

**TECUMSEH LOCAL SCHOOL DISTRICT
IRN #046243
2011**

**FIVE-YEAR FORECAST ASSUMPTIONS
May 2011
(Before Ratification of TEA contract)**

As stated on the Ohio Department of Education Five-Year Forecast Webpage: “The reader should remember that a forecast is somewhat like a painting of the future, which is based upon a snapshot of today that has been adjusted to reflect all known activities of the future along with certain assumptions and predictions of what may happen. In other words, it is a living document that becomes outdated once any additional information has come to light, which may introduce new known events or changes in assumptions for the future. As such, the five-year forecast is a good planning tool at best and will change periodically as updated information becomes available. School districts are encouraged to update their forecasts with the Ohio Department of Education when events take place that will significantly change their forecast.”

**This Five-Year Forecast is based on
EBM (Evidence Based Model)**

01.010 General Property Real Estate

Used the effective mills supplied by the Clark County Auditor. 20 Mills for Class I and Class II in the General Operating Levy (Effective Mills); essentially when a district reaches the “20 Mill Floor” it is no longer subject to HB920 millage rate reduction factors that limit inflationary growth resulting from real estate. Estimated the collections for FY2007 to be approximately 98% collection (2% delinquencies), past delinquencies were collected in FY 2006; this may vary year to year. Estimated new construction for Calendar years 2009 through 2012 approximately 1.15% annually; Calendar Year 2007 originally projected 8% increase—reappraisal; the 8% was conservative from historical data, however, Clark County experienced some valuation errors, and the overall increase as of May 1, 2008 the estimated 2007 reappraisal increase/new construction is estimated to be approximately .5% (1/2%) (The valuation for 2008 tax year totaled approx \$289,687,000).

On February 8, 2005 two emergency levies were renewed for tax year 2005-2009, collected 2006-2010. (Emergency Levy #1 \$791,000; and Emergency Levy #3 \$1,315,398). FY 2011 approximately 50% of the Gross Amount of Emergency Levy #1 and Levy #3 is deducted from line #1.010 and entered on line #11.020; (Typically

the Gross amount is split between line 1.010, 1.020, and line 1.050 respectively). FY 2012 approximately 100% of the Gross Amount of Emergency Levy #1 and Levy #3 is deducted from line #1.010 and entered on line #11.020; (Typically the Gross amount is split between line 1.010, 1.020, and line 1.050 respectively). Emergency Levy #1 and Emergency Levy #3 appear on line 11.020 until the levies are renewed. Upon renewal the levies will appear on lines 1.010, 1.020, and 1.050 respectively.

Emergency Levy #1 and Emergency Levy #3 are on the November 3, 2009 Ballet (General Election) as “Renewals”.

Emergency Levy #1 and Emergency Levy #3 passed on November 3, 2009.

Levy #2 for \$712,000 passed November 2006.

Moved Public Utility Personal Property to line #1.020 from line #1.010 effective FY 2007 and thereafter.

2011-2015

Property Valuations are currently declining in some areas, so the values remain approximately the same and showed minimal new construction growth in FY 2011-2015; this area will be monitored closely and adjustments will be made as needed.

01.020 Tangible Personal Property

FY 2006 received approximately \$613,000; FY 2007 moved Public Utility Personal Property from line #1.010 (it is received with real estate settlements and in the past was posted to line 1.010) to line #1.020. FY 2011-2015 reduced in accordance to HB 66; Public Utility Personal Property included on this line.

01.030 Income Tax

N/A

01.035 Unrestricted Grants-In-Aid

FY 2008 used foundation level per pupil \$5,565 and adjusted cost of doing business factor 1.00 used an estimate Formula ADM of 3,145; for FY 2009 used Formula ADM of 3,098 and foundation level per pupil \$5,732. ;

FY 2010-2015 Pathway to Student Success :An Evidence-Based Model—New State Funding; pending upcoming gubernatorial race.

Reduced Foundation FY 2012 by approximately \$500,000; will receive \$893,000 The Ed Jobs Grant see line #1.045; then eliminated any type of stimulus money for FY

(The following was on the 5-year forecast submitted October 2010—based on the info that we were receiving from the state department).

2013-2015—a total reduction of approximately 10% comparing FY 2011 (Line #1.035 + line 1.045=\$15,668,785) to FY 2013-FY2015 (line #1.035) a difference of

approximately 1.5 million or about 10%. In reference to an email from the Auditor of State's Office there is uncertainty surrounding State Foundation revenue; discussions encouraged as much as a 10% decrease and that is basically what is being shown FY 2013-2015.

***Five-Year Forecast submitted May 2011—Foundation is based upon the most recent information supplied to us by ODE—simulation. Approximately \$15,200,000**

(The TPP Reimbursement moved to line #1.050 in Oct. 2006)

01.040 Restricted Grants-In-Aid

FY 2006 \$252,465 (Reimbursement for regular school bus, Weighted Voc Ed, Poverty Based Assistance);

FY2011-FY2015 approximately \$91,000-- Weighted Voc Ed.

01.045 Restricted Federal Grants in Aid-SFSF/Ed Jobs

FY 2010-2011 approximately \$995,000 each year-SFSF Funds

FY 2012-\$893,000 Ed Jobs Fund

FY 2013-2015—\$0 at this time

ODE - Education Stabilization Fund

Description of Fund

“Ohio has been allocated \$845 million from the ARRA in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. Education SFSF for primary and secondary education will be distributed to school districts as part of the foundation settlement payments each month – total foundation support will include both state and federal SFSF funds.”

Education Jobs Fund Information

Description of Fund

The Education Jobs Fund (Ed Jobs) was included as part of federal legislation passed on August 10, 2010. The program provides \$10 billion for states to save or create education jobs for the 2011-2012 school years. Ohio is estimated to receive \$361 billion from this program.

01.050 Property Tax Allocation

HS/RB is based off the General Fund and Emergency Levy collections; TPP Reimbursement will be posted under 1.050.; Note: FY 2011, FY 2012, FY 2013 and FY 2014 reduced—included on line #11.020. (Due to the expiration of Emergency Levies #1 and #3). Also, Senior Citizens 65 years and older

that filed for the additional R.E. reduction would be posted to this area when the State of Ohio reimburse the school as with HS/RB.

1.060 Other Revenue

FY 2006 \$1,354,911-The estimate for this category encompasses a number of revenue sources. Investment interest rates are slightly higher in FY2006. In the past Montgomery County Educational Services (MCES) contracted with Tecumseh Local School to use Tecumseh's bus drivers to drive MCES special ed bus(es), in FY 2005 this was discontinued, approximately \$40,000 was reduced in revenues and expenditures. Miscellaneous Revenues such as Receipts for revenue in lieu of taxes, classroom fees, workbook fees, pay to participate fees, open enrollment, ROTC reimbursement from the government, and miscellaneous local receipts are included on line #1.060 and subject to change.

In FY 2006 (Phase I cuts were implemented—Pay to Participate and charge community for facility usage); FY 2007 Increased Slightly-- Phase II implemented, anticipate a decrease on incoming open enrollment at this time not sure of interest rates this line is subject to change; Increased 2008 approximately \$164,876. Increased slightly FY 2009-2014 not sure of pay to participate participation, interest rates unknown (the economy is uncertain), open enrollment in increased FY 2010 (225 students as of October 2009).

Other Financing Sources:

02.010 Proceeds from Sale of Notes:

N/A

02.020 State Emergency Loans & Adv.

N/A

02.040 Operating Transfers-In

N/A

02.050 Advances-In

N/A

02.060 Other Financial Sources

N/A

02.070 Total Other Financing Sources

Used Prior History

02.080 Total Revenues and Other Financing Sources

Expenditures:

03.010 Personal Services

Dependent on Grants remaining the same.

(Note at the end of 2003—5 teachers, resigned/retired and were not replaced; 1 bus driver retired and not replaced ; 1 Tech Director retired and not replaced) at the end of 2004 there were retirements/resignations 5 teachers not replaced, 2 administrators resigned one replaced, 2 lunch room monitors non-renewed, 3 bus aids non-renewed, and 1 handicap aid non-renewed ; FY 2006 based on the current staff increased 1.70 step increase and 1% increase on the base and 1% lump sum based on 2005 school year, also, sick pay/sub pay, overtime, tutor, etc. were down, the following either retired or resigned in FY 2006—2 custodians, 1 secretary, 1 bus driver, 1 bus aid, 1 teacher (Grant). The sub pay estimate is based off a 7-year average, it may be greater or lesser, resulting in a variance in the total personal services, it is possible that some staff members may run out of sick pay and be docked this will reduce the total personal services expenses. In addition to the above retired/resigned personnel FY 2006 implemented Phase I (reduced field trips, eliminated 2 assistant middle school principals, eliminated 5 teaching positions, reduced one technology position, eliminated ESL, modified detention hours); FY 2007 a 1% on the base salary and a 1.7% average step increase; Implemented Phase II cuts eliminated all day every day kindergarten –eliminated 7 teaching positions; eliminated an additional 2 teaching positions; reduced MS/HS extended time by 50%, eliminated after school detention at THS, eliminate Friday after school detention at MS, reduce overtime–FY 2008 eliminated an administrative position;11 certified positions retired/resigned 7 of the 11 replaced—4 positions eliminated; 7 classified positions retired/resigned as of present 4 positions not filled; added 3 MD classes—staff (dropped the services with Clark County ESC-reduced line #3.030) FY 2008 (3% salary increase + 1.70% step increase); FY 2009 (2% Increase Beginning FY2009—Classified; FY 2009-Certified 3% Beginning 1/1/2009);FY 2010-Certified 2.2% Increase; FY 2010 Classified Increased 2.2% calculated on 3% Base Increase on the FY 2008, in lieu of the 2% increase that was actually received in FY2009. (An example would be a person earning \$10.00/hour end of FY 2008, received \$10.20/hour for FY 2009; however, for calculating purposes only the amount that would be calculated would be \$10.302/hour as the base for FY2009;Then in FY 2010 \$10.302 would become \$10.53/hour).

During FY 2009: 2 Teachers resigned and were replaced for FY09 with Substitute Teachers.

May 2009 the following positions were cut/or not replaced when staff retired or resigned for FY 2010: 2 PE Teachers, 2 Math Teachers, 1 Consumer Science Teacher, 1 Art Teacher, 1 Special Ed Teacher. 1 Monitor.

May 2010- Eliminated 6 Certified Positions, 1 Classified Position

The following was for October 2010 Five Year Forecast:

FY 2011-- .75% increase – in exchange for eliminating the retirement incentive.

FY2012—Added all day every day kg in projection—no salary increase steps only.

FY 2013-2015-- 1.7 % step increase current staff. (0% on the base salary).

The Following is for May 2011 Five-Year Forecast:

FY 2011 -- .75% increase-in exchange for eliminating the retirement incentive.
FY 2012-2015 (Dropped all day everyday kg as shown in Five-Year Forecast for October 2010—not required).
FY2012-2015—1.7% Step/Column Increase; No increase on the base.
Cut 26.5 positions in 2012.

03.020 Employers' Retirement/Insurance Benefits

FY 2006 (Phase I cuts reduced fringe benefits) FY 2007—reduced benefits in accordance with Phase II salary cuts; Note: FY 2008 -0% health insurance increase, approximately \$280,000 refunded from EPC for health insurance. FY 2010 approximately 5% increase for health insurance per The EPC (Educational Purchasing Co-op); FY 2012-2015 increased health insurance by 11% per year; and maintained approximately 15.50% of salaries for retirements/worker's comp and unemployment, line #3.020 also includes tuition reimbursement,, and other employee benefits. Benefits reduced with the staff cuts.

03.030 Purchase Services

FY 2006 reduced (Closed McAdams, eliminated Clark County Academy, eliminated Clark County Safety, Cut 2 days psych services, cut speech supervision, cut LD/CD gifted supervision, reduced professional development, eliminated Honeywell Contract) increased budget for potential increases in insurances and utilities. FY 2011-2015 made adjustments for open enrollment out, increased utility costs, (will be monitoring utilities monthly and making adjustments as needed). FY 2008 dropped MD classes with Clark County ESC—staff hired through Tecumseh. Adjusted the utility costs for FY2010; adjusted repair and maintenance costs- approximately \$150,000 qualified for fund #034 (maintenance fund) in lieu of fund #001 (general fund).

03.040 Supplies Materials

FY2004-2015 froze instructional supplies @ 65% of the FY 2003 appropriations; and used approximately 5% increase for FY 2012; FY 2013-2015 held expense constant may have to revise. (for supplies other than instructional, suspended purchase of textbooks in forecast). This area includes fuel for busses, bus/maintenance supplies, and misc. supplies

03.050 Capital Outlay

FY2011-2015 reduced to 79,099 per year

03.060 Intergovernmental

- 04.010 Debt Services: All Principal (Historical)**
- 04.020 Debt Service: Principal-Notes**
- 04.030 Debt Service: Principal-State Loans**
- 04.040 Debt Service: Principal—State Advancements**
- 04.050 Debt Service: Principal HB 264 Loans**
- 04.055 Debt Service: Principal-Other**
- 04.060 Debt Service: Interest and Fiscal Charges**

2004 5-year Assumptions

- 04.300 Other Objects:**
 - FY 2009-2012 increased approximately 5% each year.**

04.500 Total Expenditures:

Other Financing Uses

05.010 Operational Transfers-Out

05.020 Advances-Out

- 05.030 All Other Financing Uses**
- 05.040 Total Other Financing Uses**
- 05.050 Total Expenditure and Other Financing Uses**

06.010 Excess Rev & Other Financing Sources over (under) Exp

07.010 Beginning Cash –Fund #455 no longer valid changed to 499, changed 2003-2006.

07.020 Ending Cash Balance: Balance may vary due to factors out of our control such as salary (sick pay, sub pay, necessary overtime, tutoring, home instruction, etc.); Liability Insurance, Fleet, Health, and Property may adjust. ADM may vary for unrestricted, open enrollment in and out, real estate taxes may increase/decrease, tax delinquencies.

08.010 Encumbrances:

ADM Forecasts:

Subject to Change