



A Nonpartisan Guide to Issue 75: Columbus City Schools' 2008 Combined Levy and Bond Issue

Context: Key trends affecting Columbus City Schools

This report will tell you:

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SPECIAL INSERT: How Columbus compares to other school districts in Franklin County and across the state

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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.

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Statewide data supported by the Bill & Melinda Gates Foundation.

Enrollment declines, but students have greater needs

Columbus' student body, the largest in Ohio, changed dramatically between 1999-2000 and 2007-2008. While overall enrollment declined by over 10,000 students, the district saw increases in the number and percentage of low-income students, students with limited English and students with special needs.

Columbus City Schools' Changing Demographics 2000 to 2008			
Demographic	Then	Now	Difference
Enrollment	63,589	52,894	-10,695
% Economically Disadvantaged	57%	73%*	+16 percentage points
% with Limited English Proficiency	3%	9%	+6 percentage points
% with Special Education Needs	12%	16%	+4 percentage points

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

*Value based on January 2008 Columbus City Schools data extract, provided September 2008.

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 "Academic Emergency" ("F") to "Continuous Improvement" ("C"). The district maintained its "C" rating in 2007-2008 as well.
- Improved its graduation rate by over 10 percentage points—from 60% to 71%.

In addition, among the district's schools rated under Ohio's new "value-added" system in 2008, 59% met or exceeded the state's standard for one year's worth of academic progress—compared with 56% of all public schools statewide.

The Ohio Core Curriculum: New standards for the 21st Century

In response to an increasing demand for high-level knowledge and skills in a 21st 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 (7th 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 its 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; makes new pledge for 2008

On August 19, the district's school board adopted a resolution pledging not to return to the ballot until 2012 if the November 2008 levy passes. The resolution builds on a similar 2004 accountability pledge—which the district honored—and includes promises to:

- Not return to the ballot until 2012;
- Maintain financial oversight with the Audit and Accountability Committee;
- Continue to issue a quarterly fiscal report card; and
- Issue an annual report on the district's academic performance.

To access a copy of the resolution in its entirety, visit www.KidsOhio.org.

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

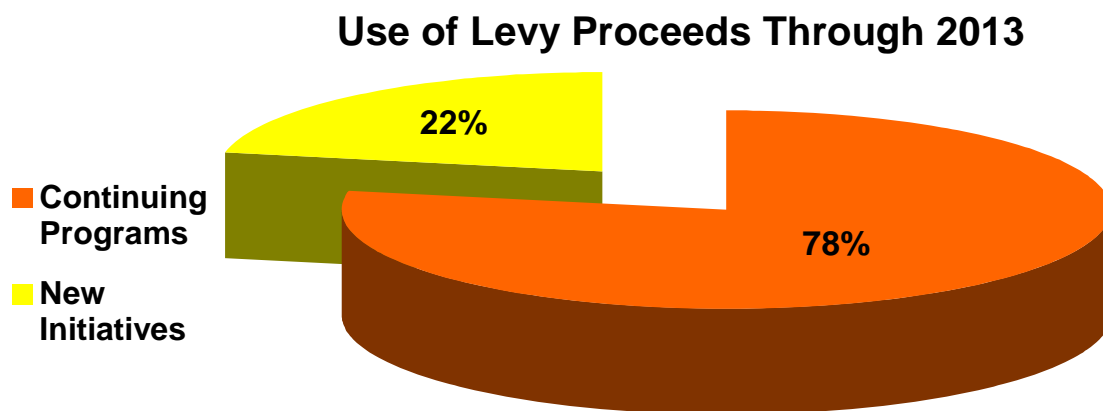
The proposed 7.85-mill levy would cost a homeowner under age 65* in the district about \$240 annually for every \$100,000 in the market value of a home. Homeowners in the district currently pay about \$992 a year in property taxes going to the district per \$100,000 in home valuation.

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.



22% of levy proceeds would pay for new initiatives, to be staffed by 302 new educators

New initiatives include:

- 1) **Restoring 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 help students prepare for more demanding courses, 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 1-3.** The district plans to hire 53 teachers to reduce average class size in these grades from 28:1 to 25:1.
- 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 Class Size in Grades 1-3 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
All New Initiatives	\$0.0	\$15.0	\$18.9	\$21.1	\$22.5	\$77.6

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.



How does Columbus City Schools Compare to Ohio's Seven Other Large Urban School Districts?

[a] School District	[b] State Report Card Rating	Enrollment and Demographics				Financial Data					
		[c] Enrollment	[d] % of Students Economically Disadvantaged	[e] % with Special Education Needs	[f] % with Limited English Proficiency	[g] Expenditures Per Pupil	[h] Average Teacher Salary	[i] RESIDENTIAL School Taxes per \$100,000 of Real Property Valuation	[j] BUSINESS School Taxes per \$100,000 of Real Property Valuation	[k] Local Revenue as % of District Total	[l] Median Income among District Residents
Akron	C	24,986	80%	18%	2%	\$10,423	\$57,069	\$1,196	\$1,747	39%	\$25,413
Canton	C	10,273	74%	16%	1%	\$10,560	\$53,656	\$991	\$1,592	30%	\$21,552
Cincinnati	C	33,781	60%	20%	3%	\$12,604	\$64,029	\$1,058	\$1,487	56%	\$27,387
Cleveland	D	50,078	84%	20%	5%	\$12,225	\$63,069	\$890	\$1,561	31%	\$22,632
Columbus	C	52,894	73%*	16%	9%	\$12,653	\$62,474	\$992	\$1,611	54%	\$27,043
Dayton	D	15,023	90%	20%	2%	\$13,531	\$52,450	\$1,050	\$1,877	39%	\$23,926
Toledo	C	27,200	55%	19%	2%	\$11,320	\$50,083	\$968	\$1,827	35%	\$26,098
Youngstown	D	7,215	87%	17%	2%	\$15,388	\$50,729	\$1,074	\$1,599	23%	\$20,717
State Average			38%	15%	2%	\$9,587	\$53,410			49%	

**Columbus' Rank
among 8
Districts:**

Highest	3rd Lowest	Lowest (tied)	Highest	3rd Highest	3rd Highest	4th Lowest	4th Highest	2nd Highest	2nd Highest
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Sources:

School District Data:

Cols. [b], [c], [e], [f], [h]: Ohio Department of Education, Download Data.

Col. [d]: Value for Columbus from Columbus City Schools. All other values from Ohio Department of Education, Download Data.

Cols. [g], [k]: Ohio Department of Education, FY-2007 District Profile Report as of February 4, 2008.

Cols. [i]-[j]: Ohio Department of Taxation, 2007 Millage Rates by School District.

Col. [l]: Ohio Department of Taxation, 2006 Table Y-2.

State Average Data: Ohio Department of Education, Power User Reports.

Notes:

All values are most recent available.

*Value based on Columbus City Schools January 2008 data extract, provided September 2008.

Cols. [b]-[f], [h]: Values for the 2007-2008 school year.

Cols. [g], [k]: Values for the 2006-2007 school year.

Col. [i]: Calculated for each district as \$30.625 times the district's "2007 Total Class I Residential/Agricultural Rate." Assumes the homeowner occupies the home and is not eligible for the Homestead Exemption.

Col. [j]: Calculated for each school district as \$35.00 times the district's "2007 Total Class II Commercial/Industrial Rate."

Col. [l]: 2006 Median Federal Adjusted Gross income.



How does Columbus City Schools Compare to Franklin County's 15 Other School Districts?

[a] School District	[b] State Report Card Rating	Enrollment and Demographics				Financial Data						
		[c] Enrollment	[d] % of Students Economically Disadvantaged	[e] % with Special Education Needs	[f] % with Limited English Proficiency	[g] Expenditures Per Pupil	[h] Average Teacher Salary	[i] RESIDENTIAL School Taxes per \$100,000 of Real Property Valuation	[j] BUSINESS School Taxes per \$100,000 of Real Property Valuation	[k] Local Revenue as % of District Total	[l] Median Income among District Residents	
Bexley	A (with distinction)	2,031	8%	10%	1%	\$13,235	\$69,766	\$1,462	\$2,465	77%	\$57,441	
Canal Winchester	B	3,267	20%	11%	3%	\$9,142	\$51,297	\$951	\$1,177	50%	\$43,304	
Columbus	C	52,894	73%*	16%	9%	\$12,653	\$62,474	\$992	\$1,611	54%	\$27,043	
Dublin	A (with distinction)	12,901	15%	9%	7%	\$11,444	\$64,519	\$1,246	\$1,707	78%	\$48,989	
Gahanna-Jefferson	B	6,824	17%	15%	1%	\$10,029	\$65,267	\$1,034	\$1,476	71%	\$44,996	
Grandview Heights	A	1,141	11%	14%	< 10 students	\$13,003	\$66,960	\$1,270	\$2,366	75%	\$42,470	
Groveport Madison	C	5,869	40%	18%	3%	\$9,610	\$57,847	\$827	\$1,221	47%	\$31,407	
Hamilton	B	3,236	44%	11%	1%	\$7,976	\$45,384	\$880	\$1,148	32%	\$29,714	
Hilliard	A (with distinction)	14,185	16%	12%	6%	\$10,234	\$60,326	\$1,286	\$1,803	64%	\$48,217	
New Albany-Plain	A (with distinction)	3,765	5%	9%	1%	\$10,874	\$56,508	\$1,528	\$1,745	84%	\$69,163	
Reynoldsburg	A	6,398	34%	15%	3%	\$8,662	\$56,990	\$961	\$1,328	42%	\$35,581	
South-Western	C	20,406	24%	13%	12%	\$8,875	\$57,620	\$1,045	\$1,679	46%	\$33,528	
Upper Arlington	A (with distinction)	5,438	1%	8%	2%	\$13,406	\$67,853	\$1,437	\$2,050	82%	\$62,252	
Westerville	A	13,470	22%	12%	7%	\$9,236	\$63,000	\$1,272	\$1,578	64%	\$42,898	
Whitehall	C	2,840	67%	17%	12%	\$10,495	\$53,614	\$1,002	\$1,597	40%	\$25,610	
Worthington	A	9,217	10%	10%	4%	\$12,148	\$67,376	\$1,274	\$1,944	70%	\$44,792	
State Average			38%	15%	2%	\$9,587	\$53,410			49%		

Columbus' Rank among 16 Districts:

Highest Highest 3rd Highest 3rd Highest 4th Highest 8th Highest 5th Lowest 8th Lowest 7th Lowest 2nd Lowest

See reverse for Sources and Notes.



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 district reports that it reduced expenditures over projected growth by \$150 million over the past four years. The levy proposal pledges to make \$76 million in additional 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, averaging \$19 million per year 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 school 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
Revenues minus Expenditures	<i>equals</i>	\$12	\$38	\$5	-\$26	-\$68
Year-End Cash Balance**		\$52	\$90	\$95	\$69	\$1

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.





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 covers more square miles than any other urban school district in the state and has Ohio's largest school bus fleet.

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 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 has replaced or renovated 23 schools, 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 35 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 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 committed to bringing 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/>.



Issue 75 Summary

The Proposed 7.85-Mill Levy Would:

- Generate about \$77 million a year in new operating funds.
- Direct 78% of new funds to pay for cost increases in current operations.
- Allocate 22% of new funds to pay for new initiatives—including adding 40 minutes of daily instruction, 4 college-prep regional theme schools, some smaller classes in grades 1-3 and 15 new security staff. The initiatives call for a total of 302 new educators.
- 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.

To read the ballot language for Issue 75, visit www.KidsOhio.org.

Voting Open September 30 - November 4

Early voting begins September 30th.
Voters wishing to cast their ballots early can do so M-F from 8 a.m. to 7 p.m., Saturdays from 8 a.m. to 5 p.m., and Sundays from 1 p.m. to 5 p.m. at *Veterans Memorial*, 300 W. Broad St.

The Board of Elections expects 1/3 of Franklin County voters to vote *before* November 4, and estimates that it will take an average of 9 minutes to complete a ballot for a Columbus precinct.

Voters can register until October 6th.
Contact the Franklin County Board of Elections to check your polling location as it may have changed.

614.462.3100; 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

To download a copy of this report, visit www.KidsOhio.org.

To obtain hard copies of this report, contact Keisha Hunley-Jenkins at (614) 228-6400 or khunley@KidsOhio.org.

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