

# Springfield Local School District (Summit)

## Financial Recovery Plan

March 12, 2024

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Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN

FY2024 Fall Optional Submission	Current Forecast				
Forecast Line	FY2024	FY2025	FY2026	FY2027	FY2028
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	5,466,223	6,074,452	5,792,076	4,521,186
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	5,466,223	6,074,452	5,792,076	4,521,186

Impact of Changes in Assumptions:

Annual:	0	82,080	189,104	313,421	340,203
Cumulative:	0	82,080	271,184	584,605	924,808

UPDATED FORECAST (BEFORE PLAN)

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

Board Approval Date: 3/12/24

Updated Forecast (Before Plan)				
FY2024	FY2025	FY2026	FY2027	FY2028
0	0	2,313,654	5,398,443	6,169,937
0	0	2,313,654	7,712,097	13,882,034
3,824,771	5,548,303	6,345,636	6,376,681	5,445,994
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,824,771	5,548,303	6,345,636	6,376,681	5,445,994

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:

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

## FY2024 Fall Optional Submission

FY2024

[illegible]**Total Proposed Changes:**[illegible]

Springfield Local (Summit)															
WATCH FINANCIAL RECOVERY PLAN WORKBOOK		check totals:	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	82,080
FY2024 Fall Optional Submission			FY2025												
Item	Description (unexpected change in funding, etc.)	Forecast Line	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total FY2025
	CHANGES IN ASSUMPTIONS - items affecting the forecast that are not the result of district actions to reduce expenditures.														
1	Reduction in Revenue related to QSCB in FY28 of the federal stimulus rebates according to the debt retirement schedule.	01.060 All Other Revenues													0
2	Insurance Revision due to updated information from Portage Area Schools Consortium (PASC) regarding anticipated rates for future years.	03.020 Benefits													0
3	Salary adjustment due to less than expected severance payments in FY25 and adjustments to the Negotiated Agreements in future years.	03.010 Wages	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	82,080
Total Proposed Changes:			6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	82,080

## Springfield Local (Summit)

**WATCH FINANCIAL RECOVERY PLAN WORKBOOK**

check totals:

[illegible]

## FY2024 Fall Optional Submission

## FY2026

[illegible]

## Springfield Local (Summit)

**WATCH FINANCIAL RECOVERY PLAN WORKBOOK**

check totals:

26,118

26,118

26,118

26,118

26,118

26,118

26,118

26,118

26,11

26,11

26,11

26,11

313.

## FY2024 Fall Optional Submission

## FY2027

[illegible]

### Springfield Local (Summit)

**Board Approval Date:**

**3/12/24**

## WATCH FINANCIAL RECOVERY PLAN WORKBOOK

check totals:

51,267

51,261

51,262

51,26.

51,26

51,26

51,26

51,20

51,2

51,2

51,2

(223,

34

## FY2024 Fall Optional Submission

FY202

Item	Description (unexpected change in funding, etc.)	Forecast Line	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total FY2028
	<b>CHANGES IN ASSUMPTIONS</b> - items affecting the forecast that are not the result of district actions to reduce expenditures														
1	Reduction in Revenue related to QSCB in FY28 of the federal stimulus rebates according to the debt retirement schedule.	01.060 All Other Revenues													
2	Insurance Revision due to updated information from Portage Area Schools Consortium (PASC) regarding anticipated rates for future years.	03.020 Benefits												(275,000)	(275,000)
3	Salary adjustment due to less than expected severance payments in FY25 and adjustments to the Negotiated Agreements in future years.	03.010 Wages	46,918	46,918	46,918	46,918	46,918	46,918	46,918	46,918	46,918	46,918	46,918	46,918	563,016
			4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	52,187
	<b>Total Proposed Changes:</b>		<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>51,267</b>	<b>(223,733)</b>	<b>340,203</b>

Springfield Local (Summit)				3/12/2024				
WATCH FINANCIAL RECOVERY PLAN WORKBOOK			check totals:	0	0	0	0	0
FY2024 Fall Optional Submission				FY2024	FY2025	FY2026	FY2027	FY2028
Implement Year	Item	Description (increase in fees, rental income, etc.)	Forecast Line	Total FY2024	Total FY2025	Total FY2026	Total FY2027	Total FY2028
		<b>REVENUE ENHANCEMENTS</b> - As this is the district's 'Plan B', do not include any unvoted levy revenue. Enter each revenue enhancement as a <b>positive amount</b> .						
		None		0	0	0	0	0
		Total Proposed Revenue Enhancements:		0	0	0	0	0

Springfield Local (Summit)

3/12/2024

WATCH FINANCIAL RECOVERY PLAN WORKBOOK			check totals:	0	0	0	0	0
FY2024 Fall Optional Submission				FY2024	FY2025	FY2026	FY2027	FY2028
Implement Year	Item	Description (position eliminated, budget item reduced, etc.)	Forecast Line	Total FY2024	Total FY2025	Total FY2026	Total FY2027	Total FY2028
		<b><u>EXPENDITURE REDUCTIONS</u></b> - Enter each expenditure reduction as a <b>positive amount.</b> List each staff reduction by <b><u>INDIVIDUAL POSITION!</u></b>						
		None		0	0	0	0	0
		Total Proposed Expenditure Reductions:		0	0	0	0	0

## WATCH FINANCIAL RECOVERY PLAN WORKBOOK

**Board Approval Date:**

3/12/24

### Forecast Line

01.010 General Property Tax (Real Estate)  
01.020 Tangible Personal Property Tax  
01.030 Income Tax  
01.035 Unrestricted State Grants-in-Aid  
01.040 Restricted State Grants-in-Aid  
01.045 Restricted Federal Grants-in-Aid - SFSF  
01.050 State Share of Local Property Taxes  
01.060 All Other Revenues  
01.070 Total Revenues

02.010 Proceeds from Sale of Notes  
02.020 State Emergency Loans and Advancements  
(Approved)  
02.040 Operating Transfers-In  
02.050 Advances-In  
02.060 All Other Financing Sources  
02.070 Total Other Financing Sources  
02.080 Total Revenues and Other Financing Sources

- 03.010 Personal Services
- 03.020 Employees' Retirement/Insurance Benefits
- 03.030 Purchased Services
- 03.040 Supplies and Materials
- 03.050 Capital Outlay
- 03.060 Intergovernmental
- Debt Service:
- 04.010 Principal-All (Historical Only)
- 04.020 Principal-Notes
- 04.030 Principal-State Loans
- 04.040 Principal-State Advancements
- 04.050 Principal-HB 264 Loans
- 04.055 Principal-Other
- 04.060 Interest and Fiscal Charges
- 04.300 Other Objects
- 04.500 Total Expenditures

05.010 Operating Transfers-Out  
05.020 Advances-Out  
05.030 All Other Financing Uses  
05.040 Total Other Financing Uses

05.050 Total Expenditures and Other Financing Uses	24,433,197	25,795,873	27,102,705	28,254,178	29,326,760
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06.010 Excess of Revenues over (under) Expenditures (2.080 less 5.050)	2,041,498	1,723,532	(1,516,321)	(5,367,398)	(7,100,624)
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07.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,208,273	4,249,771	5,973,303	4,456,982	(910,416)
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07.020 Cash Balance June 30	4,249,771	5,973,303	4,456,982	(910,416)	(8,011,040)
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08.010 Estimated Encumbrances June 30	425,000	425,000	425,000	425,000	425,000
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09.010	Textbooks and Instructional Materials
09.020	Capital Improvements
09.030	Budget Reserve
09.040	DPIA
09.044	Fiscal Stabilization
09.050	Debt Service
09.060	Property Tax Advances
09.070	Bus Purchases
09.080	Reservation of Fund Balance

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)
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11.010 Income Tax - Renewal  
11.020 Property Tax - Renewal or Replacement

(Expenditure Reductions and Revenue Enhancements)

[illegible][illegible][illegible]

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
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0	0	0	0	0
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[illegible]

0	0	0	0	0
0	0	0	0	0

(Reflecting Plan Implementation)

FY2024	FY2025	FY2026	FY2027	FY2028
13,364,000	14,506,280	12,410,220	9,511,585	8,883,331
8,445,180	8,445,180	8,571,858	8,743,295	8,918,161
659,000	659,000	659,000	659,000	698,395
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,647,300	1,788,773	1,815,605	1,833,761	1,852,098
2,125,000	1,885,625	1,895,053	1,904,528	1,639,051
26,240,480	27,284,858	25,351,736	22,652,169	21,991,036

0	0	0	0	0
0	0	0	0	0
234,215	234,547	234,648	234,611	235,100
0	0	0	0	0
0	0	0	0	0
234,215	234,547	234,648	234,611	235,100
26,474,695	27,519,405	25,586,384	22,886,780	22,226,136

12,344,000	13,170,520	13,846,488	14,331,115	14,727,330
6,215,000	6,943,650	7,464,428	8,024,256	8,585,957
3,401,161	3,469,184	3,538,568	3,609,339	3,681,526
425,000	437,750	450,883	464,409	478,341
10,000	10,000	10,000	10,000	10,000
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
80,000	80,000	85,000	85,000	90,000
170,000	175,000	180,000	185,000	190,000
72,668	66,147	59,433	52,526	45,426
1,185,368	1,209,075	1,233,257	1,257,922	1,283,080
23,903,197	25,561,326	26,868,057	28,019,567	29,091,660

530,000	234,547	234,648	234,611	235,100
0	0	0	0	0
0	0	0	0	0
530,000	234,547	234,648	234,611	235,100

24,433,197	25,795,873	27,102,705	28,254,178	29,326,760
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2,041,498	1,723,532	(1,516,321)	(5,367,398)	(7,100,624)
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2,208,273	4,249,771	5,973,303	4,456,982	(910,416)
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4,249,771	5,973,303	4,456,982	(910,416)	(8,011,040)
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425,000	425,000	425,000	425,000	425,000
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[illegible]

3,824,771	5,548,303	4,031,982	(1,335,416)	(8,436,040)
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0	0	0	0	0
0	0	2,313,654	5,398,443	6,169,937

Springfield Local (Summit)

WATCH FINANCIAL RECOVERY PLAN WORKBOOK

FY2024 Fall Optional Submission

Forecast Line	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
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	3,824,771	5,548,303	6,345,636	6,376,681	5,445,994						3,824,771	5,548,303	6,345,636	6,376,681	5,445,994
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	3,824,771	5,548,303	6,345,636	6,376,681	5,445,994						3,824,771	5,548,303	6,345,636	6,376,681	5,445,994

Impact of Changes:

Revenue Enhancements:	0	0	0	0	0
Renewals/New Levies/State Advances:	0	0	0	0	0
Expense Reductions:	0	0	0	0	0
Reserves and Encumbrances:	0	0	0	0	0
Total	0	0	0	0	0
Cumulative:	0	0	0	0	0

Deficits Eliminated?

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

Deficit Spending Eliminated?

(Line 6.010)		(Line 6.010+Renewals)		
2,041,498	1,723,532	797,333	31,045	(930,687)
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

Workbook Rev. 2023.11.28

## **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**

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 while still maintaining current operations and fiscal responsibility for future years.

### **FY24 FRP Update / Changes in Assumptions**

The March 2024 Financial Recovery Plan (FRP) includes several changes in assumptions from the February Forecast based on new information available and recent events. These assumptions have been integrated into the FRP to enable the district to plan for future years. First, half of the Qualified School Construction Bond (QSCB) rebate will cease in FY28. The full effect of this reduction will be realized in FY29. Secondly, ongoing reviews of the expected insurance costs through the Portage Area Schools Consortium (PASC) for upcoming fiscal years has been readjusted to anticipate approximately 7.5% per year annual increases versus the 10% that had been previously forecasted. This amount is based on industry trends and recent performance of the consortium. Lastly, we have recently finalized the negotiation of two labor contracts and are working to finalize the third and final contract. These contracts have created favorable conditions for the upcoming fiscal years based on the negotiated amounts versus anticipated figures.

## **FY2024 FRP**

This financial recovery plan shows the district is committed to maintaining a strong financial position for the foreseeable future by maintaining current operations and building cash reserves to ensure the district is able to adequately handle both planned and unplanned situations throughout the five year forecast. This FRP focuses on maintaining current operations and building cash reserves to ensure the long term fiscal health of the district.

## **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 continues. 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.

## **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 March 12, 2024, and approved by:

Yes Cynthia Frola, President

Yes Miranda Terry, Vice-President

Yes David Hofer

Yes Donnie Furlong

Yes Parker Mason

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

Cynthia C. Frola  
Cynthia Frola, President

Shelley Monachino  
Shelley Monachino, Superintendent

Christopher Adams  
Christopher Adams, Treasurer

3/12/24

Date  
3/12/24

Date  
3/12/24  
Date