

Buckeye Local School District Medina County Five-Year Forecast Assumptions November FY25

REVENUES

General Property Taxes/Real Estate (Line 1.010)

Property taxes are based on collections, tax appeals, scheduled updates (reappraisals and triennial updates), and projections from the County Auditor's Office. A reappraisal was performed in 2022 and resulted in new values combined with Buckeye being at the 20 mil Floor resulted in some additional property taxes revenue FY23 and FY24. A triennial update will be performed in 2025 with any changes affecting the 2026 collections.

School District Income Tax (Line 1.030)

The Buckeye Schools do not receive a school income tax.

State Foundation Unrestricted Grants-in-Aid (Line 1.035)

The State of Ohio created a brand new funding formula for FY22. The net effect for Buckeye was a slight increase in funding. The forecast assumes this line will be held flat for the next couple of years before assuming a modest increase in FY28 and FY29. The data from the state will be closely monitored to determine any changes in state aid.

Restricted Grants-in-Aid (Line 1.040)

This line includes Economic Disadvantage and Career Tech Funds. This line has been based on student enrollment in specific programs and certain economic indicators within our community. This line is estimated to increase slightly over the next few years.

Property Tax Allocation (Line 1.050)

This property tax allocation is a percentage of tax receipts. These are the Homestead and Rollback payments made up from the State due to reductions taken at the county level. These payments have remained fairly flat this year and will only see a modest increase over the next few years.

All Other Operating Revenue (Line 1.060)

The revenues from all other sources have been based on historical patterns. The Interest Revenue from our cash reserve balances will increase this year due to the rise in interest rates and better cash management practices. These amounts will be closely monitored to determine future growth possibilities.

EXPENDITURES

Personal Services (Line 3.010)

Staff salaries and wages are generally the largest category of expenditures for schools as they are service oriented organizations. The category can be affected by negotiations with unions, the experience and training levels of those employees as well as the number of annual retirements and severance pay. The current BLEA labor agreements included a 3.00% increase in FY24, FY25, and in FY26. The OAPSE agreement calls for a 4% increase in FY24 and a 3% increase in each of FY25 and FY26.

Employee Retirement / Insurance Benefits (Line 3.020)

This category includes costs for employee health insurance, retirement, medicare, worker's compensation, and other employee related costs. Buckeye Local Schools is a member of the North Central Ohio Trust (NCOT) insurance consortium for employee benefits which facilitates more purchasing leverage and better pricing for these benefits. The medical insurance costs increased by 3.8% in FY24, and the same increase is anticipated for FY25. This expense is forecasted to continue to increase at similar rates for a few years.

Purchased Services (Line 3.030)

This category covers a wide variety of costs including utilities, professional development, tuition, legal services, repairs, post-secondary options and all other contracted services. This category can fluctuate based on current needs and unexpected situations. In FY23 the open enrollment cost was discontinued due to the new state funding formula and this line decreased accordingly.

Supplies and Materials (Line 3.040)

The category covers instructional supplies, textbooks, library books, office supplies, bus fuel, and custodial supplies. In FY25 and beyond this expense line will be held in check due to controlled budgetary processes to help with the expected inflation on many of these items we need to run the District.

Capital Outlay (Line 3.050)

This category covers all general fund equipment purchases. This is based on District's needs and the availability of funding.

Other Objects (Line 4.030)

This category covers expenses for the county auditor/treasurer fees, audit expenses, election costs and has been used to transfer funds for the principal and interest payments for the COP's loan. The District has also allocated funds in the Permanent Improvement Fund (PI Fund) to cover a wide variety of capital needs. The PI fund is not part of the forecast, however, it is mentioned to illustrate that the general fund will not have to pay for capital purchases for normal operations. Also, the Food Service department has been self sufficient and therefore will not require general fund support in the foreseeable future.

Outstanding Encumbrances (Line 8.010)

This line is an estimate based on historical patterns.