



Five-Year Forecast May 2023



A Westerville North High School student plays with her younger peers at Hawthorne Elementary as part of the Big Warrior Little Warrior mentoring program.

Presented by:
Nicole Marshall,
Treasurer/CFO

Purpose of the Forecast

Planning for the Future

Valuable long-range planning tool

To serve as a basis for determining a district's ability to sign the "412" certificate

To provide a method for the Ohio Department of Education (ODE) and the Auditor of State to identify districts headed toward financial difficulties.



Genoa Middle School gifted language arts students play a variety of educational and strategy games as part of an activity to better understand the district's Portrait of a Graduate framework.

Requirements of Forecast



- File a five year projection no later than November 30th each year with ODE
- Update five year projection no later than May 31st each year with ODE
- Projections for the current fiscal year and ensuing four fiscal years
- Three years actual information is included for historical purposes

Forecast Structure

Includes the General Fund Only

Revenues

- Lines 1.010 through 2.080

Expenditures

- Lines 3.010 through 5.050

Balances and Reserves

- Lines 6.010 through 15.010

	Revenues
1.010	General Property Tax (Real Estate)
1.020	Tangible Personal Property
1.035	Unrestricted State Grants-in-Aid
1.040	Restricted State Grants-in-Aid
1.050	Property Tax Allocation
1.060	All Other Revenues
1.070	<i>Total Revenues</i>
	Other Financing Sources
2.040	Operating Transfers-In
2.060	All Other Financing Sources
2.070	<i>Total Other Financing Sources</i>
2.080	<i>Total Revenues and Other Financing Sources</i>
	Expenditures
3.010	Personal Services
3.020	Employees' Retirement/Insurance Benefits
3.030	Purchased Services
3.040	Supplies and Materials
3.050	Capital Outlay
4.300	Other Objects
4.500	<i>Total Expenditures</i>
	Other Financing Uses
5.010	Operating Transfers-Out
5.040	<i>Total Other Financing Uses</i>
5.050	<i>Total Expenditures and Other Financing Uses</i>
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies
7.020	<i>Cash Balance June 30</i>
8.010	<i>Estimated Encumbrances June 30</i>
	Reservation of Fund Balance
9.030	Budget Reserve
9.080	<i>Subtotal</i>
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>
	Revenue from New Levies
13.020	Property Tax - New
13.030	Cumulative Balance of New Levies
15.010	<i>Unreserved Fund Balance June 30</i>



A Westerville Central High School art student paints a portrait of an orphan in India as part of the Memory Project, a nonprofit organization that invites art teachers and their students to create portraits for youth around the world who have faced substantial challenges, such as neglect, abuse, loss of parents and extreme poverty.

Fiscal Year runs
July 1st through
June 30th

Challenges for Current Forecast

State Funding

Legislative Changes

Federal Funding

Property Values



Wilder Elementary second-grade students dissect squid after wrapping up their language arts unit on the sea.

Projections are based on the best information we have available today and will change going forward

Changes from November to the Forecast

Interest revenues increased significantly

- Previously estimated to collect \$2.5 million, now \$4.5 million in current fiscal year

Staffing updates

Updated FY2024 expenditures based on budgets submitted this spring



Westerville South High School students line up to sample Somalian food during the school's first-ever Cultural Fair.

ESSER Federal Funds

Elementary and Secondary School Emergency Relief (ESSER) are federal funds meant to support efforts by schools to respond to the COVID-19 Pandemic (restricted revenue in fund 507, not included in the general fund revenues)

- ❑ *ESSER I \$2 million (March 13, 2020 through September 30, 2022)*
- ❑ *ESSER II \$9.5 million (March 13, 2020 through September 30, 2023)*
- ❑ *ESSER III \$21.1 million (March 13, 2020 through September 30, 2024)*

Portions of ESSER funds have been used to cover expenditures normally paid out of the general fund to help offset revenue loss to sustain operations due to the COVID-19 Pandemic

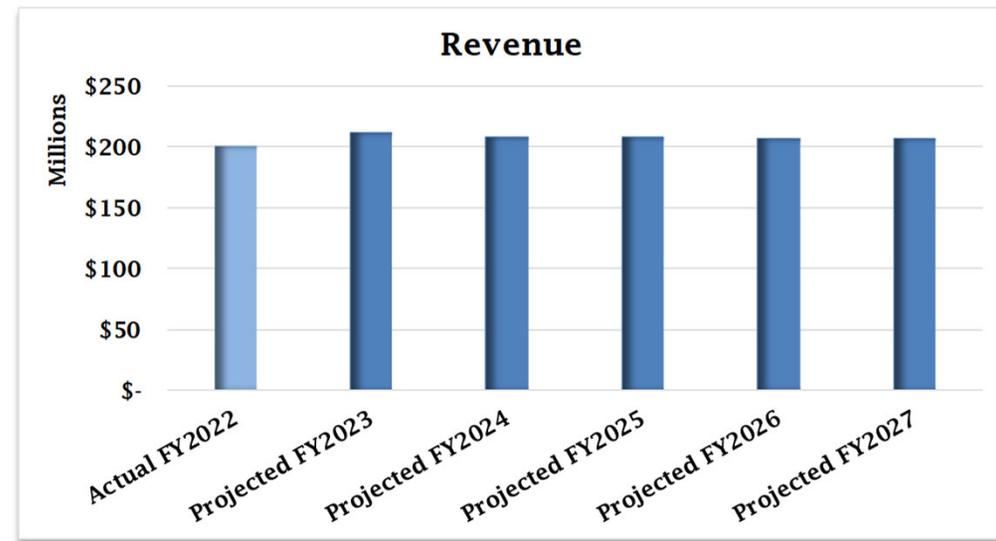


A student in the Medical Detectives class at Walnut Springs Middle Schools tests for bacteria growth in a lab.

All Revenues

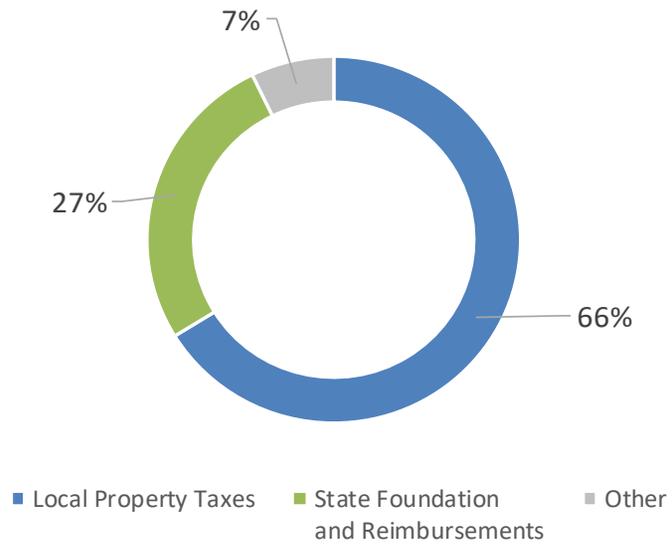
In Millions	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
1.010 General Property Tax (Real Estate)	\$128.23	\$129.58	\$130.86	\$132.71	\$133.14	\$133.72
1.020 Public Utility Personal Property Tax	5.03	5.45	5.93	6.00	6.09	6.18
1.035 Unrestricted State Grants-in-Aid	36.09	36.56	36.56	36.58	36.59	36.59
1.040 Restricted State Grants-in-Aid	3.14	3.34	3.34	3.34	3.34	3.34
1.050 Property Tax Allocation	14.35	14.37	14.52	14.74	14.77	14.81
1.060 All Other Revenues	13.49	22.25	16.05	14.25	13.14	12.32
2.060 All Other Financing Sources	\$0.98	\$0.50	\$1.50	\$0.50	\$0.50	\$0.50
2.080 Total Revenues	\$201.29	\$212.05	\$208.77	\$208.12	\$207.58	\$207.47

- ❑ Issue 8 provided additional property tax revenue beginning in calendar year 2021
- ❑ Fair School Funding Formula partially implemented
- ❑ Elimination of BOR Settlements from HB126
- ❑ Increased interest revenue

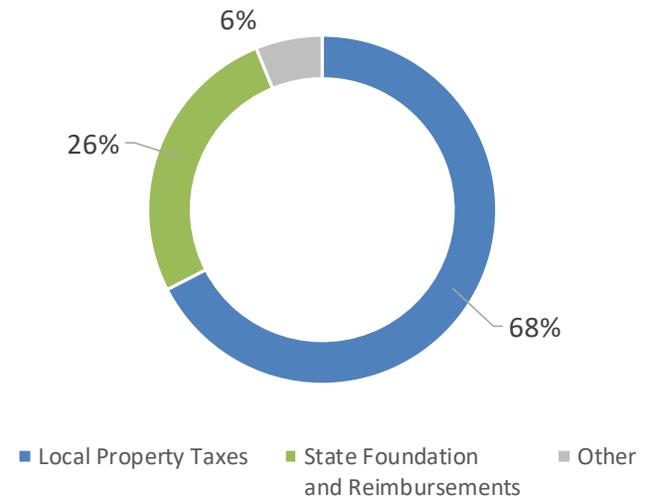


Revenues

Actual FY2022



Projected FY2027



Members of Westerville South High School's STEAM Club experiment with fire during one of their meetings.

Local Property Taxes

In Millions

	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
1.010 General Property Tax (Real Estate)	\$128.23	\$129.58	\$130.86	\$132.71	\$133.14	\$133.72
1.020 Public Utility Personal Property Tax	5.03	5.45	5.93	6.00	6.09	6.18
Total Property Taxes	\$133.26	\$135.03	\$136.79	\$138.70	\$139.23	\$139.90

Total Property Taxes projected to be 64% of total revenues in FY2023

- ❑ Collection rate estimated to be approximately 99%
- ❑ 5.9 mill operating levy approved by voters on November 5, 2019
- ❑ Collections began in calendar year 2021 (half of FY2021 and full year beginning in FY2022)
- ❑ Forecasted 22% increase in assessed values for residential and agricultural real property
 - ❖ House Bill 920 prevents inflationary increases on voted levies
 - ❖ Will see small increase on inside millage (unvoted) and from new construction

Tangible Personal (Public Utility) Property Taxes are 2% of total revenues

- ❑ Slight increases expected



A Heritage Middle School engineering student creates a Slinky for the school's first-ever Maker's Expo.

State Funding

In Millions	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
1.035 Unrestricted State Grants-in-Aid	\$36.09	\$36.56	\$36.56	\$36.58	\$36.59	\$36.59
1.040 Restricted State Grants-in-Aid	3.14	3.34	3.34	3.34	3.34	3.34
1.050 Property Tax Allocation	14.35	14.37	14.52	14.74	14.77	14.81
Total State Funding	\$53.57	\$54.27	\$54.42	\$54.67	\$54.70	\$54.75

Fair School Funding Plan partially funded for FY2022 and FY2023 (subject to biennium budget process)

- Funding reduced by the amount of transfers to community charter and private schools (transfers were eliminated)
- Funding anticipated to remain flat as the state continues to underfund the formula

Property Tax Allocation are reimbursements and direct payments from the state for property tax rollback and homestead exemptions

- Estimates follow property taxes estimates (excluding new voted levies after 2013)
- Forecast assumes allocation will remain throughout the forecast period

State Budget Process



Whittier Elementary fourth-graders hide Kindness Rocks! throughout Uptown Westerville for any passerby to find and keep. It's part of a joint project with their classroom teachers and art teacher.

Governor



House



Senate



Conference Committee



Signed by the Governor

**House Bill 33
for FY2024
and FY2025**

All Other Revenues

In Millions	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
1.060 All Other Revenues	13.49	22.25	16.05	14.25	13.14	12.32
2.060 All Other Financing Sources	0.98	0.50	1.50	0.50	0.50	0.50
Total Other Revenues	\$14.46	\$22.75	\$17.55	\$14.75	\$13.64	\$12.82

All Other Revenues include payments in lieu of taxes (PILOT), board of revision (BOR) settlements, interest revenue, tuition, student fees and other miscellaneous receipts

- ❑ Interest rates decreased significantly in FY2021 and FY2022
- ❑ Interest rates have exceeded pre-pandemic levels for FY2023
- ❑ HB126 eliminated BOR settlements after tax year 2022 filings
 - Property owners rushed to settle cases prior to the law taking effect resulting in a one-time \$6 million increase in FY2023

All Other Financing Sources are one-time receipts and include refund of prior year expenditures

- ❑ Medicaid reimbursements
- ❑ E-Rate in FY2024

Revenue Uncertainty

State Funding

- Cuts made in FY2020 and FY2021
- New funding formula in FY2022 and FY2023 not fully funded
- New Biennium Budgets in FY2024/FY2025 and FY2026/FY2027

Legislative Changes

Property Values

Property Tax Collections

Economy

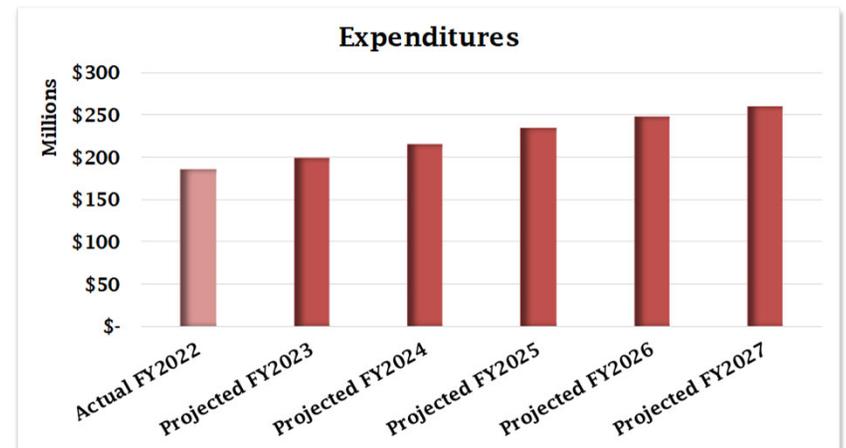


Expenditures

In Millions

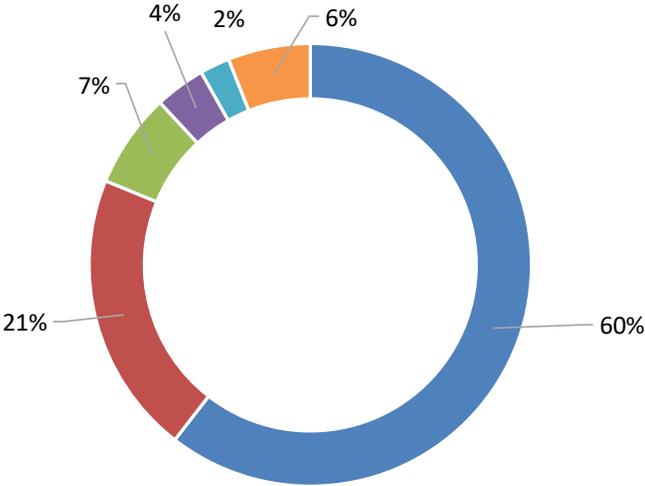
	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Expenditures						
3.010 Personal Services	112.46	118.32	124.85	139.55	147.31	154.60
3.020 Employees' Retirement/Insurance Benefits	38.51	41.59	45.96	51.83	54.38	58.09
3.030 Purchased Services	12.84	15.81	17.46	18.15	18.87	19.62
3.040 Supplies and Materials	6.85	8.10	8.33	8.48	9.11	8.64
3.050 Capital Outlay	4.06	2.23	5.47	2.44	2.57	2.78
4.300 Other Objects	11.20	12.90	13.74	14.63	15.59	16.63
5.010 Operating Transfers-Out	0.07	0.17	0.17	0.17	0.17	0.17
5.050 Total Expenditures	\$185.98	\$199.12	\$215.97	\$235.24	\$248.00	\$260.52

- Expenditures anticipated to increase annually
- Includes opening Minerva France Elementary School in FY2023 and Minerva Park Middle School in FY2024
- Portions of ESSER funds used to offset revenue losses and help sustain operations in FY2021 through FY2024



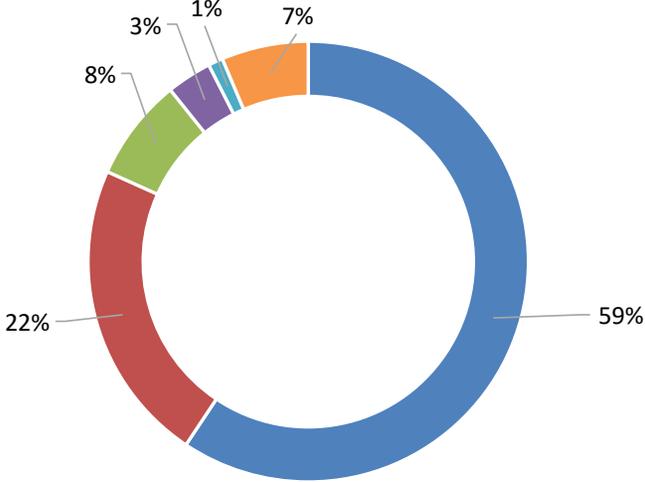
Expenditures

Actual FY2022



■ Wages ■ Benefits ■ Services ■ Material ■ Capital ■ Other Expenses

Projected FY2027



■ Wages ■ Benefits ■ Services ■ Material ■ Capital ■ Other Expenses



A student in Phil Carney's advanced seventh-grade science class at Walnut Springs Middle School presents during Carney's in-class science fair.

Personnel

In Millions	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Expenditures						
3.010 Personal Services	112.46	118.32	124.85	139.55	147.31	154.60
3.020 Employees' Retirement/Insurance Benefits	38.51	41.59	45.96	51.83	54.38	58.09
Totals	\$150.96	\$159.92	\$170.81	\$191.38	\$201.69	\$212.69

- ❑ Approximately 81% of total expenditures
- ❑ FY2023 through FY2025 using estimates from the district's staffing plan
- ❑ FY2026 & FY2027 includes adding 5 certified and 1.5 classified FTE annually
- ❑ New Staff for Minerva France Elementary School in FY2023 and Minerva Park Middle School in FY2023 & FY2024
- ❑ FY2023 Personal Services (Salaries/Wages) inflated by approximately \$4.4 million due to 27 pay dates in fiscal year
- ❑ ESSER I provides \$2 million, ESSER II provides \$6 million and ESSER III provides \$16.9 million in funding (forecast includes reduced expenditures) that is used to offset revenue losses and increased costs caused by COVID 19

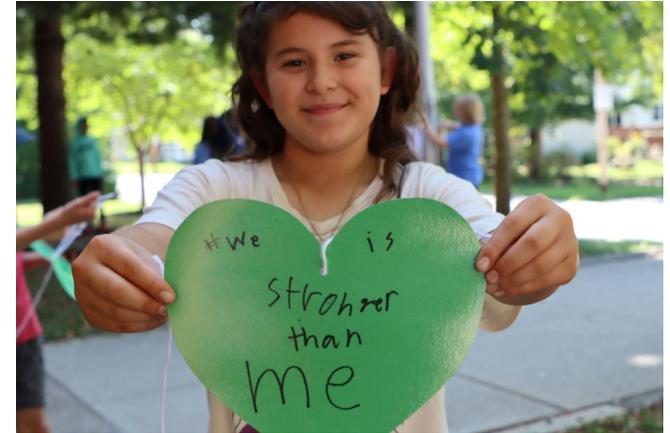


Members of Robert Frost Elementary's FroSTV team review an interview of their upcoming broadcast.

Other Expenditures

In Millions	Actual	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Expenditures						
3.03 Purchased Services	12.84	15.81	17.46	18.15	18.87	19.62
3.04 Supplies and Materials	6.85	8.10	8.33	8.48	9.11	8.64
3.05 Capital Outlay	4.06	2.23	5.47	2.44	2.57	2.78
4.3 Other Objects	11.20	12.90	13.74	14.63	15.59	16.63
5.01 Operating Transfers-Out	0.07	0.17	0.17	0.17	0.17	0.17
Totals	\$35.01	\$39.20	\$45.16	\$43.86	\$46.31	\$47.83

- ❑ Purchased Services includes payments to other districts for tuition for special needs and other students, utilities and other services
- ❑ Materials and Supplies includes textbooks, software licenses, consumable items that do not have long-term useful lives
- ❑ Capital Outlay includes equipment, technology and other items with long-term useful lives
- ❑ Other Objects includes services purchased from ESCCO and tax collection fees
- ❑ Operating Transfers-Out include transfer to Permanent Improvement Fund for turf replacement and to the food service fund to carry negative balances
- ❑ Inflation remains high, which will impact expenses going forward



Emerson Elementary's Student Equity Council — The Equity at Emerson Changemakers — decorate the building as part of the school's Start with Hello Week festivities.

Expenditure **Uncertainty**

Staffing Needs

Educational Needs of Students

Economy/Inflation

Healthcare Costs

Legislative Mandates

Continued Effects of Pandemic



Changes in Balance

☐ 5.9 mill operating levy passed by voters on November 5, 2019 (collections began in 2021)

☐ Minerva France Elementary School opened in FY2023

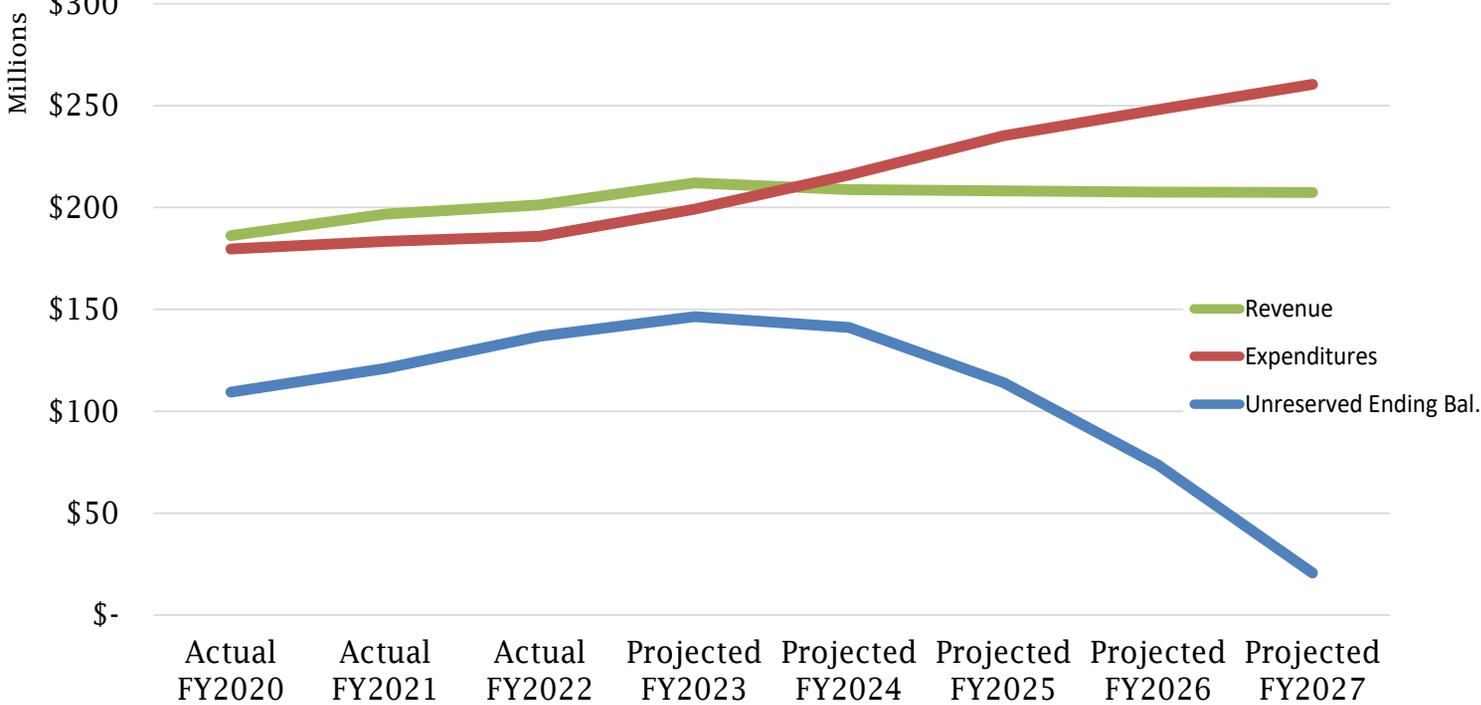
☐ Minerva Park Middle School to open in FY2024

☐ 29 day unreserved cash balance projected in FY2027

☐ Any future levy plans will depend on future state budgets

☐ Forecast assumes flat state funding and will change if funding is reduced or increased

General Fund Revenue, Expenditures & Unreserved Balance



Questions?