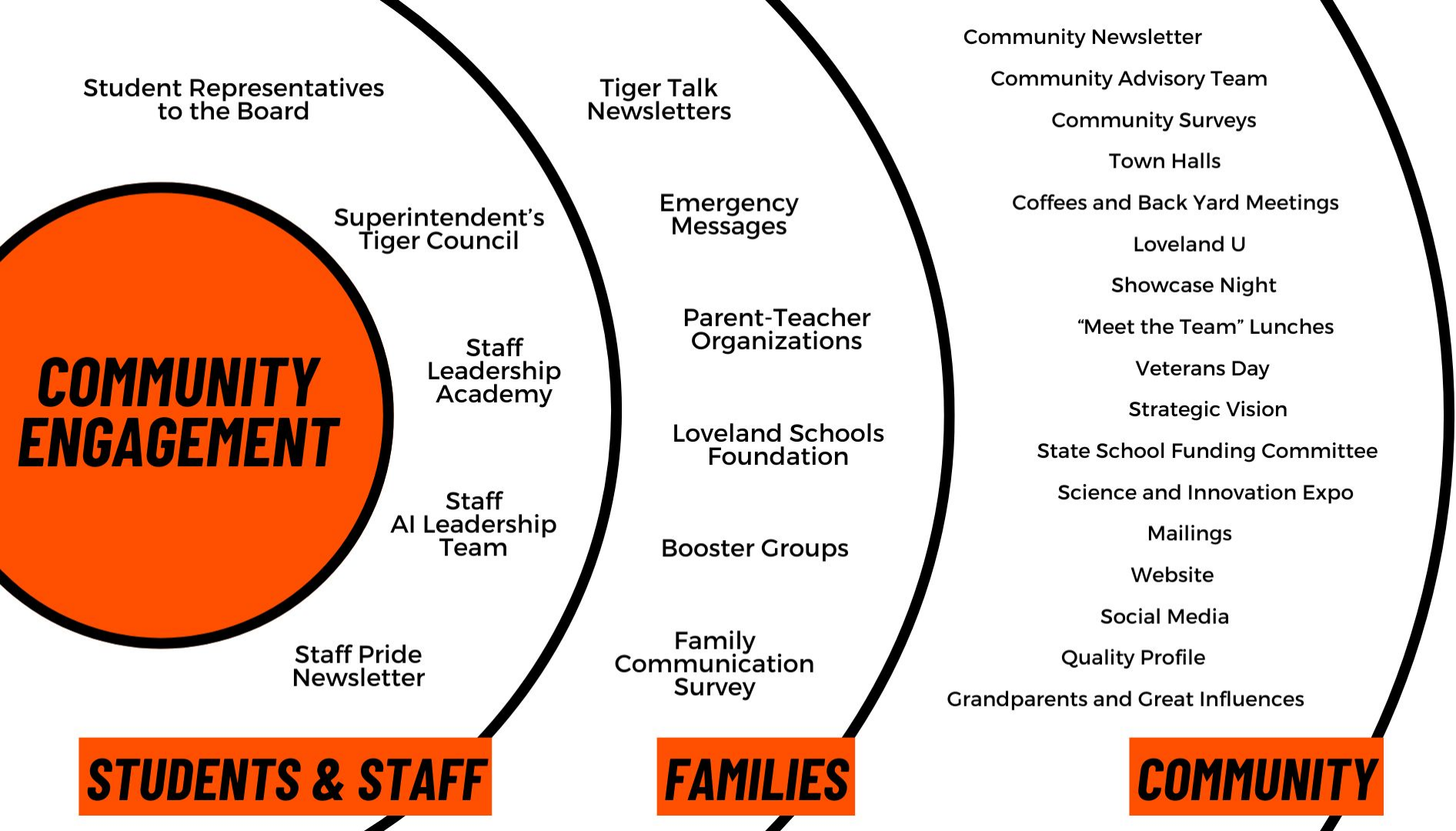


# LCSD Finance Town Hall

John Espy, Treasurer/CFO  
10.30.25



# #beLOVEland Strategic Vision

Created with our  
Community in 2021-22

## LOVELAND CITY SCHOOLS STRATEGIC VISION

#beLOVEland:  
Success for every student  
at the heart of education



## GOAL 4

# FISCAL RESPONSIBILITY

Loveland City School District supports students' evolving educational and facilities needs in a fiscally responsible manner.

## GOALS

### 4-A COMMUNITY ENGAGEMENT:

Loveland City School District will inform stakeholders about students' needs, fiscal decision-making, and school funding.

#### Strategies

1. Educate stakeholders about Ohio's school funding system, focusing on funding sources and rules.
2. Partner with our community to ensure students' educational needs are appropriately funded.
3. Communicate the rationale behind the use of funds and alignment with district financial goals.

### 4-B DIVERSIFICATION OF FUNDING SOURCES:

Loveland City School District will establish community, educational, and corporate/business partnerships.

#### Strategies

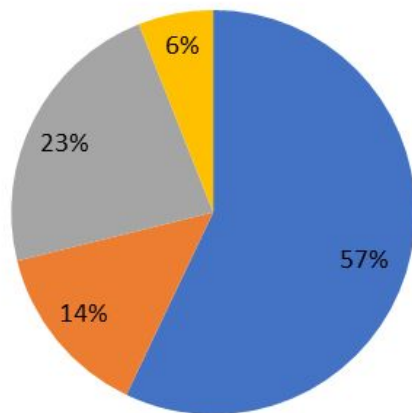
1. Advocate for solutions to Loveland's unique state funding challenges.
2. Leverage corporate partnerships to expand student educational offerings.
3. Utilize fundraising and grants as additional sources of funding.

***“Advocate for solutions to Loveland’s unique state funding challenges.”***

# School Finance Initiatives

- Security of assets
  - Positive pay, Workflows and standard processes, fraud prevention software
- Innovation
  - Utilizing virtual card payments to allow the district to benefit from accounts payable processes
- Securing New Funding Sources
  - Grants, rebates
- Data Evaluation
  - Used to inform the BOE and admin team

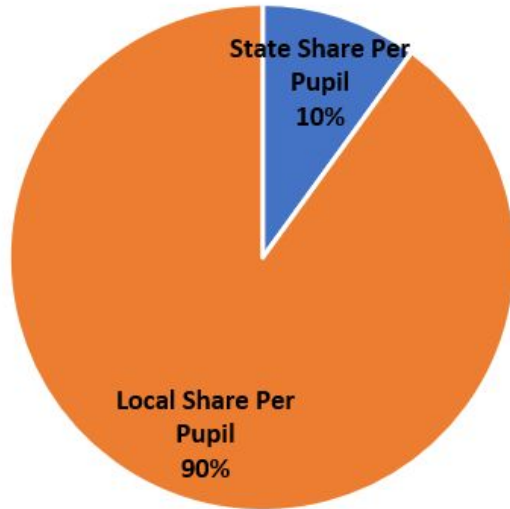
# LCS Base Cost



- Direct Classroom Instruction
- Instructional and Student Support
- Building Leadership & Operations
- District Leadership & Accountability

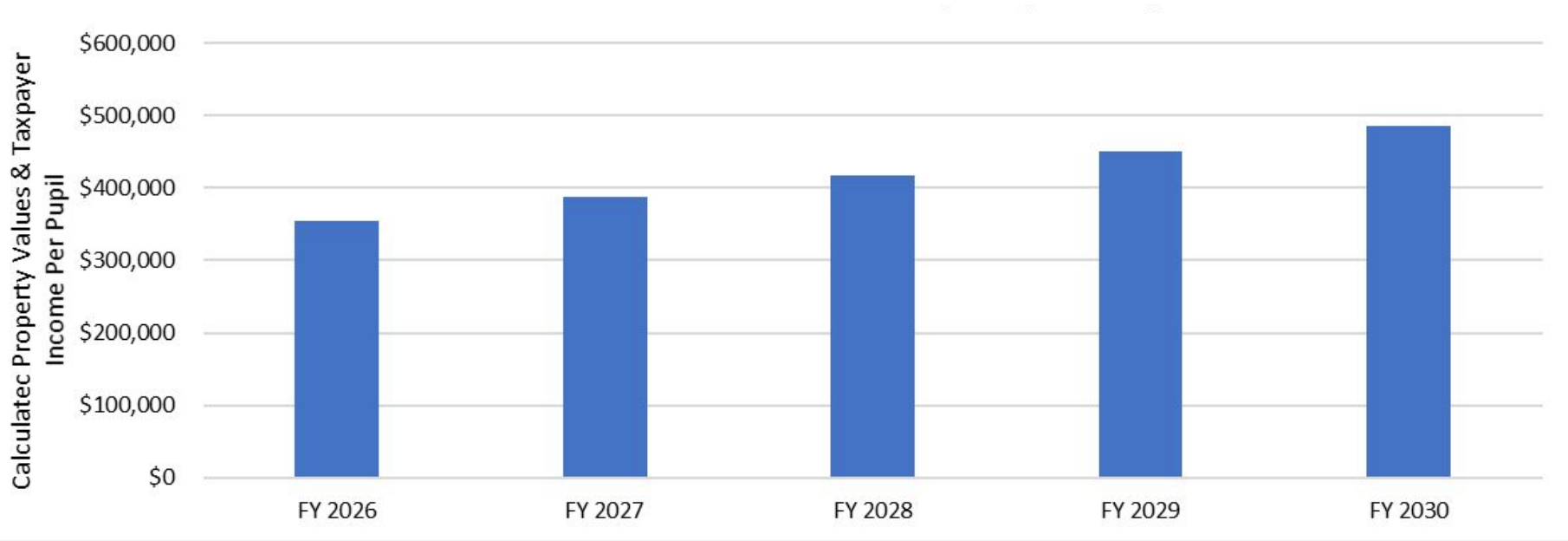
LCS's calculated per pupil base cost is **\$8,157**. Base cost is a calculated number to achieve a per pupil funding amount and does not represent the actual cost of providing services. It represents a **minimum level** of services

# Base Cost, Capacity, and the Bottom Line for LCS



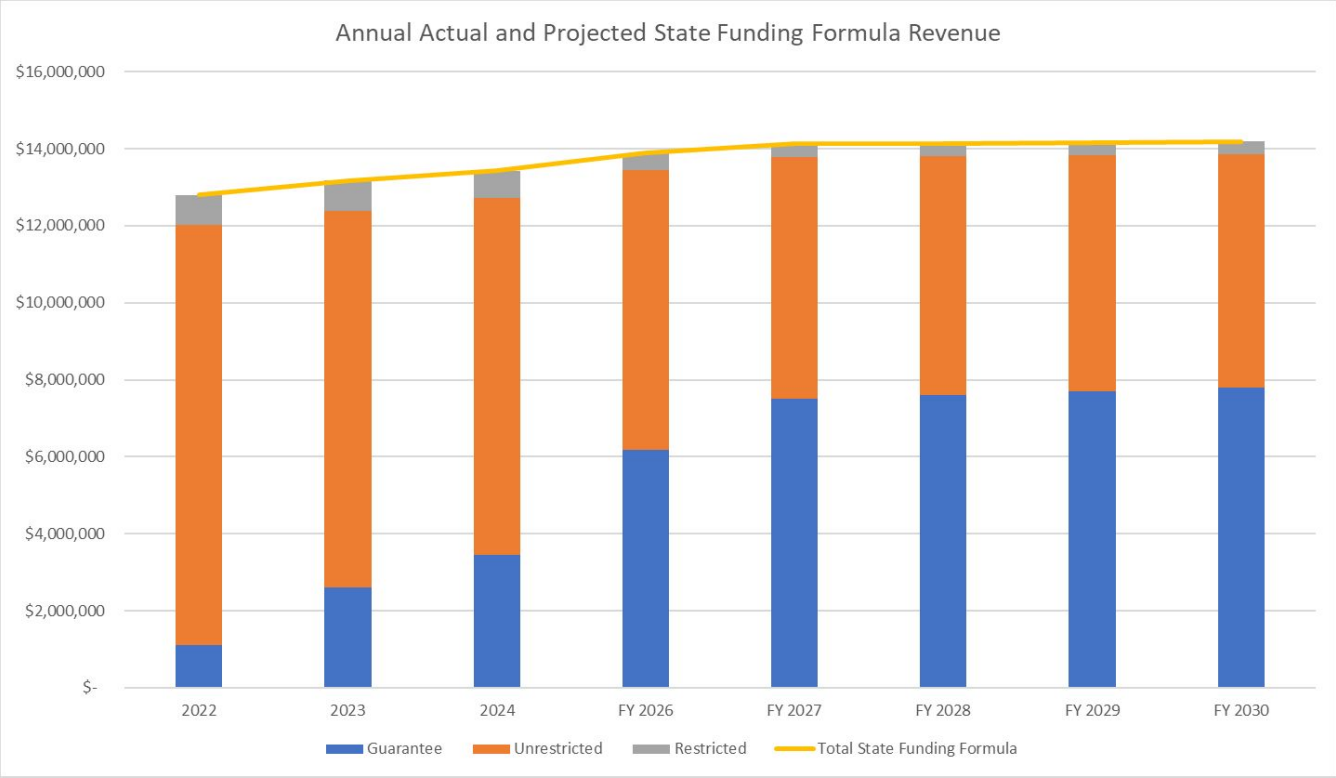
The 10% state share is applied to typical, gifted, special education and economically disadvantaged students. Note that students may fall into multiple categories leading to local funds having to cover 90%+ of each category due to the FSFP.

# State Projected Capacity Per Pupil for LCS





# LCS is a Guarantee District



Funds the district would lose per year without the guarantee

# LCS is a Guarantee District - Lobbying Information



**ABOVE AVERAGE RESULTS,  
BELOW AVERAGE COST**

	LOVELAND	vs.	Ohio Districts
Ohio School Report Card 2023-24	★★★★★ every category		97% of districts score <u>lower</u>
State Funds per Student FY24	\$4,250		85% of districts receive <u>more</u> state funding per student
Student-to-Administrator Ratio FY24	144 to 1		75% of districts have <u>more</u> administrator support per student
Student-to-Teacher Ratio FY23	20.4 to 1		97% of districts have <u>more</u> teacher support per student
Expenditures per Student FY24	\$15,420		55% of districts spend <u>more</u> per student

## THREE STEPS TO SUPPORT OUR HIGH-QUALITY, LOW-COST DISTRICT

### 1. PROTECT THE "GUARANTEE"

It is critical that the funding guarantee be protected for Loveland and similar districts. If the guarantee were to be eliminated, Loveland would suffer a catastrophic loss of \$25,000,000 in state funding over the next four years. The Governor's proposal would cut \$2,500,000 from Loveland City Schools over our Five-Year Forecast.

### 2. ENSURE STATE FUNDING KEEPS PACE WITH INFLATION

Inflation is projected at 2.3%, and we are requesting that state funding increase at or near the same rate during the two-year budget.

Failure to increase state funding in line with inflation shifts more of the burden for public education to local taxpayers.

### 3. REMOVE THE CASH BALANCE PROVISION

Limits on carry-over balances will have unintended consequences for school districts and create more confusion for local taxpayers.

We request the state study the issue and consider separate legislation regarding cash balance policies.



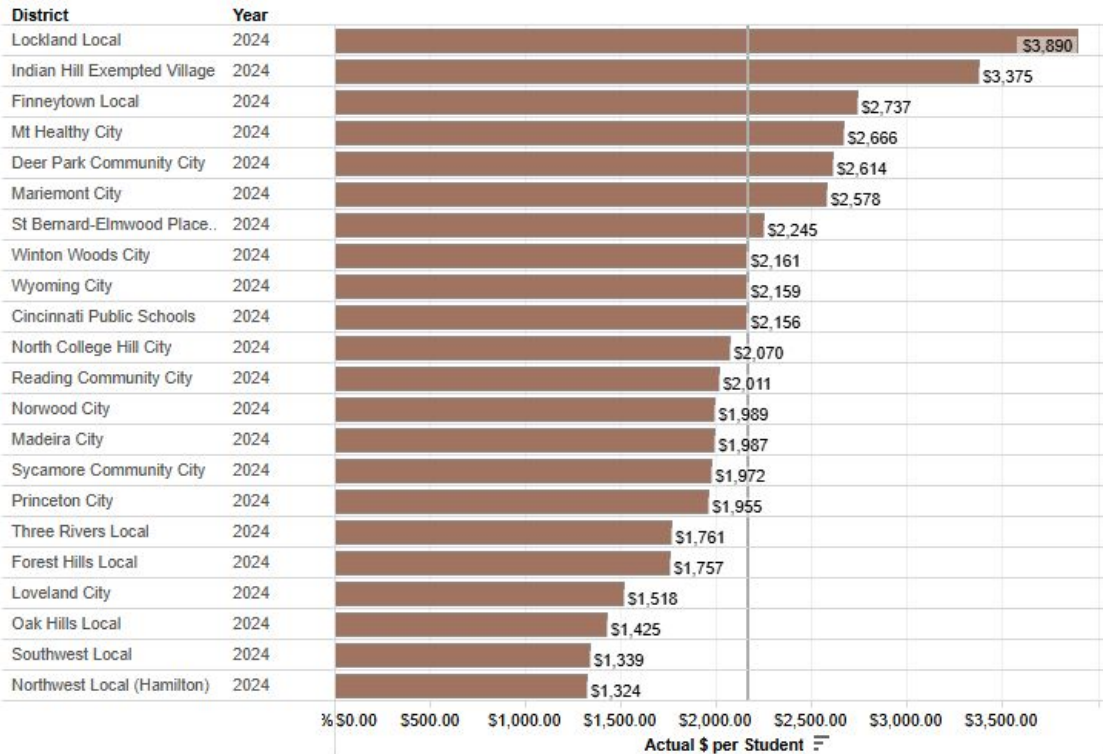
Mike Broadwater, Superintendent, Loveland City Schools: [mikebroadwater@lovelandschools.org](mailto:mikebroadwater@lovelandschools.org)  
John Esay, Treasurer, Loveland City Schools: [jesay@lovelandschools.org](mailto:jesay@lovelandschools.org)  
Rev. Jonathan Elert, Board President, Loveland City Schools: [elert@lovelandschools.org](mailto:elert@lovelandschools.org)  
Lynn Mangan, Board Vice President, Loveland City Schools: [mangan@lovelandschools.org](mailto:mangan@lovelandschools.org)

## Loveland's Lobbying Priorities:

- **Protect the "Guarantee"** - if the guarantee were to be eliminated, Loveland would suffer a catastrophic loss of \$25 million in state funding over the next four years. The governor's suggested reductions in the guarantee will mean a loss of about \$2.5 million.
- **Ensure state funding keeps pace with inflation** - Inflation is projected at 2.3% and we are requesting that state funding increase at or near the same rate during the two-year budget. Failure to increase state funding in line with inflation shifts more of the burden for public education to local taxpayers.
- **Remove the cash balance provision** - Limits on carry-over balances will have unintended consequences for school districts and create more confusion for local taxpayers. We request that the state study the issue and consider separate legislation regarding cash balances.



# Administrative Cost Per Student - Hamilton County

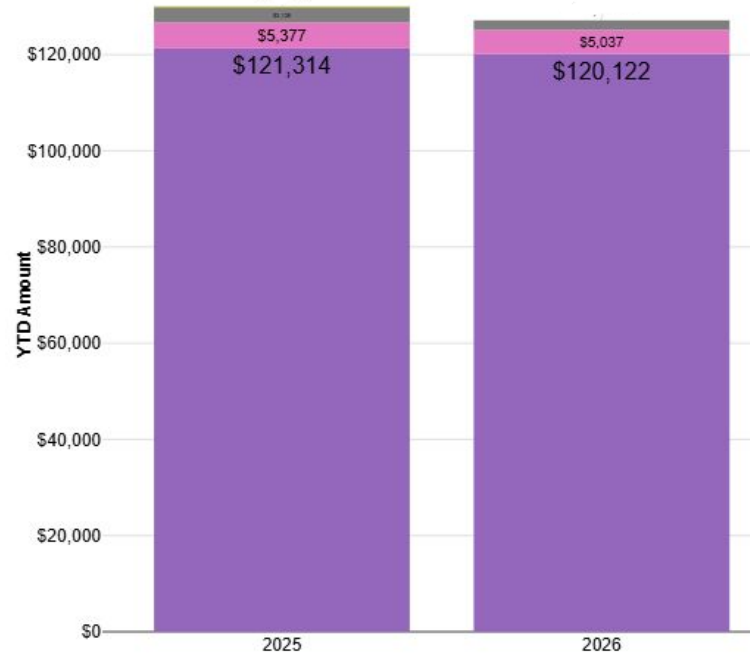


District	Actual \$ per Student	District Rank	Percent of Operating Expense
Lockland Local	\$3,889.77	1 / 22	24.49%
Indian Hill Exempted Village	\$3,375.12	2 / 22	16.74%
Finneytown Local	\$2,737.23	3 / 22	15.67%
Mt Healthy City	\$2,665.66	4 / 22	13.34%
Deer Park Community City	\$2,613.83	5 / 22	15.46%
Mariemont City	\$2,578.48	6 / 22	14.99%
St Bernard-Elmwood Place City	\$2,245.43	7 / 22	11.96%
Winton Woods City	\$2,161.06	8 / 22	15.64%
Wyoming City	\$2,159.16	9 / 22	13.95%
Cincinnati Public Schools	\$2,156.44	10 / 22	12.70%
North College Hill City	\$2,070.46	11 / 22	17.83%
Reading Community City	\$2,010.76	12 / 22	16.69%
Norwood City	\$1,989.32	13 / 22	11.50%
Madeira City	\$1,986.93	14 / 22	12.42%
Sycamore Community City	\$1,972.19	15 / 22	12.43%
Princeton City	\$1,954.99	16 / 22	12.58%
Three Rivers Local	\$1,761.13	17 / 22	13.96%
Forest Hills Local	\$1,756.93	18 / 22	12.94%
Loveland City	\$1,517.63	19 / 22	11.57%
Oak Hills Local	\$1,424.94	20 / 22	12.86%
Southwest Local	\$1,338.94	21 / 22	12.21%
Northwest Local (Hamilton)	\$1,324.33	22 / 22	9.08%

LCSD has the 4th lowest admin cost per student in Hamilton County based on the latest CUPP report. LCSD is also well below the state requirement of 15% of total expenditures.

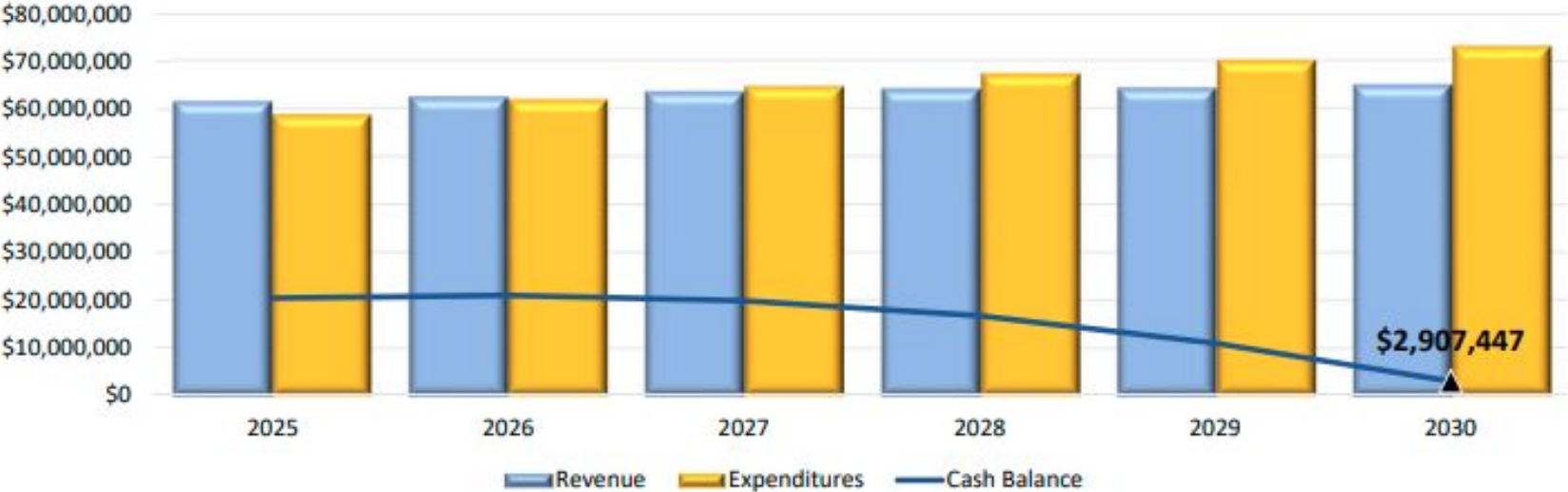
# Administrative Supply Costs - FY26 Trends

Supplies are trending lower in FY26 even with inflationary pressures

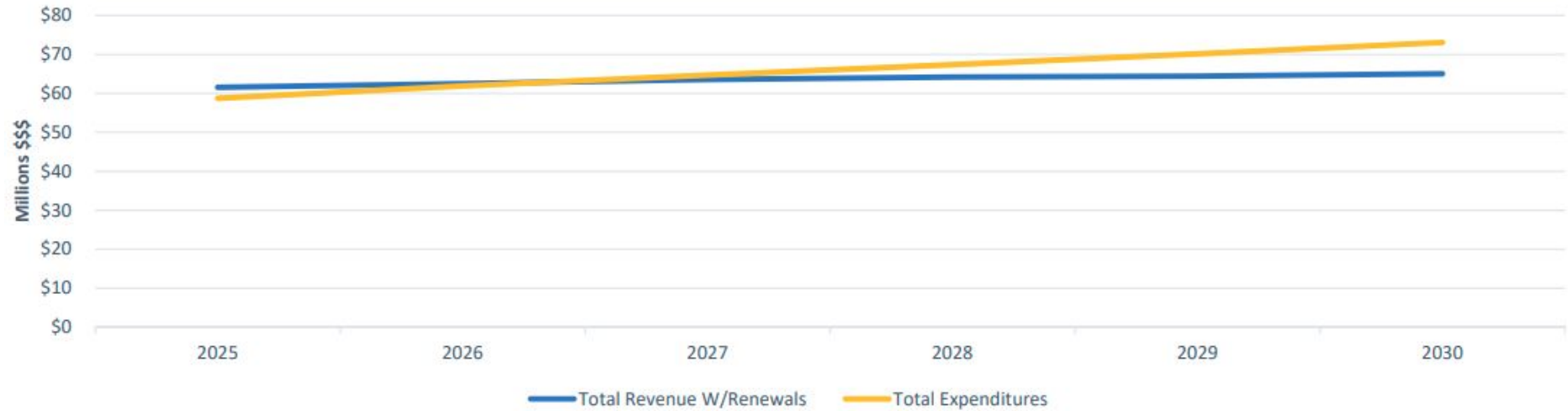


# Expenditures and Revenues Summary

# Projected Revenue, Expenditures, and Cash Balance



# Projected Revenues and Expenditures





# Abbreviated October 2025 Forecast

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010) <i>*Includes Renewal/New Levy Revenue, see Disclosures</i>	20,374,687	20,959,702	19,835,692	16,682,367	10,927,673
+ Revenue	62,498,732	63,577,910	64,192,018	64,394,300	65,046,844
- Expenditures	(61,913,718)	(64,701,919)	(67,345,344)	(70,148,994)	(73,067,070)
= Revenue Surplus or Deficit	585,015	(1,124,009)	(3,153,325)	(5,754,694)	(8,020,226)

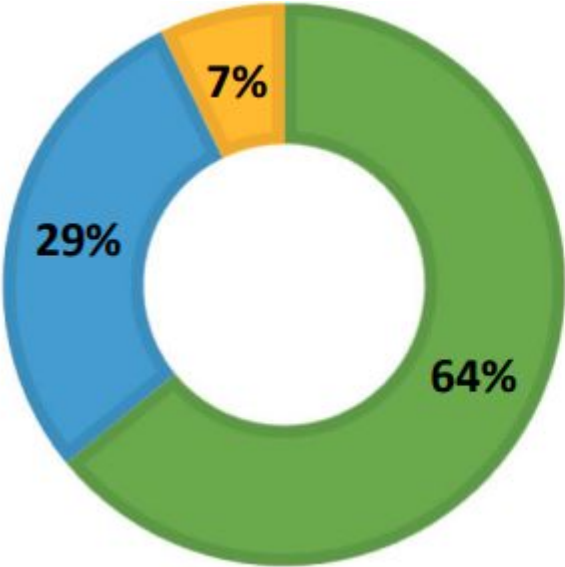
Projected to have  
revenues exceeding  
expenditures in FY26

Deficit spending is  
projected to begin in  
FY27 and continue  
through FY30



# Revenues

# FY26 Revenue Summary

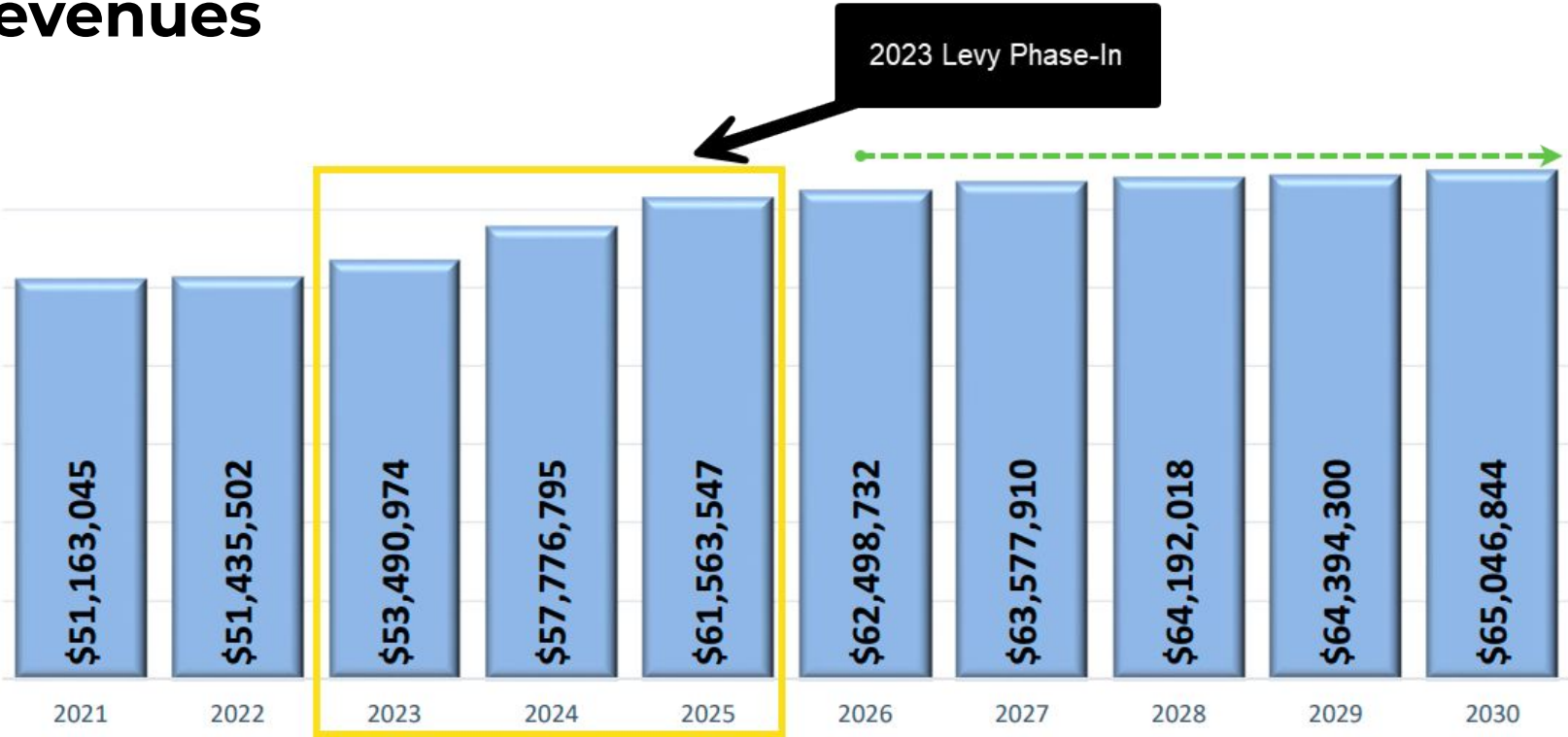


Local Taxes		
Real Estate Tax		60.94%
Public Utility Tax		3.18%
Income Tax		0.00%

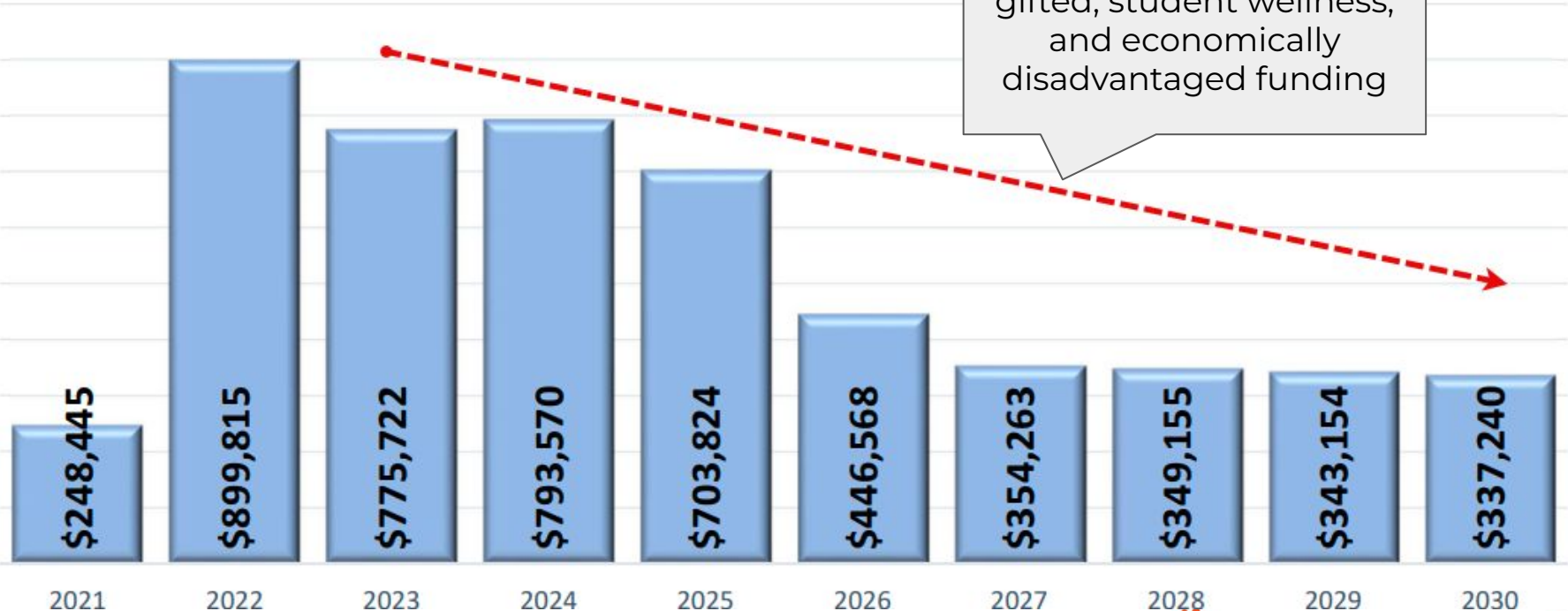
State Sources		
State Funding		21.50%
Restricted Aid		0.71%
State Share of Local Tax		6.47%

All Other Revenue		
Other Revenue		5.97%
Other Sources		1.22%

# Revenues



# Restricted State Aid



# All Other Revenue

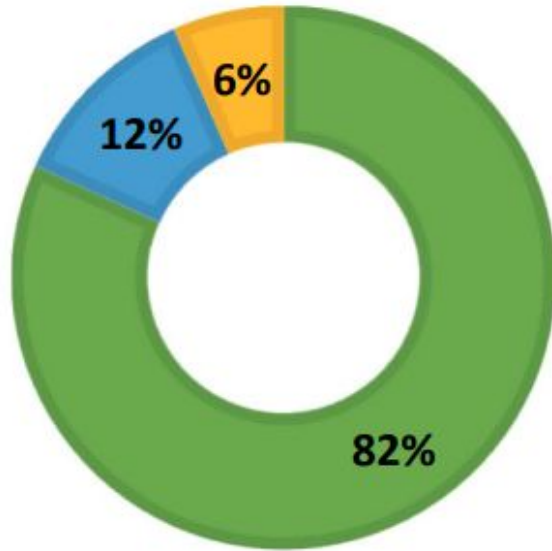


# Investment Analysis FY23 - FY25

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
<b>Investment Income</b>	\$671,206.71	\$945,906.61	\$1,123,178.22
<b>Average STAR Rate</b>	5.26%	5.45%	4.45%

# Expenditures

# FY26 Expenditure Summary



## Personnel Costs

Salaries	60.95%
Benefits	20.84%

## Purchased Services

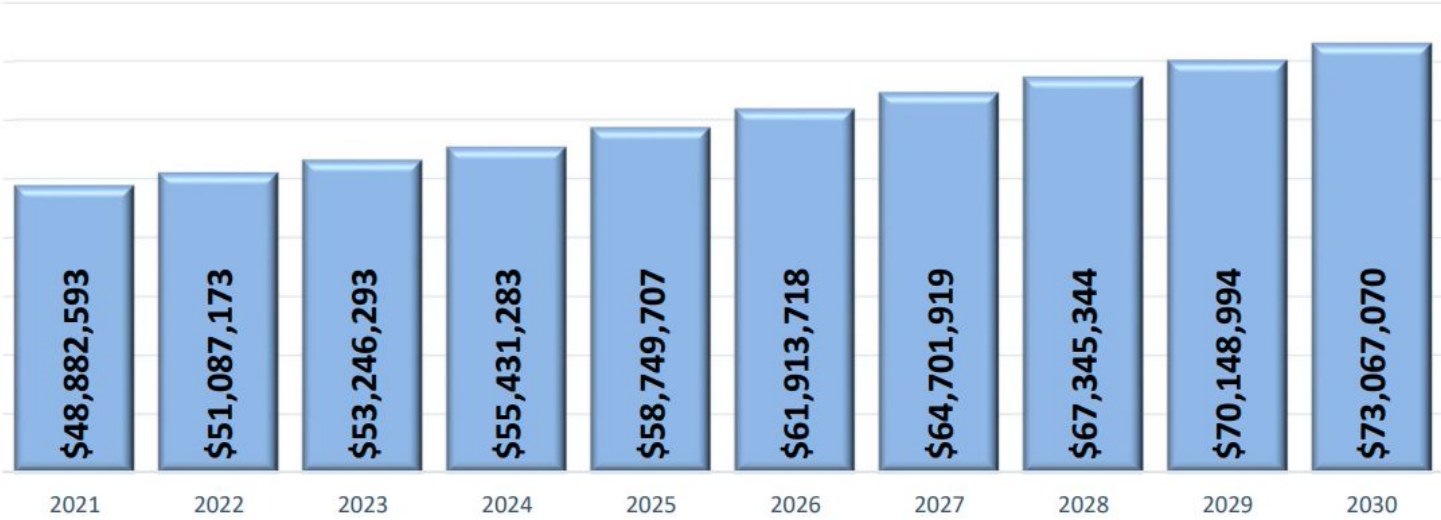
11.61%

## All Other Expenditures

Supplies, Capital, Debt, Other Obj	5.57%
Other Uses	1.03%



# Expenditures

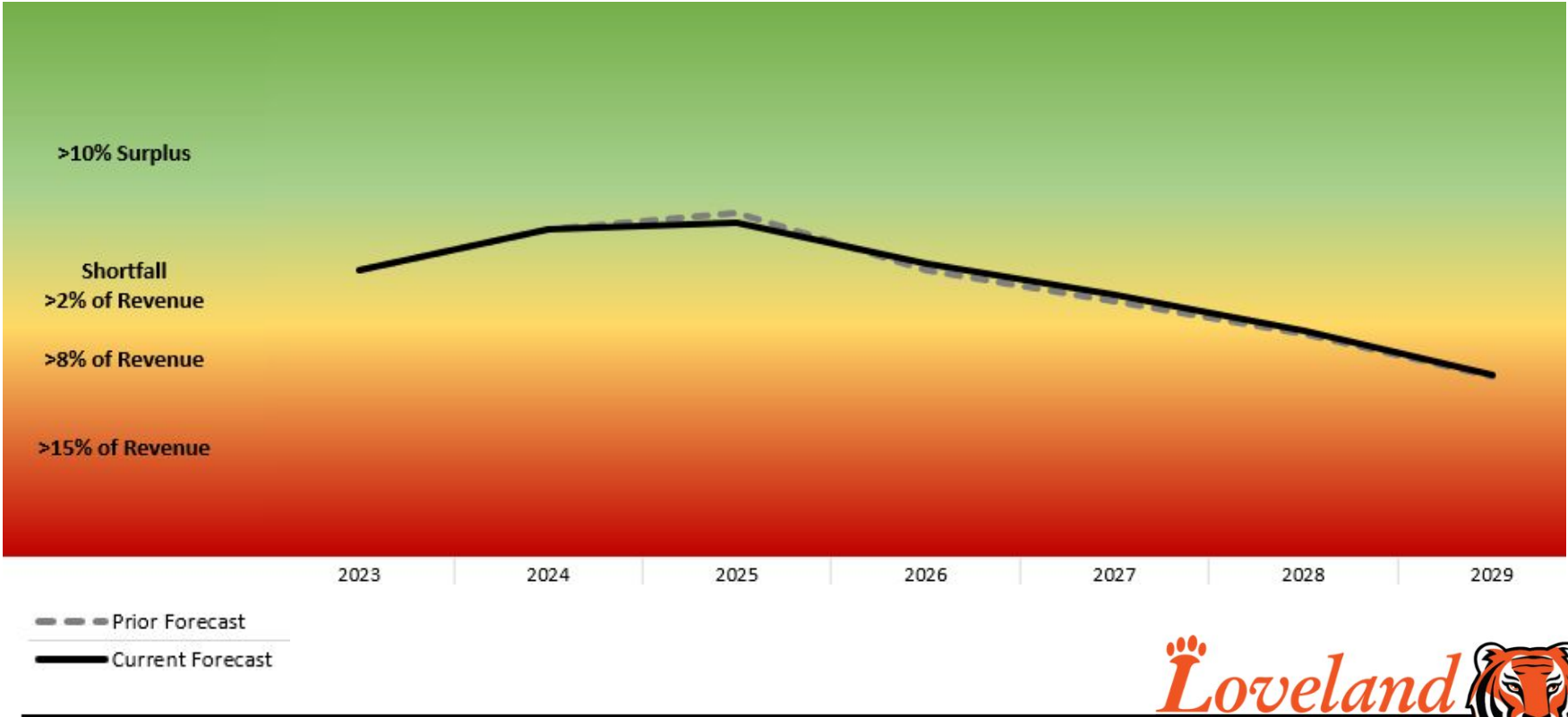


- Factors Impacting Expenditures**
- Insurance rate projected increases (6.32% from historic 5.52%)
  - Staff step and % increases projected (3.8% from historic 4.05%)
  - Supplies are tracking (4.39% from historic 3.03%)

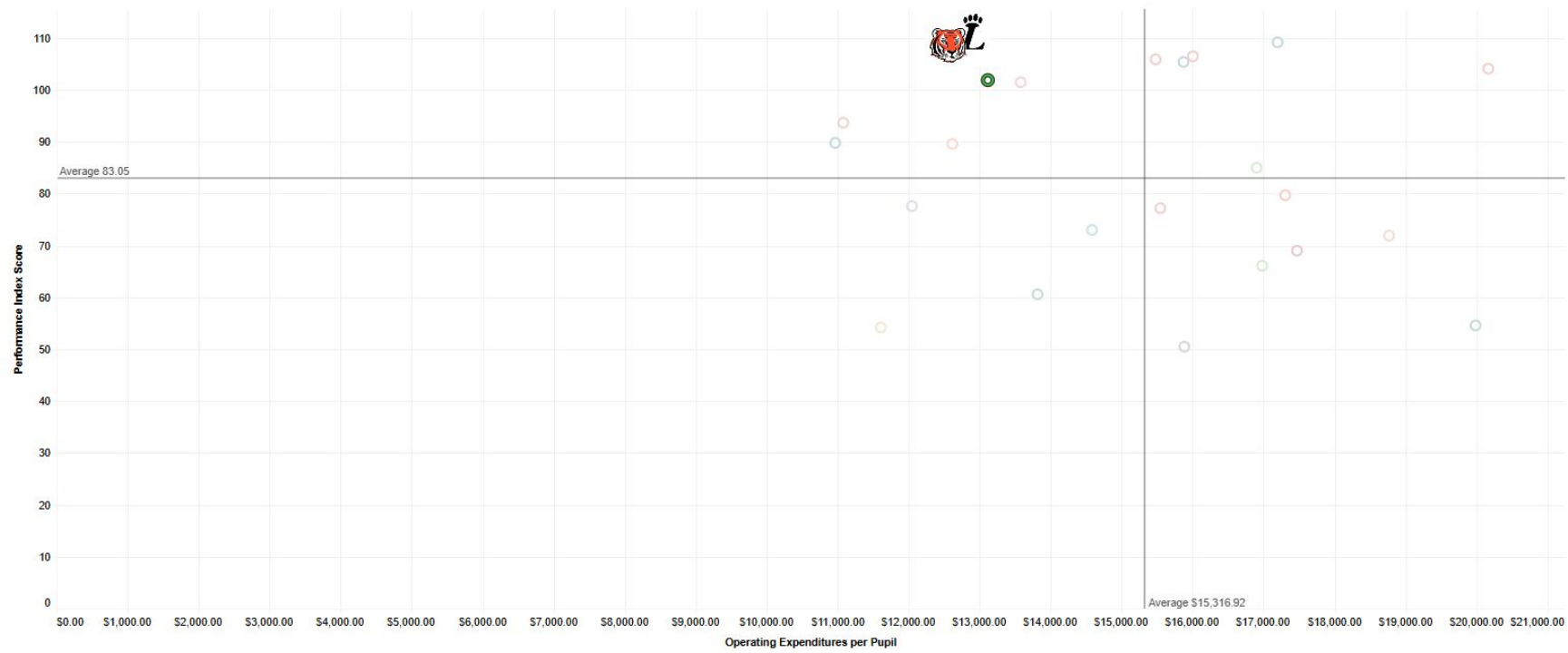
# Days Cash on Hand - Forecast Comparison



# Forecast and Fiscal Stressors - Comparing May and October



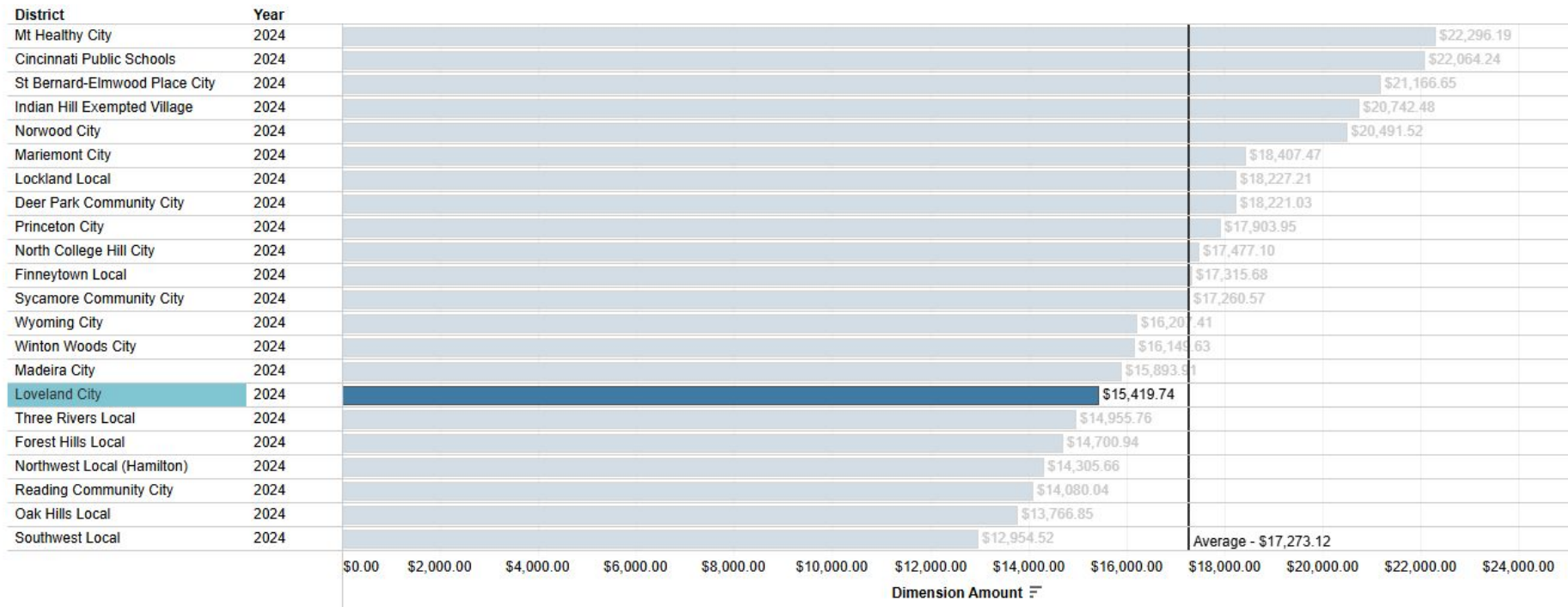
# Performance Index (2024)



# Performance Index (2024)

District	Operating Expenditures per Pupil	Performance Index Score
Indian Hill Exempted Village	\$20,165.07	104
Mt Healthy City	\$19,985.38	55
St Bernard-Elmwood Place City	\$18,767.60	72
Finneytown Local	\$17,470.71	69
Norwood City	\$17,304.51	80
Mariemont City	\$17,198.44	109
Cincinnati Public Schools	\$16,979.68	66
Deer Park Community City	\$16,902.90	85
Madeira City	\$16,003.61	107
Lockland Local	\$15,883.75	51
Sycamore Community City	\$15,872.30	105
Princeton City	\$15,545.27	77
Wyoming City	\$15,479.65	106
Northwest Local (Hamilton)	\$14,583.66	73
Winton Woods City	\$13,816.17	61
Forest Hills Local	\$13,578.39	102
<b>Loveland City</b>	<b>\$13,116.04</b>	<b>102</b>
Three Rivers Local	\$12,615.84	90
Reading Community City	\$12,047.16	78
North College Hill City	\$11,609.67	54
Oak Hills Local	\$11,079.54	94
Southwest Local	\$10,966.82	90


# Expenditures Per Student in Hamilton County



# Expenditures Per Student in Hamilton County

District	Expenditures
Mt Healthy City	\$22,296.19
Cincinnati Public Schools	\$22,064.24
St Bernard-Elmwood Place City	\$21,166.65
Indian Hill Exempted Village	\$20,742.48
Norwood City	\$20,491.52
Mariemont City	\$18,407.47
Lockland Local	\$18,227.21
Deer Park Community City	\$18,221.03
Princeton City	\$17,903.95
North College Hill City	\$17,477.10
Finneytown Local	\$17,315.68
Sycamore Community City	\$17,260.57
Wyoming City	\$16,207.41
Winton Woods City	\$16,149.63
Madeira City	\$15,893.91
<b>Loveland City</b>	<b>\$15,419.74</b>
Three Rivers Local	\$14,955.76
Forest Hills Local	\$14,700.94
Northwest Local (Hamilton)	\$14,305.66
Reading Community City	\$14,080.04
Oak Hills Local	\$13,766.85
Southwest Local	\$12,954.52

# District Website



REPORT ABSENCES

TIGERPARENT.ME

Administration

About Us

Departments

For Parents

For Students

Board of Education

Superintendent

Treasurer

HOME > ADMINISTRATION > TREASURER

Board of Education

Superintendent

Treasurer

Assistant Treasurer

Treasurer's Office Team

Documents

Finance Fridays

### Treasurer John Espy

John Espy has been the Treasurer of the Loveland City Schools since January 2024.

Mr. Espy has previously served as Treasurer of Milford Exempted Village Schools, Miamisburg City School District, and the Clermont Northeastern Local Schools. Before moving into the Treasurer/CFO position, he served as a Financial Software Specialist and Coordinator of Fiscal Applications at the Hamilton Clermont Cooperative.

He has also served as an educator and director in the Milford Exempted Village School District and Mt. Healthy

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HOME > ADMINISTRATION > TREASURER > DOCUMENTS

Board of Education

Superintendent

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Assistant Treasurer

Treasurer's Office Team

Documents

Finance Fridays

### Documents

+

Monthly Financial Reports FY26

+

Monthly Financial Reports FY25

+

Monthly Financial Reports FY24

+

Five-Year Forecasts

+

Current Bids

+

Past Bids

+

Employee Information

+

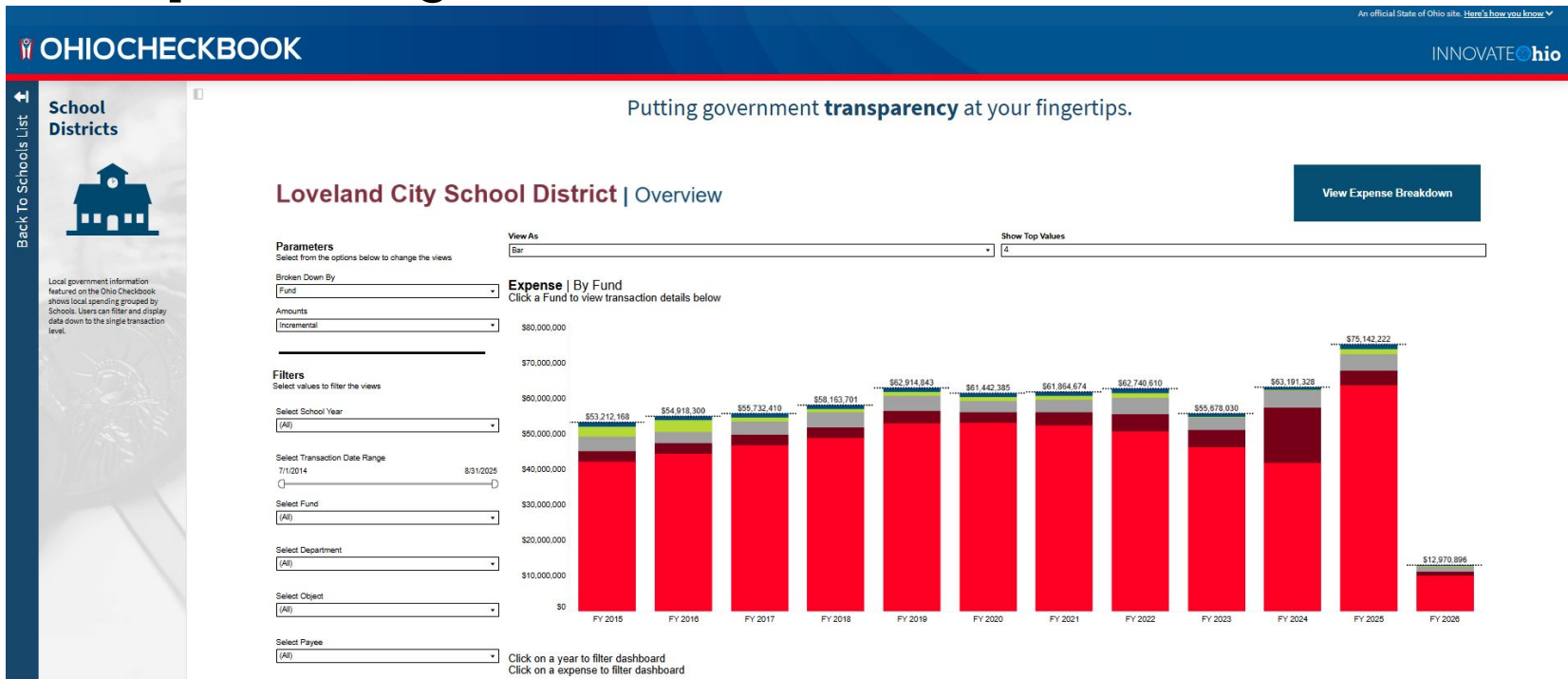
General Financial Documents

+

Records Retention



# Transparency



# Educating Our Community



# Small Group Discussion

# **HB96 - Ohio's Biennium Budget Bill & Current Legislation**

# (HB96) State Budget and LCSD Finances

<u>Date/Period</u>	<u>Event or Action</u>	<u>Impact on Public Schools</u>
<b>February 2025</b>	<b>HB 96 Introduced</b>	Beginning of the legislative process for the state's biennial operating budget, which dictates school funding and policy for Fiscal Years 2026 and 2027.
<b>February - June 2025</b>	<b>Legislative Process</b>	The bill is debated and amended in the House and Senate. Major provisions concerning funding (e.g., Fair School Funding, cash balance cap) and new mandates (e.g., cell phones, AI) are developed and altered during this period.
<b>April 9, 2025</b>	<b>House Passes HB 96</b>	Initial version of the budget, including proposals for property tax relief and a very strict cash balance cap (as low as 25% in some drafts), passes the House.
<b>June 25, 2025</b>	<b>Conference Committee Agrees</b>	A final, negotiated version of the bill is agreed upon by the joint legislative committee (House and Senate). This version contains the final language for school policy and funding.

# (HB96) State Budget and LCSD Finances

## Date/Period

## Event or Action

## Impact on Public Schools

**June 30, 2025**

**Signed by Governor  
DeWine**

Governor signs HB 96 into law, issuing numerous line-item vetoes. The operating appropriations, including school funding, become **immediately effective** (operating appropriations effective June 30, 2025).

# (HB96) State Budget and LCSD Finances

- **HB96**
  - **Line Item Veto Overrides:**
    - Legislature has overridden Gov. DeWine's line item veto regarding:
      - Substitute, Replacement, and Emergency levies are no longer allowed after 90 days.
      - Substitute and Emergency levies now count towards the 20 mill floor.
      - Potentially bringing back a 40% cash balance cap
  - **Current Legislation being considered:**
    - **HB186** would limit the amount of inside millage growth to inflation.

# (HB96) State Budget and LCSD Finances

<u>Date/Period</u>	<u>Event or Action</u>	<u>Impact on Public Schools</u>
June 30, 2025	Signed by Governor DeWine	Governor signs HB 96 into law, issuing numerous line-item vetoes. The operating appropriations, including school funding, become <b>immediately effective</b> (operating appropriations effective June 30, 2025).
July 2025	Policy Implementation Begins	School districts begin preparing for policy changes and new requirements, as the new laws are in effect, even if the compliance deadlines are later.
By July 1, 2026	(Forward-Looking Deadline)	School boards must adopt a policy on the use of <b>Cell Phones and Artificial Intelligence (AI)</b> by students and staff for educational purposes.
Beginning 2025-2026 School Year	(Forward-Looking Deadline)	Public schools must begin reporting the <b>causes of student absences by category</b> in EMIS.



# Above-Average Results, Below-Average Cost

## Spend

**55%** of Ohio schools  
spend more than  
LCS per pupil

## Teachers

**95%** of Ohio schools  
have more teachers  
per student than  
LCS

## Support

**85%** of Ohio schools  
receive more  
funding per pupil  
than LCS

## Administrators

**76%** of Ohio schools  
have more admin  
per student than  
LCS

# Auditor of State Award - First Since 2018



# Helpful Links



# Thank You!

Please reach out if you have any questions or would like to meet - [espyjo@lovelandschools.org](mailto:espyjo@lovelandschools.org)

# What has changed since May? (Expenditures)

- Salaries and benefits are trending lower likely due to STRS retirement change and staff replacement planning.
- Use of school fee accounts that will lower expenditures from the GF for building supplies in FY26 and beyond
- Actual elections of benefits decreased from the prior enrollment period. This is carried forward in the forecast
- Current loss ratio is known for the current fiscal year albeit a very small sample size, leading to a higher forecasted increase for coming years
- County auditor expenses are trending higher than past years.

# What has changed since May? (Revenues)

- HB96 provided modest increases in funding and also provided LCS with academic achievement funding tied to the number of stars the district earns in each year. This increase in funding represents a .8% and .3% increase in FY26 and FY27, respectively.
- Investment income leading to increased projections for investments
- Symmes TIF is now being received as scheduled and has led to reductions in property tax revenue with increases in other revenues, where TIF funds must be deposited
- Medicaid reimbursement for FY24 was not received in FY25, but has now been received in FY26