

Bellevue City Schools

Financial Forecast Assumptions

Submission Date September 2015

Revenue

Tax Levies:

-An emergency levy in the amount of \$925,000 was approved in 1996, renewed in 2001, 2006 and most recently in 2011 with a ten year renewal. This will need to be renewed in 2021.

-The ½% income tax was approved in 2001 and renewed in 2006 and 2011. This is on the November 2015 ballot (one year early) with a 10 year renewal period.

-An emergency levy in the amount of \$1,350,000 was approved in 1998 and renewed in 2003, 2008 and most recently renewed a year early in 2012 with a ten year renewal. This levy needs to be renewed in 2023.

Levy Renewal Schedule

Calendar Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Emergency Levy \$925,000						X		
Emergency Levy \$1,350,000								X
Income Tax	X +							
Permanent Improvement***								

+ Renewing 1 year early and for ten year duration, if successful, renewal would be 2026

***Renewed as continuing levy, does not need to be renewed

Reappraisal/Triennial Update:

Our school district is located in the four counties of Erie, Huron, Sandusky and Seneca. The majority of the Bellevue City Schools property value is in Sandusky and Huron Counties.

County Reappraisal and Triennial Update Schedule:

<u>County</u>	<u>Triennial Update</u>	<u>Increase in Taxes</u>	<u>Reappraisal</u>	<u>Increase in Taxes</u>
Erie	2015	2016	2018	2019
Huron	2015	2016	2018	2019
Sandusky	2018	2019	2015	2016
Seneca	2014	2015	2017	2018

General Property Tax (Real Estate), Line 1.010:

Each year in December, we receive our new district property valuations as calculated by the county auditor. Future years are then calculated based on the new valuations. The Current Agricultural Use Values (CAUV) have not been adjusted in many years. Seneca County was the first of our four counties that went through an update. Agricultural values nearly doubled. The CAUV formula will continue to be scrutinized and adjusted for the other counties. Fiscal year 2017 will include the increased valuations for the entire collection year. Fiscal years 2018 through 2020 include a ½% increase.

Real Estate Taxes			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY13	6,505,283	0.96%	
FY14	6,682,477	2.72%	
FY15	6,849,862	2.50%	Seneca County went through triennial update, Very large increase in CAUV
<u>Budget:</u>			
FY16	6,950,000	1.40%	Erie, Huron going through triennial update, Sandusky County going through reappraisal FY16 will see six months of increase in values
FY17	7,100,000	2.16%	Valuation increases in force entire fiscal year

Tangible Personal Property Tax, Line 1.020:

We do not receive tangible personal property tax.

Income Tax Line, 1.030:

The revenue from the ½% income tax passed in February 2001 and renewed in 2006 and 2011 is shown here. It is collected quarterly. The State of Ohio Department of Taxation first estimated that our ½% income tax would collect \$1.2 million annually. We did not reach this estimate until fiscal year 2008. Per the Ohio Department of Taxation, originally a conservative 3.5% increase was used in income tax collections for the future years. The slow economy has made it necessary to reduce our original forecast amounts for future years. A decrease was realized from Fiscal Year 2012 to Fiscal Year 2013. Forecast years include only a 1% increase.

The income tax levy must be approved in calendar 2016, therefore, half of the annual collection in FY2016-17 and all of the annual collection in FY2017-18 and beyond must be shown below on line 11.010 Income Tax – Renewal.

Income Tax Collection History			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY13	1,286,739	(0.60%)	
FY14	1,363,042	5.93%	
FY15	1,366,844	0.28%	
<u>Budget:</u>			
FY16	1,370,000	0.23%	FY17 and future include an annual 1.00% increase

Unrestricted Grants-in-Aid (Receipts from State Sources), Line 1.035:

State Foundation is shown here. Fiscal year 2016 and 2017 forecast amounts are based on the new funding model estimates. Future year forecasted amounts are flat-lined for the remaining years.

Future enrollment is based on a consistent enrollment with no major increases or decreases.

Casino revenue is also included in this line. The first payment from the state for casino taxes was in fiscal year 2013. A conservative estimate of future casino monies was included in future years.

State Foundation			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY13	8,819,521	(1.00%)	
FY14	9,322,033	5.70%	New Biennium budget with new state funding
FY15	9,472,394	1.61%	
<u>Budget:</u>			
FY16	9,700,000	2.40%	Based on new funding model estimates
FY17	9,850,000	1.55%	Based on new funding model estimates

Casino Revenue (amounts are included in State Foundation above and on forecast)			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY13	43,389		First and only one deposit in January 2013
FY14	106,252		Two deposits, all four casinos open
FY15	102,829	(3.33%)	Drop in revenue at casinos
<u>Budget:</u>			
FY16	100,000	(2.70%)	Conservative estimate

Restricted State Grants-in-Aid, Line 1.040:

Included in this category is the career tech and economic disadvantaged money that we receive each month with our state foundation.

Restricted Federal Grants-in-Aid, Line 1.045:

This category is for the federal stimulus monies used by the state to supplant our normal state foundation. We did not receive any additional state funding. The Education JOBS funding ended with the 2012-13 fiscal year.

Property Tax Allocation, Line 1.050:

The rollback and homestead taxes are shown in this category. In years of property levy renewals, the rollback and homestead taxes are also reduced at the top and included in the bottom renewal levy category. The amount of direct state reimbursement for tangible personal property reimbursement is also included in this line.

History of state reimbursement of tangible personal property tax: House Bill 64 included a new phase-out schedule for state reimbursement of tangible personal property tax. The General Fund reimbursement phase-out stretches over 6 years while the Permanent Improvement phase-out is only two years.

<u>Fiscal Year</u>	<u>GENERAL FUND</u>		<u>PERMANENT IMPROVEMENT</u>	
	<u>Revenue</u>	<u>% of FY15 Revenue</u>	<u>Revenue</u>	<u>% of FY15 Revenue</u>
FY16	\$350,443	100%	\$66,126	50%
FY17	\$350,443	100%	\$33,063	25%
FY18	\$280,354	80%	\$ 0	0%
FY19	\$210,265	60%		
FY20	\$140,177	40%		
FY21	\$ 70,089	20%		
FY22 & on	\$ 0	0%		

All Other Operating Revenues, Line 1.060:

Included in this category are class fees, interest on investments, donations, tax abatements, preschool tuition and NorthPoint ESC preschool grant money that is forwarded to the district. CAFS-Medicaid funding is forecast at \$59,000. Most tax abatement agreements have expired. Current annual collection is less than \$8,000.

Proceeds from Sale of Notes, Line 2.010:

Future borrowings are not forecasted.

All Other Financing Sources, Line 2.060:

Refunds of prior year expenditures are shown in this category. In fiscal year 2013 we received a workers compensation refund due to good claim experience, the refund amount was \$22,530. In FY2014 we received a workers compensation refund of prior year premium of \$52,603 and an SERS refund of \$16,752. FY15 includes a workers compensation refund of \$60,000 and an SERS refund of \$14,720.

Total Revenues and Other Financing Sources, Line 2.080:

Revenue totals increase the first two years of the forecast due to state foundation estimated increases. The final three years decrease due to the phase-out of state reimbursement of tangible personal property tax.

Expenditures

Personal Services, Line 3.010:

Base increases for historical years were as follows: Fiscal years 2013 and 2014 included an increase of 1.50% each. Fiscal year 2015 includes an increase of 3.0%. Fiscal years 2016 and 2017 include an increase of 2.0% each. Forecast years of 2018 through 2020 include an estimated 2% increase in base salary and one experience step. Retirement replacement salaries that are known for next year are calculated in future years.

Severance for all classified employees is included in Personal Services cost. Severance for certified and administrative employees who retire at age 55 or older is included as deferred compensation under Fringe Benefits. Severance for certified and administrative employees under 55 years of age is included in Personal Services.

2012-13 Staff Reductions Due to retirement/resignations the following staff reductions were made: 7.5 certified (HS Librarian, Business, Science, .50 Art, 3rd grade, 1st grade, preschool, full-time substitute) and 2.0 classified (maintenance, cook/cashier). The district added a Middle School Family Consumer Science teacher and Curriculum/Community Specialist.

2013-14 Staff Reductions Due to retirement/resignations the following staff reductions were made: 1.0 administrator (Curriculum/Community Specialist), 3.0 certified (HS intervention specialist, HS industrial arts, HS Family Consumer Science) and 2.0 classified (special ed aide, HS ISS monitor). We had an addition of a first grade teacher due to enrollment. Curriculum services through NorthPoint ESC were reduced 40%.

2014-15 Staff Reductions/Additions Due to retirement/resignations the following staff changes were made: Reductions of 1.0 treasurer's assistant, 1.0 Title I Teacher, 1.0 NorthPoint ESC special education aide. Additions of 2.0 special education aides, 1.0 Title I aide.

2015-16 Staff Reductions/Additions Due to retirement/resignations the following staff changes were made: Reductions of 1.0 middle school guidance counselor, 2.0 middle school intervention specialists, 0.50 high school VoAg teacher, 1.0 kindergarten teacher, 1.0 administrative assistant.

Addition of 1.0 middle school Title I teacher, 1.0 second grade teacher, part time bus aide and added 5 extended days to remaining middle school guidance counselor’s contract.

Calendar year 2016 includes 27 payrolls and fiscal year 2016-17 includes 27 payrolls. Payroll of all certificated staff and those classified staff working less than 259 days will be paid over 27 equal installments instead of the normal 26 in order to alleviate the increase in cost for FY16-17.

Employees’ Retirement/Insurance Benefits, Line 3.020:

The mandated School Employees Retirement “Catchup” is factored into FY11 through FY16. Districts are to pay one extra month of retirement cost each fiscal year for six years to eliminate the six month lag in SERS retirement payments. Health and dental insurance increases in FY2012-13 included a 9.0% increase in health and 0.0% in dental. A one month premium holiday was afforded to all consortium districts in December 2012 (FY13). Just over a 7% increase took place for health insurance in fiscal year 2014. Vision increased 5% with dental remaining the same. Two one month premium holidays were experienced in fiscal year 2014 (one in December and one in June). New Wellness Ideal and Minimum Value health plans were adopted effective July 1, 2014. The cost of the new plans were less than what our current plan rates would have been after the annual increase July 2014. Dental and vision insurance rates remained the same. One month premium holiday in December 2014 was experienced in FY2014-15. FY15-16 will have a 3.0% increase in health and dental insurances, while vision rates increase 8.0%. An 8.5% increase is forecasted for the final three years for both health and dental insurance. Vision and AFSCME prescription rates are forecasted to remain the same. Insurance committees from both unions continue to meet with administration in regards to keeping insurance increases to a minimum.

Retirement costs are based on negotiated salaries and wages through fiscal year 2017. Savings included in future years include lower retirement costs for retiree replacements and staffing changes. Costs include severance pay for retirees that retire at age 55 or older.

Health Insurance Benefits					
Fiscal Year	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>Forecast</u>
Increase	9.0%	7.05 to	Change	3.0%	8.5%
		7.42%	In Plans		

Purchased Services, Line 3.030:

Items included in this category include the open enrollment cost of the students leaving our district, excess costs for our students served by outside contracted services, heating fuel, utilities, and many others. Specific comparisons are shown below.

Curriculum Services through NorthPoint ESC were reduced by 40% for FY14.

Items contributing to the increase in FY16 include the following: additional repairs needed at the high school, curriculum audit, elementary library online checkout, career tech state monies budgeted in student leadership conference registrations, travel and dues, six ICS students enrolling in the John Peterson Scholarship and autistic scholarships. Budgets were increased based on prior year history or fluctuation in services/prices for the following categories: legal services, utilities, tuition to other districts, open enrollment and excess costs for special education services.

Open Enrollment			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY12	555,616	(4.18%)	
FY13	575,456	3.60%	
FY14	519,112	(9.75%)	
FY15	604,326	16.42%	
<u>Budget:</u>			
FY16	610,000	1.01%	

Heating Fuel			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY09	227,953	42.95%	
FY10	132,960	(41.67%)	Closed two elementaries, three premium holidays
FY11	116,691	(12.00%)	Energy conservation measures, wind turbine savings
FY12	46,196	(252.60%)	Unusually warm winter
FY13	65,341	41.44%	More normal winter weather
FY14	58,697	(9.90%)	Very cold winter, many calamity days
FY15	64,433	9.80%	
<u>Budget:</u>			
FY16	72,620	12.71%	

Excess Costs for Students Served by Outside Contracted Services			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY12	923,948	5.60%	
FY13	864,999	(6.40%)	
FY14	913,183	5.57%	Excess Costs from ESCs higher due to their state
FY15	930,714	1.92%	funding being reduced
<u>Budget:</u>			
FY16	1,118,850	20.21%	

Autism/Peterson Scholarship			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY13	14,700		First time this option was elected by parent towards end of school year, so partial charge
FY14	52,500	357.0%	Autism Scholarship
FY15	68,950	31.33%	
<u>Budget:</u>			
FY16	125,500	82.0%	Six new Peterson Scholarships

Supplies, Line 3.040:

The plan for textbook purchases is shown below. A new testing model was added to each year of the forecast at \$21,000 per year. The remaining four years of the forecast include a 1% increase in other supply costs each year.

Textbooks		
<u>Actual:</u>	<u>Cost</u>	<u>Notes:</u>
FY12	9,447	Incidentals
FY13	245,333	K-12 science, HS business
FY14	16,992	Incidentals
FY15	174,112	Social studies
<u>Budget:</u>		

FY16	309,991	Foreign language, Math update, Other Misc
FY17	325,000	Language Arts
FY18	50,000	Misc Electives
FY19	250,000	Science
FY20	175,000	Social Studies
FY21	270,000	Math, Foreign language

Bus Fuel			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY12	182,230	23.13%	
FY13	174,753	(4.11%)	
FY14	142,157	(18.50%)	
FY15	125,105	(12.00%)	
<u>Budget:</u>			
FY16	154,000	23.10%	Budget increase due to economy uncertainty

Capital Outlay, Line 3.050:

FY16 budget includes items for technology, career tech and special education, one replacement bus and air conditioning units and installation at the high school. Plan for the future includes using the permanent improvement funds and the remaining OSFC funds once the projects are closed for the majority of capital outlay needed.

Principal-H.B.264, Line 4.050:

Includes the principal payments due on the H.B.264 Energy Conservation Loan. General fund savings from the lighting, boiler and wind turbine installed at the high school are used to offset principal and interest payments.

Interest and Fiscal Charges, Line 4.060:

Interest payments for our H.B.264 Energy Conservation Loan are shown here.

Other Objects, Line 4.300:

County auditor and treasurer fees, liability insurance, election expenses, school district income tax state administrative fees (1.5%) and state examiner fees are included here.

Operating Transfers-Out, Line 5.010:

Amount forecasted may be used to keep other funds at a positive or zero balance as of June 30th.

Advances-Out, Line 5.020: Amount forecasted may be used to advance funds to other funds at June 30th in anticipation of additional grant money coming in after June 30th.

All Other Financing Uses, Line 5.030:

Amount used for refunds of prior year receipts.

Excess of Revenues over (under) Expenditures, Line 6.010:

Future years show revenue from the fiscal year is less than the expenditures for the same year. This does not account for the monies collected for the renewal of the income tax shown on line 11.010. It also does not account for any carryover cash balance.

Revenue from Replacement/Renewal Levies, Lines 11.010 and 11.020:

The amount from the emergency levies and income tax renewals are included here. Property tax rollback and homestead amounts on the real estate renewals are also included here. Details are stated on page 1 of the assumptions.

Unreserved Fund Balance June 30, Line 15.010:

We show five years of positive balances.

ADM Forecasts

Kindergarten, Line 20.010 and 20.020:

Our current kindergarten count for the 2015-16 school year is down 25 or more students. Our normal count hovers around 150. We forecast this number to be back to normal in the future years.

Grades 1-12, Line 20.015 and 20.025:

Steady enrollment forecasted.