

# **NAVIGATING A CONSOLIDATION OR MERGER**

**Special Consideration:  
Districts in Fiscal Emergency**

# **LEDGEMONT SCHOOL DISTRICT**

**Superintendent: Julie Ramos**

**Treasurer: Belinda Glavic Grassi, CPA**

## **FACTS & FIGURES**

**Fiscal Caution - February 2009**

**Fiscal Emergency - November 2010**

**Fiscal Oversight Committee appointed**

**1.25% Earned Income Tax**

**Inside Millage - 4.5 mills**

**Outside Millage - 15.500032 mills**

**Effective Total Millage - 20.000032 mills**

**General Fund Budget - \$6,078,000**

**Total Budget - \$6,980,700**



	<b>SOLVENCY ASSISTANCE ADVANCES FROM STATE OF OHIO</b>	<b>REPAID</b>	<b>CUMULATIVE OUTSTANDING BALANCE</b>
<b>FY2011</b>	<b>\$2,170,000</b>	<b>\$0</b>	<b>\$2,170,000</b>
<b>FY2012</b>	<b>\$1,677,000</b>	<b>\$1,085,000</b>	<b>\$2,762,000</b>
<b>FY2013</b>	<b>\$1,114,000</b>	<b>\$1,085,000</b>	<b>\$2,791,000</b>
<b>FY2014</b>	<b>\$0</b>	<b>\$419,250</b>	<b>\$2,371,750</b>
<b>FY2015</b>	<b>\$978,000</b>	<b>\$419,250</b>	<b>\$2,930,500</b>

**• THE DISTRICT WOULD HAVE BEEN AT  
BREAK EVEN FY2015 IF NOT FOR MERGER  
RELATED INDEBTEDNESS.**

- The structure of the merger required additional financing in order for the district to be closed as of June 30, 2015.**

# TIMELINE OF STEPS TAKEN TO OVERCOME THE FINANCIAL IMPACT OF LEVY FAILURES

ongoing

- November 2013 12.4 mill levy failure
- Minimized all district spending

JANUARY  
2014

- Inside Millage Move Approved unanimously by BOE and County Budget Commission

JUNE  
2014

- Closed High School building and moved all students to one facility

# **TIMELINE OF STEPS TAKEN TO OVERCOME THE FINANCIAL IMPACT OF LEVY FAILURES**

**August  
2014**

- **Proposed merger with neighboring district via “Territory Transfer” rules ORC 3311.22-3311.241**
- **Take advantage of debt forgiveness rules under ORC**

**October  
2014**

- **County Tax Budget Commission rescinded previously approved Inside Millage Move**

**November  
2014**

- **Continuous Income Tax Levy Renewal – passed**
- **Proposed 4.9 Mill Property Tax Levy – failed**
- **Neighboring district BOE vote on merger failed**

# TIMELINE OF STEPS TAKEN TO OVERCOME THE FINANCIAL IMPACT OF LEVY FAILURES

January  
2015

- Proposed merger with yet another neighboring district via “Territory Transfer” rules ORC 3311.22-3311.241
- Take advantage of debt forgiveness rules under those code sections

January  
2015

- BOTH BOE votes on merger passed unanimously

June  
2015

- LEDGEMONT SCHOOL DISTRICT DISSOLVED
- as of June 30, 2015

# **CONSOLIDATION**

**Needs voter approval**

**Creates a new district upon completion**

# **MERGER**

**Needs voter approval**

**One district is the surviving district**

# **TERRITORY TRANSFER**

**Does not need voter approval**

**Is initiated by the County ESC**

**Can be protested by voter petition within 30 days**

**Can be initiated by State of Ohio**

# **JOINT HIGH SCHOOL**

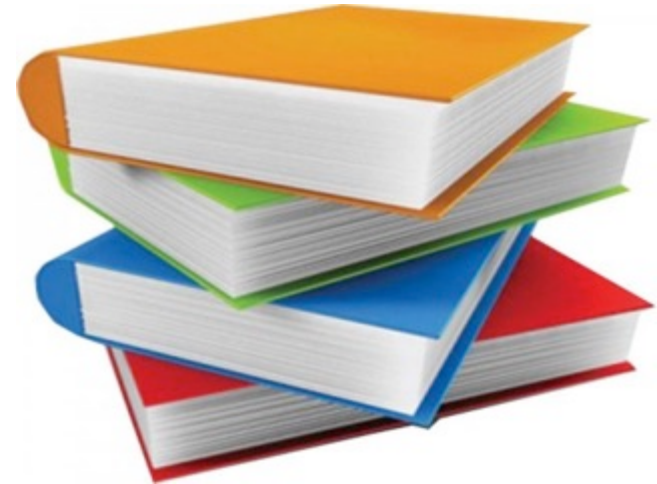
**Needs voter approval**

**Creates a third district comprised of high school students from both districts**

**Separate BOE**

- **DATE OF MERGER**
- **DETERMINE YOUR TRANSITIONAL TEAM**
- **EDUCATIONAL TRANSITION TEAM**

- Student transition impact
- Transportation
- Classes to be offered / Class sizes
- Consolidation of teaching staff
- RIFS / Bumping / Staff seniority issues
- Curriculum & Technology pathways
- Athletic programs



- **FINANCIAL TRANSITION TEAM**

Employment, Payroll & Payroll Taxes / SERS & STRS

- Employee Benefits
- Vendors & Payments
- Revenues & Funding
  - Contracts
- Resident & Community Impact
- Accounting, Business Property, Fixed Assets
  - District Technology





# **WHY IS A TRANSITIONAL TEAM IMPORTANT?**

**Collaboration & Cooperation  
make the transition easier for  
everyone!**

# **FINANCIAL TRANSITION TEAM**

**TREASURERS  
SUPERINTENDENTS  
Special Ed Coordinators  
Technology Directors  
Building & Maintenance Directors  
Food Service Directors  
Union Representatives**

# EMPLOYMENT & PAYROLL

**PAYROLL**

**SERS / STRS**

**PAYROLL TAXES**

**EMPLOYEE BENEFITS**



# • EMPLOYEE PAYROLL

- Payout of contracts
- Contract dates are key
- Summer Spread pay
- Final paychecks
- Schedule of each employee for final paycheck purposes
- Different positions have different final paydates
  - Last June pay
  - Last July pay
  - Last August pay
  - 24 or 26 pay periods
- Unused vacation payouts
- Longevity payouts
- Sick time carryovers
- Retirement payouts
- Terminated employees – eligible for callback
- Retained employees
- Terminated employees – not eligible for callback
- FINAL W2
- ACA 1095B forms issued



- **SERS / STRS**

- **Notifications to SERS / STRS**
- **Calculation of final payments is required**
  - **Done by SERS / STRS staff**
- **Retirement calculations must be done earlier than normal**
  - **Must be entered to E-SERS and STRS Online prior to close**
- **Surcharge calculation will be paid by surviving district**
- **Final outside vendor SERS (PSI, transportation, outsourced services) must paid prior to close**



# • PAYROLL TAXES

- **FICA / Medicare / Federal Withholding**
  - **IRS Form 941 Final – checkoff box**
- **Ohio & Local Withholding**
  - **Ohio IT-501 final prepared**
  - **Final local withholding returns prepared**
- **State Unemployment (SUTA)**
  - **ODJFS must be notified of intent to close**
  - **Self pay districts are responsible for future payments**
  - **Surviving district will be responsible district**
  - **If merging district is dissolved, this could present a problem if surviving district does not pay**
    - **State would have to cover the costs without reimbursement**
- **A-Site will be responsible (along with surviving district) for W2 preparation for employees of dissolving district**



# **HEALTH & OTHER BENEFITS**

- **Health Benefits – NO COBRA BENEFITS AVAILABLE to terminating employees if district is closing (federal law).**
- **All benefit plans terminate on the date of dissolution**
- **Portability of voluntary benefits may be possible**
- **Flex-benefit accounts will have a termination date**
- **Run off of Sec. 125 flex spend accounts will have a defined cutoff date for distribution of funds**
- **Employees moving to a “new” district will have new insurance deductibles at the date of first employment**
- **Co-pays may be different**
- **MOU’s may be required**
- **Portability of healthcare deductibles may be possible if plans are the same at both districts.**



# **REVENUES & FUNDING**

**Food Service / CRRS payment system for NSLP**

**Foundation Payments - ODE  
(and all other state revenue sources)**

**Property Taxes - County Auditor  
Final appropriations / final cash balances  
final amended certificate of resources**

**Income Taxes SDIT / Ohio Dept. of Taxation  
Advance notice of possible new income tax rates**

**Grant Funding & CCIP draws / FERS  
SAFE account access**

**Elimination of IRN # / Reassignment of Building #s**



# **ACCOUNTING & FINANCE**

## **BUSINESS & PROPERTY**

### **A) USAS - Transitional period is helpful after merge date**

**Close Month End as normal**

**Close Fiscal Year End as normal**

**Close Fiscal Payroll & USPS as normal**

### **B) FINANCIAL**

**Bank Accounts need new signers**

**Online Banking access established for new users**

**New depositories for revenue ACH deposits**

**A-Site users added / updated**

**Grant CCIP final draws / FER data compiled for future need**

**Catastrophic Cost data for current year compiled for future upload**

**Excess Cost data for current year compiled for future upload**

# **ACCOUNTING & FINANCE**

# **BUSINESS & PROPERTY**

## **C) PROPERTY & EQUIPMENT**

**Transfer of underground storage tanks**

**Buildings & Property ownership updated with County Auditor**

**Insurance records transferred to new district / Notify agent**

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## **D) TRANSFER TITLE TO ALL VEHICLES**

**Ohio Highway Patrol forms**

**Buses must be taken out of service first**

**Titles transferred**

**Buses must be re-inspected at the surviving district**

**Titles must be in the name of the survivor district at the time of inspection**

**Buses may be placed in service and recertified by OHP after passing inspection**

**Transfer title to any other non-bus vehicles**

# **VENDORS & PAYMENTS**

**Letters sent to vendors**

**Change of address**

**Conversion of utilities**

**Notify consortiums of withdrawal**

**Pay all vendors prior to closure**

**Surviving district needs to take responsibility  
for all unpaid and unsettled accounts**

# **CONTRACTS**

**Union Contracts**

**Outsourced Contracts  
(such as busing and nursing/health aide services)**

**County ESC Contracts / Special Ed Service Contracts**

**Insurance (both Liability & Property)**

**Miscellaneous vendors with contracts**

**OSBA / OASBO / Ohio Schools Council / Pricing Consortiums**

**Food Vendors / NEOLA / Websites / AESOP**

**Credit Card Merchant accounts**

# **DISTRICT TECHNOLOGY**

## **A-SITE ISSUES**

**Email conversion**

**Student Records**

**Grading**

**Internet host service**

**VOIP**

**E-Rate conversion**

**Internet accessibility**

**One to One transportability**

**Access issues - different technology at different sites**

**Compatibility of technology between districts**

# **RESIDENT & COMMUNITY**

**CONSTANT COMMUNICATION IS ESSENTIAL**

## **COMMUNITY MEMBERS**

**Income Tax Rate changes**

**Property Tax Rate changes**

**Bus Routes & Transportation changes**

**Assignment of students to buildings**

**Closing Commemorations & Final Farewell (student & community)**

**Volunteer Appreciations / Community Social**

**Final Graduation**

**Employee gathering**

## **COUNTY AUDITOR**

**Property Tax Boundary updates**

**Update Tax Duplicates to reflect proper rates at date of change**

## **BOARD OF EDUCATION**

**Abolished at date of merger**

**Final board meeting**

# **EDUCATIONAL TRANSITION TEAM**

**SUPERINTENDENTS  
Curriculum Departments  
Special Ed Coordinators  
Building Principals  
Union Representatives**

# **BELINDA GLAVIC GRASSI, CPA**

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**Business Management & Advisory Consulting  
For Education, Government, Non-Profit & Small Business**

**Member:**

**Ohio Society of Certified Public Accountants (OSCPA)  
American Institute of Certified Public Accountants (AICPA)  
Ohio School Boards Association (OSBA)  
Ohio Association of School Business Officials (OASBO)  
Human Resource Planning Society (HRPS)**

**Licensed:**

**Ohio Board of Accountancy (CPA)  
Ohio Department of Education (Ohio School Treasurer)  
Internal Revenue Service (Electronic Return Originator & PTIN)**



# Julie Ramos

**Julie.ramos@geaugaesc.org**

**(440) 339-9854**

Julie Ramos is in her 19th year of education. From teaching students and adults to leading educators, Julie's passion is making decisions that positively impacts kids. Currently, Julie is the Director of Strategic Innovation at Wickliffe City Schools. Prior to her current position, she was the Superintendent of Ledgemont Schools. She also served as the Outreach Coordinator at the Geauga Educational Service Center, as well as an adjunct professor at Kent State University, Geauga Campus.

## **PROFESSIONAL PARTNERSHIPS**

- Served on the Steering Committee and Advisory Board for WVIZ.
- Served as a member of the Instructional Mentoring Writing Team in partnership with the Ohio Department of Education (ODE).
- Member of Buckeye Association of School Administrators (BASA).
  - Served on BASA Communication Committee.
  - Served on BASA Women in Leadership Outreach Committee.
  - Served on BASA Legislative Committee.
- Member of the School Superintendents Association (AASA).
- Member of the Association of Supervision and Curriculum Development (ASCD).

## **AWARDS and LEADERSHIP DEVELOPMENT**

- Ohio Superintendent Leadership Institute, Multiple Sessions: 2013-2014  
Advanced leadership program presented by the state superintendent association in collaboration with the Center for Creative Leadership.
- Ohio Principal Evaluation System (OPES), 2013  
Credentialed as a certified evaluator for the Ohio Principal Evaluation System.
- New Superintendent Transition Program, Multiple Sessions: 2011-2012  
Enrolled in an induction program sponsored by the Buckeye Association of School Administrators designed to provide mentor coaching and learning opportunities for early career superintendents.
- Betty Cope Award WVIZ/PBS Educational Advisory Council, 2011-2012  
Recognized for my communication and collaboration skills to promote instructional technology.
- Leadership Geauga, 2014-2015  
Leadership program to encourage current and future leaders from a cross section of Geauga County by exposing them to the realities, opportunities, and challenges of the community, so that they may positively contribute to Geauga's economic, social, and civic development.