

Five-Year Forecast

Board of Education (4/9/19)



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Five Year Forecast Requirement

ORC 5705.391 & OAC 3301-92-04

- Required to submit twice annually to the Ohio Department of Education:
 - Initial fiscal year submission by November 30th (H.B. 87 effective 11/2/2018)
 - Updated submission between April 1st and May 31st
- The forecast contains two sections:
 - Historical and Projected Financial Data
 - Notes and Assumptions
- Serves as both a planning tool and way to assess the financial health of a district

The Five Year Forecast

Revenue

Assumptions and Trends

Revenue Inputs & Assumptions

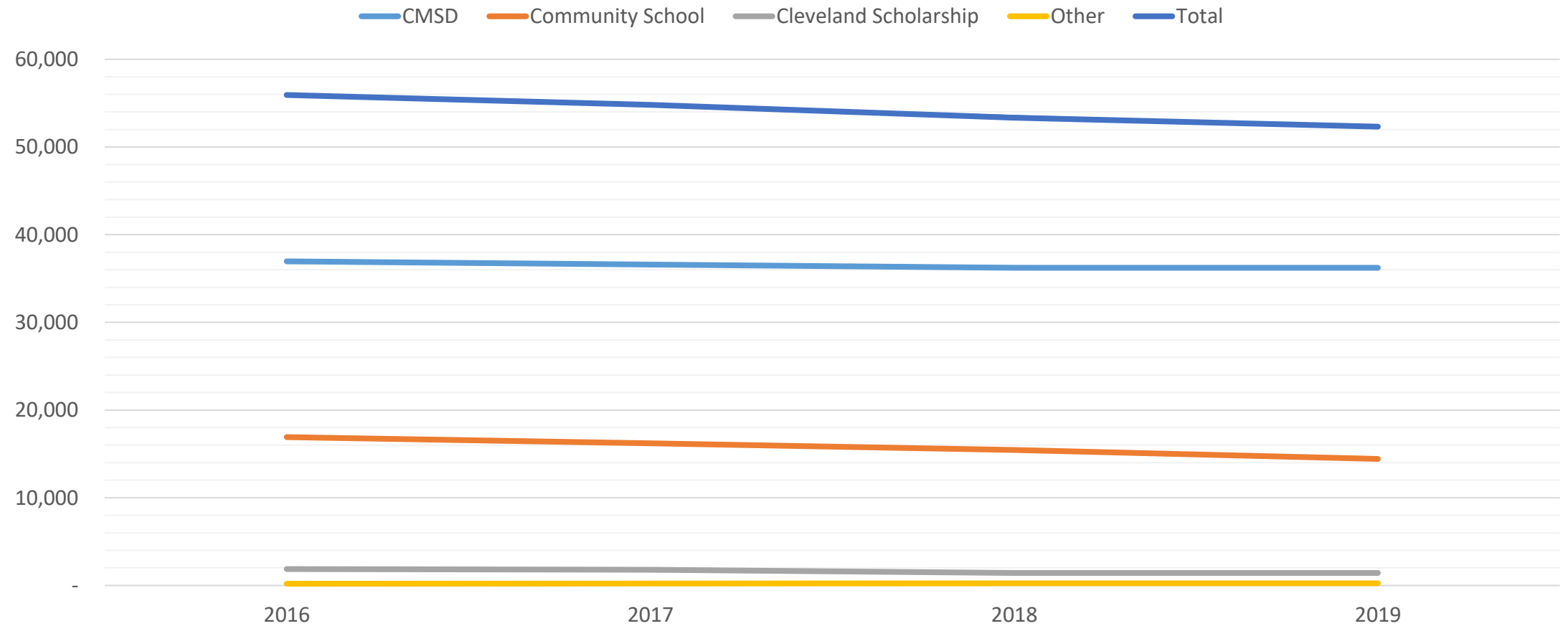
- 30% of General Fund Revenue comes from Local Property Tax
 - Projecting a 9.5% increase in total property values from last year. Values increased from \$4.8B to \$5.3B
 - Current collection rate is 88.4%, which is down .5% from prior year.
 - Assume current rate through 2022.
 - 4-year, 15-mill levy expires on December 31, 2020. Forecast assumes non-renewal.
- 62% of General Fund Revenue comes from State Foundation Formula
 - The forecast utilizes the current foundation formula for all five years.
 - The forecast reflects an 82.1% State Share Index in FY20-23, up from 77% in the October forecast.
 - We are in the last year of the current biennium.

Revenue Inputs & Assumptions

- Enrollment is forecasted at 51,546 student full-time equivalents (FTE), which reflects the current funded level.

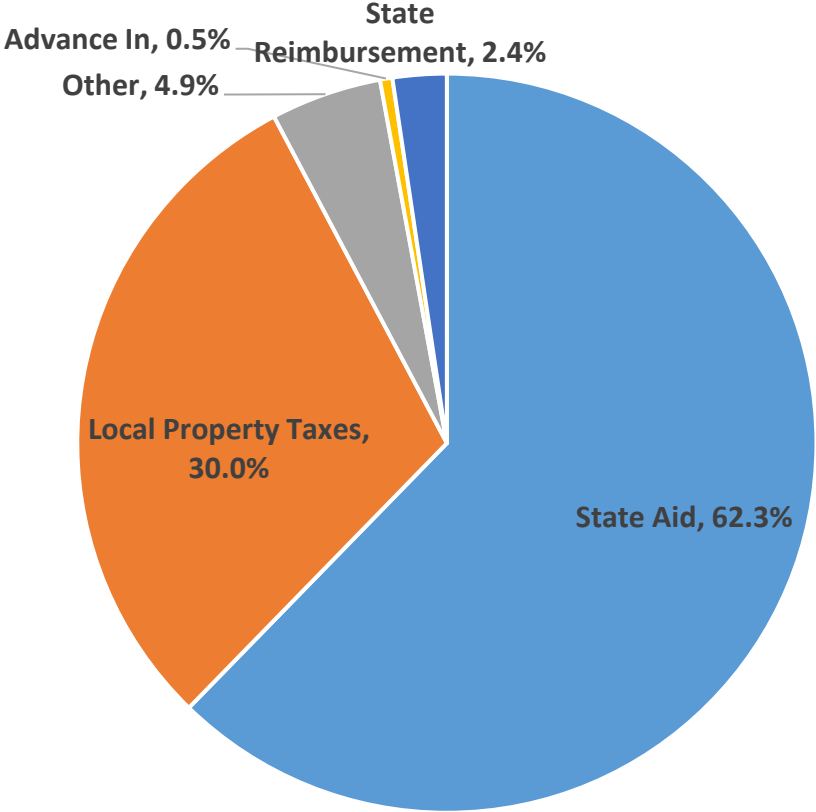
	June 2018	Current Forecast	Difference
CMSD	36,215	34,735	(1,480)
Community School	15,458	15,292	(166)
Cleveland Scholarship	1,416	1,217	(199)
Other	249	302	53

Enrollment Trend

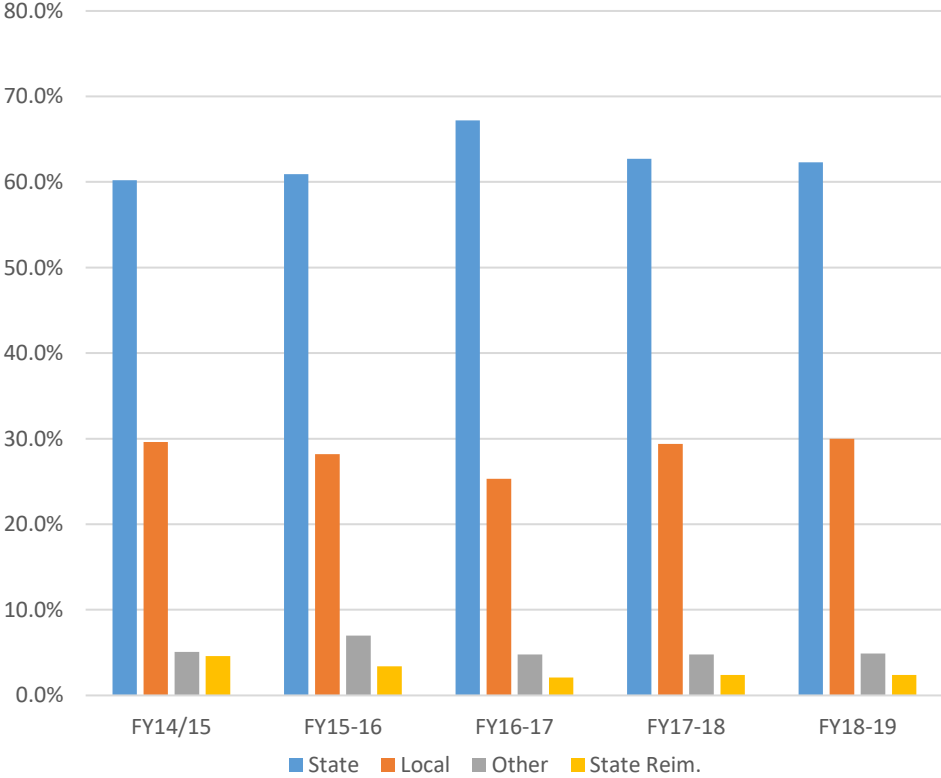


Revenue Sources

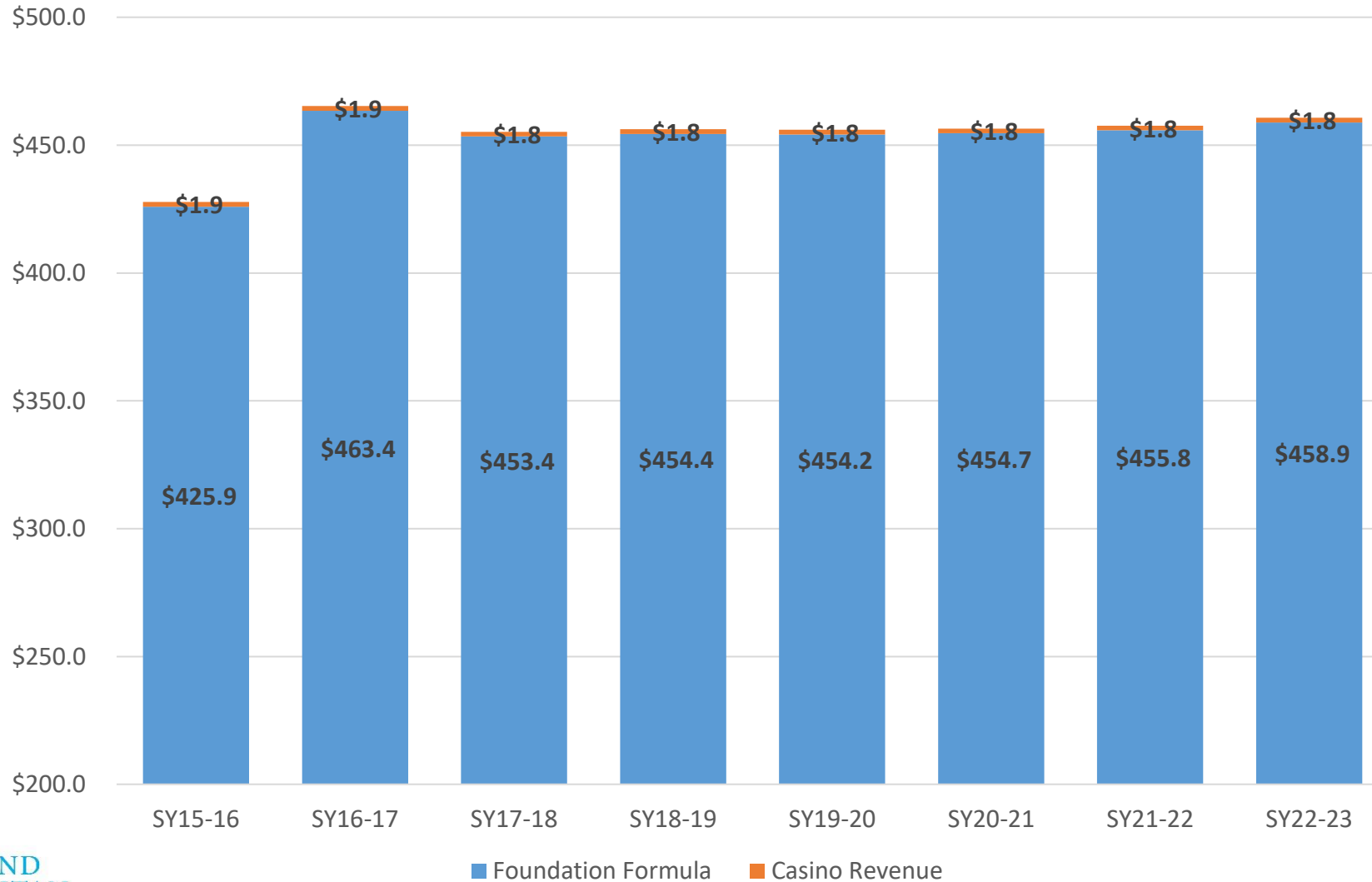
SY18-19 Projected General Fund Revenue



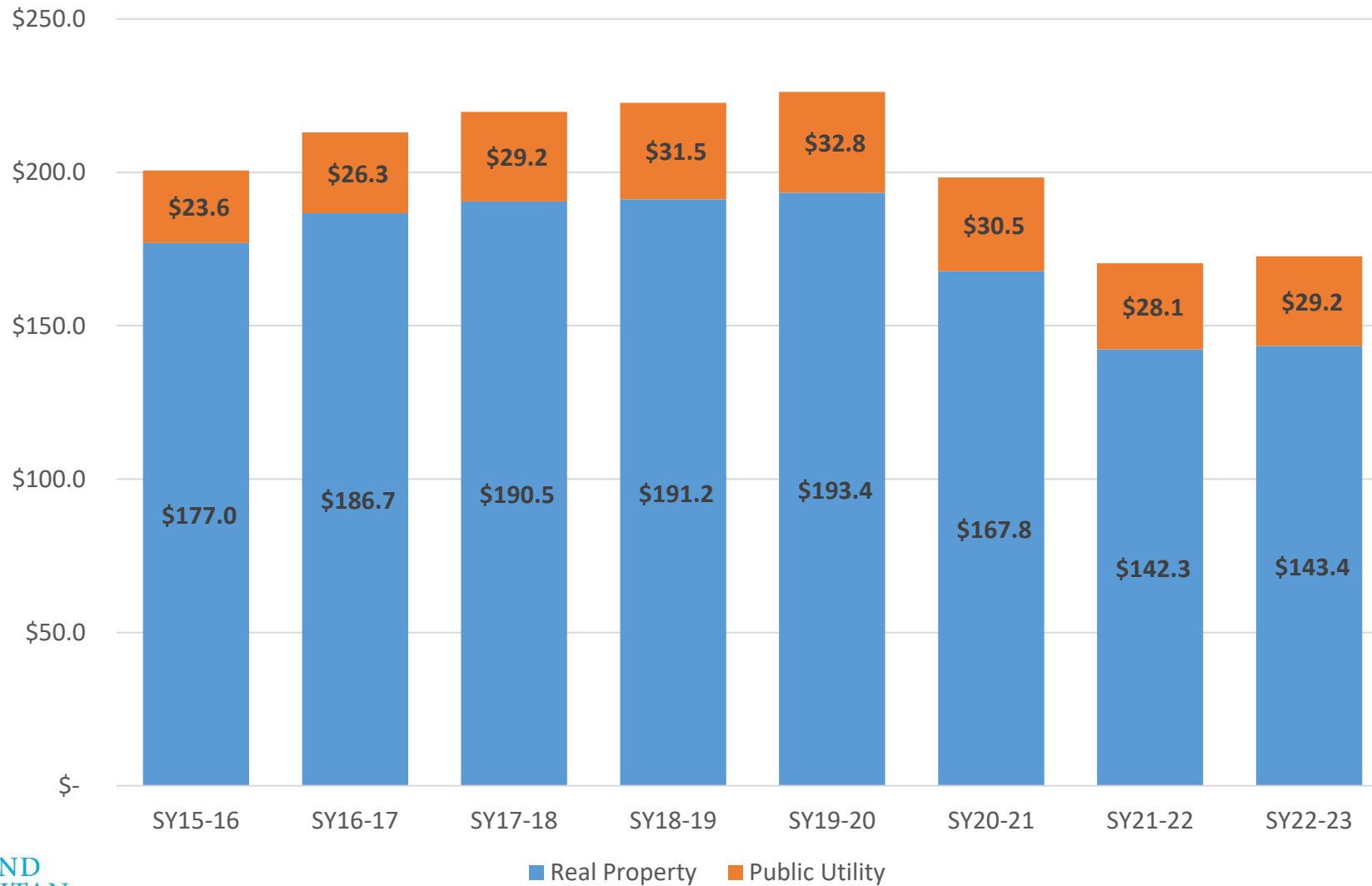
5-Year Trend



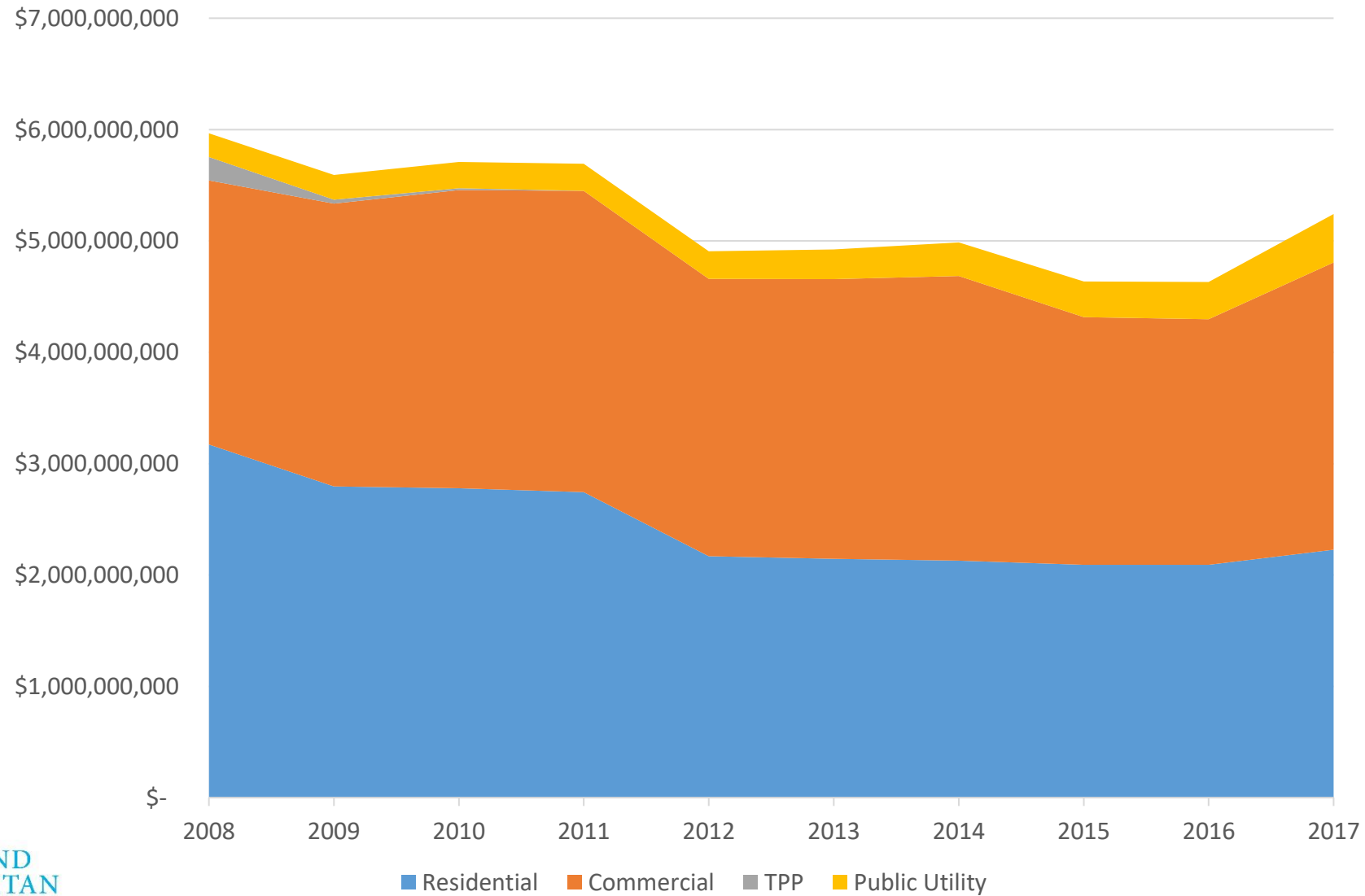
State Aid



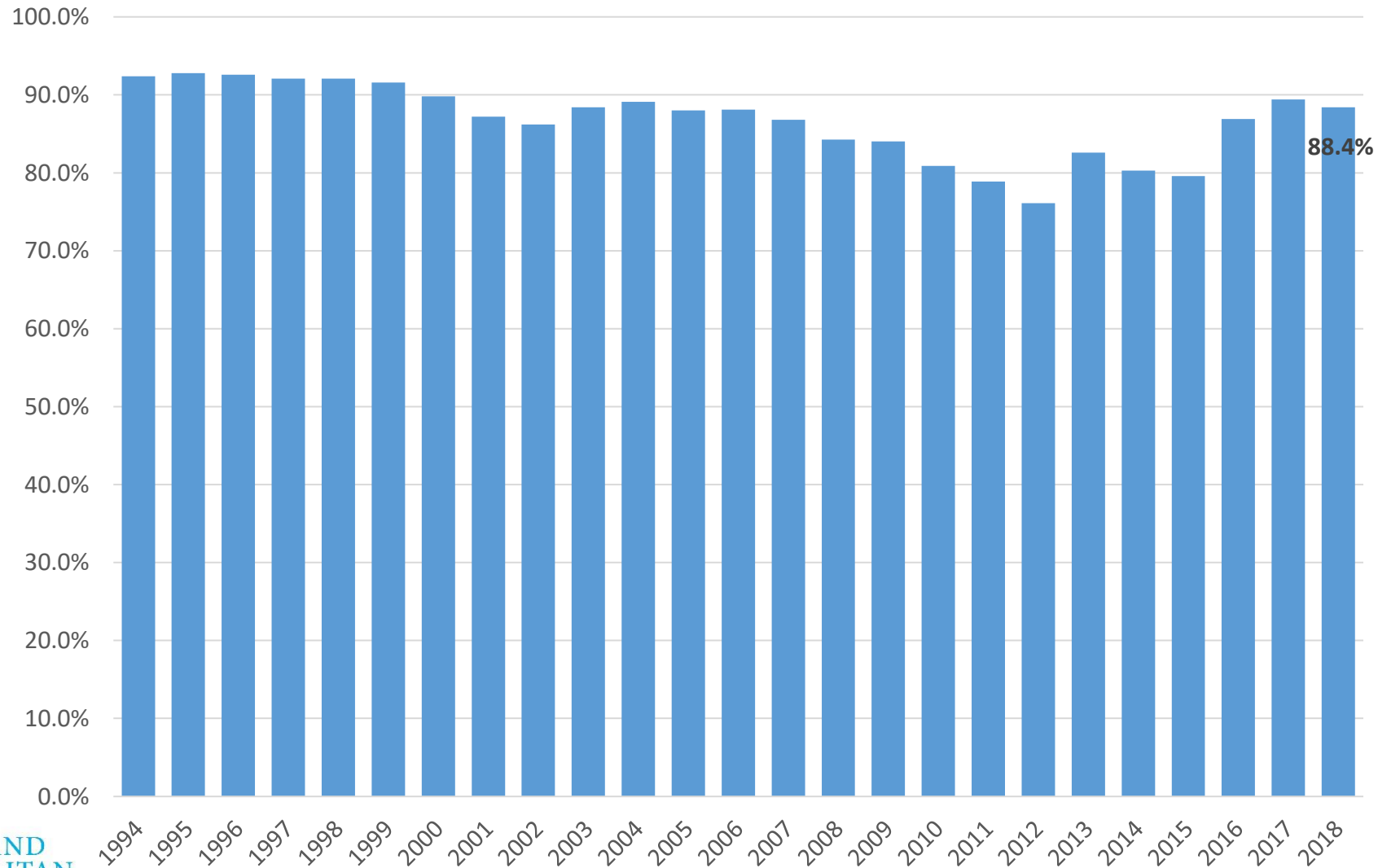
Local Property Tax Revenue



Historic Assessed Valuations



Property Tax Collection Rates

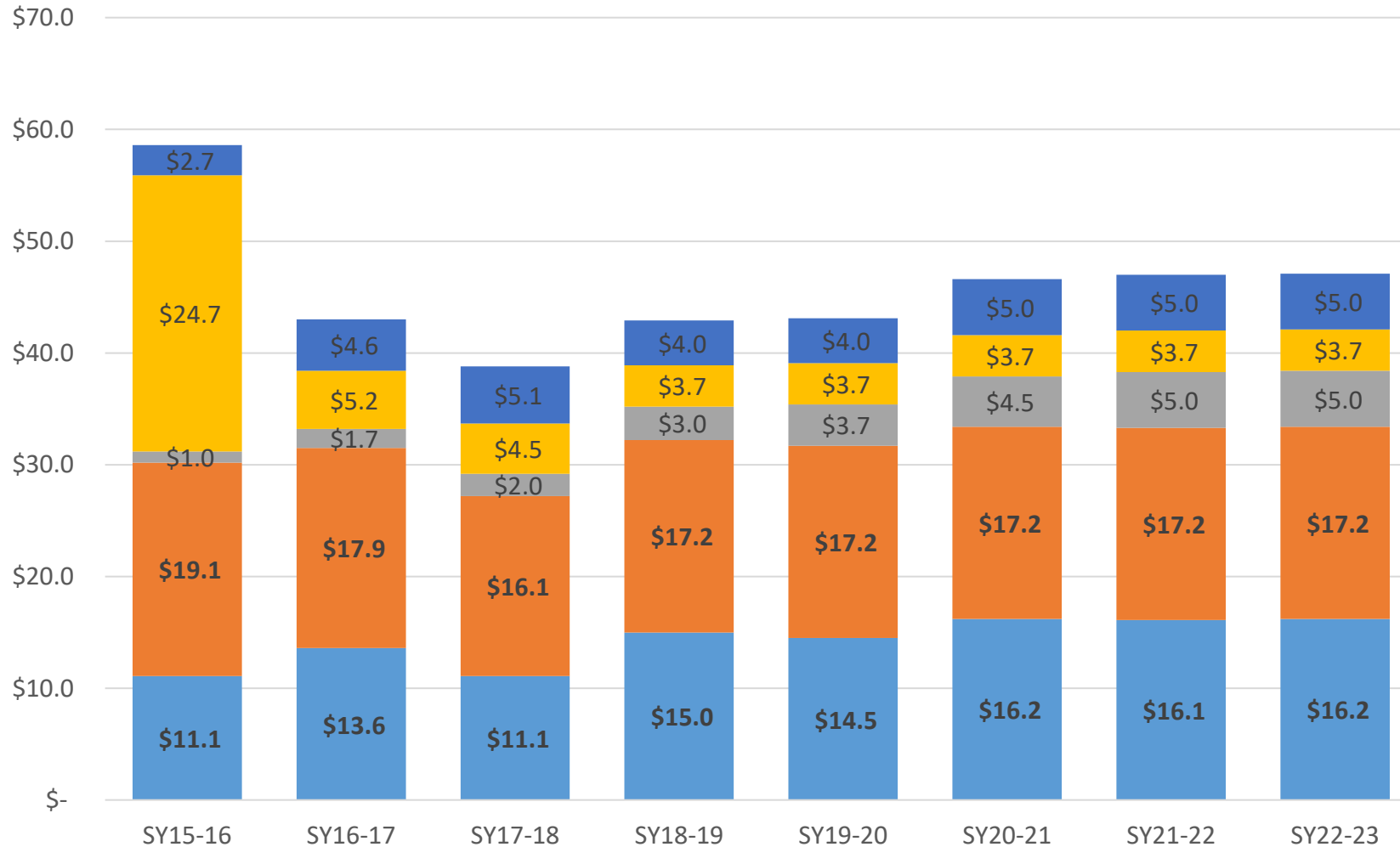


Property Tax Abatement Tracking

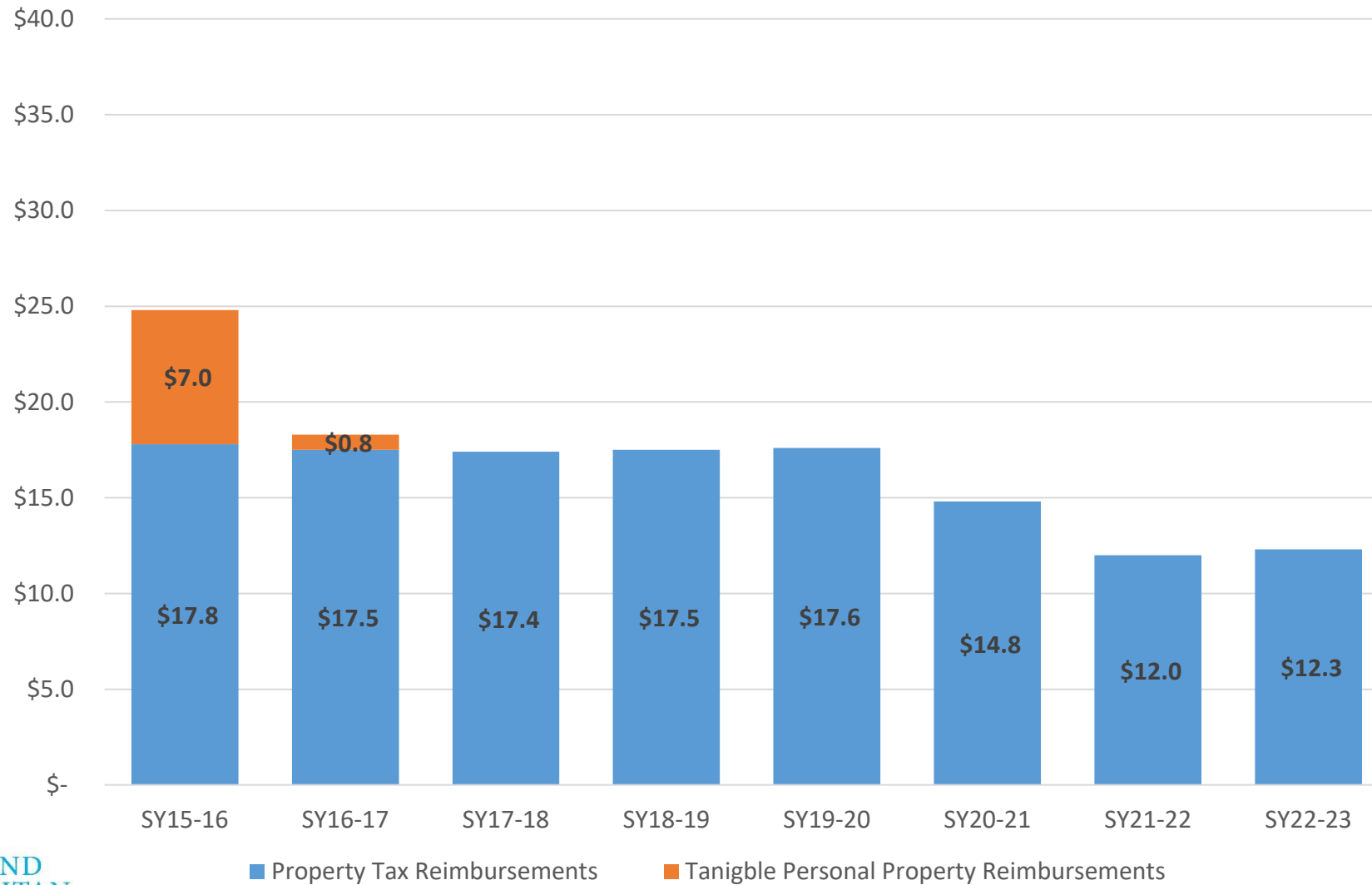
Cleveland Municipal School District Abatement Impact on District			
Calendar Year	Type	Abated Value	Additional Tax Receipts *
2018	Commercial/Industrial	16,602,100.00	324,874.00
	Residential	35,021,600.00	509,545.00
		51,623,700.00	834,419.00
2019	Commercial/Industrial	20,165,400.00	394,601.00
	Residential	67,178,100.00	977,403.00
		87,343,500.00	1,372,004.00
2020	Commercial/Industrial	23,227,600.00	454,523.00
	Residential	60,406,400.00	878,879.00
		83,634,000.00	1,333,402.00
2021	Commercial/Industrial	18,162,200.00	355,402.00
	Residential	115,057,400.00	1,674,020.00
		133,219,600.00	2,029,422.00
2022	Commercial/Industrial	18,355,600.00	359,187.00
	Residential	75,987,100.00	1,105,569.00
		94,342,700.00	1,464,756.00

2023	Commercial/Industrial	11,710,900.00	229,162.00
	Residential	29,419,200.00	428,033.00
		41,130,100.00	657,195.00
2024	Commercial/Industrial	10,550,800.00	206,460.00
	Residential	11,305,200.00	164,484.00
		21,856,000.00	370,944.00
2025	Commercial/Industrial	16,546,400.00	323,784.00
	Residential	10,944,300.00	159,233.00
		27,490,700.00	483,017.00
2026	Commercial/Industrial	4,428,700.00	86,662.00
	Residential	16,087,200.00	234,060.00
		20,515,900.00	320,722.00

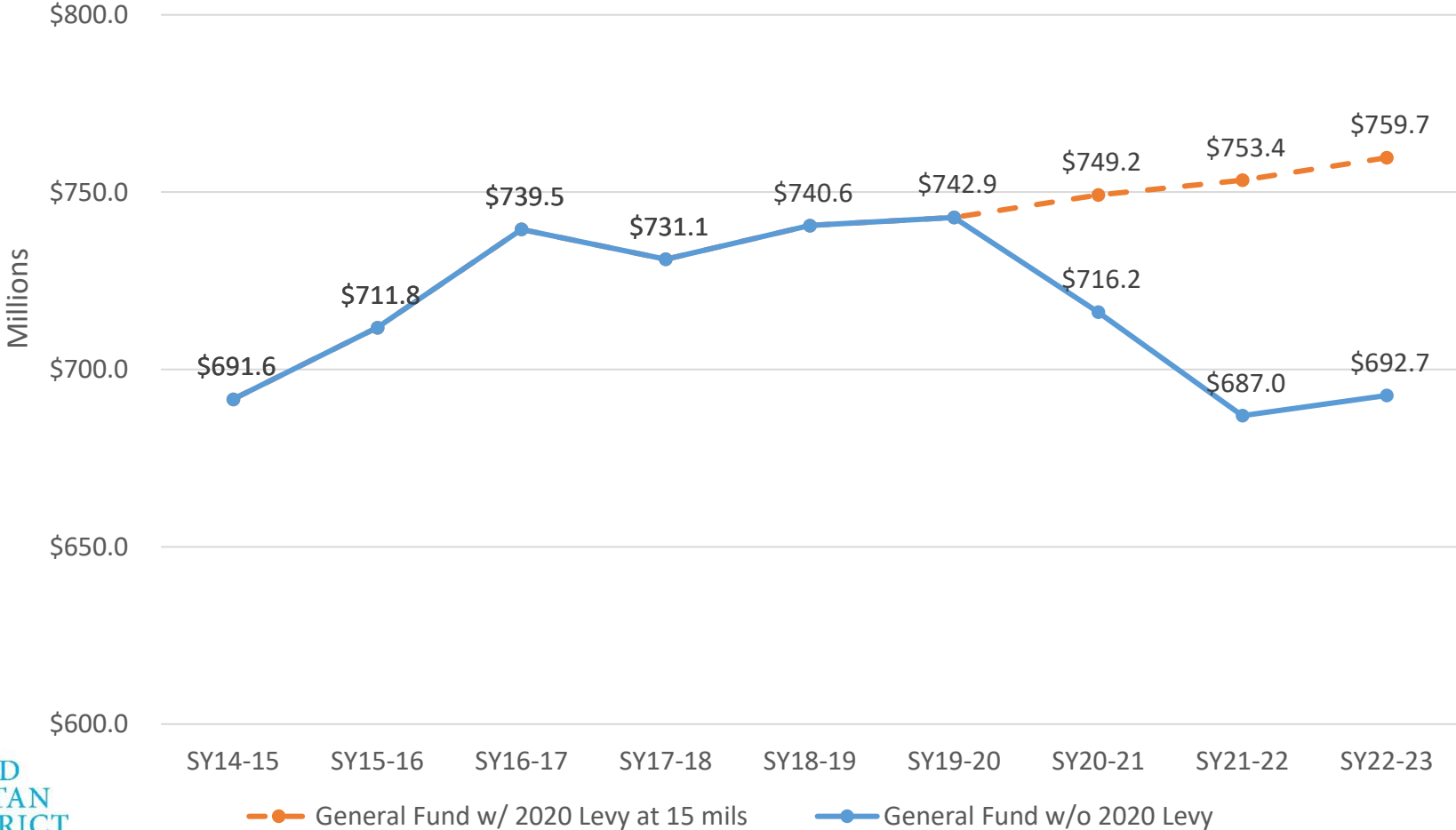
Other Sources & Advances



State Reimbursements



Revenue Forecast – General Fund

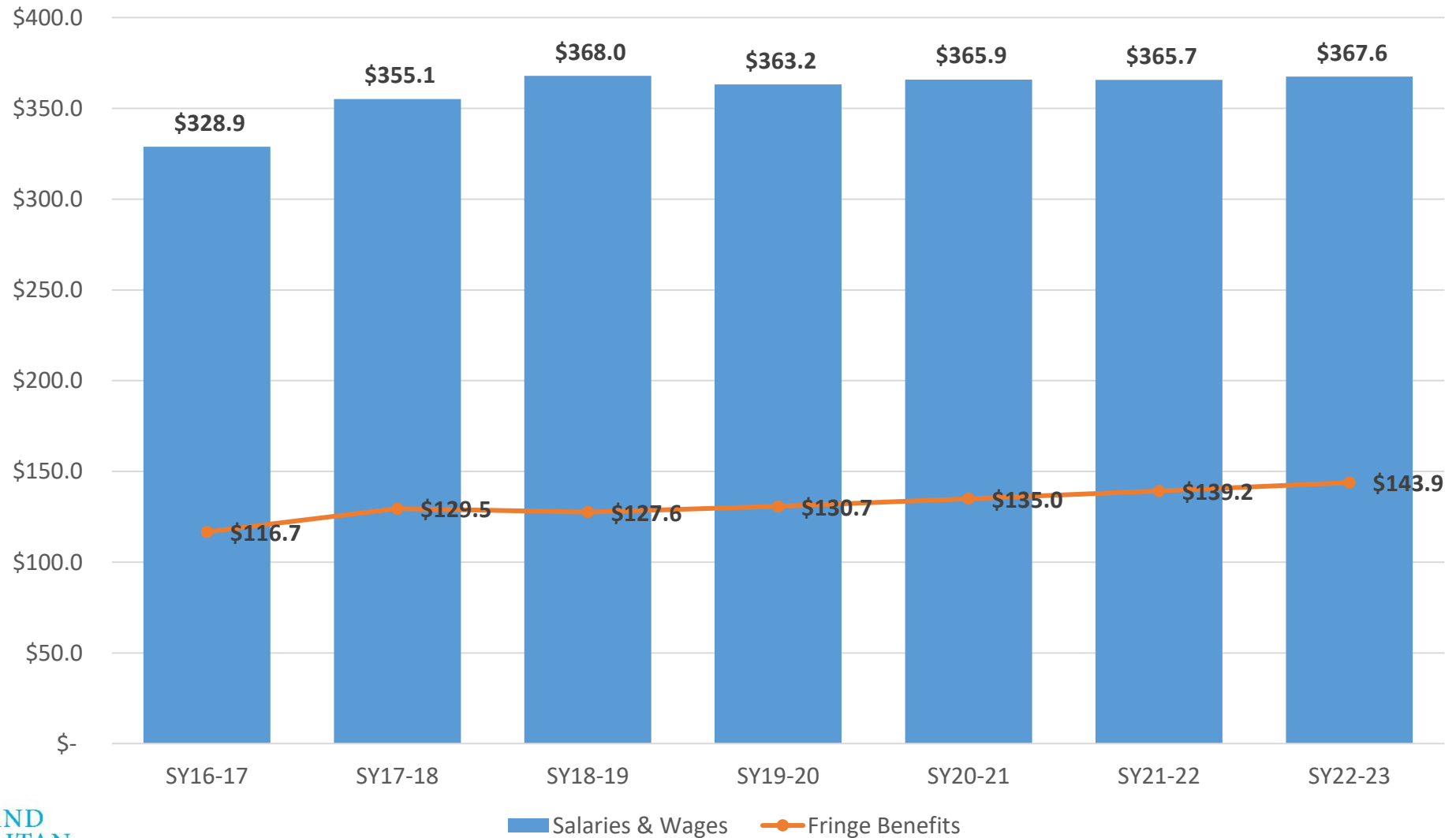


Expenditures

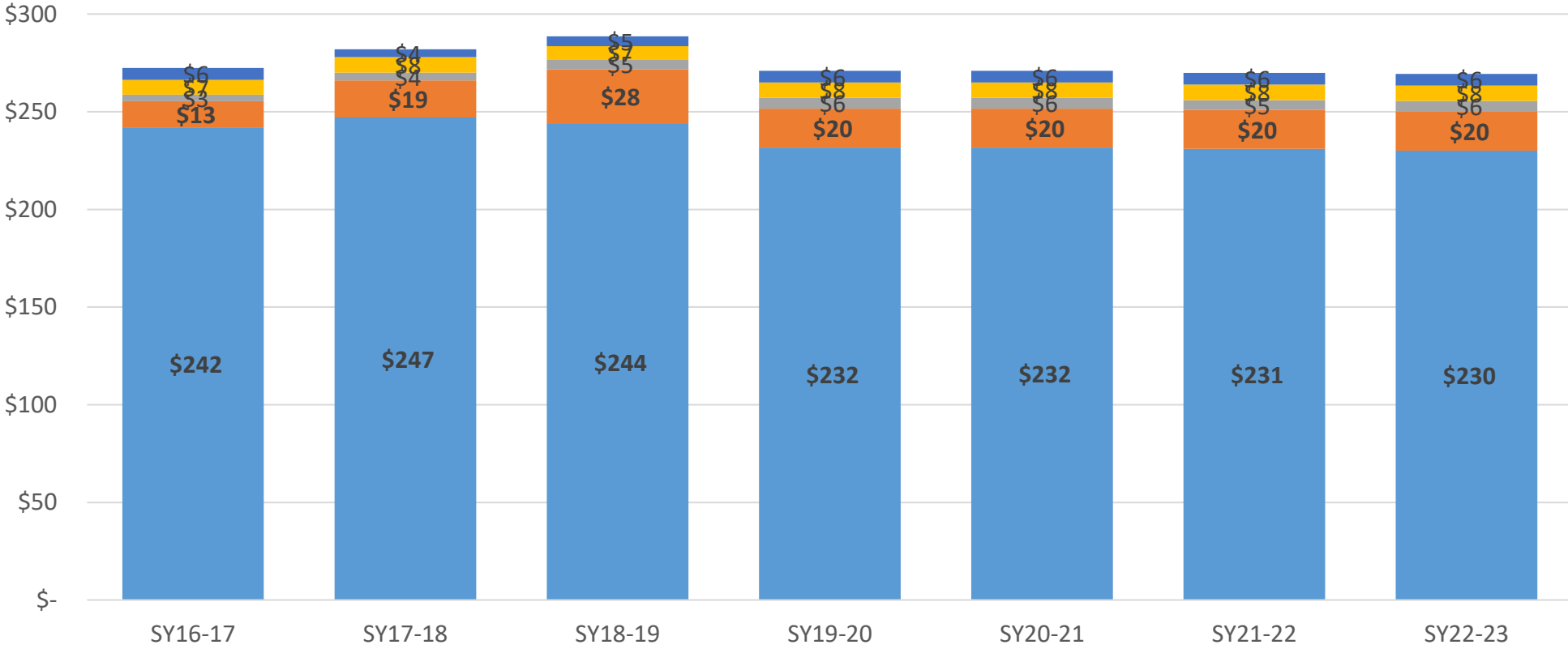
Expenditure Inputs & Assumptions

- General
 - The forecast does not include across-the-board salary increases in any year, but it does include estimates for step increases and other incentive pay per collectively bargained agreements.
 - The forecast projects an annual 7.5% increase in healthcare costs.
- Department – Managed Budgets
 - The forecast reflects declining bus lease payments in SY20 and SY 21. The final payment is in SY21.
 - The forecast reflects \$3 million for capital improvements.
 - The forecast reflects a reduction in expenditures of approximately \$30 million per year to ensure a positive fund balance in SY19-20.
- “Fixed” Costs – Tuition/Community School Pass-Through
 - The forecast reflects slight annual increases in tuition and pass-through expenses for out-of district placements.

Personnel Expenditures

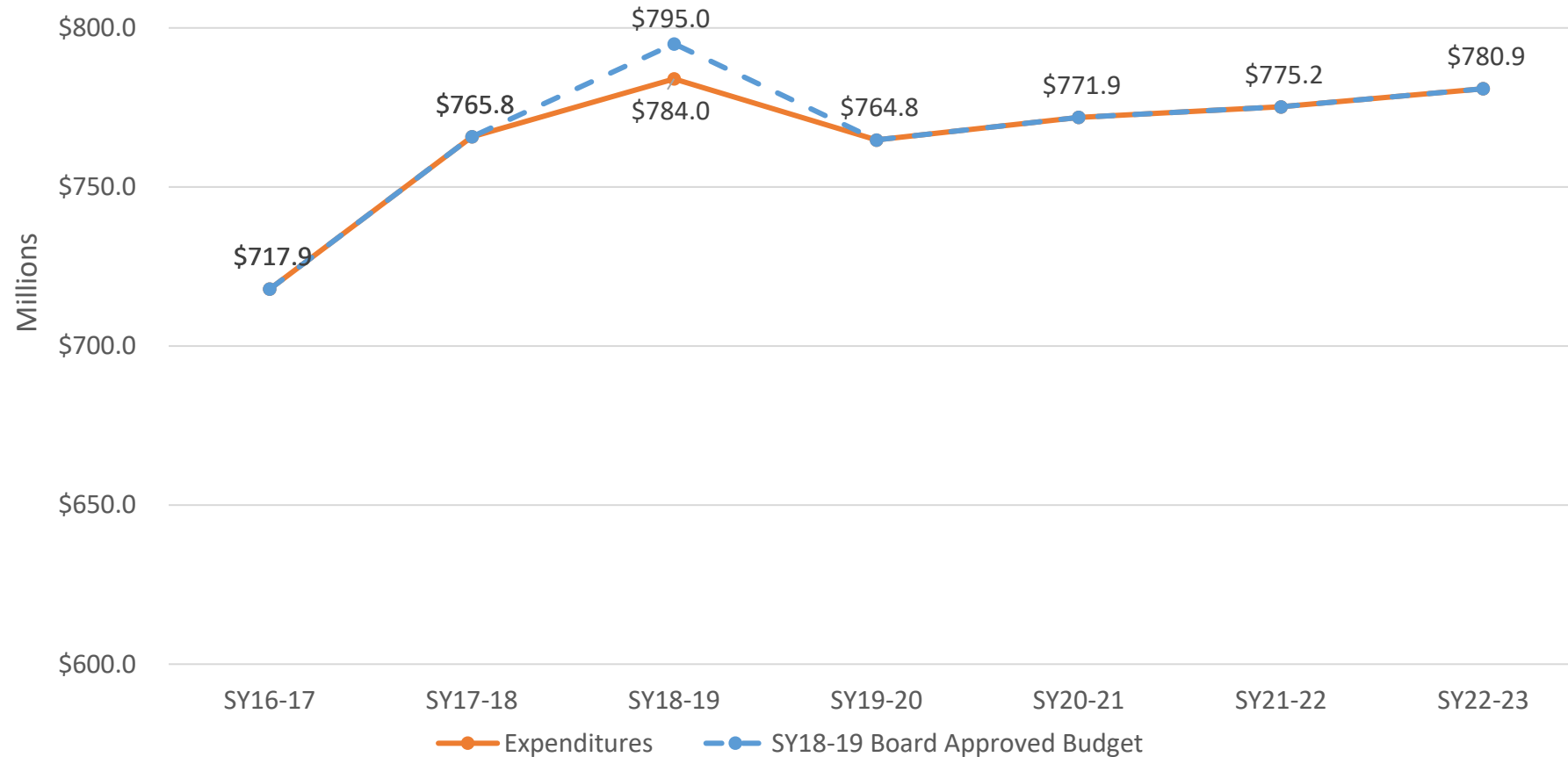


Non-Personnel Expenditures



- Advances / Transfers
 - Other Uses
 - Equipment
 - Supplies & Materials
 - Purchased Services
- Supplies & Materials Equipment Other Uses Advances / Transfers

Expenditure Forecast – General Fund



The Five Year Forecast

Five Year Forecast

	SY16-17	SY17-18	SY18-19	SY19-20	SY20-21	SY21-22	SY22-23
Total Revenue	\$739.5	\$731.1	\$740.6	\$742.9	\$716.2	\$687.0	\$692.8
Total Expenditures	\$717.9	\$765.8	\$784.0	\$764.8	\$771.9	\$775.2	\$780.9
Net Revenue	\$21.6	(\$34.7)	(\$43.4)	(\$21.9)	(\$55.7)	(\$88.2)	(\$88.1)
Ending Cash Balance	\$120.5	\$85.8	\$42.4	\$20.5	(\$35.2)	(\$123.4)	(\$211.5)
Encumbrances	\$20.3	\$16.5	\$18.0	\$18.0	\$18.0	\$18.0	\$18.0
Unencumbered Balance	\$100.1	\$69.3	\$24.4	\$2.5	(\$53.2)	(\$141.4)	(\$229.5)

If 2020 levy passes at the current millage and assessed valuation ...

Levy Renewal					\$33.0	\$66.4	\$67.0
Unencumbered Balance	\$100.1	\$69.3	\$24.4	\$2.5	(\$20.2)	(\$42.0)	(\$63.1)