Perrysburg Exempted Village School District

May 2019 Assumptions (Updated July, 2019)

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This forecast is an ever-changing document due to uncontrollable factors. Changes in student population, state level education budgeting and the changes in current economic conditions could and probably will change this forecast and call for new assumptions as we move forward. The forecast and assumptions reflect the best information available and known at this time

REVENUES

Real Estate – (Line 1.01) -. FY 19 shows a reduction of -$1,977,607.00 over FY 18. This is due largely from an over collection from the county auditor who over collected our emergency levy the year prior.

FY 20 and beyond shows a 3% increase, which had been the historical growth the 3 preceding years.

Public Utility Personal Property Tax – (Line 1.02) – The public utility tax category is much less material to the District's overall revenue base as it only supplies just over 2% of total operating revenue.

We are projecting growth in our public utility tangible personal property tax of $225,159.00 in FY 19 over FY 18.

The future collection estimates are based upon the assumption of continued PUPP valuation growth (averaging 3% per year).

Income Tax – (Line 1.03) - We are projecting an increase of just over 7% in FY 19 as income tax collections have come in higher. This forecast assumes a 4% increase for the duration of this forecast as this is closer to what the average growth has been over the last several years.

State of Ohio Basic Aid:
Factors in no State of Ohio Basic Aid Increases for FY20 and FY21, per Ohio's State Budget. However, does reflect Student Wellness and Student Enrollment Growth dollars of $432,000 in FY20 and $637,000 in FY21 as the current Budget provides. FY22 and FY23 Assumes a 3% increase to State Foundation Aid. However, in FY22, reductions to Student Growth Measure and Student Wellness Dollars have been zeroed out.

Property Tax Allocation
After the projected reduction in FY 19 & FY 20, a 1% increase has been forecasted.

EXPENSES

Salaries: FY19 included lower than average severance payments, forecasted years take that back to average districts levels. Salaries for Certified Teachers represent a 1% increase to the base and step costs for FY20. This forecast also reflects no PCAPP (Performance Pay) payment provided to certified teachers in FY20 only. . The Non-Certified Staff represents step increases and a modest bonus. Administrators and Exempt Employee salaries are based on evaluations.

Increase to salaries - includes additional hires for large enrollment growth and also reductions as needed - net difference - $340,000 decrease. Factoring in the changes to staffing, total personal services growth comes in as follows: FY19 - 5.06%; FY20 - 2.20% Initial net cut (340,000); FY21 - 6.30% (including roughly a 3% increase and also factoring in the hiring of 8 additional teachers per year, based on current enrollment projections.) The remaining years are based on trends.

Benefits: FY19 is projecting over a 12% increase due to health insurance rate increase that took effect in July of 2018.

FY20-FY23 are projected with increase to medical and dental benefits. Fringes included State Teachers Retirement System, School Employees Retirement System, medical, dental, vision (total cost paid by the employee), life (total cost paid by the Board of Education) and tuition. Insurance increase projections are as follows:

FY19- 12.50% based upon projected increases incurred by the district. (Unusual amount of large claims - they were under our stop loss)
FY20- 7% Increase to medical, dental and life insurance premiums paid by the district
FY21- 7% Increase to medical, dental and life insurance premiums paid by the district
FY22- 7% Increase to medical, dental and life insurance premiums paid by the district
FY23- 7% Increase to medical, dental and life insurance premiums paid by the district

Future Year increases are based on historical premium adjustments throughout the district driven by our most recent claim data provided to us.

As a reminder - STRS and SERS increases are projected based on wage increases each year.
Purchased Services: - Includes utilities (forecasted at 3%), open enrollment, tuition expenses, ESC contract for special services and excess costs and other entities. FY 19 has a reduction based on expenditures running lower this year. Computer purchases were reduced significantly be switching to Chromebooks vs Macboks.

FY20 through FY23 are increased each year to accommodate district needs each year. The expenses in the category were forecasted from 2 % to 2.67%.

Supplies: –Supply expenses are running much lower in FY 19 due to cost containments that was put in place. Going off of FY19, a 3% increase to supplies has been factored in for FY20 and beyond. While we will reduce in areas that we feel as a decrease can be reduced, we are projecting an increase in supplies due to our large enrollment growth in future years.

Equipment: – A modest amount has been assumed for equipment needs throughout the remainder of this forecast.

Other / Debt: – Annual Increases for associated fees and memberships are accounted for and reductions as needed to accommodate financial needs. Real estate and income tax collection fees are also included on this line. Additionally, Levy expenses to the board of elections are included in only FY19 and FY20 of this forecast. A growth rate of 2% has been factored in. The debt payments will be reduced over the life of the forecast.

The district continues to find ways to contain our costs. The Board of Education been entrusted to provide our students with the best education possible within the resources available to us. The primary consideration in the development of this plan therefore has been to minimize the negative impact of budget constraints on our students and staff.

(The November 2019 Levy will allow the district to move forward with our continued rapid explosive growth. Without the passage of the levy, significant reductions will be made in December 2019.)