

When will voters see an issue on the ballot this Fall for our schools?

The board has approved an issue for the May 8, 2018 ballot.

Why has the school board placed a ballot issue for our schools?

Graham has placed a levy because we have cut and reduced as much as possible. The need is so real that the Board and district have stated that this is the single most important issue facing our schools right now.

What kind of levy is the district pursuing?

Graham has placed a 1% earned income tax ballot issue for May 8, 2018. The district needs additional operating dollars. Operating dollars pay for operating costs, including up to date textbooks, curriculum and programming, and equipment.

Why a 1%, earned income tax issue for a 5 year term?

The Board did research with direct community input in 2016-2017. That input directed the Board to promote an earned income tax issue over a property tax issue. Earned income tax funding is able to weather unpredictable state and federal economic cycles better than other types of issues.

What have we done over the years to cut costs?

A lot. We have cut, reduced and stretched our budget. In fact, we eliminated \$2.35 million from our budget in 2011 and 2012. At that time, we lost 24 teachers along with other support and administrative staff and we cut our academics. In fact, we haven't asked for new monies in 7 years and have not passed an issue for new money in 24 years. Now, we face another \$1.5 million in cuts if we cannot secure new operating funds.

What has been cut and reduced so far?

We eliminated 24 teachers, staff and administrators from our budget. In fact, we now have fewer administrators than our peer school districts.

Our teachers and staff have shared in the sacrifice of our district's tough economic times, helping to save over \$9 million over a four-year period by accepting changes to salary and benefit plans.

What would a levy fund?

A levy would maintain the current quality of teaching and continue to provide important opportunities. It's been 24 years since our last levy and we have cut, reduced and stretched our funds. New curriculum has not been purchased in some core subject areas like Social studies at GMS or GHS for over 7 years. Now, that is no longer enough. In order to make sure our Graham students and community is competitive we must act now to protect our teaching and programs.

What if the levy fails in May?

The need does not go away with failure, it only delays it and worsens it and potentially makes it more expensive for everyone later on. In fact, if we do not secure additional funds then it hits to our ability to provide the current quality of education and it jeopardizes our fiscal stability, and our students' ability to compete. If we fail in May, the Board will take action to reduce an additional \$1.5 million from the budget in several ways:

Make significant reductions to all operational budgets across all areas of the district

Make significant cuts to staff

Increase Pre-School fee structure

Significant increase in students' PTP activity fees

Makes changes to our Transportation plans

How does our tax rate compare with other school systems around us?

Our tax rate is lower than every district in a seven county area, including: Champaign, Clark Logan, Madison and Miami Counties. Even with the passage of a levy, we will still be the lowest in the seven county area.

Will the district continue to live within their means?

Absolutely. Operating in a lean and frugal manner is what we do at Graham. We work hard to send money directly to the classroom for teaching and programs for students. In fact, we spend less on administration than the state average and that we have fewer administrators than our peer school districts. Our teachers and principals have built and/or paid for some of the classroom furnishings you see around the district in some cases. In fact, Graham's teachers and administrators have actually brought in over \$175,000 in new grant funds in the past year and a half to help maintain a tight budget. Our operations and administrative teams have researched and planned for over \$250,000 in savings the past 3 years. While encouraging, these actions alone cannot fix our budget issues.

Please explain what funding was used to pay for the transportation building? Can you provide a detailed financial analysis about buying and building the transportation facility with the funds left over from the bonds to build the new facilities versus using the unspent proceeds to pay down the bonds upon the first call date?

Former Treasurer Mr. Bob Hoover provided insight into the Board's intentions regarding the transportation facility. He indicated that in fiscal year 2002, Anthem gave the district over \$600,000 in stocks, as they changed from a privately held to publicly held corporation, and Graham was a longtime customer of Anthem. The Board sold the stock (as it is not permissible for public entities to hold stocks) and had the funds put into a permanent improvement fund which was earmarked for facility improvements or new construction.

The district worked with the State of Ohio to be part of the Classroom Facilities Assistance Program (CFAP). The State of Ohio paid 56% of the projected \$36.5 million project to build the

Elementary, and the local share was 44%. Residents passed a levy for the local share of \$13,575,000 on May 3, 2005. The administration at the time felt the construction could be completed for less which is why the board only asked for a \$13,575,000 bond issue. The State of Ohio required the district to have on hand enough funds to offset what they calculated the local's share to be of \$16,060,000. The district used the funds of \$600,000 as collateral in order to move forward with the CFAP. Once the project was closed out, the State refunded the remaining balance which included the funds which were put up for collateral by the Board.

The board knew that it was not feasible to maintain the old school building as the transportation facility. The facility had asbestos issues and would have cost the district in excess of \$200,000 to demolish. The building no longer met the needs of the district. It was always the intent of the Board to move forward with building a new transportation facility even back in 2005. The funds were not intended to pay down the bond issue.

The remaining balance in the State fund and Local fund after the construction was completed for the elementary was \$626,319.48. The Director of Operations had plans drawn up by an architect; however, the estimated cost far exceeded \$1.6 million. At that point, the Board decided to look at other options. Staff were directed by the Board to inspect the lumber yard as a possible site rather than build new construction. It was determined that there was sufficient space to house our fleet of buses, including storage, maintenance/ground equipment for our fleet.

The property appraised at \$340,000. In April, 2015, the board purchased the property from the Faulkner brothers for \$336,500. The remaining funds were used to convert the property into a transportation/maintenance building, including making updates that were required to meet all building standards set by Champaign County. The gas tank was moved onto the new site. Electric plug-ins were installed for each bus, a security fence was erected to prevent vandalism of our fleet, which had become a significant issue at the old location. We were able to utilize the old office space as is, and constructed walls to create two fireproof storage rooms for record retention, and a conference room for district and community use. The location of the facility is much cheaper to maintain and operate than the old building in town. The facility is also more secure, and our buses do not need to cross the railroad tracks multiple times a day to leave from and return to the bus lot.

How does the CAUV adjustment impact Graham's budget?

Graham will once again lose funding due to the state's new formulation factors with CAUV.

How do I pay on Earnings from Self-Employment? Do I pay on my Gross or Net Earnings?

You pay on Net Earnings:

SD-100 Line 25 – Net Earnings from Self-Employment

Show on this line your net earnings from self-employment that (i) you earned while you were a resident of an earned income tax base school district and (ii) are included in Ohio adjusted gross income (Ohio IT 1040, line 3). Do not include on this line minister housing allowances that are not part of Ohio IT 1040, line 3 even though they do constitute net earnings from self-employment. Enter on this line only the portion of your net earnings while you were a resident of the earned income tax base school district. Be sure to enter the date of non-residency on the SD 100.

Is welfare income taxed?

No. The following income is not taxed: social security benefits; disability and survivors benefits; railroad retirement benefits; welfare benefits; child support; property received as a gift, request or inheritance; and workers' compensation benefits. pensions, unemployment, interest, dividends, capital gains, rental income, lottery winnings, or income tax earned by estates.

Do I have to make school district estimated income tax payments for 2017?

Here are the instructions for 2017. Provided there are no statute changes, we assume they will be the same directions for 2018:

Do I Have To Make School District Estimated Income Tax Payments for 2017?

Except as discussed below, you must make school district estimated income tax payments if you will owe more than \$500 in combined state and school district income tax for 2017 after subtracting your Ohio and school district income tax withholding amounts and overpayment carryforward from 2016 to 2017.

Even if you will owe more than \$500, you do not have to make estimated school district income tax payments if either (i) your 2017 combined Ohio and school district income tax withholding amounts and overpayment carryforwards from 2016 to 2017 are at least 90% of your 2017 combined state and school district income tax or (ii) your 2017 combined state and school district income tax withholding amounts and overpayment carryforwards from 2016 to 2017 are equal to or greater than your 2016 combined Ohio and school district income tax. For purposes of these tests, your year 2016 overpayment credited to year 2017 does not include any year 2016 tax payment that you made after April 18, 2017.

Estimated payments can be made electronically on our Web site at tax.ohio.gov. Or you can obtain the SD 100ES from our Web site at tax.ohio.gov or by calling toll-free 1-800-282-1782.

Is the 1% earned income tax based on gross or net income?

Gross wages are taxed from on your federal 1040 tax form, line 7 (wages, salaries, tips).

However, if you report self-employment income, you would pay the net amount on your earnings.

Are lottery winnings taxable as part of your earned income tax, and if not, why not?

No, in accordance with Ohio Revised Code requirement. We have no control over the Ohio Revised Code.

When will we officially know when we are on the ballot?

The Board of Education voted to secure a ballot issue in January for the May 8, 2018 ballot.

Last update January 3, 2018