



# Frequently Asked Questions: Levy and Taxes

## May 2023 Combination Levy

### Why is Forest Hills requesting a combination levy in May?

Money generated from the 2019 operating levy has not kept up with inflationary increases in costs outside the district's control, including utilities, fuel and supplies. Ohio's school funding model also does not account for inflation or adequately fund FHSD due to the wealth index factor of the funding formula, and FHSD is projected to enter deficit spending in 2023. If additional funds cannot be secured, the district will face significant reductions that could impact the quality of education.

### How much will the proposed levy cost me?

The 6.9 mill proposal would cost \$20.13 per month for a home valued at \$100,000.

Home Market Value (Assessed by County Auditor)	Cost Per Month
\$100,000	\$20.13
\$200,000	\$40.26
\$300,000	\$60.39

### What will the levy fund?

The 5.4 mill operating levy will fund existing costs and educational programs. It does not provide funding for any additional staff or programming that is not already in place, but it will allow FHSD to retain its talented teachers and staff members, as well as purchase textbooks and other educational materials and supplies to maintain the current level of services offered at FHSD.

The 1.5 mill permanent improvement levy will be used in two ways. First, it will pay for some current costs that will be shifted from the General Fund to the Permanent Improvement Fund. These include technology expenditures, buses and costs related to facility and equipment maintenance. Based on potential reductions detailed below, remaining funds from the 1.5 mill permanent improvement levy will be used to cover the district's most urgent capital improvement needs to maintain the function and safety of our facilities.

### What is an operating levy?

Operating levies fund day-to-day operations such as teachers, utilities and supplies. A school levy is a local tax on the value of all residential and business property in a school district. Local school boards recommend levies for school funding, the community votes on the levy and the county collects the taxes and distributes the funds to the school district. An operating levy, once

approved by the voters, is subject to a reduction factor. Although property values may increase while the levy is in effect, the amount of taxes collected on those properties do not increase.

### **What is a permanent improvement levy?**

Permanent improvement (PI) levies are used for capital improvement projects, maintenance and repairs of school property and certain pieces of equipment that are designed to last five or more years. PI funds can pay for technology, heating and air conditioning systems, roofs or other facility upgrades.

### **When was the last time FHSD had an operating levy?**

Voters in Forest Hills passed a 4.7 mill operating levy in 2019 that was expected to provide stable funding for district expenses for three years. Emergency funding through the ESSER program allowed the district to stretch this funding beyond the original estimate.

### **What is a mill?**

A mill is the amount of tax payable per dollar of the assessed value of a property and is defined as one-tenth of a percent or one-tenth of a cent (0.1 cents). Mills are often communicated as cost per \$100,000 of home property value. For example, a 6.9 mill combination levy equates to \$20.13 monthly per \$100,000 of home market value in Forest Hills.

### **How does FHSD's school tax rate compare to other districts?**

Forest Hills School District has a current residential tax rate of 38.89 mills, which is below the Hamilton County district average of 43.66 mills. Approximately 53.6% of the total residential tax bill in Anderson Township, and 55.6% in the Village of Newtown, funds FHSD. The remainder helps fund other public entities and their programs.

### **What will happen if the levy does not pass?**

If this levy does not pass, FHSD will implement immediate budget reductions of approximately \$1.8 million in order to reduce deficit spending, including a reduction of 15 teaching positions. Ongoing and critical maintenance needs will go untouched and likely lead to more costly repairs down the road. The impact to the student and staff experience and effect on our facilities will be experienced district wide. These reductions will happen before the start of the 2023-2024 school year and will have impacts including increased class sizes at the secondary level, reduced gifted, reading and media specialists at the elementary schools, less responsive oversight of special education programs, increased pay-to-participate fees for athletics and co-curricular programs, and a shift in arrival/dismissal times across all schools.

### **How long is this levy expected to last, if it passes?**

This levy is expected to provide stable funding for three years. During that time, FHSD will continue to evaluate how it operates and look for possible efficiencies.

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