

MINSTER LOCAL SCHOOLS

FIVE YEAR FORECAST NOTES

OCTOBER 2011 SUBMISSION

REVENUE

1. **REAL ESTATE**: assumes 1.4% reappraisal increase for 2011 tax year resulting in an increase of \$4,971 from the 4.8 mills of inside millage. Assumes .65% in tax year 2011 and .5% each year thereafter in new construction (decreased from 2010 tax year 1.41%) which brings additional tax revenue each year. Next triennial update is in tax year 2014 with no projected change in valuation at this time. In February 2011, a refund for board of tax appeals was settled and withheld from the tax settlement in March 2011—increased the 2012 payment by that refund amount (\$27,000).
2. **PERSONAL TANGIBLE**: amount being received is public utilities personal property (PUPP) at millage rate of 39.87. This year, this increases 6.99% resulting in \$3,745 additional revenue. No increase projected beyond 2012. In FY2011, there was \$8,833 received in personal/tangible property from board appeals or corrections in taxes dues. We do not expect any further tax payments from personal /tangible other than the PUPP.
3. **INCOME TAX**: projected a 5% increase for the current year and 0% growth in future years. The July tax settlement was up 19% over July 2010 settlement. Also includes the expiration of the .5% levy in December 2011 and the new 1% income tax levy on the traditional base beginning in January 2012. This will take 18 months to phase in completely as the expiring tax levy takes about 18 months to phase out.
4. **UNRESTRICTED GRANTS IN AID**: state funding bridge simulation with current headcount of October 2011. Each year, amounts changed based on estimated headcount of students. HB153 holds the same in career tech dollars and amount received for special education transportation. A new formula is being drafted—regional meetings were held in July & August to gather input from the administrators. The re-occurring statement was to fund the students where they are instructed regardless of their residency. No final draft has yet been proposed. Also, beginning in 2012, schools rating of Excellent or Excellent with Distinction receive \$17 per student. For Minster that is approximately \$14,800 per year.
5. **RESTRICTED GRANTS IN AID**: Includes for FY2012 EdJobs Grant of \$129,439. The purpose of the one -time grant is to retain or rehire teachers and will be used to pay salaries and benefits of 2 teachers. The state requires it to be included in the 5 year forecast. Career tech dollars are constant for the next 5 years. Based on number of special education students with aids and in special programs, this is anticipated revenue for exceeding a specified dollar amount to assist with the educational costs.
6. **PROPERTY TAX ALLOCATION**: includes 10% rollback, 2.5% rollback and homestead from estimated property tax revenue. Also includes P/T replacement—amounts reduction accelerated by HB153 to be reduced by 2% of FY2010 local and state revenue for the next 2 years (FY2012 and FY2013) and then holds steady. Each biennial budget cycle puts this at risk of losing. In addition, rather than receiving 3/7 in August, 3/7 in October and 1/7 in May, we will receive ½ in November and ½ in May—greatly affects our cash flow.
7. **ALL OTHER REVENUE**: includes open enrollment into the district, student fees, interest, rental agreements, Medicaid payments, and other misc. receipts.

8. **OTHER FINANCING SOURCES**: includes the amount transferred to the general fund technology special cost center—all special cost centers with general fund code roll up to the five year forecast.

EXPENDITURES

1. **PERSONAL SERVICES**: includes 0% increase on base in FY2012, 2% each year thereafter. Step increases based on current certified staffing as of October 1, 2011. Includes 4 additional coaches hired in FY2012, additional extended days for guidance and tech coord due to consolidation, replacement for FCS classes, retirement of HS guidance, superintendent (eliminated assistance principal position), and RIF of custodial position. Retirements projected as follows:

2013	1 retirement no replacement
2014	2.5 retirements, 2 replacements
2015	2 retirements, 2 replacments
2016	1 retirementt, 1 replacement

The cost savings comes in hiring a lesser experienced teacher.

2. **EMPLOYEES' RETIREMENT/INSURANCE BENEFITS**: health premium increase project at 8% in FY2012 and each year thereafter. 15.45% of total change in salaries. Decreases in insurance for retirees not replaced. Also includes unemployment compensation for RIF employee for 26 weeks. Extended federal and state unemployment benefits not employers responsibility.
3. **PURCHASED SERVICES**: includes increase in costs due to prior 2 years receiving ARRA Idea Part B grants of \$81,169 each year to pay special education county aides services and costs to refurbish the high school and middle school (now elementary school) for reconfiguration of students. Decreases due to closing the elementary building and lesser natural gas level billing based on actual usage in FY2011. In FY2016, contribution to FY2010 retirees' HRAs is complete—savings of \$30,000. Also includes increases in outgoing open enrollment students—FY2012 increased from 18 to 24. Future increases or decreases is the change as students graduate.
4. **SUPPLIES AND MATERIALS**: annual inflationary increase of 2% and replacement of textbook cycle—this might be in the form of actual hard back books or technological devices with text information available.
5. **CAPITAL OUTLAY**: Reinstated technology hardware budget at \$100,000 per year. Includes in FY2012 wireless, new lab computers (rotate old lab computers to jr high lab), laptops, and new computers for staff.
6. **OTHER OBJECTS**: includes audit cycle of 2 years after FY2011 audit performed in FY2012. This line item also includes fees paid to county auditor/tax department for collecting fees.
7. **OTHER FINANCING USES**: includes set-aside to special cost center for technology and transfer to fund 035 Termination Benefits for projected retirements.