

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT -  
CUYAHOGA COUNTY**

**SCHEDULE OF REVENUE, 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 JUNE 30, 2026**



**Forecast Provided By  
Brecksville-Broadview Heights City School District  
Treasurer's Office  
Craig Yaniglos, Treasurer/CFO**

**May 25, 2022**

# Brecksville-Broadview Heights City School District

Cuyahoga 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				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	
<b>Revenues</b>										
1.010	\$36,478,354	\$38,862,359	\$38,695,637	3.1%	\$39,284,747	\$40,422,129	\$40,584,016	\$40,869,256	\$41,136,151	
1.020	2,292,210	2,355,045	2,448,994	3.4%	2,539,153	2,533,829	2,573,044	2,612,259	2,651,474	
1.030	0	0	0	0.0%	0	0	0	0	0	
1.035	5,240,876	4,789,577	4,831,990	-3.9%	4,227,795	3,985,826	3,991,643	3,997,586	4,003,692	
1.040	275,125	245,423	299,714	5.7%	754,460	655,227	655,227	655,227	655,227	
1.045	0	0	0	0.0%	0	0	0	0	0	
1.050	4,113,029	4,114,938	4,113,356	0.0%	4,139,716	4,159,258	4,169,389	4,196,378	4,223,160	
1.060	1,926,933	1,616,659	1,835,592	-1.3%	1,746,500	1,880,000	1,670,000	1,670,000	1,670,000	
1.070	<b>\$50,326,527</b>	<b>\$51,984,001</b>	<b>\$52,225,283</b>	<b>1.9%</b>	<b>\$52,692,371</b>	<b>\$53,636,269</b>	<b>\$53,643,319</b>	<b>\$54,000,706</b>	<b>\$54,339,704</b>	
<b>Other Financing Sources</b>										
2.010	0	0	0	0.0%	0	0	0	0	0	
2.020	0	0	0	0.0%	0	0	0	0	0	
2.040	0	0	0	0.0%	0	0	0	0	0	
2.050	92,745	141,196	0	-23.9%	0	0	0	0	0	
2.060	256,068	699,327	36,898	39.2%	126,973	100,000	100,000	100,000	100,000	
2.070	<b>\$348,813</b>	<b>\$840,523</b>	<b>\$36,898</b>	<b>22.7%</b>	<b>\$126,973</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	
2.080	<b>\$50,675,340</b>	<b>\$52,824,524</b>	<b>\$52,262,181</b>	<b>1.6%</b>	<b>\$52,819,344</b>	<b>\$53,736,269</b>	<b>\$53,743,319</b>	<b>\$54,100,706</b>	<b>\$54,439,704</b>	
<b>Expenditures</b>										
3.010	\$30,450,825	\$31,419,810	\$31,330,176	1.4%	\$32,879,541	\$33,433,633	\$34,269,032	\$34,868,564	\$35,565,428	
3.020	11,070,231	11,540,680	11,689,970	2.8%	12,341,865	12,909,102	13,536,116	14,177,315	14,924,939	
3.030	4,815,992	5,287,889	5,055,890	2.7%	4,619,641	4,545,877	4,583,386	4,621,270	4,659,533	
3.040	1,167,250	931,791	1,284,739	8.9%	1,333,000	1,705,050	1,776,651	1,793,417	1,810,351	
3.050	103,100	172,886	101,099	13.1%	27,000	27,000	27,000	27,000	27,000	
3.060	0	0	0	0.0%	0	0	0	0	0	
Debt Service:										
4.010	0	0	0	0.0%	0	0	0	0	0	
4.020	0	0	0	0.0%	0	0	0	0	0	
4.030	0	0	0	0.0%	0	0	0	0	0	
4.040	0	0	0	0.0%	0	0	0	0	0	
4.050	0	0	0	0.0%	0	0	0	0	0	
4.055	0	0	0	0.0%	0	0	0	0	0	
4.060	0	0	-	0.0%	0	0	0	0	0	
4.300	782,151	756,281	742,607	-2.6%	736,141	736,141	736,141	736,141	736,141	
4.500	<b>\$48,389,549</b>	<b>\$50,109,337</b>	<b>\$50,204,481</b>	<b>1.9%</b>	<b>\$51,937,188</b>	<b>\$53,356,803</b>	<b>\$54,928,326</b>	<b>\$56,223,707</b>	<b>\$57,723,392</b>	
<b>Other Financing Uses</b>										
5.010	\$315,549	\$283,450	\$632,564	56.5%	\$100,000	\$318,000	\$60,000	\$60,000	\$60,000	
5.020	141,196	40,000	0	-85.8%	0	0	0	0	0	
5.030	0	0	0	0.0%	0	0	0	0	0	
5.040	<b>\$456,745</b>	<b>\$323,450</b>	<b>\$632,564</b>	<b>33.2%</b>	<b>\$100,000</b>	<b>\$318,000</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>	
5.050	<b>\$48,846,294</b>	<b>\$50,432,787</b>	<b>\$50,837,045</b>	<b>2.0%</b>	<b>\$52,037,188</b>	<b>\$53,674,803</b>	<b>\$54,988,326</b>	<b>\$56,283,707</b>	<b>\$57,783,392</b>	
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</b>										
6.010	<b>\$1,829,046</b>	<b>\$2,391,737</b>	<b>\$1,425,136</b>	<b>-4.8%</b>	<b>\$782,156</b>	<b>\$61,466</b>	<b>(\$1,245,007)</b>	<b>(\$2,183,001)</b>	<b>(\$3,343,688)</b>	
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies										
7.010	\$15,646,447	\$17,475,493	\$19,867,230	12.7%	\$21,292,366	\$22,074,522	\$22,135,988	\$20,890,982	\$18,707,980	
7.020	<b>\$17,475,493</b>	<b>\$19,867,230</b>	<b>\$21,292,366</b>	<b>10.4%</b>	<b>\$22,074,522</b>	<b>\$22,135,988</b>	<b>\$20,890,982</b>	<b>\$18,707,980</b>	<b>\$15,364,292</b>	
8.010	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	
<b>Reservation of Fund Balance</b>										
9.010	0	0	0	0.0%	0	0	0	0	0	
9.020	0	0	0	0.0%	0	0	0	0	0	
9.030	0	0	0	0.0%	0	0	0	0	0	
9.040	0	0	0	0.0%	0	0	0	0	0	
9.045	0	0	0	0.0%	0	0	0	0	0	
9.050	0	0	0	0.0%	0	0	0	0	0	
9.060	0	0	0	0.0%	0	0	0	0	0	
9.070	0	0	0	0.0%	0	0	0	0	0	
9.080	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
10.010	<b>\$17,475,493</b>	<b>\$19,867,230</b>	<b>\$21,292,366</b>	<b>10.4%</b>	<b>\$21,924,522</b>	<b>\$21,985,988</b>	<b>\$20,740,982</b>	<b>\$18,557,980</b>	<b>\$15,214,292</b>	

# Brecksville-Broadview Heights City School District

Cuyahoga 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				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenue from Replacement/Renewal Levies</b>										
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 Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010		\$17,475,493	\$19,867,230	\$21,292,366	10.4%	\$21,924,522	\$21,985,988	\$20,740,982	\$18,557,980	\$15,214,292
<b>Revenue from New Levies</b>										
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%	-	-	-	-	-
15.010	Unreserved Fund Balance June 30	\$17,475,493	\$19,867,230	\$21,292,366	10.4%	\$21,924,522	\$21,985,988	\$20,740,982	\$18,557,980	\$15,214,292

**Brecksville-Broadview Heights City School District – Cuyahoga County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 25, 2022**

**Introduction to the Five Year Forecast**

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 Ohio Department of Education 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.

Here are at least three purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

**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.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

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 the district is substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$52,692,371 or 0.18% lower than the November forecasted amount of \$52,787,289.

State funding reflects changes based on the Ohio Department of Education releasing new numbers in April. The reduction in state revenue is based on the Legislative Service Commission's estimates available for the November forecast.

All other areas of revenue are tracking as anticipated for FY22.

**Expenditures FY22:**

Total General Fund expenditures (line 4.5) are estimated to be \$51,937,188 for FY22 which have decreased from the November forecast by \$575,884.

**Unreserved Ending Cash Balance:**

With revenues decreasing over estimates and expenditures increasing, the ending unreserved cash balance June 30, 2022 is anticipated to be \$21.9 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to have a positive accumulative balance through 2026 if assumptions for state aid in future state budgets remain close to estimates.

**Forecast Risks and Uncertainty:**

A five year financial forecast has risks and uncertainty not only due to 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:

- I. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues which are predominately local taxes equate to 82.7% of the district's resources. Our tax collections in the March and August 2021 settlements did not fall due to higher delinquencies as anticipated due to the brief rise in unemployment due to the pandemic in 2020. Longer term we believe there is a low risk that local collections would fall below projections throughout the forecast.
- II. Cuyahoga County experienced a reappraisal update in the 2018 tax year to be collected in FY19. The 2018 update increased overall assessed values by \$98.8 million or an increase of 9.56%. A reappraisal update occurred in tax year 2021 for collection in FY22. The values increased for Class I and II property by \$153.7 million for an overall increase of 13.8%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.
- III. The state budget represented 17.3% 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 or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. 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

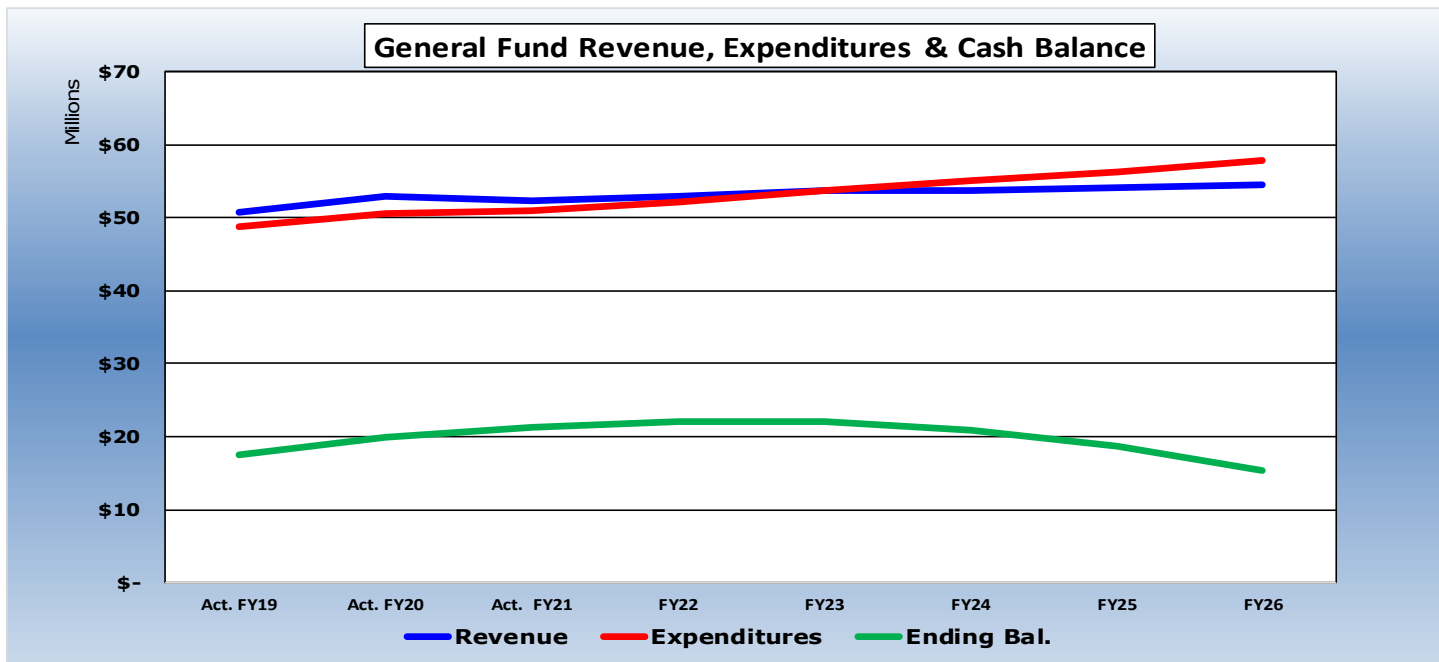
projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

- IV. HB110, the current state budget implements that 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 that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. 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.
- V. 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 which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes 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.
- VI. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

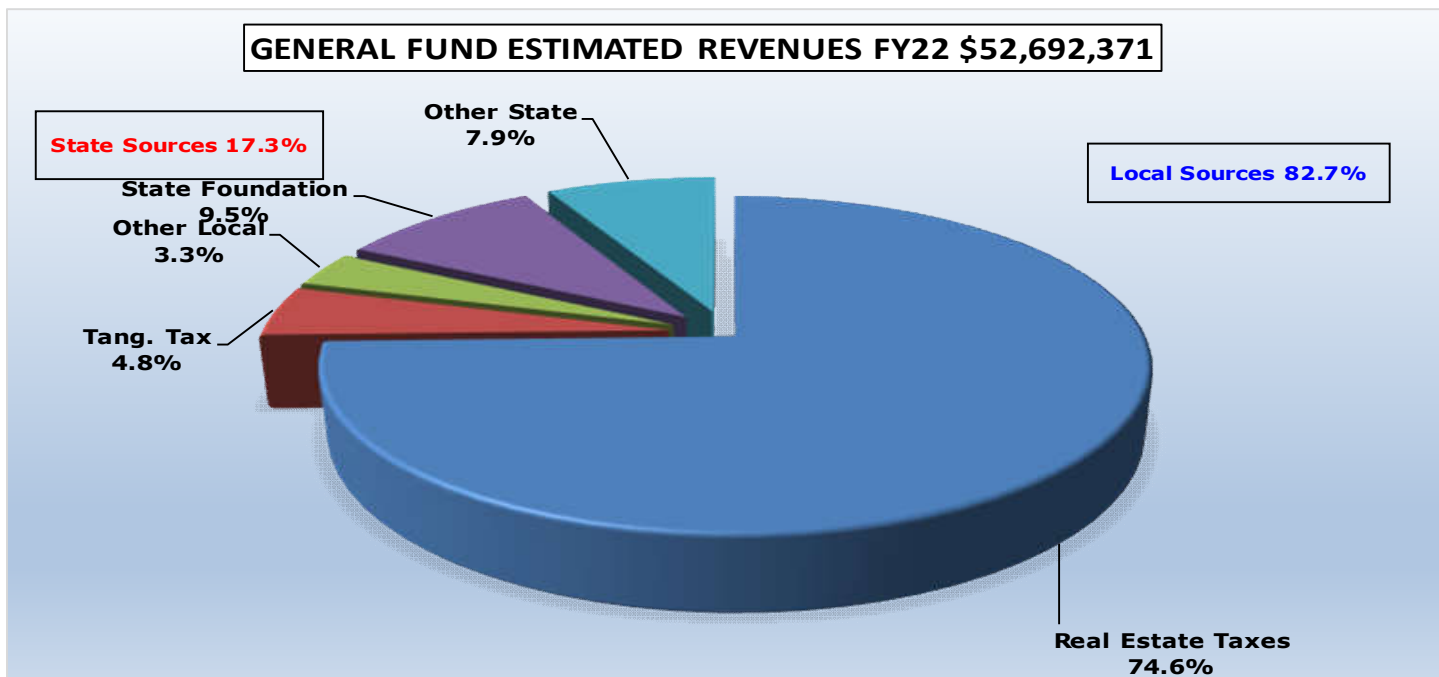
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mrs. Craig Yaniglos, Treasurer of Brecksville-Broadview Heights City School District at.

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

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



### Revenue Assumptions Estimated General Fund Operating Revenues FY22



### Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Our district has assessed property value in

Cuyahoga County. Cuyahoga County experienced a full reappraisal in Tax Year 2018 for collection in 2019. We realized an overall increase in our total tax base of 9.56% due to inflation and new construction.

A reappraisal update occurred in 2021 in Cuyahoga County and we realized a 14.97% increase in residential and 8.33% in commercial property values. Residential/Agricultural and Commercial/Industrial values increased by \$153.7 million or 13.8% overall.

Public Utility Personal Property (PUPP) values increased by \$976,480 million in Tax Year 2020. We expect our values to continue to grow by \$500,000 each year of the forecast.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEAR**

	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.	\$1,055,166,620	\$1,056,816,620	\$1,058,466,620	\$1,113,039,951	\$1,114,689,951
Comm./Ind.	212,365,070	214,165,070	215,965,070	222,084,371	223,884,371
Public Utility Personal Property (PUPP)	<u>32,056,880</u>	<u>32,556,880</u>	<u>33,056,880</u>	<u>33,556,880</u>	<u>34,056,880</u>
Total Assessed Value	<u>\$1,299,588,570</u>	<u>\$1,303,538,570</u>	<u>\$1,307,488,570</u>	<u>\$1,368,681,202</u>	<u>\$1,372,631,202</u>

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

Source	FY22	FY23	FY24	FY25	FY26
Est. Real Estate Taxes	<u>\$39,284,747</u>	<u>\$40,422,129</u>	<u>\$40,584,016</u>	<u>\$40,869,256</u>	<u>\$41,136,151</u>
Total Line #1.01 Real Estate Taxes	<u>\$39,284,747</u>	<u>\$40,422,129</u>	<u>\$40,584,016</u>	<u>\$40,869,256</u>	<u>\$41,136,151</u>

Property tax levies are estimated to be collected at 98.50% of the annual amount. This allows 1.50% delinquency factor. In general, 52.76% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.24% collected in the August tax settlement.

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

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

**Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020**

The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010. Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2020 rose by 3.19 % or \$976,480 and are expected to grow by \$500,000 each year of the forecast.

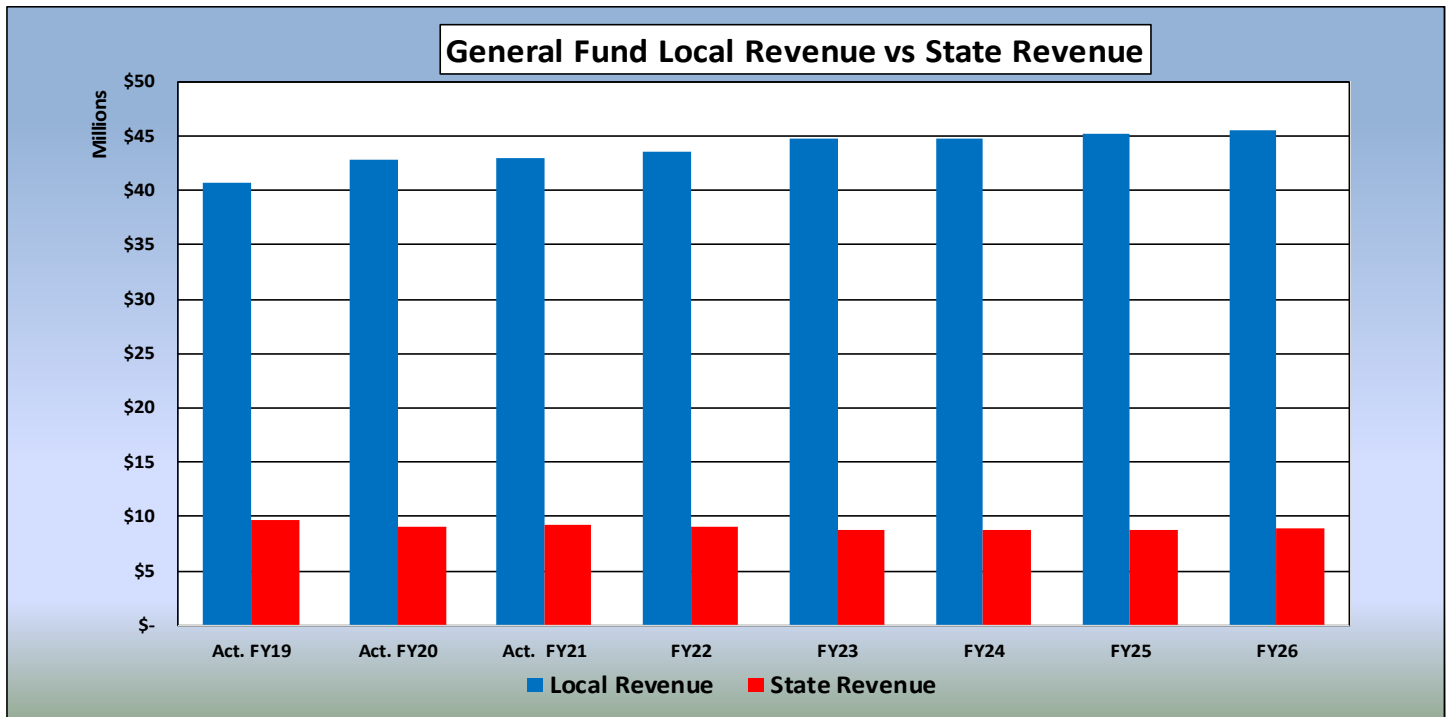
Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property	<u>\$2,539,153</u>	<u>\$2,533,829</u>	<u>\$2,573,044</u>	<u>\$2,612,259</u>	<u>\$2,651,474</u>
Total PUPP Tax Line #1.020	<u>\$2,539,153</u>	<u>\$2,533,829</u>	<u>\$2,573,044</u>	<u>\$2,612,259</u>	<u>\$2,651,474</u>

**New Tax Levies – Line #13.030**

No new levies are modeled in the forecast at this time.

### Comparison of Local Revenue and State Revenue:

The following graph clearly shows that local taxpayers are the chief source of district operating dollars as the state funding formula is not attempting to help fund districts considered wealthy by the state. It is also apparent that revenue growth from the state has been and is projected to be mostly flat.



### 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 formula occurred in January 2022 half way through FY22, and 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 continue as a formula district in FY23-FY26 on the new Fair School Funding Plan (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.

#### Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

- A. Student Population and Demographics
- B. Property Valuation
- C. Personal Income of District Residents
- D. Historical Funding- CAPS and Guarantees from prior funding formulas

### Base Cost Approach- Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is estimated to be as high as \$7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index from ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

## Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

## **State Funding Phase-In FY22 and FY23 and Guarantees**

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan. 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 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes “formula transition aid” which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 than they received in FY21. The guarantee 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.

## **State Funding changes for May Forecast**

Fiscal Year 22 revenue has been updated based on the April #1 settlement report payment and includes the updated calculations for FY23 with new valuations and enrollment from the April #1 report instead of the simulations that were used in November. As a result, FY22 experienced a significant increase from the simulations due to the changes in the funding formula and the actual data being used in the state foundation payments. FY23 revenue amounts will see changes from the simulations due to the Local Capacity that is calculated on a three-year average of valuations and federal adjusted gross income since the simulations did not include any change in this calculation from year one to year two of the simulations.

## **Future State Budgets:**

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 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 will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> 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 back 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 COVID-19 closure,

casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .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 \$62.71 per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Basic Aid-Unrestricted	\$3,631,691	\$3,384,065	\$3,384,065	\$3,384,065	\$3,384,065
Additional Aid Items	370,129	370,129	370,129	370,129	370,129
Basic Aid-Unrestricted Subtotal	4,001,820	3,754,194	3,754,194	3,754,194	3,754,194
Ohio Casino Commission ODT	225,975	231,632	237,449	243,392	249,498
Total Unrestricted State Aid Line #1.035	<u>\$4,227,795</u>	<u>\$3,985,826</u>	<u>\$3,991,643</u>	<u>\$3,997,586</u>	<u>\$4,003,692</u>

**B) Restricted State Foundation Revenue – Line #1.035**

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. The district has elected to also post Catastrophic Aid for special education as restricted revenues. 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-FY26 due to uncertainty on continued funding of the current funding formula.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Economically Disadvantaged Aid	\$6,019	\$5,949	\$5,949	\$5,949	\$5,949
ESL	3,394	3,648	3,648	3,648	3,648
Gifted					
Career Tech - Restricted					
Student Wellness					
Catastrophic Aid	450,000	375,000	375,000	375,000	375,000
Total Restricted State Revenues Line #1.040	<u>\$754,460</u>	<u>\$655,227</u>	<u>\$655,227</u>	<u>\$655,227</u>	<u>\$655,227</u>

**C) Restricted Federal Grants in Aid – Line #1.045**

No federal unrestricted grants are projected FY22-26.

<u>SUMMARY</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Unrestricted Line #1.035	\$4,227,795	\$3,985,826	\$3,991,643	\$3,997,586	\$4,003,692
Restricted Line #1.040	754,460	655,227	655,227	655,227	655,227
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	<u>\$4,982,255</u>	<u>\$4,641,053</u>	<u>\$4,646,870</u>	<u>\$4,652,813</u>	<u>\$4,658,919</u>

**State Taxes Reimbursement/Property Tax Allocation**

**a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. 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.

**Summary of State Tax Reimbursement – Line #1.050**

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Rollback and Homestead	\$4,139,716	\$4,159,258	\$4,169,389	\$4,196,378	\$4,223,160
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	<u>\$4,139,716</u>	<u>\$4,159,258</u>	<u>\$4,169,389</u>	<u>\$4,196,378</u>	<u>\$4,223,160</u>

**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, interest, student fees, Medicaid payments 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-FY26 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. We are projecting that interest will be flat each year of the forecast.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Tuition Related Payments	\$866,000	\$866,000	\$866,000	\$866,000	\$866,000
Medicaid	152,000	100,000	100,000	100,000	100,000
Class & Sports Oriented Fees	294,000	294,000	294,000	294,000	294,000
Interest Earnings	188,000	175,000	175,000	175,000	175,000
Payments In Lieu of Taxes	0	0	0	0	0
Rental Related Fees	11,500	15,000	15,000	15,000	15,000
Erate	15,000	210,000	0	0	0
Miscellaneous	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
Total Other Local Revenue Line #1.060	<u>\$1,746,500</u>	<u>\$1,880,000</u>	<u>\$1,670,000</u>	<u>\$1,670,000</u>	<u>\$1,670,000</u>

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

The district does not have any projected revenue in these lines.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**All Other Financial Sources – Line #2.060 & Line #14.010**

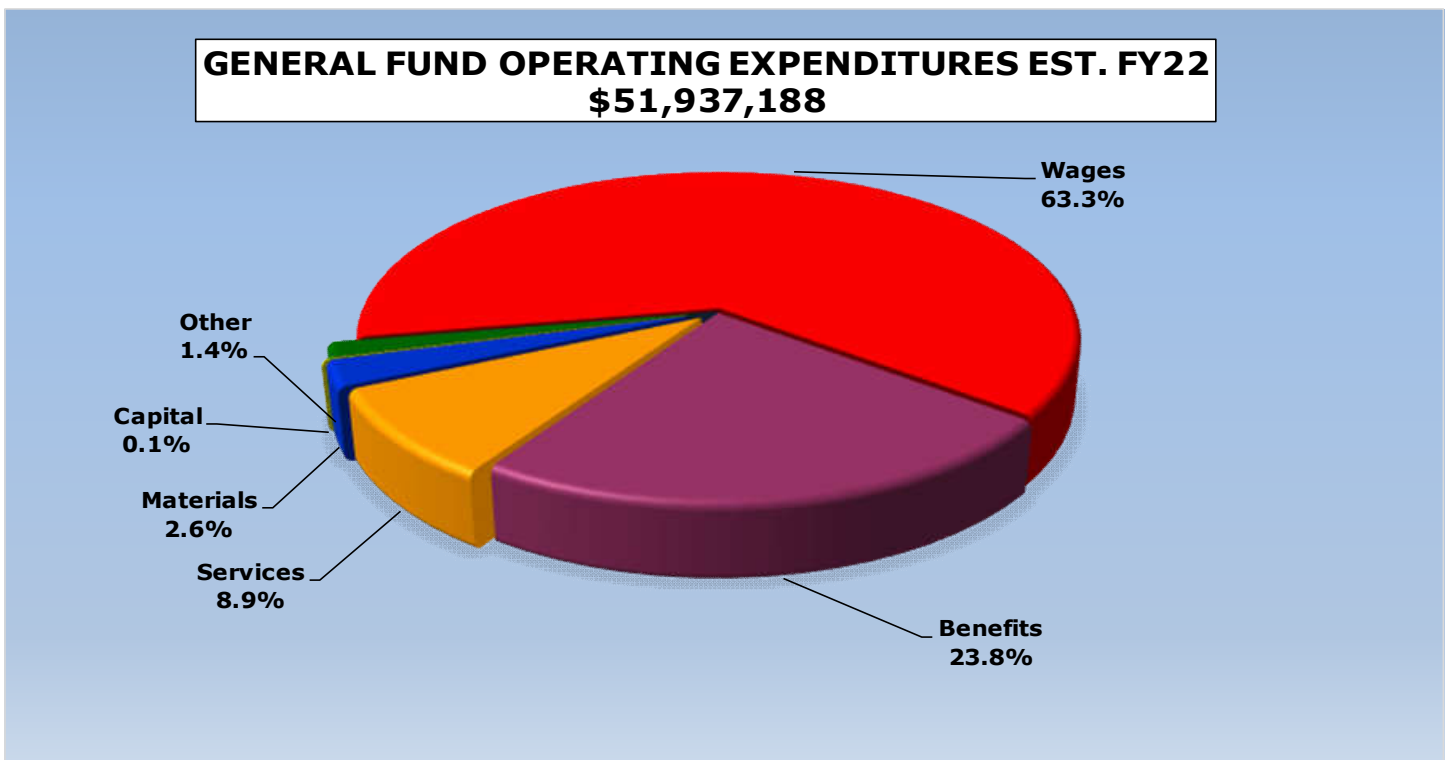
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that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

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Refund of prior years expenditures	<u>\$126,973</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

**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.

**Estimated General Fund Operating Expenditures for FY22**



**Wages – Line #3.010**

Negotiations with bargaining unit members resulted in an agreement to include base increases of 2.75% for FY22 through FY24. For planning purposes a 1% base increase is planned FY25 through FY26. The district estimated 1.1% increases each year for steps and column changes.

Substitute costs are expected to be back on pace with FY19 but with added inflation and expenses due to more internal subbing costs. The district is also estimating that severance and supplemental contracts are back in line with FY19 expenses plus inflation adjustments.

Additionally, the district is planning on staffing reductions in FY23 of approximately \$800,000.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Base Wages	\$30,652,278	\$31,854,541	\$32,444,195	\$33,514,759	\$34,108,748
Based Pay Increase	842,938	876,000	892,215	335,148	341,087
Steps & Academic Training	359,325	337,175	350,400	356,886	368,662
Growth Staff	0	0	0	0	0
New Building Staff	0	0	0	0	0
Substitutes	0	0	0	0	0
Supplementals	525,000	539,438	554,273	559,816	565,414
Severance	500,000	450,000	200,000	200,000	200,000
SWSF & CARES Adjustments	0	0	0	0	0
Other Adjustments/Reductions	0	(623,521)	(172,051)	(98,045)	(18,483)
Total Wages Line #3.010	<u>\$32,879,541</u>	<u>\$33,433,633</u>	<u>\$34,269,032</u>	<u>\$34,868,564</u>	<u>\$35,565,428</u>

### **Fringe Benefits Estimates Line 3.02**

This area of the forecast captures all costs associated with benefits and retirement costs, all of which are directly related to the wages paid with the exception of health and life insurance benefits.

#### **A) STRS/SERS**

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

#### **B) Insurance**

The district has a 2% increase in premiums estimated for FY22 and 8% increases estimated for FY23 through FY26.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to remain at about 0.58% of wages in fiscal year 2022 and after.

Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

#### **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.

### **Summary of Fringe Benefits – Line #3.02**

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
A) STRS/SERS	\$4,992,920	\$5,182,820	\$5,280,414	\$5,370,047	\$5,465,379
B) Insurance's	6,631,243	6,987,156	7,497,954	8,070,338	8,710,790
C) Workers Comp/Unemployment	188,414	196,414	191,414	163,956	167,022
D) Medicare	454,288	467,712	491,334	497,974	506,748
Other/Tuition/Annuities	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Total Fringe Benefits Line #3.020	<u>\$12,341,865</u>	<u>\$12,909,102</u>	<u>\$13,536,116</u>	<u>\$14,177,315</u>	<u>\$14,924,939</u>

### **Purchased Services – Line #3.030**

Expenditures in this line include services received from the ESC, utilities, repairs and maintenance and tuition to other districts. We are using an inflation rates between 0% and 2% for the costs within this area for FY22-FY26.

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Professional & Technical Services, ESC	\$2,200,000	\$2,100,000	\$2,121,000	\$2,142,210	\$2,163,632
Maintenance, Insurance & Garbage Removal	530,000	575,000	580,750	586,558	592,424
Professional Development	45,000	45,450	45,905	46,364	46,828
Communications, Postage, & Telephone	94,641	95,587	96,543	97,508	98,483
Utilities	850,000	850,000	858,500	867,085	875,756
Contracted Trades & Services	84,000	84,840	85,688	86,545	87,410
Tuition, Excess Costs & Scholarship Costs	600,000	600,000	600,000	600,000	600,000
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	121,000	100,000	100,000	100,000	100,000
Contract Transportation	95,000	95,000	95,000	95,000	95,000
Other Adjustments SWSF, CARES, Etc.	0	0	0	0	0
Miscellaneous Purchased Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Purchased Services Line #3.030	<u>\$4,619,641</u>	<u>\$4,545,877</u>	<u>\$4,583,386</u>	<u>\$4,621,270</u>	<u>\$4,659,533</u>

### **Supplies and Materials – Line #3.040**

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
General Office Supplies & Materials	\$555,000	\$700,000	\$707,000	\$714,070	\$721,211
Textbooks & Instructional Supplies	60,000	60,600	61,206	61,818	62,436
Facility Supplies & Materials	273,000	450,000	454,500	459,045	463,635
Transportation Fuel & Supplies	445,000	449,450	453,945	458,484	463,069
Other adjustments SWSF, CARES, Etc.	0	45,000	100,000	0	100,000
Total Supplies Line #3.040	<u>\$1,333,000</u>	<u>\$1,705,050</u>	<u>\$1,776,651</u>	<u>\$1,793,417</u>	<u>\$1,810,351</u>

### **Equipment – Line #3.050**

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund.

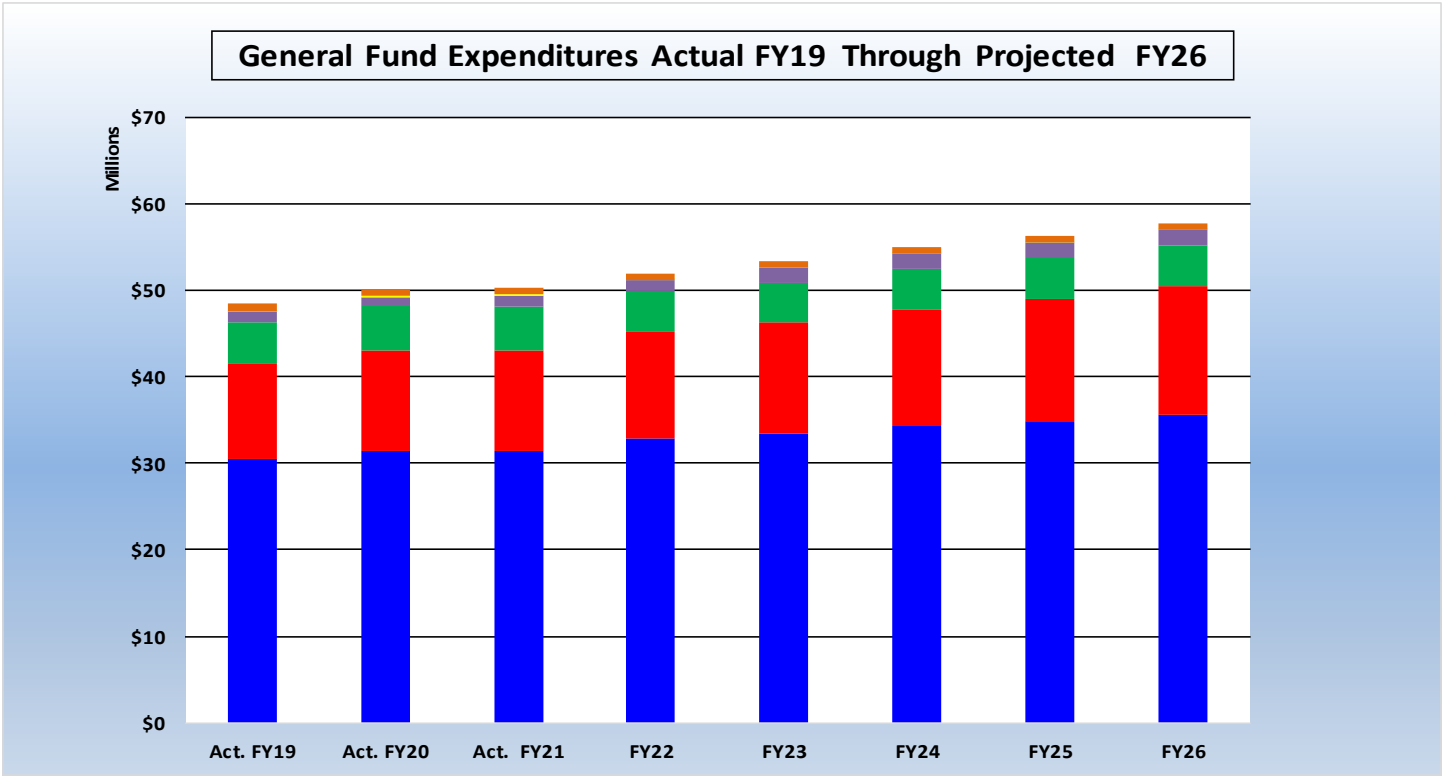
<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Capital Outlay & Maintenance	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Technology/Curriculum Purchases	2,000	2,000	2,000	2,000	2,000
Busses & Other Vehicles	0	0	0	0	0
Other adjustments SWSF, CARES, Etc.	0	0	0	0	0
Total Equipment Line #3.050	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$27,000</u>

### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. We are projecting no increase in this area.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
County Auditor & Treasurer Fees	\$537,000	\$537,000	\$537,000	\$537,000	\$537,000
ESC Deduction	24,141	24,141	24,141	24,141	24,141
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>
Total Other Expenses Line #4.300	<u>\$736,141</u>	<u>\$736,141</u>	<u>\$736,141</u>	<u>\$736,141</u>	<u>\$736,141</u>

### **Total Expenditure Categories Actual Fiscal Year 2019 through Fiscal Year 2021 and Estimated Fiscal Year 2022 through Fiscal Year 2026**



**Transfers Out/Advances Out – Line #5.010**

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have included a \$100,000 transfer out in FY22, \$318,000 in FY23 and \$60,000 each year after.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	\$100,000	\$318,000	\$60,000	\$60,000	\$60,000
Advances Out Line #5.020	0	0	0	0	0
<b>Total Transfer &amp; Advances Out</b>	<u>\$100,000</u>	<u>\$318,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>

**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.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances Line #8.010	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>

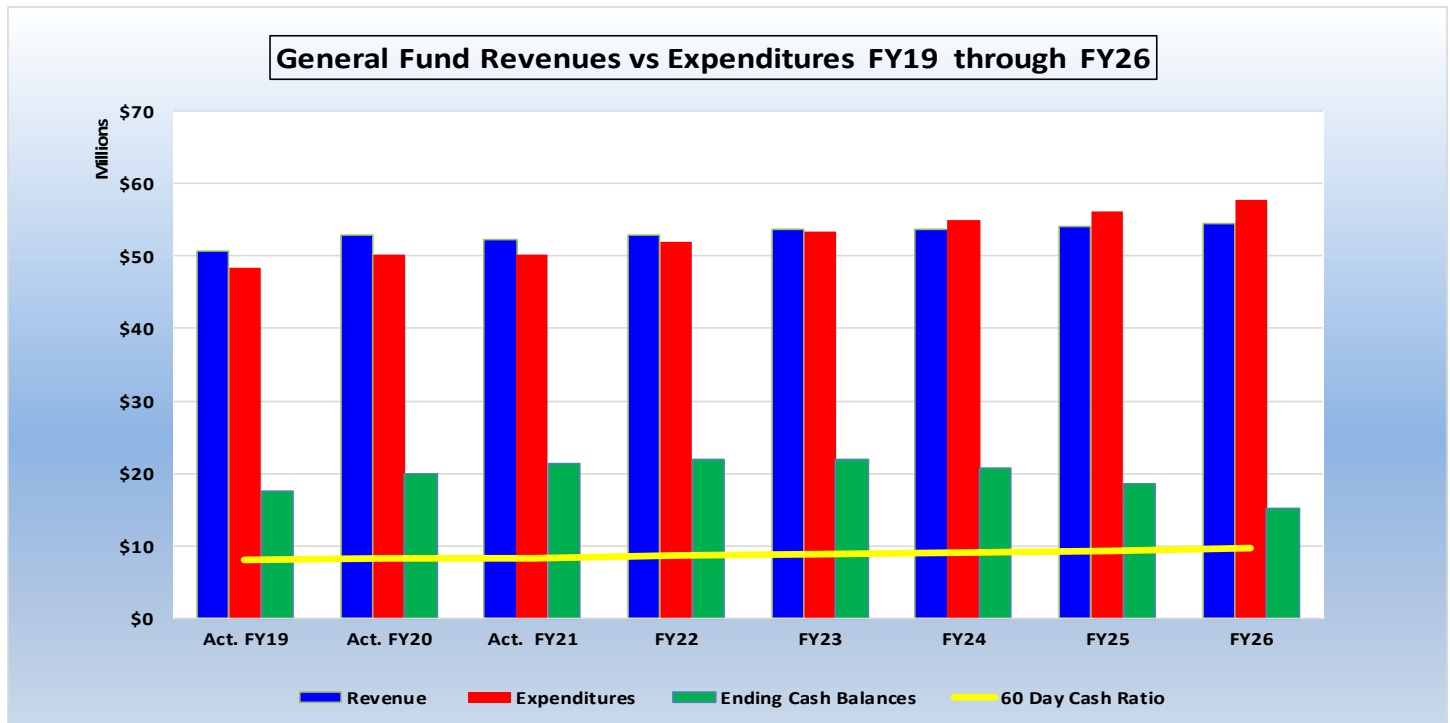
**Ending Unencumbered Cash Balance “The Bottom-line” – Line #15.010**

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 which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance.

	FY22	FY23	FY24	FY25	FY26
Ending Unreserved Cash Balance Line #15.01	<u>\$21,924,522</u>	<u>\$21,985,988</u>	<u>\$20,740,982</u>	<u>\$18,557,980</u>	<u>\$15,214,292</u>

## Operating Expenditures Actual FY19 through FY21 and Estimated FY22-FY26

As the graph on the following page indicates, we have been diligent at managing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



### 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 Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts 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

### Ending Unencumbered Cash Balance in True Cash Days



### CONCLUSION

Brecksville-Broadview Heights City School District receives 17.3% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB110 as it has reduced the amount that was deducted for programs that were not within the district's control. 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-FY26.

District administrations appreciate the supportive Brecksville-Broadview Heights community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

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.