

Dover City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2011 Through 2015

Please visit the Ohio Department of Education website at <ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>.

REVENUE ASSUMPTIONS

Property Taxes (General and Tangible Personal)

The reappraisal of District property values occurred for calendar year 2004 with collection beginning in January 2005. A triennial update occurred for calendar year 2007 with collection beginning in January 2008. In November 2007, a five year emergency levy was renewed by District voters. The district also passed a 7.9 mill emergency operating levy which will generate \$2,790,000 annually beginning in 2009.

House Bill 66 eliminated, by tax year 2009, the general personal tangible tax base and eliminates the telecommunication personal tangible tax base by tax year 2011. The state is required to hold school districts harmless for lost tax revenue and provide reimbursements for amounts school districts lose in tax revenue. The base year for these calculations is tax year 2004. School districts receive reimbursements for all fixed-rate and fixed-sum levies in effect at that time. Reimbursements are in the form of indirect increases to the State Foundation Program and/or direct payments from the State. During the first five years, districts are reimbursed fully to the extent of permanent law even if the qualifying levies expire, are reduced, or are not levied for any of these tax years. In the following seven years, tax years 2011-2017, the direct reimbursements are phased out. House Bill 1 enacted in July 2009, specifies that the direct reimbursements will be held harmless for an extended two year period through 2013. Any qualifying levies that expire, are reduced or are not levied will no longer be reimbursed.

In fiscal years 2007 and 2008, the district has been reimbursed by direct reimbursement only. Beginning in fiscal year 2009, the district will be reimbursed by direct reimbursement (line 1.05 property tax allocation) and through the foundation program (line 1.035 unrestricted grants-in-aid).

Income Tax

The District does not have an income tax.

State Foundation - Unrestricted/Restricted Grants-in-Aid

Revenues from unrestricted grants-in aid are based on the amounts set by the State formula. Foundation revenue is calculated based on enrollment and other changes affecting average daily membership counts for the biennium budget. Last school year and this year foundation revenue has been reduced but replaced by the State Fiscal Stabilization Funds (SFSF) made available in the American Recovery and Reinvestment Act (ARRA). Due to the economic conditions of the State foundation revenues are projected with no replacement of stabilization dollars beginning in FY 2012.

Restricted Grants-in-Aid SFSF

For two years (Fiscal Years 10 and 11), the District will receive State Fiscal Stabilization Funds (SFSF) which replaces state foundation dollars. Ohio was allocated \$845 million from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds to help stabilize state and local budgets in order to minimize and avoid reductions in education. These federal funds are distributed to school districts as part of the foundation settlement payments each month.

Property Tax Allocation

The property tax allocation normally parallels the anticipated growth in property taxes. But due to

HB66, the District will receive direct payments for the loss of tangible personal property for five years thus increasing this line item of the forecast and that of the state foundation. HB1 extended the reimbursement payments thru FY 13, but the phase out will begin in 2014.

All Other Revenue

Revenue from other sources is fairly level due to a decrease in investment revenue interest rates offset by an increase in available resources to invest from a new emergency levy.

Advances and Transfers

Advances are needed for state and federal projects that extend past the end of the fiscal year. Repayments will be made in the following fiscal year.

EXPENDITURE ASSUMPTIONS

Personal Services and Employees= Retirement/Insurance Benefits

The amounts for salaries are based on present negotiated agreements. Future projected salaries are based on less than historical raises. Retirement, Medicare, and Workers Compensation will increase at the same percentage that the salary increases. Health insurance costs are forecasted to increase 9% per year due to efforts to continue to negotiate health plan design changes and increased employee contributions.

Purchased Services

Historically purchased services have decreased due to a new open enrollment policy in effect for the first time in fiscal year 2004. This has helped offset the annual \$250,000 expenditure going to other surrounding school districts. Beginning in fiscal year 2011, purchased services are increasing in anticipation of increasing tuition costs paid to other districts.

Supplies, Capital Outlay and Other

Expenditures for supplies and materials were reduced significantly due to the slowing of a curriculum cycle from previous fiscal years. Beginning in 2009, supplies and curriculum were reinstated. Technology and capital outlay budgets have been reinstated also due to the passage of an emergency levy. Other expenditure patterns are increasing due to increases in auditor and treasurer fees and services provided by the county board of education. Future expenditures are trended at an average of approximately 2%

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Debt Services

The school district has no outstanding debt to be funded out of the general fund.

Encumbrances

Encumbrances are budgeted to be expended in the year they occur and therefore are shown at zero for the forecast.