



**Financial
Facts
March 16, 2021**



District Funding Update

REVENUE – The funds
flowing in to the District.

\$15,827,511

2021 General Fund (est.)



District Funding Update

Despite our best efforts, we saw a **decrease in our state funding** received from the State of Ohio.



District Funding Update

In 2020, MP state funding was cut **-\$342,619 (-7%);**
The **largest % cut** of all Madison County & surrounding districts & double the -3% state avg.



District Funding Update

The **-\$342,619** state funding reduction was further maintained in **2021**. This was revenue previously expected to be received by MP.



District Funding Update

Recently the state finalized the reduction amount for 2021 thereby **restoring approximately \$187,906 of lost funding to Madison-Plains.**



District Funding Update

While an improvement,
this still left us with an
**overall two year
reduction of **-\$497,332**** in
previously expected state
foundation funding.



District Funding Update

We also **estimate** a **-\$100,000 reduction (-5%)** in previously expected **income tax collections** as a result of pandemic income reductions.



District Funding Update

Also, we received our new tax rates & property value from the county auditor showing a **-13% decrease in agricultural values** (due to CAUV reform) for 2021.



District Funding Update

This decrease in agricultural property value has resulted in a **-\$50,000** decrease in estimated property tax collections.



District Funding Update

Federal funding was received that was required to be used for **previously unbudgeted expenses** related to the pandemic.



District Funding Update

Madison-Plains

purchased items related to **remote learning, PPE, cleaning supplies, etc.** with these federal **restricted** funds.



District Funding Update

As these were previously unbudgeted costs, this funding **did not improve** the overall financial condition of the district.



District Funding Update

What it did do was to **lessen the negative financial impact** of the pandemic to the district's general operating fund.



District Funding Update

Governor DeWine's proposed budget suggests **Madison-Plains receive **no increase to general state foundation funding in FY22 & FY23;****



District Funding Update

Governor DeWine's proposed budget also suggests a **\$257,850 increase** in **restricted** fund 467 student wellness & success funds in **FY22...**



District Funding Update

...and an additional
\$89,440 increase in
restricted fund 467
student wellness and
success funds in **FY23**.



District Funding Update

Student wellness & success funds are **restricted** and have been **used at MP** to pay for **nursing, counseling, and psychologists services.**



District Funding Update

Potential uses of the increase in **restricted** funding include **student remediation** as a result of lost time in the classroom due to the pandemic.



District Funding Update

Increases in restricted state funding, combined with our **flat unrestricted state funding** results in an overall **5% est. increase** in **FY22** & **1.7% est.** in **FY23**.



District Funding Update

Confounding state revenue estimates is the possible passage of the **'Fair School Funding Plan'** which changes district state funding calculations.



District Funding Update

EXPENSES – The funds flowing out of the District.

\$15,454,616

2021 General Fund (est.)



District Funding Update

We have **proven** our ability as a district **to keep costs down** over a sustained period of time.



District Funding Update

This is **evidenced** by our
5yr average annual
district rate of 0.74%
(less than 1%) annual
increase in expenditures.



District Funding Update

This low district rate is despite the **5yr average annual US inflation rate of 1.96%** annually over the same period of time.



District Funding Update

That's **one-third** ($1/3^{\text{rd}}$)
the **United States National**
average annual increase
in inflation!



District Funding Update

While **achieving** this low increase in expenditures we have had **successful negotiations** with both union associations; **OAPSE & MPEA.**



District Funding Update

These negotiations have kept the district
competitive & Innovative
in the area.



District Funding Update

And **ultimately**, these successful negotiations have **benefited** our most valuable stakeholders; **our students.**



District Funding Update

These **benefits** are **evidenced** by our comparably **high student achievement** in **Madison County** and the surrounding area.



District Funding Update

- Based on Our Current Five Year Forecast

Ending Cash Balance

No solar farm revenue

No income tax renewal

○ **-\$1.62 million (2024)**

○ **-\$5.86 million (2025)**



District Funding Update

This **demonstrates & supports** what we have said all along since the **earned income tax was originally passed in 2018**, which is...



District Funding Update

The **earned income tax** would generate approximately **\$2,000,000 annually** & maintain **district operations for 5 years**, FY2019 thru FY2023;



District Funding Update

At which time, **the income tax would need to be renewed...**



District Funding Update

And **additional revenue realized to maintain district operations**

beyond that 5yr period of time.



District Funding Update

The solar farm revenue has the **potential to be a very large portion** of the need for "**additional revenue realized**";



District Funding Update

...however, it **Does Not**
replace the need for the
earned income tax
renewal.



District Funding Update

The **potential benefits** of the solar farms for **Madison-Plains** from a revenue perspective are considerable.



District Funding Update

The First Solar solar farm has **potential to generate*** up to **\$1,003,132 annually** & the Geenex solar farm has **potential to generate*** **\$2,896,895 annually**. * full capacity



District Funding Update

This **potential revenue generated by the solar farms** would come at **Zero Cost to Taxpayers** in the district!



District Funding Update

Potential solar farm revenue is **Not in the forecast** due to the **uncertainty** of "if" or "when" any revenue might be received.



District Funding Update

There is **a lot that has to occur** in order for the **potential revenue** of these projects to be realized.



District Funding Update

- State Board **Approval**
- Electricity Contracts **Sold**
- Political & Legal
Challenges **Resolved**
- Construction **Completed**



District Funding Update

The projects have already been **delayed by years** since initial estimates were received.



District Funding Update

**Losing either the
solar farm revenue or
income tax revenue
would drive the district
towards a deficit and
could be **catastrophic**.**



District Funding Update

- Based on Our Current Five Year Forecast

Ending Cash Balance

No *solar farm revenue*

No *income tax renewal*

○ **-\$1.62 million (2024)**

○ **-\$5.86 million (2025)**

○ **-\$10.75 million (2026)**



District Funding Update

- Based on Our Current Five Year Forecast

Ending Cash Balance

No *solar farm revenue*

YES *income tax renewal*

○ **-\$551,686 (2024)**

○ **-\$2.59 million (2025)**

○ **-\$5.24 million (2026)**



District Funding Update

- o Based on Our Current Five Year Forecast

Ending Cash Balance

YES *solar farm revenue*

No *income tax renewal*

o **\$1.94 million (2024)**

o **\$950,779 (2025)**

o **-\$747,246 (2026)**



District Funding Update

- Based on Our Current Five Year Forecast

Ending Cash Balance

YES *solar farm revenue*

YES *income tax renewal*

○ **\$3.35 million (2024)**

○ **\$5.21 million (2025)**

○ **\$6.46 million (2026)**



District Funding Update

**Renewing the earned
income tax May 4th 2021
will not increase current
taxes in the district; all it
does is extend the term.**



District Funding Update

The income tax has been **Essential to maintaining district operations** since it was originally passed in 2018.