon between the Board of Education and the certificated and classified unions (including administrators). **In addition, over \$800,000 in additional reductions was implemented, including the reduction of staff and the elimination of programs and activities.**

## How will the proceeds from this levy be used?

The proceeds from this levy will be used for:

- salaries and benefits to **maintain current staffing levels**
- textbooks (curriculum)
- supplies
- technology/computer purchases
- provide needed/overdue maintenance and repairs to our buildings and equipment

## Why did the Board of Education initially place the operating levy on the ballot in May, rather than waiting until the general election in November?

The school district's fiscal year runs from July 1 through June 30. Appropriations for the school year must be approved by July 1. The May ballot provided the district the opportunity to plan for personnel and programs for the upcoming school year (as the new school year showed a projected \$938,000 budget deficit). As a result of the levy failure, district expenditures had to be reduced to ensure that the fiscal year (ending June 30, 2008) would not end with a deficit.

## Why does the school district collect more taxes at the start of the four year levy cycle than the district actually needs at that time?

Because HB 920 effectively puts the school district on a fixed income for four years (assuming a 4 year levy cycle), the district needs to save money over the first two years in order to have sufficient funds over the last two years of the four year levy cycle.

## When was the last bond issue passed?

A bond issue was passed in 2005.

The money from this bond issue has been used to update the infrastructure and technology within the high school and Intermediate School; provide a new stadium field for multiple athletic events and practices; and build a new performing arts center, which will be completed this summer. The Ohio Revised Code prohibits funds from the bond issue be used for general operating expenses.

## How much does the district receive in state funding (per pupil)?

**The district receives \$885 per pupil (FY 2007).** The State of Ohio's funding formula is to provide each district \$5,403 per pupil, but the amount Chagrin Schools actually receives from the state is greatly reduced due to the high wealth property valuation in our district.

## How is the District controlling costs?

- The district participates in utility consortiums (natural gas and electric)
- Group purchasing programs (insurances – health, liability, property, fleet and workers compensation, as well as materials and supplies).
- The district's Cost Containment Committee works to maintain attractive benefit plans at reasonable costs.
- In addition, the district continues to provide cost savings by offering programs and services within the district (when possible), rather than outsourcing.

## What are unfunded mandates, and how do they affect the Chagrin Falls Schools?

A mandate is a requirement. The state and/or federal government creates mandates for local districts like ours. Some examples are: standardized testing, special education, gifted services, and intervention programs. Our school district MUST comply with any mandates.

Many current programs/mandates were once funded by the State of Ohio. Due to the State's budget reductions, many of the costs for these mandatory programs are now the burden of the local school districts.

So although our school district is expected and "mandated" to comply, we are not given the financial assistance to do so. This has increased the financial burden for all school districts, as funds must be allocated to continue (or expand) these services without State funding.

## How do we know that the school district uses its funds appropriately?

- **The school district is audited annually**, and audit reports are available on the Ohio Auditor of State's website. The district has contracted with Rea & Associates (located in Medina, Ohio ) to provide the district's audit. Each audit is implemented in August of each year following the completion of the fiscal year on June 30.
  - Our district has worked extremely hard to have excellent audits with no citations.
- **The Board of Education established an Audit Committee in 1996** to assist the Board in providing oversight for financial information and reporting, compliance with appropriate laws and regulations, and internal controls.
  - The committee is comprised of four community members with extensive financial backgrounds, the Treasurer/CFO, the Superintendent and a representative from the Board of Education.
- **The Government Finance Office Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting** to Chagrin Falls Exempted Village School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.
  - The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

## Wasn't the school funding system in Ohio ruled unconstitutional by the Ohio Supreme Court?

Yes, the school funding system in Ohio was ruled unconstitutional, per the 1997 DeRolph Ohio Supreme Court ruling.

**However, despite several court updates and minor legislative changes, the system remains the same.**

Until the Ohio legislature makes the substantial changes identified in the court case to ensure all Ohio school districts receive fair and adequate funding for education, our current system is unlikely to change and our district residents will continue to be required to assume the lead role in supporting our local schools.

## If the operating levy passes in November, will all programs and personnel affected by recent budget reductions be reinstated?

All of the recent budget reductions will be re-evaluated; however there are practical issues with reinstating programs and hiring personnel during the middle of the school year.