



# A Nonpartisan Guide to the Columbus City Schools' 2008 Proposed Levy and Bond Issue

## Context: Key trends affecting Columbus City Schools

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KidsOhio.org is an Ohio-led, nonpartisan, nonprofit organization working to improve the lives and education of Ohio's nearly three million children, especially disadvantaged youngsters. To learn more, visit us at [www.KidsOhio.org](http://www.KidsOhio.org).

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### Enrollment declines, but students have greater needs

Columbus' student body, the largest in Ohio, changed dramatically between 1999-2000 and 2006-2007. While overall enrollment declined by nearly 10,000 students, the district saw increases in the number and rate of low-income students, students with limited English proficiency and students with special needs.

Columbus City Schools' Changing Demographics 2000 to 2007			
Demographic	Then	Now	Difference
Enrollment	63,589	53,674	-9,915
% Economically Disadvantaged	57%	73%	+16 percentage points
% with Limited English Proficiency	3%	8%	+5 percentage points
% with Special Education Needs	12%	15%	+3 percentage points

Source: Ohio Department of Education, Power User Reports and EMIS Reports.

### How do changing demographics affect the district's budget?

Lower enrollment means fewer students to fund. On the other hand, studies show that economically disadvantaged students, students with limited English proficiency and students with special education needs require more resources and therefore additional funds per pupil.

### District has improved academically despite rising poverty & special needs

Columbus has improved in some academic areas since the beginning of the decade. Between school years 1999-2000 and 2006-2007, the district:

- Improved its overall state report card rating from "F" to "C."
- Improved its graduation rate by 8 percentage points—from 60% to 68%.

In addition, 90% of the district's elementary schools and 54% of the district's middle schools met the state's new standard for one year's worth of academic progress in 2007.

## The Ohio Core Curriculum: New standards for the 21<sup>st</sup> Century

In response to an increasing demand for high-level knowledge and skills in a 21<sup>st</sup> Century economy, the state of Ohio adopted the Ohio Core Curriculum, a more rigorous standard for high school coursework.

Starting with the graduating class of 2014 (7<sup>th</sup> graders in Fall 2008), all Ohio high school graduates will be required to complete the Ohio Core Curriculum, which includes: four years of math, including Algebra II or equivalent, and three years of science with lab experience, including physical science and biology.

The district has outlined new initiatives to implement the Ohio Core Curriculum as part of its levy proposal (see page 4).

## Why a levy, how much will it cost and what will it pay for?

### Ohio school districts need to periodically seek voter support to increase operating funds

Under Ohio law, the district's past property tax levies do not grow with increases in existing property values. In addition, the district does not expect its state funding, which is based on formulas, to grow in the coming years. As a result, the district is seeking additional general operating funds in the form of a new operating levy.

In fiscal year 2007, local property tax revenues comprised 54% of the district's revenues, with 32% from the state and 14% from the federal government. The district's last operating levies passed in November 2004 and November 1996.

### District honors its 2004 fiscal accountability pledge

When the district proposed its November 2004 levy, the school board made a four-part accountability pledge. The district honored this pledge, which included:

- To not return to the ballot until 2008;
- To live within the district's projected income by keeping average annual spending growth at 3 percent;
- To strengthen financial oversight with an expanded Audit and Accountability Committee; and
- To issue a quarterly fiscal report card.

### Proposed 7.85-mill levy would generate an estimated \$77 million a year in new operating revenues

One "mill" generates \$1 in annual tax revenues for every \$1,000 in assessed property value in a school district. The Columbus City School District's assessed property value for tax year 2008 is about \$9.85 billion, so each mill generates approximately \$9.85 million for the district annually. Therefore, the proposed 7.85-mill levy would generate about \$77 million a year in new operating revenues for the district:

$$\text{Annual Revenue from Levy: } 7.85 \text{ mills} \times \$9.85 \text{ million/mill} = \$77 \text{ million}$$



### **Cost to homeowners: An estimated \$240 a year in new taxes for every \$100,000 in home valuation**

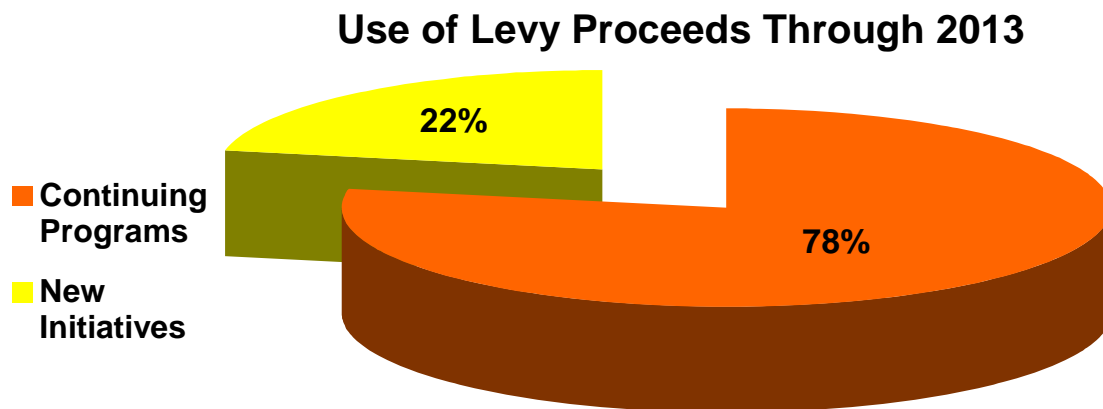
The proposed 7.85-mill levy would cost a homeowner under age 65\* in the district about \$240 annually for every \$100,000 in the market value of a home. Homeowners in the district currently pay about \$992 a year in property taxes going to the district per \$100,000 in home valuation.

According to the Franklin County Auditor, the average market value of a home in the district in 2007 was \$111,700. This means that the proposed levy would cost the average homeowner about \$269 annually (Note: See back cover for the total cost of the levy and bond issue.)

### **78% of the levy proceeds would pay for rising costs of current operations through FY2013**

The district's budget forecast projects increases in the cost of its current operations going forward. Most of the increases are attributed to an expected rise in personnel costs (salaries and benefits), which comprised 75% of the district's general operating expenditures in FY2008 (typical of Ohio school districts). The district also expects ongoing increases in food, transportation and utility costs.

Taking these and other considerations into account—including nearly \$100 million in reductions through FY2013 (see page 5)—the district expects to spend about 78% of the proposed levy proceeds on the continuation of current operations through FY2013.



\* Note: Ohio homeowners who are over age 65 or those who are permanently and totally disabled may exempt \$25,000 of the market value of their home from all local property taxes. The exemption would save these homeowners about \$60 per year on a 7.85-mill levy.



## Twenty-two percent of levy proceeds would pay for new initiatives, such as hiring 302 educators

New initiatives include:

- 1) **Restoring, in middle and high schools, the 40-minute period previously cut from the school day.** The district believes that the extra class time will help students to complete the Ohio Core Curriculum. The district expects to hire 164 new teachers for this initiative.
- 2) **Adding 44 science teachers, 6 special education teachers and 23 counselors to support students in completing the Ohio Core Curriculum.**
  - Each Columbus middle and high school would get one of the additional 44 science teachers to provide increased lab time for students.
  - The district also plans to hire six special education teachers to support high school students in lab courses.
  - Among the 23 new counselors included in the plan, 14 would staff elementary or middle schools and nine would staff high schools. According to the district, the counselors would assist students with preparation for graduation requirements and college entrance.
- 3) **Opening four new college-prep, regional theme schools.** The initiative would involve hiring 12 educators and providing them with professional development, in addition to purchasing new computers and other supplies for students.
- 4) **Reducing class sizes in grades K-3.** The plan is to hire 53 teachers to reduce average class size in some schools.
- 5) **Adding 15 security staff.** The plan includes adding eight staff for middle schools and seven staff for high schools.

Annual Cost of New Initiatives under Proposed Operating Levy: FY2009-FY2013						
New Initiative	Cost (millions, numbers rounded)					Total
	FY2009*	FY2010	FY2011	FY2012	FY2013	
Adding 164 Teachers To Lengthen School Day	\$0.0	\$8.6	\$9.2	\$9.8	\$10.5	\$38.2
Adding 73 New Educators for Ohio Core Support**	\$0.0	\$2.7	\$5.5	\$5.9	\$6.3	\$20.4
Opening Four New College-Prep Regional Theme Schools	\$0.0	\$0.5	\$0.8	\$1.3	\$1.3	\$3.9
Reducing K-3 Class Size by Adding 53 New Teachers	\$0.0	\$2.8	\$3.0	\$3.2	\$3.4	\$12.3
Adding 15 Security Personnel	\$0.0	\$0.4	\$0.5	\$0.9	\$0.9	\$2.7
<b>All New Initiatives</b>	<b>\$0.0</b>	<b>\$15.0</b>	<b>\$18.9</b>	<b>\$21.1</b>	<b>\$22.5</b>	<b>\$77.6</b>

Source: Columbus City Schools, "Building a System of Excellent Schools 2012 and Beyond with Phased-In Implementation."

\*FY2009 began July 1, 2008.

\*\* Includes 44 science teachers, 6 special education teachers and 23 counselors.



## Levy proposal includes cuts, such as closing six schools and reducing staff

Built into the district's levy proposal are cuts from the projected budget to ensure that the district will not need to return to the ballot for four years. The cuts include:

- 1) Eliminating 300 staff positions if enrollment declines.** The district's budget projects enrollment declines of 1,500 students per year and commensurate reductions of 60 staff annually over five years.
- 2) Closing six schools by June 2011.** The district plans to close six schools to produce a projected savings of \$23.4 million over the FY2010-FY2013 period.
- 3) Making \$76 million in additional reductions through June 2013.** The levy proposal pledges to make \$76 million in additional, yet-to-be-specified cost reductions between now and June 2013. Among the areas the district cites for potential cost savings are further consolidating buildings and academic programs and improving efficiency in transportation and food service. These reductions, which would average \$19 million annually over the period July 1, 2009 through June 30, 2013, would be made in the district's annual budget, which must be approved by the board by June 30 each year.

## Budget to grow by 4.1% annually from \$695 million to \$815 million: District will need to return to the ballot in 2012

Under the proposed levy plan, the district's annual general fund expenditures are projected to grow by over \$100 million, from \$695 million in FY2009 (which began July 1, 2008) to \$815 million in FY2013 (which begins July 1, 2012). The table below shows the district's estimated budget, if the levy passes. The district expects its cash balance as of June 30, 2013 to be about \$1 million.

Columbus City Schools' General Fund Forecast if Proposed 2008 Levy Passes						
		Fiscal Year (all values in millions)				
		FY2009	FY2010	FY2011	FY2012	FY2013
Revenues before Levy		\$668	\$673	\$674	\$676	\$669
New Revenues if Levy is Approved	<i>plus</i>	\$39	\$77	\$77	\$77	\$77
Total Revenues if Levy is Approved	<i>equals</i>	\$707	\$750	\$751	\$753	\$747
Expenditures*	<i>minus</i>	\$695	\$712	\$746	\$779	\$815
<b>Revenues minus Expenditures</b>	<i>equals</i>	<b>\$12</b>	<b>\$38</b>	<b>\$5</b>	<b>-\$26</b>	<b>-\$68</b>
<b>Year-End Cash Balance**</b>		<b>\$52</b>	<b>\$90</b>	<b>\$95</b>	<b>\$69</b>	<b>\$1</b>

### Notes:

FY2009 began on July 1, 2008. All numbers are based on projections and are rounded for simplicity.

\*Assumes that the pledged \$76 million in reductions come as \$19 million in reductions in each of the years FY2010-FY2013.

\*\*Year-End Cash Balance calculated as Revenues minus Expenditures plus prior year Year-End Cash Balance.

Assumes district-estimated Year-End Cash Balance of \$40 million for FY2008.

Note that, due to the fact that property tax levies do not grow with inflation, it is typical for a levy to provide more revenue than needed in its early years and less than needed in later years.



## The proposed \$164 million bond issue would finance new buses, textbooks and computers, and replace or renovate 10 to 12 schools

### The district would change the way it purchases buses, textbooks and computers

Historically, the district purchased buses, textbooks and computers with annual operating dollars. Instead, the district proposes to finance these purchases by issuing bonds. This would allow the district to buy more of these items at an earlier date. The bond proceeds for the first two years could be used for buses, textbooks and computers since most costs for new schools would not be incurred until construction begins in 2010.

### The district reports a need to replace outdated school buses, textbooks and computers

**Buses:** Buses have a useful life of 15 to 20 years. Currently, 60 percent of the district's 543 buses are 15 years old or older. Many have been driven more than 200,000 miles. Columbus has Ohio's largest school bus fleet and covers more square miles than any other urban school district in the state.

**Bond Proposal:** Spend \$22 million to replace nearly half of the district's buses.

**Textbooks:** Many textbooks are outdated.

**Bond Proposal:** Spend \$11 million to purchase new textbooks, including social studies books for grades K-11 and science books for grades 6-12.

**Computers:** 10,950 of the district's desktop computers are more than seven years old.

**Bond Proposal:** Spend \$8 million to replace outdated desktop and laptop computers. Desktop computers for elementary school students would be equipped to serve four workstations at a cost of \$900 each. Older computers provide one workstation at a higher cost per workstation.

The bus, textbook and computer proposals are one-time only purchases. Therefore, the district would have to return to the ballot in the future to "refresh" these resources.

### **Cost to homeowners: An estimated \$35 a year in new taxes for every \$100,000 in home valuation**

The proposed 1.13-mill bond issue would cost a homeowner under age 65 in the district about \$35 annually for every \$100,000 in the market value of a home.



## **District will replace or renovate 23 schools by August 2008 with 11 more under construction**

In 2001, an assessment of every Columbus school by the Ohio School Facilities Commission determined that the district needed to modernize its schools. In 2002, Columbus voters passed a \$392 million bond issue for which the state provided 30% matching funds. The district originally planned to modernize 38 schools but changes in enrollment resulted in 35\* schools being replaced or renovated. These schools will serve an estimated 17,000 students, which was the district's original goal. With the oversight of the Neighborhood School Development Partnership, an independent volunteer panel, the district has remained on budget despite double-digit inflation in the cost of building materials.

### **Since 2002, the district:**

- Closed 21 schools due to declining enrollment;
- Replaced or renovated 23 schools (11 more are scheduled for completion in 2009); and
- Replaced roofs and boilers for 42 schools, so that these buildings can be occupied until they can be completely replaced or renovated.

## **District's proposed new bond issue would replace or renovate an additional 10 to 12 schools**

In 2002, the district made a commitment to bring all buildings up to state standards in phases over 15 years. The proposed bond issue would provide \$123 million for the next segment of projects and would replace or renovate 10 to 12 additional schools by 2012. The order of priority for building projects is determined by the physical condition of the school, academic program needs and enrollment trends.

### **Benefits of replacing or renovating schools include:\*\***

- Updated science labs and technology
- More square footage per student
- Community meeting space
- Improved energy efficiency
- Improved safety and security (doors that automatically lock, safety cameras, better lighting, bus drop-off areas that are separate from streets, etc.)

\* Plans for the 35th school are on hold as the district awaits decisions by the Ohio Department of Transportation. \*\*To learn more about the benefits of replaced or renovated schools, see the Ohio School Facilities Commission's website at <http://www.osfc.state.oh.us/>.



## Summary

### The Proposed 7.85-Mill Levy Would:

- Generate about \$77 million a year in new operating funds
- Direct 78% percent of new funds to pay for cost increases in current operations
- Allocate 22% of new funds to pay for new initiatives including hiring 302 educators
- Add 40-minutes of daily instruction in middle/high schools, 4 college-prep regional theme schools, some smaller K-3 classes and 15 new security staff
- Include nearly \$100 million in reductions through June 30, 2013

**The Proposed 1.13-Mill Bond Issue:** Would generate \$164 million to replace or renovate 10 to 12 schools and purchase new buses, textbooks and computers.

**Annual Cost to a Homeowner:** \$275 per \$100,000 in home valuation.

## Voting Facts for the November 4, 2008 Ballot

Voter registration is open until October 6<sup>th</sup>.

### Early voting begins September 30<sup>th</sup>.

The Board of Elections expects 1/3 of Franklin County voters to vote *before* November 4.

In a mock election using test ballots, the Board of Elections found that it took an average of 9 minutes to complete a ballot for a Columbus precinct.

**Franklin County Board of Elections:**  
614.462.3100; [vote.franklincountyohio.gov](http://vote.franklincountyohio.gov)

### Other resources:

#### Columbus City Schools:

<http://www.columbus.k12.oh.us>

#### Columbus Board of Education:

<http://www.columbus.k12.oh.us/website.nsf/Homepage/BoardOfEducation>

#### Franklin County Auditor:

<http://www.franklincountyohio.gov/auditor>

#### The Ohio Core:

[www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEPrimary.aspx?page=2&TopicRelationID=1560](http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEPrimary.aspx?page=2&TopicRelationID=1560)

To download a copy of this report, visit [www.KidsOhio.org](http://www.KidsOhio.org).

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