

Madison-Plains Local School District

55 Linson Road SW - London, OH 43140
(740) 852-0290 Phone • (740) 852-5895 Fax

REVENUES

PROPERTY TAX REVENUE

Replacement, Renewal and New Levies

The amounts noted on the forecast model do not include automatic passage of replacement or renewal levies in property tax amounts. When a replacement or renewal levy expires there will be a corresponding decline in estimated property tax revenues. New, replacement and renewal levies may be proposed in the forecast on the appropriate line for planning purposes on lines 11.02 and 13.02, whichever applies. Levies are cumulative on lines 11.03 and 13.03.

Our current levies are:

<u>Millage</u>	<u>Levy Type</u>	<u>Year of Vote</u>
5.10	Inside Mills	
16.00	Continuing Mills	1976
6.00	Continuing Mills	1994
5.85	Continuing Mills	1995
5.00	Continuing Mills	2003
<u>8.00</u>	<u>Operating, 3 year</u>	<u>2007</u>
40.85	Total Voted Operating Mills	
45.95	Total Operating Mills	

* Our 2.5 Mill, Permanent Improvement Levy has been excluded from this table.
This is because it is not included as part of the five year forecast.
This levy was renewed in 2007 for an additional 5 years.

Historically, our tax base has grown each year. One must remember that we do not receive additional revenue from the ordinary growth of our tax base. H.B. 920 passed during the 1970's limits the amount of funds we can collect due to inflationary growth. We do not receive inflationary growth on the voted millage of the district. Because of H.B. 920, school districts across the state are forced to ask their local voters for more money every three to five years. The property tax revenues are based on historical growth patterns, including scheduled updates (next scheduled update is 2011) and reappraisals (next scheduled reappraisal is 2008).

Our last new Operating Levy was passed in May 2005 (and renewed in November 2007), when the voters of the Madison-Plains Local School District passed an 8.00 mill, 3 year, property tax.

The Madison-Plains Local School District has a 6.99 mill Bond Issue on the August 2010 ballot, to build a new K-12 Facility in conjunction with the Ohio School Facilities Commission.

The following table illustrates our tax base:

**Madison-Plains Local School District
 Assessed Valuations**

Tax Year	Collection Year	Fiscal Year	Res.	Comm.	Indust.	Agri.	Total R.E.	Personal Tangible	Public Utility	Total Valuation	Amount Inc/(Dec)	Percent Inc/Dec	Notes
Future Estimates													
2013	2014	2013-2014	123,165,664	10,041,890	6,963,783	50,807,483	190,978,821	8,542,144	12,356,649	211,877,614	2,513,766	1.201%	
2014	2015	2014-2015	135,162,000	11,019,970	7,642,056	55,756,132	209,580,158	8,456,723	12,603,782	230,640,663	2,749,121	1.206%	
2013	2014	2013-2014	133,493,333	10,883,921	7,547,709	55,067,785	206,992,749	8,542,144	12,356,649	227,891,542	18,527,694	8.850%	Update
2012	2013	2012-2013	12,164,510	9,917,916	6,877,811	50,180,230	188,621,058	8,628,428	12,114,362	209,363,848	2,479,036	1.198%	
2011	2012	2011-2012	120,143,309	9,795,473	6,792,899	49,560,721	186,292,403	8,715,584	11,876,825	206,884,812	16,679,270	8.769%	Update
2010	2011	2010-2011	109,479,961	8,926,073	6,189,994	45,161,948	169,757,976	8,803,620	11,643,946	190,205,542	2,235,165	1.189%	
2009	2010	2009-2010	108,128,357	8,815,875	6,113,574	44,604,393	167,662,199	8,892,545	11,415,633	187,970,377	2,203,916	1.186%	
2008	2009	2008-2009	106,793,439	8,707,037	6,038,098	44,053,721	165,592,295	8,982,369	11,191,797	185,766,461	7,031,701	3.934%	Reappraisal
Actual													
2007	2008	2007-2008	102,341,580	8,344,070	5,786,390	42,217,270	158,689,310	9,073,100	10,972,350	178,734,760	(10,853,330)	-5.725%	
2006	2007	2006-2007	107,728,230	8,377,610	5,637,820	43,101,610	164,845,270	13,288,890	11,453,930	189,588,090	(1,524,400)	-0.798%	
2005	2006	2005-2006	106,665,760	8,121,000	5,616,880	42,344,420	162,748,060	16,304,630	12,059,800	191,112,490	9,207,360	5.062%	Update
2004	2005	2004-2005	91,108,970	7,042,640	3,594,860	50,427,640	152,174,110	17,201,400	12,529,620	181,905,130	(6,028,883)	-3.208%	
2003	2004	2003-2004	89,939,940	6,982,760	2,222,040	50,034,100	149,178,840	25,067,963	13,687,210	187,934,013	12,665,513	7.226%	
2002	2003	2002-2003	84,164,750	6,838,440	2,222,040	47,537,490	140,762,720	18,845,010	15,660,770	175,268,500	8,406,977	5.038%	Reappraisal
2001	2002	2001-2002	73,909,710	6,054,680	2,776,660	48,817,160	131,558,210	19,520,203	15,783,110	166,861,523	9,631	0.006%	
2000	2001	2000-2001	72,119,380	6,907,370	3,590,350	48,253,590	130,870,690	18,552,722	17,428,480	166,851,892	3,742,320	2.294%	
1999	2000	1999-2000	70,586,740	5,178,560	3,434,730	47,842,960	127,042,990	19,739,482	16,327,100	163,109,572	22,213,292	15.766%	Update
1998	1999	1998-1999	57,156,980	10,406,990	3,034,840	37,765,190	108,364,000	16,678,630	15,853,650	140,896,280	10,375,660	7.949%	
1997	1998	1997-1998	55,378,650	5,049,720	2,063,760	37,791,200	100,283,330	15,204,920	15,032,370	130,520,620	1,201,265	0.929%	
1996	1997	1996-1997	54,623,530	4,942,260	2,018,010	37,190,430	98,774,230	14,065,565	16,479,560	129,319,355	9,080,625	7.552%	Reappraisal
1995	1996	1995-1996	48,785,750	4,591,830	1,789,410	38,165,210	93,332,200	10,095,210	16,811,320	120,238,730	(5,918,676)	-4.692%	
1994	1995	1994-1995	46,541,140	4,494,060	1,771,480	37,695,250	90,501,930	9,910,346	25,745,130	126,157,406	1,740,356	1.399%	
1993	1994	1993-1994	45,604,000	4,456,910	1,639,450	37,299,670	89,000,030	10,891,870	24,525,150	124,417,050	19,408,631	18.483%	Update
1992	1993	1992-1993	39,132,410	4,412,020	1,730,250	28,177,170	73,451,850	11,380,789	20,175,780	105,008,419	(89,675)	-0.085%	
1991	1992	1991-1992	37,570,550	4,422,230	1,742,790	28,528,360	72,263,930	11,326,840	21,507,324	105,098,094	5,274,654	5.284%	
1990	1991	1990-1991	33,282,410	3,996,780	1,740,470	28,428,060	67,447,720	10,681,130	21,694,590	99,823,440	439,044	0.442%	Reappraisal
1989	1990	1989-1990	30,928,140	4,189,670	1,519,340	34,200,050	70,837,200	8,939,376	19,607,820	99,384,396	2,380,762	2.454%	
1988	1989	1988-1989	29,982,230	4,113,530	1,521,820	34,343,550	69,961,130	6,815,654	20,226,850	97,003,634	5,028,605	5.467%	
1987	1988	1987-1988	29,272,590	3,780,100	1,508,520	34,382,490	68,943,700	3,263,789	19,767,540	91,975,029	(4,843,673)	-5.003%	Update
1986	1987	1986-1987	28,600,030	3,700,150	1,503,410	42,541,140	76,344,730	3,478,472	16,995,500	96,818,702	(247,492)	-0.255%	
1985	1986	1985-1986	28,439,490	3,465,230	1,394,570	42,720,450	76,019,740	3,523,944	17,522,510	97,066,194	411,658	0.426%	
1984	1985	1984-1985	28,295,550	3,400,990	1,372,000	43,524,510	76,593,050	2,944,606	17,116,880	96,654,536			Reappraisal

Income Tax Levies

The Madison-Plains Local School District does not have a school district income tax.

Personal Property Tax Reductions Per HB283

HB283 was adopted in 1999 and will reduce the assessed valuation of the inventory component of personal property tax from 25% to 0% by 2031. Generally, the assessed valuation of the inventory component of personal property taxes will be reduced by 1% beginning with the January 1, 2002 tax year through the 2006 tax year, if statewide total personal property tax revenues increase over the preceding years.

However, beginning January 1, 2007, assessed values on the inventory component of personal property taxes will be the lesser of 24% or the current assessed value if lower, and will be reduced by 1% each year beginning in 2008 until the assessed value is 0%, not later than 2031.

Legislation was passed to hold school district harmless for any losses due to the phase out of the Personal Property Tax. The hold harmless amounts will be based on the calendar year 2005 tangible personal property assessments through both direct reimbursements and offsets in our state aid.

Public Utility Tax Assessment and Refund

On September 2, 1999 Columbia Gas of Ohio filed a constitutional equal protection case with the Ohio Supreme Court to reduce its assessed value on its personal property tax from 88% assessed value to 25%, going back to the 1993 tax returns. The outcome of this case could have three significant ramifications to all school districts in the state. First, there would be refunds estimated to be \$323.3 million, plus interest, due Columbia Gas. Second, other utility companies would follow suit in filing to lower assessed values to 25% going back to 1993. Thirdly, assessed values on public utility personal property would be lowered to 25% for future years. The outcome of this case is indeterminable at this time, but could have significant impact on district revenues during the period of this five year forecast.

In January of 2000 the Ohio State Attorney General announced that a settlement had been reached, the biggest point being that the utility companies involved have agreed to not send the refund of taxes, going back to 1993. They have agreed to forgo the refund in exchange for the lowering of their assessed valuation beginning with the 1999 tax year.

Electric and Gas Utility Deregulation HB5 / SB3 Effective 7/6/99

Effective January 1, 2001 non-municipal owned electric utilities and rural cop-ops will be deregulated in the State of Ohio. All electric company personal property will be reduced to 25% assessed valuation. This will significantly reduce revenues to certain school districts and moderately affect others. Districts on the state foundation formula will receive some additional state revenues to offset the value loss.

Effective May 1, 2001 a kilowatt hour (KWH) tax will begin to be collected. 37.8% of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70% of the PTRF will be paid to school districts who lost revenue as determined by the Ohio Department of Taxation. First distribution will be made to cover costs of fixed sum levies such as debt issues and emergency levies. Next, fixed rate levies would be replaced from 2002 through 2006, and after this a phase out formula would begin.

Distributions from the PTRF will be semi-annually. The earliest the distributions would begin is February 2002.

Since there is no history on the PTRF collections or distributions, or a definitive study by school district on the impact of the assessed value reductions beginning in 2001, the impact on lower property taxes or the amount of additional revenue from the State of Ohio PTRF cannot be estimated. All guarantees of reimbursement from the PTRF will expire by 2016, with the exception of debt levies.

STATE REVENUES

Our state aid or basic funding is included in this area. State aid is subjected to many complex variables and formulas. The Cost-of-Doing-Business factor has been eliminated from the funding formula. The following list the major points of the current funding formula:

State Foundation

The Ohio Department of Education and the Ohio State Legislature did away with the old school funding model known as the SF-3. It has been replaced with the PASS (Pathway to Student Success) Form. the PASS form can now be found on the Ohio Department of Education website.

For each school district, all of the formulae, factors and calculations of the various components of the funding formula are provided for each individual line. There is also a document that gives statewide information on the funding formula.

This document outlines:

1. The factors used in the simulation such as the enrollment and property valuation. The FYs 2010 and 2011 enrollment data and the FY2011 valuations are estimates that were developed for the budget process. The enrollment figures were projected by ODE based on a historical trend model. The valuation projections were provided by the Taxation Department.
2. The formulae for the calculation of the total state and local share for each component of the model.
3. The state funding amounts generated for each component based on the factors and the formulae provided.

Under the provisions of Am. Sub. H.B. 1, the local share of the funding (the charge-off) is applied to the majority of the components of the calculations and the final funding amounts for some districts are capped. Therefore, each line of the report does not give the final state contribution to the districts through this funding formula. For that reason, the second part of the simulation identifies the funding components subject to the charge-off with their respective state share of the calculations and then provides the final state funding components after the application of the gain cap.

Please note: this document only provides a simulation of the funding calculation for each school district and does not show the adjustments or the amounts that will be transferred to other educational entities such as the education service centers, community schools or other school districts through open enrollment, etc.

Rollback and Homestead Reimbursement

Rollback and homestead reimbursement from the State of Ohio will generally grow with new construction, reappraisals, updates and new levies. In years when replacement and renewal levies go off the tax duplicate, revenues in this category will fall. Estimates of rollback and homestead reimbursement for replacement, renewal or new levies are included in the total revenues for the levy on the appropriate line of the forecast.

Other Revenue

Other revenue consists of interest income, student fees, open enrollment and tuition payments from other districts. The district has an active cash management policy that promotes growth of interest income.

Note Proceeds

Currently the Madison-Plains Local School District has no plans to borrow any operating funds.

All Other Financing Sources

The amounts used reflect a conservative increase in funding in this area. Based on historical information, this area of funding should not change more than the 3% increase estimated for each year.

EXPENDITURES

Personal Services

This is the area of the budget which accounts for the salaries and wages of the District's employees.

We are currently in negotiations with both Associations for the next three year contract.

In 2009 the Board of Education approved new three (3) year agreements with both the Madison-Plains Education Association and the Ohio Association of Public School Employees OAPSE/AFSCME Local 4/AFL-CIO, Local 537. The new Master Agreements run through the summer of 2012.

Raises for the term of the Madison-Plains Education Association contract were set at 2% effective for Fiscal Year 2010; 2% for Fiscal Year 2011; 2% for Fiscal Year 2012; with the members of the Association working an extra two days for Professional Development.

Raises for the term of the Ohio Association of Public School Employees OAPSE/AFSCME Local 4/AFL-CIO, Local 537 contract were set at 2% for Fiscal Year 2010; 2% for Fiscal Year 2011; and 2% for Fiscal Year 2012.

A 1.5% increase was used for projection purposes for Fiscal Years 2013 and 2014.

Employees' Retirement / Insurance Benefits

The five-year forecast allows for a modest 15.00% increase in premiums each year. It should be noted that for fiscal year 2009-2010 we experienced a 13.9% increase in Health/Pharmacy premiums.

Purchased Services

Anticipated expenditures in this category are based on historical spending patterns. The largest expenditures in this category are utility bills (electric, gas, telephone) and auditor/treasurer fees. We will be evaluating this category, especially the fuel accounts in August.

Supplies and Materials

This area falls under the H.B. 412 Set-Aside provisions. Since this law has been in effect, the Madison-Plains Local School District has spent more than the required amount for supplies and materials for our children. We anticipate being able to do so for the length of the forecast.

Capital Outlay

The area also falls under the H.B. 412 Set-Aides provisions. In this area we have exceeded the mandated expenditures. For future years the expenditures in this category have been based on historical patterns. For the forecast, only those capital outlay expenditures being paid by the General Fund are reflected here.

Debt Service

The Madison-Plains Local School District currently has one outstanding debt issue. This debt was incurred as part of the HB264, Energy Conservation Program.

Encumbrances

Fiscal Year End encumbrances are based on historical patterns.

ADM Forecast

Prior to fiscal year 2007, school districts were required by the State to perform a student count in October and report this information to the State. The State used this information to determine districts State funding.

With the passage of HB 1, school districts are still required to perform one student count during the school year. This student count will continue to occur in October. Our enrollment projections have been aligned with the projections from the Ohio School Facilities Commission.