



FIVE-YEAR FORECAST

MAY 2023

Significant Items

Budget Surplus (Revenue exceeds Expenditures)

- 2022/2023, 3rd straight surplus; 1st time since at least 2008
- Surpluses continue to increase our Unreserved Fund Balance – Provides a reserve when ESSER expenditures are charged to General Fund in 2024/2025.
- New School Funding Formula being implemented (FSFP), 2nd year being phased in.
- Elementary and Secondary School Emergency Relief (ESSER) still funding most of the new positions.
 - Personnel - \$4.6 million (63 positions)
 - Other Expenditures – Technology only
- Open Enrollment
 - ❖ 2021/2022 – 224 students total (Not FTE)
 - ❖ 2022/2023 – 235 students (as of May 2023) (Not FTE)

Budget Deficit (Expenditures exceeds Revenue)

- 2024/2025 - \$3.6 million
 - 2025/2026 - \$6.0 million
 - 2026/2027 - \$6.0 million
- ❖ *If FSFP continue to provide additional revenue, budget deficits will be reduced and possibly eliminated in future years*

Revenue

• **New School Funding**

- Fair School Funding Plan (FSFP)
 - Likely, have additional revenue in future beginning in 2023/2024
 - ❖ If legislature continues to phase-in base increase and/or
 - ❖ Legislature increases base funding costs
 - Non-Washington Local students paid directly by State beginning 2021/2022; no longer a Washington Local expenditure.
 - FSFP began in 2021/2022
 - Phased in at 1/6 of formula amount in 2021/2022
 - Phased in at 2/6 (1/3) of formula amount in 2022/2023
 - Charter schools, open enrollment, voucher and scholarship students funded directly by State (previously nearly \$6 million) since 2021/2022 and would have increased in following years.
 - State Aid frozen in 2023/2024 and all future years at 2022/2023 levels – Current Law

Significant Items Continued:

- **Franklin Park Mall**
 - Previous tax appeal valuation was at \$252 million. That appeal was settled at \$180 million, then the next appeal we settled at \$85 million, and now further reduced to \$80 million.
 - Mall property values finally stable; future revenue decreases (if any) will be much smaller
 - Annual revenue loss exceeds \$2.3 million
- **Tax Increment Financing (TIF) Revenue:**
 - TIF Revenue (Includes Franklin Park Mall and other parcels)
 - 2019/2020 - \$4.7 Million
 - 2020/2021 - \$3.3 Million
 - 2021/2022 - \$3.0 Million
 - 2022/2023 - \$1.8 Million
 - 2023/2024 - \$1.1 Million
 - 2024/2025 - \$1.9 Million
 - 2025/2026 - \$1.9 Million
- **Loss of Annual TIF Revenue Since 2019/2020:**
 - 2020/2021 - \$1.4 Million
 - 2021/2022 - \$1.7 Million
 - 2022/2023 - \$2.9 Million
 - 2023/2024 - \$3.5 Million
 - 2024/2025 - \$2.8 Million
- **Interest Revenue**
 - Star Ohio May – October - November Interest Rates
 - May - .79%
 - October - 3.02%
 - November (as of 11/11/22) – 3.77%
 - **May (5/15/23) 5.34%**
 - We are earning over \$200,000 monthly, which is doubled what we previously earned in a year
 - Outside StarOhio investments include:
 - ❖ Commercial Paper
 - ❖ Certificate of Deposits
 - ❖ U.S. Treasury Debt
 - **Interest Earnings**
 - 2020/2021 - \$77,722
 - 2021/2022 - \$103,555
 - ❖ **FORECASTED**
 - 2022/2023 - \$1.6 Million
 - 2023/2024 - \$2.1 Million
 - 2024/2025 - \$1.6 Million
 - 2025/2026 - \$1.1 Million

Significant Items Continued:

- **Expenditures**
 - Most of all new contracted staffing and purchases are being charged to ESSER or other federal grants
 - Last ESSER grant must be fully expended by 9/30/2024 - FY 2024/2025
 - Budgeting 2024/2025 for Full Year of Expenditures
 - No new staffing, programming, or services in 2023/2024 (Budget Increases)
- **Salaries**
 - 3 years Negotiated Agreement (FY 2022, 2023, 2024)
 - 2% base increase
 - Negotiated Agreement ends June 30, 2024 – **No base increase in Forecast for 2024/2025 – only step increases**
 - Due to ESSER Budget Shortfall– 7 employees were moved to General Fund on 11/1/2022
- **Benefits**
 - Healthcare and Dental are Self-funded
 - 2020/2021 - \$1.6 million healthcare deficit (Expected)
 - 2021/2022 - \$2.8 million healthcare deficit (Not Expected)
 - 2022/2023 - **Nearly 20% overall increase in healthcare rates**
 - ❖ 37.8% - Single / 17.6% - Family
 - ❖ Appears to have stabilized – slight surplus in 2022/2023
 - ❖ Healthcare 6.0% 2023/2024 and 5% in future years
 - ❖ Prescription costs a concern - Specialty drugs
 - Dental Premiums reduced by 10% in 2022/2023 – reducing cash balance
- **Purchased Services**
 - Non Washington Local students now paid directly by State
 - Charter Schools, Scholarships, and Open Enrollment
 - \$5.5 million in 2020/2021 – Likely would have been \$6 million in 2021/2022 and even more in future years
- **Elementary and Secondary School Emergency Relief (ESSER)**

Due to ESSER Budget Shortfalls Moving to the General Fund	
Nursing Services in	2022/2023 -\$75,000
Certified Occupational Therapist Aides	2023/2024 -\$200,000
Planned to move to General Fund in 2024/2025	
\$3.4 Million	Salaries
1.2 Million	Benefits
<u>750,000</u> \$5.35 Million	Technology

Washington Local Schools – School Foundation Funding Formula

Year	Calculated Funding (Formula)(a)	State Funding (b)	Fair School Funding Plan (c)	Cap Loss/ Phased-In Loss	Accumulated
2022/2023	\$ 50,665,480.32		\$ 35,160,592.42	\$ 15,504,887.90	\$ 143,520,096.90
2021/2022	\$ 51,218,599.25		\$ 30,256,359.98	\$ 20,962,239.27	\$ 128,015,209.00
2020/2021	\$ 45,077,209.73	\$ 30,233,047.23	\$ -	\$ 14,844,162.50	\$ 107,052,969.73
2019/2020	\$ 45,077,209.73	\$ 29,856,934.32	\$ -	\$ 15,220,275.41	\$ 92,208,807.23
2018/2019	\$ 45,077,209.73	\$ 30,542,718.17	\$ -	\$ 14,534,491.56	\$ 76,988,531.82
2017/2018	\$ 44,392,995.24	\$ 29,577,678.06	\$ -	\$ 14,815,317.18	\$ 62,454,040.26
2016/2017	\$ 41,708,341.70	\$ 28,682,293.55	\$ -	\$ 13,026,048.15	\$ 47,638,723.08
2015/2016	\$ 40,002,490.24	\$ 26,652,671.85	\$ -	\$ 13,349,818.39	\$ 34,612,674.93
2014/2015	\$ 34,777,155.68	\$ 24,628,586.95	\$ -	\$ 10,148,568.73	\$ 21,262,856.54
2013/2014	\$ 33,402,601.79	\$ 22,288,313.98	\$ -	\$ 11,114,287.81	\$ 11,114,287.81

(a) The State kept State Aid funding unchanged in 2018/2019, 2019/2020, and 2020/2021.

(b) 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.

(c) The State adopted a new funding formula for 2021/2022. The Fair School Funding Plan is currently being phased in for 2021/2022, 1/6th of the plan was being funded and for 2022/2023, 2/6th (1/3) of the plan is being funded.

**Five-Year Forecast
Revenues & Expenditures
Fiscal Year 2022/2023
What Changed in Six Months**

<u>REVENUE</u>	<u>NOVEMBER 2022</u>	<u>MAY 2023</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
Real Estate	\$42,862,785	\$43,688,009	\$825,224	Franklin Park Mall valuation decrease, increased effective rates. Higher public utility valuation.
Tangible Personal Property Tax	1,341	1,341	-	
State Aid Unrestricted (includes casino/open enrollment)	32,349,207	32,732,894	383,687	More students being transported
State Aid Restricted	3,768,812	4,072,707	303,895	Disadvantaged pupil impacted aid; increased during year
Property Tax Allocation	5,356,968	5,310,107	(46,861)	
All Other Financing Sources (TIF)	2,125,664	2,186,110	60,446	
All Other Revenues	3,599,000	3,930,118	\$331,118	Higher Interest Revenue
Advances-In	400,000	400,000	-	
Total Revenue	\$ 90,463,777	\$ 92,321,286	\$1,857,509	
<u>EXPENDITURES</u>				
Salaries	51,400,480	51,155,878	(\$244,602)	
Benefits	18,370,874	18,328,568	(42,306)	
Purchased Services	11,093,970	10,183,065	(910,905)	Budget not fully utilized
Supplies	3,624,163	3,059,437	(564,726)	Budget not fully utilized
Capital Outlay	815,179	1,355,554	540,375	Library Property Purchase
Other	1,106,522	980,547	(125,975)	Lower than expected Lucas County fees
Advances / Transfers	40,000	6,123,308	6,083,308	\$6.1 Million transferred to Middle School Fund
Total Expenditures	\$ 86,451,188	\$91,186,357	\$4,735,169	

Elementary and Secondary School Emergency Relief Fund (ESSER)

Expires 9/20/22

Expires 9/30/23

Expires 9/30/24

Expires 9/30/23

ESSER I

ESSER II

American Rescue Plan
ESSER III

American Rescue Plan
IDEA

\$1,598,602.72

\$6,289,342.09

\$14,135,001.58

\$411,659.73

\$22,434,606.12

STAFF BEING CHARGED / BUDGETED (After 11/01/2022) for 2022/2023

22 - Kindergarten Instructional Support Aides
(moving to Title I in 2023/2024)

19.5 - Classroom Aides

22.5 - Certified Staff (15-Special Education Teachers)

11 - Building Teacher Substitutes (Ends 6/30/2023)

1 - Psychologist

7- Science, Technology, Engineering, Math (STEM)

7 - Classified Staff (Monitors & Health Aides)

2 - Administrators

1.5 - Secretaries

1 - Custodian

Total of 94.5 Staff Members

Purchased Services

Certified Occupational Therapist Aides (2)- Moving to General Fund in 2023/2024 and all future years.

Capital Outlay

Technology – Moving to General Fund in 2024/2025 and all future years.

Removed from ESSER grant beginning 11/01/2022: 2 – Administrators, 2 – Counselors, 2 – Certified Staff, and 1 – Bus Mechanic, Nursing Services and Curriculum Purchased Services

REVENUE

FLAT



Washington Local School District

REVENUES

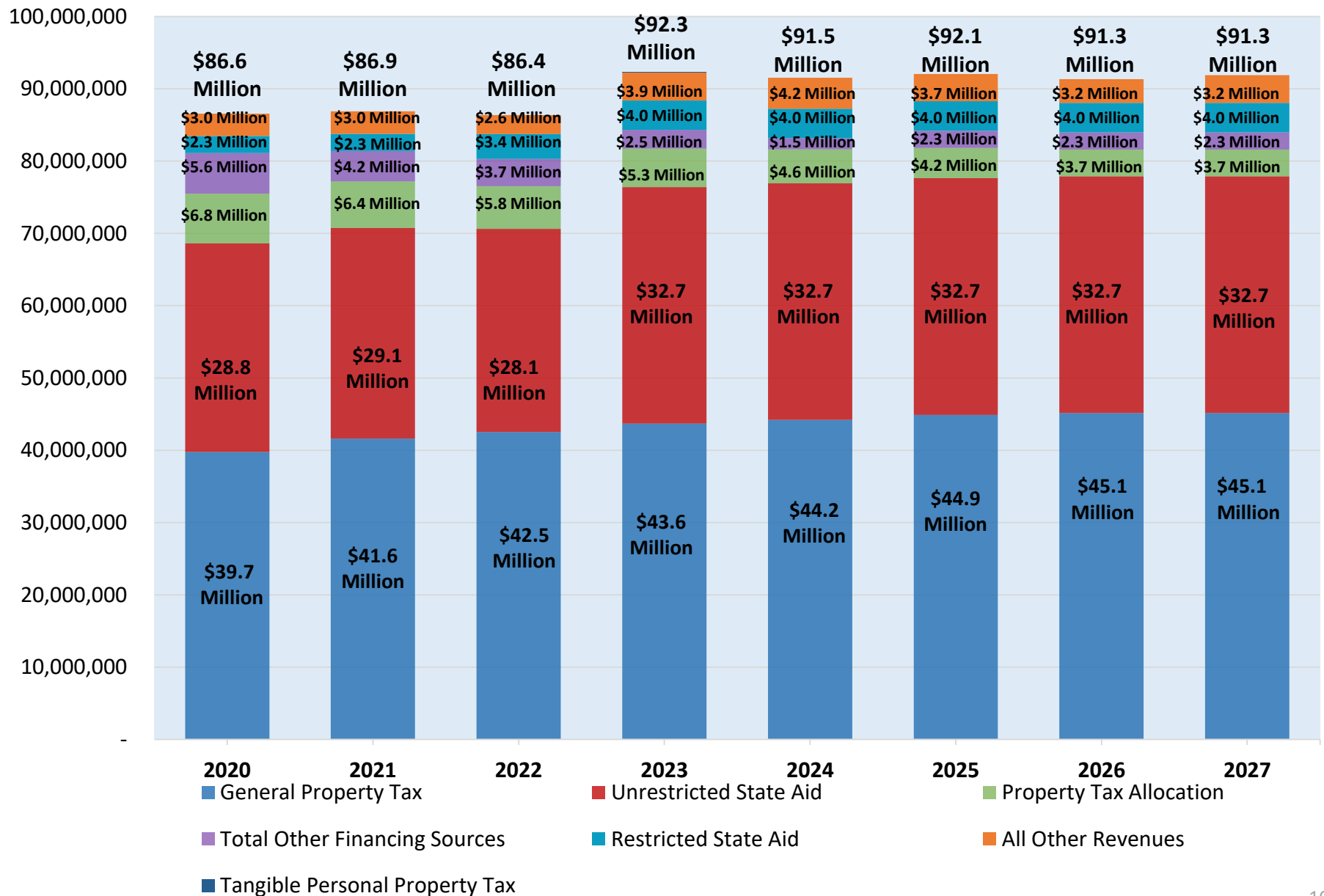
MAY 2023

	<u>Actual</u>					<u>Forecasted</u>				
<u>REVENUES</u>	2020	2021	2022	Avg. Change		2023	2024	2025	2026	2027
General Property Tax	39,754,005	41,605,245	42,525,384	3.4%		43,688,009	44,200,000	44,900,000	45,150,000	45,150,000
Tangible Personal Property Tax						1,341				
Income Tax										
Unrestricted State Aid	28,858,652	29,145,961	28,105,762	-1.3%		32,732,894	32,734,706	32,734,706	32,734,706	32,734,706
Restricted State Aid	2,383,517	2,377,823	3,444,012	22.3%		4,072,707	4,072,707	4,072,707	4,072,707	4,072,707
Property Tax Allocation	6,877,871	6,422,437	5,889,883	-7.5%		5,310,107	4,682,407	4,202,846	3,723,285	3,723,285
All Other Revenues	3,069,615	3,088,785	2,641,283	-6.9%		3,930,118	4,283,000	3,783,000	3,283,000	3,283,000
Total Revenues	80,943,660	82,640,251	82,606,324	1.0%		89,735,176	89,972,820	89,693,259	88,963,698	88,963,698
Advances-In	400,000	400,000	400,000			400,000				
All Other Financing Sources	5,206,733	3,836,641	3,363,457	-19.3%		2,186,110	1,543,324	2,368,324	2,368,324	2,368,324
Total Other Financing Sources	5,606,733	4,236,641	3,763,457	-17.8%		2,586,110	1,543,324	2,368,324	2,368,324	2,368,324
Total Revenues and Otr Financing Sources	86,550,393	86,876,892	86,369,781	-0.1%		92,321,286	91,516,144	92,061,583	91,332,022	91,332,022

Washington Local Schools

Revenues

MAY 2023





EXPENDITURES INCREASING



Washington Local School District

EXPENDITURES

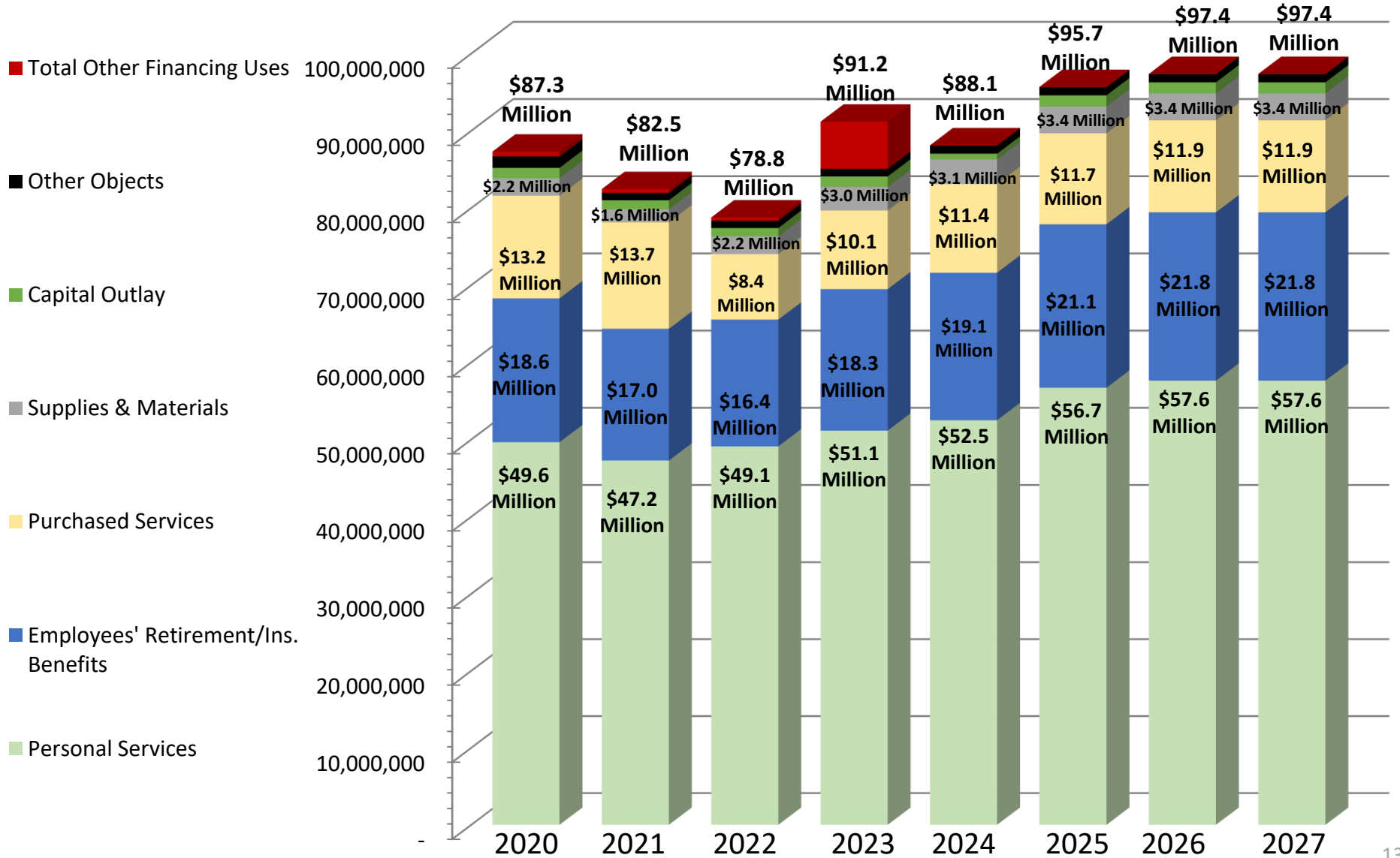
MAY 2023

	<u>Actual</u>				<u>Forecasted</u>				
<u>EXPENDITURES</u>	2020	2021	2022	Avg. Change	2023	2024	2025	2026	2027
Personal Services / Salaries	49,655,494	47,275,004	49,114,751	-0.5%	51,155,878	52,500,489	56,708,817	57,627,493	57,627,493
Employees' Retirement/Insurance Benefits	18,635,285	17,072,738	16,423,499	-6.1%	18,328,568	19,115,450	21,184,556	21,809,193	21,809,193
Purchased Services - Instructional Services, Utilities	13,293,646	13,782,170	8,490,726	-17.4%	10,183,065	11,492,845	11,778,768	11,923,156	11,923,156
Supplies and Materials - Instruction, Maintenance, Transportation	2,281,337	1,691,332	2,295,599	4.9%	3,059,437	3,188,966	3,470,931	3,470,931	3,470,931
Capital Outlay	1,329,251	1,180,244	1,079,960	-9.9%	1,355,554	735,300	1,447,800	1,447,800	1,447,800
Other Objects	1,465,313	956,418	935,626	-18.5%	980,547	1,049,275	1,049,275	1,049,275	1,049,275
<i>Total Expenditures</i>	86,660,326	81,957,906	78,340,161	-4.9%	85,063,049	88,082,325	95,640,147	97,327,848	97,327,848
Operating Transfers-Out	246,196	102,601	36,500	-61.4%	6,123,308	40,000	40,000	40,000	40,000
Advances-Out	400,000	400,000	400,000						
Total Other Financing Uses	646,196	502,601	436,500	-17.7%	6,123,308	40,000	40,000	40,000	40,000
<i>Total Expenditures and Other Financing Uses</i>	87,306,522	82,460,507	78,776,661	-5.0%	91,186,357	88,122,325	95,680,147	97,367,848	97,367,848

Washington Local Schools

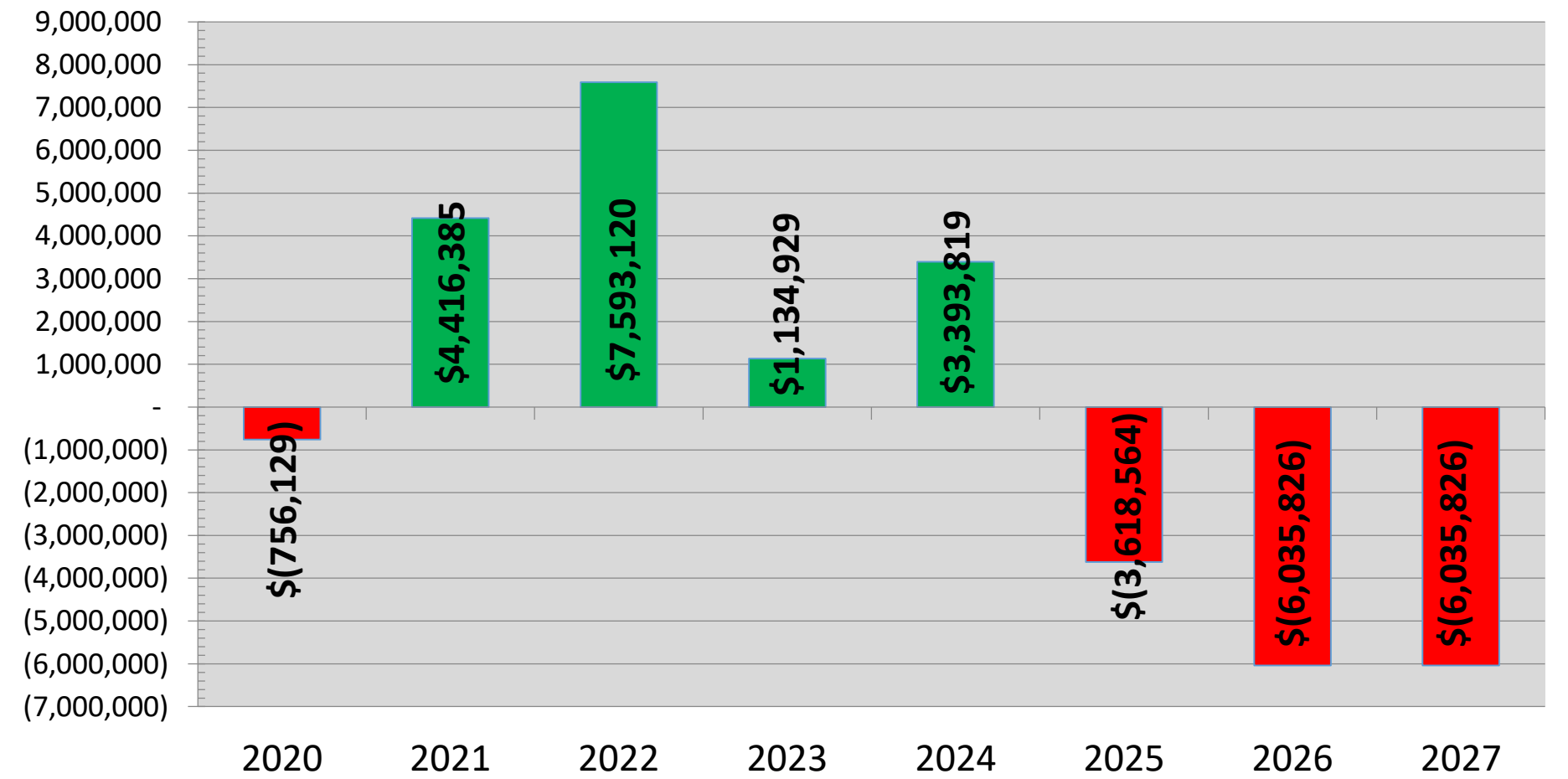
Expenditures

MAY 2023

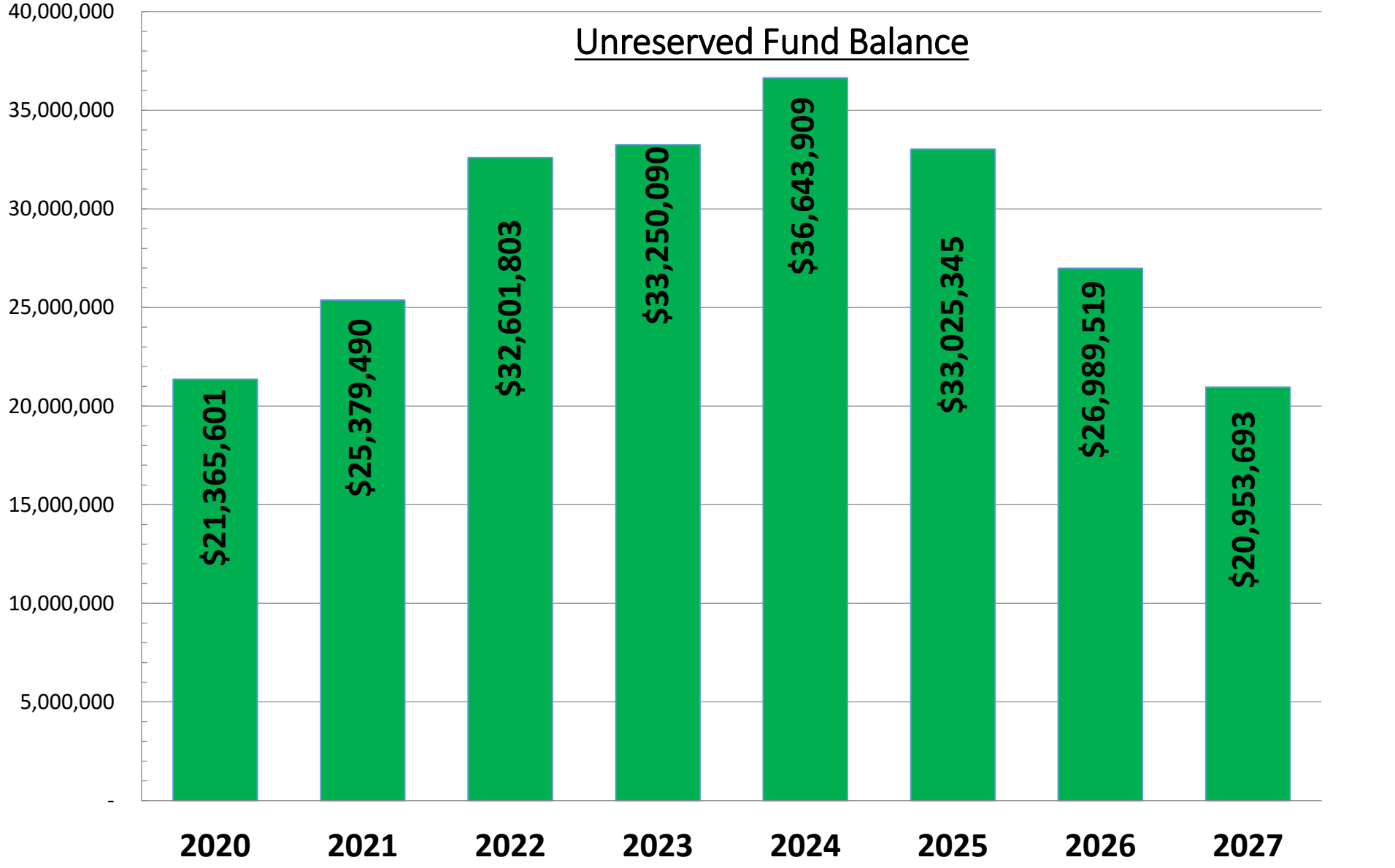


Other Financing Uses	2020	2021	2022	Avg. Change	2023	2024	2025	2026	2027
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(756,129)	4,416,385	7,593,120	-306.1%	1,134,929	3,393,819	(3,618,564)	(6,035,826)	(6,035,826)

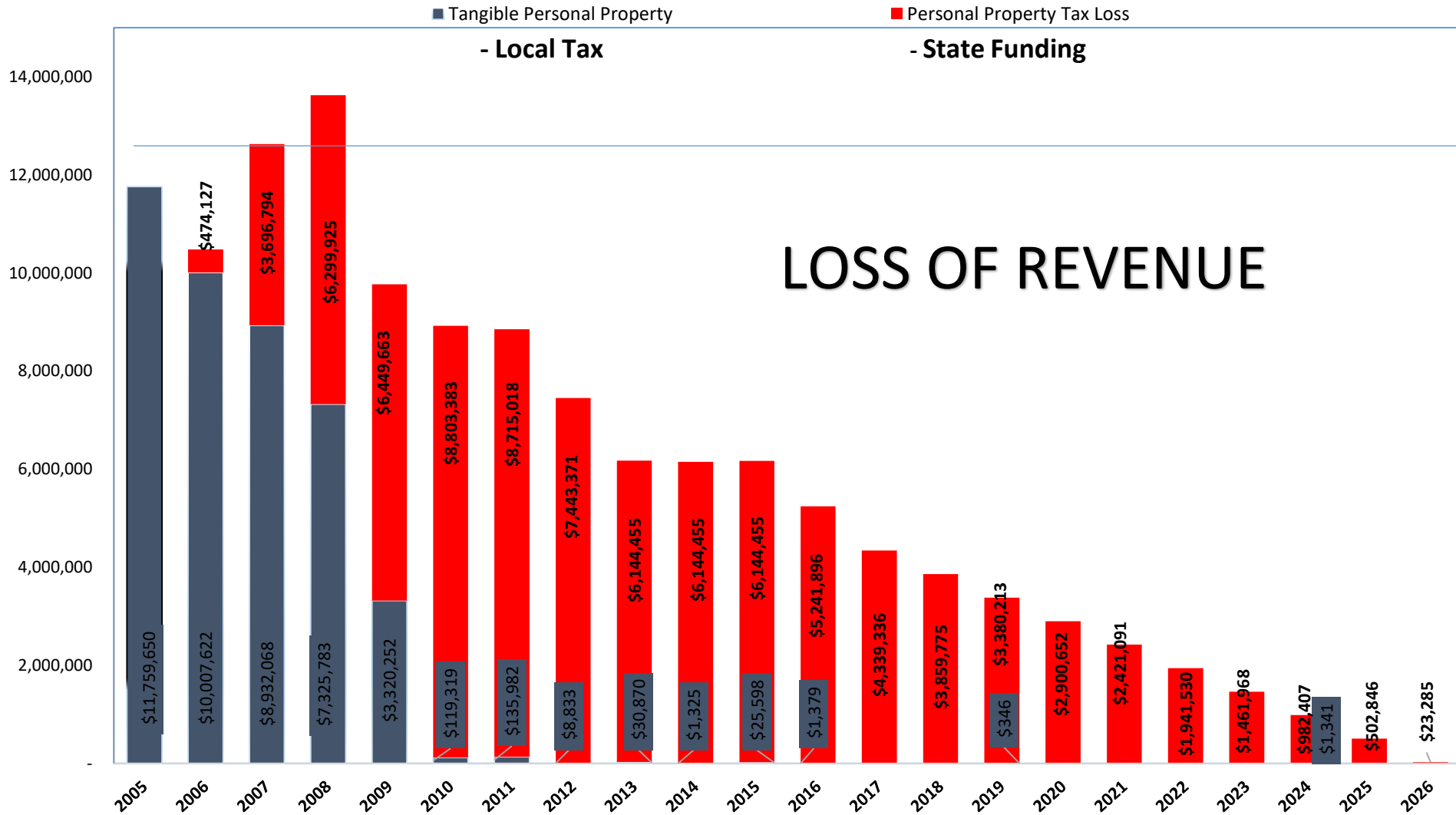
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses



Other Financing Uses	Actual				Forecasted				
	2020	2021	2022	Avg. Change	2023	2024	2025	2026	2027
Unreserved Fund Balance June 30	21,365,601	25,379,490	32,601,803	23.6%	33,250,090	36,643,909	33,025,345	26,989,519	20,953,693



General Fund Personal Property Tax Elimination – HB 66



WASHINGTON LOCAL SCHOOLS

MAY 2023 FORECAST

THIS IS AND ALWAYS HAS BEEN A WORKING DOCUMENT

ITEMS TO CONSIDER FOR NOVEMBER 2023 FORECAST

- ☐ FAIR SCHOOL FUNDING PLAN UPDATE FOR 2023/2024 AND FUTURE YEARS
- ☐ ENROLLMENT – FUNDING BASED ON PER STUDENT – ENROLLMENT HAS BEEN DECLINING / KINDERGARTEN ENROLLMENT
- ☐ AUGUST 2023 TAX SETTLEMENT
- ☐ FORECASTING - No new staffing, programs, or services for 2023/2024
- ☐ HEALTHCARE EXPENDITURES
- ☐ INTEREST EARNINGS AND RATES
- ☐ RETURN TO SPENDING 97-98% OF BUDGET OR MUCH LOWER PERCENTAGE LIKE PREVIOUS TWO YEARS OR BUDGETS ADJUSTED (REDUCED)
- ☐ IF ADDITIONAL GENERAL FUND DOLLARS ARE AVAILABLE (STATE AID INCREASING, PROPERTY TAXES INCREASING, ETC.)
 - Any Staffing, Programs, or Services' Changes for 2024/2025
 - Capital Projects
 - Save for a Purpose – Transfer to another Fund
 - New High School (OFCC)
 - 2 New Elementary (OFCC)
 - Baseball Field
 - Athletic Fields
- ☐ SPECIAL EDUCATION REQUESTS

WASHINGTON LOCAL SCHOOLS
 DEFICIT / SURPLUS SUMMARY
 FY 2008 – 2022 Actuals / FY 2023 – 2027 Forecasted
 Based on MAY 2023 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)	25,715,656	21,365,601
2021	Surplus	4,416,385	30,132,041	25,379,490
2022	Surplus	7,593,120	37,725,161	32,601,803
FORECASTED - MAY 2023				
2023	Surplus	1,134,929	38,860,090	33,250,090
2024	Surplus	3,393,819	42,253,909	36,643,909
2025	Deficit	(3,618,564)	38,635,345	33,025,345
2026	Deficit	(6,035,826)	32,599,519	26,989,519
2027	Deficit	(6,035,826)	26,563,693	20,953,693

**The Unreserved Fund Balance includes encumbrances as of June 30th and the budget reserve (Rainy Day) Fund of \$4.3 million.*

Due to the budget deficits forecasted beginning in 2024/2025 (caused by ESSER funds ending) decisions will need to be made in FY 2024 regarding having a balanced budget. However, we are more hopeful TODAY regarding additional state funding in 2024, which will be the first year of the State's 2-year budget and significantly more State Aid will be received next year and following years.

General Fund Budget Summary – May 2023 FIVE-YEAR FORECAST

FY 2015 – FY 2022 Actual / FY 2023 – FY 2027 Forecasted

	2015	2016	2017	2018	2019	2020	2021	2022	FORECASTED				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	78,232,416	80,725,296	82,147,112	83,720,277	85,638,941	86,550,393	86,876,892	86,369,781	92,321,286	91,516,144	92,061,583	91,332,022	91,332,022
Expenses	77,283,402	79,567,875	83,542,325	85,165,876	86,574,710	87,306,522	82,460,507	78,776,661	91,186,357	88,122,325	95,680,147	97,367,848	97,367,848
Over/Under	949,014	1,157,421	-1,395,213	-1,445,599	-935,769	-756,129	4,416,385	7,593,120	1,134,929	3,393,819	-3,618,564	-6,035,826	-6,035,826
Unreserved Fund Balance	24,486,717	25,612,902	24,424,902	23,093,570	22,010,857	21,365,602	25,379,491	32,601,803	33,250,090	36,643,909	33,025,345	26,989,519	20,953,693

