

## FINANCIAL QUESTIONS & ANSWERS

**Q. Is there a school tax levy on the May 2, 2006 ballot?**

A. Yes. The residents of the Edgerton Local School District are being asked to vote on a 1% income tax for school operating purposes.

**Q. Is this a continuing (forever) levy?**

A. No, it will run for five (5) years. It is not a continuing levy.

**Q. Why did the board of education place an income tax on the ballot rather than property tax in the form of millage?**

A. The Board believes the income tax is the best and most fair source for additional operating revenue.

**Q. How many mills would it take to bring in the same amount as the 1% income tax?**

A. According to the Ohio Department of Taxation, it would require 9.05 mills to equal the \$625,000 to be generated by the 1% income tax.

**Q. Why are the schools asking for additional operating funds?**

A. The revenue has not risen as fast as expenses. The school district has been spending more than it has taken in since 2003. Costs of materials, supplies, equipment, fuel, textbooks, technology equipment, salaries, personnel benefits and buses have risen considerably since the last operating levy in 1992.

**Q. Has the school done anything to help curtail spending?**

A. Yes. There has been a reduction of 2.2 employees over the past six years. We had to add a teacher and an aide for this school year because we had too many students in the two grades. The Industrial Arts program had been eliminated and elementary guidance was reduced.

**Q. Is the school doing anything about curtailing spending for next year?**

A. Yes. We have made reductions in the teaching and non-teaching staffs. We reduced our teaching staff by four and one half teachers and reduced the non-teaching staff by three positions. We have seven fewer staff members for the 2006-2007 school year. We are also reducing spending on supplies, textbooks and many other items.

**Q. When was the last operating levy passed in this district?**

A. 1991. The board of education has not asked for additional operating funds since a levy was passed in 1991.

**Q. How much additional revenue will this levy provide?**

A. The Ohio Department of Taxation estimates it to be approximately \$625,000 per year for the five years it is to run.

**Q. Will new educational programs be implemented with the new money?**

A. At this time the new money is expected to maintain the current level of educational programs. Nothing new is planned for the immediate future.

**Q. Do we get money from Open Enrollment students?**

A. Yes we do, but our problem is that we have more students open enrolling out than we have coming into the district. As a result we lose money because the money follows the student. (That is state law.)

**Q. Is the levy needed because we built the new high school?**

A. The answer is no. We were already deficit spending before the new building was opened for use. The expense of operating a third building (new H.S.) certainly added to the deficit, but did not cause the need for the levy.

**Q. If health insurance is so costly, why don't we change to one less expensive?**

A. Insurance is an employee benefit and is negotiated. If it is to change, it can only be changed through the Collective Bargaining process.

**Q. Why weren't supplemental contracts for extra-curricular activities cut before teachers' contracts?**

A. The Board of Education views the "cutting" of staff members as a PROCESS. The cuts we just made were part of the process with more cuts to come later, if needed. Extra-curricular activities will be considered in the second wave.

**Q. Will bussing be cut?**

A. Not at this time. We do not see much, if any savings, by eliminating any of the routes as a cost cutting measure.

**Q. Will the buildings be open for outside groups to use if the levy fails May 2?**

A. This too is an issue like extra-curricular activities. It will be considered if another round of cuts is necessary due to levy failure.

**Q. If the levy fails May 2, what are the next steps the Board of Education will take?**

A. We will continue to evaluate our budgetary constraints based upon revenue and expenditures. Expenditures to be evaluated include: 1. all extra-curricular activities (athletics, academic and social) 2. Additional staff 3. Transportation 4. Food service

**Q. Why didn't we know before now that we would need additional operating funds?**

A. We have been reporting since 2003 that our expenditures were exceeding our revenue (income.) It has always been our philosophy that we would not ask for money before we needed it.

**Q. Do we have too many programs or staff?**

A. We do not believe we are overstaffed. We certainly have a bare bones selection of courses for our high school students. We certainly do not want "large" classes in the elementary and middle school. If students get behind at this level, it will be doubly difficult for them to catch up in high school.

**Q. What income is taxable under the school district income tax?**

A. Wages, salaries, tips, interest, unemployment compensation, estates, self-employment income, pensions, IRA distributions, capital gains, state and local and federal bond interest and alimony received.

**Q. What income is not taxed?**

A. Social security; disability and survivors benefits; railroad retirement benefits; welfare benefits; child support; property received as a gift, bequest or inheritance and workers' compensation benefits

**Q. What is the Senior Citizen Credit?**

A. Persons age 65 and older receive a \$50 credit against their tax liability. There is a limit of one \$50 senior citizens credit per return.