

*Perrysburg  
Schools*

2016 Operational Levy  
Renewal:  
Just the Facts

**RENEWAL:  
NOT A NEW TAX**

# Why is the district on the ballot?

- The current operating levy is set to expire on December 31, 2016
- Annual amount generated by the levy: \$12,925,000
- 26.7% of total revenue (\$48,266,915 annual revenue)
- Millage Rate: 16 mills

The Board has been transparent about the options they considered and why they chose what they did.

# Board Levy Discussion and Action found in Board agendas and minutes

- December 1, 2015
- March 21, 2016
  - April 5, 2016
  - April 16, 2016
  - May 5, 2016
  - June 20, 2016
- August 15, 2016
- September 6, 2016

# Media Coverage

December 16, 2015

## Board of education discusses operating levy expiring end of 2016

By Deb Buker

The Perrysburg School District's four-year emergency incremental operating levy will expire December 31, 2016.

Next year, the levy is projected at 16 mills and will collect \$12.9 million—26 percent of the total projected general fund revenue.

At last week's Perrysburg Board of Education work session, Superintendent Tom Hosler reviewed information and history of the levy along with options for the board to explore.

According to the superintendent, the levy represents 40 percent of the real estate taxes collected for operational purposes and real estate taxes account for 63 percent of the general fund revenue.

"The board needs to answer the question as to whether or not to continue the levy," said Mr. Hosler. "If the answer is yes, what

explained that once passed, fixed rate levies are subject to the HB (House Bill) 920 reduction factor, which eliminates tax revenue that would result from appreciating real property values.

"Districts still benefit from growth in the tax base due to new construction," he said. "Reduction factors are calculated for two classes of property—Class I, residential and agricultural and Class II, industrial and commercial."

Reduction factors do not apply to inside millage and the application of reduction factors to current expense levies is limited by the 20-mill floor, he added.

"In other words, if a school district has more than 20 mills in current expense levies, the current expense levies will not be reduced to collect less than 20 mills by reduction factors," said the superintendent.

He explained that a renewal of a tax levy continues collection at the current effective rate and a straight replacement of a tax levy restores the effective rate to the original voted millage rate.

Under Ohio Revised Code (ORC) 5705.21, the maximum term of a levy is five years with one exception—current expense and general permanent improvement levies may be continuing.

Levies passed under the ORC can be renewed or replaced with an increase or a decrease.

The purpose of emergency levies under ORC is to provide for the emergency requirements of the district, or to avoid an operating deficit. The features include a fixed-sum, fixed-term, with a maximum of 10 years and can be renewed with an increase or decrease.

Incremental levies under ORC can be fixed-sum or fixed rate. A fixed-rate incremental levy can be for a fixed term or continuing.

Four increments are permitted, said Mr. Hosler. Fixed-dollar incremental levies can be for a fixed term of up to 10 years, and there is no limit to the number of annual increments.

The superintendent asked the board to consider the following:

- Fixed term vs. continuing;
- Renewal vs. new, and
- When will the district need additional money?

**Benefits of a Continuing Levy**

- The revenue represents 26 percent of the total revenue needed to operate. Having it expire every four years is an enormous risk to the district, said Mr. Hosler.

- Avoids voter fatigue (permanent improvement levy expires every

five years).  
•Secures 26 percent of the district's revenue.

**Benefits of a Renewal Levy**

- Protects the amount of funds at risk of expiring.
- Keeps rollback exemption in place.

- The sum collected will be fixed and never increase like the incremental levy. The superintendent said this would lead to smaller, new dollar levies.

- The goal is to secure the funds that are at stake and enable us to wait as long as possible to ask for any additional funds," said Mr. Hosler. "The variables include the state biennium budget, public policy and property valuations. School district voters have approved an incremental levy since 2005.

The board has until August to file and put a levy on the November 2016 ballot.

- At last week's Perrysburg Board of Education work session, Superintendent Tom Hosler reviewed information and history of the levy along with options for the board to explore.
- He reviewed levy lengths and types with the board.
- Continuing levies are permanent and will be collected until the school board elects, or voters vote to, cease collection.
- Fixed-Term levies collect for the number of years designated in the ballot language submitted to voters. The maximum term varies by type of levy and is set by statute.

Some have stated that they are  
uncomfortable with the idea of a  
continuing levy...

**RENEWAL:  
NOT A NEW TAX.**

Does losing this make you  
more uncomfortable?

**\$12,950,000**

26.7% of total revenue

**(16 mills expiring 12/31/16)**



# Perrysburg Schools currently utilizes Six Continuing Levies

Year	Fixed or Continuing	Full (VOTER APPROVED) Rate	Effective (ACTUAL COLLECTED) Rate
1976	Continuing	25.8 mills	8.023 mills
1980	Continuing	2.6 mills	.949 mills
1981	Continuing	6.0 mills	2.20 mills
1986	Continuing	6.0 mills	3.22 mills
1988	Continuing	5.2 mills	3.04 mills
1991	Continuing Income Tax	.5%	.5%

Data from 2012

# Levy Past, Present and Future

- 2000 – Permanent Improvement (Renewal)
- 2004 – Operational (Incremental Levy)
- 2005 – Permanent Improvement (Replacement)
- 2008 – Operational (Incremental Levy Replacement)
- 2010 – Permanent Improvement (Renewal)
- 2012 – Operational (Incremental Levy Replacement)
- 2014 – Bond Issue (Passed)
- 2015 – Permanent Improvement (Renewal)
- 2016 – Operational (Continuing)
- 2019 – Operational? (New Small Enhancement)
- 2020 – Permanent Improvement (EXPIRES)
- 2020 – Operational (IF 2016 were to be a 4-yr issue)
- 2022 – Bond Issue? (If Growth Continues)

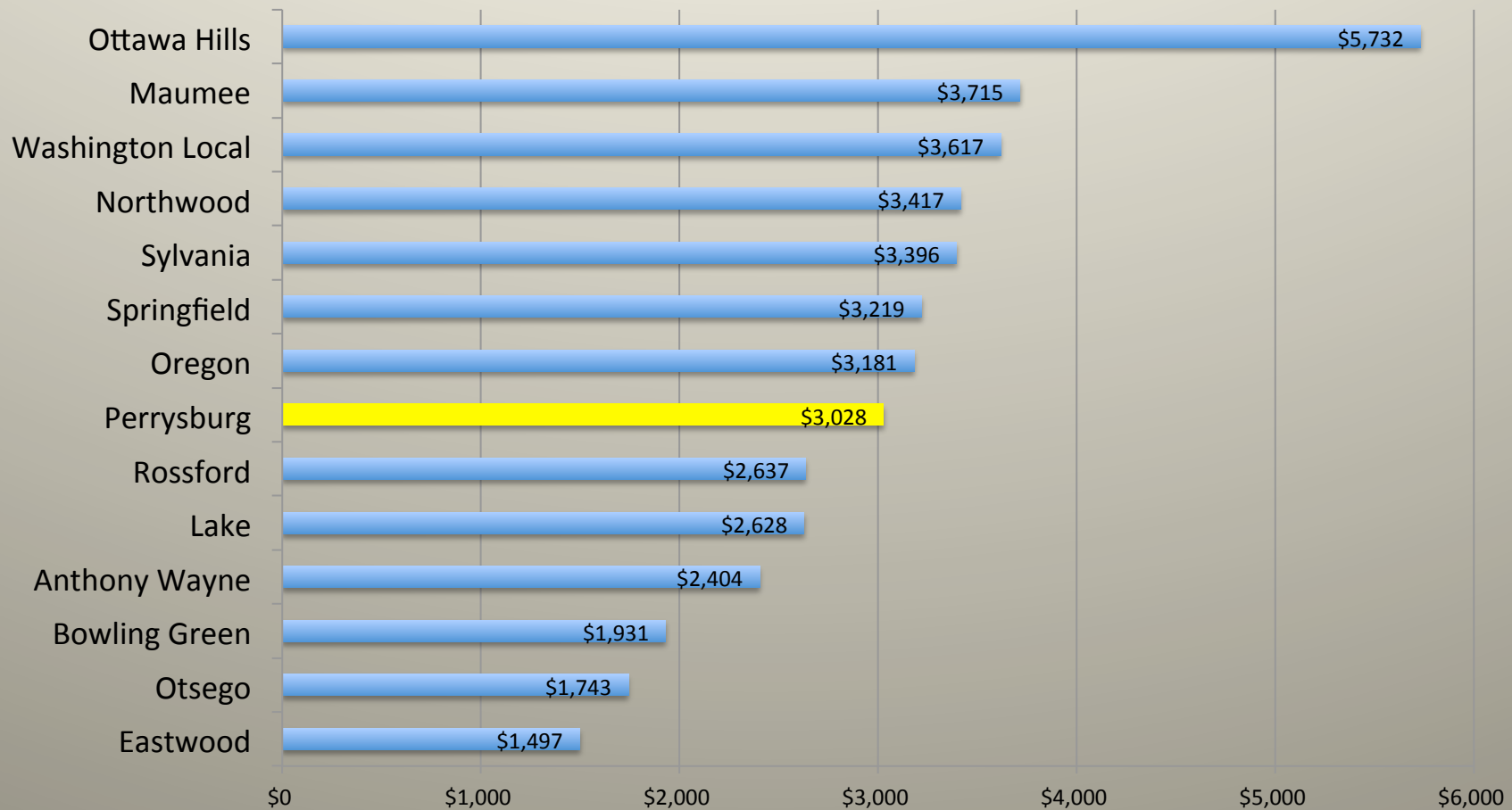
# Why seek a continuing levy?

- Today, up to 12.5% of this levy for residential property is actually **paid for by the state**.
- If we make any changes to the amount, we forfeit this benefit and **every dollar would then be paid by local residents**.
- This renewal takes advantage of the savings for local taxpayers by **keeping the state's share of the payment**, which is no longer available for any new levies.

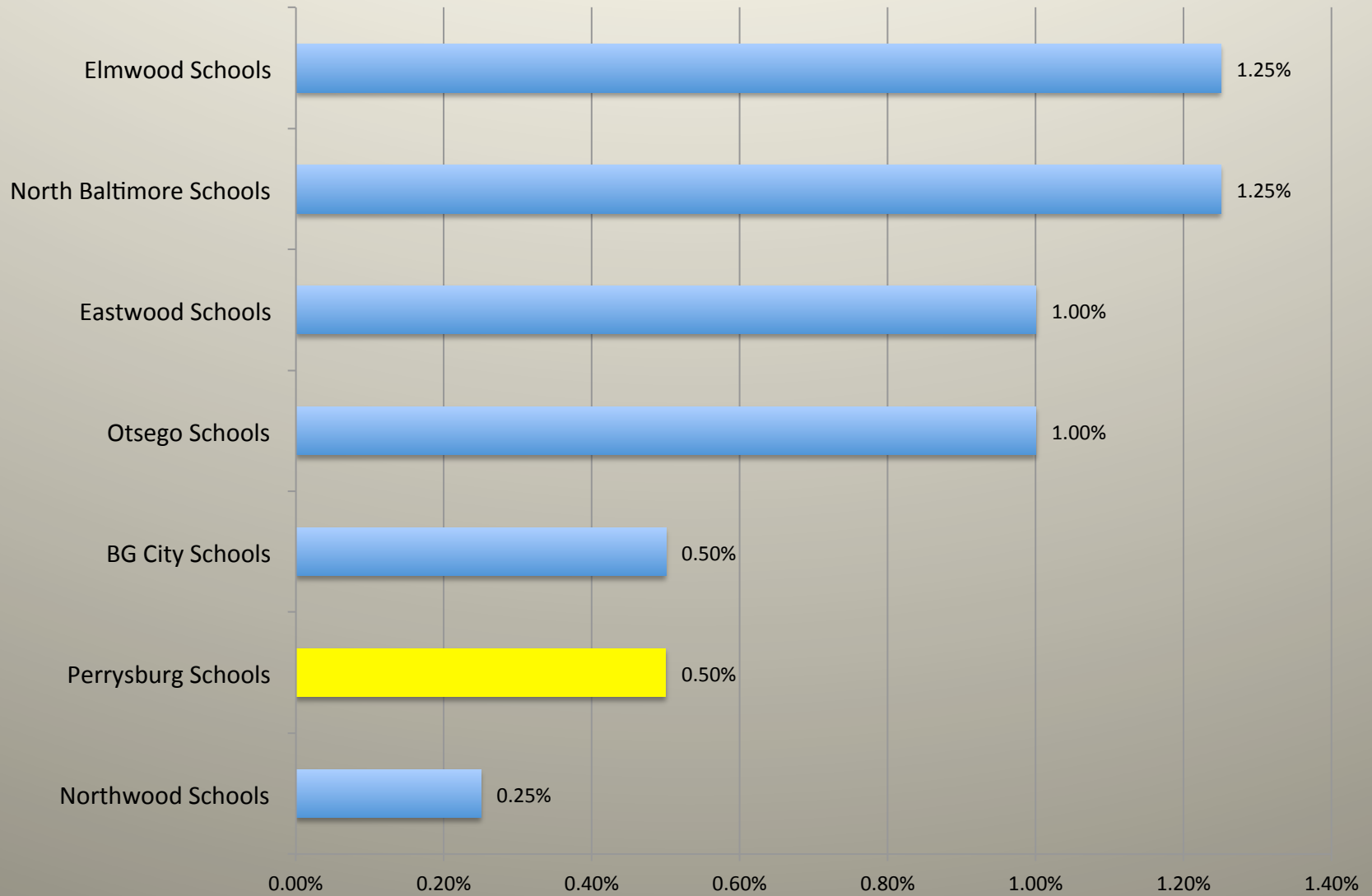
How do Perrysburg school  
property taxes stack up  
against other area school districts?

# 2015 School Property Taxes

Total Class I (Residential & Agricultural) Rate for a \$200,000 Home



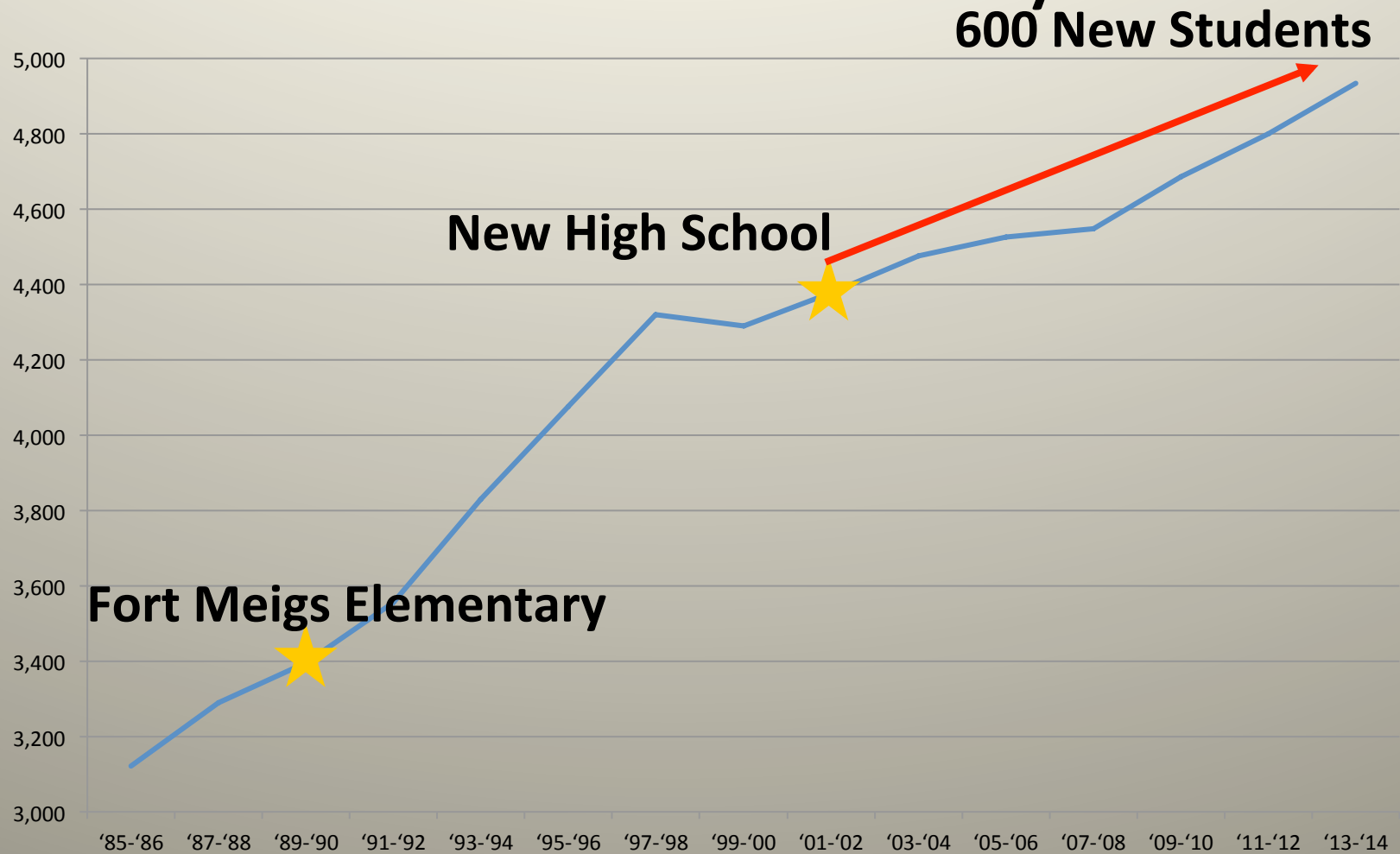
# Wood County School District 2016 Income Tax



# Growth

- Enrollment in 2006 was 4,516
- Today, enrollment is 5,129
- This is an increase of **613** students
- This is roughly the size of the student population at Woodland, our largest elementary school

# Enrollment History





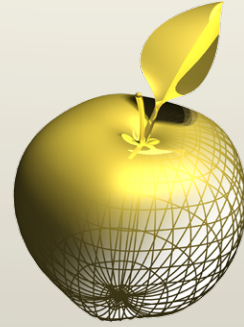
What happens if the levy fails?

**If the levy were to fail,  
Perrysburg Schools  
would not exist as  
we know it today.**

# 2010

- In 2010, Perrysburg Schools were forced to cut \$3.1 million. In addition to many reductions in programming, not filling vacant positions, the lay off of 51 employees.
- That could mean a reduction in staff of nearly 212 positions if the district followed the same blue print.
- The district has approximately 550 employees.

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***Thank You!***