

Streetsboro City School District
Five Year Forecast
November 2019

General Considerations – The Five Year Forecast is a tool used for district planning. The forecast reflects three years of historical data regarding revenue and expenditures, plus an additional five years of forecasted data. Assumptions based on TPP phase out assume that mandates do not change during the forecast period. This forecast is a “snapshot in time” and is built on assumptions that can and will change over time.

Revenue Assumptions

Line 1.010 General Property Tax – The District is very dependent upon local real estate property tax. Historically, property taxes have generated right around 60 percent of total revenue. After the passage of a 9 mill levy to collect \$4,419,998, property taxes will be generating between 65 to 70 percent of total revenue. Projected revenue for FY20 is \$17,256,683. This is based off of projected collections by the Portage County Auditors Office and the District’s certificate of estimated resources. Moving forward, projections increased by .006 of 1 percent showing small but steady growth. In fiscal year 2020 collections will begin on a 9 mill levy (\$4,419,998) that was passed in May 2019. In FY20 the District will collect \$2,209,999, half of the levies collection from January 2020 through June 30, 2020. From FY21 through FY24 the District will collect the full amount of \$4,419,999 from the passage of the 9 mill levy. Also a 3.9 mill levy that currently generates approximately \$1.7 million and a 3.5 mill levy that generates approximately \$ 1.4 million dollars were renewed in November 2019 and the revenue will show throughout this forecast. In FY 2023 the District will see a decrease in property tax revenue because of a renewal levy expiring. The 3.6 mill levy that currently generates approximately \$1.6 million dollars will expire in 2021. This will collect through tax year 2022 and the District will see half of the \$1.6 million dollars generated fall off in FY 2023 (approximately \$800,000 January 2023-June 2023) and the full amount of \$1.6 million dollars come off in FY24. Again this revenue can be seen coming back in line 11.020 assuming the passage of the renewal.

Line 1.020 Tangible Personal Property Tax – Tangible Personal Property Tax (TPPT) has been phased out by the State of Ohio. The phase out dollars are accounted for in line 1.050 property tax allocation.

Line 1.035 Unrestricted Grants – Unrestricted State Aide is known as the “foundation” or “per pupil” payment from the State. For FY 2020 the Opportunity Grant is set at \$6,020 per student. Streetsboro CSD has a State Share Index (SSI) of 32.38 percent. This means that the District collects 32.38 percent per student of the Opportunity Grant or approximately \$1,949 per student. For FY 2020 and FY 2021 the District has an estimate of \$5,438,246 in revenue from Unrestricted Grants and assumes about one percent growth each year after. The District is also estimating casino revenue in this line of about \$120,000 for FY20.

Line 1.040 Restricted Grants – Restricted grants are comprised of economic disadvantaged funding and career tech. Estimates from ODE for Economic Disadvantage Funding and Career Tech Funding are

approximately \$131,211 and \$51,198. This number totals \$182,410. Due to the unknown the District has carried that number out over the remainder of the forecast.

Line 1.050 Property Tax Allocation – Included in this line is the Tangible Personal Property Tax reimbursement from the state. This is where the District is seeing the TPP Phase out revenue appear. In FY20 the phase out payment amount is \$516,879, FY21 \$245,796, FY22 \$0, and FY23 \$0. The forecast assumes the elimination of the TPP reimbursement. The Homestead Exemption and Rollback Credit is also included here. The Homestead Exemption is available to seniors and those disabled. These are tax reimbursements that are received by the school district through the State of Ohio. Property Tax Allocation was calculated by taking property tax (line 1.010) multiplied by nine percent plus TPP (where TPP is still collected). These estimates were based off of historical data.

Line 1.060 All Other Revenues - This line consists of open enrollment, interest, tax abatements, and other miscellaneous items. For forecasted fiscal years 2020 through 2024, growth was estimated at one percent based off of the revenue that was collected in FY19 minus the one-time payments (\$703,467, \$625,000 and \$60,256).

Line 2.050 Advances-In - Monies returned to the general fund from other district funds that were running deficits at the close of the fiscal year.

Line 2.060 All Other Financing Sources – Refunds of prior year expenditures are reflected on this line. One example would be a Workers Compensation Rebate.

Line 2.080 Total Revenues and Other Financing Sources – This is the estimate of the District's revenues over the course of this five year period.

Expenditure Assumptions

Line 3.010 Personnel Services – Personnel Services include salaries, overtime, substitute, supplemental contracts, and severance payments. Salary expense is the Districts largest expense and accounts for approximately 55.0 percent of the Districts total expenditures. Salary assumptions are based on the contractual agreement. The contract gave increases to the base salary in FY17 and FY18 of 1.75 percent each year and in FY19 2.0 percent. For FY20 the District and bargaining units are continuing on the previous contract. Future years in the forecast do not show any increase to the base salary. Steps each year on the current salary schedule were assumed for each forecasted year based on current staff.

Line 3.020 Employees' Retirement/Insurance Benefits- Fringe benefits include STRS and SERS Retirement Systems, Workers' Compensation, Medicare, Unemployment, and Health Care Premiums. Employee Retirement/Insurance Benefit expense is the second largest District expense and accounts for approximately 24.0 percent of the Districts total expenditures. Future years reflect a 5 percent increase to health insurance, retirements as 14.0 percent of personnel services, Medicare at 1.45 percent and Workers Compensation at 5 percent.

Line 3.030 Purchased Services – Purchased services can be somewhat uncontrollable costs. Items like utilities, liability insurance, legal costs, ESC costs, special education, copier lease, computer services,

open enrollment, and community school tuition are among the items included in this line. The District has incurred some new purchased service costs in order to best serve the students. Purchased services account for approximately 15.0 percent of the Districts total expenditures. A percentage increase of 2.0 percent was used for future forecasted years.

Line 3.040 Supplies and Materials – Educational supplies, textbooks, software, office supplies, maintenance supplies and fuel are among the items that fall under this category.

Line 3.050 Capital Outlay – Minimal amounts are appropriated for capital outlay from the general fund. Instead the District utilizes its permanent improvement fund for these types of costs when allowable.

Line 4.300 Other Objects – Items found in this category include Portage County Auditor and Treasurer Fees for the collection of property taxes, ESC contracted services that are deducted from the State Foundation, auditing services, settlements, and other miscellaneous fees.

Line 5.010 Operating Transfers Out – Monies that may need to be transferred out of the general fund and into other district funds to cover deficit balances. These funds are not repaid to the general fund.

Line 5.020 Advances Out – Funds that may need to be advanced out of the general fund and into another district fund that has a deficit balance at year end. These funds are later repaid to the general fund.

Line 6.010 Excess of Revenues over/under Expenditures – This line is important because it reflects a school district's financial health. Expenditures are exceeding revenue when this number is negative. When this happens, the district is depleting its carryover cash and needs to increase revenue or decrease expenditures.

Line 11.020 Property Tax Renewal – This line assumes the passage of expiring levies. The district has one levy expiring in 2021 that will collect through 2022. The renewal passage collections would continue in FY23 and FY24.