

LORAIN CITY SCHOOLS

STATE OF THE DISTRICT

OCTOBER 2011

LORAIN CITY SCHOOLS

ACCOMPLISHMENTS:

□ INCREASED GRADUATION RATE

- Lorain High School graduation rate has increased to 85.1% (School Year 2010-11)
- Exceeds the state average graduation rate (84.3%)

□ INCREASED ACADEMIC PERFORMANCE:

- Lorain City Schools has increased academic performance on state-wide testing

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ACCOMPLISHMENTS:

- ❑ “Continuous Improvement”: Lorain City Schools rating has risen to “Continuous Improvement” as designated by the Ohio Department of Education

- ❑ “Effective” ratings earned by:
 - Lorain High School
 - Stevan Dohanos Elementary
 - Admiral King Elementary (previously Lakeview Elementary)

- ❑ Lorain City Schools has 13 new school buildings since 2001 (State of Ohio paid 81% of cost)

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However....

The District is Facing a
Financial Crisis

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The District's Treasurer is Forecasting a

\$12.0M Deficit

In Fiscal year 2012-13 (Next School Year)

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How Did We Get Here?

- ❑ 19 YEARS: It has been 19 years (1992) since a new money operating levy was passed for Lorain City Schools

- ❑ LESS FEDERAL and STATE FUNDS:
 - Lorain City Schools revenue was reduced by **\$8M** due to cuts from the Federal and State government this year

- ❑ NO LOCAL NEW REVENUE
 - Voters have said “No” to new money levies 4 times since 2008

- ❑ Charter Schools cost was \$11.4M in fiscal year 2010-11
 - Cost was zero in fiscal year 1999-00

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What has district done to fix the problem?

- ❑ District has over 300 less employees since 2006-07
- ❑ Employee groups have made contract concessions:
 - Wage and Salary Freezes and other reductions
 - Almost \$2M in Health Care Give Backs the past 2 years
- ❑ District has placed 4 “new money levies” on ballot since 2008

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SOLUTION

- 1.5% Earned Income Tax
 - Issue #14
 - On November 8 Ballot
- Reductions in Cost

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Why is the District Not Asking for a Property Tax Levy?

PAST PROPERTY TAX LEVIES

| <u>Vote</u> | <u>Dollars / Millage</u> | <u>For</u> | <u>Against</u> | <u>Votes Cast</u> |
|-------------|--------------------------|------------|----------------|-----------------------|
| Nov 2010 | \$6.0M / 9.12 mills | 45% | 55% | 14,172 |
| May 2010 | \$5.9M / 8.97 mills | 40% | 60% | 6,058 |
| Nov 2009 | \$4.6M / 6.43 mills | 44% | 56% | 11,110 |
| Nov 2008 | \$3.5M / 4.90 mills | 49.9% | 50.1% | 21,604 |

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ISSUE #14

1.5% EARNED INCOME TAX LEVY

We can no longer depend on State and Federal Governments for financial assistance (grants and stimulus money)

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ISSUE #14

1.5% Earned Income Tax Levy on 11-8-11 Ballot

- What Income Is Excluded from the Income Tax?
 - Pensions and Retirement Income
 - Interest
 - Dividends
 - Capital Gains
 - Unemployment
 - Workers' Compensation

- How much revenue will be generated by the tax?
 - Estimated \$8M per year in annual tax revenues

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How many school districts in Ohio currently have income tax levies?

- 181 school districts have income tax levies in Ohio including Wellington and Oberlin in Lorain County

Who pays the tax?

- Anyone living in the Lorain City Schools' boundaries with Earned Income

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What happens if the income tax levy fails?

- ❑ Many programs and services helping our students will be reduced or eliminated
- ❑ Further Reduction in Force is inevitable
- ❑ Lorain City Schools will plunge into State financial takeover (**Fiscal Emergency**) in 2012 and forced to reduce **\$12M** in cost

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What is **FISCAL EMERGENCY**?

- State appoints 5 Person Commission
- Dictate target budget reductions to balance budget (**reduce \$12M**)
- Reductions of programs/services to our students

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REDUCTIONS

IF

ISSUE #14 FAILS

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REDUCTIONS
If **Issue #14** Fails

Savings of Up to \$7M

Reductions in Force (RIF)

- Teachers (**Directly Affects Students**)
 - Class sizes will significantly increase (**Directly Affects Students**)
- Administrators and Support Staff

Savings of Up to \$1.5M

- ### Eliminate Early College (**Directly Affects Students**)

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REDUCTIONS
If **Issue #14** Fails

Savings Up to \$1M (per item)

- Eliminate Academic Enrichment Academy (AEA)
 - **Directly Affects Students**

- Eliminate Credit Recovery
 - **Directly Affects Students**

- Eliminate New Beginnings Academy
 - **Directly Affects Students**

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REDUCTIONS

If **Issue #14** Fails

Savings of Up to \$500,000 (per item)

- Close down one Middle School (**Directly Affects Students**)
- Close down one Elementary School (**Directly Affects Students**)
- Reduce 4 Assistant Principals (**Directly Affects Students**)
- Eliminate supplemental contracts and associated student programs (**Directly Affects Students**)
- Eliminate High School busing (**Directly Affects Students**)
- Outsourcing of non-core functions

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REDUCTIONS

If [Issue #14](#) Fails

Savings of Up to \$500,000 (per item)

- Eliminate Honors Program (**Directly Affects Students**)
 - Elementary / Middle School
 - High School PSEO and Advanced Placement Programs
- Eliminate Elementary Fine Arts Programs (**Directly Affects Students**)
- Reduce Middle School and High School Fine Arts Programs (**Directly Affects Students**)
- Reduce Career/Technical Program (**Directly Affects Students**)
- Eliminate Chinese Program (**Directly Affects Students**)
- Eliminate Spanish Immersion Program (**Directly Affects Students**)
- Reduce Sports Programs (**Directly Affects Students**)
- Reduce non-Teaching staff
- Reduce or eliminate TV-20

The Process Has Begun...

□ Tonight, the LCS Board of Education passed resolutions to:

- Reduce the work force by up to 18 teaching positions
- Reduce the work force by up to 9 paraprofessional positions
- Reduce Central Office positions to save \$200,000
- Further reduce Central Office by an additional \$400,000
- This will save money starting in this fiscal year
 - o Estimated savings = \$2.0M

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The Students of Lorain City Schools Need
Your Help...

Please Support Lorain City Schools
On November 8th