

WASHINGTON LOCAL SCHOOLS

FIVE-YEAR FORECAST

NOVEMBER 2020



Significant Items

Not a surprise to anyone, but COVID-19 has impacted our revenue (State Aid and Bureau of Workers' Compensation Refund) as well as every expenditure with the greatest impact on salaries.

- **Budget Surplus**

- Great News. It took a pandemic and a Bureau of Workers' Compensation refund of \$1.3 million, but we are forecasting our first surplus since 2016.

- **Student Wellness and Success Funds**

- Due to uncertainty we are not expecting these funds to continue for 2021/2022.
- Funding is significant, \$2.2. million, but was restricted. This funding was provided after the freezing of unrestricted aid.
- We are currently using it to fund 20 TAWLS members. These 20 employees will return to the General Fund in 2021/2022 as the grant is not authorized after 2020/2021.

Revenue

- **Franklin Park Mall**

- The mall was successful in reducing their property values from \$237.0 million to \$180.0 million. This resulted in a significant refund of \$1.65 million and a significant reduction in annual revenue (estimated \$620,000) for our General Fund.

- **State Aid**

- As the State budget has stabilized and there is now a willingness by the State to spend their rainy day fund, we kept state aid unchanged from 2019/2020. Last year state aid was reduced by \$685,784 in May 2020. Previously, we forecasted a 2.5 times reduction (Additional \$1.0 million) from the May 2020 reduction of \$685,784 for 2020/2021.

- **Other Revenue**

- Interest rates have plummeted, which will reduce our interest earnings by \$100,000. The Bureau of Workers' Compensation has announced a refund of \$1.3 million.

Significant Items Continued:

Expenditures

- **Staffing**

- We began addressing our budget deficit in May 2020 with reduction in current staffing (net five positions) for 2020/2021.
- During 2020/2021, we continued addressing our budget deficits by maintaining 8.5 positions vacant and moving 2 certified staff to grants to assist with COVID-19 impacted instruction.
- We had a significant decrease in substitute costs (includes field trips) extra compensation/hourly pay, and overtime. Also, due to remote learning, we reduced certain classified staff positions up to 50% of their contracted hours during certain weeks during the year.

- **Benefits**

- Due to solvency of our self-funded insurance plans, we reduced our healthcare and dental premiums by 10% on July 1, 2020.
- We did have a significant increase in unemployment costs due to the governor ordered shut down in March 2020 and reduction in hours in 2020/2021.

- **Transfers**

- Previously we transferred nearly \$250,000 the past few years due to Food Service losses. In 20/21 this was reduced to \$74,601.
- We do not anticipate a Food Service loss in 2020/2021, but have forecasted a Food Service loss transfer of \$125,000 beginning 2022/2023.

Significant Items Continued:

Pending Concerns

- **Enrollment**

- Down 275 students from last year
- Over 1,600 students currently in Panther Virtual Academy (less staffing required, no bussing required)
- Possible EdChoice expansion in 2021/2022 and increased enrollment.
- How many students will return to regular instruction at Washington Local and how many have left our district permanently?

- **Staffing**

- Lower enrollment and Panther Virtual Academy has and will have a direct impact on staffing in future years.
- Classroom teachers, specialist teachers, elective teachers, bus drivers, classroom aides, etc.
- EdChoice students leaving

- **Future COVID-19 Impact**

- The expansion of our technology will need to be maintained and replaced in 3-5 years.
- Franklin Park Mall and other retail shopping being replaced with online shopping. This will impact future property values.

Revenue & Expenditures
Fiscal Year 2020/2021
What Changed in Six Months

<u>REVENUE</u>	<u>MAY</u>	<u>NOVEMBER</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
Real Estate	41,200,000	39,600,000	(1,600,000)	Franklin Park Mall
State Aid (excludes casino)	27,764,593	28,735,886	971,293	State Budget Stabilized
Other Revenue (Interest)	200,000	100,000	(100,000)	Lower Interest Rates
Other Revenue	143,000	1,405,135	1,262,135	BWC Refund – \$1.3 Million
All Other Financing Sources (TIF)	4,855,000	4,555,000	(300,000)	Franklin Park
	<u>Total for Explanation of Variances</u>		233,428	
Total Revenue	85,166,160	85,539,823	373,663	
<u>EXPENDITURES</u>				
Salaries	50,075,214	47,514,972	2,560,242	See next slide
Benefits	17,411,543	17,416,387	(4,844)	
Purchased Services	13,952,383	13,898,814	53,569	
Supplies	2,612,862	2,299,809	313,053	Various Reductions
Capital Outlay	1,042,470	1,781,406	(738,936)	DIS – COVID-19 Related Technology
Other	1,041,600	964,912	76,688	
Transfers	440,550	495,000	(54,450)	Food Service Transfer
Total Expenditures	86,136,072	83,876,300	2,259,772	

FY 2021 Budget*
Selected Salaries
What Changed in Six Months

CERTIFIED SALARIES	MAY	NOVEMBER	VARIANCE
REGULAR	\$36,960,195	\$35,925,000	\$(1,035,195)
SUBSTITUTES	700,000	355,000	(345,000)
EXTRA COMPENSATION / HOURLY PAY	1,350,000	1,100,000	(250,000)
CLASSIFIED SALARIES			
REGULAR	9,232,384	8,750,000	(482,384)
SUBSTITUTES / FIELD TRIPS	925,000	350,000	(575,000)
EXTRA COMPENSATION / HOURLY PAY	375,000	375,000	-0-
OVERTIME	275,000	125,000	(150,000)
SEVERANCE/RETIREMENT	125,000	300,000	175,000
TOTAL - SELECTED SALARIES	49,942,579	47,280,000	2,662,579
TOTAL – ALL SALARIES	50,326,849	47,753,741	2,573,108

*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.

REVENUE

FLAT



Washington Local School District

REVENUES

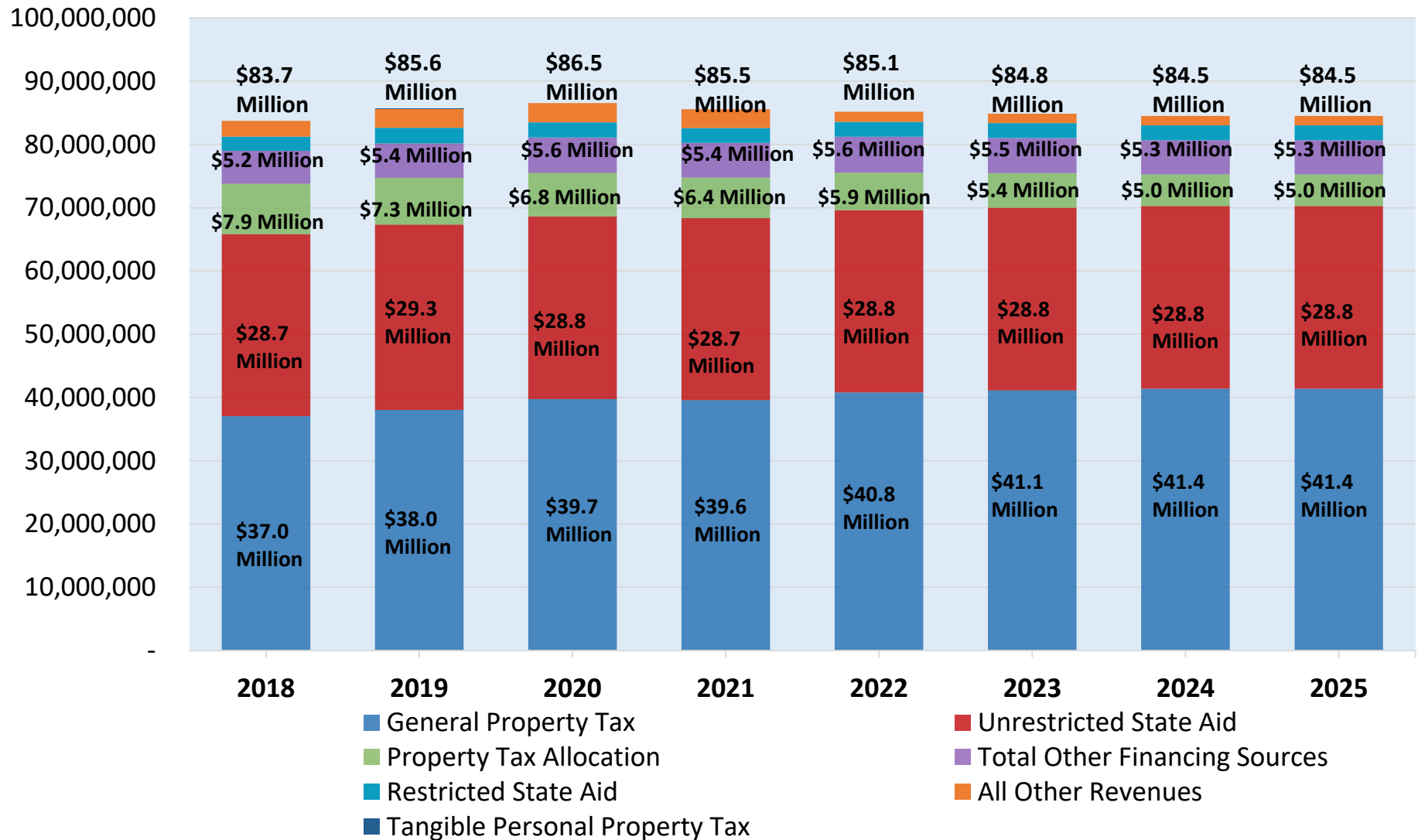
NOVEMBER 2020

	<u>Actual</u>					<u>Forecasted</u>				
<u>REVENUES</u>	2018	2019	2020	Avg. Change		2021	2022	2023	2024	2025
General Property Tax	37,047,152	38,022,521	39,754,005	3.6%		39,600,000	40,800,000	41,100,000	41,400,000	41,400,000
Tangible Personal Property Tax		346								
Income Tax										
Unrestricted State Aid	28,763,832	29,315,085	28,858,652	0.2%		28,735,886	28,800,886	28,875,886	28,875,886	28,875,886
Restricted State Aid	2,243,536	2,481,931	2,383,517	3.3%		2,349,247	2,349,247	2,349,247	2,349,247	2,349,247
Property Tax Allocation	7,956,941	7,385,696	6,877,871	-7.0%		6,441,091	5,961,530	5,481,968	5,002,407	5,002,407
All Other Revenues	2,494,584	3,007,258	3,069,615	11.3%		2,937,163	1,622,485	1,502,663	1,487,663	1,487,663
Total Revenues	78,506,045	80,212,837	80,943,660	1.5%		80,063,387	79,534,148	79,309,764	79,115,203	79,115,203
Advances-In	400,000	400,000	400,000			400,000	400,000	400,000	400,000	400,000
All Other Financing Sources	4,814,232	5,026,104	5,206,733	4.0%		5,076,436	5,235,860	5,154,651	4,992,233	4,992,233
Total Other Financing Sources	5,214,232	5,426,104	5,606,733	3.7%		5,476,436	5,635,860	5,554,651	5,392,233	5,392,233
Total Revenues and Otr Financing Sources	83,720,277	85,638,941	86,550,393	1.7%		85,539,823	85,170,008	84,864,415	84,507,436	84,507,436

Washington Local Schools

Revenues

NOVEMBER 2020





EXPENDITURES INCREASING



Washington Local School District

EXPENDITURES

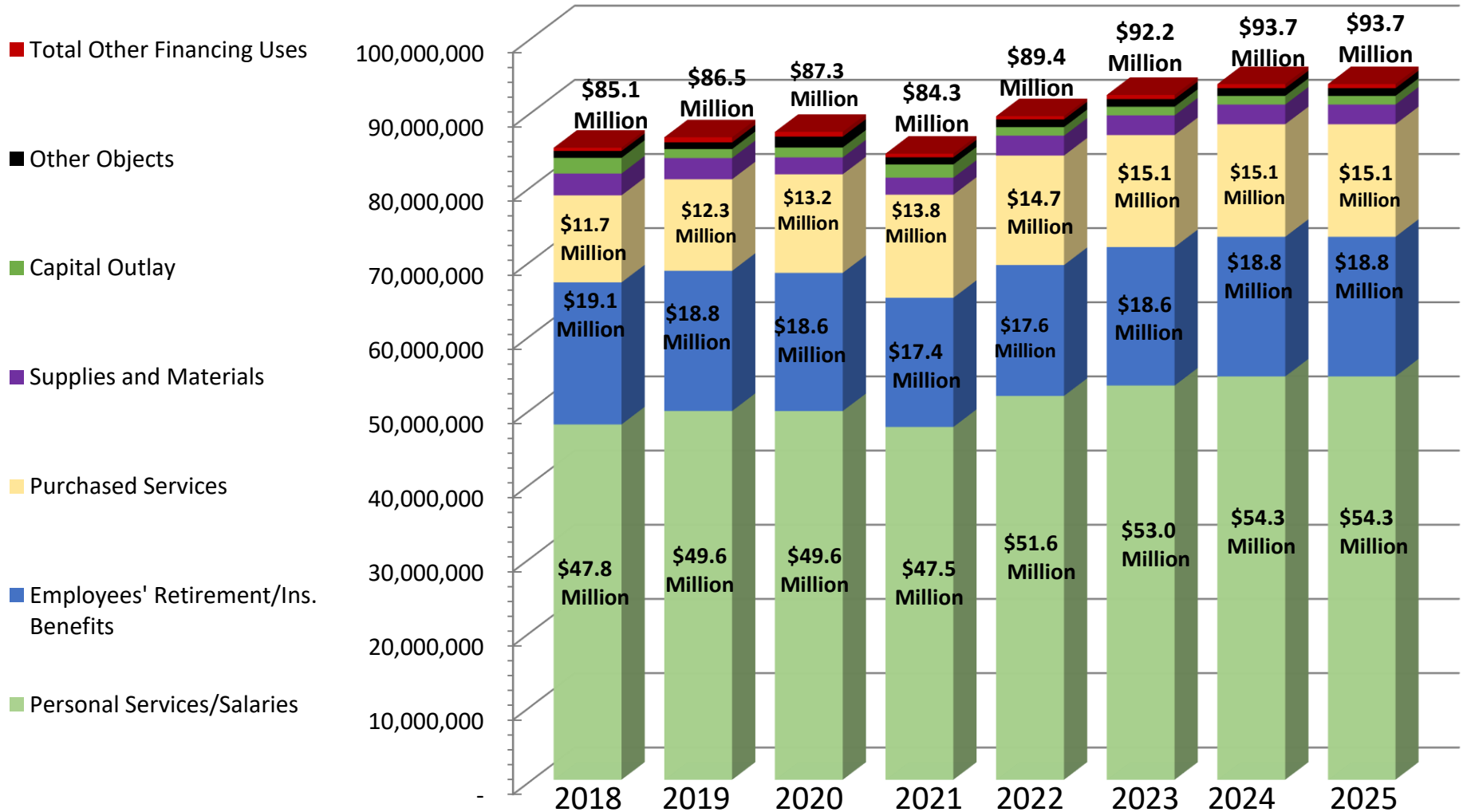
NOVEMBER 2020

	<u>Actual</u>				<u>Forecasted</u>				
<u>EXPENDITURES</u>	2018	2019	2020	Avg. Change	2021	2022	2023	2024	2025
Personal Services / Salaries	47,855,137	49,675,118	49,655,494	1.9%	47,514,972	51,698,334	53,099,223	54,325,935	54,325,935
Employees' Retirement/Insurance Benefits	19,152,318	18,894,990	18,635,285	-1.4%	17,416,387	17,647,740	18,670,955	18,830,345	18,830,345
Purchased Services - Instructional Services, Utilities	11,738,733	12,343,737	13,293,646	6.4%	13,898,814	14,764,401	15,102,735	15,179,396	15,179,396
Supplies and Materials - Instruction, Maintenance, Transportation	2,941,522	2,864,884	2,281,337	-11.5%	2,299,809	2,678,521	2,655,530	2,655,530	2,655,530
Capital Outlay	2,117,172	1,210,240	1,329,251	-16.5%	1,781,406	1,158,300	1,164,150	1,164,150	1,164,150
Other Objects	922,994	899,685	1,465,313	30.2%	964,912	1,044,960	1,034,075	1,034,075	1,034,075
<i>Total Expenditures</i>	84,727,876	85,888,654	86,660,326	1.1%	83,876,300	88,992,256	91,726,668	93,189,431	93,189,431
Operating Transfers-Out	38,000	286,056	246,196	319.4%	95,000	35,600	159,350	159,530	159,530
Advances-Out	400,000	400,000	400,000		400,000	400,000	400,000	400,000	400,000
Total Other Financing Uses	438,000	686,056	646,196	25.4%	495,000	435,600	559,350	559,350	559,350
<i>Total Expenditures and Other Financing Uses</i>	85,165,876	86,574,710	87,306,522	1.2%	84,371,300	89,427,856	92,286,018	93,748,781	93,748,781

Washington Local Schools

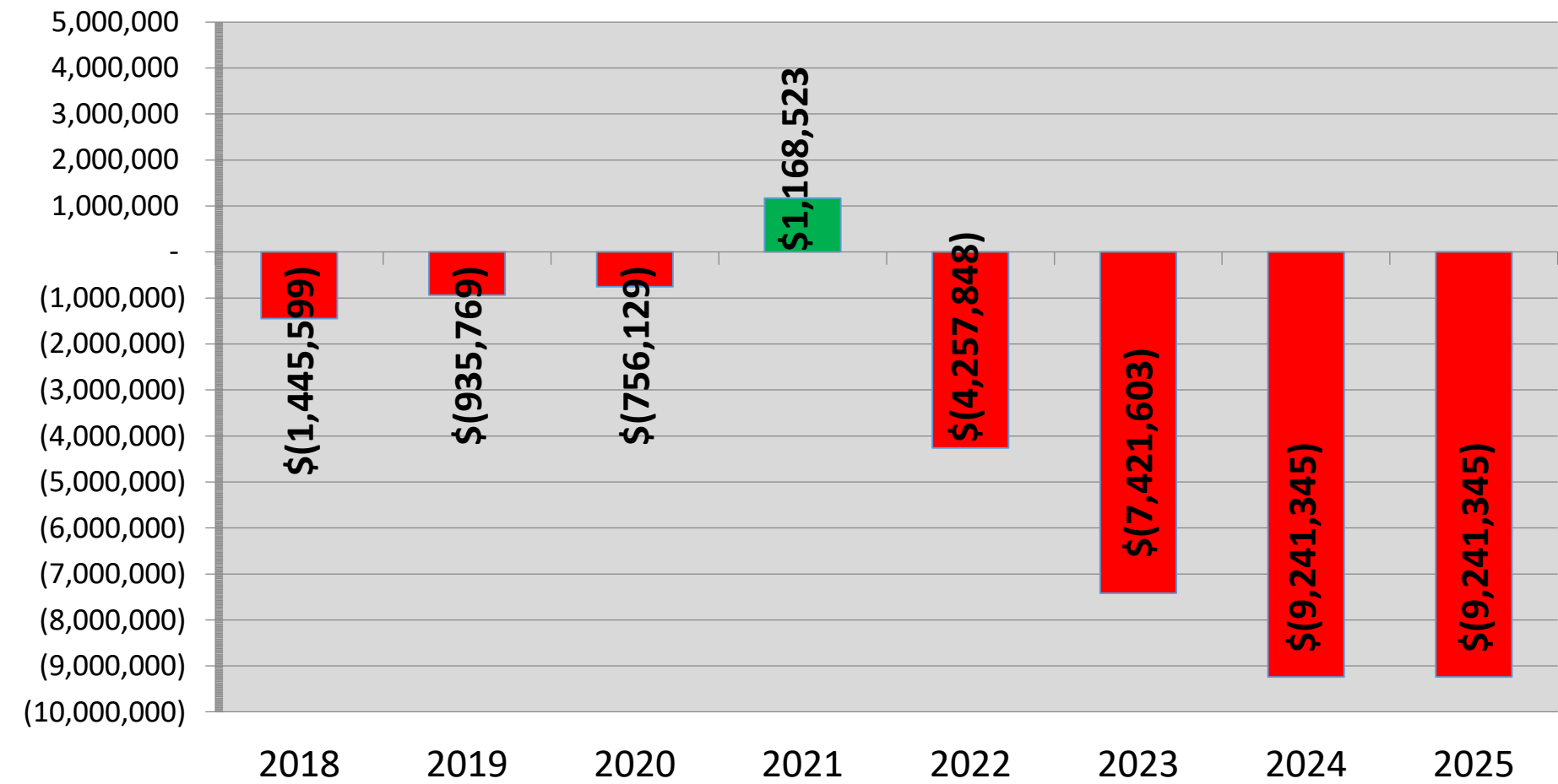
Expenditures

NOVEMBER 2020

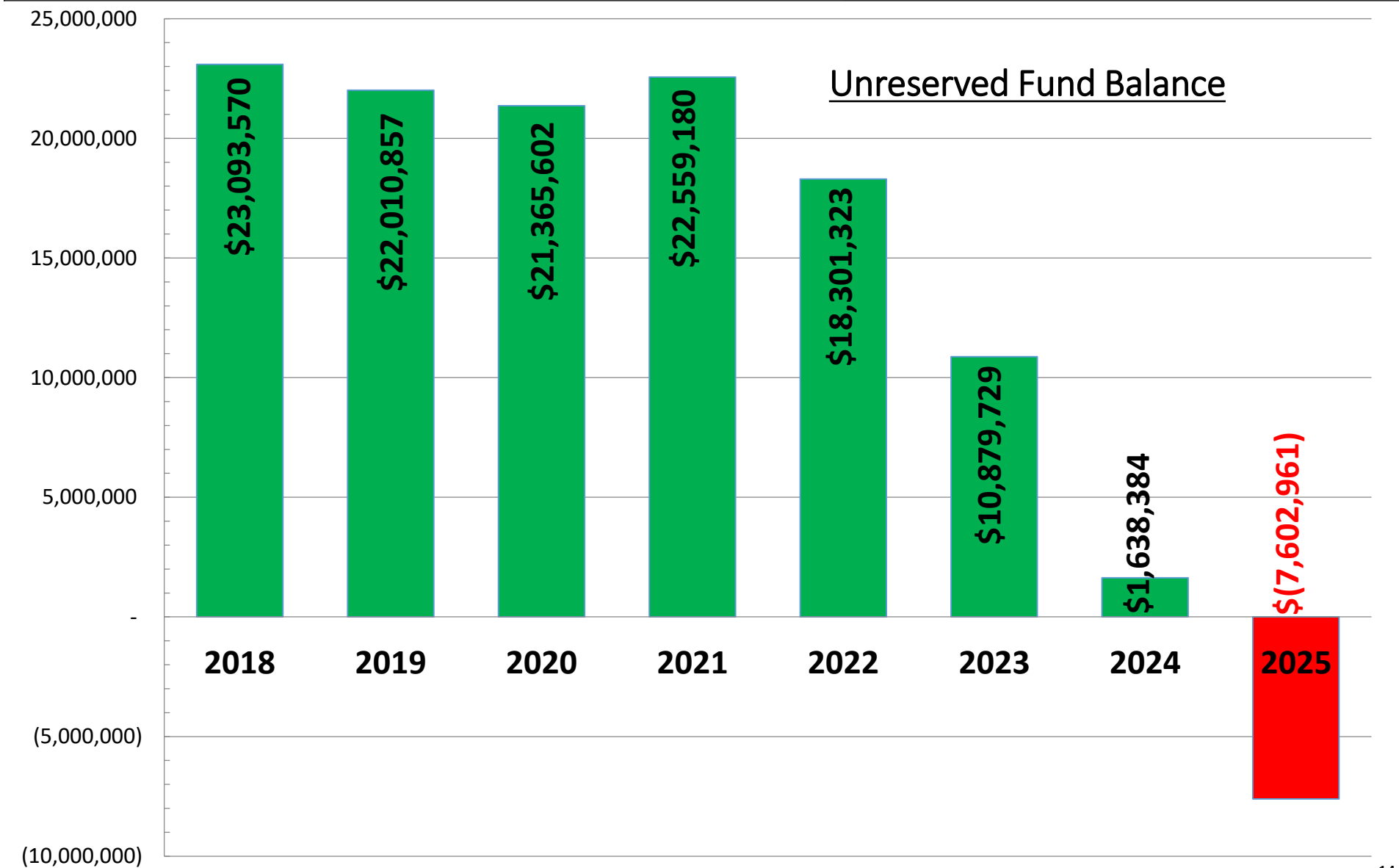


Other Financing Uses	2018	2019	2020	Avg. Change	2021	2022	2023	2024	2025
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(1,445,599)	(935,769)	(756,129)	-27.2%	1,168,523	(4,257,848)	(7,421,603)	(9,241,345)	(9,241,345)

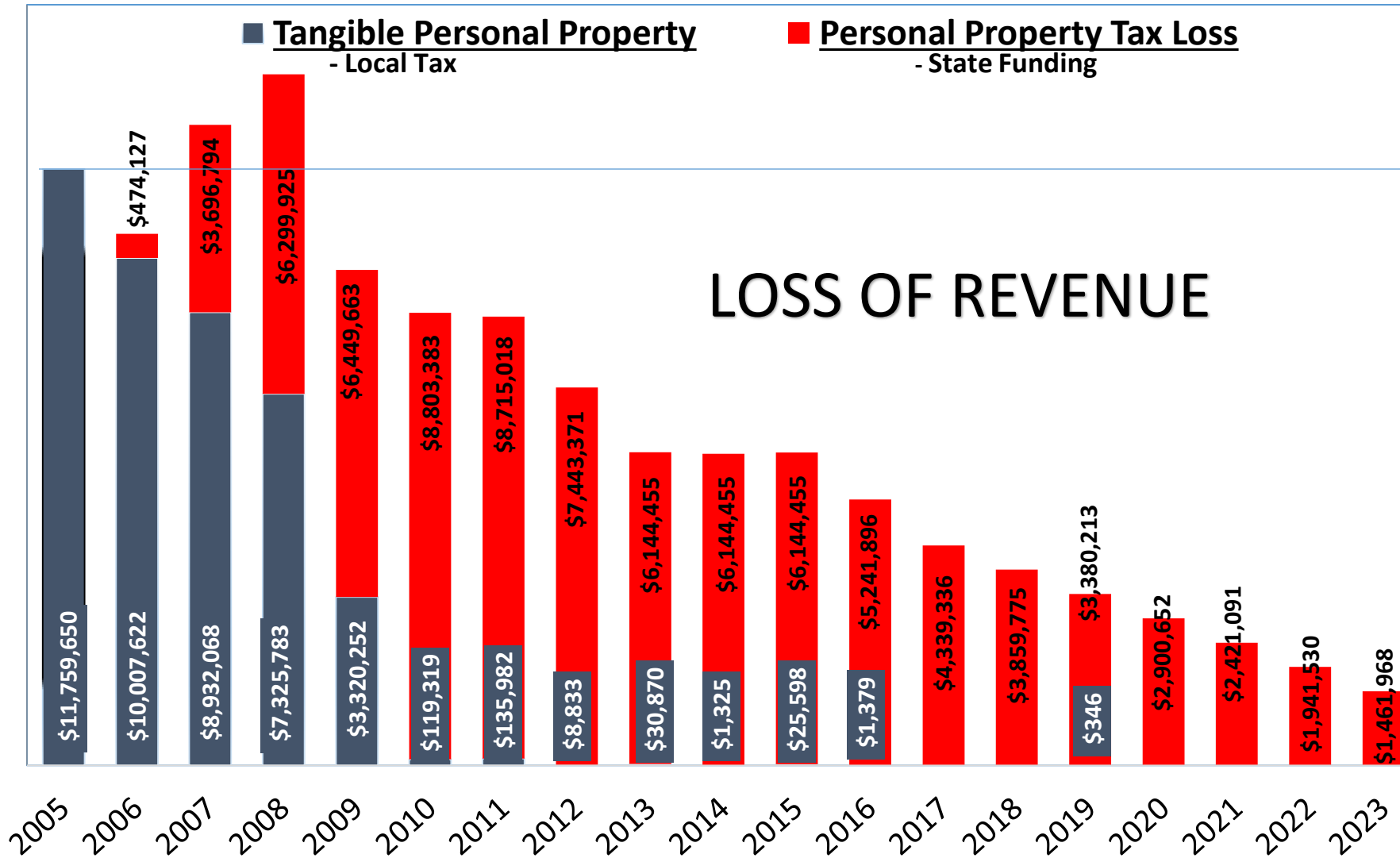
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses



Other Financing Uses	Actual				Forecasted				
	2018	2019	2020	Avg. Change	2021	2022	2023	2024	2025
Unreserved Fund Balance June 30	23,093,570	22,010,857	21,365,602	-3.8%	22,559,180	18,301,332	10,879,729	1,638,384	(7,602,961)



General Fund Personal Property Tax Elimination – HB 66



WASHINGTON LOCAL SCHOOLS
NOVEMBER 2020 FORECAST

THIS IS AND ALWAYS HAS BEEN A WORKING DOCUMENT

ITEMS TO CONSIDER FOR MAY 2021 FORECAST

- ☐ **WILL THE COVID-19 PANDEMIC BE OVER?**
- ☐ **WILL THE 2020/2021 SCHOOL YEAR CONTINUE AS IS? RETURN TO NORMAL OR HYBRID? GO 100% REMOTE ?**
- ☐ **WILL THE 2021/2022 SCHOOL YEAR START NORMAL? STAY NORMAL?**
- ☐ **State Aid**
 - Will there be another decrease?
 - Will there actually be a school funding formula?
 - Will we still be capped?
- ☐ **Student Wellness and Success Fund**
 - Will this actually be eliminated (\$2.2 million) in 2021/2022
- ☐ **What is significantly impacting our district**
 - Staffing
 - Technology
 - Lasting COVID-19 impact on enrollment and Panther Virtual Academy enrollment
- ☐ **Food Service**
 - Forecasted no budget deficit in 2020/2021
 - Forecasted budget deficit (\$125,000) when we return FY 2021/2022
- ☐ **Staffing**
 - Union Negotiations and Administration Base Salary Increase – 0.0%.
 - No additional or reductions in staffing.
 - Will all vacant positions be filled in 2021/2022
 - Will there be additional positions unfilled in 2020/2021 and 2021/2022
- ☐ **Elementary and Secondary School Emergency Relief Fund (ESSER)**
 - New Federal Fund – Elementary and Secondary School Emergency Relief \$1.4 million (must be expended by September 2022). May be utilized for new expenditures (technology, professional development, sanitization-cleaning supplies/equipment, and classroom materials).
 - Will additional Federal Coronavirus relief funds be received in 2020/2021? In 2021/2022?

WASHINGTON LOCAL SCHOOLS
DEFICIT / SURPLUS SUMMARY
FY 2011 – 2020 Actuals / FY 2021 – 2025 Forecasted
Based on November 2020 Forecast

Fiscal Year	Surplus / Deficit	Amount (Over / Under)	Unreserved Cash Balance as of June 30	Unreserved Fund Balance as of June 30*
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
FORECASTED - NOVEMBER 2020				
2021	Surplus	1,168,523	26,884,180	22,559,180
2022	Deficit	(4,257,848)	22,626,332	18,301,332
2023	Deficit	(7,421,603)	15,204,729	10,879,729
2024	Deficit	(9,241,345)	5,963,384	1,638,384
2025	Deficit	(9,241,345)	(3,277,961)	(7,602,961)

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

General Fund Budget Summary - NOVEMBER 2020 FIVE-YEAR FORECAST

FY 2013 - FY 2020 Actual / FY 2021- FY 2025 Forecasted

	2013	2014	2015	2016	2017	2018	2019	2020	FORECASTED				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	71,334,159	72,560,410	78,232,416	80,725,296	82,147,112	83,720,277	85,638,941	86,550,393	85,539,823	85,170,008	84,864,415	84,507,436	84,507,436
Expenses	71,986,418	76,771,303	77,283,402	79,567,875	83,542,325	85,165,876	86,574,710	87,306,522	84,371,300	89,427,856	92,286,018	93,748,781	93,748,781
Over/Under	-652,259	-4,210,893	949,014	1,157,421	-1,395,213	-1,445,599	-935,769	-756,129	1,168,523	-4,257,848	-7,421,603	-9,241,345	-9,241,345
Unreserved Fund Balance	27,935,333	23,586,579	24,486,717	25,612,902	24,424,902	23,093,570	22,010,857	21,365,601	22,559,180	18,301,332	10,879,729	1,638,384	-7,602,961

