Community School Forecast Technical Assistance Guidance

The state operating budget for FY26-FY27 (House Bill 96) made changes to the timing and requirements for school and district forecasts. Rather than submitting five-year projections of operational revenues and expenditures, schools and districts will now be required to submit appropriations, revenue, and fund balance assumptions contained in the budget adopted by the board for that fiscal year and projections of expenditures, revenues, and fund balance for the three succeeding fiscal years. **Schools and districts should consider this revision to reflect a four-year forecast, rather than a five-year forecast.** Outside of this change, the Department of Education and Workforce, in partnership with the Auditor of State's Office, will not be making any substantive format changes to the forecast template for FY26. The forecast will continue to include three years of actual data, in addition to the current year budget information and the three years of forecasted projections. Upon review of the forecast, the Department may contact the community school or the school's sponsor to request additional information. The budget also revised the due dates for forecast submissions. Forecasts are due twice annually to the Department on or before August 31 and the last day of February. **For the initial FY26 submission, the due date is October 15, 2025.**

The financial forecast serves as one of the tools to assess the fiscal health of an individual community school. By identifying trends and potential financial risks early, sponsors can proactively work with their schools to eliminate shortfalls or minimize the effects of those risks.

The forecast template is now standardized for all community schools. The user should not alter the format. The user should include all applicable actual and forecasted data. Please be sure to include all the school's demographic information required in the heading of the forecast template.

Incomplete forecasts, or those forecasts submitted using an altered format, may be returned for correction and resubmission.

Please email any questions to Community.Schools@education.ohio.gov. Include 'financial forecast' in the subject line.

FYXX – Please replace the X's with the applicable fiscal year and include month of submission.

IRN – Please indicate the school's IRN.

Type of School – Please indicate if the school is categorized as a Brick and Mortar or Internet/Online school. (All schools using blended learning are considered 'brick and mortar' community schools.)

Contract Term – Please include the expiration date of the current sponsor-school contract.

School Name – Please include the name of the school.

County – Please indicate the county in which the school is located.

Operating Receipts

All operating revenues received from the item codes below must be included for all applicable years.

STATE FOUNDATION PAYMENTS

3110 - SCHOOL FOUNDATION BASIC ALLOWANCE: Money received through the state's Foundation Program that is not restricted to a particular use, including equity funding received under Ohio Revised Code 3317.0213. This account now includes the amounts previously reported as special education, vocational education, and pupil transportation. (Educational service centers should see Appendix A.)

3211 – DISADVANTAGED PUPIL IMPACT AID: Revenues received as grants directly from the state, which must be used for a categorical or specific purpose. Community Schools may receive additional restricted funds.

CHARGES FOR SERVICES

1500 - FOOD SERVICES: Money received for dispensing food to students and adults.

FEES

1600 - EXTRACURRICULAR (STUDENT) ACTIVITIES: Money received from school-sponsored activities.

1700 - CLASSROOM MATERIALS AND FEES: Money received from pupils from the sale of classroom supplies, workbooks and textbooks. Also included are monies received from the collection of class fees.

OTHER

1830 - SERVICES PROVIDED TO OTHER ENTITIES: Revenue from services provided to other entities other than for tuition, transportation or food services. These services may include data processing, purchasing, maintenance, cleaning, consulting, and guidance.

1840 - REVENUE FROM COMMUNITY SERVICE ACTIVITIES: Revenue from community service activities operated by the school district.

1850 - COMMISSIONS: Revenue earned as commission from such items as vending machines or telephone coin boxes.

1860 - FINES: Revenue earned as a result of fines being levied by the school district.

1870 - CHARGES FOR SELF-INSURANCE: Revenue from other funds and/or school districts received for self-insurance.

1890 - OTHER MISCELLANEOUS RECEIPTS: Other miscellaneous receipts not previously classified.

3190 - OTHER UNRESTRICTED GRANTS-IN-AID: Other unrestricted grants-in-aid from state funds, such as revenues from casino funds.

Operating Disbursements

All operating expenses included in the categories below should be included for all applicable years. A school may combine all disbursements in the “Purchased Services” line item, but all schools are required to provide a breakdown of “Purchased Services” in the Assumptions portion of the template.

100 - PERSONAL SERVICES - EMPLOYEES’ SALARIES AND WAGES: Amounts paid to school district employees who hold positions of a permanent nature or who have been hired temporarily, such as substitutes for those in permanent positions. This category includes gross salary for personal services rendered while on the payroll of the school district and payments made to board members as compensation for their personal services.

200 - EMPLOYEES' RETIREMENT AND INSURANCE BENEFITS: Amounts paid by the school district on behalf of employees. Not included in the gross salary, these amounts are over and above it. Such payments are not paid directly to employees; nevertheless, they are part of a school district's costs of salaries and benefits.

400 - PURCHASED SERVICES: Amounts paid for personal services rendered by personnel who are not on the payroll of the school district and other services that the school district may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided to obtain the desired results. Services purchased from other school districts are included under this definition.

500 - SUPPLIES AND MATERIALS: Amounts paid for material items of an expendable nature that are consumed, worn out or deteriorated from use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

600, 700 - CAPITAL OUTLAY: Expenditures for the acquisition of, or additions to, fixed assets. Included are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, and initial and additional equipment, furnishings and vehicles.

800 - OTHER OBJECTS: Amounts paid for goods and services not otherwise classified above, such as expenditures for the retirement of debt, the payment of interest on debt and the payment of dues and fees.

819 - OTHER DEBT: Repayment of outstanding debt, including deductions from state funding to discharge outstanding FTE determination. All outstanding debt, including those resulting from an FTE determination, should be detailed in the chart included in the Assumptions portion of the template.

Nonoperating Receipts (Disbursements)

Include all non-operating revenues in the forecast for all applicable years. Please record all debt assumed during a year on the "Debt Proceeds" line item. The line item "Debt Principal Retirement" includes all payments made on debt that do not include interest or fiscal charges.

All "Interest and Fiscal Charges" would include any expenses incurred to carry debt.

FEDERAL GRANTS

All 4000 funds - RECEIPTS FROM FEDERAL SOURCES: The acknowledgment of monies obtained by the district from federal sources. Grants-in-aid are contributions made by the federal government to a school district and are not related to specific revenue sources of the federal government, i.e., general, if related to specific revenue sources of the federal government, are distributed on a flat grant or equalization basis.

STATE GRANTS

3200, except 3211 there may be additional exceptions) COMMUNITY SERVICES: Payments made by the school district to support activities that do not directly relate to providing education for pupils in a school district. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children and community welfare activities provided to the district for the community as a whole or for some segment of it (formerly all 3000).
3219 - RESTRICTED GRANTS; COMMUNITY SCHOOL FACILITIES GRANT: The acknowledgment of monies received specifically from the Community School Facilities Grant.
1820 - CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES: Money received from a philanthropic foundation, private individuals or private organizations for which no repayment or special service to the contributor is expected.
1400 - EARNINGS ON INVESTMENTS: Amounts received as profit from holdings for savings or speculation.
1900 – DEBT PROCEEDS: Amounts received from the issuance of new debt for the community school, including outstanding loans from the school's sponsor or operator.

Assumptions

STAFFING/ENROLLMENT

Please include past and future student enrollment and all staffing for applicable years.

PURCHASED SERVICES

A detailed breakdown of all purchased services must be provided in the chart provided in the Assumptions portion of the template. The total amount of purchased services detailed in the Assumptions chart should match the total amount of purchased services for the current fiscal year in the forecast portion of the template.

Treasurers may note which of the figures included in the chart are provided by the school's operator in the Assumptions' narrative. The name of any operator(s) should also be included in the narrative.

DEBT

All outstanding debt, including outstanding FTE determinations, loans (including those from a sponsor or operator), lines of credit, notes, bonds, capital leases and payables past due 180 days or more, must be detailed in the chart provided.

FINANCIAL METRICS

This area contains calculations from entered data and as a result the spreadsheet is locked.

ASSUMPTIONS NARRATIVE SUMMARY

Forecasts must include a narrative summary explaining forecasting methods used and a description of assumptions used to support projections. The narrative summary should provide sufficient information to support and explain all assumptions used in each forecast year, for instance:

- The assumptions are of foremost importance to understanding the rationale of the numbers, particularly when any data point changes significantly vary from previous actual or projection trends. Such changes need clear explanation.
- Inflation should be considered during forecasting.
- When the school leases the building from the operator or the operator pays for services, the school should submit a copy of the independent review of the agreements.
- If the school has debt exceeding 25% of the operating revenue, plus any carryover funds, the treasurer should provide an explanation of measures being taken to reduce debt. Amortization schedules should be included in assumptions.
- Assumptions should include the age of capital assets or a capital asset replacement policy. If the capital asset policy has previously been submitted, a new submission is not necessary unless there have been changes to the policy.
- If the school has the same ending balance for multiple years, the narrative must include an explanation.
- If the school shows a deficit balance in the current or two subsequent fiscal years, the OCS Administrator will notify the sponsor. The OCS will request the sponsor work with the treasurer and governing authority to develop a plan that would eliminate any current deficits and avoid future deficits that may be listed on the forecast.