

# Springboro Schools

Five Year Forecast Presentation

October 2019

## Financial Forecast

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	11,006,063	10,236,221	8,444,765	6,070,659	2,323,366
+ Revenue	55,470,489	57,015,628	58,643,444	60,159,304	60,857,236
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(56,240,332)	(58,807,084)	(61,017,550)	(63,906,596)	(66,007,791)
= Revenue Surplus or Deficit	(769,843)	(1,791,456)	(2,374,106)	(3,747,292)	(5,150,555)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	10,236,221	8,444,765	6,070,659	2,323,366	(2,827,188)

### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(769,843)	(1,791,456)	(2,374,106)	(3,747,292)	(5,150,555)
Ending Balance w/o Levies	10,236,221	8,444,765	6,070,659	2,323,366	(2,827,188)

In FY 2020 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by 769,843 in FY 2020. By the last year of the forecast, FY 2024, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$5,150,555. The district would need to cut its FY 2024 projected expenses by 8.46% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2020 and is projected to worsen by FY 2024. A worsening cash balance can erode the district's financial stability over time.

# Cash Balance Projections if Levy Wasn't Reduced in 2013

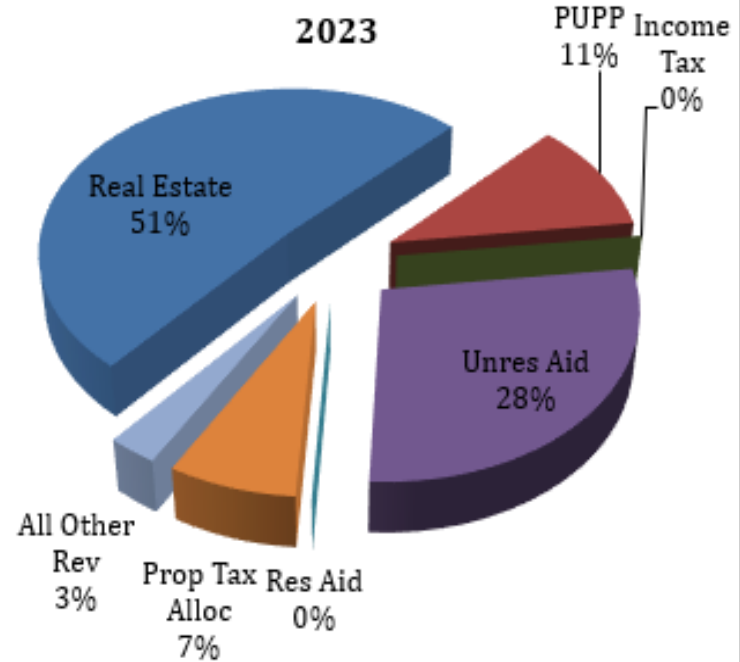
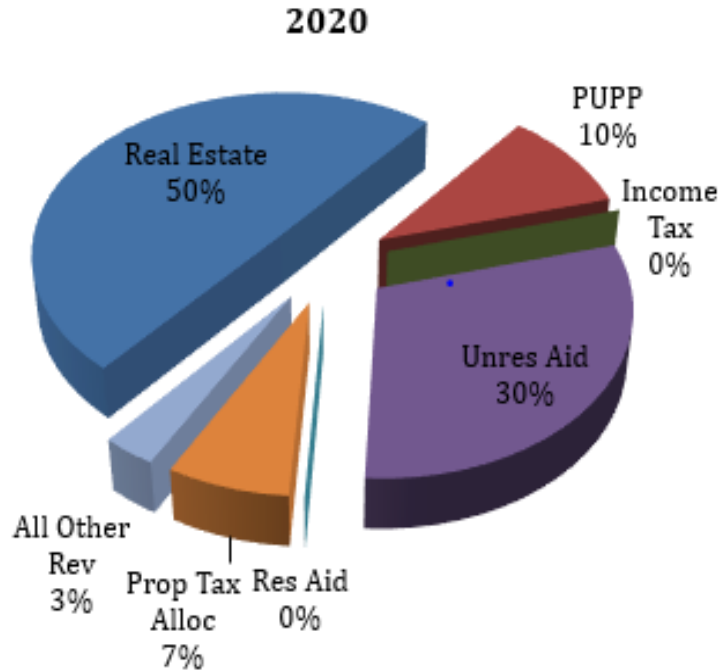
<b>CURRENT FIVE YEAR</b>									
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	
five year forecast as presented	\$ 49,792,551.00	\$ 51,979,527.00	\$ 53,803,419.00	\$ 56,240,332.00	\$ 58,807,084.00	\$ 61,017,550.00	\$ 63,906,596.00	\$ 66,007,791.00	
fy16 cash carryover	\$ 8,145,978.00	\$ 8,580,437.00	\$ 9,976,197.00	\$ 11,006,063.00	\$ 10,236,220.00	\$ 8,444,764.00	\$ 6,070,658.00	\$ 2,323,366.00	
five year revenue	\$ 50,227,010.00	\$ 53,375,287.00	\$ 54,833,285.00	\$ 55,470,489.00	\$ 57,015,628.00	\$ 58,643,444.00	\$ 60,159,304.00	\$ 60,857,236.00	
emergency levy renewal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ESTIMATED SUBSTITUTE LEVY					\$ -	\$ -	\$ -	\$ -	
<b>ESTIMATED CASH BALANCE</b>	<b>\$ 8,580,437.00</b>	<b>\$ 9,976,197.00</b>	<b>\$ 11,006,063.00</b>	<b>\$ 10,236,220.00</b>	<b>\$ 8,444,764.00</b>	<b>\$ 6,070,658.00</b>	<b>\$ 2,323,366.00</b>	<b>\$ (2,827,189.00)</b>	
<b>1/2 YEAR LEVY</b>									
RED	FULL YEAR REDUCED LEVY	EST CASH BAL W FULL LEVY							
\$ 676,900.00	\$ 2,707,600.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00	\$ 1,353,800.00
FY14 1/2 YEAR	FY15 & FY16 (1,353,800 * 2)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>IF LEVY WASN'T REDUCED IN 2013</b>		\$ 13,318,737.00	\$ 16,068,297.00	\$ 18,451,963.00	\$ 19,035,920.00	\$ 18,598,264.00	\$ 17,577,958.00	\$ 15,184,466.00	\$ 11,387,711.00



# Revenue Changes Since May 2019

- No change in Real Estate Taxes, average annual growth of 3.9% anticipated through 2024.
- Public Utility preliminary values are in, and shows an additional 3.4 million in value over estimates and equates to 115k in additional revenue annually.
- State Funding for FY20 and FY21 is flat which was anticipated.
- Additional revenue for Student Wellness and Growth was added to the budget. The Student Wellness revenue is not in the forecast, as those funds are designated to a 467 fund.
- Student Growth funding added an additional 67k for FY20 and 101k for FY21.
- No changes in Rollback and Homestead
- All other Operating Revenue has been increased by 60k per year starting in FY20 for an increase in school fees.

# Revenue Sources FY20/FY23



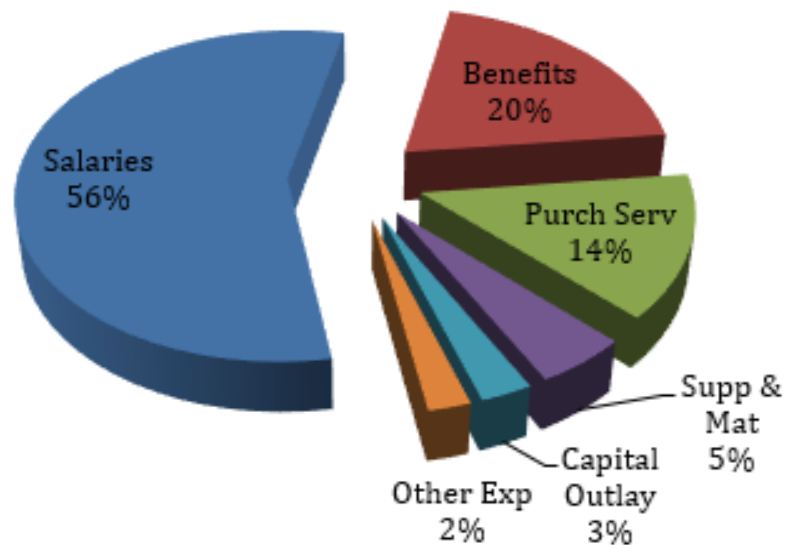


# Expenditure Changes - Salaries

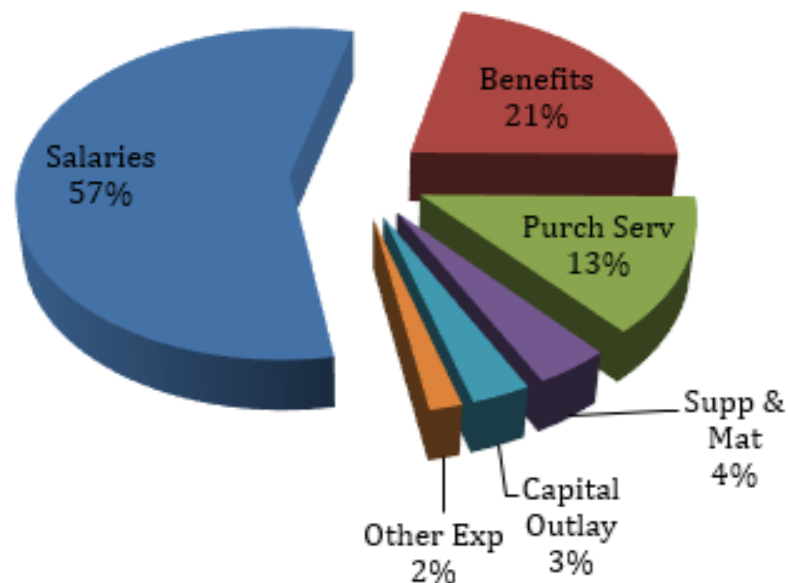
- The Forecast has added a 2.75% base increase for Certified staff for FY21.
- For FY22- FY24 the Forecast anticipates a step for all staff per ORC, and a 1% for anticipated staffing changes throughout the forecast period. The forecast also includes .50% per year for lateral column changes for continuing education per ORC.
- The Board and SCEA will begin negotiating in early Spring for the FY21 reopener.
- 2.5 FTE's have been added for FY21
- 1.5 FTE's have been added for FY20 for Special Education Aides at Clearcreek per IEP's.
- 45k has been reduced from salaries for FY21 which have been moved to restoration grant funds for Part B.

# Expenditures FY20/FY23

2020



2023





# Expenditure Changes - Benefits

- Through plan design changes, the increase for health insurance premiums effective January 1, 2020 are 14.5%. The forecast anticipated a 10% increase, therefore the additional exposure is approx. 250k annually.
- Per the SEA agreement 55k for tuition reimbursement has been set aside.
- Benefits for the additional FTE's have been added to the forecast for FY20 and FY21. These costs may vary depending on who is hired, and which plan they elect.
- Dental and Vision premiums remain the same for January 2020.



# Expenditure Changes - Purchased Services

- Open Enrollment and Community Schools Deduction have been lowered slightly to reflect fewer students leaving for these educational options
- The Forecast has reduced Instructional Staff Services (sub costs) by 25k for FY20 and going forward. That portion of this expenses will be paid for by the Improving Teacher Quality Federal Grant.
- The biennium budget for FY20/FY21 has added a wellness and success component. The district has identified and moved some costs for the resource coordinators, and SED unit to the 467 fund, reducing the general fund. The current assumptions anticipate 1/2 of these funds to remain in the next biennium budget. A revision to these assumptions will be done pending the outcome of the next state budget. The current state funding formula is primarily based on the communities median home value, and income.

# Expenditure Changes - Supplies

- The Forecast Includes the district's textbook plan which includes:
- 800k for FY20
- 500k for FY21
- 455k for FY22
- 464,100 for FY23
- 464,100 for FY24.
- In FY20 school fees were increased for Dennis and Five Points, 60k has been added to the forecast in both revenue and expenses to account for these additional instructional items.



# Expenditure Changes - Capital Outlay

- The Current Capital needs plan has a significant amount of unmet needs. Previously the forecast has set aside 600k for FY20 and 500k for FY21-FY24. A revised capital plan includes items that need addressed within the forecast period. The Revised Capital Plan is as follows:
  - FY21 \$600k
  - FY22 \$550k
  - FY23 \$1,105,000
  - FY24 \$775k.
- This change added \$1,030,000 to the forecast in additional expenses.
- The Facilities Assessment identified 32 Million in necessary capital needs over the next 10 years. We should be addressing 16 million in needs within this forecast. However, due to budget constraints only 3.2 million is able to be addressed within this forecast period.

# Updated Capital Plan FY20-FY24

5 Year Facilities Capital Plan	
<b>FY20</b>	
	<b>Budget</b>
	<i>9/27 Balance</i> \$ 362,985
Windows HS	\$ (100,000)
Fitting Replacement - CE	\$ (5,000)
HVAC Equipment Parts - District Wide	\$ (15,000)
PM Asphalt Plan	\$ (35,000)
Bleacher Replacement - JH	\$ (200,000)
Miscellaneous	\$ (7,985)
Security Cameras & Doors	\$ (40,000)
<b>Total</b>	<b>\$ (40,000)</b>
<b>FY21</b>	
	<b>Budget</b>
Window HS	\$ 200,000
HVAC Equipment Parts - District Wide	\$ 15,000
Bleachers - JH & HS	\$ 215,000
PM Asphalt Plan	\$ 100,000
PM Roof/Buildings/Athletics/Etc.	\$ 50,000
Mower	\$ 20,000
<b>Total</b>	<b>\$ 600,000</b>
<b>FY22</b>	
	<b>Budget</b>
Window HS	\$ 200,000
Maintenance Vehicle	\$ 30,000
HVAC Equipment Parts - District Wide	\$ 35,000
Maintenance/Grounds/Custodial Equipment	\$ 85,000
Inside School Floors - HS/JH/DE/FP	\$ 200,000
<b>Total</b>	<b>\$ 550,000</b>
<b>FY23</b>	
	<b>Budget</b>
Window JH	\$ 200,000
HVAC Equipment Parts - District Wide	\$ 15,000
Cooling Tower - JH	\$ 300,000
Maintenance/Grounds/Custodial Equipment	\$ 40,000
HS Additional Parking Lot	\$ 400,000
Pavement	\$ 150,000
<b>Total</b>	<b>\$ 1,105,000</b>
<b>FY24</b>	
	<b>Budget</b>
Window JH	\$ 200,000
Pavement	\$ 125,000
Floors - DE	\$ 200,000
Repaving of Student Lot/JH Lot/CE/DE/FP	\$ 250,000
<b>Total</b>	<b>\$ 775,000</b>

## Springboro Community City Schools

## Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	25,844,829	27,536,834	28,111,020	29,475,544	30,733,075	31,274,549
1.020 - Public Utility Personal Property	6,348,140	5,495,094	6,357,749	6,409,770	6,460,764	6,534,062
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	16,692,945	16,735,581	16,771,235	16,773,102	16,774,969	16,776,835
1.040 - Restricted Grants-in-Aid	9,415	9,415	9,415	9,415	9,415	9,415
1.050 - Property Tax Allocation	3,785,742	3,889,266	3,977,164	4,176,627	4,371,956	4,449,536
1.060 - All Other Operating Revenues	1,674,230	1,704,299	1,689,045	1,698,986	1,709,125	1,712,839
<b>1.070 - Total Revenue</b>	<b>54,355,301</b>	<b>55,370,489</b>	<b>56,915,628</b>	<b>58,543,444</b>	<b>60,059,304</b>	<b>60,757,236</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	477,984	100,000	100,000	100,000	100,000	100,000
2.070 - Total Other Financing Sources	477,984	100,000	100,000	100,000	100,000	100,000
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>54,833,285</b>	<b>55,470,489</b>	<b>57,015,628</b>	<b>58,643,444</b>	<b>60,159,304</b>	<b>60,857,236</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	30,193,975	31,536,890	33,485,899	34,788,850	36,119,350	37,500,621
3.020 - Employee Benefits	10,593,439	11,205,600	12,210,284	12,924,831	13,684,103	14,495,087
3.030 - Purchased Services	7,853,139	7,885,080	8,010,828	8,318,161	8,520,354	8,712,773
3.040 - Supplies and Materials	1,931,961	2,780,023	2,457,860	2,451,454	2,500,053	2,540,342
3.050 - Capital Outlay	2,052,363	1,552,502	1,477,502	1,427,502	1,982,502	1,652,502
Intergovernmental & Debt Service	568,013	561,000	553,758	489,689	477,000	477,000
4.300 - Other Objects	610,529	719,237	610,953	617,063	623,234	629,466
<b>4.500 - Total Expenditures</b>	<b>53,803,419</b>	<b>56,240,332</b>	<b>58,807,084</b>	<b>61,017,550</b>	<b>63,906,596</b>	<b>66,007,791</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	-	-	-	-	-
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>53,803,419</b>	<b>56,240,332</b>	<b>58,807,084</b>	<b>61,017,550</b>	<b>63,906,596</b>	<b>66,007,791</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>1,029,866</b>	<b>(769,843)</b>	<b>(1,791,456)</b>	<b>(2,374,106)</b>	<b>(3,747,292)</b>	<b>(5,150,555)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>9,976,197</b>	<b>11,006,063</b>	<b>10,236,221</b>	<b>8,444,765</b>	<b>6,070,659</b>	<b>2,323,366</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>11,006,063</b>	<b>10,236,221</b>	<b>8,444,765</b>	<b>6,070,659</b>	<b>2,323,366</b>	<b>(2,827,188)</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>11,006,063</b>	<b>10,236,221</b>	<b>8,444,765</b>	<b>6,070,659</b>	<b>2,323,366</b>	<b>(2,827,188)</b>

# Resources

Do current resources support the communities mission for our schools?

Rank	District	2017 Median Home Value	2017 Median Family Income	2018 Effective Class I Property Tax Rate	Income Tax Rate	Median Propert y Tax	Income Tax Paymen t per Median Family	Total Cost	As a % of Income
13	Wayne Local SD, Warren	\$223,400	\$84,840	40.3800	0.00%	\$3,157.31	\$0.00	\$3,157.31	3.721%
12	Kings Local SD, Warren	\$214,400	\$95,264	43.7814	0.00%	\$3,285.36	\$0.00	\$3,285.36	3.449%
11	Carlisle Local SD, Warren	\$133,200	\$69,881	34.4528	1.00%	\$1,606.19	\$698.81	\$2,305.00	3.298%
10	Miamisburg City SD, Montgomery	\$143,000	\$70,757	46.4070	0.00%	\$2,322.67	\$0.00	\$2,322.67	3.283%
9	Bellbrook - Sugarcreek Local SD, Greene	\$235,400	\$110,651	41.6497	0.00%	\$3,431.52	\$0.00	\$3,431.52	3.101%
8	Little Miami Local SD, Warren	\$187,300	\$91,946	43.4000	0.00%	\$2,845.09	\$0.00	\$2,845.09	3.094%
7	Centerville City SD, Montgomery	\$201,800	\$102,857	44.9113	0.00%	\$3,172.09	\$0.00	\$3,172.09	3.084%
6	Xenia Community City SD, Greene	\$113,600	\$58,589	35.7964	0.50%	\$1,423.26	\$292.95	\$1,716.21	2.929%
5	Mason City SD, Warren	\$253,400	\$122,990	39.5820	0.00%	\$3,510.53	\$0.00	\$3,510.53	2.854%
4	Lebanon City SD, Warren	\$187,400	\$84,224	34.0060	0.00%	\$2,230.45	\$0.00	\$2,230.45	2.648%
3	Franklin City SD, Warren	\$123,700	\$65,072	36.8107	0.00%	\$1,593.72	\$0.00	\$1,593.72	2.449%
2	Springboro Community City SD, Warren	\$239,900	\$120,727	31.5000	0.00%	\$2,644.90	\$0.00	\$2,644.90	2.191%
1	Clinton-Massie Local SD, Clinton	\$174,000	\$82,979	22.5774	0.50%	\$1,374.96	\$414.90	\$1,789.86	2.157%



# Per Pupil Spending Analysis

- How our spending per pupil aligns with other districts
  - Our expenditures per pupil for FY19 totalled \$7,696
  - The state average per pupil is \$9,721
    - We spend 27% PP less than the state average on our kids (\$9,721)
    - We spend 40% PP less than our similar districts as determined by the State (\$10,794)
    - We spend 30% PP less than the other high performing districts like Springboro (\$9,988)
    - We spend 32% PP less than Mason (\$10,157)
    - We spend 53% PP less than Centerville (\$11,762)
    - We spend 9% PP less than Lebanon (\$8,368)
    - We spend 27% PP less than Franklin (\$9,732)

# Springboro Schools Expenditures Per Pupil FY19

**District - \$7,696**

**Building Expenditures PP**

**Achievement**

HS - \$7,421

B

JH - \$5,360

C

SI - \$5,608

C

DE - \$10,104

B

FP - \$9,408

B

CC - \$7,925

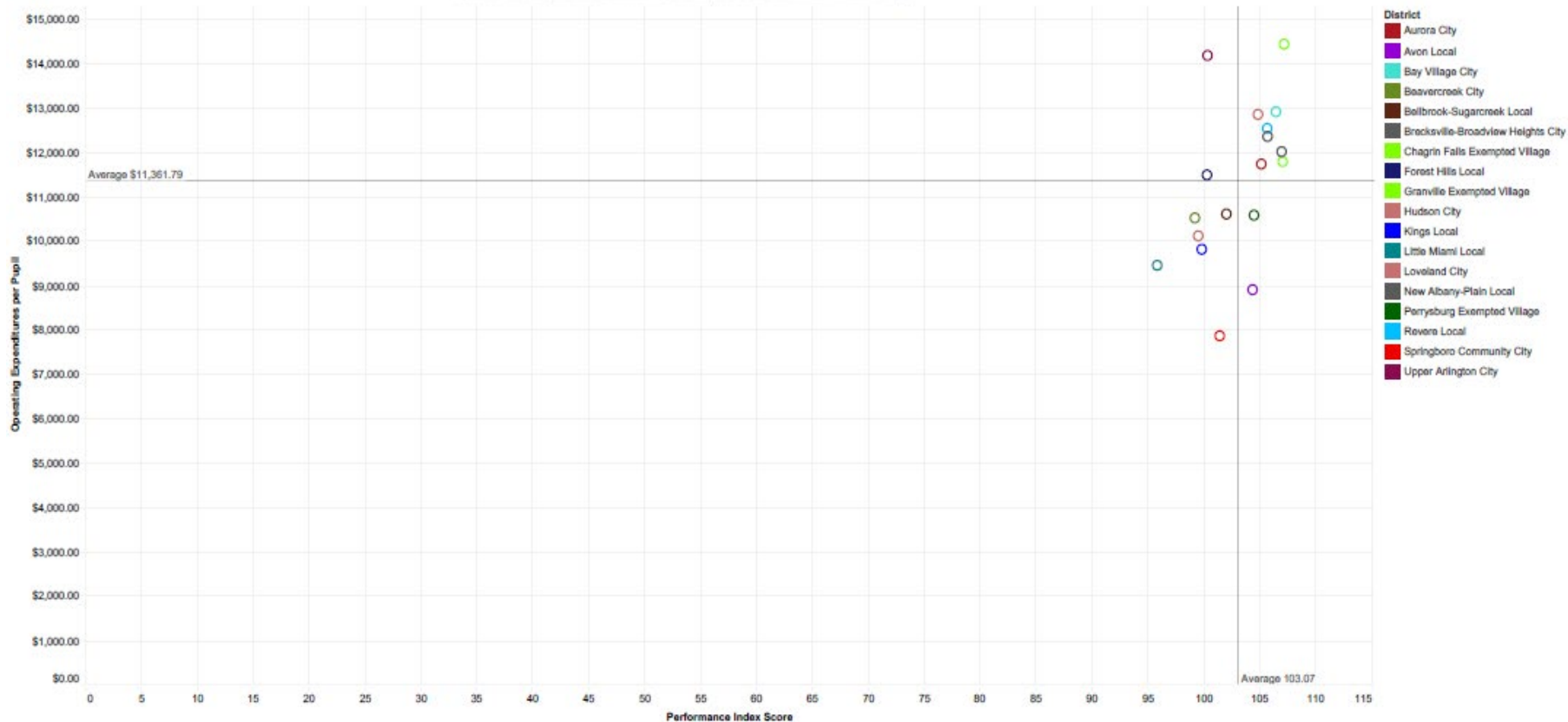
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## Per Student Spending and Performance Index Score

2018

Source: Ohio Department of Education School Report Cards and Annual Financial Reports



# Significant Challenges - Learning Environment/Facilities

- Lack of Resources for Permanent Improvement Activities such as:
  - Busing (18 buses need to be replaced by age or mileage)
  - Unable to increase fleet to meet growing enrollment needs
  - Purchasing current bus fleet through leases, and paying interest. Unable to purchase outright due to budget constraints. Each bus is approximately 85-90k.
  - Unable to allocate resources to improve learning environment
  - Unable to address many of our identified capital needs for the upkeep of our current facilities
  - Unable to provide additional safety and security efforts district wide, only able to maintain current measures.
  - Unable to address growth or class sizes with current resources



# Operational Cost Savings Measures

- Rob has identified and addressed multiple cost saving measures:
  - Overtime/Comp time changes
  - Printers changes to reduce number of printers and color copies
  - Copier changes to reduce usage and color copies
  - Utilize work order system to track time and work being requested
  - Utilizing grounds crew to also do maintenance to reduce overtime and fill gaps
  - Created a schedule for facility use and has analyzed current contracts and made changes
  - Utilize Lobby Guard to do time and attendance to streamline paper timesheets
  - Cell Phone plan changes to reduce costs
  - Hired custodial floater to reduce overtime costs
  - Updated the 5 year facilities plan and timing of needed repairs



# Summary

- As costs continue to rise, our revenue is not sufficient to keep up, therefore we are deficit spending annually.
- We are unable to meet the current and future needs of our students with our current resources.
- Trying to maintain what we current have is becoming more difficult and can been seen through dwindling cash balance reserves.
- We have and will continue to spend very conservatively. However to maintain our current level of education, and in order to meet future expectations, we will need new money in the imminent future.