PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT
RICHLAND COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN GENERAL FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2019, 2020 and 2021 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2022 THROUGH JUNE 30, 2026

Pioneer
CAREER & TECHNOLOGY CENTER
promises. progress. performance.

Forecast Provided By
Pioneer Technology Center School District
Treasurer's Office
Linda Schumacher, Treasurer
November 15, 2021

Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	5,764,636	5,894,776	5,960,197	1.7%	6,086,531	6,050,465	6,079,315	6,107,934	6,136,322
1.020	Public Utility Personal Property Tax	1,001,087	1,762,426	1,953,974	43.5%	1,953,581	1,982,245	1,984,095	1,985,945	1,987,795
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	7,397,544	7,395,158	7,342,426	-0.4%	8,704,236	9,222,479	9,224,115	9,225,750	9,227,403
1.040	Restricted State Grants-in-Aid	3,516,425	3,515,131	3,514,999	0.0%	3,581,746	3,649,828	3,649,828	3,649,828	3,649,828
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	487,121	483,772	477,635	-1.0%	473,664	478,523	480,341	482,141	483,923
1.060	All Other Revenues	1,601,571	1,529,099	1,150,311	-14.6%	452,183	512,411	519,697	527,106	534,640
1.070	*Total Revenues*	19,768,384	20,580,362	20,399,542	1.6%	21,251,941	21,895,951	21,937,391	21,978,704	22,019,911
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	7,992	0.0%	0	0	0	0	0
2.050	Advances-In	118,000	68,344	80,000	-12.5%	95,000	95,000	95,000	95,000	95,000
2.060	All Other Financing Sources	60,166	66,294	102,948	32.7%	27,506	27,506	27,506	27,506	27,506
2.070	*Total Other Financing Sources*	178,166	134,638	190,940	8.7%	122,506	122,506	122,506	122,506	122,506
2.080	*Total Revenues and Other Financing Sources*	19,946,550	20,715,000	20,590,482	1.6%	21,374,447	22,018,457	22,059,897	22,101,210	22,142,417
	Expenditures									
3.010	Personal Services	9,887,926	9,976,885	10,554,842	3.3%	11,187,840	11,627,863	12,223,195	12,819,953	13,446,534
3.020	Employees' Retirement/Insurance Benefits	4,253,529	4,414,531	4,691,741	5.0%	4,952,583	5,272,925	5,637,849	6,023,892	6,437,685
3.030	Purchased Services	1,631,596	1,922,078	1,604,898	0.7%	1,640,996	1,690,225	1,740,932	1,793,160	1,846,955
3.040	Supplies and Materials	555,947	647,640	461,991	-6.1%	475,851	490,127	504,830	519,975	535,575
3.050	Capital Outlay	0	0	0	0.0%	0	0	0	0	0
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	350,000	367,400	380,481	4.3%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	409,700	435,000	455,000	470,000	490,000
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	369,870	354,801	332,973	-5.1%	305,689	285,139	269,514	251,014	234,264
4.300	Other Objects	232,346	248,285	237,233	1.2%	240,351	242,754	245,182	247,633	250,109
4.500	*Total Expenditures*	17,281,214	17,931,620	18,264,159	2.8%	19,213,010	20,044,033	21,076,502	22,125,627	23,241,122
	Other Financing Uses									
5.010	Operating Transfers-Out	825,360	845,100	860,827	2.1%	860,827	860,827	860,827	860,827	860,827
5.020	Advances-Out	47,000	130,000	95,000	74.8%	95,000	95,000	95,000	95,000	95,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	872,360	975,100	955,827	4.9%	955,827	955,827	955,827	955,827	955,827
5.050	*Total Expenditures and Other Financing Uses*	18,153,574	18,906,720	19,219,986	2.9%	20,168,837	20,999,860	22,032,329	23,081,454	24,196,949
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,792,976	1,808,280	1,370,496	-11.7%	1,205,610	1,018,597	27,568	(980,244)	(2,054,532)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,389,937	15,182,913	16,991,193	12.7%	18,361,689	19,567,299	20,585,896	20,613,464	19,633,220
7.020	*Cash Balance June 30*	15,182,913	16,991,193	18,361,689	10.0%	19,567,299	20,585,896	20,613,464	19,633,220	17,578,688
8.010	*Estimated Encumbrances June 30*	245,412	281,659	309,750	12.4%	309,750	309,750	309,750	309,750	309,750

Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	0	0	0	0.0%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	14,937,501	16,709,534	18,051,939	9.9%	19,257,549	20,276,146	20,303,714	19,323,470	17,268,938
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	14,937,501	16,709,534	18,051,939	9.9%	19,257,549	20,276,146	20,303,714	19,323,470	17,268,938
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	14,937,501	16,709,534	18,051,939	9.9%	19,257,549	20,276,146	20,303,714	19,323,470	17,268,938

Pioneer Technology Center School District – Richland County
Notes to the Five Year Forecast
General Fund Only
November 15, 2021

Introduction to the Five Year Forecast
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

Economic Outlook
This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.

As a result, from the financial stresses that responding to the pandemic placed on school district budgets, all career centers are being aided by two (2) rounds of Governors Emergency Relief Fund (GEER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2022.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:
A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1. Being in eight different counties can pose many challenges in determining the increases or decreases in values. The reappraisal cycles for the counties are spread over the full three-year cycle. The reappraisal update was completed in 2020, to be collected in 2021 for Richland, Morrow, and Seneca Counties and will have a full reappraisal in 2023, to be collected in 2024. Crawford and Huron Counties full reappraisal was completed in 2018 collected in 2019 and will have a reappraisal update in 2021 to be collected in 2022.Ashland County had a full reappraisal in 2020 for collection in 2021 and will have a triennial update in 2023 for collection in 2024. Marion and Wyandot Counties full reappraisal was completed in 2019 and collected in 2020 and will have a reappraisal update in 2022 to be collected in 2023. Richland and Crawford Counties valuation is the most significant of all of the counties that we are basing our reappraisal increases on the cycles they follow every three years. Richland County makes up 48% of Class I, 52% of Class II, and 43% of PUPP values for the district. Where Crawford County makes up 28% of Class I, 31% of Class II, and 43% of PUPP values for the district. Combined these two Counties make up 76.6% of Class I, 83.1% of Class II, and 79.6% of all values for the district.

2. With the Rover Pipeline coming online, the district will continue to monitor Public Utility Personal Property tax (PUPP) for disputes. This increase valuation in Tax Year 2018, 2019, and 2020, and has caused a major increase in current and future revenue. It should be mentioned that the taxing authorities billed Rover based on a valuation established by the Ohio Department of Taxation. Rover's first appeal to lower this valuation by 47% was denied. Rover has made payments based on the appealed valuation, which in tax year 2020 was approximately $90 million lower than the value established by the Ohio Department of Taxation. Since the pipeline began making payments

based on the decreased valuation in FY20, the school district has received approximately $790 thousand less than billed. Rover has submitted a second appeal requesting values to be decreased to 38%, and the forecast assumes their appeal is won and the district only receives the lower 38% valuation. The appeal is scheduled to be heard by the Bureau of Tax Appeals beginning May 9, 2022. If the appeal is denied, the district will receive delinquent tax payments for the amounts owed by Rover. This is not assumed in the calculations of this forecast at this time.

3. The state budget represents 60% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4. HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula as calculated by the Ohio Department of Education.

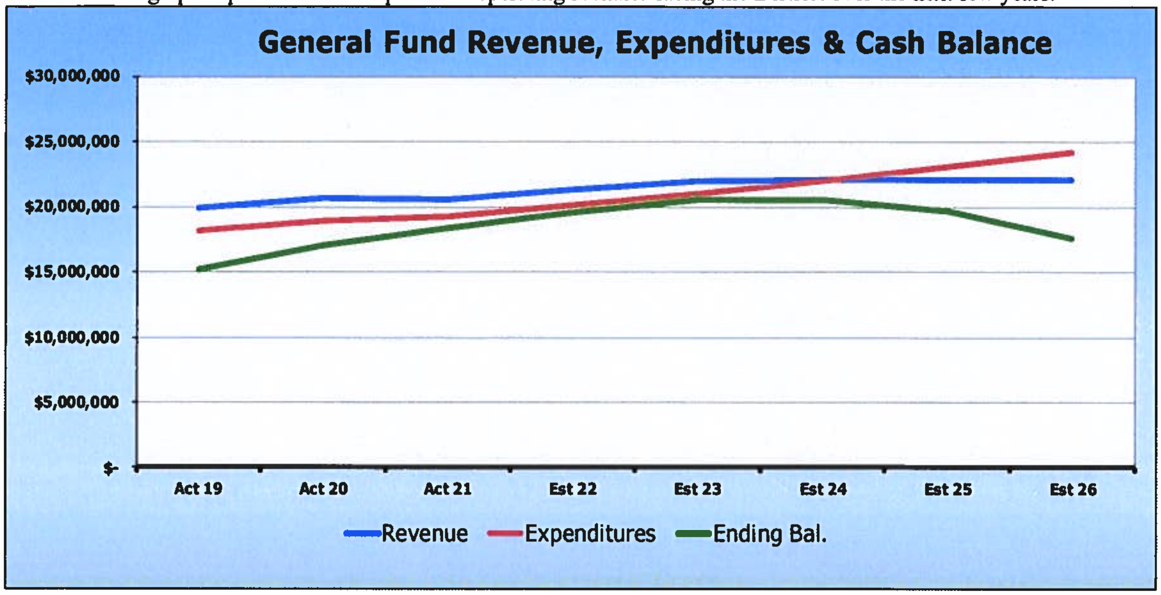
5. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

6. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger. Negotiations for FY22-24 were finalized in early May, 2021.

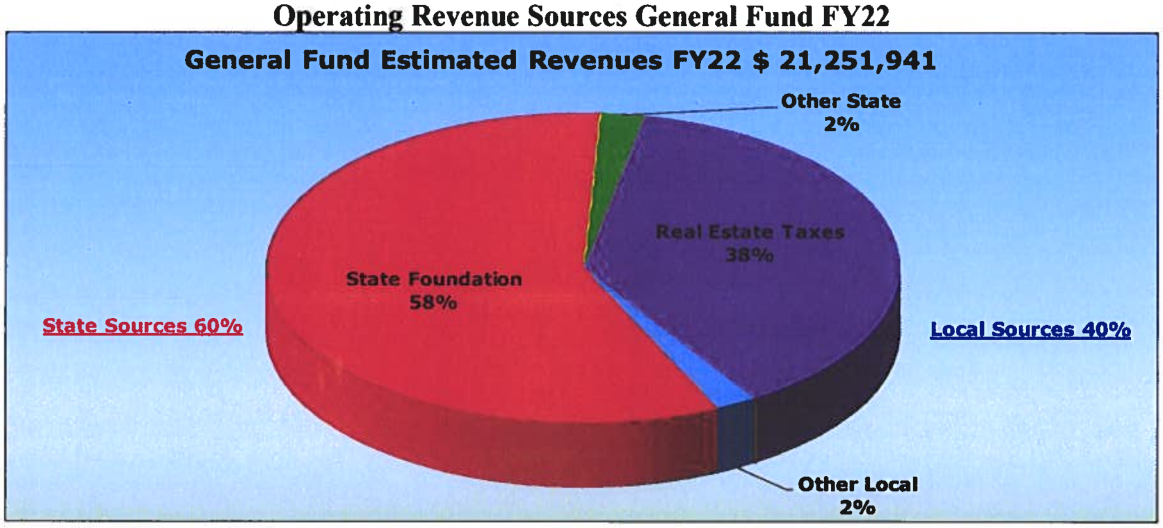
The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Linda Schumacher, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditors in Richland, Crawford, Morrow, Huron, Ashland, Seneca, Wyandot, and Marion counties based on new construction and complete reappraisal or updated values. There was a reappraisal update completed in 2020 for the collection in 2021 for Richland, Morrow, and Seneca Counties which combined make up 59.73% of Class I, 59.59% of Class II, and 49.89% of PUPP. Crawford and Huron Counties had a full reappraisal in 2018 to be collected in 2019 which make up 37.05% of Class I, 38.88% of Class II, and 44.21% of PUPP. Ashland County will had a full reappraisal in 2020 that will be collected in 2021, and makes up 1.91% of Class I, 0.51% of Class II, and 4.79% of PUPP. Marion and Wyandot Counties had a full reappraisal in 2019 collected in 2020, and makes up 1.31% of Class I, 1.00% of Class II, and 1.08% of PUPP.

Class I the residential/agricultural values increased 5.85% or $113 million due to the updates for Richland, Morrow, and Seneca Counties due to an increasing housing market, but was somewhat offset by changes in the CAUV calculations in HB49. There was an increase in the Class II commercial/industrial values of 0.69% or $2.1 million for the update. The 2018 reappraisal, to be collected in 2019, for Crawford and Huron Counties realized a decrease in Class I of 0.27% or $5.2 million, and an increase of 3.25% or $9.4 million in Class II. The full reappraisal in 2023, for collection in 2024, for Richland, Morrow, and Seneca Counties, we are projecting an increase in valuations of 1% or $20.9 million in Class I and a 0.5% increase in Class II for $1.6 million of valuation. The triennial update in 2021 for collection in 2022 for Crawford and Huron Counties, we are projecting an increase in valuations of 1.08% or $22.2 million in Class I and a 1.76% increase in Class II for $5.46 million of valuation.

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Pioneer CTC has 3.7 mills voted that are collecting at 2.6063 in tax year 2020, but the millage rate cannot go any lower than 2 mills at any time. Due to HB920, the districts effective millage will decrease as values increase until they reach the 2-mill floor. In the forecasted period, we are not expecting to reach the 2-mill floor. Increases in collection estimates are due to New Construction being collected at the effective rate in the first year it is taxable.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
Res./Ag.	$2,091,894,802	$2,099,694,802	$2,128,491,750	$2,157,576,668	$2,186,952,435
Comm./Ind.	318,820,311	321,720,311	326,228,913	330,760,058	335,313,858
Public Utility Personal Property (PUPP)	535,368,150	535,868,150	536,368,150	536,868,150	537,368,150
Total Assessed Value	$2,946,083,263	$2,957,283,263	$2,991,088,813	$3,025,204,876	$3,059,634,443

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 97% of the annual amount. This allows 3% delinquency factor. In general, 58% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 74.75% in February and 25.25% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

Estimated Real Estate Tax (Line #1.010)

Source	FY22	FY23	FY24	FY25	FY26
General Property Taxes	$6,086,531	$6,050,465	$6,079,315	$6,107,934	$6,136,322

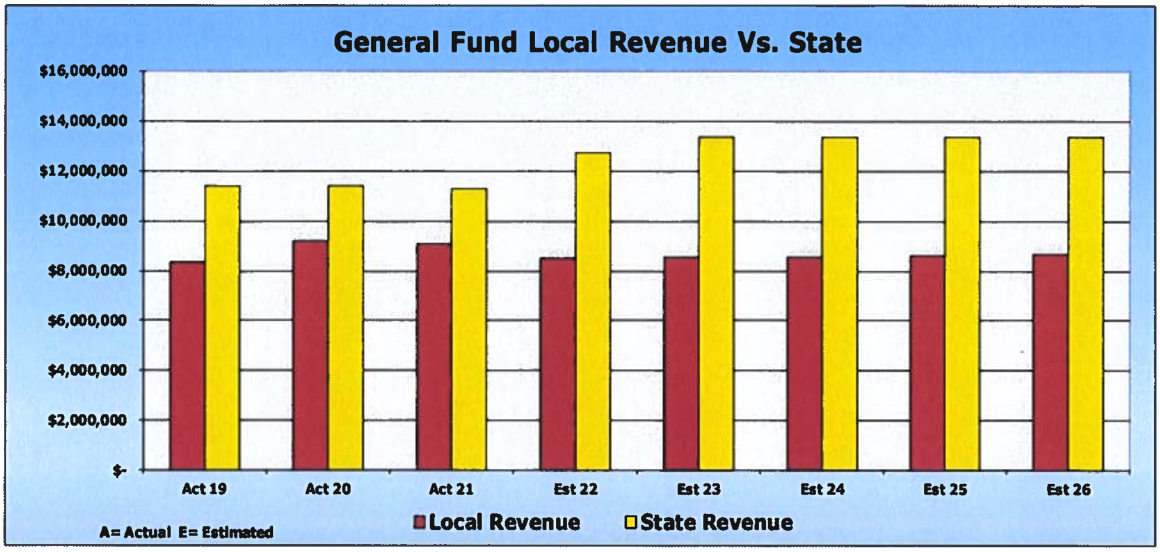
New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Public Utility Personal Tax – Line#1.020

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were $498 million in assessed values in 2020 and are collected at the district's full gross voted millage rate of 3.7 mills. Collections are typically 57.25% in February and 42.75% in August along with the real estate settlements from the county auditor. The values in 2018, 2019, and 2020 increased by 77.69%, 48.35%, and 18.6% or $123.7, $136 million, and $78 million, respectively, due to the Rover pipeline, and are expected to grow by $500 thousand each year of the forecast after depreciation.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property (Line#1.020)	$1,953,581	$1,982,245	$1,984,095	$1,985,945	$1,987,795



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035
The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110, the current formula, introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

Base Cost Approach- Unrestricted Basic Aid Foundation Funding
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

Categorical State Aid
In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
4. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

Joint Vocational Career-Technical Funding in FY22 and FY23

A new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the "special teacher" cost in the base cost computation with the "cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of course assessment," which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates district's cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces the cost computations for academic and athletic co-curricular for a traditional district.
4. Replaces per-pupil dollar amount to a weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit's state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in that fiscal year times the sum of the funding unit's categories one through five career-technical education ADM.

CTE Credential Program: The district may receive a portion of the $8 million for Industry-recognized Credentials for high school student for those that earn an industry-recognized credential or receive a journeyman certification recognized by the United States Department of Labor. Also, the district is to receive funding through the Innovative Workforce Incentive Program for students that have completed the industry-recognized credentials and are career-ready. The district will receive a share of a total of $12.5 million earmarked for this credentialing program that has been set aside at the state level for all of the credentials throughout the state. The Department of Education shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to $1,250 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that is appropriated by the Department of Education is insufficient.

Student Wellness and Success (Restricted Fund 467)
In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budgets Projections Beyond FY23
Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

Casino Revenue
These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$8,561,843	$9,078,449	$9,078,449	$9,078,449	$9,078,449
Credentials Reimbursement	9,159	9,342	9,529	9,720	9,914
Basic Aid-Unrestricted Subtotal	$8,571,002	$9,087,791	$9,087,978	$9,088,169	$9,088,363
Ohio Casino Commission ODT	133,234	134,688	136,137	137,581	139,040
Total Unrestricted State Aid Line # 1.035	$8,704,236	$9,222,479	$9,224,115	$9,225,750	$9,227,403

B) Restricted State Revenues – Line #1.040
HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We believe that Career Technical funding will grow by 2% in FY22-23. At this time we do not have the actual distribution of restricted revenue in HB110 which is anticipated to be released in December, after this submission. We will update this allocation with the May submission.

Source	FY22	FY23	FY24	FY25	FY26
Economically Disadvantaged Aid	$177,633	$177,633	$177,633	$177,633	$177,633
Career Tech	3,404,113	3,472,195	3,472,195	3,472,195	3,472,195
Total Restricted State Revenues Line #1.040	$3,581,746	$3,649,828	$3,649,828	$3,649,828	$3,649,828

State Taxes Reimbursement/Property Tax Allocation – Line #1.050
Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$473,664	$478,523	$480,341	$482,141	$483,923

Other Local Revenues – Line #1.060
This line of the forecast includes open enrollment, fines, tuition from other districts, Medicaid payments, class fees and other miscellaneous income.

HB110 the new state budget will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted as students that attend the district within the Enrolled ADM and will be included in the state basic funding. This change is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. All other revenues are expected to continue on historic trends.

Source	FY22	FY23	FY24	FY25	FY26
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	193,303	251,294	256,320	261,446	266,675
Associated Services and Other	179,380	181,174	182,986	184,816	186,664
Class fees	41,914	42,333	42,756	43,184	43,616
Other Tax - MH	13,519	13,519	13,519	13,519	13,519
Tax Abatement	21,641	21,641	21,641	21,641	21,641
Other Tuition	2,426	2,450	2,475	2,500	2,525
Total Other Local Revenue Line #1.060	$452,183	$512,411	$519,697	$527,106	$534,640

Short-Term Borrowing – Lines #2.010 & Line #2.020
The district in not projecting short term borrowing in this forecast.

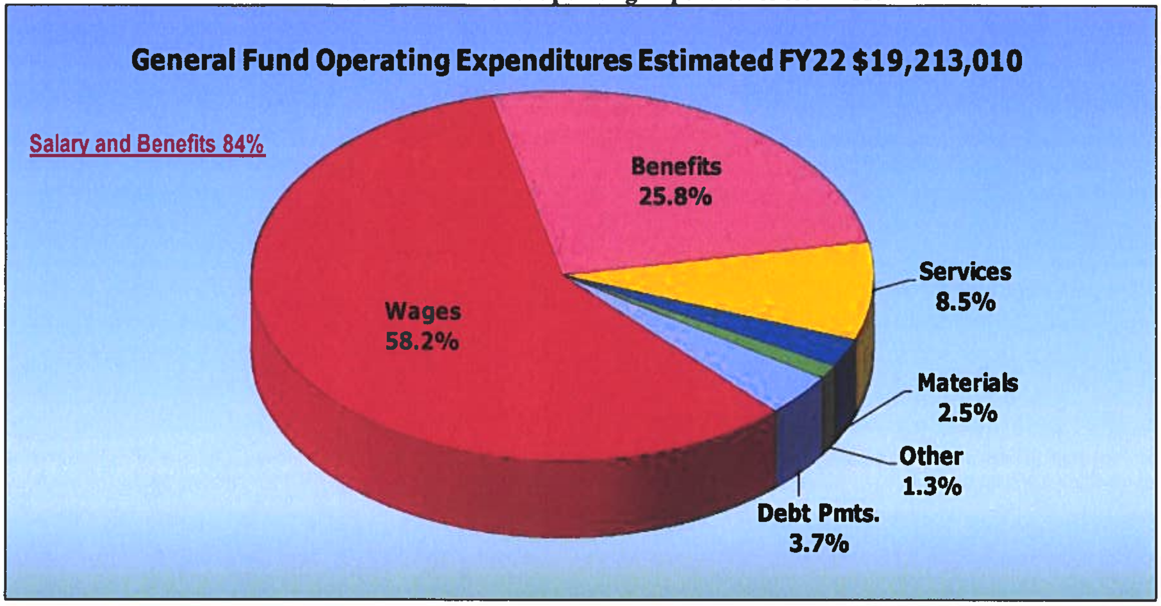
Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. We are not anticipating transfers in at this time, and only advancing in the amount advanced out in the prior fiscal year. Advances in will match the prior year advance out.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	95,000	95,000	95,000	95,000	95,000
Total Transfer & Advances In	$95,000	$95,000	$95,000	$95,000	$95,000

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Sale of Fixed Assets	$22,090	$22,090	$22,090	$22,090	$22,090
Refund of prior years expenditures	5,416	5,416	5,416	5,416	5,416
Total Other Financing Sources Line #2.060	$27,506	$27,506	$27,506	$27,506	$27,506

Expenditures Assumptions
Estimated General Fund Operating Expenditures for FY22:



Wages – Line #3.010
This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here. The forecast reflects base increases of 2% in FY22-23, 2.25% in FY24, and 2% in FY25-26. Also included is 3% step increases in FY22-26 for planning purposes only at this time. Administration and non-represented staff typically will see a similar increase as the collective bargaining contract. However, these are reviewed on a yearly basis. The district will continue to monitor the staffing levels to effectively manage the largest expense for our district. The increases above align with the newly approved negotiated agreement that is in place for FY22-24. The new agreement also includes $500, one-time payments, to members of the bargaining unit. The district will negotiate in the spring of 2024 when this contract ends.

Source	FY22	FY23	FY24	FY25	FY26
Total Wages Line #3.010	$11,187,840	$11,627,863	$12,223,195	$12,819,953	$13,446,534

Fringe Benefits Estimates Line 3.02
This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance
At this time, we are estimating an increase of 4.7% for FY22 and 8% for FY23-26, which reflects trend, and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health

Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.14% of wages FY22-26. Unemployment is expected to remain at a very low level FY22-26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Estimated Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$1,760,874	$1,832,907	$1,927,750	$2,022,821	$2,122,643
B) Insurance's	3,018,986	3,260,505	3,521,345	3,803,053	4,107,297
C) Workers Comp/Unemployment	16,366	16,996	17,849	18,704	19,602
D) Medicare	156,357	162,517	170,905	179,314	188,143
Total Fringe Benefits Line #3.020	$4,952,583	$5,272,925	$5,637,849	$6,023,892	$6,437,685

Purchased Services – Line #3.030

This category accounts for a wide variety of expenses incurred by the District including college credit plus, legal services, contracted educational services, utility costs, mileage/meeting expenses, repairs and maintenance, property insurance along with other charges. We have built in a 3% increase for each year of the forecast at this time.

Source	FY22	FY23	FY24	FY25	FY26
College Credit Plus	$517,764	$533,297	$549,296	$565,775	$582,748
Professional Support	494,012	508,832	524,097	539,820	556,015
Utilities	243,812	251,126	258,660	266,420	274,413
Building Maintenance Repairs and Leases	285,228	293,785	302,599	311,677	321,027
PD/Travel	28,249	29,096	29,969	30,868	31,794
Transportation and Other Tuition	16,842	17,347	17,867	18,403	18,955
Communications, Phone, and Other	55,089	56,742	58,444	60,197	62,003
Total Purchased Services Line #3.030	$1,640,996	$1,690,225	$1,740,932	$1,793,160	$1,846,955

Supplies and Materials – Line #3.040

This category accounts for textbooks, supplies for instruction, office, and maintenance. There is an increase of 3% for each year of the forecast for all areas in this category.

Source	FY22	FY23	FY24	FY25	FY26
Supplies	$268,765	$276,828	$285,133	$293,687	$302,498
Textbooks and Software	158,493	163,248	168,145	173,189	178,385
Building Maint Supplies	35,898	36,975	38,084	39,227	40,404
Vehicles Parts, Fuel, and Tires	12,695	13,076	13,468	13,872	14,288
Total Supplies Line #3.040	$475,851	$490,127	$504,830	$519,975	$535,575

Capital Outlay – Line # 3.050

The district does not anticipate expense in this line for the forecasted period due to equipment items being purchased out of the Permanent Improvement fund.

Principal and Interest Payment – Lines #4.050 and #4.060

Payments on this line are made for the principal and interest on the 2008 OSFC renovation project Certificates of Participation. In March 2015, with interest rates low, the District seized the opportunity to refinance the original COPS issue that funded the renovations completed to the District in fiscal year 2012. The refinance yielded a NPV savings of $458,397 to the District and their taxpayers over the remaining life of the COPS.

Source	FY22	FY23	FY24	FY25	FY26
Principal TANS Line #4.020	409,700	435,000	455,000	470,000	490,000
Interest on TANS & HB 264 Total Line 4.060	305,689	285,139	269,514	251,014	234,264
Total Principal & Interest	$715,389	$720,139	$724,514	$721,014	$724,264

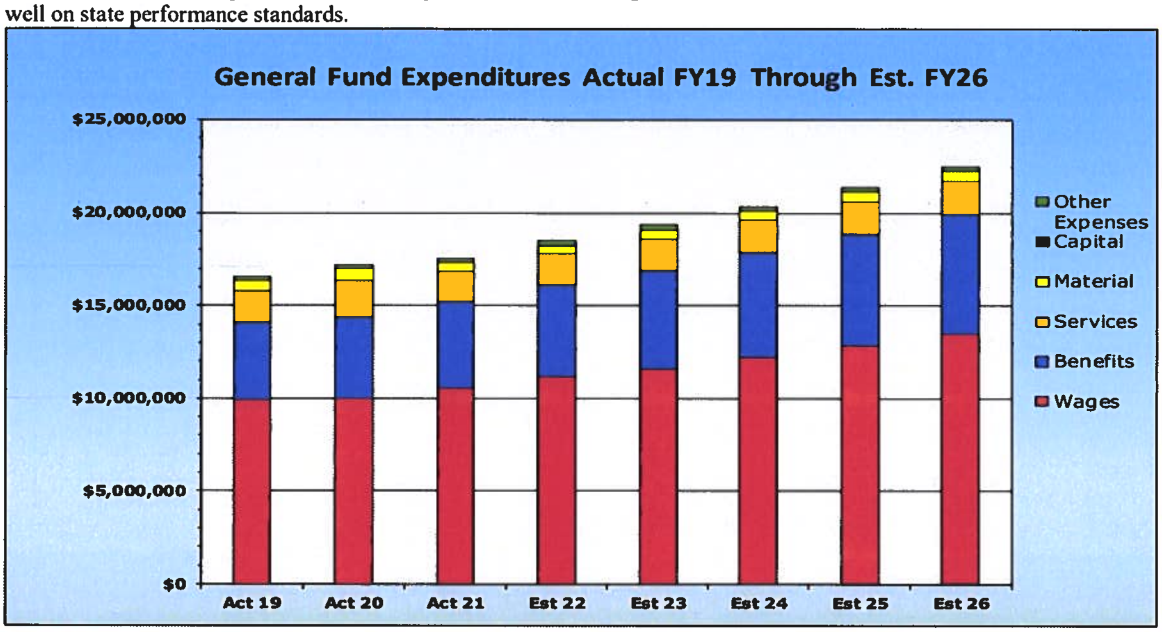
Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the annual financial audit. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA. This line reflects a 1% increase FY22-26. We will continue to monitor, and adjust in future years as necessary.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$165,028	$166,678	$168,345	$170,028	$171,728
Other expenses	25,811	26,069	26,330	26,593	26,859
Annual Audit	30,173	30,475	30,780	31,088	31,399
Memberships	19,339	19,532	19,727	19,924	20,123
Total Other Expenses Line #4.300	$240,351	$242,754	$245,182	$247,633	$250,109

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

As the following graph indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Transfers/Advances Out – Line# 5.010

This account group covers fund-to-fund transfer and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We are anticipating transfers out each year of the forecast to be $860,827 broken down as follows: Maintenance Fund of $425,360, Permanent Improvement Fund of $400,000, and other miscellaneous transfers of $35,467 for FY22-26. At this time, we are not anticipating an increase to this line. Advances is projected to remain $95,000 for FY22-26 and will be paid back in the following year.

Source	FY22	FY23	FY24	FY25	FY26
Permanent Improvement - Transfer	$400,000	$400,000	$400,000	$400,000	$400,000
Maintenance - Transfer	425,360	425,360	425,360	425,360	425,360
Other - Transfer	35,467	35,467	35,467	35,467	35,467
Operating Transfers Out Line #5.010	$860,827	$860,827	$860,827	$860,827	$860,827
Advances Out Line #5.020	95,000	95,000	95,000	95,000	95,000
Total Transfer & Advances Out	$955,827	$955,827	$955,827	$955,827	$955,827

Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment, as the goods were not received in the fiscal year in which they were ordered.

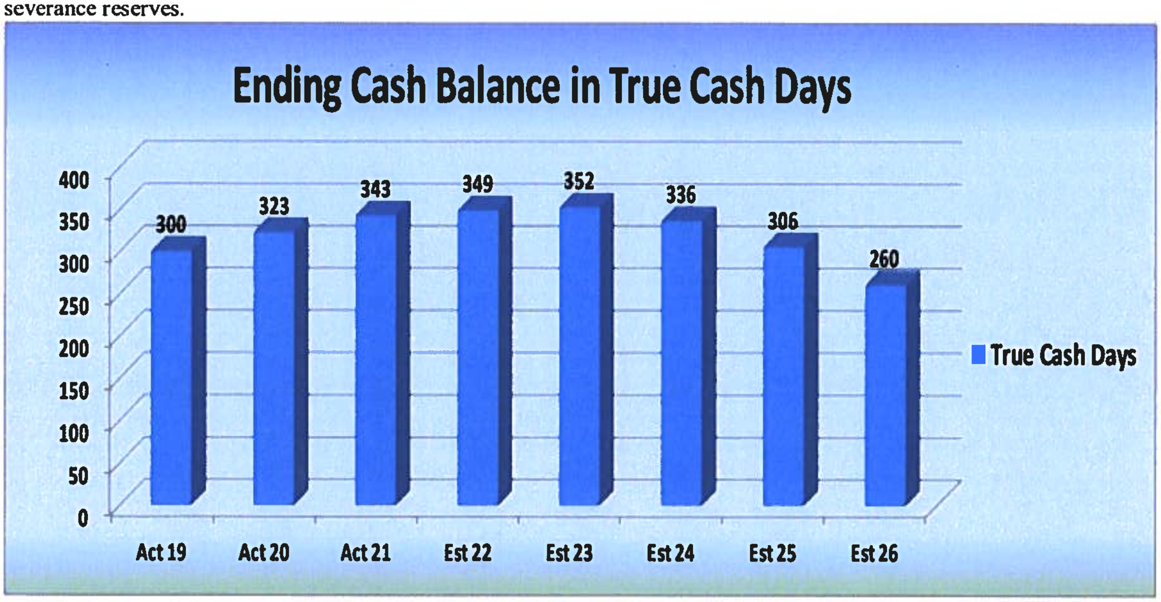
Ending Unencumbered Cash Balance "The Bottom-line"– Line#15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately $1.6 million for our district.

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	$19,257,549	$20,276,146	$20,303,714	$19,323,470	$17,268,938

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.



Conclusion

The actual release of the new Fair School Funding Plan formula has been delayed until December. The district administration will be able to plan for the future needs of our students with the financial stability obtained with the new funding formula, but they will also need to be mindful that there are many risks and uncertainties with the final formula that will need to be considered in future planning, as there are also two new state budgets in the time period from FY22-26.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.

Please direct any questions to:
Linda K. Schumacher, Treasurer
Pioneer Career & Technology Center
Email address: schumacher.linda@pioneerctc.edu

Please visit the Ohio Department of Education website at
https://public.education.ohio.gov/geoDoc/5-yrForecast/