

**AYERSVILLE LOCAL SCHOOLS**  
**FAST FACTS – Questions and Answers 3.0**

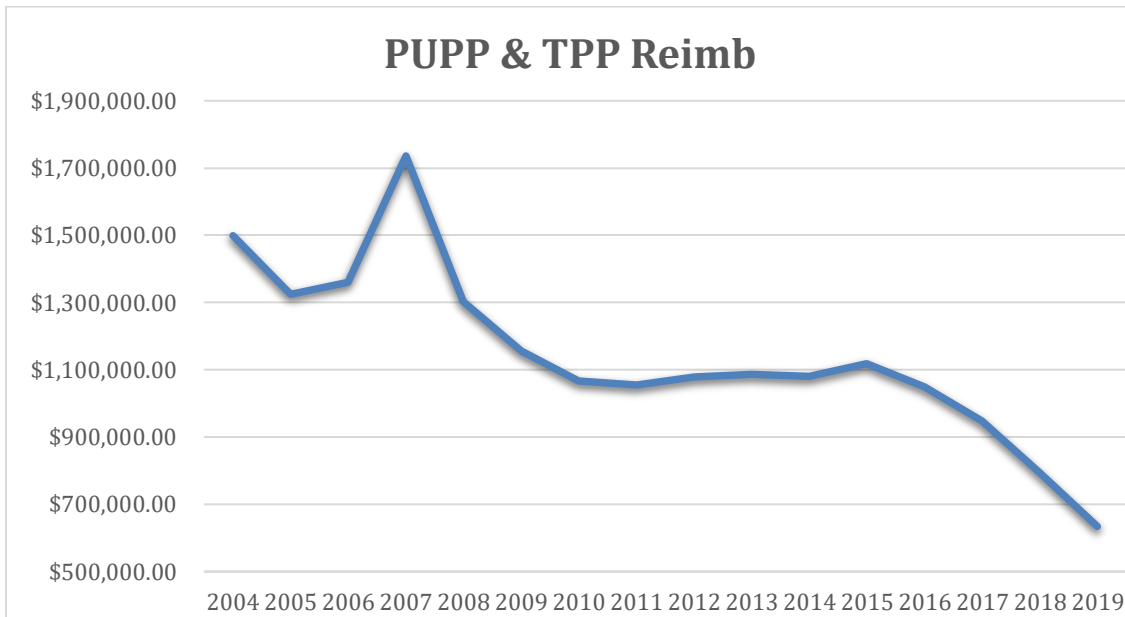
**Our Request:**

- On March 17, 2020 Ayersville residents will be asked to approve a .75% Income Tax Levy.
  - The request is for 2 years beginning in January 2021.
  - This request will generate approximately \$678,000 annually.
- **What will the request cost?**
  - It would cost a resident with an income of \$100,000, about \$2 per day.
  - It would cost a resident with an income of \$50,000, about \$1 per day.
- **How did we get in this situation?**
  - We have not asked the community for additional operating funds since 2007.
  - We have experienced losses of revenue from the state and local property taxes.
- **What effect has the property tax base been on our revenue?**
  - For the last two years actual property tax (paid by taxpayers) has decreased almost \$90,000.
  - For the last two years actual property tax allocation (received from the state) has decreased almost \$130,000.
  - While our current assessed property tax is at 50.58, it is collecting at 31.66 mills.
- **What effect has GM had on our tax revenue?**
  - In October of 2017, we were notified that we would stop receiving \$250,000 a year from GM in the form of public utility personal property tax (PUPP) beginning with taxes paid in the 2018 calendar year.

- **What effect has the reduction of tangible personal property tax (TPP) reimbursement from the state had on our revenue?**

	Year	Received	Increase (Decrease) from prior year	
Actual	2010	\$ 952,817		
	2011	\$ 963,995	\$ 11,177	
	2012	\$ 853,451	(\$ 110,544)	Phase-out began
	2013	\$ 732,510	(\$ 120,941)	
	2014	\$ 732,510	\$ 0	Phase-out stopped
	2015	\$ 732,510	\$ 0	
	2016	\$ 619,760	(\$ 112,750)	Phase-out resumed
	2017	\$ 507,010	(\$ 112,750)	
	2018	\$ 442,768	(\$ 64,242)	Phase-out slowed down
	2019	\$ 378,526	(\$ 64,242)	
Projected	2020	\$ 314,284	(\$ 64,242)	
	2021	\$ 250,042	(\$ 64,242)	
	2022	\$ 185,800	(\$ 64,242)	
	2023	\$ 125,58	(\$ 64,242)	
	2024	\$ 57,316	(\$ 64,242)	
	2025	\$ 0	(\$57,316)	

**Loss of Public Utilities Personal Property Tax and Tangible Personal Property Reimbursement**



- **\$1,736,000 in 2007**      **\$634,000 in 2019**      **\$310,000 in 2024**

- **Our property valuation has increased, what effect has that had on school funding?**

- Property taxes to the school do not typically increase with the increase in the value of residential and agricultural property. HB 920 freezes residential and agriculture property taxes at the amount they were assessed in the original year of assessment.
- This law 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.

- 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

- **What about State Aid?**

- HB 166, our current Biennium Budget, has frozen our State Aid for 2020 and 2021 at the 2019 level.

- **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.

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

- Since 2008-09 school year the District has reduced 9 teaching positions and 1 classified position (Bus Driver).
- We have made extensive energy management improvements.

- 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.
- **Could you explain how the solar “field” and auditorium renovations were paid for?**
  - The solar (array) field is simple. It didn’t cost us anything except the use of the land. We anticipate saving of just under \$14,000 in the first year by producing 85% of our electric supply and locking in the cost at \$0.09.
  - The auditorium and other capital improvement projects are being paid for through a 15-year lease agreement with no up front cost to the district. By making significant Energy Conservation Measures including lighting retrofits, solar thermal pool heater, and a new building management system we anticipate electric, gas, and maintenance savings of just under \$32,000 with an annual capital funding requirement of about \$35,000.
- **What cuts/reductions will be made if the levy passes?**
  - We are limiting professional development activities.
  - We are restricting educational and supply purchases.
  - We will reduce one additional classified staff (Maintenance) effective March 1, 2020.
  - We will reduce a kindergarten teaching position for the 2020-21 school year.
  - We will reduce 2 additional teaching positions in 2021-22.
  - We are currently scheduled to begin negotiations with the Ayersville Education Association on contract changes for the 2020-21 school year.
  - Preschool will be reduced to one section.
  - This plan will reduce spending by at least \$300,000 over the next two years.

- **What happens if the levy fails?**

- This will be devastating to the school district. In the event that the levy fails, in addition to the planned \$300,000 in reductions, we will need to make \$700,000 in additional cuts.
- Additional possible cuts include:
  - i. Administrative position (1)
  - ii. Secretarial position (1)
  - iii. Vocational Ag (1)
  - iv. Family/Consumer Science (1)
  - v. HS Teacher (1)
  - vi. Art (1)
  - vii. Special Education (1)
  - viii. Elementary teachers (3)
  - ix. SRO (1)
  - x. Media Specialist (1)
  - xi. Transportation Secretary (1)
  - xii. Assistant Technology (1)
- We will also be instituting a Membership Fee for Athletics and Performing Arts.

- **Why is our per pupil expenditure so high?**

- Here are a couple of things to keep in mind when looking at per pupil expenditures.
  - When we put in new boilers, per pupil expenses went up \$365.67 per student.
  - When we resurfaced the track, our per pupil expended went up \$239.76 per students.
  - When we received a \$50,000 donation from a community member and use it to buy a Shelter House for the elementary playground and blacktop the drive to the stadium, that made our per pupil expense go up \$71.00 per student for a donation!
  - When we buy a bus, per pupil expenditure goes up \$120.00.
- Every time we make capital improvements using general fund dollars, our per pupil expenses go up.

- **Would we save money if we didn't accept Open Enrollment students?**

- Our 2019 cost to educate a student was \$13,116. The amount received for open enrollment students is \$6,020 per student. If we did

not accept open enrollment students, our cost to educate a student would have been approximately \$21,800 and we would have received \$1.6 million less in revenue.

- If we have a class of 16 students and add 5 open enrolled students to the class, we just added \$30,000 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.

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

- We are required to provide preschool services at no cost to students in our district who have learning disabilities. We open our 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.
- We have 29 students in our 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.

- **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?**

- While primarily purchased for snow removal, it serves many purposes throughout the year. We purchased a snow blower attachment, a bucket, forks, and a brush. With the new building, we have

significantly more sidewalks, curbs, and play areas unable to be accessed with a truck and plow. As a result, there was a need for additional snow removal equipment that could also maneuver in tight spaces. It is invaluable to keep the playground accessible for the children. Two-thirds of the cost was paid with Permanent Improvement dollars.