



FIVE-YEAR FORECAST

MAY 2022

Significant Items

• **Budget Surplus**

- 2021/2022, 2nd surplus, and forecasting surpluses in 2022/2023 and 2023/2024
- Increases Unreserved Fund Balance – will be needed when ESSER ends
- New School Funding Formula being implemented (Fair School Funding Plan)
- Elementary and Secondary School Emergency Relief (ESSER) funding new General Fund positions & purchases in 2021-2022, and future years.
 - Personnel - \$4.1 million
 - Open enrollment began in 2021/2022 – 160 funded students
 - Purchased Services, Supplies, Technology - \$1.6 million

• **Budget Deficit**

- 2024/2025 -\$7.7 million
- ESSER Funding Ending - \$6.9 million in 2024/2025
 - Does not have base salary increases

Revenue

• **New School Funding**

- Fair School Funding Plan
 - Additional Revenue in future
 - Non Washington Local students now paid directly by State; not a Washington Local expenditure.
 - Began funding in December 2021, Retroactive to July 1, 2021 (After November 2021 Forecast)
 - ❖ Phased in at 1/6 of formula amount in 2021/2022
 - ❖ Phased in at 2/6 (1/3) of formula amount in 2022/2023
 - Our November Forecast was based on June simulations; these were not correct.
 - Forecasted State Aid significantly changed (decrease) from November Forecast
 - Charter schools, open enrollment, voucher and scholarship students funded directly by State (nearly \$6 million)
 - State Aid frozen in 2024/2025 at 2023/2024 Levels – Current Law

• **Property Taxes**

- 2021 County-Wide Property Revaluation Update
 - Completed every 3 years
 - Additional revenue received (Inside Millage)
 - Significant increase in tax appeals

Significant Items Continued:

- **Franklin Park Mall**

- Previously settled at \$180 million

- Requested reduction to \$80 million (similar to Cleveland Area Mall sold for \$57.7 million).
- Mall property values will continue to decrease.
- Annual mall revenue loss \$1-2 million (eventually).
- Mall received refund – which we are appealing. Negotiating to link previous refund to future valuation.
- We need to stabilize estimated Mall revenue (until 2024 calendar year – Next Appeal Period).
- Kept Other Financing Sources, Tax Increment Financing (TIF) (Other Financial Source) – kept 2022/2023 unchanged from 2021/2022.
- TIF refunds will occur again in 2022/2023.
- Possible, but not forecasted, could see another reduction of up to \$1 million in annual revenue/refund if a large valuation decrease approved.

Significant Items Continued:

- **Expenditures**

- All new contracted staffing and purchases are being charged to ESSER grants or other federal grants
- Last ESSER grant will end 9/30/2024 - FY 2024/2025

- **Salaries**

- 3 years Negotiated Agreement (FY 2022, 2023, 2024)
- 2% base increase
- No additional contracted staffing in General Fund (charged to ESSER – Excludes Workforce Development Specialist in 2022/2023)
- Additional Summer Help (Charged to ESSER)

- **Benefits**

- Healthcare and Dental are Self-funded
- Reducing cash balances/reduced General Fund Expenditures (premiums set artificially low)
- Expect nearly \$2.6 million deficit in 2021/2022 (claims exceeding premiums)
- 2020/2021 - \$1.6 million healthcare deficit
- 2022/2023 nearly 20% overall increase in healthcare rates
 - 37.8% - Single / 17.6% - Family
 - Dental Premiums reduced by 10% in 2022/2023

- **Purchased Services**

- Non Washington Local students paid directly by State
 - Charter Schools, Scholarships, and Open Enrollment
 - \$5.5 million in 2020/2021 – Likely \$6 million in 2021/2022.

- **Elementary and Secondary School Emergency Relief (ESSER)**

Ends	9/30/2024 - 2024/2025
Expenditures moved to	General Fund
\$4.1 million	Salaries
1.2 million	Benefits
.6 million	Purchased Services
.2 million	Supplies
.8 million	Technology Supplies
<u>\$6.9 million</u>	

Five-Year Forecast
Revenues & Expenditures
Fiscal Year 2021/2022
What Changed in Six Months

<u>REVENUE</u>	<u>NOVEMBER 2021</u>	<u>MAY 2022</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
Real Estate	\$ 41,800,000	\$ 42,525,384	\$ 725,384	Collections trending higher; Recognized Revaluation increase AND abatement expirations;. Significant refunds (Mall) may decrease revenue in future years.
State Aid Unrestricted (includes casino/open enrollment)	30,053,026	28,081,524	(1,971,502)	Actual FSFP Implemented. June simulations were incorrect on the November Forecast.
State Aid Restricted	2,559,247	3,567,585	1,008,338	Actual FSFP Implemented
All Other Financing Sources (TIF)	4,242,011	3,413,576	(828,435)	Franklin Park Mall refund not accounted for in November Forecast
All Other Revenues	3,454,049	2,457,901	<u>(996,148)</u>	Open Enrollment (\$1.1 million November estimate) now included Unrestricted State Aid
	<u>Total for Explanation of Variances</u>		\$ (2,062,363)	
Total Revenue	\$ 88,457,862	\$ 86,335,852	\$ (2,122,010)	
<u>EXPENDITURES</u>				
Salaries	49,725,125	49,097,749	(627,376)	Permanent substitute costs charged to ESSER
Benefits	17,153,596	16,538,272	(465,357)	Less Retirement System payments/Adjustments for lower payroll
Purchased Services	10,902,719	8,515,594	(2,387,125)	Increased Budgets, not expended. Any new expenditures placed in ESSER
Supplies	2,931,727	2,369,598	(562,129)	
Capital Outlay	962,760	721,828	(240,932)	
Other	1,063,989	936,223	(127,766)	
Advances / Transfers	440,000	436,500	(3,500)	
Total Expenditures	\$ 83,179,916	\$ 78,615,764	\$ (4,564,152)	

Elementary and Secondary School Emergency Relief Fund (ESSER)

Expires 9/30/22

Expires 9/30/23

Expires 9/30/24

Expires 9/30/23

ESSER I

ESSER II

American Rescue Plan
ESSER III

American Rescue Plan
IDEA

\$1,598,602.72

\$6,297,967.79

\$14,135,001.58

\$403,738.93

\$22,435,311.02

STAFF BEING CHARGED / BUDGETED (as of 5/12/2022)

22 - Kindergarten Instructional Support Aides
16.5 - Classroom Aides
11.5 - Certified Staff
11 - Building Substitutes
7- Science, Technology, Engineering, Math (STEM)

6 - Classified Staff (Monitors & Health Aides)
3.5 - Administrators
2 - Counselors
1 - Bus Mechanic
1 - Department of Information Services Secretary

**81.5 staff members are currently being charged to ESSER Fund.
 48.5 staff members will be charged to General Fund in 2024/2025.**

Purchased Services

Nursing Services
 Certified Occupational Therapists Aides
 Curriculum / Gifted Services
 Panther Virtual Academy (PVA) Curriculum

Capital Outlay/Supplies

Technology
 Heating/Cooling Units
 Playground Equipment
 Floor Scrubbers
 Instructional Supplies/ Furniture

Future Capital Outlay

Buses

FY 2022 MAY FORECAST
For Selected Salaries /Benefits & Major Expenditures
What Changed in Six Months

CERTIFIED SALARIES	NOVEMBER FORECAST	MAY FORECAST	VARIANCE
REGULAR	\$37,025,000	\$36,781,179	\$(243,821)
SUBSTITUTES	800,000	527,703	(272,297)
EXTRA COMPENSATION / HOURLY PAY	1,250,000	1,194,945	(55,055)
CLASSIFIED SALARIES			
REGULAR	8,475,000	8,401,402	(73,598)
SUBSTITUTES / FIELD TRIPS	825,000	635,934	(189,066)
EXTRA COMPENSATION / HOURLY PAY & OVERTIME	815,000	784,092	(30,908)
RETIREMENT SYSTEMS	7,676,000	7,175,303	(500,697)
WORKERS' COMPENSATION	235,000	210,000	(25,000)
HEALTHCARE	7,725,000	7,528,315	(196,685)
DENTAL	495,000	523,125	28,125

The budget is what is being appropriated. The forecasted amount is a lower amount due to the adjustments made to reflect that we do not expend 100% of our budget. In November Total Expenditures were estimated at 98% of budget - May reflects Estimated Expenditures at year end (June 30, 2022).

REVENUE

FLAT



Washington Local School District

REVENUES

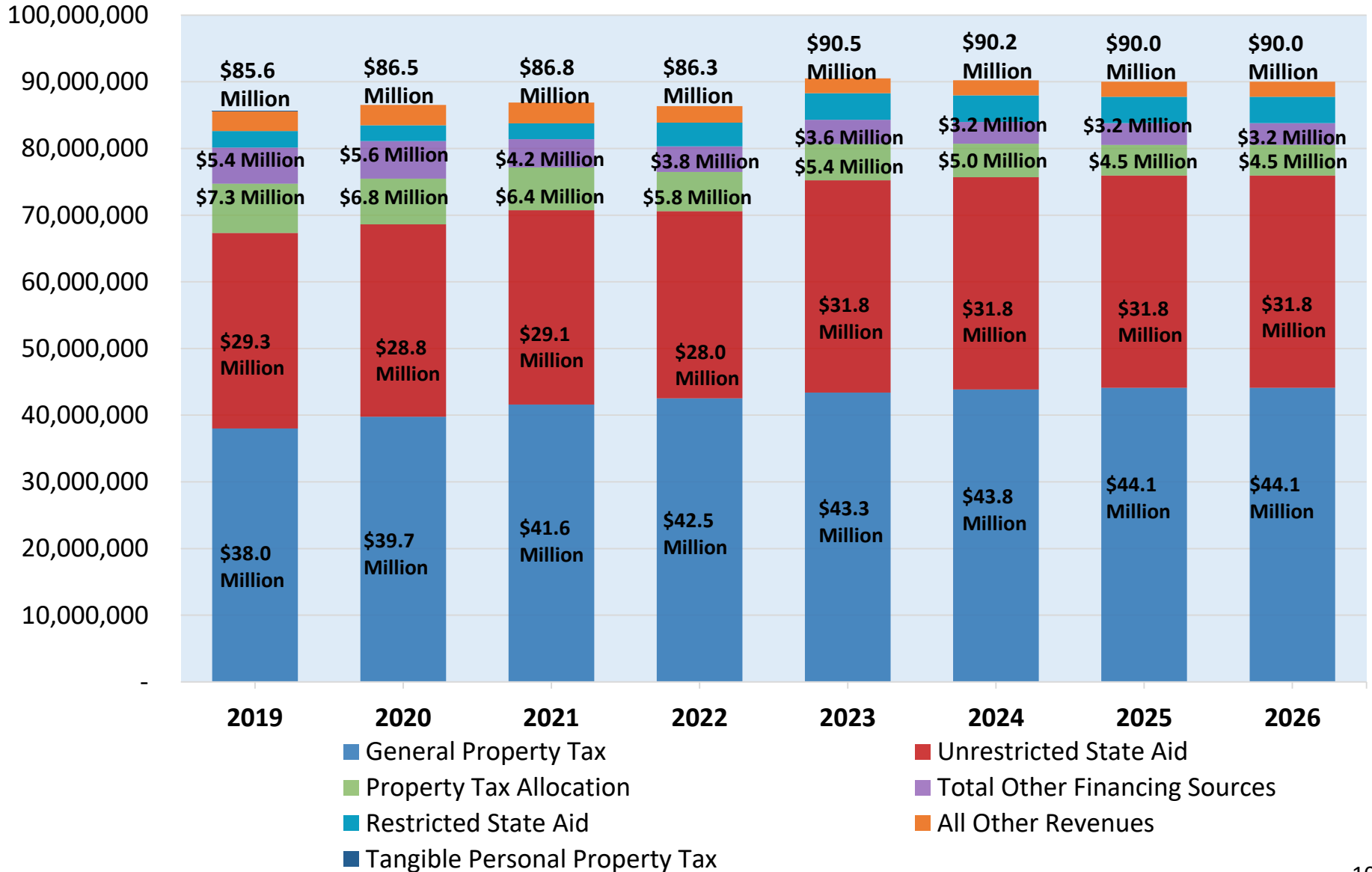
MAY 2022

<u>REVENUES</u>	<u>Actual</u>				<u>Avg. Change</u>	<u>Forecasted</u>				
	2019	2020	2021			2022	2023	2024	2025	2026
General Property Tax	38,022,521	39,754,005	41,605,245	4.6%	42,525,384	43,391,102	43,839,245	44,112,753	44,112,753	
Tangible Personal Property Tax	346									
Income Tax										
Unrestricted State Aid	29,315,085	28,858,652	29,145,961	-0.3%	28,081,524	31,845,880	31,845,880	31,845,880	31,845,880	
Restricted State Aid	2,481,931	2,383,517	2,377,823	-2.1%	3,567,585	3,972,393	3,972,393	3,972,393	3,972,393	
Property Tax Allocation	7,385,696	6,877,871	6,422,437	-6.7%	5,889,882	5,429,711	5,045,016	4,582,177	4,582,177	
All Other Revenues	3,007,258	3,069,615	3,088,785	1.3%	2,487,901	2,234,000	2,254,000	2,254,000	2,254,000	
Total Revenues	80,212,837	80,943,660	82,640,251	1.5%	82,552,276	86,873,086	86,956,534	86,767,203	86,767,203	
Advances-In	400,000	400,000	400,000		400,000	400,000				
All Other Financing Sources	5,026,104	5,206,733	3,836,641	-11.4%	3,413,576	3,258,397	3,258,397	3,258,397	3,258,397	
Total Other Financing Sources	5,426,104	5,606,733	4,236,641	-10.6%	3,813,576	3,658,397	3,258,397	3,258,397	3,258,397	
Total Revenues and Otr Financing Sources	85,638,941	86,550,393	86,876,892	0.7%	86,365,852	90,531,483	90,214,931	90,025,600	90,025,600	

Washington Local Schools

Revenues

MAY 2022





EXPENDITURES INCREASING



Washington Local School District

EXPENDITURES

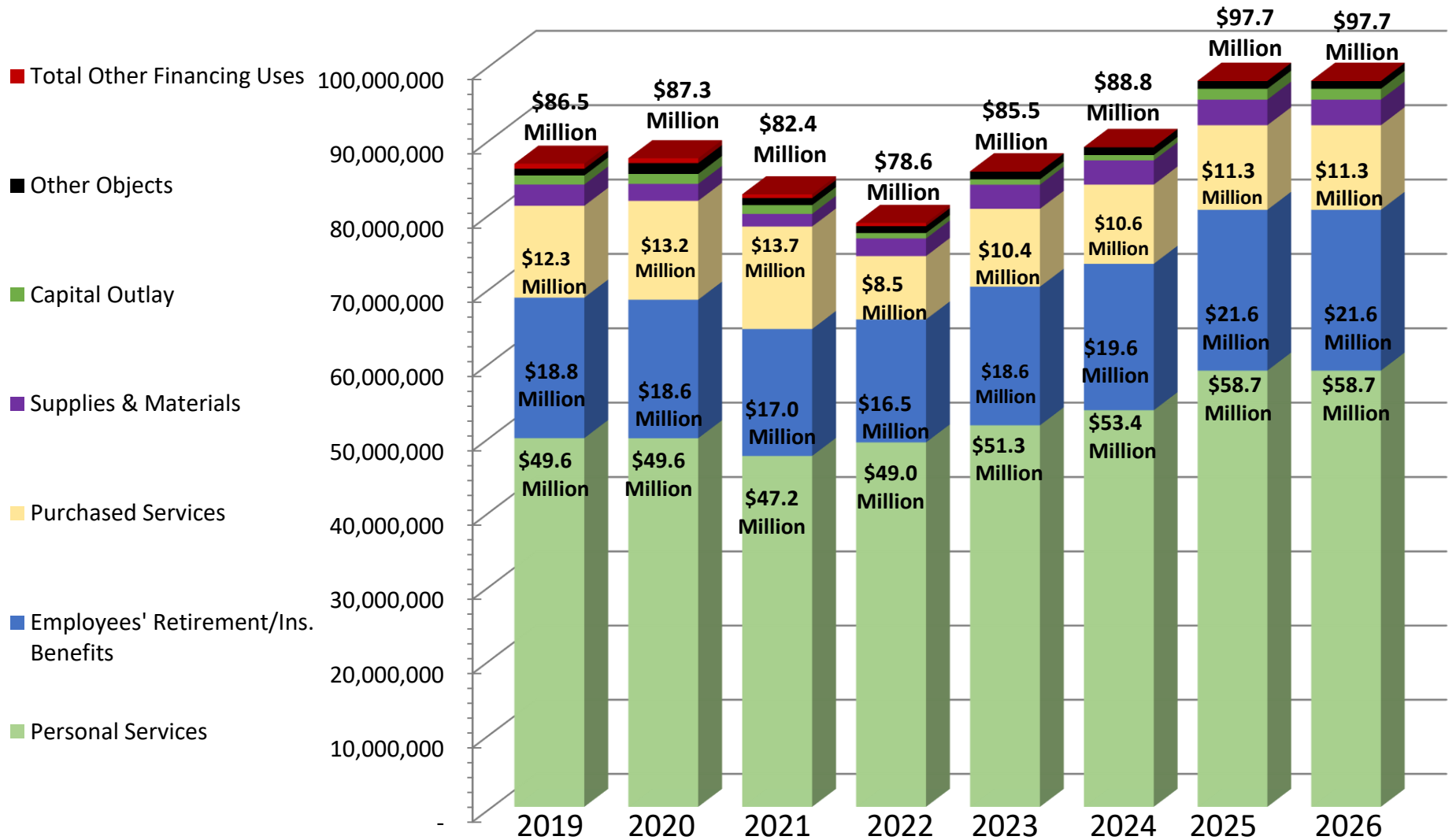
MAY 2022

<u>EXPENDITURES</u>	<u>Actual</u>				Avg. Change	<u>Forecasted</u>				
	2019	2020	2021			2022	2023	2024	2025	2026
Personal Services / Salaries	49,675,118	49,655,494	47,275,004	-2.4%	49,097,749	51,394,735	53,424,734	58,751,817	58,751,817	
Employees' Retirement/Insurance Benefits	18,894,990	18,635,285	17,072,738	-4.9%	16,538,272	18,638,730	19,690,605	21,619,298	21,619,298	
Purchased Services - Instructional Services, Utilities	12,343,737	13,293,646	13,782,170	5.7%	8,515,594	10,475,835	10,646,688	11,372,284	11,372,284	
Supplies and Materials - Instruction, Maintenance, Transportation	2,864,884	2,281,337	1,691,332	-23.1%	2,369,598	3,243,139	3,263,967	3,445,646	3,445,646	
Capital Outlay	1,210,240	1,329,251	1,180,244	-0.7%	721,828	714,285	714,285	1,456,785	1,456,785	
Other Objects	899,685	1,465,313	956,418	14.1%	936,223	1,048,325	1,048,325	1,048,325	1,048,325	
<i>Total Expenditures</i>	85,888,654	86,660,326	81,957,906	-2.3%	78,179,264	85,515,049	88,788,604	97,694,155	97,694,155	
Operating Transfers-Out	286,056	246,196	102,601	-36.1%	36,500	40,000	40,000	40,000	40,000	
Advances-Out	400,000	400,000	400,000		400,000					
Total Other Financing Uses	686,056	646,196	502,601	-14.0%	436,500	40,000	40,000	40,000	40,000	
<i>Total Expenditures and Other Financing Uses</i>	86,574,710	87,306,522	82,460,507	-2.4%	78,615,764	85,555,049	88,828,604	97,734,155	97,734,155	

Washington Local Schools

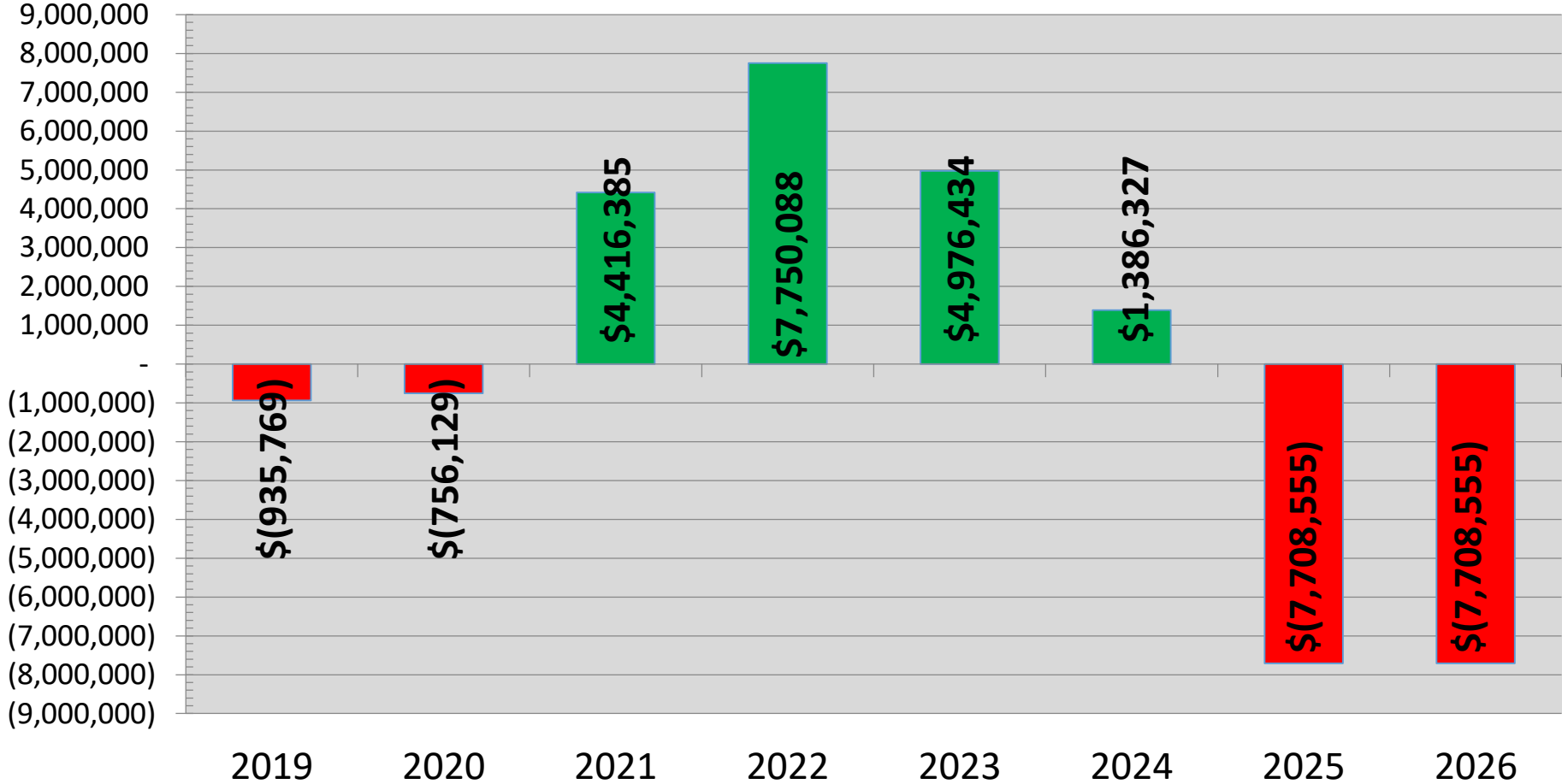
Expenditures

MAY 2022

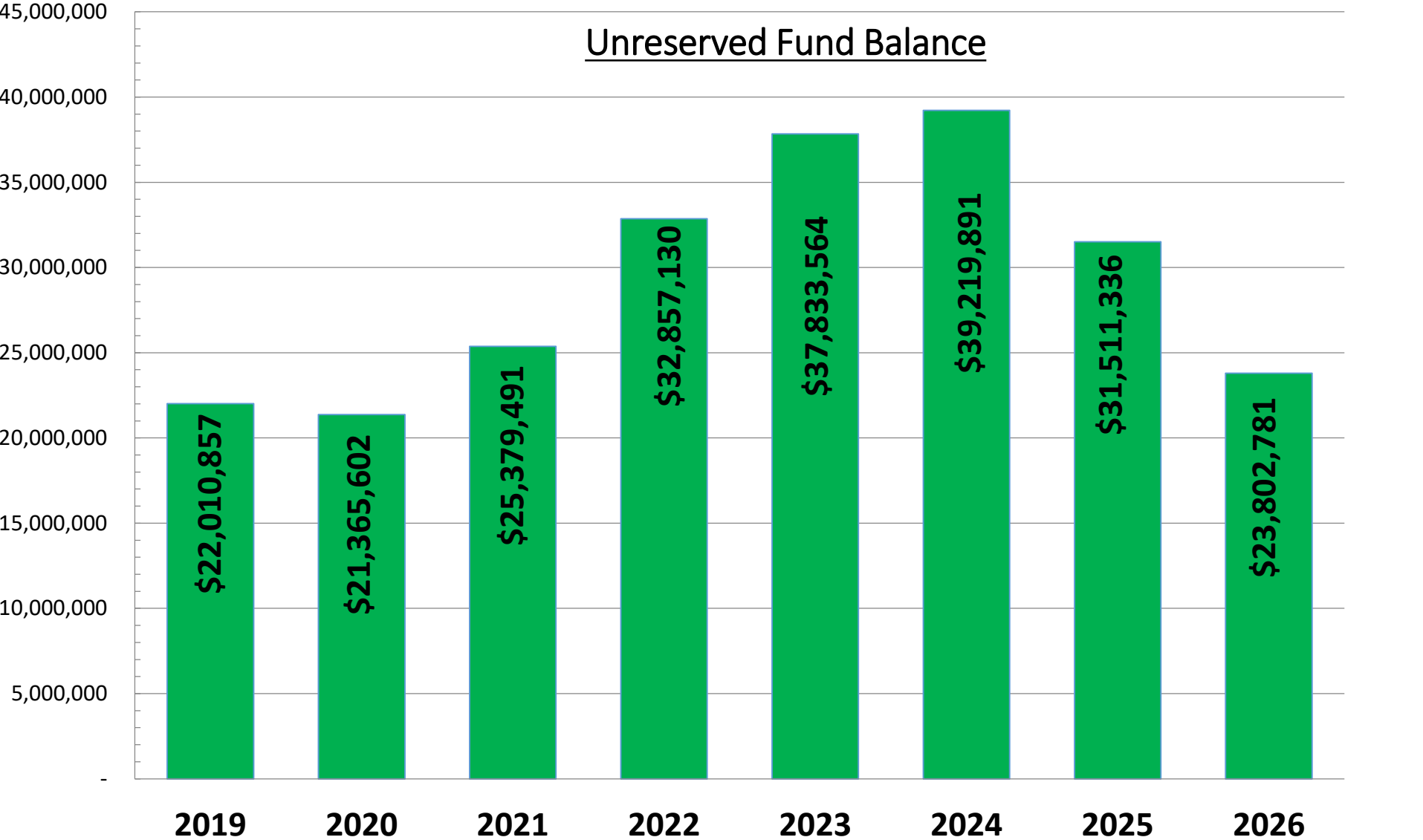


Other Financing Uses	2019	2020	2021	Avg. Change	2022	2023	2024	2025	2026
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(935,769)	(756,129)	4,416,385	-351.6%	7,750,088	4,976,434	1,386,327	(7,705,555)	(7,705,555)

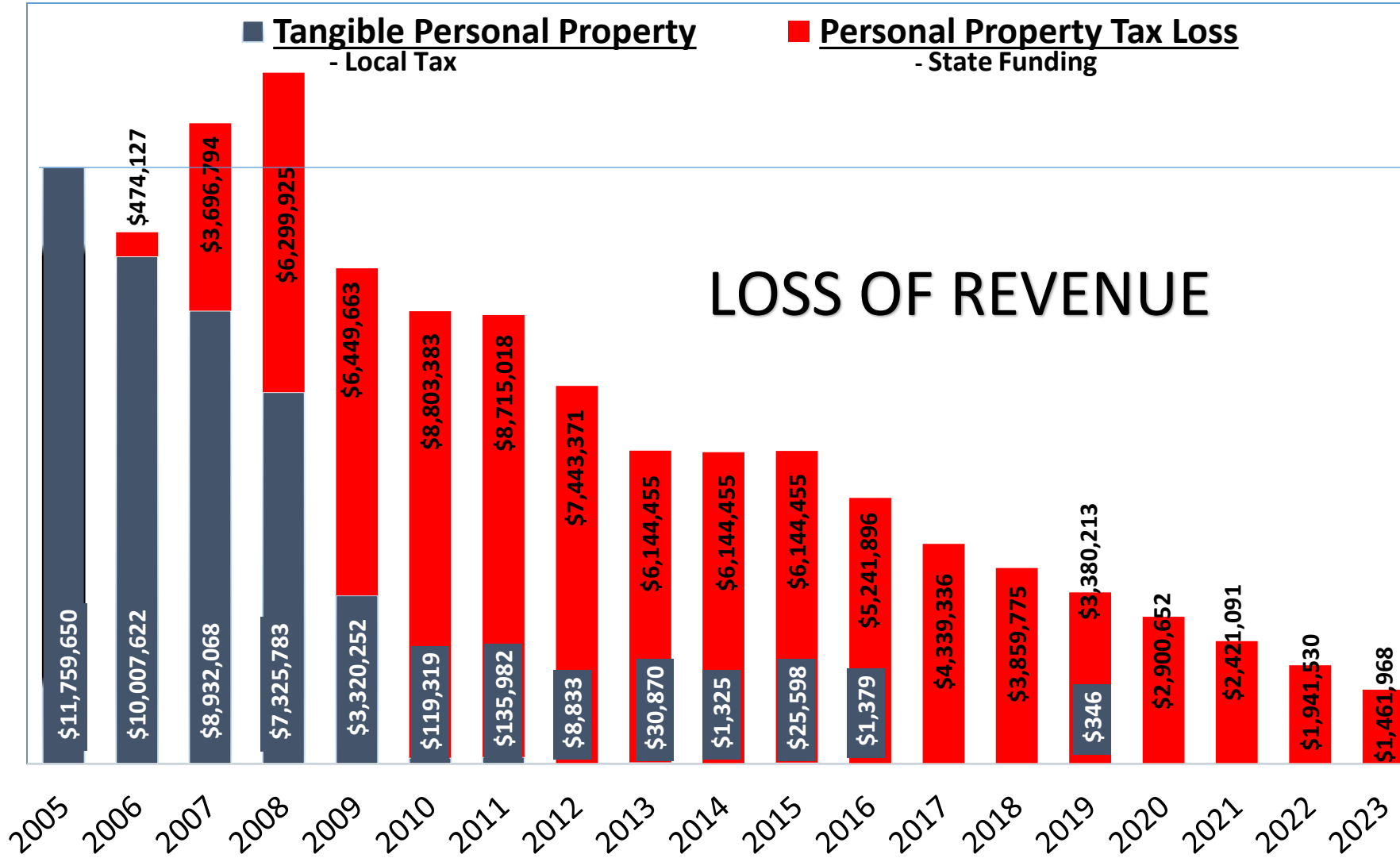
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses



Other Financing Uses	Actual				Forecasted					
	2019	2020	2021	Avg. Change	2022	2023	2024	2025	2026	
Unreserved Fund Balance June 30	22,010,857	21,365,602	25,379,491	7.9%	32,857,130	37,833,564	39,219,891	31,511,336	23,802,781	



General Fund Personal Property Tax Elimination – HB 66



WASHINGTON LOCAL SCHOOLS
MAY 2022 FORECAST

THIS IS AND ALWAYS HAS BEEN A WORKING DOCUMENT

ITEMS TO CONSIDER AND/OR IMPACTING THE NOVEMBER 2022 FORECAST

- ACTUAL JUNE 30, 2022 REVENUE & EXPENDITURES**
- FAIR SCHOOL FUNDING PLAN UPDATE – Will it be approved for 2023/2024**
- AUGUST 2022 TAX SETTLEMENT**
- PROPERTY TAX REFUNDS /APPEALS UPDATED**
- FRANKLIN PARK MALL UPDATE**
 - **Will be on the next several Forecasts**
- ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND EXPENDITURES**
- TWO NEW ELEMENTARY BUILDINGS WILL BE COMPLETED – NO ADDITIONAL STAFFING FORECASTED**
- ACTUAL – JUNE 30, 2022, ENCUMBRANCES**
 - **\$3.4 MILLION, PREVIOUS YEAR AROUND \$2 MILLION AT BEGINNING OF MAY, FORECASTING \$1.4 MILLION**
- WILL ADJUSTMENTS TO GENERAL FUND BUDGETS (REDUCE) BE MADE TO REFLECT AMOUNT TO ESSER FUNDS?**
- HEALTHCARE TRENDS**

WASHINGTON LOCAL SCHOOLS
 DEFICIT / SURPLUS SUMMARY
 FY 2008 – 2021 Actuals / FY 2022 – 2026 Forecasted
Based on May 2022 Forecast

Fiscal Year	Surplus / Deficit	Amount (Over / Under)	Unreserved Cash Balance as of June 30	Unreserved Fund Balance as of June 30 *
2008	Surplus	3,421,022	37,224,891	33,479,602
2009	Deficit	(541,160)	36,683,731	32,998,686
2010	Deficit	(2,318,705)	34,365,026	31,339,209
2011	Deficit	(1,311,266)	33,053,760	30,167,113
2012	Deficit	(48,676)	33,005,084	28,591,688
2013	Deficit	(652,259)	32,352,825	27,935,333
2014	Deficit	(4,210,893)	28,141,932	23,586,579
2015	Surplus	949,014	29,090,946	24,486,717
2016	Surplus	1,157,421	30,248,367	25,612,902
2017	Deficit	(1,395,213)	28,853,154	24,424,902
2018	Deficit	(1,445,599)	27,407,555	23,093,570
2019	Deficit	(935,769)	26,471,786	22,010,857
2020	Deficit	(756,129)	25,715,657	21,365,602
2021	Surplus	4,416,385	30,132,042	25,379,491
FORECASTED – MAY 2022				
2022	Surplus	7,750,088	37,882,130	32,857,130
2023	Surplus	4,976,434	42,858,564	37,883,564
2024	Surplus	1,386,327	44,244,891	39,219,891
2025	Deficit	(7,708,555)	36,536,336	31,511,336
2026	Deficit	(7,708,555)	28,827,781	23,802,781

**The Unreserved Fund Balance includes encumbrances as of June 30th and the budget reserve (Rainy Day) Fund of \$3.6 million.*

Due to the budget deficits forecasted beginning in 2024/2025 (caused by ESSER funds ending) decisions will need to be made in FY 2024 regarding having a balanced budget. 2023/2024 will be the first year of the State's 2-year budget and our budget may be balanced for 2024/2025, if the State continues to fund the Fair School Funding Plan and additional staffing, programs, supplies, etc. are not added.

General Fund Budget Summary – May 2022 FIVE-YEAR FORECAST

FY 2014 – FY 2021 Actual / FY 2022 – FY 2026

	2014	2015	2016	2017	2018	2019	2020	2021	FORECASTED				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	72,560,410	78,232,416	80,725,296	82,147,112	83,720,277	85,638,941	86,550,393	86,876,892	86,365,852	90,531,483	90,214,931	90,025,600	90,025,600
Expenses	76,771,303	77,283,402	79,567,875	83,542,325	85,165,876	86,574,710	87,306,522	82,460,507	78,615,764	85,555,049	88,828,604	97,734,155	97,734,155
Over/Under	-4,210,893	949,014	1,157,421	-1,395,213	-1,445,599	-935,769	-756,129	4,416,385	7,750,088	4,976,434	1,386,327	-7,708,555	-7,708,555
Unreserved Fund Balance	23,586,579	24,486,717	25,612,902	24,424,902	23,093,570	22,010,857	21,365,602	25,379,491	32,857,130	37,833,564	39,219,891	31,511,336	23,802,781

