



Mike DeWine, Governor
Dr. Stephanie K. Siddens, Interim Superintendent of Public Instruction

December 15, 2021

VIA ELECTRONIC MAIL ONLY

Ross Local School District Board of Education C/O
Sean Van Winkle, Board President
Chad Konkle, Superintendent
Jeremy Frazier, Treasurer
3371 Hamilton-Cleves Road
Hamilton, OH 45013

***RE: NOTIFICATION OF POTENTIAL TO INCUR A DEFICIT AND WRITTEN PLAN
DUE FEB. 28, 2022***

Dear Ross Local School District Board of Education:

[Ohio law](#) requires the Ohio Department of Education to determine if a school district has the potential to incur a deficit during the first three years of the five-year forecast. The Department examined your district's fall 2021 five-year forecast submission (attached) and found ("flagged") forecasted deficits in the following fiscal years:

- A Year 3 (FY24) deficit on line 12.010 of -\$1,150,655

Pursuant to Ohio Revised Code 5705.391, this letter serves as required notification to the district that a potential for deficit exists. The Department considers your district to be in a "precautionary" financial state, and [Ohio Administrative Code 3301-92-04](#) requires the district to submit a district-approved written plan to eliminate these deficits.

Current Fiscal Year (FY22) Deficits

[Ohio law](#) requires districts to take immediate action to eliminate any current-year (FY22) deficits. The Department uses line 10.010 to identify a current fiscal year (FY22) deficit because the district can no longer rely on passing levies to eliminate the deficit. The Department requires the district to submit a written plan documenting the actions the district has identified and implemented as soon as possible and no later than the written plan due date. In addition, Department representatives will be contacting district administrators to discuss the district's action steps and the possibility of placing the district into fiscal oversight (caution, watch or emergency).

Year 2 (FY23) Deficits

The Department also uses line 10.010 to identify deficits for Year 2 (FY23), which is only four months away from the written plan due date. If the district has a renewal and/or new money levy on the ballot, the Department recognizes these ballot initiatives as the district's "Plan A" and understands passage of these levies will have a significant favorable impact on the projected deficits. However, due to the imminent nature of the FY23 deficit and the time it takes to see results from implementation of expenditure reduction plans, the Department also requires the district to develop a contingency plan, "Plan B," which the district commits to implementing if Plan A ballot initiatives fail. Accordingly, the required written plan should only document the district's contingency plan (Plan B) consisting of the expenditure reductions the district commits to implementing if forecasted levies fail.

The Department considers a Year 2 deficit to be the most critical deficit to eliminate and time is of the essence. To avoid having this deficit become a current-year reality, the district may need to implement the written plan in the upcoming spring/summer, understanding that any reductions made may be reinstated if final levy attempts succeed. A district that does not proactively prepare an adequate written plan and commit to examining and actively managing district expenditures to avoid a current-year deficit may be placed into fiscal caution, watch or emergency over the coming months.

Year 3 (FY24) Deficits

For Year 3 (FY24), which is 16 months away from the plan due date, the Department identifies deficits on line 12.010 thereby assuming renewal levies will pass. If the district forecasts any new levies to cover any remaining deficits, the Department will consider the forecasted new levies to be the district's Plan A. In these instances, the district should develop and submit a written plan that documents the district's contingency plan (Plan B) consisting of the expenditure reductions the district plans to implement if forecasted new levies fail.

Written Plan Requirements

To assist the district in developing an adequate and approvable written plan, the Department has provided a "PRECAUTION Written Plan Workbook" (attached). The submitted written plan must contain a narrative letter and all worksheets provided in the PRECAUTION Written Plan Workbook. If these written plan documents are not received on time or found to be unacceptable, the Department may elevate the district's oversight status to fiscal caution. The plan must include or satisfy the following requirements to be acceptable:

- 1) Demonstrate the district board of education is actively engaging in proactive measures to reduce expenditures and eliminate the forecasted deficits;
- 2) Describe and quantify reductions at an appropriate level of detail;
- 3) Be reasonable and sufficiently cover any deficit(s) forecasted in the first three fiscal years;
- 4) Address implementation timelines that are obtainable; and
- 5) Include a narrative that:
 - a) Provides an executive summary of the reductions documented in the written plan workbook; and

- b) Explains how the board of education will be kept informed about the status of the written plan implementation, including the financial reports to be used to monitor and manage the district's financial status.

The board president, superintendent and treasurer must sign all written plan documents and email them to FiscalOversight@education.ohio.gov no later than Feb. 28, 2022.

If you would like help developing the plan, using the workbook or need information about the fiscal oversight process, please contact me or your fiscal consultant, Dorthy Pietrykowski, at 614-499-4725 or via email at Dorthy.Pietrykowski@education.ohio.gov. We look forward to working with you as you strengthen your district's financial position.

Sincerely,



Kimberly A. S. Richard
Assistant Director, Financial Analysis and Oversight
Office of Field Relations
(614) 387-0295

CC: Nicole Bent, Deputy Director OPT, Ohio Auditor of State
David Thompson, Chief of LGS, Ohio Auditor of State
Scott Hunt, Executive Director, Office of Field Relations
Dorthy Pietrykowski, Fiscal Consultant
Jim Lambert, Area Coordinator

Ross Local - 046144 (Butler)

Submission date: 11/22/2021

Fiscal Year 2022 Five-Year Forecast for First Required Submission (Fall)

Revenues and Other Financing Sources Only

Forecast Line and Description	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
01.010 : General Property Tax (Real Estate)	8,479,599	8,541,218	8,965,140	9,036,937	9,099,994	9,265,878	9,414,181	9,435,620
01.030 : Income Tax	3,014,978	3,407,351	4,855,151	5,356,784	5,567,883	5,679,241	5,792,826	5,908,682
01.035 : Unrestricted Grants-in-Aid	10,771,369	10,278,997	10,592,522	10,451,852	10,464,436	10,467,888	10,471,409	10,475,001
01.040 : Restricted Grants-in-Aid	65,164	14,705	0	58,806	58,806	58,806	58,806	58,806
01.050 : Property Tax Allocation	1,049,155	1,052,078	1,098,965	1,168,458	1,159,039	1,183,968	1,208,650	1,210,641
01.060 : All Other Operating Revenue	1,255,504	1,488,476	1,553,838	1,370,778	1,390,329	1,410,308	1,430,726	1,451,594
01.070 : Total Revenue	24,635,769	24,782,825	27,065,616	27,443,614	27,740,487	28,066,089	28,376,598	28,540,344
02.040 : Operating Transfers-In	0	1,586,408	0	0	0	0	0	0
02.050 : Advances-In	101,322	0	0	945,251	75,000	75,000	75,000	75,000
02.060 : All Other Financing Sources	16,925	24,141	328,778	17,500	17,500	17,500	17,500	17,500
02.070 : Total Other Financing Sources	118,247	1,610,549	328,778	962,751	92,500	92,500	92,500	92,500
02.080 : Total Revenue and Other Financing Sources	24,754,016	26,393,374	27,394,394	28,406,365	27,832,987	28,158,589	28,469,098	28,632,844

Ross Local - 046144 (Butler)
 Fiscal Year 2022 Five-Year Forecast for First Required Submission (Fall)
 Expenditures and Other Financing Uses Only

Submission date: 11/22/2021

Forecast Line and Description	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
03.010 : Personal Services - Employee Salaries & Wages	15,320,918	16,178,251	16,594,426	16,868,762	17,589,314	18,364,512	18,954,786	19,527,853
03.020 : Employees' Retirement and Insurance Benefits	5,696,658	6,212,526	6,147,664	6,612,785	7,093,928	7,573,419	7,947,492	8,328,542
03.030 : Purchased Services	3,784,493	3,730,093	4,108,353	3,141,692	3,227,710	3,516,608	3,612,501	3,711,590
03.040 : Supplies and Materials	872,252	732,102	569,210	792,811	907,880	925,034	942,588	960,553
03.050 : Capital Outlay	128,398	107,586	22,856	140,000	75,000	75,000	75,000	75,000
04.050 : Principal-HB 264 Loans	0	0	0	0	119,970	120,571	121,174	121,781
04.060 : Interest and Fiscal Charges	0	0	0	0	8,206	7,606	7,002	6,396
04.300 : Other Objects	319,411	367,369	212,696	228,694	230,860	233,060	235,295	237,565
04.500 : Total Expenditures	26,122,130	27,327,927	27,655,205	27,784,745	29,252,869	30,815,810	31,895,839	32,969,279
05.010 : Operational Transfers-Out	1,761,050	1,924,408	(44,578)	75,000	75,000	75,000	75,000	75,000
05.020 : Advances-Out	101,322	0	945,251	180,000	180,000	180,000	180,000	180,000
05.030 : All Other Financing Uses	93,754	0	0	0	0	0	0	0
05.040 : Total Other Financing Uses	1,956,126	1,924,408	900,673	255,000	255,000	255,000	255,000	255,000
05.050 : Total Expenditures and Other Financing Uses	28,078,256	29,252,335	28,555,878	28,039,745	29,507,869	31,070,810	32,150,839	33,224,279

Submission date: 11/22/2021

Excess of Revenue Over/(Under) Expenditures; Cash and Fund Balances

[illegible]

Notes and Assumptions

The notes to the “Financial Forecast” are crucial to understanding the meaning of the numbers contained in a financial forecast.

Accordingly, the notes and assumptions which accompany each forecast should be downloaded from the Department’s website and read in tandem with the financial data.

Click on this link to access District Notes and Assumptions: <https://public.education.ohio.gov/geoDoc/5-yrForecast/>