



# May 7, 2019

## Operating Levy & Bond Issue

### Frequently Asked Questions

#### **What is on the May ballot for Groveport Madison Schools?**

Groveport Madison Schools has a combined operating levy and bond issue on the May 7, 2019 ballot. The operating portion of the levy will replace the 2014, 6.68-mill levy that expires at the end of the calendar year with a 6.1 mill operating levy – that will not increase taxes. The new operating levy replaces the five-year levy that will expire in December with a continuing operating levy that will fund ongoing day-to-day operation of our schools. In addition, a 37-year, 4.72 mill bond issue will allow our community to take advantage of more than \$65 million in state matching funds to replace our deteriorating and overcrowded schools that are serving our youngest learners. It will allow our community to build and equip three, new pre-K through 6<sup>th</sup>-grade elementary schools and one new middle school for grades seven and eight.

#### **Why do we need to replace the elementary and middle school buildings?**

Our elementary and middle schools are critically overcrowded, old, and deteriorating very quickly. The District's elementary and middle schools were originally built more than forty years ago, with even one dating back to the 1920s. Over the past five years, the District's enrollment has grown by more than 400 students – with 260 of those students enrolling this year, alone! The District is using more than 20 modular trailers as classrooms because there is not enough room for all of the students to be housed in their school buildings. The cost to repair and renovate the elementary and middle schools is in excess of \$78 million – and that's just to bring the buildings up to current standards. However, if we take advantage of state matching funds, the community can build and equip four new schools for a local investment of \$83.6 million. It doesn't make economic sense – nor will the state allow us – to use matching funds to refurbish 1965-era buildings. It seems a far better investment to spend \$4 million dollars more to build and equip brand new schools that will last for decades to come.

New schools will improve education and the conditions in which students learn by creating healthy, safe, and modern learning spaces, and they will be able to support the technology needs that are essential for today's learners. In addition, new schools with identical programming will eliminate disparities among schools by ensuring all students have equal access to the same high-quality programs in the school nearest their home. Another very important benefit is that new schools will have modern safety and security systems which will meet today's increased standards, assuring parents that their children's schools are well-equipped to deal with the unexpected.

Most importantly, the State of Ohio will cover more than half the core building costs – but only if we pass a ballot issue to fund our local share.

**It seems there would be some added efficiencies from new schools. Is that the case?**

There's no doubt that new schools will provide greater efficiencies for the District. For one, new buildings are significantly more energy efficient than schools built 40+ years ago. As an illustration to this fact, the District recently received a \$79,324 refund check from AEP that represents the projected electric savings attributed to the new high school when compared to the amount of electric used at the old building. Keep in mind, that's a nearly \$80,000 savings for a building that's 100,000 square feet larger than the old high school – and that's just the savings attributed to electric usage.

Other efficiencies include the fact that there would be fewer schools to operate (from ten buildings to only five), which will reduce the amount of acreage the district must maintain. It will also help to streamline bus routes and reduce the mileage costs associated with transporting students between schools for before and after-school care, athletics, and other programming needs.

**Why is the new high school already overcrowded and what is the District doing to address it?**

In 2012, when the Ohio Facilities Construction Commission (OFCC) was planning for the construction of our new high school, they conducted a study to determine the District's expected enrollment for the next 10 years. That study indicated that the new high school's enrollment would be approximately 1,340 students by 2022. In allowing for some additional enrollment growth beyond that, the state determined that building should be constructed to house approximately 1,500 students.

Throughout the construction process, the District stressed to the OFCC that we believed their projections were low. It was the District's position that with an abundance of affordable homes in nice areas, as the District's student achievement improved and programs were reestablished, more families would move here.

The OFCC held firm to their projections, and the high school was constructed to house 1,500 students. Believing that enrollment would most assuredly increase beyond the OFCC projections, the District went ahead and used our local project funds to install the foundation piers and upgrade the capacity of the HVAC system so that, when needed, an addition would be more easily (and more efficiently) constructed. At the present time, the District is awaiting authorization from OFCC to use the \$2 million we saved from the original project to construct a four-classroom addition onto the high school.

### **How was the facility plan and the resulting bond issue decided?**

As far back as late 1990's the OFCC recommended replacement of nearly all of the District's schools due to their age, condition, and overcrowding. In 2012, it was determined to do a "segmented project" where the community would replace the high school first and then proceed with replacement of remaining buildings at a later date.

In the fall of 2018, when faced with critical overcrowding at the elementary and middle school levels, the District began holding a series of public meetings to gather input from parents, students, staff, and community members with regard to the need to address the elementary and middle schools. The feedback collected through that process led to forming a Facilities Planning Team, which included parents, residents, business representatives, and staff members. The team held several meetings and work sessions in December 2018, reviewing the input collected from the various stakeholders, examining options, and ultimately presenting their recommendations for the school construction plan to be funded by voter approval of the May bond issue and using the available state matching funds.

### **How much will this issue increase my taxes?**

There is no additional increase in taxes associated with the operating levy portion of the ballot measure. The only increase to property owners would be an additional \$14 a month per \$100,000 of home value to construct and equip the four new schools.

### **I don't have children in the schools. Why does this matter to me?**

Good schools matter to us all. They protect our property values, encourage good, hard-working families to move to the area, and help to attract and maintain local businesses, which contributes to the local economy and our overall quality of life. Without good schools, we are all at risk of losing.

## **How do I know Groveport Madison Schools is being responsible with my tax dollars?**

Groveport Madison Schools has worked hard to protect the educational quality for our students *and* keep costs down. As promised, the District has not asked for additional operating dollars for five years, while many other districts average about three years between operating levy requests. The District completed the construction of the new high school on time and more than \$2 million under budget, which is almost unheard of during a time of increasing construction and materials costs.

There's also outside evidence of the District's trustworthiness and management abilities. In 2017, Moody's credit rating service upgraded the District's credit score from A3 to A2. This helped to lower our interest rates on outstanding bonds from 5.00% to 3.69%, which saved taxpayers more than \$831,815 in gross debt service over the life of the bond issue. Further evidence comes in the form of state audits, where for the third year in a row, the Ohio Auditor of State's Office has determined the District to have a "clean audit," which affirms the District's financial records are in good order, free of any material misstatements, and that the moneys are accounted for in accordance with Generally Accepted Accounting Principles, and state and federal law.

Data from the State of Ohio also shows that Groveport Madison Schools:

- **Has the lowest effective millage** of every district in Franklin County, except one (Hamilton Local). This includes operating, bond, and permanent improvement millage. Groveport Madison ranks 15 out of the 16 districts area school districts for the lowest effective millage rate for collection year 2019.
- **Spends less of its operating budget on salaries** than every other district in Franklin County and far below both the state and similar district averages.
- **Has an average classroom teacher salary that is below** both the state and similar district averages – and the lowest in Franklin County. Groveport Madison's teachers work hard to meet the needs of our students, and they recognize the resource challenges the District faces.

There is one obvious area where Groveport Madison needs to reduce its costs – on building operations. In fact, our District spends more per student on building operations than all but one Franklin County school district (Columbus City Schools). Building the new high school has helped to demonstrate the efficiency and savings that can come with new buildings. However, with nine aging and inefficient buildings, and 22 portable classrooms scattered across the District, we spending too much on building operations that could be used to support student learning. The May ballot issue helps correct that by replacing our elementary and middle schools –taking advantage of \$65 million in state matching funds toward the project –more than half the core costs of construction.

### **What happens if the issue doesn't pass?**

If we cannot pass a ballot issue to fund our local share of the building costs, our community loses out on nearly \$65 million in state matching funds available to replace our aging, deteriorating, and overcrowded schools. It also means that the District will continue spending large sums of money on schools that have outlived their useful life. Without new schools, the District will have to tap into general fund classroom dollars to purchase and install more trailer classrooms or consider other arrangements to educate our students. At the time of the 2014 levy request, the District made 10 promises to the community. These promises included improving student achievement, restoring programs and services to better prepare our students, becoming more fiscally transparent and responsible – and not coming back to the voters for additional funds for five years. We have done what we promised.

Passage of the 2014 operating levy and bond issue changed the course of Groveport Madison Schools. The District has seen gains in student achievement like never before. In fact, the Groveport Madison Schools recently was awarded a “Momentum Award” from the Ohio Department of Education. This award recognizes districts who have sustained student achievement growth for each of the past three years. While that’s a credit to the District, it’s more of a credit to the taxpayers who invested in the future of our children and this community.

The current operating levy will expire at the end of the year – and without money to replace those funds, the District will immediately lose a \$2.8 million (one-half years-worth of collection). From fiscal year 2021 forward, the District will lose \$5.6 million per year. Revenue losses of this magnitude will require substantial cuts across the board. Without passage of the operating levy we will be right back to where we were five years ago – or worse. Remember, the operating levy is replacing existing funding that will go away at the end of 2019 – passage of the new operating levy portion of the issue will not increase your taxes.