

Springfield Local

School District

(Summit)

Financial Recovery

Plan

July 16, 2024

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Springfield Local (Summit)

UPDATED FORECAST (BEFORE PLAN)

Board Approval Date: 7/16/2024

WATCH FINANCIAL RECOVERY PLAN

FY2024 Spring Forecast Submission	Current Forecast				
Forecast Line	FY2024	FY2025	FY2026	FY2027	FY2028
09.050 Debt Service					
09.060 Property Tax Advances					
09.070 Bus Purchases					
09.080 Reservation of Fund Balance	0	0	0	0	0
10.010 Fund Balance June 30 for Certification of Appropriations	3,824,771	5,548,303	4,031,982	(1,335,416)	(8,436,040)

Revenue from Replacement/Renewal Levies					
11.010 Income Tax - Renewal			0		
11.020 Property Tax - Renewal or Replacement			2,313,654	5,398,443	6,169,937
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	2,313,654	7,712,097	13,882,034
12.010 Fund Balance 6/30 for Certification of Contracts, Salaries, Other	3,824,771	5,548,303	6,345,636	6,376,681	5,445,994

Revenue from New Levies					
13.010 Income Tax - New					
13.020 Property Tax - New					
13.030 Cumulative Balance of New Levies	0	0	0	0	0
14.010 Revenue from Future State Advancements					
Cumulative State Advancements	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	3,824,771	5,548,303	6,345,636	6,376,681	5,445,994

Changes in Assumptions				
FY2024	FY2025	FY2026	FY2027	FY2028
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Updated Forecast (Before Plan)				
FY2024	FY2025	FY2026	FY2027	FY2028
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

4,516,798	6,825,120	6,056,557	1,414,062	(4,993,384)
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0	0	0	0	0
0	0	2,313,654	5,398,443	6,169,937
0	0	2,313,654	7,712,097	13,882,034

4,516,798	6,825,120	8,370,211	9,126,159	8,888,650
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0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

4,516,798	6,825,120	8,370,211	9,126,159	8,888,650
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Impact of Changes in Assumptions:

Revenue Enhancements:	658,618	727,753	729,409	699,815	660,660
Renewals/New Levies/State Advances:	0	0	0	0	0
Expense Reductions:	83,079	(192,633)	18,350	25,088	32,518
Reserves and Encumbrances:	(49,670)	0	0	0	0
Annual:	692,027	535,120	747,758	724,902	693,178
Cumulative:	692,027	1,276,817	2,024,575	2,749,478	3,442,656

Deficits Eliminated?

YES	YES	YES	YES	YES
(Line 10.010)	(Line 10.010)	(Line 12.010)	(Line 12.010)	(Line 12.010)

Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

[illegible]**FY2024 Spring Forecast Submission**

FY2024

[illegible]

Total Proposed Changes:

[illegible]

Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

44,593

44,593

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44,59.

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FY2024 Spring Forecast Submission

FY2025

[illegible]

Total Proposed Changes:

44,593

44,593

44,593

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535,

[illegible]

Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

62,313

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747,758

FY2024 Spring Forecast Submission

FY2026

[illegible]

Total Proposed Changes:

62,313

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747,758

Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

60,409

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60,409

724,902

FY2024 Spring Forecast Submission

FY2027

[illegible]

Springfield Local (Summit)

Board Approval Date: 7/16/2024

7/16/2024

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

57,765

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57,765

57,765

693,178

693,178

FY2024 Spring Forecast Submission

FY2028

[illegible]

Total Proposed Changes:

57,765

57,765

57,765

57,765

57,765

57,765

57,765

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57,765

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57,765

693,178

693,178

FY2024 Spring Forecast Submission

0 0 0 0 0 0 0 0 0 0 0 0 0

FY2024

[illegible]

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

Board Approval Date:

7/16/2024

check totals:

(43,506)

(43,506)

(43,506)

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(43,506)

(43,506)

(43,506)

(43,506)

(43,506)

(43,506)

(43,506)

(522,074)

FY2024 Spring Forecast Submission

FY2028

[illegible]

7/16/2024

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

FY2024 Spring Forecast Submission	Updated Forecast (After Changes in Assumptions)					Plan Impact (Expenditure Reductions and Revenue Enhancements)					Projected Forecast (Reflecting Plan Implementation)				
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2024	FY2025	FY2026	FY2027	FY2028	FY2024	FY2025	FY2026	FY2027	FY2028
Forecast Line															
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	2,313,654	7,712,097	13,882,034	0	0	0	0	0	0	0	2,313,654	7,712,097	13,882,034
12.010 Fund Balance 6/30 for Certification of Contracts, Salaries, Other	4,516,798	6,825,120	8,370,211	9,126,159	8,888,650						4,516,798	6,464,580	7,549,423	7,815,364	7,055,781
Revenue from New Levies															
13.010 Income Tax - New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative State Advancements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	4,516,798	6,825,120	8,370,211	9,126,159	8,888,650						4,516,798	6,464,580	7,549,423	7,815,364	7,055,781
Impact of Changes:															
Revenue Enhancements:	0	0	0	0	0	0	0	0	0	0					
Renewals/New Levies/State Advances:	0	0	0	0	0	0	0	0	0	0					
Expense Reductions:	0	(360,540)	(460,248)	(490,007)	(522,074)	0	(360,540)	(460,248)	(490,007)	(522,074)					
Reserves and Encumbrances:	0	0	0	0	0	0	0	0	0	0					
Total	0	(360,540)	(460,248)	(490,007)	(522,074)	0	(360,540)	(460,248)	(490,007)	(522,074)					
Cumulative:	0	(360,540)	(820,788)	(1,310,795)	(1,832,869)										
Deficits Eliminated?															
YES	YES	YES	YES	YES	YES										
(Line 10.010)	(Line 10.010)	(Line 12.010)	(Line 12.010)	(Line 12.010)	(Line 12.010)										
Deficit Spending Eliminated?															
(Line 6.010)	(Line 6.010+Renewals)														
2,783,195	1,898,112	1,084,843	265,940	(759,583)											
YES	YES	YES	YES	YES	NO										

I certify, the board of education reviewed and approved the changes in assumptions, revenue enhancements and expenditure reductions contained in this workbook and approved the written plan template and narrative on:

(Enter Date of BOE Approval)

Board President

Superintendent

Treasurer

BACKGROUND

Fiscal Oversight

In the Spring of 2019, Springfield LSD began projecting deficits in FY21 and FY22. Despite the written plans submitted, in the fall of FY21 the district projected further erosion of the district's financial position and the district was declared to be in fiscal caution on October 9, 2020. Despite further district efforts, the district ended FY21 with a 2.8-million-dollar deficit and the district was placed into fiscal watch on Sept. 14, 2021.

Preferred Plans and Necessary Reductions

While preparing for, and operating school during a world-wide pandemic, the district made two attempts, in August and November of 2020, to pass a new operating levy. Both issues failed. Between these attempts, the district was placed in Fiscal Caution. We heard that the community wanted a different approach to school funding and in response an attempt was made in May 2021 to pass a 0.75% income tax to collect approximately \$2,700,000 beginning in January 2022. This issue was also rejected by voters. Subsequently, Young Elementary school was closed during the summer of 2021, eliminating staff positions across the district and restructuring our grade bands among the remaining buildings. Again, SLACT and OAPSE Unions agreed to take base pay freezes in light of the district's financial situation.

While additional staff reductions were planned for the 2021-2022 school year, Elementary and Secondary School Emergency Relief (ESSER) fund dollars were utilized to temporarily delay the reductions in art, music, foreign language, career technical, computer, family & consumer science and physical education classes that were planned to be reduced without these funds.

With the rejection of another levy attempt in May 2022, the district was forced to implement additional cuts, including state minimum transportation, for the 2022-23 school year. SLACT and OAPSE Unions continued to take base pay freezes for the upcoming fiscal year. Following recommendations from the Ohio Auditor of State's performance audit completed in March 2022, the district transitioned its health insurance to the Portage Area School Consortium (PASC) program, saving significant expenses each year. Unfortunately, levy attempts in May 2023 and November 2023 were also rejected by the voters.

Recap of Expenditure Reductions to Maintain Solvency

FY2020 Prior to Fiscal oversight

Springfield Local Schools Board of Education made cuts at the end of the 2019-2020 school year. These cuts eliminated 20.75 positions cutting \$1,480,120 preemptively to help reduce the deficit.

FY2021 Fiscal Caution

Springfield Local School District Board of Education immediately implemented reductions in December 2020 resulting in a savings of \$260,904.00. Some of the original reductions were reinstated in August 2021 with the use of ESSER funds.

In the Spring of 2021, additional positions were identified to be reduced to address upcoming deficiencies in the five-year forecast. Those reductions included moving to state minimum transportation, reductions in art, music and physical education, foreign language, family and consumer science, OWA and reading. These reductions were temporarily stopped by the announcement of Elementary and Secondary School Emergency Relief (ESSER) III funds through the American Rescue Plan Act of 2021.

FY2022 Fiscal Watch

Additional cuts being necessary, Springfield Local Schools Board of Education authorized the closure of Young Elementary School prior to the start of the 2021-22 school year, eliminating 18.75 staff positions yielding a savings in excess of \$1,000,000.

In the fall of FY22, the district was declared to be in fiscal watch. The district's FRP, approved in February 2022, used \$1,000,000 in ESSER funds to address the \$1,053,828 deficit projected for FY22. 1.25 additional positions were eliminated through attrition and the board implemented additional mid-year reductions in support staff.

FY23 Fiscal Watch

The district continued to make reductions in expenditures in the spring and fall of 2022, including modified state minimum transportation standards; utilization of ESSER funds to maintain staffing levels; staff reductions in Gifted, Music, Arts and Special Education; and seven (7) teachers in grades K-6.

FUTURE OPERATIONS

NARRATIVE TO ACCOMPANY FY24 FRP UPDATE

Over the past five years, Springfield Local Schools has navigated the challenges of fiscal oversight with perseverance and dedication. Despite our best efforts to secure funding through various types and amounts of levies, we have encountered significant hurdles without achieving the desired results. Our Financial Recovery Plans have included many cuts that terribly affected our students, staff, and community. However, every year we kept going, offering the best we could for our students and on the way, improving our financial situation.

In February 2024, following an unprecedented property tax revaluation by Summit County, the district realized additional tax revenues to support general district operation. This additional revenue led the Springfield Local Schools Board of Education to adopt a revised five-year forecast at its February 20, 2024 meeting. While details of the changes are outlined below, this additional revenue is leading the district to cease attempts at new operating levies and pursue several educational priorities for FY25. These priorities have been discussed at length with both the Board of Education, and with the community at a Finance Committee meeting on March 4, 2024 to include maximum amounts of community feedback regarding this plan and ensure stakeholder support and fiscal responsibility for future operations. This Financial Recovery Plan outlines the enhanced revenue, educational priorities and future fiscal implications of these decisions - highlighting the fiscal responsibility that the district has remained dedicated to upholding.

FY24 FRP Update / Changes in Assumptions

The July 2024 Financial Recovery Plan (FRP) includes several changes in assumptions from the May Forecast based on the actual fiscal year closing figures realized at the end of June 2024. These realizations have been integrated into the future years of the FRP as appropriate to provide the most realistic description of district finances moving forward. Since the forecast and most recent FRP, we have finalized negotiations with our employees and are able to reflect those amounts through FY25 with more certainty than we were previously able to do. These contracts have created favorable conditions for the upcoming fiscal years based on the negotiated amounts versus anticipated figures. Some major adjustments in the closing of FY24 were 01.060 All Other Revenues, in which the district received significant increases in interest income. In regards to 03.020 Benefits, the district received more favorable rating than anticipated which resulted in significantly beating budget for FY24.

FY2024 FRP

Through several engagements with local stakeholders spanning the last year, the Board of Education developed a set of educational priorities to implement upon the receipt of additional funding. With the receipt of additional revenue in the second half of FY24, the district proposes to begin cautious implementation of these educational enhancements to improve the experience of students in grades preschool through twelfth grade. With revenue increases already realized, further delay in implementation of these items would cause continued erosion of the trust of the school district by our community. As that trust erodes, so does the likelihood of the passage of levies. Outlined below, these enhancements were specifically chosen to enrich the educational experience for as much of our student population as possible while remaining within our fiscal constraints throughout the term of the forecast.

Enhanced Security

Recognizing the gap in security when sharing a resource officer between Schrop Intermediate and Spring Hill, placing an additional School Resource Officer (SRO) was deemed a priority by stakeholders. The additional resource will enable the district to place an SRO at each of our primary facilities – providing full time coverage for the students and staff at Schrop Intermediate and Spring Hill. To reduce the impact of this additional cost, contracted services for the attendance officer from Lakemore Police were reduced by \$16,250 and those duties will be absorbed by the officers at Schrop and Spring Hill. This move will also enable these officers to become a more visible part of the school community and provide a proactive and community-based approach to their duties.

Increased Busing

The district plans to offer transportation to all resident K-12 students in the 2024-2025 school year. Understanding that we still face staffing shortages that continue to plague districts nationwide, adjustments to the school times were necessary to implement three-tier busing to ensure staffing to implement this plan. Three-tier busing will allow us to offer increased transportation without increasing staffing significantly. The three additional drivers that are outlined in this plan will fill existing vacancies and cover the additional need. School times will be adjusted accordingly to stagger start times between Springfield High School and Junior High, Schrop Intermediate and Spring Hill Elementary - enabling the

entire fleet to serve each building, respectively. The ability to implement these changes will be directly tied to the ability to hire appropriate staff mentioned in the following sections to build the schedule to allow for school time adjustments.

Increased Educational Opportunities

To enable students in grades kindergarten through sixth grade to have the opportunity to receive art and music regularly and with adequate time to grow within these areas, an additional art and additional music teacher will need to be hired for the 2024-25 school year. These opportunities for our younger Spartans will feed interest in later advanced courses, choir and band programs which have suffered during the cuts experienced over the last four academic years.

To enable students in grades seven through twelve to have the opportunity to enhance their learning through various modern elective courses, teaching responsibilities will be reorganized to expand course offerings – highlighting innovative ways that we looking to solve problems without increasing costs.

Art classes at the seven through twelve level have continued to be highly sought after by our students. Hiring an art teacher is needed to offer advanced art classes for the upcoming school year.

These additions to the electives will reduce student time in study halls, enriching their daily experiences, and likely reducing discipline incidents and retaining or increasing enrollment across the district.

Reduced Pay to Participate Fee Schedule

The recent fee schedule has been an obstacle to many student athletes participating in athletics, as well as a deterrent to general enrollment. Realizing the serious burden placed on families, the Board proposes to reduce this fee, currently \$300 per sport with no cap, to \$150 per sport with a \$600 family cap. This will allow the district to continue to recover some of the expenses of operating extra-curricular programs, but allowing more students the opportunity to participate.

Levy Forecast

While the district has received additional funding and will no longer place new operating levies on the ballot for the foreseeable future, the upcoming renewal levies are vitally important to the continued healthy operation of the district. As shown on the forecast, the renewal levies are a significant portion of our operating revenue. In November 2024, voters will see three renewal levies on the ballot, representing \$4.6 million dollars annually. Leading up to the November ballot, public education of the district finances and need for the continuation of the renewal levies will be critical to help ensure the historically strong support for renewal issues. In November 2025, voters will see another two renewal levies on the ballot - one representing \$1.6 million in annual operating income, and another representing a permanent improvement levy supporting our older facilities. The combination of these renewal levies equal approximately fifty (50) percent of the annual local revenues and it cannot be emphasized enough that these are critical to the ongoing success of the district. In the event that the

attempts at passing these renewal levies are unsuccessful, the additional positions implemented in FY25 will be eliminated.

Shared Services

Springfield Local Schools also shares services with Summit County Educational Service Center including job coaching, English-language tutor, school psychologist, behavior specialists, and teacher of the deaf positions. This allows us to contract the services needed to fill our students' needs, without hiring full time specialized staff members and share these costs with other districts also in need of those specialists.

The district remains committed to pursuing shared service opportunities and will continue to collaborate closely with surrounding districts and investigate other opportunities as they arise in the future.

Conclusion

Springfield Local Board of Education regularly monitors school finances through monthly reports and presentations submitted by the Treasurer. The Board will be kept informed through constant and open dialogue with the Treasurer and Superintendent. Monthly written reports will be provided to the Board of Education for review and the Treasurer will continue to make monthly presentations at the regularly scheduled Board of Education meeting to keep the district stakeholders and Board of Education informed of financial status and FRP implementation. Written reports will include, but not be limited to: monthly fiscal watch monitoring reports which includes monthly budget compared to actual results, check detail report, revenue summaries, fund summaries, and appropriation account summaries. As necessary, the Board will be presented with, and requested to approve, updated five-year forecasts prepared by the Treasurer.

This plan was presented to and approved by the Board of Education at the Regular Meeting on July 16, 2024, and approved by:

_____ Cynthia Frola, President
_____ Miranda Terry, Vice-President
_____ David Hofer
_____ Donnie Furlong
_____ Parker Mason

This report, along with associated attachments, will be promptly submitted to the Ohio Department of Education & Workforce, Office of School Finance.

Cynthia Frola, President

Date

Shelley Monachino, Superintendent

Date

Christopher Adams, Treasurer

Date