District Financial Forecast Shows Improved Long-Term Stability

The Wickliffe City School District Board of Education recently approved the district's updated financial forecast. In Ohio, public school districts are required to approve a financial forecast each year and revise it later in the fiscal year. This year's forecast is especially significant because it incorporates the additional revenue associated with the 1% earned income tax approved by Wickliffe voters.

Last year's financial forecast presented significant challenges for our district. It projected continued deficit spending and negative cash balances beginning in the 2027–28 school year. In response, the district made difficult decisions to reduce spending by approximately 12% of the total budget. These reductions included the elimination of teaching, administrative, and support staff positions, as well as reductions to student programs and services.

While these reductions were necessary to meet state financial requirements, they were not a sustainable long-term solution. With revenues staying relatively flat while the costs of operating our schools continued to increase, additional revenue was necessary to provide long-term financial stability.

The passage of the 1% earned income tax has significantly improved that outlook.

Although the income tax is now part of the district's financial projections, the additional revenue will not be realized immediately. Because of the timing of collections, local revenue will increase only modestly this year, with full income tax collections not expected until FY2029. At the same time, state revenue is projected to decline by more than $600,000 this school year and remain relatively flat in the years that follow.

For these reasons, we will continue to be conservative and responsible with district spending. From the fiscal year ending June 2026 through June 2030, total expenditures are projected to increase by an average of approximately 1% annually—below the anticipated rate of inflation.

The most important takeaway from the forecast is that the district's financial position has stabilized. Despite losing more than $1 million annually through reductions in state funding and changes in county legislation, the new income tax revenue is projected to allow the district to maintain positive cash balances throughout the forecast period and beyond.

By FY2030, the district's cash balance is projected to be approximately 26% of annual expenditures, slightly above our established benchmark of 25%. Reaching and maintaining this level is an important indicator of financial stability and puts the district in a much stronger position to plan responsibly for the future.

We recognize that this improved outlook would not have been possible without the support of the Wickliffe community. We are grateful to our residents for their investment in our schools and our students. That support comes with a responsibility to be careful stewards of taxpayer dollars, and we remain committed to managing these resources responsibly while protecting the educational opportunities we provide to our students.

-Lew Galante, Treasurer

Sept 1, 2026