

**SPRINGFIELD LOCAL SCHOOL DISTRICT
IRN 050062
Summit County**

Notes to Five-Year Forecast Fiscal 2026 thru 2029

The following assumptions were used to project the Springfield Local Schools five-year forecast. The Financial Recovery Plan (FRP) narrative details the plan the district will carry out to address our financial situation. The Financial Recover Plan recently approved can be viewed on the Springfield Local Schools website.

Great News:

The district was successful in passing two renewals on the May 2025 ballot. The impact of these renewal levies allows the district to maintain current services and potentially expand programs in the future. Oct 2025 forecast projects positive cash balances for all years.

Conclusion

Springfield Local Board of Education regularly monitors school finances through monthly reports and presentations submitted by the Treasurer. The Board will be kept informed through constant and open dialogue with the Treasurer and Superintendent. Monthly written reports will be provided to the Board of Education for review and the Treasurer will continue to make monthly presentations at the regularly scheduled Board of Education meeting to keep the district stakeholders and Board of Education informed of financial status and FRP implementation. Written reports will include, but not be limited to: monthly fiscal watch monitoring reports which includes monthly budget compared to actual results, check detail report, revenue summaries, fund summaries, and appropriation account summaries. As necessary, the Board will be presented with, and requested to approve, updated five-year forecasts prepared by the Treasurer.

Revenues:

1.010 Real Estate Tax Revenues –Historically have included real property tax settlements (on residential and commercial property) received via the County auditor. Estimates are based on previous years actual and collections for the current fiscal year. Springfield has realized a healthy increase in new construction the last few years. It is anticipated that will result in a higher than usual increase in real estate in non-reappraisal years. This line represents over 50% in total revenues for the district so a continued interest in new homes will greatly benefit the district both in revenues and eventually new students. This line reflected the passage of two renewals in the May 2025 election. The district has one remaining renewal on the Nov. 2025 ballot. Once passed the impact will be reflected on the next forecast.

1.035 Unrestricted Grants in Aid – State Foundation proceeds. The Springfield Local Schools will reflect the recent budget as proposed by the legislative branch. Funding unfortunately has become political and not based on actual needs of the districts in Ohio. As a results I do not anticipate very little growth in revenues. The current amounts proposed by the legislature is another example of the shifting of state resources from public to private sector schools.

1.040 Restricted Grants in Aid – Restricted aid is the portion of state per pupil funding that must be classified as restrictive use. Restricted funds represent 2.5% of the total revenue. Examples of restrictive state aid is funding for Gifted, English Learners, Student Wellness, Career Tech and Economic disadvantaged students.

1.050 State Share of Local Property Taxes

State Share tax allocation primarily consists of reimbursement from the state of Ohio for local taxpayer's credits or reductions. The state reduces the local taxpayer tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit. The estimates for FY26 and beyond will see an increase directly related to property taxes valuation changes.

1.060 Other Operating Revenue – The majority of funds are derived from tuition received by the district for non-resident students educated by the district.

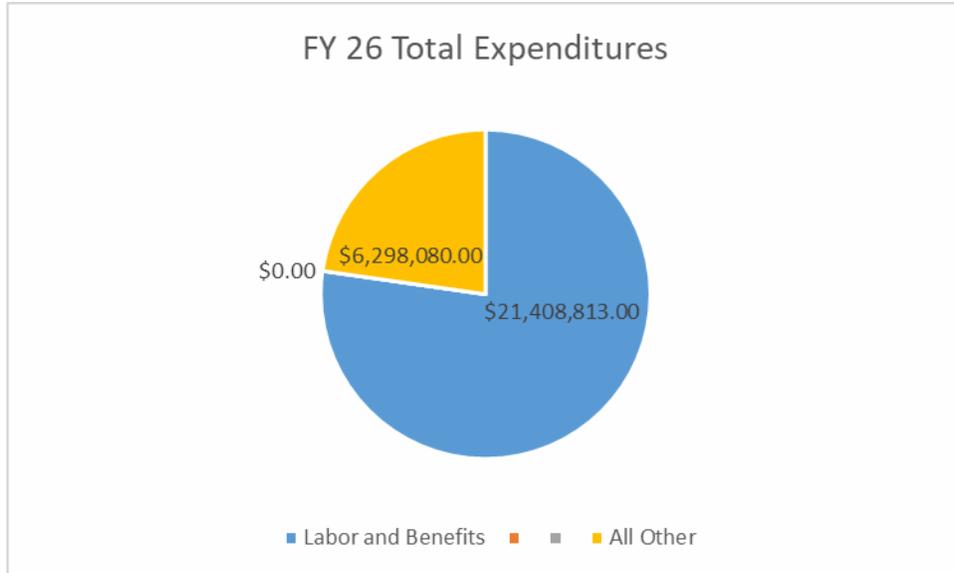
Springfield also receives federal rebates related 7-12 high school project. One of the federal rebates will stop in FY 28. The district places its funds in the STAR OHIO Investment account. The interest rate has been stable the last year. I expect a decrease in interest income due to expectation of the Federal Reserve reducing the prime interest rate.

2.04 Transfers In – This amount is related to payment for the Bus Garage project payment.

Expenditures:

3.010 Personal Services – Historically has been certificated, non-certificated and administration salaries, supplemental salaries and other miscellaneous salaries. FY25 outside of above average severance payments was tracking on budget. This category along with employee benefits make up **77% of the total expenditures**. **See chart below**. The only way to obtain financial health for this district is to manage these expenditures very carefully. All three union contracts will be expiring in FY 26, if changes occur the subsequent forecast will reflect the exact impact. The administrative team is committed to increasing the cash balance of the district therefore any changes in the contracts will change the fund balances currently reflected.

3.020 Retirement/Insurance Benefits – The district has moved to a new consortium effective July 2022. Insurance premiums will increase 17.3 for FY26. For FY 27 and beyond I have lowered the percentage due to the amount of new hires in FY26. The district is watching these expenditures very closely with the consortium. Any changes will be calculated to see if the forecast should be amended.



3.030 Purchased Services – These costs include tuition to other districts, utilities, maintenance and special needs related costs etc. Regarding tuition charges, the district has created a team that includes the EMIS coordinator to ensure the district is only paying for students that are legally allowed. For the remaining years I anticipated a 3% increase. This category will be reviewed by management to see if additional savings can be achieved.

3.04 Supplies/Materials – Both the Superintendent and Treasurer are reviewing each and every purchase order. Vendors are being challenged and competitors are being researched to maximize additional savings.

3.05 Capital Outlay This category is related equipment purchases out of the general fund. The district spends very little due to the fact that most capital purchases are being purchased out of the permanent improvement fund.

4.05 Principal HB 264 Loan This is the yearly principal payment for the HB264 energy project.

4.055 Principal Others. This is the yearly principal payment for the new bus garage.

4.06 Interest and Fiscal Charges. This is the interest charges for the bus garage and HB264 project.

4.30 Other Objects – A major portion of these costs are related to county services and fiscal/auditor fees. Springfield utilizes the educational service center for many services geared to our special needs population. The top four entities who impact 94% of the yearly expenditures for this specific category include:

Educational Service Center of Summit County
Summit County Auditor Fees
Liability Insurance
Third Party Auditor Reports

5.010 Operating Transfers Out –This represents the yearly Bus Garage project payment plus any charges from the General Fund to other funds that may run a deficit.

8.010 Estimated Encumbrances – The Treasurer’s office will continue to minimize open encumbrances by reviewing open orders in a timely fashion.

11.02 Property Tax Renewal or Replacement – Fiscal 2027 represents the one remaining renewal levy that still needs passed.

Christopher Adams

Treasurer
Springfield Local Schools

