

# fact\$ *in a backpack*

December 2007

## May levy passage puts WCSD on solid ground

Accountability and careful planning will continue in the West Carrollton School District.

District officials have frequently spoken of their gratitude for the voters' support of a 6.5 mill operating levy in May 2007. Now, voters are about to see that levy on their property tax bills.

Bills paid in January 2008 will include the new levy. Any time new levies are passed by any jurisdiction, they do not appear on bills until the next new year. In WCSD, the owner of a \$100,000 home will pay an additional \$199 in taxes each year beginning next month.

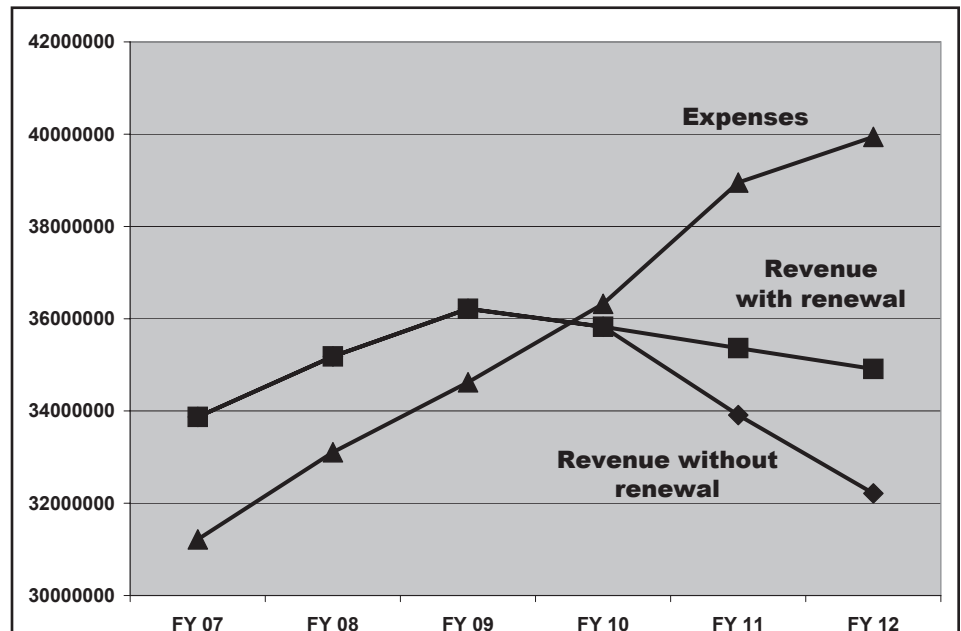
"We're extremely grateful for the support of our community," said Supt. Rusty Clifford, Ph.D. "The voters have sent a compelling message to the region that we are the school district and communities of choice."

Passage of the three-year levy allows the district to plan for the future, Clifford said. The district will not be back on the ballot for any reason until at least May 4, 2010.

"We've created a culture of careful financial planning," Clifford added. "We will keep that promise and do whatever we can to stretch those dollars beyond that date."

Since 2003, the district has reduced its general fund budget by \$5.1 million. The largest portion of those reductions has come in personnel: teachers, administrators and support staff. The district has seen enrollment decline because the population of school age children has shrunk.

"We don't like to lose good people," Clifford said. "But the reality is that we have to balance our staffing, student and operational levels."



**The West Carrollton School District's five-year forecast shows expenses increasing steadily but revenues keeping up in the short term thanks to passage of a 6.5 mill levy in May 2007.**

The solid ground underneath the district can still shift, however. The nature of school funding in Ohio means all districts will be back on the ballot eventually. A look at WCSD's five-year forecast confirms that.

Expenses are expected to continue to rise steadily through 2012. However, even with the new levy, revenues are flat. Once the expenses line passes the revenue line, voters can expect a new appeal.

"All Ohio school districts are on fixed incomes," Clifford said. "We only get a revenue increase when voters approve it."

The fixed income status is a result of House Bill 920 which was passed in 1976 to protect property owners from unvoted tax increases. Under that law,

when voters approve a tax levy they agree to pay a specific amount of money for a specific purpose over a specific time period. A homeowner's share of that amount depends on how much his or her home is worth.

Reappraisal of properties means the collection of the same amount of taxes by redistributing the property taxes to be collected. Some property owners pay more, some less and some the same. However, the amount the school district receives remains unchanged until a new levy is passed.

According to WCSD's five year forecast, the 6.5 mill levy passed in May 2007 must be renewed no later than the end of 2010 or a serious shortfall would ensue. Renewing the levy, however, will not increase taxes.

# Tax repeal consequences still being felt

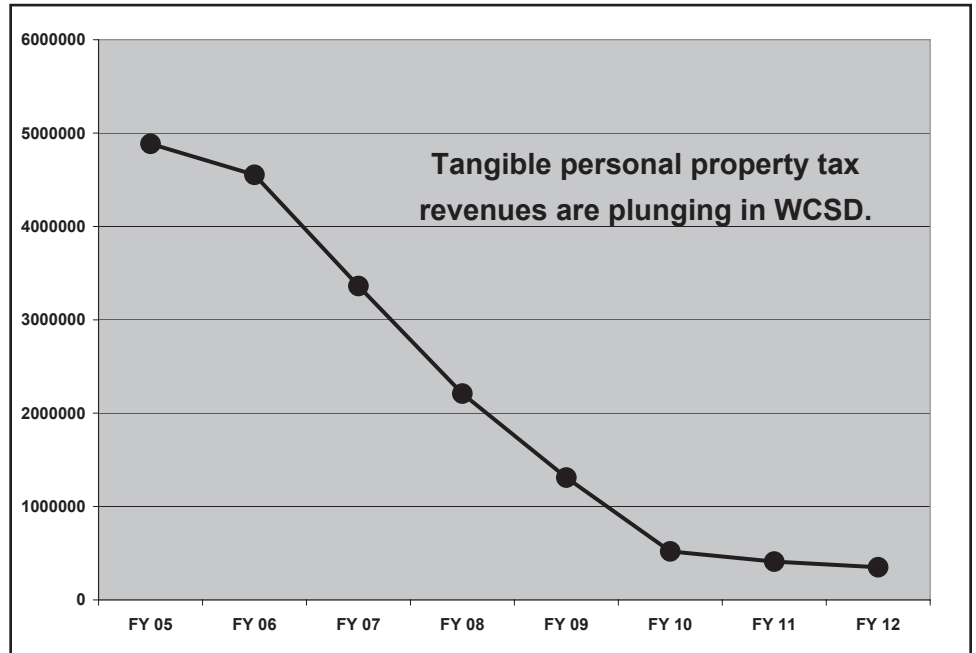
School district treasurers project revenues based on the value of their district's tax base. The tax base of any school district includes the total property valuation of homes, agricultural land and businesses.

Taxes on homes and agricultural land are relatively simple to predict since large scale changes happen slowly when they happen at all. Within the business taxes is a tax on tangible personal property which is much more difficult to predict. Tangible personal property includes business inventory, machinery, equipment, furniture and fixtures.

This unpredictable tax has developed one consistent trend since 2005 – it's dropping from almost \$5 million to less than a half million.

The State of Ohio has eliminated portions of the tax and is phasing out others. This change is especially troubling for districts with a diverse tax base, such as West Carrollton.

"The loss of this revenue means we rely more than ever on our homeowners to fund our district," said Treasurer Ryan Slone. "This change has affected when we need to be on the ballot and the millage amount we need to ask voters to

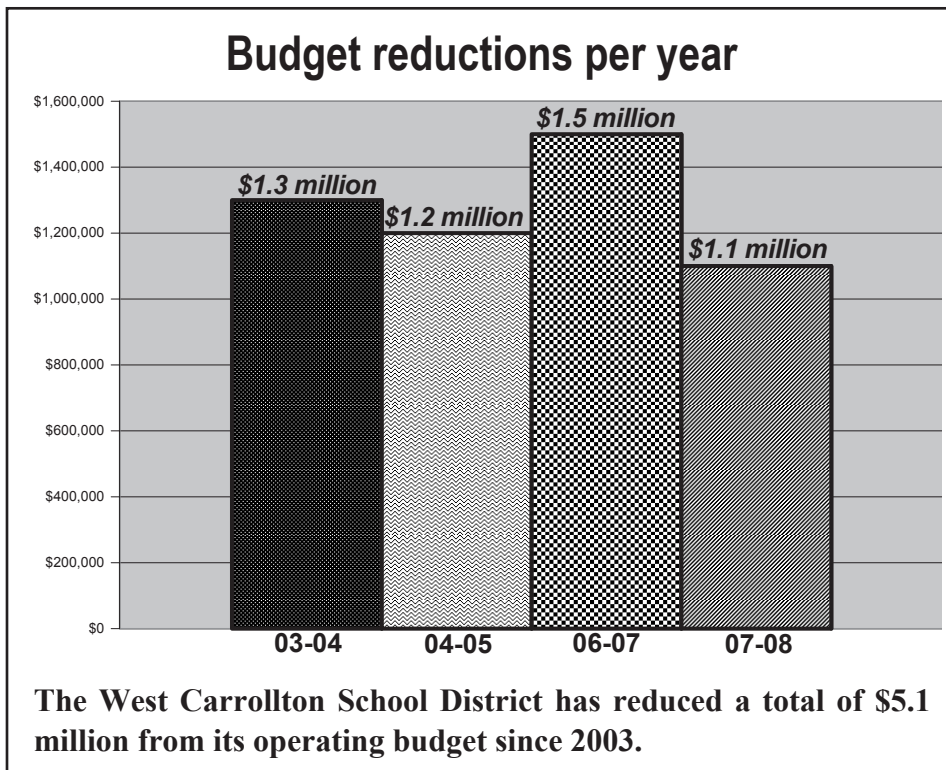


approve."

The State of Ohio has pledged to temporarily hold the district harmless but that small supplement will disappear by 2010. What was once a significant portion of WCSD revenue is rapidly diminishing, according to Slone's latest Five Year Forecast.

"The good news is, this is not a surprise," said Supt. Rusty Clifford, Ph.D. "We're fortunate to have a treasurer

who plans carefully and keeps up to date on these changes. It's far from easy to replace lost revenue and as a result, we've gotten very good at planning and staying alert for opportunities to cut costs. That will continue."



**Got a question?  
Still think the pieces don't fit?  
TELL US ABOUT YOUR CONCERN!**

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