



Cash Balance Stability Plan

Background

Based on the current Five-Year Forecast, Ottawa Hills Local Schools projects that cash balances will fall below the target of **60 days cash on hand** during fiscal years 2028, 2029, and 2030. Maintaining adequate reserves is critical to ensuring stability, meeting state standards, staying in compliance with Board Policy 6220 – Budget Preparation, and protecting our ability to provide high-quality education to students.

Plan to Maintain Adequate Cash Balances

1. Levy Strategy

- **Spring 2027 Levy Proposal**
 - Place an operating levy on the May 2027 ballot.
 - The levy will be designed to generate sufficient annual revenue to restore and maintain at least 60 days cash balance in fiscal years 2028, 2029 and 2030.
 - Community engagement will be prioritized through transparent communication about the need, impact, and accountability for levy dollars.

2. Expenditure Contingency Plan

If the levy does not pass in spring 2027, the district will place the levy back on the ballot for November 2027. If the following levy does not pass, the district will implement a phased expenditure reduction plan beginning in fiscal year 2028.

- **Immediate Measures (FY28)**
 - Freeze on non-essential spending.
 - Hold on filling non-critical vacancies.
 - Review of all purchased services and supply budgets for potential reductions.
- **Mid-Term Measures (FY29)**
 - Program evaluations to identify areas for efficiency, consolidation, or reduction.
 - Potential adjustments to staffing levels aligned with enrollment and program demand.
- **Long-Term Measures (FY30 and beyond)**
 - Structural adjustments to align ongoing expenditures with recurring revenue levels.



The district will continue to try to pass a levy during this contingency plan. The district does not receive a large share of state funding and is mostly reliant on taxpayers to continue providing the necessary revenue for increased expenditures.

3. Monitoring and Accountability

- The Treasurer's Office will provide the Board with **monthly cash balance updates**.
- Administration will prepare a **detailed expenditure reduction framework** by fall 2027 so the district is ready to act quickly if the levy does not pass.
- The district will continue to maintain strong financial practices, including conservative forecasting and proactive communication with the community.

Conclusion

This plan balances fiscal responsibility with a commitment to educational excellence. By pursuing additional revenue through the 2027 levy, Ottawa Hills Local Schools can maintain the cash reserves necessary for stability. If the levy is unsuccessful, a thoughtful and phased expenditure reduction strategy will ensure the district remains solvent while trying to minimize disruption to students.