



MADISON - PLAINS

LOCAL SCHOOL DISTRICT

Madison-Plains Local School District

Five Year Forecast Financial Report

May, 2023

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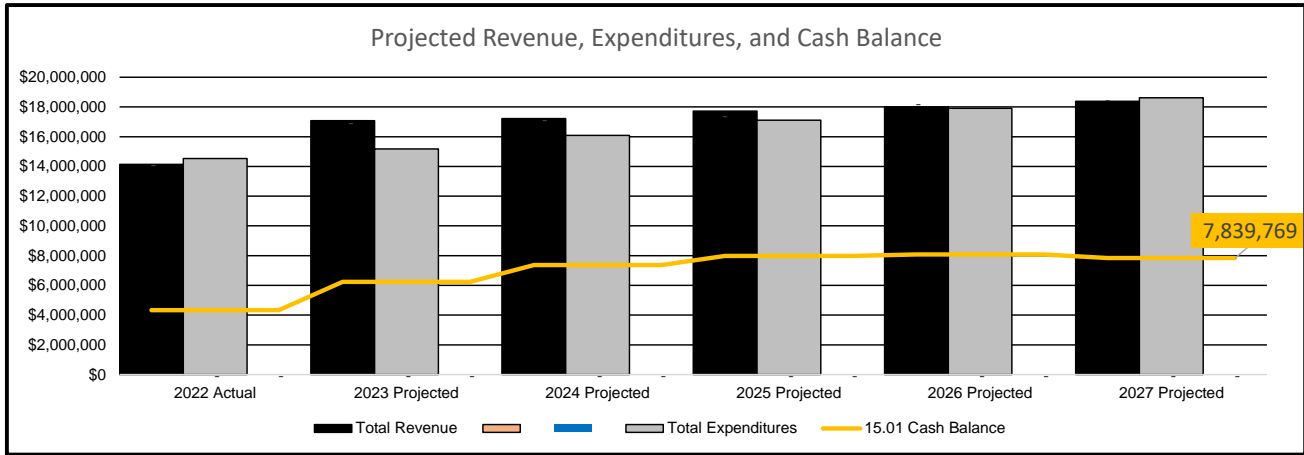
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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



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

Financial Forecast

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	4,331,423	6,241,763	7,373,966	7,980,287	8,079,256
+ Revenue	17,083,478	17,213,815	17,717,256	18,013,226	18,378,764
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(15,173,139)	(16,081,612)	(17,110,935)	(17,914,258)	(18,618,251)
= Revenue Surplus or Deficit	1,910,340	1,132,203	606,321	98,969	(239,487)
Line 7.020 Ending Balance with renewal/new levies	6,241,763	7,373,966	7,980,287	8,079,256	7,839,769

Analysis Without Renewal Levies Included:

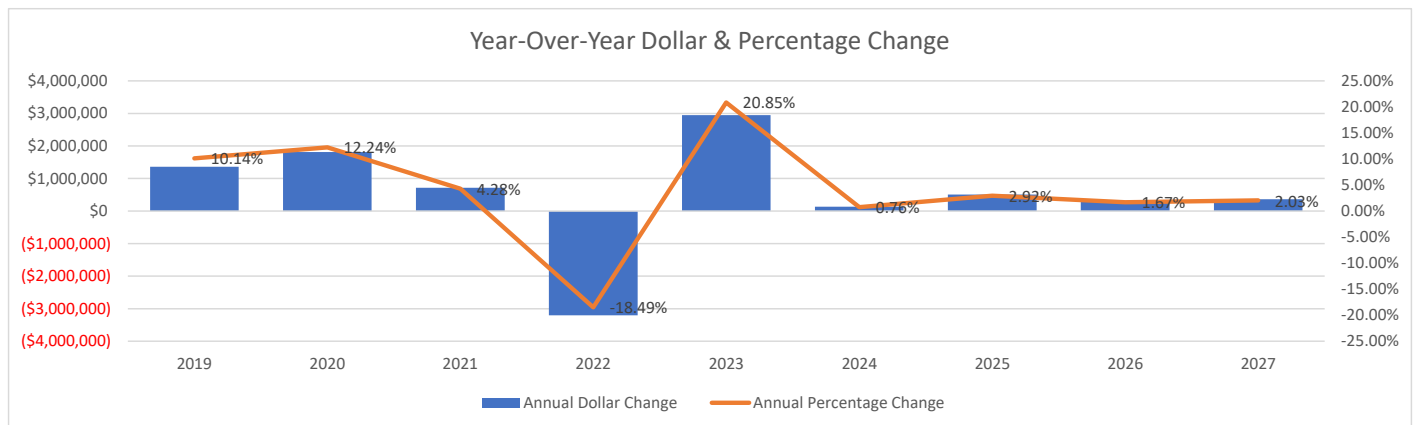
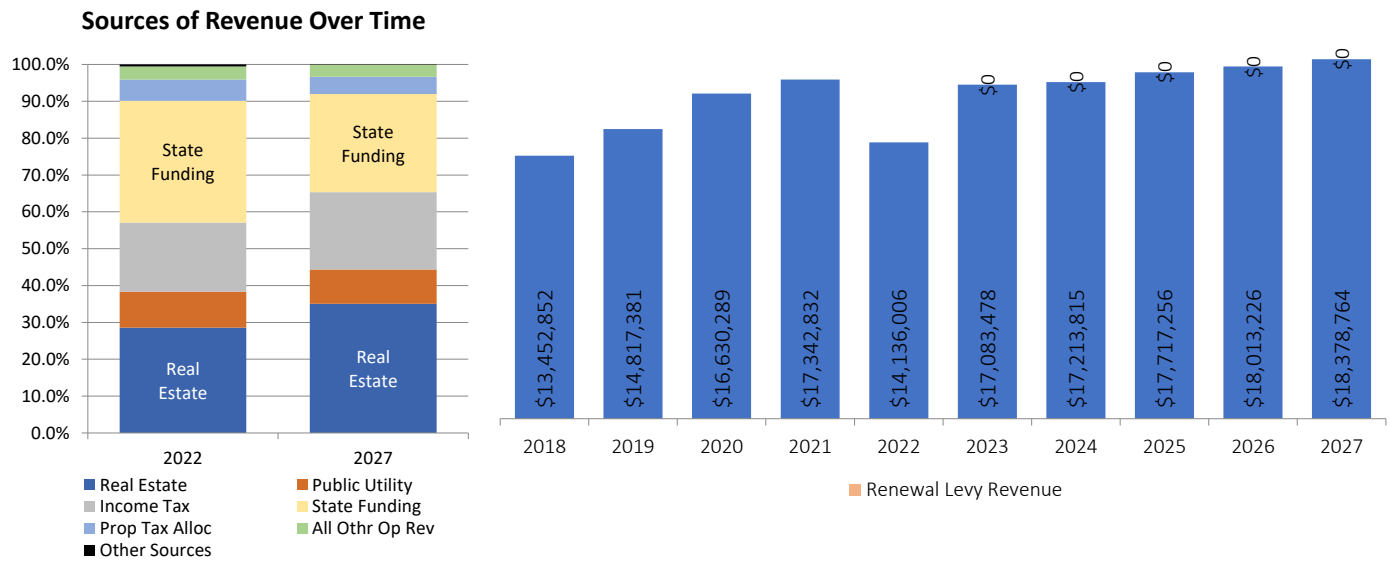
Revenue Surplus or Deficit w/o Levies	1,910,340	1,132,203	606,321	98,969	(239,487)
Ending Balance w/o Levies	6,241,763	7,373,966	7,980,287	8,079,256	7,839,769

In FY 2023 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$1,910,340 in FY 2023. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$239,487. The district would need to cut its FY 2027 projected expenses by 1.29% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2023 and is projected to improve by FY 2027. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$403,920 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview



5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

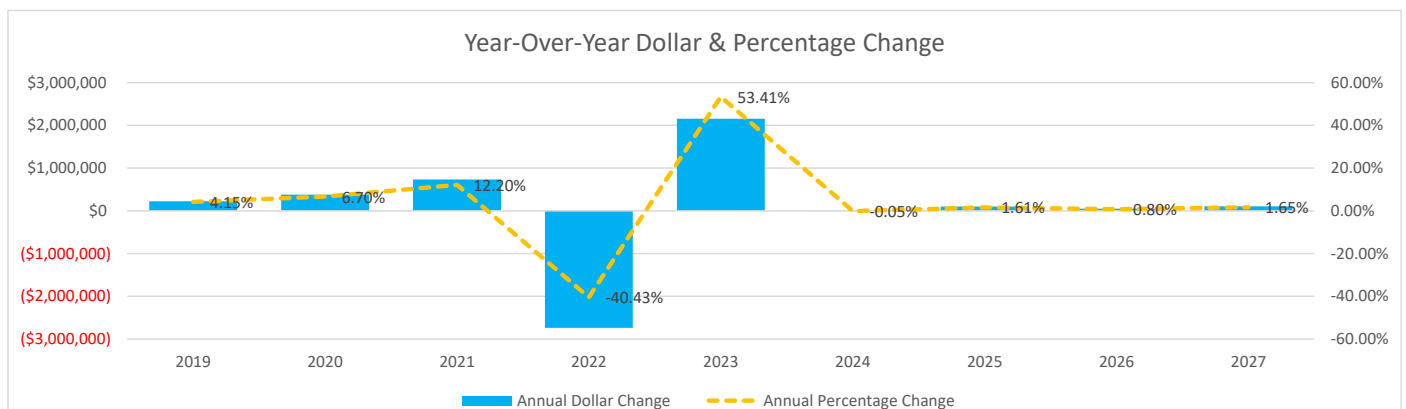
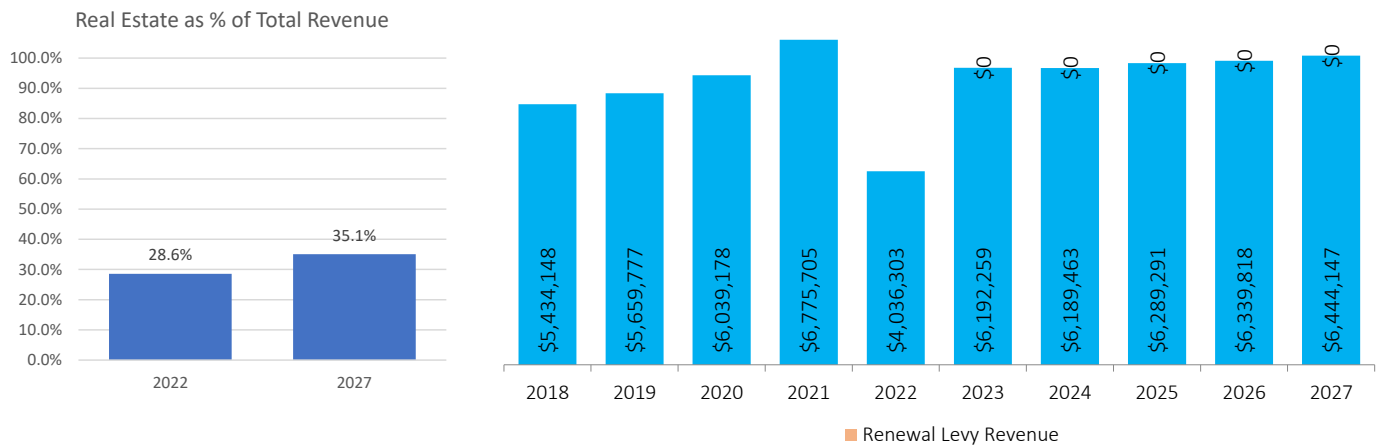
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 0.67% or \$102,308 annually during the past 5-Year period and is projected to increase 4.80% or \$848,552 annually through FY2027. Real Estate has the most projected average annual variance compared to the historical average at \$952,994
Real Estate	(471,425)	481,569	\$952,994	
Public Utility	\$204,736	\$64,868	(\$139,868)	
Income Tax	\$530,674	\$240,865	(\$289,809)	
State Funding	(\$103,233)	45,416	\$148,649	
Prop Tax Alloc	\$6,094	\$9,469	\$3,375	
All Othr Op Rev	(\$78,000)	\$19,193	\$97,194	
Other Sources	\$13,462	(\$12,829)	(\$26,290)	
Total Average Annual Change	102,308	848,552	\$746,244	
	0.67%	4.80%	4.13%	

Note: Expenditure average annual change is projected to be >

\$816,354 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



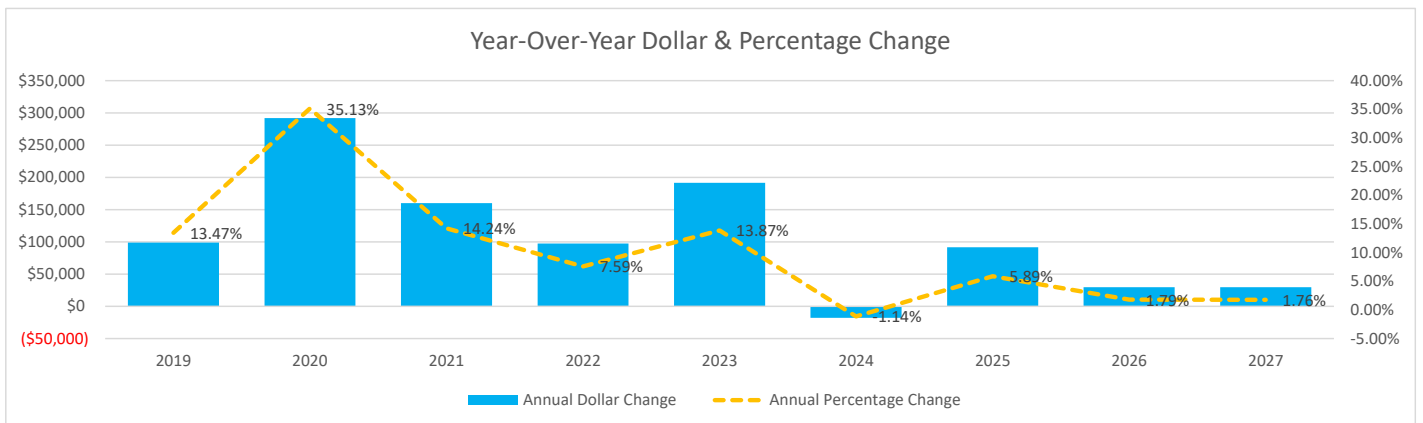
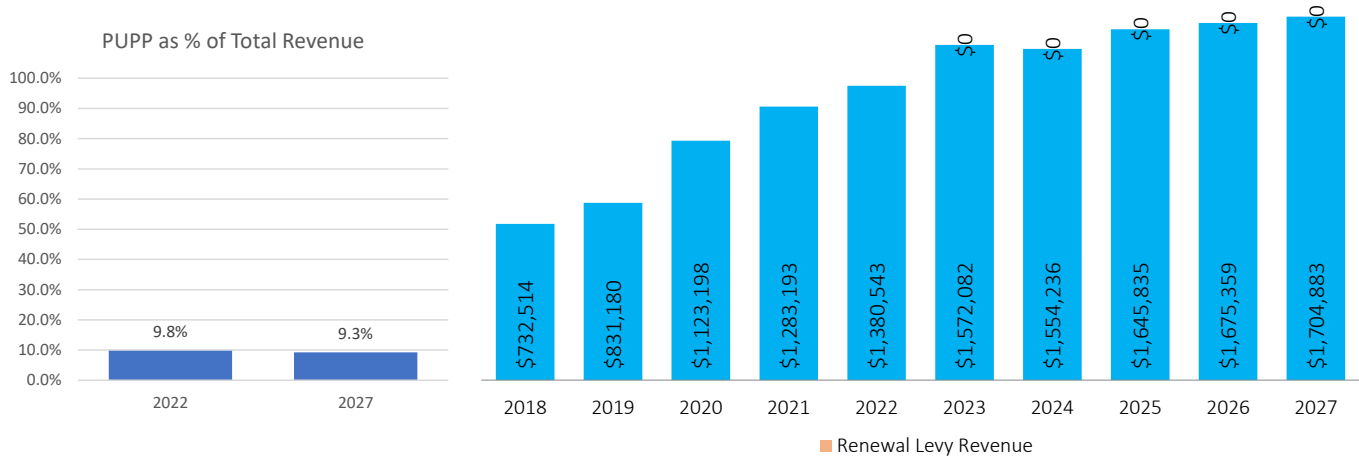
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2021	297,329,420	2,217,620	22.35	-	45.53	-	99.7%
2022	300,550,410	3,220,990	22.31	(0.04)	45.03	(0.50)	99.6%
2023	323,150,410	22,600,000	21.20	(1.11)	45.03	(0.00)	99.6%
2024	325,750,410	2,600,000	21.20	(0.00)	45.03	(0.00)	99.6%
2025	328,350,410	2,600,000	21.20	(0.00)	45.03	(0.00)	99.6%
2026	350,950,410	22,600,000	20.24	(0.96)	45.03	(0.00)	99.6%

Real estate property tax revenue accounts for 28.55% of total revenue. Class I or residential/agricultural taxes make up approximately 91.64% of the real estate property tax revenue. The Class I tax rate is 22.31 mills in tax year 2022. The projections reflect an average gross collection rate of 99.6% annually through tax year 2026. The revenue changed at an average annual historical rate of -8.43% and is projected to change at an average annual rate of 7.65% through FY 2027.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



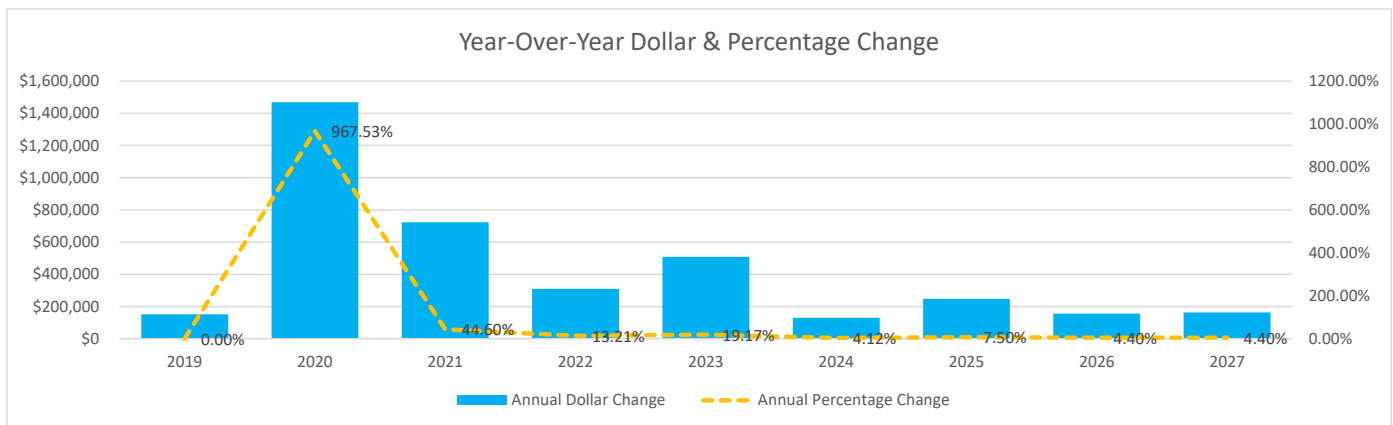
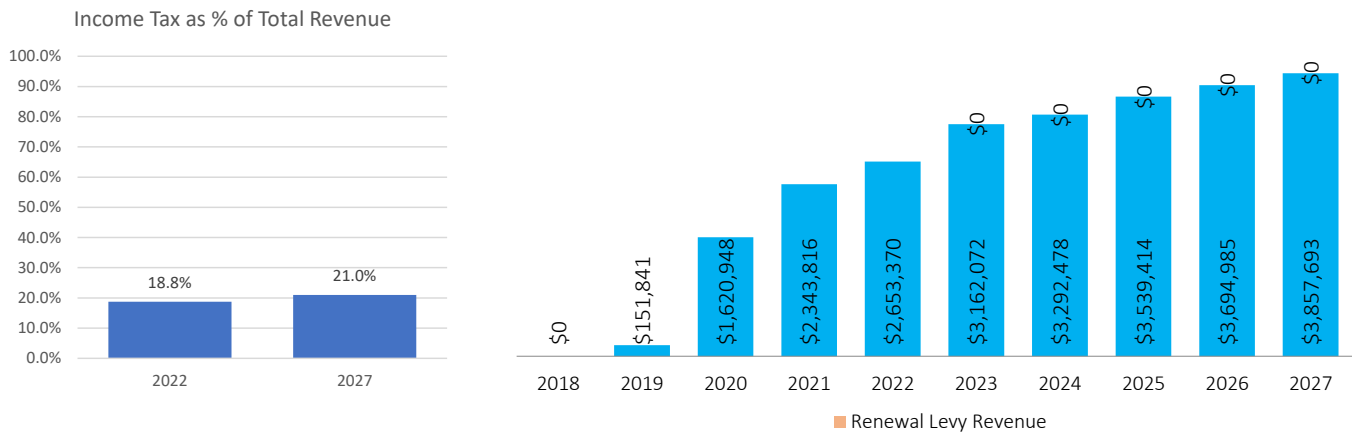
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2021	32,190,120	3,826,400	45.95	-	100.0%	
2022	35,250,470	3,060,350	45.95	-	96.6%	
2023	35,900,470	650,000	45.95	-	98.8%	
2024	36,550,470	650,000	45.95	-	98.8%	
2025	37,200,470	650,000	45.95	-	98.8%	
2026	37,850,470	650,000	45.95	-	98.8%	

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 9.77% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 45.95 mills. The forecast is modeling an average gross collection rate of 98.39%. The revenue changed historically at an average annual dollar amount of \$204,736 and is projected to change at an average annual dollar amount of \$64,868 through FY 2027.

*Projected % trends include renewal levies

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

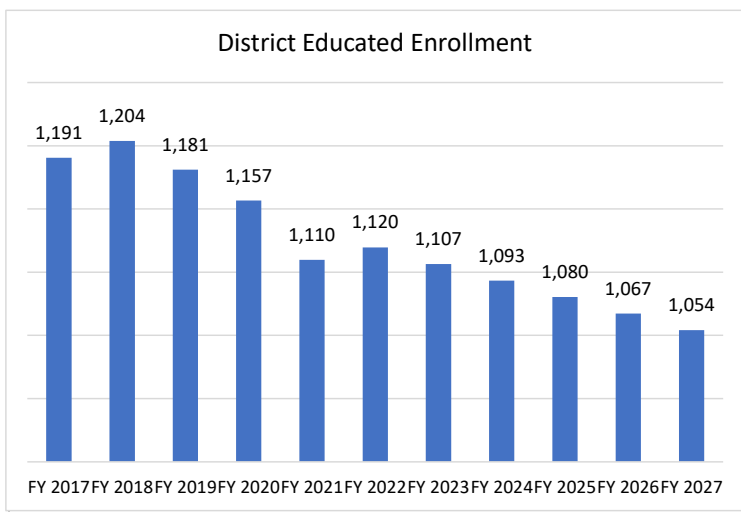
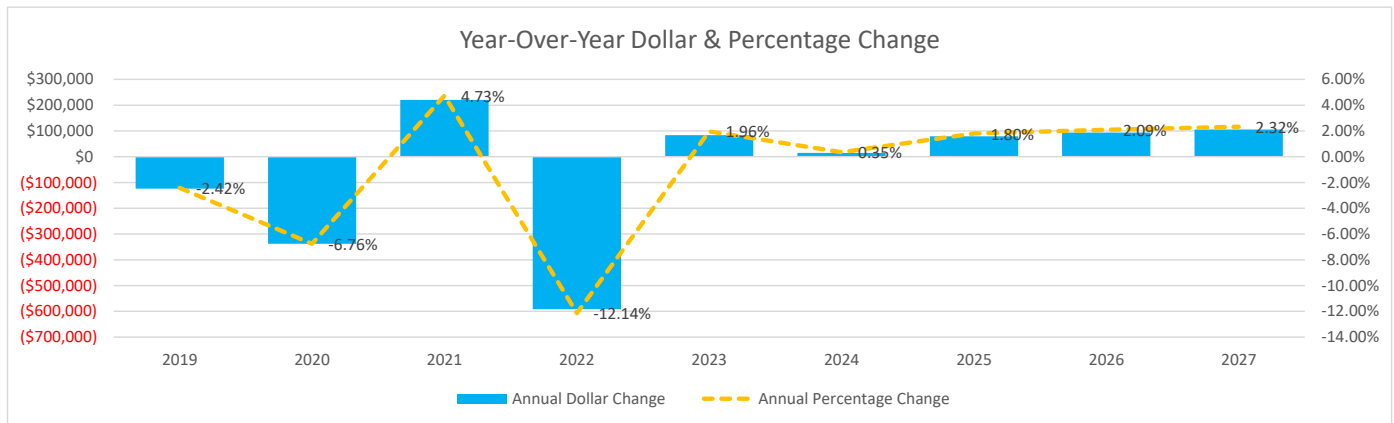
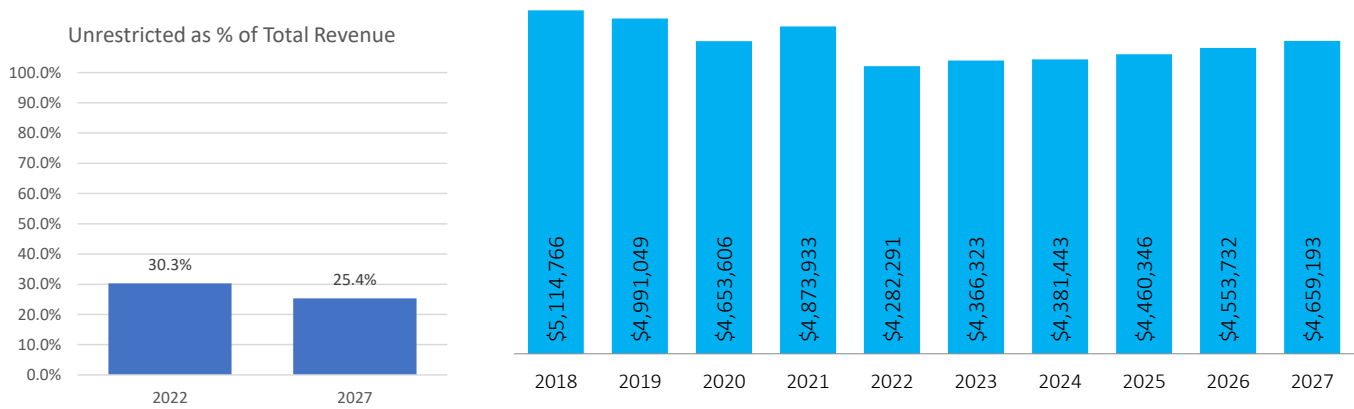


The district maintained one income tax levy in FY 2022. The average annual dollar change in total income tax revenue is forecasted to be \$240,865 through FY 2027. Income tax revenue is projected to account for 21.0% of total district revenue in FY 2027.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



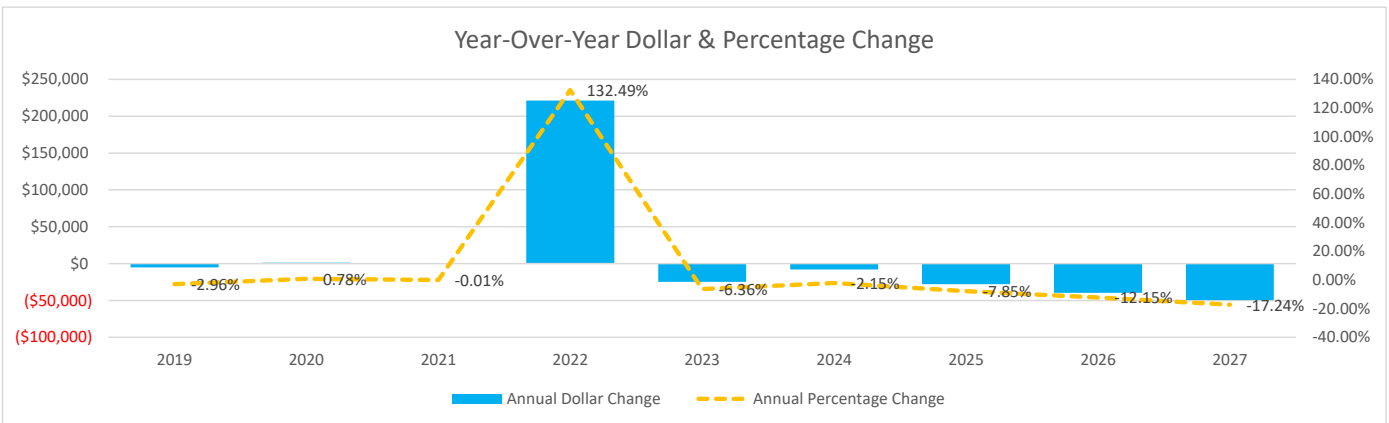
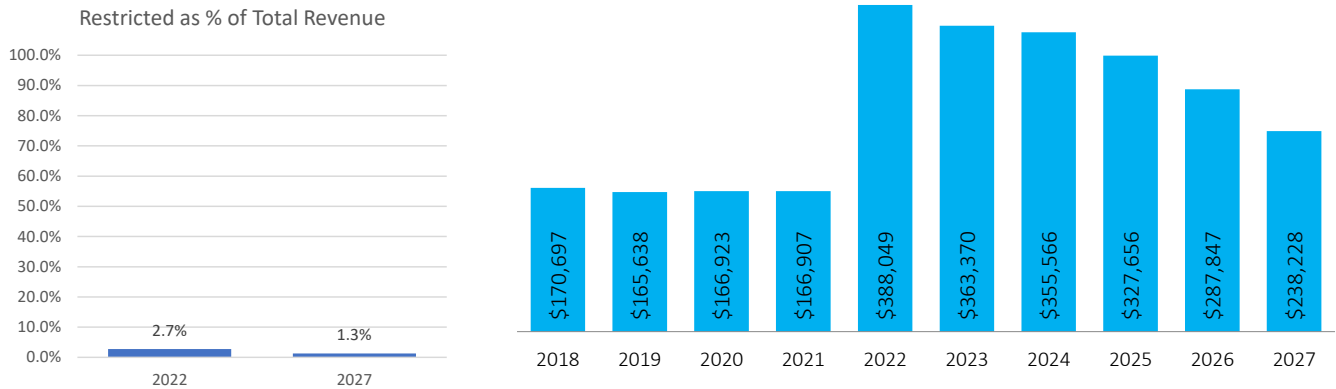
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Madison-Plains Local School District the calculated Base Cost total is \$8,451,456 in FY 2023. The state's share of the calculated Base Cost total is \$1,783,672 or \$1,612 per pupil.

For reference: The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$1,478,874 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

1.040 & 1.045 - Restricted Grants-in-Aid

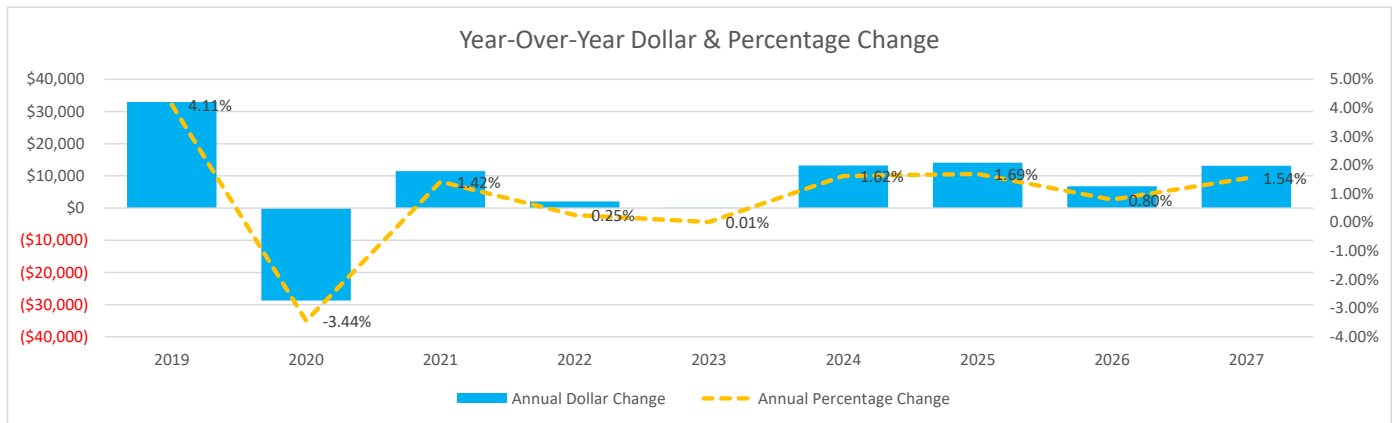
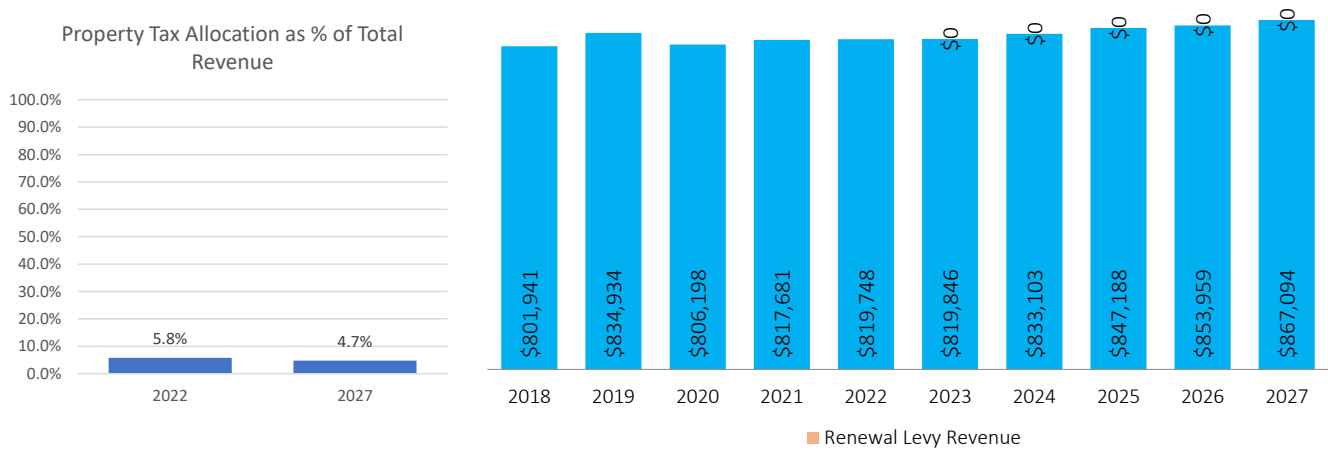
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$74,137 and is projected to change annually on average by -\$29,964. Restricted funds represent 2.75% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$105,816. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

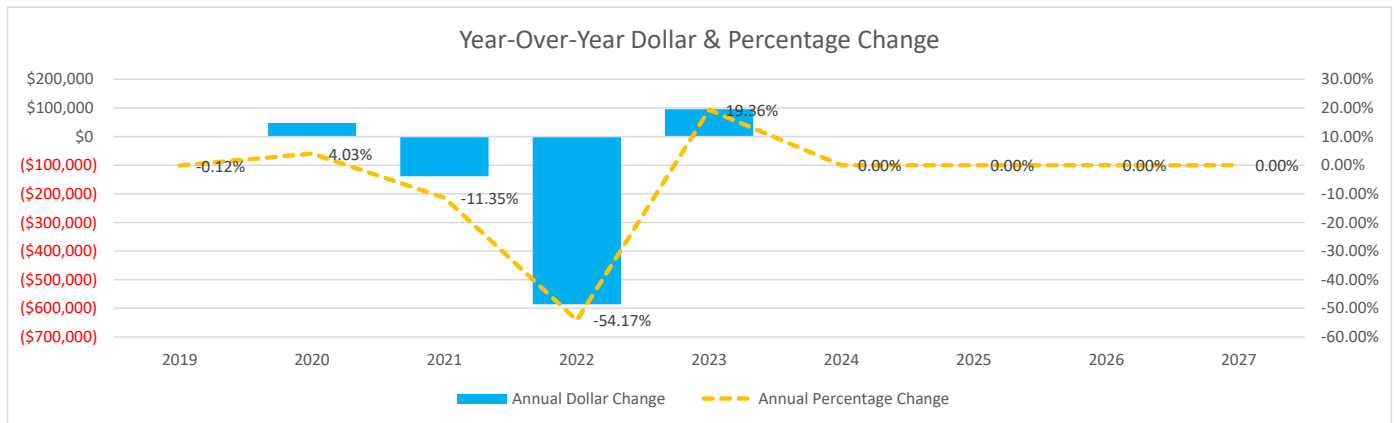
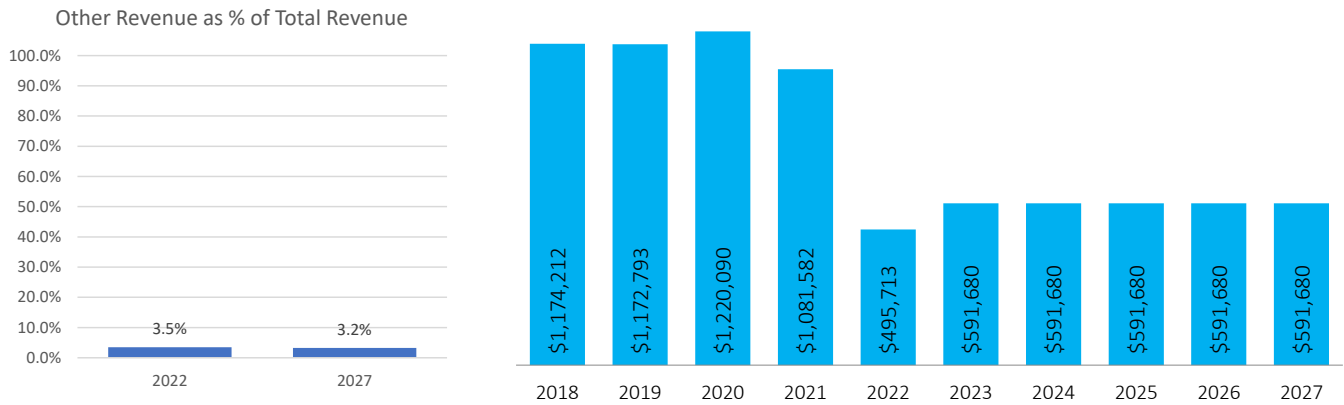


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 11.0% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.7% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

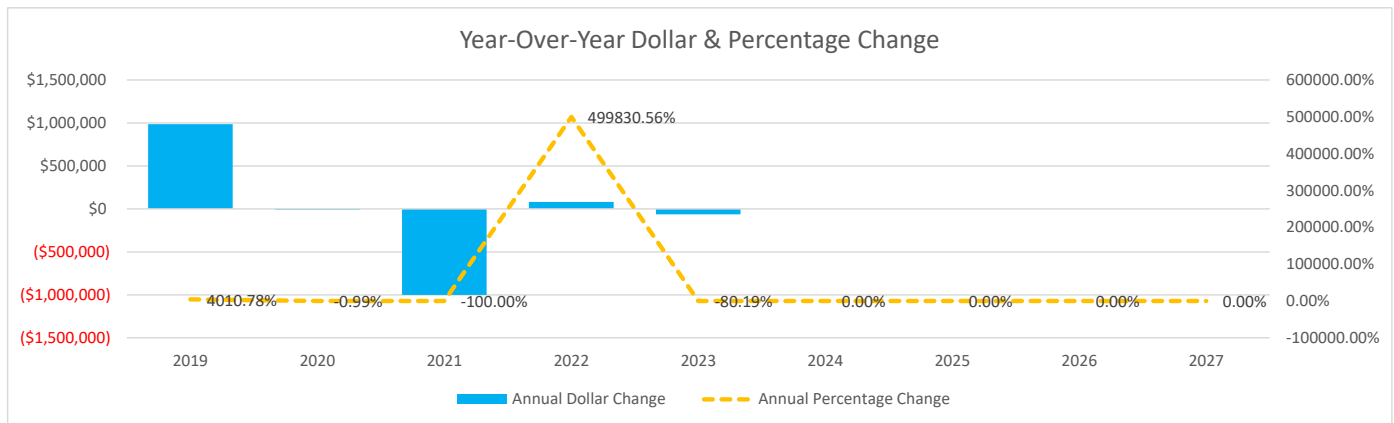
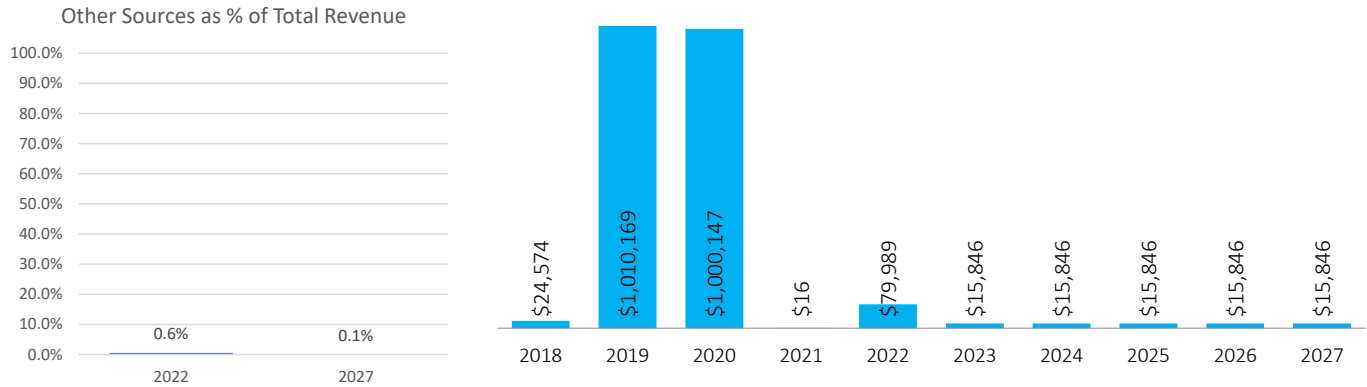
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$78,000. The projected average annual change is \$19,193 through FY 2027. The FSFP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district posted revenue code 1227 open enrollment in revenue of \$484,801 in FY 2021.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

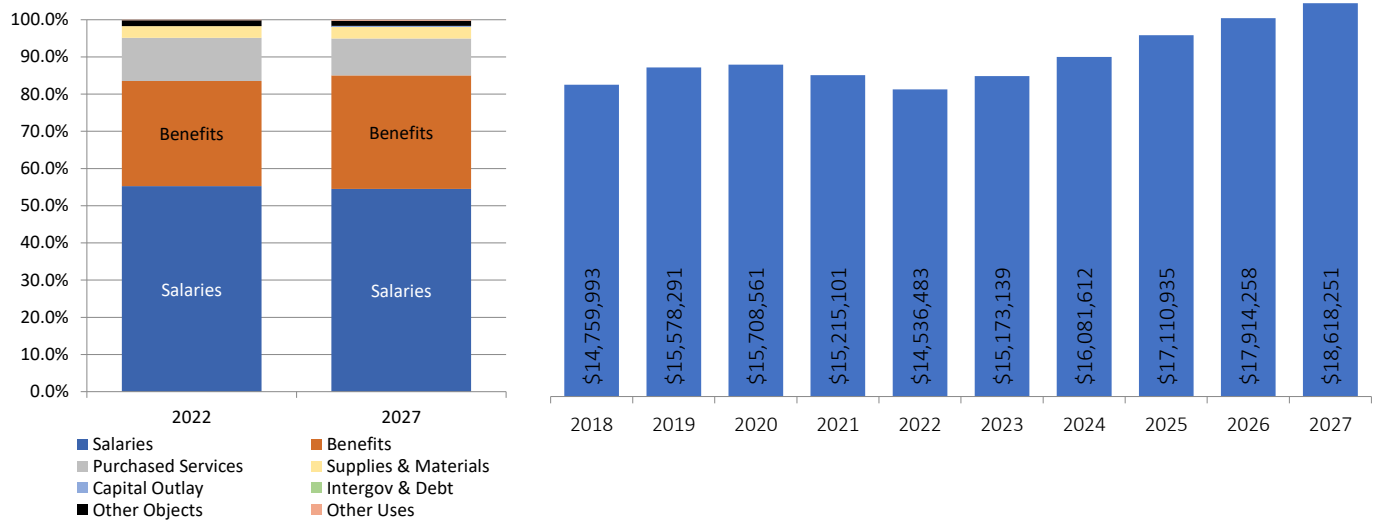


	2022	2023	2024	FORECASTED		
				2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	63,000	-	-	-	-	-
All Other Financing Sources	16,989	15,846	15,846	15,846	15,846	15,846

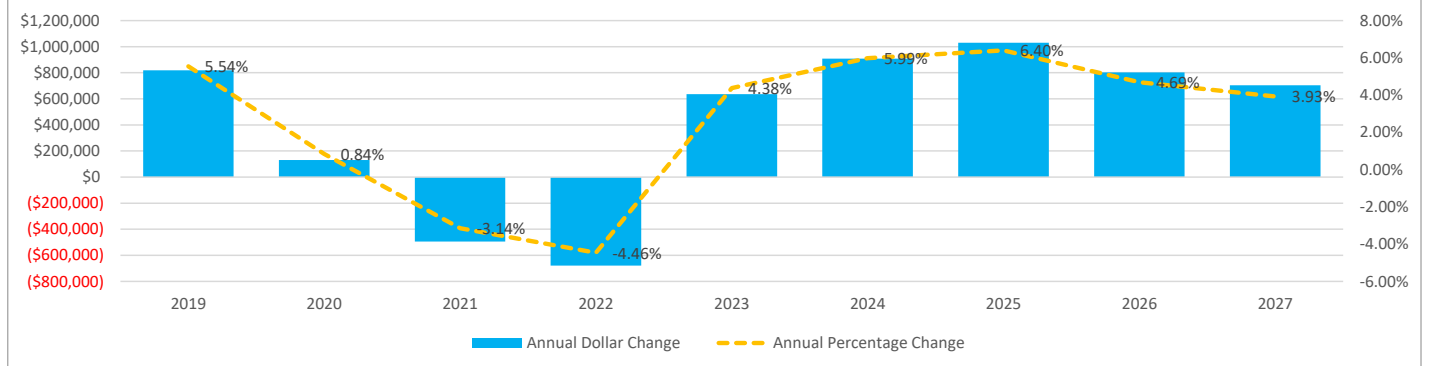
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2022 the district receipted \$63,000 as advances-in and is projecting advances of \$0 in FY 2023. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$15,846 in FY 2023 and average \$15,846 annually through FY 2027.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

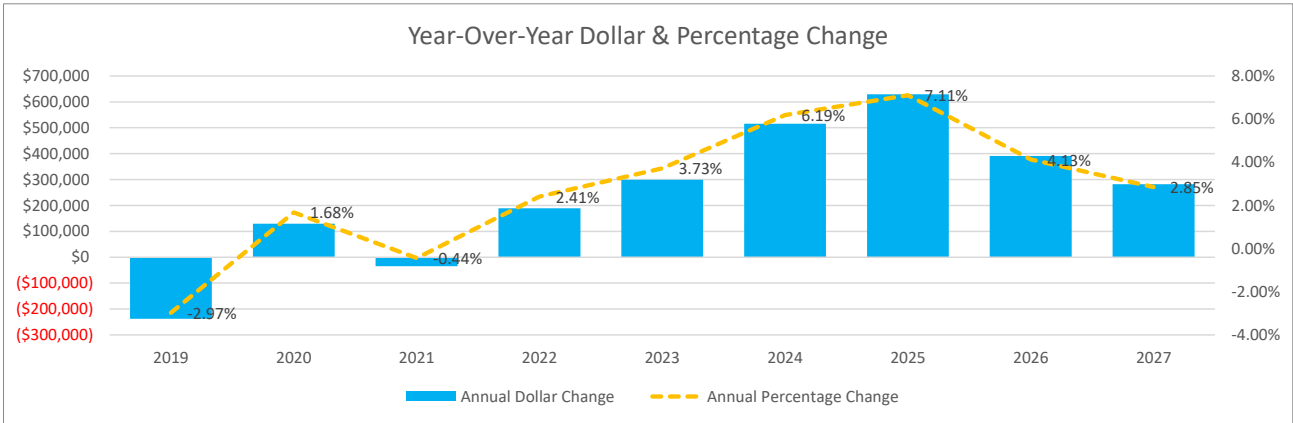
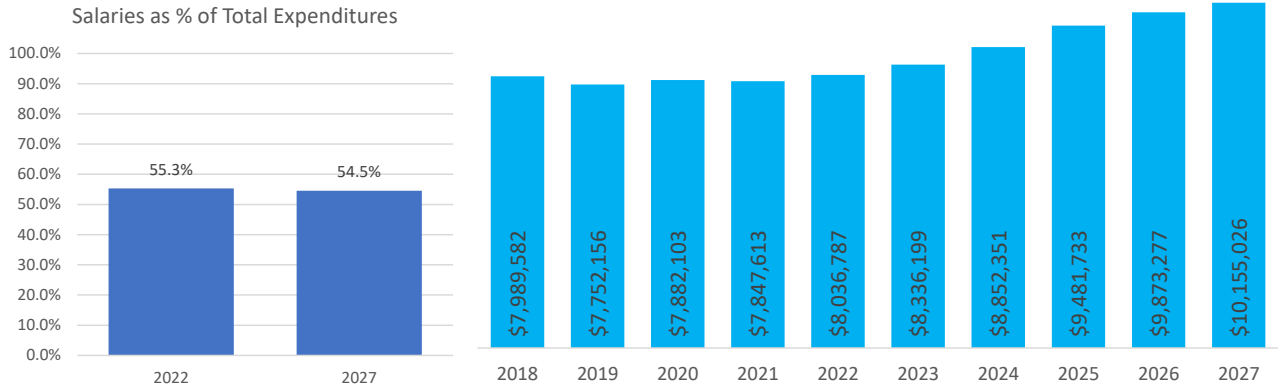
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures decreased -0.01% or -\$1,608 annually during the past 5-Year period and is projected to increase 5.62% or \$816,354 annually through FY2027. Salaries has the largest projected average annual variance compared to the historical average at \$386,738.
Salaries	36,910	423,648	\$386,738	
Benefits	\$217,977	\$314,650	\$96,673	
Purchased Services	(\$174,525)	\$32,815	\$207,339	
Supplies & Materials	(\$21,504)	\$29,708	\$51,212	
Capital Outlay	(\$4,952)	\$3,690	\$8,642	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	(\$5,823)	\$7,491	\$13,315	
Other Uses	(\$43,549)	\$4,352	\$47,901	
Total Average Annual Change	(\$1,608)	\$816,354	\$817,961	
	-0.01%	5.62%	5.63%	

Note: Revenue average annual change is projected to be > \$848,552

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

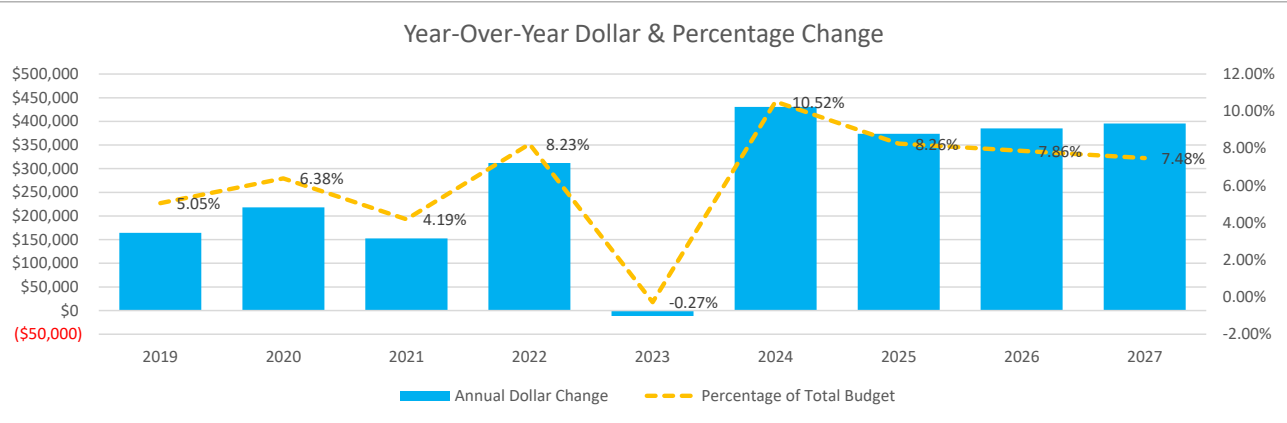
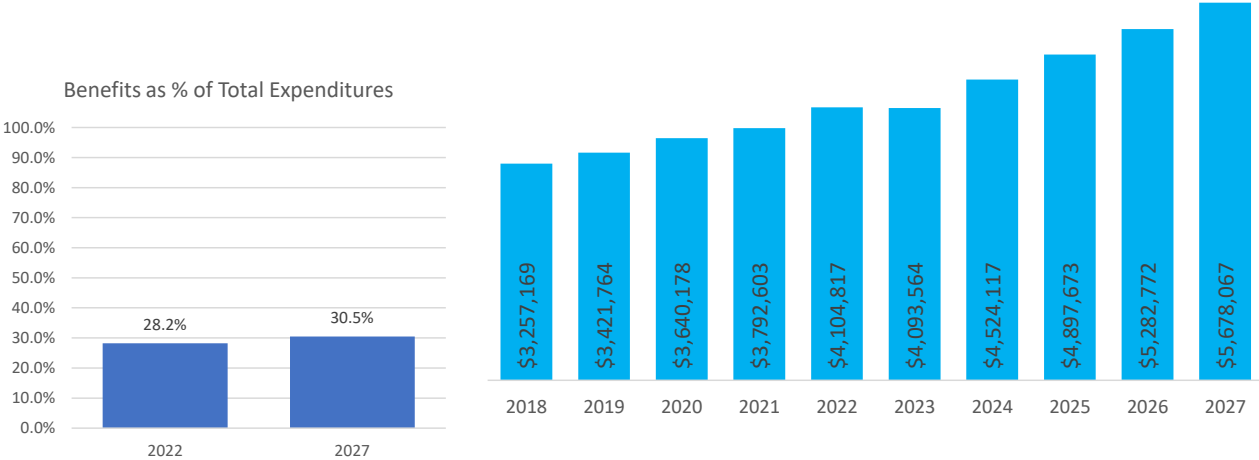
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 55.29% of total expenditures and increased at a historical average annual rate of 0.47% or \$36,910. This category of expenditure is projected to grow at an annual average rate of 4.54% or \$423,648 through FY 2027. The projected average annual rate of change is 4.07% more than the five year historical annual average.

3.020 - Employees' Benefits

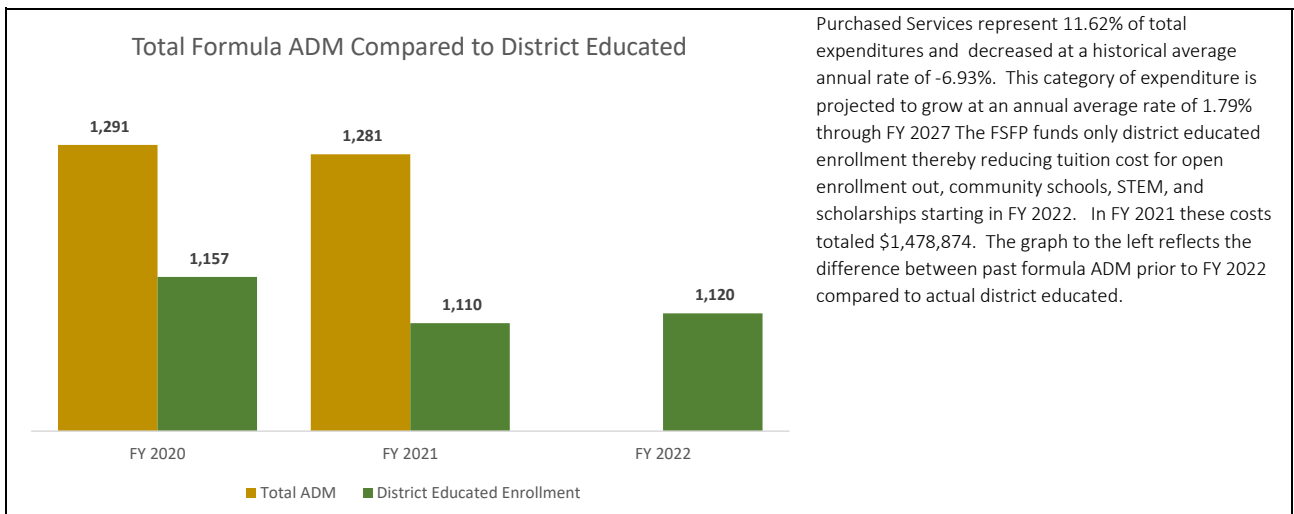
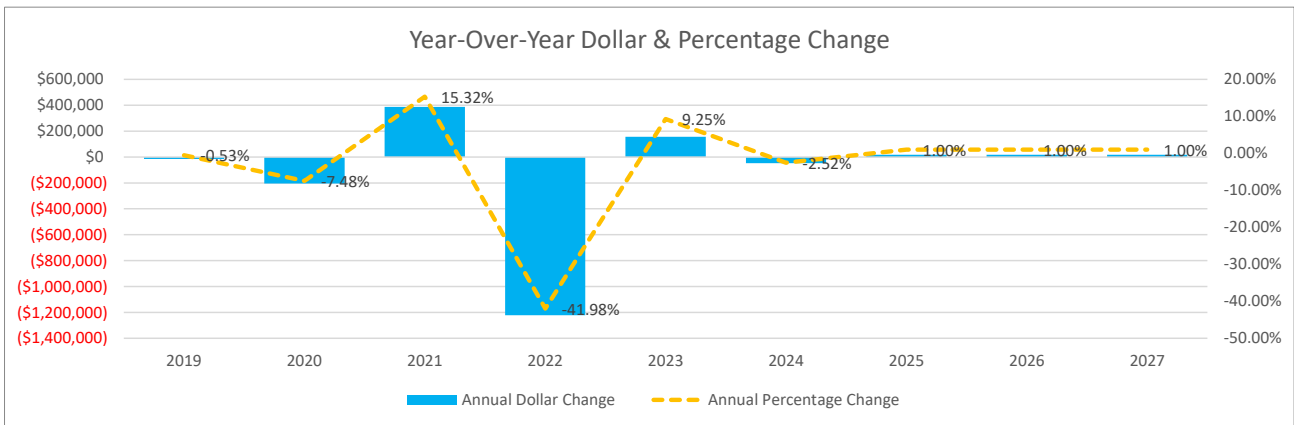
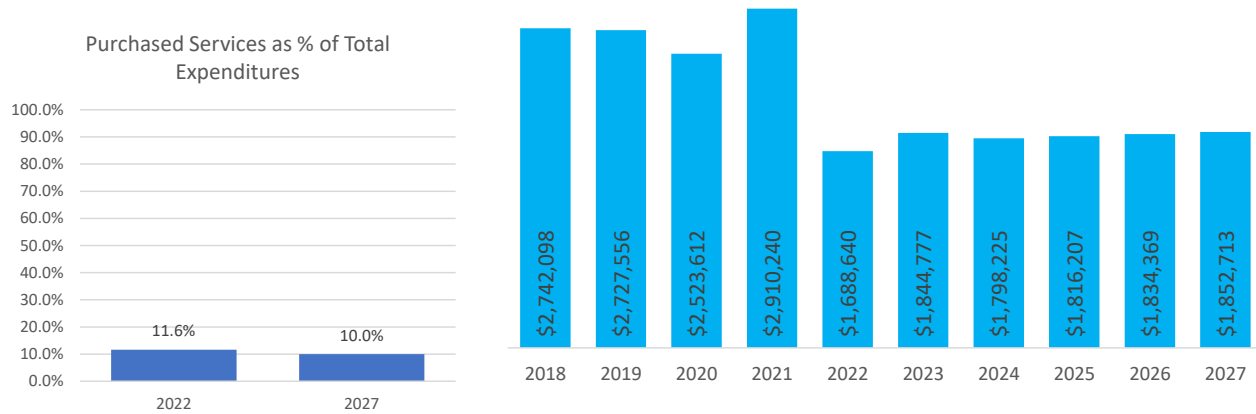
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 28.24% of total expenditures and increased at a historical average annual rate of 5.98%. This category of expenditure is projected to grow at an annual average rate of 6.43% through FY 2027. The projected average annual rate of change is 0.44% more than the five year historical annual average.

3.030 - Purchased Services

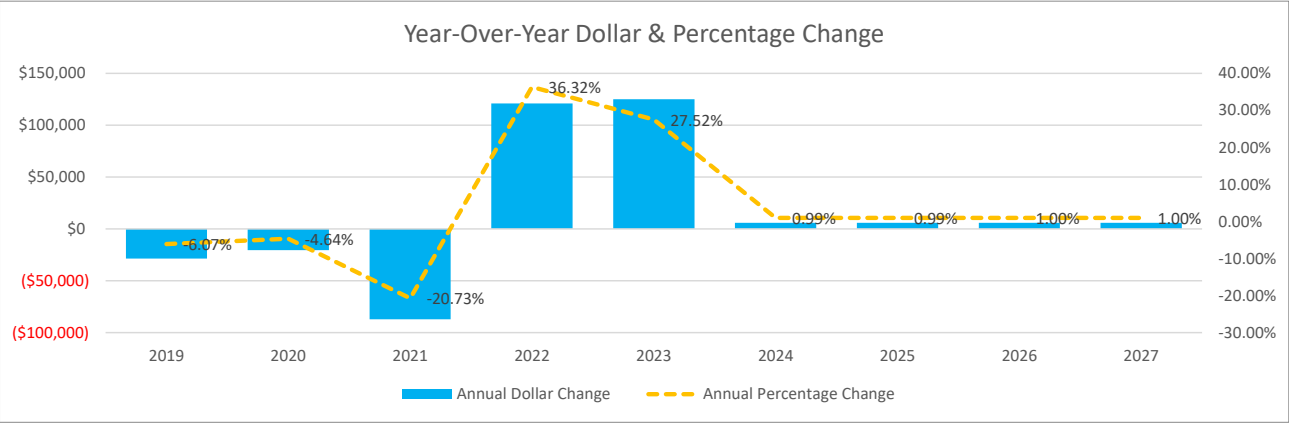
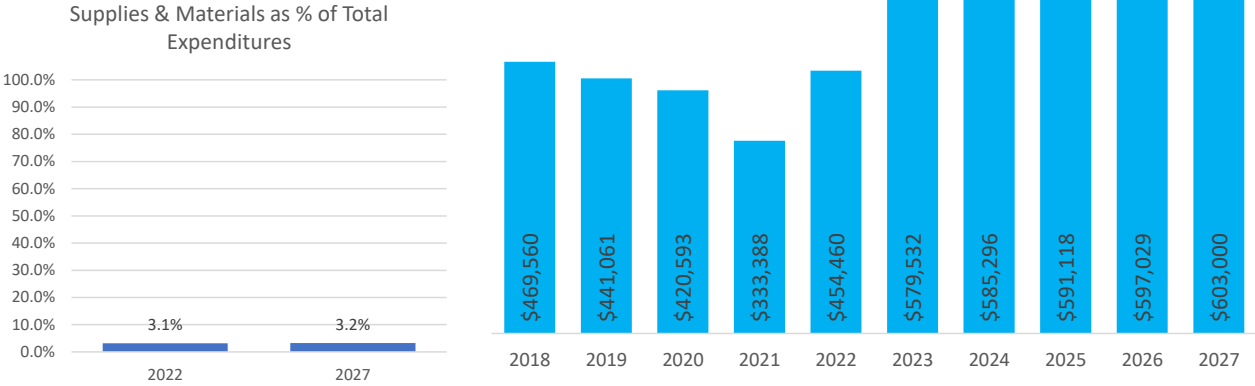
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 11.62% of total expenditures and decreased at a historical average annual rate of -6.93%. This category of expenditure is projected to grow at an annual average rate of 1.79% through FY 2027. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$1,478,874. The graph to the left reflects the difference between past formula ADM prior to FY 2022 compared to actual district educated.

3.040 - Supplies & Materials

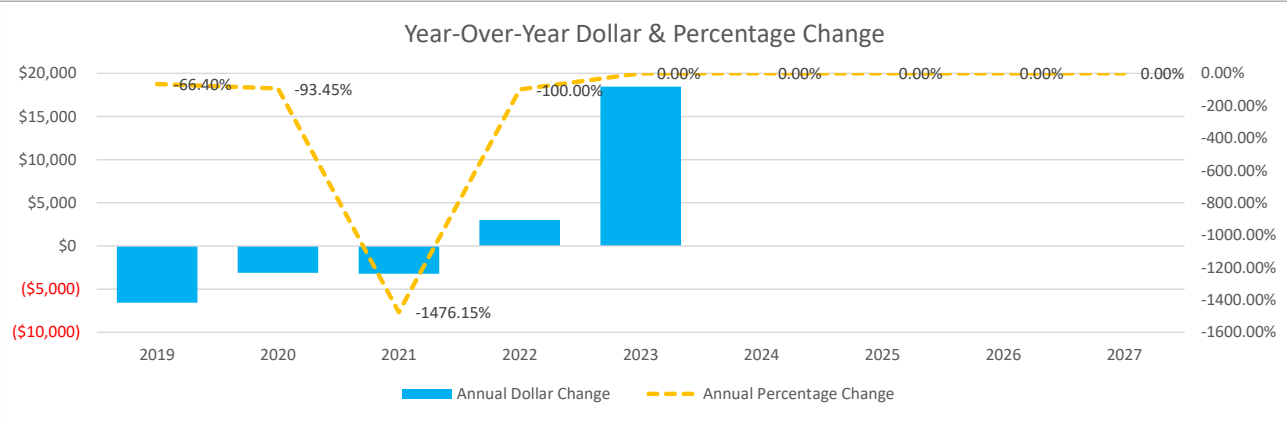
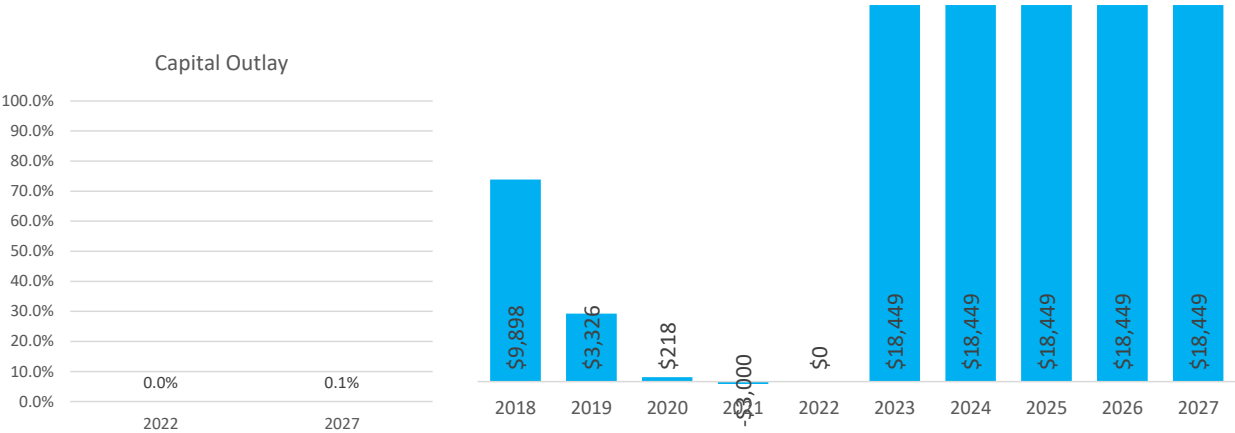
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.13% of total expenditures and decreased at a historical average annual rate of -5.07%. This category of expenditure is projected to grow at an annual average rate of 5.03% through FY 2027. The projected average annual rate of change is 10.10% more than the five year historical annual average.

3.050 - Capital Outlay

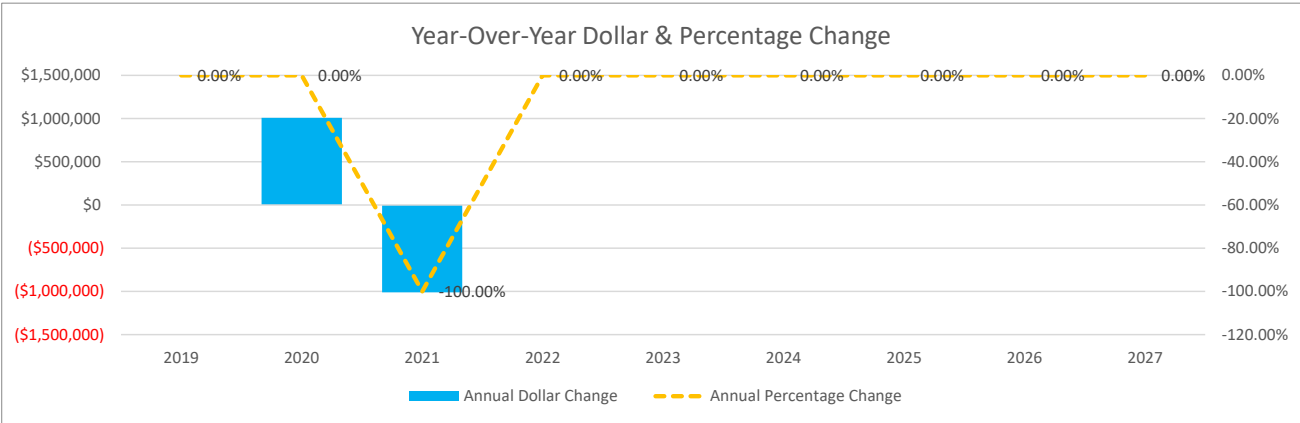
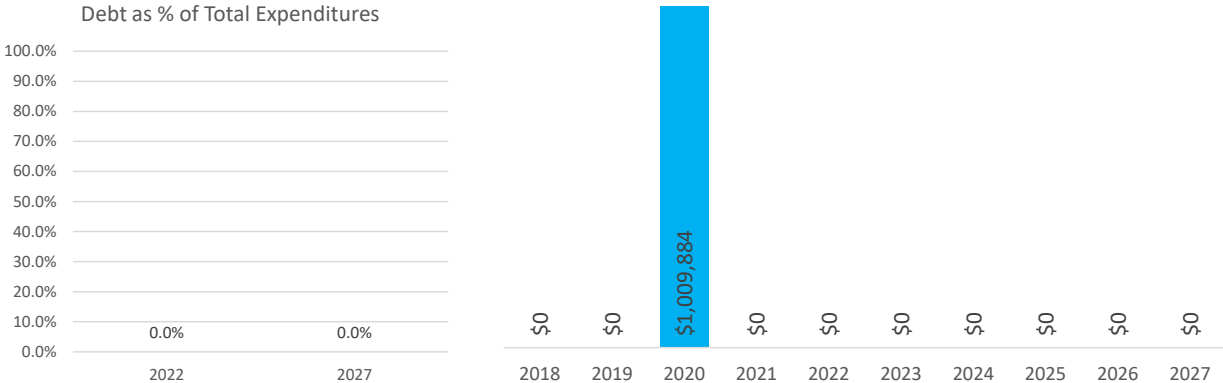
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.00% of total expenditures and decreased at a historical average annual amount of -\$4,952. This category of expenditure is projected to grow at an annual average rate of \$3,690 through FY 2027. The projected average annual change is more than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

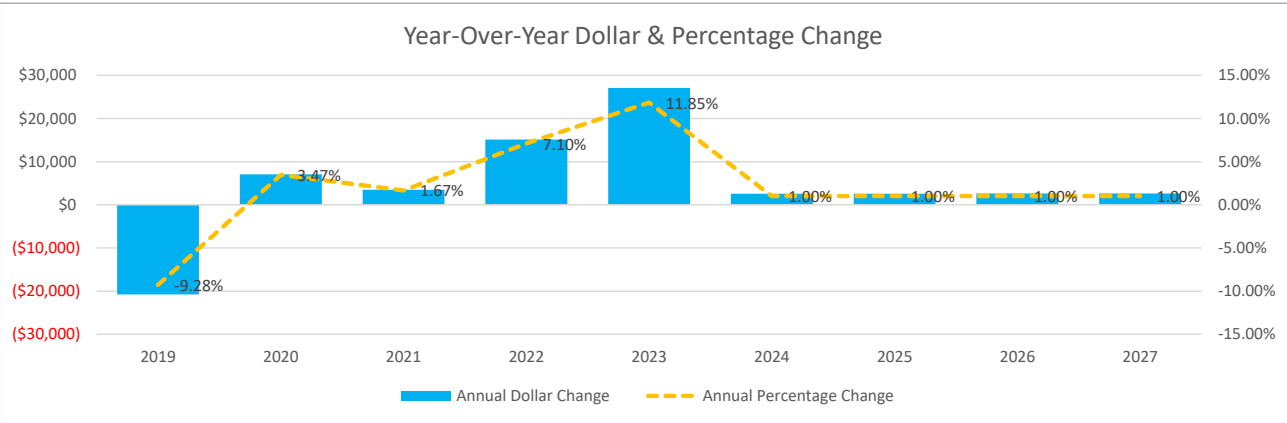
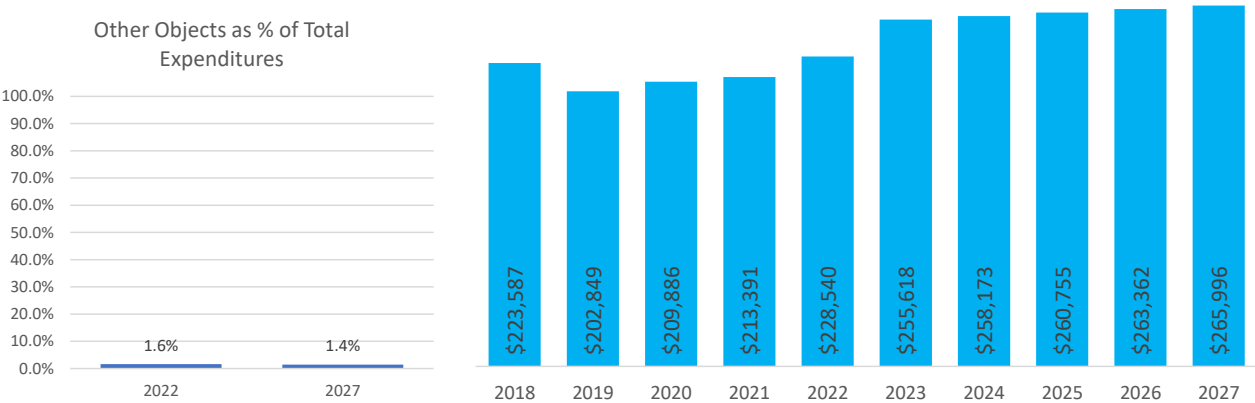
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

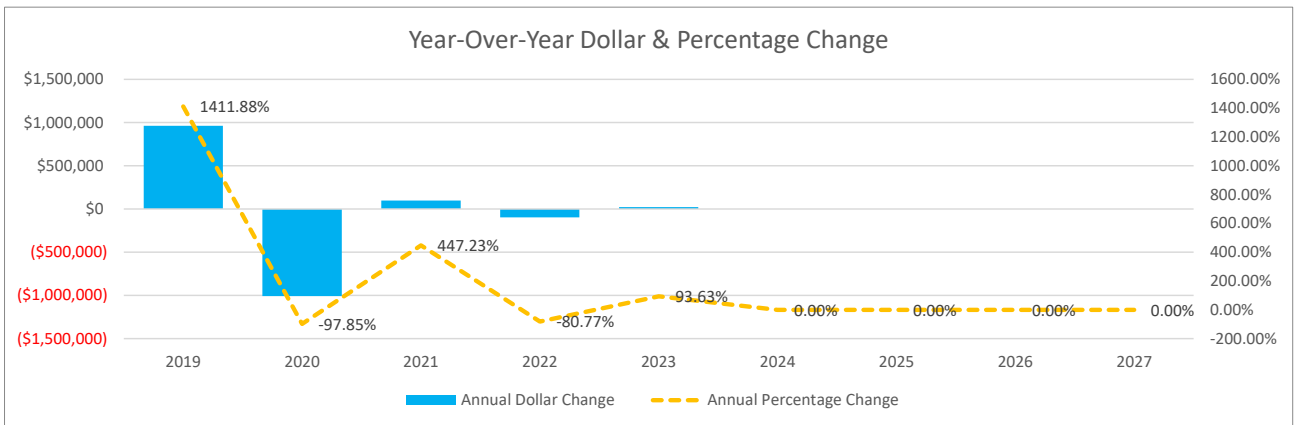
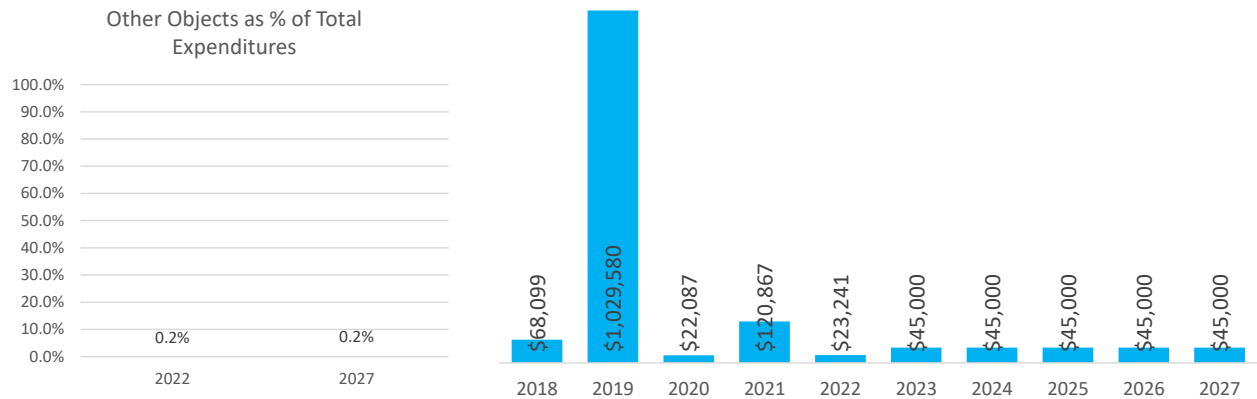
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.57% of total expenditures and decreased at a historical average annual rate of -2.70%. This category of expenditure is projected to grow at an annual average rate of 2.87% through FY 2027. The projected average annual rate of change is 5.57% more than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2022	2023	2024	FORECASTED		
				2025	2026	2027
Transfers Out	23,241	45,000	45,000	45,000	45,000	45,000
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2022 the district had no advances-out and has no advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2027. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Madison-Plains Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	4,036,303	6,192,259	6,189,463	6,289,291	6,339,818	6,444,147
1.020 - Public Utility Personal Property	1,380,543	1,572,082	1,554,236	1,645,835	1,675,359	1,704,883
1.030 - Income Tax	2,653,370	3,162,072	3,292,478	3,539,414	3,694,985	3,857,693
1.035 - Unrestricted Grants-in-Aid	4,282,291	4,366,323	4,381,443	4,460,346	4,553,732	4,659,193
1.040 - Restricted Grants-in-Aid	388,049	363,370	355,566	327,656	287,847	238,228
1.050 - Property Tax Allocation	819,748	819,846	833,103	847,188	853,959	867,094
1.060 - All Other Operating Revenues	495,713	591,680	591,680	591,680	591,680	591,680
1.070 - Total Revenue	14,056,017	17,067,632	17,197,969	17,701,410	17,997,380	18,362,918
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	63,000	-	-	-	-	-
2.060 - All Other Financing Sources	16,989	15,846	15,846	15,846	15,846	15,846
2.070 - Total Other Financing Sources	79,989	15,846	15,846	15,846	15,846	15,846
2.080 - Total Rev & Other Sources	14,136,006	17,083,478	17,213,815	17,717,256	18,013,226	18,378,764
Expenditures:						
3.010 - Personnel Services	8,036,787	8,336,199	8,852,351	9,481,733	9,873,277	10,155,026
3.020 - Employee Benefits	4,104,817	4,093,564	4,524,117	4,897,673	5,282,772	5,678,067
3.030 - Purchased Services	1,688,640	1,844,777	1,798,225	1,816,207	1,834,369	1,852,713
3.040 - Supplies and Materials	454,460	579,532	585,296	591,118	597,029	603,000
3.050 - Capital Outlay	-	18,449	18,449	18,449	18,449	18,449
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	228,540	255,618	258,173	260,755	263,362	265,996
4.500 - Total Expenditures	14,513,243	15,128,139	16,036,612	17,065,935	17,869,258	18,573,251
Other Financing Uses						
5.010 - Operating Transfers-Out	23,241	45,000	45,000	45,000	45,000	45,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	23,241	45,000	45,000	45,000	45,000	45,000
5.050 - Total Exp and Other Financing Uses	14,536,483	15,173,139	16,081,612	17,110,935	17,914,258	18,618,251
6.010 - Excess of Rev Over/(Under) Exp	(400,477)	1,910,340	1,132,203	606,321	98,969	(239,487)
7.010 - Cash Balance July 1 (No Levies)	4,731,901	4,331,423	6,241,763	7,373,966	7,980,287	8,079,256
7.020 - Cash Balance June 30 (No Levies)	4,331,423	6,241,763	7,373,966	7,980,287	8,079,256	7,839,769
		Reservations				
8.010 - Estimated Encumbrances June 30	-	110,000	110,000	110,000	110,000	110,000
9.080 - Reservations Subtotal	-	540,000	540,000	540,000	540,000	540,000
10.010 - Fund Bal June 30 for Cert of App	4,331,423	5,591,763	6,723,966	7,330,287	7,429,256	7,189,769
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	4,331,423	5,591,763	6,723,966	7,330,287	7,429,256	7,189,769
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	4,331,423	5,591,763	6,723,966	7,330,287	7,429,256	7,189,769

State Funding Budget Process and May Financial Forecast

At the start of the state's FY 2024 and 2025 budget process the Governor introduced these key elements regarding the Fair School Funding Plan which started July 1, 2022:

- The FSPF would continue.
- It would be funded at the same 2018 base cost calculations
- Original phase-ins of the new formula would continue

While there is no legislatively approved state budget, the May forecast as prepared assumes the Governor's proposal. The 2018 base cost components as used in FY 2022 and 2023 and proposed by the Governor would be extended as follows:

- Base per pupil cost (funding) is calculated at the 2018 level through FY 2027
- FSPF phase-in continues until culminating at 100% phased-in by FY 2027

The Ohio House of Representatives introduced an amendment to the Governor's proposal that would update the base cost components to the 2022 cost data. This change is potentially significant for many districts, however some districts will benefit only minimally or not at all. While the state budget deliberations continue the 2022 base cost was modeled to see the potential impact on the district's forecast. This is only an estimate and is intended to show relative potential significance. The modeling assumes:

- That the 2022 base cost components will be used in FY 2024 and 2025.
- The 2022 base cost components will be updated to 2024 cost data in FY 2026 and 2027.
- That the formula is fully phased-in by FY 2027.

For our district the annual impact on revenue Over/(Under) the current forecast modeling is reflected below along with a cumulative potential impact on the district's cash balance. If warranted the Board may be asked to approve an amended forecast in June.

Other Observations: There should be minimal impact to our revenue, since we will remain a guarantee district even if 2022 cost data is used for base cost components

Current Forecast Annual Difference (Over/Under) Compared to Base Forecast

State Line Item No	State Line Item No and Description	Amount				
		2023	2024	2025	2026	2027
Total		\$-3,101	\$-3,956	\$-6,390	\$-8,818	\$-11,264
Property Taxes		\$0	\$0	\$0	\$0	\$0
	1.010 General Property Tax (Real Estate)	\$0	\$0	\$0	\$0	\$0
	1.020 Tangible Personal Property Tax	\$0	\$0	\$0	\$0	\$0
	1.050 Property Tax Allocation	\$0	\$0	\$0	\$0	\$0
	11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	\$0	\$0
Income Taxes		\$0	\$0	\$0	\$0	\$0
	1.030 Income Tax	\$0	\$0	\$0	\$0	\$0
	11.010 Income Tax - Renewal	\$0	\$0	\$0	\$0	\$0
State Aid		\$-3,101	\$-3,956	\$-6,390	\$-8,818	\$-11,264
	1.035 Unrestricted State Grants-in-Aid	\$-5,932	\$-44,527	\$-61,340	\$-78,490	\$-95,980
	1.040 Restricted State Grants-in-Aid	\$2,831	\$40,571	\$54,950	\$69,672	\$84,716
All Other Revenue		\$0	\$0	\$0	\$0	\$0
	1.045 Restricted Federal Grants-in-Aid - SFSF	\$0	\$0	\$0	\$0	\$0
	1.060 All Other Revenues	\$0	\$0	\$0	\$0	\$0
	2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	\$0	\$0
	2.040 Operating Transfers-In	\$0	\$0	\$0	\$0	\$0
	2.050 Advances-In	\$0	\$0	\$0	\$0	\$0
	2.060 All Other Financing Sources	\$0	\$0	\$0	\$0	\$0
New Levies		\$0	\$0	\$0	\$0	\$0
	13.010 Income Tax - New	\$0	\$0	\$0	\$0	\$0
	13.020 Property Tax - New	\$0	\$0	\$0	\$0	\$0

Measure	2022	2023	2024	2025	2026	2027
Cumulative	\$0	\$-3,101	\$-7,057	\$-13,447	\$-22,265	\$-33,529



MADISON - PLAINS LOCAL SCHOOL DISTRICT

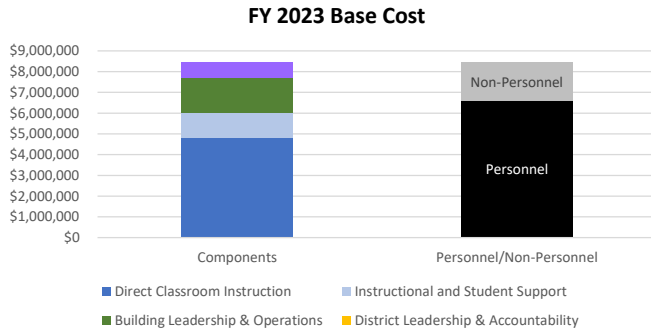
Madison-Plains Local School District

State Funding Supplement to Five-Year Forecast

May, 2023



Ohio's Fair School Funding Plan Base Cost State Share Overview - FY 2023

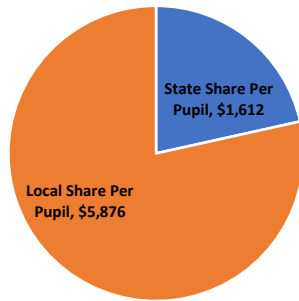


Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Madison-Plains Local School District the calculated Base Cost total is \$8,451,456 in FY 2023.

There are four Base Cost component areas: Direct Classroom Instruction \$4,814,673, Instructional and Student Support \$1,180,377, Building Leadership and Operations \$1,712,631, Leadership and Accountability \$743,775. Of the total base cost about 78% is estimated for personnel related cost. Note: Calculations are based upon Financial Planning Software - Assumption Assist.

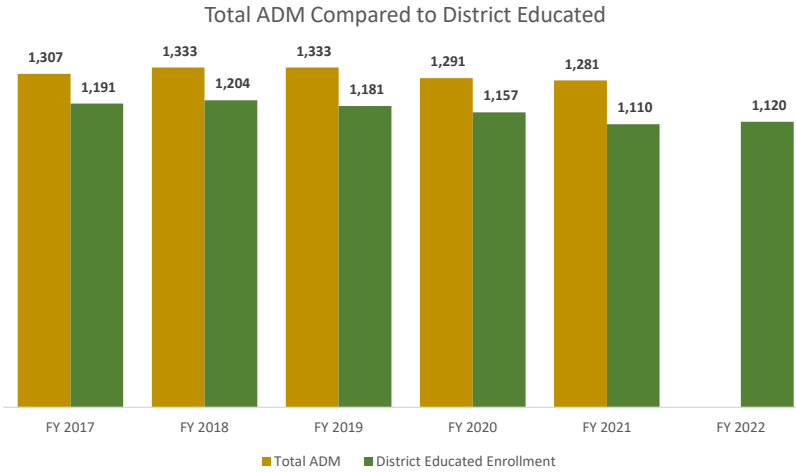
FY 2023 Total Base Cost Per Pupil = \$7,488



Using the total Base Cost of \$8,451,456 shown above, with an enrollment of 1,129 the total per pupil base cost is \$7,488. The FSFP local capacity methodology, using a per pupil wealth/capacity of \$255,490 calculates that the local portion of total base cost is \$5,876 per pupil in FY 2023. The local per pupil portion is updated each fiscal year and is projected to go down -\$964 by FY 2027. At the same time, the total base cost per pupil is estimated to increase by \$81 to a total per pupil base cost of \$7,569.

Note: Enrollment used for base cost calculations is the higher of the three year average (district educated) for years 2020, 2021, and 2022, or 2022.

Ohio's Fair School Funding Plan - Districted Educated Enrollment
(and implications beyond state revenue)



Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Ohio started using "district educated" which is comprised of resident students attending and open enrollment "in" students. In prior funding formulas the district total/ formula ADM was used to calculate state funding. This change, in some cases reduces net state funding because the district is no longer receiving funding for community school, scholarship students, etc. However, at the same time, the district will not be expensing tuition to pay for these students and therefore cost will be lower.

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

The following is an example built from the Ohio Department of Education's FY 2021 SFPR and is for illustration of the tuition change.

Enrollment Implications on Other Revenue and Tuition Expenses (Purchased Services)

	FY 2021	
	ODE SFPR	
Open Enrollment (OE) Net	(\$607,669)	Net OE Out, expenditures will decrease more than OE revenue will decrease. This potentially has a 'net favorable' impact on the forecast.
Impact on Expenses Only:		
Community School	(\$326,486)	The difference in how enrollment is calculated for funding in most cases will create a net favorable result. In other words, the tuition the district was paying as a transfer to others will be eliminated and FY 2022 expenditures should decrease. For open enrollment "in" districts, the tuition revenue will also decrease (and open enrollment tuition out will decrease). The table to the left provides a conceptual result of the potential impact using FY 2021 state funding data.
Stem School	(\$22,773)	
Cleveland Scholarship & Pilot	\$0	
Autism Scholarship	(\$37,145)	
EdChoice Scholarship	\$0	
Peterson Scholarship	\$0	
Net Impact on "other revenue" and "Tuition Cost"	(\$994,073)	Expenses are decreasing more than the revenues are decreasing. This potentially has a 'net favorable' impact on the forecast.





Ohio's Fair School Funding Plan - Favorable/(Unfavorable) Financial Impact

Madison-Plains Local School District

I. Revenue Impact FY 2021 to FY 2022

	Actual Posted FY 2021	District Actual FY 2022	
Overall State Revenue Gain/Loss FY 2021 to FY 2022			
Unrestricted State Funding Per 5Cast Forecast Lines	\$4,873,933	\$4,282,291	<After State Funding Assumption Asst.
Restricted State Funding Per 5Cast Forecast Lines	\$166,907	\$388,049	<After State Funding Assumption Asst.
Open Enrollment In Revenue Code 1227 as Posted 5Cast	\$484,801		
Total State Funding as Posted	\$5,525,641	\$4,670,339	< Total State Funding as Forecasted
Revenue Change FY 22 over/(Under) FY 21		(\$855,302)	Potential Unfavorable Impact on Revenue Current Assumption Assist Results

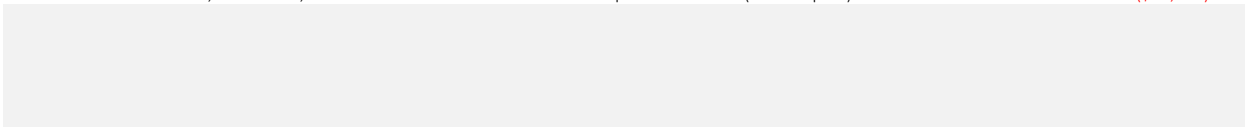
II. Expenditure Impact FY 2021 to FY 2022

Other FSFP Factors Beyond State Revenue Detail		FY 2021	
Open Enrollment Expense (Calculated)		(\$1,092,470)	SFPR Net Adjusted for Posted Open Enrollment In Revenue
From FY 21 June#2 SFPR:			
Community School		(\$326,486)	
Stem School		(\$22,773)	
Cleveland Scholarship & Pilot		\$0	
Autism Scholarship		(\$37,145)	
EdChoice Scholarship		\$0	
Peterson Scholarship		\$0	
Potential "Tuition Cost Reduction" Impact		(\$1,478,874)	
FY 21 S Wellness Expenditures Shifted to General Fund in FY 22		\$219,653	Potential Unfavorable Impact Wellness Spending Shifted to General Fd (Assumes All Wellness If spent less then could be less unfavorable.
Memo: SF10 Restricted FY 2022 Wellness	\$105,816		
Net Impact on Expenditures		(\$1,259,221)	Potential Favorable Impact

III. Combined FSFP Conceptual Impact on Both Revenue and Expenditures

	FY 2022	
Net Impact on FY 22 Revenue Compared to FY 2021	(\$855,302)	Section I Above
Net Impact Expenditures Compared to FY 2021	\$1,259,221	Section II Above
Combined Revenue and Expenditure FSFP Impact	\$403,920	

Note: When comparing to the state's simulations keep in mind that the simulations used the January 2021 SFPR, and the above is June #2, 2021. Also, the simulations did not account for the special education (cat cost pool) deduction of: (\$20,243)



Ohio's Fair School Funding Plan - Detailed Funding Results (SF8)

Madison-Plains Local School District

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	
Local Demographics						
.A						
.A1	Per Pupil Base Cost (SF4 Line C)	\$7,488	\$7,506	\$7,521	\$7,545	\$7,569
.A2	State Per Pupil Share (SF4 Line E)	\$1,612	\$1,468	\$1,222	\$933	\$648
.B	Current District Educated Enrollment (SF1a)	1,106.5	1,093.4	1,080.3	1,067.2	1,054.1
Current Year's FSFP Formula Funding:						
.C	State's Share of Base Cost Amt. (SF4 Line I)	\$1,783,672	\$1,604,682	\$1,320,251	\$996,172	\$683,232
.D	State's Share of Category's (SF5)	\$362,551	\$325,634	\$267,752	\$201,862	\$138,555
.E	Targeted SF6 (without Supplemental)	\$53,286	\$142,352	\$135,651	\$121,335	\$120,222
.F	Calculated FSFP Formula Funding (C+D+E)	\$2,199,509	\$2,072,667	\$1,723,653	\$1,319,369	\$942,009
FY 2020 Guarantee Base Funding:						
.G	2020 SFPR Base Funding w/o DPIA (Result 1)	\$3,961,415	\$3,961,415	\$3,961,415	\$3,961,415	\$3,961,415
.H	FSFP Formula to FY20 Base Difference (F - G)	(\$1,761,906)	(\$1,888,748)	(\$2,237,762)	(\$2,642,047)	(\$3,019,407)
.I	Formula Phase In or CFO's (below)	33.33%	50.00%	66.67%	83.33%	100.00%
.J	FSFP Formula Phase In Current Years' (H x I)	(\$587,243)	(\$944,374)	(\$1,491,916)	(\$2,201,618)	(\$3,019,407)
.K	2020 SFPR + FSFP Formula Phase In (G + J)	\$3,374,172	\$3,017,041	\$2,469,500	\$1,759,798	\$942,009
Add-on DPIA and Supplemental Targeted						
.L	2020 DPIA Base (Step SF6)	\$105,391	\$105,391	\$105,391	\$105,391	\$105,391
.M	Calculated DPIA (Step SF6)	\$129,150	\$139,170	\$137,503	\$135,835	\$134,168
.N	DPIA Phase In or CFO's (below)	33.33%	50.00%	66.67%	83.33%	100.00%
.O	Phased In DPIA Funding (L +(M - L)*N)	\$113,310	\$122,281	\$126,800	\$130,760	\$134,168
.P	Supplemental Targeted (SF6)	\$0	\$0	\$0	\$0	\$0
.Q	Add-on DPIA and Supplemental Targeted (O + P)	\$113,310	\$122,281	\$126,800	\$130,760	\$134,168
Base FY20 Guarantee Calculation						
.R	Current FY Funding (K+ Q)	\$3,487,482	\$3,139,322	\$2,596,299	\$1,890,558	\$1,076,177
.R1	2020 Base (G) Plus DPIA Base (L)	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807
.R2	'20 Base Transitional Aid (R1 - R) (Result 1)	\$579,324	\$927,485	\$1,470,507	\$2,176,249	\$2,990,630
	Formula Phase In or CFO's (below)	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807
YOY Analysis						
	Unphased-in Formula (H - J)	\$0	\$0	\$0	\$0	\$0
	YOY Change		\$0	\$0	\$0	\$0
	FY 2020 Guarantee Line R2	\$579,324	\$927,485	\$1,470,507	\$2,176,249	\$2,990,630
	YOY Change		\$348,160	\$543,023	\$705,741	\$814,381

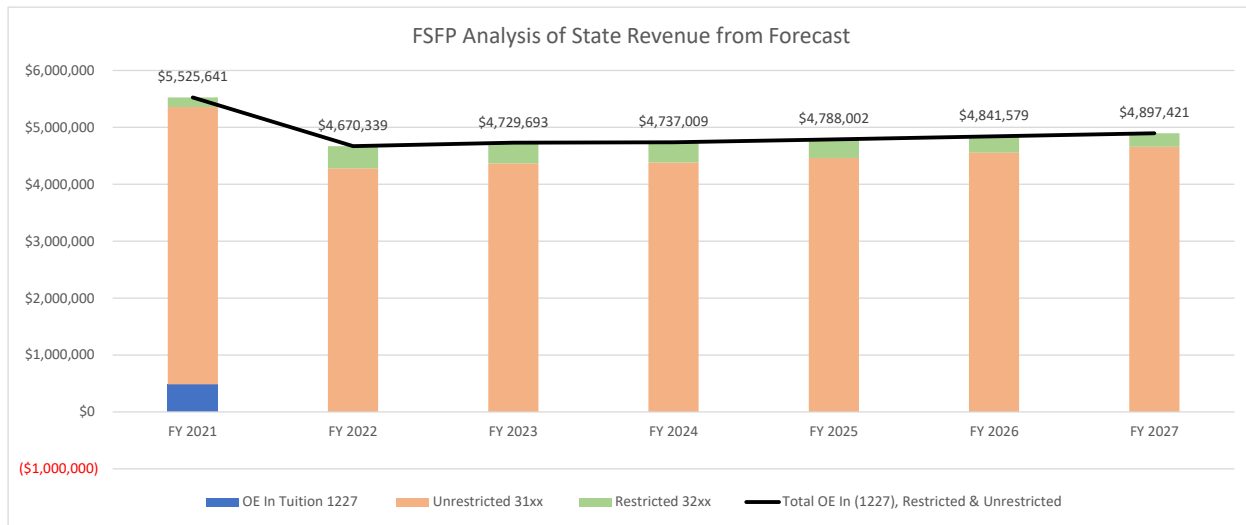


Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

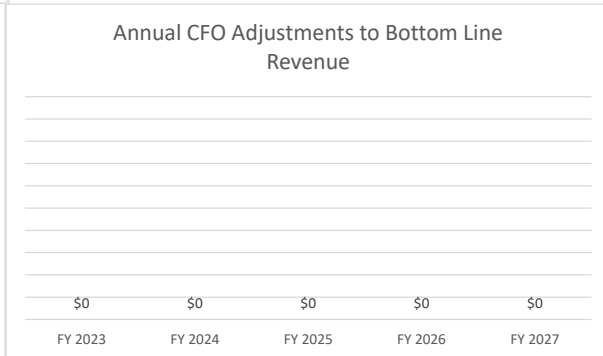
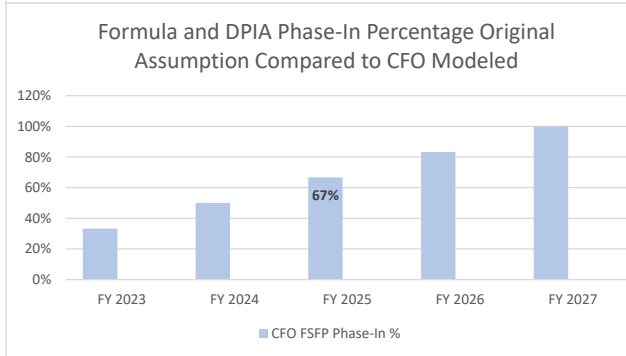
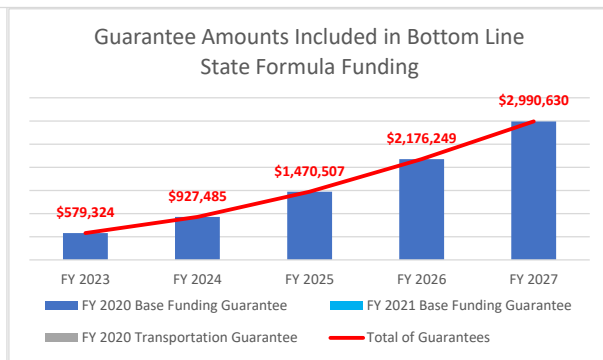
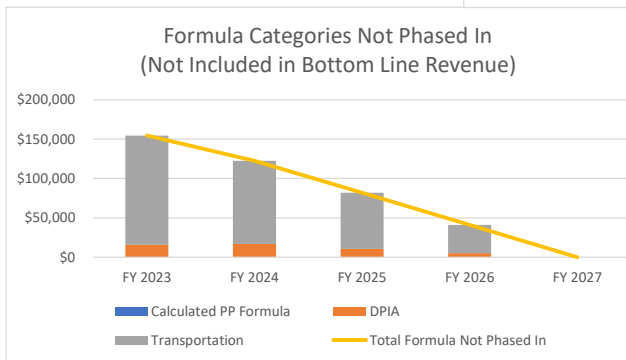
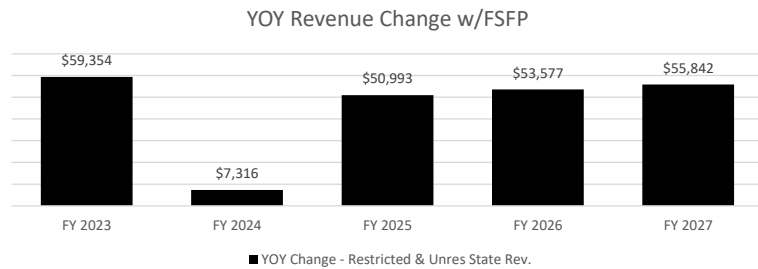
Funding Summary		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.R3	Current Year's Funding (R + R2)	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807	\$4,066,807
.S1	Open Enrolled ADM Loss Impact (Result 2)	\$0	\$0	\$0	\$0	\$0
.S2	Special Education Set-Aside (SF5)	(\$20,243)	(\$21,010)	(\$19,640)	(\$16,161)	(\$11,112)
.T1	Career Awareness Revenue	\$0	\$0	\$0	\$0	\$0
.T2	CTC Associated Services Adj.	(\$1,907)	(\$1,711)	(\$1,405)	(\$1,057)	(\$723)
.T3	Transportation (SF7)	\$419,142	\$464,085	\$509,637	\$556,008	\$603,213
.U	FY 2021 Transition Supp Result 3	\$0	\$0	\$0	\$0	\$0
.V	CFO Bottom Line Funding Adjustment Below	\$0	\$0	\$0	\$0	\$0
.V2	Supplemental Targeted SF6	\$0	\$0	\$0	\$0	\$0
.W	Total State Funding	\$4,463,799	\$4,508,171	\$4,555,399	\$4,605,597	\$4,658,186
	YOY Change		\$44,372	\$47,228	\$50,198	\$52,589
	YOY % Change		0.99%	1.05%	1.10%	1.14%
	Trend Indicator of Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee
	FY 20 + FY 21 Base Guarantee Total	\$579,324	\$927,485	\$1,470,507	\$2,176,249	\$2,990,630

These funding estimates culminating to row R3 above and beyond should be considered a trend estimate based upon current information. Many assumptions are made regarding future inflationary pressures and funding decisions based upon current law practice. Current laws can be changed and with it funding results.

Ohio's Fair School Funding Plan - CFO Bottom Line Revenue Analysis

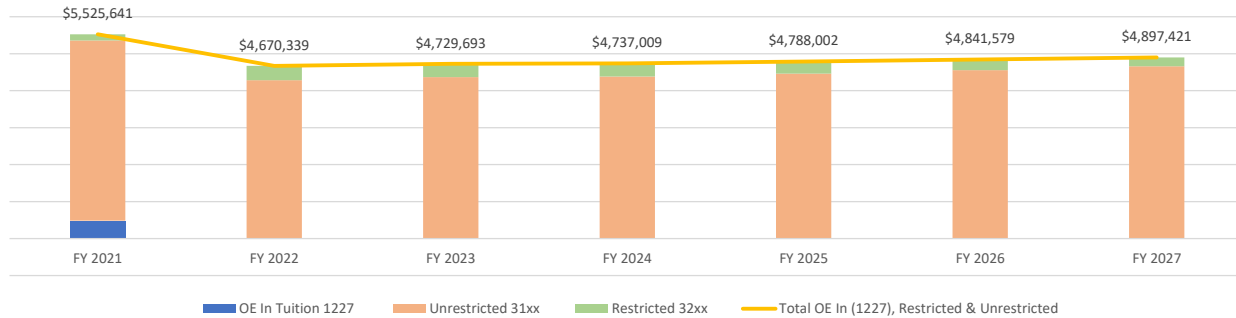


The FSFP is a formula that is being phased in and includes guarantees. With phase-ins some districts may have formula funding that is not phased-in. Other districts may experience guarantee funding. The graphs below point out these key points and the CFO's adjustment response, if any, in the bottom two charts.



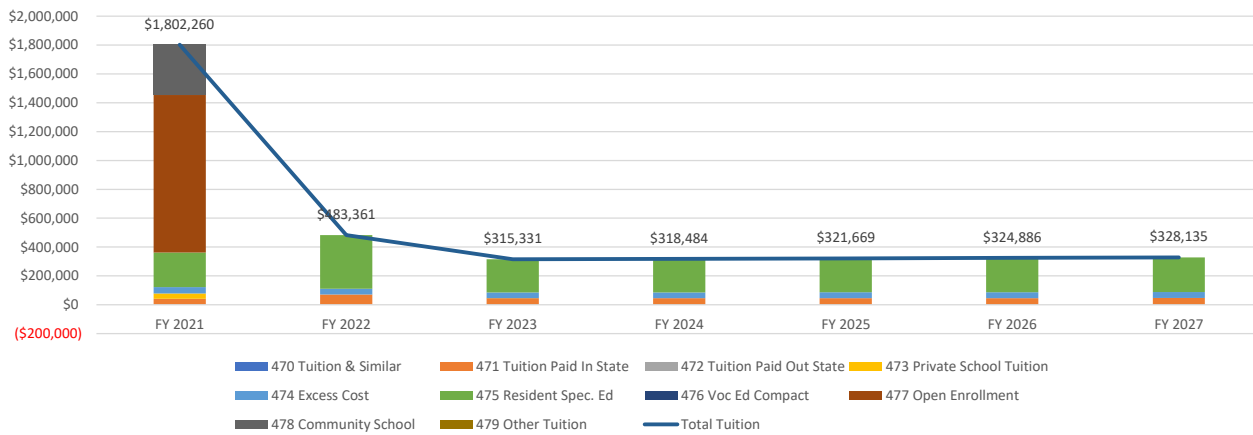
Ohio's Fair School Funding Plan - Results in Forecast

Current Forecasted State Revenue (FSFP)



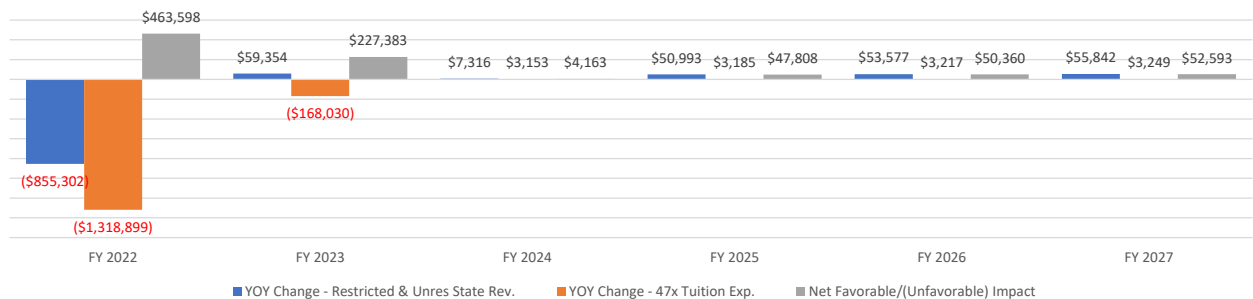
The above graph summarizes key state revenue line items impacted by the FSFP plan. Districts that had open enrollment 'in' revenue will not see this source of revenue in the future. Overall the district's projected revenue increased \$59,354 from FY 2022 to FY 2023. The above results are from the district's forecast and assume USAS codification standards. Note: FY 2021 and FY 2022 are actual. FY 2023 through FY 2027 are current forecast results.

Current Forecasted Tuition FSFP Analysis



Tuition expenses were impacted by the FSFP plan. Tuition expense for community schools, open enrollment out, STEM, scholarships, and EdChoice were no longer incurred as expenses starting in FY 2022. Many districts will see a decline in overall tuition cost from FY 2021 to FY 2022. In FY 2022 total tuition expense decreased - \$168,030. Note: FY 2021 and 2022 are actual. FY 2023 through FY 2027 are current forecast results.

YOY Change w/FSFP



In FY 2022, the first year of FSFP, state revenue (blue bars) decreases -\$855,302. Assuming, as presented in the bar chart above, that the YOY change is all the result of FSFP, then the district is expected to experience a net favorable impact of \$463,598 in FY 2022 (gray bars) and is impacted by the district's phase-in of the new formula. The favorability/unfavorability analysis continues into FY 2023 through FY 2027 as represented by the gray bars. Note: Tuition is comprised of the USAS codes commonly recognized for use with community school, and other scholarships.

Ohio's Fair School Funding Plan - Transitional Aid "Guarantee Analysis"

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FY 2020 Base Transitional Aid Guarantee	\$579,324	\$927,485	\$1,470,507	\$2,176,249	\$2,990,630
Calculated Formula Phased In	\$145,853	\$91,960	(\$342,756)	(\$1,102,188)	(\$2,077,398)
FY 2020 Guarantee as % of Calculated Formula	397.2%	1008.6%	-429.0%	-197.4%	-144.0%
State Base Cost Per Pupil Funding	\$1,612	\$1,468	\$1,222	\$933	\$648
Memo Only: Guarantee Reflected as Student Count	359	632	1,203	2,331	4,614

Note: Concept only, if students were added PP Funding would change.

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FY 2021 Base Supplemental Transitional Guarantee	\$0	\$0	\$0	\$0	\$0
Calculated Formula Phased In	\$145,853	\$91,960	(\$342,756)	(\$1,102,188)	(\$2,077,398)
FY 2021 Guarantee as % of Calculated Formula	-	-	-	-	-
State Base Cost Per Pupil Funding	\$1,612	\$1,468	\$1,222	\$933	\$648
Memo Only: Guarantee Reflected as Student Count	-	-	-	-	-

Note: Concept only, if students were added PP Funding would change.

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Transportation Guarantee	\$0	\$0	\$0	\$0	\$0
Open Enrollment Reduction to FY 2020 Guarantee	\$0	\$0	\$0	\$0	\$0

District Educated Enrollment

