



# FINANCIAL NEWSLETTER

## MARCH 2024

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In the March 2024 edition of our financial newsletter, we delve into two critical facets of our district's financial landscape: open enrollment and state funding. Open enrollment offers an opportunity for students to attend a public school outside of their designated district, providing a means for supplementary revenue while minimizing associated costs. Currently, Otsego hosts 156 open-enrolled students, generating over \$600,000 in revenue annually. However, the decision to accept students is carefully weighed against factors such as class sizes and available capacity. Removing open enrollment could result in significant revenue loss without corresponding expense reductions, making its continuation financially advantageous.

Meanwhile, Ohio's Fair School Funding Plan governs the distribution of state funding, ensuring equitable access to resources across districts. Otsego receives approximately \$6.5 million annually, with expectations of stability in the foreseeable future. For further inquiries, please reach out to [scarroll@otsegoknights.org](mailto:scarroll@otsegoknights.org).

# OPEN ENROLLMENT

Open enrollment refers to the opportunity for students to attend a public school outside of their designated district. This allows students to attend a school in a district where they do not reside. Open enrollment policies vary across different school districts in Ohio, and participation is typically subject to certain guidelines and limitations. Schools use this as a way to supplement their revenue, while usually having minimal costs associated with these students.

Currently, Otsego has 156 Open Enrolled students, and we receive roughly \$3,300 as a base for each student. (The amount fluctuates based on the base cost of the student's home school). If the student has extra educational needs, we are able to collect more money as excess costs past the base. This year, Otsego will receive \$95,000 in excess costs we incurred for these expenses. Considering the open enrollment revenue and the reimbursement of excess cost, we will bring in a little over \$600,000 in revenue this year.

Not all students are accepted for Open Enrollment, as we diligently are watching our class sizes. We never want to be in a situation where we are adding a teaching position due to Open Enrollment. However, if we are able to use it to supplement our current revenue from the state without adding extra costs, we benefit greatly.

## KEY POINTS



### Availability & Capacity

We only allow students to Open Enroll in that we have room for with our current staffing. And we are not currently in a situation where removing Open Enrollment as an option would allow us to reduce our teaching staff.



### Tuition

As a public school, we are prohibited from charging tuition to students, including those enrolled through open enrollment. Therefore, our revenue is limited to state funding and any excess costs incurred.



### Removal of Open Enrollment

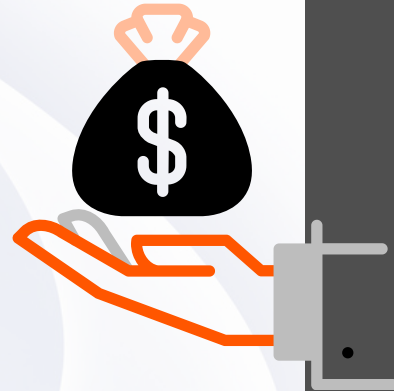
Removing open enrollment would result in a loss of approximately \$600,000 in annual revenue with minimal impact on expenses, as it does not necessitate position reductions and many classroom supplies are covered by student fees. Thus, retaining open enrollment is financially advantageous, as its removal would lead to revenue loss without corresponding expense reductions.



### Transportation

Open-enrolled students are required to arrange their own transportation to either school or designated bus stops, as our district does not provide bus services for them or alter existing routes. Our transportation director, Eva Vasher, diligently optimizes bus routes to ensure efficiency. We prioritize cost-effectiveness and avoid additional expenses associated with open enrollment, underscoring our commitment to fiscal responsibility.

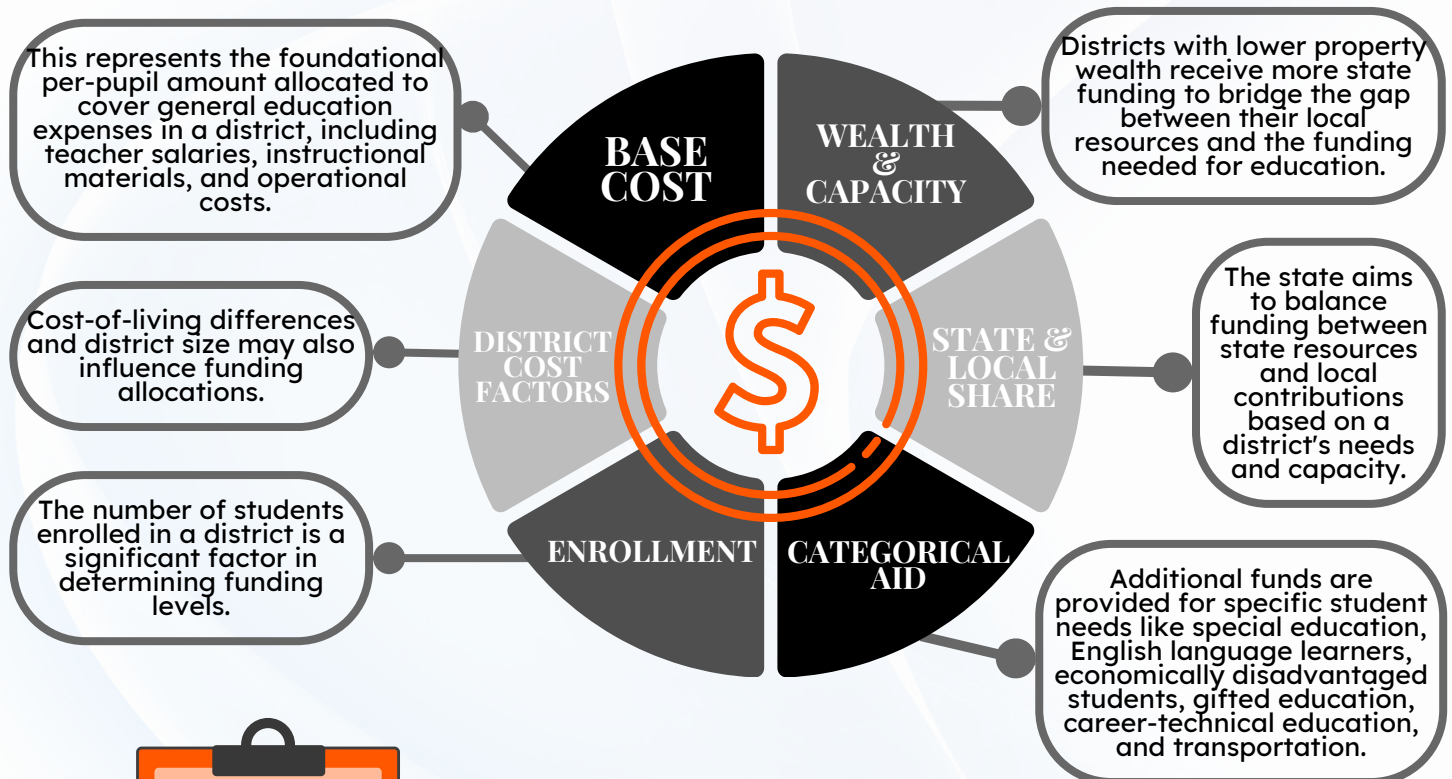
# STATE FUNDING



In Ohio, we use a school funding formula that takes into account various factors such as the district's property values, local tax base, the number of students, special education needs, poverty levels, and other considerations. The state provides funding to districts based on this formula, which can vary widely among districts.

Ohio's funding formula is known as the "Fair School Funding Plan", which aims to distribute state funding to school districts in an equitable and predictable manner. The Fair School Funding Plan accounts for a district's ability to raise funds locally, ensuring that all students in Ohio had access to a quality education regardless of their district's property wealth. Districts that have more local wealth receive less funding. This allows students in lower income districts access to educational resources similar to other districts.

There are multiple components that make up the formula. All of these components have their own formulas that adjust annually as demographics of areas change. The main components are:



Otsego currently brings in about 6.5 million dollars a year in state aid. We don't see any reason that this amount will change in future years, so we have this line flat in our forecast.

Thank you for taking the time to read our newsletter. If you have any please contact me at [scarroll@otsegoknights.org](mailto:scarroll@otsegoknights.org).

