

Governor Kasich introduced his two year education funding proposal to State of Ohio Superintendents in January 2013. This budget period would include the 2013 – 2014 school year and the 2014 – 2015 school year.

In speaking to that proposal, the Governor indicated that if your district was classified as a “poor” or significantly below median average school district, your district would receive an increased level of State funding.

In the event your district was classified as a “wealthy” or significantly above median average school district, your district would not see an increase in State funding.

Common measures of wealth are Property Valuation Per Pupil and Median (Average) Family Income.

Comparative data for West Branch Local Schools versus the Statewide Average follows:

West Branch Local Schools Three Year Average Property Valuation Per Pupil = \$108,453 versus Statewide Average = \$140,062 (23% below average).

West Branch Local Schools 2010 Average Family Income = \$43,613 versus Statewide 2010 Average Family Income = \$50,282 (13% below average).



Mahoning County

F.Y. 2009 School Funding Formula		→	Column B - A	←	F.Y. 2014 Executive Budget Proposal
		Column A	Difference	Column B	
1	Formula ADM (Kg at 0.5 Count)	2,200.64	(144.64)	2,056.00	Est. Formula ADM (Kg at 1.0 Count)
2	Basic Aid = ADM x \$5,732	\$12,614,068	(\$2,334,068)	\$10,280,000	Total Core Resources = ADM x \$5,000/PP
3	Valuation Charge-off (23 Mills)	(\$5,112,216)	\$652,222	(\$4,460,024)	Local Share of Core Resources (20 mills)
4	Add-on Building Blocks	\$112,024	(\$112,024)	\$0	
5	Basic Formula Aid Funding	\$7,613,345	(\$1,793,870)	\$5,819,976	Total Core Resources
6	Poverty Based Assistance (PBA)	\$4,762	\$310,820	\$315,582	Economically Disadvantaged
7	Parity Aid	\$1,353,770	(\$413,516)	\$942,254	Targeted Resources ("Tier 2")
8	Charge-off Supp. (23 Mill Gap Aid)	\$1,154,006	(\$1,154,006)	\$0	
9	Base Cost Funding State Share	\$10,128,334	(\$3,050,572)	\$7,077,812	Base Cost Funding State Share
10	Base Cost Funding -- Per Pupil	\$4,602	(\$1,160)	\$3,443	Base Cost Funding -- Per Pupil
			\$1,077	\$1,077	English Language Learners
11	Excess Cost Supp + Staff Supp.	\$228,766	(\$228,766)	\$0	
12	Special Ed Weighted	\$98,562	\$109,153	\$945,715	Students with Disabilities
13	Gifted aid	\$45,363	\$56,925	\$102,793	Gifted
14		\$0	\$0	\$0	Early Childhood Access
15	Total Other Funding	\$1,111,196	(\$61,611)	\$1,049,585	Total Other Funding
16	Total Base Funding Plus Other	\$11,239,530	(\$3,112,183)	\$8,127,397	Total Base Funding Plus Other
17	Total Base + Other -- Per Pupil	\$5,107	(\$1,154)	\$3,953	Total Base + Other -- Per Pupil
18	Guarantee Funding		\$2,005,774	\$2,005,774	Guarantee Funding
19	Total Funding with Guarantee	\$11,239,530	(\$1,106,409)	\$10,133,171	Total Funding with Guarantee
20	Per Pupil Funding with Guarantee	\$5,107	(\$1,178)	\$4,929	Per Pupil Funding with Guarantee
Outside of Formula:					West Branch Local SD
	Career Tech Ed	\$97,909		TBD	ODE Typology
	Reg. & Spec. Ed. Transportation	\$845,681		TBD	Rural
	Preschool Unit Funding	\$0		TBD	
	2007 Student Head Count	2,458.00			
	2012 Student Head Count	2,258.00			
	2011 ADM % Poverty:	34.8%	↔	State Median:	38.80%

Disclosure Items:

Executive Budget Funding is not capped, instead the full 2014 formula amount is presented.

Executive Budget Estimates Provided by Ohio Office of Budget Management

2009 School Funding (SF-3) provided by Final #3 Version

Grouping of line items for comparison is an attempt to match "like" revenue types.

PFR is providing this tool to clients as a training opportunity to learn more about school funding and is not intended for financial projections or estimating.

Analysis Performed by:



Public Finance Resources, Inc.

www.PFRCFO.com

Assuming that the West Branch Local Schools 2013 -2014 school year Estimated Formula ADM is in fact 2,056 students, the District State funding of \$10,133,171 for that school year would be approximately \$366,000 lower than the 2008 – 2009 school year funding as a result of a \$178 decline in per pupil funding under the Governor's proposal.

Governor Proposed Funding System Component Comparison Side by Side With Fiscal 2009 School Funding Formula

FY 2009 School Funding Formula - West Branch Local

FY 2014 Executive Budget Proposal - West Branch Local

Base Cost Funding:

	Column A	Column B- A Difference	Column B	
Formula ADM (Kg at .5 Count)	2,200.64	(144.64)	2,056.00	Estimated Formula ADM (Kg at 1.0 Count)
Basic Aid = ADM x \$5,732	\$12,614,068	(\$2,334,068)	\$10,280,000	Total Core Resources = ADM x \$5,000 Per Pupil
Valuation Charge-off (23 Mills)	(\$5,112,246)	\$652,222	(\$4,460,024)	Local Share of Core Resources (20 Mills)
Add On Building Blocks	\$112,024	(\$112,024)	\$0	No Comparable Resource
Basic Aid Funding (Basic Aid - Valuation Chargeoff)	\$7,613,846	(\$1,793,870)	\$5,819,976	Core Funding
Per Pupil Basic Aid Funding	\$3,460	(\$629)	\$2,831	Per Pupil Core Funding

West Branch Local receives less base cost per pupil funding through the fiscal 2014 Executive Funding Proposal than the fiscal 2009 School Funding Formula.

The reduction in Basic Aid/Core Resources of \$732 per pupil is consistent across all school districts. The decline in per pupil core funding is somewhat moderated by the decrease in local share (20 mills versus 23 mills) expected to be paid by the local taxpayer under the Executive Budget Proposal.

Add-on Building Blocks funding in fiscal 2009 was a per pupil allocation and was not impacted by relative wealth.

Had the Building Block allocation of approximately \$51 per student not been provided, Per Per Pupil Basic Aid Funding would have been \$680/student less under the fiscal 2014 Executive Funding Proposal in comparison to the fiscal 2009 School Funding Formula.

**FY 2009 School Funding Formula - West Branch Local**

**FY 2014 Executive Budget Proposal - West Branch Local**

Wealth Equalization Funding:

	Column A	Column B- A Difference	Column B	
Formula ADM (Kg at .5 Count)	2,200.64	(144.64)	2,056.00	Estimated Formula ADM (Kg at 1.0 Count)
Parity Aid	\$1,355,770	(413,516)	\$942,254	Targeted Resources (Tier 2)
Charge-off Supplement (23 Mill Gap Aid)	\$1,154,006	(\$1,154,006)	\$0	No Comparable Resource
Wealth Equalization Funding:	\$2,509,776	(\$1,567,522)	\$942,254	Targeted Resource Funding
Per Pupil Wealth Equalization Funding	\$1,140	(\$682)	\$458	Per Pupil Targeted Resource Funding

West Branch Local receives less wealth equalization funding through the fiscal 2014 Executive Funding proposal than the fiscal 2009 School Funding Formula.

At the same time, the Executive Budget proposes to include an additional 120 districts receiving these funds. In 2009, only the poorest sixty percent of districts qualified for Parity Aid and or Charge off Supplement/Gap Aid while 80% would qualify for Targeted Resources in 2014. With less to distribute per district, many poorer districts will receive less of this funding overall, as is the case with West Branch Local, when the FY 2014 Executive Budget Proposal is compared to the FY 2009 School Funding Formula.

The overall amount of statewide aid in Targeted Resources is a fixed amount. The expansion of the number of districts receiving Targeted Resource aid generally shifts some resources from the lower wealth districts to an additional 120 higher wealth districts that had generally not received either Parity Aid or Charge-off Supplement/Gap Aid under the FY 2009 School Funding Formula.

Governor Proposed Funding System Component Comparison Side by Side With Fiscal 2009 School Funding Formula

**FY 2009 School Funding Formula - West Branch Local**

**FY 2014 Executive Budget Proposal - West Branch Local**

Guarantee Funding:

	Column A	Column B- A Difference	Column B	
Formula ADM (Kg at .5 Count)	2,200.64	(144.64)	2,056.00	Estimated Formula ADM (Kg at 1.0 Count)
Transitional Aid Guarantee Funding:	\$0	2,005,774	\$2,005,774	Guarantee Funding
Transitional Aid Guarantee Funding	\$0	\$2,005,774	\$2,005,774	Guarantee Funding
Per Pupil Transitional Aid Guarantee Funding	\$0	\$976	\$976	Per Pupil Guarantee Funding

West Branch Local receives \$976 more in per pupil guarantee funding through the fiscal 2014 Executive Funding proposal than in the fiscal 2009 School Funding Formula.

The Fiscal 2014 proposed per pupil funding for West Branch Schools is \$4,929. Per pupil funding, absent the guarantee, is \$3,953.

Absent the guarantee portion of funding, Fiscal 2014 proposed per pupil funding for West Branch Schools would be \$3,953.

**Given The guarantee funding In the proposal of \$2,005,774 and funding absent the guarantee of \$3,953, enrollment growth must exceed 507 students or a 25% enrollment increase To receive any increase In funding**

The Governor has indicated his wish to eliminate guarantee funding over time (20% of Distirct's proposed funding).

Executive Budget School Funding Impact On October Five Year Forecast

	Fiscal 2014	Fiscal 2015
Line 15.010 Unreserved Fund Balance June 30th - October 2012 Forecast	\$840,503	
Line 15.010 Unreserved Fund Balance June 30th - October 2012 Forecast		(\$961,977)
Less: October 2012 State Aid Forecast	(\$11,084,127)	(\$11,341,932)
Add: Fiscal 2014 Executive Budget Funding Proposal/Other State Aid	\$11,074,696	\$11,099,416
Line 15.010 Unreserved Fund Balance June 30th - Updated 2013 Forecast	\$831,072	(\$1,204,493)
Change Unreserved Fund Balance	(\$9,431)	(\$242,516)

Notes

There exists the potential that the May 2013 forecast update could result in a positive or negative change to the line 15.010 balance in comparison to the October 2012 forecast.

District Type: Local  
 IRN: 048389  
 County: Mahoning  
 Date Submitted: 10/26/2012 Date Processed: 10/29/2012

1.010 General Property (Real Estate)	3,738,944	3,686,189	3,766,681	3,771,235	3,738,247	3,762,657	3,809,674	3,835,531
1.020 Tangible Personal Property Tax	323,092	335,362	360,374	378,732	392,234	406,067	420,467	435,460
1.030 Income Tax		68						
1.035 Unrestricted Grants-in-Aid	11,289,840	11,012,313	11,092,186	11,030,228	11,084,127	11,341,932	11,372,486	11,633,638
1.040 Restricted Grants-in-Aid	105,840	109,283	105,314	105,313	105,313	105,313	105,313	105,313
1.045 Restricted Federal Grants-in-Aid - SFSF	768,233	941,048	718,872					
1.050 Property Tax Allocation	972,064	828,766	639,521	643,434	643,379	647,804	654,308	661,823
1.060 All Other Operating Revenue	1,832,774	1,794,130	2,038,182	2,077,508	2,095,912	2,137,853	2,189,418	2,242,007
1.070 Total Revenue	19,030,787	18,707,159	18,721,130	18,006,450	18,059,212	18,401,626	18,551,666	18,913,772
2.040 Operating Transfers-In	163,132	52,684	183,854	141,322	129,670	129,670	129,670	129,670
2.050 Advances-In	665,802	558,023	524,706	42,956				
2.060 All Other Financial Sources	4,414	27,177	87,185	4,295	4,295	4,295	4,295	4,295
2.070 Total Other Financing Sources	833,348	637,884	795,745	188,573	133,965	133,965	133,965	133,965
2.080 Total Revenues and Other Financing Sources	19,864,135	19,345,043	19,516,875	18,195,023	18,193,177	18,535,591	18,685,631	19,047,737
3.010 Personnel Services	10,490,834	10,918,170	11,540,185	10,650,579	10,724,700	10,635,939	10,584,262	10,584,262
3.020 Employees' Retirement/Insurance Benefits	3,697,696	3,878,026	4,188,029	4,066,981	4,437,555	4,619,146	4,901,924	5,179,677
3.030 Purchased Services	2,839,625	2,564,571	2,680,050	2,605,754	2,612,401	2,526,121	2,433,743	2,366,328
3.040 Supplies and Materials	749,074	710,494	840,522	758,621	887,259	988,757	1,090,019	1,191,650
3.050 Capital Outlay	315,538	394,885	418,788	260,401	710,759	978,584	1,247,011	1,516,079
4.050 Debt Service: Principal - HB 264 Loans			129,670	129,670	129,670	129,670	129,670	129,670
4.300 Other Objects	239,911	301,787	(458,009)	390,338	277,017	287,084	297,552	308,436
4.500 Total Expenditures	18,332,678	18,767,933	19,339,235	18,862,344	19,779,361	20,165,301	20,684,181	21,276,102
5.010 Operational Transfers - Out	235,581	140,532	252,422	172,810	172,670	172,670	172,670	172,670
5.020 Advances - Out	695,845	546,402	474,944	36,857				
5.040 Total Other Financing Uses	931,426	686,934	727,366	209,667	172,670	172,670	172,670	172,670
5.050 Total Expenditure and Other Financing Uses	19,264,104	19,454,867	20,066,601	19,072,011	19,952,031	20,337,971	20,856,851	21,448,772
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	600,031	(109,824)	(549,726)	(876,988)	(1,758,854)	(1,802,380)	(2,171,220)	(2,401,035)
7.010 Beginning Cash Balance	3,812,147	4,412,178	4,302,354	3,752,628	2,875,640	1,116,786	(685,594)	(2,856,814)
7.020 Ending Cash Balance	4,412,178	4,302,354	3,752,628	2,875,640	1,116,786	(685,594)	(2,856,814)	(5,257,849)
8.010 Outstanding Encumbrances	154,690	146,386	280,529	276,283	276,283	276,283	276,283	276,283
10.010 Fund Balance June 30 for Certification of Appropriations	4,257,488	4,155,968	3,472,099	2,599,357	840,503	(961,877)	(3,133,097)	(5,534,132)
12.010 Fund Bal June 30 for Cert of Contracts,Salary Sched,Oth Obligations	4,257,488	4,155,968	3,472,099	2,599,357	840,503	(961,877)	(3,133,097)	(5,534,132)
15.010 Unreserved Fund Balance June 30	4,257,488	4,155,968	3,472,099	2,599,357	840,503	(961,877)	(3,133,097)	(5,534,132)

"Please visit the Ohio Department of Education website at  
<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEPrimary.aspx?page=2>  
 &TopicRelationID=1011 to see the complete forecast assumptions file."





John R. Kasich, Governor  
Michael L. Sawyers, Acting Superintendent of Public Instruction

November 5, 2012

Dr. Scott R. Weingart, Superintendent  
West Branch Local SD  
14277 S Main St  
Beloit, OH 44609  
VIA EMAIL TO [wbra\\_srw@access-k12.org](mailto:wbra_srw@access-k12.org)

***RE: FY15 DEFICIT -- NOTIFICATION***

Dear Dr. Scott R. Weingart:

Your district's current five-year forecast projects a negative unreserved fund balance (line 15.01 on the forecast) exceeding 2% of revenue beginning in Fiscal Year 2015. The Ohio Department of Education (ODE) is required, under Section 5705.391 of the Ohio Revised Code, to immediately notify the district and the Auditor of State of the potential deficit. This letter serves as that notification.

In the past, districts were required to submit a written proposal outlining plans to eliminate the projected deficit. We are not requesting a written proposal at this time; however, we encourage you to continue monitoring your district's financial condition, enter into appropriate discussions with Board members and stakeholders, and take the necessary financial actions that will eliminate the projected deficit.

ODE will also continue to monitor the district's financial status and may request a written proposal if the projected deficit continues. Our regional fiscal consultants and area coordinators are ready and willing to assist your district by providing a variety of services. Please contact my office or any of the regional personnel to request assistance.

Sincerely,

Roger W. Hardin, Assistant Director  
Quality School Choice & Funding - Finance Program Services  
(614) 466-5568

RWH/smh

C: Mr. Daniel Telzrow, Treasurer, VIA EMAIL  
Ms. Kathy Frato, Auditor of State Office, VIA EMAIL  
Fiscal Consultant, Area 8, VIA EMAIL

Governor Proposed Funding System Component Comparison Side by Side With Fiscal 2009 School Funding Formula

**Funding Levels By Typology**

	Typology	Fiscal 2009 Total Aid/Pupil	Fiscal 2014 Total Aid/Pupil	FY 14 Vs FY 09 Total Aid/Pupil	FY 14 Vs FY 09 % Variance
Rural/Agricultural (High Poverty, Low Median Income)	1	\$5,105	\$5,000	(\$105)	-2.10%
<b>Rural/Agricultural (Low Poverty, Low/Moderate Median Income)*</b>	2	\$4,255	\$4,129	(\$126)	-3.05%
Rural/Small Town (Moderate To High Median Income)	3	\$3,267	\$3,095	(\$172)	-5.56%
Urban (Low Median Income, High Poverty)	4	\$4,210	\$4,386	\$176	4.01%
Major Urban (Very High Poverty)	5	\$5,353	\$5,377	\$24	0.45%
Urban/Suburban (High Median Income)	6	\$2,540	\$2,576	\$36	1.40%
Suburban (Very High Median Income, Very Low Poverty)	7	\$1,604	\$1,621	\$17	1.05%
Statewide		\$3,648	\$3,658	\$10	0.27%

**Note**

\*West Branch Local Schools is in Typology 2 Group and will receive \$178 less Aid/Pupil under the Proposal

Appropriation History

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
General Fund	\$17,420,000	\$17,857,776	\$18,534,532	\$18,740,710	\$18,000,143	\$18,714,489	\$19,157,417	\$19,591,946
All Other Funds	\$6,215,960	\$4,396,364	\$4,144,790	\$3,838,681	\$4,501,573	\$6,115,125	\$4,794,491	\$4,220,364
Total	\$23,635,960	\$22,254,140	\$22,679,322	\$22,579,391	\$22,501,716	\$24,829,614	\$23,951,908	\$23,812,310
Year To Year Growth Trend		-5.85%	1.91%	-0.44%	-0.34%	10.35%	2.37%	2.27%
Average Year To Year Growth Trend								1.47%

Expenditures Per Pupil

<b>West Branch Local ( 1 of 14 Mahoning County Districts)</b>	\$7,421	\$7,664	\$7,686	\$7,466	\$7,774	\$8,625	Not Avail	Not Avail
<b>Ranking (Lowest to Highest in Expenditures)</b>	3	4	3	2	2	3	Not Avail	Not Avail

**Average Ranking (Lowest to Highest in Expenditures)**

						2.8		
Youngstown City	\$14,630	\$15,386	\$13,302	\$13,283	\$13,823	\$15,408	Not Avail	Not Avail
Western Reserve Local	\$7,416	\$7,506	\$7,831	\$8,194	\$8,741	\$9,023	Not Avail	Not Avail
South Range Local	\$7,926	\$9,478	\$8,594	\$8,955	\$9,140	\$9,964	Not Avail	Not Avail
Struthers City	\$7,614	\$7,526	\$7,225	\$7,498	\$8,164	\$8,920	Not Avail	Not Avail
Campbell City	\$8,697	\$9,792	\$9,997	\$10,066	\$10,940	\$10,928	Not Avail	Not Avail
Poland Local	\$8,157	\$8,127	\$8,401	\$8,304	\$8,874	\$9,325	Not Avail	Not Avail
Austintown Local	\$8,368	\$8,503	\$8,575	\$8,349	\$8,263	\$8,240	Not Avail	Not Avail
Jackson Milton Local	\$8,584	\$8,965	\$9,361	\$8,555	\$9,485	\$9,536	Not Avail	Not Avail
Canfield Local	\$7,878	\$7,878	\$8,105	\$8,307	\$8,747	\$8,905	Not Avail	Not Avail
Boardman Local	\$8,406	\$8,529	\$8,861	\$8,532	\$8,740	\$8,662	Not Avail	Not Avail
Lowellville Local	\$6,392	\$7,110	\$7,336	\$7,108	\$7,660	\$8,062	Not Avail	Not Avail
Sebring Local	\$8,284	\$8,305	\$8,879	\$9,368	\$9,484	\$10,215	Not Avail	Not Avail
Springfield Local	\$7,615	\$7,729	\$8,174	\$8,203	\$8,584	\$9,132	Not Avail	Not Avail