

EXPENDITURE REDUCTION PLAN

Twinsburg City School District



Presentation to the Board of Education
February 15, 2023

Expenditure Reduction Plan



- * District received designation of “Precautionary” fiscal state from the Ohio Department of Education’s Office of Fiscal Oversight on December 12, 2023
- * Designation due to the \$2.1 million deficit in FY25 as submitted in the Five-Year Forecast
- * Plan to address the deficit is due to the ODE by February 28, 2023

Expenditure Reduction Plan



- * Treasurer and Superintendent held Staff Meetings in the month of January to inform employees of this concern
- * Staff members provided feedback regarding expenditure reductions. Many of the ideas/suggestions submitted were included in the plan with others being considered for future expenditure reductions

Expenditure Reduction Plan



- * Parents/guardians informed of “Precautionary” financial status byway of Superintendent’s weekly update on January 15, 2023

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- * The District's Commitment:
 - * Continue to provide students with excellent educational programs
 - * Reduce expenditures to minimize impact of projected \$2.1 million deficit in FY25
 - * Approach the process in transparent and focused manner

Expenditure Reduction Plan



- * District also needs to remain aware of the further deficits forecasted in FY26 and FY27
- * FY26 = **-\$13.5 million**
- * FY27 = **-\$25.6 million**

Expenditure Reducation Plan



What happened to cause the deficits?

Expenditure Reduction Plan



- * From FY15 through FY22, the District has cumulatively lost an estimated \$24 in State Tangible Personal Property (TPP)/Commercial Activities Tax (CAT) reimbursement

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- * H.B. 920 freezes a school district's income on voted mills. This freeze on school income started in 1976, so the income our school district receives from each levy voted since 1976 was frozen the moment the levy passed. Even when home values increase, a school district's revenue remains the same because of H.B. 920. No revenue increase is permitted for schools, except a one-time increase for new construction, and a small amount of revenue growth on inside mills. For school districts, simply keeping up with day-to-day cost increases is impossible under H.B. 920 and the main reason for their return to taxpayers for additional revenue every few years.

Expenditure Reduction Plan



- * Further, multiple factors such as inflation and increased rates drive up school expenditures
- * Deficit spending occurs when expenditures are higher than revenue

Expenditure Reduction Plan



- * The proposed Expenditure Reduction Plan encompasses:
 - * Revenue Generated
 - * Cost Avoidance
 - * Efficiency Measures
 - * Staffing Considerations

Expenditure Reduction Plan



ADDITIONAL REVENUE GENERATED	(In approximate amounts)
Student & Course Fees	\$ 23,000.
Pay-to-Participate Fees	\$ 31,000.
Preschool Tuition	\$ 37,000.
APPROXIMATE REVENUE GENERATED	\$ 91,000.

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ADDITIONAL EFFICIENCIES	(In approximate amounts)
Corner Bus Stops	\$60,000.
APPROXIMATE ADDITIONAL EFFICIENCIES:	\$60,000.

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COST AVOIDANCE	(In approximate amounts)
Centralized Purchasing	\$30,000.
Reduction of Summer Reading Camp (Beginning with Summer 2024)	\$35,000.
Reduction in Online Tools	\$34,000.
Reduction in Extended Contracts	\$46,000.
Reductions in Staff (RIS) 36 FTEs (Includes Salaries and Benefits)	\$2,574,000.
APPROXIMATE COST AVOIDANCE:	\$2,747,000.

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SUMMARY	APPROXIMATE AMOUNTS
Revenue Generated	\$ 91,000.
Cost Avoidance	\$.
Efficiency Measures	\$60,000.
TOTAL EXPENDITURE REDUCTION:	\$.

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- * Hopeful BOE approval of Expenditure Reduction Plan this evening
- * Submission of the Expenditure Reduction Plan to the Ohio Department of Education
- * Once authorized by the ODE, District will begin to further refine tenets of the Plan

Expenditure Reduction Plan



- * Staff to receive tentative assignments prior to the conclusion of the 22/23 school year
- * Focus remains on providing excellent educational opportunities for our students

Expenditure Reduction Plan



- * We appreciate everyone's interest and involvement in the process
- * We will continue to be transparent in all matters of importance to our school community
- * Thank you!