



# Heath City Schools Financial Task Force Meeting #2

October 10, 2018



**ROCKMILL**  
Financial Consulting LLC

David J. Conley

President

(513) 260-1495

[www.rockmillfinancial.com](http://www.rockmillfinancial.com)

# Planned Meeting Topics

- School district background and demographics
- How schools function and the cost to taxpayers
- The district's financial condition and projections for the future
- Financing tools available to the community
- Development of a funding plan
- Recommend funding plan(s) to the Board of Education

# The Future of Ohio Public Schools



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## #EachChildOurFuture

In Ohio, each child is *challenged, prepared and empowered.*



### Vision

In Ohio, each child is **challenged** to discover and learn, **prepared** to pursue a fulfilling post-high school path and **empowered** to become a resilient, lifelong learner who contributes to society.

### Four Learning Domains



#### Foundational Knowledge & Skills

Literacy, numeracy and technology



#### Well-Rounded Content

Social studies, sciences, languages, health, arts, physical education, etc.



#### Leadership & Reasoning

Problem-solving, design thinking, creativity, information analytics



#### Social-Emotional Learning

Self-awareness & management, social awareness, relationship skills, responsible decision-making

WHOLE CHILD

### One Goal



Ohio will increase annually the percentage of its high school graduates who, one year after graduation, are:

- Enrolled and succeeding in a post-high school learning experience, including an adult career-technical education program, an apprenticeship and/or a two-year or four-year college program;
- Serving in a military branch;
- Earning a living wage; or
- Engaged in a meaningful, self-sustaining vocation.

### Three Core Principles



Equity



Partnerships



Quality Schools

### 10 Priority Strategies

- 1 Highly effective teachers & leaders
- 2 Principal support
- 3 Teacher & instructional support
- 4 Standards reflect all learning domains
- 5 Assessments gauge all learning domains
- 6 Accountability system honors all learning domains
- 7 Meet needs of whole child
- 8 Expand quality early learning
- 9 Develop literacy skills
- 10 Transform high school/provide more paths to graduation

Ohio Strategic Plan For Education: 2019-2024



Each Child Our Future

# How Governments in Ohio are Funded



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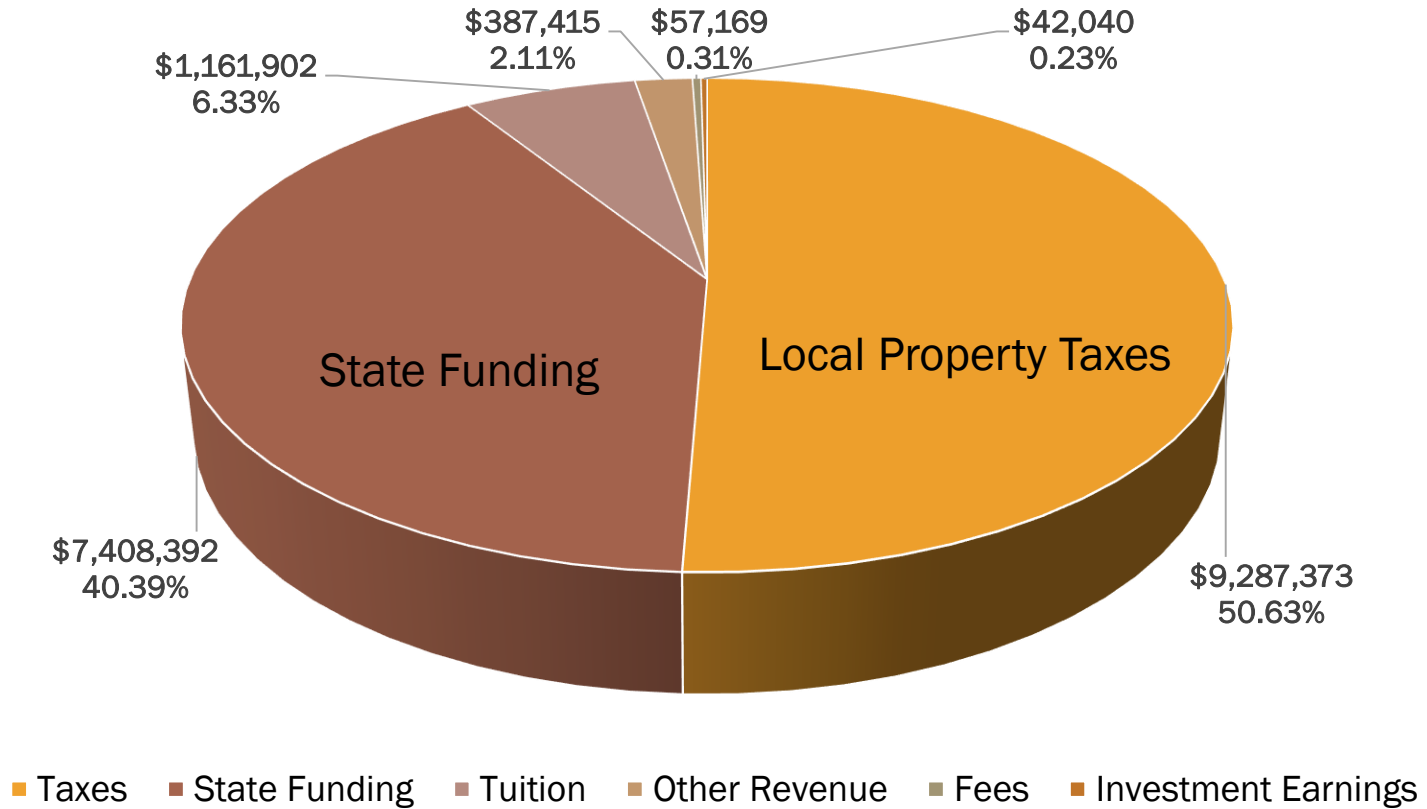
- **State**
  - Income Tax
  - Sales Tax
  - Other
- **County**
  - Sales Tax
  - Other
- **Village and City**
  - Income Tax
  - Other
- **School District**
  - Property Tax
  - Income Tax
  - State Funding
- ❖ **Township**
  - Property Tax
  - Other



# How are Funds Used?

Areas of Service	Amount	Percent
Instruction	\$10,095,259	59.53%
Operations and Maintenance	\$1,570,171	9.26%
Administration	\$1,365,670	8.05%
Capital Outlay	\$640,055	3.77%
Pupils	\$618,215	3.65%
Fiscal Services	\$577,135	3.40%
Transportation	\$554,295	3.27%
Extracurricular	\$417,659	2.46%
Central	\$383,967	2.26%
Board of Education	\$329,525	1.94%
Instructional Staff	\$310,864	1.83%
Debt	\$79,398	0.47%
Business	\$13,562	0.08%
Food Service	\$1,548	0.01%
<b>Total</b>	<b>\$16,957,323</b>	<b>100.00%</b>

# Where Funds Come From?



**\$18,344,291 Total Revenues**



# How are the Taxes Broken Down?

Collection	AGRICULTURAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	UTILITY REAL	UTILITY PERSONAL	PERS TANGIBLE	MINERAL	TOTAL VALUE	% RES/AG
1998	1,006,690	65,823,280	55,582,460	9,903,580	0	7,594,650	49,494,154	1,410	189,406,224	35%
1999	883,150	72,870,190	62,150,380	9,491,670	0	8,135,630	45,192,200	630	198,723,850	37%
2000	1,048,770	85,752,490	73,085,870	9,154,260	0	7,546,750	47,910,575	350	224,499,065	39%
2001	937,600	88,292,480	73,980,400	9,065,430	19,860	7,851,500	47,410,970	350	227,558,590	39%
2002	1,915,330	92,494,060	75,432,610	9,057,240	19,460	6,389,920	48,489,060	0	233,797,680	40%
2003	962,130	105,224,420	80,493,920	8,724,870	19,750	6,458,770	41,912,550	0	243,796,410	44%
2004	1,269,110	107,855,680	81,016,760	8,797,360	19,970	6,228,930	39,891,150	0	245,078,960	45%
2005	1,357,510	111,218,120	83,903,370	7,644,480	20,060	6,498,070	37,575,320	0	248,216,930	45%
2006	1,111,110	126,075,920	101,968,290	7,498,130	12,590	6,351,210	41,772,360	0	284,789,610	45%
2007	1,303,340	128,112,400	99,853,250	7,500,130	11,870	6,463,400	33,501,330	0	276,745,720	47%
2008	1,332,660	131,017,690	103,114,130	7,581,720	11,570	5,352,300	24,322,550	0	272,732,620	49%
2009	1,512,360	133,166,060	102,596,260	7,252,320	11,400	5,898,790	12,562,490	0	262,999,680	51%
2010	1,565,070	134,277,000	100,139,480	7,205,580	65,700	6,323,850	536,600	0	250,113,280	54%
2011	1,472,720	134,380,510	100,405,360	7,205,580	60,400	6,264,960	273,630	0	250,063,160	54%
2012	1,797,340	131,029,670	106,246,090	7,291,970	44,650	6,342,140	0	0	252,751,860	53%
2013	1,812,070	130,622,170	108,436,570	7,512,110	49,710	6,675,260	0	0	255,107,890	52%
2014	1,634,920	130,898,890	108,347,430	7,512,110	53,040	7,976,100	0	0	256,422,490	52%
2015	2,040,290	127,688,025	108,802,740	7,512,110	57,100	8,025,020	0	38,570	254,163,855	51%
2016	1,846,350	127,587,890	96,894,230	8,100,550	58,910	9,434,090	0	12,090	243,934,110	53%
2017	1,921,150	128,158,550	98,131,690	8,211,553	64,840	11,761,470	0	13,623	248,262,876	52%
<b>2018</b>	<b>1,751,490</b>	<b>143,978,310</b>	<b>104,984,460</b>	<b>8,385,470</b>	<b>68,490</b>	<b>12,215,810</b>	<b>0</b>	<b>7,570</b>	<b>271,391,600</b>	<b>54%</b>
				Reappraisal	Update	Non U or R				

Class 1

Class 2

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				Reappraisal	Update	Non U or R				

↓  
**Class 1**  
**\$145,729,800**  
**Individuals**

↓  
**Class 2**  
**\$125,661,800**  
**Businesses**



# Current Property Tax Rates

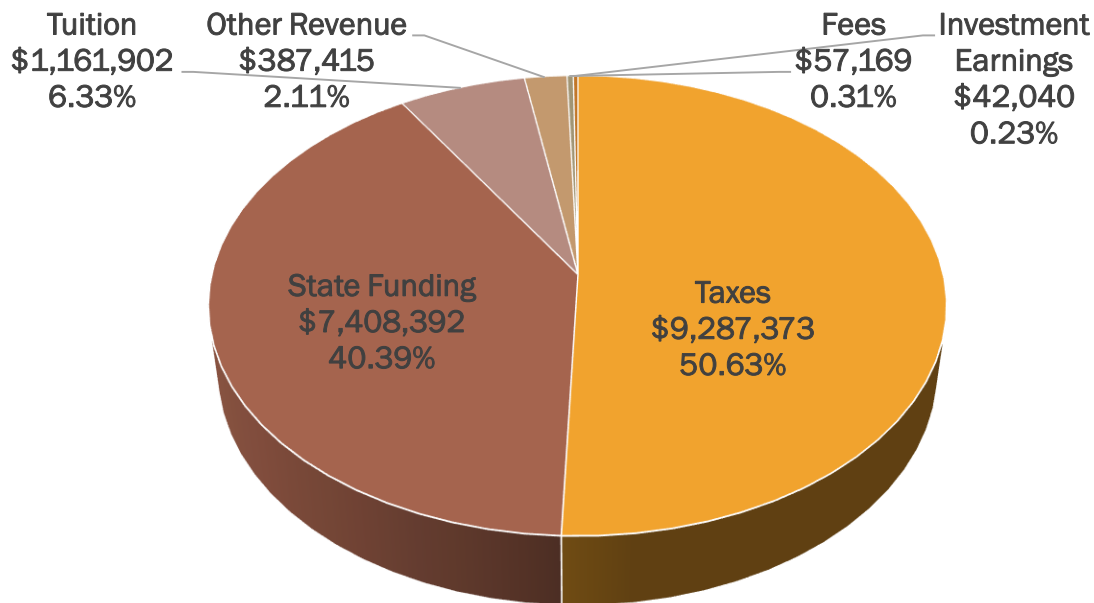
Year Approved	Purpose	Voted Rate	Current – C-1	Current C- 2
2000	BOND (\$17,243,350)	5.30	5.30	5.30
1995	PERMANENT IMPROVEMENT-ONGOING	1.20	0.70	0.85
1976	CURRENT EXPENSE	19.00	7.31	7.49
1980	CURRENT EXPENSE	4.00	1.80	1.83
1983	CURRENT EXPENSE	5.00	2.62	2.80
1990	CURRENT EXPENSE	6.00	3.37	3.84
2013	EMERGENCY (\$2,000,000)	7.50	7.50	7.50
2010	EMERGENCY (\$2,600,000)	9.70	9.70	9.70
Inside Millage	GENERAL FUND	4.90	4.90	4.90
		<b>Total Tax Rate</b>	<b>37.20</b>	<b>38.05</b>



Operating Tax Rates Only



# Breakout of Property Tax Revenue



Conceptual Property Tax Revenue			
Property Type	Tax Rate	Property Value	Revenue
Residential and Agriculture - Class I	37.20*	\$145,729,800	\$4,505,602
Business - Class II	38.05	\$125,661,800	\$4,781,771
<b>Total</b>		<b>\$271,391,600</b>	<b>\$9,287,373</b>

\*Adjusted for Rollback and Homestead

# Detailed Breakdown of Revenue Sources



Revenue Source	Amount	Percent
State Funding	\$7,408,392	40.39%
Businesses	\$4,781,771	26.07%
<b>Individuals</b>	<b>\$4,505,602</b>	<b>24.56%</b>
Tuition	\$1,161,902	6.33%
Other Revenue	\$387,415	2.11%
Fees	\$57,169	0.31%
Investment Earnings	\$42,040	0.23%
Total	\$18,344,291	100.00%

# Conclusions

- Heath provides a wide variety of educational services
- It takes approximately \$17,000,000 per year to serve the community
- The State of Ohio is a major contributor to the tax revenues of the district
- Businesses are also major contributors
- **Because of these factors Heath's residents only pay 25% of that cost**