

## **Mariemont City Schools Finance FAQ**

### SECTION 1 - Ohio's School Funding System

#### ***How are public schools in Ohio funded?***

Public schools in Ohio receive funding from three primary sources: state funding, federal funding, and local funding through property taxes. The state provides a foundation amount using a formula, so funding is not the same for every school district. Local property taxes often represent the largest portion of school funding, especially in districts with higher property values or perceived wealth, as calculated by the state funding formula.

#### ***What is House Bill 920, and how does it affect school funding?***

House Bill 920, enacted in 1976, is a law designed to prevent school districts from realizing substantial revenue increases as property values rise. It freezes the amount of voted revenue that a school district can receive from a specific levy to the amount that was initially approved. This means that even as property values increase, the tax rate adjusts downward to keep voted revenue constant unless voters approve a new levy to increase funding.

#### ***Why do districts in communities considered "wealthy" by the state face unique challenges under Ohio's funding laws?***

Districts in "wealthy" communities often have higher property values, which are used to calculate the funding a district receives from the state funding formula. Because of this, "wealthy" communities receive less state funding based on the assumption that school districts in these communities can raise more local funds through regular operating levies. This state funding disadvantage is further exacerbated because of House Bill 920, which prevents increases in voted revenue without a new levy to increase funding.

#### ***Why are local communities responsible for funding education in Ohio?***

This is how schools are funded in Ohio. Many opinions exist on the matter, including a Supreme Court ruling that it is unconstitutional. While those debates are best held at the Statehouse, our district continues to utilize every avenue to curb our reliance on local taxpayers, including grants and advocacy at the state level.

The state per pupil amount for all school districts in Ohio is \$8,100 prior to using its school funding formula to adjust the amount actually given to each district. With this adjustment (based on our district's wealth index), the calculated funding for Mariemont City Schools is reduced to \$810 per pupil, which is the minimum funding level a district can receive from the State.

However, because Mariemont City Schools receives its state funding based on what is known as "the guarantee," the state provides a guaranteed level of funding that equals approximately \$1,900 per student to help offset the burden on local communities like ours. Although better than the \$810 per pupil amount as calculated by the formula, this funding amount is still 76% lower than the per pupil amount identified for basic state funding.

This minimal state funding means local taxes are needed to provide the majority of dollars needed to educate our students.

### ***Is the school funding formula “fair?”***

The name of the current Ohio School Funding Formula is known as “The Fair School Funding Formula.” Adopted in 2022, the formula has improved some metrics that many associate with a more fair funding formula.

Mariemont City Schools did see an increase in state funding with the adoption of the formula, although it has only amounted to an average of \$76,000 annually or about a 2.7% increase in state funding.

The conversation continues at the state level on how to fund schools and make it “fair.” There are many opinions on the matter. However, regardless of the changes to the formula, the reality is that the state underfunds Mariemont City Schools and has chosen to allocate millions of dollars into private and charter schools through programs like “universal vouchers,” rather than invest additional dollars into its public schools. And this hurts school districts like ours that are already forced to be heavily reliant on local property tax dollars to educate its students.

### ***What is the role of levies in school funding?***

Levies are a fundamental mechanism in Ohio’s school funding model. A levy is a local property tax specifically approved by voters to fund schools beyond what is provided by state and federal funds. There are different types of levies, including operating levies for day-to-day expenses and bond and permanent improvement levies for long-term capital improvements and/or ongoing maintenance. School districts in Ohio rely on regular levy approvals to maintain operations and accommodate growth or inflationary costs.

### ***Why do school districts pass levies every few years?***

When a levy is passed, it does not take effect immediately. Depending on the timing of the levy's approval and the tax collection cycle, there can be a delay before the first revenues from the new levy begin to flow into the district. This means that school districts must budget carefully to manage the flow of cash. They must ensure there is enough money on hand to cover operational expenses throughout the year, not just when tax revenues are received.

Once collections start, they often come in as a lump sum twice a year, which temporarily boosts the district's cash balance. This initial boost in cash balance is not an indication of excess funding; rather, it’s part of a calculated influx intended to fund the district for the duration of the levy period. Districts plan their budgets around this cycle, allocating funds to cover expected increases in operating costs over the upcoming years until the next levy cycle. This includes covering regular expenses such as salaries, benefits, utilities, maintenance, and other operational needs.

Since voted levy revenue is fixed and does not increase with inflation or property value increases (due to limitations from House Bill 920), the cash from a levy must often stretch further each year. As costs rise due to inflation, the purchasing power of the originally collected amount inevitably decreases, which can strain the latter years and eventually lead a district back to the ballot or to make significant cuts.

***Are there any benefits to the community for well-maintained and high-quality schools?***

Yes. Maintaining high-quality schools benefits the entire community, not just families with school-aged children. Quality schools produce students who are ready to work and who may even return to the community after postsecondary education. Additionally, studies point to lower juvenile delinquency and higher rates of graduation and attendance in schools that provide extracurricular activities and experiences that engage students beyond the classroom.

High-quality and award-winning school districts are also recognized as a way to enhance and maintain property values, attract new residents and businesses, and contribute to the overall vibrancy and economic health of the community.

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**SECTION 2 - Understanding the Triennial Property Valuation**

***How do property valuations impact school funding?***

Due to House Bill 920, increases in property valuations do not translate into increased voted revenue for schools. When the County Auditor completes the triennial property valuation, there is a reallocation of taxes. Those in the community whose property value grew by a larger-than-average rate may see their tax amount increase to coincide with the valuation increase. Similarly, those who see a below-average property value increase may see their tax amount decrease.

The important thing to note is the total amount of voted revenue collected for the school district from the community-at-large remains the same. In order for the school district to receive additional funds to operate, the community would need to vote on a new levy.

***If the school doesn't get more money, then why did my taxes increase?***

This is a complicated question and may best be explained on a one-on-one basis. It all depends on how your property valuation compares to the rest of those within the community. Properties that experienced a higher-than-average value growth on the latest valuation may see an increase in taxes. At the same time, a home down the street may have seen a decrease in their taxes due to a lower-than-average valuation.

The net outcome for the school district is a zero increase in voted revenue.

***What is the difference between the market value and assessed value of my home?***

The market value is the state auditor's value of your home. This value can be found on the Hamilton County Auditor's website, <http://www.hamiltoncountyauditor.org>. The assessed value is 35% of the market value of your home, and taxes are calculated on the assessed value of your home. So, if your property has a market value of \$100,000 and is assessed for tax purposes at 35% of market value, your property tax will be taxed based on an assessed value of \$35,000 ( $\$100,000 \times 35\% = \$35,000$ ). You would pay taxes on only \$35,000 even though you could sell the property for \$100,000.

Property tax calculations can be confusing. For clarity, the district has done this "assessed value" calculation for property owners for the November levy request. The result is \$208 per \$100,000 of market total value as listed on the county auditor website.

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**SECTION 3 - Mariemont City Schools' Finances*****How much of Mariemont City Schools is funded locally?***

Local real estate taxes provide 72% of the funding for Mariemont City Schools.

Revenues	
Real Estate Taxes (aka levies)	72%
State Formula Funding	12%
Homestead & Rollback	7%
Public Utility Taxes	6%
Other	3%

***Why is Mariemont City Schools getting so little funding from the state?***

The state's funding formula utilizes a metric known as the wealth index, which uses a district's property values to calculate the per-pupil funding a district receives from the state. The state funding formula's reliance on the wealth index is based on the assumption that districts in "wealthy" communities can raise more local funds through regular operating levies.

Under the recently adopted "Fair School Funding Formula," Mariemont City Schools did see an increase in state funding with the adoption of the formula, although it has only amounted to an average of \$76,000 annually or about a 2.7% in state funding.

This minimal state funding means local taxes are needed to provide the majority of the funding needed to educate our students.

***Has Mariemont City Schools secured state or federal grants to offset local tax reliance?***

Yes. Since 2018, Mariemont City Schools has secured over \$3 million in one-time grants and \$600,000 annually in local, state and federal grants to offset operating budget expenditures and fund special projects and needs.

***How does the district spend its operating budget?***

The majority of district spending goes to salaries and benefits for district staff.

Expenditures	
Salaries & Benefits	72%
Purchased Services	20%
Instructional Supplies & Equipment	5%
Dues, Fees & Memberships	1.5%
Other (professional development, communications, misc. supplies)	1.5%

***Let's dig into our cost-containment and fiscal management. How is the district working to curb the impacts of runaway inflation and expenditures?***

Mariemont City Schools has contained costs by limiting budget growth to an average of 3.2% annually since 2018 as the result of strategic budgeting, staffing reallocation and attrition, the increased efficiency of our high school, and contract negotiations for services such as technology support, printing, natural gas and electric, and transportation.

Since 2018, Mariemont City Schools has secured over \$3 million in one-time grants and \$600,000 annually in local, state and federal grants to offset operating budget expenditures and fund special projects and needs.

Additionally, the district has a Purchasing and Bidding Policy (6320) that guides our diligent and thorough review of large purchases, contracts, and agreements and ensures the district is transparently and effectively receiving the best rate on the market. The policy also includes multiple layers of oversight from the treasurer and board.

We understand that staff salaries and benefits constitute a significant portion of our budget and are, therefore, an investment from our community's taxpayer dollars. We are sensitive to providing competitive salaries and benefits to attract and retain high-quality staff while also ensuring we contain costs where possible.

## **How are staff employed by the district used in our schools? How does the number of school employees now compare to the time of the last levy in 2018?**

The majority of district staff are in classrooms working directly with students.

District Staff Breakdown	
Teachers	64.4%
Instructional Aides	15.9%
Student Support	6.3%
Administrators	4.8%
Counselors/Mental Health	4.3%
Operations Support	4.3%

Although the school district reallocates and changes staffing positions from year to year based on student needs, the total number of staff employed by Mariemont City Schools is the same today as it was at the time of the last levy in 2018.

## ***I keep hearing school officials talk about shared services and how this saves money. What are shared services and how much do they save?***

Part of the strong tradition in the Mariemont City School District is about funding what the community values by ensuring strong fiscal management. The school district has proactively offset limited funding from the state by streamlining expenditures in the budget and seeking efficiencies in our operations, through methods like shared services. For example, the district collaborates with other entities to purchase gas and electric services and is seeing savings of 27% in our gas bills and 33% in our electric bills because of this collaboration. The district is also part of a health care consortium with 14 other districts to contain healthcare costs, keeping expenditures 20% less than the state average. Additionally, the district partners with Scarlet & Gray, Aramark and Petermann to streamline custodial, food and transportation services.

## ***When the new high school was built, we were promised cost-savings and efficiencies, have those been realized?***

Yes. The district has saved an estimated \$1 million annually in maintenance and facility expenditures as a result of the new high school. Additionally, the district has already saved nearly \$100,000 in utility expenditures since opening the new high school.

## ***There is some new construction in the school district community. Does new construction generate additional revenue for the school district?***

Yes. New construction does generate some additional revenue for the Mariemont City School District; however, there are often incentives included with the approval of construction that result in the reduction of the property tax bill. For example, it is common for new construction projects to be given a 15-year tax abatement, which is equal to 50% of the structural market value, and therefore, reduces the amount of property tax dollars the school district receives.

The school district does not have the authority to prevent or stop such abatements from being awarded.

***Does each community within our district (i.e. Columbia Township, Fairfax, Mariemont, Terrace Park) pay the same tax rate for the Mariemont City Schools?***

Yes. Each community pays the same tax rate for the school district.

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**SECTION 4 – Operating Levy 2024**

***What will be on the November 5, 2024 ballot for Mariemont City Schools?***

The operating levy on the November 5 ballot is a 5.95 mil levy to fund Mariemont City Schools' current standard of operations, programs, and services.

***What is an operating levy?***

An operating levy is a type of property tax specifically aimed at funding the day-to-day operational costs of a school district. This includes salaries, utilities, transportation, and other essential services. Unlike bond and permanent improvement issues, which fund long-term infrastructure projects, operating levies support the ongoing operational costs to educate students.

***How much money will this operating levy generate for Mariemont City Schools?***

This operating levy will generate approximately \$3.1 million per year for the school district.

***How much will the levy cost homeowners?***

The proposed levy will cost approximately \$208 per \$100,000 of home value determined by the County Auditor (listed as Market Total Value on the county auditor website.)

***How did the Mariemont Board of Education decide on the amount to ask for?***

The Mariemont Board of Education always closely monitors district finances and budget forecasts. Funds generated by a 5.95 mil operating levy will allow the district to: (1) keep its current programs and services; (2) maintain three months of operating expenses in reserve; and (3) not need additional funding for four years. All of these factors are built into the current five-year forecast, and the \$3.1 million this levy amount will generate annually is the appropriate amount to fulfill the identified needs.

***How does this levy amount compare to the issue that was passed in 2018?***

The last issue in 2018 was a combination permanent improvement/operating levy. This issue included a 5.75-mil permanent improvement levy and a 2.5-mil operating levy. An operating levy generates funds for the day-to-day operations of the school district like staffing, utilities and supplies. A permanent improvement levy generates funds to specifically be used to fund building improvements, remodels or new construction. The permanent improvement dollars generated in 2018 were used for the renovation and construction of our new high school that opened in 2020.

***Why is the operating levy on the ballot now?***

It has been six years since the last operating levy. State and local funding to the district has remained relatively stagnant and has not kept pace with inflation or costs. The proposed levy will continue to fund high-quality education and services in Mariemont City Schools without interruption.

***What will the money generated from the levy be used for?***

The operating levy will fund the day-to-day operations of our schools. This includes teachers, utilities, and supplies.

***What happens if the levy passes?***

If the levy passes, it means critical funding for current academic programs and services will continue. The Mariemont Board of Education has made a commitment that this levy will last for four fiscal years.

***What will happen if the levy does not pass?***

If the levy does not pass, the district will begin phasing in \$3.1 million in cuts and reductions over a two-year period. These reductions will have a significant impact on the quality of education and services we can provide including staff reductions, increased class sizes, and cuts to current programs unique to Mariemont City Schools and designed for the students we educate here.

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**SECTION 5 – Mariemont City Schools – One of the Best**

***I keep hearing how great Mariemont City Schools is – what evidence do we have that we really are great?***

Mariemont City Schools is widely celebrated as one of the top school districts in the state of Ohio. The district received an overall 5-star rating (out of 5) on the 2022-2023 State Report Card, as scored by the Ohio Department of Education and Workforce. The overall rating is comprised of five rated components: achievement, progress, gap closing, graduation, and early literacy.

All four school buildings in the Mariemont City School District have earned at least one National Blue Ribbon award from the United States Department of Education – the most prestigious school recognition in the country (Mariemont Elementary School in 2018, Terrace Park Elementary School in 2004, Mariemont Junior High School in 2021 and Mariemont High School in 1984, 1988, 2001, and 2005.) This honor is bestowed upon the highest performing schools as measured by state and national standardized tests. At the time of the junior high's recognition in 2021, Mariemont City Schools was one of just four school districts in the state of Ohio to have all of its schools named National Blue Ribbon Schools.

Based on the 2022-2023 Ohio state test results:

- Mariemont City Schools ranked #1 in Hamilton County, #1 in the region and #7 in the state for overall academic achievement
- All Mariemont City Schools buildings ranked in the top-10 of the region and the top 2% of the state (out of 3,203 schools) for overall academic achievement



- Mariemont City Schools ranked in the top 10% of the state for year over year student improvement
- Mariemont City Schools ranked #1 in the region for gifted opportunities and performance
- Mariemont City Schools ranked #1 in the region and #5 in the state for early literacy achievement
- Mariemont Elementary School and Terrace Park Elementary School both ranked in the top 3% for overall academic achievement amongst all Ohio elementary schools
- Mariemont High School ranked #2 in the region for overall academic achievement
- Mariemont Junior High School ranked #1 middle school/junior high in the region for overall academic achievement

In the fall of 2024, Mariemont High School was named to the AP Honor Roll with a Platinum Distinction, which is the highest honor awarded to the schools on the AP Honor Roll. Schools earn this recognition annually based on criteria that reflect a commitment to increasing college-going culture, providing opportunities for students to earn college credit and maximizing college readiness.

Mariemont High School offers 22 Advanced Placement (AP) courses, developed to give students an introduction to college-level courses and earn college credit before even graduating high school. In 2023, 88% of MHS students who took an AP exam earned college credit by scoring a 3 or higher. Additionally, 10 MHS AP courses had an exam passage rate of 100%.

The Mariemont City School District has consistently scored much higher on the ACT than state and national averages. In 2023, Mariemont City Schools had a district average of 24.6 while the state average was 19.2 and the national average was 19.5.

In addition to an exemplary academic program, Mariemont City Schools also provides one-of-kind experiential learning opportunities to all students through its award-winning Warriors BEyond program. With experiences both during and outside the school day, students are able to discover interests and strengths through many hands-on programs and travel offerings.

The Mariemont City School District provides extensive support to students and their families through its Warriors BEwell initiative – a myriad of mental health services and programs using research-based practices and well-trained school counselors and mental health therapists.

Additionally, in any given year, the district enjoys around 50 student visual and performing arts performances, with a student participation rate of approximately 80% in extracurricular sports and clubs at the high school.

Year after year, district athletes and coaches do an outstanding job representing the district in competition, bringing home Cincinnati Hills League (CHL) championships, earning district honors and competing for state titles. Since 2017, Mariemont High School has earned 12 Ohio High School Athletic Association (OHSAA) state championships.

***Where can I find more information about the Mariemont City School District?***

For more information about the school district, please visit the Mariemont City School District website ([mariemontschools.org](http://mariemontschools.org)). Some useful resources include The Experience Newsmagazine, the State of the Schools program, the Mental Health Message and the Experiential Learning Update. You also can follow the district on Instagram, Facebook and YouTube.