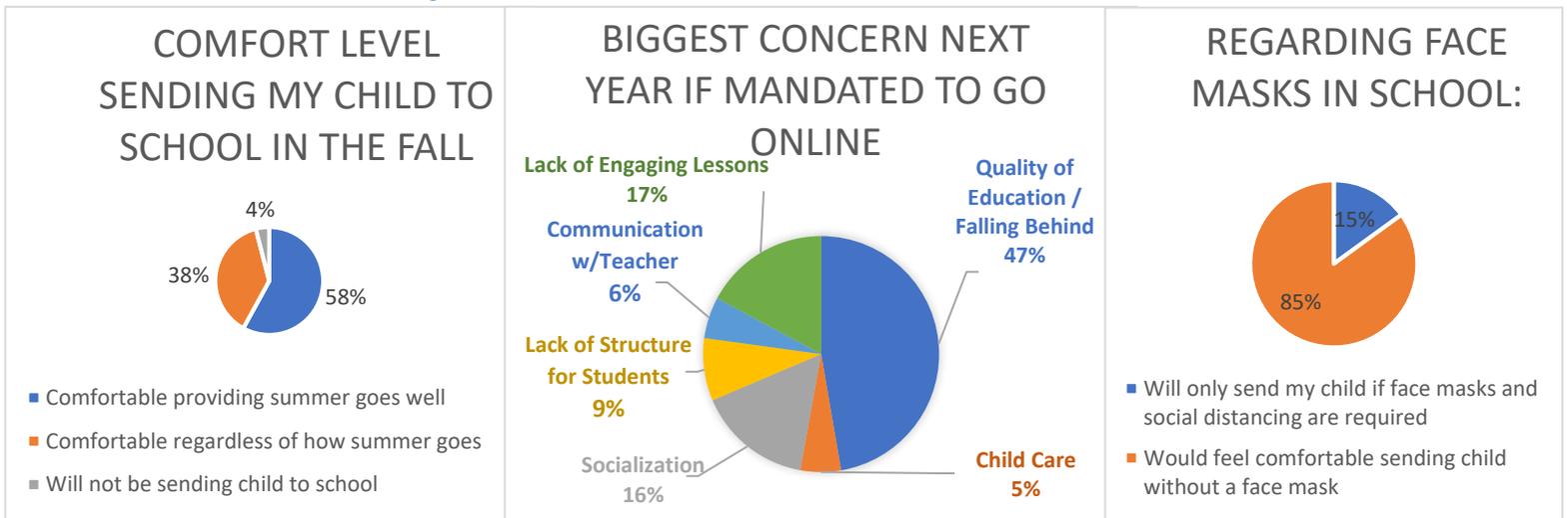


Bath School Community Newsletter -Summer 2020

Dear Bath Community,

As we end one school year and look to the next, we'd like to share some thoughts both educationally and financially for the district. March 13th, 2020 when Governor DeWine announced that schools would be closed, we literally had to transition online for kids and parents in a matter of hours/days. Many thought this closure would be temporary. Unfortunately, as we all know, we remained that way for the remainder of the year. Traditional May events of banquets, band concerts, athletics, prom, graduation, etc. were all cancelled. This was a very sad, disappointing and unfortunate time for our students, parents and staff, especially our seniors and their families. However, with the help of Bath graduate Stan Long and his video production company VideoBranch, we organized a graduation ceremony that was truly one to remember. It was a more personal, intimate way for seniors and their families to celebrate while also professionally producing these memories forever. Thank you, seniors and your families, for abiding by the guidelines set forth by the governor and the health departments and making this a special event.

In looking towards the fall, we face many challenges. To help us with meeting these challenges and our planning, we extended a survey to our parents asking them to respond to 15 questions. These questions were designed to get parent and student feedback from the end of this year in relation to distance learning as well as ask parents for input on specific questions that pertain to operating our schools this fall. We wanted to give parents the opportunity to share their concerns with us so that we can communicate this information back to not only our staff and community, but also, our state legislators. We had 911 responses which equates to 56% of our parents in our district. Please see a few of the results of the survey below. All results from the survey may be found on our website at www.bathwildcats.org under District News.



On June 2nd, Governor DeWine stated his goal was to have schools open this fall. That is great news as we also want to come back to school August 31st! However, at some point, we know that there's a real possibility that we will experience distance learning again next school year due to the virus. Currently, we are preparing for all scenarios. We are hoping to receive operational guidance from the state soon. There is current legislation (at the time of this draft) to allow for local control of deciding when to open, how to operate and when to close. Undoubtedly, this will be a fluid situation through the fall. Because of the uncertainty of how we will be next school year, we decided this spring

that we would move up our timeline on acquiring a K-12 educational platform for our district. We are excited to announce that we have signed on with Schoology beginning next school year. Schoology is a K-12 learning management system that will become a one-stop shop for parents, students and staff. It will enable us to more efficiently manage instruction, learning, grading, attendance, assessment, analytics, state reporting, special education, student registration, etc. Students, parents and staff will work through one portal making access to instruction, assignments and assessments much easier and consistent year to year. Also, Schoology also has an app for parents to access information and communicate with teachers in a much quicker and simpler way. Our teachers came in for professional development and were trained on this system the last week of May. We will also look to have parent/student training next school year. Another technological change in our district for next year is in food service. We changed software programs to allow a more user-friendly system for parents and staff. Beginning July 1st, PaySchools Central will become the new online payment site for school meals & school fee payments. PaySchools Central offers features such as real time patron activity reports, free email balance reminders, auto replenish of accounts, and much more. Money placed on the student's accounts is available for student use within minutes of a payment being submitted. A link to payschoolscentral.com will be posted to the school's website for families to register. Please contact Mariah Ross, Food Service Supervisor at rossm@bathwildcats.org or 419-221-0366 with any questions.

Finally, at the end of the 2019-2020 school year, Governor DeWine announced a \$300 million reduction to K-12 schools in Ohio. Our state foundation monies were cut \$284,189. Moreover, the governor's office is telling us to expect another reduction of 10-12% for the next biennial budget which would equate to approximately \$600,000. To help offset the first reduction in the spring, we did receive \$232,360 in federal monies from the CARES Act. The guidelines for usage of CARES Act monies surround improving distance learning and acquiring sanitization equipment and/or training. We have allocated our monies towards the purchases of foggers, face masks for employees, thermometers, laptops and Schoology. We are attempting to get 1:1 with laptops for every student in the district. With reductions in funding projected as well as our district in deficit spending, we will be looking at how we can reduce spending without eliminating programs we currently offer our students and parents.

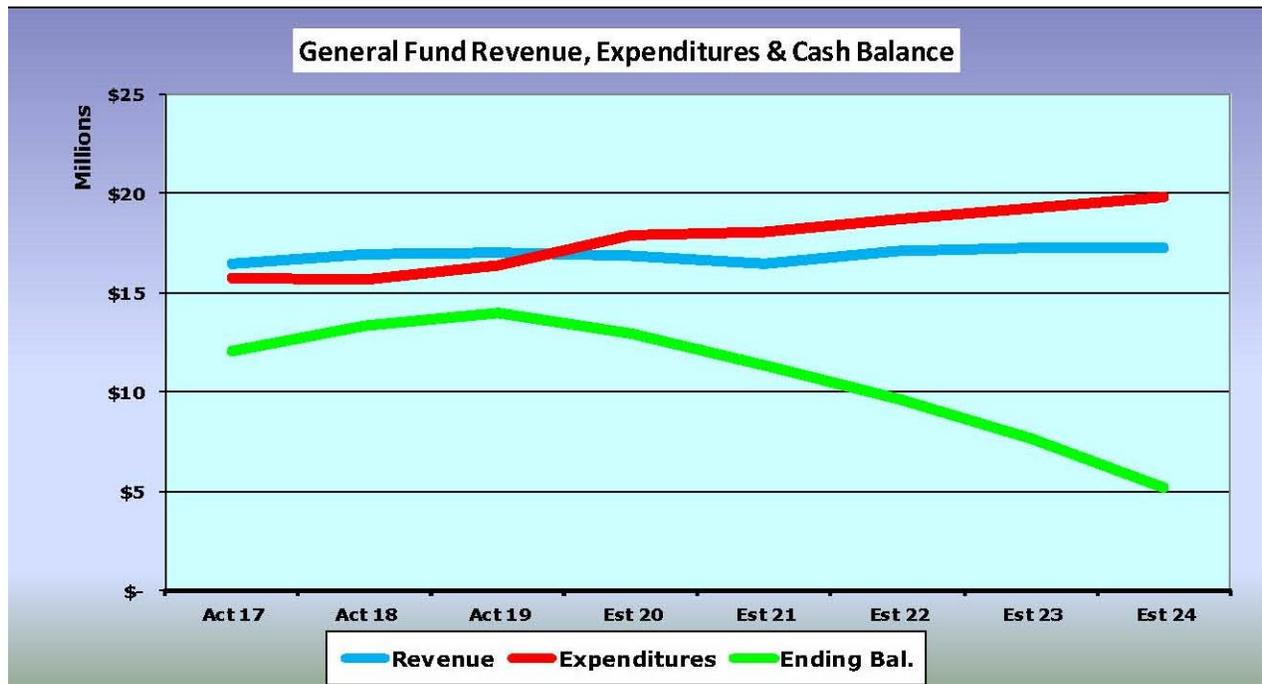
School Districts are required to file a five-year forecast with the Ohio Department of Education in November and May of each fiscal year. The five-year forecast includes three years of actual data and five years of projected general fund revenues and expenditures. Fiscal year 2020 (July 1, 2019 – June 30, 2020) is the first year of our current forecast and is considered the baseline year.

A five-year forecast is a best estimate using the information available at a given point in time but forecasting during a global pandemic takes on a whole new level of uncertainty. We feel it is important to share our current financial position with the community, as well as some of the assumptions that we have built into our forecasting model.

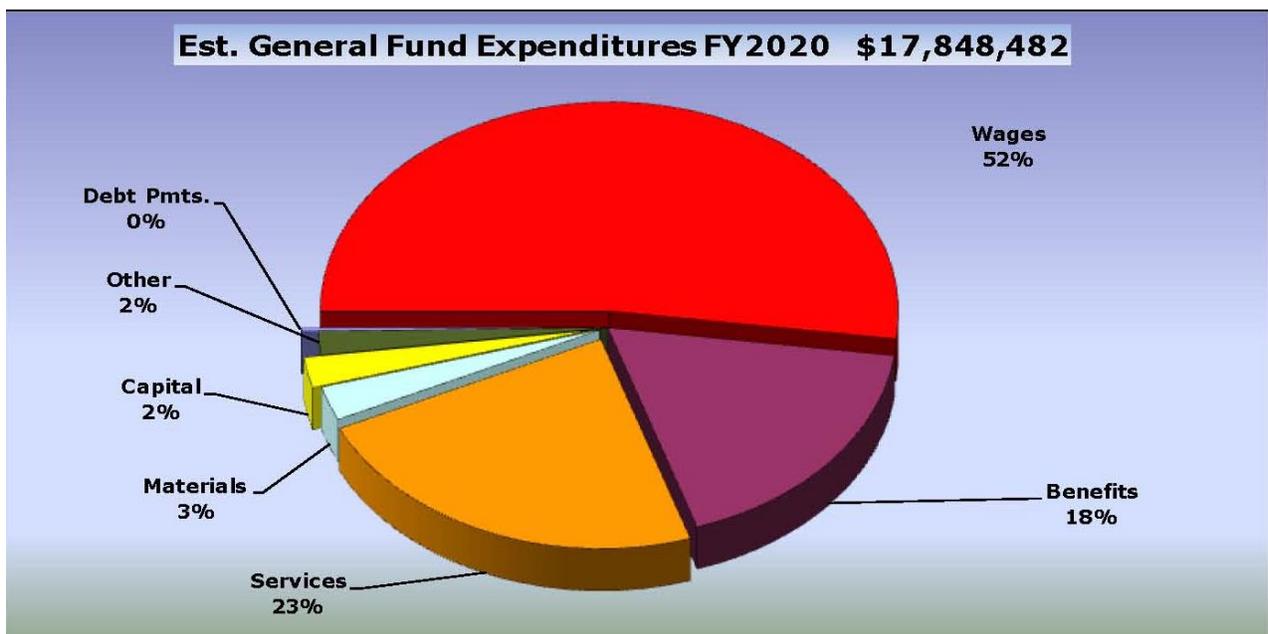
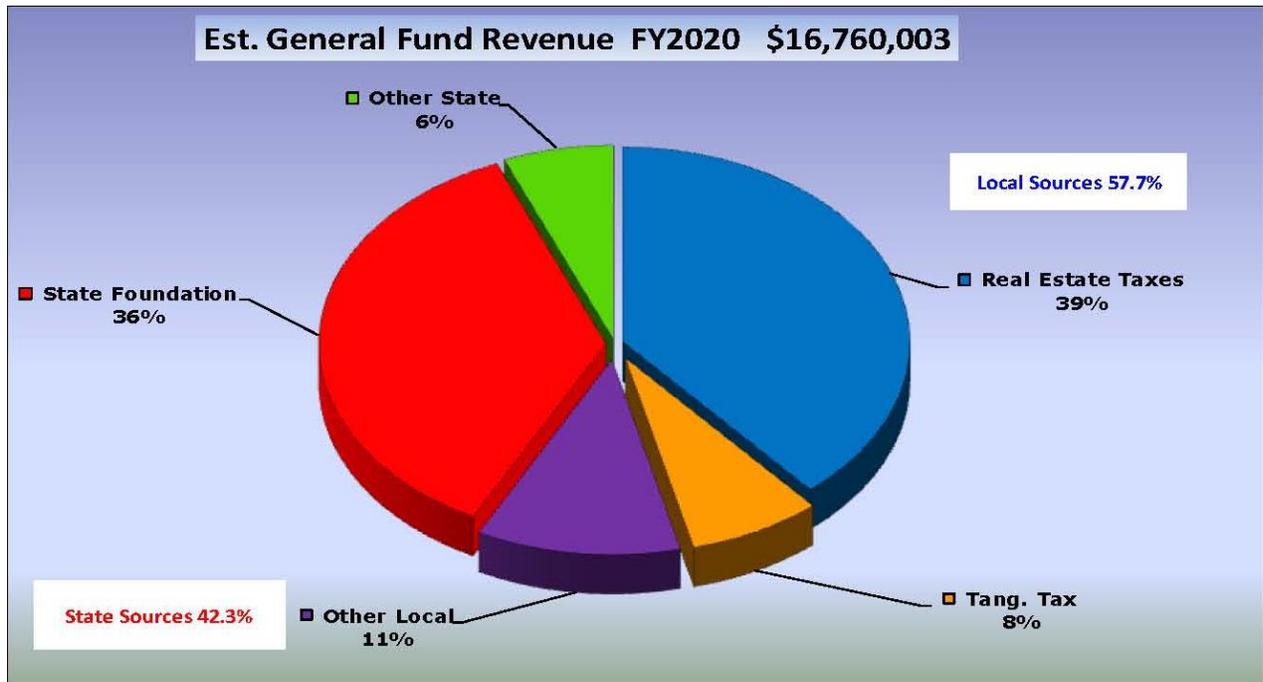
Fiscal Year	Actual			Forecasted				
	2017	2018	2019	2020	2021	2022	2023	2024
Total Revenue	16,461,669	16,921,433	17,003,899	16,877,101	16,441,569	17,108,379	17,265,211	17,292,773
Total Expenditures	15,710,302	15,681,993	16,351,295	17,897,482	18,087,559	18,727,435	19,276,578	19,806,901
Excess of Revenues over (under) Expenditures	751,367	1,239,440	652,604	(1,020,381)	(1,645,990)	(1,619,056)	(2,011,367)	(2,514,128)
Cash Balance July 1	11,322,193	12,073,560	13,313,000	13,965,604	12,945,223	11,299,233	9,680,176	7,668,809
Cash Balance June 30	12,073,560	13,313,000	13,965,604	12,945,223	11,299,233	9,680,176	7,668,809	5,154,681

Bath School's May 2020 forecast shows deficit spending this year, and each year of the forecast. This means that we will be spending more than we take in, and will have to use our carryover balance, or "rainy day fund" to balance our budget. Up until this point our state and local funding have kept pace with the increased cost of doing business, but this is no longer true. It is important to understand the path our state funding has taken:

- When the state legislature changed the business tax structure and eliminated tangible personal property tax, the state reimbursed schools and other taxing entities for their loss of revenue. In FY 2010 our state reimbursement was \$1,365,355. This reimbursement was phased out to zero by FY 2019. This is the equivalent of losing a 5.46 mill operating levy every year.
- In FY 2014 the state implemented a new formula to calculate our foundation funding. It would have been great for Bath, but the state didn't have enough money to fully fund their formula so put were put in place to limit the amount those districts who stood to gain the most would receive. Since then we have received about 80% of our formula amount, which equaled a loss of \$1.2 million in FY 2019.
- For FY 2020 and 2021 the state froze basic aid at FY 2019 levels. That was difficult, but then along came COVID-19 and the state had to implement cuts. Bath's FY 2020 foundation has been decreased by \$284,189. For FY 2021 we are estimating a 10% reduction to those frozen FY 2019 levels, which translates into a \$600,000 loss in revenue.



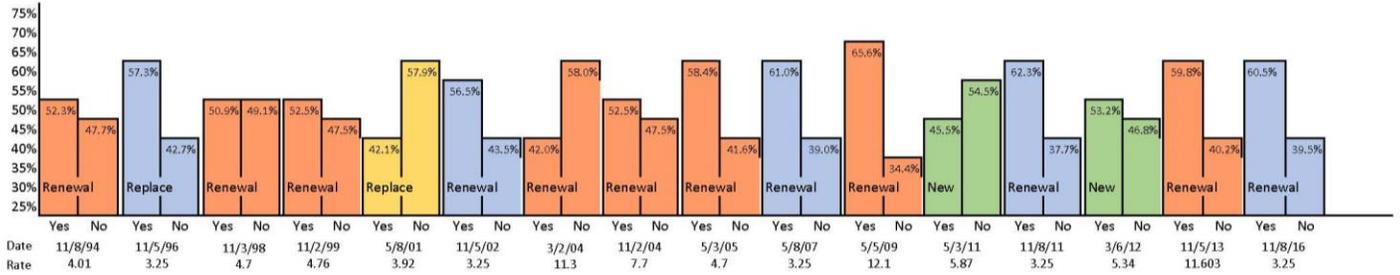
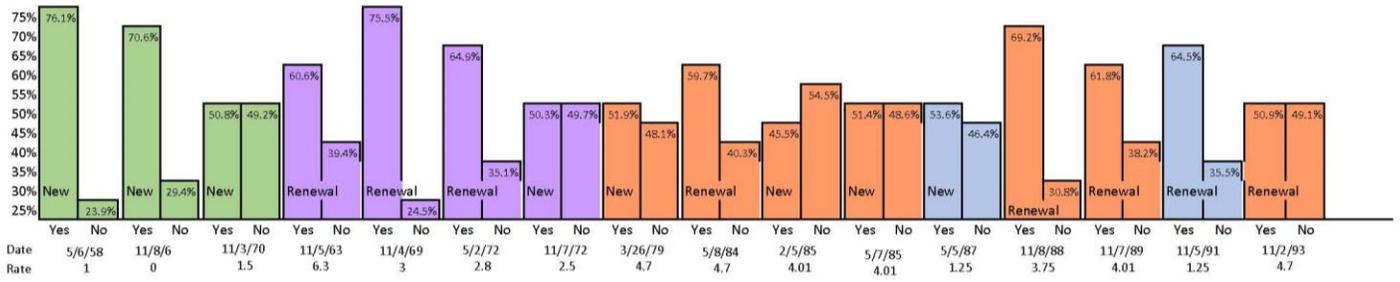
Our general fund revenue and expenditures are illustrated below:



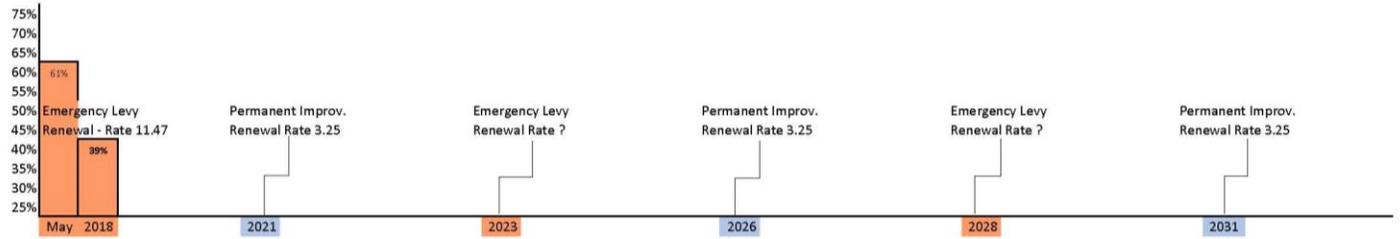
As you can see in the top graph, almost half of our funding comes from the state. This is concerning given the current financial situation of the state budget. The bottom graph shows how we spend our monies. When we compare our portion of salaries and benefits, we are below similar districts and the statewide average according to the Cupp Report at the Ohio Department of Education.

Our Emergency levy, which is our only non-continuing operating levy, will be up for renewal in 2023. It is a fixed sum levy, which means the tax rates are adjusted so that the same amount of revenue (\$3,725,182) is generated each year. The last increase to this levy was passed in 2004. The timeline of having our Permanent Improvement Levy and our Emergency levy on the ballot in alternating five-year increments (see graph on next page), has worked well for our district. Permanent Improvement monies

BATH LOCAL SCHOOLS LEVY HISTORY



■ Permanent Improvement
 ■ Emergency Requirements
 ■ Bond Issues
 ■ New Emergency
 ■ Current Expenses



can only be spent on facilities, technology or any items lasting more than five years. The past few years we have dedicated 1 mill of the 3.25 mills to technology. As we get 1:1, we will be looking to dedicate more monies to upgrading our facilities.

Finally, the current school funding model is under review through a state task force organized by Representative Bob Cupp and Representative John Patterson. They have been working on a formula that will more accurately reflect how much state money each school district needs. In their early proposals, our district would benefit from this change. However, this new formula would require an increase in school spending from the state budget. Therefore, given the current state budget situation, it does not look promising for this change to occur at this time. As we move through these next few months and watch the full economic impact of the pandemic play out, we will continue to be fiscally responsible. We will be evaluating our operational plans to determine how we will provide a quality education for students and families in every building while also being cognizant of the needs of our students, parents, staff and community. As we receive information from Columbus regarding operational guidelines for the fall, we will be communicating our plans and engaging our parents with this information. It will be a challenge. However, we will get through this together. If you would like to see the complete May forecast and assumptions, it is available on the treasurer's page of the school website. If you would want to discuss our educational or financial plans for the district, please call either of us at 419-221-0807.

Sincerely,

Rich Dackin
Bath Superintendent

Annette Morman
Treasurer