



Parent Institute

School District Finance 101

March 31, 2019

Kyle F. Smith
Treasurer/CFO



... the basics

- ★ Revenues
- ★ Expenses
- ★ Budgets and Forecasts
- ★ A few statistics worth sharing





The source: Ohio Department of Education

SAFE | State Agencies | Online Services Ohio.gov

Ohio | Department of Education



District Profile Report



[Home](#) > [Finance & Funding](#) > [School Payment Reports](#) > [District Profile Reports \(Cupp Report\)](#)

QUICK LINKS

- » [State Funding For Schools](#)
- » [District Profile Reports \(Cupp Report\)](#)
 - [FY2017 District Profile Report](#)
 - [FY2016 District Profile Report](#)
 - [FY2015 District Profile Report](#)
 - [FY2014 District Profile Report](#)
 - [FY2013 District Profile Report](#)
 - [FY2012 District Profile Report](#)
 - [FY2011 District Profile Report](#)
 - [FY2010 District Profile Report](#)
 - [FY2009 District Profile Report](#)
 - [FY2008 District Profile Report](#)
 - [FY2007 District Profile Report](#)
 - [FY2006 District Profile Report](#)
 - [District Financial Profiles 1980-1998](#)

District Profile Reports (Cupp Report)

Available for each school district and provides data values for over 50 variables and also includes two columns of comparison data values – one for similar districts and one for the state.

Information includes demographic data, personnel data, property valuation and tax data, local tax effort data, expenditure data, revenue by source data, and school district financial status data.

- » [FY2017 District Profile Report](#)
- » [FY2016 District Profile Report](#)
- » [FY2015 District Profile Report](#)
- » [FY2014 District Profile Report](#)
- » [FY2013 District Profile Report](#)
- » [FY2013 District Profile Report](#)
- » [FY2012 District Profile Report](#)
- » [FY2011 District Profile Report](#)
- » [FY2010 District Profile Report](#)
- » [FY2009 District Profile Report](#)
- » [FY2008 District Profile Report](#)
- » [FY2007 District Profile Report](#)
- » [FY2006 District Profile Report](#)
- » [District Financial Profiles 1980-1998](#)

Last Modified: 1/19/2018 10:11:46 AM

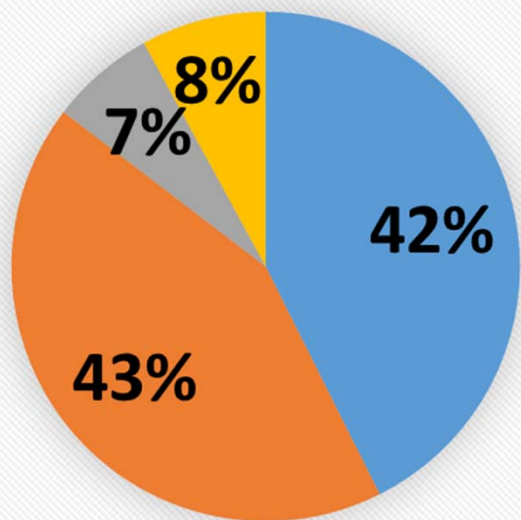




Revenue Sources

Revenues - FY18 State-wide Average

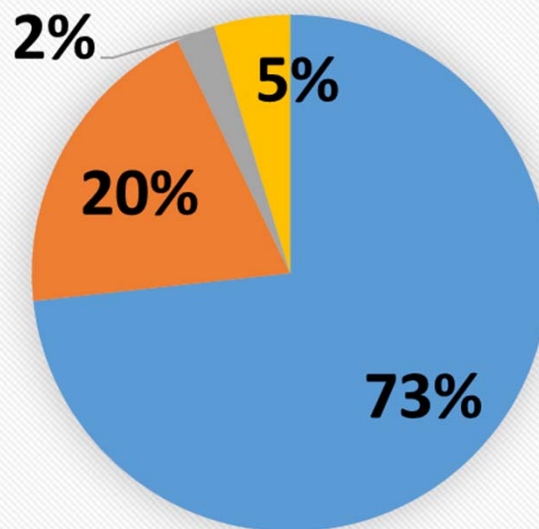
Source: Ohio Department of Education



Local State Federal Non-Tax Revenue

Bexley FY18 Revenue

Source: Ohio Department of Education



Local State Federal Non-Tax Revenue



Formulas

★ State Revenue Factors

- DeRolph – adequate and equitable
- Property values and census based income
- Enrollment size and district type (rural, urban, small town etc.)
- State-Share Index Number – unique to each district
- State budget adjusts every two years (biennium July '19-June '21)
- Guarantee and Cap

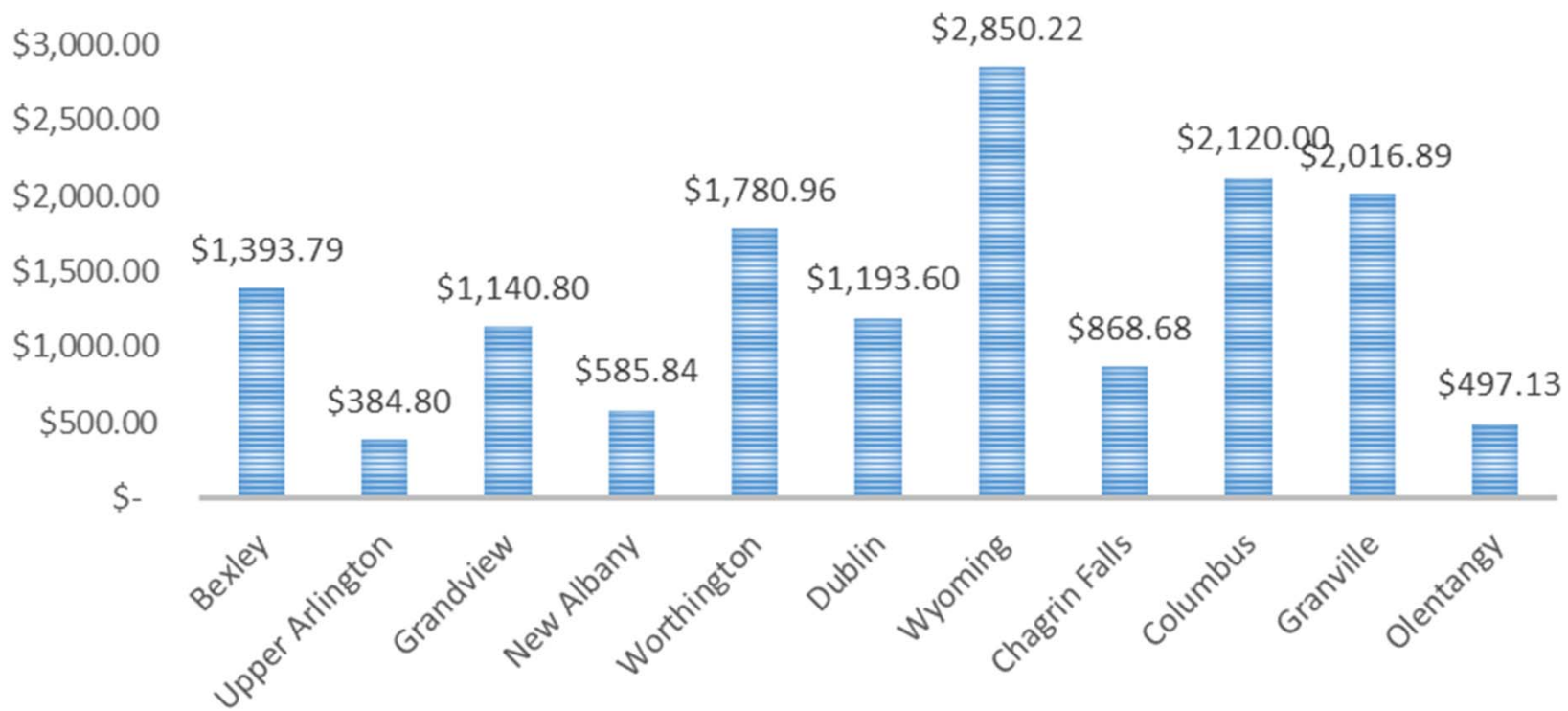
★ Federal Revenue Factors

- Poverty (Free and Reduced Lunch counts)
- Special Education enrollment
- Strings attached on how it can be spent



TOTAL FORMULA FUNDING PER PUPIL FY18

SOURCE: OHIO DEPARTMENT OF EDUCATION





The “local” portion

★ Property Taxes (all schools)

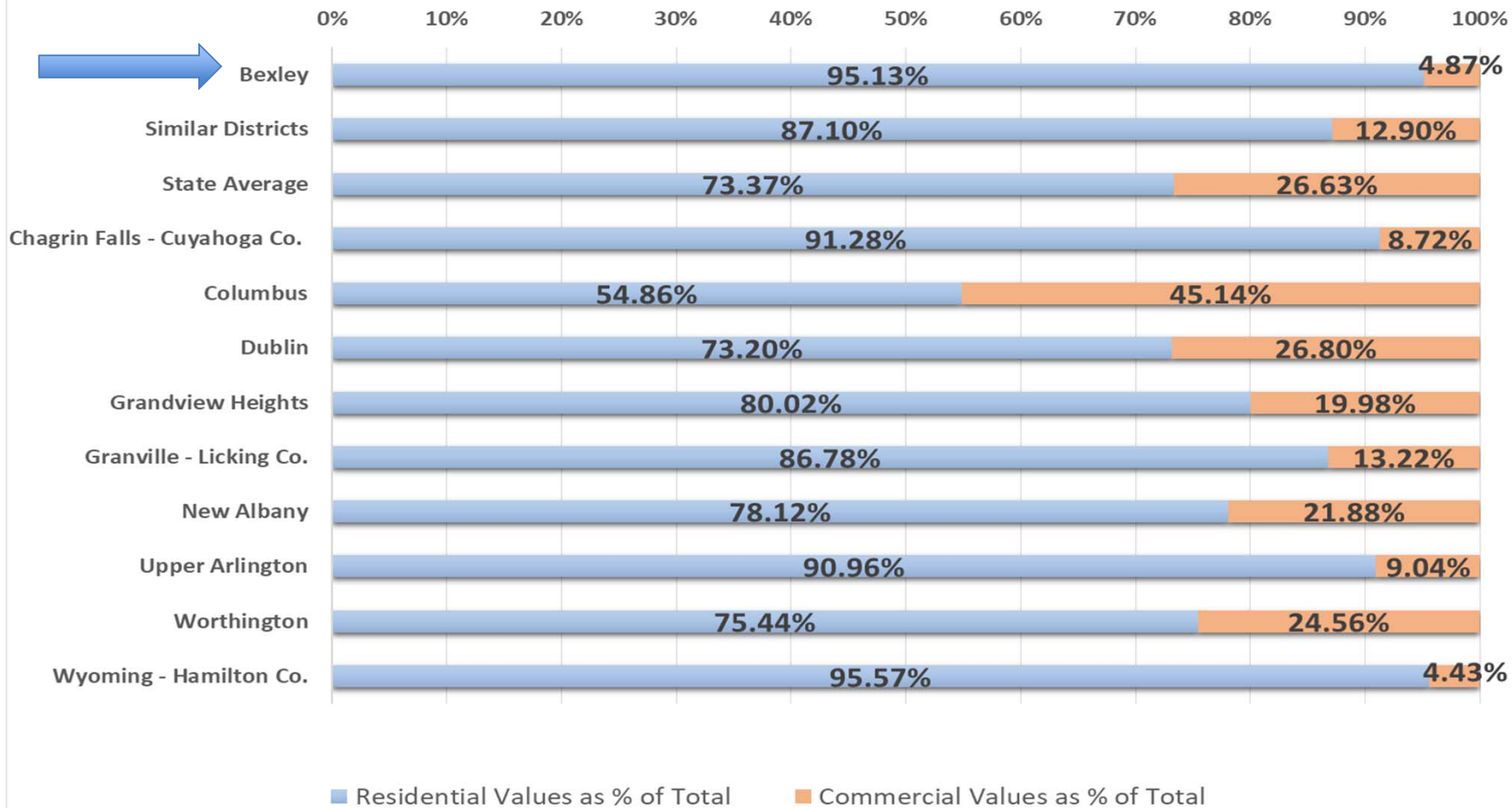
- Voted + Unvoted (Inside Mills)
- Total and Effective
 - HB920 – Essentially freezes property tax revenue. It is protected from inflation when county auditors reassess values every 6 years. Inside mills is the only exception.
- Market Value vs. Assessed Value
 - Taxed on Assessed Value (35% of Market)
- Taxation unit is a mill; 1/10 of a penny
 - 1 mill = \$35 per \$100,000 of market value, annually
- Timing of district revenue – Jan/Feb and Jul/Aug



District Valuation

Source: Ohio Department of Education

This chart shows the burden on property taxation between commercial and residential values in a district.





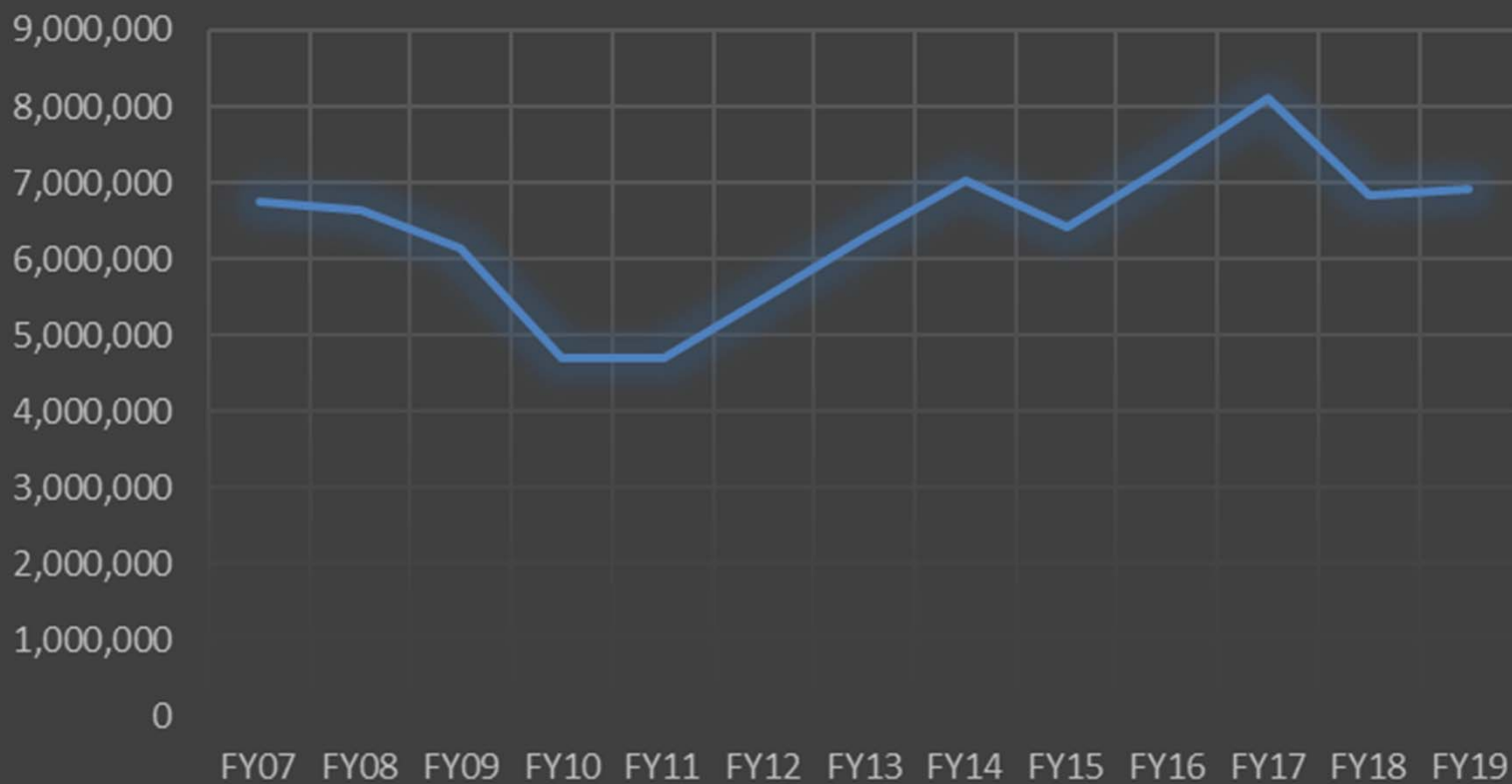
The “local” portion continued

★ School District Income Taxes

- Commonly found in wealthy and farming communities
 - 31% of school districts have an income tax
 - Personal tax returns are not public or shared with the district
- 2 types
 - Traditional (All income)
 - Earned
- Increments of .25%
- Timing of district revenue – Jan/Apr/Jul/Oct
- Bexley School District Income Tax?
 - Traditional & .75%



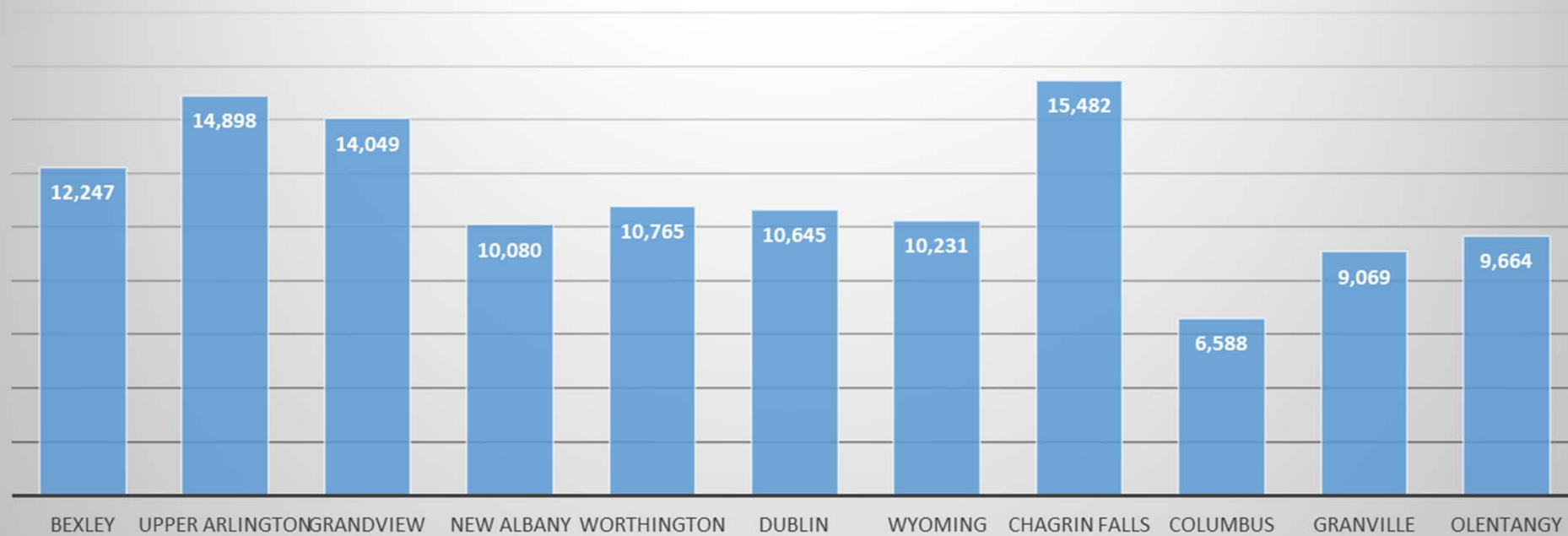
Bexley School Income Tax Collections





FY18 (School) Taxes Collected Per Pupil

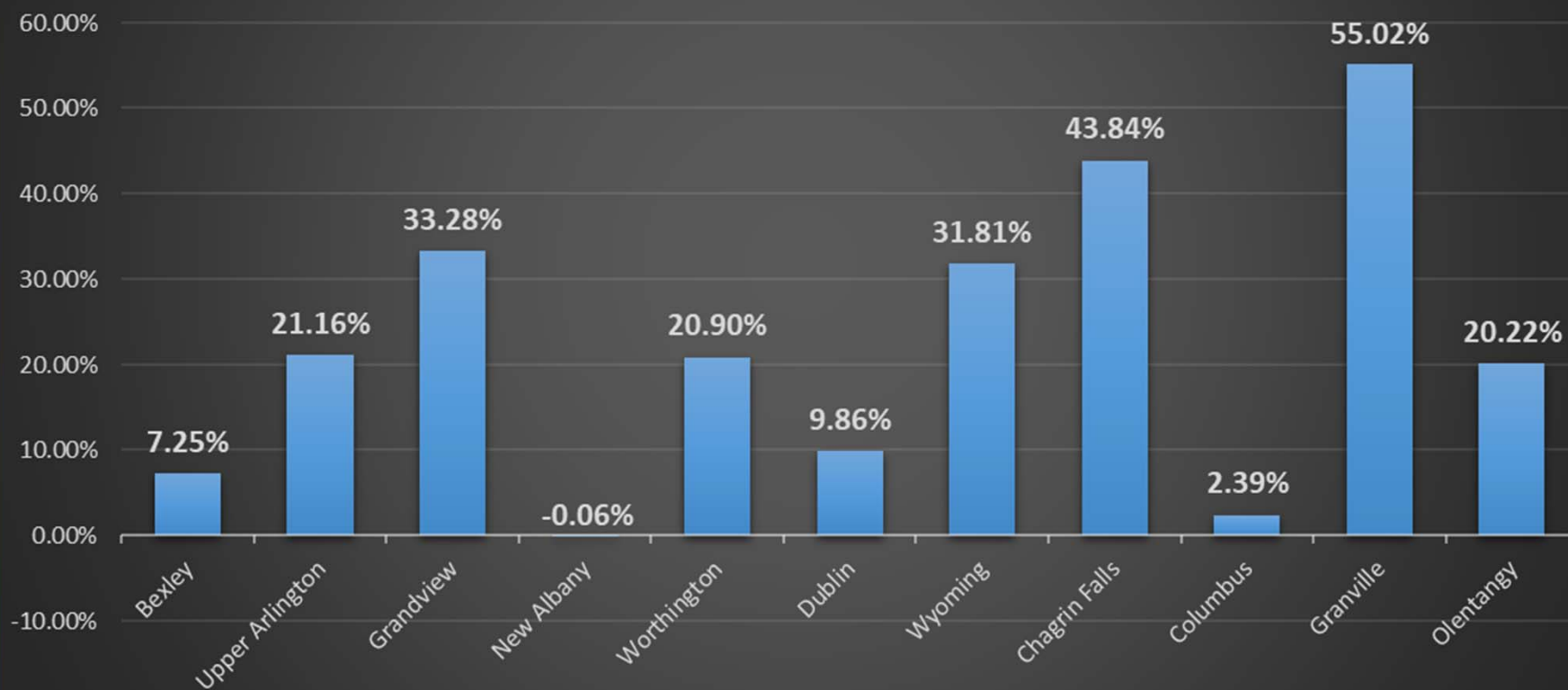
Source: Ohio Department of Education





Local School Tax Revenue Per Pupil % Increase - FY10 to FY18

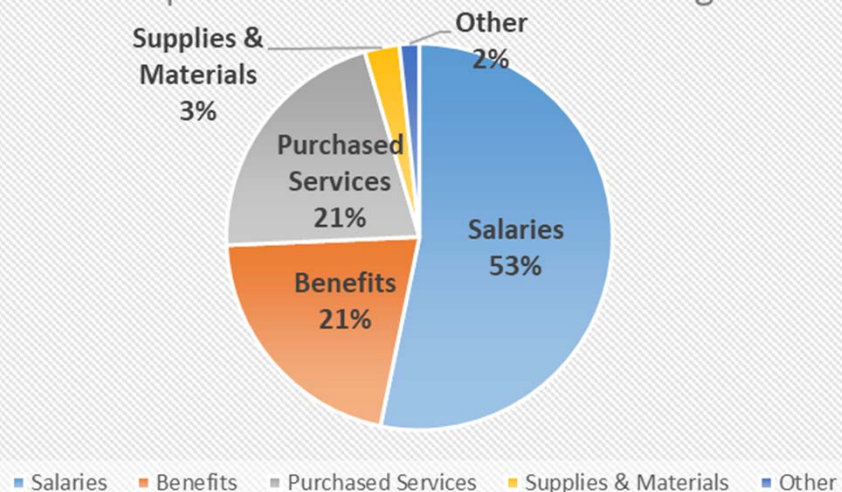
Source: Ohio Department of Education



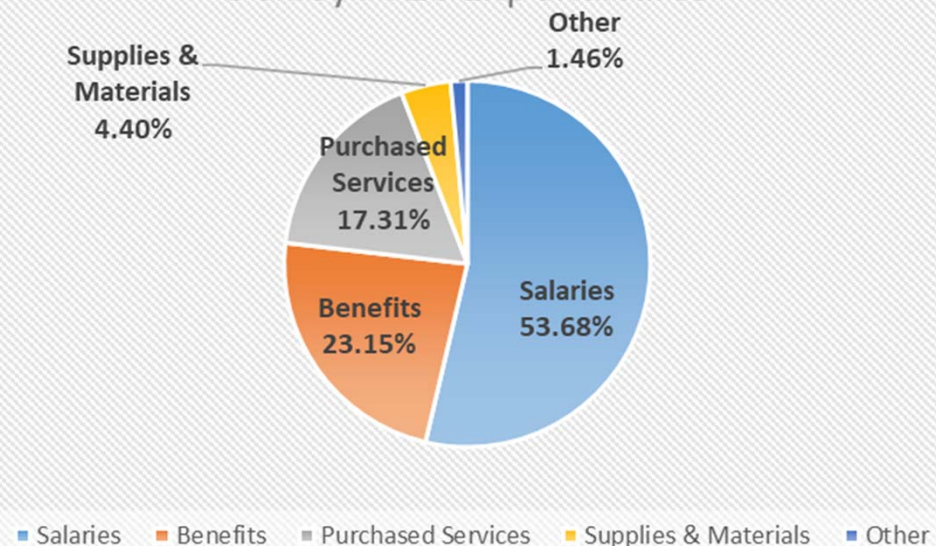


Operating Expenditure Categories

Expenditures - FY18 Statewide Avg



Bexley FY18 Expenditures





Expenditures

★ Salaries

- Union contracts – Salary Schedules
- Classroom sizes or staffing needs

★ Benefits

- Union contracts for insurance coverage
- Retirement, Medicare, Worker's Compensation

★ Purchased Services

- Utilities and repairs
- Professional services for Professional Development and Legal
 - Bexley – substitute teachers and teacher aides



Other ways to classify expenditures

★ Instruction

- Instructional delivery to students

★ Building Operations

- Utilities and Maintenance

★ Pupil Support

- Counseling, Psychologists and services that enhance the development processes of the students.

★ Staff Support

- Instructional improvement (Professional Development)

★ Administration

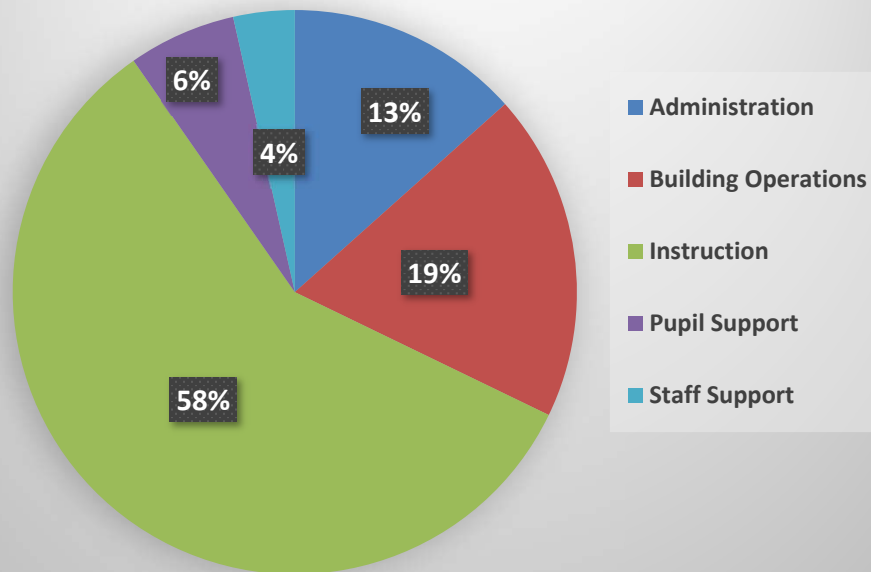
- Day to day operations of the school building and central office



Where are the expenses directed?

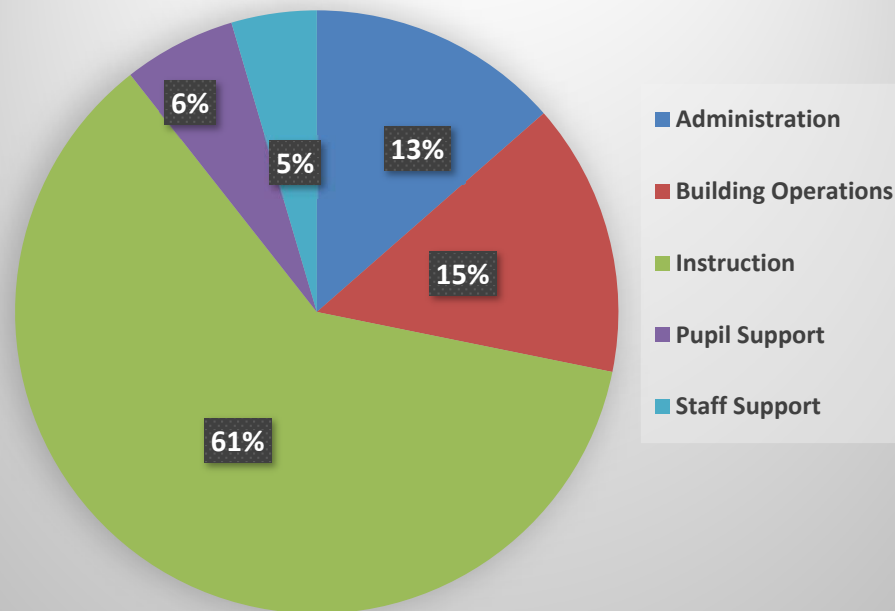
Statewide Average Allocation of Expenditures FY18

Source: Ohio Department of Education



Bexley Allocation of Expenditures FY18

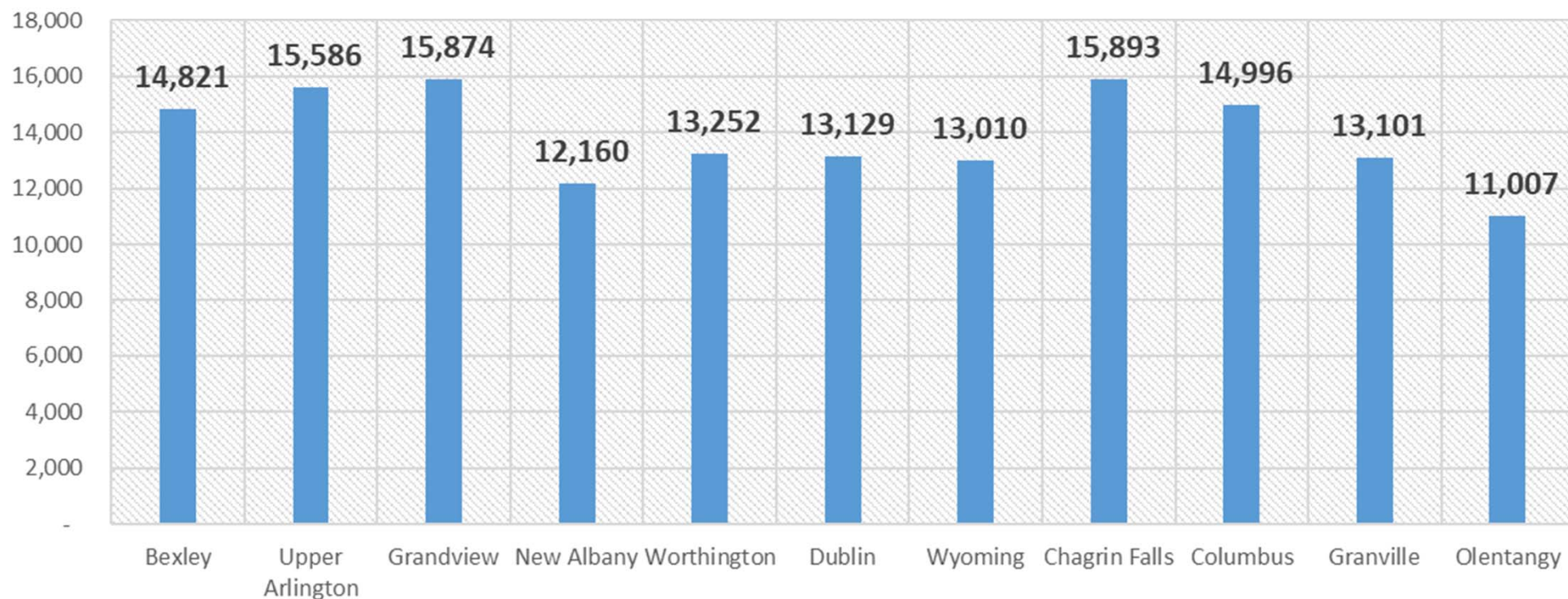
Source: Ohio Department of Education





Expenditure Per Pupil FY18

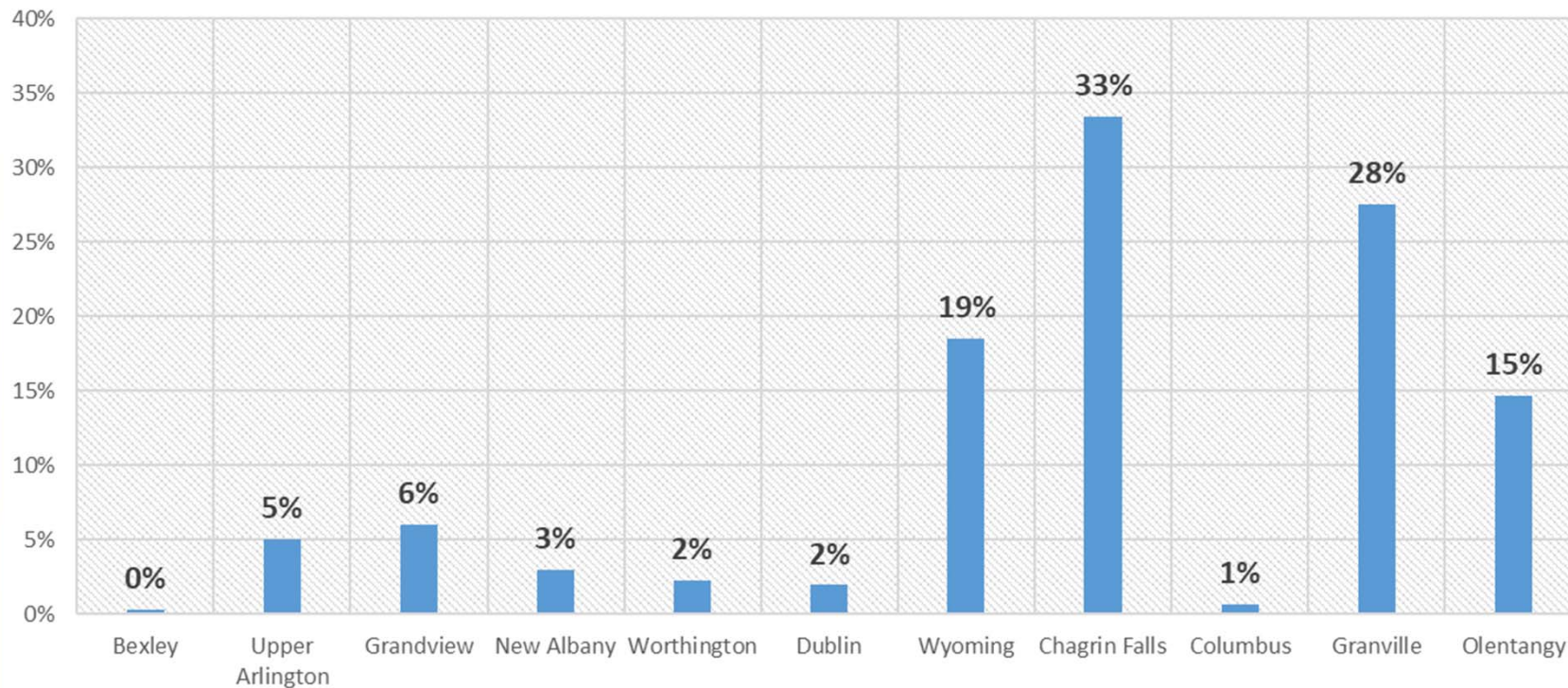
Source: Ohio Department of Education





Expenditure Per Pupil Growth from FY10 - FY18

Source: Ohio Department of Education



The thing to consider is how enrollment growth impacts expenditure per pupil.



Budgeting

★ Budget Year is July 1 – June 30

- Includes many different funds and thousands of budget codes
- Filing with Franklin County Auditor
- Audited yearly by the Ohio Auditor of State
- Budget codes allow us to track expenditures and compare
- Must have a positive cash balance at the end of the year

★ At Bexley...

- Zero-Based Budgets – Planning and needs based
- Per-Pupil Budgets for buildings
- Entire Budget (all funds) = 47 Million
- Operating (General Fund) = 41 Million (on target to spend about 39.7 Million)

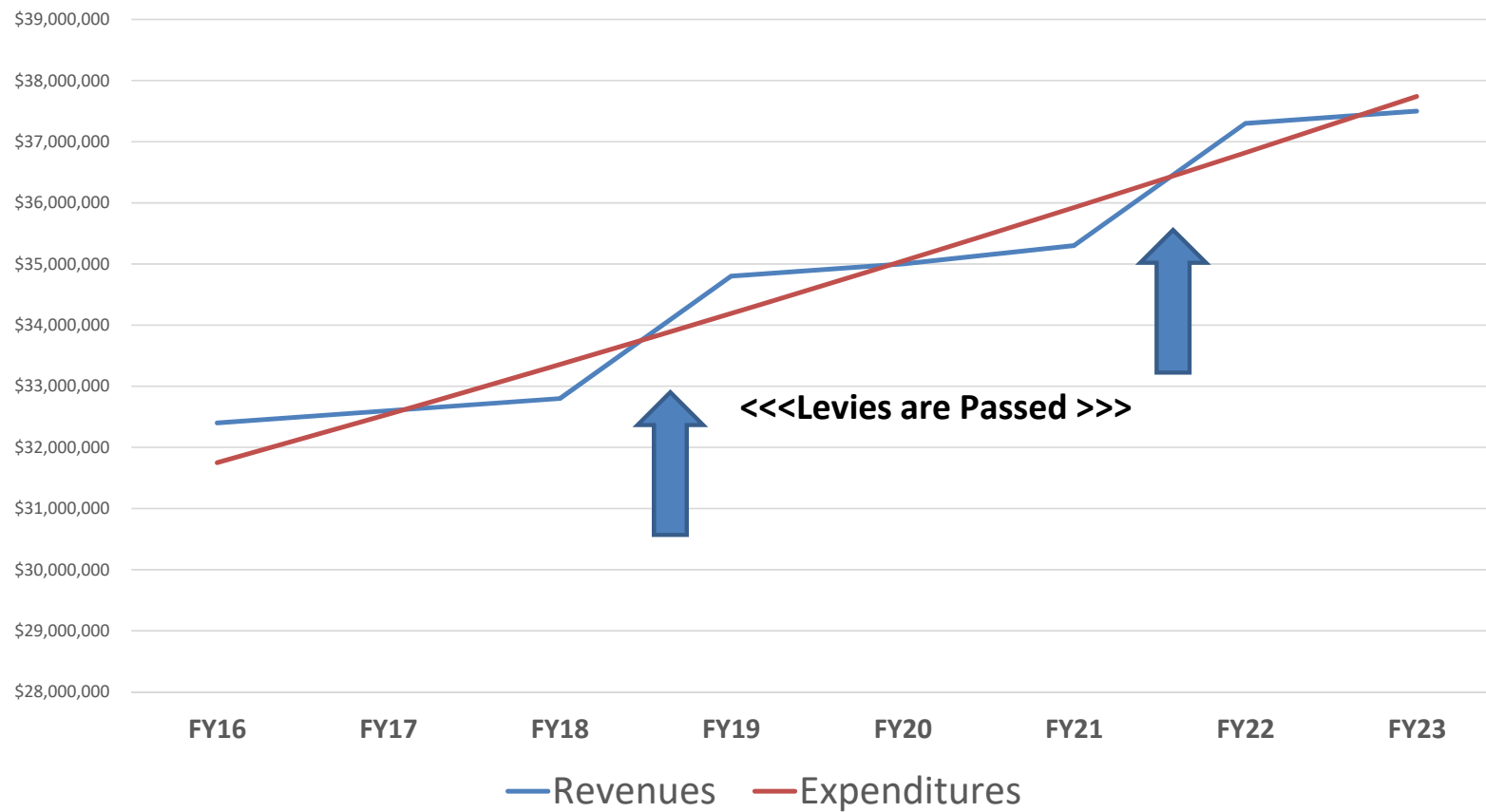


The Five-Year Forecast

- The most important financial document for the district
- Is an educated guess with the information known at the time
- It is like a financial health checkup
- Required to file with Ohio Dept. of Education twice per year
- Engages the district in expenditure and revenue planning
- Guides the district in decision making for levy planning, negotiations, staffing and long-term contracts
- Operating funds only (day to day)
- Most difficult items to predict: Insurance Benefits, State Funding, School District Income Tax, Enrollment, Special Education needs
- District Roles: Superintendent, Treasurer and Board of Education



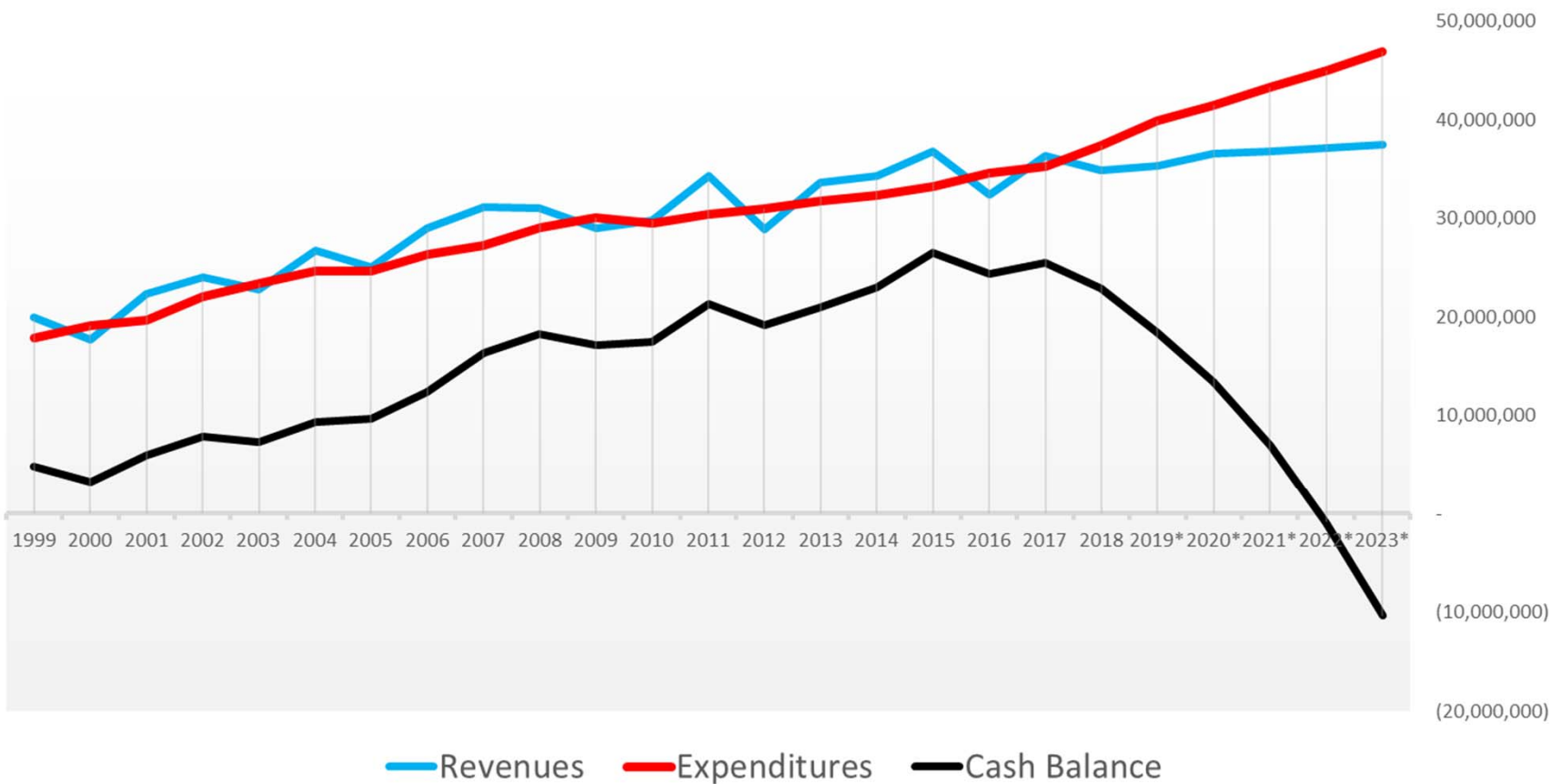
Typical 3-Year Levy Cycle





Bexley Revenue vs Expenses

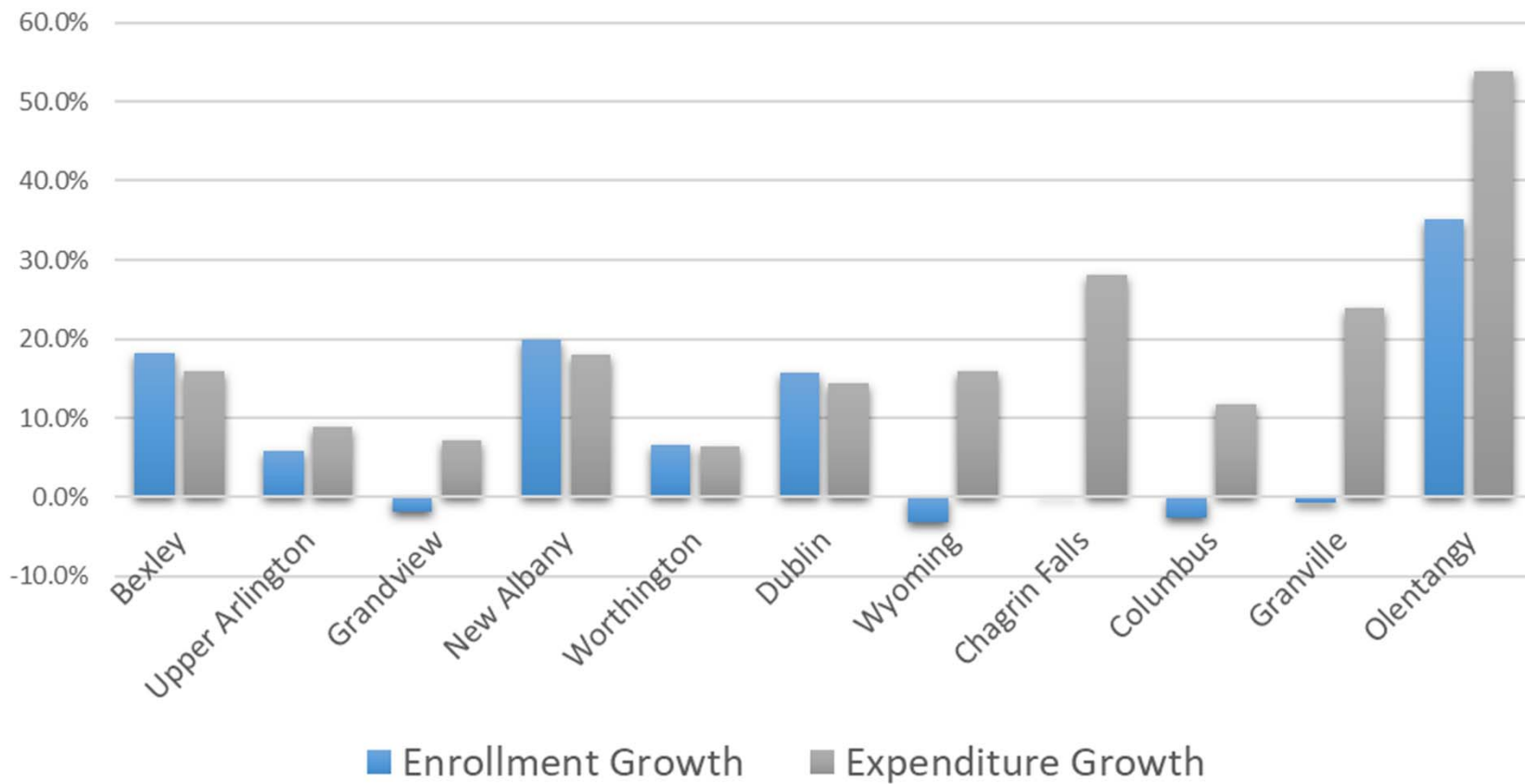
Five-Year Forecast Data





Enrollment and Expenditure Growth FY10-FY18

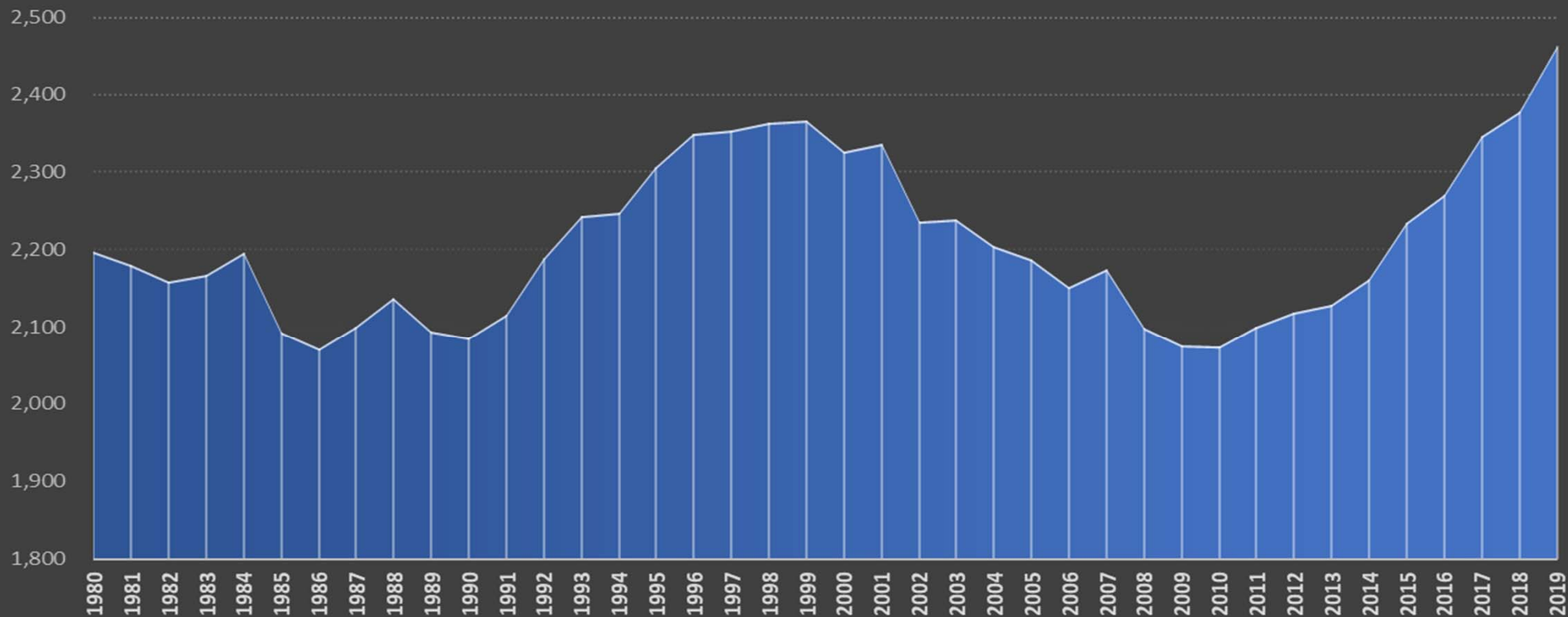
Source : Ohio Department of Education





Bexley City Schools Enrollment

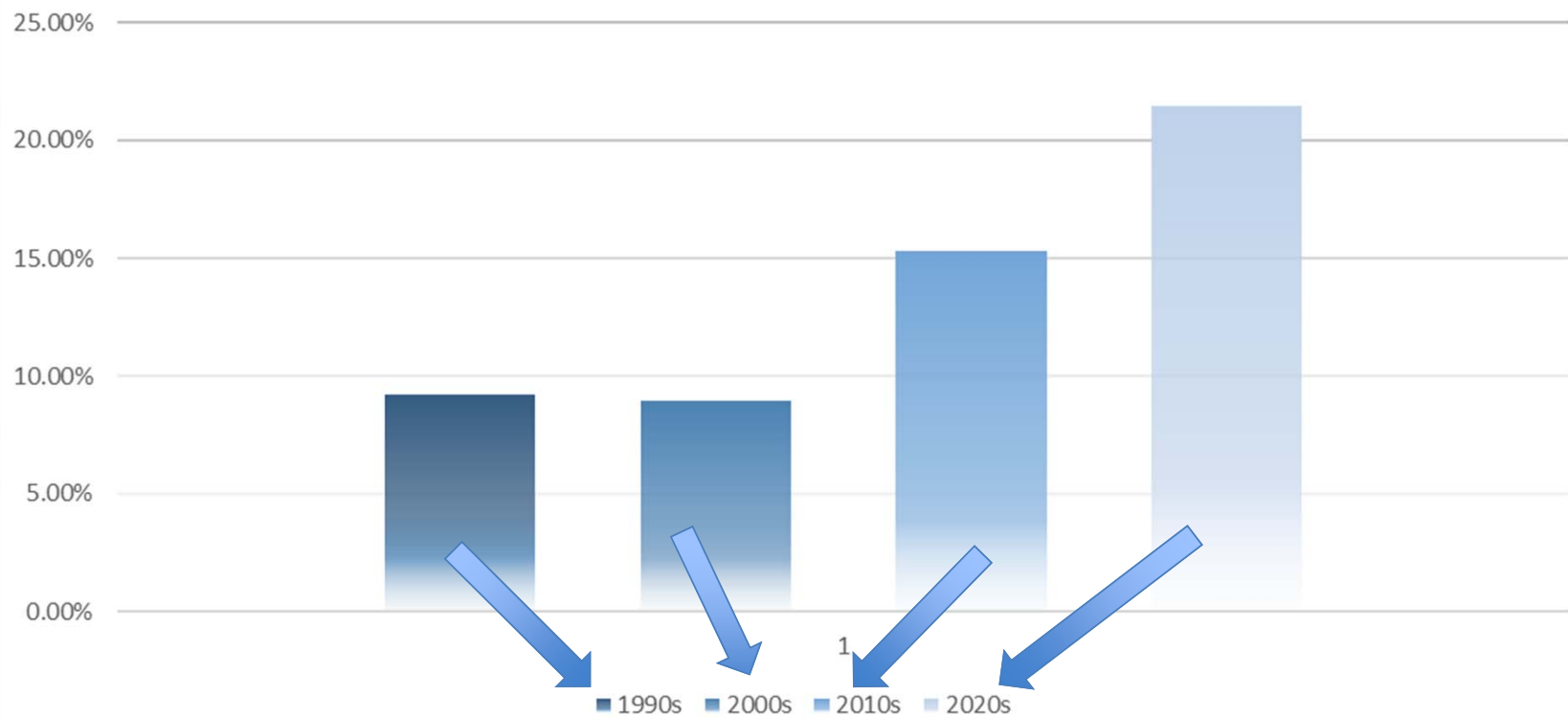
Source: Ohio Department of Education - October Count





HOW BIG A CLASS GROWS FROM 1ST GRADE TO 12TH IN BEXLEY CITY SCHOOLS

SOURCE: OHIO DEPARTMENT OF EDUCATION - OCTOBER COUNT





Thank you!

Questions?

Kyle.Smith@bexleyschools.org

