Bellbrook_Sugarcreek-047274

Five Year Forecast ~ FY 2021 through FY 2025

Projection Assumptions

Revenue Assumptions:

1.010 General Property Tax (Real Estate)

Revenue for real estate taxes is based upon revenue received in the two tax settlements.

We are not at the 20 mill floor and do not realize inflationary growth on real estate taxes, except for the 4.50 mills of inside millage.

In FY 22 the real estate tax revenue is increased by $700,000 for new construction and reappraisal on inside millage. Each year after that is increased by 1%.

1.035 Unrestricted Grants-in-Aid (State Foundation Funding)

FY 20 unrestricted grants-in-aid were calculated using the State's current funding formula. We are currently on the state funding formula. For previous years the state funding has been at or near zero increase each year. A $657,000 reduction in state funding for FY 20 occurred at the end of FY 20 due to the pandemic. For FY 21 a 10% state funding cut has been forecasted. A freeze in state funding each year has been built into this forecast in FY 22-25 to reflect the prediction that our moderate increase in ADM will keep us on the Formula rather than the State Guarantee. This line item includes the state foundation funding and $145,000 for State Casino Revenues. The casino revenues are reduced to $10,000 in FY 21 due to the pandemic and the effect on these monies.

1.04 Includes Career Tech and Economically Disadvantaged student funding. FY 21 includes $163,000 from the CARES Act.

1.050 Property Tax Allocation

Historically this estimate was based upon homestead and rollbacks calculated at approximately 12.5% of real estate taxes. This amount only shows small increases because in FY 19 and thereafter, all newly passed levies will contain no additional rollback payments. According to law those monies will be paid by the local taxpayer.

1.060 All Other Revenues

This includes transportation reimbursements, class fees, refunds, rentals, tuition, participation fees, and all other miscellaneous revenues. Lowered amounts are shown in the forecast to reflect losses in all of the previously mentioned items due to on site school being closed from the pandemic. Phase 3 revenues increased by $135,000 per year FY 21-24 due to the increases of all-day kindergarten tuition and extracurricular participation fees.

2.06 Includes Refund of Prior Year Expenditures and Sale of Equipment.

Expenditure Assumptions:

3.010 Personal Services

A three-year contract was negotiated with both the certified and the classified staffs, and those contracts expire as of 6/30/20. Base increases for the three years were 2%, 2% & 2%. A 1% merit stipend will be given in FY 18 – FY 20, if the district achieves an A or B on the state report card.

Cutbacks in personnel salaries totaling $749,000 were made beginning with FY 2019. But about half of these cutbacks needed to be reinstated due to increase in ADM or special education requirements. Phase 3 and Phase 4 cutbacks in salaries totaled $544,790 in FY 21 and $594,818 in FY 22.

The negotiated contract expires in FY 20. THE ENTIRE STAFF TOOK A PAY FREEZE WITH NO MERIT PAY, NO EXPERIENCE STEPS AND NO BASE INCREASE FOR FY 2021. For forecast years 2022-24 the same percentages are used (2% on base with steps + 1% merit), as were given in the previous three year negotiated contract. THIS FORECAST REFLECTS NO INCREASE IN THE NUMBER OF STAFF IN THE DISTRICT AFTER FY 20.

In FY 21 $190,000 is saved by a one-year reorganization of the Preschool to 12th grade special education program.

3.020 Employee's Retirement/Insurance Benefits

Employee Retirement assumption was based on employer mandated contribution amounts adjusted for salary increases and personnel employed on line 3.010. (Retirement share, Medicare, and Worker's Comp)

Employee Insurance benefits for FY 20 to FY 25 for vision and dental were adjusted to reflect 2% increases in each year. Medical insurance premiums increased 24% ($691,000) beginning with FY 2020. After FY 2020 this line item is increased by 6% per year. The school district pays 14% to SERS and STRS for the employer’s share of employee retirement, and that cost increases with salary increases.

The Board of Ed approved cutbacks in personnel that saved $187,000 in fringe benefits expenses beginning with FY 2019. As noted above, about half this amount needed to be reinstated. Additional Phase 3 and Phase 4 cutbacks saved $150,910 in FY 21 and $172,822 in FY 22 in this category.

3.03 Purchased Services

Beginning with FY 20 purchased services are increased by 4% each year. The Board of Ed approved cutbacks in purchased services totaling $113,000 beginning with FY 2019. Purchased services include fuel, utilities, building repair services, legal fees, professional meetings, community school deductions in state funding, mandated special education teacher assistants, GCESC general fund service costs, etc. Huge savings in utility expenses have been realized from the HB 264 Energy Project and are reflected herein.

Phase 3 and Phase 4 cutbacks reduced expenditures for purchased services by $119,280 in FY 21 and by $56,136 in FY 22.

3.04 Supplies and Materials

This line is increased approximately 5% per year from FY 19 onward. Separate from that increase reductions were made in Phase 3 and Phase 4 of $175,000 in FY 21 and $25,000 in FY 22.

3.05 Capital Outlay

In FY 21 - FY 25 this line increases by an estimated 0% per year. In FY 18 a one-time expenditure of $340,840 is included, to purchase a chiller for the Middle School HVAC system. FY 23-24 are increased by $250,000 each for the portion of the other Tech upgrades that are not paid through the PI Fund AND for the portion of the Tech Chromebook refresh not covered by PI. Phase 4 cutbacks delayed the $250,000 tech purchases by one year from FY 22 to now making that expenditure beginning in FY 23.

4.01 Debt Principal

There is no debt to be charged to the general fund other than the HB 264 Energy Project. The stadium project is repaid from the Permanent Improvement Fund. (Stadium debt payments are made from private donations, stadium usage fees and the Miami Valley Hospital naming rights contract.)

4.05 & 4.06 HB 264 Debt

Line 4.05 reflects the payment of the unvoted bond issue to fund the HB 264 Energy Savings Project. Line 4.06 shows the interest payments on this same project.

4.30 Other Objects

This line reflects auditor/treasurer collection fees, Board of Ed memberships and other charges.

13.02 Property Tax New

There is no projection of a tax levy passage for the entire five year forecast listed. A 5.5 mill replacement levy was passed on May 5, 2015 to begin collection in January of 2016. This was the first time the district had placed a tax levy on the ballot in 6 years. Line 7.02 Ending Cash for FY 24 shows a (-$2,232,882) deficit balance. There is also an operating deficit in each of the five forecasted years (Line 6.01). This will need to be alleviated either by cutbacks, increased revenue or a property tax levy placed on the ballot well in advance of that year.