

# Strongsville City Schools

## FY 23 Five Year Forecast

November 10, 2022



# Strongsville City Schools

- Five Year Forecast - General Fund

# Five Year Forecast - Contents

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- Five Year Forecast Summary

# Strongsville City Schools

- Major Assumptions

# Major Assumptions

## Revenue:

- Property Tax Collection Rate - The forecast assumes the gross collection rate (includes delinquencies) will be as follows:

	CY 19	CY 20	CY 21	CY 22	3 Year Average	CY 23 Forecast	CY 24 Forecast	CY 25 Forecast	CY 26 Forecast	CY 27 Forecast
Gross Collection Rates - Includes Delinquencies	100.20%	99.49%	96.85%	99.26%	98.53%	98.53%	98.53%	98.53%	98.53%	98.53%

- The forecast assumes a 98.53% gross collection rate which is the three year average of Calendar Years 2020 through 2022. The gross collection rate did increase to 99.26% in calendar year 2022 compared to calendar year 2021 of 96.85%.

# Major Assumptions - Continued

## Revenue (continued):

- The forecast assumes the following changes to assessed valuation by collection calendar year:

Collection Year	Residential	Commercial	Public Utility	Total
CY 18 Actual	\$1,109,881,590	\$347,199,500	\$38,919,200	\$1,496,000,290
CY 19 Actual	\$1,229,566,800	\$355,224,080	\$40,943,650	\$1,625,734,530
CY 20 Actual	\$1,240,535,320	\$339,875,680	\$44,926,610	\$1,625,337,610
CY 21 Actual	\$1,250,745,940	\$363,509,730	\$49,168,210	\$1,663,423,880
CY 22 Actual	\$1,447,677,090	\$361,300,040	\$50,043,110	\$1,859,020,240
CY 23 Forecast	\$1,459,541,465	\$362,131,030	\$53,245,869	\$1,874,918,364
CY 24 Forecast	\$1,470,627,883	\$362,891,505	\$56,653,605	\$1,890,172,993
CY 25 Forecast	\$1,525,305,401	\$372,471,841	\$60,279,435	\$1,958,056,677
CY 26 Forecast	\$1,536,891,625	\$367,108,246	\$64,137,319	\$1,968,137,190
CY 27 Forecast	\$1,548,565,905	\$361,821,888	\$68,242,108	\$1,978,629,901

- Collection Year 2022 is a triennial budget year for Cuyahoga County. Residential values increased by 15.74% and commercial values increased by 1.59% (net) through the valuation, however, commercial values also decreased by 2.02% through change in class for a total decrease of 0.61%.
- Public Utility values increased by 1.78%. The forecasted years assumes a 6.40% annual increase which is the historical average annual increase.

# Major Assumptions - Continued

## Revenue (continued):

- The forecast assumes that in collection year 2022, commercial property will decrease in assessed valuation by \$42,653,310 due to the sale of South Park Mall. During April of 2021, the mall was valued by the county at \$181,866,600 and sold for \$57,720,150. Prior to the sale, South Park Mall filed a complaint with the Board of Revisions requesting a value of \$60,000,000. A decrease of \$121,866,600 or \$42,653,310 of assessed valuation (assessed valuation = 35% of value). The decrease in assessed valuation is offset by the 5% increase of commercial values in the 2021 triennial update.
- Additionally, the forecast assumes a tax refund of \$2,509,277 in FY 2022 with the majority attributed to South Park Mall for tax years 2018, 2019, 2020.
- In May 2019 residents approved a 5 year 5.9 mill levy with collection beginning January 2020. The forecast assumes the levy will expire tax year December 31, 2023. Collections will continue through December 31. Collections will continue through December 31, 2024.
- In November 2021 residents renewed a 5 year 6 mill levy with collection beginning January 2023. The forecast assumes the levy will expire tax year December 31, 2026. Collections will continue through December 31, 2027

# Major Assumptions - Continued

## Revenue (continued):

- State Funding - Beginning with FY 2022, state funding is calculated based on the fair funding formula that was approved in the FY 2022-2023 biennium state budget under House Bill 110.

Compared to FY 2021, State Funding may appear to have decrease in the forecast, however, under the fair funding formula pass through funds such as community school funding, private school scholarships, and open enrollment funds will be sent direct to the appropriate school rather than be included in the Districts revenue. Additionally, the appropriate expenditures are also decreasing in the Districts forecast/budget under purchase services. The district expects a combined net impact of \$1,124,303 in FY 2022. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2022 and beyond.

A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

# Major Assumptions - Continued

## Revenue (continued):

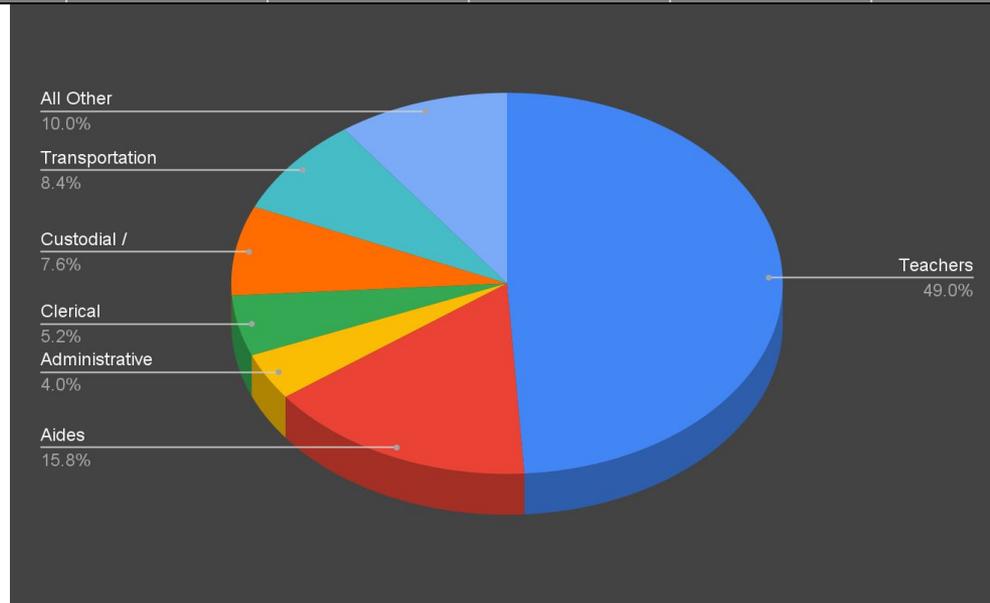
- Restricted aid is the portion of state funding that must be classified as restricted use. Restricted funds represents 0.65% of total revenue. Beginning with FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$211,063. This funding has implications on general fund expenditures in certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Below is a summary of the restricted aid by fiscal year and category:

Restricted State Funding	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Success/Wellness SF3 Result2	\$211,063	\$189,350	\$159,669	\$137,662	\$107,923
Weighted CTE, ELL SF5	\$34,260	\$32,382	\$30,152	\$29,045	\$27,139
DPIA SF6	\$48,924	\$56,847	\$62,687	\$70,096	\$79,269
Gifted SF5	\$191,626	\$156,803	\$122,077	\$87,498	\$52,959
Categorical and Add-on Restricted	\$485,872	\$435,381	\$374,584	\$324,301	\$267,289

# Personnel Trends (ALL FUNDS)

STAFFING TRENDS BY JOB CLASSIFICATION						
School District	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Teachers	351.9	372.04	380.44	380.44	378.54	378.54
Aides	118	120	123	123	123	123
Administrative	26	29	31	30	30	30
Clerical	40	39	40	39	39	39
Custodial / Maintenance	58	59	59	59	59	59
Transportation	64.25	65	65	65	65	65
All Other	70.63	78	78	76	74.65	74.65
<b>TOTAL</b>	<b>728.78</b>	<b>762.04</b>	<b>776.44</b>	<b>772.44</b>	<b>769.19</b>	<b>769.19</b>
<b>Year to Year Change</b>	<b>1.35</b>	<b>33.26</b>	<b>14.40</b>	<b>-4.00</b>	<b>-3.25</b>	<b>0.00</b>



# Major Assumptions - Continued

## Expenditures:

- Staffing Assumptions (General Fund Only):

	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27
<b>General Fund</b>	<b>685</b>	<b>701</b>	<b>699</b>	<b>711</b>	<b>711</b>	<b>711</b>
<b>Prior Year Net Change</b>	<b>+7</b>	<b>+16</b>	<b>-2</b>	<b>+12</b>	<b>0</b>	<b>0</b>

- Forecast assumes all union agreements are as currently defined.
- During FY 22, the forecast assumes 685 general fund positions, an increase of 7 positions from FY 21. The increase is due to 2 new curriculum positions and the 3 literacy coachings coming onto the general fund as they were previously granted funded. In FY 23, the forecast assumes 701 general fund positions, an increase of 16 positions. The increase is due to 8 new teaching positions, 3 new aide positions, 1 new Assistant Athletic Director position, and 2 one year temporary positions to cover long term absences. In FY 25 and beyond, the forecast assumes 12 additional positions coming onto the general fund as ESSER funds will expire for these positions.
- Health care premiums increased by 3% in FY 21. For FY 22, the district experienced a 1.37% increase. For FY 23, the district will experience a 8.70% increase. For fiscal years 2024-2027, the projected annual increase is 8%.
- During FY 20 and FY 21, the district experienced a cost savings within certain categories (substitute costs, overtime, associated benefits that are a percentage of salary, certain purchase services) due to the school closures. As the district resumes normal operations, those benefits will be restored.

# Major Assumptions - Continued

## Expenditures (continued):

- Purchase services decreased by \$1,950,730 from FY 2021 to FY 2022. The decrease is due to the implementation of fair funding formula beginning in FY 2022. The fair funding formula funds only district educated enrolment thereby reducing tuition costs for open enrollment out, community schools, and scholarships. During FY 2023, the forecast assumes that purchase services to increase by \$1,204,374. The increase is due to increased cost and placements for special education placements, instructional services costs (Raz Kids every three years, secondary Edmentum Online previously funded through ESSER, ELA & Math Diagnostic), and projected increases for utility costs.
- Materials and Supplies is forecasted to increase by \$669,383 from FY 2022 to FY 2023 which is due to FY 2022 savings and/or unspent budget. Materials and Supplies make up 3.22% of the general fund budget.
- The primary increases in the Capital Outlay category is the purchase of Chromebooks and infrastructure to support the District's 1:1 technology initiative.
- For Additional Assumptions and Details, see the accompanying Five Year Forecast Financial Report.

# Major Assumptions - Continued

## Expenditures (continued):

- Due to the COVID-19 pandemic, the following budget adjustments were made:
  - Salary and benefits for Remote 2.0 and SCS Connects - \$600,000 for FY 21 only.
  - Strongsville Online Learning Option (SOLO) - FY 21 \$535,000 from the general fund. \$275,000 placeholder for FY 2022 & FY 2023 in ESSER III.
  - PPE Supplies and Equipment - Increased the Operations budget by \$250,000.
  - Custodial Costs - Increased budget hours by 31 hours ( salary and benefits).
  - Transfer of Funds
    - Food Services - \$455,604 transfer. (FY21 year only. Have seen a spike in participation rate when district came back 100% in person). Anticipated a break even in FY22 due to current participation rate
    - Athletics - \$78,804 increase due to lost ticket revenue during FY 21.
  - Due to the unrepresented times of the pandemic, we will need to monitor the following areas for fluctuations: Sub costs, SOLO costs, PPE Supplies, Athletics, and Food Services.

# Major Assumptions - Continued

## Additional Grant Funding (Not in Five Year Forecast):

- The District received additional State and Federal funds to assist the District respond to the COVID-19 pandemic:
  - ESSER I Funding (\$407,128): - Utilized for KG Chromebooks, Chromebook cases grade 3-5, SOLO, hardware and software for remote instruction, and PPE equipment. (FY21)
  - CoronaVirus Relief Funding (\$285,385): - Utilized for PPE supplies, materials and equipment, elementary and SMS desks to replace tables for social distancing, and disinfection sprayers. (FY21)
  - BroadbandOhio Connectivity Grant (\$21,205.26): - Utilized for public wifi and transportation hot spots. (FY21)
- Library Services & Technology Act CARES Mini Grant (\$3,000) - Utilized for an online digital catalog. (FY21)

# Major Assumptions - Continued

## Additional Grant Funding (Not in Five Year Forecast):

- ESSER II (FY22 thru FY23) & ESSER III (FY22 thru FY24) (\$6,134,005):
  - FY22 - ESSER II funds were used for the following (1,373,180):
    - COVID Coordinator - \$7,468
    - Cleaning Equipment - \$59,483
    - Educational Technology - \$ 85,399
    - Elementary Assistant Principal - \$135,068
    - Second Step Curriculum for Guidance Counselors - \$37,665
    - Summer Learning - \$190,764
    - MTSS Coordinators (2) - \$219,729
    - 6th grade Band/Orchestra additional instruction - \$61,051
    - Additional Intervention Specialist (MTSS interventions) (7) - \$427,079
    - Special Education Coach - \$124,724
    - 5Lab - \$24,750

# Major Assumptions - Continued

## **Additional Grant Funding (Not in Five Year Forecast):**

- FY22 - ESSER III funds were used for the following (\$1,052,077):
  - Asynch Learning Platform - \$275,000
  - LETR's Training - \$125,353
  - Educational Technology - \$96,817
  - Additional Elementary Guidance Counselor - \$69,396
  - Elementary Before/After School Supplements - \$36,945
  - Elementary Reading Specialist (2) - \$124,618
  - Secondary Math Coach (1) - \$100,087
  - MTSS Software - \$27,549
  - Elementary EL Teacher - \$86,750
  - Gifted Coordinator - \$109,562

# Major Assumptions - Continued

## Additional Grant Funding (Not in Five Year Forecast):

- ESSER II & ESSER III FY 2023 & 2024 Spending:

Priority	2022-23 Cost Estimate	2023-24 Cost Estimate	
Elementary - EL Teacher (1.0)	\$92,517	\$96,604	
Elementary - Extracurriculars (15)	\$37,589	\$37,589	
Elementary - Reading Specialists (2.0)	\$133,644	\$139,906	
Elementary - School Counselor (1.0)	\$73,813	\$77,418	
LETRs Software	\$21,000	\$45,000	
LETRs training	\$85,000	\$85,000	
Secondary - Math Coach (1.0)	\$101,885	\$101,885	
Elementary - MTSS Coordinator (0.6)	\$76,946	\$76,946	
Secondary - MTSS Coordinator (1.0)	\$147,705	\$0	
Elementary - RtI Intervention Sp. (3.0)	\$204,964	\$213,082	
Preschool - RtI Intervention (0.5)	\$51,355	\$55,456	
SMS - RtI Intervention Sp. (1.0)	\$55,220	\$57,090	
Elementary - Math Coach (1.0)	\$102,000	\$102,000	
District - Special Education Coach (1.0)	\$0	\$130,050	
Secondary - Band / Orch. (1.0)	\$73,376	\$78,268	
Permanent Subs - 10 Cert.	\$226,545	\$226,545	
Permanent Subs - 3 Bus	\$108,839	\$113,747	
Permanent Subs - 4 Monitor	\$44,040	\$44,390	
Gr. 6 Music Every Day	\$62,942	\$63,690	Move from ESSER to GenFund
Summer Learning Staffing	\$117,542	\$117,542	Move from ESSER to GenFund
<b>ESSER Yearly Costs</b>	<b>\$1,898,149</b>	<b>\$1,950,292</b>	<b>\$3,848,441</b>
<b>ESSER to GenFund</b>	<b>\$180,484</b>	<b>\$181,232</b>	<b>\$361,716</b>

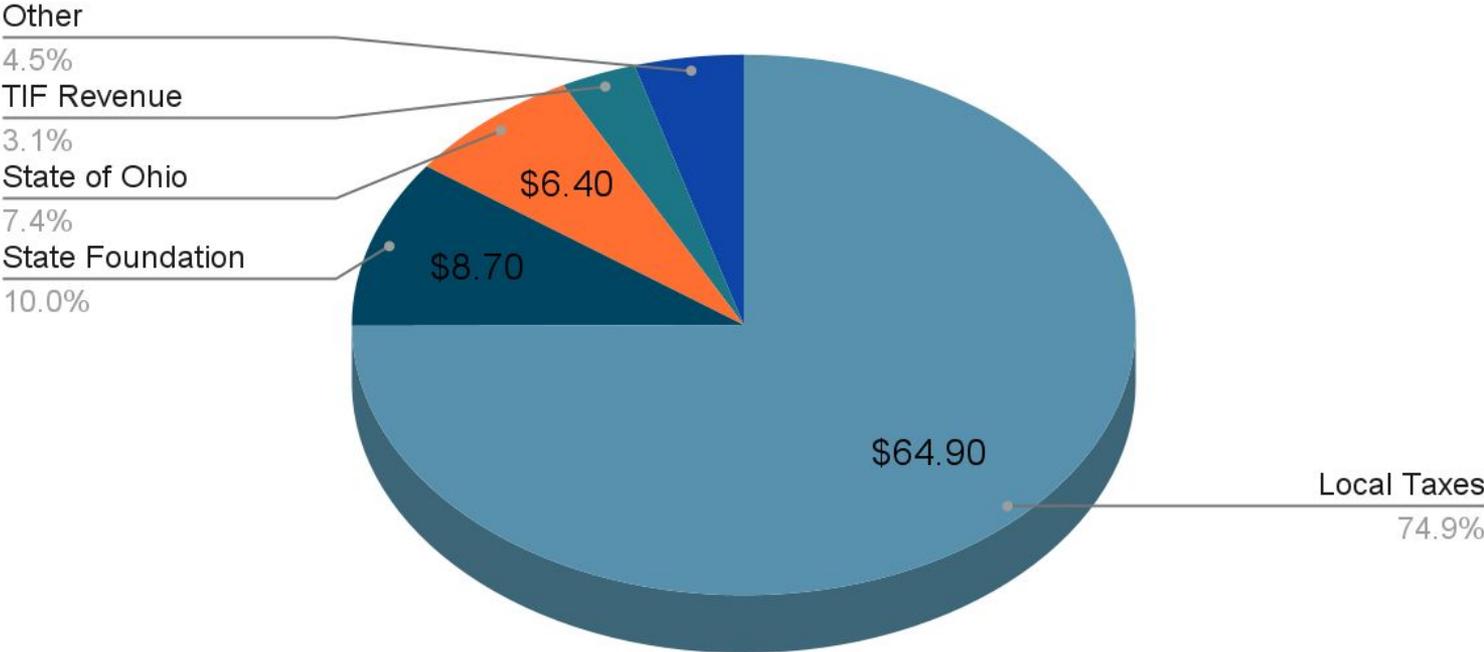
# Strongsville City Schools

- General Fund Revenues

# Strongsville City Schools

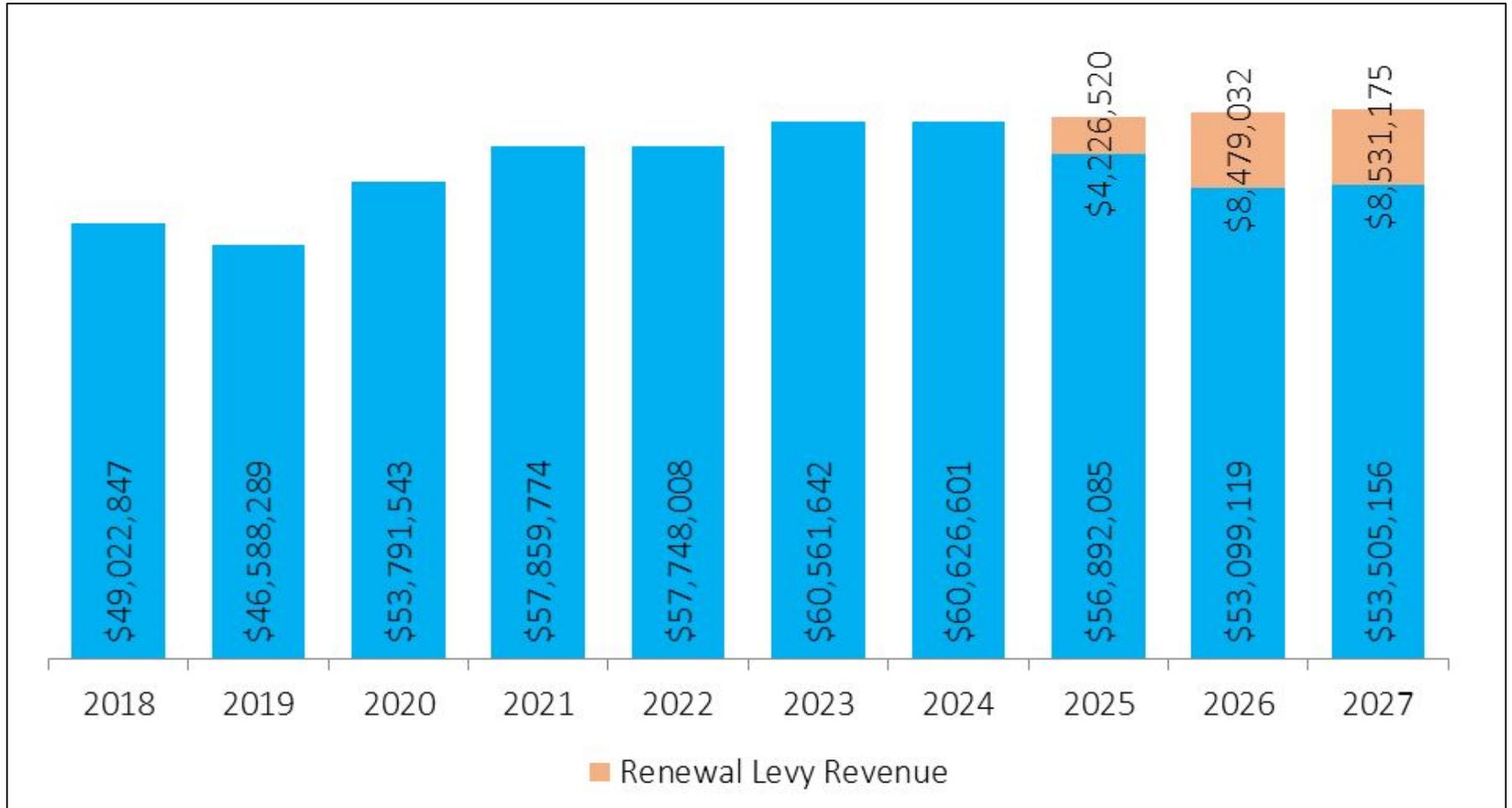
FY 2022-2023

Where the Money Comes From (in millions)



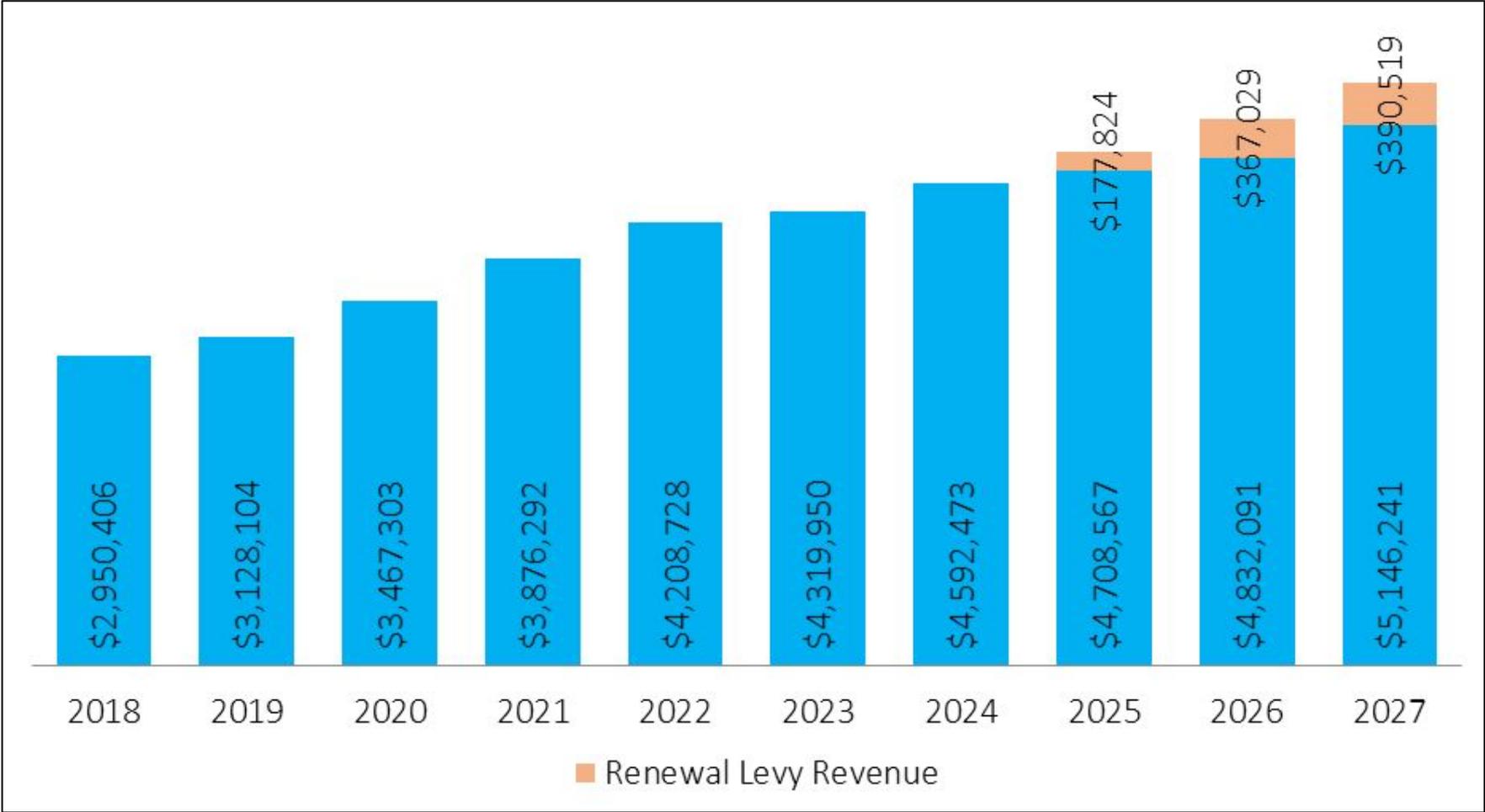
# Strongsville City Schools

## Local Taxes - Residential and Commercial



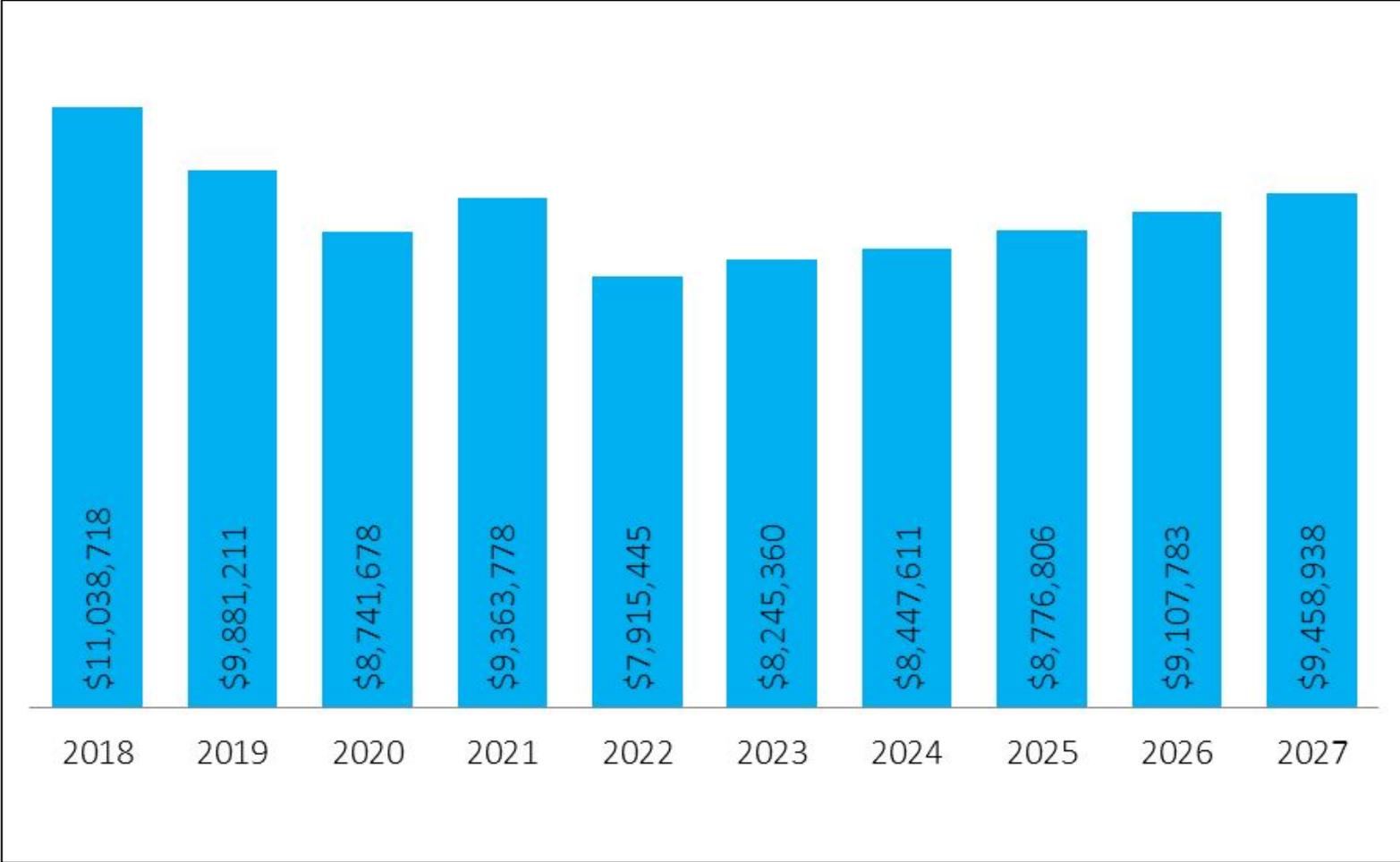
# Strongsville City Schools

## Local Taxes - Public Utility



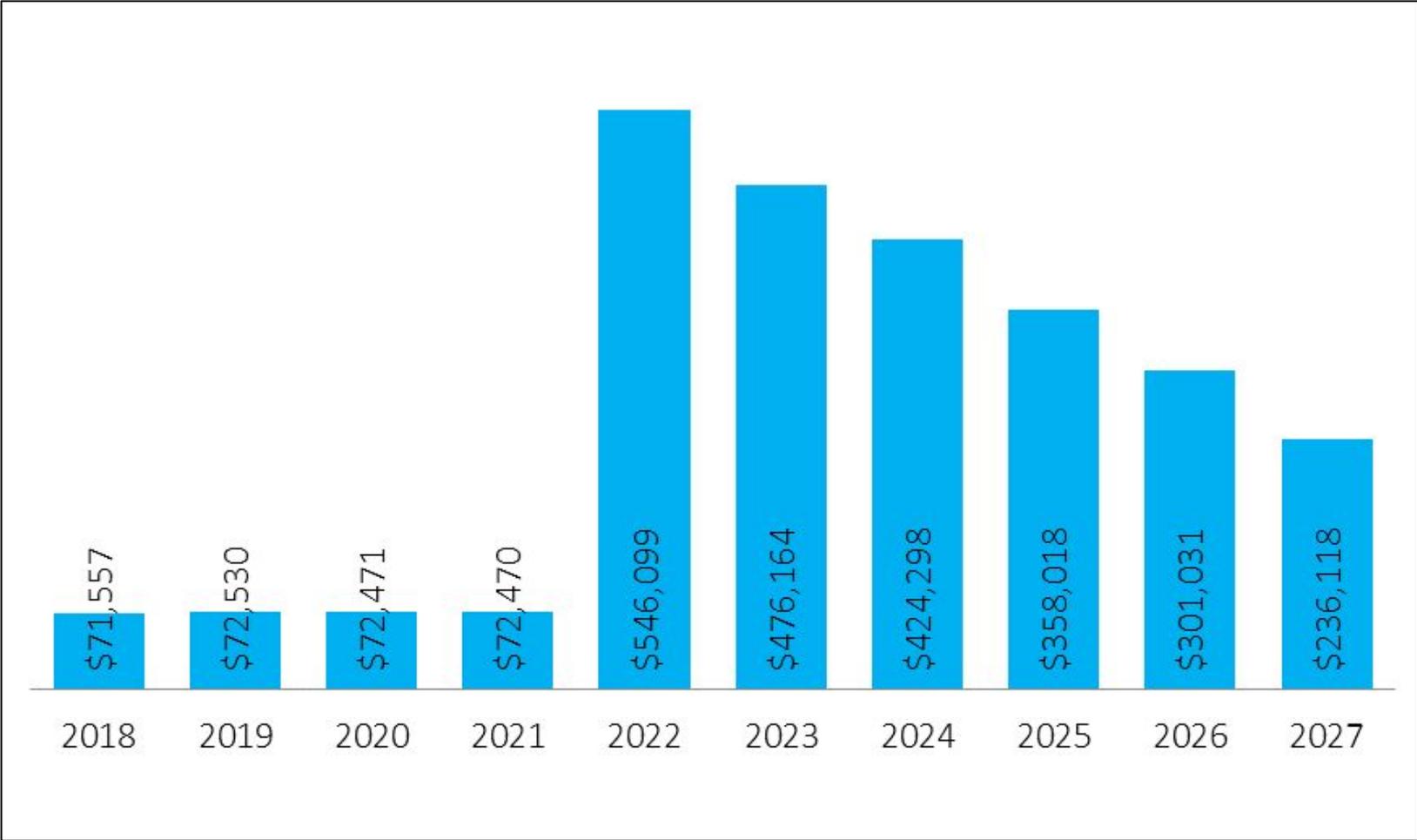
# Strongsville City Schools

## State Foundation - Unrestricted



# Strongsville City Schools

## State Foundation - Restricted



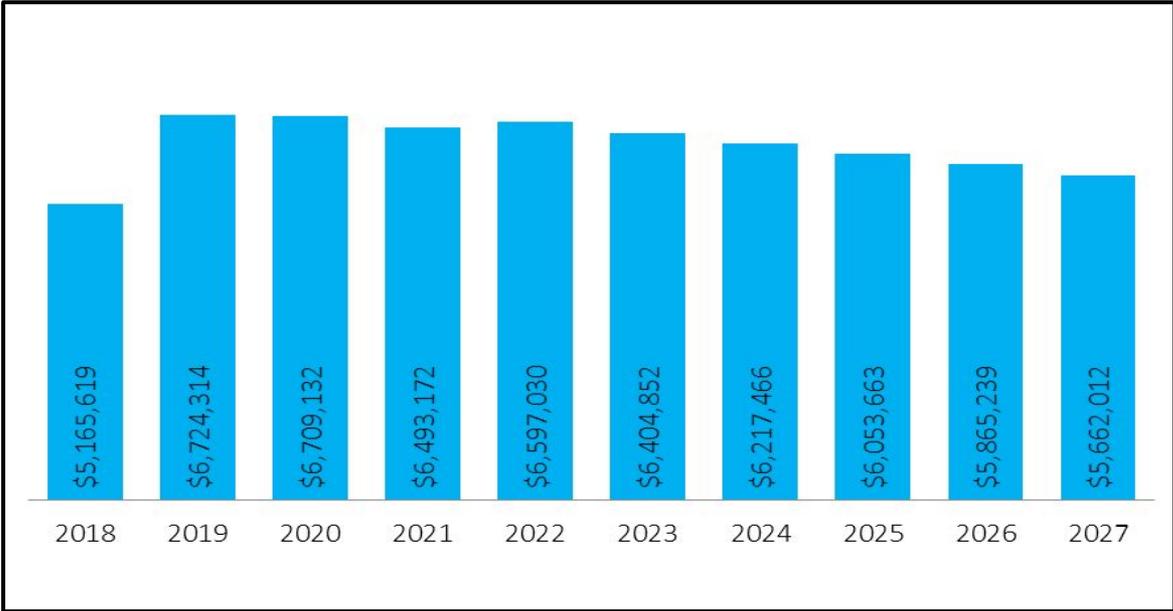
# Strongsville City Schools

## Property Tax Allocation



# Strongsville City Schools

## Other Revenue



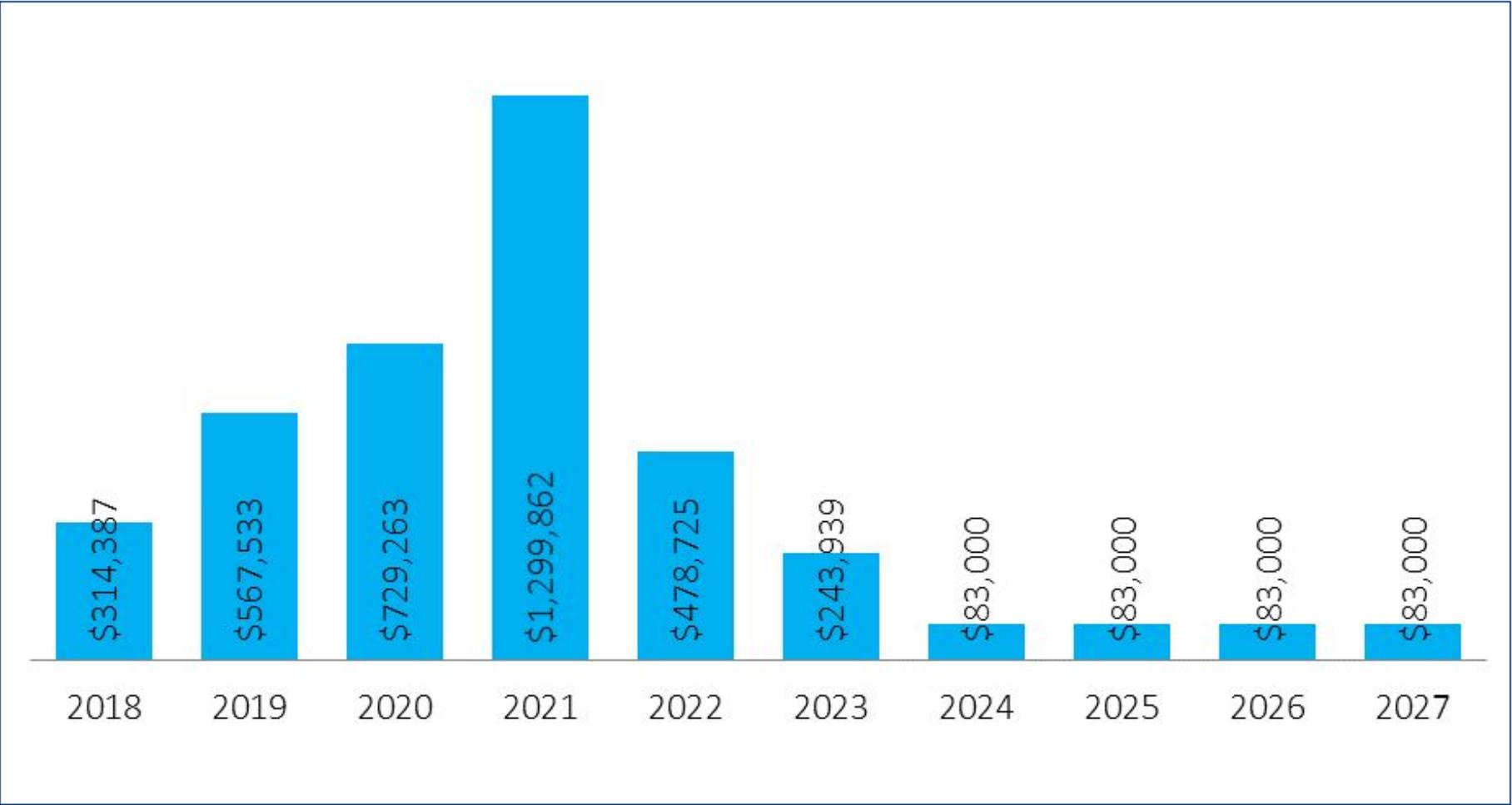
Other revenues primarily consist of:

	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>
Preschool Tuition:	\$ 119,469	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Full Day Kindergarten Tuition:	\$ 548,057	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Tuition from Other Districts:	\$ 448,513	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Interest Income:	\$1,354,427	\$1,334,285	\$ 1,170,482	\$ 982,058	\$ 778,831
Sports Pay to Play & Trainer:	\$ 243,000	\$ 243,000	\$ 243,000	\$ 243,000	\$ 243,000
Special Ed Catastrophic Aid:	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Medicaid Reimbursement:	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Revenue in lieu of Taxes/TIF's:	\$2,726,564	\$2,589,015	\$2,589,015	\$2,589,015	\$2,589,015

Revenue in lieu of Taxes/TIF's is anticipated to decrease in FY2023 due to change in valuation for properties within the TIF category. However, the difference in revenue is made up within the property tax revenue.

# Strongsville City Schools

## Other Financing Sources



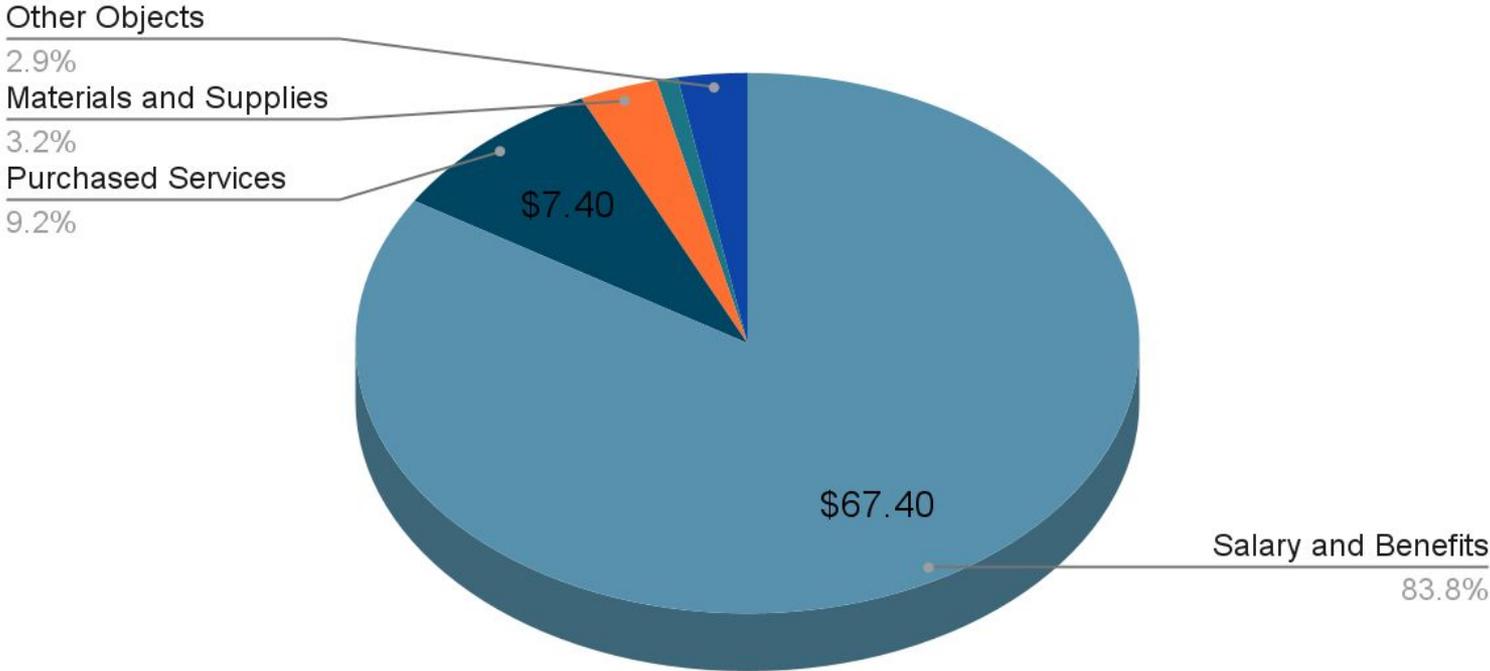
# Strongsville City Schools

- General Fund Expenditures

# Strongsville City Schools

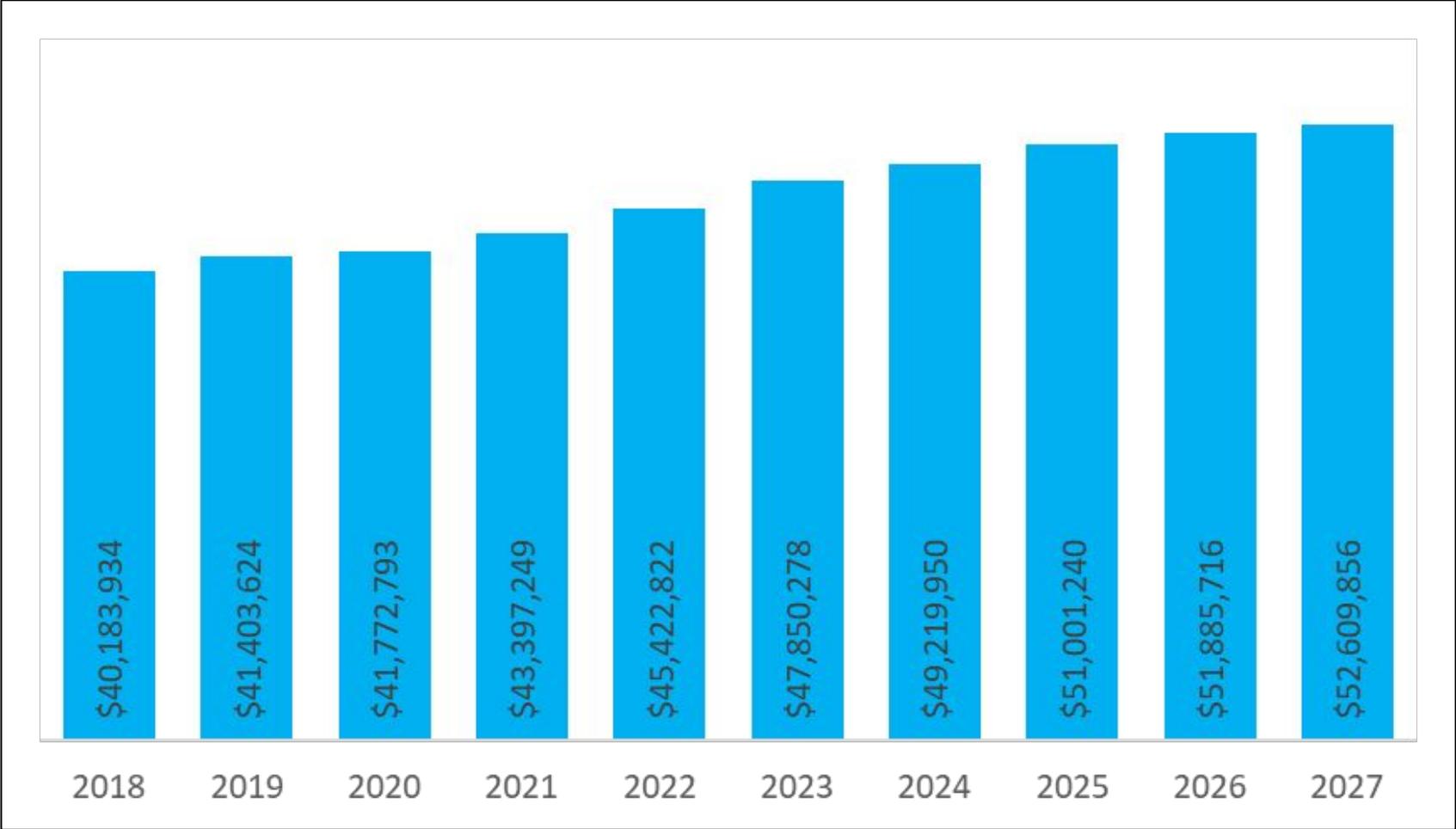
FY 2022-2023

Where The Money Goes (in millions)



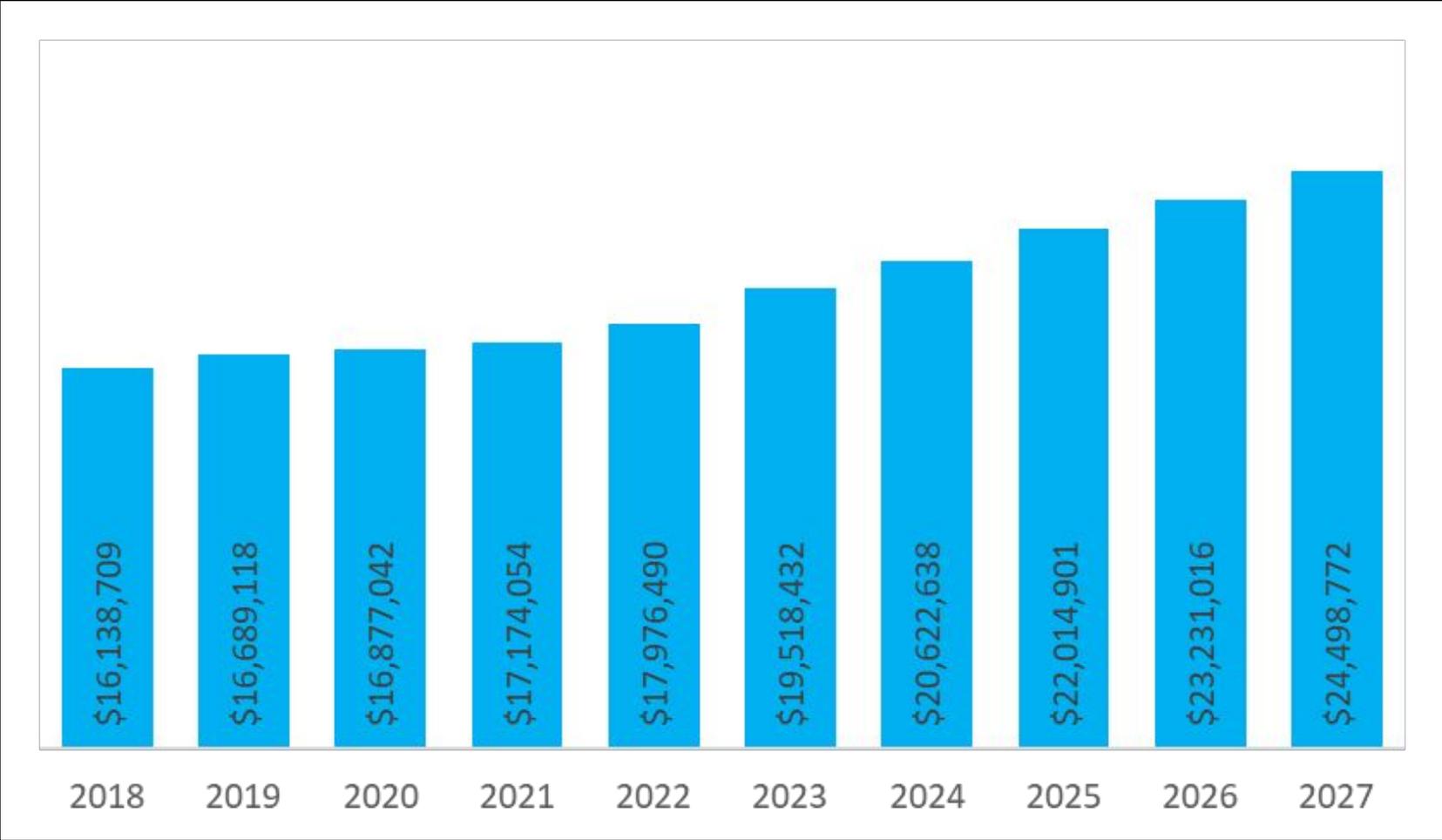
# Strongsville City Schools

## Salaries



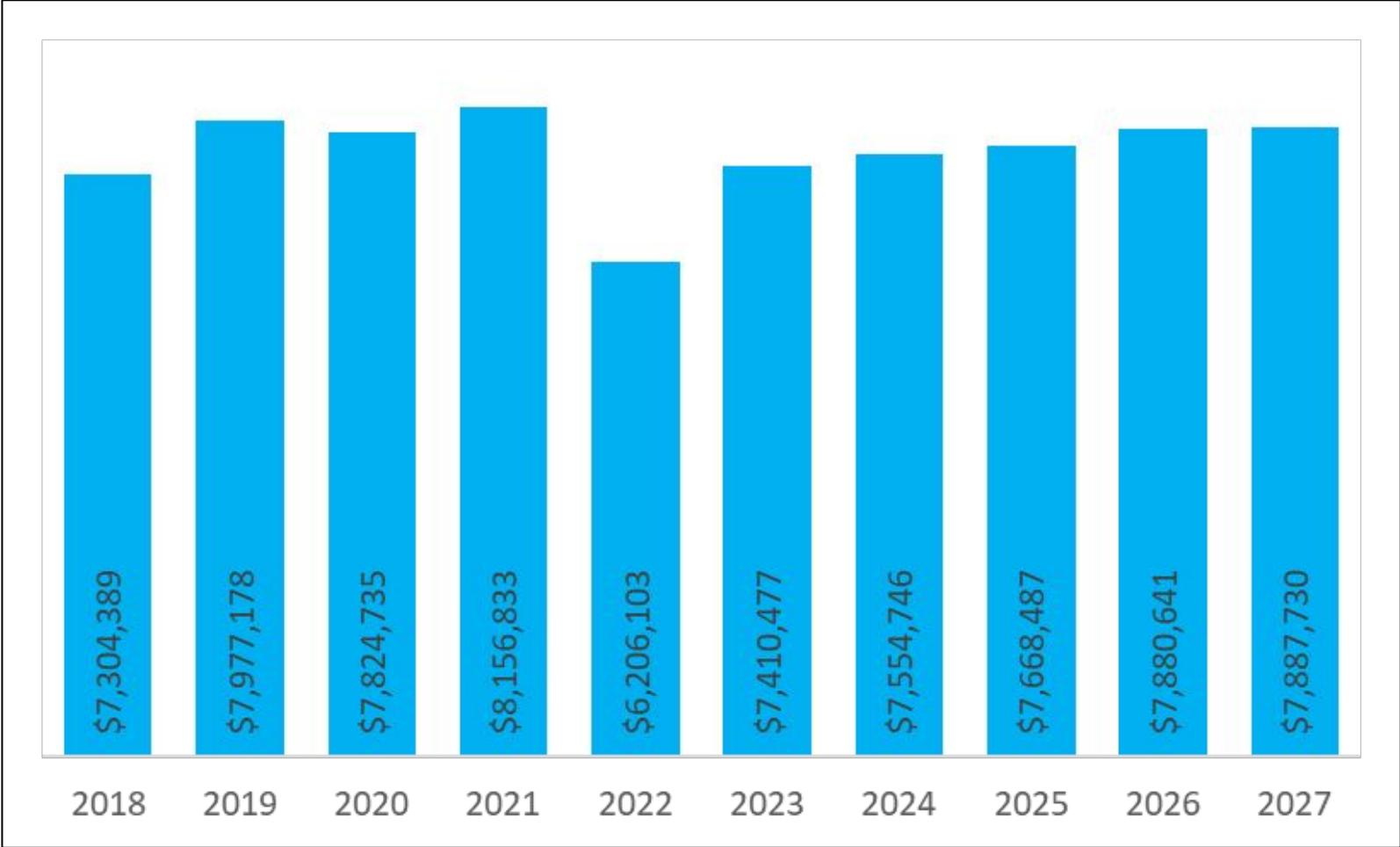
# Strongsville City Schools

## Benefits



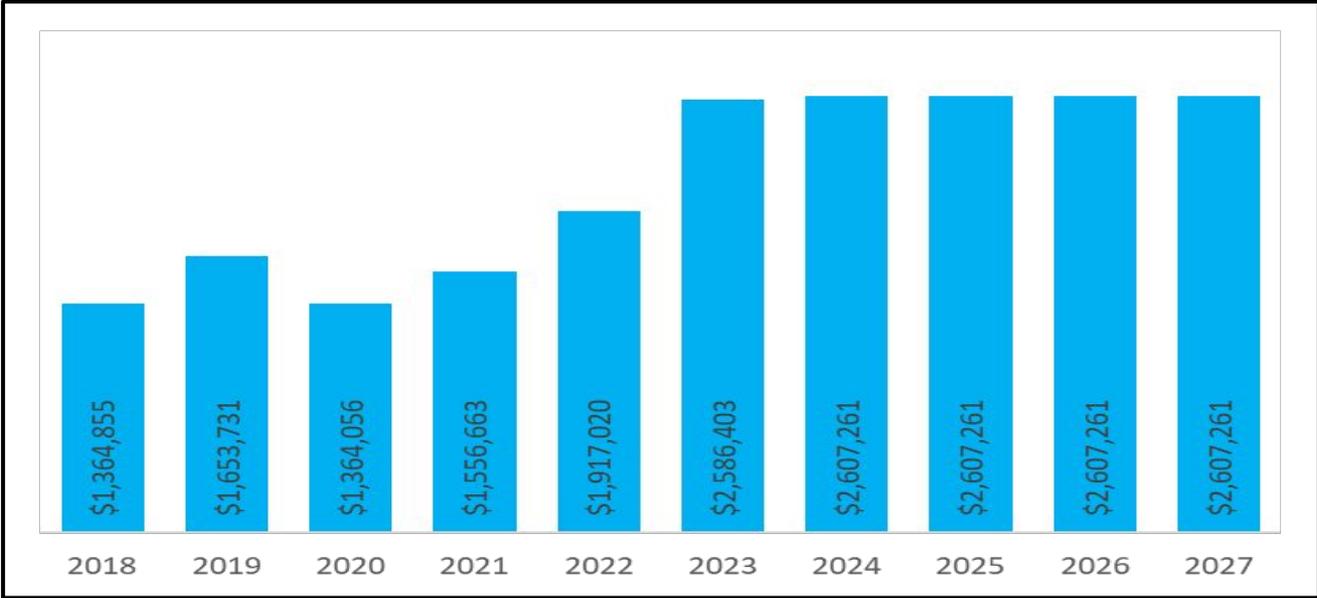
# Strongsville City Schools

## Purchased Services



# Strongsville City Schools

## Supplies and Materials



Materials and Supplies primarily consist of:

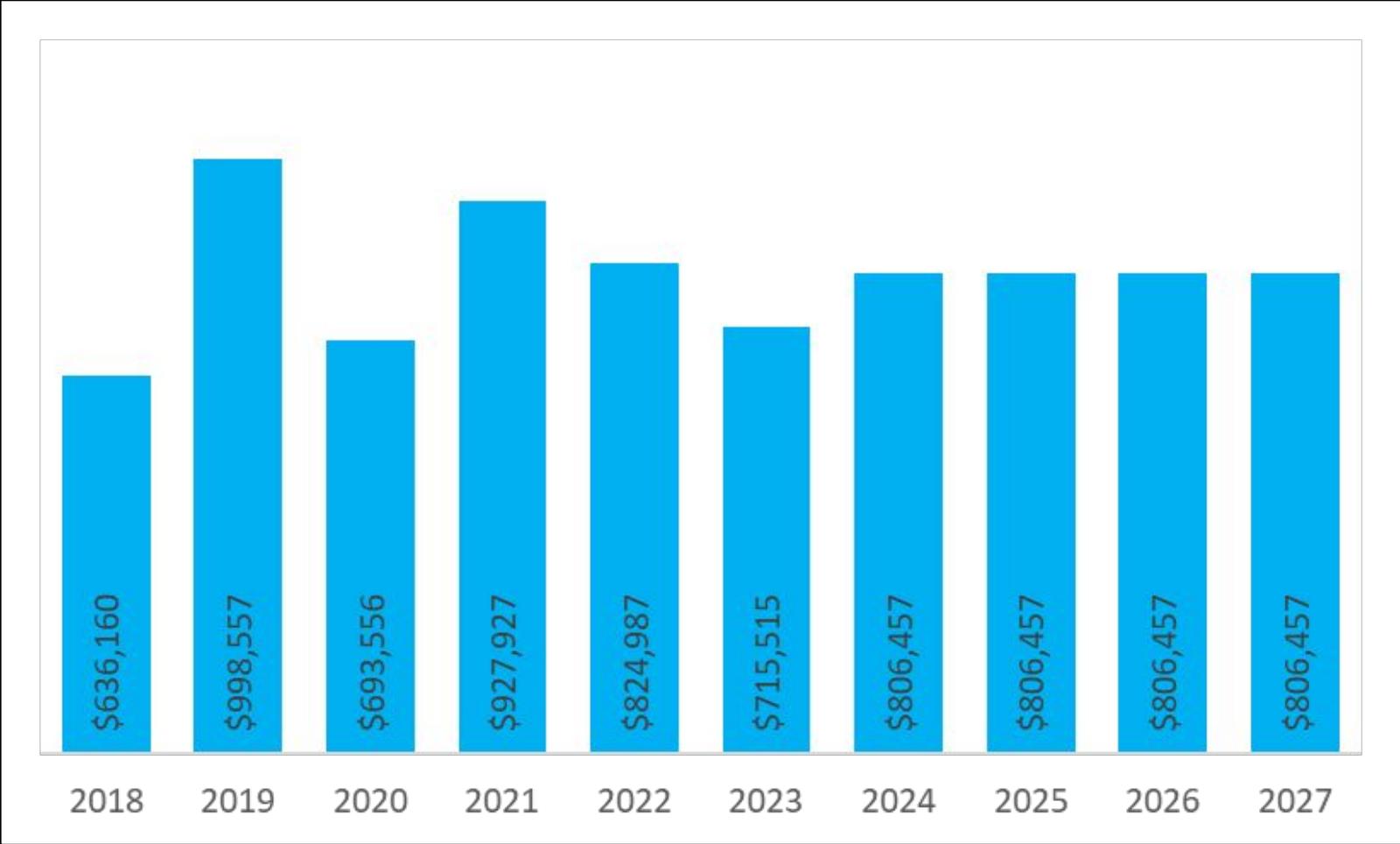
	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>
Instructional Supplies (511,519):	\$ 403,568	\$ 410,795	\$ 410,795	\$ 410,795	\$ 410,795
Office Supplies:	\$ 83,620	\$ 84,050	\$ 84,050	\$ 84,050	\$ 84,050
Textbooks:	\$ 495,466	\$ 496,000	\$ 496,000	\$ 496,000	\$ 496,000
Software:	\$ 317,750	\$ 318,168	\$ 318,168	\$ 318,168	\$ 318,168
Fuel:	\$ 378,568	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Building and Cleaning Supplies:	\$ 231,046	\$ 372,903	\$ 372,903	\$ 372,903	\$ 372,903

The monthly average cost of fuel between the months of January-June 2022 averaged \$35,000. The forecast assumes the estimated cost of fuel for FY2023 at \$378,568 (Actual July-October \$133,568, and projecting per \$35,000 during the month of November-May). As fuel costs continue to fluctuate, the District will continue to monitor the fuel expenditure line and make adjustments as necessary.

The actual annual costs of textbooks vary from year to year based on the textbook adoption for the particular year.

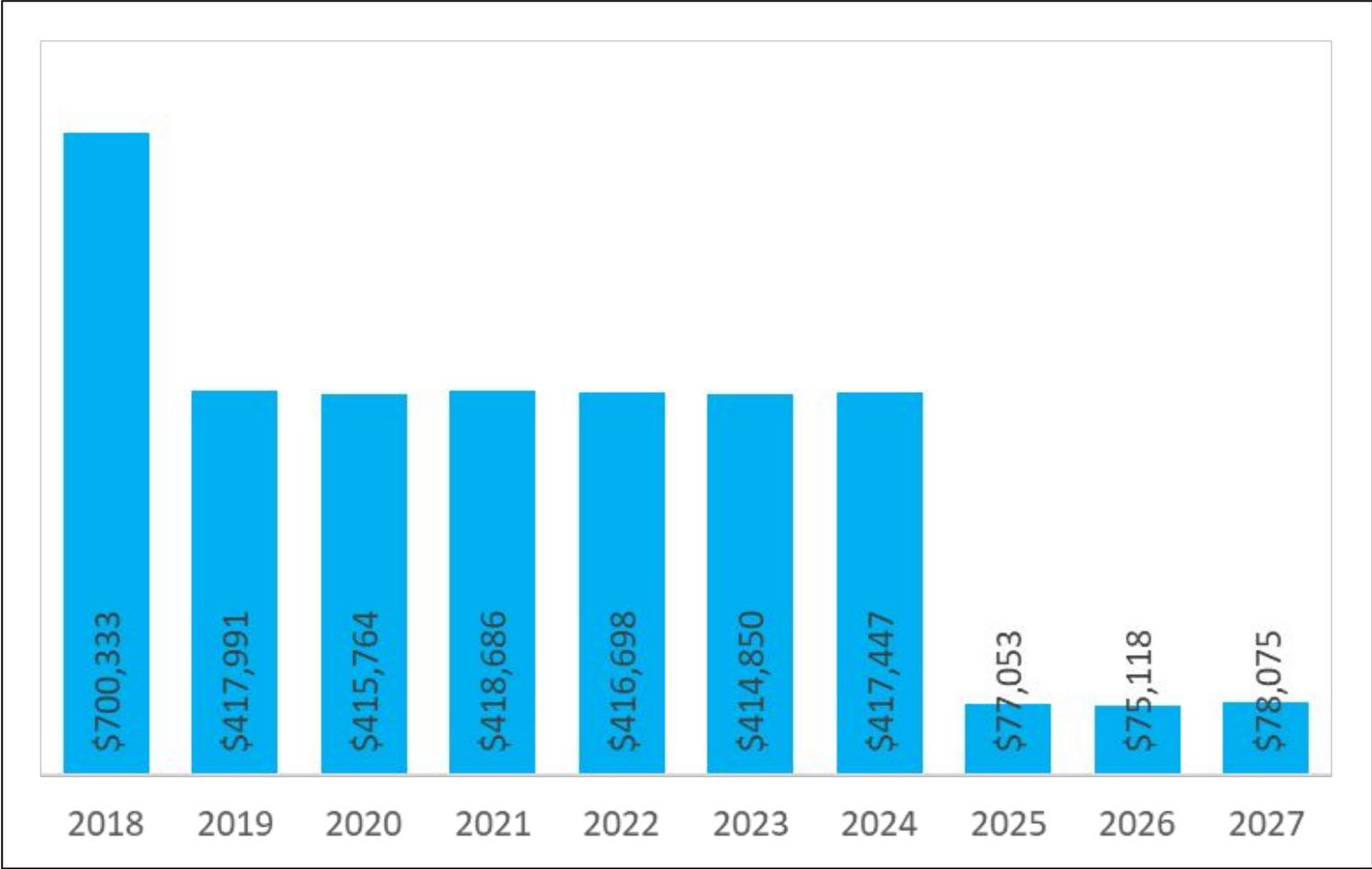
Overall, Materials and Supplies make up about 3.22% if the Districts General Fund expenditures for FY2023.

# Strongsville City Schools Capital Outlay



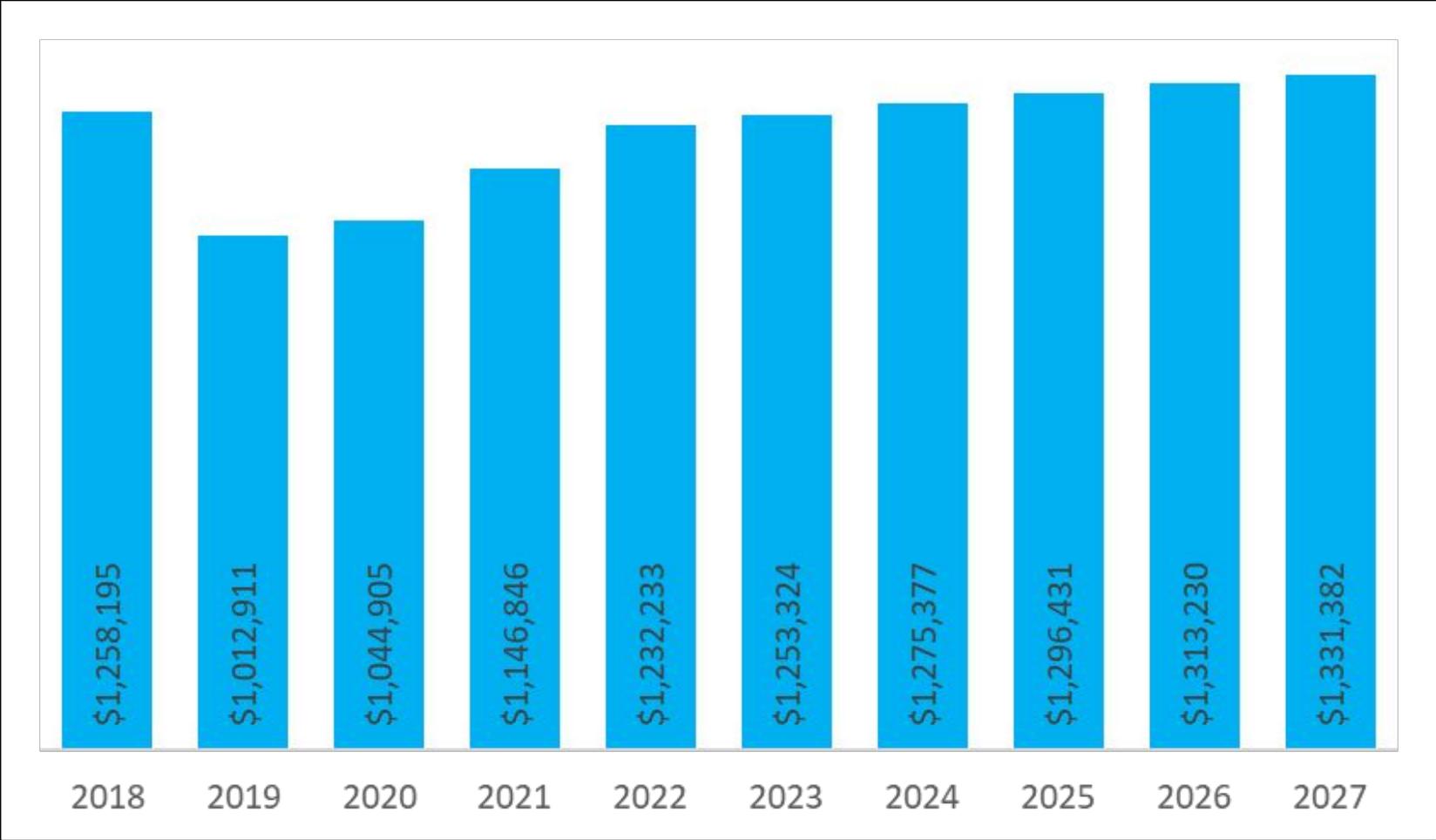
# Strongsville City Schools

## General Fund Debt



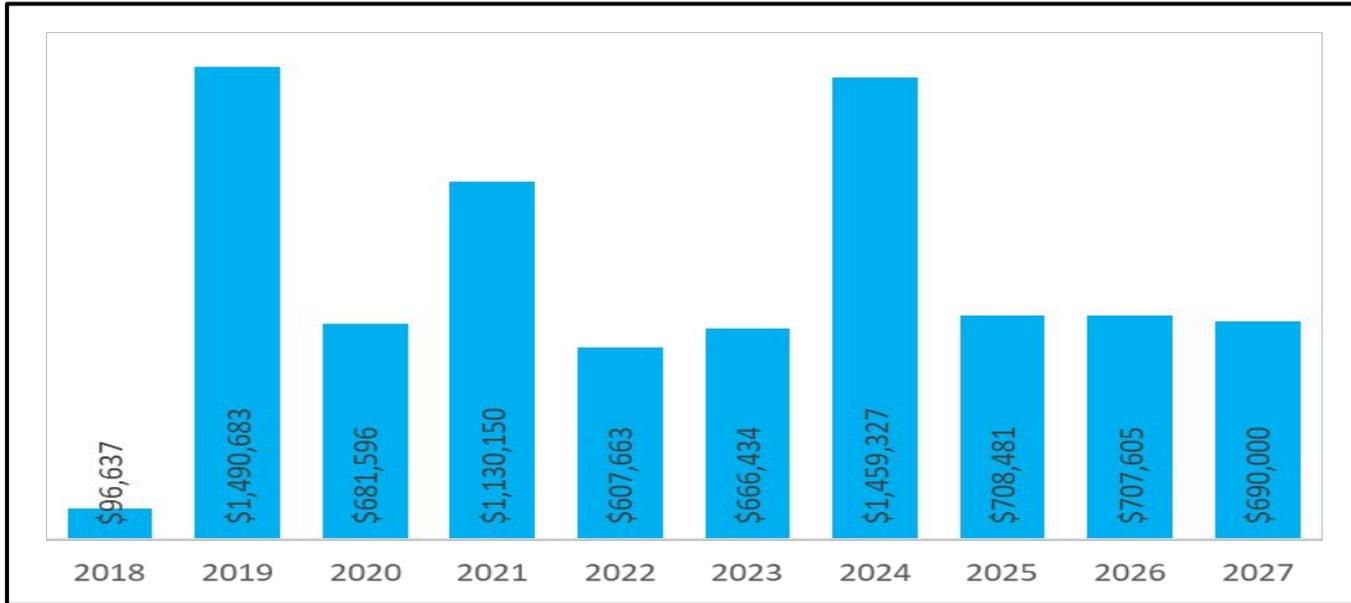
# Strongsville City Schools

## Other Objects



# Strongsville City Schools

## Other Financing Sources (transfers & advance out to other funds)



Transfers are made up of the following:

	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>
Food Service Fund:	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Uniform School Supplies:	\$ 28,218	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Termination Benefits Fund:	\$ 210,901	\$ 425,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Summer School :	\$ 0	\$ 5,500	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Field Turf Fund:	\$ 55,934	\$ 55,934	\$ 54,327	\$ 53,481	\$ 52,605	\$ 35,000
PI Fund Copiers Purchase:	\$ 100,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PI Fund Kinsner HVAC:	\$ 0	\$ 0	\$ 750,000	\$ 0	\$ 0	\$ 0

# Strongsville City Schools

- General Fund Summary

# Strongsville City Schools

## November 2022 Five-Year Forecast (in millions)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Beginning Cash Balance</b>	\$32.6	\$41.7	\$53.1	\$62.3	\$68.5	\$71.6	\$68.4	\$58.9
<b>Total Revenues</b>	79.8	85.3	83.8	86.6	87.0	83.0	79.0	79.8
<b>Total Expenditures</b>	70.7	73.9	74.6	80.4	83.9	86.2	88.5	90.5
<b>Revenues over Expenses</b>	<b>9.1</b>	<b>11.4</b>	<b>9.2</b>	<b>6.2</b>	<b>3.1</b>	<b>-3.2</b>	<b>-9.5</b>	<b>-10.7</b>
<b>Ending Cash Balance</b>	41.7	53.1	62.3	68.5	71.6	68.4	58.9	48.2
<b>Encumbrances</b>	1.9	2.2	2.0	2.0	2.0	2.0	2.0	2.0
<b>Unencumbered Balance</b>	<b>39.8</b>	<b>50.9</b>	<b>60.3</b>	<b>66.5</b>	<b>69.6</b>	<b>66.4</b>	<b>56.9</b>	<b>46.2</b>
<b>Property Tax - Renewal</b>	0.0	0.0	0.0	0.0	0.0	4.9	9.8	9.8
<b>Unencumbered Balance</b>	<b>\$39.8</b>	<b>\$50.9</b>	<b>\$60.3</b>	<b>\$66.5</b>	<b>\$69.6</b>	<b>\$71.3</b>	<b>\$71.6</b>	<b>\$70.7</b>

# Strongsville City Schools

## September 2022 Five-Year Forecast (in millions)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Beginning Cash Balance</b>	\$32.6	\$41.7	\$53.1	\$62.3	\$68.5	\$71.6	\$73.3	\$73.6
<b>Total Revenues</b>	79.8	85.3	83.8	86.6	87.0	87.9	88.8	89.6
<b>Total Expenditures</b>	70.7	73.9	74.6	80.4	83.9	86.2	88.5	90.5
<b><i>Revenues over Expenses</i></b>	<b>9.1</b>	<b>11.4</b>	<b>9.2</b>	<b>6.2</b>	<b>3.1</b>	<b>1.7</b>	<b>0.3</b>	<b>-0.9</b>
<b>Ending Cash Balance</b>	41.7	53.1	62.3	68.5	71.6	73.3	73.6	72.7
<b>Encumbrances</b>	1.9	2.2	2.0	2.0	2.0	2.0	2.0	2.0
<b>Unencumbered Balance</b>	<b>\$39.8</b>	<b>\$50.9</b>	<b>\$60.3</b>	<b>\$66.5</b>	<b>\$69.6</b>	<b>\$71.3</b>	<b>\$71.6</b>	<b>\$70.7</b>

# Strongsville City Schools

- Questions?