UNDERSTANDING SCHOOL LEVIES

How are school districts financed?
Ohio school districts are financed with a combination of state, local and federal funds. At the state level, school districts receive funding from the Ohio Department of Education's (ODE) general revenue funds and Ohio Lottery profits. At the local level, school districts receive funding from locally levied property taxes. School districts also can receive funding from income taxes approved by voters. Federal funds come to school districts in the form of grants that are restricted for specific purposes.

What is a property tax levy?
A property tax levy is approved by voters to charge a millage rate on the value of property. One mill is $1 of taxation for every $1,000 of property value. In Ohio, property is taxed at 35% of its appraised value (or market value) as determined by the county auditor.

Each district must follow a process described in Ohio law in order for taxes to be levied on property within the district. Boards of education propose additional local tax revenues by board resolution. School districts can place a levy on the ballot up to two times a year on specified election dates. If a majority of voters in an election approve the tax, county officials charge and collect the tax under the terms specified in the tax levy proposal. The collected funds are then disbursed to the district. When a levy is placed on the ballot, it must identify as its objective a legally defined school district purpose.

What are different types of levies?
Operating Levy

- Fixed rate levy, expressed in mills
- For day-to-day operating expenses
- For a specified period of time or for a continuing period of time

Emergency Levy

- Fixed sum levy, expressed in dollars
- For day-to-day operating expenses
- Must generate a fixed dollar amount each year it is in effect
- Cannot exceed a period of 10 years

Permanent Improvement (PI) Levy

- Fixed rate levy, expressed in mills
- Cannot be used for daily operations
- For improvements with an expected life of 5 years or more

Bond Levy

- Fixed sum levy, millage rate is set to produce enough revenue to meet outstanding debt obligations
- Cannot be used for daily operations
- For buildings, building improvements or land acquisition

What is a Renewal Emergency Levy?
With a renewal levy the district is not asking for new monies. There is no change to the amount of tax a property owner will pay.

What is an Emergency Levy?

An Emergency Levy is a “fixed sum” levy – this fixed sum levy will raise $1.5 mill for the District each year. This levy will not increase the tax bill as the appraisal on your home and business increases; it is a “set” amount. As your appraisal value increases, the millage on the levy decreases to keep the fixed sum and your tax payment the same.

Why is it called an Emergency Levy?

Oddly enough, an emergency levy is not named because of an ominous or emergency budgetary situation. It is simply the name used for a property tax that serves as a limited operating levy for a school district. Because the dollar amount of emergency taxes charged by the levy must stay constant, the millage rate increases or decreases as property values change. Emergency levies may be renewed for the dollar amount originally requested.

Why is there a need for a Levy?

State support of school funding is decreasing. For the current school year, state revenue support for education and for bus transportation services are decreasing. In addition, federal funding is being cut significantly and cuts are scheduled to continue. The state has started many new initiatives and mandates and passed the cost of those to the local school District. We have a great school and a great community – the Sandusky City Schools tradition of excellence needs to continue.

How does an Emergency Levy work?

The Emergency Levy collection is divided up among more entities and everyone pays a smaller piece of the pie. The cost to the individual taxpayer over time tends to slightly decrease, not increase as a levy based on home valuation would. As the tax base expands, the size of the slice of pie (or your contribution) decreases.

Amount of the Levy: $1.5 million a year for a period of 5 years.

Levy Mills: 2.85 mills

Why an Emergency Levy over other levies?

1. Taxes are fixed, they will not increase as home valuation increases. Taxes trend to decrease slightly over time.

2. By starting to collect the levy sooner, rather than later, the levy can be for a smaller amount & less burdensome to the taxpayer.

3. We want to be fiscally responsible stewards and conservative with taxpayer money. This is a very conservative estimate of our needs.

4. Helps to decrease operating deficit. The goal is to eliminate/minimize any operating deficits with cost efficiencies and/or supplement it with other revenue growth.

5. Helps to keep our buildings and grounds viable and functional.

6. Doesn't stifle growth of other levies in effect – the District remains at the 20-mill floor.

Cost to the Taxpayer: It would cost the taxpayer $100 per year (2.85 mills x $35) on a $100,000 home, or $8.75 per month.