

# Five Year Forecast

Board of Education Meeting  
November 22, 2021



THE  
**FUTURE**  
IS BRIGHT



PREPARING STUDENTS  
**FOR LIFE**

# Purpose of the Forecast

- Monitor and report school district solvency
- Focus on the General Operating Fund
- Supports Financial Transparency
- Tool to plan for future financial decision making
- Format is standardized and required by Ohio Department of Education
  - Three years of actual data, current year (budget) and four years of forecasted data.
- Filed twice each fiscal year (November and May)

# Factors Influencing the Forecast

- Ohio's Fair School Funding Plan (FSFP)
- Inflationary rates
- Pandemic Spending / Federal Related Budgets- Future return to the General Fund (ie- "CLIFF" Plan)
- Student Enrollment Projections versus Actual Enrollment
- Collective Bargaining Agreements



# It's ALL about CASH!

## CPS Multi-Year Financial Plan

- Within the 3 year window, cannot show a *forecasted* negative cash balance.
- Board guidelines – no new levies in forecast window

## Keys to Maintaining Positive Cash Balances



- Voter approval of tax levy renewals
- Ohio full implementation of the Fair School Funding Plan (6-year plan)
- District control of budget / expenditure growth
- Anticipate “CLIFF” Plan expenditures returning to the General Fund FY23-FY25.



# Ohio's Fair School Funding Plan (FSFP)

- Current Biennium Budget (July 1, 2021 to June 30, 2023)

## Brief Overview:

- Eliminates Pass-through Funding for Community Schools and Scholarships (District Educated vs. Resident Students)
  - Revenues  & Expenditures (Tuition) 
- Calculates Base Cost to educate a student that is unique to each district.
  - Statewide average teacher salary \$62,193 (CPS = \$ 71,225)
  - Increases categorical funding
    - Student with Disabilities
    - English Language Learners
    - Gifted
    - DPIA (Disadvantaged Pupil/Impact Aid)



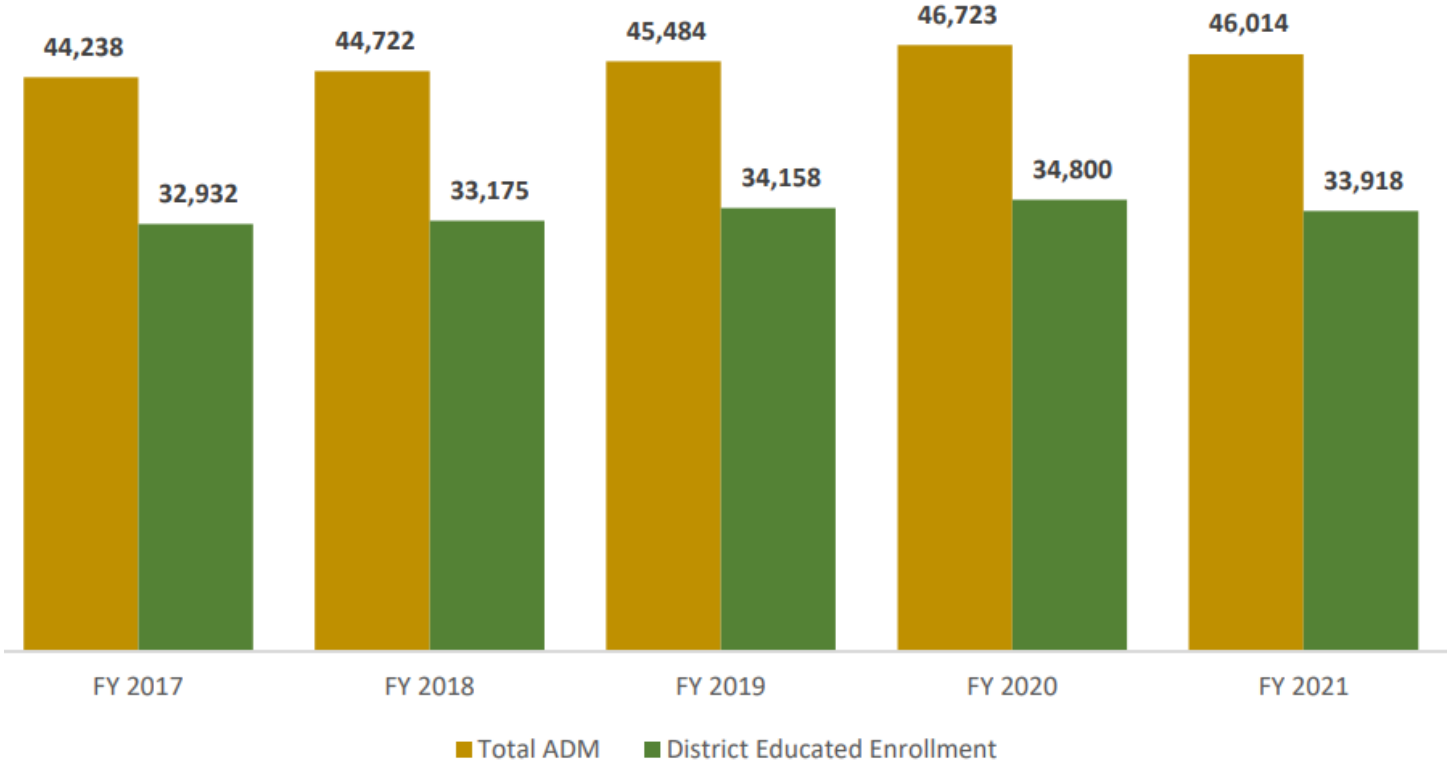
# Ohio's Fair School Funding Plan (FSFP)

- CPS State Share decreased from 46% to 43%
- Student Wellness Funding (*inside formula and subject to state share*)
  - FY21 \$12.5M to FY22 \$3.2M
- Anticipates a six year period for full implementation; however future legislation will be necessary in the next two biennium budgets.
  - Phase in – lost revenues
    - FY22 = \$49M    FY23 = \$ 39M    Combined = \$88M



# Ohio's Fair School Funding Plan (FSFP)

Total Average Daily Membership (ADM) Compared to District Educated K-12 w/preschool disabilities



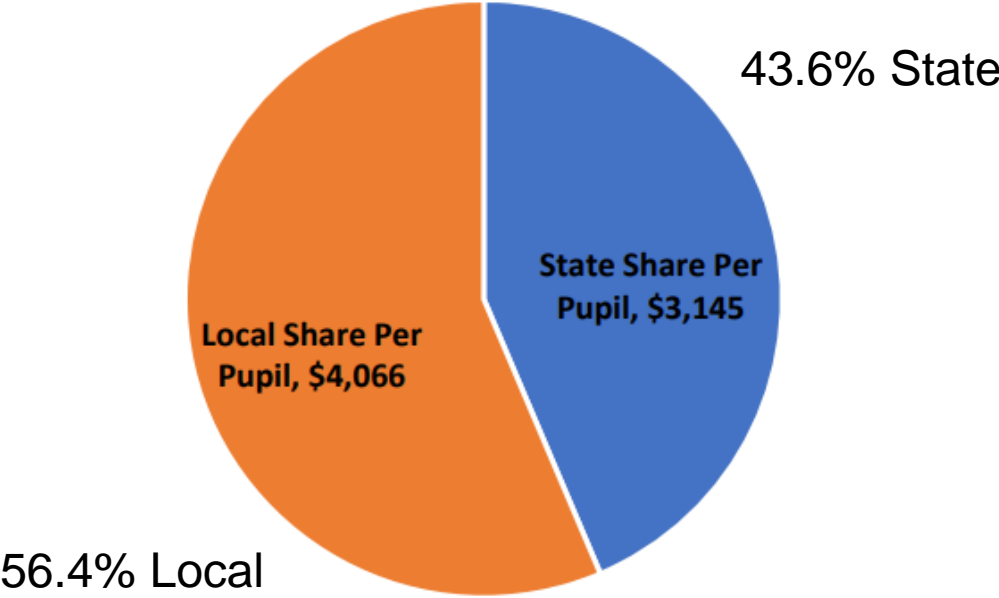
Note: Total ADM includes community school, open enrollment "out", scholarships, STEM.



# Ohio's Fair School Funding Plan (FSFP)

- Base Cost – Overview

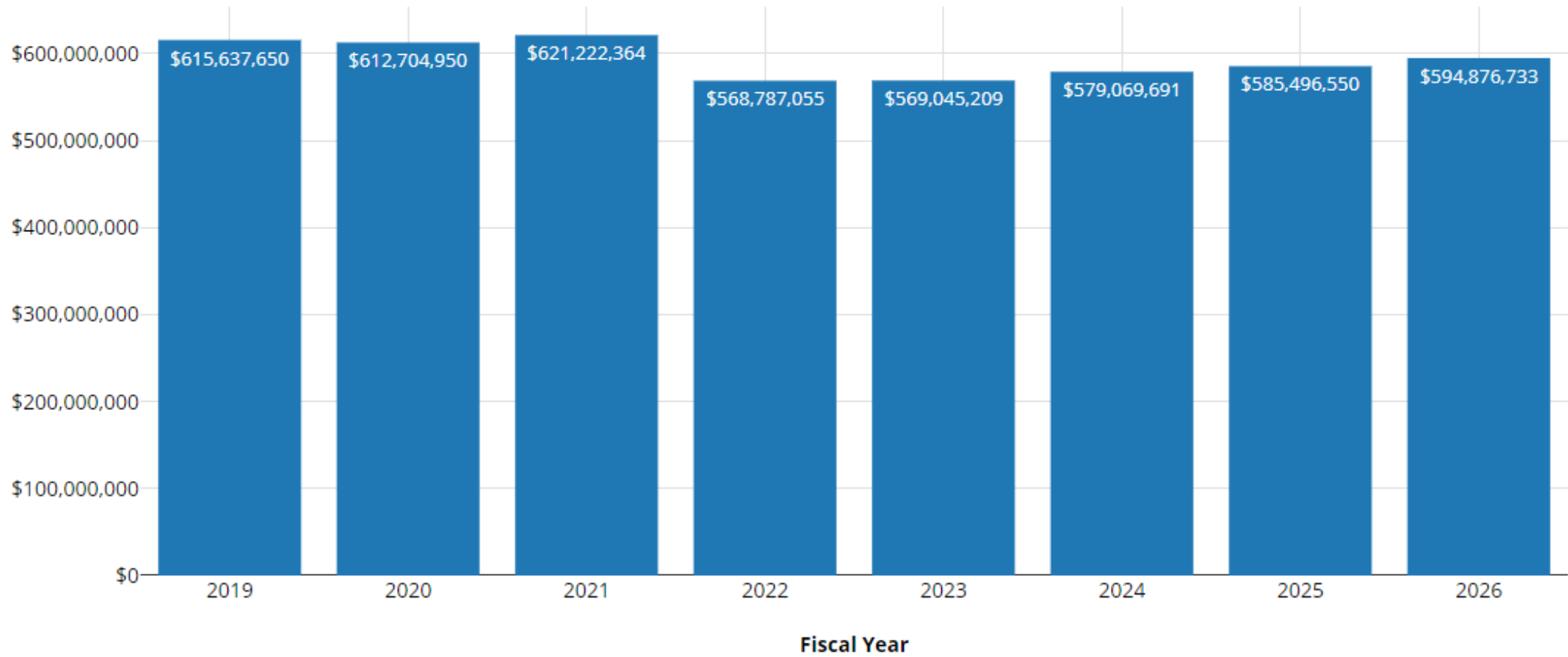
FY 2022 Total Base Cost Per Pupil = \$7,211





# Revenues– Overview

Total General Fund Revenue

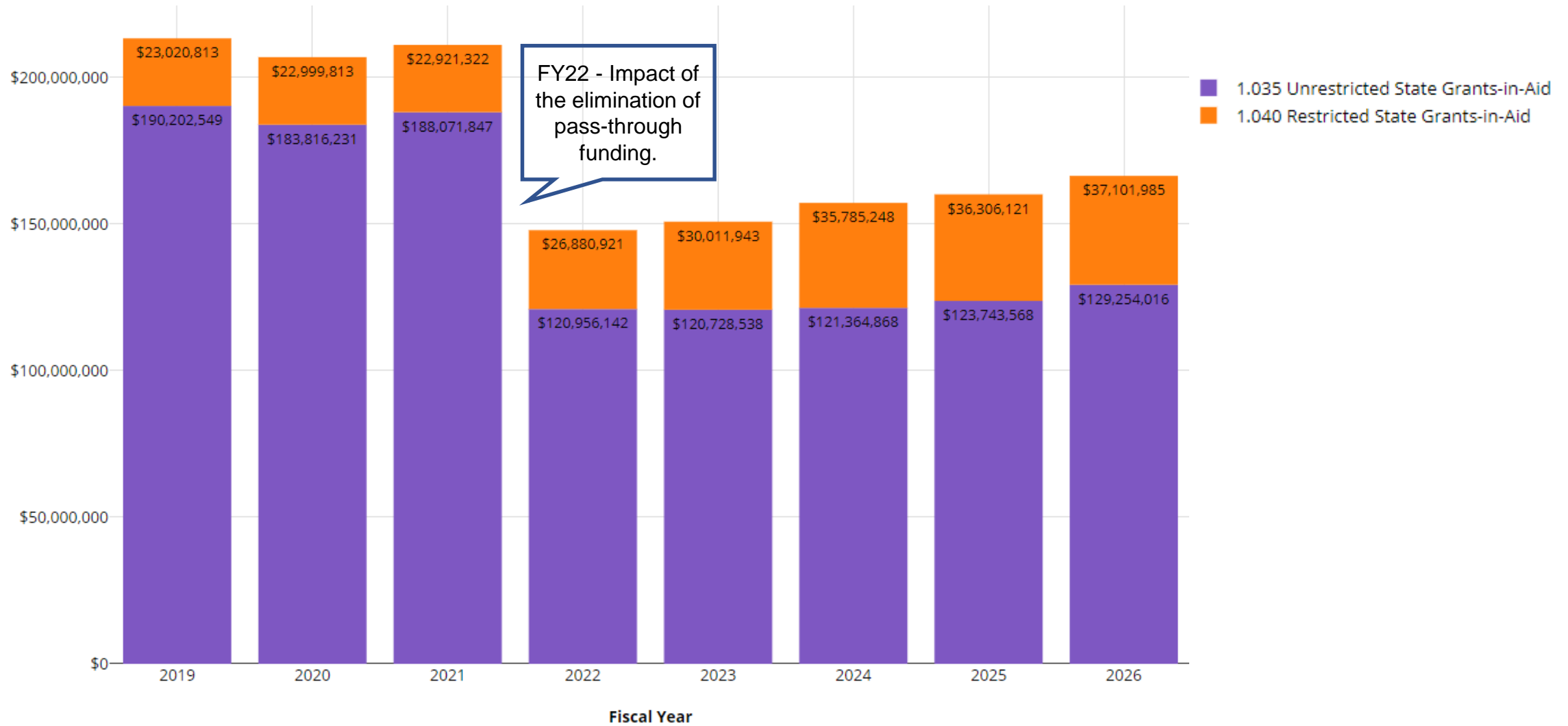


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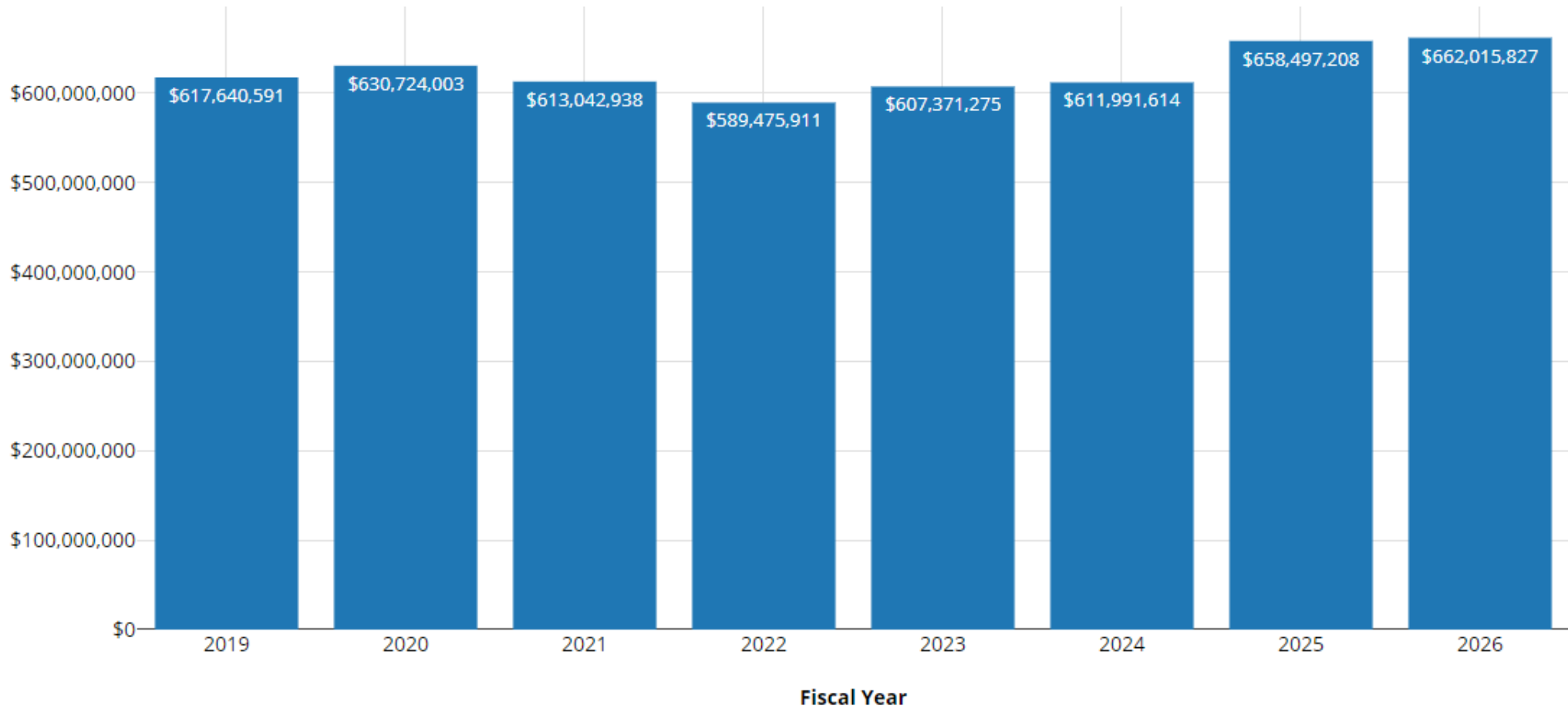


# Revenues– State Aid



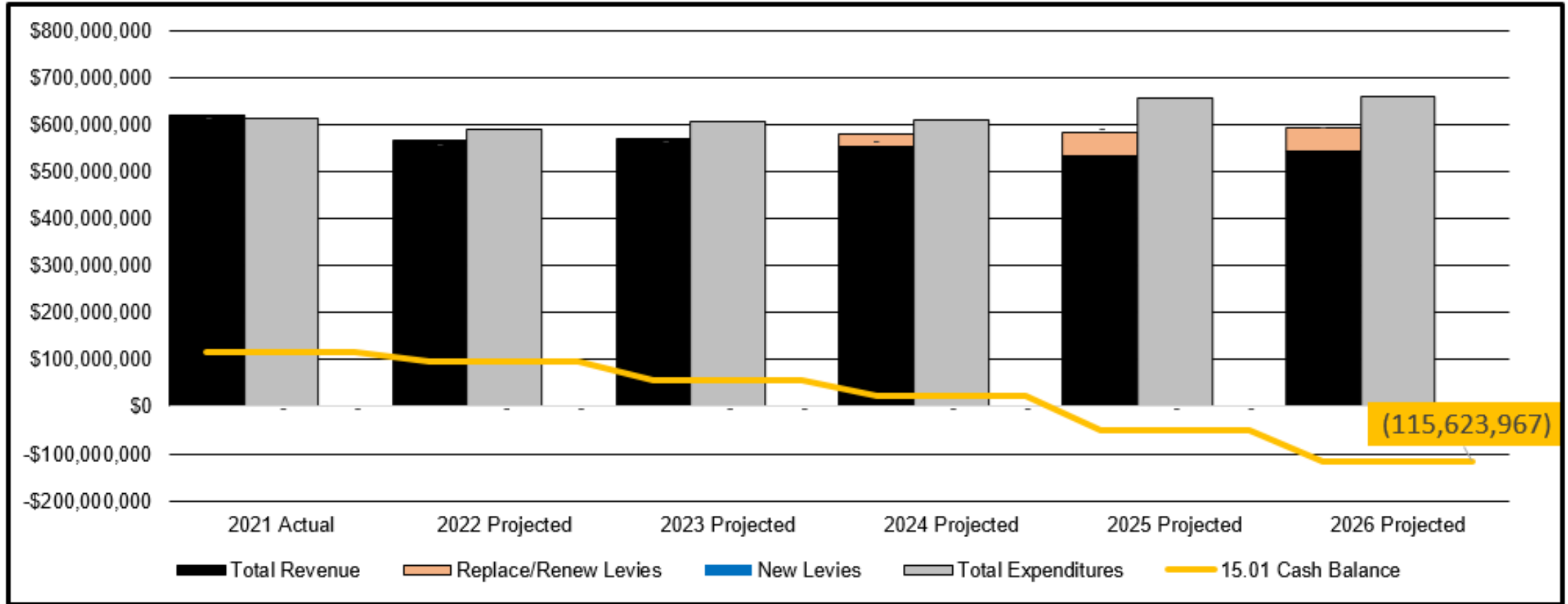
# Expenditures— Overview

## Total General Fund Expenditures



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# Forecast Summary



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Note: above excludes effects of 8.010 Estimated Encumbrances



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**Student-Centered  
Decision Making**



**Health and  
Safety**



**Community  
Engagement  
and Influence**



**Optimized  
Capabilities**



**Growth**



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