

Columbiana County Vocational School District

Columbiana County

Financial Forecast - May 2023

May Update - Revenue

Revenue for 2023 is 5.45% (\$403,875) greater than forecasted in November 2022.

- *Columbiana County underwent a real estate revaluation in 2022, which resulted in property values within our taxing district increasing 15.67% over the previous year. This was higher than originally forecasted, which resulted in a higher tax collection for 2023.*
- *State Funding increased 1.73% (\$72,344) primarily due to the payment of Innovative Workforce Incentive Funding. The district received notification in April that funds were available from the 2022 program.*
- *Other Revenue increased \$10,106 primarily due to the Mahoning Valley Manufacturers Coalition’s contribution of \$10,000 to support the Career Exploration Trailer.*

	November Forecast	May Update	% Change	\$ Change
Tax Collections	3,224,473	3,545,898	9.97%	321,425
State Funding	4,185,733	4,258,077	1.73%	72,344
Other Revenue	2,000	12,106	505.30%	10,106
	7,412,206	7,816,081	5.45%	403,875

May Update - Expenditures

2023 Expenditures are projected to be under budget by 4.34% (\$306,819).

2023 Other Financing Uses have been increased to \$1,755,000.

- *The Permanent Improvement (Fund 003) will receive a transfer of \$1,605,000, which will place the District in a better position to submit competitive grant proposals that require local match. We recently submitted a CTE Construction Expansion Proposal for \$12.99 million with a local match of \$3 million.*
- *The Food Service (Fund 006) will receive a transfer of \$150,000.*

Description of the District

The Columbiana County Vocational School District is organized under section 3311.88 of the Ohio Revised Code. The District provides vocational education for 9 school districts serving students throughout 501 square miles of eastern Ohio, including Columbiana County and portions of Mahoning and Jefferson Counties. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan, and implement educational programs designed to meet the common needs and interests of students.

General Assumptions

A series of assumptions were developed in order to project the individual revenue and expense amounts presented. The assumptions are based upon the best information known at the time the projections were developed. Since many circumstances and conditions assumed in the projections are beyond the control of the district, projections lose some of their validity the further into the future we attempt to project.

Revenue Assumptions

1.010 Property Tax and 1.050 Property Tax Allocation

Approximately 36.53% of projected revenues

The District collects a current expense levy with a voted rate of 2.80 mills and an effective rate of approximately 2.00 mills on real property. The effective rate is a result of the tax reduction factor in HB 920 that limits the amount a levy can generate to nearly the same level as originally approved by the voters. Projections include a small increase for new construction and a stable collection rate of 94%.

1.020 Personal Property Tax

Approximately 9.56% of projected revenues

The amounts noted on Line 1.020 in the forecast are public utility personal property taxes. Collections include payments on the Nexus gas transmission pipeline. Nexus has appealed the state's valuation of the pipeline, asking that the values be reduced. The appeal is pending, but we have been informed by the county auditor that we may be required by the court to return to Nexus a portion of the money collected. The possible refund to Nexus if they win their appeal is \$78,400.

1.035 Unrestricted Grants-in-Aid and 1.040 Restricted Grants-in-Aid
Approximately 53.86% of projected revenues

The Fair School Funding Plan makes several key changes to the state funding formula beginning in Fiscal Year 2022. The forecast is impacted as follows:

Open Enrollment students are now funded in the district where they are educated, which increases the amount received under line 1.035 Unrestricted Grants-in-Aid and decreases the amount received under line 1.060 Other Revenues. Open Enrollment funding totaled \$407,317 in 2021.

Student Wellness and Success Funds are moved to the General Fund (001) and are classified as Disadvantaged Pupil Impact Aid (DPIA). Previously, these funds were tracked separately and not included in the forecast. These funds are now included under line 1.040 Restricted Grants-in-Aid. Student Wellness and Success Funds totaled \$115,610 in 2021.

The Fair Funding Plan includes transitional aid to ensure no school receives less than Fiscal Year 2021 funding. The district received \$191,530.89 in 2022 and is expected to receive \$192,594.28 in 2023.

The district received Innovative Workforce Incentive Funding of \$80,000 in 2023.

At the time this forecast was prepared, the state foundation formula has not yet been finalized for 2024 and 2025. However, formula funding simulations indicate the district will be flat funded with the exception of \$72,214 per year in School Resource Officer Funding.

1.060 All Other Revenues
Less than .05% of projected revenues

Mini Grants and Rental of Property are included under all other revenues.

The district will no longer qualify for REAP funding beginning in year 2023. Amount received in 2022 was \$38,843. The average amount received per year has been \$40,000.

The district also received a \$20,000 grant in 2022 from the Columbiana County Health District that will not continue in 2023.

2.080 All Other Financing Sources

Included in this category are refunds from prior year expenditures and transfers in from unclaimed funds.

Expenditure Assumptions

3.010 Personal Services (Wages)

Approximately 51.58% of total projected expenditures and other financing uses

Projections are based on expected increases in base wages and the anticipated effect of step increases. Staffing levels are projected to remain unchanged from 2023 through 2027.

3.020 Employees' Retirement/Insurance Benefits

Approximately 24.56% of total projected expenditures and other financing uses

This category includes board share of retirement (14% of wages), board share of Medicare, worker's compensation, insurance benefits, tuition reimbursement, and unemployment claims. Projections are based on forecasted wages and current employee benefit packages.

3.030 Purchased Services

Approximately 7.6% of total projected expenditures and other financing uses

Expenses for utilities, property insurance, liability insurance, professional development, repair/maintenance of building, professional services, security services, etc. are included in this category.

3.040 Supplies and Materials

Approximately 6.84% of total projected expenditures and other financing uses

This category includes expenses for instructional supplies, teaching aids, office supplies, textbooks, library books, newspapers, and periodicals.

3.050 Capital Outlay

Approximately 1.38% of total projected expenditures and other financing uses

This category includes expenses for the acquisition of equipment.

3.060 Intergovernmental

Approximately .01% of total projected expenditures and other financing uses

This category includes grant funding received by the district and paid out to the educational service center.

4.300 Other Objects

Approximately 1.38% of total projected expenditures and other financing uses

This category includes professional dues/fees, audit fees, tax collection fees, and general bonds.

5.010 Transfers – Out

Approximately 6.65% of total projected expenditures and other financing uses

Annual transfers are made to Food Service and Permanent Improvement.

The district operates a free breakfast and lunch program for high school students. The program is funded through transfers from the general fund, Federal meal reimbursements, and adult/a la carte sales.

Transfers to Permanent Improvement are earmarked for the acquisition of, or additions to, fixed assets having an estimated life or usefulness of five years or more. Included are expenditures for improvement of existing buildings and grounds; additions to buildings; construction of buildings; initial and additional equipment, furnishings and vehicles.

15.010 Unreserved Fund Balance June 30

The Unreserved Fund Balance is estimated to remain at a six-month carryover throughout the forecasted years.