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Frequently Asked Questions and Answers

We believe it is very important to be transparent and proactive in our communication. Understanding school finances and our budget is imperative as we move forward. Below are the most frequently asked questions along with answers.

1. How did we get in this situation after just passing a levy a few years ago?

Current Situation: We are out of cash at the end of FY24 (June 2024)

What does this mean: We received a Fiscal Precaution Letter from the Ohio Department of Education. This is the first step towards fiscal caution/fiscal watch/fiscal emergency.

How did we get here?

- **3 main causes**
 - **General fund revenues relatively stagnant (Income tax increase, state funding decrease, property tax increase)**
 - **Payroll and benefit increase between FY 2018-2021**
 - **General Fund Transfers to other funds**

General fund revenues FY18-21:

- **\$1.8M increase in income tax over the FY 2018-2021 period.**
 - School district income tax is received quarterly from the State. The full impact of the increased income tax was not realized until the July 31, 2021 payment. Once the increase was approved it takes several tax cycles for the full amount to be distributed to the school district.
- **\$500k decrease in State Aid**
 - Because RLSD is seen as a “wealthy” district by the State it is determined that we receive less Aid than districts who are deemed not as wealthy.
- **\$640k increase in property tax**
 - Increase in property tax is only due to new construction in the district.

Payroll and benefit increases:

- \$3.1M increase in Payroll and benefits between FY18-21.
- Due to negotiated increases and salary scale movement (Details below).
 - **Negotiated raises:**
 - FY18-19 3%
 - FY19-20 2% + \$500 one time pay to staff
 - FY20-21 0%
 - **Scale movement (moving to next step on salary scale)**
 - Average of 2.2% per year in the general fund.
 - **Special Education increase of \$801k over FY18-21**
 - (Salary: \$430k; Purchase Service: \$371k). These costs are due to an increase in students receiving special education services from the District.
- Cuts and negotiations in FY21 amounted to \$1M less increase than in the previous two years.

General Fund Transfers to other funds FY18-21:

- \$1.6M to fund RMS & Elda HVAC. This was necessary due to the lack of revenue in the permanent improvement fund
- \$295k to Food Service
- \$55k to Athletics
- \$50k to uniform supply fund
 - This fund is responsible for classroom supplies.

2. I heard the District received Federal Covid Money (ESSER). What were these funds used for?

We made an effort to stay open during the pandemic. While districts in Butler County were going remote learning, we decided to keep students in school and offer remote learning as an option. To that end, there were additional costs to our District. ESSER funds were used for covid support and to alleviate costs from the general fund.

ESSER I

General Fund Nursing Services:	\$114,776.63
Substitutes (FFCRA Leave):	\$78,704.46

Total Allocation:	<u>\$193,481.09</u>
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ESSER II

Curriculum:	\$410,347.06
Software (Website, Abre, Map License):	\$83,268.00
General Fund Nursing Services:	\$280,041.05

Total Allocation:	<u>\$773,656.11</u>
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ESSER III

Bus Lease Payments:	\$205,724.00
New Building Admin FY22:	\$134,649.13
New Building Admin FY23:	\$134,649.13
Curriculum Updates:	\$500,000.00
Gifted Coordinator & Math Support:	\$60,561.00
Teacher Computers:	\$267,701.50
General Fund FFCRA Leave Adjustment:	\$173,825.09
Chromebook Cases:	\$46,646.00
General Fund Nursing Services FY23:	\$215,000.00
Total Allocation:	<u>\$1,738,755.86</u>