REVENUES

General Property Tax (Real Estate)

- Montgomery County is in process of reevaluating property values.There are reports that increases could be as high as 37%, but they have not specified which areas will receive those increases. Therefore, we cannot accurately determine how much of an increase we will receive on our inside mills. I have included a slight increase based on current values for the inside. Because of HB 920, the revenues for all voted mills have been flat funded. (1111)

Tangible Personal Property Tax (Public Utility)

- These revenues have been stable for the past few years with some growth. (1122)

Unrestricted and Restricted State Grants

- Because of our decrease in enrollment, we have been placed on the State guarantee. Being placed on the guarantee "protects" the District from receiving less funding from prior years. We are at beginning of a new budget biennuium, therefore, we are awaiting what state formula schools will be on for the next two years. At this time, we would see a slight decrease in State funding with the Governor's version, but see increase with the House version. We are waiting for the Senate version. We will maintain unrestricted (001-3110, 001-3190) and restricted (001-32XX) state funding at same levels that were on the November forecast until the final version is passed in June.

Property Tax Allocations

- Property tax allocations decreased slightly from FY 20 to FY 22, therefore, we used continued to reflect a decrease from FY 22 for FY 23 to FY 27. (001-3131 and 001-3132)

All Other Revenue

- This line is made of tuition from other district, interest, school feels, and miscellaneous receipts. There has not been a consistent amount received over the past three years, therefore, determining the amount of receipts going forward is not easily determinable. Student fees will remain stable unless there is an increase in fees. Interest rates are on the increase, therefore, the amount for this year's interest will be hire. Because of the uncertainly of where interest rates will be and the decline in amount of cash we can invest, we have assumed that interest revenue will decrease over the forecast period. (001-12XX,001-13XX,001-14XX, 001-17XX, 001-18XX)

Advances-In

- This is in and out account that can vary depending on timing of the receipt of funds from the State for State and Federal grants. (001-52XX)

All other sources of funds

- This line will vary depending on timing of the receipt of medicaid. Also, there was no plans for changes in wiring for internet services to receive additional E-rate funds. (001-53XX)

EXPENDITURES

Salary & Benefits

- Based on the negotiated agreement with NDEA and Local Teamsters 957. Conservative estimates used based on available operating funds. Federal Grants continue to offset some salaries in some certified staffing areas FY23-FY27.
- Retirement cost is proportional to salaries.
- Cost of medical benefits increase known through FY24 with Michigan conference, and lower rate of increases over next several years based on insurance pool action with EPC. Dental and life cost showing increase from most recent projections.
- Medicare and retirement based on salary changes, with workers comp showing continued savings from self-insured workers comp programs.
- Through Reduction in force of 30 FTE's salary and benefits savings shown in FY24-FY27
- Benefit increases remain stable and align with trend of 5-10% for FY24-FY27

Purchased Services

- Special Education services will continue to increase proportionally to needs of students. Along with increased private transportation needs.
- Less technology repair/replacement costs due to leasing of devices
- Due to bringing grounds service in house is showing savings in purchased services, but noted below in supplies as slight increase due to need of purchasing own materials now.

- By closing building slight savings in purchased services is experienced but somewhat offset due to costs following students transferred to other buildings.

- State Deduction change in coding results in Community School, JP Scholarships, and STEM to not flow through as expense starting in FY22

- Increases expected for repairs on aging buildings

- Building Budgets decreased 3% in FY24 due to failure of levy

- Additional curriculum software packages to enhance student intervention and remote learning added FY20-FY24, but offset through federal relief grants shows substantial less expenses in FY22 & FY23. Sharp increase in FY24 and on due to those cost coming back into general fund

- Implementation of SRO contracts to all municipalities will result in an increase of purchased services, approximately $250k annually.

- Slight offset in maintenance of OFCC buildings due to 034 fund

- Increased Electricity tariffs and capacity charges will add an additional $50k-$100k to utility costs this year

- Natural gas per unit cost is planned to continue to increase exponentially in FY23 in comparison to to FY20, thanks to EPC hedges of 80% through FY24 district expense will not increase accordingly throughout FY24

<u>Supplies</u>

- Textbook binding expense decrease from previous years due to one to one initiative, and stable in FY23-FY27

- Building and Grounds increased expectations and upkeep along with transportation fuel costs projected to rise.

- Greater expense in software licensing as we implement new programs and devices

- Educational Apps for one to one devices needed for all students K-12

- Covid-19 and war effect on supply chain resulting in supply costs increases approximately 15-30% depending on material type, but grant funds offsetting increase for FY23 & FY24. Once grant spending deadline is reached in FY24, anticipated increase in supply cost line in FY25 and future
- By closing building slight savings in supplies is experienced but somewhat offset due to costs following students transferred to other buildings.
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Capital

- Utilization of some permanent improvement dollars to offset major capital purchases out of general fund.
- Slight increase in technology equipment needs outside of one to one program.
- Security enhancements for buildings guided by Strategic Plan planned FY23-FY27 which will result in additional expense.
- Energy savings projects (LED retrofitting of buildings, updated HVAC systems,) continued FY23-FY27.
- Covid-19 and supply chain effect on manufacturing and raw materials costs increases approximately 15-30% depending on material type, but grant funds offsetting increase some.
- By closing building slight savings in capital projects is experienced, and deferred projects result in future savings throughout FY24-FY27

Other

- Educational Service Center contracted services forecasted with increase as more students need services. Foundation Deduction for other out of district placements increasing in FY23 and anticipated increases continue in FY24 -FY27 due to increased student needs.

- Increase in General Fund transfers $180k FY22-FY27 to cover Severance payouts to retiring Food Service staff, and also new accounting process for tracking extracurricular transportation costs.

- Unspent building reserves appropriated through FY22-FY27 but very little expenditures will take place through those years causing an inflated appropriation of approximately $600k annually.

- School Board Legal Liability Insurance showing slight increase due to pool action and school district exposure in current social climate. Large increase in Cyber Security expected in FY23-FY27 (100%)