REVENUES

General Property Tax (Real Estate)

- Collections for property taxes are forecasted to increase from FY 21 to FY 25 because of the increase in valuations on the inside mileage. Our real estate market has increased over the past year therefore we don't expect to see a decline in values.

Tangible Personal Property Tax (Public Utility)

- These revenues have been stable for the past few years, but with the current COVID 19 situation we are uncertain how these revenues will be affected.

Unrestricted and Restricted State Grants

- We are still waiting to see what the State budget will be, come July 1st. At this time, the Governor has stated we should receive close to the same funding levels as FY 19, therefore, we have flat funded State revenues for the five years.

Property Tax Allocations

- Property tax allocations decreased slightly in FY 21, therefore, we used this amount for FY 22 to FY 25.

EXPENDITURES

Salary & Benefits

- Based on the negotiated agreement with NDEA and Local Teamsters 957. Conservative estimates used based on available operating funds. Federal Grants continue to offset some salaries in some certified staffing areas FY22-FY24.

- Retirement cost is proportional to salaries.

- Cost of medical benefits increase known through FY24 with Michigan conference, and lower rate of increases over next several years based on insurance pool action with EPC. Dental and life cost showing increase from most recent projections.

- Medicare and retirement based on salary changes, with workers comp showing continued savings from self-insured workers comp programs.

- Severance payout in FY22 slightly higher than previous years and trend continuing in FY23
- Unemployment increased due to impact of COVID-19 and anticipated to carry through FY25
- Medicare reimbursement received in FY21 approximately ($500k), cannot account for in future years due to unknown status of program.

<u>Purchased Services</u>

- Special Education services will continue to increase proportionally to needs of students. Revised Forecast in May 2020 due to lack of ability to provide these services because of COVID-19

- Less technology repair/replacement costs due to leasing of devices

- Due to bringing grounds service in house is showing savings in purchased services, but noted below in supplies as slight increase due to need of purchasing own materials now.

- Absorbing waste removal expense from food service department to help with deficit in food service budget due to covid-19 impact.

- Students being educated outside of district resulting in variable deduction year to year. Slight trend of decrease mainly in community school deduction.

- Increases expected for repairs on aging buildings

- Increase in internet connectivity contract with greater bandwidth to support district one to one initiative and capacity for new phone system

- Additional curriculum software packages to enhance student intervention added FY20-FY24, but offset through federal relief grants.

- Implementation of SRO contracts to all municipalities will result in an increase of purchased services, approximately $300k annually.

- Slight offset in maintenance of OFCC buildings due to 034 fund

Supplies

- Textbook binding expense decrease from previous years due to one to one initiative, and stable in FY21-FY25
- Building and Grounds increased expectations and upkeep along with transportation fuel costs projected to rise.
- Greater expense in software licensing as we implement new programs and devices
- Educational Apps for one to one devices needed for all students K-12
- Covid-19 effect on supply chain resulting in supply costs increases approximately 15-30% depending on material type, but grant funds offsetting increase some.

Capital

- Utilization of some permanent improvement dollars to offset major capital purchases out of general fund.
- Slight increase in technology equipment needs outside of one to one program.
- Security enhancements for buildings guided by Strategic Plan planned FY21-FY25 which will result in additional expense.
- Energy savings projects (LED retrofitting of buildings, updated HVAC systems,) continued FY21-FY25.
- Covid-19 effect on manufacturing and raw materials costs increases approximately 15-30% depending on material type, but grant funds offsetting increase some.

Other

- Educational Service Center contracted services forecasted as flat through Foundation Deduction of $1.6 M annually.

- Increase in General Fund transfers $180k FY22-FY25 to cover Severance payouts to retiring Food Service staff, and also new accounting process for tracking extracurricular transportation costs.

- Unspent building reserves appropriated through FY21-FY25 but very little expenditures will take place through those years causing an inflated appropriation of approximately $600k annually.

- School Board Legal Liability Insurance showing slight increase due to pool action and school district exposure in current social climate.

- Auditor Fees continue to increase annually FY19 $472k, FY20 $550.

***AS WITH EVERY FIVE YEAR FORECAST THE AMOUNTS HAVE BEEN VETTED BASED ON THE MOST CURRENT INFORMATION TO DATE. THIS FORECAST IN PARTICULAR WILL CHANGE BASED ON THE DAILY INFORMATION COMING FROM STATE AND FEDERAL LEVELS BECAUSE OF THE PANDEMIC.**