



Students at McVay Elementary performing Beauty and the Beast Jr

Five- Year Forecast May 2024

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.



Students at Minerva Park participate in the Ruling Our eXperiences (ROX) program

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>
	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>
6.010	
	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies
7.010	
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>
	<i>Fund Balance June 30 for Certification of Appropriations</i>
10.010	
	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>



Cherrington Elementary hosts family engagement night

Fiscal Year runs
July 1st through
June 30th

Challenges for Current Forecast

Legislative Changes

Federal Funding

State Funding



7th grade students create a Rube Goldberg project in science class at Genoa Middle School

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

Changes from November to the Forecast

State Funding decrease in fiscal year 2025 through 2028 due to updated local capacity using new property values

1 to 1 Technology

Staffing updates

Transfer for Capital Projects



Hanby Elementary School Literacy Night

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



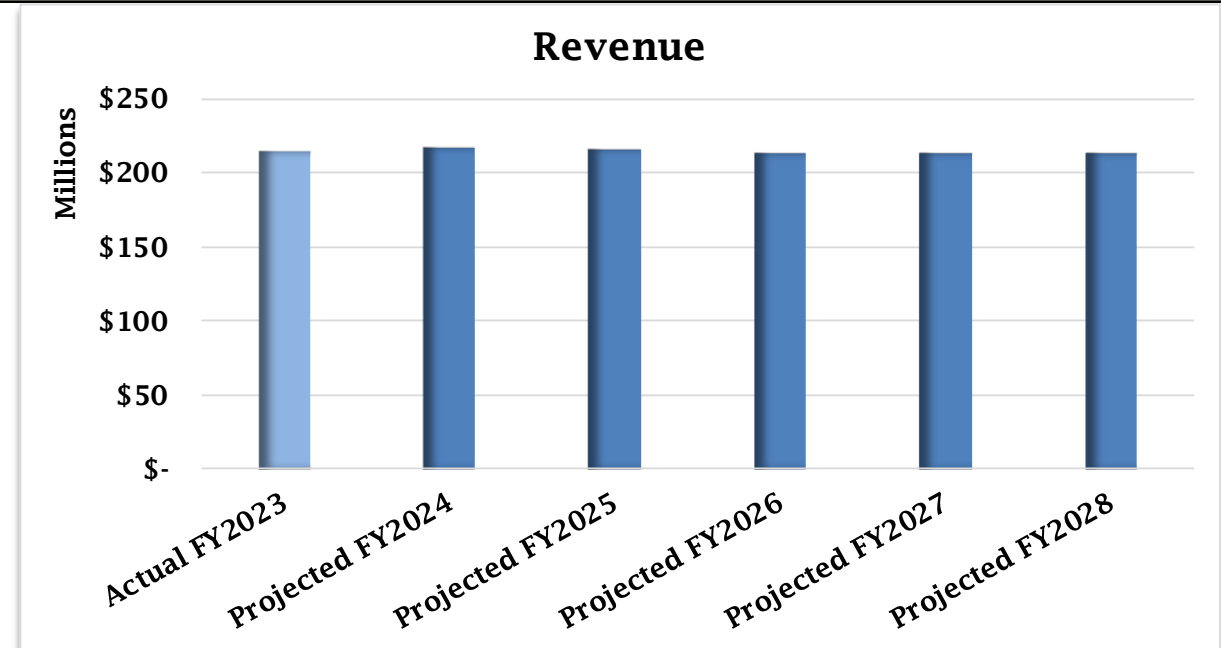
Heritage Middle School holds Black History Month Assembly.

All Revenues

In Millions

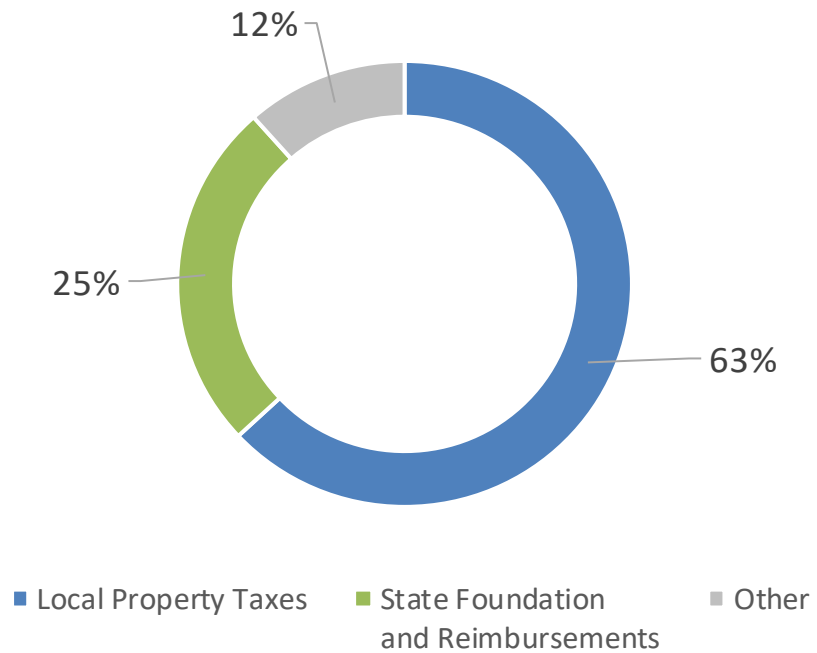
	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
1.010 General Property Tax (Real Estate)	\$129.58	\$131.88	\$134.68	\$135.31	\$136.32	\$137.33
1.020 Public Utility Personal Property Tax	5.45	6.21	6.19	6.28	6.37	6.45
1.035 Unrestricted State Grants-in-Aid	36.61	40.11	36.26	36.13	36.26	36.32
1.040 Restricted State Grants-in-Aid	3.39	4.31	3.99	4.14	4.09	4.06
1.050 State Share of Local Property Taxes	14.37	14.52	14.82	14.88	14.99	15.10
1.060 All Other Revenues	23.62	18.58	17.86	16.32	14.74	13.43
2.060 All Other Financing Sources	\$1.13	\$1.02	\$2.02	\$1.02	\$1.02	\$1.02
2.080 <i>Total Revenues& Other Financing Sources</i>	\$214.15	\$216.85	\$215.81	\$214.09	\$213.79	\$213.72

- ❑ Property value increases
- ❑ Fair School Funding Formula continuing, but still partially implemented (FY25 funding decreasing)
- ❑ Elimination of BOR Settlements from HB126
- ❑ Interest revenue remains up for now

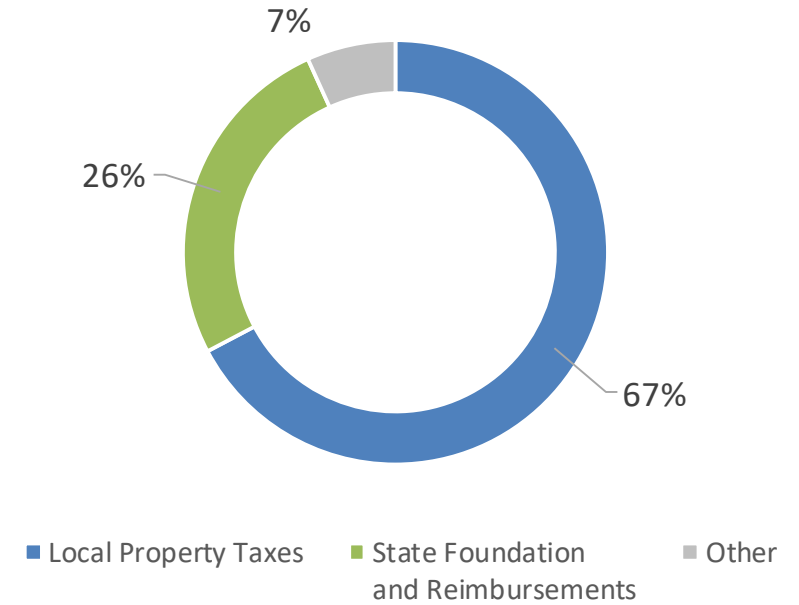


Revenues

Actual FY2023



Projected FY2028



6th graders at Minerva Park Middle School participate in the first-ever district-wide straw challenge

Local Property Taxes

In Millions	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
1.010 General Property Tax (Real Estate)	\$129.58	\$131.88	\$134.68	\$135.31	\$136.32	\$137.33
1.020 Public Utility Personal Property Tax	5.45	6.21	6.19	6.28	6.37	6.45
Total Property Taxes	\$135.03	\$138.09	\$140.87	\$141.60	\$142.69	\$143.78

Total Property Taxes projected to be 64% of total revenues in FY2024

- ❑ Collection rate estimated to be approximately 99%
- ❑ The last operating levy was approved by voters 2019
- ❑ 36% increase in assessed values for residential and agricultural real property and 9% for commercial and industrial
 - ❖ House Bill 920 prevents inflationary increases on voted levies
 - ❖ Small increase on inside millage (unvoted) and from new construction (if not abated or diverted)

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

- ❑ Slight increases expected



Board President Kristy Meyer and other district officials met with State Senator Andrew Brenner in February to share the effects of the state shifting the cost of school funding for public schools to the local community while increasing state funding to private schools that are unregulated

State Funding

In Millions	Actual Fiscal Year 2023	FY2024 \$44.42	FY2025 \$40.25	Forecasted Fiscal Year 2026	Forecasted Fiscal Year 2027	Forecasted Fiscal Year 2028
1.035 Unrestricted State Grants-in-Aid	\$36.61	\$40.11	\$36.26	\$36.13	\$36.26	\$36.32
1.040 Restricted State Grants-in-Aid	3.39	4.31	3.99	4.14	4.09	4.06
1.050 State Share of Local Property Taxes	14.37	14.88	14.99	14.88	14.99	15.10
Total State Funding	\$54.37	\$44.17 million		\$55.15	\$55.34	\$55.48

Fair School Funding Plan partially funded for FY2024 and FY2025 (subject to biennium budget process)

- ❑ 50% of the increase calculated for FY2024 and 67% of the increase calculated for FY2025
 - ❑ Large decrease in state funding for FY2025 compared to FY2024 due to updated property values
- ❑ Funding anticipated to remain relatively flat past the current biennium as the state continues to underfund the formula and keep it subject to the biannual budget process

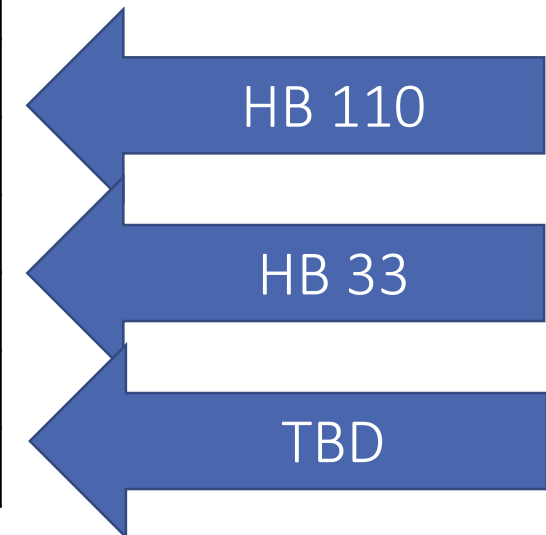
State Share of Local Property Taxes (formerly property tax allocations) are reimbursements and direct payments from the state for property tax rollback and homestead exemptions

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

Fair School Funding Plan

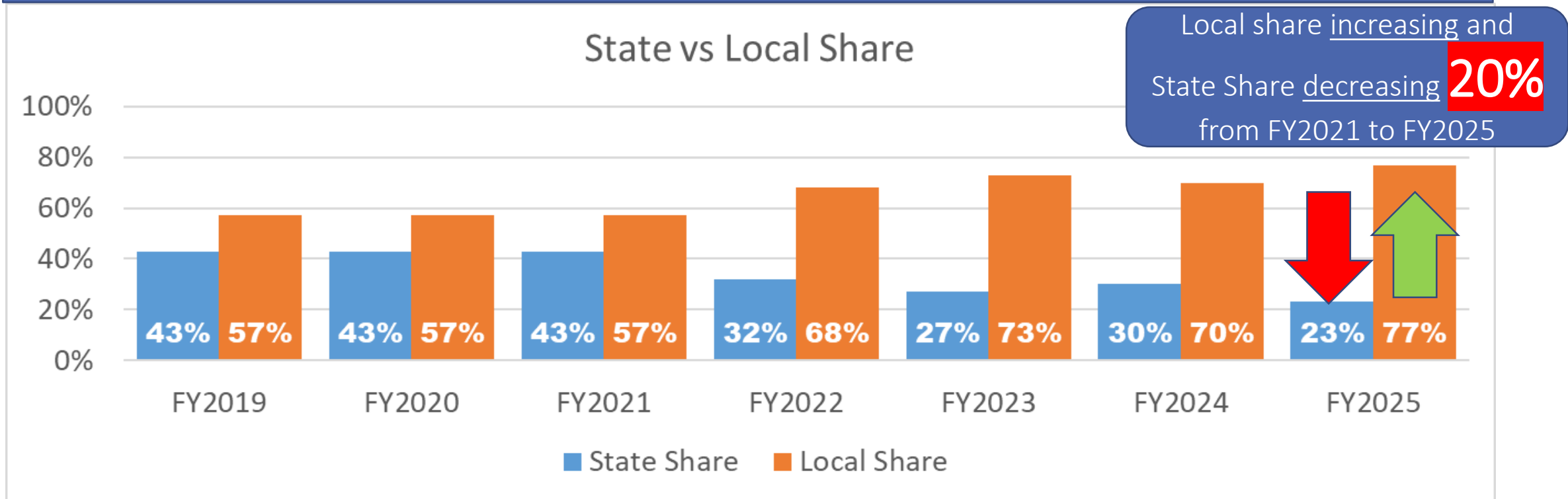
Fair School Funding Plan approved by legislators beginning in Fiscal Year 2022, but not fully funded and using outdated cost inputs while updating local capacity measure

Fiscal Year	% Implemented	Base Costs Input Data Fiscal Year
2022	17%	2018
2023	33%	2018
2024	50%	2022
2025	67%	2022
2026	TBD	TBD
2027	TBD	TBD



State Funding Formula

School Funding is a shared cost between the State of Ohio and Westerville Schools

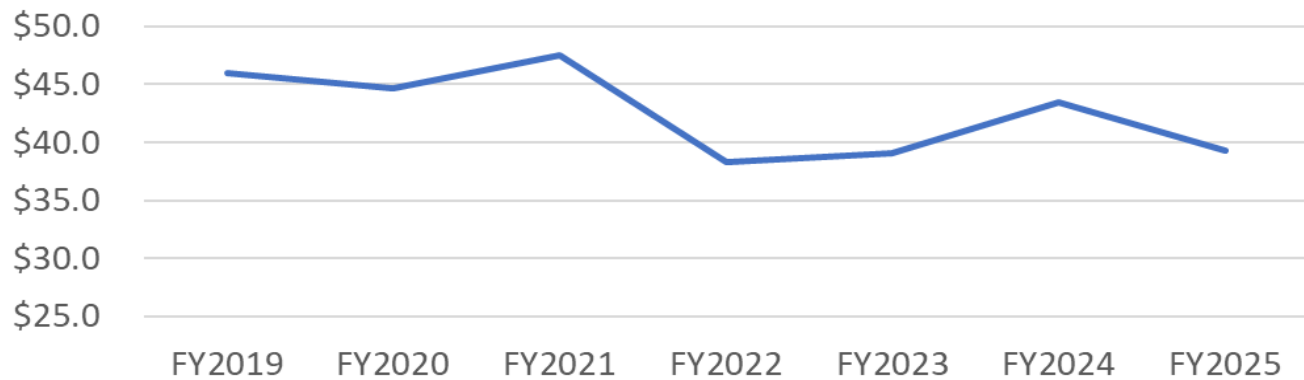


State School **Under** Funding

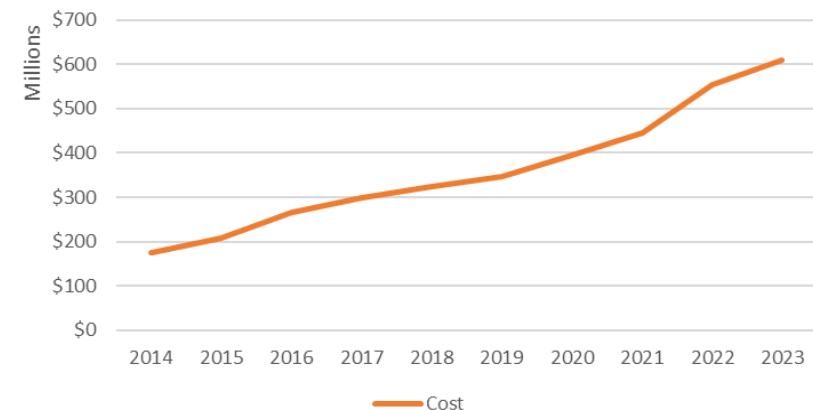
	FY2019	FY2020	FY2021	FY2022	FY2023	Estimates	
						FY2024	FY2025
Unrestricted State Funding	\$44.7	\$42.1	\$44.0	\$35.2	\$35.7	\$39.2	\$35.3
Restricted State Funding	\$1.3	\$1.4	\$1.4	\$3.1	\$3.4	\$4.3	\$4.0
Student Wellness and Success Funds	-	\$1.2	\$2.1	-	-	-	-
Total funding	\$46.0	\$44.7	\$47.5	\$38.3	\$39.1	\$43.5	\$39.3
Calculated Funding	\$58.3	\$59.9	\$61.2	\$45.4	\$41.8	\$49.3	\$40.1
Underfunded Amount	(\$12.3)	(\$15.2)	(\$13.7)	(\$7.1)	(\$2.7)	(\$5.8)	(\$0.8)

**\$57.6
Million**

Total State Foundation Funding



Private School Funding



All Other Revenues

In Millions

	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
1.060 All Other Revenues	23.62	18.58	17.86	16.32	14.74	13.43
2.060 All Other Financing Sources	1.13	1.02	2.02	1.02	1.02	1.02
Total Other Revenues	\$24.75	\$19.60	\$19.88	\$17.34	\$15.76	\$14.45

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 continue to remain elevated into FY2024
- ❑ 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 FY2025

Revenue Uncertainty

State Funding

- ☐ Cuts made in FY2020 and FY2021
- ☐ New funding formula in FY2022 and FY2023 not fully funded
- ☐ Funding formula in FY2024 and FY2025 still not fully funded
 - ☐ Funding significantly reduced in FY2025 compared to FY2024
- ☐ New biennium budgets for and FY2026/FY2027 and FY2028/FY2029
- ☐ Rollback reimbursements are up for debate with the legislature

Property Taxes

- ☐ Values
- ☐ Collections
- ☐ Abatements

Economy

Legislative Changes

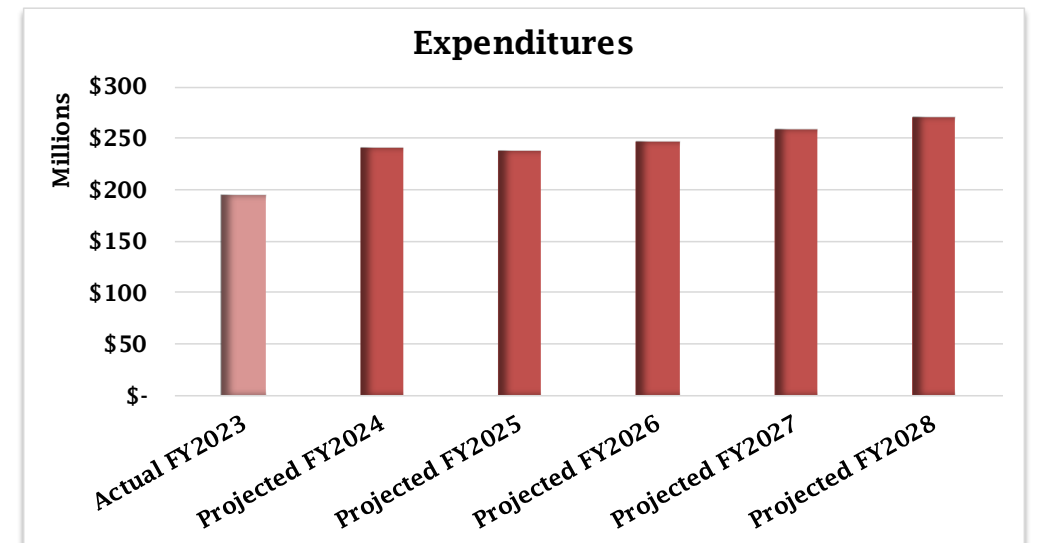


Expenditures

In Millions

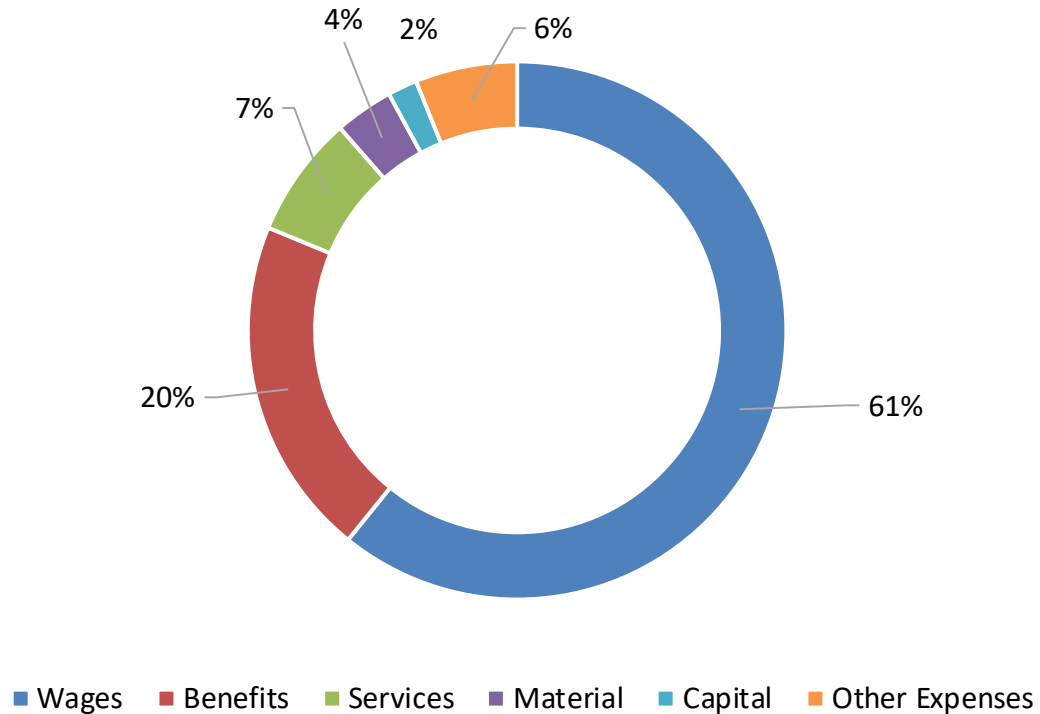
	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Expenditures						
3.010 Personal Services	118.00	123.65	137.81	144.70	151.73	159.13
3.020 Employees' Retirement/Insurance Benefits	39.66	44.09	50.37	53.53	57.77	62.53
3.030 Purchased Services	14.23	17.46	19.10	19.31	19.63	19.98
3.040 Supplies and Materials	6.84	7.65	9.91	10.18	10.12	9.89
3.050 Capital Outlay	3.44	3.64	6.25	3.74	3.55	2.98
4.300 Other Objects	11.89	13.95	14.85	15.27	15.70	16.14
5.010 Operating Transfers-Out	0.12	30.17	0.17	0.17	0.17	0.17
Total Expenditures & Other Financing						
5.050 <i>Uses</i>	\$194.40	\$240.63	\$238.46	\$246.90	\$258.66	\$270.80

- ☐ 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 returning in FY2025
- ☐ Staffing increases
- ☐ One-time transfer for capital projects in FY2024

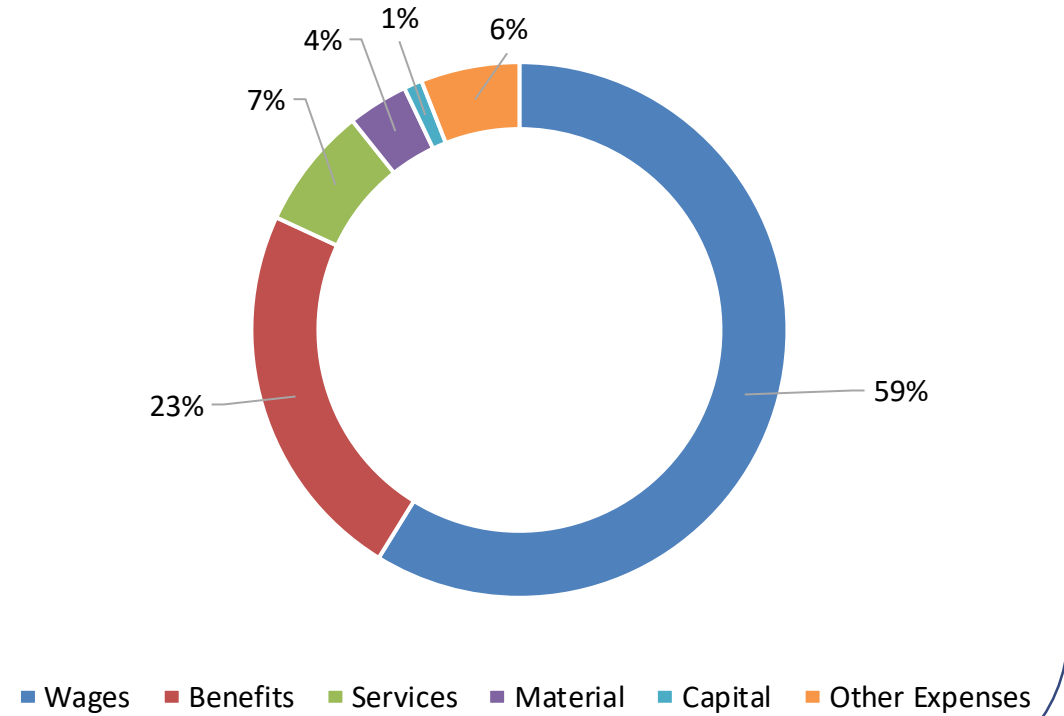


Expenditures

Actual FY2023



Projected FY2028



Students at Minerva Park Middle School's ribbon cutting using the new technology in the building

Personnel

In Millions

	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Expenditures						
3.010 Personal Services	118.00	123.65	137.81	144.70	151.73	159.13
3.020 Employees' Retirement/Insurance Benefits	39.66	44.09	50.37	53.53	57.77	62.53
Totals	\$157.65	\$167.75	\$188.18	\$198.24	\$209.50	\$221.66

- ❑ FY2024 and FY2025 using estimates from the district's staffing plan, updated for Special Education, English learners and other student supports
- ❑ FY2026 through FY2028 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
- ❑ Medical insurance forecasted to increase due to high medical claims
- ❑ ESSER I provided \$2 million, ESSER II provided \$6 million and ESSER III provided \$16.9 million in funding (forecast includes reduced expenditures) that is used to offset revenue losses and increased costs caused by COVID19



5th grade Emerson Elementary students being fitted for musical instruments

Other Expenditures

In Millions	Actual	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Expenditures						
3.03 Purchased Services	14.23	17.46	19.10	19.31	19.63	19.98
3.04 Supplies and Materials	6.84	7.65	9.91	10.18	10.12	9.89
3.05 Capital Outlay	3.44	3.64	6.25	3.74	3.55	2.98
4.3 Other Objects	11.89	13.95	14.85	15.27	15.70	16.14
5.01 Operating Transfers-Out	0.12	30.17	0.17	0.17	0.17	0.17
Totals	\$36.52	\$72.88	\$50.28	\$48.67	\$49.16	\$49.14

- ❑ 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 – 1 to 1 added
- ❑ 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 - One-time transfer added for capital projects to reduce bond needs
- ❑ Inflation remains high, which will impact expenses going forward



High School students attended the healthcare expo in Columbus in March

Expenditure Uncertainty

Staffing Needs

Educational Needs of Students

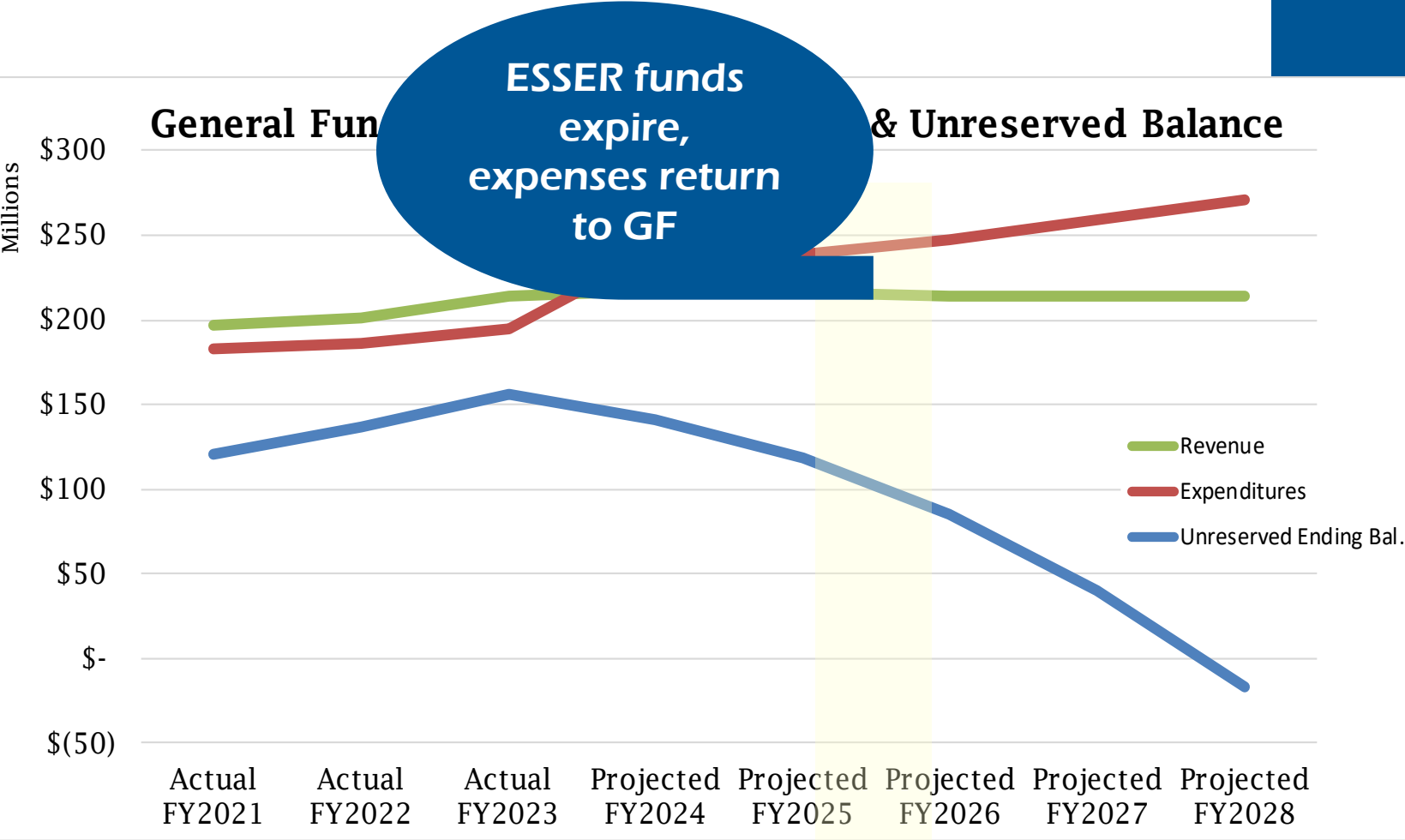
Economy/Inflation

Healthcare Costs

Legislative Mandates



Changes in Balance



- 5.9 mill operating levy passed by voters in 2019
- Minerva France Elementary School opened in FY2023
- Minerva Park Middle School opened this year
- Negative cash balance projected in FY2028
- Deficit spending projected to be large after the expiration of ESSER Funding
- Forecast assumes decreased and then flat state funding using decreased FY25 numbers in future biennium budgets
- November 2024 operating levy recommended

Questions?

Walnut Springs' Share the Love Choir toured senior centers and assisted living community sites throughout the Westerville area to greet residents, sing songs and distribute hand-made Valentine's Day cards. They wrapped up their tour at the Preschool Program at the Early Learning Center

