

# Franklin Monroe Local Schools

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# State Funding

## Fiscal Year 2024–Base Cost \$10,300

|    |                                                                               |            |
|----|-------------------------------------------------------------------------------|------------|
| b3 | State Share of the Base Cost [if (b2-b1)>(b2*0.1) then (b2-b1) else (b2*0.1)] | \$5,921.79 |
| b4 | State Share Percentage [b3/b2]                                                | 57.578190% |

## Fiscal Year 2027–Base Cost \$10,400

|    |                                                                               |            |
|----|-------------------------------------------------------------------------------|------------|
| b3 | State Share of the Base Cost [if (b2-b1)>(b2*0.1) then (b2-b1) else (b2*0.1)] | \$4,438.34 |
| b4 | State Share Percentage [b3/b2]                                                | 42.512390% |

- Base Cost per student has dropped almost \$1,500 per student in 3 years. (approximately \$700,000)
- We are receiving \$270,000 in guarantee, base supplement, and performance supplement

# State Funding

- A large portion of state education spending is being used in the “School Voucher” program for students attending private schools instead of public Schools.
- 2020–390 Million spent in vouchers
- 2026–1.1 Billion spent in vouchers
- 2027–1.25 Billion budgeted for vouchers
  - FM receives about \$4,500 from the state per student, vouchers for HS students to attend a non-public school is \$8,500

# Property Tax Reform

- New property tax laws cap increases in property tax collections to inflation instead of actual property values.
- This is backdated to the 2023 property appraisal
- We will go 5-6 years with little to no increase in property tax collections

|       |                                    | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year |
|-------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|       |                                    | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        |
|       | <b>Revenues</b>                    |             |             |             |             |             |             |
| 1.010 | General Property Tax (Real Estate) | \$1,974,887 | \$2,154,165 | \$2,191,506 | \$2,047,979 | \$2,195,202 | \$2,195,042 |



\$140,000 one time  
reimbursement from the state

# Inflation revenue increase will not match inflation expense increase

- \$2,000,000 current expense with inflation vs inflation increase in property tax collection of \$2,000,000 every 3 years
- Assumption–3% annual inflation

| Expense 3% increase per year      |             |             |             |             |             |             |               |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Year 1                            | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      | Total         |
| \$2,000,000                       | \$2,060,000 | \$2,121,800 | \$2,185,454 | \$2,251,018 | \$2,318,548 | \$2,388,105 | \$ 15,324,924 |
| Revenue 9% increase every 3 years |             |             |             |             |             |             |               |
| Year 1                            | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      | Total         |
| \$2,000,000                       | \$2,000,000 | \$2,000,000 | \$2,180,000 | \$2,180,000 | \$2,180,000 | \$2,376,200 | \$ 14,916,200 |

# District Revenue

- 2013 District Revenue was \$6,287,572
- 2020 District Revenue was \$7,544,869
- 2027 Projected District Revenue is \$8,130,323
- Average Annual Increase over 7 years is 1.1% per year
- Average Annual Increase over 14 years is 1.85% per year

# Loss In Revenue

2027 Revenue is expected to be less than in 2024

|       |                                      | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 | Fiscal Year<br>2027 |
|-------|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
|       | Revenues                             |                     |                     |                     |                     |
| 1.010 | General Property Tax (Real Estate)   | \$1,974,887         | \$2,154,165         | \$2,191,506         | \$2,047,979         |
| 1.020 | Public Utility Personal Property Tax | 97,403              | 112,989             | 137,360             | 155,536             |
| 1.030 | Income Tax                           | 915,214             | 993,107             | 982,668             | 1,037,979           |
| 1.035 | Unrestricted State Grants-in-Aid     | 4,057,909           | 4,034,030           | 3,798,011           | 3,814,111           |
| 1.040 | Restricted State Grants-in-Aid       | 303,666             | 323,328             | 280,039             | 262,412             |
| 1.045 | Restricted Federal Grants In Aid     | 0                   | 0                   | 0                   | 0                   |
| 1.050 | State Reimbursement-Property Tax     | 286,324             | 313,898             | 317,924             | 438,866             |
| 1.060 | All Other Revenues                   | 571,533             | 580,511             | 404,671             | 373,441             |
| 1.070 | Total Revenues                       | 8,206,936           | 8,512,028           | 8,112,179           | 8,130,323           |

# Forecast Revenue

|       |                                      | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year |
|-------|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|       |                                      | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        | 2031        |
|       | <b>Revenues</b>                      |             |             |             |             |             |             |             |             |
| 1.010 | General Property Tax (Real Estate)   | \$1,974,887 | \$2,154,165 | \$2,191,506 | \$2,047,979 | \$2,195,202 | \$2,195,042 | \$2,316,558 | \$2,395,917 |
| 1.020 | Public Utility Personal Property Tax | 97,403      | 112,989     | 137,360     | 155,536     | 158,651     | 161,766     | 164,881     | 167,996     |
| 1.030 | Income Tax                           | 915,214     | 993,107     | 982,668     | 1,037,979   | 1,053,548   | 1,069,351   | 1,085,392   | 1,101,673   |
| 1.035 | Unrestricted State Grants-in-Aid     | 4,057,909   | 4,034,030   | 3,798,011   | 3,814,111   | 3,814,923   | 3,815,747   | 3,816,583   | 3,817,432   |
| 1.040 | Restricted State Grants-in-Aid       | 303,666     | 323,328     | 280,039     | 262,412     | 262,412     | 262,412     | 262,412     | 262,412     |
| 1.045 | Restricted Federal Grants In Aid     | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| 1.050 | State Reimbursement-Property Tax     | 286,324     | 313,898     | 317,924     | 438,866     | 400,714     | 400,711     | 442,105     | 473,979     |
| 1.060 | All Other Revenues                   | 571,533     | 580,511     | 404,671     | 373,441     | 355,298     | 357,174     | 359,068     | 360,982     |
| 1.070 | <i>Total Revenues</i>                | 8,206,936   | 8,512,028   | 8,112,179   | 8,130,323   | 8,240,748   | 8,262,203   | 8,447,000   | 8,580,391   |

# Expenses

- 2013 Expenses were \$6,411,348
- 2020 Expenses were \$7,415,832
- 2027 projected expenses are \$8,843,938
- Average Annual Increase over 7 years is 2.5% per year
  - Annual Inflation average is approximately 3.5% from 2020-present
- Average Annual Increase over 14 years is 2.3% per year

# Cost Reductions for FY27

- Approximately \$800,000 in cost reductions for the 26-27 school year.
- A total of about 9% of total expenses

# Forecast Expenses

|       |                                                    | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 | Fiscal Year<br>2027 | Fiscal Year<br>2028 | Fiscal Year<br>2029 | Fiscal Year<br>2030 | Fiscal Year<br>2031 |
|-------|----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|       | <b>Expenditures</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |
| 3.010 | Personnel Services                                 | \$4,249,313         | \$4,625,442         | \$4,788,752         | 4,610,662           | 4,735,687           | 4,970,020           | 5,183,166           | 5,438,508           |
| 3.020 | Employees' Benefits                                | 1,605,441           | 1,711,334           | 1,847,754           | 1,804,301           | 1,880,166           | 1,977,241           | 2,078,638           | 2,186,101           |
| 3.030 | Purchased Services                                 | 1,506,179           | 1,603,829           | 1,641,454           | 1,562,953           | 1,598,363           | 1,649,994           | 1,703,340           | 1,758,458           |
| 3.040 | Supplies and Materials                             | 366,358             | 315,694             | 316,658             | 262,300             | 270,260             | 332,956             | 286,794             | 295,633             |
| 3.050 | Capital Outlay                                     | 239,273             | 118,093             | 280,439             | 90,000              | 227,700             | 95,481              | 238,345             | 101,296             |
| 4.300 | Other Objects                                      | 72,859              | 90,517              | 271,162             | 513,722             | 526,143             | 538,868             | 551,903             | 565,257             |
| 4.500 | <i>Total Expenditures</i>                          | 8,039,423           | 8,464,909           | 9,146,219           | 8,843,938           | 9,238,319           | 9,564,560           | 10,042,186          | 10,345,254          |
|       |                                                    |                     |                     |                     |                     |                     |                     |                     |                     |
|       | <b>Other Financing Uses</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |
| 5.010 | Operating Transfers-Out                            | \$45,000            | \$3,766,691         | \$693,903           | -                   | -                   | -                   | -                   | -                   |
| 5.020 | Advances-Out                                       | -                   | -                   | 4,806               | -                   | -                   | -                   | -                   | -                   |
| 5.030 | All Other Financing Uses                           | 0                   | 0                   | 790                 | -                   | -                   | -                   | -                   | -                   |
| 5.040 | <i>Total Other Financing Uses</i>                  | 45,000              | 3,766,691           | 699,499             | -                   | -                   | -                   | -                   | -                   |
|       |                                                    |                     |                     |                     |                     |                     |                     |                     |                     |
| 5.050 | <i>Total Expenditures and Other Financing Uses</i> | 8,084,423           | 12,231,600          | 9,845,718           | 8,843,938           | 9,238,319           | 9,564,560           | 10,042,186          | 10,345,254          |

# Cash On Hand

|                               |                                          | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 | Fiscal Year<br>2027 | Fiscal Year<br>2028 | Fiscal Year<br>2029 | Fiscal Year<br>2030 | Fiscal Year<br>2031 |
|-------------------------------|------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 6.010                         | <i>Excess of Revenues</i>                | 187,627             | (3,655,501)         | (1,038,689)         | 1,111,214           | (942,742)           | (1,247,528)         | (1,540,357)         | (1,710,034)         |
| 7.010                         | Cash Balance July 1                      | 6,827,228           | 7,014,855           | 3,359,354           | 2,320,665           | 3,431,879           | 2,489,138           | 1,241,610           | (298,748)           |
| 7.020                         | <i>Cash Balance June 30</i>              | 7,014,855           | 3,359,354           | 2,320,665           | 3,431,879           | 2,489,138           | 1,241,610           | (298,748)           | (2,008,782)         |
| 8.010                         | <i>Estimated Encumbrances June 30</i>    | 107,068             | 148,451             | 53,620              | 60,000              | 60,000              | 60,000              | 60,000              | 60,000              |
| 10.010                        | <i>Balance June 30 for Certification</i> | 6,907,787           | 3,210,903           | 2,267,045           | 3,371,879           | 2,429,138           | 1,181,610           | (358,748)           | (2,068,782)         |
| <b>True Days Cash Line 59</b> |                                          | <b>317</b>          | <b>100</b>          | <b>86</b>           | <b>142</b>          | <b>98</b>           | <b>47</b>           | <b>-11</b>          | <b>-71</b>          |

- Approximately \$100,000 is the classroom facilities fund
- No money set aside for large capital expenditures such as a new roof, brick sealant, track resurface, etc.

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