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Forecast Line and Description	Three Years Ago Actual	Two Years Ago Actual	One Year Ago Actual	Current Year Forecast	Next Year Future Forecast	Two Years Future Forecast	Three Years Future Forecast	Four Years Future Forecast
01.010 : General Property Tax (Real Estate)	11,709,805	12,436,181	12,401,722	13,364,000	14,506,280	12,410,220	9,511,585	8,883,331
01.035 : Unrestricted Grants-in-Aid	9,317,249	8,348,788	8,290,381	8,445,180	8,445,180	8,571,858	8,743,295	8,918,161
01.040 : Restricted Grants-in-Aid	352,143	562,609	718,740	659,000	659,000	659,000	659,000	698,395
01.050 : State Share of Local Property Taxes	1,638,097	1,574,802	1,541,218	1,647,300	1,788,773	1,815,605	1,833,761	1,852,098
01.060 : All Other Operating Revenue	3,928,349	1,980,920	1,792,996	2,125,000	1,885,625	1,895,053	1,904,528	1,639,051
01.070 : Total Revenue	26,945,643	24,903,300	24,745,057	26,240,480	27,284,858	25,351,736	22,652,168	21,991,036
02.040 : Operating Transfers-In	206,101	0	233,929	234,215	234,547	234,648	234,611	235,100
02.060 : All Other Financing Sources	117	18	0	0	0	0	0	0
02.070 : Total Other Financing Sources	206,218	18	233,929	234,215	234,547	234,648	234,611	235,100
02.080 : Total Revenue and Other Financing Sources	27,151,861	24,903,318	24,978,986	26,474,695	27,519,405	25,586,384	22,886,779	22,226,136
03.010 : Personal Services - Employee Salaries & Wages	14,260,808	12,134,754	12,099,387	12,344,000	13,170,520	13,846,488	14,331,115	14,727,330
03.020 : Employees' Retirement and Insurance Benefits	6,545,269	4,837,944	6,066,383	6,215,000	6,943,650	7,464,428	8,024,256	8,585,957
03.030 : Purchased Services	5,948,228	3,138,091	3,318,206	3,401,161	3,469,184	3,538,568	3,609,339	3,681,526
03.040 : Supplies and Materials	254,791	369,687	366,584	425,000	437,750	450,883	464,409	478,341
03.050 : Capital Outlay	2,268	13,761	3,824	10,000	10,000	10,000	10,000	10,000
04.050 : Principal-HB 264 Loans	206,101	0	233,929	80,000	80,000	85,000	85,000	90,000
04.055 : Principal - Other	0	0	0	170,000	175,000	180,000	185,000	190,000
04.060 : Interest and Fiscal Charges	88,475	86,825	90,120	72,668	66,147	59,433	52,526	45,426
04.300 : Other Objects	1,191,326	819,656	1,048,417	1,185,368	1,209,075	1,233,257	1,257,922	1,283,080
04.500 : Total Expenditures	28,497,266	21,400,718	23,226,850	23,903,197	25,561,327	26,868,056	28,019,567	29,091,661
05.010 : Operational Transfers-Out	1,556,101	0	233,929	530,000	234,547	234,648	234,611	235,100
05.040 : Total Other Financing Uses	1,556,101	0	233,929	530,000	234,547	234,648	234,611	235,100
05.050 : Total Expenditures and Other Financing Uses	30,053,367	21,400,718	23,460,779	24,433,197	25,795,874	27,102,704	28,254,178	29,326,761
06.010 : Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(2,901,506)	3,502,600	1,518,207	2,041,498	1,723,531	(1,516,321)	(5,367,399)	(7,100,625)
07.010 : Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	88,972	(2,812,534)	690,066	2,208,273	4,249,771	5,973,302	4,456,981	(910,418)
07.020 : Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	(2,812,534)	690,066	2,208,273	4,249,771	5,973,302	4,456,981	(910,418)	(8,011,042)
08.010 : Estimated Encumbrances June 30	442,480	365,188	547,823	425,000	425,000	425,000	425,000	425,000

**SPRINGFIELD LOCAL SCHOOL DISTRICT
Summit County**

IRN 050062

Notes to Five-Year Forecast Fiscal 2024 thru 2028

The following assumptions were used to project the Springfield Local Schools five-year forecast. The Financial Recovery Plan (FRP) narrative details the plan the district will carry out to address our financial situation.

After five years (2020-2024) of attempts to generate new revenues and expenditure reductions implemented to maintain minimal solvency, the district's Feb. 2024 forecast projects positive cash balances during the first three years of the five-year projection and deficits in years four and five. Even so, the district continues to deficit spend without the passage of the renewal levies being placed on the November 2024 ballot.

The most significant impact to the Feb. 2024 forecast is related to the county wide valuation reappraisal. Springfield Local schools is currently at the 20 mill floor. The district will realize a significant increase in property taxes. This event has made the 3.77 additional levy originally being placed on the Nov. 2024 ballot no longer feasible.

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.

Revenues:

1.010 Real Estate Tax Revenues –Historically have included real property tax settlements (on residential and commercial property) received via the County auditor. Estimates are based on previous years actual and collections for the current fiscal year. Springfield has realized a healthy increase in new construction the last few years. It is anticipated that will result in a higher than usual increase in real estate in non-reappraisal years. This line represents over 50% in total revenues for the district so a continued interest in new homes will greatly benefit the district both in revenues and eventually new students. The impact of the county wide triennial has been released by the Summit County auditor. Springfield Local Schools realized a significant increase due to the 20 mill floor impact. The district has not passed a new additional levy in over 24 years, therefore these additional revenues will allow the district to maintain services for a least three years. It is important to realize that 3 renewal levies will be placed on the November 2024 ballot. These renewals will not increase taxes to the taxpayers and most importantly they are the financial backbone for our district. Without the passage of these renewals the district will be placed in a financial situation that will result in catastrophic circumstances. The renewal levies represent almost 50% of our property tax revenues.

1.035 Unrestricted Grants in Aid – State Foundation proceeds. The Springfield Local Schools will reflect the recent budget as proposed by the executive branch for the next two years. Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The district received no increase for the next two years. Historically the state would increase state funding. This freeze over the next two years is another example of the shifting of state resources from public to private sector schools.

1.040 Restricted Grants in Aid – Restricted aid is the portion of state per pupil funding that must be classified as restrictive use. Restricted funds represent 2.5% of the total revenue. Examples of restrictive state aid is funding for Gifted, English Learners, Student Wellness, Career Tech and Economic disadvantaged students.

1.050 State Share of Local Property Taxes

State Share tax allocation primarily consists of reimbursement from the state of Ohio for local taxpayer's credits or reductions. The state reduces the local taxpayer tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit. The estimates for FY24 and beyond will see an increase due to property taxes valuation changes.

1.060 Other Operating Revenue – The majority of funds are derived from tuition received by the district for non-resident students educated by the district. Springfield also receives federal rebates related 7-12 high school project. This year FY 24 will realize a substantial increase in interest income. The district places its funds in the STAR OHIO Investment account. The interest rate has increased in the last year causing interest income in inactive funds to increase. For FY 28 a decrease on this line is related to one of the federal rebates expiring. FY29 will see the full impact since only half of the rebate expired in FY28.

2.04 Transfers In – This amount is related to payment for the Bus Garage project payment.

Expenditures:

3.010 Personal Services – Historically has been certificated, non-certificated and administration salaries, supplemental salaries and other miscellaneous salaries. FY24 still has the impact of ESSER funds paying some of the general fund salaries. FY25 will see normal levels of personnel costs to the general fund. This category along with employee benefits make up 79% of the total expenditures. The only way to obtain financial health for this district is to manage these expenditures very carefully. This category has the recent 2 year contract with the teachers union and both of the OAPSE contracts. All three contracts have been reflected in the forecast. The cost increase for all three contracts are within the financial parameters set by the administration and board of education. The administrative team is committed to increasing the cash balance of the district which we allow for programs to be brought back in the future. FY25 is slightly less than the forecast submitted in Feb. 24 due to less than expected severance payments for retiring teachers.

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3.020 Retirement/Insurance Benefits – Starting in FY24 prior year levels will resume due to the ESSER funds being discontinued. The district has moved to a new consortium effective July 2022. It is anticipated that a full cost savings will be realized in FY24. Insurance premiums will increase in the 9-11% range for FY25 and in future years the increase should be in the 7-7.5% range. This is a lower percentage change than the previous forecast. The impact of COVID is being realized due to the majority of procedures that were put on hold during COVID are being scheduled. The district is watching these expenditures very closely with the consortium. Any changes will be calculated to see if the forecast should be amended.

3.030 Purchased Services – These costs include tuition to other districts, utilities, maintenance and special needs related costs etc. Regarding tuition charges, the district has created a team that includes the EMIS coordinator to ensure the district is only paying for students that are legally allowed. For the remaining years slower growth particularly in the utilities area is projected. The Springfield Local Schools has invested in a HB264 project that will reduce costs in excess of \$75,000 due to new boilers and light fixtures. This category will be reviewed by management to see if additional savings can be achieved.

3.04 Supplies/Materials – Both the Superintendent and Treasurer are reviewing each and every purchase order. Vendors are being challenged and competitors are being researched to maximize additional savings.

3.05 Capital Outlay This category is related equipment purchases out of the general fund. The district spends very little due to the fact that most capital purchases are being purchased out of the permanent improvement fund. It should be noted that this category is tracking to spend less than \$5000, for the entire FY24.

4.05 Principal HB 264 Loan This is the yearly principal payment for the HB264 energy project.

4.055 Principal Others. This is the yearly principal payment for the new bus garage.

4.06 Interest and Fiscal Charges. This is the interest charges for the bus garage and HB264 project.

4.30 Other Objects – A major portion of these costs are related to county services and fiscal/auditor fees. Springfield utilizes the educational service center for many services geared to our special needs population. The top 4 entities who impact 94% of the yearly expenditures for this specific category include:

Educational Service Center of Summit County
Summit County Auditor Fees
Liability Insurance
Third Party Auditor Reports

5.010 Operating Transfers Out – This represents the yearly Bus Garage project payment plus any charges from the General Fund to other funds that may run a deficit.

8.010 Estimated Encumbrances – The Treasurer’s office will continue to minimize open encumbrances by reviewing open orders in a timely fashion.

11.02 Property Tax Renewal or Replacement – This represents the 4 renewals that have not yet been voter approved. The importance for the financial survival of the district depends on the renewal of these 4 levies. The first three will be placed in November 2024 with the last one in November 2025. Total revenues generated from these levies is currently at \$6.169 million.

Christopher Adams

Treasurer
Springfield Local Schools

