Dover City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2016 Through 2020

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)

Property values are established each year by the County Auditor based on new construction and complete or updated appraisal values if applicable. A reappraisal occurred in 2010 which resulted in a loss of values of more than 13%. As a result, calendar year 2011 saw an unprecedented value decline of a total of $23.5 million dollars under 2010. Previously, the district's valuation historically had grown an average of 5.5% a year from 1993 - 2003 but now realizes only a .5% growth over the most recent ten years (2005-2014). We do not see an upswing in the housing market values in the near future. The district renewed two emergency renewal levies in November 2012 which were critical to the operating budget.

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. Beginning in FY 2012, a 7% foundation cut was imposed due to state economic conditions. HB 64 was passed in June 2015 which provided estimates of $7,543,822 for fiscal year 2016 and $8,103,313 for fiscal year 2015 using 2015 enrollment numbers.

Property Tax Allocation

These funds are reimbursements from Ohio for tax credits given to owner occupied residences equally 12.5% of the gross property taxes charged residential taxpayers and up to 10% for commercial and industrial taxpayers. The law has since changed and those reductions will no longer apply to new levies that are enacted after August 31, 2013.These amounts will consistently change with Real Estate Taxes.

Also included in this line of the forecast are Personal Tangible replacement payments. Revenue from a new Commercial Activity Tax was supposed to provide the state with revenue to continue tangible reimbursement payments through 2017. However, beginning in FY 2012, HB153 phased out reimbursements payments. School districts that were heavily reliant on these replacement payments will experience a prolonged period of phase-out beyond that in current law. If the fiscal year 2011 payments were greater than 2% of total resources (Dover's was 10.35%), the fiscal year 2012 payments were equal to the difference between those two amounts resulting in a loss of $420,823 in FY 2012. In fiscal year 2013, the annual reduction from fiscal year 2012 fixed rate reimbursement is limited to no more than 2% of base year total resources resulting in another loss of $420,823. After fiscal year 2013, remaining reimbursements were frozen at the 2013 level in FY 14 and FY15. H.B. 64 resumes the phase-out of Tangible Personal Property at 1.25% of state and local resources which will result in a loss of over $1.3 million in the next five years.

All Other Revenue

Revenue from other sources is derived from preschool fees, rentals, reimbursements from federal projects, donations, and interest. This revenue source has declined due to low interest rates.

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. Negotiated agreements are in place for fiscal years 2015, 2016, and 2017. Future projected salaries are based on historical raises. Retirement, Medicare, and Workers Compensation will increase at the same percentage that the salary increases. Health insurance costs are forecasted to increase 7% 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 expenditures going to other surrounding school districts.

Supplies, Capital Outlay and Other
Expenditures for supplies and materials are increasing due to curriculum changes and technology innovations. Beginning in the 2013-14 school year, some textbooks are being replaced by electronic books to keep pace with changes in courses of study. 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.