

Strongsville City Schools

FY 21 Five-Year Forecast

November 19, 2020



Strongsville City Schools

- **Five Year Forecast – General Fund**

Five Year Forecast - Contents

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- Five Year Forecast Summary

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- Major Assumptions

Major Assumptions

Revenue:

- Property Tax Collection Rate - The forecast assumes the gross collection rate (includes delinquencies) will be as follows:

	CY 17	CY 18	CY 19	CY 20	3-Year Average	CY 21 Forecast	CY 22 Forecast	CY 23 Forecast	CY 24 Forecast	CY 25 Forecast
Gross Collection Rates - Includes Delinquencies	98.80%	98.89%	100.20%	99.50%	99.53%	97.03%	100.78%	100.78%	99.53%	99.53%

- The forecast assumes a 2.5% decrease in gross collection rate from the average 99.53% in calendar year 2021 due to the COVID-19 pandemic.
- The forecast assumes the collection rate will normalize in calendar year 2022 but will begin to receive the increased delinquencies from prior years in calendar year's 2022 and 2023.

Major Assumptions - Continued

Revenue (continued):

- The forecast assumes the following assumes the following changes to assessed valuation by collection calendar year:

Fiscal Year	Residential	Commercial	Public Utility	Total
CY 16 Actual	\$1,085,544,980	\$327,009,910	\$34,026,660	\$1,446,581,550
CY 17 Actual	\$1,099,063,440	\$331,059,270	\$36,099,090	\$1,466,221,800
CY 18 Actual	\$1,109,881,590	\$347,199,500	\$38,919,200	\$1,496,000,290
CY 19 Actual	\$1,229,566,800	\$355,224,080	\$40,943,650	\$1,625,734,530
CY 20 Actual	\$1,240,535,320	\$339,875,680	\$44,926,610	\$1,625,337,610
CY 21 Forecast	\$1,251,941,593	\$314,136,573	\$47,900,773	\$1,613,978,939
CY 22 Forecast	\$1,295,538,878	\$301,476,869	\$51,071,804	\$1,648,087,551
CY 23 Forecast	\$1,307,269,528	\$302,170,266	\$54,452,758	\$1,663,892,552
CY 24 Forecast	\$1,318,505,828	\$302,804,824	\$58,057,530	\$1,679,368,182
CY 25 Forecast	\$1,368,845,132	\$310,798,871	\$61,900,939	\$1,741,544,942

- In November 2016 residents renewed a 5 year 6 mill levy with collections beginning January 2018. The forecast assumes the levy will expire tax year December 31, 2021. Collections will continue through December 31, 2022.
- In May 2019 residents approved a 5 year 5.9 mill levy with collections beginning January 2020. The forecast assumes the levy will expire tax year December 31, 2023. Collections will continue through December 31, 2024.

Major Assumptions - Continued

Revenue (continued):

- State Funding – The FY 2019 per pupil and foundation revenue amount is the base aid amount used in the FY 2020 and beyond. Additionally, the forecast assumed a 5% reduction to the state funding guarantee in the 2022-2023 biennium and another 5% reduction to the state funding guarantee in the 2024-2025 biennium.

However due to the COVID-19 pandemic, the impact of state funding based on the following:

- ☐ FY 2020 – The district experienced a 10% reductions in state funding due to the COVID-19 pandemic.
- ☐ FY 2021 – Forecasting a 9% reduction in state funding due to the COVID-19 pandemic. Additionally, casino revenues have been reduced by \$80,090 \$206,064 from 295,154 as casino's were closed for three months. Estimating the per pupil amount to be reduced by 25%.
- ☐ FY 2022 – Forecasting a 5% restoration of the previous years reduction due to the COVID-19 pandemic. Additionally, the forecast assumes a 5% reduction to the state funding guarantee in the 2022-2023 biennium.
- ☐ FY 2023 – Forecasting the remaining 5% restoration of the FY 2021 reduction of state funding. Also restoring the casino funds back to \$295,154.
- ☐ FY 2024 and FY 2025– The forecast assumes a 5% reduction to the state funding guarantee in the 2024-2025 biennium.

Major Assumptions - Continued

Expenditures:

- Staffing Assumptions (General Fund Only):

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
General fund	667	678	681	681	672	672
P.Y Net Change	-3	+9	+3	0	-9	0

- Forecast assumes all union agreements as currently defined.
- Health Care remained flat for FY 20. For FY 21, the district will experience a 3% increase. For FY22-2025 the projected annual increase is 8%. FY 16 saw a 3% increase, FY 17 saw a 5% increase, FY 18 saw a 0% increase, and FY 19 saw a 7% increase.
- Unemployment costs are forecasted to increase by \$90,000 due to the COVID-19 pandemic in FY 21. For FY22-25, the forecast assumes unemployment costs will return to normal levels.

Major Assumptions - Continued

Expenditures (continued):

- Due to the COVID-19 pandemic, the following budget adjustments were made:
 - ❑ Salary and benefits for Remote 2.0 - \$348,000, FY21 only.
 - ❑ SCS Connects salary and benefits, 9 positions (placeholder) - FY21 \$400,000, FY22 \$676,000, FY23 \$720,000. Phased out in FY 2024.
 - ❑ Strongsville Online Learning Option (SOLO) - \$750,000, (Total estimated cost \$1,320,000, utilizing \$130,000 from annual budget, \$155,000 from CARES funding, and \$285,000 prior year credits). For FY 2022, estimated cost at \$750,000, FY 2023, estimated cost at \$500,000 and phased out in FY 2024.
 - ❑ PPE Supplies and Equipment – Increased the Operations budget by \$250,000.
 - ❑ Custodial Costs – Increased budget by 31 hours.
 - ❑ Athletics – Transfer of Funds – Increased the General Fund transfers out by \$100,000 to transfer the Athletics Fund due to lost ticket revenue.
 - ❑ Due to the unrepresented times of the pandemic – will need to monitor the following area's for fluctuations: Sub costs, SOLO costs, Remote 2.0, PPE supplies, and food services.

Major Assumptions - Continued

Additional Grant Funding (Not in Five Year Forecast):

- The District received additional State and Federal to help offset cost's associated with the COVID-19 pandemic:
 - ☐ ESSER / CARES Act Funding (\$407,128): - Utilized for KG Chromebooks, Chromebooks cases grade 3-5, SOLO, hardware and software for remote instruction, and PPE equipment.
 - ☐ CoronaVirus Relief Funding (\$285,381): - Utilized for PPE supplies, materials, and equipment, elementary and SMS desks to replace tables for social distancing, and disinfection sprayers.
 - ☐ BroadbandOhio Connectivity Grant (\$21,205.26): - Utilized for public wifi and transportation hot spots.
 - ☐ Library Services & Technology Act CARES Mini Grant (\$3,000) – Utilized for an online digital catalog.

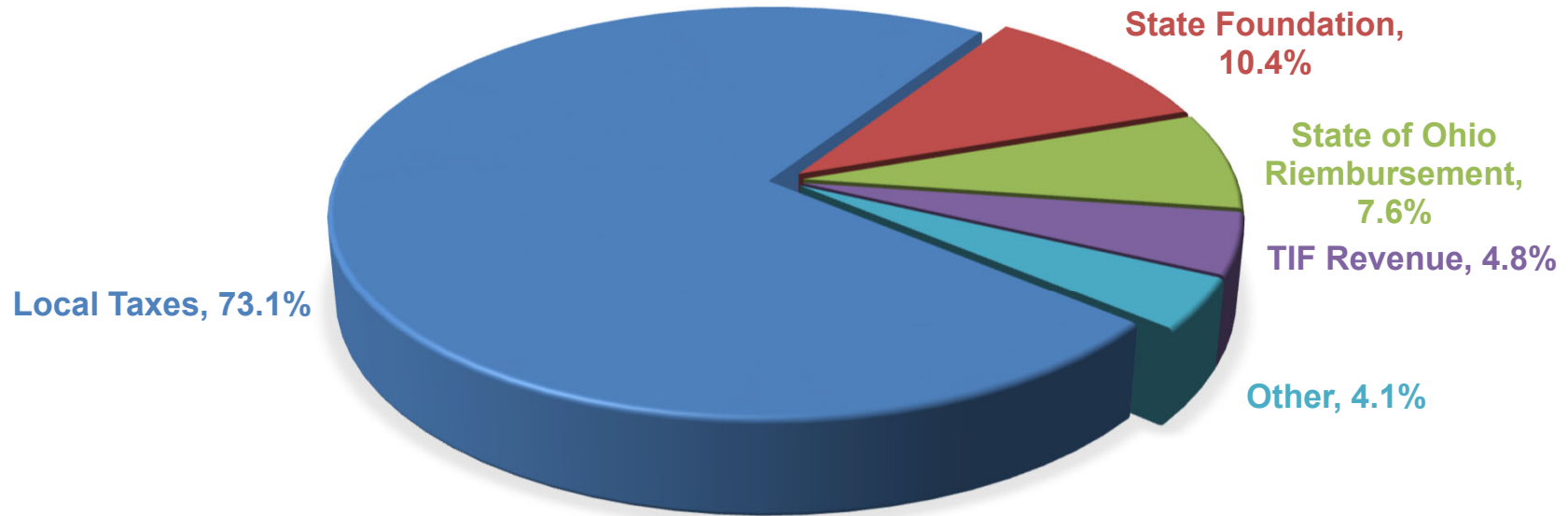
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- General Fund Revenues

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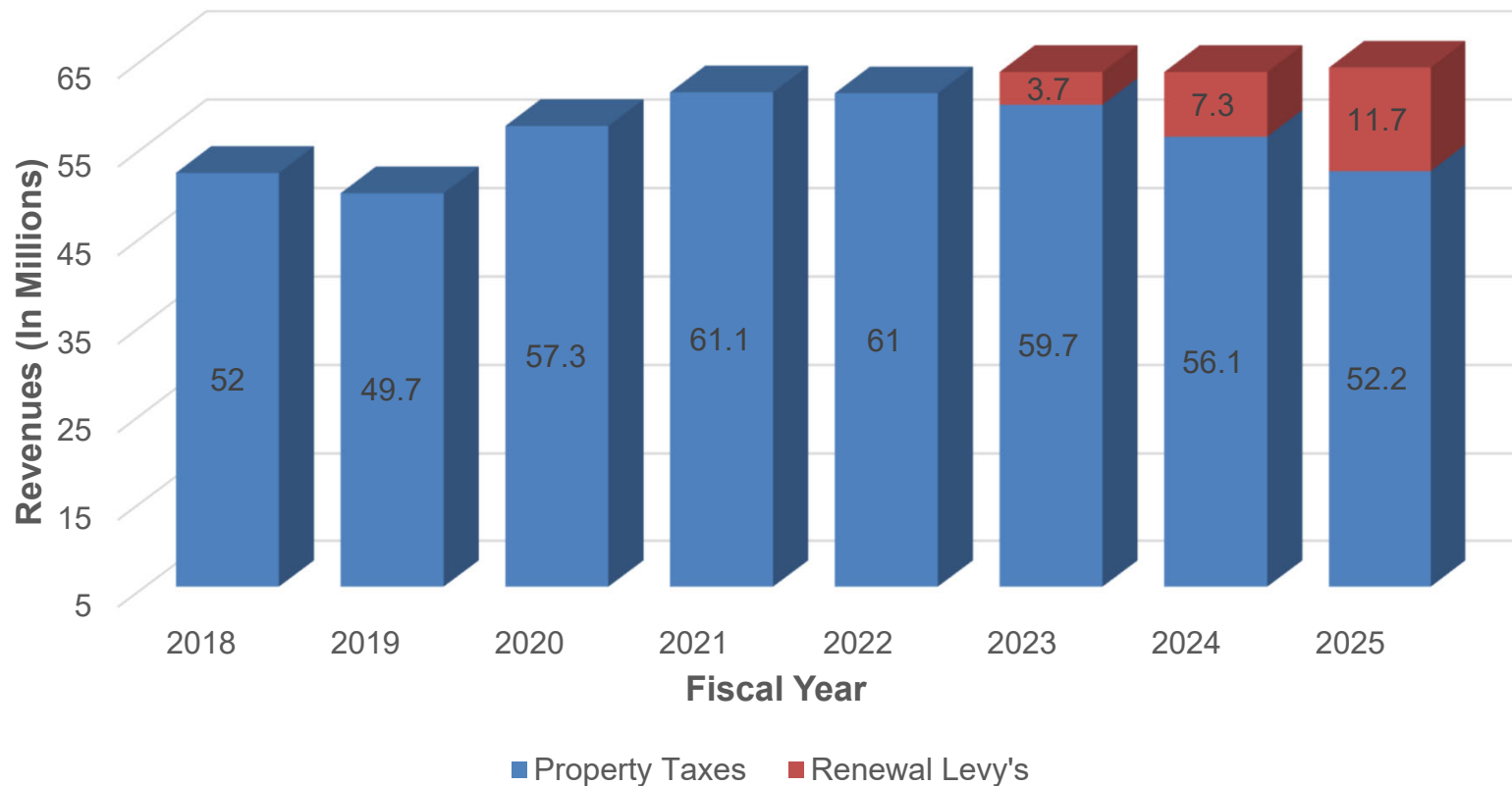
FY 2020-2021

WHERE THE MONEY COMES FROM



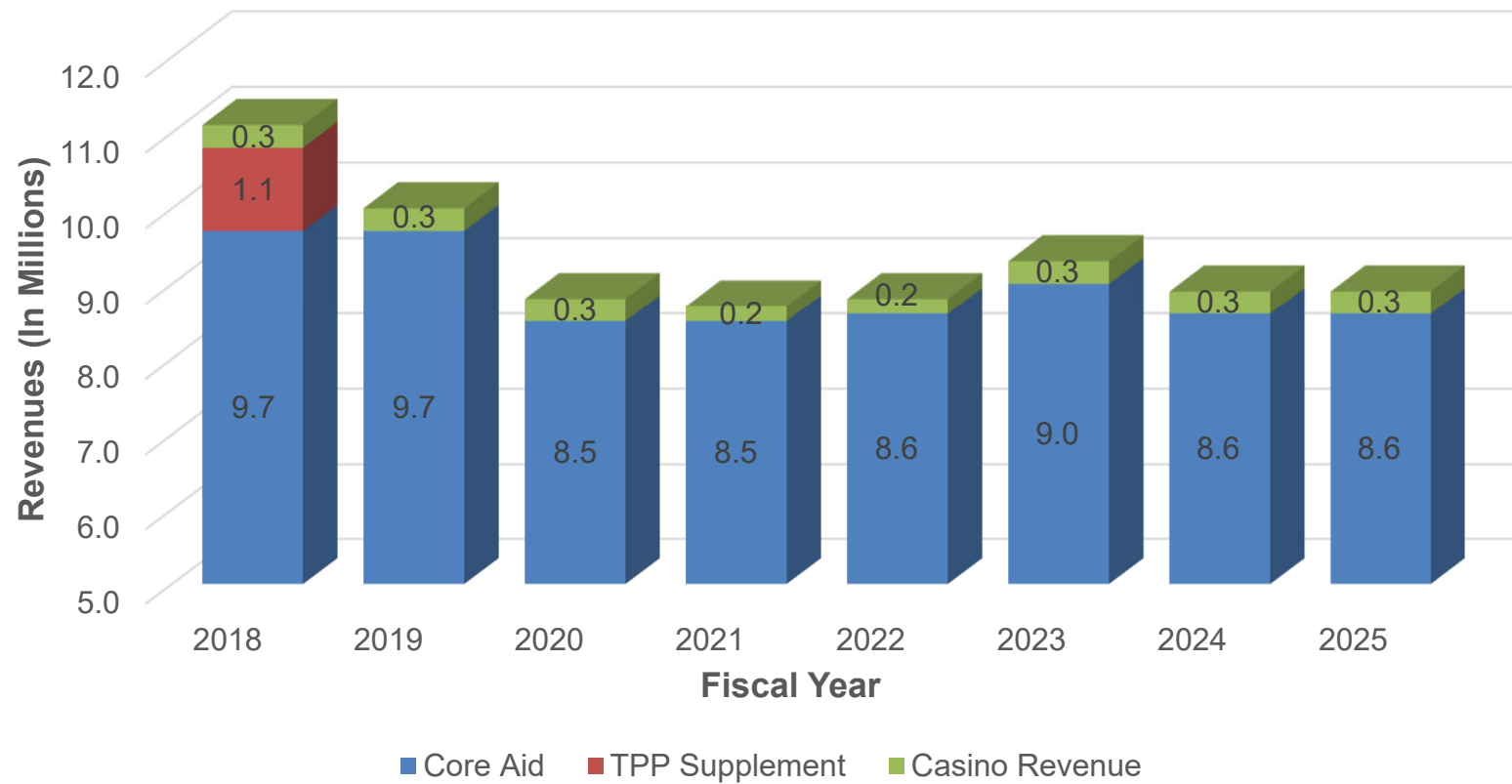
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Local Taxes – Property Tax Revenues



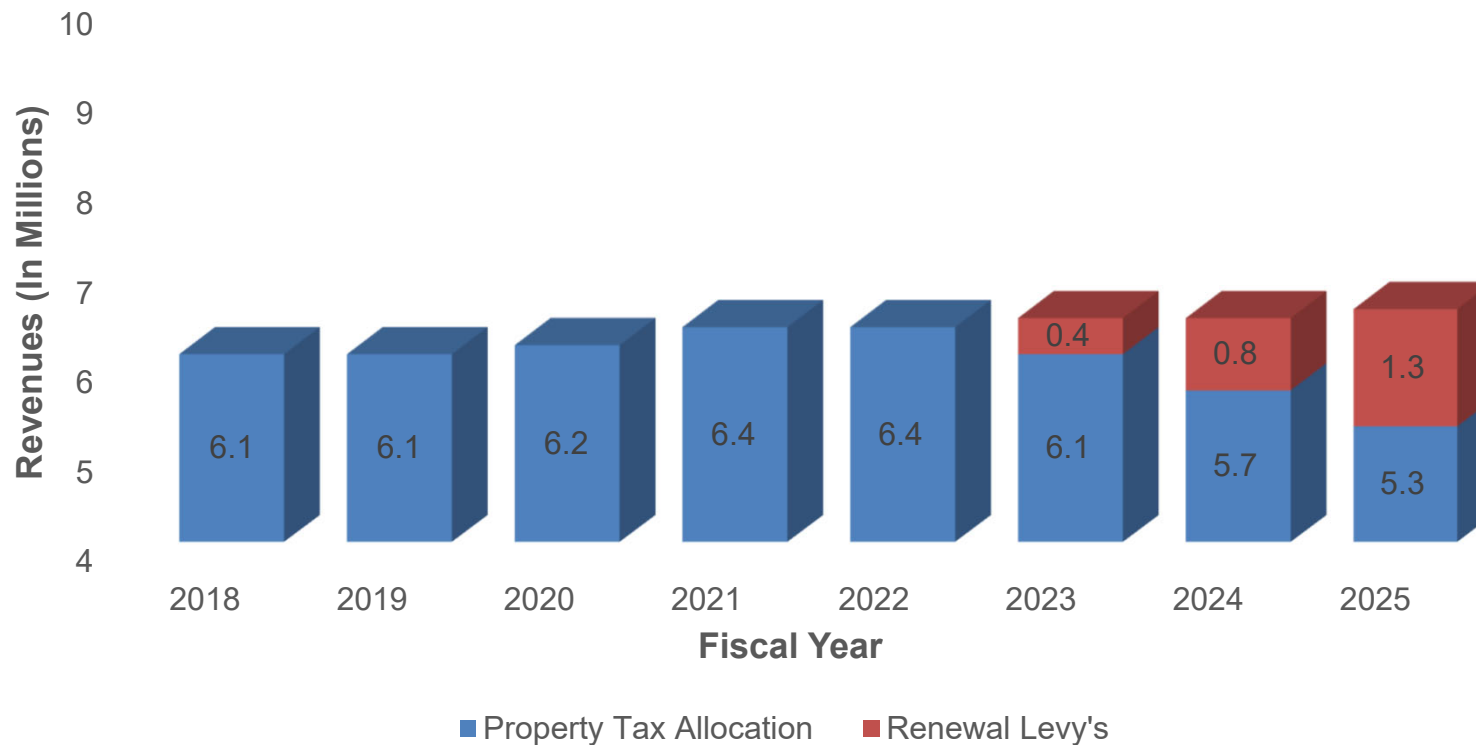
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State Foundation Revenue



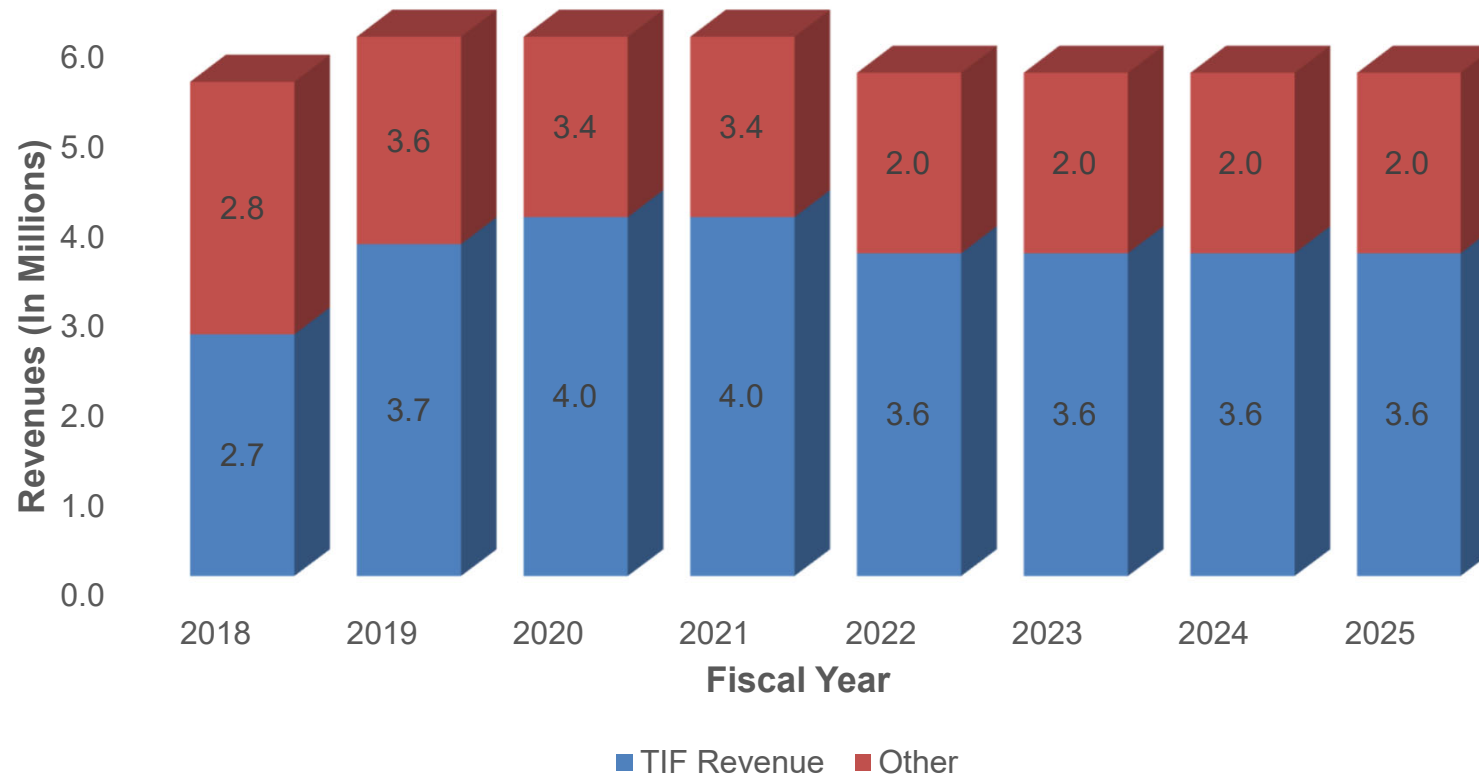
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Property Tax Allocation – State Hold Harmless Reimbursements



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Other Revenue



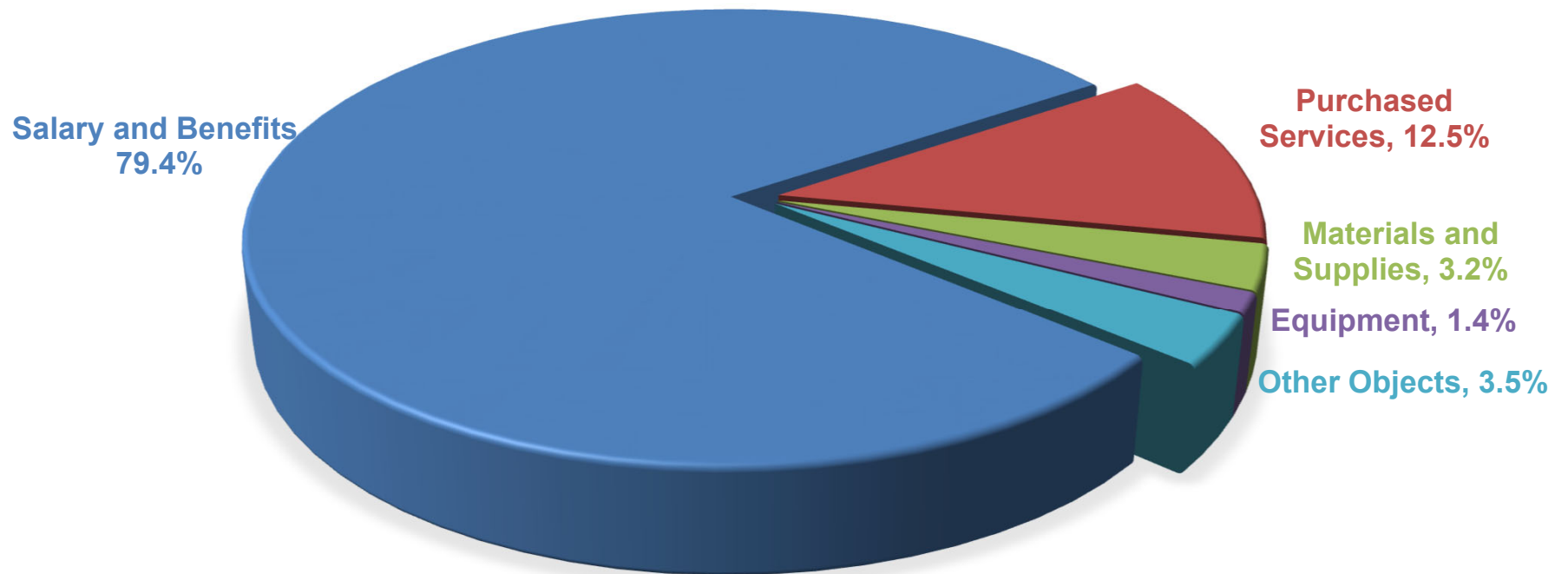
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- General Fund Expenditures

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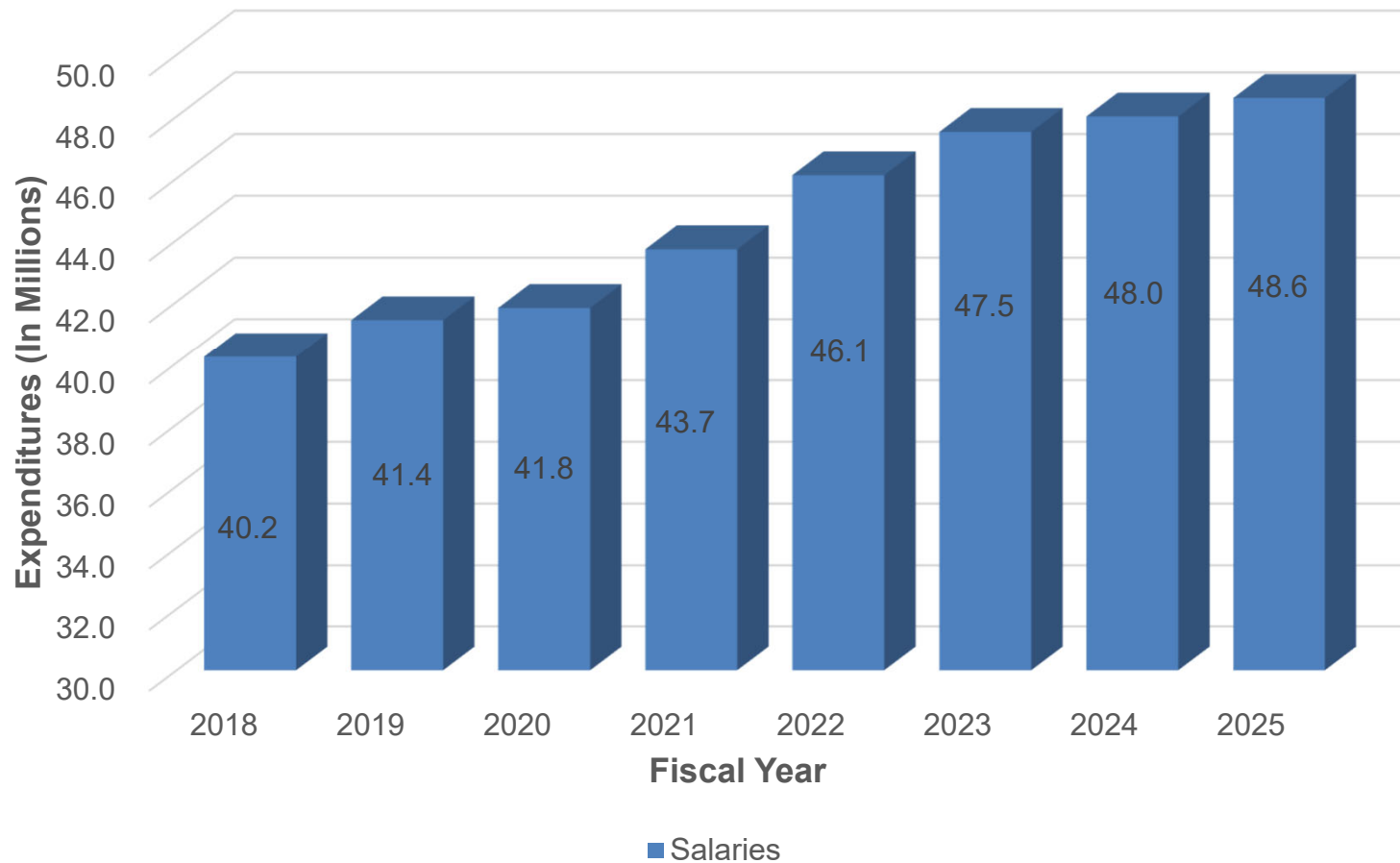
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WHERE THE MONEY GOES



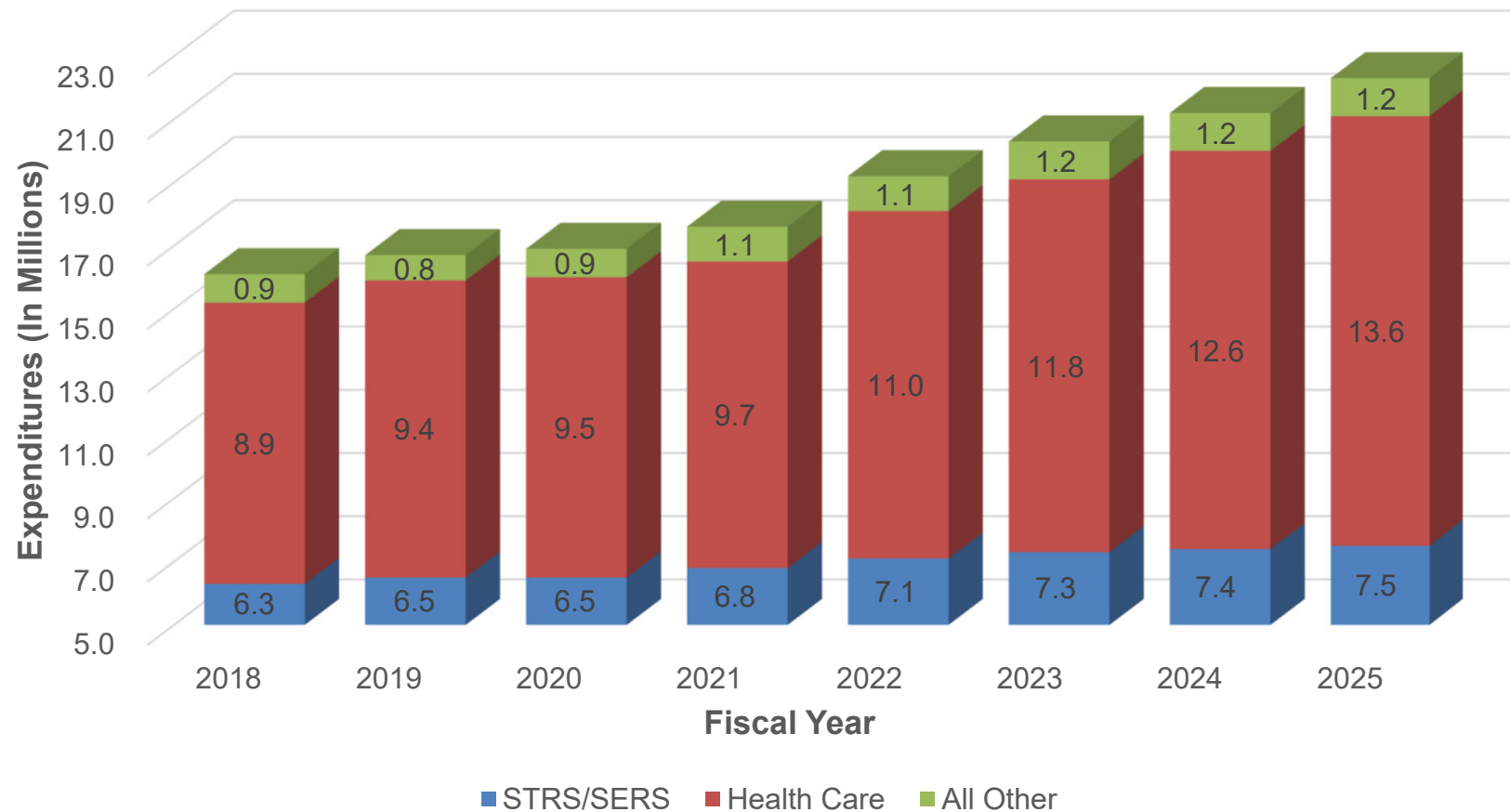
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Salaries



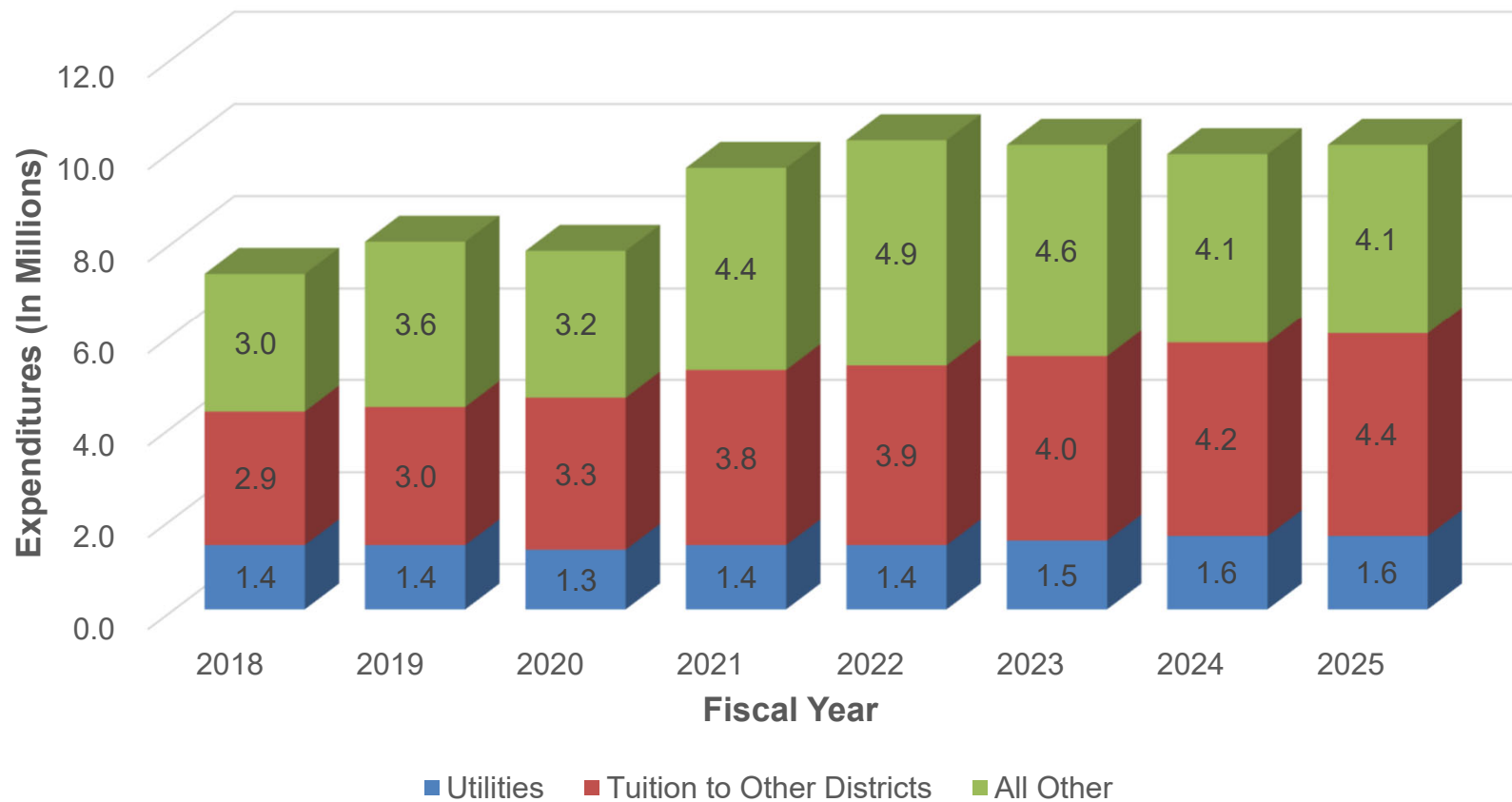
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Benefits



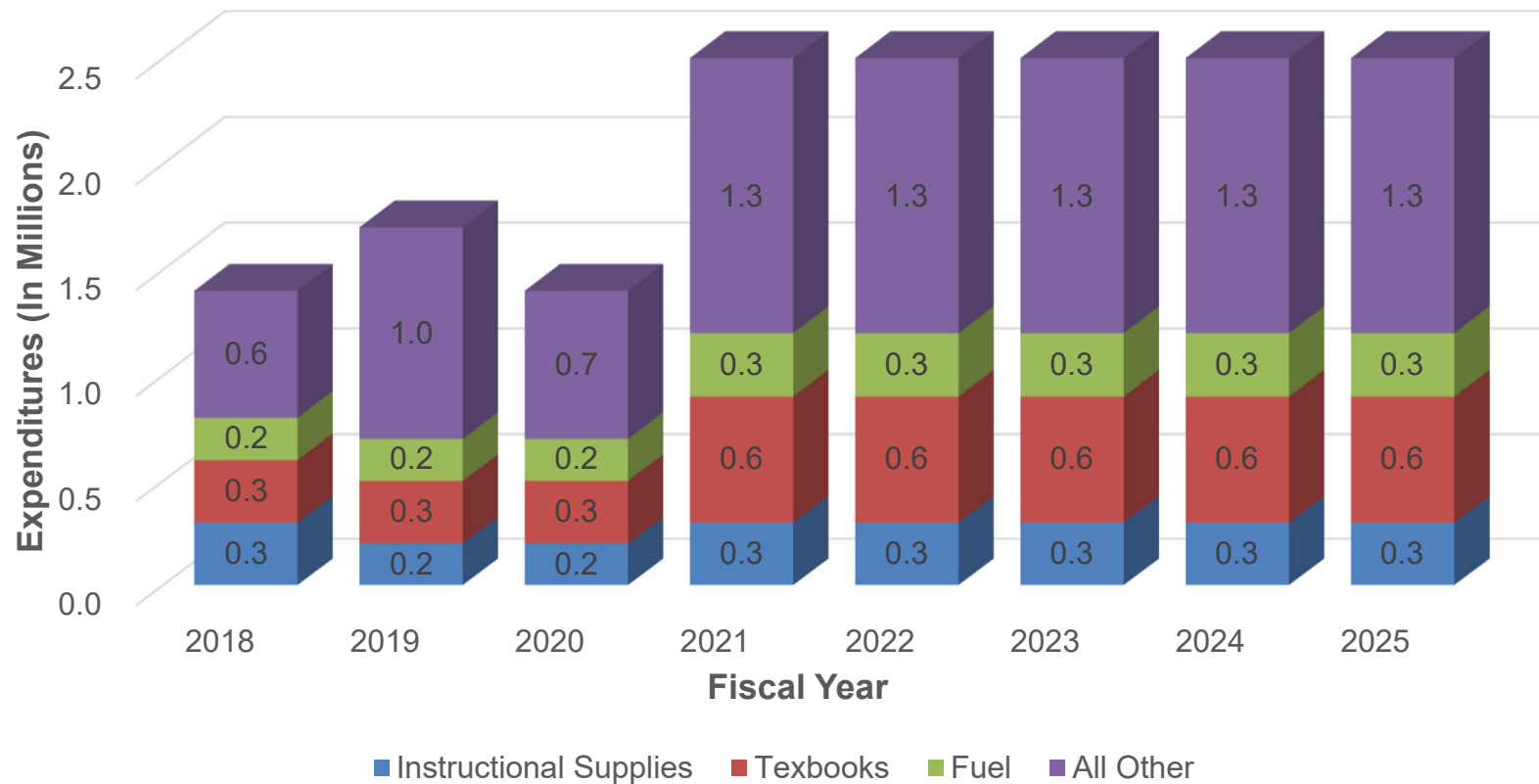
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Purchased Services



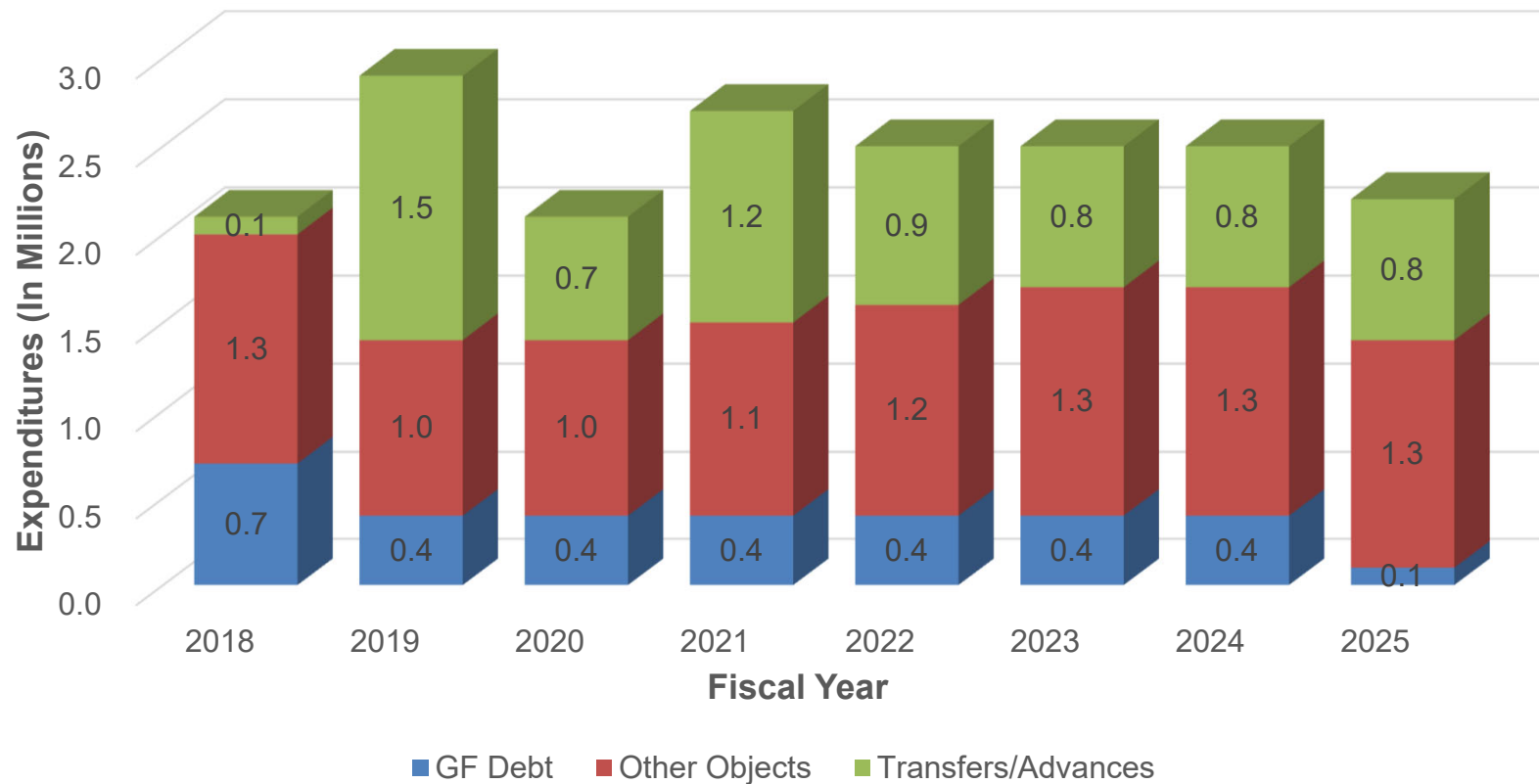
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Materials and Supplies



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Other Objects and Transfers/Advances



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- General Fund Summary

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Fall 2020 Five-Year Forecast

(in millions of dollars)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Beginning Cash Balance	\$24.2	\$31.2	\$32.6	\$41.7	\$48.1	\$48.4	\$45.2	\$36.7
Total Revenues	74.7	73.1	79.8	83.6	81.8	80.7	76.5	72.2
Total Expenses	67.7	71.7	70.7	77.2	81.5	83.9	85.0	86.8
Revenue over Expenses	7.0	1.4	9.1	6.4	0.3	(3.2)	(8.5)	(14.6)
Ending Cash Balance	31.2	32.6	41.7	48.1	48.4	45.2	36.7	22.1
Encumbrances/Reserves	1.9	1.7	1.9	1.9	1.8	1.8	1.8	1.8
Unencumbered Balance	\$29.3	\$30.9	\$39.8	\$46.2	\$46.6	\$43.4	\$34.9	\$20.3
Property Tax - Renewal	0.0	0.0	0.0	0.0	0.0	4.0	8.2	13.0
Unencumbered Balance	\$29.3	\$30.9	\$39.8	\$46.2	\$46.6	\$47.4	\$47.1	\$45.5

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Fall 2020 Five-Year Forecast w/ renewal(s)

(in millions of dollars)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Beginning Cash Balance	\$24.2	\$31.2	\$32.6	\$41.7	\$48.1	\$48.4	\$49.2	\$48.9
Total Revenues	74.7	73.1	79.8	83.6	81.8	84.7	84.7	85.2
Total Expenses	67.7	71.7	70.7	77.2	81.5	83.9	85.0	86.8
Revenue over Expenses	7.0	1.4	9.1	6.4	0.3	0.8	(0.3)	(1.6)
Ending Cash Balance	31.2	32.6	41.7	48.1	48.4	49.2	48.9	47.3
Encumbrances/Reserves	1.9	1.7	1.9	1.9	1.8	1.8	1.8	1.8
Unencumbered Balance	\$29.3	\$30.9	\$39.8	\$46.2	\$46.6	\$47.4	\$47.1	\$45.5

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- Questions?