PIONEER CAREER & TEECHNOLOGY CENTER
RICHLAND COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN GENERAL FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL
FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026

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Forecast Provided By
Pioneer Career & Technology Center
Treasurer's Office
Linda Schumacher, Treasurer
May 16, 2022

Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	5,764,636	5,894,776	5,960,197	1.7%	6,065,070	6,072,764	6,101,507	6,130,021	6,158,307
1.020	Public Utility Personal Property Tax	1,001,087	1,762,426	1,953,974	43.5%	1,722,588	2,004,476	2,001,055	2,019,555	2,038,055
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	7,397,544	7,395,158	7,342,426	-0.4%	8,110,456	8,413,070	8,416,236	8,419,452	8,422,740
1.040	Restricted State Grants-in-Aid	3,516,425	3,515,131	3,514,999	0.0%	4,191,264	4,243,438	4,280,166	4,317,261	4,354,727
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	487,121	483,772	477,635	-1.0%	474,271	479,724	481,513	483,284	485,038
1.060	All Other Revenues	1,601,571	1,529,099	1,150,311	-14.6%	452,183	512,411	519,697	527,106	534,640
1.070	*Total Revenues*	19,768,384	20,580,362	20,399,542	1.6%	21,015,832	21,725,883	21,800,174	21,896,679	21,993,507
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	7,992	0.0%	0	0	0	0	0
2.050	Advances-In	118,000	68,344	80,000	-12.5%	95,000	95,000	95,000	95,000	95,000
2.060	All Other Financing Sources	60,166	66,294	102,948	32.7%	9,430	9,430	9,430	9,430	9,430
2.070	*Total Other Financing Sources*	178,166	134,638	190,940	8.7%	104,430	104,430	104,430	104,430	104,430
2.080	*Total Revenues and Other Financing Sources*	19,946,550	20,715,000	20,590,482	1.6%	21,120,262	21,830,313	21,904,604	22,001,109	22,097,937
	Expenditures									
3.010	Personal Services	9,887,926	9,976,885	10,554,842	3.3%	11,227,840	11,627,863	12,223,195	12,819,953	13,446,534
3.020	Employees' Retirement/Insurance Benefits	4,253,529	4,414,531	4,691,741	5.0%	4,955,701	5,138,580	5,492,757	5,867,192	6,268,449
3.030	Purchased Services	1,631,596	1,922,078	1,604,898	0.7%	1,667,114	1,717,127	1,768,641	1,821,700	1,876,351
3.040	Supplies and Materials	555,947	647,640	461,991	-6.1%	550,851	567,377	584,398	601,930	619,988
3.050	Capital Outlay	0	0	0	0.0%	0	0	0	0	0
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	350,000	367,400	380,481	4.3%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	409,700	435,000	455,000	470,000	490,000
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	369,870	354,801	332,973	-5.1%	305,689	285,139	269,514	251,014	234,264
4.300	Other Objects	232,346	248,285	237,233	1.2%	293,662	296,598	299,564	302,560	305,586
4.500	*Total Expenditures*	17,281,214	17,931,620	18,264,159	2.8%	19,410,557	20,067,684	21,093,069	22,134,349	23,241,172
	Other Financing Uses									
5.010	Operating Transfers-Out	825,360	845,100	860,827	2.1%	925,360	925,360	925,360	925,360	925,360
5.020	Advances-Out	47,000	130,000	95,000	74.8%	95,000	95,000	95,000	95,000	95,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	872,360	975,100	955,827	4.9%	1,020,360	1,020,360	1,020,360	1,020,360	1,020,360
5.050	*Total Expenditures and Other Financing Uses*	18,153,574	18,906,720	19,219,986	2.9%	20,430,917	21,088,044	22,113,429	23,154,709	24,261,532
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,792,976	1,808,280	1,370,496	-11.7%	689,345	742,269	(208,825)	(1,153,600)	(2,163,595)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,389,937	15,182,913	16,991,193	12.7%	18,361,689	19,051,034	19,793,303	19,584,478	18,430,878
7.020	*Cash Balance June 30*	15,182,913	16,991,193	18,361,689	10.0%	19,051,034	19,793,303	19,584,478	18,430,878	16,267,283
8.010	*Estimated Encumbrances June 30*	245,412	281,659	309,750	12.4%	309,750	309,750	309,750	309,750	309,750

Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	0	0	0	0.0%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	14,937,501	16,709,534	18,051,939	9.9%	18,741,284	19,483,553	19,274,728	18,121,128	15,957,533
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	14,937,501	16,709,534	18,051,939	9.9%	18,741,284	19,483,553	19,274,728	18,121,128	15,957,533
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	14,937,501	16,709,534	18,051,939	9.9%	18,741,284	19,483,553	19,274,728	18,121,128	15,957,533

Pioneer Career & Technology Center – Richland County
Notes to the Five Year Forecast
General Fund Only
May 16, 2022

Introduction to the Five-Year Forecast

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new, renewal, or replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer/CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Economic Outlook

This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country, and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short-term, it remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

May 2022 Updates:

Revenues FY22

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $236,109 or 1.1% lower than the November forecasted amount of $21,251,941. This indicates the November forecast was 98.9% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second largest source of revenues at 37.1% and are estimated to be $7,787,658, which is $252,454 lower for FY22 than the original November estimate of $8,040,112. Our estimates are 96.9% accurate for FY22 and should mean future projections are on target as well.

Line 1.035 and 1.04 - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimate provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 to project anticipated funding. In January of 2022, the first formula calculations were released, in part, by the Ohio Department of Education. While there are still details unpublished at this time, we can see that through early April our state aid is estimated to be $12,301,720, which is $15,738 higher than the original estimate for FY22. We are pleased that with very little detail we were able to be 99.9% accurate for FY22. We are currently on the formula and are expected to remain a formula district for FY23 through FY26.

Line 1.06 - Other revenues are on target with the original estimates in the November forecast.

All areas of revenue are tracking as anticipated for FY22 based on our best information at this time.

Expenditures FY22

Total General Fund expenditures (line 4.5) are estimated to be $19,410,557 for FY22, which is $197,547 higher than the original estimate of $19,213,010 in the November forecast, which is roughly 99% on target with original estimates. The expenditure line most significantly over projection is Supplies and Materials (line 3.04) due to additional textbook and software purchases.

All other areas of expenses are expected to run on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues ending mostly on target from estimates and expenditures ending mostly on target, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly $18.7 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty

A five-year financial forecast has risks and uncertainty, not only due to the economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long-term:

1. Being in eight different counties can pose many challenges in determining the increases or decreases in values. The reappraisal cycles for the counties are spread over the full three-year cycle. The triennial update was completed in 2020, to be collected in 2021 for Richland, Morrow, and Seneca Counties and will have a reappraisal in 2023, to be collected in 2024. Crawford and Huron Counties' triennial update was completed in 2021, for collection in 2022 and will have a reappraisal in 2024 to be collected in 2025. Ashland County had a reappraisal in 2020 for collection in 2021 and will have a triennial update in 2023 for collection in 2024. Marion and Wyandot Counties' reappraisal was completed in 2019 and collected in 2020 and will have a reappraisal update in 2022 to be collected in 2023. Richland and Crawford Counties' valuations are the most significant of all of the counties; we are basing our reappraisal increases on the cycles they follow every three years. Richland County makes up 47% of Class I, 51%

of Class II, and 43% of PUPP values for the district. Where Crawford County makes up 29% of Class I, 31% of Class II, and 42% of PUPP values for the district. Combined these two Counties make up 76.5% of Class I, 83.1% of Class II, and 79.5% of all values for the district.

2. With the Rover Pipeline coming online, the district will continue to monitor Public Utility Personal Property tax (PUPP) for disputes. This increase valuation in Tax Year 2018, 2019, and 2020, and has caused a major increase in current and future revenue. It should be mentioned that the taxing authorities billed Rover based on a valuation established by the Ohio Department of Taxation. Rover's first appeal to lower this valuation by 47% was denied. Rover has made payments based on the appealed valuation, which in tax year 2020 was approximately $90 million lower than the value established by the Ohio Department of Taxation. Since the pipeline began making payments based on the decreased valuation in FY20, the school district has received approximately $790 thousand less than billed. Rover has submitted a second appeal requesting values to be decreased to 38%, and the forecast assumes their appeal is won and the district only receives the lower 38% valuation. The appeal was scheduled to be heard by the Bureau of Tax Appeals beginning May 9, 2022, but has been continued until August 1, 2022. If the appeal is denied, the district will receive delinquent tax payments for the amounts owed by Rover. This is not assumed in the calculations of this forecast at this time.

3. The state budget represents 61% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to record high inflation we are witnessing at this time, or the Fair School Funding Plan is not funded in future state budgets due to an economic downturn. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4. HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools, and scholarship recipients. The initial impact on the forecast will be noticed on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. The historic actual costs for FY19 through FY21 on these lines in the forecast will potentially reflect different trends. Longer-term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

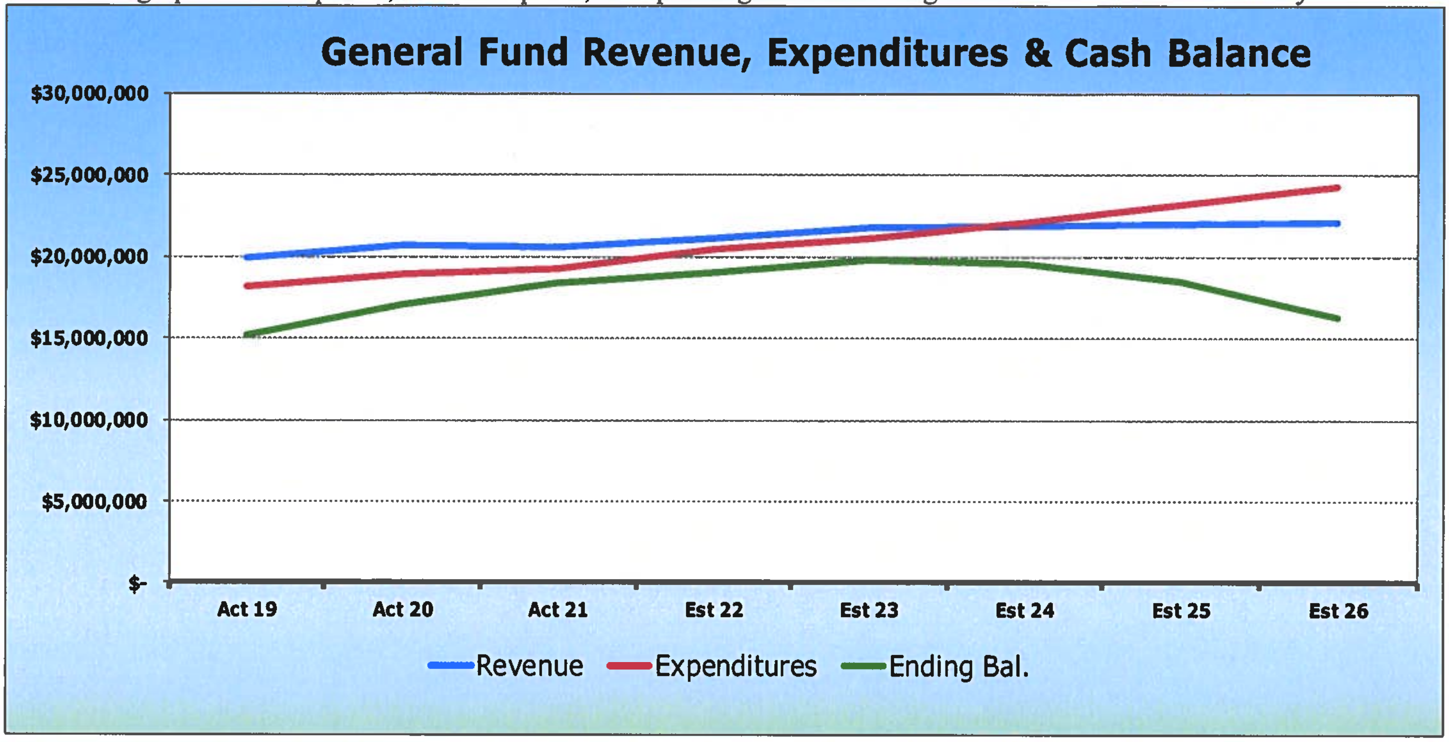
5. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid and will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

6. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger. Negotiations for FY22-24 were finalized in early May, 2021.

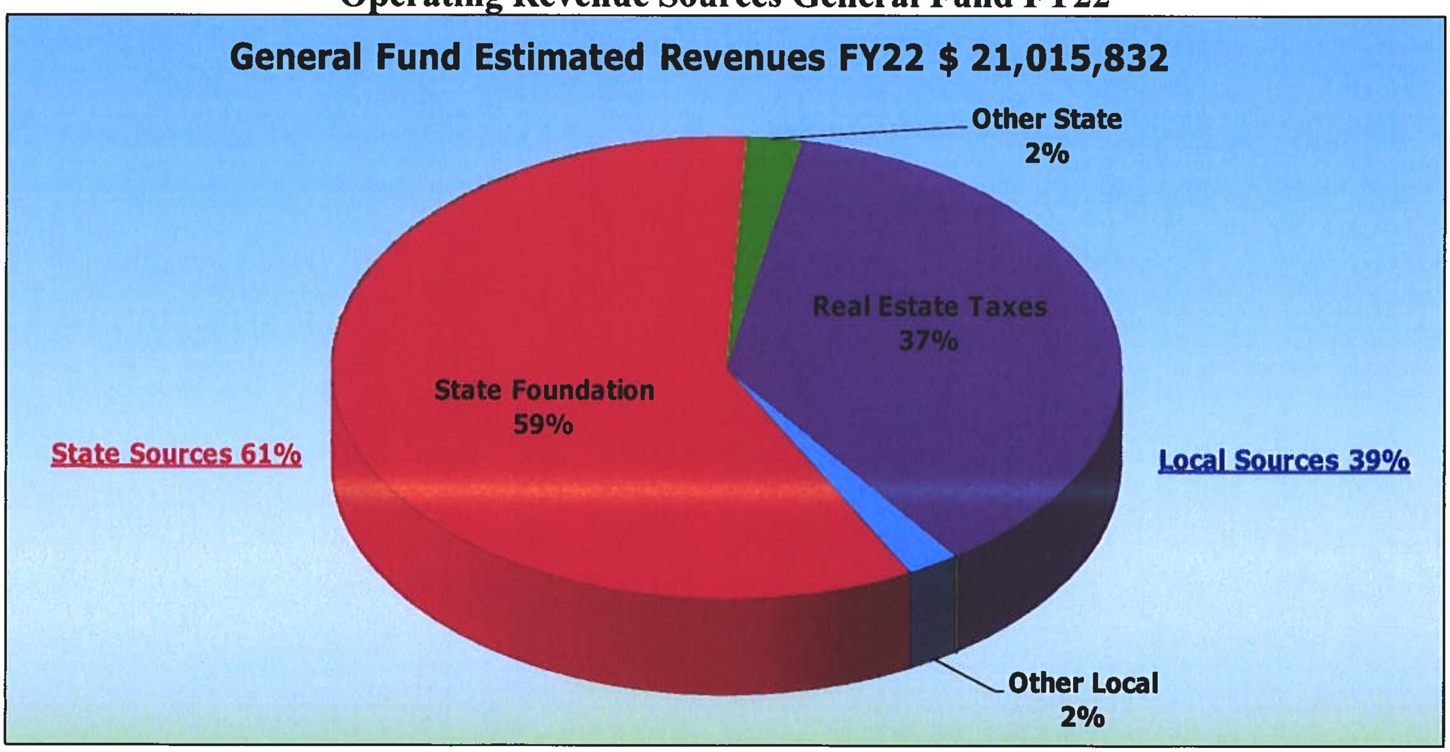
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item, and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Linda Schumacher, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26

The graph below captures, in one snapshot, the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditors in Richland, Crawford, Morrow, Huron, Ashland, Seneca, Wyandot, and Marion counties based on new construction and complete reappraisal or updated values. There was a reappraisal update completed in 2020 for the collection in 2021 for Richland, Morrow, and Seneca Counties which combined make up 58.5% of Class I, 59.5% of Class II, and 49.8% of PUPP. Crawford and Huron Counties had a triennial update in 2021 to be collected in 2022, which make up 38.2% of Class I, 38.9% of Class II, and 44.2% of PUPP. Ashland County had a reappraisal in 2020 to be collected in 2021, and makes up 1.8% of Class I, 0.5% of Class II, and 4.7% of PUPP. Marion and Wyandot Counties had a reappraisal in 2019 collected in 2020, and makes up 1.2% of Class I, 0.9% of Class II, and 1% of PUPP.

Class I the residential/agricultural values increased 5.85% or $113 million due to the updates for Richland, Morrow, and Seneca Counties due to an increasing housing market. There was an increase in the Class II commercial/industrial values of 0.69% or $2.1 million for the update. The 2021 triennial update, to be collected in 2022, for Crawford and Huron Counties realized an increase in Class I of 2.8% or $57.8 million, and an increase of 0.15% or $455 thousand in Class II. With the reappraisal in 2023, for collection in 2024, for Richland, Morrow, and Seneca Counties, we are projecting an increase in valuations of 1% or $21.3 million in Class I and a 0.5% increase in Class II for $1.5 million of valuation. For the reappraisal in 2024 for collection in 2025 for Crawford and Huron Counties, we are projecting an increase in valuations of 1% or $21.6 million in Class I and a 0.5% increase in Class II for $1.6 million of valuation.

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Pioneer CTC has 3.7 mills voted that are collecting at 2.5379 in tax year 2021, but the millage rate cannot go any lower than 2 mills at any time. Due to HB920, the districts effective millage will decrease as values increase until they reach the 2-mill floor. In the forecasted period, we are not expecting to reach the 2-mill floor. Increases in collection estimates are due to New Construction being collected at the effective rate in the first year it is taxable.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025
Classification	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026
Res./Ag.	$2,130,988,340	$2,138,788,340	$2,167,976,223	$2,197,455,985	$2,227,230,545
Comm./Ind.	315,600,310	318,500,310	322,992,812	327,507,776	332,045,315
Public Utility Personal Property (PUPP)	532,088,129	537,088,129	542,088,129	547,088,129	552,088,129
Total Assessed Value	$2,978,676,779	$2,994,376,779	$3,033,057,164	$3,072,051,890	$3,111,363,989

Estimated Real Estate Tax Collection
Property tax levies are estimated to be collected at 97% of the annual amount. This allows 3% delinquency factor. In general, 58% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42% collected in the August tax settlement.

Estimated Real Estate Tax (Line #1.010)

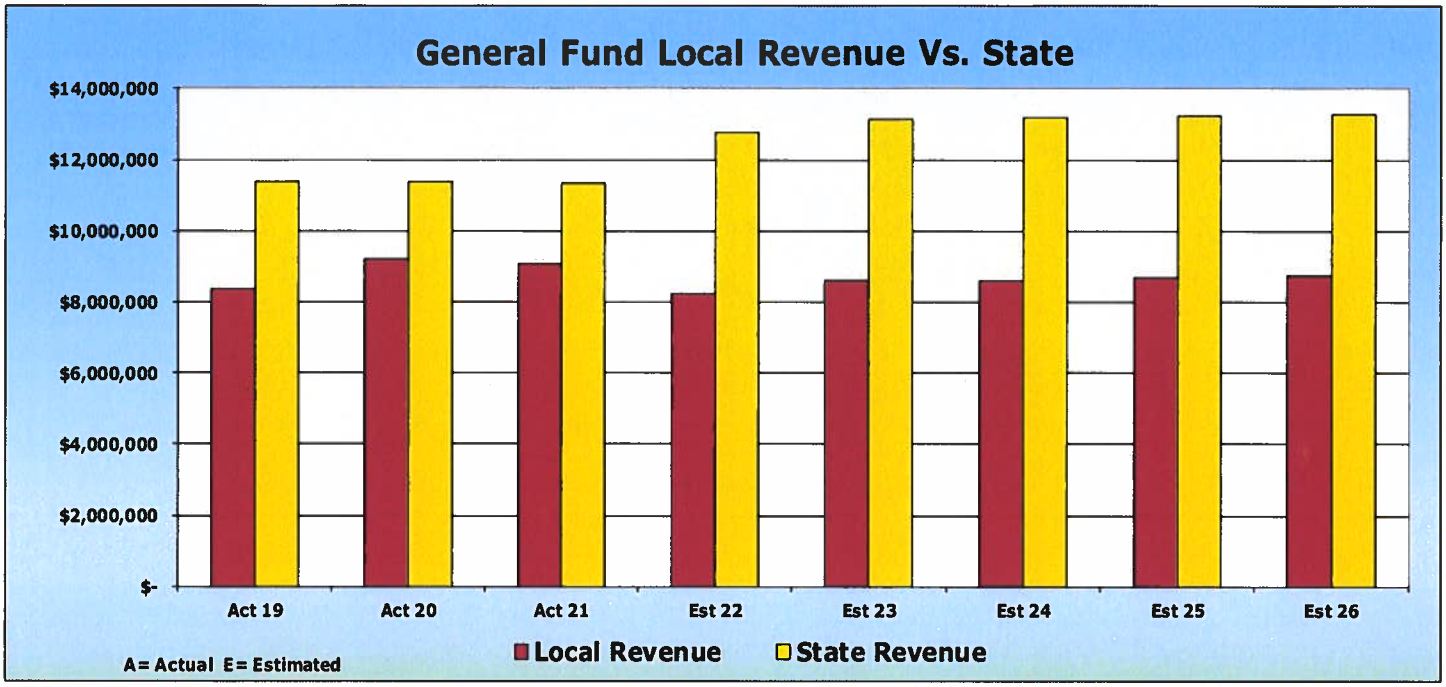
Source	FY22	FY23	FY24	FY25	FY26
General Property Taxes	$6,065,070	$6,072,764	$6,101,507	$6,130,021	$6,158,307

New Tax Levies – Line #13.030
No new levies are modeled in this forecast.

Estimated Public Utility Personal Tax – Line#1.020
Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were $532 million in assessed values in 2021 and are collected at the district's full gross voted millage rate of 3.7 mills. Collections are typically 74.75% in February and 25.25% in August along with the real estate settlements from the county auditor. The values in 2018, 2019, and 2020 increased by 77.69%, 48.35%, and 27.37% or $123.7, $136 million, and $114 million, respectively, due to the Rover

pipeline. However, in tax year 2021, values decreased by 0.52% or $2.7 million. PUPP values are expected to grow by $5 million each year of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property (Line#1.020)	$1,722,588	$2,004,476	$2,001,055	$2,019,555	$2,038,055



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035

The partial release of the new Fair School Funding Plan (FSFP) formula occurred in January 2022, which was halfway through FY22. As of the date of this forecast, there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY22 and is expected to be a formula district in FY23-26 on the new FSFP. The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest, and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in at 0% in FY22 and 14% in FY23.

HB110 includes three (3) guarantees: 1) "Formula Transition Aid"; 2) Supplemental Targeted Assistance, and, 3) Formula Transition Supplement. The three (3) guarantees, in both temporary and permanent law, ensure that no district will get fewer funds in FY22 and FY23 than they received in FY21. The guaranteed level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and, in general, the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

Joint Vocational Career-Technical Funding in FY22 and FY23

A new funding formula for joint vocational school districts is substantially similar to the formula for traditional school including the phase-in and guarantee, with the following changes:

1. Replaces the "special teacher" cost in the base cost computation with the "cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of course assessment," which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates district's cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces the cost computations for academic and athletic co-curricular for a traditional district.
4. Replaces per-pupil dollar amount to a weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit's state share percentage times the career-technical education associated services amount times the statewide average career-technical base costs per pupil in that fiscal year times the sum of the funding unit's categories one through five career-technical education ADM.

Other Restricted CTE State Aid

1. CTE Associated Services – Based on the Funding unit's state share percentage X 0.0294 X Statewide average career technical base cost per pupil for that fiscal year X Sum of the funding unit's categories one through five career-technical education ADM; which are to provide the funds for non-administrative expenditures a school district expends on vocational programming development.
2. CTE Career Awareness and Explorations – Based on $2.50 per ADM in FY22 and $5.00 per ADM in FY23, to provide funds for the delivery of career awareness programs to students enrolled in grades kindergarten through twelve.

CTE Credential Program: The district may receive a portion of the $8 million for high school students who earn an Industry-recognized Credential or receive a journeyman certification recognized by the United States Department of Labor. Also, the district is to receive funding through the Innovative Workforce Incentive Program for students that have completed the industry-recognized credentials and are career-ready. The district will receive a share of a total of $12.5 million earmarked for this credentialing program that has been set aside at the state level for all of the credentials throughout the state. The Department of Education shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to $1,250 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that is appropriated by the Department of Education is insufficient. The district received $8,979 in FY21, which we expect to grow by 2% annually for the remaining years of the forecast.

Student Wellness and Success Funds (SWSF) - (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below, with only a smaller portion devoted to SWSF. Any remaining funds in Special Revenue Fund 467 from FY20 and FY21 will be required to be used for the restricted purposes governing these funds until fully expended.

Future State Budget Projections beyond FY23

Our funding status for the FY24-26 will depend on two (2) new state budgets, which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast for FY23 through FY26.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos, one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue (GCR) will be collected as a tax. School districts will receive 34% of the 33% gross casino revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 to pre-pandemic, FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to the COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a 0.4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. Actual payments in FY22 were $63.10 per pupil. FY22 Casino revenues have resumed their historical growth rate and we are assuming a 2% annual growth rate for the forecast period.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$7,955,588	$8,255,121	$8,255,121	$8,255,121	$8,255,121
Credentials Reimbursement	9,159	9,342	9,529	9,720	9,914
Basic Aid-Unrestricted Subtotal	$7,964,747	$8,264,463	$8,264,650	$8,264,841	$8,265,035
Ohio Casino Commission ODT	145,709	148,607	151,586	154,611	157,705
Total Unrestricted State Aid Line # 1.035	$8,110,456	$8,413,070	$8,416,236	$8,419,452	$8,422,740

B) Restricted State Revenues – Line #1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career-Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase-in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-26 due to uncertainty on continued funding of the current funding formula.

Source	FY22	FY23	FY24	FY25	FY26
Student Wellness and Success	$289,866	$289,866	$289,866	$289,866	$289,866
Disadvantaged Pupil Impact Aid (DPIA)	177,661	167,935	167,935	167,935	167,935
English Learners	4,647	4,478	4,478	4,478	4,478
Career Tech - Restricted	3,650,095	3,672,791	3,709,519	3,746,614	3,784,080
CTE Associated Services	29,622	29,622	29,622	29,622	29,622
Career Awareness & Explorations	39,373	78,746	78,746	78,746	78,746
Total Restricted State Revenues Line #1.040	$4,191,264	$4,243,438	$4,280,166	$4,317,261	$4,354,727

State Taxes Reimbursement/Property Tax Allocation – Line #1.050
Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled residential taxpayers. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$474,271	$479,724	$481,513	$483,284	$485,038

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid.

In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends.

Source	FY22	FY23	FY24	FY25	FY26
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	193,303	251,294	256,320	261,446	266,675
Associated Services and Other	179,380	181,174	182,986	184,816	186,664
Class fees	41,914	42,333	42,756	43,184	43,616
Other Tax - MH	13,519	13,519	13,519	13,519	13,519
Tax Abatement	21,641	21,641	21,641	21,641	21,641
Other Tuition	2,426	2,450	2,475	2,500	2,525
Total Other Local Revenue Line #1.060	$452,183	$512,411	$519,697	$527,106	$534,640

Short-Term Borrowing – Lines #2.010 & Line #2.020

The district in not projecting short term borrowing in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. We are not anticipating transfers in at this time, and only advancing in the amount advanced out in the prior fiscal year. Advances in will match the prior year advance out.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	95,000	95,000	95,000	95,000	95,000
Total Transfer & Advances In	$95,000	$95,000	$95,000	$95,000	$95,000

All Other Financial Sources – Line #2.060

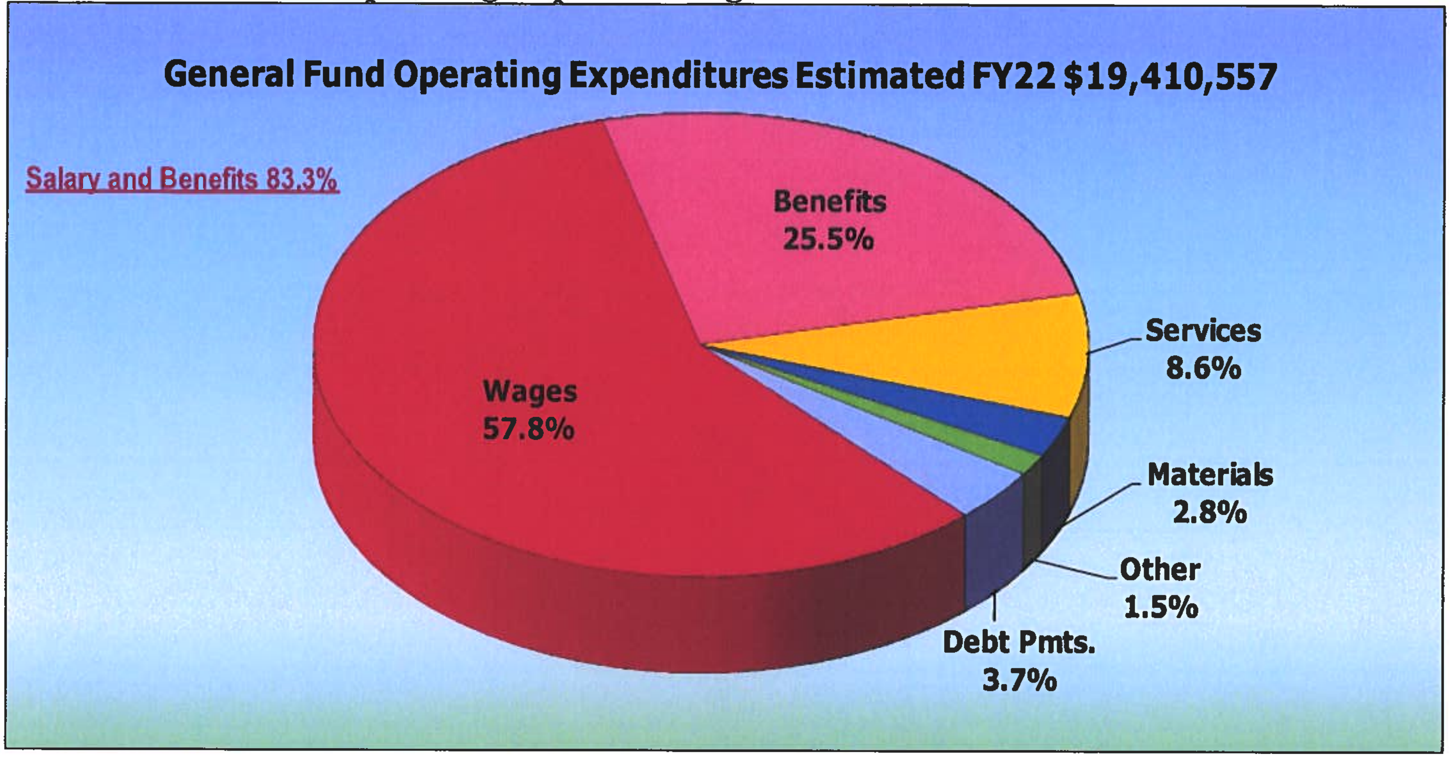
This funding source is typically a refund of prior year expenditures that is very unpredictable We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Sale of Fixed Assets	$0	$0	$0	$0	$0
Refund of prior years expenditures	9,430	9,430	9,430	9,430	9,430
Total Other Financing Sources Line #2.060	$9,430	$9,430	$9,430	$9,430	$9,430

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY22



Wages – Line #3.010

This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here. The forecast reflects base increases of 2% in FY22-23, 2.25% in FY24, and 2% in FY25-26. Also included is 3% step increases in FY22-26 for planning purposes only at this time. Administration and non-represented staff typically will see a similar increase as the collective bargaining contract. However, these are reviewed on a yearly basis. The district will continue to monitor the staffing levels to effectively manage the largest expense for our district. The increases above align with the newly approved negotiated agreement that is in place for FY22-24. The new agreement also includes $500, one-time payments, to members of the bargaining unit. The district will negotiate in the spring of 2024 when this contract ends.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$10,276,290	$10,790,105	$11,329,610	$11,924,414	$12,520,634
Increases	205,526	215,802	254,916	238,488	250,413
All Staff - Steps and Training	308,289	323,703	339,888	357,732	375,619
BOE/OT	15,413	15,413	15,413	15,413	15,413
Substitutes	176,447	156,447	156,447	156,447	156,447
Supplementals	125,875	26,393	26,921	27,459	28,008
Staff Increases/Reductions	0	0	0	0	0
Severance	120,000	100,000	100,000	100,000	100,000
Total Wages Line #3.010	$11,227,840	$11,627,863	$12,223,195	$12,819,953	$13,446,534

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

At this time, we are estimating an increase of 4.7% for FY223.6% for FY23 and 8% for FY24-26, which reflects trend, and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.14% of wages FY22-26. Unemployment is expected to remain at a very low level FY22-26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Estimated Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$1,763,674	$1,832,907	$1,927,750	$2,022,821	$2,122,643
B) Insurance's	3,018,986	3,126,160	3,376,253	3,646,353	3,938,061
C) Workers Comp/Unemployment	16,394	16,996	17,849	18,704	19,602
D) Medicare	156,647	162,517	170,905	179,314	188,143
Total Fringe Benefits Line #3.020	$4,955,701	$5,138,580	$5,492,757	$5,867,192	$6,268,449

Purchased Services – Line #3.030

This category accounts for a wide variety of expenses incurred by the District including college credit plus, legal services, contracted educational services, utility costs, mileage/meeting expenses, repairs and maintenance, property insurance along with other charges. We have built in a 3% increase for each year of the forecast at this time.

Source	FY22	FY23	FY24	FY25	FY26
College Credit Plus	$517,764	$533,297	$549,296	$565,775	$582,748
Professional Support	490,130	504,834	519,979	535,578	551,645
Utilities	243,812	251,126	258,660	266,420	274,413
Building Maintenance Repairs and Leases	285,228	293,785	302,599	311,677	321,027
PD/Travel	28,249	29,096	29,969	30,868	31,794
Transportation and Other Tuition	46,842	48,247	49,694	51,185	52,721
Communications, Phone, and Other	55,089	56,742	58,444	60,197	62,003
Total Purchased Services Line #3.030	$1,667,114	$1,717,127	$1,768,641	$1,821,700	$1,876,351

Supplies and Materials – Line #3.040

This category accounts for textbooks, supplies for instruction, office, and maintenance. There is an increase of 3% for each year of the forecast for all areas in this category.

Source	FY22	FY23	FY24	FY25	FY26
Supplies	$268,765	$276,828	$285,133	$293,687	$302,498
Textbooks and Software	233,493	240,498	247,713	255,144	262,798
Building Maint Supplies	35,898	36,975	38,084	39,227	40,404
Vehicles Parts, Fuel, and Tires	12,695	13,076	13,468	13,872	14,288
Total Supplies Line #3.040	$550,851	$567,377	$584,398	$601,930	$619,988

Capital Outlay – Line # 3.050
The district does not anticipate expense in this line for the forecasted period due to equipment items being purchased out of the Permanent Improvement fund.

Principal and Interest Payment – Lines #4.050 and #4.060
Payments on this line are made for the principal and interest on the 2008 OSFC renovation project Certificates of Participation. In March 2015, with interest rates low, the District seized the opportunity to refinance the original COPS issue that funded the renovations completed to the District in fiscal year 2012. The refinance yielded a NPV savings of $458,397 to the District and their taxpayers over the remaining life of the COPS.

Source	FY22	FY23	FY24	FY25	FY26
Principal TANS Line #4.020	409,700	435,000	455,000	470,000	490,000
Interest on TANS & HB 264 Total Line 4.060	305,689	285,139	269,514	251,014	234,264
Total Principal & Interest	$715,389	$720,139	$724,514	$721,014	$724,264

Other Expenses – Line #4.300
This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the annual financial audit. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA. This line reflects a 1% increase FY22-26. We will continue to monitor, and adjust in future years as necessary.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$195,928	$197,887	$199,866	$201,865	$203,884
Other expenses	48,222	48,704	49,191	49,683	50,180
Annual Audit	30,173	30,475	30,780	31,088	31,399
Memberships	19,339	19,532	19,727	19,924	20,123
Total Other Expenses Line #4.300	$293,662	$296,598	$299,564	$302,560	$305,586

Transfers/Advances Out – Line# 5.010
This account group covers fund-to-fund transfer and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund.

Source	FY22	FY23	FY24	FY25	FY26
Permanent Improvement - Transfer	$500,000	$500,000	$500,000	$500,000	$500,000
Maintenance - Transfer	425,360	425,360	425,360	425,360	425,360
Other - Transfer	0	0	0	0	0
Operating Transfers Out Line #5.010	$925,360	$925,360	$925,360	$925,360	$925,360
Advances Out Line #5.020	95,000	95,000	95,000	95,000	95,000
Total Transfer & Advances Out	$1,020,360	$1,020,360	$1,020,360	$1,020,360	$1,020,360

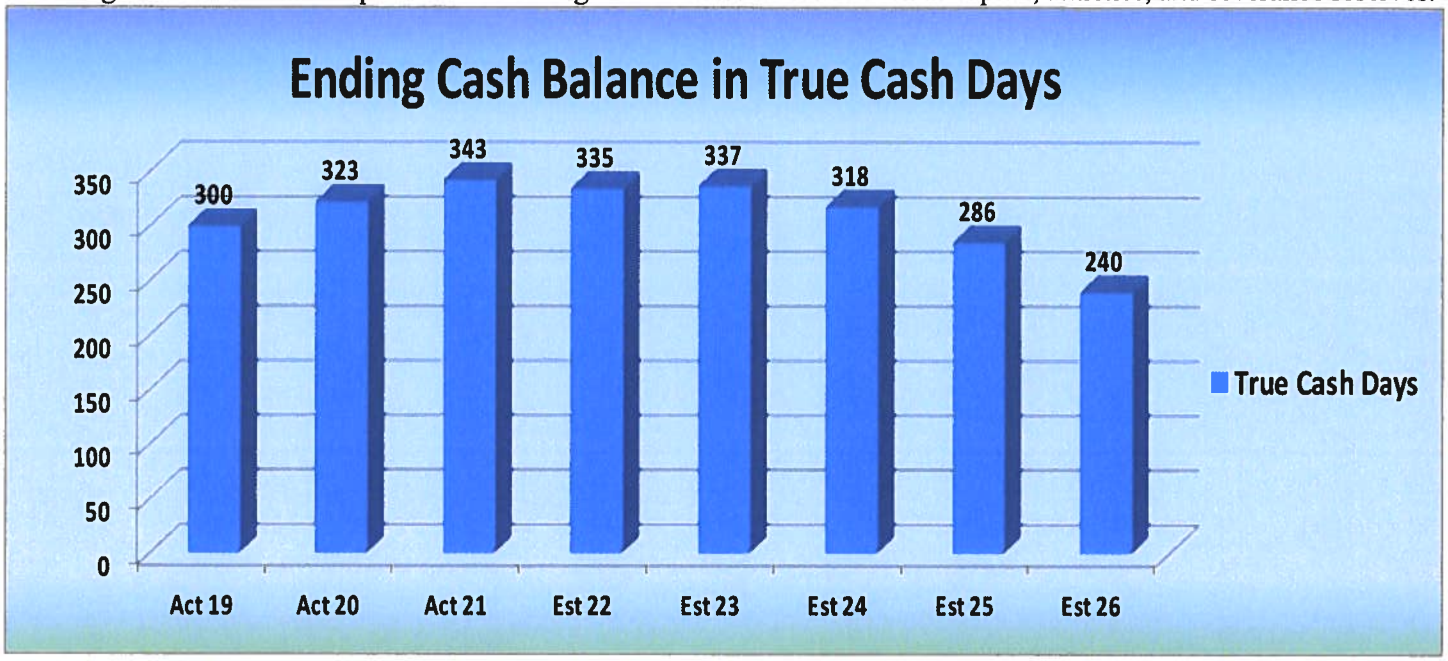
Encumbrances –Line#8.010
These are outstanding purchase orders that have not been approved for payment, as the goods were not received in the fiscal year in which they were ordered.

Ending Unencumbered Cash Balance – Line#15.010
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, resulting in a negative unencumbered cash balance is a violation of O.R.C. §5705.412 and is punishable by personal liability of $10,000. It is recommended by the Government Finance Officers Association (GFOA), and other authoritative sources, that a district maintains a minimum of thirty (30) day cash balance, which is approximately $1.6 million for our district.

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	$18,741,284	$19,483,553	$19,274,728	$18,121,128	$15,957,533

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days." In other words, how many days could the district operate at year-end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Year's Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The GFOA recommends no less than two (2) months or sixty (60) days cash is on hand at year-end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Conclusion

The district administration is grateful for the changes in the current state budget HB110. However, future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY24-26.

The district is receiving funding through the CARES Act and GEER funds that are to be used for help due to the pandemic. Additional GEERII funds have been allocated to our district that can be used through September 2023 and will continue to offset the expenses and help with academic support for lost learning due to school closures as a result of the pandemic. We will monitor this and all other funding that is affecting our forecast from the pandemic.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.

Please direct any questions to:
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Please visit the Ohio Department of Education website at
https://public.education.ohio.gov/geoDoc/5-yrForecast/