

---

 Minutes of REGULAR Meeting
 

---

November 03, 2010

The Twinsburg City School District Board of Education met in REGULAR session on the above date at the Twinsburg Government Center in Council Chambers at 7:00 p.m. The following board members were present: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Shebeck, and Mr. Stuver. Recordings of the meeting are made and kept in the Superintendent's Office.

10-326 **Five Year Forecast**

Mr. Andrews moved and Mr. Stuver seconded the Twinsburg Board of Education approves the Five-Year Forecast; upon the recommendation of the Treasurer. See pages 406-414

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motion approved.*

**Mrs. Cain Criswell moved and Mr. Andrews seconded that the Twinsburg Board of Education adopt resolutions 10-327 to 10-330**

10-327 **Agreement**

That the Twinsburg Board of Education approves a *Viability Agreement* with MSB Services (Waypoint) limited to determining the projected reimbursement of Medicaid funds available to the district; upon the recommendation of the Superintendent.

10-328 **Overnight Trip**

That the Twinsburg Board of Education approves the following over night trips for the girl's basketball team; upon the recommendation of the Superintendent.

November 19-20, 2010, Pickerington Central High School: Pickerington Preview & Scrimmage  
December 28-30, 2010, Pickerington North High School: Key Bank Classic  
January 15-16, 2011, Berlin Hiland High School: Classic in the Country

10-329 **Course of Study PE**

That the Twinsburg Board of Education adopts the new standards-based course of study for Physical Education as approved by the District Curriculum Committee, and upon the recommendation of the Superintendent.

10-330 **Software Program**

That the Twinsburg Board of Education adopts two standards-based software programs, which are adaptable to an individual student's learning level and which can be utilized as the primary instruction for a course or as a supplemental learning tool: A+ Learning and Plato as approved by the District Curriculum Committee, and upon the recommendation of the Superintendent.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

**Mr. Stuver moved and Mr. Crosby seconded that the Twinsburg Board of Education adopt resolutions 10-331 to 10-336**

**10-331 Employment**

That the Twinsburg Board of Education employs the following personnel, Patrick Eustace, to provide home instruction tutoring services at \$23 per hour for the 2010-2011 school year, to be paid from the General Fund; effective immediately; upon the recommendation of the Superintendent

**10-332 Employment**

That the Twinsburg Board of Education approves the following substitutes for the 2010-2011 school year; upon the recommendation of the Superintendent.

**Classified:**

Melissa Mertes: Assistant  
Christine Sakian: Assistant

Wayne Corbett: Bus Driver, Maintenance/Grounds  
Angela Puckey: Cook

**Certified:**

Nicole Adsit	Rhonda Ahmed	April Anderson	Christine Angelo	Connie Bain
John Baker	Bryan Baki	Inger Barnes	Susan Bauck	Yvette Bell
Suzanne Benson	Alyssa Bluhm	Patrick Bulford	Janice Carlton	Ruth Cobb
Keith Crookston	Thomas Cunningham	Scott Danielson	Jason Desantis	Danielle Dietzel
Kevin Dixon	Karianne Dombroski	Danielle Duda	Jennifer Dudinec	Andrew Elliott
Loreen Factor	Jackie Fewings	Liz Gatti	Travis Gingerich	Cara Gozzard
Mariana Hardy	Harron Hartig	Michelle Hay	Elizabeth Herchek	Jacqueline Hersh
Lauren Hoffman	Tia Jipson	Phillip Klein	Camille Kline	Melissa Knepp
Kevin Kreighbaum	April Levack	Lindsey McLaughlin	Stephanie McNally	Heather Meeker
Rebecca Miles	Matt Miles	Jennifer Montagazzi	Laura Murphy	Troy Myers
Amanda Nebbia	Kent Pfeister	Aaron Phelps	Jeremy Pollock	Christine Prebul
Melissa Procop	Deborah Reedy	Ashley Rhodaback	Cassandra Sanford	Kristen Schiopota
Jessica Segen	Kelly Shaffer	Sarah Shonk	Samantha Slider	Daniel Snyder
Suzanne Sobolewski	Edward Stockton	Nicholas Subak	Andrea Surovi	Shonna Talley
Brent Trowbridge	Belinda Weaver	Beth Wheeler	Stephanie Wike	Monica Williams
Carolyn Abrams	Andrew Arnold	Leslie Barnett	Serena Batcher	Hilary Battle
Elizabeth Bennett	Kristi Blazek	Lauren Crolley	James Defranco	Kaitlyn Defrench
Barbara Eaton	Amanda Ferrell	Natalie Forman	Brittney Fowler	Casandra Freeman
Timothy Funk	Lee Gibson	Cena Glass	Andrew Grimes	Nicole Groves
Raphael Grzesh	Jaclyn Harbert	Robert Harper Jr.	Peter Haubert	Christina Hodge
Jared Humphrey	Elizabeth Innamorata	Sharie Hunt	Samuel Jones	Holly Kear
Amy Keller	Kristin Kiland	Gwen Kraeff	Kimberly Krenisky	Dana Kuenzel
Yuliana Kvinta-Vogler	Thomas Langenfeld	Matthew Laurenzi	Amber Lyzen	Joyce Marsek
Virginia Martin	Christine McVay	Sara Pero	Lawrence Rausch	Stephanie Rericha
Rachel Smith	Tina Soric	Catrina Steiner	Teresa White	Alyssa Willett
Stacie Williams	Brittany Wolf			

**10-333 Employment**

That the Twinsburg Board of Education approves the following supplemental contracts for the 2010-2011 school year; upon the recommendation of the Superintendent.

**R.B. Chamberlin Middle School**

7<sup>th</sup> Grade Boys' Basketball: Harry Bendzuck      7<sup>th</sup> Grade Girls' Basketball: John Matune

8<sup>th</sup> Grade Boys' Basketball: Randy Tucker      8<sup>th</sup> Grade Girls' Basketball: Todd Kalkbrenner

**Wrestling**

Middle School Coordinator: Brian Davis

Assistant Middle School Coaches: Gary Sorace & Greg Skoberne

**Bissell Elementary School**

Student Council: Julie Haines

3<sup>rd</sup> Grade Team Leader: Laura Dorland

2<sup>nd</sup> Grade Team Leaders: Stephanie Wrobel/Jennifer Watson

---

Minutes of REGULAR Meeting

November 03, 2010

---

10-334 **Resignations**

That the Twinsburg Board of Education accepts the following staff resignations; Randy Tucker, Middle School girls' basketball coach, and Kurt Kelly, Middle School boys' basketball, coach upon the recommendation of the Superintendent.

10-335 **Transfer of Sick Days**

That the Twinsburg Board of Education approves the following transfer of sick days; upon the recommendation of the Superintendent.

**To: Kathy Murphy for a Total of 17 Days**

**1 Day** John Cairns, Lisa Milano, Linda Sardinsky, Dennis Vay

**2 Days** Melanie Bushey, Jen Farthing, Don Jones, Kim Sevier, Dave Stebbins

**3 Days** Gus Crichlow

10-336 **Leave of Absence**

That the Twinsburg Board of Education approves the following staff leaves of absence; Margaret Mary Hollifield, FMLA May 18, 2010 periodically through February 15, 2011; upon the recommendation of the Superintendent.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

10-337 **Adjournment**

Mr. Crosby moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education adjourn at 7:40 p.m.

Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck..  
The Board President declared the meeting adjourned.

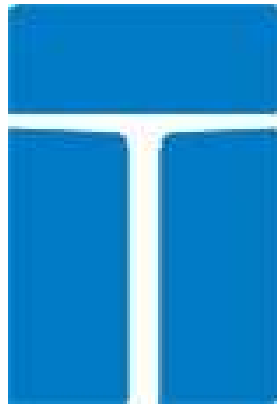
---

Board President

---

Treasurer

**TWINSBURG CITY  
SCHOOL DISTRICT**



***FIVE-YEAR FORECAST***

**For Fiscal Years 2011-2015**

**FY 2011**

**OCTOBER 30, 2010**

**Twinsburg Five Year Forecast for Fiscal Year 2011**

**Date Submitted: 10/27/2010 Date Processed: 10/30/2010**

Line	Actual			Forecasted					
	2008	2009	2010	2011	2012	2013	2014	2015	
1.010	General Property (Real Estate)"	21,995,385	23,185,615	23,742,230	24,125,981	21,400,000	18,800,000	18,800,000	18,800,000
1.020	Tangible Personal Property Tax"	5,203,363	3,430,151	4,762,377					
1.035	Unrestricted Grants-in-Aid"	3,069,549	4,710,144	4,085,484	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000
1.040	Restricted Grants-in-Aid"	13,986	13,171	189	189				
1.045	Restricted Federal Grants-in-Aid - SFSF"			261,343	290,000	130,000			
1.050	Property Tax Allocation"	7,871,788	8,826,732	10,184,883	10,718,839	9,416,300	9,416,300	6,416,300	5,416,300
1.060	All Other Operating Revenue"	1,446,001	921,310	740,242	800,000	730,000	730,000	730,000	730,000
1.070	Total Revenue"	39,600,072	41,087,123	43,776,748	40,015,009	35,756,300	33,026,300	30,026,300	29,026,300
2.050	Advances-In"				40,000	40,000	40,000	40,000	40,000
2.070	Total Other Financing Sources"				40,000	40,000	40,000	40,000	40,000
2.080	Total Revenues and Other Financing	39,600,072	41,087,123	43,776,748	40,055,009	35,796,300	33,066,300	30,066,300	29,066,300
3.010	Personnel Services"	23,357,825	24,199,210	24,930,411	26,800,006	28,000,000	29,000,000	30,100,000	31,700,000
3.020	Employees' Retirement/Insurance Benefits"	7,837,006	9,054,321	9,568,506	10,000,000	10,987,000	11,632,000	12,327,000	12,858,200
3.030	Purchased Services"	2,704,738	2,901,734	3,177,146	4,135,996	4,100,000	4,200,000	4,200,000	4,300,000
3.040	Supplies and Materials"	1,260,883	998,184	961,543	1,209,693	1,250,000	1,325,000	1,350,000	1,400,000
3.050	Capital Outlay"	1,218	5,613	2,656	4,650	6,500	6,675	7,100	7,100
4.050	Debt Service: Principal - HB 264 Loans"	72,543	75,000	78,000	81,000	255,000	259,000	263,000	263,000
4.060	Debt Service: Interest and Fiscal Charges"	44,043	41,559	38,254	33,876	30,074	26,089	21,900	21,900
4.300	Other Objects"	642,352	868,779	880,389	880,654	1,025,000	1,050,000	1,075,000	1,080,000
4.500	Total Expenditures"	35,920,608	38,144,400	39,636,905	43,145,875	45,653,574	47,498,764	49,344,000	51,630,200
5.010	Operational Transfers - Out"	1,007							
5.020	Advances - Out"		-165,000		40,000	40,000	40,000	40,000	40,000
5.040	Total Other Financing Uses"	1,007	-165,000		40,000	40,000	40,000	40,000	40,000
5.050	Total Expenditure and Other Financing Uses"	35,921,615	37,979,400	39,636,905	43,185,875	45,693,574	47,538,764	49,384,000	51,670,200
6.010	Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing"	3,678,457	3,107,723	4,139,843	-3,130,866	-9,897,274	-14,472,464	-19,317,700	-22,603,900
7.010	Beginning Cash Balance"	18,368,082	22,046,539	25,154,262	29,294,105	26,163,239	16,265,965	1,793,501	-17,524,199
7.020	Ending Cash Balance"	22,046,539	25,154,262	29,294,105	26,163,239	16,265,965	1,793,501	-17,524,199	-40,128,099
8.010	Outstanding Encumbrances"	452,927	543,259	483,452	450,000				
10.010	Fund Balance June 30 for Certification of Appropriations"	21,593,612	24,611,003	28,810,653	25,713,239	16,265,965	1,793,501	-17,524,199	-40,128,099
11.020	Property Tax - Renewal or Replacement"					2,600,000	5,200,000	5,200,000	5,200,000
11.300	Cumulative Balance of Replacement/Renewal Levies"					2,600,000	7,800,000	13,000,000	18,200,000
12.010	Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations"	21,593,612	24,611,003	28,810,653	25,713,239	18,865,965	9,593,501	-4,524,199	-21,928,099
15.010	Unreserved Fund Balance June 30"	21,593,612	24,611,003	28,810,653	25,713,239	18,865,965	9,593,501	-4,524,199	-21,928,099

## INTRODUCTION:

A prudent reader should not make assumptions or believe that this forecast by its nature conveys anything more than an indication of a probable future financial position of the School District. Events and circumstances frequently do not occur as expected and will significantly alter the outcomes and results of the forecast and assumptions. Therefore, professional sophistication, due diligence, caution, and care are required when using and interpreting forecast information.

The Five-year Forecast is a critical planning document for the Twinsburg City School District. Forecasts are built on assumptions and current state and federal laws that *can, will* and *do* change over time. The forecast, numbers and assumptions while made in good faith cannot be guaranteed.

The Five-year Forecast is designed to provide the administration, board of education and the public a **general indication** of a probable future financial position of the School District based on information currently available to the School District. The reasonableness and accuracy of this forecast and assumptions rest with the district administration and the Board of Education.

In 1999 House Bill No. 412 mandated that school districts annually produce a five-year forecast by December 31 and update the forecast as necessary. The Forecast documents and provides the transparency necessary to keep all stakeholders informed of the District's projected financial position. If a district entered Fiscal Emergency, one could not claim "I did not know". Current statute requires the Forecast be submitted by Oct. 31 with an update due in April or May.

The Five-year Forecast is a necessary tool focusing management's attention on future financial needs while facilitating strategic planning and discussion. The financial plan should provide for the optimal allocation of scarce resources in the delivery of services to our kids. What follows is our attempt to create a forecast using professional judgment within the philosophical base rooted in four key concepts. It is a look into the future through a snapshot of today.

- **REALISTIC** - We all want the best for our children. Yet there are economic realities that dictate what is possible for our school district. Our future should be realistic given our unique circumstances.
- **CAUTIOUS** – A cautious approach is neither overly optimistic nor pessimistic. It seeks the prudent path in predicting revenues and expenditures.
- **PROBABLE** – Given the current circumstances and the goals of our school district, this is the forecast that is most likely to occur.
- **SUPPORTABLE** – A good set of projections needs to include the rationale for assumptions. This is a combination of historical trends, current conditions and professional judgment about the trends.

It's important to note the Ohio Supreme Court has ruled and reaffirmed its ruling through appeal that the current method of funding public education in Ohio is *Unconstitutional*. The legislature has made attempts to comply with the DeRolph decisions and correct the funding method that overly relies on local property taxes, but to date the ruling has not been satisfied.

**During these uncertain economic times the administration and Board of Education endeavor to contain expenditures and continue to examine areas to make future resource reallocations. Our goal is to create dynamic curriculum and learning environments that challenge all students' creative, analytical and critical thinking abilities and skills beyond standardized requirements. Our focus on student achievement has garnered multiple "Excellent with Distinction" ratings from the Ohio Department of Education. Our focus on fiscal responsibility has earned the "Making Your Tax Dollars Count Award" for excellence in financial reporting as presented by Auditor of State Mary Taylor and numerous Certificates of Achievement for Excellence in Financial Reporting as awarded by the Governmental Finance Officers Association.**

**RECENT EVENTS:****CHRYSLER PLANT CLOSING:**

The Twinsburg School District (the School District) was informed on May 1, 2009, that the Chrysler Stamping Plant located in Twinsburg will be closing March 2010. While the closing was not completely unforeseen the timing of the closing was unexpected. This plant is the largest employer in Twinsburg and among the largest in Summit County. Chrysler has paid approximately \$450,000 annually in real property taxes to the School District. On March 10, 2010 the facility was sold to Maynards Industries, a firm that dismantles and sells off industrial facilities and equipment. The property's valuation and real estate taxes are expected to be substantially reduced.

**STATE OF THE STATE:**

Governor Ted Strickland in his January 28<sup>th</sup> 2009 State of the State address proposed sweeping changes to the way schools are funded in the State of Ohio. This is a comprehensive reform of the current funding model to a new Ohio Evidence Based Model (OEBM). The intent is to increase the State's share of educational funding and increase aid to low-wealth districts. The concern for the School District is that a portion of the reimbursements for the loss of Tangible Personal Property Tax may fall under the new funding model caps, resulting in reduced funds for the Twinsburg Schools.

**FINANCIAL CRISIS:**

The federal government's efforts to stem the tide of the financial meltdown has added hundreds of billions if not trillions of dollars to an already staggering national debt. Hundreds of billions to bail out the banks and other financial institutions; tens of billions more for the auto industry; \$275 billion for homeowners and mortgage lenders; and a giant \$787 billion stimulus package to jump-start an economy spiraling downward. The Economic Stimulus is shifting us from an economic crisis to a debt crisis! The national debt is \$13.5 Trillion. Nearly fifteen percent of federal revenues are used to pay interest on federal debt, second only to spending for the social programs of Health and Human Services, HUD and food stamps. It is doubtful the federal government's economic stimulus packages can be sustained at current levels going forward. The State of Ohio is facing a multi-billion dollar budget shortfall. Consequently, talk around Columbus is the State will need to make substantial cuts to the next biennium budget of approximately 22% and schools will not be spared the ax.

**HOUSE BILL 66:**

State legislation, House Bill 66 (HB66), enacted July 1, 2005 eliminates the taxation of *Tangible Personal Property* (TPP). Real Property Taxes along with Tangible Personal Property Taxes, were the major sources of funding for our School District, accounting for approximately 83% of revenues while state foundation support provided about 8%. The School District will receive no increases in these key sources of funding. The Ohio Department of Education (ODE) and the Ohio Department of Taxation (ODOT) have jointly developed spreadsheets to assist with the TPP phase out. For further documentation see HB66 at [http://tax.ohio.gov/divisions/personal\\_property/PPT\\_law\\_changes\\_070303.stm](http://tax.ohio.gov/divisions/personal_property/PPT_law_changes_070303.stm) and visit the ODE web site [www.ode.state.oh.us](http://www.ode.state.oh.us).

**BUDGETARY COST CUTTING:**

The School District has and continues to make substantial efforts to contain and reduce costs. Through attrition and cost cutting measures the School District has permanently cut over one million dollars, on an annual basis, from the District's budget. Renegotiating service contracts, upgrading equipment, consortium buying, grant opportunities, and scrutinizing hiring practices, for example, have reduced overall costs.

It is important to note the May and October forecasts will differ. October assumptions are derived from estimates based on historical trends and information available at the time of the filing. The May forecast takes into consideration nine months of actual revenue and expenditures and estimates for the last three months of the fiscal year, thereby providing a clearer picture of this fiscal year. The current forecast as presented is used as the base year to which future year projections are based.

**LEVY:**

The Twinsburg School Districts appreciate the support of our local community. At the November 6, 2007 elections voters renewed a 6.9 mill current expense operating levy and a 2.75 mill permanent improvement levy. In November 2004, voters approved a 4.65 mill Emergency levy, generating four million dollars annually. Fiscal year 06 was the first full year of collections for this Emergency levy. This levy was overwhelmingly renewed at the November 2008 elections. Lastly, a 6.9 mill Emergency levy originally approved in 2001 will be eligible for renewal at the November 2, 2010 election.

**JOB WELL DONE:**

For the third consecutive year, Twinsburg City School District received the highest academic rating, "Excellent with Distinction", on the Ohio Department of Education Report Card. Three times the School District has received the prestigious "Making Your Tax Dollar Count Award" given by Auditor of State, Mary Taylor, CPA. While attaining these ratings and awards, the School District has closely watched expenditures looking for ways to reduce costs and getting the most for each tax dollar. As a result, our current per pupil expenditures are below the state average.

**REVENUES:*****Line 1.010 - Real Estate Taxes***

The Housing Market/Home Mortgage fiasco has prompted Ohio Department of Taxation Officials to warn districts that Real Estate Valuations may not increase and could actually decrease. Previously noted, on March 10, 2010 the Chrysler facility was sold to Maynards Industries, an industrial liquidator. As the property is dismantled and disposed, the taxable value is expected to be reduced. The reduction is reflected in the real property taxes. Monitoring of real property tax collections is crucial as it represents over 56% of revenues.

***Line 1.020 – Tangible Personal Taxes***

State Budget Bill HB66 is legislation to eliminate the tax that businesses pay on virtually all Tangible Personal Property. For fiscal year 2005, TPP tax collections represented \$9.8 million or approximately 28% of revenues the School District received. The State will reimburse districts for five years the amount of lost revenues and then incrementally eliminate this reimbursement by 2018. The reimbursement is frozen based on tax year 2004 values and will come to the School District via a combination of state's education fund payments and direct payments.

According to HB66 legislation the TPP phase out was to begin in tax year 2011. The current State biennium budget forestalls the phase out until 2013 when the district will lose \$3.7 million. The \$3.7 million expands by approximately \$1 million per year until the base year TPP taxes of \$9,758,263 are eliminated by 2018 and the District is faced with a *FISCAL EMERGENCY*.

***Line 1.035 – Foundation Program***

The Foundation Program is the State's aid program for school district operations. HB 1 renamed the SF-3 Foundation form to the PASS (PATHway to Student Success) form for fiscal year 2010. The State's latest biennium budget runs through June 2011 and state budget data beyond fiscal year 2011 is not available. Due to the School District's relatively high ratio of property value per pupil, foundation aid from the State is and will remain a relatively minor portion of total revenue. Future years are very speculative in



---

**Minutes of REGULAR Meeting****November 03, 2010**

---

light of recent State budget shortfalls and some State officials stating they feel public education is adequately funded.

Eroding local resources, charter schools, EdChoice and autism scholarships draw State Foundation Aid right off the top and not the per pupil allocation the School District actually receives. Furthermore, charter schools never have to pass levies and operate outside many of the legal requirements and unfunded mandates placed on public schools.

***Line 1.050 – Homestead and Rollback including Direct TPP payments***

Homestead and Rollback payments come from the State. These payments represent the reimbursement of a 10% discount given property owners and an additional 2.5% discount is given to owner occupied parcels. Direct payments from the State to reimburse for TPP tax revenue losses will flow through this line as required by the Auditor of State. Instead of speculating on the percentage of reimbursement to flow through the foundation payments, we show the reimbursements as direct payments to line 1.050 going forward. As funds are received and posted to the appropriate line, the total amount of funds from the State will be equal in total but may be allocated in different proportions between line 1.035 and line 1.050.

***Line 1.060 – All Other Sources***

All other revenues include interest on investments, tuition, rental fees, and miscellaneous receipts.

**EXPENDITURES:**

***Line 3.010 – Personal Services***

Salaries for fiscal 2011 are based upon the current contracts for staff. Student population is projected to continue to grow thus increasing staffing needs. Five new certificated positions were filled for the 2008 fiscal year. Expansion of class offerings also increases staffing demands. The School District currently offers Chinese as a foreign language to help graduates compete in the global economy.

With the past fiscal challenges, staffing has been and continues to be closely scrutinized. Several positions including two assistant principals, a business manager, director of technology and special projects coordinator to name a few, have not been filled. In light of looming deficits and with salaries and benefits accounting for nearly 87 cents of every dollar spent in fiscal year 09 the School District may fall short of future staffing expectations. Recent collective bargaining agreements contain increases below two percent.

***Line 3.020 – Employee Retirement and Insurance***

Fringe benefits are calculated as a percentage of total salaries and wages. Costs for benefits include 14% for retirement (STRS and SERS), 1.45% for Medicare (for employees hired after 1986). Worker's comp premiums are on the rise. Health Care costs continue to increase at about 10% annually. Since 1999, health care costs have nearly tripled and continue to out-pace inflation.

***Line 3.030 – Purchased Services***

Purchase Services represent items from insurance to copier leases to legal fees to health/nursing related services to tuition costs for students educated by other districts. Also increasing are the costs for services for special needs students, test scoring, and professional development. The School District utilizes the buying power of the Ohio School Council Consortium for electricity and natural gas. The School District has a utility sharing agreement with the city's fitness center. We budget the entire utility cost and are subsequently reimbursed by the city.

***Line 3.040 – Supplies and Materials***

This includes educational supplies and consumables, as well as cleaning supplies. Additionally, bus fuel, tires and repair parts for the School District's fleet of buses are incorporated in this category. The

School District participates in several purchasing consortiums to reduce expenditure costs on routine purchases.

**Line 3.050 – Capital Outlay**

The Permanent Improvement fund is used for capital expenditures. The School District has not budgeted substantial resources for equipment, fixtures, furniture and textbook purchases from the General fund.

**Line 4.300 – Other (Expenditures)**

The major expenditures for this category are non-discretionary fees associated with the Summit County tax collection process in addition to fees the State charges. These fees are set by laws and cannot be changed by school districts. Also in this category are audit costs, ESC costs, membership fees, etc.

**Lines 4.020 to 4.060 – Repayment of Debt Service**

January 2003 the School District undertook a House Bill 264 Energy Conservation Project. The \$1.2 million is financed via reductions in utility expenditures realized by this energy conservation initiative. Currently, we are just completing a similar project at the high school replacing lighting, boilers and controls.

**WHERE HAS ALL THE MONEY GONE?**

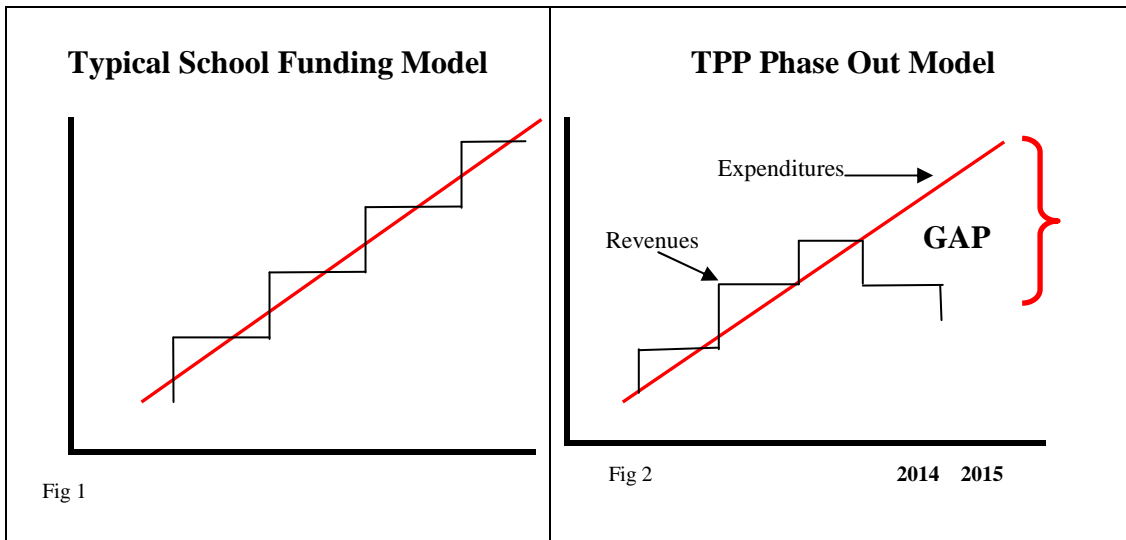
A recent Cleveland Plain Dealer editorial from Sunday October 24, 2010 entitled “Schools need long-term FIXES, MONEY today” states “public schools are in deep, deep trouble.” It continues with “... excellent districts are imperiled by a shrinking tax base, rising number of needy and disabled students, galloping costs for special education, equipment, textbooks and services and a tide of new unfunded state mandates.” “These problems are likely to get worse as Ohio grapples with an anticipated \$8 billion budget deficit next year.”


At the national level, Federal spending has ballooned the national debt to \$13 trillion. This is one trillion less than the country’s annual GDP. At some point the Federal Government will reach the limits of deficit spending. At the local level voters are frustrated with the overall level of taxation they must bear. Voter fatigue manifests itself in the ever increasing push back as districts attempt to obtain additional levy funding. Unfortunately, a school levy is one of the few places voters can voice their frustration with the system.

**LOOMING FINANCIAL CRISIS**

Twinsburg School District currently has a significant fund balance. This is one time money that will be used to balance the budget over the next 3-4 years. THEN IT WILL BE GONE!!! The TPP Phase out model (figure 2) shows the huge GAP left as TPP Phase-out Dollars are reduced by \$3.7 million in 2014, \$4.7 million in 2015, until \$9 million is eliminated by 2018. Fund balance precipitously falls as TPP reimbursements are systematically eliminated.

***This serves as Notice: The significant fund balance as of June 30, 2010 will be gone in a very short period of time. Fund balance dollars will fill the GAP left by the loss of TPP phase-out reimbursements and will stretch to cover the additional financial demands as noted in the Plain Dealer editorial above.***



 **The State Budget Bill HB66 is having a Tremendous Impact on Twinsburg Schools as the Tangible Personal Property Tax revenue is phased out by 2018. That will require *major budget cuts*, including staff reductions unless replacement revenues can be obtained.**

**CONCLUSION:**

Future revenue streams are very soft numbers in light of the State’s reluctance and inability to fully fund education in Ohio. The State budget is for two years and the State does not provide any reliable budget data beyond June 2011. Furthermore, HB66 demonstrated the State’s ability and willingness to significantly alter the collection of Local Tax Revenues upon which the Twinsburg School District depends. The State Budget Bill HB66 is still causing uncertainty and increasing the level of forecasting difficulty.

This forecast is developed using the current fiscal year’s expenditures, weighted appropriations and estimates of expenditures for the next four years. The School District’s major sources of revenue for the current fiscal year are property taxes as certified by the Summit County Fiscal Officer and State Foundation Aid from the new PASS funding document. As part of the administrations fiduciary duties, continual efforts are made to reduce expenditures below trend and to find additional sources of revenues. These efforts manifest themselves in the forecast as variations and fluctuations over time and are not indicative of miscalculations but longitudinal dynamics.

Public education is facing a difficult road ahead. The challenges are to provide an ever increasing level of services to children with diverse abilities, needs, backgrounds, cultures, and requirements. This must be done with a level of funding that is neither stable nor predictable. The OEBM model, HB66, Charter Schools, and expanding voucher programs are perniciously nibbling away at public education funding. Oftentimes factions are more concerned with their own special interests than what is best for the education of all students.

---

Minutes of REGULAR Meeting

November 03, 2010

---

Twinsburg City School District continues to face significant challenges. During the 1990's there was significant residential and business growth. Prior reports reflect property value growth and a considerable increase in student population. However, as the State struggles with a recessionary economy, state support of schools, libraries and the like, has been reduced. State budget shortages and elimination of tangible personal property taxes negatively impacts our prognostication.

Will there some day be communities in Ohio where public schools as we know them do not exist?

Respectfully Submitted  
Martin Aho, Treasurer/CFO