



# **FIVE YEAR FORECAST NOVEMBER 2023**

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Treasurer / CFO**

# AN ODE TO ELLEN MCCLURE!





# **DISTRICT VISION AND MISSION**

Cuyahoga Falls City Schools: The hub of our community; committed to a culture of caring! We innovate. We create. We personalize education for all!

## **STRATEGIC PLAN GOALS**

- School Safety - We aspire to have a welcoming environment that ensures that the physical and social well-being needs of every student and staff member are met.
- Academic Growth - We aspire to have significant growth through personalized education for all students. We aspire to improve graduation rates so that our students are prepared for employment, enrollment, or enlistment.
- Engagement, Inclusion, and Diversity - We will ensure that every student has access to resources they need when they need it in order to be successful.
- Technology & Systems Integration - We aspire to create safe, secure, and efficient technology systems to support high -quality teaching, learning, and district operations.

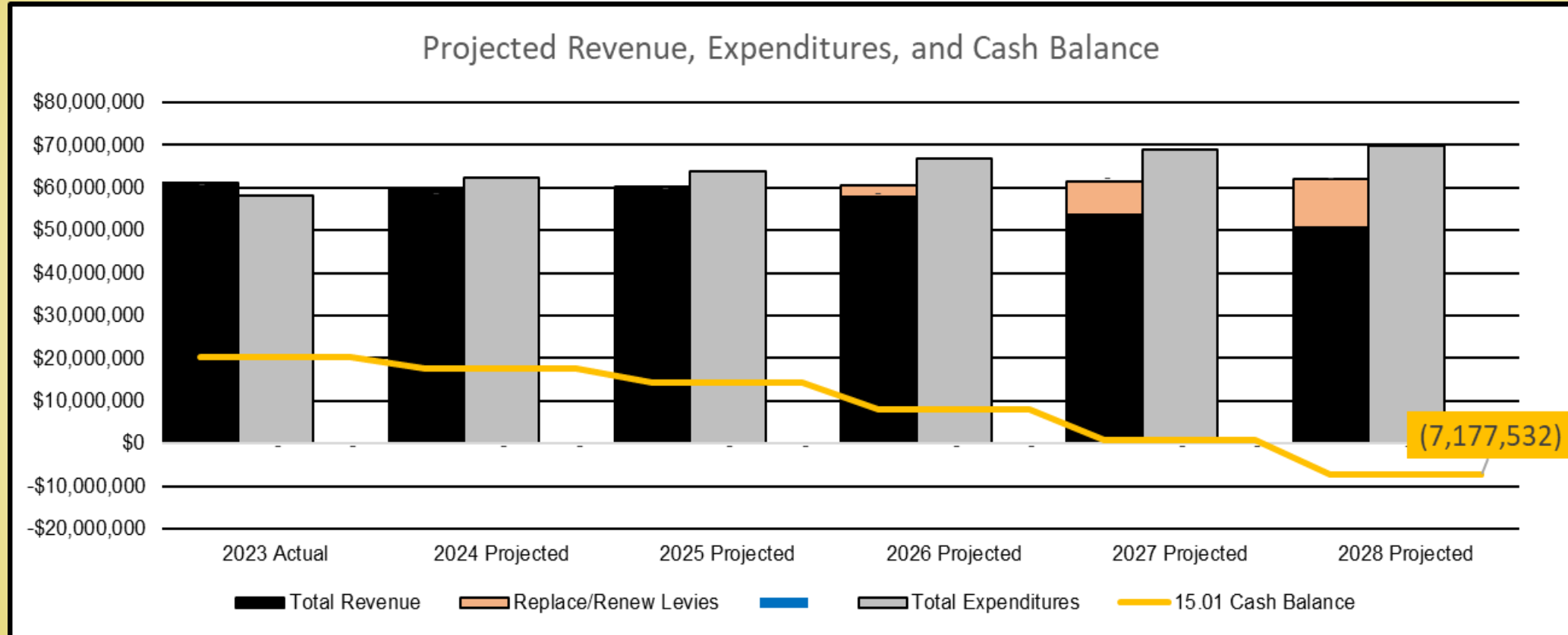
# **The Purpose of the Five Year Forecast**

- To engage the Board of Education and the community in long-range planning and discussions of financial issues facing the school district.
- To serve as a basis for determining the school district's ability to sign contracts associated with continued operations.
- To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

# Forecast Summary

- This is the Cuyahoga Falls City School District's filing of the five year forecast. The assumptions are estimates made based on historical trends and information available at the time of this filing. For this filing, fiscal year 2024 represents, and is used, as the base year to which future year projections are derived. While the forecast is a numbers document, it is driven by assumptions.
- The information and data used in preparing the five-year forecast is conservative in nature. Taking a conservative approach allows flexibility when unexpected situations arise. The following assumptions are based on information available to the district at the time of this forecast's filing. Therefore, it is likely that the information contained in this forecast may change. Forecasts will change but, generally, trends do not. This forecast is a snapshot as of this day. A five-year financial forecast has risks and uncertainty, not only due to economic delays, but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY2026-FY2027 and FY2028-FY2029.
- 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. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy.
- The District will need to remain diligent in assessing the need for any more additional expenditures. Each addition raises expenses with no offsetting revenue. This hastens the decline of each fiscal year's cash balance. A worsening cash balance can erode the District's financial stability over time. The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

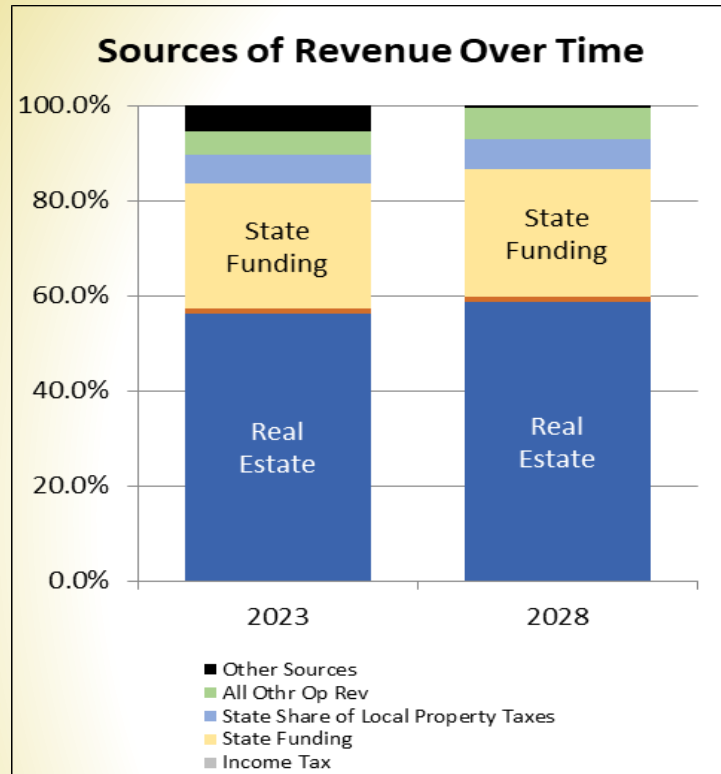
# Forecast Summary



# Forecast Summary

Financial Forecast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled					
	20,259,146	17,651,279	14,341,920	8,106,982	678,165
+ Revenue	59,705,006	60,391,304	57,709,140	53,773,004	50,673,622
+ Proposed Renew/Replacement Levies	-	-	2,915,619	7,702,931	11,437,486
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(62,312,873)	(63,700,663)	(66,859,697)	(68,904,752)	(69,966,805)
= Revenue Surplus or Deficit	(2,607,867)	(3,309,359)	(6,234,938)	(7,428,817)	(7,855,697)
Line 7.020 Ending Balance with renewal/new levies	17,651,279	14,341,920	8,106,982	678,165	(7,177,532)
Analysis Without Renewal Levies Included:					
Revenue Surplus or Deficit w/o Levies	(2,607,867)	(3,309,359)	(9,150,557)	(15,131,748)	(19,293,183)
Ending Balance w/o Levies	17,651,279	14,341,920	5,191,363	(9,940,385)	(29,233,568)

# REVENUES

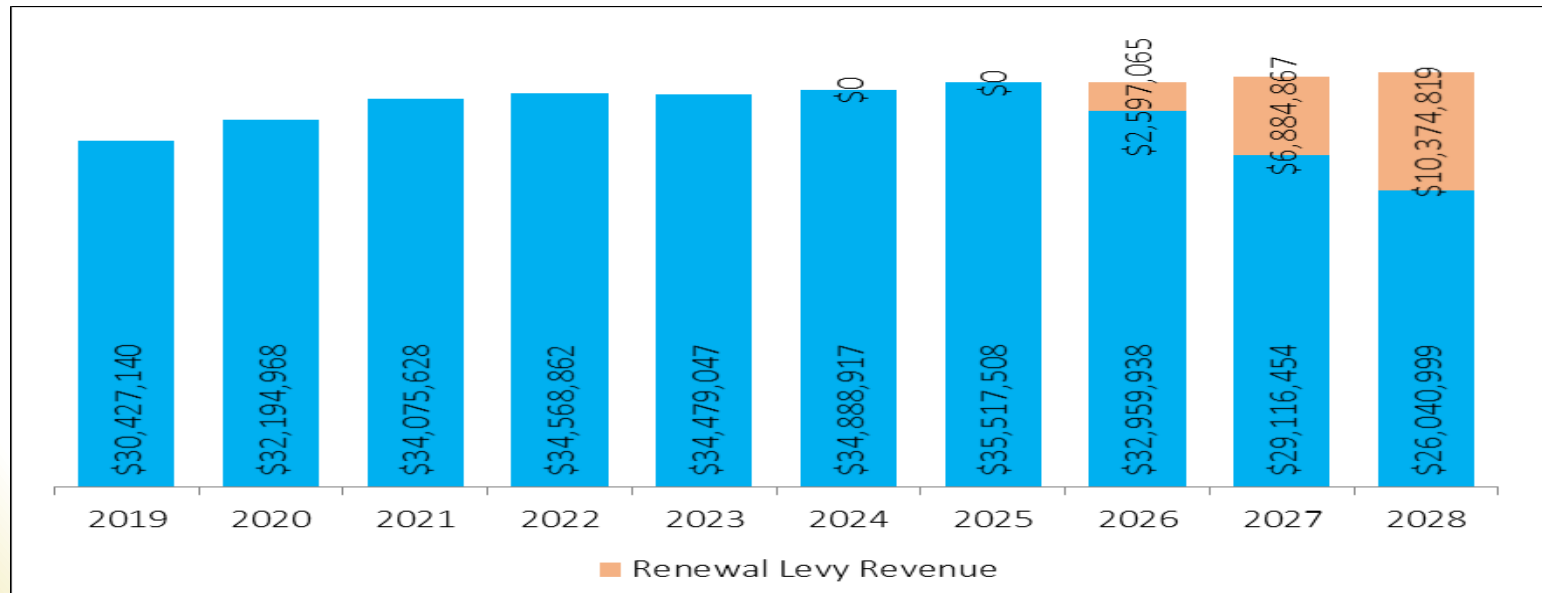


	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change
Real Estate	1,012,977	387,354
Public Utility	\$55,161	\$48,797
Income Tax	\$0	\$0
State Funding	(\$134,514)	79,742
Prop Tax Alloc	(\$20,352)	\$52,299
All Othr Op Rev	(\$647,694)	\$193,379
Other Sources	\$162,505	(\$578,380)
Total Average Annual Change	428,082	183,191
	0.76%	0.31%

- **The District's two largest revenue sources, real estate taxes and state funding, account for approximately 83% of total revenues.**
- **There are two renewals for existing levies modeled. One in calendar year 2025 and one in 2026.**
- **Total revenue is expected to increase at an average rate of .31% Historically, revenue increased .76% on average annually.**

# 1.010 – Real Estate

- There are two renewal levies during the term of the forecast
  - The 7.9 mill levy will expire on December 31, 2025.
  - The 9.97 mill levy will expire on December 31, 2026.
  - Both levies were most recently approved in November 2020 and November 2021, respectively, for five year periods of time.
- The renewal levies are modeled at the bottom of the forecast on line 11.02. The District cannot assume the renewal of levies in the five year forecast, hence, the decrease in this line item over time.
- As shown in the graphic below, there would be a substantial loss of revenue if either of the two levies were unsuccessful in being renewed.

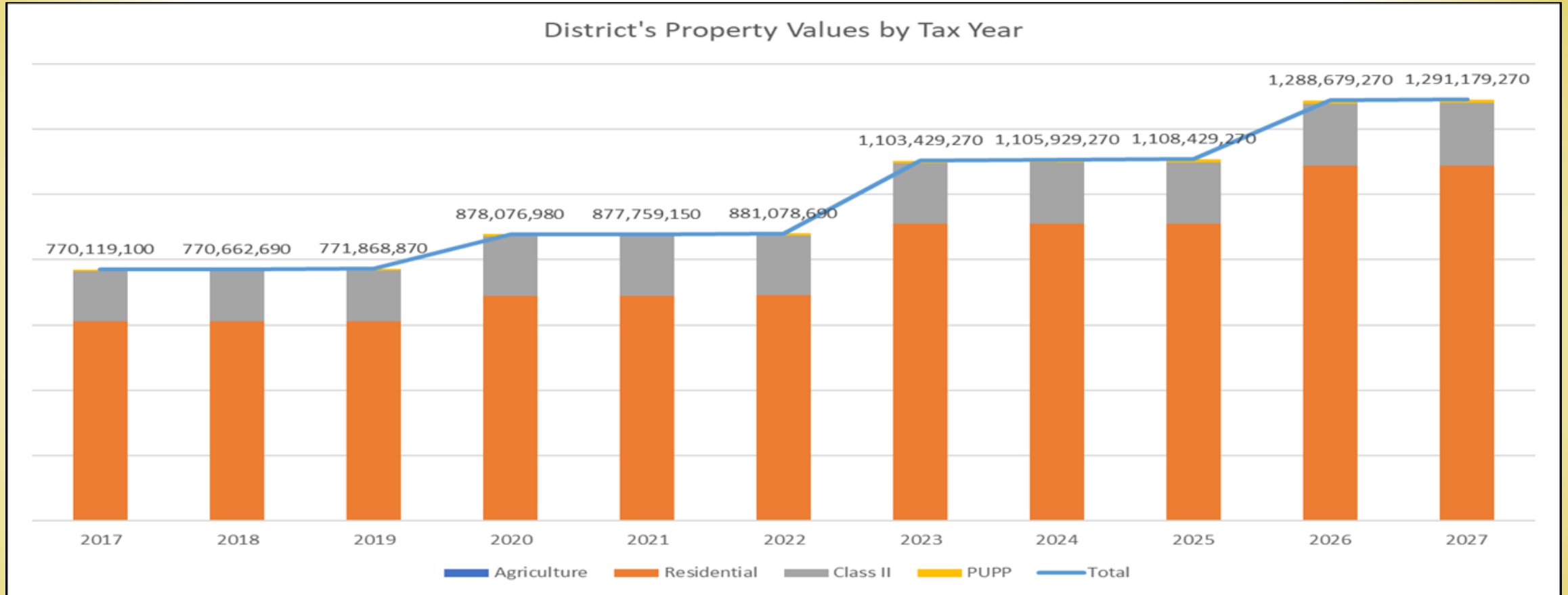


# 1.010 – Real Estate

- Real property in Summit County is assessed every three years. State law mandates that a sexennial reappraisal be performed every six years. The District saw a 13.76% increase in valuation in 2020 due to the sexennial reappraisal. In 2023, Summit County went through a triennial update which increased valuation by approximately 31%.
- Although property values in the district have continued to increase in recent years, it is important to note that increases in property values have very little overall effect on tax revenue for the district. House Bill 920, enacted in 1976, reduces “effective” millage on voted tax levies so that as property values increase, essentially no increase in revenue is realized by school districts. An exception to House Bill 920 is “inside millage,” which is not reduced when values change. Inside millage, 4.9 mills for Cuyahoga Falls City Schools, is unvoted tax millage set by the County Budget Commission. .
- The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II), resulting in different effective millage rates. The district-voted rate for all levies is 58.84 mills while the Class I effective millage rate is 33.39 mills and the Class II effective millage rate is 48.67 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II.

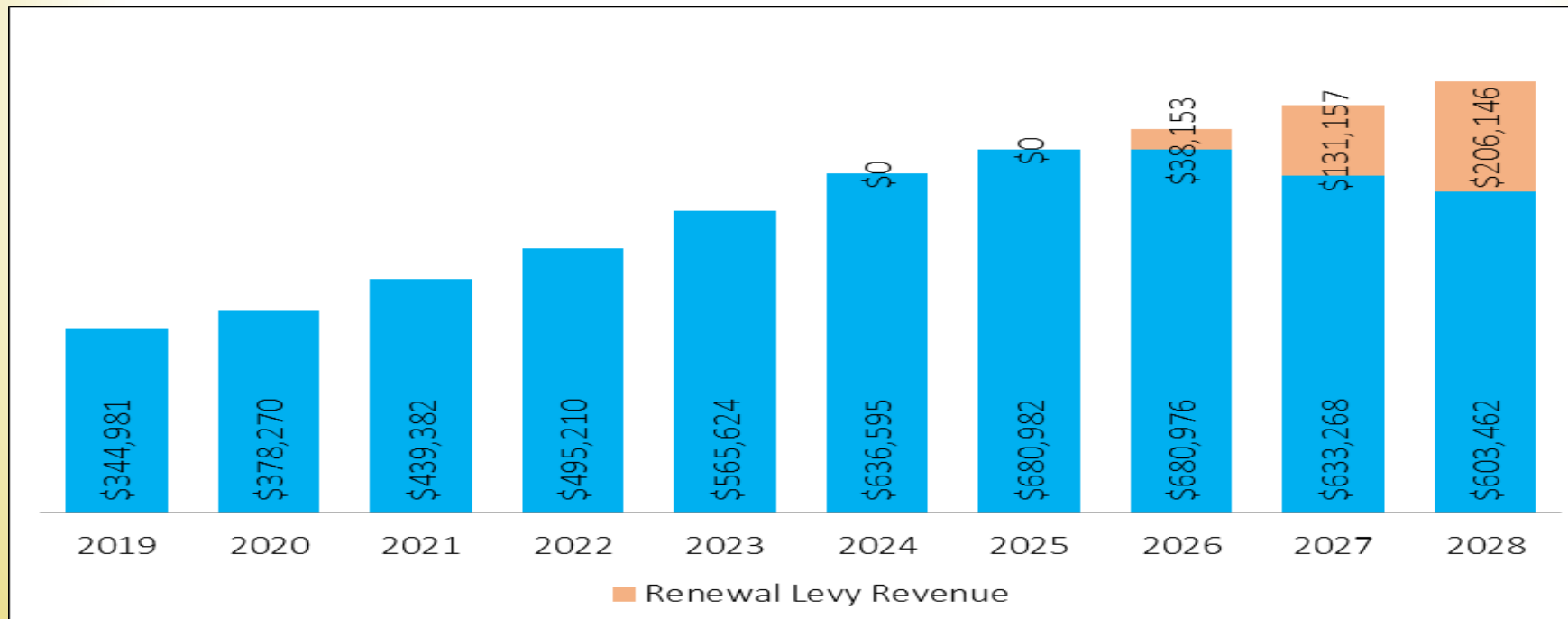
Tax Yr	Class I Rate	Change	Class II Rate	Change
2022	42.11	-	50.08	-
2023	33.39	(8.73)	48.67	(1.41)
2024	33.38	(0.01)	48.44	(0.23)
2025	33.37	(0.01)	48.22	(0.22)
2026	28.86	(4.51)	47.22	(0.99)
2027	28.85	(0.01)	47.01	(0.21)

# 1.010 – Real Estate



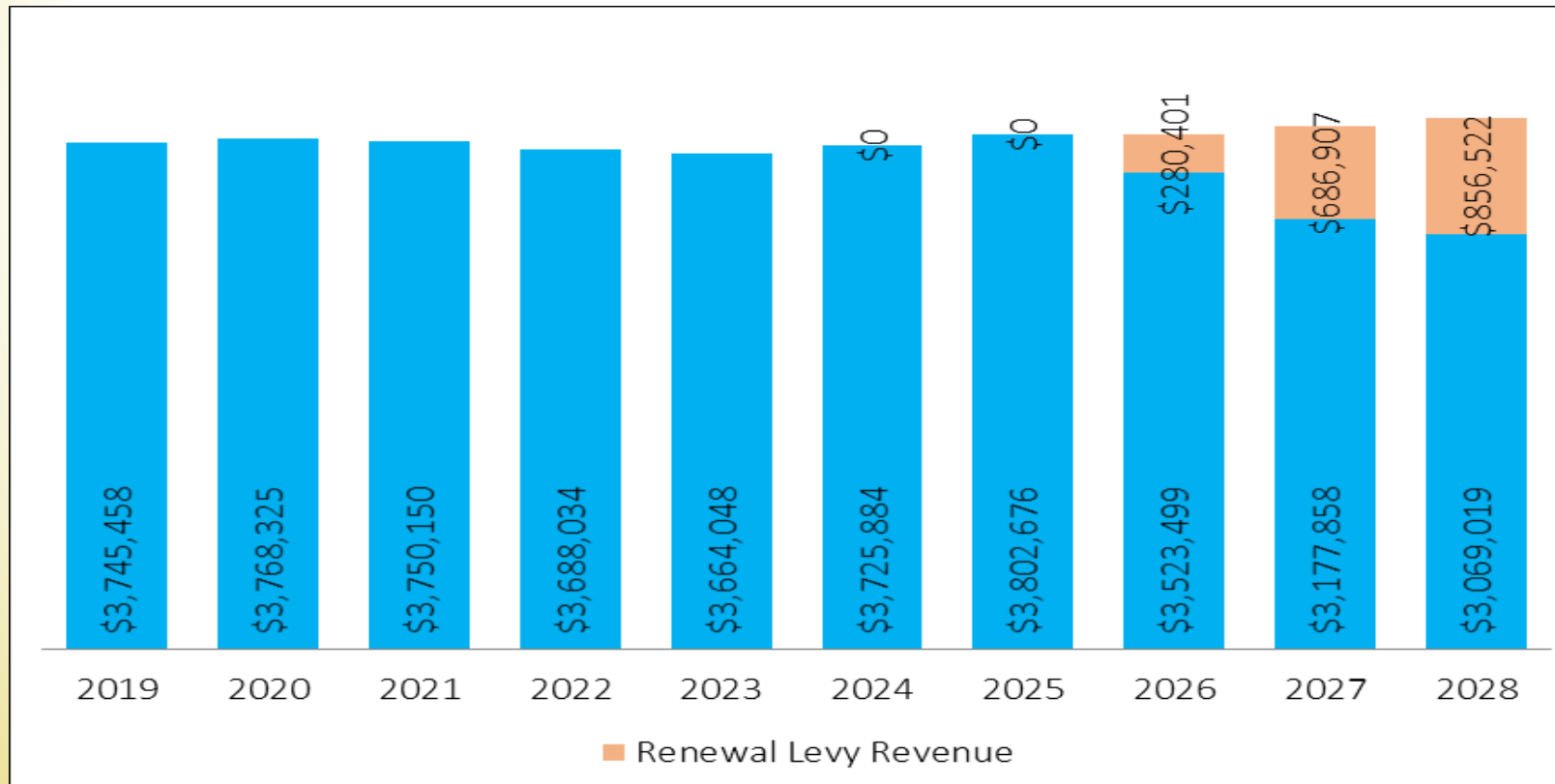
## 1.02 Public Utility Personal Property

- Public Utility Personal Property represents tax revenues paid by public utilities.
- Property value in the District is relatively small and generates approximately 1.07% of total revenues.
- The revenue changed historically at an average annual dollar amount of \$55,161 and is projected to change at an average annual dollar amount of \$48,797 through FY2028.



## 1.05 State Share of Local Property Taxes

- State Share of Local Property Taxes (Homestead & Rollback) includes a 10 percent property tax rollback for all residential and business real estate. In 1979, an additional 2.5 percent rollback was enacted for owner occupied homes. Homestead exemptions are also available for qualifying taxpayers.
- State Share of Local Property Taxes generates 6.29% of total revenues.



## 1.05 State Share of Local Property Taxes

- It is important to note that if any of the future renewal levies, originally approved before 2013, were to lapse, HB 59 would have a major impact to the local taxpayer. Currently the State Share of Local Property Taxes for those levies are being reimbursed by the state, if there was an interruption to the collection of taxes, the state would no longer be responsible for the reimbursements. That burden would then be shifted to the local taxpayer.
- HB 59 changed the requirement for Homestead Exemptions as well. 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

## **1.035 - Unrestricted Grants in Aid**

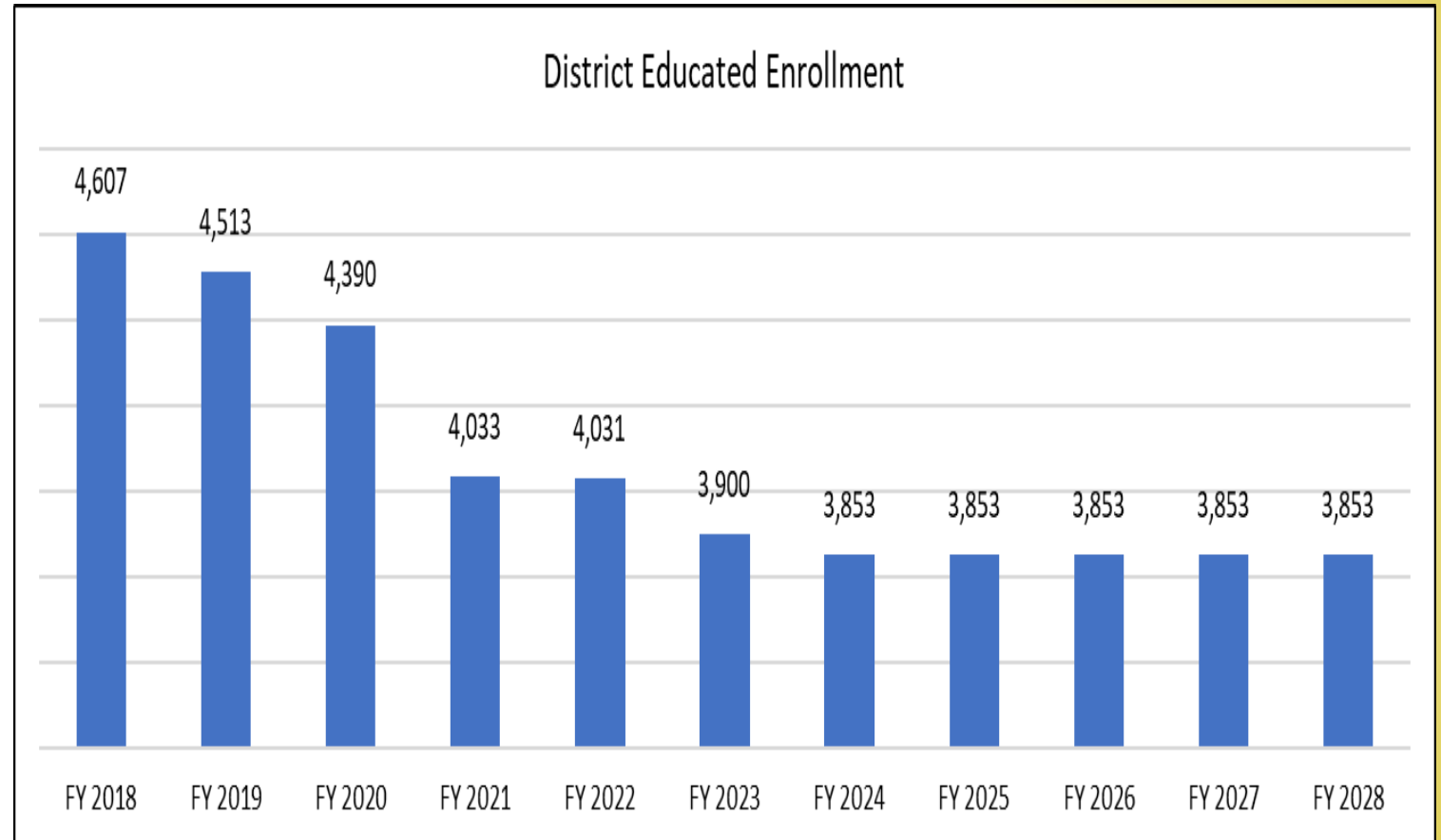
- Unrestricted Grants-in-Aid represent funds received from the state and account for 23.90% of total revenues. This is the second largest source of revenue for the District. In addition to the state foundation funding program, tax revenue proceeds from casinos are included in this category.
- The state of Ohio has enjoyed economic growth over the past three years and the state's Rainy Day Fund is at \$3.7 Billion, which is a record high. While increased inflation impacting District costs is expected to continue over the next few years, the state's economy has grown. The ongoing growth in Ohio's economy should enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the state is well-positioned to continue state aid payments to Ohio's school districts.
- Note: Any Student Wellness and Success Funds received between FY2020-FY2023 must be expended by June 30, 2025, or the funds must be returned to ODE. These funds are not part of the general fund, therefore not part of this forecast.

# Fair School Funding Plan

- Beginning in FY2022 Ohio adopted the Fair School Funding Plan (FSFP). 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 FY2022.
- Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan
  - 1. Student Population and Demographics
  - 2. Property Valuation
  - 3. Personal Income of District Residents
  - 4. Historical Funding- CAPS and Guarantees from prior funding formulas
- Also, the previously deducted expenses from a Districts state foundation funding for open enrollment, community schools, STEM schools, and scholarship recipients will no longer occur as the state will make direct payments to the District where the student is
- HB33, the current state budget, continues to phase in the Fair School Funding Plan (FSFP) for FY2024 and FY2025. FY2024 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY2025 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed.
- The funding formula includes three (3) guarantees: 1) Formula Transition Aid, 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY2024 and FY2025 than they received in FY2021. Our District is currently a "guarantee" district in FY2024 and is expected to continue on the guarantee in FY2025-FY2028 on the new Fair School Funding Plan (FSFP).

# Fair School Funding Plan

Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Starting in FY2022, Ohio will use "district educated" enrollment which is comprised of resident students attending and open enrollment "in" students. In prior funding formulas the district total/ formula ADM was used to calculate state funding.



# Base Cost

- The current funding formula uses FY2022 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 four (4) areas:
  - Direct Classroom Instruction (60%)
  - Instructional and Student Support (15%)
  - Building Leadership & Operations (20%)
  - District Leadership & Accountability (5%)

Base Cost - CFCS	FY2024	FY2025	FY2026	FY2027	FY2028
Direct Classroom Instruction	\$ 18,777,166	\$ 18,517,504	\$ 18,962,812	\$ 18,901,851	\$ 19,652,840
Instructional & Student Supports	\$ 4,518,298	\$ 4,448,968	\$ 4,557,183	\$ 4,537,346	\$ 4,719,237
Building Leadership & Operations	\$ 7,534,673	\$ 7,420,825	\$ 7,601,096	\$ 7,570,318	\$ 7,873,473
District Leadership & Accountability	\$ 1,964,715	\$ 1,942,212	\$ 1,996,862	\$ 1,990,778	\$ 2,070,477
<b>Total Calculated Base Cost</b>	<b>\$ 32,794,852</b>	<b>\$ 32,329,509</b>	<b>\$ 33,117,953</b>	<b>\$ 33,000,293</b>	<b>\$ 34,316,027</b>
Enrollment	3,988	3,928	3,869	3,853	3,853
<b>Per Pupil Cost</b>	<b>\$ 8,223</b>	<b>\$ 8,231</b>	<b>\$ 8,561</b>	<b>\$ 8,565</b>	<b>\$ 8,906</b>

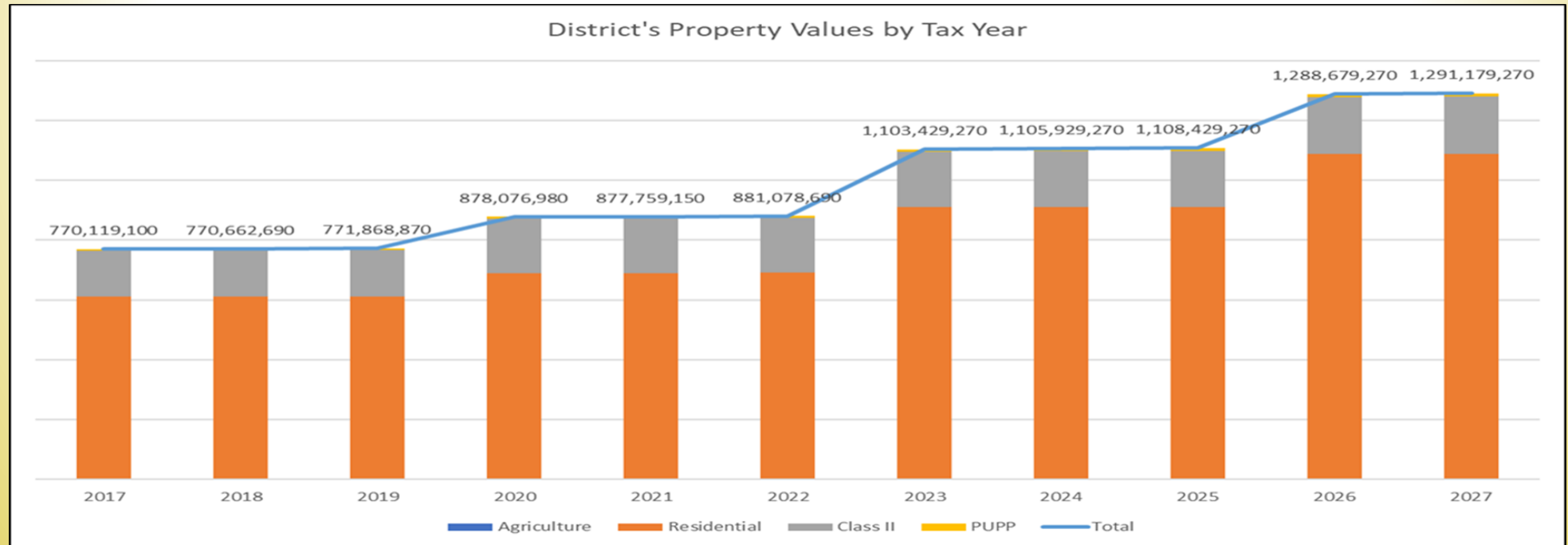
District Funding Model - Base Cost Example				
Direct Classroom Instruction 60% of Base Cost	Base Aid Teacher Funding			
	Grade Level	Pupil Teacher Ratio Per FTE	Headcount Enrollment	Funded Teachers
	Kindergarten	20	57	2.9
	1st Grade	23	64	2.8
	2nd Grade	23	51	2.2
	3rd Grade	23	52	2.3
	4th Grade	25	60	2.4
	5th Grade	25	79	3.2
	6th Grade	25	60	2.4
	7th Grade	25	77	3.1
	8th Grade	25	58	2.3
	9th Grade	27	62	2.3
	10th Grade	27	66	2.4
	11th Grade	27	42	1.6
	12th Grade	27	40	1.5
Instructional & Student Supports 15% of Base Cost	Base Aid Teacher Funding			
				768
				31.2
	Other Direct Instruction			
	Specials Teachers (Art, Music, P/E)	1 per 150 students	Min/Max 6 Min	6.0
	Substitute Teachers	5 Days per teacher per year		
	Professional Development	4 PD days per year		
	Other Direct Instruction			
	Total Direct Instruction			
Building Leadership & Operations 20% of Base Cost	Co-curriculars - Academic			
	Co-curriculars - Athletic (Inc. Athletic Director)			Amount per pupil
	High School Guidance Support			Amount per pupil
	Safety & Security - Non-Personnel			1 Min
	Supplies & Academic Content			1.0
	Library/Media Operations/Support			Amount per pupil
	Success and Wellness			1 per 1,000 students
	Instructional Technology			5 Min
	Total Student Support Instruction			5.0
	Total Instructional Costs			
District Leadership & Accountability 5% of Base Cost	Building Leadership			
	Building Operations and Support			1 per 450 students
	Building Leadership Support			Amount per pupil
	Total Building Leadership & Operations			1 per 400 students
				3 Max
				1.9
	Total Building Leadership & Operations Costs			
	Superintendent			
	Treasurer			1 Min
District Leadership & Accountability 5% of Base Cost	District Leadership			1 Min
	Fiscal Support			1 per 750 students
	EMIS Support			2 Min
	ITC Support, Technology Infrastructure Maintenance			2 Min
	District Leadership Support			1 per 5,000 students
	Total District Leadership & Accountability Data			1 Min
				1.0
	Total District Leadership & Accountability Costs			

# Capacity Per Pupil

- The Fair School Funding Plan (FSFP) relies upon a calculation of base cost to educate a student that is unique to each district. The calculation uses enrollment and student demographics to determine cost for teachers, other staff, supplies, etc. Once the base cost is calculated, the FSFP calculates a state share percentage (SSP) calculation. 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 property valuation of the district, federally adjusted gross income, and federal median income, as follows:
  - 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
  - 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
  - 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.
  - 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 from ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

# Capacity Per Pupil

Capacity per Pupil - Cuyahoga Falls CSD	FY2024	FY2025	FY2026	FY2027	FY2028
Total Valuation	\$ 878,971,607	\$ 954,089,037	\$ 1,030,145,743	\$ 1,105,929,270	\$ 1,167,679,270
Federal Adjusted Gross Income	\$ 1,260,229,185	\$ 1,317,802,799	\$ 1,388,097,251	\$ 1,430,218,248	\$ 1,473,617,381
Returns X Median	\$ 996,632,010	\$ 1,029,261,343	\$ 1,062,958,947	\$ 1,097,759,798	\$ 1,133,700,014
<b>Capacity</b>	<b>\$ 933,029,399</b>	<b>\$ 964,101,703</b>	<b>\$ 985,337,198</b>	<b>\$ 1,013,122,146</b>	<b>\$ 1,045,605,357</b>
Enrollment	3988	3928	3869	3853	3853
<b>Capacity Per Pupil</b>	<b>\$ 245,412</b>	<b>\$ 265,244</b>	<b>\$ 286,484</b>	<b>\$ 303,443</b>	<b>\$ 317,164</b>
Median Income Capacity Multiplier	2.21%	2.20%	2.18%	2.17%	2.15%
<b>Local Capacity Per Pupil</b>	<b>\$ 5,427</b>	<b>\$ 5,824</b>	<b>\$ 6,252</b>	<b>\$ 6,574</b>	<b>\$ 6,818</b>
<b>State Share Per Pupil</b>	<b>\$ 2,796</b>	<b>\$ 2,407</b>	<b>\$ 2,309</b>	<b>\$ 1,991</b>	<b>\$ 2,088</b>
<b>Per Pupil Base Cost</b>	<b>\$ 8,223</b>	<b>\$ 8,231</b>	<b>\$ 8,561</b>	<b>\$ 8,565</b>	<b>\$ 8,906</b>



# 1.040 - Restricted Grants in Aid

- In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY2022, some of which will have the state share percentage applied to these calculations.
- HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged) and Career Technical funding. In addition, there have been new restricted funds added for Gifted, English Learners, and Student Wellness and Success. The amount of DPIA is limited to a 50% phase in growth for FY2024 and 66.67% in FY2025.
- Catastrophic Aid is also posted as restricted revenue and has increased over the past few years due to the changes that were included in HB110. Starting in FY2022, the District's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$546,656.

# Categorical State Funding and Phase-In

## Unrestricted Categorical State Aid

- 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 FY2019 ADM.
- 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.
- 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.

## Restricted Categorical State Aid

- 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.
- English Learners - Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
- Gifted Funds -Based on average daily membership multiplied by a weighted amount per pupil.
- Career-Technical Education Funds - Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
- Student Wellness & Success Funding – These funds are based on initiatives similar to those for DPIA. They are restricted for school climate, attendance, discipline, and academic achievement programs.

# Categorical State Funding and Phase-In

Categorical Funding (No Phase-in)	FY2024	FY2025	FY2026	FY2027	FY2028
Special Education Additional Funding	\$ 1,838,460	\$ 1,581,230	\$ 1,516,701	\$ 1,307,154	\$ 1,371,257
Career-Technical Education	\$ 161,852	\$ 139,206	\$ 133,525	\$ 115,077	\$ 120,721
English Learners	\$ 145,270	\$ 124,944	\$ 119,845	\$ 103,287	\$ 108,353
Gifted	\$ 191,917	\$ 170,802	\$ 158,617	\$ 139,002	\$ 140,060
<b>Total Categorical Funding (No Phase-in)</b>	<b>\$ 2,337,499</b>	<b>\$ 2,016,182</b>	<b>\$ 1,928,688</b>	<b>\$ 1,664,520</b>	<b>\$ 1,740,391</b>
Catastrophic Cost Set Aside	<b>\$ (155,137)</b>	<b>\$ (147,559)</b>	<b>\$ (147,462)</b>	<b>\$ (130,715)</b>	<b>\$ (137,126)</b>
<b>Total Less Set Aside</b>	<b>\$ 2,182,362</b>	<b>\$ 1,868,623</b>	<b>\$ 1,781,226</b>	<b>\$ 1,533,805</b>	<b>\$ 1,603,265</b>
Categorical Funding (Phased-in)	FY2024	FY2025	FY2026	FY2027	FY2028
Disadvantaged Pupil Impact Funding	\$ 684,189	\$ 725,275	\$ 787,901	\$ 850,578	\$ 850,615
Targeted Assistance/Capacity Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Funding	\$ 311,332	\$ 351,942	\$ 384,503	\$ 552,836	\$ 563,123
Student Wellness & Success Funding	\$ 546,656	\$ 486,076	\$ 446,434	\$ 360,827	\$ 378,522
<b>Total Phased-in Categorical Funding</b>	<b>\$ 1,542,177</b>	<b>\$ 1,563,293</b>	<b>\$ 1,618,838</b>	<b>\$ 1,764,241</b>	<b>\$ 1,792,260</b>

# Ohio's Fair School Funding Plan - Detailed Funding Results

.A	<b>Local Demographics</b>	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.A1	Per Pupil Base Cost (SF4 Line C)	\$ 8,223	\$ 8,231	\$ 8,561	\$ 8,565	\$ 8,906
.A2	State Per Pupil Share (SF4 Line E)	\$ 2,796	\$ 2,407	\$ 2,309	\$ 1,991	\$ 2,088
.B	Current Distrct Educated Enrollment (SF1a)	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853
	<b>Current Year's FSFP Formula Funding:</b>	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.C	State's Share of Base Cost Amt. (SF4 Line I)	\$ 10,770,919	\$ 9,272,555	\$ 8,894,972	\$ 7,669,864	\$ 8,044,643
.D	State's Share of Categoricals (SF5)	\$ 2,337,498	\$ 2,016,182	\$ 1,928,688	\$ 1,664,520	\$ 1,740,390
.E	Targeted SF6 (without Supplemental)	\$ -	\$ -	\$ -	\$ -	\$ -
.F	Calculated FSFP Formula Funding (C+D+E)	\$ 13,108,417	\$ 11,288,738	\$ 10,823,659	\$ 9,334,385	\$ 9,785,034
	<b>FY 2020 Guarantee Base Funding:</b>	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.G	2020 SFPR Base Funding w/o DPIA (Result 1)	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495
.H	FSFP Formula to FY20 Base Difference (F - G)	\$ (1,392,078)	\$ (3,211,757)	\$ (3,676,836)	\$ (5,166,110)	\$ (4,715,461)
.I	Formula Phase In or CFO's (below)	50.00%	66.67%	83.33%	100.00%	100.00%
.J	FSFP Formula Phase In Current Years' (H x I)	\$ (696,039)	\$ (2,141,279)	\$ (3,063,907)	\$ (5,166,110)	\$ (4,715,461)
.K	2020 SFPR + FSFP Formula Phase In (G + J)	\$ 13,804,456	\$ 12,359,216	\$ 11,436,588	\$ 9,334,385	\$ 9,785,034
	<b>Add-on DPIA and Supplemental Targeted</b>	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.L	2020 DPIA Base (Step SF6)	\$ 474,777	\$ 474,777	\$ 474,777	\$ 474,777	\$ 474,777
.M	Calculated DPIA (Step SF6)	\$ 893,602	\$ 850,504	\$ 850,541	\$ 850,578	\$ 850,615
.N	DPIA Phase In or CFO's (below)	50.00%	66.67%	83.33%	100.00%	100.00%
.O	Phased In DPIA Funding (L +(M - L)*N)	\$ 684,189	\$ 725,274	\$ 787,901	\$ 850,578	\$ 850,615
.P	Supplemental Targeted (SF6)	\$ -	\$ -	\$ -	\$ -	\$ -
.Q	Add-on DPIA and Supplemental Targeted (O + P)	\$ 684,189	\$ 725,274	\$ 787,901	\$ 850,578	\$ 850,615

# Ohio's Fair School Funding Plan - Detailed Funding Results

Base FY20 Guarantee Calculation		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.R	Current FY Funding (K+ Q)	\$ 14,488,645	\$ 13,084,491	\$ 12,224,489	\$ 10,184,963	\$ 10,635,649
.R1	2020 Base (G) Plus DPIA Base (L)	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272
.R2	'20 Base Transitional Aid (R1 - R) (Result 1)	\$ 486,627	\$ 1,890,781	\$ 2,750,783	\$ 4,790,309	\$ 4,339,623
	Formula Phase In or CFO's (below)	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272
YOY Analysis		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Unphased-in Formula (H - J)	\$ -	\$ -	\$ -	\$ -	\$ -
	YOY Change		\$ -	\$ -	\$ -	\$ -
	FY 2020 Guarantee Line R2	\$ 486,627	\$ 1,890,781	\$ 2,750,783	\$ 4,790,309	\$ 4,339,623
	YOY Change		\$ 1,404,155	\$ 860,002	\$ 2,039,526	\$ (450,686)

## Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

Funding Summary		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
.R3	Current Year's Funding (R + R2)	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272
.S1	Open Enrolled ADM Loss Impact (Result 2)	\$ -	\$ -	\$ -	\$ -	\$ -
.S2	Special Education Set-Aside (SF5)	\$ (155,137)	\$ (147,559)	\$ (147,462)	\$ (130,715)	\$ (137,126)
.T1	Career Awareness Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
.T2	CTC Associated Services Adj.	\$ (12,230)	\$ (10,519)	\$ (10,090)	\$ (8,696)	\$ (9,122)
.T3	Transportation (SF7)	\$ 311,332	\$ 351,942	\$ 384,503	\$ 552,836	\$ 563,123
.U	FY 2021 Transition Supp Result 3	\$ -	\$ -	\$ -	\$ -	\$ -
.V	CFO Bottom Line Funding Adjustment Below	\$ 12,273	\$ -	\$ -	\$ -	\$ -
.V2	Supplemental Targeted SF6	\$ -	\$ -	\$ -	\$ -	\$ -
.W	<b>Total State Funding</b>	\$ 15,131,510	\$ 15,169,136	\$ 15,202,224	\$ 15,388,697	\$ 15,392,147
	YOY Change		\$ 37,626	\$ 33,088	\$ 186,473	\$ 3,451
	YOY % Change		0.25%	0.22%	1.23%	0.02%
Trend Indicator of Funding Status		Guarantee	Guarantee	Guarantee	Guarantee	Guarantee
	FY 20 + FY 21 Base Guarantee Total	\$ 486,627	\$ 1,890,781	\$ 2,750,783	\$ 4,790,309	\$ 4,339,623

## 1.035 - Unrestricted Grants in Aid/1.040 - Restricted Grants in Aid

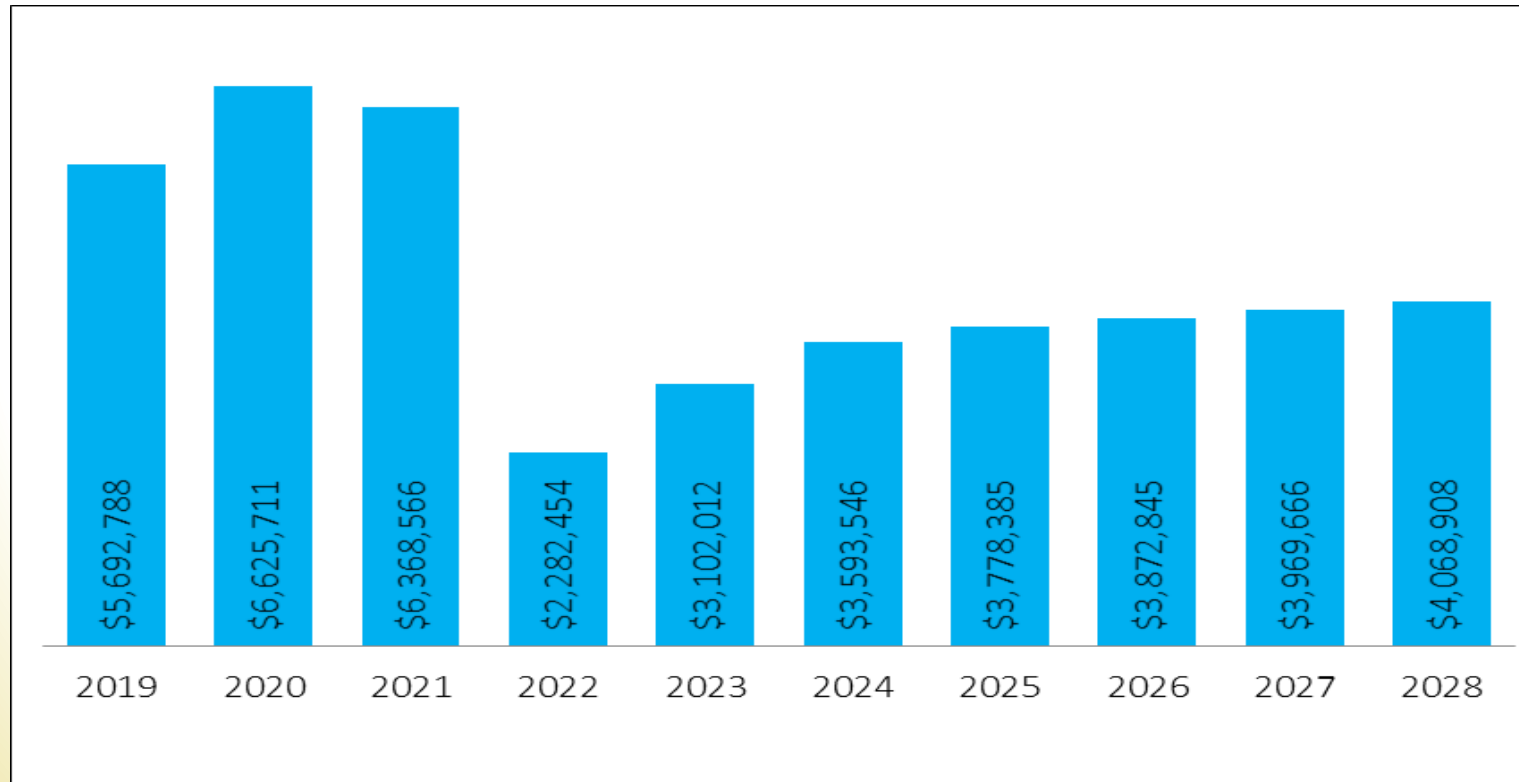
Summary	FY2024	FY2025	FY2026	FY2027	FY2028
Total Funding	\$ 15,131,510	\$ 15,169,136	\$ 15,202,224	\$ 15,388,697	\$ 15,392,147
Casino Revenue	\$ 248,454	\$ 250,949	\$ 253,470	\$ 256,015	\$ 258,587
Preschool Funding	\$ 322,541	\$ 314,654	\$ 310,304	\$ 296,189	\$ 300,501
Special Education Transportation	\$ 197,158	\$ 239,314	\$ 263,257	\$ 287,202	\$ 287,214
<b>Totals</b>	<b>\$ 15,899,663</b>	<b>\$ 15,974,053</b>	<b>\$ 16,029,255</b>	<b>\$ 16,228,103</b>	<b>\$ 16,238,449</b>
Restricted Categorical State Aid - CFCSD	\$ 1,732,178	\$ 1,669,192	\$ 1,661,599	\$ 1,568,771	\$ 1,598,271
Catastrophic Cost Restricted	\$ 291,260	\$ 291,260	\$ 291,260	\$ 291,260	\$ 291,260
<b>Total Restricted</b>	<b>\$ 2,023,438</b>	<b>\$ 1,960,452</b>	<b>\$ 1,952,859</b>	<b>\$ 1,860,031</b>	<b>\$ 1,889,531</b>
<b>Total Unrestricted</b>	<b>\$ 14,167,485</b>	<b>\$ 14,304,861</b>	<b>\$ 14,367,656</b>	<b>\$ 14,659,332</b>	<b>\$ 14,640,178</b>
<b>Total State Funding</b>	<b>\$ 16,190,923</b>	<b>\$ 16,265,313</b>	<b>\$ 16,320,515</b>	<b>\$ 16,519,363</b>	<b>\$ 16,529,709</b>

## 1.035 - Unrestricted Grants in Aid/1.040 - Restricted Grants in Aid



# 1.060 All Other Operating Revenues

- Includes revenue from interest on investments, rental income for use of facilities, excess costs/tuition for non-resident students, pay-to-participate fees, and other local sources, if any.



## **1.060 All Other Operating Revenues**

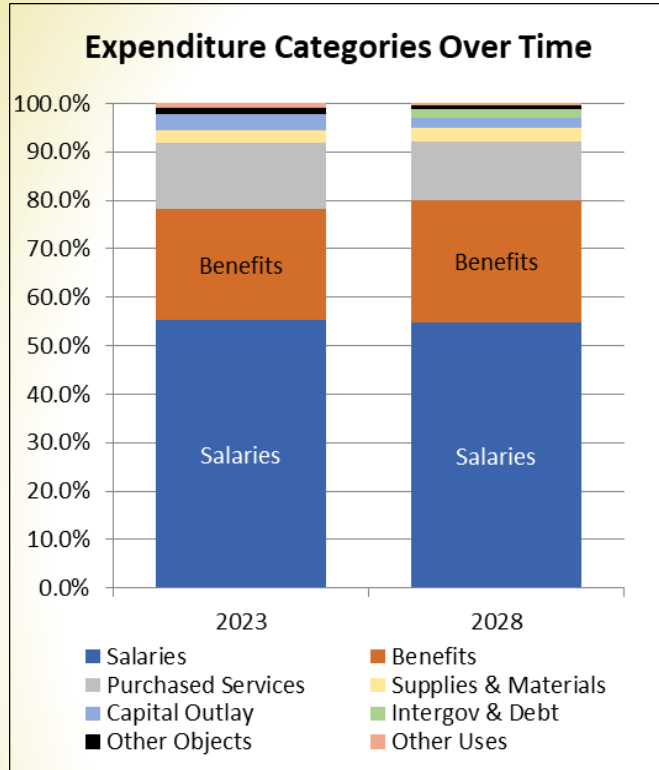
- All Other Operating Revenues include revenue from interest on investments, rental income for use of facilities, excess costs for non-resident student tuition, pay-to-participate fees, and other local sources, if any. The FSFP includes per pupil funding for any open enrollment-in students the District is educating. This revenue was recorded in "other revenue" prior to FY2022. FY2022 and beyond will not include any open enrollment in revenue. FY2021 open enrollment in revenue was \$3,250,174.
- In FY2021 and FY2022 interest income fell due to the pandemic; however, in FY2023, rates rose quickly due to the Federal Reserve's strategy to combat inflation. Interest rates are expected to increase again before December 2023. We will closely monitor our investments to capitalize on these increased rates while they continue. Although increasing interest rates place risk on our local economy, we are able to benefit from the interest rates revenue due to our strong cash reserves. All other revenues are expected to continue on historical trends.
- All Other Operating Revenues account for 6.06% of total revenues.

## **2.07 Total Other Financing Sources**

- Other financing sources include transfers in, advances in, refund of prior year expenditures, and other borrowing as allowed by state law.
- Additionally, Excess Cost funding received from the Six-District Compact districts for Special Education and Project Search are classified as refunds of prior year expenditures and are reflected in this line item. This amount remains stable through the entirety of the forecast.
- This line represents the return of general funds advanced to other funds at the end of the last fiscal year. These revenues are simply a return of temporary "loans" for cash flow purposes to these other funds, thus there is an offsetting expense (line 5.020) in the prior fiscal year, resulting in no gain or loss to the District.



# EXPENDITURES



	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change
Salaries	927,419	1,236,352
Benefits	\$154,176	\$880,630
Purchased Services	(\$836,095)	\$104,765
Supplies & Materials	\$79,545	\$65,471
Capital Outlay	\$121,232	(\$84,698)
Intergov & Debt	\$0	\$247,628
Other Objects	\$30,771	(\$3,755)
Other Uses	(\$422,659)	(\$68,766)
Total Average Annual Change	\$54,390	\$2,377,626
	0.14%	4.09%

- The District's two largest expenditure categories, salaries and benefits, account for 77.50% of total expenditures.
- Historically, on average, total expenditures increased .14%.
- The District's operating expenditures increase by an average of 4.09% annually. This exceeds the .31% annual increase projected in total revenues.

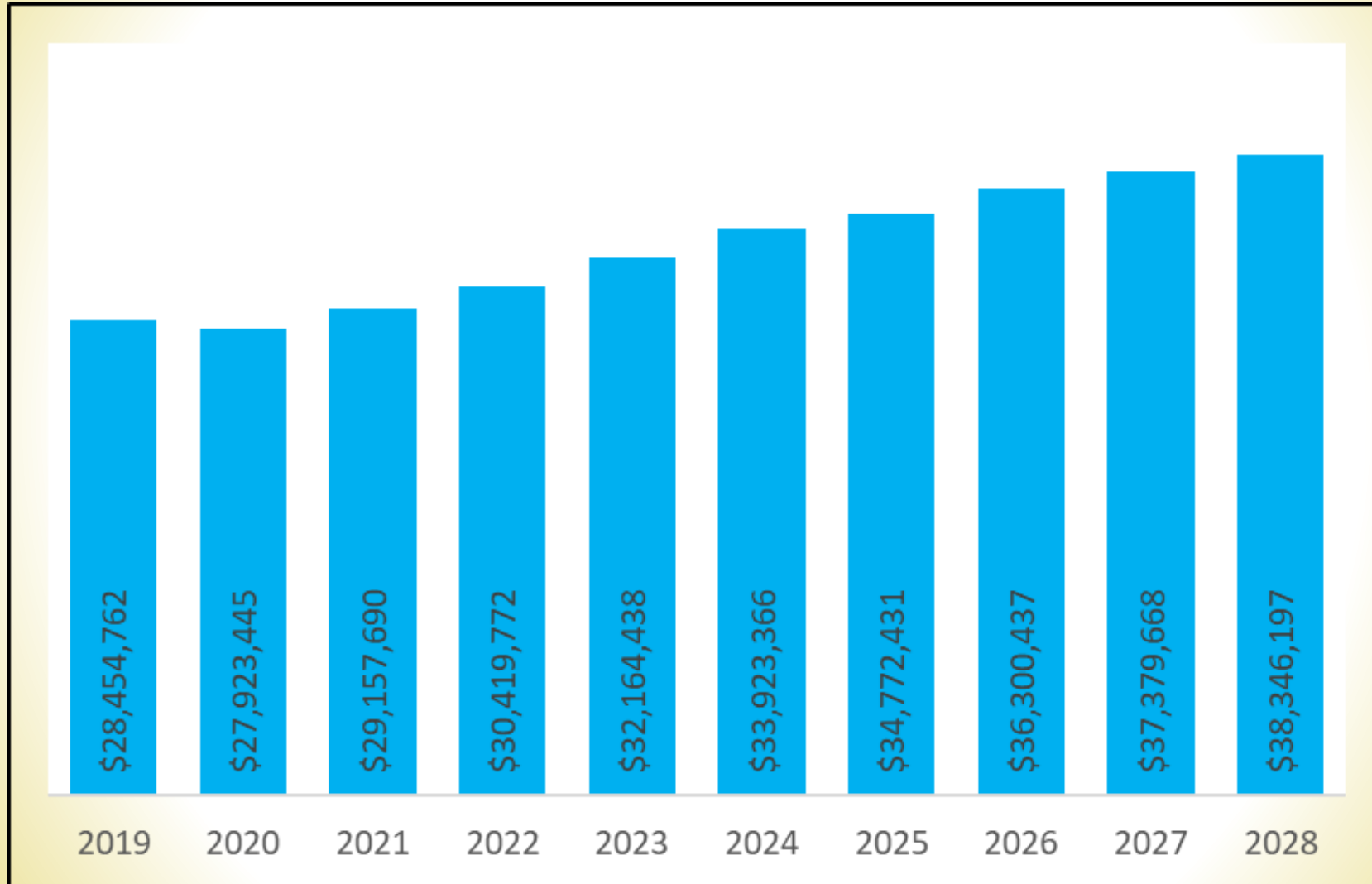
# EXPENDITURES

- The effects of the pandemic have lessened, but several supply chain concerns and high inflation continues to impact our state, country, and broader globalized economy.
- Inflation in June 2022 hit a 40-year high of 9.1% before falling to 3.4% in August 2023.
- Costs in FY2023 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, utilities, and building materials for facility maintenance and repair.
- Increased inflation affecting District costs is expected to continue in FY2024. It remains to be seen if the cumulative cost increases over the past two years are transitory or will last over several years, which could adversely impact our forecast and state and local funding.

## 3.010 Personnel Services

- Personnel Services are 54.53% of the District's operating expenditures.
- In FY2021, the Board and CFEA, OAPSE, and SEIU, Local 1 (Cuyahoga Falls Education Association, Ohio Association of Public School Employees, and Service Employees International Union, Local 1) ratified agreements for FY2021 - FY2023. These agreements include increases to the base wages of 1.5% in FY2021, 2.5% in FY2022, and 2.5% in F20Y23. In addition, employees who had their step frozen during FY2012 had that step restored to them in FY2021.
- The forecast reflects the most recent negotiated agreement base increases of 2%, 3% and 3% for FY2024, FY2025 and FY2026 respectively. FY2024 also includes a step restoration for any employee who had their step frozen during FY2013 and a one time stipend payment for all staff.
- FY2027 - FY2028 assumes the inclusion of steps for all employees and a 2% wage increase on the base salary. These are not guaranteed projected rates and are only included to show the impact of the increases historically given in the District.
- The district continues to analyze and audit classroom sizes. If district enrollment continues to decline, we must continue to monitor our staffing and align staffing to enrollment. 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. Our positive working relationship will continue and grow stronger as we move forward.

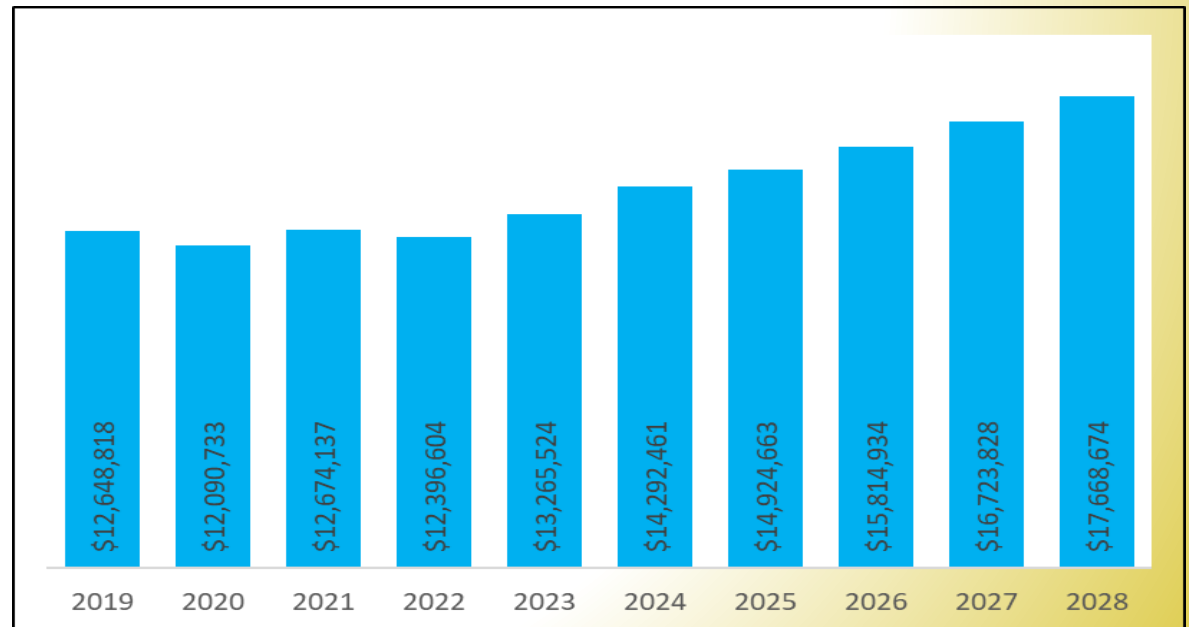
## 3.010 Personnel Services



## 3.020 Employee Retirement/Insurance Benefits

- Employee benefits are 22.97% of operating expenditures.
- Included in this category are retirement, Medicare, health insurance, and workers' compensation.
- During the most recent negotiations all three unions agreed to increase co-pays and deductibles further reducing overall costs in future years.
- The District's insurance consortium continues to look for new opportunities to promote health and wellness and provide incentives to help mitigate those trend increases.

- Insurance Premiums (Medical)
  - FY20 – 0.0% Increase
  - FY21 – 4.9% Increase
  - FY22 – 1.0% Increase
  - FY23 – 4.6% Increase
  - FY24 – 7.8% Increase
  - FY25-FY28 – 8% Increase (Estimated)

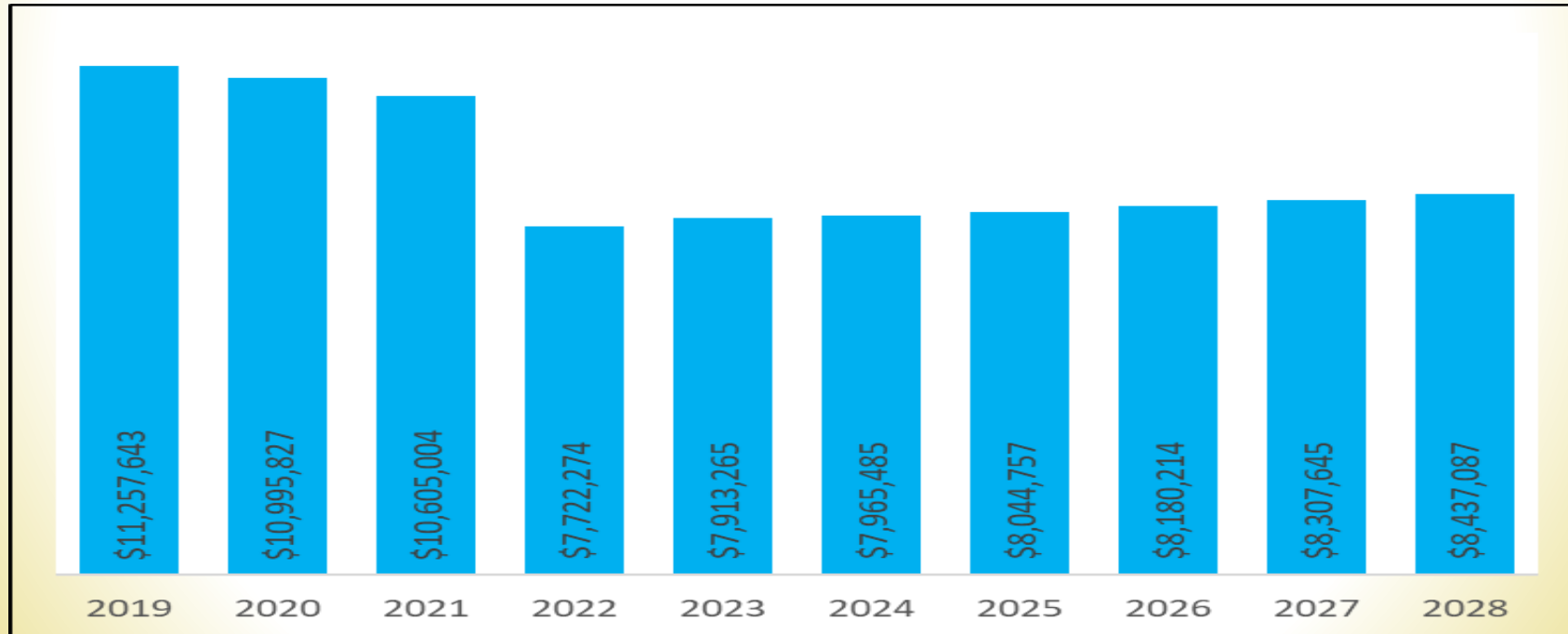


## **3.030 Purchased Services**

- Expenses include all professional and technical services, legal, data processing, health/nurses, all utilities, garbage collection, postage, electricity, natural gas, all travel and meeting expenses, and craft and trade services.
- Previous to FY2022, the majority of the spending in purchased services has been driven by state and federal mandated spending. The mandated spending includes deductions for community school students, students taking Jon Peterson, EdChoice or Autism scholarships, tuition to STEM school at Bio-Med, as well as for increasing numbers of students with special needs.
- The Fair School Funding Plan impacted Purchased Services beginning in FY2022 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 previously as expenses. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the District, and have been adjusted based on historical trend.
- Expansion or creation of programs that are not directly paid by the State of Ohio can expose the District to new expenditures that are not currently in the forecast.

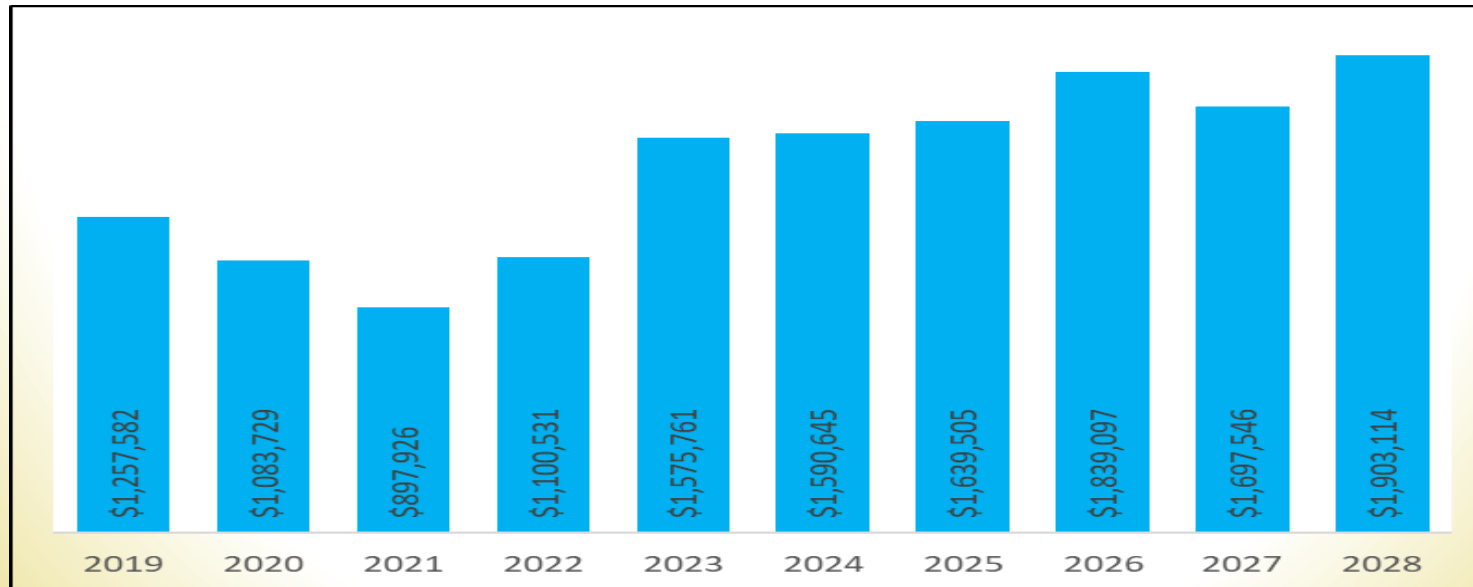
## 3.030 Purchased Services

- There is a small increase beginning in FY2024 to account for recent changes to the CFEA negotiated agreement in how severance payments will be paid. These payments will now be expensed under the Employees' Benefits category and will no longer fall under the Personnel Services category.
- Purchased Services represent 12.80% of total expenditures.



## 3.040 Supplies and Materials

- The Supplies and Materials line item includes all supplies and materials used to keep the school district campus and buildings open, operating, clean and safe, as well as instructional items such as textbooks, library books, and newspapers and periodicals.
- There are increases throughout future years to account for current and future textbook adoptions.
- While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in FY2020, the most recent allocation of ESSER funds (ESSER III) must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources, offsetting additional increases for textbook adoptions, cleaning/sanitation supplies, and classroom supplies.
- Supplies and Materials represent 2.56% of total expenditures.

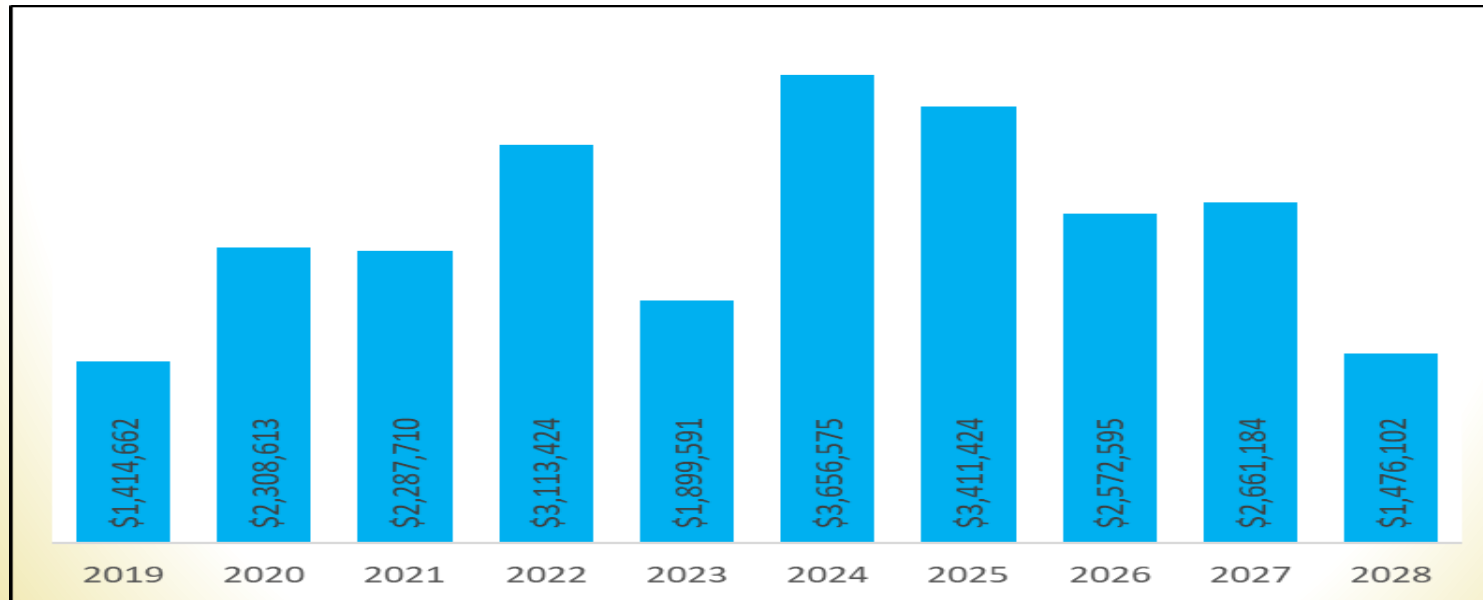


## **3.050 Capital Outlay**

- Capital Outlay includes expenditures for new and replacement equipment and for the acquisition of, or additions to, fixed assets. Included are expenditures for land or existing buildings, improvements to grounds, construction of buildings, additions to buildings, remodeling and furnishing buildings, equipment purchases, etc. Items reflected in this category are expected to have a life expectancy of five (5) years or more.
- Major projects during FY2023 included repairs to the roof at Roberts, Preston, and Price, updates to the High School weight room, and parking lot paving/repairs district wide.
- FY2025 shows a one time increase to technology equipment for Chromebook replacements.
- Capital Outlay represents 5.88% of total expenditures.

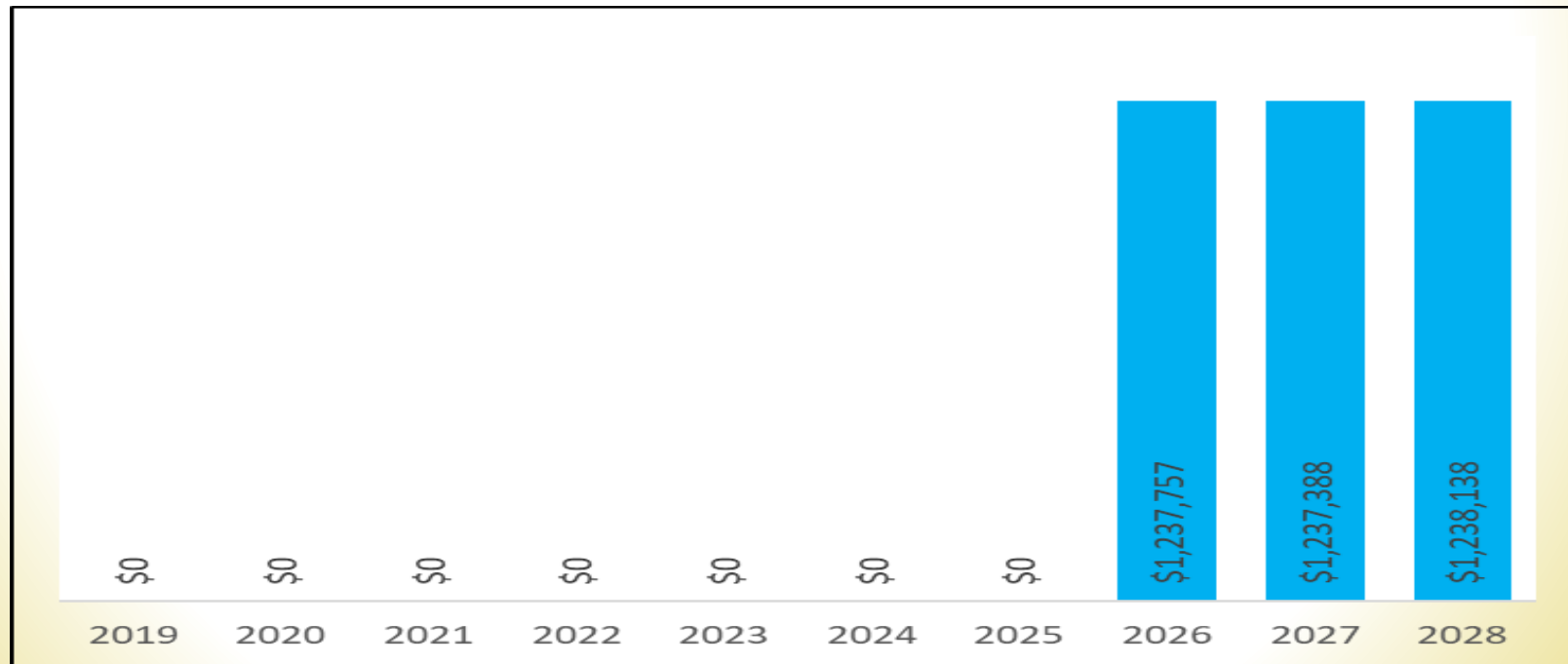
## 3.050 Capital Outlay

- Capital Outlay continues to be impacted by the passage/renewal of the \$3,600,000 Emergency Levy.
- FY2024 through FY2026 show significant increases due to the proposed installation of air conditioning at five of the District's elementary buildings.
- Expenditures as a result of the Emergency Levy remain part of the forecast through FY2028. These expenditures include roofs (repair/replacement), trucks/trailer/vans, technology, parking lot (repairs/new), boilers, buses, and equipment.



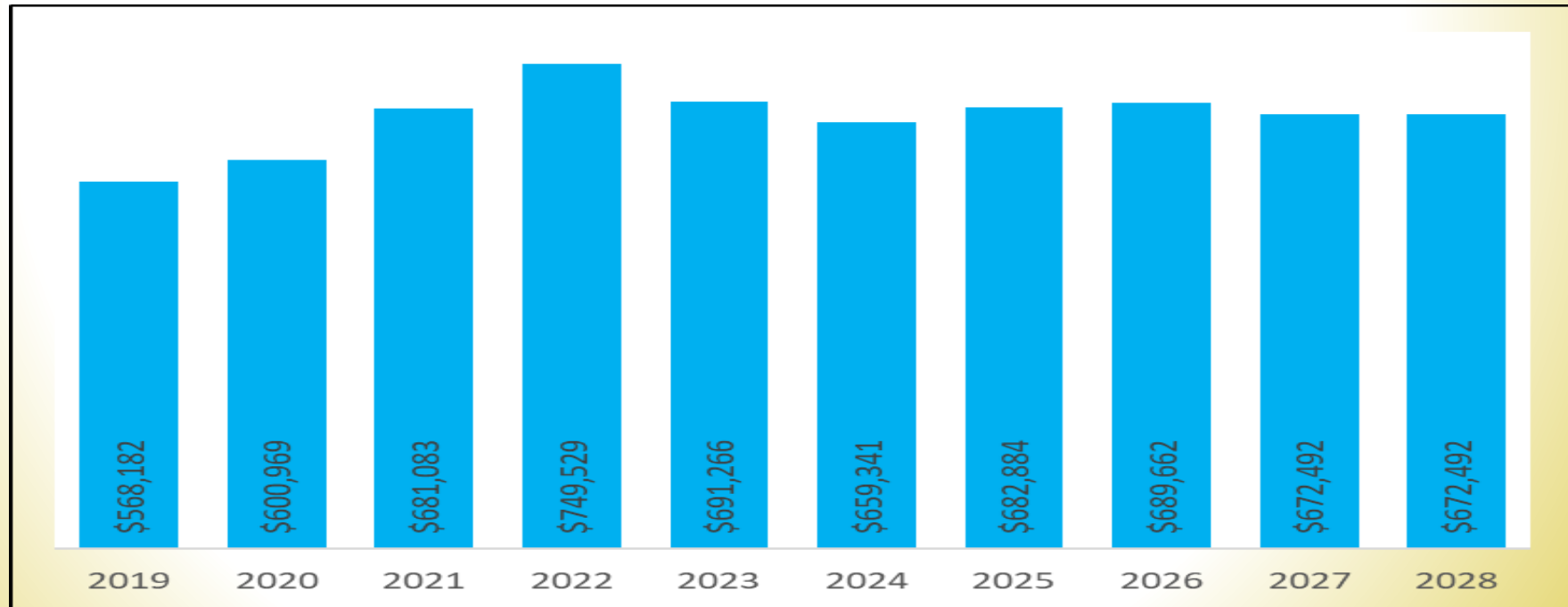
## 3.060 - 4.060 Intergovernmental & Debt

- Debt, which commits general fund sources to its repayment, must be included in the forecast.
- In April 2023 the District issued approximately \$19.5 million in debt through certificates of participation (COPs) (Series 2023) to cover increased costs for the new 6-12 building construction due to inflation and labor shortages.
- Repayment on this debt out of the general fund is approximately \$1.2 million dollars per year and will begin in FY2026 and continue through FY2053.



## 4.30 Other Objects

- These expenses include payments to the Summit County Auditors, fees for the collection and distribution of tax revenue, payments for the District's annual audit, bank charges, other dues & fees, memberships, etc.
- Approximately \$40,000 for election expenses are reflected in FY2025 and FY2026. These fees are collected by Summit County to cover the costs associated with putting levies on the ballot.
- Other Objects represent 1.10% of total expenditures.



## **5.04 Total Other Financing Uses**

- These expenses include transfers and advances paid out of General Fund and monies returned from prior year receipts.
- This line represents the advance of general funds advanced to other funds at the end of the fiscal year. These expenditures are simply temporary "loans" for cash flow purposes to these other funds, thus there is an offsetting expense (line 2.050) in the prior fiscal year, resulting in no gain or loss to the District.

## 5.04 Total Other Financing Uses

- Taxpayers can file for reductions in property values and if approved, be refunded the taxes paid previously. In the year the taxpayer is refunded, a reduction to the District's tax proceeds is applied to refund the taxpayer. The District monitors these closely to protect our tax base. FY2022 saw a significant increase in taxpayer refunds.
- New legislation restricting the District's ability to challenge these appeals will further increase expenses in this category through FY2028. Changes in legislation include the following:
  - Prohibits boards of education (BOE) from filing residential and agricultural complaints.
  - Permits BOE to file commercial complaints only when (1) the property was sold in the year before the tax year for which the complaint was filed and (2) the sale price was at least 10 percent and \$500,000 more than the auditor's value. The \$500,000 value is for tax year 2022. The amount will be indexed to inflation each year going forward.
    - Requires a BOE to provide notice and pass a resolution for each parcel, with the notice going to the tax address and mailing address.
    - Requires a BOE to give notice to property owners at least seven days in advance when they plan to vote on a resolution authorizing a valuation challenge.
  - Eliminates notice to BOE for counter-complaints, which means:
    - BOE will no longer receive notice from the County Auditor when a complaint is filed, which means that districts will have to file counter complaints within 30 days of the date the owner files the original complaint.
    - However, property owners must still receive notice of BOE complaints and have 30 days from receipt of that notice to file a counter-complaint.
  - Bars settlement agreements entered into after the effective date of the legislation.
  - Provides that the BOR must dismiss a case if it is not decided within 1 year of its filing.
  - Prohibit a BOE from filing an appeal of a BOR decision.



## 6.010 Revenues over Expenditures

- Give a good sense of a school district's fiscal health.
- A positive number indicates that a school district spent within its revenue for that fiscal year.
- A negative number indicates that a district's expenditures exceeded the revenue generated for that fiscal year resulting in a reduction to any surplus the district holds.



**GOAL – THIS NUMBER SHOULD NEVER BE NEGATIVE**



# 6.010 Revenues over Expenditures – How are we doing?

## May 2023 Forecast:

Without Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (1,529,805)	\$ (4,259,187)	\$ (8,032,957)	\$ (14,195,625)
With Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (1,529,805)	\$ (4,259,187)	\$ (5,075,791)	\$ (4,489,154)

## November 2023 Forecast:

Without Renewal Levies Included	2021	2022	2023	2024	2025	2026	2027	2028
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (2,607,867)	\$ (3,309,359)	\$ (9,150,557)	\$ (15,131,748)	\$ (19,293,183)
With Renewal Levies Included	2021	2022	2023	2024	2025	2026	2027	2028
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (2,607,867)	\$ (3,309,359)	\$ (6,234,938)	\$ (7,428,817)	\$ (7,855,697)

# **12.010 Fund Balance**

- **The average district in Summit county has a 35.99% cash carryover (Based on FY2022).**
  - Cuyahoga Falls is the 6<sup>th</sup> lowest in the county with 29.40% (FY2022)
- **The Ohio Department of Education recommends that a district have at least 60 days cash-carryover to be considered fiscally solvent.**
- **The Industry Standard is 25%.**
- **While the District has improved cash position, the focus should now be on establishing a healthy carryover.**

# Fund Balance May 2023 to November 2023

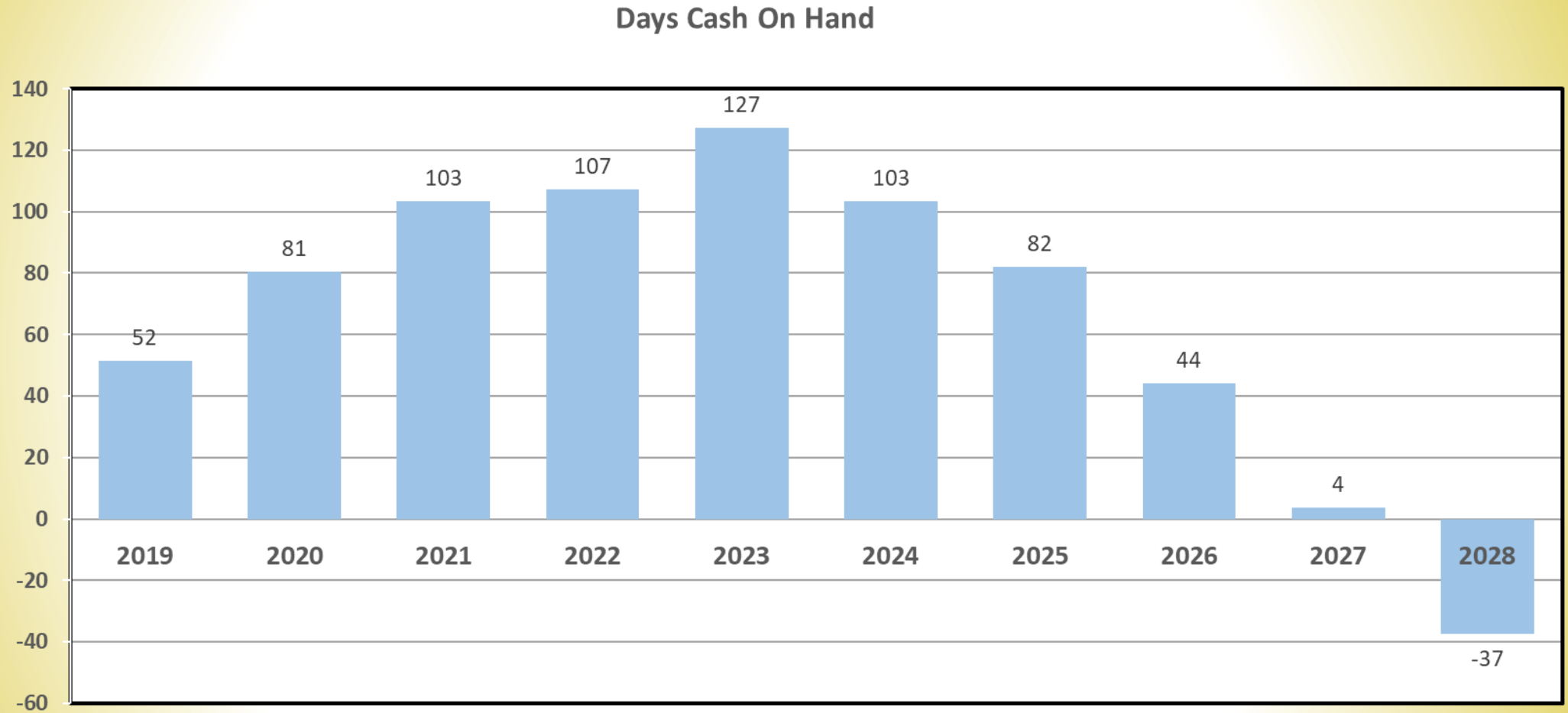
		2024	2025	2026	2027	2028
May	12.010 - Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	\$ 19,411,986	\$ 15,152,798	\$ 10,077,007	\$ 5,587,853	\$ -
November	12.010 - Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	\$ 17,401,279	\$ 14,091,920	\$ 7,856,982	\$ 428,165	\$ (7,427,532)
	Difference between May and November	\$ (2,010,707)	\$ (1,060,878)	\$ (2,220,025)	\$ (5,159,688)	\$ (7,427,532)

The District maintains a positive cash balance throughout FY2027

## Cash Carryover Position

	2023	2024	2025	2026	2027	2028
5.050 Total Expenditures and Other Financing Uses	\$ 58,078,674	\$ 62,312,873	\$ 63,700,663	\$ 66,859,697	\$ 68,904,752	\$ 69,966,805
12.010 CFCSD Cash Carryover	\$ 20,259,146	\$ 17,401,279	\$ 14,091,920	\$ 7,856,982	\$ 428,165	\$ (7,427,532)
CFCSD Projected Cash Carryover Percentage	34.88%	27.93%	22.12%	11.75%	0.62%	-10.62%
60 Days Cash Carryover - ODE Standards	\$ 9,547,179	\$ 10,243,212	\$ 10,471,342	\$ 10,990,635	\$ 11,326,809	\$ 11,501,393
25% Cash Carryover - Industry Standards	\$ 14,519,669	\$ 15,578,218	\$ 15,925,166	\$ 16,714,924	\$ 17,226,188	\$ 17,491,701

# Calendar Days Cash on Hand



# CONGRATULATIONS ELLEN!



# ENJOY RETIREMENT!

# Questions?

