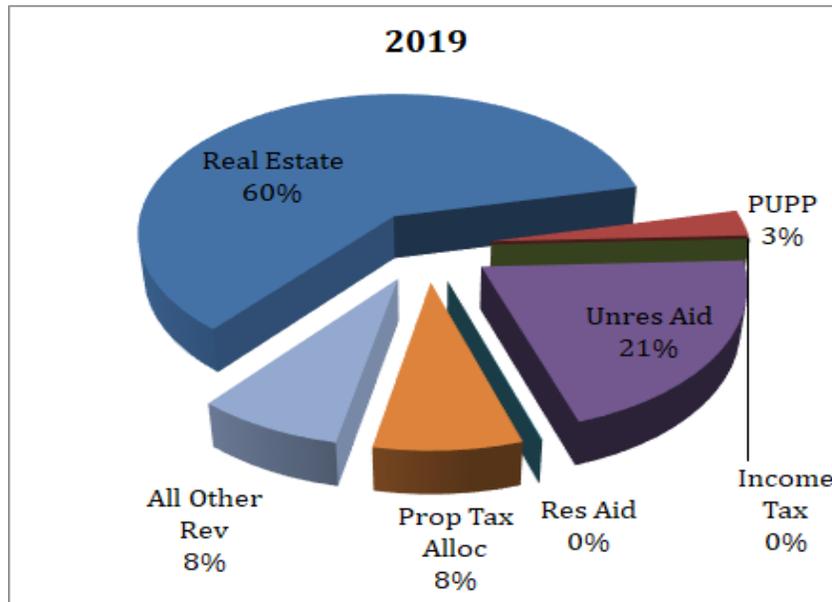




## Financial Frequently Asked Questions (FAQ)

### Where does Kings Local School District revenue come from?

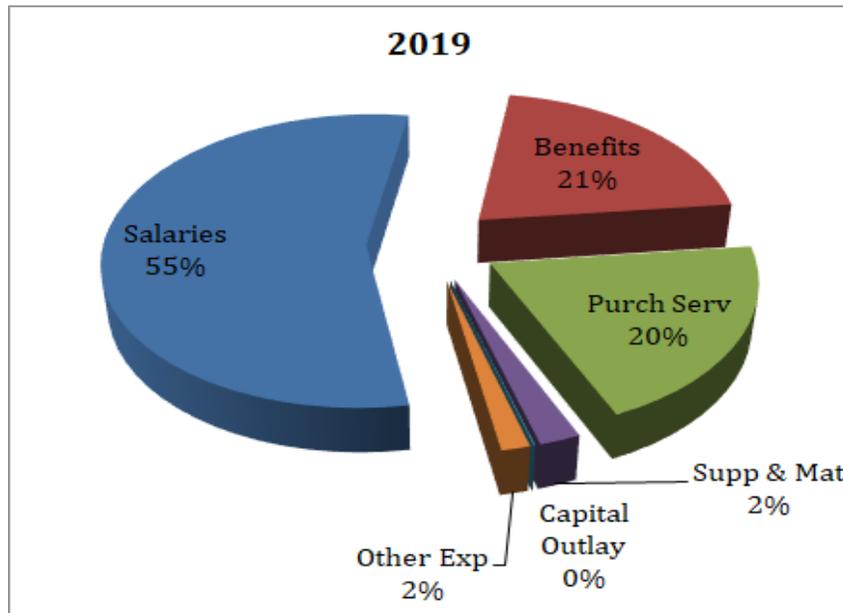
In Ohio, funding is a shared responsibility between state and each local community. The level of local support is determined by the value of local property. The Kings Local School District receives \$11,130,000 in total funding from the State of Ohio. With a total operating budget of \$50,000,000 this represents 21% for the 2017-18 school year. The graph below details each category of revenue.





### Where does Kings Local School District money go?

The District's operations are funded from its general fund. In the 2017-18 school year the general fund was used to pay staff salary and benefits accounting for 76% of the expenditures of the District. The next largest area was purchased services, which includes transportation, custodial services, special education support services, utilities, property insurance and out of district tuition. The graph below details each category of spending.



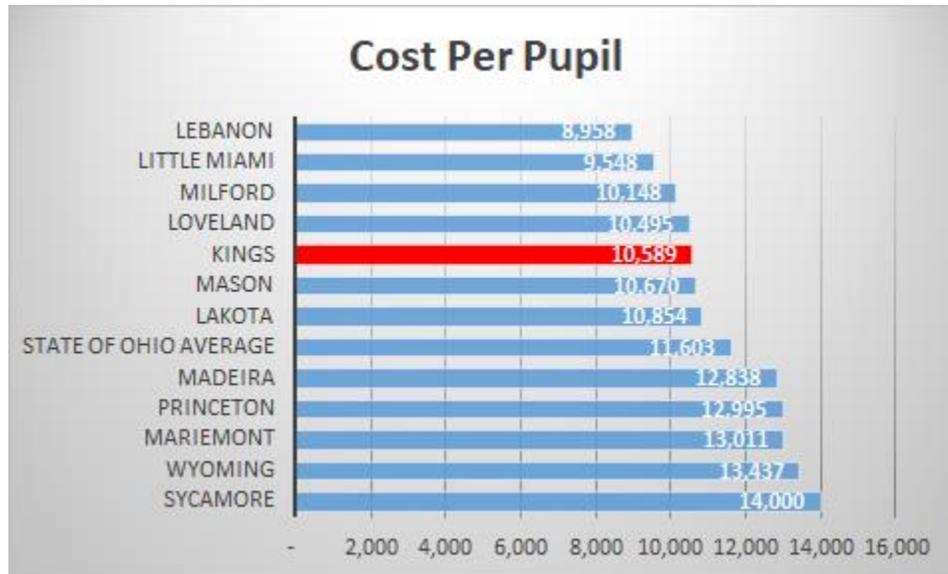
### How much state per pupil funding does Kings receive for each student?

The current state allocation per pupil is \$6,020. The amount is adjusted based on the Kings State Share Index (SSI). The SSI takes into account property wealth and the income of the residents of the district. Therefore, each district across the state receives a different amount on a per pupil basis. In Kings Local School District receives \$2,185 per pupil in state funding, representing approximately 36% of the gross per pupil amount.



### How does spending compare to surrounding District's on a per pupil basis?

Below is a chart comparing Kings to neighboring districts with similar academic programs and offerings. The data is based on the 2016-17 school year, which is the most recent available. The cost per pupil for 2017-18 for Kings has not been released as of yet.



### How does new construction impact the District?

The construction of new homes and businesses provides new revenue to the Kings. Over the past 6 years, new home construction has averaged a 1.9% in property value. The average increase in new construction has provided an average of \$432,000 annually in new revenue. The average revenue would cover the costs of approximately 40 new students. This is problematic due to enrollment growth being higher than the revenue provided by new construction.

### How does reappraisal impact the District? My home value has just gone up, doesn't this mean more revenue for the school district?

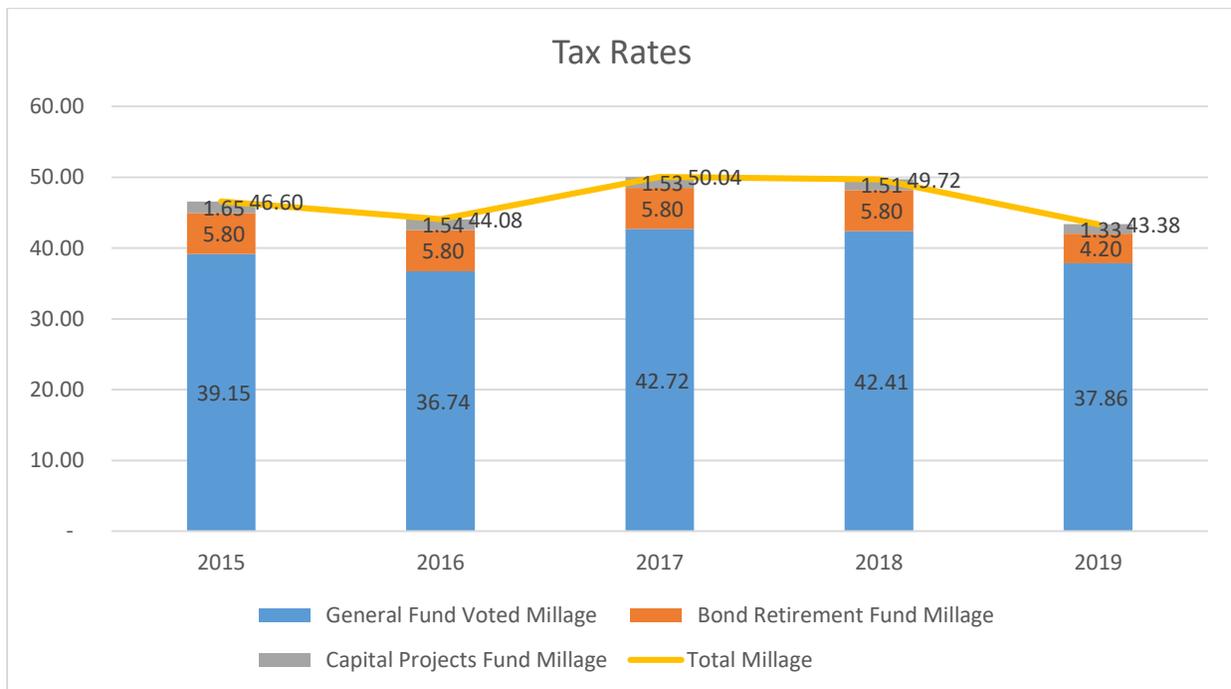
The Warren County Auditor completes a reappraisal of property every 6 years and updates the values every 3 years. The 6-year reappraisal occurred in 2018 for taxes payable in 2019.

House Bill 920, enacted in 1976 was passed to ensure that when values increased during a reappraisal, tax rates are reduced to offset the potential of taxes increasing. That is important as it relates to the District's tax rate or millage for operations and permanent improvements. As the home values increase due to the reappraisal it is expected that the tax rates will be rolled back to keep school taxes the same in



the upcoming year. The graph below details the tax rates since 2015. The District passed a 6.20 mill operating levy in 2016 resulting in an increase in rates in 2017. The reappraisal in 2018 is generating an average increase of 14% in residential property. The strength of the housing market sales in the community is the primary reason for the increase in values.

As a result of the increased value, the reduction in the millage or tax rate for homeowner's whose home value is increasing by the average of 14% should see their school taxes remain the same or decrease slightly. Home value increases less than the 14% average would result in a tax savings to the homeowner and increase above the average would increase taxes. The increases/decreases would be specific to each homeowner's home value.

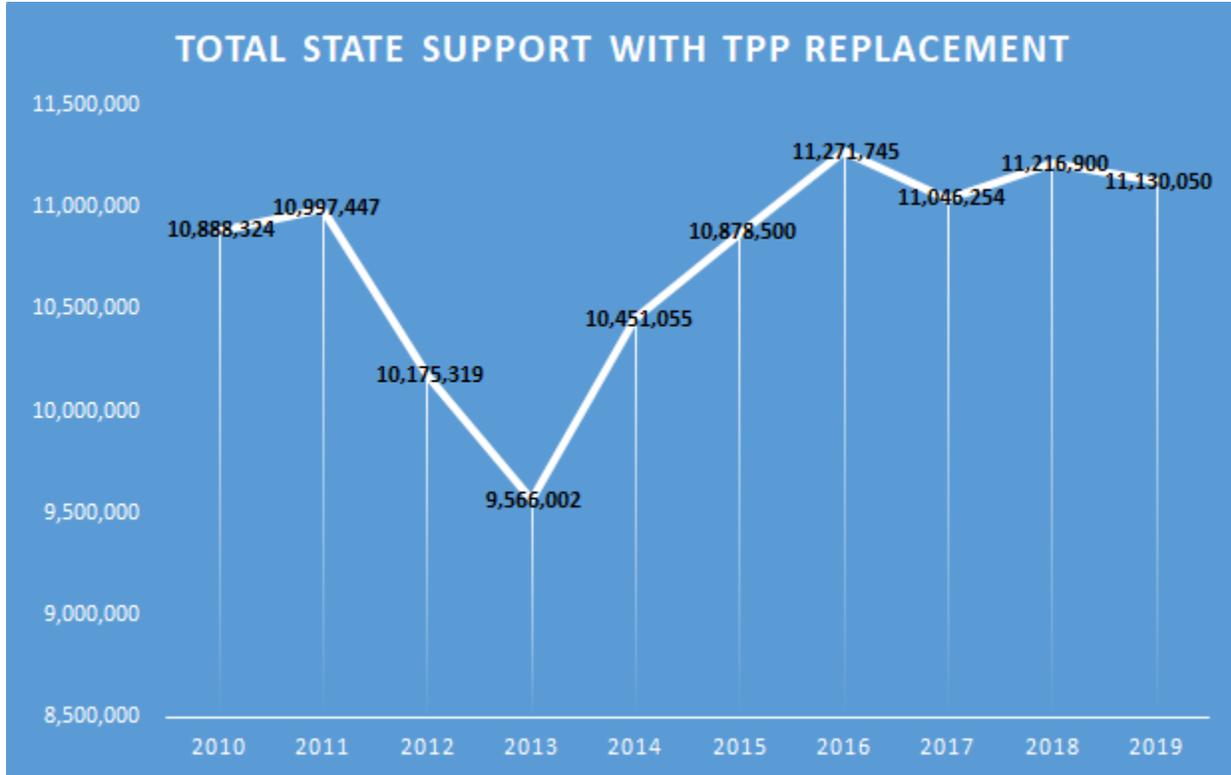


**What is TPP? How has losing TPP and the state replacement funds impacted the District?**

Tangible Personal Property tax (TPP) was assessed on Ohio businesses for machinery, equipment and inventory. House Bill 66 (HB66) eliminated the tax that generated in excess of \$4.5M for the Kings school district. HB 66 provided for reimbursement of the tax to protect schools from the sudden loss of revenue, but the replacement payments have been phased out to only \$835,000 annually and that amount will be eliminated in fiscal year 2019-2020.



The chart below details total state support including the TPP reimbursement payments. Over the past 10 years the District has only gained a total of \$241,726 of new revenue.



### Does casino revenue support public schools?

Kings does receive a portion of casino revenue. For fiscal year 2018, the District received \$220,542 which is approximately \$51.90 per pupil. While it is welcome revenue, the casino revenue is not a significant factor in the overall budget of Kings.