

United Local Schools begins planning process to receive state funds, will address school facilities without raising property or income taxes

FOR IMMEDIATE RELEASE

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HANOVERTON, Ohio -- United Local School District has received notification from the Ohio Facilities Construction Commission (OFCC) that nearly \$25,000,000 of state funds will soon become available for the district to address its school facilities. The OFCC is responsible for guiding capital projects for state agencies and Ohio's comprehensive public K-12 school construction and renovation program.

The State's offer of funding is for the new construction of a single, PK-12 building to house all of the district's students. As part of the new construction offer, the District has the option to keep or demolish any portion of its existing facilities.

The State, using data about previous projects and the construction market in our area, has identified the cost of the program to be \$40,170,227. Based on local property values and the number of students served, the State has offered to cover \$24,503,869 (61%) of the project. The school district would be responsible for \$15,666,408 (39%).

Typically, school districts choose to raise a property tax ballot issue with its voters to cover this local portion of the construction cost. However, United Local is a unique position and will not ask its local voters to raise property tax rates.

Starting in January of 2020, the District will begin collecting an additional estimated \$5.2 million in property taxes from the newly created Nexus Gas Pipeline that runs through our district and includes a compression station located within the district. This new property tax revenue is being realized by local townships and county governments in addition to United Local Schools. This revenue has been vetted by Statewide and local officials, in coordination with the Nexus Pipeline, to assure the reliability of these funds, long-term. This annual revenue will decrease slowly over 30 years and is expected to generate \$24 million in the first five years alone.

The Board of Education at United Local Schools has committed to dedicating the required funds needed to complete a long lasting PK-12 facility that will have impactful educational benefits for the next 50-100 years in the community. Based on local feedback, the district has set a goal for the local share to be paid within a 10-year timeline.

"The process to address our aging facilities, and the way they serve our educational needs, has been ongoing in this district for nearly 20 years," said Lance Hostetler, United Local Schools Superintendent. "District taxpayers have voted against raising tax rates a number of times through the years and we have proactively pursued and planned creative options to fund our local share. The intersection of a significant State funding offer and newly generated property tax revenue makes now the right time to address the future of our facilities."

As previously noted, the funding offer percentage is based on local property values and the number of students served. Projections show that local property value is significantly increasing, while the total number of students we serve is decreasing. These shifts mean that the State offer will continue to drop when and if another offer is made in the future. For example, in the 2011 tax issue defeat, the State offered to cover 79% of construction.

To assure that the resulting plan meets community needs and desires, United Local has created a Community Advisory Team to consider the details of the plan and offer. This 50-member team is made up of school administrators, teachers, parents, community business leaders and district residents.

This Community Advisory Team, in coordination with the School District, has created a website to keep the public informed about the process - www.BuildUnitedLocal.com. District residents are encouraged to learn more on this site and submit their feedback for consideration by the team.

UNITED LOCAL SCHOOL DISTRICT