

SPRINGBORO COMMUNITY CITY SCHOOLS

REVISED FIVE YEAR FORECAST 2011-2015

May 27, 2011

ASSUMPTIONS

The forecast requires that assumptions be made about future events to support projections. The following assumptions were made in preparing this forecast.

General Property Tax Line 1.01

- The Co. Auditor completed the triennial update of the county's property values. Values dropped between 8-12%. This will mean a decrease in the districts inside millage revenues.
- Revenues will increase slightly due to delinquent payments being made and a very small amount of new construction.

Tangible Personal Property Tax – Line 1.02

- An increase in Tangible Personal Property is expected due to the recent completion of the Rockie's Express Gas Line.

Unrestricted Grants-In-Aid – Line 1.035

- Funding for FY12 and FY13 are based on the current projections given to the District based on the State budget, which currently is not approved.
- Based upon the economic recession and our current decrease in enrollment growth we estimated student enrollment growth to remain relatively flat.

Restricted Grants-In-Aid - Line 1.04

- Restricted Grants-In-aid now reflects receipt of the State Fiscal Stabilization funds passed through ODE from the federal government. This line also includes a grant for the Air Force for our ROTC program.
- The Board of Education now assumes the federal stimulus funds received in FY10 and FY11 will not be replenished in FY12. A decrease of \$735,800 is expected in FY12 and is reflected.

Property Tax Allocation – Line 1.05

- Based on the current State Budget being proposed, the TPP reimbursement will be eliminated in FY12. This will result in a decrease in funding of \$765,000.

All Other Revenues – Line 1.06

- All Other Revenues includes the following new revenues:
 - ✱ 100% Pay to Participate fee collections in FY10 = \$350,000.
 - ✱ Co. Auditor Refund of Tax Collection Fees = \$440,000. This is a one time refund.
 - ✱ Greens of Bunnel Hill Tax Incremental Finance Agreement Payment = \$300,000. This is a one time payment.
 - ✱ The Board of Developmental Disabilities agreed to pay the district \$5,000 per special needs pre-school student, per year, beginning September 1, 2009. This amounts to an estimated \$480,000 per year for 3 years.

Personal Services – Line 3.01

- Step increases are frozen beginning in FY12.
- Base pay raises:
 - FY11 = 0%
 - FY12 = 0%, 1% Merit Stipend if rated Excellent
 - FY13 = 0%, 1% Merit Stipend if rated Excellent
 - FY14 = 0%
 - FY15 = 0%
- Planned New Hires:
 - FY12 = \$160,000
 - FY13 = \$80,000
 - FY14 = \$80,000
 - FY15 = \$80,000
- Federal Stimulus funds received to offset costs of salaries in FY12 = \$570,000. This will not be received in subsequent years.

Employees Retirement/Insurance benefits - Line 3.02

- In March 2011, the District implemented a new health insurance plan. This plan will result in a \$1,000,000 savings in the first year. The plan was agreed to for 18 months, so there will be no increase in premiums during FY12.
- An increase of 10% in each subsequent year is expected in medical premiums.
- Employees will pay 15% of their premiums starting in FY12.
- Administrator retirement pick-up will be phased out over 3 years.

- The District is closely monitoring the budget bill, SB5, and the pension reform bill. The October 2011 forecast will be adjusted to reflect any changes approved.

Supplies and Materials – Line 3.04

- Board of Education budget will begin to budget for new textbook adoptions. \$70,000 will be budgeted for FY12 and \$600,000 will be budget for subsequent years.

Capital Outlay – Line 3.050

- The District will be purchasing grounds care equipment. This will allow the district to maintain their grounds and eliminate a contract with an outside vendor.

Principal Notes – Line 4.050 and 4.055

- In FY02 the District borrowed funds to complete projects. This represents the payback of this loan.

Budget Reserve – Line 9.03

- The Board of Education maintains a budget reserve of \$1,008,209. This reserve equates to 2.4% of budgeted expenditures for FY10.

Property Tax Renewal – Line 11.02

- The district has an emergency operating levy of \$9,270,300 expiring 12/31/2013. If renewed prior to 12/31/2013 the district will receive a half year collection of the renewed levy in FY14 and a full year in FY15.