

Green Local Schools 5-Year Forecast



OVERVIEW

The 5-year forecast for the Green Local School District (the “District”) represents the best projections of revenues and expenses for the General Fund of the District based on the assumptions made. The Overview summarizes the assumptions and background information used to develop the forecast. The detailed assumptions are included in the “Detailed Information and Projections” which contains background information for each line item.

***Note:** During FY2020, a COVID 19 pandemic occurred worldwide resulting in negative economic effects throughout our nation. As a result, reductions are anticipated in many areas of the forecast and are noted in those sections for which an impact is expected. It is anticipated there will be additional reductions in future years, but much is speculative at this point in time. As more information becomes available, the forecast will be updated to project further reductions.

REVENUES

Property Taxes – Property tax estimates are based upon historical growth patterns. The County Auditor provides property valuations for the District for all classes of property. The forecast assumes that the value of new construction will continue at current levels for the period of the forecast. The District collects taxes from two emergency levies. The last years of collection are 2026 and 2021.

Income Taxes – Income tax estimates are based upon information provided by the Ohio Department of Taxation (ODE) for the term of the forecast. Voters in the district passed a 0.5 percent earned income tax levy in November 2018 for a ten-year period.

Unrestricted and Restricted Grant-in-Aid – This line item represents the State Foundation funds received by the District from ODE. House Bill (HB) 166, the 2020-2021 Biennial Budget, was passed in the Summer, 2019. Currently, school districts in the State of Ohio are on a funding guarantee for FY2020 and FY2021, which is based on FY2019 funding levels. For years beyond FY2020, the forecast assumes no increase or decrease in the foundation amount.

Property Tax Allocation – This line item denotes the amount of funding received from the State for the Homestead Exemption and Property Tax Rollback. The Homestead and Rollback estimates are assumed to be stable through the forecast period.

Other Revenue – Items included in the other category are interest income, fees, tuition, open enrollment and other miscellaneous revenues. It is assumed that class fees will continue for the period of the forecast. It is assumed that the open enrollment population will remain at the current levels and the tuition rate will increase at the same rate as the State per-pupil amount.

EXPENSES

Personal Services – Salaries and wages for District employees are accounted for in this line item. It is assumed that the current teaching levels will continue through the term of the forecast. Salaries and wages, along with employee fringe benefits, are the largest expenditure line items in a service industry, such as a public school district.

Employees' Retirement/Insurance Benefits – The District's share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. Employee benefits such as medical, prescription, and dental fringe benefits are included in this line item.

Purchased Services – This line item represents the amounts paid for utilities, tuition to other districts, contracts for services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services. Current services provided to students by the Tri-County Educational Service Center (ESC) are also included in this line item. It is assumed that the number of students receiving educational services outside the District (tuition students and open enrollment) will not increase over the period of the forecast.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. There are no large purchases anticipated in this area. It assumed that prices in this area will remain relatively consistent throughout the forecast.

Capital Outlay – This item is minimal because of the Permanent Improvement (PI) levy which is currently in place. Large dollar capital items such as bus purchases will be planned for in the PI Fund, when possible. However, some capital outlay expenditures are being planned in the operating budget for new and replacement property, plant, and equipment purchases.

Other – The projected amounts for Other Objects are based upon historical trends. This line item includes County Auditor and Treasurer fees, along with audit costs and other miscellaneous fees.

District : Green Local
 IRN: 050559
 County: Wayne

	Actual		Estimate					
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues								
1.01 General Property Tax (Real Estate)	3,741,455	3,863,528	3,843,863	3,889,977	3,928,877	3,539,666	2,696,870	1,879,694
1.02 Tangible Personal Property Tax	248,188	263,054	293,523	308,867	308,867	308,867	308,867	308,867
1.03 Income Tax			98,698	537,423	597,169	794,914	702,923	702,923
1.035 Unrestricted State Grants-in-Aid	5,148,852	5,117,451	5,158,415	4,973,009	4,475,709	4,724,359	4,973,009	4,973,009
1.04 Restricted State Grants-in-Aid	43,231	67,341	61,152	73,621	40,410	40,410	40,410	40,410
1.045 Restricted Federal Grants-in-Aid - SFSF/Jobs								
1.05 Property Tax Allocation	577,171	577,642	577,477	577,791	577,791	577,791	577,791	577,791
1.06 All Other Revenues	1,206,358	1,295,640	1,681,583	1,913,683	1,811,604	1,841,557	1,841,557	1,841,557
1.07 Total Revenues	10,965,255	11,184,656	11,714,711	12,274,371	11,740,427	11,827,564	11,141,427	10,324,251
Other Financing Sources								
2.04 Operating Transfers-In								
2.05 Advances-In								
2.06 All Other Financing Sources								
2.07 Total Other Financing Sources								
2.08 Total Revenues and Other Financing Sources	10,965,255	11,184,656	11,714,711	13,625,700	11,740,427	11,827,564	11,141,427	10,324,251
Expenditures								
3.01 Personal Services	6,005,234	6,147,944	6,194,873	6,196,905	6,436,789	6,638,559	6,799,483	6,964,834
3.02 Employees' Retirement/Insurance Benefits	2,154,866	2,314,733	2,413,672	2,455,996	2,689,777	2,883,631	3,086,496	3,307,664
3.03 Purchased Services	2,229,668	2,416,291	2,247,173	2,451,552	2,476,068	2,500,828	2,525,836	2,551,095
3.04 Supplies and Materials	600,720	421,162	404,828	386,880	415,000	415,000	415,000	415,000
3.05 Capital Outlay	6,707	69,829	25,711	77,190	57,577	57,577	57,577	57,577
3.06 Intergovernmental								
4.3 Other Objects	98,060	105,032	94,929	93,544	97,835	97,835	97,885	97,385
4.5 Total Expenditures	11,095,255	11,474,991	11,381,186	11,662,067	12,173,046	12,593,431	12,981,778	13,393,554
Other Financing Uses								
5.01 Operating Transfers-Out								
5.04 Total Other Financing Uses								
5.05 Total Expenditures and Other Financing Uses	11,095,255	11,474,991	11,381,186	13,013,396	12,173,046	12,593,431	12,981,778	13,393,554
Excess of Revenues and Other Financing Sources								
6.01 over (under) Expenditures and Other Financing Uses	(130,000)	(290,335)	333,525	612,304	(432,620)	(765,867)	(1,840,350)	(3,069,303)
7.01 Cash Balance July 1	2,742,840	2,612,840	2,322,505	2,656,030	3,268,334	2,835,714	2,498,347	1,943,497
7.02 Cash Balance June 30	2,612,840	2,322,505	2,656,030	3,268,334	2,835,714	2,069,847	657,997	(1,125,806)
8.01 Estimated Encumbrances June 30	131,357	132,711	721,474					
Revenue from Replacement/Renewal Levies								
11.02 Property Tax - Renewal or Replacement						428,500	857,000	857,000
11.3 Cumulative Balance of Replacement/Renewal Levies						428,500	1,285,500	2,142,500
12.01 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	2,481,483	2,189,794	1,994,556	3,268,334	2,835,714	2,498,347	1,943,497	1,016,694
15.01 Unreserved Fund Balance June 30	2,481,483	2,189,794	1,934,556	3,268,334	2,835,714	2,498,347	1,943,497	1,016,694

DETAILED PROJECTIONS AND INFORMATION

REVENUE

Real Estate Taxes – The valuation history of the District must be reviewed when making an estimate of real estate tax revenues. The table below details the District’s real estate valuation history.

	Res / Ag		Other		TOTAL
	Res/ Ag	New Constr	Other	New Constr	
Tax Year 2018, Paid 2019	134,108,170	978,500	13,599,610	1,054,700	149,740,980
Tax Year 2017, Paid 2018*	133,442,880	911,770	12,667,130	873,150	147,894,930
Tax Year 2016, Paid 2017	133,536,630	1,067,650	11,808,140	957,290	147,369,710
Tax Year 2015, Paid 2016	132,718,460	920,160	11,918,050	55,860	145,612,530
Tax Year 2014, Paid 2015**	132,349,700	705,510	12,214,960	8,023,330	153,293,500
Tax Year 2013, Paid 2014	120,339,520	840,850	15,329,630	27,030	136,537,030
Tax Year 2012, Paid 2013	119,123,470	1,120,970	15,222,420	56,290	135,523,150
Tax Year 2011, Paid 2012*	118,574,280	831,900	16,927,530	122,500	136,456,210
Tax Year 2010, Paid 2011	117,725,180	969,180	15,069,280	555,330	134,318,970
Tax Year 2009, Paid 2010	116,739,970	1,011,420	15,163,211	278,160	133,192,761

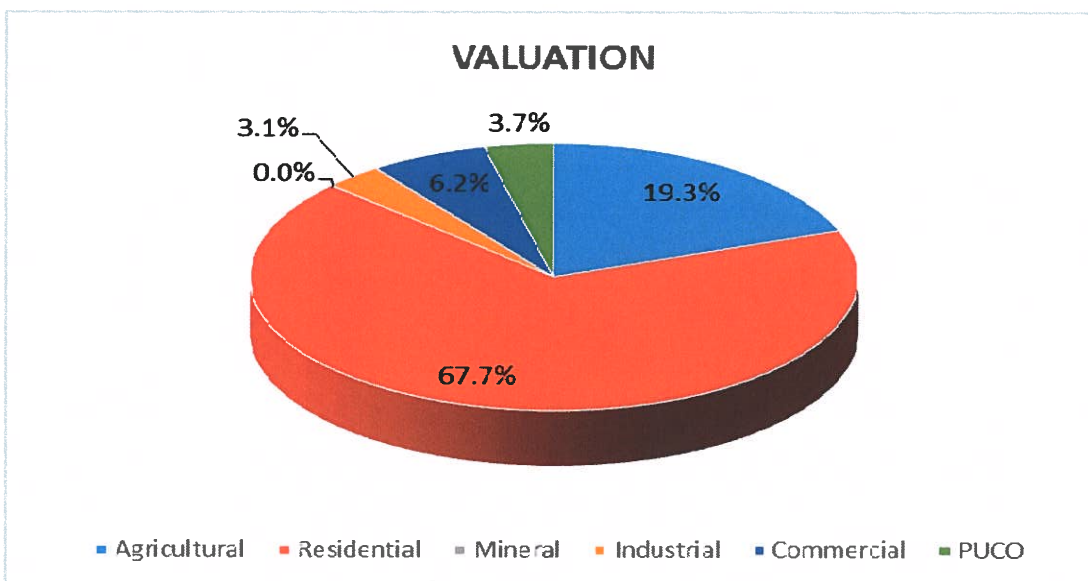
* This is an Update year.
 ** This is a Reappraisal year.

The real estate valuation has been very stable. The average increase for real estate values over the period is 2%. However, the increases occur in the reappraisal and update years. Reappraisal was completed in 2014, payable in 2015. The last Update occurred in 2017, payable 2018 and resulted in a slight decrease in value. Another factor that affects the real estate tax revenue is HB920. HB920 reduces tax rates as valuation increases until the total effective millage reaches 20 mills. The effective millage for continuing levies is at the 20-mill floor. The new revenue to the District comes from the new construction in the District, reaching the 20 mills and the inside mills (4.9 mills). Therefore, it is also important to review the actual real estate tax collection history.

REAL ESTATE TAX COLLECTION HISTORY					
	Amount	% Inc		Amount	% Inc
CY2010	3,606,799	0.07%	FY2010	3,665,276	1.53%
CY2011	3,637,655	0.86%	FY2011	3,677,061	0.32%
CY2012	3,697,223	1.64%	FY2012	3,712,986	0.98%
CY2013	3,738,157	1.11%	FY2013	3,760,638	1.28%
CY2014	3,782,497	1.19%	FY2014	3,740,803	-0.53%
CY2015	3,866,645	2.22%	FY2015	3,902,848	4.33%
CY2016	3,955,658	2.30%	FY2016	3,919,553	0.43%
CY2017	4,026,316	1.79%	FY2017	3,989,643	1.79%
CY2018	4,067,069	1.01%	FY2018	4,126,582	3.43%
CY2019	4,177,192	2.71%	FY2019	4,137,386	0.26%

The District’s fiscal year (FY) is July 1 through June 30. The District collects revenue from two emergency levies. One emergency levy which voters approved in 2010 collects \$850,000 annually and is a 10 year levy with the last year of collection being 2021. The second emergency levy, approved in 2016, collects \$500,000 annually and is a 9 year levy with the last year of collection being 2026. Revenues from real estate taxes will be steady through the forecast, provided that voters approve the renewal of the levy expiring in 2020.

Another item to watch closely is the agricultural value. Legislative changes in the CAUV calculations are changing the effects of the value. The chart below shows the percentage of our value coming from agricultural lands.



In order to make future revenue projections, some assumptions must be made. It is assumed that the projected revenue will increase 1% starting in FY2021. The projected amount of real estate tax revenue for the forecast is as follows:

	FY2020	FY2021	FY2022	FY2023	FY2024
Real Estate Tax	3,889,977	3,928,877	3,539,666	2,696,870	1,879,694
Public Utility	308,867	308,867	308,867	308,867	308,867
TOTAL	4,198,844	4,237,744	3,848,533	3,005,737	2,188,561

Income Tax – This line item represents revenues derived from a 0.5 percent earned income tax levy that was passed by school district voters in November 2018 for a ten-year period. This levy generates \$702,221 annually for the district. Full collection is not realized until year two of the forecast. Collections began during FY2019 and will continue through the remainder of the forecast. Due to the aforementioned COVID 19 pandemic, approximately 20% of the workforce in the State were either laid off or furloughed beginning in March, 2020 through the release of the forecast. Thus, earned income tax revenues reflect a reduction of 20% to be realized in FY2021. Income tax revenue amounts are returned to normal levels beginning in FY2022.

Unrestricted and Restricted Grant-in-Aid - This line item represents the State Foundation funds received by the district from ODE. HB 166, the State’s new biennial budget, began July 1, 2019 and runs for two years. The district is on a State guarantee that it will receive the same funding in FY2020 and FY2021, that it received in FY2019. The FY2019 funding formula uses student enrollment, per pupil amounts, a district share percentage, and funding for other categorical factors.

Due to the COVID 19 pandemic, State Foundation revenues were reduced by \$194,872 through June 30, 2020 due to a shortfall in the State sales and income tax collections. Additional revenue reductions are anticipated, so the forecast assumes a State Foundation reduction of 10% in FY2021, which potentially may be recovered by 5% each year in FY2022 and FY2023. It is assumed that there will be no increase or decrease thereafter, because the district is receiving funds under the guarantee. The chart below shows the Unrestricted and Restricted Grant-In-Aid revenues estimated as follows:

	FY20	FY21	FY22	FY23	FY24
State Foundation	5,046,630	4,516,119	4,764,769	5,013,419	5,013,419

HB 166 also provided for Student Wellness and Success funds which are not accounted for in the forecast, but instead in a separate fund (467). The district will receive \$247,268 in FY2020 and \$358,751 in FY2021, which will be used over the course of the forecast for mental health, family engagement, mentoring, and after-school programs.

During FY2020, the school district will receive federal Elementary and Secondary School Emergency Relief Funds (ESSERF) to assist with implications associated with the COVID 19 pandemic in the amount of \$137,585. These funds are not accounted for in the forecast, but instead in a separate fund.

Property Tax Allocation – This line item denotes the amount of funding received from the State for the Homestead Exemption and Property Tax Rollback. The amount of revenue from this source corresponds directly with the property tax value in the District. The following chart details the estimated revenue for this line item.

	FY20	FY21	FY22	FY23	FY24
Rollback	290,252	290,252	290,252	290,252	290,252
Homestead Exemption	<u>287,539</u>	<u>287,539</u>	<u>287,539</u>	<u>287,539</u>	<u>287,539</u>
TOTAL	577,791	577,791	577,791	577,791	577,791

Other Revenue – Items included in the other category are interest income, fees, tuition, open enrollment, casino, and other miscellaneous income. It is assumed that class fees will continue for the period of the forecast. It is estimated that open enrollment revenues will remain consistent. Due to COVID 19 implications, casinos in Ohio are currently closed. Therefore, State casino revenues are assumed to be half of normal collections of approximately \$59,906 in FY2021, but are projected to be restored to full collection beginning in FY2022 and beyond.

	FY2020	FY2021	FY2022	FY2023	FY2024
Open Enrollment	1,284,589	1,284,589	1,284,589	1,284,589	1,284,589
Tuition	242,709	242,709	242,709	242,709	242,709
Other Misc. State	59,906	29,953	59,906	59,906	59,906
Fees	35,000	35,000	35,000	35,000	35,000
Interest and Other	291,479	219,353	219,353	219,353	219,353
TOTAL	1,913,683	1,811,604	1,841,557	1,841,557	1,841,557

EXPENSES

Personal Services - Salaries and wages for District employees are accounted for in this line item. In forecasting future staffing levels, it is assumed that the current staffing levels will remain for the duration of the forecast. The negotiated agreement with the teaching staff of the District is effective July 1, 2019 through June 30, 2022. The negotiated agreement with the bus drivers was negotiated for a three year period beginning July 1, 2018 through June 30, 2021. Salary increases are per the negotiated agreements. The salary increases for FY20 through FY24 also include any longevity amounts. The following chart details the salary projections.

	FY2020	FY2021	FY2022	FY2023	FY2024
Description					
Certified Staff	4,761,309	4,935,096	5,115,226	5,263,569	5,416,213
Regular Classified	897,939	913,653	929,642	938,938	948,327
Classified Substitutes	58,553	68,000	68,000	68,000	68,000
Certified Substitutes	77,617	97,000	97,000	97,000	97,000
Salaries Extracurricular	317,339	322,892	328,543	331,828	335,146
Overtime	11,000	27,000	27,000	27,000	27,000
Other and Misc	39,009	39,009	39,009	39,009	39,009
Severance	34,139	34,139	34,139	34,139	34,139
TOTAL	6,196,905	6,436,789	6,638,559	6,799,483	6,964,834

Certified staff includes all individuals holding a license to perform their job. This would include administrators, principals and all teachers. Classified staff includes custodians, aides, secretaries, clerks, and bus drivers.

Due to the COVID 19 pandemic, the FY2020 personal services expenditure projection was reduced by \$60,691 from the November 2019 forecasted amount as a result of the payment of less temporary school district staff due to a State-mandated school closure.

Employees’ Retirement/Insurance Benefits – The District’s share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. It is assumed that the amount for all of these will remain at approximately 17% of salary. The health insurance premiums increased by 8.4% in FY2019 and 5.7% in FY2020. Because of the many variables associated with health insurance premiums, the health plan consortiums suggest that a 10% per year premium increase be assumed for FY2021 and beyond.

Fringes	FY2020	FY2021	FY2022	FY2023	FY2024
% of Salary (17 %)	1,053,473	1,094,254	1,128,555	1,155,913	1,184,022
Health Insurance	1,402,523	1,595,523	1,755,076	1,930,583	2,123,642
	2,455,996	2,689,777	2,883,631	3,086,496	3,307,664

Purchased Services – This line item represents the amounts paid for utilities, tuition to other districts, contracts for services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services. Services provided by the Tri-County ESC are included in this line. It is assumed that the number of students receiving educational services outside the District (tuition students and open enrollment) will not increase over the period of the forecast. It is assumed that this line item will increase at a rate of 1% per year.

Due to assumed timing differences for purchased services expenditures of FY2019 that were paid in FY2020, any savings realized by the COVID 19 pandemic were offset for purchased services, in terms of budget versus actual amounts.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. There was a textbook purchase in FY2017 and in FY2020. It is assumed that budgets in this area would remain flat lined for the forecast period.

As a result of the COVID 19 pandemic and the resulting State-mandated school closure, the forecast assumes a reduction of supplies and materials expenditures in the amount of \$28,120 from the November 2019 forecast.

Capital Outlay – This item is minimal because of the Permanent Improvement (PI) levy which is currently in place. Future bus purchases will be planned for in the PI Fund, when possible. However, some capital outlay expenditures are being planned in the operating budget for new and replacement of property, plant, and equipment line items. These expenditures are budgeted beginning in FY2020 through the remainder of the forecast.

Due to the effects of the COVID 19 pandemic and the State-mandated school closure, the forecast assumes a reduction of capital outlay expenditures of \$22,810 from the amount forecasted in November 2019.

Other – The projected amounts for Other Objects are based upon historical trends. Other expenditures include membership dues, surety bonds, liability, County Auditor and Treasurer fees, audit costs, and other miscellaneous fees. Typically, they remain relatively consistent, so they have been averaged over the forecast period.

Due to the COVID 19 pandemic and the resulting State-mandated school closure, the forecast assumes a reduction of \$5,796 in other expenditures from the amount projected in the November 2019 forecast.