

Bellevue City Schools

Financial Forecast Assumptions

Highlighted Changes Since October 2021

Submission Date May 2022

Revenue

General Property Tax (Real Estate), Line 1.010:

Fiscal year 2022 updated with actual real estate taxes received. Future years were based on actual received in FY21. Future years 2023-2026 in October reflected a non-renewal of the \$1,350,000 Emergency Levy. The Renewal Levy passed the May 3, 2022 election those numbers have been adjusted.

Income Tax, Line 1.030:

Fiscal year 2022 updated with actual received. Future years are based on this updated amount and includes a 1% increase.

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

Fiscal year 2022 updated with the adjusted Fair School Funding calculation that were finalized in January 2022. The phase in amount is different than the simulations that were available in October. The forecast in October with limited information based the revenue amount a little less than what the simulation stated. FY23 is based on year two of the budget and years beyond that are flat lined.

Restricted State Grants-in-Aid, Line 1.040:

Fiscal year 2022 and future years include Career Tech and Economic Disadvantaged monies based on current actual monies received and the fair school funding.

Expenditures

Personal Services, Line 3.010:

Salaries and wages are calculated using the personnel changes known at this time: retirements with or without replacement of such personnel. Fiscal Years 23 has a step increase in place as well as a 2% wage increase. The years beyond that have a step increase and wage rate increase based on history.

Employees' Retirement/Insurance Benefits, Line 3.020:

Fiscal Year 22 reflects a 0% increase in health/Rx insurance. Fiscal year 2022 health/Rx insurance did not have an increase. The consortium met May 17th and the group voted on a 5% premium increase for both Medical and Dental. Fiscal years beyond 2023 all have a 8% increase included.

Supplies and Materials 3.040

Fiscal Year 2020 the district reduced our budget by 20% due to the Covid Pandemic and we have continued to operate that way for the past two years. FY 2022 we were able to offset expenses with the use of ESSER II and will continue to use those in FY 2023 as well as the ARP ESSER funds in 2024.

Capital Outlay Line 3.050:

Fiscal Year 2022 allocation was limited to the purchase of a new school bus. Mike Wobser was able to secure funding this year from e-rate in the amount of \$28,900 when received this offset the expense of chrome books purchased through the general fund. Currently he has applied for some larger funding once

Financial Forecast Assumptions

Submission Date October 2021

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. The emergency levy was renewed in spring of 2020. The next renewal will be in 10 years.

-The ½% income tax was approved in 2001 and renewed in 2006 and 2011. The next renewal for income tax will be in 2026.

-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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Emergency Levy \$925,000*					
Emergency Levy \$1,350,000		X			
Income Tax +					X
Permanent Improvement***					
+ Renewal in 2026					
***Renewed as continuing levy, does <u>not</u> need to be renewed					
*Renewed for 10 years, Passed in Spring 2020					

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	2021	2022	2024	2025
Huron	2021	2022	2024	2025
Sandusky	2024	2025	2021	2022
Seneca	2020	2021	2023	2024

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. Fiscal year 2022 amount is similar to FY21. The Fiscal Years 2023 is forecasted with a 1% increase. The following three years have been forecasted with a decrease in case the renewal in 2023 does not

pass. The district has a history of passing our renewals, however we want to reflect what could happen if they did not.

Real Estate Taxes			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	7,651,611	(5.1%)	
FY20	7,575,712	(1.0%)	
FY21	8,169,136	7.8%	
<u>Budget:</u>			
FY22	8,000,000	(2.0%)	FY23 reflects a 1% increase. FY24-26 show a decrease to reflect a possible non renewal of the 1.3 mil emergency levy

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. Fiscal Year 2022-2026 has been set at a steady revenue as we still move out of the economic effects of the pandemic.

Income Tax Collection History			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	1,518,609	4.0 %	
FY20	1,583,294	4.2%	
FY21	1,548,849	(-2.1%)	Future includes steady amount of \$1,500,000 as we move out of the economic effects of the pandemic.
<u>Budget:</u>			
FY22	1,500,000	(-.32%)	

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

State Foundation is shown here. 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. Fair School Funding was approved in the July 2021 Budget. The simulation model provided the amount we would anticipate to receive in FY2022 as well as FY2023. FY24-26 we have flat lined and anticipate that the revenue flow would not drop, however FY24 will be the beginning of the new biennial budget and we need to take that into consideration.

State Foundation			
<u>Actual:</u>	<u>Revenue</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	9,812,433	.3%	
FY20	9,394,850	(4.3%)	FY20 saw a deduction due to COVID at the end of the year.
FY21	9,503,389	(1.16%)	The state allocated \$173,000 back in January 2021. The amount was ½ of what was deducted back in 2020
<u>Budget:</u>			Fair School Funding was approved in the Budget the amounts are based on simulation numbers.
FY22	9,468,940	(.3%)	
FY23	9,689,498	2.3%	

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>
FY19	103,858	1.50%	
FY20	106,928	3.00%	
FY21	79,767	(25.4%)	
<u>Budget:</u>			
FY22	101,500	27%	

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.

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.

State Reimbursement of Tangible Personal Property Tax				
<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. The district also collects approximately 80,000 in tax abatements and will add two additional amounts in calendar year 2021 adding \$9,000 to that total. The fiscal years of 2022-2025 have the additional revenue included in the forecast.

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 FY2020 we received a Bay Area Gas Consortium rebate of \$8,197, Hylant Rebate due to Covid \$2,883 and BWC Covid Relief \$44,040.

Total Revenues and Other Financing Sources, Line 2.080:

Revenue totals are currently unstable due to the COVID pandemic as we move through this year we will be able to pinpoint the effects better. The state funding has decreased already due to the pandemic.

Expenditures

Personal Services, Line 3.010:

Base increases for historical years were as follows: FY 2018 at 3.0%, FY19 2.5%, and FY 20 2.5%. Forecast year 2021 includes a 2.0% increase. Fiscal years 2022 thru 2025 includes an estimated 2% increase in base salary and one experience step. Retirement for the current FY21 are unknown at this time as well as forecasted 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.

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.

2016-17 Staff Reductions/Additions Due to retirement/resignations the following staff changes were made: Reduction of 1.0 first grade teacher. Addition of 1.0 kindergarten teacher, 1.0 administrator (Director of Social Work & Family/Student Engagement), 1.0 Bus Aide, increased health services nurse to 7.5 hours per day and elementary secretary from 7.5 hours to 8.0.

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.

2017-18 Staff Reductions Due to retirement/resignations the following staff changes were made: Reduction of 1.0 third grade teacher, 2.0 HS Library Study Hall Monitor , HS Teacher Aide, and HS French Teacher. Addition of 1.0 Elementary Guidance, .50 Bus Driver.

2018-19 Staff Reduction/Addition: Due to retirement / resignations the following staff changes were made: Reduction of 1.0 Kindergarten Teacher, .50 Tech Assistant. Addition of 1.0 Career & Workforce Specialist, 1.0 MS Math Teacher, 1.0 Dir of Earl Childhood, Sp Program & Testing, 1.0 Bus Driver School of Hope.

2019-2020 Staff Reduction/Addition: Due to retirement/resignations the following staff changes were made: Reductions of 1 Technology Administrator and the addition of 1.0 Technology Assistant. Addition of 1.0 PS Itinerant, .25 Custodial Staff (2 days a week to clean board office).

2020-2021 Staff Reduction/Addition Due to Retirement the following staff changes were made. Reductions 1.0 Administration, 1.0 Secretary, 1.0 Elementary Guidance, 1.0 MS Title 1, 1.0 Bus Driver , and 2.0 Cafeteria Worker. Addition of .50 Part Time Nurse.

2021-22 Staff Reduction/Addition: Due to Retirement the following staff changes were made. Reductions 1.0 MS Title 1, 1.0 2nd EHOVE Bus Route.

Employees' Retirement/Insurance Benefits, Line 3.020:

FY18-19 had a 4.5% increase in health with a 0% increase in dental and vision. FY19-20 had a 4.5% increase in health with 0% increase in dental and vision. FY 20-21 has a 5% increase in health with a 0% increase in dental and vision. FY 21-22 has a 0% increase for health and dental 0% for Vision (last increase was FY 17). A 10.0% increase is forecasted for the final four years for health and 8.5% for dental insurance. Vision and AFSCME prescription rates are forecasted to remain the same. FY 22 has a 0% increase in the budget as the group as a whole had no increases.

Retirement costs are based on negotiated salaries and wages through fiscal year 2022. 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>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>Forecast</u>
Increase	4.5%	4.5%	5%	0%	FY22 0% FY23-25 10%

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.

A new item added to the forecast for FY18-19 and beyond is the addition of a SRO officer hired by the district. The salary will be covered by the district paying both wages and benefits for the 10 months school is in session. The forecasted amount for FY22 is 65,000 and 22-25 show an additional \$5,000 each year.

Items contributing to the increase in FY22 include the following: three students enrolling in the John Peterson Scholarship and four students on 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, community schools, open enrollment and excess costs for special education services.

Open Enrollment			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	958,330	15.0%	
FY20	947,305	(1.2%)	
FY21	1,068,157	12.8%	
<u>Budget:</u>			
FY22	975,000	(8.7%)	

Heating Fuel

<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	75,460	15%	Cold Winter
FY20	63,208	(16.3%)	Mild Winter /Buildings Closed March - May
FY21	56,468	(10.7%)	Mild Winter/ Hybrid Learning for a portion of year
<u>Budget</u>			
FY22	73,200	30%	Costs associated with fuel are anticipated to rise

Excess Costs for Students Served by Outside Contracted Services

<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	1,064,748	.2%	
FY20	1,190,575	11.8%	
FY21	1,227,106	3.1%	
<u>Budget:</u>			
FY22	1,345,000	9.6%	ARP ESSER IDEA will be used toward costs

Autism/Peterson Scholarship

<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	103,192	(25%)	Six Peterson Scholarships/One Autism
FY20	125,367	21.5%	Six Peterson Scholarships/One Autism
FY21	137,139	9.4%	Five Peterson Scholarships/Two Autism
<u>Budget</u>			
FY22	186,148	35%	Six Peterson Scholarships/Four Autism

Supplies, Line 3.040:

The plan for textbook purchases is shown below.

Textbooks

<u>Actual:</u>	<u>Cost</u>	<u>Notes:</u>
FY19	270,211	Language Arts
FY20	125,554	Science /Social Studies
FY21	0	Textbook purchase on hold due to Covid Pandemic
<u>Budget</u>		
FY22	198,735	Math (one year license)K-12
FY23	247,449	ELA K-12
FY24	0	
FY25	108,616	Science

FY26	95,614	Social Studies
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Bus Fuel			
<u>Actual:</u>	<u>Cost</u>	<u>Inc(Dec)</u>	<u>Notes:</u>
FY19	133,600	25%	Increase in gas prices for FY18
FY20	93,264	(30.1%)	Decrease due to school closure March-May
FY21	79,679	(17.8%)	Decrease due to Covid
<u>Budget</u>			
FY22	125,000	(57%)	Increase due to School Opening/Economic Uncertainty

Capital Outlay, Line 3.050:

FY22 Includes technology items and some small equipment.

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 two years of positive balances. Years 2023 and beyond show a negative. The hope is as we exit the current pandemic our balances will return to positive once the effect of the current climate on revenue is determined.

ADM Forecasts

Kindergarten, Line 20.010 and 20.020:

Forecast for future shows steady increase.

Grades 1-12, Line 20.015 and 20.025:

Steady enrollment forecasted.