

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT**  
**FORECAST ASSUMPTIONS**  
**FY 24 – FY28**

This forecast was prepared using the most current revenue information and planned expenses as of the date the forecast was approved. We realize that this year's forecast will be highly impacted by the decision made by the Board of Tax Appeals on the Rover Pipeline values. The hearings began in August of 2022 and we are hoping to hear some results by the end of December 2023. The uncertainty of the PUPP tax settlement along with the question of continued guarantees in state funding are two very vital pieces to this forecast and play a huge roll. As results and further information become available adjustments to this working forecast will need to be made.

**REVENUE:**

1.010 - General Property Tax (Real Estate)

Crawford and Seneca Counties are the districts two largest counties as far as real estate collections. Both counties are in reappraisal. Seneca County underwent reappraisal in 2023 collected in 2024. Crawford County is currently going through the process in 2024 to be collected in 2025. I've shown some increases in FY24 / FY25 due to the reappraisal.

1.020 – Public Utility Personal Property (PUPP)

We have approximately 15 miles of Rover Pipeline that runs through the district in addition to a compressor station. In FY19 the first of two 42" pipelines were operational and district received its first settlement from Rover. In March of 2019 we received approximately \$2.2 million dollars. In October of 2019 we received the updated values which included the second line and the compressor station. The initial forecast used the original values that were certified by the Department of Taxation. On December 2, 2019 the Rover Pipeline filed a tax appeal notice through the Department of Taxation. They contested the values seeking a 47% reduction. In FY20 the district received a full years' collection from Rover however, it was on the appealed amount filed with the Ohio Department of Taxation. The Tax Commissioner ruled in favor of the established values in the spring and in September of 2020 the Rover Pipeline filed an appeal with the Board of Tax Appeals for a ruling which will be heard in August of 2022. Consequently, the district will continue to receive revenue based on the contested values until a decision is rendered. The forecast reflects the 39% uncontested value with a 4% depreciation rate going forward.

1.030 – Income Tax

The income tax collections have been pretty steady over the past couple of years. Due to the Covid-19 pandemic the first collection in FY21 was down about 20% but rebounded well in the final three collections for FY21. FY22 and FY23 showed positive growth. A 5% increase is built in for FY24-FY28. The District is investigating the possibility of adding language to the present law that allows for reducing the income tax rate being collected. The district would also like to see the ability to bring that rate back by Board Resolution if/when the district needs that revenue. No decisions will be made on this until we get further information on the Rover collections.

### 1.035 – Unrestricted State Grants-in-aid (State Foundation)

The Fair Funding Plan was passed for FY22 and FY23. The plan is supposed to be phased in over six years. We began receiving the new amount early in the calendar year and the revenue has proven to be very close to the estimates. Biennium FY24/FY25 numbers are based on the budget passed in July 2023.

Over the last several years we have continued to go deeper into the Temporary Transitional Aid Guarantee. The fact that the guarantee now accounts for close to 30% of the state funding we receive is becoming a great concern. (\$1,249,000) Each biennium when the state budget is passed talk of the guarantee is always a point of discussion. Therefore, I am phasing out the guarantee portion of the funding equally over FY26, FY27 and FY28.

We also have concerns that the Rover values could play a roll in reduced state funding.

### 1.040 – Restricted Grants-in aid

This line item includes the Career-Tech Education, DPIA, Gifted and Student Wellness and Success funding. These numbers are based on State Foundation settlements.

### 1.050 – Property Tax Allocation

This line includes rollback and homestead payments.

These numbers are based on historical information.

### 1.060 – All Other Revenue

This category includes interest, fees, donations, miscellaneous, and Medicare reimbursements. A jump in interest rates in the second half of the FY23 have yielded higher interest revenue.

## **EXPENDITURES:**

### 3.010 – Personnel Services

The Board and BCEA agreed to a three-year wage contract from July 1, 2021 through June 30, 2024. The negotiated raises for teachers and support staff are built into this forecast. A MA+30 column was added and a Step 13 was also added to the schedule. 2021-2022 = 3.5%, 2022-2023 = 3.5%, 2023-2024 = 3.5%. FY24 shows the addition of two teachers in the Preschool. One for a fifth classroom and an intervention specialist.

The remaining years of the forecast show similar base increases.

### 3.020 – Retirement and Benefits

Employee benefits are a large portion of the district expenditures. Retirement and Medicare are calculated at a combined rate of 15.45% of salaries. The largest portion of the benefits are in medical/dental/vision insurance. The District participates in the Wyandot-Crawford Health Benefit Plan. Rate increases over the last few years have been: January 1, 2018 – 8%, January 1, 2019 – 11%, January 1, 2020 - 5.4%, January 1, 2021 - 3.5%, January 1, 2022 – 6.5%, January 1, 2023 – 7% and January 1, 2024 – 9.845%.

The remainder of the forecast includes a 10% to 12% increase each year.

We will continue to monitor, hold insurance committee meetings, and provide education to the staff.

Plan design changes will need to be considered to keep the cost manageable.

### 3.030 – Purchased Services

Purchased Services are based on the most current information available. The large increase in this area has been due to the increased number of students attending special education schools outside of Buckeye Central. The utilities have been very stable but will increase due to the building additions.

### 3.040 – Supplies and Materials

The amount expended for supplies and materials includes textbooks and instructional materials, fuel, and supplies for transportation as well as maintenance. Percentage wise this category does not account for a large part of the total expenditures but budgets are in place to control spending in this area.

### 3.050 – Capital Outlay

The building addition which included the Pre-K/Kindergarten, STEAM lab and a bus garage was completed for approximately \$10 million. About \$3,000,000 was spent in FY20 and \$7,000,000 in FY21. The renovation/remodel of the LRC is complete at an approximate cost of \$1.7 million dollars. About \$1,200,000 in ESSER funds went towards this project. We also purchased 3 buses in FY23. This was part of the school bus purchase program that awarded \$45,000 per bus. Additional bus purchases are planned in FY 25 and FY 27.

### 4.300 – Other Objects

This category is based on historical information. It includes Aud/Treas fees, state audit fees and semi-annual payments to Tiffin City School. The final payment to Tiffin will be made in FY25.

### 5.010 – Operating Transfers-Out

One of the first decisions made after receiving the Rover Pipeline revenue was to eliminate the amount taxpayers pay for the retirement of the debt on the original K-12 building. \$1,000,000 will be transferred to cover the payment of the annual debt. In addition, to the payment we will set aside funds that will give us the option of paying off the building in 2025 when it is callable. There is also \$100,000 set aside each year of the forecast for both the 003 PI Fund, and 034 Maintenance Fund. In FY23, FY24 and FY25 a \$2,000,000 transfer will be made to the 070 Fund to accumulate resources for the construction or improvement of fixed assets.

The uncertainty of the Rover settlement along with the question of the continued guarantee in state funding are two very vital pieces to this forecast. As results and further information become available adjustments to this forecast will need to be made. As always, the five-year forecast is a document that is fluid and will be adjusted as new information presents itself.