



## **FIVE-YEAR FINANCIAL FORECAST NOTES AND ASSUMPTIONS**

**For the Fiscal Years Ending June 30, 2022 through 2026**

**Forecast Provided By  
Dayton Public Schools  
Treasurer's Office  
Hiwot Abraha, Treasurer/CFO  
November 16, 2021**

# Dayton City School District

Montgomery County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;  
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

	Actual				Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	53,088,486	55,211,583	56,608,092	3.3%	57,602,016	57,286,330	57,362,391	57,438,609	57,514,982
1.020 Public Utility Personal Property Tax	7,517,148	8,683,129	8,851,380	8.7%	8,797,774	8,804,210	8,939,310	9,074,410	9,209,510
1.030 Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035 Unrestricted State Grants-in-Aid	177,248,611	175,416,640	178,873,313	0.5%	104,419,009	104,571,508	104,575,497	104,579,399	104,583,207
1.040 Restricted State Grants-in-Aid	16,585,151	16,173,912	16,142,017	-1.3%	16,142,747	16,142,747	16,142,747	16,142,747	16,142,747
1.045 Restricted Federal	-	-	-	0.0%	-	-	-	-	-
1.050 Property Tax Allocation	7,320,326	7,185,597	6,998,902	-2.2%	6,857,660	6,863,114	6,867,265	6,871,434	6,875,621
1.060 All Other Revenues	10,490,222	8,505,224	5,181,167	-29.0%	3,500,748	3,507,091	3,514,929	3,524,209	3,534,873
1.070 <b>Total Revenues</b>	272,249,944	271,176,085	272,654,871	0.1%	197,319,954	197,175,000	197,402,139	197,630,808	197,860,940
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020 State Emergency Loans and Advancements	-	-	-	0.0%	-	-	-	-	-
2.040 Operating Transfers-In	13,000,000	-	-	0.0%	-	-	-	-	-
2.050 Advances-In	1,903,789	844,462	4,036,055	161.2%	17,335,986	4,750,000	4,750,000	4,750,000	4,750,000
2.060 All Other Financing Sources	1,377,247	16,057	2,214,319	6795.8%	20,000	20,000	20,000	20,000	20,000
2.070 <b>Total Other Financing Sources</b>	16,281,036	860,519	6,250,374	265.8%	17,355,986	4,770,000	4,770,000	4,770,000	4,770,000
2.080 <b>Total Revenues and Other Financing Sources</b>	288,530,980	272,036,604	278,905,245	-1.6%	214,675,940	201,945,000	202,172,139	202,400,808	202,630,940
<b>Expenditures</b>									
3.010 Personal Services	91,035,425	100,989,703	92,925,986	1.5%	115,463,023	121,429,065	131,634,709	135,350,083	139,139,765
3.020 Employees' Retirement/Insurance Benefits	35,879,019	38,162,734	36,935,661	1.6%	44,226,752	46,888,585	50,892,252	53,420,948	56,056,330
3.030 Purchased Services	106,407,378	117,685,016	111,963,078	2.9%	41,124,635	42,209,361	43,326,629	44,477,415	45,662,723
3.040 Supplies and Materials	5,410,225	7,040,977	7,312,221	17.0%	9,731,688	9,926,322	10,224,111	10,530,835	10,846,760
3.050 Capital Outlay	6,272,821	7,278,833	8,113,012	13.7%	7,904,930	7,925,673	7,341,503	2,672,663	2,739,343
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.055 Principal-Other	1,072,459	1,094,665	1,117,331	2.1%	1,140,467	1,164,082	591,049	-	-
4.060 Interest and Fiscal Charges	121,814	99,607	76,930	-20.5%	53,806	30,192	6,088	0	\$0
4.300 Other Objects	4,058,147	2,654,467	2,218,702	-25.5%	2,351,242	2,445,335	2,525,880	2,579,993	2,635,550
4.500 <b>Total Expenditures</b>	250,257,288	275,006,002	260,662,921	2.3%	221,996,543	\$232,018,615	246,542,222	249,031,937	257,080,470
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	-	-	352,923	0.0%	1,149,023	1,594,900	1,595,900	1,596,100	1,596,100
5.020 Advances-Out	2,187,341	4,036,055	17,335,986	207.0%	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000
5.030 All Other Financing Uses	1,706	0	133,600	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 <b>Total Other Financing Uses</b>	2,189,047	4,036,055	17,822,509	213.0%	5,899,023	6,344,900	6,345,900	6,346,100	6,346,100
5.050 <b>Total Expenditures and Other Financing Uses</b>	252,446,335	279,042,057	278,485,430	5.2%	227,895,566	238,363,515	252,888,122	255,378,037	263,426,570
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	36,084,645	(7,005,453)	419,815	-112.7%	(13,219,626)	(36,418,515)	(50,715,983)	(52,977,229)	(60,795,630)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	78,482,015	114,566,660	107,561,207	19.9%	107,981,022	94,761,396	58,342,881	7,626,898	(45,350,331)
7.020 <b>Cash Balance June 30</b>	114,566,660	107,561,207	107,981,022	-2.9%	94,761,396	58,342,881	7,626,898	(45,350,331)	(106,145,961)
8.010 <b>Estimated Encumbrances June 30</b>	9,678,404	15,889,218	8,513,173	8.9%	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000

# Dayton City School District

Montgomery County

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Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Reservation of Fund Balance</b>										
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	24,571,933	29,885,118	32,060,138	14.5%	11,099,827	11,600,931	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	<i>Subtotal</i>	24,571,933	29,885,118	32,060,138	14.5%	11,099,827	11,600,931	-	-	-
<i>Fund Balance June 30 for Certification of Appropriations</i>										
10.010		80,316,323	61,786,871	67,407,711	-7.0%	77,161,569	40,241,950	1,126,898	(51,850,331)	(112,645,961)
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Renewal Levies				0.0%	-	-	-	-	-
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010		80,316,323	61,786,871	67,407,711	-7.0%	77,161,569	40,241,950	1,126,898	(51,850,331)	(112,645,961)
<b>Revenue from New Levies</b>										
13.010	Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	<i>Unreserved Fund Balance June 30</i>	80,316,323	61,786,871	67,407,711	-7.0%	77,161,569	40,241,950	1,126,898	(51,850,331)	(112,645,961)

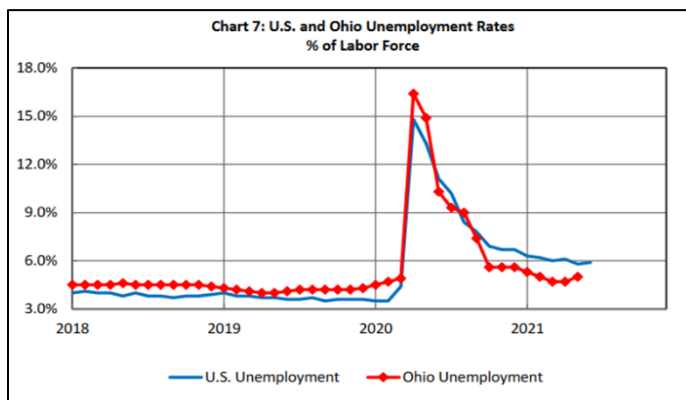
**Dayton Public School District –Montgomery County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**November 16, 2021**

### Introduction to the Five Year Forecast

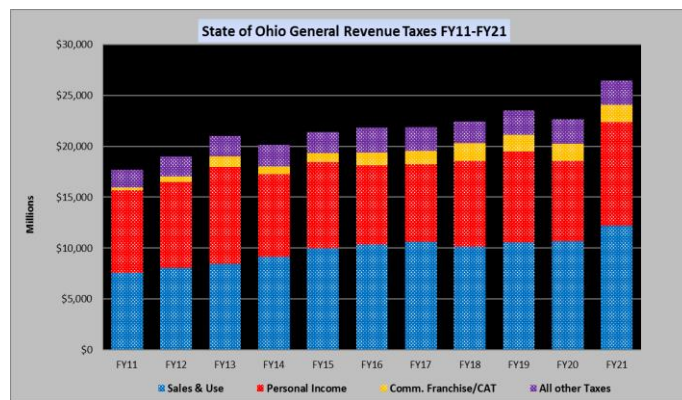
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

### Economic Outlook

This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

### Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have

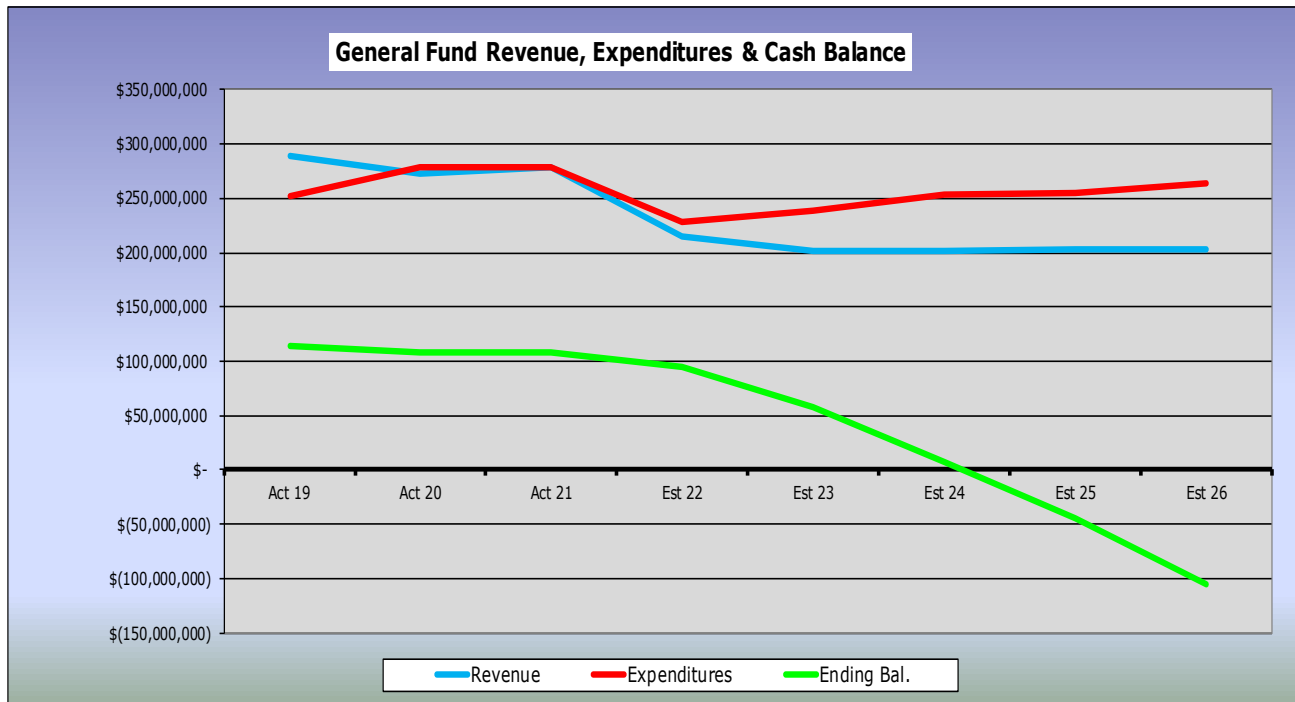
estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- 1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable. We project flat growth in appraised values. Total local revenues which are predominately local taxes equate to 35.4% of the district's resources. Our tax collections in the March and August 2021 settlements did not fall due to higher delinquencies as anticipated due to the brief rise in unemployment due to the pandemic in 2020. Longer term we believe there is a low risk that local collections would fall below projections throughout the forecast.
- 2) Montgomery County experienced a reappraisal in the 2020 tax year to be collected in FY21. The 2020 reappraisal increased overall assessed values by \$132.6 million or an increase of 9.97%. Over-all values rose \$135.9 million or 9.4%, which includes reappraisal and new construction for all classes of property. A reappraisal update will occur in tax year 2022 for collection in FY23.
- 3) The state budget represented 64.6% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- 4) HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula at the time of this forecast.
- 6) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact me Hiwot Abraha, Treasurer/CFO of Dayton City School District.

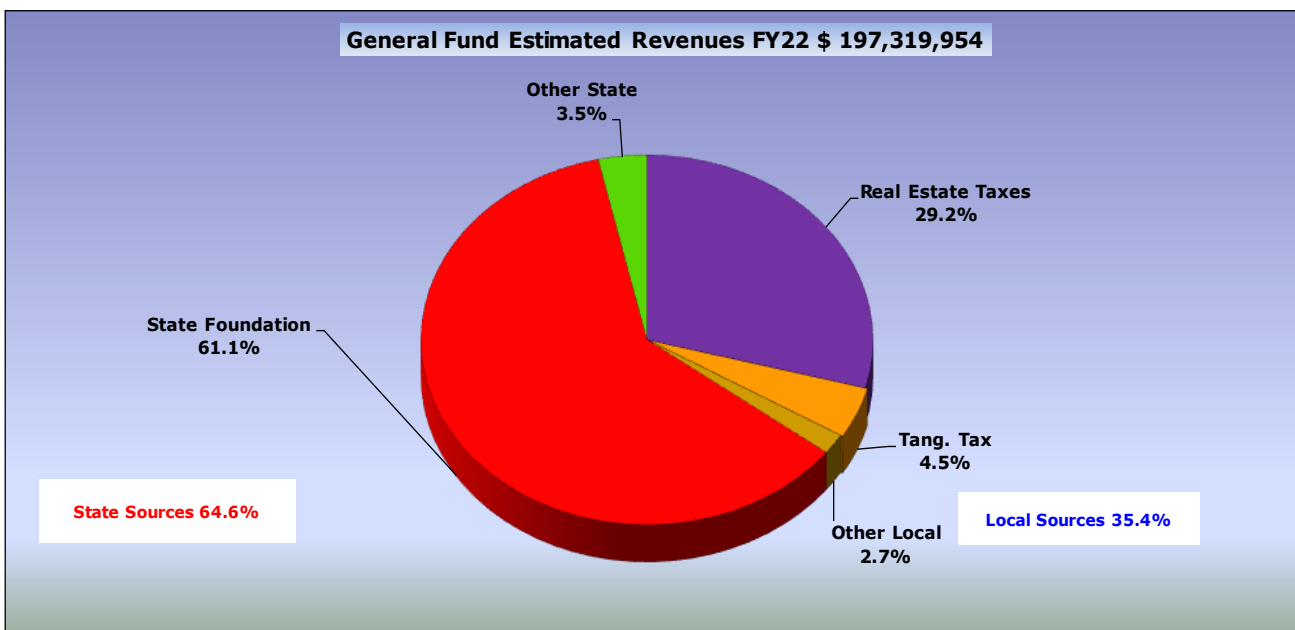
## General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26

The graph captures in one snapshot the operating scenario facing the District over the next few years.



### Revenue Assumptions

#### Estimated General Fund Revenues FY22



### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity. Montgomery County experienced a reappraisal in the 2020 tax year to be collected in 2021. The 2020 update increased Class I residential property by 13.97% and Class II commercial property increased by

1.72% and overall values rose \$132.6 million or 9.97% increase. A reappraisal update will occur in tax year 2023 for collection in 2024. At that time Class I and II property are estimated to remain steady.

Public Utility Personal Property (PUPP) grew in Tax Year 2020 by \$3.34 million due to reinvestments being made by utilities statewide. This will increase revenue long range for the district.

#### ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
<u>Classification</u>					
Res./Ag.	\$1,022,440,100	\$1,020,340,100	\$1,018,240,100	\$1,016,140,100	\$1,014,040,100
Comm./Ind.	438,371,910	438,771,910	439,171,910	439,571,910	439,971,910
Public Utility Personal Property (PUPP)	<u>129,306,200</u>	<u>131,306,200</u>	<u>133,306,200</u>	<u>135,306,200</u>	<u>137,306,200</u>
Total Assessed Value	<u>\$1,590,118,210</u>	<u>\$1,590,418,210</u>	<u>\$1,590,718,210</u>	<u>\$1,591,018,210</u>	<u>\$1,591,318,210</u>

#### ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
General Property Taxes	<u>\$57,602,016</u>	<u>\$57,286,330</u>	<u>\$57,362,391</u>	<u>\$57,438,609</u>	<u>\$57,514,982</u>

Property tax levies are estimated to be collected at 87% of the annual amount. This allows a 13% current delinquency. Typically, 52.5% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm./Ind.) is expected to be collected in the February tax settlements and 47.5% is expected to be collected in the August tax settlements.

#### Renewal and Replacement Levies – Line #11.02

All levies are currently continuing.

#### New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

#### Estimated Tangible Personal Tax & PUPP Tax – Line#1.020

The phase out of tangible personal property tax (TPP), began in fiscal year 2006 and was completely eliminated after fiscal year 2011. Any revenues received in this line are Public Utility Personal Property (PUPP) taxes which are collected at the districts' gross tax rates not subject to reduction factors. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. PUPP values are estimated to grow by \$2 million each year and are collected at the districts full tax rate.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
TPP & PUPP Tax Revenues	<u>\$8,797,774</u>	<u>\$8,804,210</u>	<u>\$8,939,310</u>	<u>\$9,074,410</u>	<u>\$9,209,510</u>
Total Line # 1.020	<u>\$8,797,774</u>	<u>\$8,804,210</u>	<u>\$8,939,310</u>	<u>\$9,074,410</u>	<u>\$9,209,510</u>

## **State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**

### **Current State Funding Model per HB110 through June 30, 2023**

#### **A) Unrestricted State Foundation Revenue– Line #1.035**

The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110, the current formula, introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

#### **Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation
- C. Personal Income of District Residents
- D. Historical Funding- CAPS and Guarantees from prior funding formulas

#### **Base Cost Approach- Unrestricted Basic Aid Foundation Funding**

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

#### **State Share Percentage – Unrestricted Basic Aid Foundation Funding**

Once the base cost is calculated, which is estimated to be as high as \$7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

- 1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
- 2. 20% based on most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled
- 3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
- 4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.



When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### **Unrestricted Categorical State Aid**

1. **Targeted Assistance/Capacity Aid** – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. **Special Education Additional Aid** – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. **Transportation Aid** – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

#### **Restricted Categorical State Aid**

1. **Disadvantage Pupil Impact Aid (DPIA)**- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. **English Learners** – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. **Gifted Funds** –Based on average daily membership multiplied by a weighted amount per pupil.
4. **Career-Technical Education Funds** – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. **Student Wellness & Success Funding** – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

### **State Funding Phase-In FY22 and FY23 and Guarantees**

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes “formula transition aid” which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY21 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

### **Student Wellness and Success (Restricted Fund 467)**

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

### **Future State Budget Projections beyond FY23**

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

#### **A) Unrestricted State Foundation Revenue – Line #1.035**

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Basic Aid-Unrestricted	\$101,854,476	\$102,002,901	\$102,002,901	\$102,002,901	\$102,002,901
Additional Aid Items	<u>1,948,611</u>	<u>1,948,611</u>	<u>1,948,611</u>	<u>1,948,611</u>	<u>1,948,611</u>
Basic Aid-Unrestricted Subtotal	103,803,087	103,951,512	103,951,512	103,951,512	103,951,512
Ohio Casino Commission ODT	<u>615,922</u>	<u>619,996</u>	<u>623,985</u>	<u>627,887</u>	<u>631,695</u>
Total Unrestricted State Aid Line # 1.035	<u>\$104,419,009</u>	<u>\$104,571,508</u>	<u>\$104,575,497</u>	<u>\$104,579,399</u>	<u>\$104,583,207</u>

#### **B) Restricted State Revenues – Line # 1.040**

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. We will have to see the new HB110 funding formula when released in December to see what amounts will be posted the new restricted foundation funding noted on lines in the table on the following page. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
DPIA	\$14,181,801	\$14,181,801	\$14,181,801	\$14,181,801	\$14,181,801
Career Tech - Restricted	\$1,960,946	\$1,960,946	\$1,960,946	\$1,960,946	\$1,960,946
Gifted	\$0	\$0	\$0	\$0	\$0
ESL	\$0	\$0	\$0	\$0	\$0
Student Wellness	\$0	\$0	\$0	\$0	\$0
Total Restricted State Revenues Line #1.040	<u>\$16,142,747</u>	<u>\$16,142,747</u>	<u>\$16,142,747</u>	<u>\$16,142,747</u>	<u>\$16,142,747</u>

### **C) Restricted Federal Grants in Aid – line #1.045**

No amounts are included in the forecasted years 2022 through 2026.

<u>Summary of State Foundaton Revenues</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Unrestricted Line # 1.035	\$104,419,009	\$104,571,508	\$104,575,497	\$104,579,399	\$104,583,207
Restricted Line # 1.040	16,142,747	16,142,747	16,142,747	16,142,747	16,142,747
Restricted Federal Grants - #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$120,561,756</u>	<u>\$120,714,255</u>	<u>\$120,718,244</u>	<u>\$120,722,146</u>	<u>\$120,725,954</u>

### **State Taxes Reimbursement/Property Tax Allocation**

#### **a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. The result of HB59 is that homestead reimbursements have decreased from previous levels and like the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

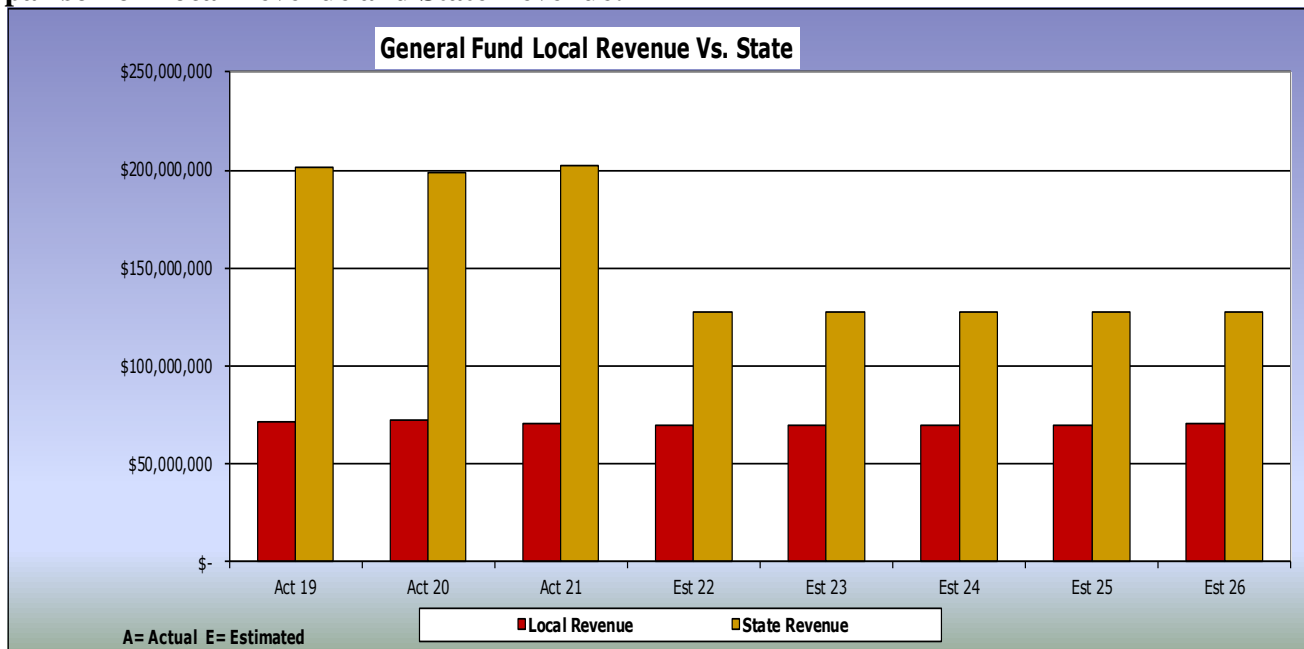
#### **b) Tangible Personal Property Reimbursements – Fixed Rate**

The District no longer receives fixed rate TPP reimbursements.

### **Summary of State Tax Reimbursement – Line #1.050**

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Rollback and Homestead	<u>\$6,857,660</u>	<u>\$6,863,114</u>	<u>\$6,867,265</u>	<u>\$6,871,434</u>	<u>\$6,875,621</u>

## Comparison of Local Revenue and State Revenue:



### Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, and general rental fees. HB110, the new state budget, will stop paying \$951,000 of open enrollment revenue as an increase to other revenue for the district. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. Line 1.06 revenue will fall as a result when comparing it to FY19 through FY21 actual other revenues.

Source	FY22	FY23	FY24	FY25	FY26
Tuition and Excess Costs	\$568,359	\$574,043	\$579,783	\$585,581	\$591,437
Interest	477,705	453,820	431,129	409,573	389,094
Medicaid, ROTC & Erate	495,240	500,189	505,188	510,237	515,336
Rentals	35,163	35,515	35,870	36,229	36,591
Other Income	<u>1,924,281</u>	<u>1,943,524</u>	<u>1,962,959</u>	<u>1,982,589</u>	<u>2,002,415</u>
Total Line # 1.060	<u>\$3,500,748</u>	<u>\$3,507,091</u>	<u>\$3,514,929</u>	<u>\$3,524,209</u>	<u>\$3,534,873</u>

### Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short term borrowing planned for in this forecast at this time from any sources.

### Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>17,335,986</u>	<u>4,750,000</u>	<u>4,750,000</u>	<u>4,750,000</u>	<u>4,750,000</u>
Total Transfer & Advances In	<u>\$17,335,986</u>	<u>\$4,750,000</u>	<u>\$4,750,000</u>	<u>\$4,750,000</u>	<u>\$4,750,000</u>

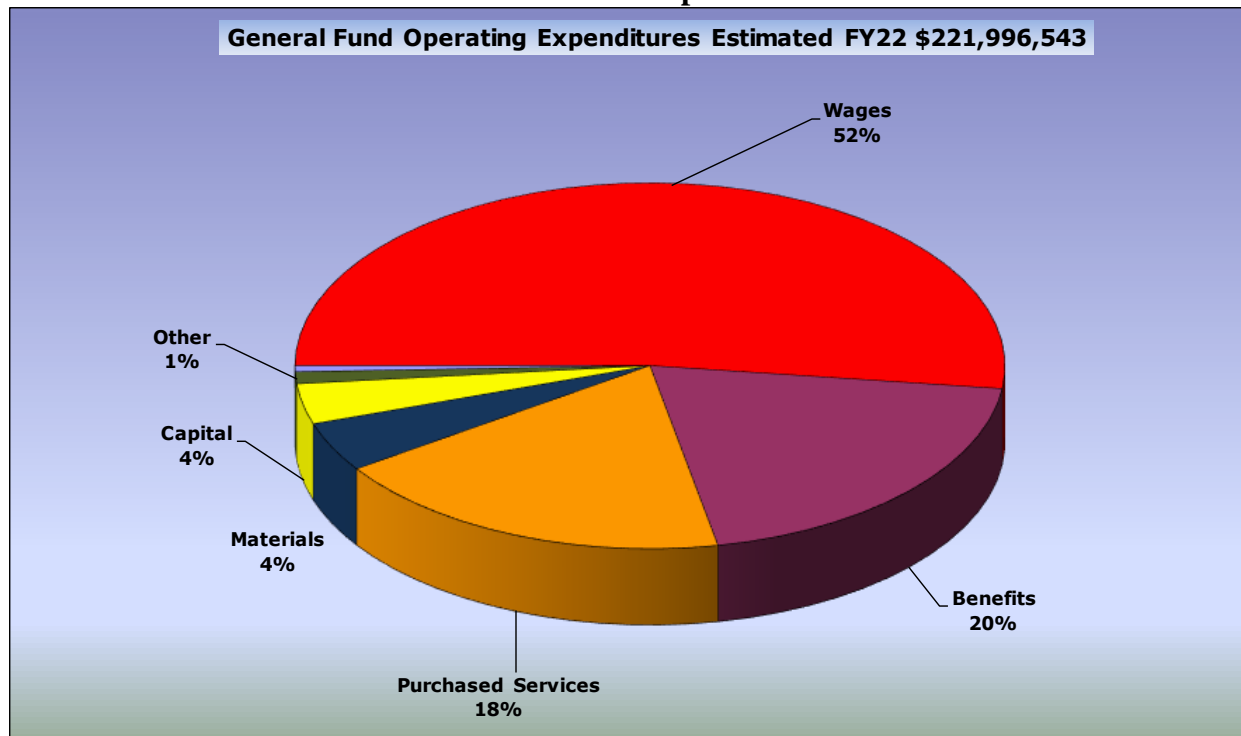
### **All Other Financial Sources – Line #2.060**

The amount reflected in refund of prior year expenditures line for FY20 reports the \$1.3Million is reimbursement of CARES Act received for the payroll expenditures paid during the shutdown from Montgomery County and \$29,977 is for other miscellaneous refunds.

	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Refund of prior years expenditures	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

## **Expenditures Assumptions**

### **Estimated General Fund Expenditures for FY22**



### **Wages – Line #3.010**

The expenditures in this category are for salaries and wages for services rendered for all union and non-union employees. In addition to cost of living wage increases, a majority of employees who are paid on a salary schedule receive vertical step increases based on years of experience. Additionally, certified staff can move horizontally between ranges on the salary schedule by furthering their education (i.e. Bachelor's Degree to Master's Degree, etc.). Union employees are represented by eleven different associations. Professional staff members are represented by the Dayton Education Association (DEA). In August 2017, DEA and the District approved a new Master Contract effective through June 30, 2019 and also, in June 2019 a continuation contract was approved through June 30, 2022. Most of the eleven bargaining Units have contracts approved through June 30, 2022. We have approved wage increases to retain and attract additional high quality staff at all levels of the organization.

In addition we have planned on the return of wages to the General Fund that were charged to Student Wellness and Success Fund 467 in FY20 and FY21 since that money is now part of our base foundation aid paid to the General Fund. We also have planned in FY24 the return of wages that were charge to Federal ESSER funds as part of the pandemic stimulus in FY20 through FY23.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Base Wages	\$91,166,459	\$113,659,504	\$119,625,547	\$129,831,191	\$133,546,565
Contractual Increases	9,572,478	4,830,529	4,186,894	2,596,624	2,670,931
Early Retirement Program	1,118,750	1,118,750	1,118,750	1,118,750	1,118,750
Unfunded Recapture - 467&507	5,127,361	0	4,900,000	0	0
Substitutes and Temporaries	293,151	293,151	293,151	293,151	293,151
Supplemental/Overtime	1,510,367	1,510,367	1,510,367	1,510,367	1,510,367
Staff Additions	<u>6,674,456</u>	<u>16,764</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$115,463,023</u>	<u>\$121,429,065</u>	<u>\$131,634,709</u>	<u>\$135,350,083</u>	<u>\$139,139,765</u>

### **Fringe Benefits Estimates Line 3.020**

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid.

#### **A) STRS/SERS**

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. In addition, SERS Levies a surcharge for part time employees who earn less than \$35,800. There is a cap of 2% of total district payroll. In addition, SERS cannot collect more than 1.5% of the total statewide payroll.

#### **B) Insurance**

Health care coverage is provided for employees on a self-insured basis up to stop loss limit of \$350,000 specific claim. Claims are funded based upon per employee charge. The district contributes 85% of the medical premium for full time staff and less for part time staff. The district also contributes 90% of the dental and vision premiums. The health insurance plan is administered as a high deductible health plan (HDHP) with a health savings account (HSA). The board's contribution to the health savings account \$750 for single plan and \$1,500 for a family plan. The estimated increases for medical, vision and dental insurance are 7.0% for FY22 and then 6.0% for benefit years 2023 through 2026. The above increases include adjustments for inflation, historical trends and the function of the health insurance committee to maintain control of costs. Vision was added to the last labor agreement.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation continues in a Group Retrospective Rating Program. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

#### **D) Medicare**

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

**Summary of Fringe Benefits – Line #3.020**

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
A) STRS/SERS	\$16,185,831	\$17,088,555	\$18,535,243	\$19,086,012	\$19,627,714
B) Insurance's	24,602,144	26,216,546	28,511,789	30,356,746	32,312,401
C) Workers Comp/Unemployment	1,827,662	1,887,323	1,989,379	2,026,533	2,064,430
D) Medicare	1,524,029	1,609,075	1,768,755	1,864,571	1,964,699
Other/Tuition	<u>87,086</u>	<u>87,086</u>	<u>87,086</u>	<u>87,086</u>	<u>87,086</u>
Total Fringe Benefits Line #3.020	<u>\$44,226,752</u>	<u>\$46,888,585</u>	<u>\$50,892,252</u>	<u>\$53,420,948</u>	<u>\$56,056,330</u>

**Purchased Services – Line #3.030**

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. An area on concern has been sub teacher availability, we have decreased the services contract for FY21 and returned to the full amount in FY22.

We have assumed the utilities to increase 1.5% in fiscal year 2022-2026 due to an increase and electricity transmission fees. Basic services and county ESC services has increased to include additional instructional services.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Base Services	\$1,888,645	\$1,945,304	\$2,003,663	\$2,063,773	\$2,125,686
Instructional & Professional Services	21,055,217	21,686,874	22,337,480	23,007,604	23,697,832
Open Enrollment Deduction-477	0	0	0	0	0
Community & STEM School Deductions-478	0	0	0	0	0
Tuition SF-14, CC Plus and Ed Scholarship-479	391,356	403,097	415,190	427,646	440,475
Excess Cost and SF14 470-475	5,509,696	5,674,987	5,845,237	6,020,594	6,201,212
Sub Teachers and Paras (ESS contract)	4,967,100	4,967,100	4,967,100	4,967,100	4,967,100
Building Services	4,101,009	4,224,039	4,350,760	4,481,283	4,615,721
Utilities	<u>3,211,612</u>	<u>3,307,960</u>	<u>3,407,199</u>	<u>3,509,415</u>	<u>3,614,697</u>
Total Purchased Services Line #3.030	<u>\$41,124,635</u>	<u>\$42,209,361</u>	<u>\$43,326,629</u>	<u>\$44,477,415</u>	<u>\$45,662,723</u>

**Supplies and Materials – Line #3.040**

An overall inflation of 3% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. The administration will continue to invest additional monies into the textbooks and Chrome Books to improve the curriculum for the students.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Supplies	\$3,721,477	\$3,795,907	\$3,909,784	\$4,027,078	\$4,147,890
Transportation	1,950,397	1,989,405	2,049,087	2,110,560	2,173,877
Textbooks & Technology	2,874,968	2,932,467	3,020,441	3,111,054	3,204,386
Building Supplies	<u>1,184,846</u>	<u>1,208,543</u>	<u>1,244,799</u>	<u>1,282,143</u>	<u>1,320,607</u>
Total Supplies Line #3.040	<u>\$9,731,688</u>	<u>\$9,926,322</u>	<u>\$10,224,111</u>	<u>\$10,530,835</u>	<u>\$10,846,760</u>

### **Equipment – Line # 3.050**

For FY 2022 through FY2026 we included a capital plan around all building improvements. For FY22 we added \$700,000 to improve our camera security system. The administration added planned costs for Building Maintenance and Technology Improvements at approximately \$15 million for FY 22-23. The district also issued \$10 million in debt for facility improvements. The General Fund will transfer the payment annually to the Permanent Improvement Fund to retire any of this debt we issue.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Capital Outlay	\$2,074,330	\$2,095,073	\$2,157,925	\$2,222,663	\$2,289,343
Building Improvements	798,000	798,000	0	0	0
Technology	5,032,600	5,032,600	5,183,578	450,000	450,000
Mound Street Academy Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$7,904,930</u>	<u>\$7,925,673</u>	<u>\$7,341,503</u>	<u>\$2,672,663</u>	<u>\$2,739,343</u>

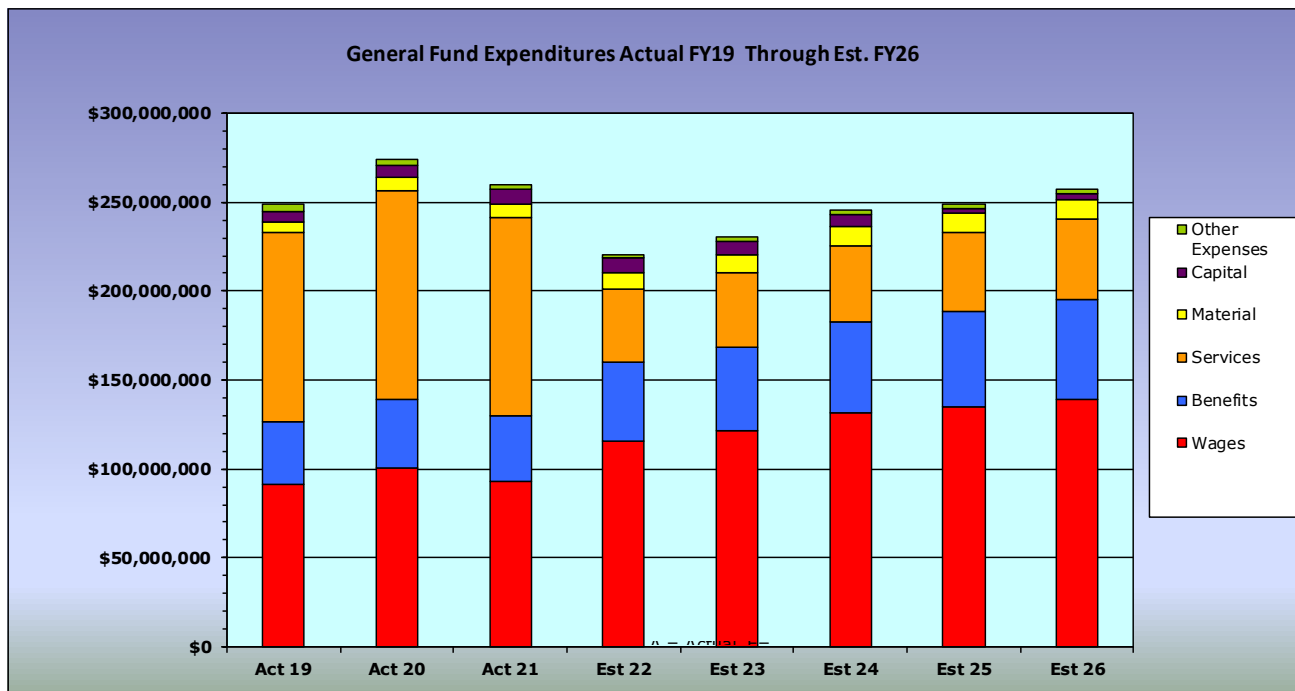
### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase with new construction as more dollars are collected. As a result, A&T fees noted below are maintained at current levels. Currently, we are estimating annual increase of 1% for this forecast.

<u>Source</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
County Auditor & Treasurer Fees	\$860,967	\$886,796	\$895,664	\$904,621	\$913,667
County ESC	125,000	125,000	125,000	125,000	125,000
Other expenses	<u>1,365,275</u>	<u>1,433,539</u>	<u>1,505,216</u>	<u>1,550,372</u>	<u>1,596,883</u>
Total Other Expenses Line #4.300	<u>\$2,351,242</u>	<u>\$2,445,335</u>	<u>\$2,525,880</u>	<u>\$2,579,993</u>	<u>\$2,635,550</u>



**Total Expenditure Categories Actual Fiscal Year 2019 through Fiscal Year 2021 and Estimated Fiscal Year 2022 through Fiscal Year 2026**



**Transfers Out/Advances Out – Line# 5.010**

This account group covers fund to fund transfers not to be paid back the General Fund or advances which are end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. The FY22-FY26 transfers will be to the Permanent Improvement Fund for the Capital Building Projects debt service payment.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Operating Transfers Out #5.010- Debt Service	\$1,149,023	\$1,594,900	\$1,595,900	\$1,596,100	\$1,596,100
Advances Out Line #5.020	<u>4,750,000</u>	<u>4,750,000</u>	<u>4,750,000</u>	<u>4,750,000</u>	<u>4,750,000</u>
Total Transfer & Advances Out	<u><u>\$5,899,023</u></u>	<u><u>\$6,344,900</u></u>	<u><u>\$6,345,900</u></u>	<u><u>\$6,346,100</u></u>	<u><u>\$6,346,100</u></u>

**Debt Service:**

The District currently amortizes the purchase of \$9.2 million bus fleet lease that is complete in November of 2023.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Principal -Other # 4.055	<u>\$1,140,467</u>	<u>\$1,164,082</u>	<u>\$591,049</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Interest Other Total Line 4.060	<u>\$53,806</u>	<u>\$30,192</u>	<u>\$6,088</u>	<u>\$0</u>	<u>\$0</u>

**Encumbrances –Line#8.010**

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>

**Reservation of Fund Balance “Budget Reserve” - Line #9.03**

In December of 2014 the Board of Education passed Board Policy DBDA. The Board believes that the creation and maintenance of a cash balance reserve of five percent (5%) of operating expenditures is both prudent and necessary and in the interest of sound fiscal management.

The Board affirms and declares that tax levies shall be pursued, and or the School District’s finances otherwise be managed, to ensure a general fund cash balance equivalent to at least five percent (5%) of general fund operating expenditures.

Upon receiving any indication that such a cash balance may not be maintained for any year during the current five-year financial forecast period, the Treasurer shall report such a finding to the Board. The Superintendent and Treasurer will propose options that the Board may consider.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Budget Reserve-Line 9.030 (BOE Policy DBDA)	<u>11,099,827</u>	<u>11,600,931</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Reservations of Balance- Line#9.080	<u>\$11,099,827</u>	<u>\$11,600,931</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

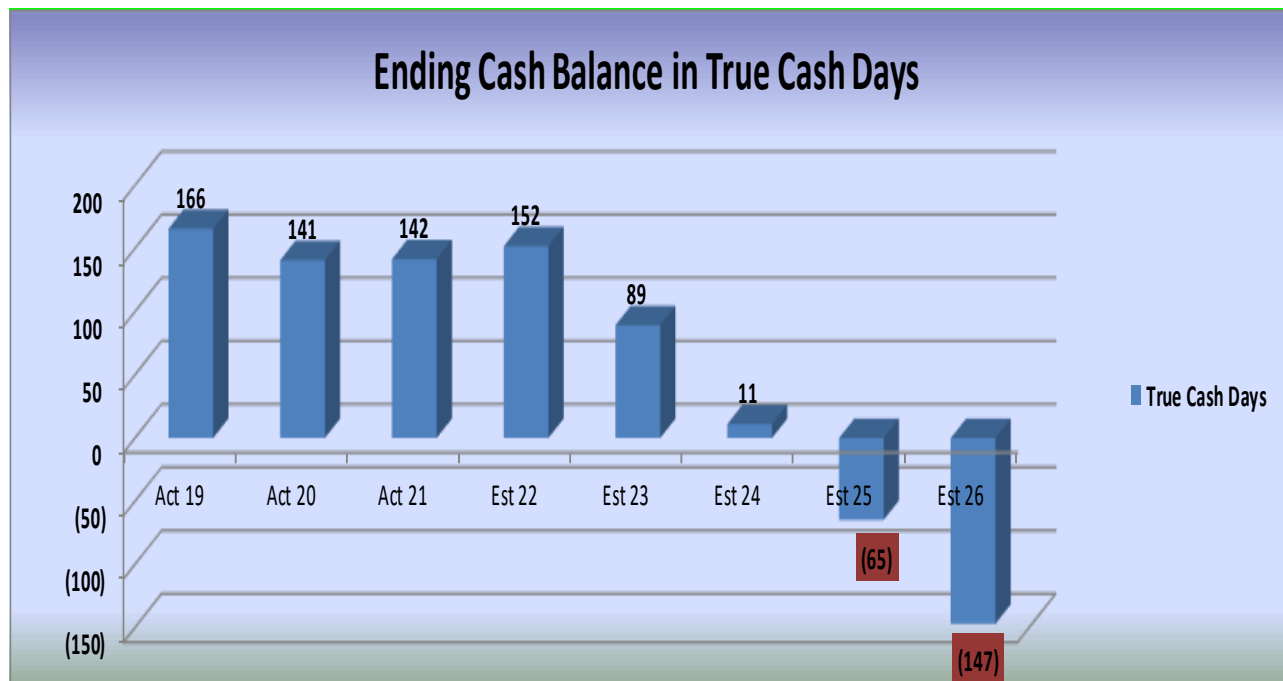
**Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010**

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	<u>\$ 77,161,569</u>	<u>\$ 40,241,950</u>	<u>\$ 1,126,898</u>	<u>\$ (51,850,331)</u>	<u>\$ (112,645,961)</u>

**True Cash Days for Ending Cash Balance**

The district has seen an increase of revenue from the state as the percentage state revenue has increased with the past two budget bills. The increase has allowed the district to increase the districts true cash days from being underfunded in FY14 to a reputable balance. The Government Financial Officers Association (GFOA) recommends, regardless of size, that a district maintain unrestricted budgetary fund balance in their general fund of no less than two months (60 days) of regular general fund operating revenues or regular general fund operating expenditures. The district will have that amount at the end of FY23.



## Conclusion

State law requires schools to operate with positive cash balances. Additional revenue and/or expenditure reductions will need to be considered prior to years where line 7.020 Cash Balance June 30 is negative. Changes in circumstances and the availability of additional information make this forecast subject to revision. Given the uncertainty of future state budgets, local, state and national economic factors, FY23 and beyond may deviate significantly from the forecast due to ESSER funds and potential impacts of the new state funding formula for school districts in Sub. HB110. The new HB110 funding model is delayed until December 2021 and we are using Legislative Service Commission (LSC) estimates of our state funding from their June 28, 2021 model which is the most recent data available to us for this major rewrite of the state funding formula.

The district administration notes that this current state biennium budget is why we have to be mindful and watch each state budget carefully as HB110 our current state budget has not provided new unrestricted operating funds to our district. Future state biennium budgets could affect us positively or negatively for FY24 through FY26. With current unknowns to our state funding we will continue monitoring and communicating changes as they become available to our district.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.