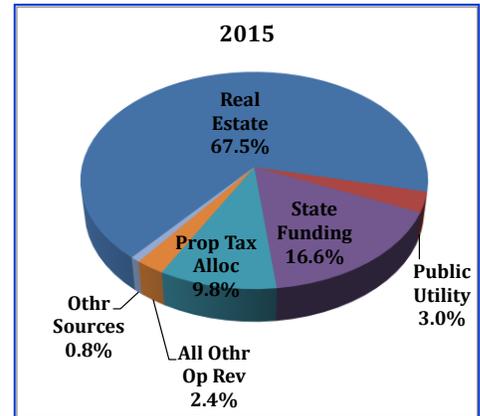


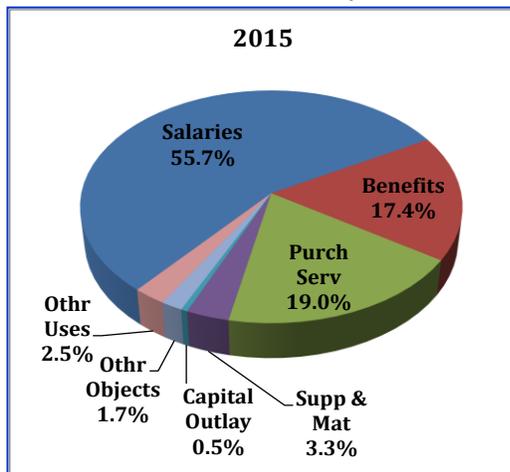
Frequently Asked Questions (FAQ) About School District Finances

Where does Madeira City School Districts revenue come from?

In Ohio, funding of public schools is a shared state and local partnership. The level of support is largely dependent upon the value of the local property tax base. In school year 2014-2015 Madeira's operating revenue was \$18.1 M (million). The local residential and business taxpayer make up 70% of the district's operating revenue. The next largest revenue source is the State funding at 16% of revenue for educational purposes, and 9% of revenue for the property tax reduction allowed to residential taxpayers. The remaining 5% of revenue is from Senior Star tax reimbursement, investment earnings, extra-curricular participation fees, student technology fees, and facility usage fees.



Where does Madeira City School Districts money go?



Madeira's money goes to fund the general operations of the school district. In 2014-2015 the district's general fund expenses were \$17.5 M (million). General funds are used to pay teacher salaries and benefits accounting for about 73% of the districts expense budget. The next largest area of expense is district services including utilities, maintenance and custodial services, student transportation, insurance, fuel, , and other miscellaneous services provided to the students.

Does the district have a long-range plan?

The district has a five-year financial forecast and can be found on the Treasurer's web page along with detailed notes. The district is required to file a 5 Year Forecast each October 31 and update it on May 31. The 5 Year Forecast allows the State to anticipate the current and future financial status of all of the public school districts so that the State budget can address the needs of public education.

Can the district charge tuition to residents attending Madeira Schools?

No, by law residents cannot be charged tuition to attend a public school in Ohio. However, the district does charge students a fee associated with consumable supplies provided to the student, a fee to participate in extra-curricular sports, band, and drama programs, and a technology fee.

What happens when there is new construction completed in Madeira School district? Does that add money to the school district?

Revenue generated from new construction over the past six years has ranged from \$20,000-\$180,000 (less than 1% to 1.4% of revenue) additional funds each year and is added to the school districts tax revenue.

When do our taxes increase?

The county auditor completes a re-evaluation of property values every 3 years and taxes are adjusted in January of the following year. In Hamilton County the next re-evaluation will occur in 2017 with tax bills adjusted in January 2018. Ohio law (HB 920) does not allow schools to receive additional monies from voted levies when the county auditor reevaluates property. Some residents will see increases in their taxes and some residents will see a decrease. The district will see a property tax revenue increase if there is new construction, reclassifications of property from exempt or abated to non-exempt or no longer abated.

What is the rollback that is on my tax bill?

The property tax rollback is a reduction in the taxes charged against land and dwellings. The percentage equals **10%** for land and dwellings and an additional **2.5%** for *owner-occupied* residential property. The State reimburses public school districts for the full amount of the rollback as mentioned in the questions about “where does the money come from”. Another credit that may be on your tax bill is the **Homestead (reduction)**. If the residential property owners meet certain age requirements they may apply for the credit between the first Monday in January and the first Monday in June of each year. The Hamilton County Auditor website www.hamiltoncountyauditor.org provides more detailed information on how to apply for this credit.

The 2014-2015 Ohio biennium budget approved by Governor Kasich included language that changes the property tax **Rollback** and **Homestead Exemption**. **Beginning in 2014** there will be an income limitation for the **Homestead Exemption**. If your income *exceeds \$30,000*, then you will not qualify for the **Homestead Exemption**. The income test will be determined by Ohio adjusted gross income, as defined on the Ohio income tax return. Note that this amount does not include taxable social security benefits from the federal return. Any homeowner that was eligible for the **Homestead Exemption** prior to 2014 will continue to receive the **Homestead Exemption** with no change in calculation.

Effective 2014, the property tax **Rollback** reduction will no longer be allowed on any new operating levies approved by the community. All **Rollback** reductions will continue for operating levies approved prior to September, 2013.

What is the district doing to guarantee to the community that taxpayer funds are being used efficiently?

Energy consumption

Energy efficiencies have been included in the district’s long term facility improvement plan. The most recent energy efficiencies include two geothermal projects that provide heating and cooling completed for two large sections of the high school that use natural underground temperatures, installation of lower more efficient lighting in each building, occupancy sensors in classrooms and hallways. All of these projects reduced the districts carbon footprint and energy usage at each building.

Medical Expenses

The district is a member of a 14 school district consortium that provides health and dental insurance to our employees. The size of the consortium allows the district to provide excellent health and dental insurance coverage at a very competitive rate. Over the past 10 years the average annual premium cost has been 2.7%, and the past 5 years has been 2.9%. The consortium annually reviews the current plan and continues to look for ways to minimize the cost and maintain a competitive health plan for all ages of school employees. Most recently, the consortium implemented “spousal language” that meant that any spouse of our employees that

was eligible for health insurance with their employer must carry a minimum of a single plan as first insured.

Transportation

The district reviews annually the transportation provided to the students and works with the transportation contractor to schedule the most efficient routes that adhere to state guidelines on pick-up and drop-off points.

Food Service

After many years of providing food service to Madeira students, since 2006 Madeira has contracted with another school district to provide food service to our students. The district taxpayer does not contribute to that service.

Other Services

Several years ago the district made a decision to contract for teacher substitutes in the district. At that time there was a shortage of personnel that could provide the quality classroom services necessary when a teacher was out. By joining a consortium in Hamilton County we were able to broaden the pool of quality educators available to step into our classrooms when needed. Additionally, several years ago the district began contracting nursing services to each building. It became apparent that we needed the expertise of professional nursing to provide the quality of services our students required.

In summary, Madeira Board of Education has established a goal of proactively managing district resources in a cost effective manner. We will continue to research and review each of our expenses to make sure that the students are getting the best education and the taxpayer the most efficient use of its resources.

**Contact Susan Crabill, Treasurer, if you have any questions concerning this information.
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