



EVERGREEN LOCAL SCHOOLS

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Building on Tradition • Committed to Excellence • Cultivating the Future

Levy Renewal Frequently Asked Questions (FAQ)

How are school districts funded?

School districts are funded through a combination of federal, state and local funds. The Ohio Department of Education (ODE) supports districts in Ohio and regulates federal funding. At the local level, school districts receive funding from locally levied property taxes and some districts also receive funds from income taxes approved by voters. Each school district that levies a tax does so based on either a *traditional* tax base or an *earned income* tax base.

What is the difference between a traditional and an earned tax base?

- Traditional: The traditional tax base is the taxpayer's Ohio income tax base plus any business income deduction. The following income is not taxed: social security, disability, welfare, child support, inheritance, and workers compensation.
- Earned Income: The earned income tax base includes only employee compensation and net earnings from self-employment to the extent included in modified gross income.

How are Evergreen Local Schools funded?

Evergreen Schools are funded by the State of Ohio through the Ohio Department of Education, local property taxes, and a local income tax established by a traditional tax base.

How long has this income levy been collected by Evergreen Local Schools?

Voters living in the Evergreen Local School District approved a traditional income tax levy effective in 1990. As of January 2022, 210 Ohio school districts impose an income tax, according to the Ohio Department of Taxation. Some of the local school districts that also impose an income tax levy and the year it became effective include: Fayette (1992), Pettisville (2002), Pike-Delta-York (2022), Wauseon (2022), Swanton (2005), Liberty Center (1996), Patrick Henry (1991), Bowling Green (1993), Otsego (2003), Defiance (1992), Bryan (2007), Montpelier (2000), Stryker (1991), and Perrysburg (1992).

What is the breakdown of funding by source?

Based upon the last four years in which the income tax rate has not changed, Evergreen's funding is comprised by the following:

- 38.9% from state allocations
- 30.7% from property taxes
- 30.4% from income taxes

What is the total income tax rate for Evergreen Local Schools?

Evergreen Local Schools has a combined income tax rate of 1.5%.

What are the current income tax rates for the district?

The traditional levy breakdown includes:

- 0.75% continuing levy
- 0.50% levy expiring in 2024
- 0.25% levy expiring in December 2022. This 0.25% income tax renewal levy will be on the November 8, 2022 ballot for voter approval.

Is this a new tax?

No. This is not a new tax. District residents will not pay any additional taxes to Evergreen Schools. This tax will not generate any new money for Evergreen Schools but will continue to provide for planned expenses.

Why does the school district need to renew this operating levy?

Renewal of this levy is imperative for the district to maintain its current levels of service and programming for the students. Based on the current funding model, District revenue is essentially a fixed income. The current state of the economy has inflation rates at the highest levels in forty years with district operating expenses continuing to increase.

How much money does the 0.25% income tax levy raise?

Last year, this levy was responsible for approximately \$670,000.00 of the district's General Fund.

What are these funds used for?

The General Fund pays for Evergreen's day-to-day operating expenses, including: teachers and staff, special education services, curriculum resources/textbooks, student programs, building utilities, transportation, and supplies. With the recent changes in the country's economy, Evergreen's income tax revenue has decreased to an amount comparable to the revenue collected in fiscal year 2015.

What expenses does the General Fund not provide for?

The General Fund does not pay for food services, athletics, debt services, permanent improvement projects, or student scholarships; these areas have separate funds and separate sources of revenue that cannot be combined.

What are the greatest expenses for the district?

School districts cannot operate without qualified staff. In order to educate the community's children, Evergreen's largest expenditure is personnel costs followed by operating expenses.

What cuts will the district have to make if the levy renewal fails?

Additional reductions will need to be made in order for the district to balance its budget. The district has already cut costs by exchanging programs/software for less expensive ones, the Attendance Officer/Social Outreach position was not filled, the state-reporting (EMIS) duties have been absorbed into a current position, and the EMS cafeteria is no longer used to prepare food in order to reduce maintenance costs. Because this levy is responsible for a large portion of the district's general fund, cutting \$670,000.000 will be extremely difficult without eliminating staff and faculty positions. If this renewal levy fails, the administration will have to make significant reductions.

How much does this levy renewal cost the average resident?

A district resident who makes \$50,000.00 per year will pay approximately \$125.00 annually.

Was this levy originally set at a higher percent?

Yes. This levy was at 0.50%, but it was reduced in 2017 to 0.25% due to the district's strong fiscal management. This was a way for the district to give back to its residents and remain good stewards of taxpayer money.

Is social security taxed for retirees?

No. This renewal tax does not tax social security income.

When will this 0.25% income tax renewal levy be on the ballot for voter approval?

November 8, 2022