



# WASHINGTON LOCAL SCHOOLS

FIVE-YEAR FORECAST

MAY 2021



**BOARDS  
OF  
EDUCATION,  
SUPERINTENDENTS  
&  
TREASURERS**

**SCHOOL  
FUNDING**

**GOVERNOR  
&  
STATE LEGISLATURE**

## WASHINGTON LOCAL SCHOOLS SCHOOL FUNDING (a)

Year	Calculated Funding (Formula)(b)	State Funding (c)	Cap Loss	Accumulated
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.
- (c) State Funding for 2019/2020 and 2020/2021 is prior to the 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. **The State still has an initial Rainy Day Fund and a Budget Surplus of \$1.2 billion for this year, reduced our funding by nearly \$1 million over 2 years.**

## 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 personnel costs.

- **Budget Surplus**

- Great News. It took a pandemic, Bureau of Workers' Compensation refund of \$1.3 million, and the COVID-19 Grant adjustment of nearly \$900,000 but we are forecasting our first surplus (\$3.8 million) since 2016, and largest surplus since 2008 (\$3.4 million).

- **Student Wellness and Success Funds**

- Governor proposed continuation of this new Fund and the State of Ohio still has a rainy day fund, as well as, continuing to have a state budget surplus.
- Funding is significant, \$2.2. million, but is restricted. This funding was provided after the freezing of our unrestricted aid. The governor's proposal has a 62% increase in funding (likely over 2 years).
- We are currently using it to fund 21 TAWLS members (counselors, nurses and social worker).

## Revenue

- **Franklin Park Mall**

- The Mall was successful in reducing their property values from \$232.0 million to \$180.0 million. This resulted in a significant refund and a significant reduction in annual revenue for our General Fund (and all other funds). This was adjusted from Tax Increment Financing (TIF) payments instead of Real Estate taxes as originally expected in November 2020.

- **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 2020/2021. Last year state aid was reduced by \$685,784 in May 2020 for 2019/2020 and 2020/2021. The State did restore \$376,000 in 2020/2021, still our state aid was reduced by nearly \$1 million over 2 years.

- **Other Revenue**

- The Bureau of Workers' Compensation provided a refund of \$1.3 million.

# Significant Items Continued:

## Expenditures

### • **Staffing**

- We began addressing our budget deficit in May 2020 with reduction in staffing for 2020/2021.
- During 2020/2021, we continued addressing our budget deficits by maintaining vacant positions and moving 2 certified staff to grants to assist with COVID-19 impacted instruction. We also did not fill classroom aide positions, a DIS position, or a mechanics position as they came vacant during the year.
- We had a significant decrease in substitute costs (includes field trips) extra compensation/hourly pay, and overtime from prior years. 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 an increase in unemployment costs due to the governor ordered shut down in March 2020 and reduction in hours in 2020/2021. But only expect \$53,000 for 2020/2021, previously budgeted \$225,000 in November 2020.

### • **Transfers**

- Previously, we annually transferred nearly \$250,000 the past few years due to Food Service losses. In 2020/2021 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.

### • **COVID-19 Federal Grant**

- Adjusted \$866,089 in expenditures from General Fund to Elementary and Secondary School Emergency Relief (ESSER) Grant.

# Significant Items Continued:

## Pending Concerns

- **State Funding**

- Will the state finally properly fund schools?
- Will students not attending Washington Local Schools (Charter, voucher, court placed, etc.) be directly funded?

- **Enrollment**

- Decreased nearly 225 students from last year, Kindergarten decreased over 120 students.
- Over 1,600 students currently in Panther Virtual Academy (less staffing required, no bussing required), 2021/2022 expect 220 students enrolled.
- Possible EdChoice expansion in 2021/2022 and increased number of students participating.
- Open Enrollment – 70 total (29 non-staff member children, 7-12 only)

- **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 the district.

- **Future COVID-19 Impact**

- The expansion of our technology will now need to be maintained and replaced in 3-5 years. This has increased our technology budget in future years.
- Franklin Park Mall and other retail shopping being replaced with online shopping. This will impact future property values.
- Commercial Tax Appeals will increase.
- Countywide Revaluation in calendar year 2021; Expect an increase in property valuation, but not included in Forecast.

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

<b><u>REVENUE</u></b>	<b><u>NOVEMBER</u> <u>2020</u></b>	<b><u>MAY</u> <u>2021</u></b>	<b><u>VARIANCE</u></b>	<b><u>EXPLANATION</u></b>
Real Estate	39,600,000	41,605,245	<b>2,005,245</b>	Franklin Park Mall
State Aid (includes casino)	28,735,886	29,140,353	<b>404,467</b>	Additional \$376,000
All Other Financing Sources (TIF)	5,076,436	3,836,555	<b><u>(1,239,881)</u></b>	Franklin Park Mall
	<u>Total for Explanation of Variances</u>		<b>1,169,831</b>	
<b>Total Revenue</b>	<b>85,539,823</b>	<b>86,778,021</b>	<b>1,238,198</b>	
<b><u>EXPENDITURES</u></b>				
Salaries	47,514,972	47,270,291	<b>244,681</b>	
Benefits	17,416,387	17,129,206	<b>287,181</b>	
Purchased Services	13,898,814	14,070,639	<b>(171,825)</b>	- Charter Schools, other tuition students - Curriculum purchases
Supplies	2,299,809	1,863,352	<b>436,457</b>	- Curriculum instructional supplies - \$249,858 ESSER Grant Adjustment, Fuel
Capital Outlay	1,781,406	1,232,577	<b>548,829</b>	- \$616,231 ESSER Grant Adjustment
Other	964,912	958,561	<b>6,351</b>	
Advances/ Transfers	495,000	502,601	<b>(7,601)</b>	
<b>Total Expenditures</b>	<b>84,371,300</b>	<b>83,027,227</b>	<b>1,344,073</b>	

# REVENUE





# Washington Local School District

## REVENUES

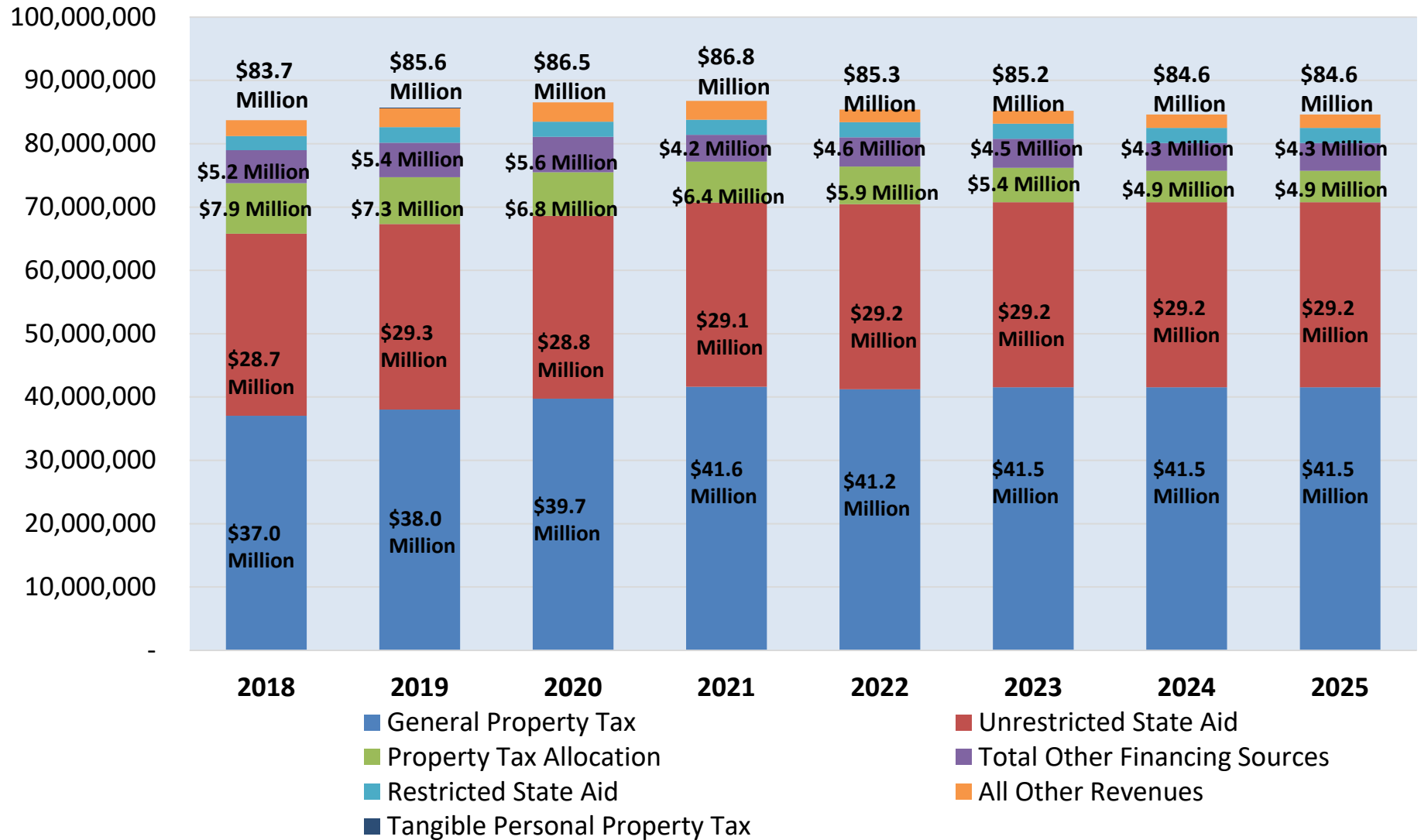
MAY 2021

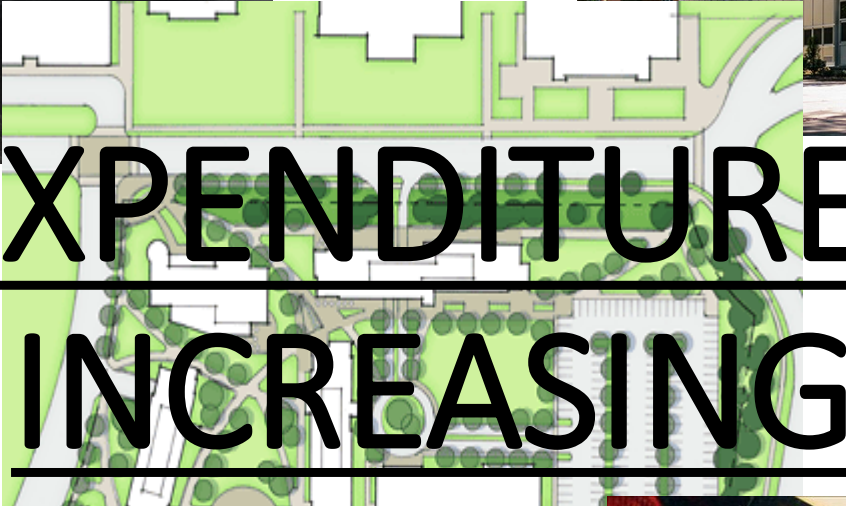
<u>REVENUES</u>	<u>Actual</u>				Avg. Change	<u>Forecasted</u>				
	2018	2019	2020			2021	2022	2023	2024	2025
General Property Tax	37,047,152	38,022,521	39,754,005		3.6%	41,605,245	41,224,000	41,540,000	41,540,000	41,540,000
Tangible Personal Property Tax		346								
Income Tax										
Unrestricted State Aid	28,763,832	29,315,085	28,858,652		0.2%	29,140,353	29,234,000	29,234,000	29,234,000	29,234,000
Restricted State Aid	2,243,536	2,481,931	2,383,517		3.3%	2,379,248	2,379,248	2,379,248	2,379,248	2,379,248
Property Tax Allocation	7,956,941	7,385,696	6,877,871		-7.0%	6,422,437	5,927,330	5,447,768	4,968,207	4,968,207
All Other Revenues	2,494,584	3,007,258	3,069,615		11.3%	2,994,183	1,994,189	2,051,189	2,101,189	2,101,189
<b>Total Revenues</b>	<b>78,506,045</b>	<b>80,212,837</b>	<b>80,943,660</b>		<b>1.5%</b>	<b>82,541,466</b>	<b>80,758,767</b>	<b>80,652,205</b>	<b>80,222,644</b>	<b>80,222,644</b>
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%	3,836,555	4,235,913	4,154,704	3,992,286	3,992,286
<b>Total Other Financing Sources</b>	<b>5,214,232</b>	<b>5,426,104</b>	<b>5,606,733</b>		<b>3.7%</b>	<b>4,236,555</b>	<b>4,635,913</b>	<b>4,554,704</b>	<b>4,392,286</b>	<b>4,392,286</b>
<b>Total Revenues and Otr Financing Sources</b>	<b>83,720,277</b>	<b>85,638,941</b>	<b>86,550,393</b>		<b>1.7%</b>	<b>86,778,021</b>	<b>85,394,680</b>	<b>85,206,909</b>	<b>84,614,930</b>	<b>84,614,930</b>

# Washington Local Schools

## Revenues

### MAY 2021





# EXPENDITURES INCREASING



# Washington Local Schools

## EXPENDITURES

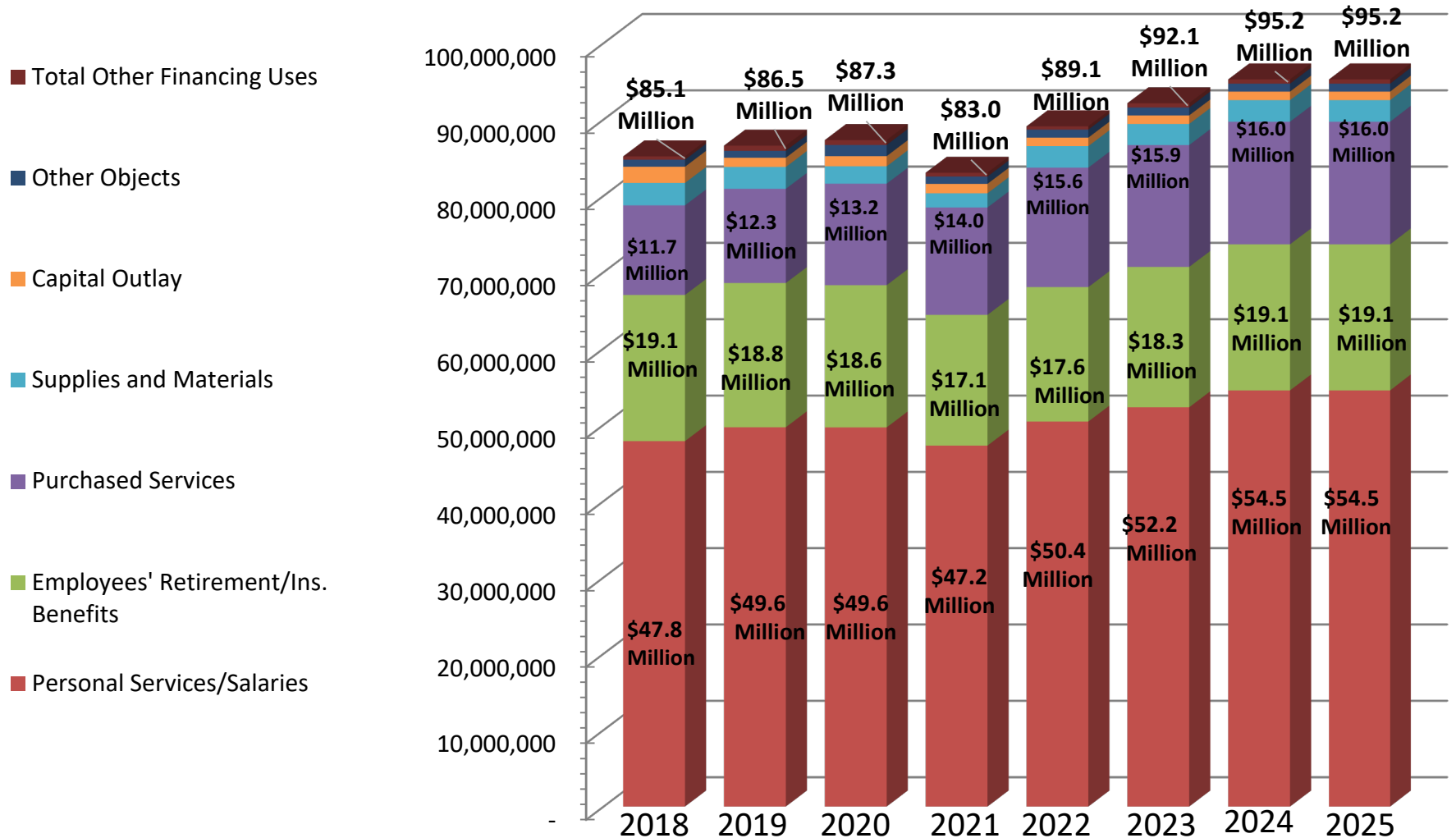
MAY 2021

<u>EXPENDITURES</u>	<u>Actual</u>				<u>Forecasted</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%	47,270,291	50,419,948	52,290,646	54,503,231	54,503,231
Employees' Retirement/Insurance Benefits	19,152,318	18,894,990	18,635,285	-1.4%	17,129,206	17,618,953	18,392,242	19,138,678	19,138,678
Purchased Services - Instructional Services, Utilities	11,738,733	12,343,737	13,293,646	6.4%	14,070,639	15,651,542	15,965,592	16,066,215	16,066,215
Supplies and Materials - Instruction, Maintenance, Transportation	2,941,522	2,864,884	2,281,337	-11.5%	1,863,352	2,817,622	2,766,228	2,826,692	2,826,692
Capital Outlay	2,117,172	1,210,240	1,329,251	-16.5%	1,232,577	1,113,750	1,119,375	1,121,625	1,121,625
Other Objects	922,994	899,685	1,465,313	30.2%	958,561	1,049,760	1,038,825	1,038,825	1,038,825
<b>Total Expenditures</b>	<b>84,727,876</b>	<b>85,888,654</b>	<b>86,660,326</b>	<b>1.1%</b>	<b>82,524,626</b>	<b>88,671,575</b>	<b>91,572,908</b>	<b>94,695,266</b>	<b>94,695,266</b>
Operating Transfers-Out	38,000	286,056	246,196	319.4%	102,601	35,600	159,350	159,350	159,350
Advances-Out	400,000	400,000	400,000		400,000	400,000	400,000	400,000	400,000
<b>Total Other Financing Uses</b>	<b>438,000</b>	<b>686,056</b>	<b>646,196</b>	<b>25.4%</b>	<b>502,601</b>	<b>435,600</b>	<b>559,350</b>	<b>559,350</b>	<b>559,350</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>85,165,876</b>	<b>86,574,710</b>	<b>87,306,522</b>	<b>1.2%</b>	<b>83,027,227</b>	<b>89,107,175</b>	<b>92,132,258</b>	<b>95,254,616</b>	<b>95,254,616</b>

# Washington Local Schools

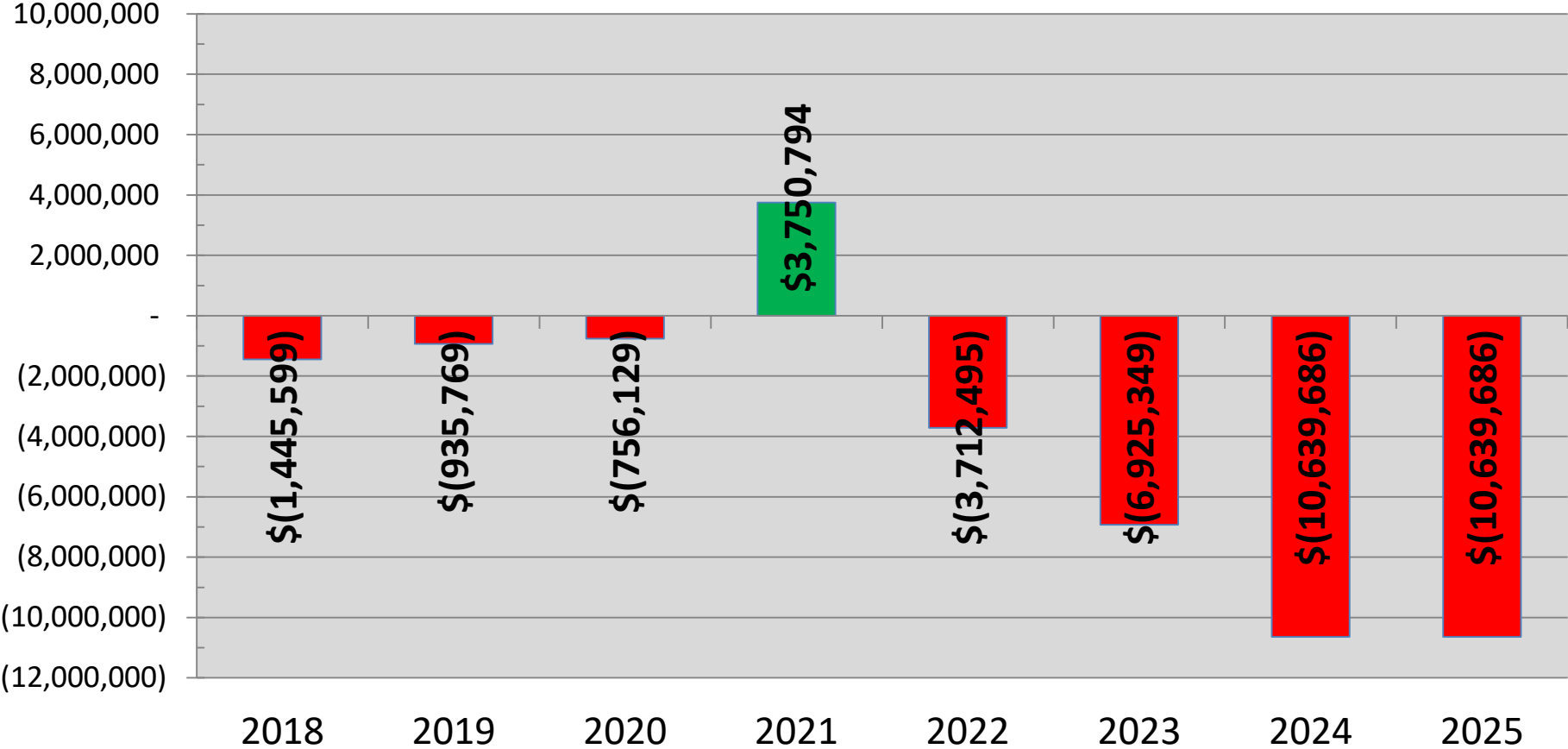
## Expenditures

MAY 2021

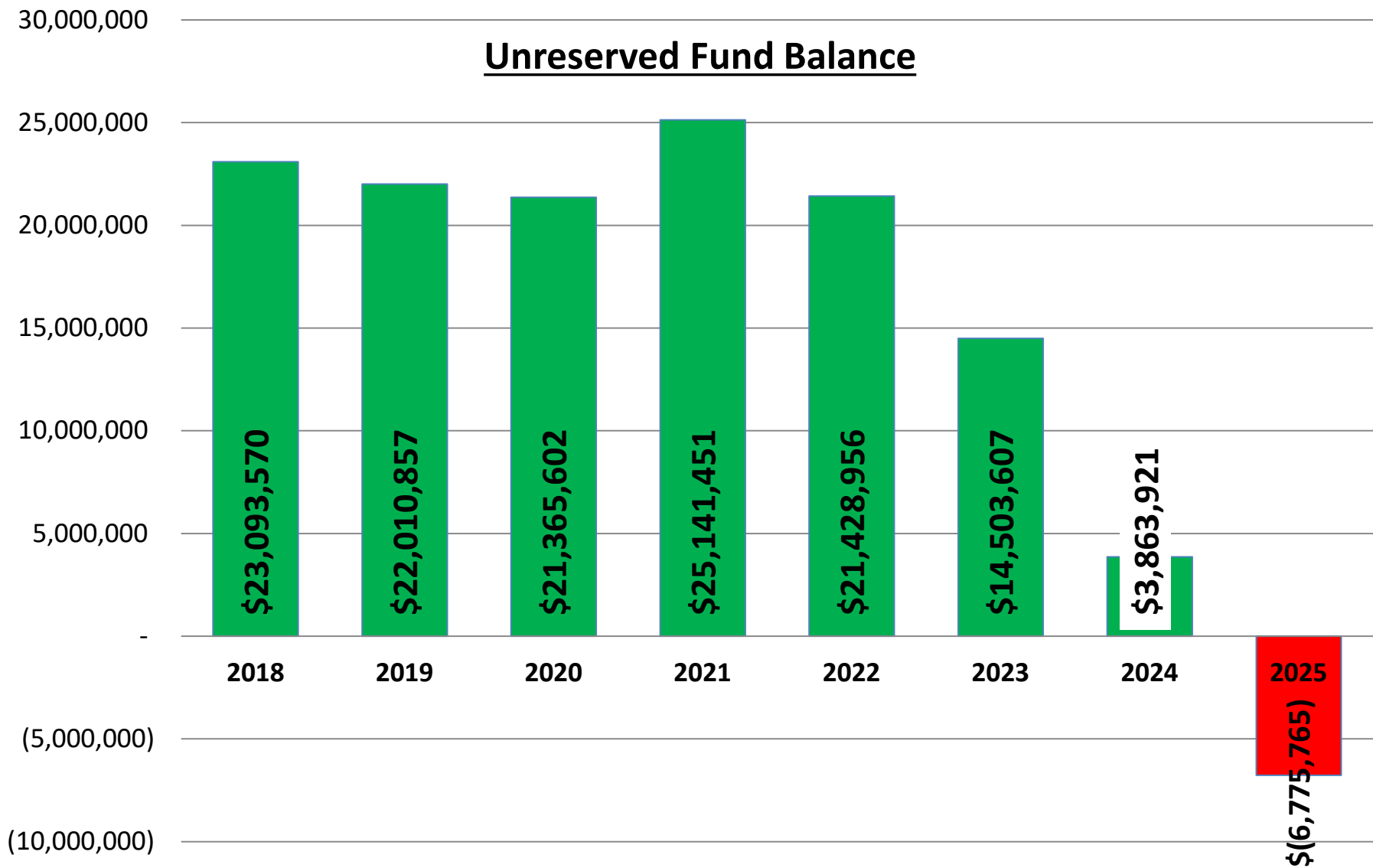


<b>Other Financing Uses</b>	2018	2019	2020	Avg. Change	2021	2022	2023	2024	2025
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(1,445,599)	(935,769)	(756,129)	-27.2%	3,750,794	(3,712,495)	(6,925,349)	(10,639,686)	(10,639,686)

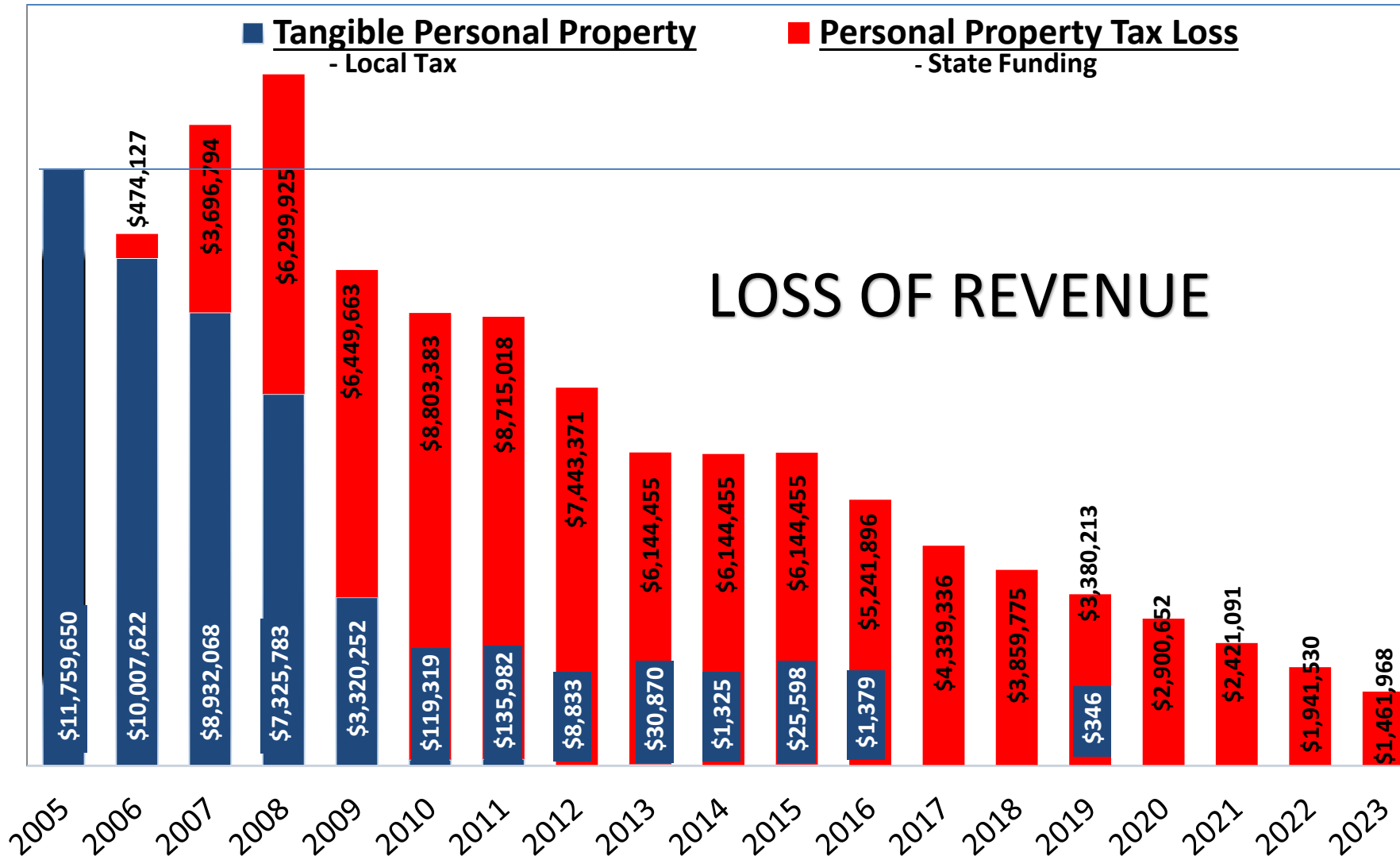
**Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses**



<u>Other Financing Uses</u>	<u>Actual</u>				<u>Forecasted</u>				
	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%	25,141,451	21,428,956	14,503,607	3,863,921	(6,775,765)



# General Fund Personal Property Tax Elimination – HB 66





# WASHINGTON LOCAL SCHOOLS

## MAY 2021 FORECAST

***THIS IS AND ALWAYS HAS BEEN A WORKING DOCUMENT***

### ITEMS TO CONSIDER FOR NOVEMBER 2021 FORECAST

- WILL THE COVID-19 PANDEMIC END?**
- WILL THE SCHOOL YEAR BEGIN NORMALLY FOR FALL 2021?**
- FRANKLIN PARK MALL PROPERTY**
  - Finalize Actual Property Tax/TIF payments
- PROPERTY VALUATION**
  - New County-wide Property Valuation in 2021
  - Commercial Tax Appeals
- State Aid**
  - Will there actually be a school funding formula?
  - Will we still be capped?
  - Will there be growth in state funding?
  - What other changes?
  - Will charter school voucher students, etc. be directly funded by the State?
- Student Wellness and Success Fund**
  - Will this be included in the new state budget (\$2.2 million) in 2022/2023?
  - Will it be eliminated?
  - Will it be increased?
  - Will it be replaced with something else? Another new Fund?
- What is significantly impacting our district**
  - Staffing
  - New Positions in ESSER Grant.
  - Lasting COVID-19 impact on enrollment and Panther Virtual Academy enrollment
  - 7-12 transportation schedule
  - Maintain vacant positions when possible
  - Technology
- Food Service**
  - Will transfer subsidy be enough in future years?
  - Forecasted budget deficit (\$125,000) for FY 2022/2023 and future years
- Personnel Costs**
  - Self-funded healthcare 10% reduction in July 2020; 10% in January 2019. Are healthcare cash reserves still adequate?
  - All new positions in ESSER Grant
  - Staff reductions will continue through attrition
- Enrollment**
  - Voucher Expansion?
  - Will 2020/2021 have kindergarten students return as first graders?

# WASHINGTON LOCAL SCHOOLS: DEFICIT / SURPLUS SUMMARY

## FY 2008 – 2020 Actuals / FY 2021 – 2025 Forecasted

### MAY 2021 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
<b>FORECASTED - MAY 2021</b>				
2021	Surplus	3,750,794	29,466,451	25,141,451
2022	Deficit	(3,712,495)	25,753,956	21,428,956
2023	Deficit	(6,925,349)	18,828,607	14,503,607
2024	Deficit	(10,639,686)	8,188,921	3,863,921
2025	Deficit	(10,639,686)	(2,450,765)	(6,775,765)**

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

\*\*As Elementary and Secondary School Emergency Relief (ESSER) Grant expires in 2024/2025 and have a significant increase in Expenditures in 2024/2025 if all positions and purchases are maintained and returned to General Fund.

*Due to our fund balance deficit in 2025, without additional revenue or expenditure reductions, the district will be required to be on the ballot in 2024, if not earlier.*

# General Fund Budget Summary – May 2021 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	86,778,021	85,394,680	85,206,909	84,614,930	84,614,930
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	83,027,227	89,107,175	92,132,258	95,254,616	95,254,616
Over/Under	-652,259	-4,210,893	949,014	1,157,421	-1,395,213	-1,445,599	-935,769	-756,129	3,750,794	-3,712,495	-6,925,349	-10,639,686	-10,639,686
Unreserved Fund Balance	27,935,333	23,586,579	24,486,717	25,612,902	24,424,902	23,093,570	22,010,857	21,365,602	25,141,451	21,428,956	14,503,607	3,863,921	-6,775,765

