



2007-2008 General Operating Budget

• **Overview (cont.)**

• Total state revenue is expected to increase by 6.8 percent as a result of some highly unusual items. State funding for schools is expected to increase 4.4 percent from 2007FY levels because of the expected payout of \$6.6 million from a lawsuit that CPS won against the State of Ohio for inappropriate changes in our school funding process in previous years. Other state funding is expected to increase 20.5 percent as a result of the tangible-tax elimination plan, which contained temporary tangible-tax reimbursement payments from the state.

• **Expenditures**

• **Personnel**

• Personnel costs for the 2008FY have decreased by \$9.7 million or 3.4 percent from 2007FY levels. This is primarily the result of staffing reductions and some reallocation of costs into other funding sources. These reductions were made even though a 1 percent salary increase was given to employees. The cost of the increase was primarily funded through savings generated by changes in employee health insurance benefits.

• **Non-personnel**

• Non-personnel costs for the 2008FY decreased by \$9 million or 5.9 percent from 2007FY levels. This is the result of budget reductions and the reallocation of costs into other funding sources.

• **Summary**

• Cincinnati residents passed a 6-mill operating levy in November 2000 to help compensate for inflationary costs, inadequate state funding and business tax reform in the past. The good news is that CPS has stretched the 2000 operating levy seven, and possibly eight, years when it was expected only to balance the budget for four years. However, due to projected declines in revenue, residents likely will be asked to pass a new operating levy sometime in the near future.

• CPS' revenues are projected to increase about 1 percent over the seven-year period from the 2004 Fiscal Year through the end of the 2011 Fiscal Year. In fact, the best-case scenario for school funding in the new biennium budget for CPS is continuation of current funding levels. During this same time period, expenditures are being reduced through "rightsizing" of the district and cost containment. But even with these cost reductions and containment initiatives, revenues are not sufficient to cover costs in the 2009 Fiscal Year.