

How Are Schools Funded?

Biennial Budget and Revenue Uncertainty

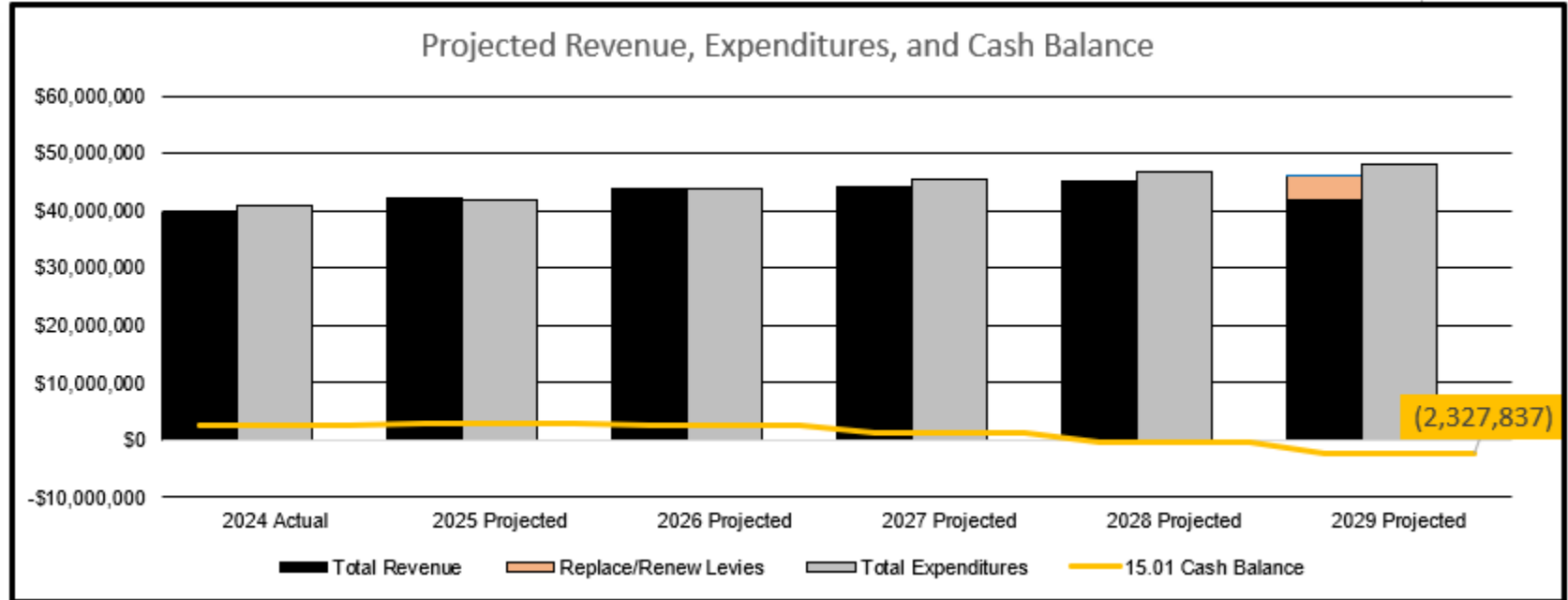
04/14/2025

6:00 p.m.





November Forecast - Negative Cash Balance in FY28



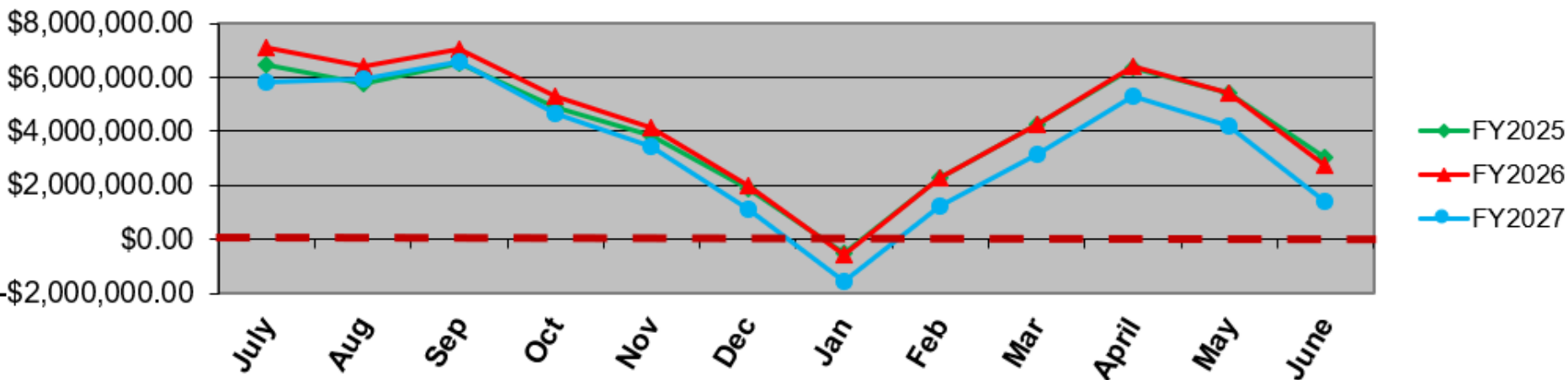
District is currently projecting a negative ending cash balance in FY2028.





November Forecast - Cash Flow Considerations

Forecasted Monthly Cash Balance Comparison



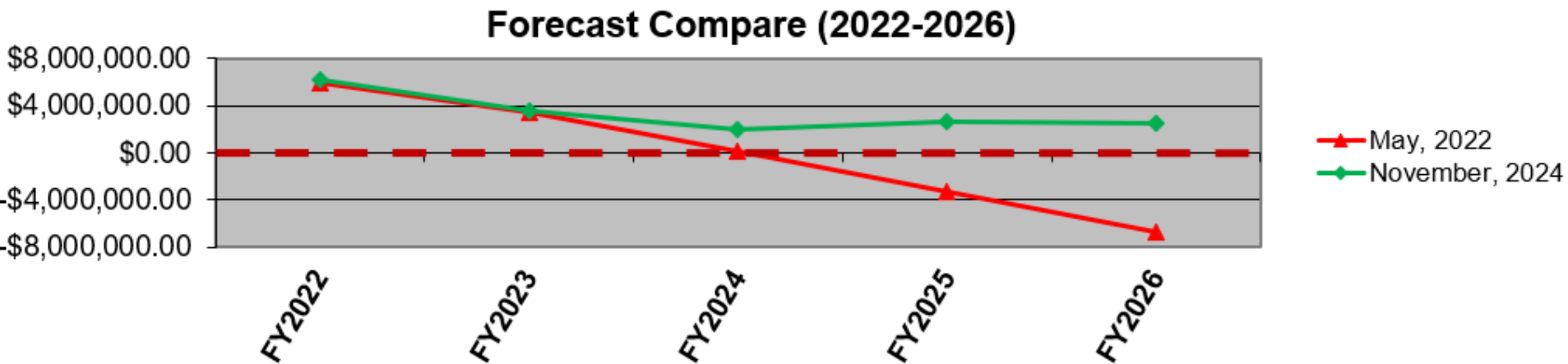
The District projected a negative cash balance during January FY2025.

- This was remedied by borrowing internally against the Bond Fund and externally by selling Tax Anticipation Notes (cost to the district).





Changes Over Time – Forecast Compare



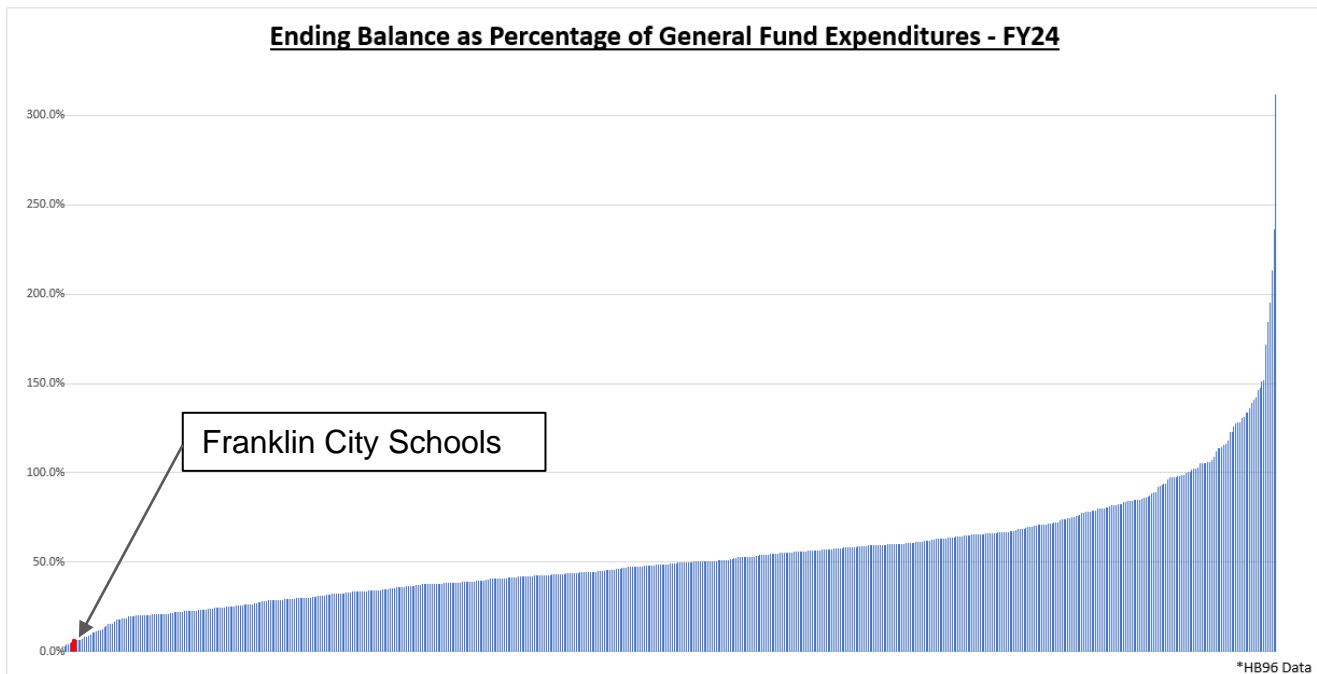
Significant Changes over the years.

- Revenue
 - Inputs increased in FY24.
 - Stabilized enrollment.
 - District implements CEP (free lunches).
- Expenses
 - Decreased staffing in FY23, FY24 and FY25. (FY23 already factored in May, 2022 Forecast)
 - Reduced Benefits Costs – EMS.
 - Consolidated buildings.





Ending Cash Balance

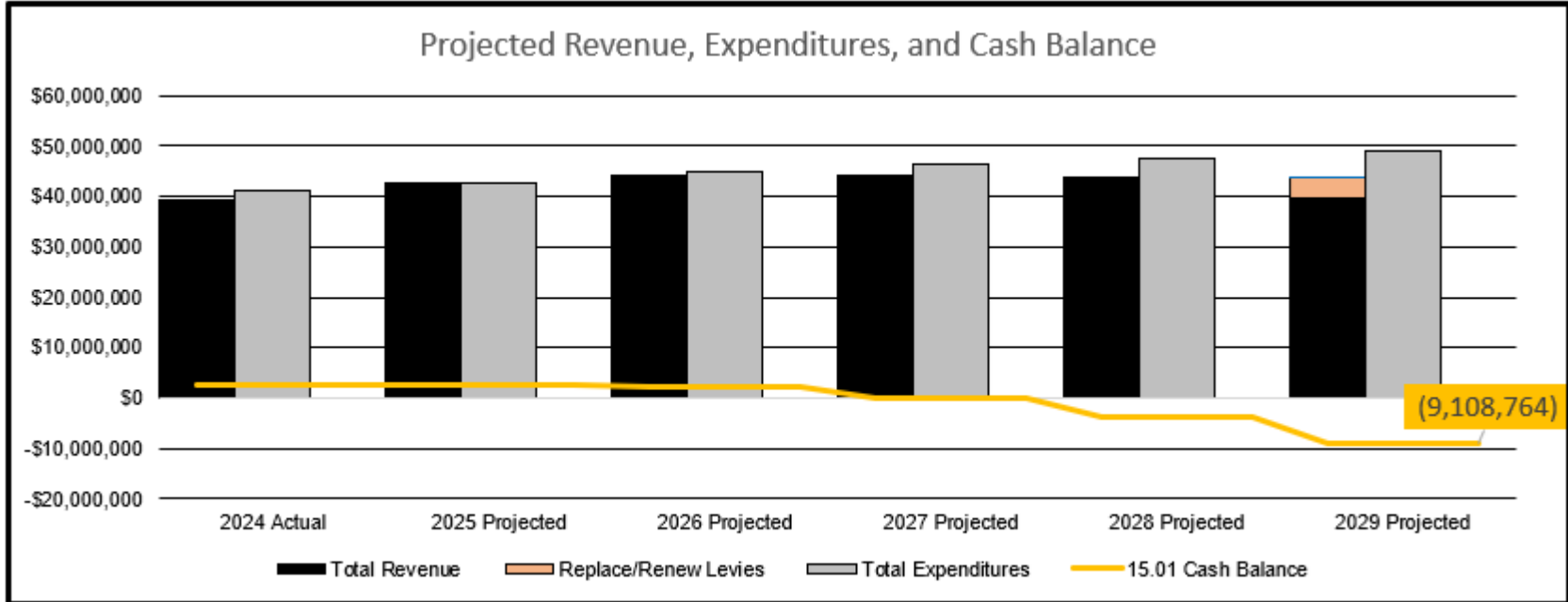


Franklin City Schools has the 8th lowest cash balance in comparison to annual expenditures in Ohio (611 districts). The last levy was anticipated to last 8-10 years, that occurred 11 years ago.





Governor's Proposal- Negative Cash Balance in FY28



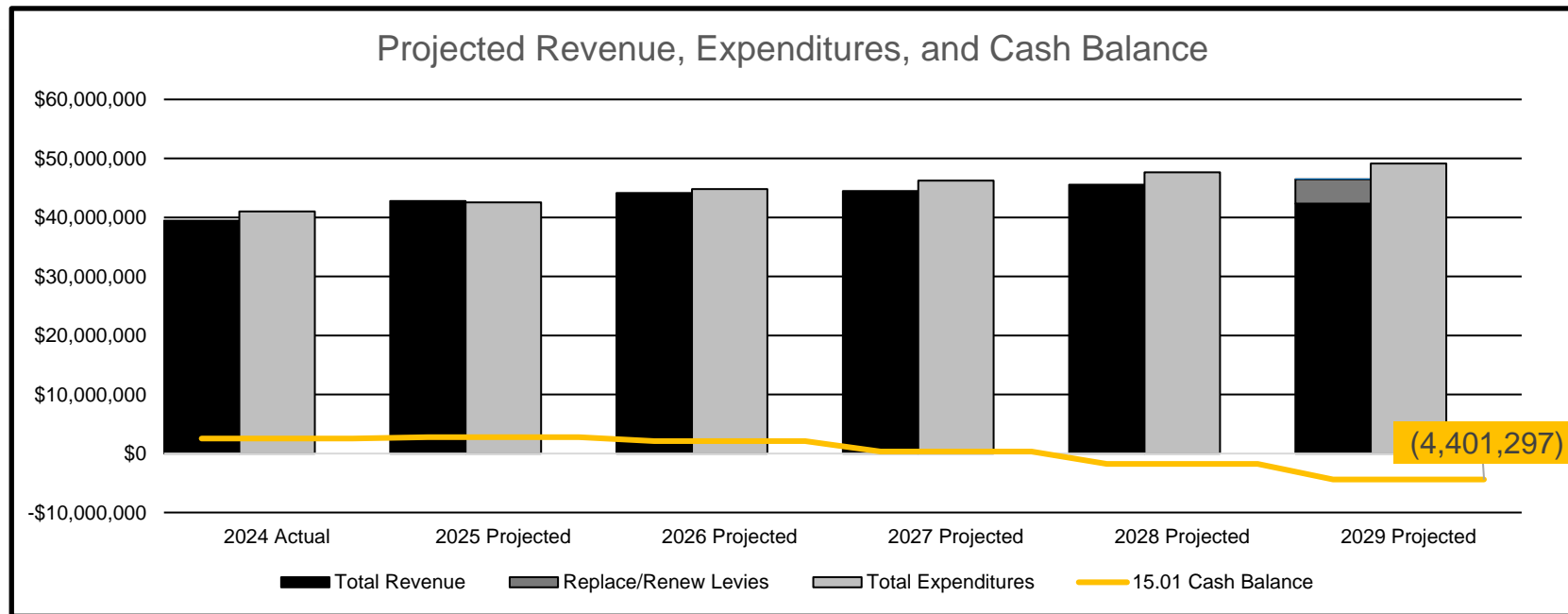
District is currently projecting a negative ending cash balance in FY2028.

- Continues FSFP but does not include increasing costs to FY24.
- District residents saw significant increase in average salary compared to rest of State which changes the calculation methods. ("Capacity" increases)





House Proposal (Best Case)- Negative Cash Balance in FY28



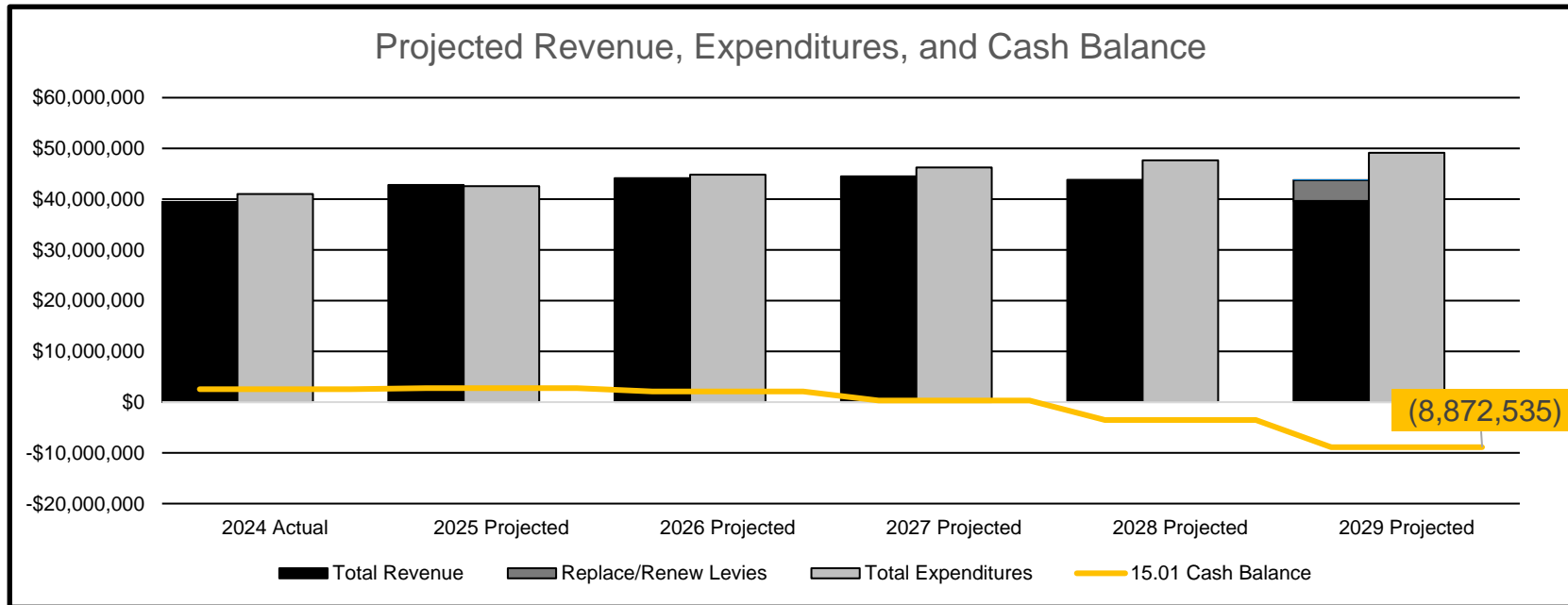
District is currently projecting a negative ending cash balance in FY2028.

- Does not continue FSFP. Major increases are for districts with higher enrollment growth.
- Does not factor in economic need and categorical enrollment (i.e. Special Education).
- This reflects FY25 guarantee (flat funding).





House Proposal (Worst Case)- Negative Cash Balance in FY28



District is currently projecting a negative ending cash balance in FY2028.

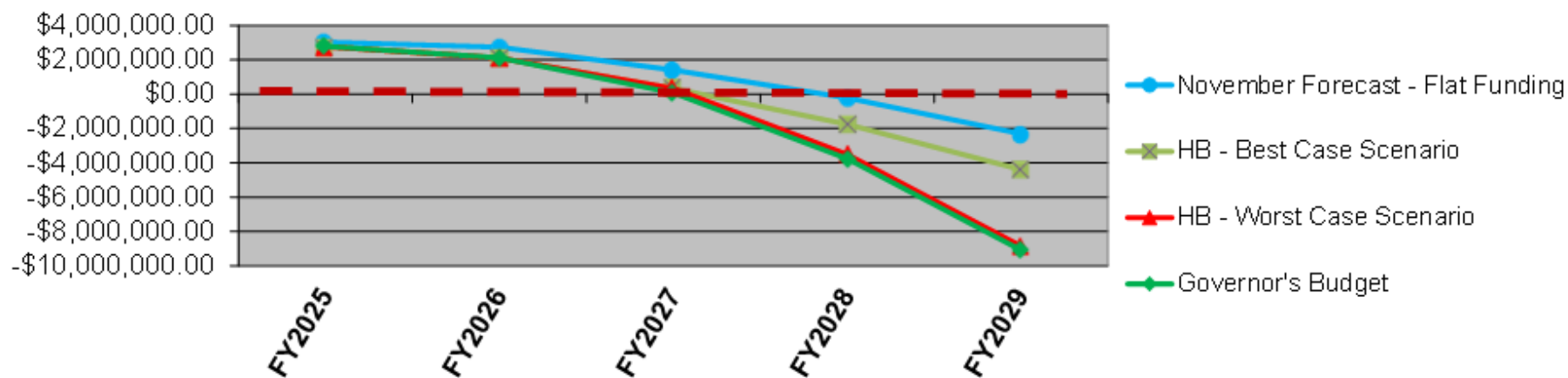
- Does not continue FSFP. Major increases are for districts with higher enrollment growth.
- Does not factor in economic need and categorical enrollment (i.e. Special Education).
- This reflects no FY25 guarantee (flat funding).





State Budget Impacts

State Funding Annual Cash Balance Comparison



State Funding will have significant impacts to future cash balances.

- These cash balances do not include base salary increases after FY2026.





Other Funding Concerns/Uncertainty

State Funding

- DPIA/Economically Disadvantaged Changes
 - ~ \$1,000,000 reduction?
 - May also require district to charge for meals again.

Federal Funding

- Title I
 - ~ \$667,000 reduction?
- IDEAB
 - ~ \$843,000 reduction?
- Breakfast/Lunch
 - ~ \$1,200,000 reduction?

Local Funding

- Property Tax Reform
 - Unknown \$, District will need to ask for additional funding losses in the future.

Potentially another
\$3,710,000 in
annual revenue loss





Questions?

