



## **INDIAN HILL SCHOOL DISTRICT Frequently Asked Questions**

### **What is expected to appear on the Tuesday, November 3, 2020 ballot for our schools?**

A combined operating and bond issue for 5.68 mills. Of that total amount, 2.46 mills are dedicated to the daily operating budget and 3.22 mills are dedicated to capital/bond projects.

### **Why did the Board decide to combine the two ballot issues (bond and operating) into one ballot issue?**

The decision to combine the two ballot issues was researched and recommended by two community based committees: The Facilities Steering Committee and the Finance Steering Committee. Committee members determined that both are needed and now. The Board had expressed concern that the District only has one operating budget, and that there is no set fund for maintenance, upkeep, or renovations that need to be made. They expressed the desire to create a separate fund so that the District can more precisely keep track and allocate resources from that fund. Additionally, the bond and operating issues work together; without the bond to support fixing the serious facilities issues the District faces, the operating amount would need to substantially increase.

### **What is the estimated cost of the November 3 ballot issue for our schools?**

The estimated cost of the Tuesday, November 3 ballot issue is approximately \$198.80/year (\$16.57/month) per \$100,000 of property market value per the County Auditor's website.

### **Why is the District on the ballot now for additional operating dollars?**

It's time.

The last operating levy was more than 25 years ago. Our schools continue to operate from levies passed in the 1980s and earlier with a near-zero inflationary increase. For decades, the District has absorbed inflationary and other increases.

This continues to strain our District's ability to maintain current educational services, facilities, and learning opportunities that are key to the mission of our District.

### **How did COVID-19 impact the District's budget?**

The District continues to take into consideration the financial impact of COVID-19. The pandemic has created a situation for districts of an uncertain financial future in terms of state funding. Immediately

following COVID-19, the District saw a significant and immediate shortfall in the State's revenue which was passed to the budget items, such as school funding; the loss – at that time – to the Indian Hill School District totaled \$621,000 for the District in fiscal year 2020. Then, June 19, 2020 a new bill was signed into law providing some relief to districts; the Indian Hill School District recovered \$418,000 of what the District was told it had lost. Early news regarding fiscal year 2021- which begins in July - is that districts should anticipate a reduction in state funding.

### **How did the District respond to the State funding situation?**

The District acted swiftly to manage the initial news of the \$621,000 state funding loss. The District's Capital Plan, a tool to analyze capital needs and to plan future projects, was examined and the District removed all budget line items except for technology and transportation purchases. This freed much needed cash to help sustain dwindling balances; although all carpeting, furniture purchases, and other general maintenance will be delayed, which could potentially exacerbate current facility needs. Additionally, the Board of Education voted in May 2020 to restructure custodial operations through outsourcing services. The District will save approximately \$325,000 annually as a result.

### **How much cash was saved as a result of the action?**

The District will see a total reduction of expenses from November 2019 estimates of approximately \$1.1 million during the 2020-2021 school year as a result of the cost-saving/cash conserving actions. The decisions were difficult but necessary to protect the District's educational services funded through the operating budget.

### **What do operating issues fund?**

Operating levies fund the day-to-day operations of our schools. They fund teachers, textbooks and supplies.

### **What will the operating levy fund?**

It will help maintain and fund the day-to-day operations of our schools, and give the District the revenue needed to maintain the nationally recognized educational programs the Indian Hill School District community expects and deserves.

### **Why is a bond issue needed?**

The importance of the bond issue is to help protect the investment in the District's current facilities; make security upgrades at buildings across the District; replace and maintain mechanical systems; and replace Indian Hill Middle School. Over the years, the District has had to divert funds from the daily operating budget to provide for building maintenance, upkeep, and upgrades needed throughout the District's campus. A bond would provide the District with a source of revenue specific to the capital needs, and operating dollars will focus on delivering excellence in programming.

### **What happens if it passes?**

If passed, the levy will provide important funding that will help continue providing top tier academics and experiences that our community expects. Moreover, critical building needs can be met.

### **What happens if it fails?**

The need to secure additional operating dollars and funding for capital projects does not go away with failure. Rather, the need is delayed and it worsens.

If the levy fails in November, deferred maintenance will not be enough to balance the budget. The District would need to enact an estimated \$1.5 million in districtwide cuts and reductions.

### **What has the District done over the years to reduce expenses and keep costs low?**

Indian Hill Schools operates in an excellent and conservative manner. Ensuring the best for students means that the District continues to find better ways of doing business.

Already the District has refunded bonds from the high school so that the interest payments decrease over time; the District has restructured transportation, legal, and other expenses to save money; and transitioned to a high-deductible health plan saving both staff members and the District money on premium expenditures.

### **Will the District continue to live within their means?**

Staying off the ballot for 25+ years while maintaining the lowest tax rate in Hamilton County is no small task. Indian Hill is an excellent steward of the public dollars and operates in a fiscally transparent manner. We believe it is important that our schools reflect the community and the quality of education they value, and we are looking to maintain excellence with an eye to conservative fiscal management.

### **Why has the District funded some capital improvements? Shouldn't those funds have been used for only operating purposes?**

Capital improvements are reviewed as part of an annual process, with approximately \$2 million per year budgeted for these important investments in our facilities. Recent capital projects include:

- Renovated theatre lobby, stage, and backstage
- Enhanced theatre HVAC, lighting & sound systems
- Expanded & updated vocal room & support spaces
- Replaced Tomahawk Stadium synthetic turf & track asphalt
- Installed Shawnee Field synthetic turf
- Upgraded softball & baseball field features
- Updated existing PE locker rooms
- Central Utility Plant

The decision to invest in our art and athletic programs was based on student-retention research.

### **How does our District's current tax rate compare to other districts within Hamilton County?**

The Indian Hill School District is an excellent value at 23.99 mills, our District's tax rate is the lowest in Hamilton County out of all 23 districts. Even with the passage of the Tuesday, November 3 levy, the District would remain among the lowest.

### **Does everyone in the District pay the same tax rate?**

Yes. Every homeowner pays the same tax rate regardless of where they live. Renters would pay the tax rate as part of their rent which is determined by the landlords.

### **Why is our tax rate so low?**

Indian Hill is known for enjoying a low tax rate. The majority of the District's revenue comes from local property taxes – more than 90 percent. Our schools continue to operate from levies passed in the 1980s and earlier with a near-zero inflationary increase.

### **If we just fail our levy then the state will step in to help, right?**

Wrong. This is a fallacy that typically stems from frustration with local taxes and that the state needs to provide more funding to schools. While we do not disagree, Ohio schools are largely funded by their local communities. That means that it is up to local communities to decide what kind of schools they want for their students.

Indian Hill currently receives minimal state education funding – in fact, less than five percent of our revenue is from this source. This is something we do not anticipate every increasing but we hope to maintain going forward.

### **How does the funding work for the Home of the Braves project?**

The District had already allocated \$1 million for necessary and needed renovations to the football locker rooms at Indian Hill High School. During 2018, the District was approached by a group of residents who wanted to provide more beyond the \$1 million allocated but to do so through private funding.

The District saw this as an opportunity to use money already allocated within our capital plan to address serious and substantial athletic facility needs within Indian Hill Middle School and Indian Hill High School that the District could not meet with the \$1 million while partnering with private donors through the Indian Hill Foundation.

This public-private partnership is allowing the District to increase and expand our ability to create a better facility that will serve even more student-athletes. Home of the Braves marks the first-ever public-private partnership with the Indian Hill Foundation and private donors to complete a capital campaign. The Indian Hill Foundation reached its fundraising goal of \$4.25 million dollars to build the new Home of the Braves during the 2019-2020 school year.

### **If private funds were used for the Home of the Braves project, then why can't the District seek private funding for the capital projects?**

Home of the Braves was a \$4.25 million-dollar project. The current District facility needs, as determined through the Facilities Assessment process that resulted in the Facilities Steering Committee recommendation to the Board of Education, include \$77 million in needed upgrades, including the construction of a new middle school building. This exceeds what private funds can fix.

### **Why are further school updates throughout the District needed now?**

There are many reasons.

First, and as we communicated with you during the 2018-2019 school year, in the 25 years since the last operating levy, we have stretched our dollars and put them to use with important building upkeep. We are now to the point where we are needing to divert funds from the operating budget to pay for needed building improvements and emergency repairs. Second, there are significant facility needs that far exceed the District's ability to remedy them.

### **What are maintenance challenges the District faces?**

Ask any homeowner, and they will tell you – replacing a roof or repairing a heating and cooling system is not cheap. Now, consider maintaining the roof over 491,939 square feet of space that you also need to heat and cool. At the Indian Hill School District, that is what we manage ... and we are working with aging facilities and systems across the District, and especially at Indian Hill Middle School.

Each year, until last year – when the facility assessment process was underway – the District spent approximately \$150,000 per year to fix leaks to the near three football fields of flat roofing at Indian Hill Middle School alone. Despite our best efforts, because of the flat-roof design – when it rains, it really does sometimes pour into our learning spaces, storage areas, and District offices.

### **How have recent building repairs been funded?**

For years, our District has funded much-needed improvements to our buildings and programs by utilizing our existing operating funds instead of asking voters for additional dollars. In fact, our schools continue to operate from levies passed in the 1980s and earlier with a near-zero inflationary increase. These updates were needed to help maximize and protect our investment in the school buildings. The District can't sustain this financial model.

### **Why did the District form the Facilities Steering Committee and the Finance Steering Committee?**

Due to this demand on our budget, the District launched a Facilities Assessment Task Force comprised of community members, parents, and staff members in 2018. That work continued into the 2019-2020 school year under the direction of the District's Facilities Steering Committee, a subcommittee of the overarching Facilities Assessment Task Force. The committee chairs presented findings on behalf of the full committee, and agreed and noted that of most critical concern are the needs facing Indian Hill Middle School. In all options presented, the committee recommended replacing Indian Hill Middle School.

Additionally, the committee noted that critical needs do not end there, and that the District has done a good job of holding off the need until now through excellent maintenance and upkeep.

### **How was the work of the community Facilities Steering Committee defined?**

Mission:

Create and present two to four District capital improvement scenarios for the consideration of the Board of Education that provide learning excellence for students and staff.

Vision:

We envision learning environments to enhance opportunities for each student to achieve his/her potential in academics, arts, and athletics. Proposed District capital improvement scenarios will:

1. allow students and staff to thrive in safe, supportive, and collaborative learning environments;
2. incorporate best practices in K-12 learning environments while providing flexibility to adapt to future needs; and
3. optimize financial resources provided by our taxpayers to benefit students, staff, and community members.

Considerations:

- Safety & Security
- Learning Environments (current & future)
- Accessibility
- Infrastructure & Energy

### **What was the recommendation of the community Facilities Steering Committee?**

In October 2019, after a year of extensive review, research, and analyses, the Indian Hill School District's community-based Facilities Steering Committee – made up of over 20 parents, community members, business partners, and faculty – presented the Board of Education with four options to address needs for school facilities within the Indian Hill School District. The committee chairs presented findings on behalf of the full committee, and agreed and noted that of most critical concern are the needs facing Indian Hill Middle School. In all options presented, the committee recommended replacing Indian Hill Middle School. Additionally, the committee noted that critical needs do not end there, and that the District has done a good job of holding off the need until now through excellent maintenance and upkeep.

It is also important to note that when the District Facilities Steering Committee set their mission and vision for the facilities assessment process, safety and security ranked No. 1 under the committee's considerations. During that process, the committee assessed each building for safety and security. In their recommendation to the Board of Education during the October 2019 meeting, the committee did communicate that as a minimum level of improvement, all buildings needed safety enhancements.

[Click here](#) to see the committee report to the Board of Education.

### **What were the goals of the community Finance Steering Committee?**

The schools belong to the community. The Finance Steering Committee was community based and formed because the District recognized the importance of open, transparent dialogue with residents. The Finance Steering Committee recommendation was built from guiding principles to optimize financial resources provided by Indian Hill School District taxpayers to benefit students, staff, and community members, and included the following goals: maintain unique programming; maintain student support services; maintain current student/teacher ratios; maintain transportation; maintain current extra-curricular programs. Additionally, the Finance Committee was dedicated to honoring the work of the District's community-based Facilities Steering Committee.

### **What was the recommendation of the community Finance Steering Committee?**

The Finance Steering Committee recommended approximately 3.5 mills, 30-year term to provide \$82 million for the bond issue to fix facilities; and approximately 2.4 mills on a five-year term operation levy.

### **Why did homeowner taxes to the school district go down in 2019?**

The Indian Hill School District has the lowest tax rate in Hamilton County, and it went down even more in 2019. The District did an excellent job managing the last bond issue – structuring the refinancing of bonds to achieve taxpayer savings of \$8.5 million. That savings for residents comes in the form of reduced millage paid toward the bonds. Effective in 2019, a significant share of what residents pay on this bond expired – reducing the bond debt by 1.74 mills. That amounts to an annual reduction of approximately \$300 on a \$500,000 home, and an annual savings of approximately \$600 on a \$1 million home. Additionally, residents will see another reduction of 1.4 mills in 2027.

### **How does the District manage money for operating and for buildings?**

When considering public school budgets, it is important to know that Indian Hill Schools have two separate budgets. Consider these as separate “buckets,” each with specific uses:

- Operating (day-to-day expenses such as utilities, supplies, and teachers)
- Bond (for building construction)

Operating dollars may be used for any purpose related to the District, and are typically identified as the dollars that fund the day-to-day operations of a school district. In the 25 years since our last ballot issue, we have used ours to provide important maintenance to our buildings.

Bond dollars are typically used for building and capital projects. They can only be used for their intended purpose as dictated by the ballot language. For Indian Hill Schools, this means the current outstanding bond issues are for the construction of the high and elementary schools only. This millage is included in our low tax rate.

Many districts also have a separate budget for Permanent Improvement (PI) projects such as building updates and repairs that have a life of five years or more. Indian Hill does not have this budget. As a result, and because the District has been able to, funds were diverted from the daily operating budget to make repairs and upgrades.

The District’s operating budget is of concern right now as revenue continues to decline. This is due to several factors:

1. Revenue sources, in general, do not increase with inflation over time. This is part of the normal operating cycle of schools as they can only collect what was approved and with near zero increase in inflation (an effect that is known as HB 920).
2. The expiration of the 1993 emergency operating levy caused a drop-off in funding. The Board, in being respectful to the community, determined that they would not seek a renewal of the issue, and they would instead allow the funding to expire.
3. The District is diverting funds from the operating budget to pay for needed building improvements and emergency repairs. When a district does not have a dedicated PI budget,

doing so is necessary, although it strains the district's operating budget. A budget that is otherwise intended for the day-to-day operations of the school such as utilities, teachers, and the classroom.

### **What is the House Bill 920 factor?**

HB 920 refers to a 1976 bill in the Ohio House of Representatives that "reduces the taxes charged by a voted levy to offset increases in the value of real property." This is called the property tax reduction factor, or HB 920 factor. This means the amount of outside millage taxes collected on the property will not exceed the amount collected at the property's value in the first year the taxes were collected. Although property values may increase while the levy is in effect, the amount of taxes collected on those properties do not increase. The reduced rate at which taxes are collected is termed the "effective millage."

In other words, HB 920 prevents property taxes from increasing along with inflation. So, your property value can continue to increase but your tax rate will not.

Source: Ohio School Boards Association,

<https://www.ohioschoolboards.org/sites/default/files/OSBAUnderstandingLeviesFactSheet.pdf>

### **What is Indian Hill's cost per pupil? What is this investment?**

According to the Ohio Department of Education Cupp Report, our cost per pupil \$17,319 per pupil. Indian Hill is 17<sup>th</sup> in the state for per pupil spending, while our Performance Index ranks 9<sup>th</sup> highest in the state among traditional public school districts. The Performance Index is a calculation that measures student performance on the Ohio State Tests/Ohio Graduate Tests at the 3rd, 4th, 5th, 6th, 7th and 8th grade levels and English I, English II, Algebra I, Geometry, Biology, US History, and Government.

Highlights of an Indian Hill education include:

- Small class sizes for more individualized instruction – (student to teacher ratio is 11.6 to one)
- An experienced and award-winning teaching faculty with 90% of educators earning an advanced degree of M.Ed. or more
- Spanish instruction beginning in kindergarten, with French and Latin language options in grades 6 through 12
- More than 300 student-musicians from Middle School and High School who perform with orchestra and band as part of our nationally recognized music education program
- 28 Advanced Placement courses and Indian Hill High School is one of an elite number of high schools approved to offer the challenging AP Capstone
- An award-winning team of five counselors supporting our Braves through the college application process