

CLAYMONT CITY SCHOOL DISTRICT

FISCAL YEAR 2025 – NOVEMBER

FIVE-YEAR FINANCIAL FORECAST



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**Claymont City School District
Tuscarawas County**

**Significant Forecast Assumptions
Fiscal Years 2025 through 2029**

As with any financial forecast, the document accompanying these written assumptions is based on factors known as of this date, and/or as clarified in these assumptions. All forecasts include the inherent assumption that changes will occur over the time of the forecast, and that as these changes occur, the outcome of the forecast will change as well. Both factors that the Board of Education has no control over, and those factors they may control, will impact the amounts reflected in the forecast.

REVENUES

Line 1.01/1.020- General Property Tax/Public Utility Personal Property Tax (23.9% of Total Revenue)

Property values are established each year by the County Auditor based on new construction and updated values. A reappraisal is mandated by Ohio law every six years, with an update at the three-year midpoint. Property taxes are levied and assessed on a calendar year basis while the district's fiscal year runs from July through June. First-half tax collections are received in the second-half of the fiscal year and second-half tax collections occur in the first-half of the following fiscal year. Reappraisals were completed in 2022 in Tuscarawas County.

A 5 mills continuing, combined operating/permanent improvement levy was passed in April 2020, and collection began in 2021. This levy operating proceeds of 3 mills for the General Fund are accounted for on line 1.010.

General Property Tax and Public Utility Personal Property Tax is estimated to collect \$3,811,780 and \$1,646,828, respectively, for fiscal year 2025. General Property Tax in fiscal year 2024 is estimated to increase by approximately 1.5% based on historical data (non-update, non-reappraisal year). Fiscal year 2026 will be an update year with an estimated increase of 3% and FY2027 of 2%, returning to 1.5% for FY2028. FY2029 has been estimated with an increase of 3% again, due to being a reappraisal year. Public Utility Personal Property Tax increased by 10% from FY2023 to FY2024. It is estimated to collect \$1,646,828 this fiscal year with increases of 10% and 9% for FY2026 and FY2027, then 8% for the remaining years.

Line 1.035- Unrestricted Grants-in-Aid (59.5% of Total Revenue)

Unrestricted Grants-in-Aid is estimated at \$13,589,430 for fiscal year 2025. H.B. 110 was passed as part of the biennial budget in June, 2021. This budget, which continues the provisions of the Fair School Funding Plan, will be in place for Fiscal year 2024 and fiscal year 2025. The funding plan calls for a phased in plan that is expected to take six years to fully implement. Fiscal year 2022 saw a phase in of 16.67% and 33.33% in 2023. The phase in will continue for FY2024 at 50% and 66.67% in FY2025. The Fair School Funding Plan will have three components determining funding: Base Cost considering the "whole student", State and Local Share which uses both property values and resident income to identify each community's capacity to pay their fair share, and Categorical Aid – Outside of Base cost such as poverty, preschool, special education, gifted education, and English Language Learners. The phase-in, the components, and any transitional guarantees will be re-examined regularly by the Oversight Commission established in the bill and every two years through the budget process. The state budget did approve the increase in the inputs from FY2018 to FY2022 for the 2024 and 2025 budget term. This increases the funds received for students, staff and fringe benefits.

Formula Transition Supplement is being received in this line item as a guarantee built into the formula to ensure districts do not receive less in FY2024 than what was received in FY2020. There is a reduction to this

guarantee in this line item for FY2025 from 2024. The district qualified for the Community Eligibility Provision; therefore, moving funds back to line 1.04 Restricted Grants-in-Aid.

Fiscal years 2026 and 2027 assume a 1% increase annually, in hopes the State of Ohio continues the final phase-in of the plan and increases inputs again for the next biennial budget that will be in effect July 1, 2025. A 0% increase was assumed for FY2028 and 2029 just because of the uncertainty of future funding. It is important to note the district's funding could change significantly due to any future reductions or any changes to the funding formulas developed at the next biennium budget which will be set in June 2025.

Additionally, this line item includes Casino Revenues received in August and January of each year, as well as miscellaneous adjustments made to the foundation calculations throughout the fiscal year. Casino Revenues is estimated to increase .5% annually.

Line 1.04- Restricted Grants-in-Aid (9.7% of Total Revenue)

Restricted Grants-in-Aid is estimated at \$2,218,666 during fiscal year 2025 based on information from the state's most current foundation settlement report. A 0-1% increase is projected for future fiscal years. The Restricted Grants-in-Aid line item consists of Career Tech Aid, Economic Disadvantaged Funding, Student Wellness and Success Funds, Gifted, and English Language Learners. With the change in funding plans, these funds are calculated based on student counts.

After seeing a decrease in Poverty Based Assistance in FY2024 due to the district not qualifying for the Community Eligibility Provision, there will be an increase in FY2025. The district once again qualified for CEP moving funds back to Restricted from Unrestricted.

Line 1.05- State Share of Local Property Tax (2.1% of Total Revenue)

State Share of Local Property Tax is estimated at \$483,560 for fiscal year 2025. This line is expected to increase at 0-1% annually.

Line 1.06- All Other Revenues (4.7% of Total Revenue)

All Other Revenues are estimated to be \$1,080,558 for fiscal year 2025 based on estimated interest income, rentals, and miscellaneous receipts. Interest income has seen a substantial increase over the last couple of years. It is projected to continue for fiscal year 2025, but reduce in the subsequent years.

Line 2.060- All Other Financing Sources (.04% of Total Revenue)

All Other Financing Sources are estimated to be \$10,000 for all years based on refunds on prior year expenses.

Line 2.04- Operating Transfers-In

Operating Transfers-In are not projected. Transfers that are expended and received by the same fund are not included in this line item.

Line 2.05- Advances-In

No advances are anticipated for FY2025.

EXPENDITURES

Line 3.01- Personal Services (55.2% of Total Expenditures)

Personal service costs are estimated to be approximately \$12,500,884 during fiscal year 2025. These costs include all contracted days, supplemental pays, overtime hours, attendance incentives, and severance payments. Substantial costs in this line item that have been extremely volatile are substitute employee salaries and retirement costs. Beginning in November, 2022, substitute teacher costs are reflected in Line 3.03 as a purchased service. All classified substitutes and permanent teacher substitutes will still be reflected in this line item.

FY2025 salary estimates include step/education level increases. Reductions in staffing in FY2020 and FY2021 resulted in cost savings. The district also had several senior teachers retire at the end of FY2024 and were replaced with less senior personnel. A 3.5% increase has been included in the projections for FY2026 and 3% for FY2027-FY2028. One additional teacher position was included in fiscal year 2024 to accommodate the new dyslexia requirement. Any additional positions added in the future would negatively impact this forecast based off the current staffing levels in the District for FY2025.

Line 3.02- Employee Benefits (28.8% of Total Expenditures)

Health care costs are based on the coverage terms of the existing health insurance contracts, the anticipated number of employees participating in the program, and current monthly premiums. Fringe Benefits are estimated at \$6,525,660 during fiscal year 2025, which includes known insurance moratoriums. One premium holiday for health, dental and vision insurance has already been taken for FY2025.

Fiscal year 2025 had a 6.48% increase in medical/prescription premiums, a 3.95% increase for dental, and no increase for vision, with one premium holiday. It is anticipated that fiscal year 2026-2029 will again increase by 7% for medical/prescription and 2% for dental/vision, and 1% for life insurance expenses each year based on current health care trends. It is also historically projected that at least one premium holiday will be observed each fiscal year. Also included in this line item are wage driven benefits such as SERS/STRS contributions, Medicare contributions, the SERS Surcharge, Worker's Compensation premiums, self-funded deductible costs and unemployment costs. Please note that these types of benefits will increase in accordance with employee raises. Part of the increase was offset by an increase in the employee cost share.

Line 3.03- Purchased Services (10.3% of Total Expenditures)

Purchased services are anticipated to be approximately \$2,331,094 during fiscal year 2025. An increase was observed in fiscal year 2023 due to the increase in the natural gas contract for the district, increase due to inflationary costs, and the newly signed agreement with the Ohio Substitute Teacher Services. A consistent 1-2% increase for fiscal years 2026 through 2029 is projected. This calculation considers professional services, utilities (telephone service, postage, electricity, heating/cooling, etc.), and maintenance/repair agreements. The nature of these expenses can be extremely volatile and may fluctuate significantly on an annual basis, based on the current needs of the district at any point in time. The difference in the actual for FY2022 and the estimate for FY2023 from prior years reflects the Fair School Funding Plan. Open enrollment out, community school, and scholarships for students who reside in our district, but attend another district, will be paid directly from the state to that district. It will not flow through our foundation payment; therefore, will not show as an expense on the forecast.

Line 3.04- Supplies and Materials (2.6% of Total Expenditures)

Supplies and Materials are projected at \$595,220 for fiscal year 2025. The district believes it is necessary to allocate resources annually to instructional supplies and will continue to invest these dollars accordingly. Due to

receiving ESSER funds used to purchase supplies relating to COVID-19, supplies have increased from previous years' expenditures due to these funds being expended. Increases in estimates for fiscal years 2025 through 2029 include curriculum and chromebooks that have been purchased with ESSER funds the last couple of years and will no longer be available. A 1-3% increase is projected for other items for fiscal years 2026 through 2029. Other expenditures included within this line-item are maintenance/janitorial supplies, bus supplies, bus fuel, technology supplies, etc. With inflation continuing to be, supplies costs and availability of supplies make this line item volatile.

Line 3.05- Capital Outlay (1.8% of Total Expenditures)

Capital Outlay projects for fiscal year 2025 are budgeted at \$400,000, which includes regular operational capital outlay needs and a school bus. Fiscal years 2026-2029 are also budgeted at \$400,000 which is used in constructing the district's five-year capital outlay plan. The needs include roofs, parking lots, technology infrastructure, etc. and the purchase of school buses and maintenance trucks. The district continues to update the five-year capital outlay plan as deemed necessary. ESSER funds have been used to replace boilers at every building besides the High School, and chillers at every building, as well as some repairs to roofs. These funds have helped the district concentrate on other needed repairs.

Line 4.01 and 4.06- Debt/Interest Payments (.5% of Total Expenditures)

Debt/Interest Payments are projected at \$125,626 for fiscal year 2025. The payments each year follow the debt schedule of the one Capital Improvement loan the district obtained in 2016. The last payment will be made in FY2026.

Line 4.30- Other Objects (.7% of Total Expenditures)

Other Objects expenditures are projected at \$167,673 for fiscal year 2025 based on anticipated increases. Other Objects expenditures are expected to remain consistent with a 1-3% increase through fiscal year 2029.

Line 5.01- Operating Transfers-Out (.8% of Total Expenditures)

Operating Transfers-Out is projected at \$175,000 for FY2025 to cover any food service deficits and/or transfers to the severance fund. Transfers that are expended and received by the same fund are not included in this line item.

Line 5.02- Advances-Out

No advances are expected for fiscal years 2025-2029.

Line 8.01- Estimated Encumbrances

Estimated Encumbrances are projected at \$250,000 for fiscal years 2025 through 2029 based on the district's attempt to reduce outstanding purchase orders at fiscal year end.