

Cuyahoga Falls City Schools

Frequently Asked Questions

Issue 6 – November 5, 2019

Why have the current buildings not been maintained? Why do we think the schools will improve their record on new buildings? Why did they let the existing buildings get so bad?

- Current buildings are being maintained as necessary. Due to their age, repairs are frequent and expensive. For example:
 - New parking lots at Price, Preston, Lincoln, and Richardson;
 - New roofs at Bolich, DeWitt, Silver Lake, and part of CFHS;
 - New boilers at CFHS;
 - HVAC in all buildings;
 - Security throughout the district, both inside and outside;
 - Kitchen equipment in all buildings;
- We will continue to address issues as they emerge in our existing buildings as funds permit.
- With new construction, 0.5 mills or approximately \$385,000/year is dedicated to a maintenance fund, which will dedicate funds for future repairs of the facility.

What is the duration in time of the operating levy? Is it permanent?

- The operating portion of the ballot issue is for a 10-year period of time.

Why are we using a 4.5% interest rate on the bonds? How does that work versus millage?

- Bonds are similar to a mortgage. The cost of the project is spread across a 36-year period of time and is financed at 4.5%. Millage is determined on the average amount to repay the bonds versus the district's total property valuation.
- In this case, the total repayment (principal and interest = \$147,719,906) divided by the term (36 years) divided by the current valuation in the district (\$770,662,690) which is an estimated millage rate of 5.33 mills

What about Silver Lake Elementary?

- The 6-12 MS/HS campus represents Segment 1 of the Master Facilities Plan submitted to the Ohio Facilities Construction Commission. No discussions or decisions have been made relative to Segment 2 that will address the K-5 building needs in the district. Another planning committee and process will be commenced for the purpose of Segment 2 as Segment 1 reaches fruition approximately 4 years from passage.
- Specific to Silver Lake Elementary, we recently replaced the roof, made repairs to the existing boilers, and upgraded playgrounds in conjunction with the Home and School League.

Why new buildings v. renovation? Why not just renovate the existing buildings?

- Based on assessments of our buildings, renovating buildings to current construction and OFCC standards which include energy efficiency, life safety, security, classroom size, technology, etc. will cost more than two-thirds the cost to build new.
- Once a building crosses the two-thirds threshold, it is recommended to build new buildings such that we can get the most efficiency from our investment.
- For example, Bolich = 81%; Roberts = 76%; CFHS = 76%
- In new buildings, we can design spaces that best meet the educational needs of our staff and students in a 21st-century learning environment. This is called reprogramming. Once in a renovation project, if the total cost of renovation and reprogramming exceeds the cost to build new, the overage is not co-funded.

What is the estimated square footage of the proposed building? How does that compare with current HS + Roberts + Bolich square footage?

- Existing square footage:
 - CFHS = 304,476
 - Bolich = 96,768
 - Roberts = 75,249
 - Total = 476,493
- We are estimating the new building to be approximately 370,000 square feet. The difference is due to common or shared spaces which will allow district operations to be more efficient.
- For example, cafeterias, gymnasiums, mechanical rooms, media centers, offices, etc.

What will be the effect on busing? Will the district need to purchase new buses to accommodate transporting students from other areas?

- Yes, we will have to make adjustments in transportation. While state law only mandates transportation outside a two-mile radius for students in grades K-8, we have no intention to transport a 6th-grade student while leaving his/her 10th-grade sibling behind. Succinctly, we intend to provide transportation for students in grades 9-12 as well.
- We will examine the application of state law with the addition of high school ridership and make necessary adjustments for safety and efficiency.
- As a result, by state law we will need to offer transportation to students attending non-public schools within a thirty-minute radius of the public building that the student would normally attend unless it is declared impractical based on criteria provided in law.
- How many buses is under investigation; however, we are estimating four to five additional buses.

I'm concerned about my 11-yr old 6th grader being in a building with an 18-year old senior? How will they be separated? When and where will they co-mingle?

- While we are not in the design phase yet, typical designs of this type use common areas like gymnasiums and cafeterias as dividers between the educational spaces. Also typical in these designs are separate entrance and exit areas.

- We can think of the complex as two buildings that share common spaces for efficiency.
- Many school districts in our area are going to or now in a campus environment.
- Currently, our fifth-grade students are in the same building as kindergarten students without incident.
- There may be some cases, in advanced classes for example, that a younger student may be taking a class with an older, grade-level or two above student; however, those situations would be known prior to registering for the class.

Will the project cause more drainage issues in surrounding neighborhoods?

- The architect and engineers are well aware of the drainage issues and will intentionally design the site to address these issues.
- We will make it a priority to help alleviate the drainage issues that currently exist.

Why can't we see a visual representation or rendering of what the building will look like?

- Architectural design and the creation of renderings is 8-10% of the budget in school design; therefore, these services cannot be purchased until we secure our local share of the cost and an architect of record is determined.
- However, we have incorporated pictures of North Ridgeville's 3-8 building and North Olmsted's 6-12 building, both done by TDA, into our community presentations. That said, we are not locked into any particular design.

Why do we need a new auditorium and football stadium when there are no plans to demo the current HS? Why do we need two of each?

- The home bleachers and those in the end zone at the current stadium are in need of replacement. If we were to replace them, they would have to meet current standards for ADA accessibility, etc.
- The current field can only be used for football because of turf condition. Despite our best efforts, the turf has contracted "Summer Patch" the last two years. Summer Patch is a disease that causes areas of turf to die which is why you will see bare patches on the field.
- The track at Laybourne is in poor condition and needs to be replaced.
- It is more efficient to maintain one facility.
- Likewise, the auditorium is in need of repair. There are leaks over the stage area that affect lighting. We ultimately need new lighting, new sound, new seats, new carpeting, etc.
- The current auditorium lacks adequate dressing rooms, staging areas, and set design space.
- There are many possible options for Segment Two which will address grades PreK through 5. Discussions and decisions regarding Segment Two, including the demo or use of the current high school and Roberts Middle School, will take place as a Master Facilities Planning Committee is reconvened near the end of Segment One.

Why are you leaving off the operating portion of the levy in your campaign? I understand the tie-in of building new buildings and building a legacy, but almost half of the levy isn't for buildings. Please include what these funds will be used for in your literature.

- The operating portion of the levy is included in our literature. The funds will be used for operating otherwise known as the cost of doing business.
- The nature of school funding based locally on property is such that current levies collect a fixed amount of money or an effective millage rate. They do not grow with the rising costs of doing business a.k.a. inflation or increased property valuation.
- For example, FY11 general fund expenditures were \$46,423,496 and FY18 general fund expenditures were \$52,634,346. This is an average of 1.9% inflation per year.
- The reality is, the only ways a school district can account for inflating costs of doing business are: hope the state increases per-pupil funding, reducing staff (which we have done), or asking the community for additional operating funds through property or income tax.

How much to construct the K-5 building and when will that be asked for?

- No decisions or discussions on the K-5, or Segment Two of the Master Facilities Plan, have been made.
- Segment Two will likely be addressed by a Planning Committee as Segment One nears or reaches completion.

How will 2020 reappraisal impact taxes?

- While property values may increase, the amount of money the school district receives on outside “voted” millage remains the same. The effective millage rate of each property tax issue is reduced.
- By Ohio law, CFCSD collects 4.9 mills of inside millage (Ohio law mandates that 10 mills shared between municipalities) that ebbs and flows with district property valuation.

Who is going to be the responsible party to effectively manage all of this levy money if it passes?

- The District is responsible for the management of all revenues generated by the levy.
- The general fund is labeled as a 001 fund; the construction portion is required to be placed into a 010 fund with special cost centers that distinguish the local and state shares of the project.
- The permanent improvement portion of the levy is required to be placed into a 034 fund and used only for the project.
- All expenditures from the project construction fund 010 require approval from the District treasurer and OFCC representatives before bills are paid.
- The locally funded initiative portion of the project is deposited into a building fund 004 or a permanent improvement fund 003.
- The operating portion of the levy is used for operations and will be deposited into the general fund 001 to offset inflationary cost of doing business.

We are going from operating three dinosaur buildings to one efficient building. Shouldn't we realize cost savings on energy efficiency and less duplicated services (building admin/kitchen staff/ etc.)? Why do we need to spend more money (operating levy) to run a supposedly more efficient operation?

- We do anticipate operational savings as a result of a more efficient building. For example, our building will meet a minimum standard of LEED Silver certification. LEED stands for Leadership in Energy and Environmental Design. The Silver certification is made up of several categories such as: water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality.
- Staffing is generally based upon enrollment and square footage, as always, we will identify the number of staff needed in the building based largely on these two factors. During the design and construction phases, we will have ample time to identify staffing needs.

On the PI, is that earmarked for capital improvements on the new building only or could funds be used for improvements at an existing building?

- The Permanent Improvement (PI) funds are attached to the project and, therefore, associated with the new building.
- However, having a specified funding source for any necessary repairs associated with the new building will ease the burden on the general fund as we approach Segment Two.
- The 0.5 mill PI portion of the ballot issue would generate approximately \$385,000/year.

With the consolidation of 6-8 students into the same building, will student-to-teacher ratios be increased? How many staff and faculty members will be eliminated?

- We do not anticipate student-to-teacher ratios to increase.
- In fact, with the consolidation student-to-teacher ratios may become much more equitable, especially in our accelerated programs.
- We evaluate staffing needs on an annual basis pending enrollment.
- The research associated with new construction suggests increased enrollment; however, we are anticipating staffing needs to be similar to current levels.
- As always, if there are areas we can reduce, we will attempt to do so through attrition.

Why did the BOE opt to combine the bond and operating levy on the ballot?

- The BOE combined the issues into one ballot item because both are needed.
- The 4.0 mills of operating funds will be used for increasing costs of doing business.
- The nature of school funding based locally on property tax is such that current levies collect a fixed sum of money or an effective millage rate. Due to HB 920, they do not grow with increased property valuation (except for Inside millage) or the rising costs of doing business a.k.a. inflation.
- For example, since FY11 general fund expenditures have been increasing by approximately 3.1% despite making cuts in 2017 and 2019.
- Local property taxes account for nearly 59% of the general fund budget. Which leaves the school district in a position of reducing expenses at the rate of inflation or asking the local voters to increase revenues to compensate for the increasing costs of doing business.
- The reality is, the only ways a school district can account for inflating costs of doing business are: hope the state increases per-pupil funding (flat-lined for two years in HB 166), reducing

staff (which we have done), or asking the community for additional operating funds through property or income tax.

Will the district allow the community access to the building “after school” on weekends and during the summer, for recreation, adult education, after-school and summer school programs, and a wide variety of community activities? Will the community have access to the track in the new stadium?

- The community will continue to have access to our facilities including the track in the new stadium.
- We will continue to offer free passes to athletics and activities for our senior citizen population.
- We will maintain access to our facilities for community groups and adult education. In fact, we look to expand these opportunities through partnerships with the City.
- As written in our vision statement, we look to our schools’ environments and facilities to be “the hub of our community.”

Why do they let go of teachers every year and then rehire them two-months later?

- In the case of reductions in force, contractual language allows staff to stay on a recall list for up to two years. As remaining positions become available, reduced staff are recalled.
- We have implemented recall after the 2017 and 2019 reductions while not adding positions unless enrollment requires
- The operating portion of this issue will help us maintain quality staff.

Why is Cuyahoga Falls paying \$200K for a “Woodridge” playground and not putting it back into our CFCSD schools?

- We are extremely blessed to have the City of Cuyahoga Falls purchase, install, and maintain playgrounds in the Cuyahoga Falls City School District and the Woodridge Local School District.
- Cuyahoga Falls City School District did not pay for a playground at Woodridge Elementary.

If Cuyahoga Falls builds a new high school then will North High School close? Will the taxpayers of Cuyahoga Falls pay for students from North High School?

- North High School is part of the Akron Public Schools.
- Akron Public Schools and the Cuyahoga Falls City School District are two completely different entities.
- We do not pay for students from Akron Public Schools.

Since interest rates are dropping, to prepare for a recession, is the 4.5% likely to drop to 0.0%?

- Negative interest rates are not likely to occur in the United States anytime soon. The dynamics that make these more common in Europe and Japan involve recessionary

economic growth and deflationary prices. While there is much talk of a recession, we are not in one here, and while inflation is surprisingly low for a nation near full employment, it is still clearly positive and certainly we see no signs of deflation on the horizon. Most are concerned that inflation will tick up eventually.

- That said, yes we very well may be able to achieve an interest rate on these bonds that is lower than what we have used for the ballot planning. We are somewhat conservative in the ballot planning because we have to pass the resolutions so far in advance of when we issue, and, of course, rates could rise. Nevertheless, as of today, we would be able to achieve a lower rate. What this means practically is simply that the average millage required over the 36 years will be lower, and, therefore, the taxes paid by the district residents will be lower. Because of the way that the county auditor has to calculate the average millage vs. the way in which we actually structure the actual bond payments, the millage out of the box will usually still be what is on the ballot in the first year. However, the millage will come down faster over time the lower the interest rate that we achieve, meaning the average rate will be lower than estimated. To be clear, this does not result in any additional money for your project, and the interest savings simply manifests itself as lower taxes levied for debt service. You can't "use" this savings for anything else.

How does taxation in Cuyahoga Falls compare to similar districts in Ohio?

- Issue 6 Literature – The Issue 6 Fact Sheet (attached) clearly identifies all three pieces of the investment in our community. The total millage being requested is 9.83 mills.
- The current effective rate of millage passed since 1968 is 42.94 mills which come from the following sources:
 - 4.90 mills of Inside Millage as part of the 10 mills required to be shared amongst schools and local municipalities;
 - 7.63 mills as part of 31.80 mills originally passed in 1968 for a continuing period of time;
 - 2.70 mills as part of 6.76 mills originally passed in 1983 for a continuing period of time;
 - 9.20 mills as part of 9.97 mills originally passed in 1991 and renewed or replaced every five years;
 - 2.30 mills as part of 3.00 mills originally passed in 1998 for a continuing period of time;
 - 4.12 mills as part of 4.75 mills originally passed in 2002 and renewed every five years;
 - 7.29 mills as part of 7.90 mills originally passed in 2005 and renewed every five years;
 - 4.80 mills as part of the \$3.6 million emergency levy passed in 2017 for a five-year period of time.
- As a result of HB 920 passed in 1976, school district revenue is capped by both millage amount originally passed and the dollar amount originally generated; thus, as the property valuation in the district increases, the effective millage amount collected decreases. The net effect of HB 920 is that school districts' revenue is flat-lined as the cost of doing business continues to increase due to inflation. As a result, school districts must return to the voters

to ask for additional millage in order to keep up with inflation. In Cuyahoga Falls, additional revenue was passed with the emergency levy in 2017 and with the replacement of the 9.97 mill levy (listed above) in 2011. The levies listed above are all operating levies similar to the 4.0 mill portion of Issue 6 not the 5.83 portion that is associated with the 6-12 building.

- How does the current tax rate compare with similar school districts as identified on the Cupp Report supplied by the Ohio Department of Education? While, the effective property tax rate for Cuyahoga Falls is 42.90 in the Cupp Report based on tax year 2017 and the effective property tax rate for Similar Districts is 39.00, Similar Districts also have an income tax of \$1,500.40 per student. If Cuyahoga Falls were to have an income tax generating \$1,500.40 per student, which would generate \$6,982,006.37, the equivalent amount of property tax needed to generate that dollar amount is 9.06 mills based on the current valuation of \$770,662,690 in our district.
- Further, the Cupp Report identifies the level of tax effort compared to that of all districts in Ohio. According to the Cupp Report, the tax effort calculation for Cuyahoga Falls is 0.8575 meaning that the total tax effort in CFCSD is 85.75% of the average effort in districts across Ohio. The addition of 9.83 mills of property tax would raise the tax effort in Cuyahoga Falls to near the average total tax effort in school districts across Ohio.
- Why was an income tax not considered for the operating portion of Issue 6? Cuyahoga Falls voters were presented with a 1% income tax issue in May of 1990. The issue only garnered an 18.6% approval rate. To date, we have heard nothing from our community to suggest a different result.
- With regard to Field Local mentioned recently, the effective millage rate of 28.47 mills was prior to the passage of an 11.5 mill issue in May 2019 which was the first operating issue passed in the Field Local School District in more than 20 years.
- Districts in Summit County

District	Total Property Tax/Pupil	Effective Class I (residential/agricultural) Millage Rate	What does 1-mill of property tax generate?	Tax Effort (factors in ability to pay)
Akron	\$4,947.25	51.67	\$88.42	1.4907
Barberton	\$3,813.16	41.97	\$85.33	1.282
Copley-Fairlawn	\$12,258.71	33.89	\$313.22	0.5729
Coventry	\$8,756.66	39.01	\$208.97	1.2037
Cuyahoga Falls	\$7,428.61	42.90	\$165.49	0.8575
Green	\$6,393.22	33.61	\$187.15	0.7497
Hudson	\$10,905.35	42.12	\$240.11	0.4652
Manchester	\$7,626.75	43.18	\$162.59	1.2814
Mogadore	\$6,902.06	43.58	\$141.99	1.1663
Nordonia	\$9,848.47	33.61	\$187.15	0.7559

Norton	\$4,863.52	29.67	\$151.09	0.7244
Revere	\$12,367.31	31.87	\$372.32	0.4254
Springfield	\$5,679.08	33.54	\$163.90	0.9903
Stow	\$7,733.88	30.39	\$192.85	0.7646
Tallmadge	\$6,605.51	37.18	\$168.20	0.8879
Twinsburg	\$9,613.30	42.08	\$216.44	0.7105
Woodridge	\$10,443.67	39.63	\$260.02	0.8318

How do we learn more about this issue?

- There are multiple venues to find information relative to the levy including our website and social media sites. We are regularly addressing questions being raised and will continue to do so. We hope you are finding these posts informative.

What happens to a 'repo' - given the need for an investment banker?

- Insofar as for “repos”, or “repurchase agreements” they are described as eligible investments of political subdivisions in ORC 135.14, but very few school districts actually make such investments. CFCSD does not. We are currently invested in STAR Ohio; however, we are looking to expand our investment horizons. That said, repurchase agreements will not likely be one of our strategies.

What does a school district need an investment banker to do? Do investment bankers get paid about 1% of the debt or \$806,000 /year?

- An “investment banker” simply refers to the person who represents the underwriter who will arrange for the sale of the bonds. The underwriting company is paid a negotiated fee ONE TIME at closing, and it is far less than 1%.

Can money from segment one be passed forward to segment two?

- Yes, particularly when a project reaches fruition on time and under budget.

Can segment two renovate buildings?

- Yes. While a segmented Master Facilities Plan is submitted to OFCC, the second segment is separate from the first.

If CFCSD ceases to exist and money is in this account, what happens to the money and when is the drop dead date? ... 2056 years?

- All funds are ultimately public funds. Strict rules apply. That said, CFCSD has existed for more than 150 years.

Wasn't the use of property taxes as a funding source for school districts ruled unconstitutional?

- While this is a complicated issue that cannot be properly summarized by a singular sound bite, a short review is provided below.
- The DeRolph v, State case is a landmark case in Ohio regarding the school funding formula. On March 24, 1997, the Supreme Court of Ohio ruled that the foundation formula "fails to provide for a thorough and efficient system of common schools." The key words are "thorough and efficient" and speak to equity and adequacy.

- That said, over the last 22 years, not much has changed. We are still reliant upon a combination of property taxes and money from the state. Further, as mentioned previously, school districts were hampered in 1976 when HB 920 went into effect. Succinctly, HB 920 caps the amount of money received from previously passed levies and it also caps the millage amount associated with these levies. The effect of HB 920 is that school district revenues do not grow with inflation, which leads districts to ask the voters for more money every few years to meet the rising costs of doing business.
- So, what did the DeRolph decision do?
 - 1) it found the funding scheme to be unconstitutional;
 - 2) it ordered an end to the foundation formula and reliance on property taxes for school funding;
 - 3) it provided the state 12 months to solve the problem;
 - 4) it awarded attorney fees to the plaintiff; and,
 - 5) it remanded the case to the trial judge.
- In response, the State asked the following:
 - 1) could property taxes still be used;
 - 2) whether debts beyond the 12-month period remained valid; and,
 - 3) could the Supreme Court retain jurisdiction of the case?
- In the end, the court ruled that property taxes could still be used as long as they were not the primary source of revenues for school funding. The court also ruled that debts would remain and that jurisdiction returned to the trial court judge.
- Since the DeRolph case, there have been two attempts to move away from the foundation formula. During Ted Strickland's administration, an "evidence-based model" was implemented. However, the 10-year implementation plan was interrupted by the economic downturn in the early 2000s. Recently, a bipartisan effort to re-introduce an evidence-based model referred to as the Cupp-Patterson model has been discussed and is still on the radar of the General Assembly.
- As a result, the foundation formula is on hold during the current biennium and school districts continue to rely upon property taxes. There are two other options: income tax and sales tax. Both have been introduced locally in the past and have not been successful.
- For more information: www.scholarlycommons.law.case.edu

Can/will Cuyahoga Falls City School District merge with Woodridge Local School District?

- The short answer is, yes the two districts can merge; however, the process is quite complicated. Below you will find the three ways in which two districts can merge.
- Transfer Initiated by County ESC. One option is provided for in R.C. 3311.231. Under that provision, the County ESC may propose to transfer all or part of the territory of a local school district to an adjoining city school district. (Such a proposed transfer may also be initiated by petition signed by 55% of the qualified electors voting at the last general election residing within that portion of a school district proposed to be transferred.) That type of transfer initiated by the ESC may become effective by resolution of the ESC board unless a petition for referendum is signed by “qualified electors residing in the area proposed to be transferred, equal in number to a majority of the qualified electors voting at the last general election.” If such a referendum petition is submitted, then the issue is decided by a vote of

the electors at the next general or primary election. If such a transfer is approved (either because no referendum petition is submitted or because such a referendum was unsuccessful to defeat the transfer), the transfer remains subject to the approval of the recipient district.

- Transfer Initiated by Transferor District. Another option is spelled out in R.C. 3311.24. Under that provision, the transferor district may make the proposal to transfer territory to an adjoining district if it “has obtained written consent to the transfer from seventy-five per cent of the owners of parcels of real property on the tax duplicate within that portion of the district . . .” Alternatively, under that provision, the residents may propose the transfer by petition signed by “signed by seventy-five per cent of the qualified electors residing within that portion of a city, exempted village, or local school district proposed to be transferred voting at the last general election, request[ing] such a transfer.” Any such transfer would be subject to the approval of the State Board and would require the consent of the recipient district. If the transfer is board-initiated, the transferor board and the recipient board are required to negotiate the terms of the transfer when the request to transfer is submitted to the State Board, and the transfer remains subject to the acceptance by the recipient district. Those negotiations relate to assets and indebtedness, etc. With respect to this process, the State Board may conduct a hearing regarding the appropriateness of such a transfer and can hear evidence from both transfer proponents and transfer opponents. Such hearings, the districts’ negotiation process, and the State Board’s process is laid out in OAC Chapter 3301-89.
- Transfer Initiated by State Board. Another option is spelled out in R.C. 3311.37 and R.C. 3311.38. Section 3311.37 refers to the State Board’s proposal to create a new school district by consolidation of contiguous local, city or exempted village districts, while R.C. 3311.38 refers to the transfer of all or part of a school district to a contiguous district. In each process, the State Board is to conduct a study of the need for such creation or transfer and then submits the proposal to the affected districts, and the proposal is subject to voter approval. The statutes lay out governance and financial allocations in the event such proposals are approved.
- Again, the process is quite complicated and seemingly unlikely at this time.