

To the residents of Avon,

Fiscal responsibility has always been a priority of the district. With the defeat of the May 4th levy, the Board has been put into a position to take actions that, regrettably, will impact the students, parents and staff of the district. We are asking for your support in August as it is vital to the ongoing operation of the schools, the success of our children and our community's future. We hope the following information explains why the passage of an additional operating levy is real and the time is now.

Student Population Growing, Revenues are NOT

The district has not and does not request tax dollars lightly. Like many families and individuals in our community, the district also "lives on a fixed income" - with two major exceptions:

- Our "family" has grown by 805 children in the last 4 years. That is an entire school building full of students! We cannot turn them away because we don't have the money. In fact, we anticipate welcoming and educating an additional 125 students per year for the next 6-8 years (more than 600 additional students).
- Our annual "income" adjustments from the state have been effectively negative and we must ask our neighbors (the public) for any increases in operational dollars (the last time Avon received additional funding was 4 years ago in 2006).

The additional requested funds are needed to simply continue to educate the children that are already in the classrooms and those that will be attending within the upcoming years.

Compelling Comparison

For the past several years, you have seen us compare Avon to these districts (based on also achieving Excellent academic ratings) even though we are below all of them on cost per student:

Westlake	\$12,538	Excellent with Distinction
North Olmsted	\$12,226	Excellent with Distinction
Rocky River	\$11,928	Excellent with Distinction
Bay Village	\$10,868	Excellent with Distinction
Avon Lake	\$10,334	Excellent with Distinction
Avon	\$ 8,001	Excellent with Distinction

However, to truly put the effectiveness of the district's efforts in perspective, you also need to compare expenditures per student to the other districts in the area and their respective academic ratings.

Lorain	\$10,410	Academic Watch
Elyria	\$ 9,886	Continuous Improvement
Sheffield/Sh-Lake	\$ 9,536	Effective
North Ridgeville	\$ 8,953	Effective
Avon	\$ 8,001	Excellent with Distinction
Clearview	\$ 7,956	Continuous Improvement

Stretching Every Dollar

Although the district has grown significantly, you can see that we have been able to maintain our cost per student at 20% or more below comparable districts; this has not occurred by chance or luck. Each year, trims in programs or services have been made. Requests for additional/replacement staff and budgetary adjustments to accommodate the growth or improve education have been declined by the administration or Board to keep the costs down. These budget controlling actions are part of the usual district business and mostly performed without significant fanfare, although they have stretched the limits of our educators, administrators and staff. Examples include:

- Limited academic and service staff and gradually increased class sizes by up to 3-4 students per class
- Limited building administrative and support staff such as assistant principals, counselors and aides (even as student population grew)
- Negotiated lower health insurance costs (0% in 4 yrs vs. 7-14% *per year* on average)
- Hired great teachers, but with less experience
- Reduced field trips (and made them self-funded by parents)
- Limited Board Office size (vs. other districts)
- Reduced transportation costs with 3 run busing
- Eliminated intramurals grades 1-6
- Phased out low attendance extra-curriculars
- Constrained gifted programming

In addition, we have been formally commended by the Ohio Department of Education for our academic performance and our lean administrative, teacher and support staff positions.(see link on www.avonschools.org).

Actions Underway

We are analyzing options across the district's operations and are targeting reductions of our already lean current expenditures and increasing revenues by a combined \$1,200,000 per year. Actions have already been taken. In May, the Board made approximately \$610,000 in cuts to next year's budget

- Not hiring a needed 6 additional teachers (despite adding 200+ children) through reduction / reallocation (\$300,000)
- Elimination of computer technician (\$40,000)
- Elimination of high school bussing (\$120,000)
- Delay of replacement textbooks (\$150,000)

We anticipate making additional changes to next year's budget in the upcoming Board meetings, prior to the August ballot, including:

- Teacher contract negotiations (\$300,000)
- Pay-to-participate fees (\$150,000)
- Reduction in building operational budgets and professional development (\$65,000)
- Reduction in other support staff (\$50,000)
- Increases in school fees and tuition (\$20,000)
- Reduction in other programs, technology (\$20,000)

The Board does not look forward to making these decisions, but we are required to work within the limitations of the dollars we are presented with from the community and the state. With the \$1.2 million in cuts and levy passage in 2010, the Board of Education will not need to request a second tier of additional local tax dollars in 2011.

Cuts Alone Not a Long-Term Solution

Some residents have requested that we cut even harder instead of asking for more money from tax payers, but we feel they do not understand the magnitude of the issue. With the \$1.2 million in cuts already planned, the general fund balance at the end of the 2011-2012 school year will be -\$2,121,606. Just to be solvent for an additional school year (2012-2013), the district would have to make an additional \$2 million dollars in cuts which would be educationally devastating (and that would not solve the following year). When the district is running as lean as it already is, to balance the budget with just cuts alone, actions would include massive staffing reductions likely resulting in class sizes of 35 or more, no transportation within 2 miles, no extra-curricular activities, elimination of most non-mandated services, etc. This more drastic list has already been started because these are the actions that the district may need to consider if the levy does not pass in 2010. The need to ask for more money from tax payers is also not because of past mis-management of funds. The district has consistently been highly rated academically with one of the lowest cost-per-student ratios in our area for the last ten years.

A Community is as Good as its Schools

The schools are an integral part of the community and our success has been through the partnership of the home, schools and community. Avon has been a rapidly growing city with a self-fulfilling prophecy – a good city with good schools leads to families moving in and more children entering the school system. The additional funds that are requested are to continue to provide the type of education that you expect and our children deserve.

Support Our Schools

As always we welcome input, comments and questions from the citizens of Avon. The Avon Levy Committee is again looking for volunteer support (go to supportavonschools.com). We welcome anyone to call, e-mail or attend a school board meeting to raise any concerns or show your support. Everyone plays a role in our community and the education of its children. We all need to understand just how important the passage of the levy is for the schools and our community. We hope we can count on your support on August 3rd.

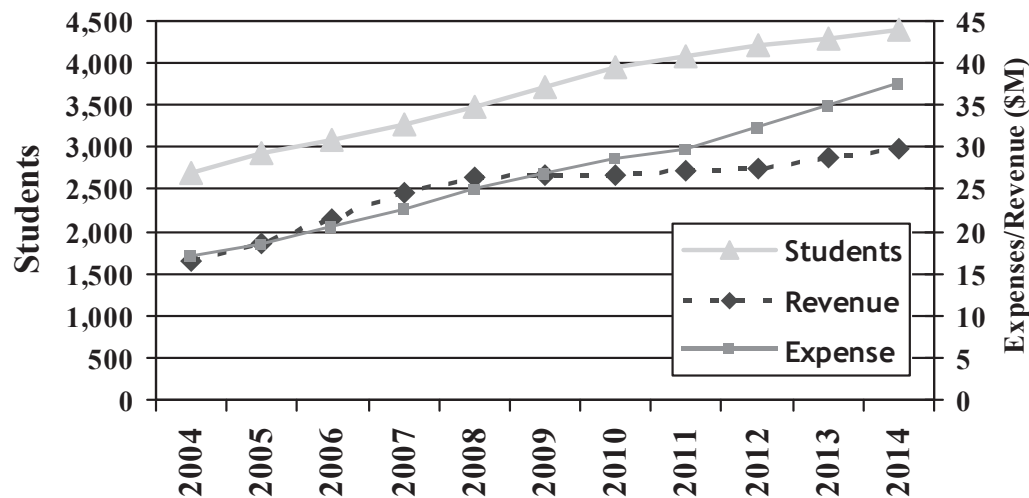
Respectfully,
The Avon Local School Board

CRITICAL DISTRICT DATA

Student Growth and Expenses vs. Revenue

The following graph shows the root cause of the district's challenge. Since 2000, the district has averaged an additional 200 children / year. The district requested and the community approved levies in 2002, 2004 and 2006 to support the growth. As you can see, the expenses (teachers, transportation, services, etc.) reflect and follow the increased student population. These are projected to continue to increase throughout the forecast. However, due to the state funding laws and expected future state funding reductions, the district revenues fall below the expenses.

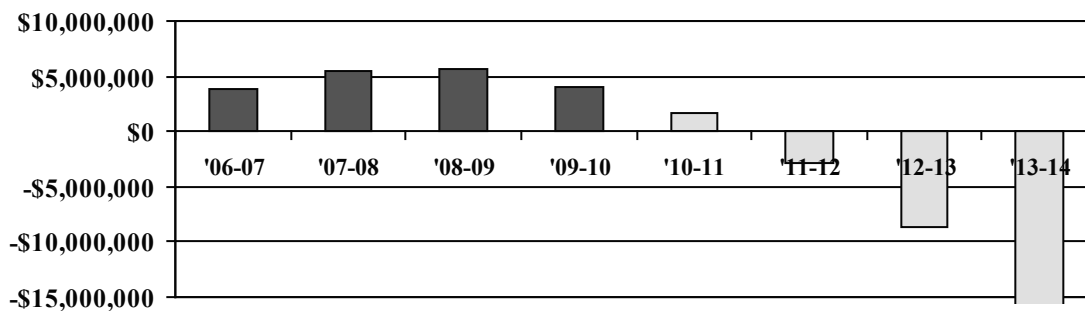
Students vs. Expenses/Revenue



General Fund – One More Year Left

Twice a year, the state requires school districts to submit an official 5-year forecast. The district general fund is the source for the general operations of the District including; salaries, transportation, materials, utilities, etc. Based on the above projections and the cuts already taken/planned, the general fund can only support the 2011-2012 school year. This reflects the cuts previously described and renewals being passed.

General Fund Balance



Steps leading to placing a 5.9 mill levy on the August ballot

- (1) In Oct 2009, the district forecast indicated the need to take action due to the shortfall in the 2011-12 school year.
- (2) In 2010, the Board began the process and placed a 5.9 mill levy on the ballot as the first step to stabilize the district. This would enable the district to operate for an additional year.
- (3) Following the defeat of the levy, the Board began the process to reduce the budget by approximately \$1.2 million dollars and revised the forecast in May. These reductions improve, but *do not eliminate*, the deficit in 2012.
- (4) Based on the funding options, the probability of the student population exceeding the forecast (the kindergarten registrations are already beyond the projections making it the largest class ever) and the likelihood of further reductions in state funding, the Board agreed to move forward with the 5.9 mill levy. The urgency of the situation and the risk of taking only one opportunity in 2010 to stabilize the district led the Board to place the request in August.

5-year Scenarios

