



Learning Series

Part I - School Funding and RCCSD Forecast

Jason Enix, Superintendent
Colette Lewis, Treasurer

January 26, 2021

Reading Board of Education

Elected Officials who set the policy for the school district.

Superintendent

Collaborates with and reports to the BOE

Identify needs and policies, develop guidelines, provide instructional leadership and manage day-to-day district operations

- Educational Leadership
- Business Management
- Strategic Planning & Implementation
- Communication
- Implementing Board Policy & Administrative Guidelines

Treasurer

Collaborates with and reports to the BOE

Oversees the financial operations as part of the District Leadership team

- Financial Leadership
- Five-Year Forecast
- Financial Planning & Analysis
- Payroll
- Business Management
- Ensure board policy are followed

Our goal is to support the students and families of our community!

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School Funding & Revenue Sources

Ohio Public School Funding

RCCSD funding comes from three main sources - Local, State, and Federal

Funds are allocated based upon a Fiscal Year (July 1 - June 30)



Federal Funds

*Federal Funds are restricted grants that must be spent for specific reasons and **can not** be combined with the General Operating Fund.*

RCCSD: FY 2021 - Total Federal Grant = ~\$1,097,000

Examples of Federal Grants

- a. Title I - Improving Basic Programs*
- b. Title IV - Student Support and Academic Enrichment*
- c. ESSER - Cares Act - COVID response*



State Funds

These funds are provided based upon student enrollment, local wealth index, and many other factors. Most state funds are incorporated into the General Fund.

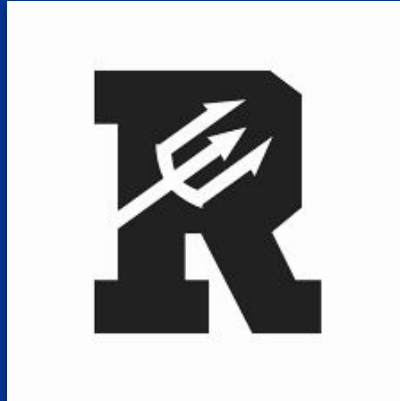
RCCSD: FY 2021 - Total State Funds = ~\$6,500,000



Local Funds

The funding provided by the state does not cover the actual costs to operate a school district. Districts often utilize bonds and levies to bridge the gap.

Levies are for Learning



Bonds are for Building

Sources of Local Funds

Local Funds are generated from local taxes and have a specific purpose.

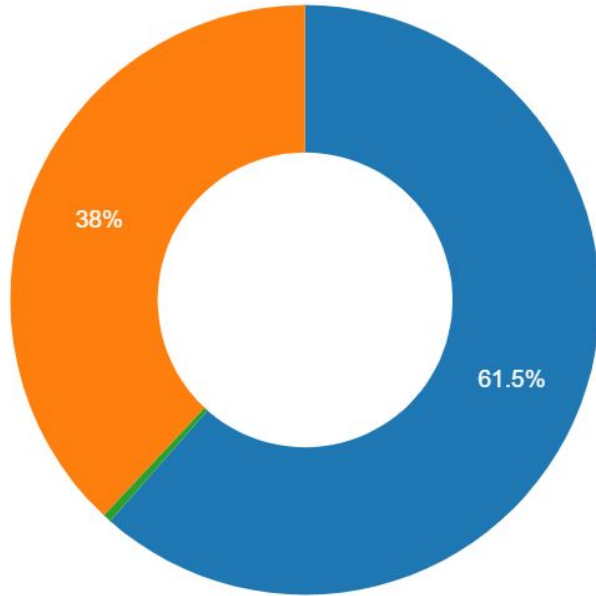
Operating Levy	Permanent Improvement Levy	Bond Issue
Day-to-day Operations	Capital Improvement & Equipment	Capital Improvement
<ul style="list-style-type: none">• Salaries & Benefits• Utilities/Maintenance• Transportation• Supplies• Misc. Services Provided to Students	<ul style="list-style-type: none">• Lifespan of 5 years or more<ul style="list-style-type: none">○ School Buses○ HVAC○ Roofs○ Technology○ Curriculum	<ul style="list-style-type: none">• New school construction• Building renovations <p><i>Funds can not be used for operating expenses.</i></p>

Other Sources of Revenue

Grants	Student Fees
Specific Purpose	Consumables
<p>Local, State, Federal funds that are provided to the school district for a specific purpose.</p> <ul style="list-style-type: none">• Ohio Arts Council Grant• CARES Act Federal Grant	<p>These are collected based upon the items purchased for students.</p> <ul style="list-style-type: none">• Workbooks• Paper• Course specific items

RCCSD General Fund Revenue

General Fund Current Year Revenues by Source



Local Sources State Sources Other Sources

RCCSD general fund revenue consist of funds from the State of Ohio, local revenue approved by local voters, and other sources.

Historical General Fund Revenues by Source



States funds: Calculated by the state formula

Local funds: Approved operating levies

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Expenditures

School Expenditures

School Expenditures are broken down into categories:



Personnel Services - Salaries and Wages



Retirement & Insurance - Medical, Dental, Worker's Comp, etc.



Purchased Service - Partnerships with contractors to support operations

- Hamilton County ESC, Forward Edge, Omnia360



Supplies & Materials - Classroom Supplies, Textbooks/Resources, etc.



Capital Outlay - Buildings, Land, Equipment, etc.



Other - Legal Fees, Professional Memberships, Bank Fees, etc.

RCCSD General Fund

General Funds are used to pay for the day-to-day operations of the school district.



51.3% Salaries & Wages

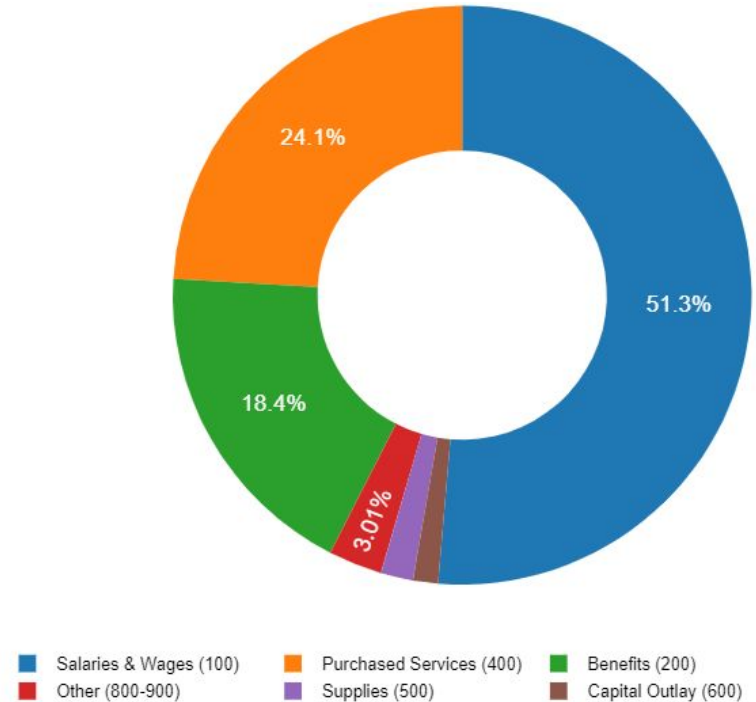


24.1% Purchased Services

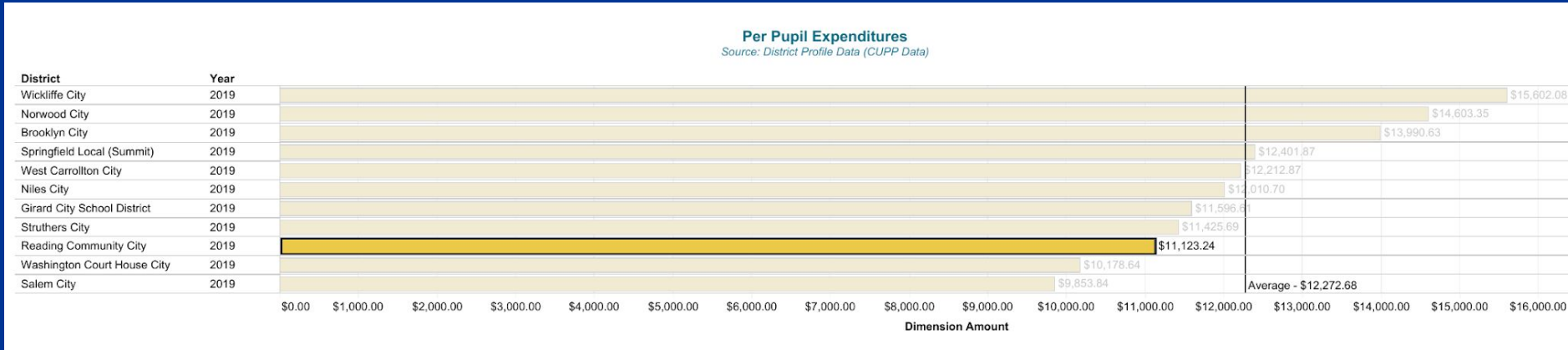


18.4% Employee Benefits

General Fund Current Year Expenses by Category



RCCSD Per Pupil Expenditures



In order to evaluate performance data for a given district, it is often useful to consider how similar districts compare on the same data. Ohio Department of Education uses the following methods to identify up to 20 districts that are most similar according to the following criteria:

- Student Enrollment
- % of population living in urban areas
- Population density per square mile
- Median Income
- Economically Disadvantaged
- Adults with college degrees
- % Racial Minority Enrollment

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**Current Five-Year Forecast
November 2020**

RCCSD November 2020 Five Year Forecast

Reading Community City SD

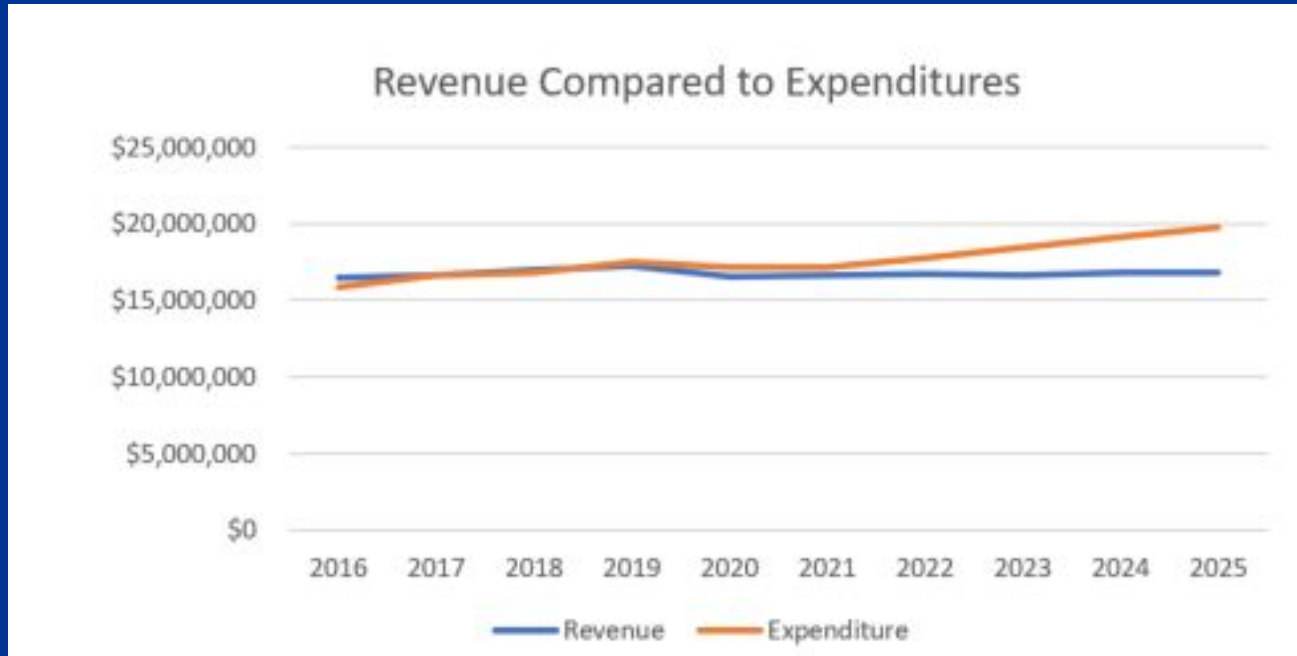
Fall Submission

Simplified Financial Statement

	2021	2022	2023	2024	2025
Beginning Cash Balance	\$3,544,153	\$2,991,474	\$1,895,678	\$38,948	-\$2,296,758
+ Revenue	\$16,562,918	\$16,658,541	\$16,575,079	\$16,791,551	\$16,788,788
+ Renewal Levies	\$0	\$0	\$0	\$0	\$0
+ New Levies	\$0	\$0	\$0	\$0	\$0
- Expenditures	\$17,115,597	\$17,754,337	\$18,431,809	\$19,127,257	\$19,784,141
= Revenue Surplus or Deficit	-\$552,679	-\$1,095,796	-\$1,856,730	-\$2,335,706	-\$2,995,353
Ending Cash Balance with Levies	\$2,991,474	\$1,895,678	\$38,948	-\$2,296,758	-\$5,292,111
Revenue Surplus or Deficit without Levies	-\$552,679	-\$1,095,796	-\$1,856,730	-\$2,335,706	-\$2,995,353
Ending Cash Balance without Levies	\$2,991,474	\$1,895,678	\$38,948	-\$2,296,758	-\$5,292,111

**Balances not reduced for encumbrances or reservations

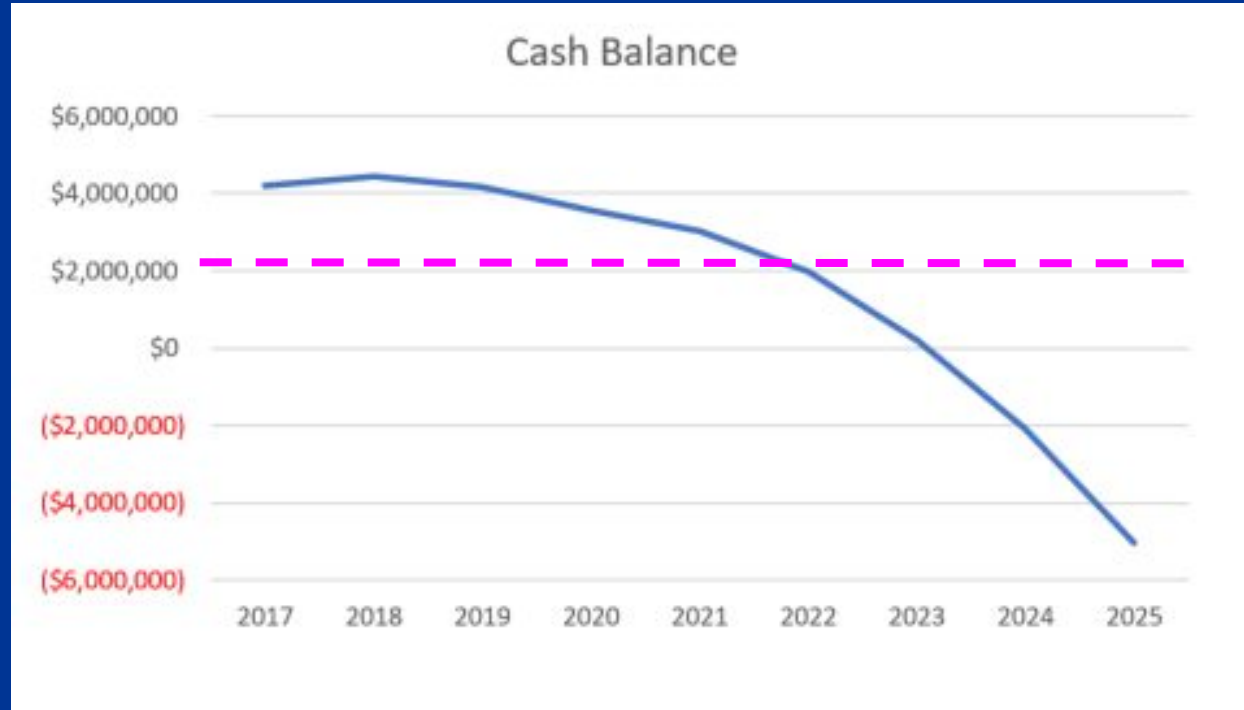
General Fund Revenues vs Expenditures



RCCSD General Fund Cash Balance

Schools can not operate with a negative cash balance.

The pink line indicates the dollar amount for 30 days worth of expenses and anything below this threshold indicates the need for additional revenue.

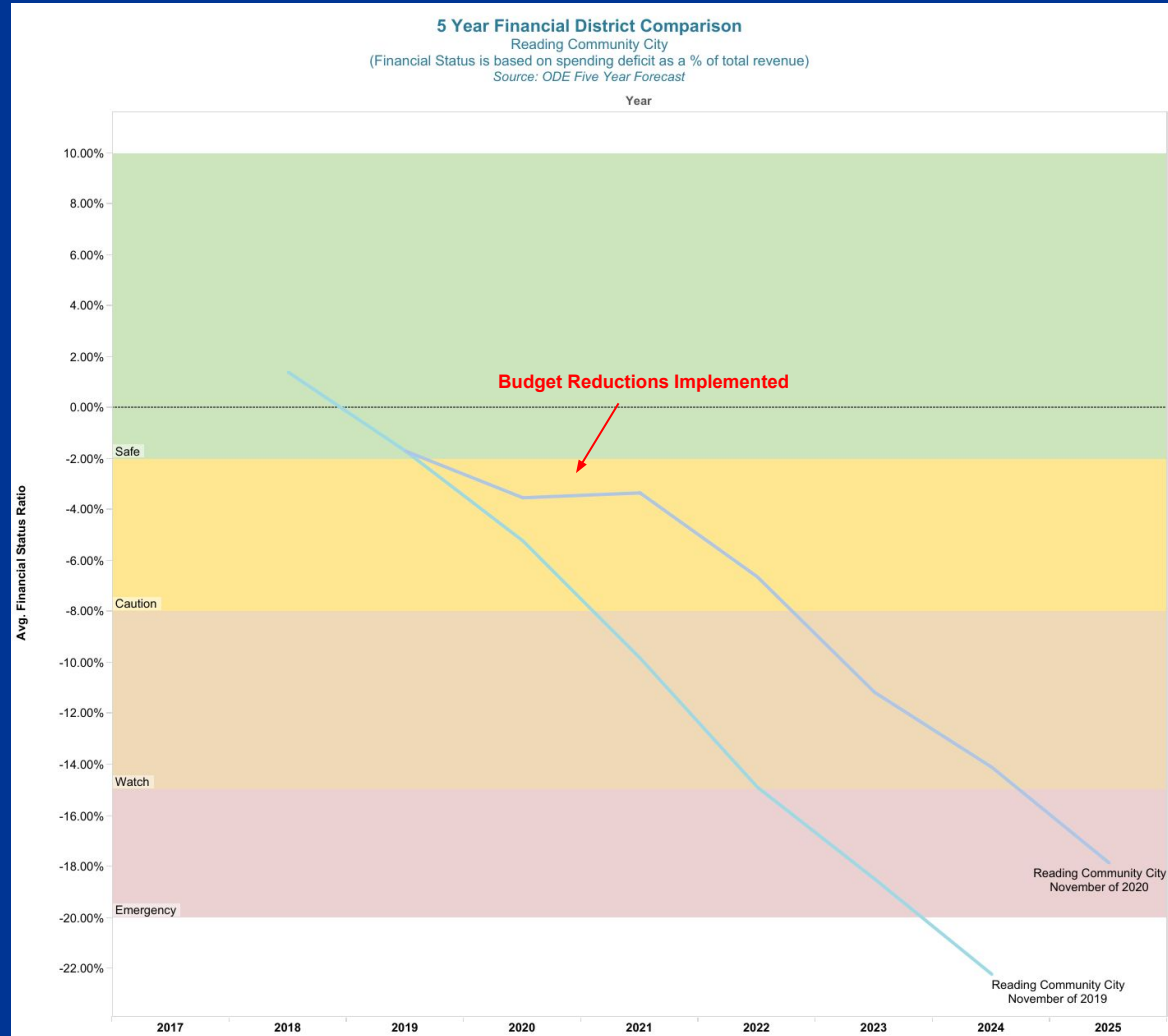


Financial Overview

The chart shows the comparison of the prior two November submissions of the Five-Year Forecast.

The Trend Continues...

1. State funding has minimal growth per pupil
2. State requirements are increasing without additional revenue
 - a. ie. Special Education, Graduation requirements, etc.
3. Last request for new operating revenue was 2009



Timeline of Financial Events

November 2019	Forecast approved and submitted <ul style="list-style-type: none">Discussions continued around the need for additional revenue and/or reductions
December 2019	Received “precautionary” notification from ODE
January 2020	RCCSD submitted a plan to ODE implementing ~\$1,000,000 worth of reductions <ul style="list-style-type: none">Eliminated 8 positions, outsourced additional services, 0% increase for staff
March 2020	Governor Dewine closes schools
May 2020	State announces reductions due to pandemic (~\$212,000)
June 2020	Additional cost savings made <ul style="list-style-type: none">Increased open enrollment, reduced Dean of Students, counselor days, aides, and teaching staff (~\$720,000)



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