



## KEEP SPRINGBORO STRONG VOTE YES ON ISSUE 18

“As CFO, it is my job to recommend to the board of education the best option to ensure the sustainability of the current education program that is in place in the district.” - Terrah Floyd, Treasurer/CFO, Springboro Community City School District

### **What is a Five-Year Forecast?**

A Five-Year forecast is an assumption of what is likely to occur in the future that is updated twice per year as unknown information or changes in plans occur.

What kinds of things may change within a five-year forecast?

- Every two years the state passes a new biennium budget. That budget determines how much state and weighted funding we receive from the state. Within the five-year forecast we must anticipate what we believe the state may give us for 3 biennium budgets. If state funding changes, that will change the potential revenue within the five-year.
- The five-year forecast has assumptions for how much value increases we believe will occur within the community for each year of the forecast. These numbers are based off of historical and current information; however there is no way to know exactly how much value a district will change until we receive final tax information each tax year. We receive inside millage (un-voted) for increases in property value. The county auditor does not even know what we will receive until the year we receive. This is why it is a forecast, ALL forecasts have a variance since there is no way to PREDICT the future.
- There is a pipeline that doubled its value within our district. This doesn't occur until the private pipeline files its income tax. Then and only then the state and county are notified of the increase in their value due to their filings. Once the district was notified, it was updated in the next five-year, again a forecast is the most updated information that we know at the time.

### **What is an average variance in a five year forecast per year? A normal variance in a five-year forecast is 3-5% year over year**

What is the average expenditure variance of the Springboro City Schools Five-Year Forecast?

FY12 Estimate \$42,125,621 FY12 Final \$41,564,822 variance -1.33%

FY 13 Estimate \$43,782,124 FY13 Final \$42,357,138 variance -3.25%

FY14 Estimate \$44,535,401 FY14 Final \$44,613,410 variance .17%

Warren County Surrounding School district Five-Year Forecasts last 4 years (FY14-FY17).

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### **Springboro City Schools**

FY14 Revenue \$44,325,689

FY17 Revenue \$50,227,010 = Increase of \$5,901,321

FY14 Expense \$44,246,500

FY17 Expense \$49,792,551 = Increase of \$5,546,051

<http://fyf.oecn.k12.oh.us/genForecast.asp?IRN=50427&Format=HTML>

### **Mason City Schools**

FY14 Revenue \$98,397,416

FY17 Revenue \$103,768,642 = Increase \$5,371,226

FY14 Expenses \$98,124,379

FY17 Expenses \$102,724,737 = Increase of \$4,600,358

<http://fyf.oecn.k12.oh.us/genForecast.asp?IRN=50450&Format=HTML>

### **Lebanon City Schools**

FY14 Revenue \$47,726,164

FY17 Revenue \$54,122,200 = Increase of \$6,396,036

FY14 Expenses \$45,838,748

FY17 Expenses \$51,296,569 = Increase of \$5,457,821

<http://fyf.oecn.k12.oh.us/genForecast.asp?IRN=44214&Format=HTML>

### **Little Miami Schools**

FY14 Revenue \$41,024,580

FY17 Revenue \$43,780,254 = Increase of \$2,755,674

FY14 Expenses \$36,495,447

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FY17 Expenses \$41,556,928 = Increase of \$5,061,481

<http://fyf.oecn.k12.oh.us/genForecast.asp?IRN=50443&Format=HTML>

### **Centerville City Schools**

FY14 Revenue \$94,174,921

FY17 Revenue \$95,761,573 = Increase of \$1,586,652

FY14 Expenses \$85,497,440

FY17 Expenses \$91,257,274 = Increase of \$5,759,834

<http://fyf.oecn.k12.oh.us/genForecast.asp?IRN=43737&Format=HTML>

The General fund is the main fund we use to educate students. Other Funds such as Athletics, Food Service, Bond Fund, etc. are not used to educate students. We receive one of the smallest amounts of federal assistance in the state based off free/reduced lunch and district wealth.

It is also important to remember that unfunded mandates such as CCP, which was formally PSEO, went from 79k to 500k in 5 years. That is figured into the Cost per pupil even though that is not directly tied to report card data. Some of these items outside the district's control increases our per-pupil expenditures year over year that don't head new results.

### **General Fund Debt:**

2004 Loan for Chillers—Last Payment 12/1/20 Principal \$249,000 Int. \$25,088

2004 Bus Lease—Last Payment 12/33 Balance Principal \$730,000 Int. \$414,165

2004 Bus Lease—Last Payment 12/31 Balance Principal \$753,000 Int. \$365,720

2007 Bus Lease—Last Payment 11/18 Balance Principal \$29,585 Int. \$2,066

2013 Bus Lease—Last Payment 12/17 Balance Principal \$215,000 Int. \$1,613

2014 Copier Lease—Last Payment 7/19 Balance Principal \$147,138 Int. \$2,713

2014 Energy Cons. Last Pay 12/34 Balance Principal \$4,560,000 Int. \$1,626,115

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2016 Bus Lease-Last Payment 7/19 Balance Principal \$445,130 Int. \$19,253

2016 Laptop Lease-Last Payment 8/18 Bal. Principal \$166,443 Int. \$13,671

2017 Lighting Proj-Last Payment 7/22 Bal. Principal \$181,468 Int. \$22,473

### **Bond Levies**

1995 Bond Levy (HS) - \$29,840,000. Last Payment 12/23 Principal Remaining \$11,284,054, Int. \$2,271,905.

2004 Bond Levy (Dennis/Five-Points) - \$61,500,000. Last Payment 12/32 Principal Remaining \$43,890,000, Int. \$20,127,188

### **Let's Analyze our Debt**

In 2004, the district passed a bond levy to build 2 elementary buildings due to significant growth of nearly 2,000 students over an 8 year period. However, that bond levy doesn't account for buses to transport those students, or upgrades to other buildings that are at capacity. It also doesn't account for increased teachers being hired to fill the new buildings, etc. In 2001, during the growth, a permanent improvement levy was placed on the ballot to pay for some of these items, it failed.

In 2002, an additional operating levy was put on to address some of these items, again it failed (which was a five year emergency levy).

In 2005, 3 levies were put on for additional operating revenue, February, May and November, the 3<sup>rd</sup> levy that year finally passed. This one is part of the levy below, which is the current renewal we have now.

There were other levies ran in 2008, 2009, and 2010, all failed. When the district goes out for a levy it's because they need revenue to operate. Once those operating levies are voted down, the district is forced to finance those items.



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### What Levies do we receive money for?

#### Current Rates:

From 1951-1976 all levies were added together and were fully voted at 23 mills. Which means at that time, based off the districts valuation then, 23 mills were needed to achieve those approved amounts. Today that 23 mills has been reduced to 8.69 mills in order to ensure we don't receive more than was approved in those years.

1976 an adjustment to 1951-1976 8.69 mills \* 1,070,743,840 = \$9,305,633.

1978 Levy approved at 3.5 mills has been reduced to 1.64 = \$1,756,020

1985 Levy approved at 8.0 mills has been reduced to 4.01 = \$4,293,683

1988 Levy approved at 3.4 mills has been reduced to 1.79 = \$1,916,631

1995 Bond Levy \$29,840,000 the millage is currently at 2.10 = \$2,248,562

2004 Bond Levy \$61,500,000 the millage is currently at 4.39 = \$4,700,565

2013 Emergency Levy \$7,916,500 the millage is at 8.0 and will be dropping to 7.5 to collect between \$8,030,578 - \$8,565,951. \*This levy is continually being lowered; it's a year in arrears so the county auditor is able to adjust rates before tax bills come out.

Inside millage that is un-voted that the county auditor distributes per statute

5.31 mills \$5,568,649

#### Aligning Spending with Incoming Revenue

The district has benefited from the state budget over the last several years, as well as increased values of the existing pipeline since those companies are not subject to reduction factors, we actually receive additional revenue as their values increase.

In 2012, when the revenue was \$43 million, the board had not voted to reduce the levy yet, the board had not approved the textbook plan (\$2,000,000), the capital needs plan (\$3,500,000 of the \$5.6 million identified that needed addressed), or the technology plan (\$1,006,799), and buses (\$850,000). Staff only received step increases, no base increases in FY09, FY10, and FY11. In FY12 and FY13 they didn't receive a step or percentage increase.

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In FY13 the previous board approved the first increase the staff had in years, although the money had not been set aside in the forecast. Additionally, in 2013 the board approved a textbook plan, a technology plan, and a capital needs plan, and buses, and settled with the unions for an increase that required \$7,356,799 be set-aside for these much needed items. However, in that same year they approved to reduce the levy by \$1.353, 800. Fortunately for the district, we have received approximately 7 million dollars in additional revenue from the pipeline and state funding, essentially paying for the items the board approved before the current board ever took office, with the exception of negotiations. This allowed us to actually deliver on the promises the previous board had made.

In short, this money was allocated to be spent by the previous board without actually setting the money aside to pay for these items. The increases in revenue over the last several years allowed us to deliver on those promises.

### **Why a year early, why a substitute and not a straight renewal?**

When the Treasurer of the district has to make recommendations to the board to determine when current money needs to be renewed or new money is needed, you have to look at history. Sure renewals typically pass in a school district. However, as a growing district with increased special needs expenses, additional children to educate from new construction, etc. a substitute levy made sense. Why?

For one this levy has already been combined with 2 other levies, it has also been reduced by nearly 1.4 million per year, and with this levy being \$40 million dollars over a five year period, there is no way that the district can operate without it. Having this looming every five-year creates substantial financial instability, and leaves the children of this district's education, and resident's property values vulnerable as board changes occur.

Additionally, the time and effort putting a levy on the ballot; from having to get a levy committee together every 5 years, the cost to place a levy on the ballot (which does cost the district), as well as all those who give money to the levy campaign, for a levy that is critical to our schools and children, is very time consuming.

The levies in our district that are continuing have all passed between 1951 and 1985. This is the only levy in the district besides the bond levies that are not already continuing.

Making a levy continuing does not mean that the community has written a blank check to the schools, or that the accountability on the schools part has changed. The financials are posted monthly for ALL to see on board docs located on our districts website. All financials, audits, report card data, cost per pupil

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data are all posted on our website under the Treasurer's Page. Our board meetings are open to the public, and are recorded on video for all to watch. The board and administration hold upmost care and oversight of the investments our community provides our schools. In-turn the district is continually proving that through report card data, scholarships, success stories, and awards, that our low cost-per pupil and high performance ratings make Springboro an attractive place to move and raise a family.

### **When was this particular Emergency levy passed, how many renewals, and why was it needed at the time?**

Last new money continuing operating levy approved February 1988.

In 1995 the first emergency levy was passed a 3 Year emergency levy for \$600,000 was approved. It was renewed in 1998, and 2001.

In 1999 a 5 Year emergency levy for \$1,400,000 was approved. It was renewed in 2003 after combining the 600k levy and the 1,400,000 levy together.

In 2005 a new 3 year emergency levy was approved for \$7,270,300 for 3 years.

In 2008 a five-year emergency levy was approved combining the 1995 \$600,000 levy, the 1999 \$1,400,000 levy, and the 7,270,300 levy. The levy was approved for \$9,270,300.

In 2013 this renewal levy was reduced to \$7,916,500 essentially eliminating all together the 1999 levy for 1.4 million that was combined in with this levy. The district lost \$6,769,000 over the five-year period from this decision.

**Increased enrollment** in 1995 the ADM was 2603, in 1999 the ADM was 3006, In 2005 ADM was 4311, in 2008 the ADM was 5,040, in 2013 the ADM was 5,598, and in 2017 the ADM was 5,755.

When the levy was reduced in 2013 it essentially removed the 1999 levy (1.4 million) which was passed as the result of an increase in enrollment of 402 students (1995-1999).

### **How many new students have enrolled since the original renewal levies were passed in 1995, 1999, and 2005? What does that do to the district's current cost-per-pupil ratio?**

From the first renewal levy passed to this last that are all part of this current renewal levy was 1995 (2603) to now (5,755) and increase of 3,152 students since 1995.



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The cost per pupil fluctuates with many items, as an example in 2012 the community schools deduction and open enrollment costs for the year were 517,403. In 2017 the deductions were 1,047,436, an increase of \$530k. PSEO in 2013 PSEO was 79k, in FY17 CCP which replaced PSEO was 500k.





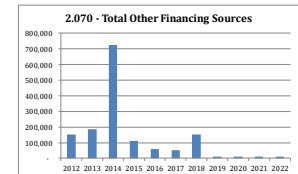
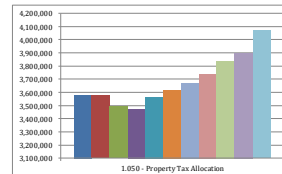
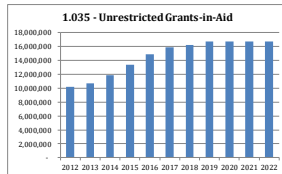
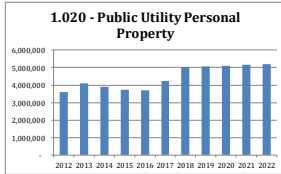
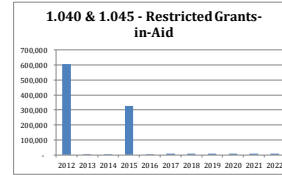
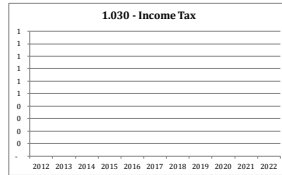
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## VOTE YES ON ISSUE 18

### Year-Over-Year Revenue Line Change -- in Dollars

Tax Related Notes (1.01, 1.02, 1.03, and 1.05) Include Renewal Levy Revenue

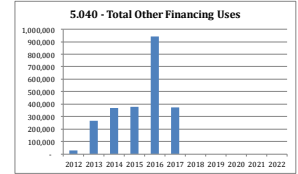
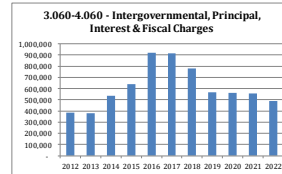
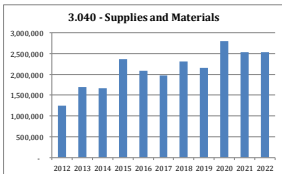
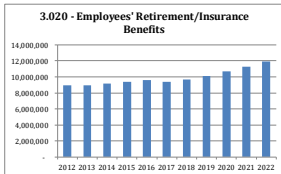
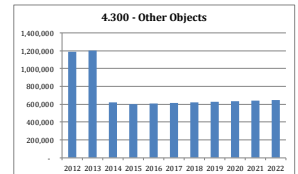
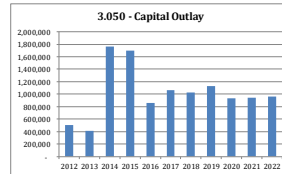
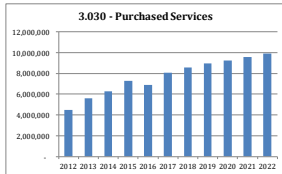
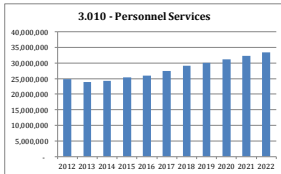
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### Year-Over-Year Expenditure Line Change -- in Dollars

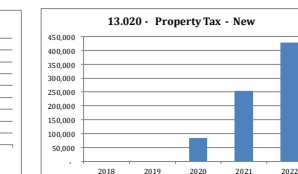
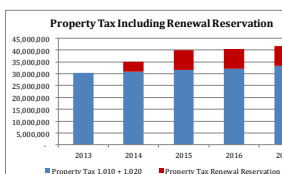
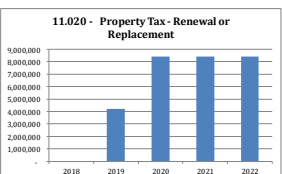
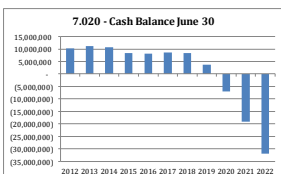
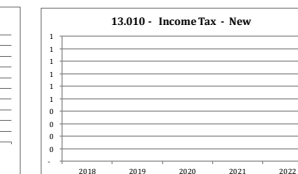
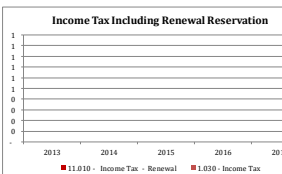
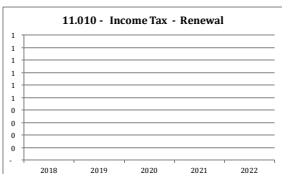
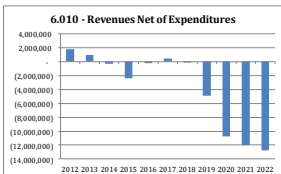
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### Year-Over-Year Forecast Line Changes -- in Dollars

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