

Budgeting is an action that truly never stops, and the five-year forecasts are snapshots of a school district's budgeting in response to the circumstances, known factors and planned obligations at that time.

Just as in our personal homes or workplace, the school district budget adapts to change. Our district must revise its five-year forecast twice each year. These revisions allow schools to adapt to state and federal mandates, the state budget, fluctuations in the local economy and property values, and many other uniquely local factors. The occasion of signing new contracts with our teachers and staff is a benchmark in the operations of any school district, but it is only one factor. There have been multiple comments made throughout social media pertaining to the current status of the Springboro Community City School District's financial future. Many have linked the need for a new money levy to the new contracts. That is simply untrue.

To correct misunderstanding and be fully accountable to the taxpayers, it is our job to explain how the recent five-year forecasts have changed over time. At the June 4 Board of Education meeting, Superintendent Todd Petrey and Treasurer Terrah Floyd presented detailed information to clearly describe the district's current financial status through the district's five-year forecasts since 2012.

Summary of facts presented in presentation to the Springboro Board of Education on June 4

Was there an \$11 million dollar "surplus"?

- According to the 10/28/2013 Board approved forecast, FY13 had an \$11 million dollar carryover. However, that same forecast projected a \$5 million carryover in FY18.
- The 10/28/2013 forecast did not include adequate consideration to fund athletics, textbooks, technology, capital needs, buses, alternatives to Jonathon Wright and safety /security measures.

Appropriate Funding for Athletics was not included in the 10/28/2013 Board approved forecast.

- Athletics was defunded starting in FY14 as only \$180,000 (\$105,000 district subsidy and \$75,000 for district service program) was allotted in the 10/28/2013 Board approved forecast for the \$1.1 million athletic program.

- In 2014, it was determined the 65% parent-funded athletic program would need \$355,000 from the district’s general fund to meet its obligation. Yet, only \$180,000 was budgeted by the former Board, which resulted in showing \$875,000 in the 10/28/2013 Board approved forecast than actual cost.
- The assumption created by the budget and finance committee comprised of two Board members stated that, “Further discussion is needed between the athletic department and all athletic booster groups to determine how size and scope of all athletic programs, to will be funded starting in FY14.”

Accurate Funding for Textbooks for Students was not included in the 10/28/2013 Board approved forecast.

- In the 5/23/2013 Board approved five-year forecast assumptions, the Board approved \$600,000 for textbook adoptions for FY13-FY16. There were no funds appropriated for FY17 for textbooks. However, the 10/28/2013 Board approved forecast combined textbook adoptions with educational software **and** necessary technology equipment all for \$600,000. Furthermore, it left only \$200,000 in FY17 and nothing allotted for FY18.

With no funds were allotted in FY18 and only \$200,000 in FY17, a higher cash balance appeared on the 10/28/2013 Board approved forecast. Forecast assumptions were reduced and combined. When the Board approved and publicized plans in 2013 for textbooks and technology, the expenses were higher than projected in the 10/28/2013 Board approved forecast. The correct costs are presented in the 5/29/2014 five-year forecast.

Funding for Unmet Needs was identified by the former Board of Education.

The 10/28/2013 Board approved forecast and assumptions showed \$2,127,336.00 in unmet needs for technology, capital needs, buses, alternatives to Jonathon Wright and safety /security. If the unmet needs would have been addressed appropriately the 10/28/2013 Board approved forecast, the cash balance in FY18 would have been reduced by the following:

- \$2,127,336.00 unmet needs
- \$875,000.00 Athletics
- \$1,000,000.00 Textbooks
- \$4,002,336.00 Total not accounted for in the 10/28/2013 Board approved forecast cash balance for FY18

Additional expenses were not accounted for in the 10/28/2013 Board approved five-year forecast.

No additional staffing beyond 2013 in spite of the assumptions that showed we would have the highest student population ever at Springboro High School during the period of the forecast. There should have been 3 full time staff anticipated for hire in FY14, 15, 16, 17, & 18.	Approximately \$750,000
No staff salary increase for FY16, 17, & 18	Approximately \$3,000,000
No increase for educational advancements (required by law) for FY15,16, 17, & 18	\$312,000
No health insurance increase from FY 16, 17, & 18 even though our negotiated agreement stated that the district would pay up to 10% annual increase.	Approximately \$900,000
The 10/28/13 Board approved forecast included an assumed increase in pipeline funds. The district has yet to receive any additional funds from the pipeline. This resulted in a possible \$1.4 million over statement of revenue in the 10/28/13 Board approved forecast.	(\$400,000)

Total of Items not accounted for in the 10/28/2013 Board approved forecast \$8,964,336.00

About the Millage Rollback

If the 10/28/2013 Board approved forecast included the actual and appropriate costs, the forecast would have shown a cash balance in FY18 of \$-3,606,683.00.

The total loss of revenue due to the reduction of 1.5 mills or \$1.3 million dollars annually resulted in a loss of \$6,088,500 from FY14-FY18.

If the 10/28/2013 Board approved forecast reflected actual costs and addressed the needs of students and staff over the duration of the entire forecast, there would have been no basis to reduce \$1.3 million dollars annually.

How did the District succeed after the 10/28/2013 Board approved forecast?

District administrators developed a plan that saved the district approximately \$4 million over the entire forecast period. This was accomplished through the following:

- Efficiency Plan
- Developed a district operated preschool
- Consolidation of Dennis Elementary to become one school
- Consolidation of Five Points Elementary Schools to become one school
- Right-sizing student-teacher ratio based on student achievement data
- Relocating First Grade Students to Clearcreek Elementary School in 2015-2016
- Retirement Buy-outs
- Energy Conservation Project

The current five-year forecast clearly shows that our district still continues to have a positive \$1,739,856.00 cash balance projected in FY18. It is hard to determine at this time if we will need a new money levy in the immediate future. District administration and the Board of Education will continue to search out the alternative solutions to extend our financial needs as long as possible.