

B

Financial Update

Feb 17 Meeting

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We are at a Critical Juncture

- We have outstanding, dedicated teachers and staff that do an excellent job educating and supporting our children.
- Survey last summer--
 - Quality of Education--91.2% had a positive rating;
 - Rate the work of classroom teachers--78.1% had a positive rating
- The single most important issue facing our schools right now is our budget.

Facts about Issue 9

The district is on
the ballot for a

5.7-mill
operating levy.

The district last
passed a levy for new
operating dollars in

2015.

An operating levy helps
fund the district's
day-to-day operations,
such as staffing, utilities,
transportation, maintenance
and supplies.

Only
27%
of the district budget comes
from the state—compared
to the state average of 44%.

The district has made over
**\$2.3 million in budget
reductions**
between the summer of
2018 and Phase I and II
reductions in 2019.

If passed, the levy would cost
district taxpayers
\$16.60
per month per \$100,000
appraised market value.

Other facts

- ◉ Levy will raise \$3.3 million/year starting Jan 2021
- ◉ Unfunded/underfunded mandates = \$3.6 million in 2018-19
- ◉ Additional money from new construction, reappraisals, inside millage & Cornerstone = about 2% of our budget



5-Year Forecast with Levy Passage

	Forecast FYE 20	Forecast FYE 21	Forecast FYE 22	Forecast FYE 23	Forecast FYE 24
Original Ending Fund Balance	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)	(\$11,653,982)
Estimated New Levy Revenue	\$0	\$1,661,000	\$3,322,000	\$3,322,000	\$3,322,000
Cumulative Balance of New Levy Revenue	\$0	\$1,661,000	\$4,983,000	\$8,305,000	\$11,627,000
Revised Ending Fund Balance	\$3,095,550	\$2,934,634	\$3,089,374	\$2,117,819	(\$26,982)

Background Information

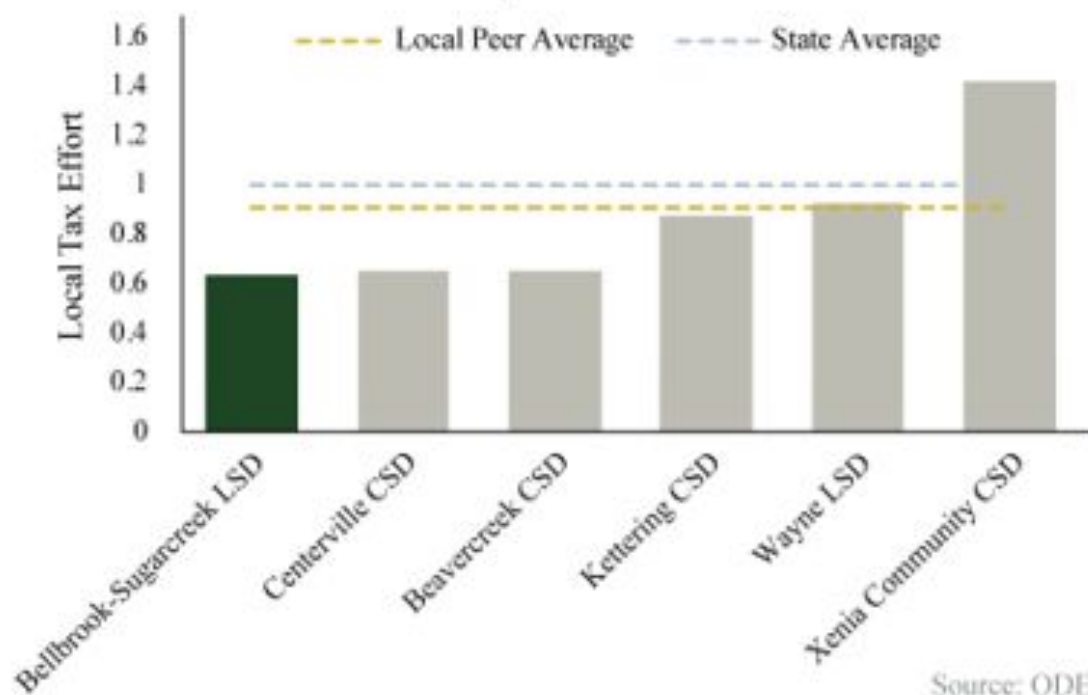
- Summer 2018 - \$500,000 in budget reductions
- May 2019 - 7.5 mill replacement levy fails
- June 2019 - Phase I Budget Reductions - \$813,000
- Summer 2019 - Additional Reductions - \$168,000
- July 2019 - Performance Audit by State Auditor's Office
- Did not put levy on November 2019 ballot
- Nov 2019 - Phase II Reductions - \$1,000,000
- **Total Budget Reductions to date - Over \$2.3 million (20 staff positions eliminated, 10 certified)**

Table A-4: November 2019 Five-Year Forecast

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Total Revenue	\$28,751,000	\$29,312,000	\$29,633,000	\$29,958,000	\$30,288,000
Total Expenditure	\$30,567,475	\$31,133,916	\$32,800,260	\$34,251,555	\$35,754,801
Result of Operations	(\$1,816,475)	(\$1,821,916)	(\$3,167,260)	(\$4,293,555)	(\$5,466,801)
Beginning Cash Balance	\$4,912,025	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)
Ending Cash Balance	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)	(\$11,653,982)
Encumbrances	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)	(\$11,653,982)

Source: BSLSD and ODE

Local Tax Effort Comparison



¹ Beavercreek CSD and Centerville CSD passed new money levies in 2019 which are not reflected in this data.



2018 Area Tax Costs

How do the costs of real estate taxes, school district income taxes and city income tax compare in surrounding districts?

City/Village/Township	(1) Real Estate Taxes	(2) City Income Tax	(3) School District Income Tax	Total
Sugarcreek Township	\$2,334.29	0	0	\$2,334.29
Bellbrook City	\$2,385.90	0	0	\$2,385.90
Beavercreek City	\$2,429.39	0	0	\$2,429.39
Fairborn City	\$1,954.49	\$ 750.00	\$250.00	\$2,954.49
Xenia City	\$1,718.81	\$1,125.00	\$250.00	\$3,093.81
Yellow Springs	\$2,132.55	\$ 750.00	\$500.00	\$3,382.55
Centerville City	\$2,505.96	\$1,125.00	0	\$3,630.96
Kettering City	\$2,648.19	\$1,125.00	0	\$3,773.19
Oakwood City	\$3,046.44	\$1,250.00	0	\$4,296.44

(1) Home value of \$100K. Real Estate includes taxes for county, City/Village, School, Twp, /Board of Health & Vocational School.

(2) Estimated earned income \$50K in the city/Village of residence. (If income is earned in other than the place of residence, that City's earnings rate would apply and thus change the total cost.)

(3) This is if the school district imposes an income tax above the property tax amount. Based on \$50K with one personal, one spouse, and one dependent exemption.

Income and school district averages are based on the number of the cities/villages with taxes.

Taxes are based on the 2017 property tax rate paid in 2018.

2017 Tax Rates--Montgomery County--http://www.mcoho.org/Taxation_Rate_2017_payable_2018_.pdf

2018 Tax Rates--Greene County--<http://www.co.greene.oh.us/DocumentCenter/View/17279/2017-Tax-Rate-Sheet-PDF>

Information compiled from City of Beavercreek Spring 2019 Newsletter and/or Greene and Montgomery Co. Tax documents

Performance Audit

What led to this audit by the State of Ohio Auditor's Office?

- Five-year forecast in May 2019 projected the school budget deficit to grow to nearly \$11 million in FYE 2023
- May 2019 levy failure
- State of Ohio Auditor's Office chose to conduct a performance audit to identify potential cost savings measures which would address the projected deficit balances

What did they find?

- The district took proactive measures to address its forecasted deficit as identified in its Five Year Forecasts in May 2019 and Nov 2019.
- Audit identified 11 recommendations related to operations that could lead to cost savings or improved management practices. These recommendations would not fully resolve the projected deficit.
- Additional measures would need to be implemented in order to address the remaining deficit. These measures, outlined in Recommendation 12, could drastically change service levels within the district and would need to be reviewed by district leadership.
- Other areas were examined but no recommendations were warranted.



Audit Summary

Recommendation 1 The District should reassess its strategic plan and delay future technology purchases until the fiscal condition has improved, saving \$250,000 annually beginning in FYE 2022.

Recommendation 2 To better plan for large capital purchases the District should develop and implement a formal, multi-year capital plan.

Recommendation 3 To save an estimated \$703,000 annually, the District should eliminate the General Fund subsidy of extra-curricular activities beginning in FYE 2021.

Recommendation 4 By bringing technical support and central office support positions in line with peers, the District could save an average of \$63,600 annually beginning in FYE 2021.

Recommendation 5 By bringing career-technical educator, counseling, nursing, and library staffing in line with peers, the District could save an average of \$325,600 annually beginning in FYE 2021.

Recommendation 6 Renegotiating collective bargaining agreement provisions could save the District an average of \$196,800 annually beginning in FYE 2022.

Recommendation 7 The District could save \$12,600 annually if it reduced the employer cost of vision insurance to be in line with the Greene County average for public school districts beginning in FYE 2022.

Recommendation 8 To better plan for the future replacement of school buses, the District should develop and implement a fleet replacement strategy.

Recommendation 9 The District loses money by maintaining the Sugarcreek Elementary building. This building should be sold, or rents should be increased to cover the full cost of ownership, saving \$27,200 annually beginning in FYE 2021.

Recommendation 10 To avoid costly repairs or replacements, the District should develop and implement a formal facilities preventative maintenance plan.

Recommendation 11 To avoid overpaying for facility maintenance services, the District should develop a formal purchasing process.

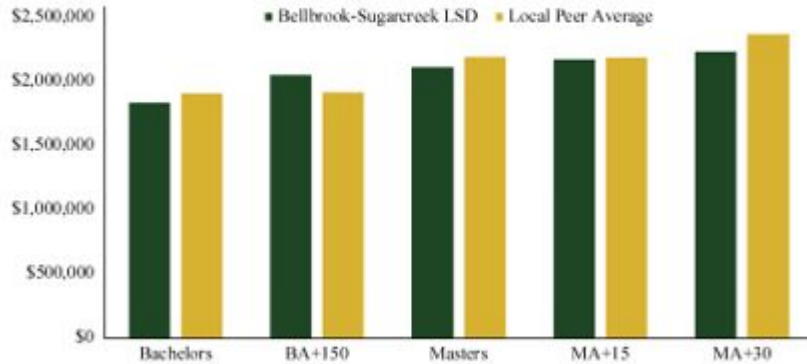
Recommendation 12 In order to fully address the projected deficits, the District will need to review additional options including a continued pay freeze or further staffing reductions, totaling an additional \$1,451,400 in annual savings.

Performance Audit: Recommendations Review

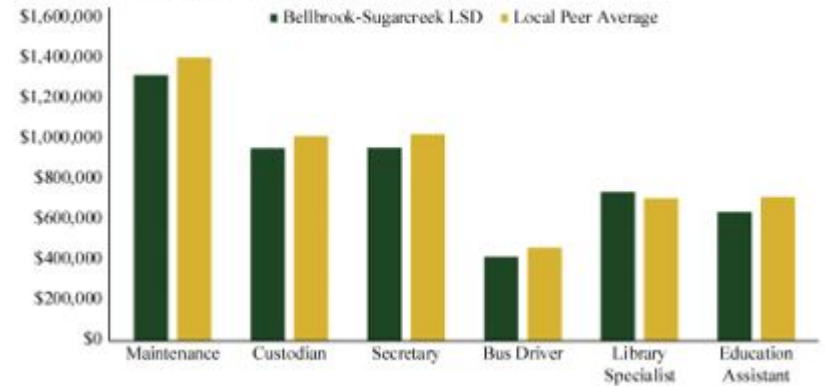
- No recommendations for...
 - Salaries, medical insurance, transportation, staffing-maint/custodial, administrative, general educational teachers, K-8 specials teachers, building clerical and food service.
- We have already begun to work on...
 - Bus fleet replacement strategy, facilities preventative maintenance plan, multi-year capital plan, formal purchasing process

Salary Comparison Review

Certificated Career Salary Comparison



Classified Career Salary Comparison



**Table 2: Financial Forecast with Performance Audit
Recommendations**

	Forecast FYE	Forecast FYE	Forecast FYE	Forecast FYE	Forecast FYE
	2020	2021	2022	2023	2024
Original Ending Fund Balance	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)	(\$11,653,982)
Cumulative Balance of Recommendations 1-11	\$0	\$1,093,178	\$2,661,868	\$4,248,119	\$5,848,691
Revised Ending Fund Balance with R.1-R.11	\$3,095,550	\$2,366,812	\$768,242	(\$1,939,062)	(\$5,805,291)
Cumulative Balance of Recommendation 12	\$0	\$1,451,400	\$2,902,800	\$4,354,200	\$5,805,600
Revised Ending Fund Balance with All Recommendations	\$3,095,550	\$3,818,212	\$3,671,042	\$2,415,138	\$309

Note: Although the District should seek to implement recommendations as soon as practicable there may be a reasonable delay in doing so. As a result, cost savings for **R.3, R.4, R.5, R.9, and R.12** are assumed implemented in FYE 2021. Cost savings for **R.1** is assumed for FYE 2022-FYE 2024, the forecasted years with the technology upgrades included. Cost savings for **R.6 and R.7** assume implementation in FYE 2022, as that is the first year following expiration of the Memorandum of Understanding extension of the collective bargaining agreements.

Financial Status Update

Ohio Department of Education Fiscal PreCaution

- ⦿ According to our Fall 2019 five-year forecast, the district is projecting a \$1,893,626 deficit in school year 2021-22
- ⦿ Reduction plan needs to be submitted to ODE by March 31, 2020

Budget Reductions

Phase III - Regardless of Levy Passage

Phase IV - If March Levy Does Not Pass

Budget Reductions

Phase III - Regardless of Levy Passage

Phase II Reductions-Regardless of Levy Passage

- Eliminate
 - STEP (Gifted pull-out program) at BCI
 - World Language offerings at BMS
 - 1 HS English position (less electives/increase class sizes)
- Raise sports participation fees from \$150 to \$200
- \$50 of marching band/color guard/winterguard/IPE fees will go to district budget
- Increase All-Day/Every-Day kindergarten tuition by \$900/yr

Phase II Reductions-Regardless of Levy Passage

- 2 open positions (2nd grade, 3rd grade) will be filled by involuntary transfers.
- Summer 2020 - No lot resurfacing or landscape mulch
- Delay purchase of Chromebooks for 1 year

Phase II Reductions-Regardless of Levy Passage

- ⦿ Reductions amount in 2020-21 --- \$287,083
- ⦿ Reductions amount in 2021-22 --- \$460,000

Budget Reductions

Phase IV - If March Levy Does Not Pass

Bellbrook High School Reductions - If March Levy Does Not Pass

- ◉ Eliminate 1 teacher in Social Studies Department (reduction in electives/larger class sizes)
- ◉ Contract with GCCC for Biomed program
- ◉ Library position reduced to .5
- ◉ Eliminate HS busing
- ◉ Raise HS participation fees from \$200 to \$300
- ◉ Eliminate 49 paid supplementals and/or athletic positions



Bellbrook High School Paid Supplementals Eliminated

Science Fair
Academic Team Advisors-2
Class Advisor SR
Class Advisor FR
Class Advisor SO
Diversity Advisor
Eagle Excellence -2
Key Club Advisor
Tech/STEM Advisor
Model UN/Mock Trial
Newspaper Advisor
Productions Assistant/Site Mgr-2
Class Advisor JR

Intramural Advisor
AFJROTC Color Guard
AFJROTC Fitness & Model Club
Guidance Director
Jazz/Pep Band Director
English Chairperson
Foreign Language Chairperson
Math Chairperson
PE/Fine Arts Chairperson
Science Chairperson
Social Studies Chairperson
Special Education Chairperson
STEM/Business/ROTC Chairperson



Bellbrook High School Paid Supplementals Eliminated

HS Asst. Weight Training Advisor (1)
HS Asst Cheerleader Advisor Fall (1)
HS Boys Freshman (Reserve B) Soccer Coach (1)
HS Boys/Girls Asst. Cross Country Coach (1)
HS Asst. Softball Coach (1)
HS Asst. Boys Track Coach (1)
HS Boys Reserve Soccer Coach (1)
HS Girls Reserve Soccer Coach (1)
HS Freshman Boys Basketball Coach (1)
HS Freshman Football Coach (1)
HS Freshman Girls Basketball Coach (1)

HS Boys Reserve Lacrosse Coach (1)
HS Girls Reserve Lacrosse Coach (1)
HS Boys Asst. Tennis Coach (1)
HS Girls Asst. Tennis Coach (1)
HS Asst Swimming & Diving Coach (1)
HS Freshman (Reserve B) Volleyball Coach (1)
HS Freshman Baseball Coach (1)
HS Girls Freshman (Reserve B) Soccer Coach (1)
HS Reserve Wrestling Coach (1)



Bellbrook Middle School Reductions - If March Levy Does Not Pass

- ◉ No MS Keyboarding class
- ◉ No 6th grade Art
- ◉ Library position reduced to .5
- ◉ Reduce transportation to the minimum two-mile state requirement
- ◉ Eliminate 25 paid supplementals and/or athletic positions



Bellbrook Middle School Paid Supplementals Eliminated

Football - 1 position
Track - 1 position
Camp Kern Advisors - 10 spots
Tech/Stem
Newspaper
Board at School Club
Math Pentathlon
Building Leadership Team - 4 spots
Play
Musical
Power of Pen
Student Council
National Honor Society

Bell Creek Reductions - If March Levy Does Not Pass

- No Art classes
- No STEM classes
- Reduce transportation to the minimum two-mile state requirement
- Library position reduced to .5
- 6 paid supplementals eliminated:
 - 3rd, 4th, 5th Grade Chairpersons
 - Student Council
 - BCI Academic Team Advisor (Math Pentathlon)
 - Elementary Productions Advisor

Stephen Bell Reductions - If March Levy Does Not Pass

- ⊙ No Art classes
- ⊙ No STEM classes
- ⊙ Library position reduced to .5
- ⊙ 5 paid supplementals eliminated:
 - Kind, 1st, 2nd, Grade Chairpersons
 - 2 Elementary Productions Advisors

District Level Reductions - If March Levy Does Not Pass

- ◉ Reduce staff development
- ◉ Delay curriculum adoptions in math and science
- ◉ Non-renew select electronic subscriptions
- ◉ Non-renew contract with communications consultant, Allerton Hill

Phase IV Reductions - If Levy Does Not Pass

- RIFs (Reduction In Force)
 - 3 certified teachers
 - 4 classified staff

- Involuntary transfers
 - 4 certified teachers
 - 2 classified support staff

Phase III and IV Reduction Totals

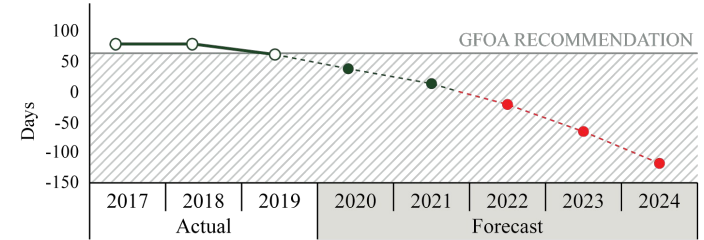
- ◎ Staffing reductions
 - 13 (RIF-7, Attrition-6)
 - 85 paid supplementals
- ◎ Reductions amount in 2020-21 - \$1,174,980
- ◎ Reductions amount in 2021-22 - \$1,283,776
- ◎ Total Overall Reductions - **\$2,458,756**



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Encumbrances	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$3,095,550	\$1,273,634	(\$1,893,626)	(\$6,187,181)	(\$11,653,982)

Source: BSLSD and ODE



We will continue to look for other cost-saving measures.



**Bellbrook
Sugarcreek**
SCHOOLS



Home of the Golden Eagles

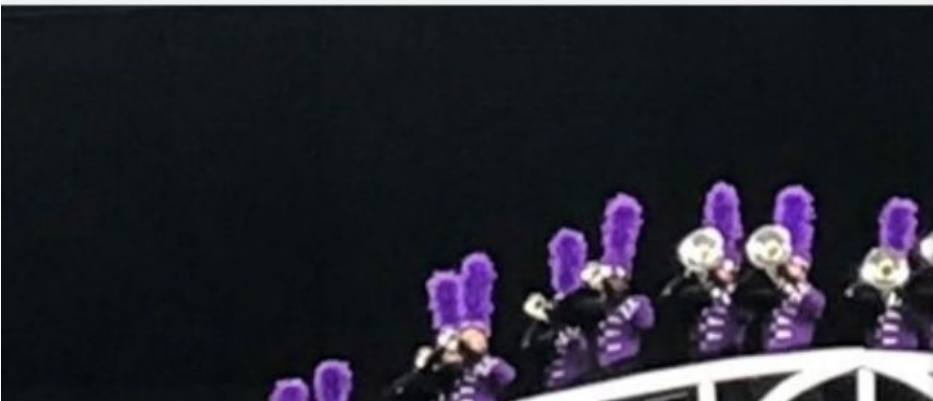
About Us

Academics

Programs

Communications

Levy Info



The Bridge

Coffee Chats

Cozad's Corner

Quality Profile

Social Media

Staff Directory

Tip Line

Levy Information

Frequently Asked Questions

Meetings/Chats

Press Releases

Voting Info



For More Information

- Dr. Douglas Cozad, Superintendent: 937-848-5001 (option 5 then 2)
- Mr. Kevin Liming, Treasurer: 937-848-5001 (option 5 then 3)
- Get involved to actively obtain the facts
 - Attend meetings - Coffee w/ Supt. Feb 27 (7:15&9:15 AM)
- Are you Registered to Vote? Deadline is Feb 18