

TALLMADGE CITY SCHOOLS

SCHOOL FUNDING

Believe it or Not...

Tallmadge City School District
McCombs Education Center
486 East Avenue
Tallmadge, Ohio 44278
(330) 633-3291

www.tallmadgeschools.org

Types of Tax Levies

- **Operating Levy**
- **Permanent Improvement Levy**
- **Bond Levy**

Two Sources of Revenue

- **Local Property Taxes**
- **State Funding**

Local Property Taxes

- Valuation (Property Values)
- Reappraisal (Update of Property Values)
- Voted vs. Effective Millage (HB 920)
- Elimination of Personal Tangible Tax

State Funding

- Funding Per Pupil
- State Share – Current Use
- Charter schools, open enrollment, and other below the line adjustments



Property Taxes

WHAT IS A MILL

A mill = \$.001

\$1 for every \$1,000 of Taxable Value of property

Taxable Value = 35% of Market Value

\$100,000 Market Value = \$35,000 Taxable Value

Tallmadge City Schools Taxable Valuation is roughly

\$432,933,150

A mill for Tallmadge Schools generates roughly

\$432,933

County Property Valuation Reappraisal Cycle

Every 3 years the County Fiscal Office does a revaluation (update) of the property values in the county.

Summit County next reappraisal is 2020.

HB 920

This law which was passed in 1976 freezes the amount of taxes a levy collects on district property to the amount it collected at the time it was passed on that same property. So, when the *value of property in the district increases every 3 years, due to reappraisal, the effective tax rate is reduced to collect the same amount of tax.*

On the state funding side, because the the districts property valuation is one of the major components in the state's funding formula a *district will lose state revenue as its valuation increases.*

FUND TYPE	DATE LEVY PASSED	YEARS	<u>Voted</u> Millage Rate When Passed	<u>Effective</u> Millage Rate 2018
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GENERAL	<u>1976 & PRIOR</u>	CONT	23.28	7.05
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GENERAL	May 7, 1985	CONT	8.50	3.80
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GENERAL	Nov 8, 1988	CONT	4.00	1.90
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GENERAL	Feb 4, 1992	CONT	9.80	5.49
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GENERAL	May 8, 2001	10 YEARS	7.50	6.44
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GENERAL	Nov 3, 2009	10 YEARS	6.90	6.85
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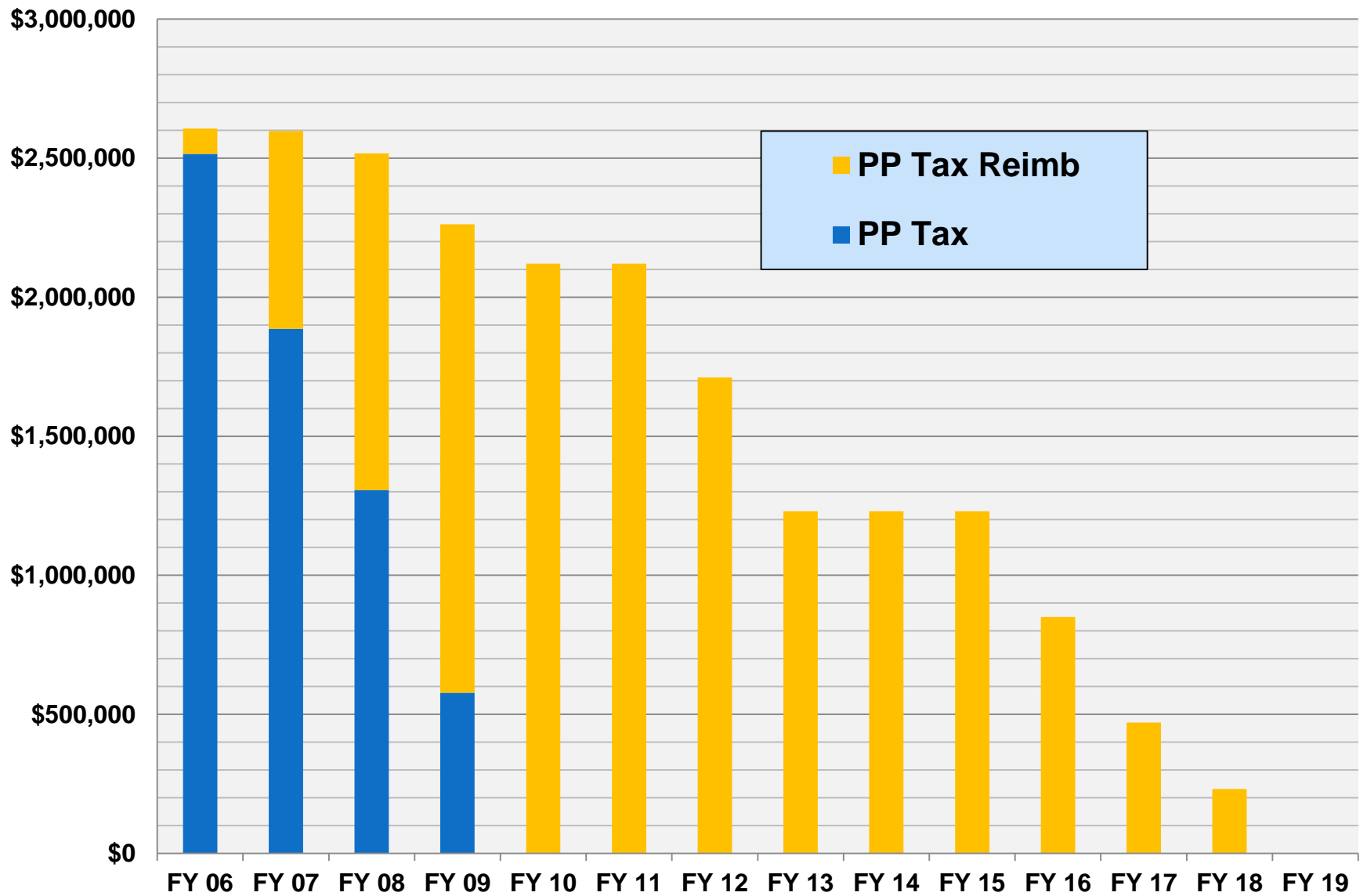
			59.98	31.53
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PERSONAL TANGIBLE TAX – PHASE OUT

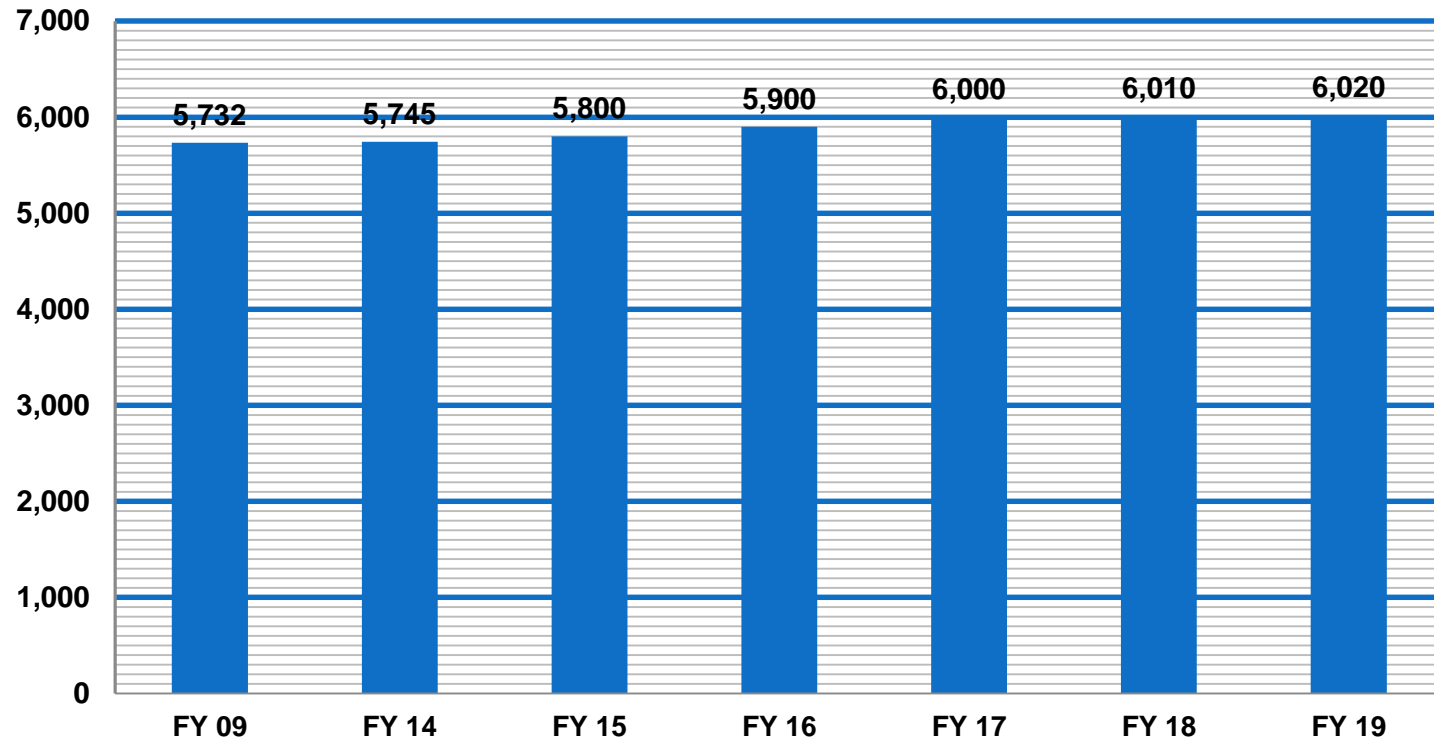
In 2006 the State began the process of eliminating the Personal Tangible Tax for businesses, which was a tax on inventory & equipment. This revenue amounted to \$2,500,000 for Tallmadge City Schools.

The state had agreed to reimburse districts for all dollars lost thru FY-11, however after FY-11 the reimbursement was phased down and reduced to \$0 by FY-19.

The state implemented the CAT (Commercial Activity Tax) on businesses to replace the revenue stream that was lost by the elimination of the personal property tax, except that the CAT tax goes directly into the state general fund as opposed to going directly to school districts. Did someone say lottery...



State Funding Per Pupil



This increase of \$268 from FY09 to FY19 represents a 4.7% increase over 10 years or less than ½ % per year...



State Funding

OHIO DEPARTMENT OF EDUCATION

OFFICE OF BUDGET AND SCHOOL FUNDING
FY19 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
(FY2019 December #2 Payment, Data as of 12/18/2018)

IRN: 044883 District: TALLMADGE CITY S.D.

County: SUMMIT

FOUNDATION FUNDING COMPONENTS:	CALCULATED FUNDING
A Opportunity Grant:	6,549,775.72
B Targeted Assistance:	548,048.31
C K-3 Literacy Funding:	148,869.46
D Economic Disadvantaged Funding:	32,895.77
E Limited English Proficiency Funding:	34,195.96
F Gifted Education Funding:	126,589.01
G Transportation Funding (Generally Exempted from Cap):	490,690.22
H Special Education Additional Funding (Generally Exempted from Cap):	997,830.93
I Capacity Aid:	0.00
J Graduation Bonus (Exempted from Cap):	34,228.28
K Third Grade Reading Bonus (Exempted from Cap):	15,909.38
L Transitional Aid Guarantee:	0.00
M Career Tech Education Funding (Exempted from Overall Guarantee & Cap):	212,134.96

N Total Formula Funding:	9,191,168.00

ADDITIONAL AID ITEMS:	
O Preschool Special Education Funding:	93,328.59
P Special Education Transportation Funding:	104,192.97

Q Total Additional Aid Items:	197,521.56

TOTAL CALCULATED FUNDING::	
R Total Formula Funding Plus Additional Aid Items:	9,388,689.56
=====	
TRANSFERS AND ADJUSTMENTS:	
S Education Service Center Transfer:	-15,119.00
T Open Enrollment Adjustment:	-614,265.45
U Community School Transfer:	-354,628.81
V STEM School Transfer:	-110,584.06
W Scholarship Transfer:	-277,904.02
X Other Adjustments:	-208,866.88

Y Total Transfers and Adjustments:	-1,581,368.22

NET STATE FOUNDATION FUNDING:	
Z Total Calculated Funding Plus Total Transfers and Adjustments:	7,807,321.34

SFPR Detail Worksheet Report

OHIO DEPARTMENT OF EDUCATION

Office of Budget and School Funding

FY19 Detailed School Funding Report for City, Exempted Village and Local School Districts
(FY2019 December #2 Payment, Data as of 12/18/2018)

IRN: 044883 District: **TALLMADGE CITY S.D.**

County: SUMMIT

District Factors and Parameters:

a Base ADM Data

a1 Formula ADM $[a2-(0.8*a5)+(0.2*a6)]$: 2,571.13

e7 Preschool Autism Scholarship ADM: 0.92

i State Share Index (See worksheet for details): 0.423009899

DETAILED FUNDING COMPONENT CALCULATIONS

A Opportunity Grant $[\$6,020*(a1+e7)*i]$: \$6,549,775.72

State Share Index

OHIO DEPARTMENT OF EDUCATION (FY2019 December #2 Payment, Data as of 12/18/2018)

District: TALLMADGE CITY S.D.

State Factors and Parameters:

S1 - Statewide Total ADM FY17:	1,707,084.96
S3 - Statewide 3 Year Average Valuation $[(TY16+TY15+TY14)/3]$:	\$248,482,200,687
S4 - Statewide Median Income TY15:	\$33,782
S5 - Statewide 3 Year Average Federal Adjusted Gross Income $[(TY15+TY14+TY13)/3]$:	\$309,177,184,075

District Factors and Parameters:

Enrollment Data

E1 - Total ADM FY17:	2,498.94
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Valuation Data

V1 - Valuation TY17:	\$422,304,520
V2 - Valuation TY16:	\$385,484,110
V3 - Valuation TY15:	\$382,968,700
V4 - Valuation TY14:	\$381,684,480
V5 - 3-Year Average Valuation $[(V2+V3+V4)/3]$:	\$383,379,097

Income Data:

I1 - Median Income TY15:	\$37,465
I5 - 3-Year Average District Federal Adjusted Gross Income $[(I2+I3+I4)/3]$:	\$522,252,081

Calculations:

C1 - Valuation Index $[(V12/E1)/(S3/S1)]$:	1.0539802010
C2 - Median Income Index $[I1/S4]$:	1.1090225560
C3 - Income Index $[(C2*0.5)+(((I5/E2)/(S5/S2))*0.5)]$:	1.1190464410
C4 - Wealth Index $[(if C3 < C1 \& C2 \leq 1.5) then ((C3*0.4)+(C1*0.6)) else C1]$:	1.0539802010
C5 - State Share Index:	0.4230098990
[if C4 \leq 0.35 then 0.90]	
[if C4 $>$ 1.80 then 0.05]	
[if 0.35 $<$ C4 $<$ 0.90 then $(0.40*((0.90-C4)/0.55))+0.50]$	
[if 0.90 $<$ C4 $<$ 1.80 then $(0.45*((1.80-C4)/0.90))+0.05]$	

Tallmadge City Schools State Funding

State Funding per pupil amount – FY19	\$6,020
Tallmadge Schools state share %	<u>42.3%</u>
Actual State funding per pupil	\$2,546

State Share Index

OHIO DEPARTMENT OF EDUCATION (FY2020 December #2 Payment, Data as of 12/18/2018)

District: **TALLMADGE CITY S.D.**

State Factors and Parameters:

S1 - Statewide Total ADM FY17:	1,707,084.96
S3 - Statewide 3 Year Average Valuation [(TY16+TY15+TY14)/3]:	\$248,482,200,687
S4 - Statewide Median Income TY15:	\$33,782
S5 - Statewide 3 Year Average Federal Adjusted Gross Income [(TY15+TY14+TY13)/3]:	\$309,177,184,075

District Factors and Parameters:

Enrollment Data

E1 - Total ADM FY17: 2,498.94

Valuation Data

V1 - Valuation TY17:	\$422,304,520
V2 - Valuation TY17:	\$422,304,520
V3 - Valuation TY16:	\$385,484,110
V4 - Valuation TY15:	\$382,968,700
V5 - 3-Year Average Valuation [(V2+V3+V4)/3]:	\$396,919,110

Income Data:

I1 - Median Income TY15:	\$37,465
I5 - 3-Year Average District Federal Adjusted Gross Income [(I2+I3+I4)/3]:	\$522,252,081

Calculations:

C1 - Valuation Index [(V12/E1)/(S3/S1)]:	1.091204206
C2 - Median Income Index [I1/S4]:	1.1090225560
C3 - Income Index [(C2*0.5)+(((I5/E2)/(S5/S2))*0.5)]:	1.1190464410
C4 - Wealth Index [(if C3 < C1 & C2 <= 1.5) then ((C3*0.4)+(C1*0.6)) else C1]:	1.091204206
C5 - State Share Index:	0.404397897

[if C4 <= 0.35 then 0.90]

[if C4 > 1.80 then 0.05]

[if 0.35 < C4 < 0.90 then (0.40*((0.90-C4)/0.55))+0.50]

[if 0.90 < C4 < 1.80 then (0.45*((1.80-C4)/0.90))+0.05]

Total Loss in Funding (\$359,954)

OHIO DEPARTMENT OF EDUCATION

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NET STATE FOUNDATION FUNDING:	
Z Total Calculated Funding Plus Total Transfers and Adjustments:	7,807,321.34

TRANSFERS AND ADJUSTMENTS:

Open Enrollment Adjustment: (\$614,265.45)

Community School Transfer: (\$354,628.81)

STEM School Transfer: (\$110,584.06)

Total OE and Transfer Student Costs (\$1,079,478.32)

Actual State Funding Received – 42.3% \$456,619.33

Local Tax \$\$ Lost to Other Districts (\$622,858.99)

SCHOOL FINANCE REVIEW

Voted millage is reduced as property values increase due to reappraisal to generate the same tax as when the levy was initially passed... HB 920

The district lost \$2.5 million of revenue thru the elimination of personal tangible tax which was not made up by the State...

The state's funding per pupil amount has averaged less than 1/2% increase over the last 10 years...does that sound like they made up for the loss of personal tangible...

A districts state share index is affected when the property values get adjusted resulting in a lesser state share % and the loss of state funding...phantom revenue

A district doesn't really receive the state funding per pupil because of the offset of the state share %... \$6,020 vs \$2,546

However, all \$6,020 of the state funding goes out the door to other districts and charter schools, which results in local taxes leaving the district...

For More Information

Go to the Tallmadge City Schools Website at

www.tallmadgeschools.org

Or Contact:

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email: hostetler.jeff@tallmadgeschools.org