



# **FIVE-YEAR FORECAST**

## **NOVEMBER 2022**

# Significant Items

## **Budget Surplus**

- 2022/2023, 3<sup>rd</sup> straight surplus
- Increases our Unreserved Fund Balance – will be needed when ESSER ends on September 30, 2024
- New School Funding Formula being implemented (Fair School Funding Plan), 2<sup>nd</sup> year.
- Elementary and Secondary School Emergency Relief (ESSER) still funding most new General Fund positions & Technology.
  - Personnel - \$5.4 million
  - Other Expenditures after November 1, 2022 – Technology only
- Open Enrollment
  - ❖ 2021/2022 – 224 students total (Not FTE)
  - ❖ 2022/2023 – 193 students (as of November 2022) (Not FTE)
  - ❖ Receiving \$2,449.45 per student

## **Budget Deficit**

- 2024/2025 -\$6.6 million (equivalent to 6.9 mill levy)
- ESSER Funding Ending – Expenditures moving to General Fund in 2024/2025
  - Personnel Cost - \$4.6 million
  - Technology - \$750,000

## **Revenue**

### **• New School Funding**

- Fair School Funding Plan
  - Possible Additional Revenue in Future beginning in 2023/2024 **IF** legislature continues to phase-in base increase.
  - Non-Washington Local students now paid directly by State; no longer a Washington Local expenditure.
  - Began in 2021/2022
    - ❖ Phased in at 1/6 of formula amount in 2021/2022
    - ❖ Phased in at 2/6 (1/3) of formula amount in 2022/2023
  - Charter schools, open enrollment, voucher and scholarship students funded directly by State (previously nearly \$6 million)
  - State Aid frozen in 2023/2024 and future years at 2022/2023 Levels – Current Law

**Significant Items Continued:**

- **Franklin Park Mall**

- Previous tax appeal valuation was at \$252 million. Settled that appeal at \$180 million, now settled at \$85 million.
  - Next year valuation at \$80 million.
  - Mall property values and tax payments have finally stabilized; future revenue decreases (if any) will be much smaller.

- **Tax Increment Financing (TIF) Revenue:**

- TIF Revenue ( Includes Franklin Park Mall and other parcels)
  - 2019/2020 - \$4.7 Million
  - 2020/2021 - \$3.3 Million
  - 2021/2022 - \$3.0 Million
  - 2022/2023 - \$1.8 Million
  - 2023/2024 - \$ .9 Million
  - 2024/2025 - \$1.8 Million
  - 2025/2026 - \$1.8 Million

- **Loss of TIF Revenue in FY 2022/2023 Since:**

- 2019/2020 - \$2.9 million
- 2021/2022 - \$1.2 million (Last Year)
- Due to Large Refund – No TIF payment will be made in CY 2023 to Washington Local Schools
- Franklin Park Mall refund exceeds expected TIF collection in CY 2023

- **Interest Revenue**

- Star Ohio May – October - November Interest Rates
  - May - .79%
  - October - 3.02%
  - November (as of 11/11/22) – 3.77%
  - We are earning \$100,000 monthly, which is what we previously earned in a year
  - Outside StarOhio investments include:
    - ❖ Commercial Paper
    - ❖ Certificate of Deposits
    - ❖ U.S. Treasury Debt

# Significant Items Continued:

- Expenditures

- Most of all new contracted staffing and purchases are being charged to ESSER or other federal grants
- Last ESSER grant will end 9/30/2024 - FY 2024/2025
- Special Education Staffing has increased more than Special Education Enrollment (FY 2019 to FY 2023)
  - Special Education Enrollment - 6.1%
  - Intervention Specialists - 10.6%
  - Classroom Aides – 30.4%

- Salaries

- 3 years Negotiated Agreement (FY 2022, 2023, 2024)
- 2% base increase
- Negotiated Agreement ends June 30, 2024 – **No base increase in Forecast**
- No additional contracted staffing in General Fund (charged to ESSER – Excludes Workforce Development Specialist in 2022/2023)
- Due to ESSER Budget Shortfall– 7 employees were moved to General Fund on 11/1/2022

- Benefits

- Healthcare and Dental are Self-funded
- 2020/2021 - \$1.6 million healthcare deficit (Expected)
- 2021/2022 - \$2.8 million healthcare deficit (Not Expected)
- 2022/2023 - **Nearly 20% overall increase in healthcare rates**
  - ❖ 37.8% - Single / 17.6% - Family
  - ❖ Appears to have stabilized, but only 4 months of activity
  - ❖ Healthcare 7.5% 2023/2024 and 5% in future years
- Dental Premiums reduced by 10% in 2022/2023

- Purchased Services

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

- Elementary and Secondary School Emergency Relief (ESSER)

Due to ESSER Budget Shortfalls Moving to the General Fund	
Nursing Services in	2022/2023 -\$75,000
Certified Occupational Therapist Aides	2023/2024 -\$200,000
Planned to move to General Fund in 2024/2025	
\$3.4 Million	Salaries
1.2 Million	Benefits
<u>750,000</u> \$5.35 Million	Technology

# Washington Local Schools

## SCHOOL FUNDING(a)

Year	Calculated Funding (Formula)(b)	State Funding (c)	Fair School Funding Plan (d)	Cap Loss/ Phased-In Loss	Accumulated
2022/2023	\$ 51,074,637.18		\$ 34,667,759.64	\$ 16,406,877.54	\$ 163,529,618.21
2021/2022	\$ 50,266,226.78		\$ 30,240,181.03	\$ 20,026,045.75	\$ 147,122,740.67
2020/2021	\$ 45,055,786.87	\$ 30,542,718.32	\$ -	\$ 14,513,068.55	\$ 106,132,990.92
2019/2020	\$ 45,055,786.87	\$ 30,542,718.32	\$ -	\$ 14,513,068.55	\$ 91,619,922.37
2018/2019	\$ 45,055,786.87	\$ 30,520,958.65	\$ -	\$ 14,534,828.22	\$ 77,106,853.82
2017/2018	\$ 44,451,241.64	\$ 29,579,671.53	\$ -	\$ 14,871,570.11	\$ 62,572,025.60
2016/2017	\$ 41,726,672.77	\$ 28,698,630.57	\$ -	\$ 13,028,042.20	\$ 47,700,455.49
2015/2016	\$ 40,002,490.24	\$ 26,652,671.85	\$ -	\$ 13,349,818.39	\$ 34,672,413.29
2014/2015	\$ 34,777,155.68	\$ 24,628,586.95	\$ -	\$ 10,148,568.73	\$ 21,322,594.90
2013/2014	\$ 33,402,601.79	\$ 22,288,313.98	\$ -	\$ 11,114,287.81	\$ 11,174,026.17

(a) Does not include Preschool Special Education Funding, Special Education Transportation Funding, Student Wellness and Success Fund, or Enrollment Growth Supplement Funding as these are not included in the state funding formula. Student Wellness and Success/Enrollment Growth Supplement began in 2019/2020.

(b) The State kept State Aid funding unchanged beginning in 2019/2020 from 2018/2019. We assumed Calculated Funding is unchanged from 2018/2019 through 2020/2021.

(c) State Funding for 2019/2020 and 2020/2021 is prior to May 2020 State funding reduction of \$685,784 for each fiscal year caused by the possible revenue shortfalls in State revenue. The state restored \$376,106 in 2020/2021.

(d) The State adopted a new funding formula for 2021/2022. The Fair School Funding Plan is currently being phased-in. For 2021/2022, 1/6<sup>th</sup> of the plan is being funded and for 2022/2023, 2/6<sup>th</sup> of the plan is being funded.

**Five-Year Forecast**  
**Revenues & Expenditures**  
**Fiscal Year 2022/2023**  
**What Changed in Six Months**

<u>REVENUE</u>	<u>MAY 2022</u>	<u>NOVEMBER 2022</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
Real Estate	\$ 43,391,102	\$42,862,785	(\$ 528,317)	Franklin Park Refund
State Aid Unrestricted (includes casino/open enrollment)	31,845,880	32,349,207	\$ 503,327	New Funding Formula
State Aid Restricted	3,972,393	3,768,812	(203,581)	New Funding Formula
All Other Financing Sources (TIF)	3,258,397	2,125,664	(1,132,733)	Franklin Park Mall lower valuation / Refund
All Other Revenues	2,487,901	3,599,000	<u>\$ 1,111,099</u>	Interest Revenue
	<u>Total for Explanation of Variances</u>			
<b>Total Revenue</b>	<b>\$ 90,531,483</b>	<b>\$ 90,463,777</b>	<b>(\$ 67,706)</b>	
<u>EXPENDITURES</u>				
Salaries	51,394,735	51,400,480	\$ 5,745	Generally decreases, but previous ESSER Salaries added & Substitute costs increased
Benefits	18,638,730	18,370,874	(267,856)	Generally decreases
Purchased Services	10,475,835	11,093,970	618,135	High FY 2021/2022 Encumbrances carried over to 2022/2023
Supplies	3,243,139	3,624,163	381,024	High FY 2022 Encumbrances carried over to 2022/2023
Capital Outlay	714,285	815,179	100,894	FY 2022 Encumbrances carried over to 2022/2023
Other	1,048,325	1,106,522	58,197	
Advances / Transfers	<u>40,000</u>	<u>40,000</u>	<u>-</u>	
<b>Total Expenditures</b>	<b>\$ 85,555,044</b>	<b>\$ 86,451,188</b>	<b>\$ 896,144</b>	
				6

# Elementary and Secondary School Emergency Relief Fund (ESSER)

Expires 9/20/22

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**

**\$6,289,342.09**

**\$14,135,001.58**

**\$411,659.73**

**\$22,434,606.12**

## **STAFF BEING CHARGED / BUDGETED (After 11/01/2022)**

**22 - Kindergarten Instructional Support Aides**  
**19.5 - Classroom Aides**  
**22.5 - Certified Staff (15-Special Education Teachers)**  
**11 - Building Teacher Substitutes**  
**1 - Psychologist**

**7- Science, Technology, Engineering, Math (STEM)**  
**7 - Classified Staff (Monitors & Health Aides)**  
**2 - Administrators**  
**1.5 - Secretaries**  
**1 - Custodian**

**Total of 94.5 Staff Members**

### **Purchased Services**

Certified Occupational Therapist Aides (3)- Moving to General Fund in 2023/2024 and all future years.

### **Capital Outlay**

Technology – Moving to General Fund in 2024/2025 and all future years.

Removed from ESSER grant beginning 11/01/2022: 2 – Administrators, 2 – Counselors, 2 – Certified Staff, and 1 – Bus Mechanic, Nursing Services and Curriculum Purchased Services



# REVENUE

## FLAT





# Washington Local School District

## REVENUES

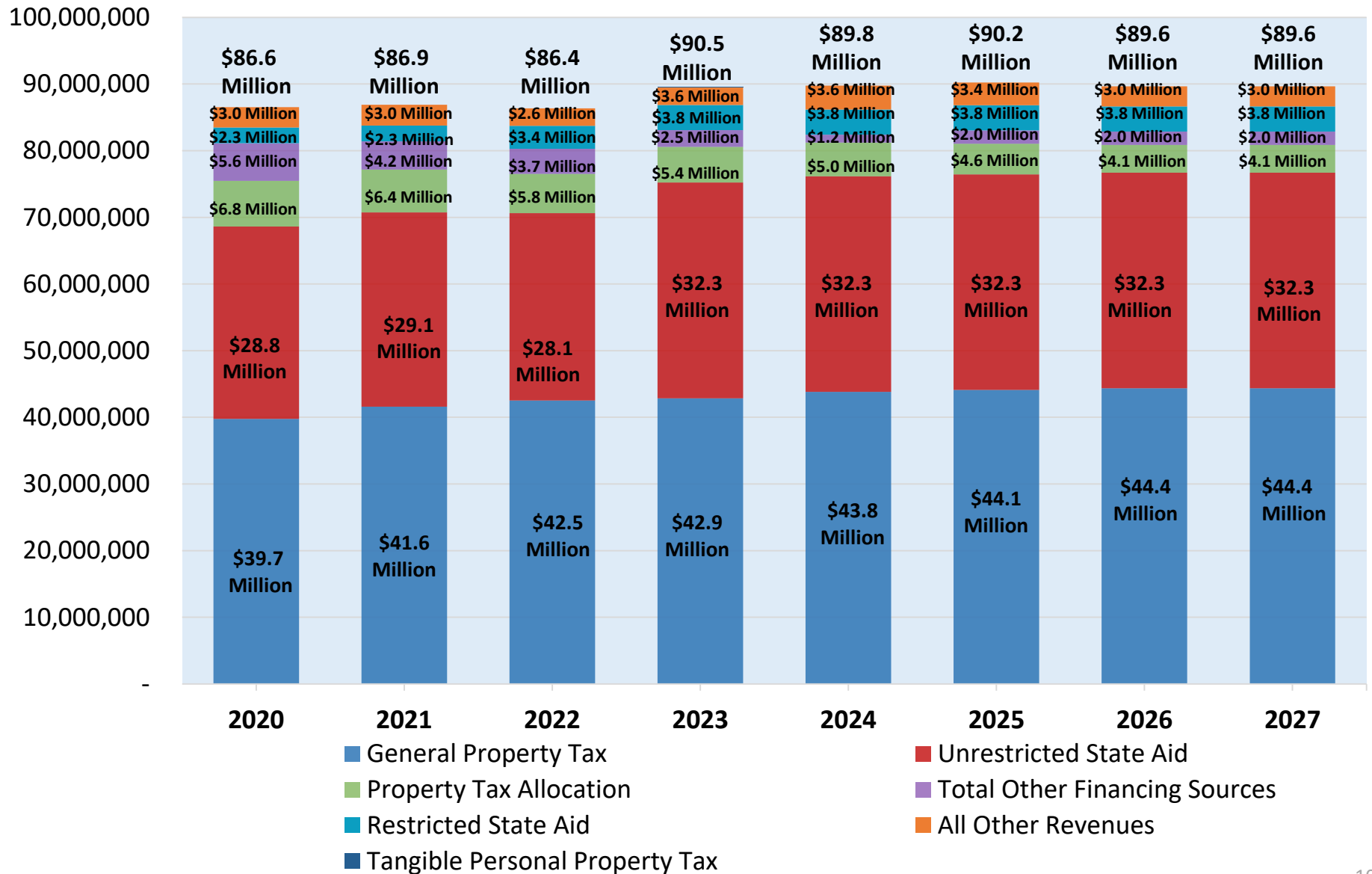
NOVEMBER 2022

	<u>Actual</u>					<u>Forecasted</u>				
<u>REVENUES</u>	2020	2021	2022	Avg. Change		2023	2024	2025	2026	2027
General Property Tax	39,754,005	41,605,245	42,525,384	3.4%		42,862,785	43,818,760	44,093,444	44,366,337	44,366,337
Tangible Personal Property Tax						1,341				
Income Tax										
Unrestricted State Aid	28,858,652	29,145,961	28,105,762	-1.3%		32,349,207	32,349,207	32,349,207	32,349,207	32,349,207
Restricted State Aid	2,383,517	2,377,823	3,444,012	22.3%		3,768,812	3,768,812	3,768,812	3,768,812	3,768,812
Property Tax Allocation	6,877,871	6,422,437	5,889,883	-7.5%		5,356,968	5,047,407	4,592,846	4,138,285	4,138,285
All Other Revenues	3,069,615	3,088,785	2,641,283	-6.9%		3,599,000	3,593,000	3,393,000	2,993,000	2,993,000
Total Revenues	80,943,660	82,640,251	82,606,324	1.0%		87,938,113	88,577,186	88,197,309	87,615,641	87,615,641
Advances-In	400,000	400,000	400,000			400,000				
All Other Financing Sources	5,206,733	3,836,641	3,363,457	-19.3%		2,125,664	1,202,376	2,028,970	2,028,970	2,028,970
Total Other Financing Sources	5,606,733	4,236,641	3,763,457	-17.8%		2,525,664	1,202,376	2,028,970	2,028,970	2,028,970
Total Revenues and Otr Financing Sources	86,550,393	86,876,892	86,369,781	-0.1%		90,463,777	89,779,562	90,226,279	89,644,611	89,644,611

# Washington Local Schools

## Revenues

### NOVEMBER 2022





# EXPENDITURES INCREASING



# Washington Local School District

## EXPENDITURES

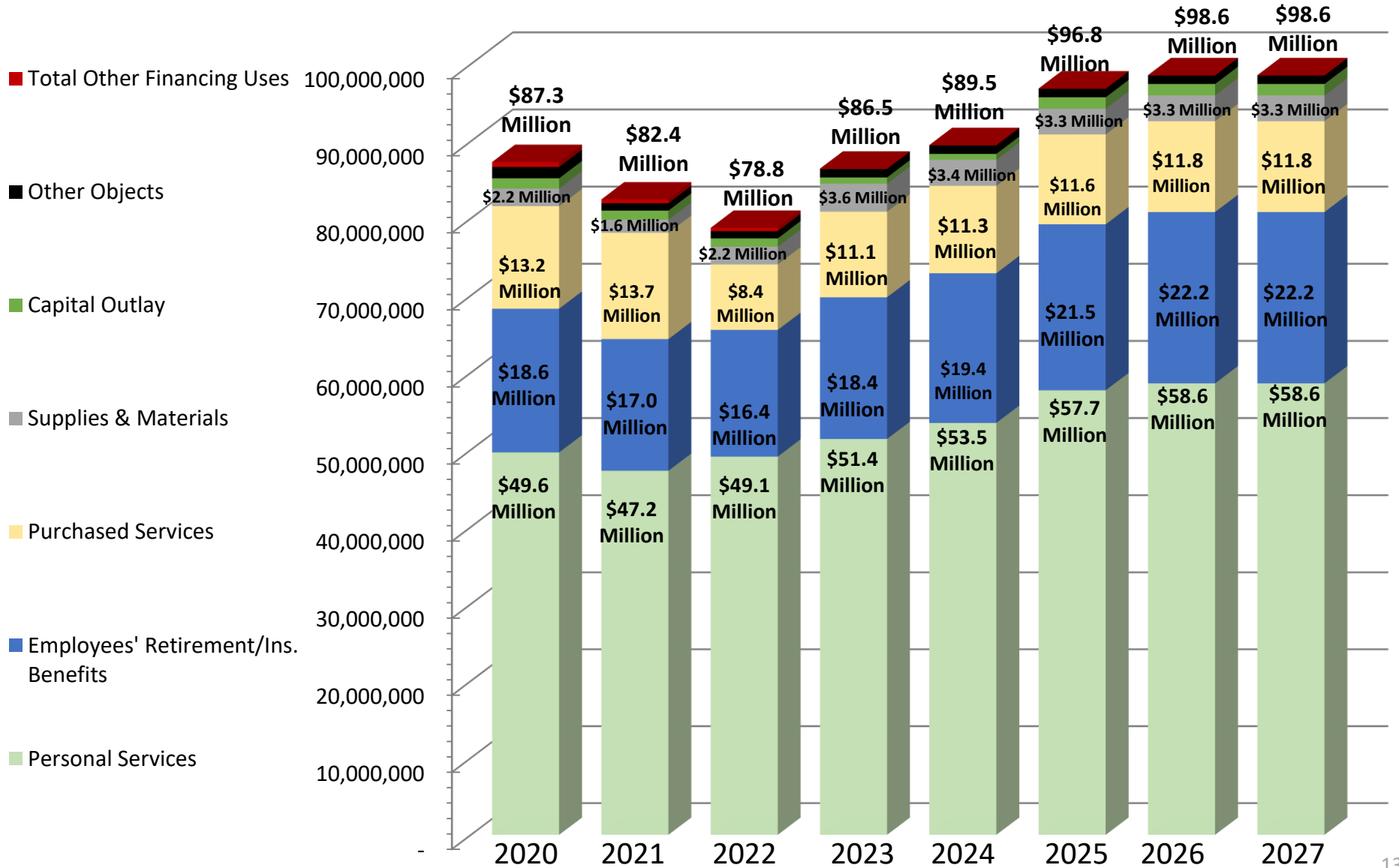
NOVEMBER 2022

	<u>Actual</u>				<u>Forecasted</u>				
<u>EXPENDITURES</u>	2020	2021	2022	Avg. Change	2023	2024	2025	2026	2027
Personal Services / Salaries	49,655,494	47,275,004	49,114,751	-0.5%	51,400,480	53,481,386	57,715,358	58,611,816	58,611,816
Employees' Retirement/Insurance Benefits	18,635,285	17,072,738	16,423,499	-6.1%	18,370,874	19,407,406	21,512,487	22,208,137	22,208,137
Purchased Services - Instructional Services, Utilities	13,293,646	13,782,170	8,490,726	-17.4%	11,093,970	11,321,820	11,647,320	11,778,192	11,778,192
Supplies and Materials - Instruction, Maintenance, Transportation	2,281,337	1,691,332	2,295,599	4.9%	3,624,163	3,378,393	3,344,280	3,344,280	3,344,280
Capital Outlay	1,329,251	1,180,244	1,079,960	-9.9%	815,179	774,000	1,478,280	1,478,280	1,478,280
Other Objects	1,465,313	956,418	935,626	-18.5%	1,106,522	1,104,500	1,104,500	1,104,500	1,104,500
<b><i>Total Expenditures</i></b>	86,660,326	81,957,906	78,340,161	-4.9%	86,411,188	89,467,505	96,802,225	98,525,205	98,525,205
Operating Transfers-Out	246,196	102,601	36,500	-61.4%	40,000	40,000	40,000	40,000	40,000
Advances-Out	400,000	400,000	400,000						
Total Other Financing Uses	646,196	502,601	436,500	-17.7%	40,000	40,000	40,000	40,000	40,000
<b><i>Total Expenditures and Other Financing Uses</i></b>	87,306,522	82,460,507	78,776,661	-5.0%	86,451,188	89,507,505	96,842,225	98,565,205	98,565,205

# Washington Local Schools

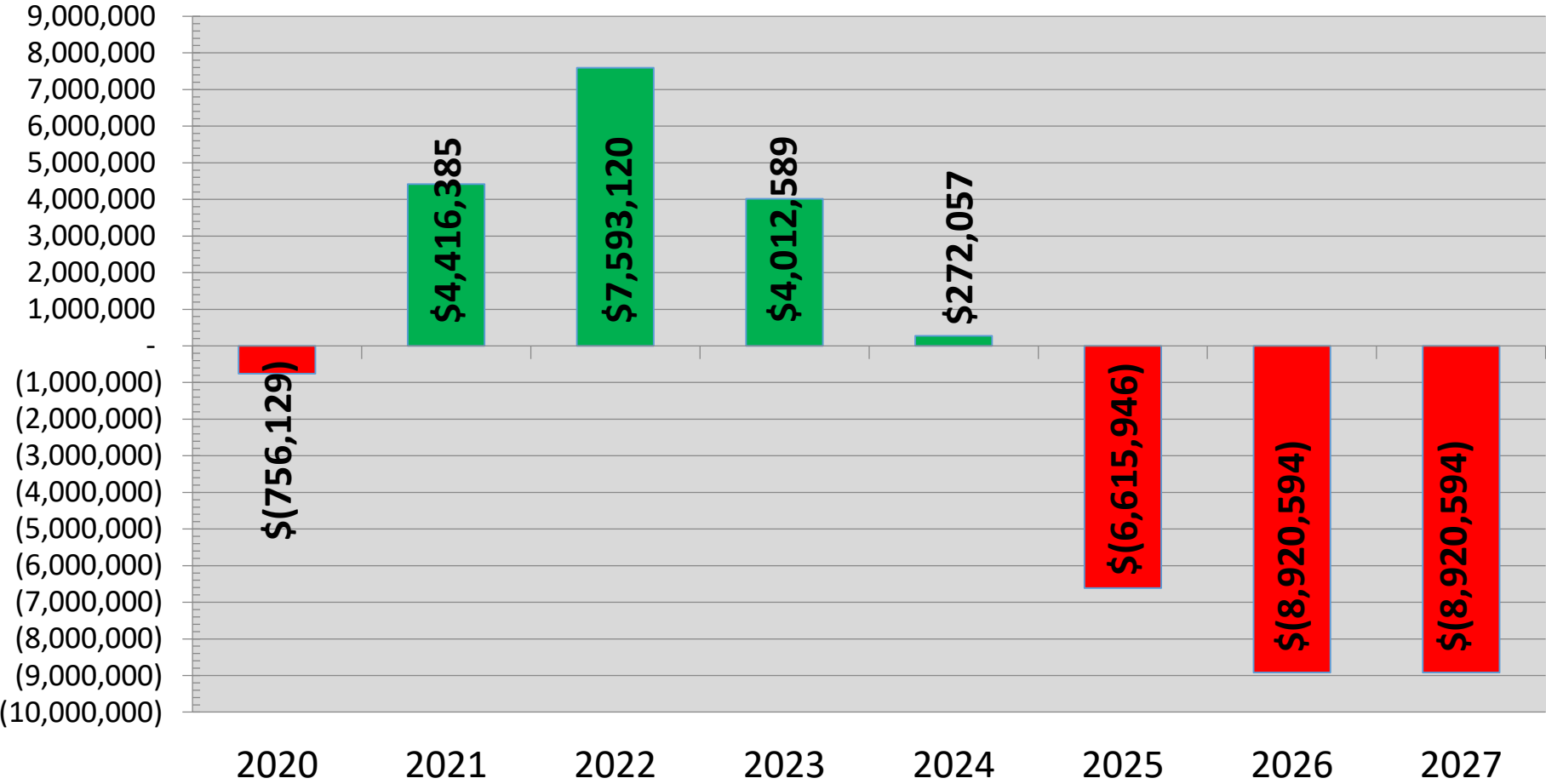
## Expenditures

NOVEMBER 2022

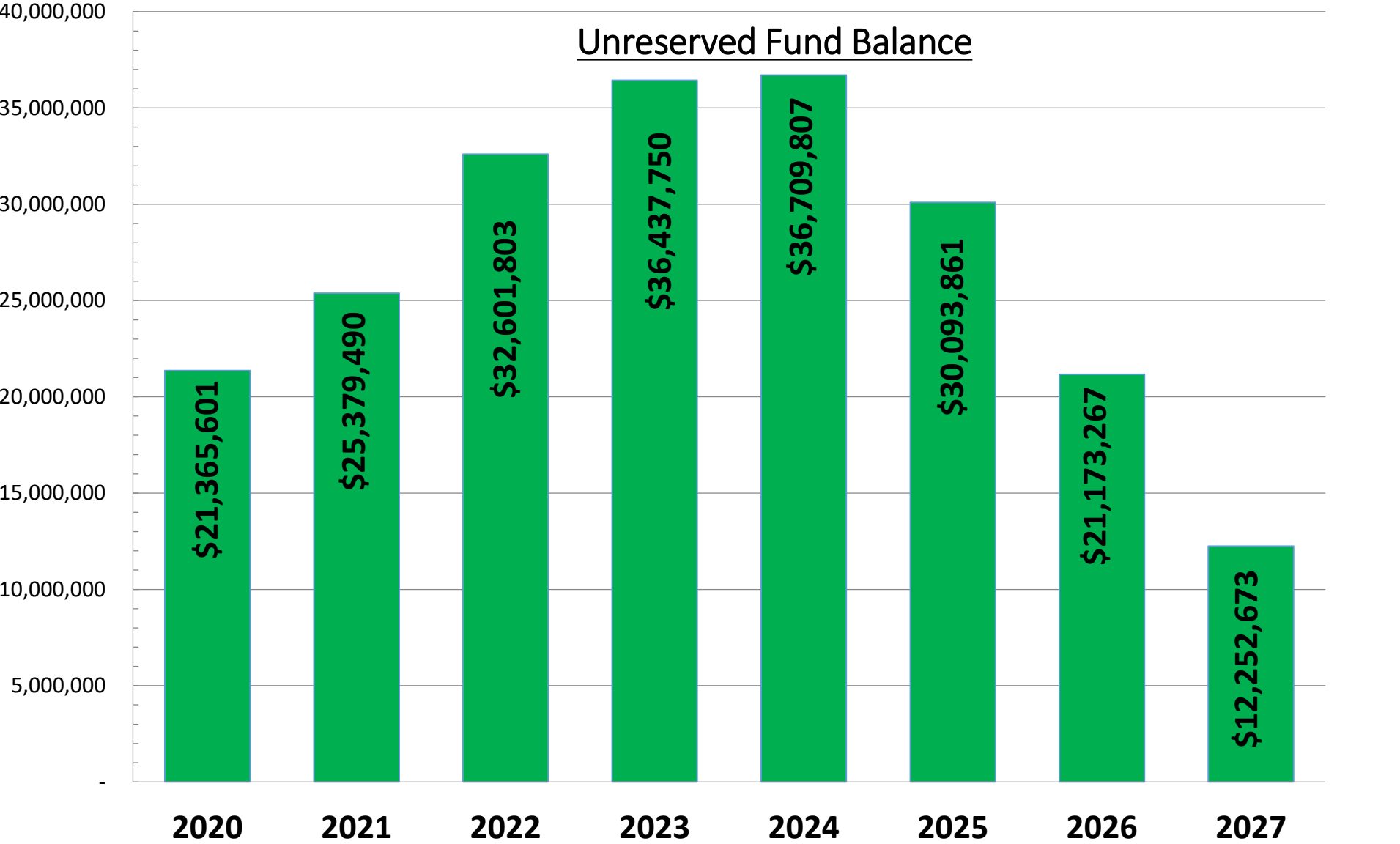


Other Financing Uses	2020	2021	2022	Avg. Change	2023	2024	2025	2026	2027
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(756,129)	4,416,385	7,593,120	-306.1%	4,012,589	272,057	(6,615,946)	(8,920,594)	(8,920,594)

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

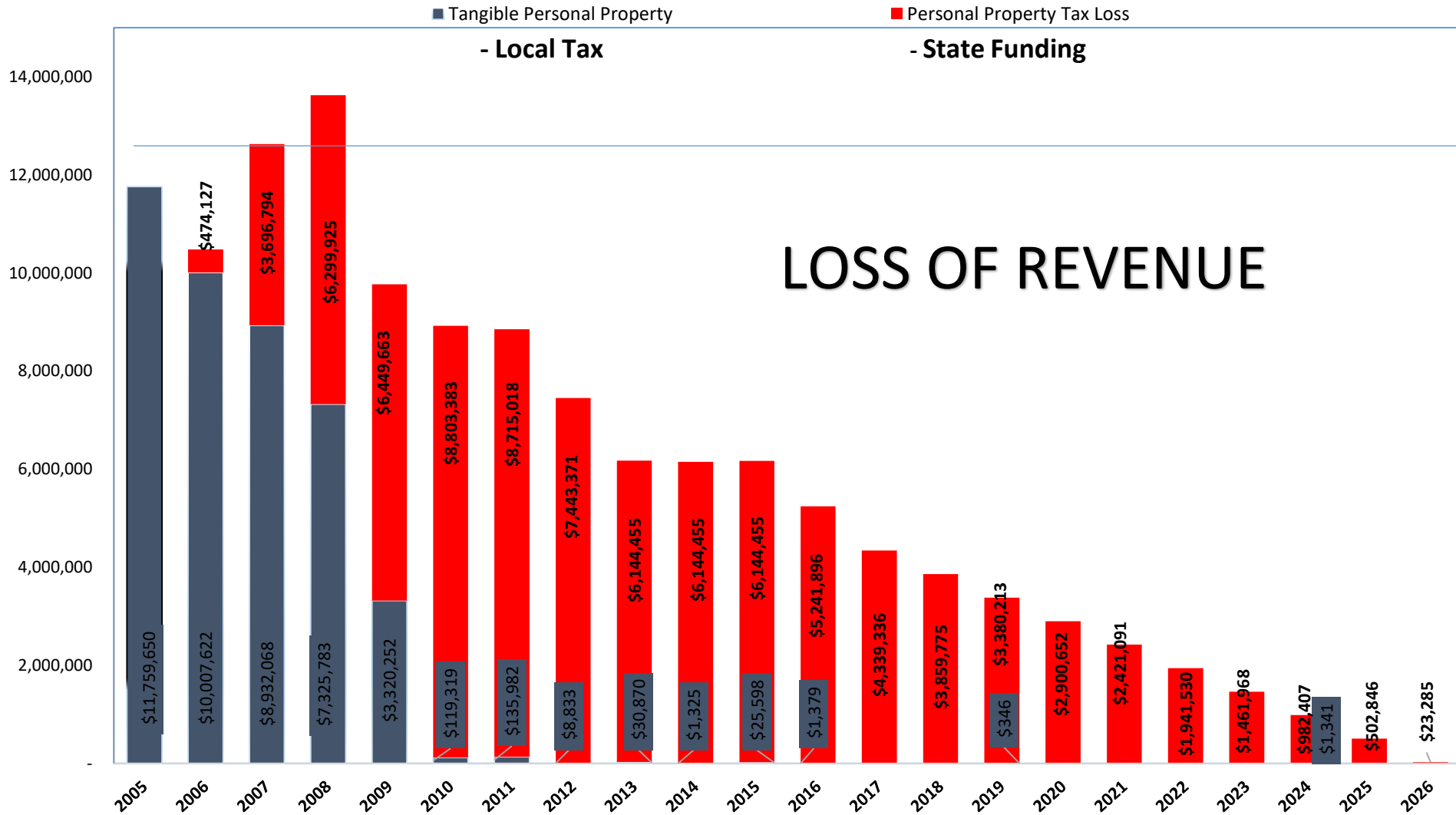


Other Financing Uses	Actual				Forecasted				
	2020	2021	2022	Avg. Change	2022	2023	2024	2025	2026
Unreserved Fund Balance June 30	21,365,601	25,379,490	32,601,803	23.6%	36,437,750	36,709,807	30,093,861	21,173,267	12,252,673





# General Fund Personal Property Tax Elimination – HB 66



# WASHINGTON LOCAL SCHOOLS

## November 2022 FORECAST

*THIS IS AND ALWAYS HAS BEEN A WORKING DOCUMENT*

### **ITEMS TO CONSIDER FOR MAY 2023 FORECAST**

- ☐ FAIR SCHOOL FUNDING PLAN UPDATE FOR 2023/2024 AND FUTURE YEARS– Will likely not be available
- ☐ ENROLLMENT – FUNDING BASED ON PER STUDENT – ENROLLMENT HAS BEEN DECLINING
- ☐ MARCH 2023 TAX SETTLEMENT
- ☐ NEW STAFF AND PROGRAMMING UNKNOWN FOR 2023/2024 – Forecasting no new staffing in budget for 2023/2024
- ☐ HEALTHCARE EXPENDITURES
- ☐ INTEREST EARNINGS AND RATES
- ☐ RETURN TO SPENDING 97-98% OF BUDGET OR MUCH LOWER PERCENTAGE LIKE PREVIOUS TWO YEARS
- ☐ IF ADDITIONAL FUNDS ARE AVAILABLE (STATE AID INCREASING, TAX COLLECTION, ETC.) PROVIDE BASE SALARY INCREASES, FUND ADDITIONAL STAFF AND/OR NEW PROGRAMS
- ☐ SPECIAL EDUCATION REQUESTS

WASHINGTON LOCAL SCHOOLS  
DEFICIT / SURPLUS SUMMARY  
FY 2008 – 2021 Actuals / FY 2022 – 2026 Forecasted  
Based on NOVEMBER 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)	25,715,656	21,365,601
2021	Surplus	4,416,385	30,132,041	25,379,490
2022	Surplus	7,593,120	37,725,161	32,601,803
<b>FORECASTED - NOVEMBER 2022</b>				
2023	Surplus	4,012,589	41,737,750	36,437,750
2024	Surplus	272,057	42,009,807	36,709,807
2025	Deficit	(6,615,946)	35,393,861	30,093,861
2026	Deficit	(8,920,594)	26,473,267	21,173,267
2027	Deficit	(8,920,594)	17,552,673	12,252,673

*\*The Unreserved Fund Balance includes encumbrances as of June 30<sup>th</sup> and the budget reserve (Rainy Day) Fund of \$4.3 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. However, we are more hopeful TODAY regarding additional state funding in 2024, which will be the first year of the State's 2-year budget and our budget will be balanced, if the State continues to fund the Fair School Funding Plan and additional staffing, programs, etc. added to the General Fund.*

# General Fund Budget Summary – November 2022 FIVE-YEAR FORECAST

## *FY 2015 – FY 2022 Actual / FY 2023 – FY 2027*

	2015	2016	2017	2018	2019	2020	2021	2022	FORECASTED				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	78,232,416	80,725,296	82,147,112	83,720,277	85,638,941	86,550,393	86,876,892	86,369,781	90,463,777	89,779,562	90,226,279	89,644,611	89,644,611
Expenses	77,283,402	79,567,875	83,542,325	85,165,876	86,574,710	87,306,522	82,460,507	78,776,661	86,451,188	89,507,505	96,842,225	98,565,205	98,565,205
Over/Under	949,014	1,157,421	-1,395,213	-1,445,599	-935,769	-756,129	4,416,385	7,593,120	4,012,589	272,057	-6,615,946	-8,920,594	-8,920,594
Unreserved Fund Balance	24,486,717	25,612,902	24,424,902	23,093,570	22,010,857	21,365,602	25,379,491	32,601,803	36,437,750	36,709,807	30,093,861	21,173,267	12,252,673

