

The Twinsburg City School District Board of Education met in REGULAR session on the above date at the Twinsburg Government Center in Council Chambers, 10075 Ravenna Rd, Twinsburg, Ohio, at 7:00 p.m. The Meeting was also livestreamed due to health and safety concerns attributed to the COVID-19 pandemic and limits on public attendance. The following Board Members were present: Mr. Curtis (President), Mrs. Davis (Vice-President) (virtual), Mrs. DeFabio, Mr. Felber, and Mrs. Gordon (virtual). In attendance were Superintendent Powers, Treasurer Aho, and Business Manager Welker. Recordings of the Board of Education meeting are made as part of the official record. Video recordings and Board approved Minutes are available on the District's web site. Mr. Curtis, presiding, called the meeting to order.

ADMINISTRATIVE REPORT

- Five Year Forecast - Martin Aho, Treasurer
- Recommendation for the 2020/2021 Academic Calendar -
Kathryn M. Powers, Superintendent
- Presentation of Survey Data Regarding COVID-19 & Remainder of the 1st Semester -
Kathryn M. Powers, Superintendent

20-422 Tax Advances

Mr. Felber moved and Mrs. DeFabio seconded that the Twinsburg Board of Education approves the following resolution authorizing the advance of local taxes by the Summit County Fiscal Officer for the Tax Year 2020 and payable in 2021:

RESOLVE that the Twinsburg Board of Education approve the following resolution authorizing the advance of local taxes by the County Fiscal Officer for the tax year 2020 and payable in 2021:

WHEREAS, Section 321.34(A)(1) of the Ohio Revised Code states in part: When the local authorities by resolution so request, the county auditor or fiscal officer shall pay the treasurer of any board of education any money that may be in the county treasury to the accounts of the local authorities, respectively, and lawfully applicable to the purpose of the current fiscal year in which the request is made.

WHEREAS, this resolution is in the public interest and serves the public good.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Twinsburg City School District, Summit County, Ohio, that:

Section 1. **Board Declarations**. That the Board declares the necessity of receiving advance of local taxes for the prompt and efficient operation of the School District and directs the County Fiscal Office to make such tax advances for tax year 2020, and payable in 2021, to the Twinsburg City School District, per Section 321.34 of the Ohio Revised Code.

Section 2. **Compliance with Open Meeting Requirements**. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 3. **Captions and Headings**. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof.

Section 4. **Effective Date**. This Resolution shall be in full force and effect from and immediately upon its adoption.

*Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon.
The Board President declared the motion approved.*

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20-423 Five Year Forecast

Mr. Felber moved and Mrs. Davis seconded that the Twinsburg Board of Education approves and adopts the Twinsburg City School District's Five-Year Forecast and assumptions for School Years 2021-2025 as prescribed by ORC 5705.412 and 5705.391..

See pages 413-420

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, and Mr. Felber.

Nay: Mrs. Gordon

The Board President declared the motion approved.

Mrs. DeFabio moved and Mrs. Davis seconded that the Twinsburg Board of Education adopt resolutions 20-424 to 20-426.

20-424 Employment

That the Twinsburg Board of Education accepts the Certificated/Licensed Personnel and/or contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

CONTRACTS		Certificated Staff Recommendations			
Name	Position	Bldg.	Rate	Effective	Notes
Pereira, Antonio	Spanish Teacher	Gr. 9 – 12 @ Dodge & RBC	BA Step 1	1/11/21	One-year Limited Contract per the MOU with TEA, prorated for 20/21.

LEAVE OF ABSENCE		Certificated Staff Recommendations			
Name	Position	Bldg.	Effective	Days	Notes
Bonitz, Ryan	Teacher	Gr 4-6 @ THS Gr 10-12 @ RBC	11/23/2020 – 1/08/2021	23 days	FMLA concurrent with sick leave
Craig, Melissa	Teacher	Gr 4-6 @ THS	11/13/2020 – 11/24/2020	8 days	FMLA concurrent with sick leave
Velbeck, Brian	Teacher	Gr 4-6 @ THS	2/09/2021 – 3/09/2021	25 days	FMLA concurrent with sick leave
Ziska, Mallory	Teacher	Gr 2 & 3 @ THS	11/20/2020 – 1/24/2021	31 days	FMLA concurrent with sick leave

RETIREMENTS		Certificated Staff Recommendations		
Name	Position	Bldg.	Effective	Notes
Sherer, Michael	Teacher/ Athletic Trainer	THS	5/28/2021	Resignation for purpose of retirement – 23 year of service to the District

SUBSTITUTES		Certificated Staff Recommendations		
Name	Certification/ Licensure	Effective	Per Diem Rate	Notes
Favalon, Blake	1 Year Temporary Multi Age (P-12) License (Music)	11/19/20 – 1/08/21	\$105.00/day	Long-term substitute for Ryan Bonitz
Zemanek, Laura	1 Year Substitute Multi-Age PK-12 (Integrated Science, Spanish)	11/23/20 – 2/22/21	\$105.00/day	Long-term substitute for Shelly Anderson

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ADMINISTRATIVE SUBSTITUTES		Certificated Staff Recommendations	
Name	Certification/Licensure	Effective	Daily Rate
Green, Eugenia	5-Year Professional High School Principal (7-12) License	2020/2021	\$345/day

20-425 **Employment**

That the Twinsburg Board of Education accepts the Classified Personnel and/or contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

CONTRACTS		Classified Staff Recommendations			
Name	Position	Bldg.	Rate/Step	Effective	Notes
Daugherty, Megan	Lunchroom/ Playground Assistant	Wilcox	\$14.35/hr.	11/09/20	193 days per contract year, prorated for the 2020/2021 school year. One-Year contract per MOU with the TSSA
Monday, Kelly	Cook	RBC	\$14.09/hr.	11/16/20	Replacing Joanne Shimensky who resigned
Sindelar, Jessica	Lunchroom/ Playground Assistant	Dodge @ THS	\$14.35/hr.	11/16/20	193 days per contract year, prorated for the 2020/2021 school year. One-Year contract per MOU with the TSSA

LEAVE OF ABSENCE		Classified Staff Recommendations			
Name	Position	Bldg.	Effective	Days	Notes
Mackey, Monica	Night Custodian	Bissell	10/09/20 – 1/04/21	56 days	Intermittent FMLA not to exceed 60 days in a year

20-426 **Employment**

That the Twinsburg Board of Education accepts the Supplemental Contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

EXTRACURRICULAR				
Name	Contract	Bldg.	Effective	% of Base
Benedetti, Margaret	Gymnastics Varsity Head Coach	THS	2020/2021	14.00%
Stuart, Lindsey	Swimming Assistant Head Coach	THS	2020/2021	0.77%

*Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon.
The Board President declared the motions approved.*

Mrs. DeFabio moved and Mr. Felber seconded that the Twinsburg Board of Education adopt resolutions 20-427 to 20-429.

20-427 Inventory Deletions

That the Twinsburg Board of Education approves the attached listing of Media Center items to be deleted from inventory, as sent to Board under separate cover.

20-428 Donation

That the Twinsburg Board of Education accepts a donation from Ohiopyle Prints, Inc., 410 Dinnerbell Rd, Ohiopyle, PA 15470 to Grades 9-12 (Twinsburg High School) in the amount of \$243.92 (donation from the sale of Twinsburg apparel at local retailers) to be used for miscellaneous instructional supplies.

20-429 Agreement – Ed Alternatives

That the Twinsburg Board of Education approves the Service Agreement with Education Alternatives to provide Special Education services for one (1) student to attend Education Alternatives in Cuyahoga Falls for the remainder of the 2020/2021 school year; prepaid tuition cost is \$17,423.00. This is a General Fund expenditure..

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, and Mr. Felber.

Abstain: Mrs. Gordon

The Board President declared the motions approved.

20-430 Sale/Auction Buses

Mr. Felber moved and Mrs. DeFabio seconded that the Twinsburg Board of Education authorizes the Business Manager to sell Bus #17, Bus #29 and Bus #34 which have been determined to be no longer needed for school purposes. These items will be posted on an online auction site, www.publicsurplus.com. The net proceeds of this sale will be returned to the Permanent Improvement Fund.

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon.

The Board President declared the motion approved.

20-431 Public Hearing – Academic Calendar

Mrs. DeFabio moved and Mrs. Davis seconded that the Twinsburg Board of Education holds this Public Hearing to give notice of the recommendation for the 2021/2022 Academic Calendar and to provide an opportunity for public comment, per the attached Exhibit. Page 421

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon.

The Board President declared the motion approved.

20-432 Academic COVID Plan

Mr. Felber moved and Mrs. Davis seconded that the Twinsburg Board of Education approves the recommendation for Preschool – Grade 12:

1. Based upon current data, we recommend the Twinsburg City School District stay the course through Winter Break which begins on Monday, December 21st.
2. Beginning on Tuesday, January 5th through Monday, January 18th, students will pivot to 100% remote learning to provide for a period of self-quarantine following the holidays.
3. On Tuesday, January 19th (the day after MLK Day) students will return to class based upon the options their parents selected in the October 2020 Parent Survey.

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Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, and Mr. Felber.

Nay: Mrs. Gordon

The Board President declared the motion approved.

20-433 **Athletic/Extra Curricular COVID Plan**

Mrs. Gordon moved and Mrs. Davis seconded that the Twinsburg Board of Education approves the recommendation for Athletics and Extra-Curricular Activities:

- | |
|---|
| <p>1. Based upon current data, we recommend the Twinsburg City School District pause all athletics and extra-curricular activities until December 7th and then use current data to decide whether the sports program and extra-curricular activity can safely continue</p> |
|---|

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon.

The Board President declared the motion approved.

20-434 **Adjournment**

Mr. Curtis moved and Mr. Felber seconded that the Twinsburg Board of Education adjourn at 10:25 p.m.

Ayes: Mr. Curtis, Mrs. Davis, Mrs. DeFabio, Mr. Felber and Mrs. Gordon..

The Board President declared the meeting adjourned.

President of the Board

Treasurer

**TWINSBURG CITY
SCHOOL DISTRICT**



FIVE-YEAR FORECAST

For Fiscal Years 2021-2025

FY 2021

November 30, 2020

TWINSBURG CITY SCHOOLS										
SUMMIT COUNTY										
Schedule of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual; Forecasted Fiscal Years Ending June 30, 2021 Through 2025										
Submitted	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020			Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues										
1.010 General Property Tax (Real Estate)	\$31,645,879	\$34,720,292	\$36,547,602	7%	36,857,300	\$34,598,788	\$32,340,277	\$32,540,277	\$32,740,277	
1.020 Tangible Personal Property Tax										
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	6,175,981	6,391,232	5,829,790	-3%	5,780,000	5,800,000	5,850,000	5,900,000	5,950,000	
1.040 Restricted State Grants-in-Aid	23,905	42,258	41,406	37%	20,000					
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	7,081,948	6,222,546	5,448,797	-12%	4,659,008	3,819,125	3,679,125	3,300,000	3,350,000	
1.000 All Other Revenues	1,910,987	1,049,313	1,594,883	-8%	1,011,700	1,600,000	1,595,000	1,585,000	1,575,000	
1.070 Total Revenues	46,818,700	49,025,641	49,462,558	2.8%	48,928,008	45,817,913	43,464,402	43,325,277	43,615,277	
Other Financing Sources										
2.050 Advances-In	6,500	41,800	5,000	226%	10,300	20,000	20,000	20,000	20,000	
2.060 All Other Financing Sources	90,032	100,974	245,075		78,000					
2.070 Total Other Financing Sources	96,532	142,774	250,075		88,300	20,000	20,000	20,000	20,000	
2.080 Total Revenues and Other Financing Sources	46,915,232	49,168,415	49,712,633	3.0%	49,016,308	45,837,913	43,484,402	43,345,277	43,635,277	
Expenditures										
3.010 Personnel Services	27,573,495	29,144,298	30,274,970	4.8%	33,683,096	32,989,000	33,932,000	34,865,000	35,111,000	
3.020 Employees' Retirement/Insurance Benefits	10,960,999	11,109,889	12,277,539	5.8%	13,085,495	13,110,745	13,375,860	13,695,000	13,995,000	
3.030 Purchased Services	5,162,808	5,443,370	5,362,801	2.0%	6,524,667	6,150,000	6,225,000	6,255,000	6,305,000	
3.040 Supplies and Materials	842,249	1,044,568	882,729	4.3%	1,043,691	1,105,000	1,160,000	1,215,000	1,255,000	
3.050 Capital Outlay	329,880	269,004	47,831	-50%	244,825	399,000	210,000	210,000	210,000	
Debt Service:										
4.050 Principal-HB 204 Loans	220,493	222,131	223,828	1%	225,600	229,293	231,255	233,275	235,370	
4.055 Principal-Other										
4.060 Interest and Fiscal Charges	103,486	92,412	81,279	-11%	69,850	58,449	47,132	35,745	24,287	
4.300 Other Objects	654,654	677,577	738,296	6%	816,706	1,050,000	1,100,000	1,125,000	1,150,000	
4.500 Total Expenditures	45,878,044	48,003,249	49,887,073	4.28%	55,673,900	55,061,487	56,281,247	57,634,020	58,285,657	
Other Financing Uses										
5.010 Operating Transfers-Out	155,221		135,000		125,000					
5.020 Advances-Out	41,000	5,000	10,300	9%	25,000	20,000	20,000	20,000	20,000	
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	196,221	5,000	145,300	1354%	150,000	20,000	20,000	20,000	20,000	
5.050 Total Expenditures and Other Financing Uses	46,074,265	48,008,249	50,032,373	4.21%	55,823,900	55,081,487	56,301,247	57,654,020	58,305,657	
Excess of Revenues and Other Financing Sources over (under)										
6.010	840,367	1,159,966	(319,740)		(6,807,592)	(9,243,574)	(12,816,845)	(14,308,743)	(14,670,380)	
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and										
7.010	30,836,820	31,677,187	32,837,153	3%	32,517,413	25,709,821	16,466,247	3,649,402	10,659,341-	
Cash Balance June 30										
7.020	31,677,187	32,837,153	32,517,413	1%	25,709,821	16,466,247	3,649,402	10,659,341-	25,329,721-	
Estimated Encumbrances June 30										
8.010	1,252,200	855,999	1,442,063	18%	950,000					
Fund Balance June 30 for Certification of Appropriations										
10.010	30,424,987	31,981,154	31,075,350	1%	24,759,821	16,466,247	3,649,402	10,659,341-	25,329,721-	
Revenue from Replacement/Renewal Levies										
11.020 Property Tax - Renewal or Replacement						2,458,512	4,917,023	4,917,023	4,917,023	
11.300 Cumulative Balance of Replacement/Renewal Levies						2,458,512	7,375,535	12,292,558	17,209,581	
Fund Balance June 30 for Certification of Contracts, Salary Schedules and										
12.010	30,424,987	31,981,154	31,075,350	1%	24,759,821	18,924,759	11,024,937	1,633,217	8,120,140-	
15.010 Unreserved Fund Balance June 30	30,424,987	31,981,154	31,075,350	1%	24,759,821	18,924,759	11,024,937	1,633,217	8,120,140-	

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 planning document for the Twinsburg City School District. The purpose is to increase the level of communication regarding the school’s fiscal status. 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 of this forecast and the accuracy of assumptions rests with the District’s administration and the Board of Education.

<i>COMMITMENT TO FISCAL RESPONSIBILITY</i>	COST PER PUPIL FY19	
An educated reader knows that forecasts are not built with the precision of a Swiss time piece. One just has to look at the front page of the Wall Street Journal to see that “XYZ” Company adjusts their yearly forecast to meet market pressures. Even CEOs with salaries in the millions of dollars and premier accounting departments have to make changes to their prognostications. The Benchmark for Twinsburg School District is reported by the ODE. It is the cost to educate each student. According to the FY19 CUPP Report Twinsburg spends \$11,596 per pupil. This is less than State Average, Similar Districts and many of our neighboring school districts. And while the Twinsburg School District spends less than comparable districts, the Twinsburg School District is recognized by the state and U.S. News & World Report as a high performing school district.	Solon	\$15,897
	Bedford	15,211
	Hudson	14,298
	Nordonia	13,392
	Aurora	12,988
	State Avg.	12,472
	Similar Districts	12,702
	Twinsburg	11,596

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 students. 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.

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 November 30 with an update due in April or May.

It's important to note the Ohio Supreme Court has ruled (**DeRolph**) and reaffirmed its ruling through appeal that the current method of funding public education in Ohio is *Unconstitutional*. The legislature has made attempts to 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 safe learning environment that challenge all students' creative, analytical and critical thinking abilities and skills beyond standardized requirements.

RECENT EVENTS:

JOB WELL DONE: Twinsburg City School District continues to receive the highest academic ratings. **U.S. News & World Report** ranks **Twinsburg High School number 37 out of 916 Ohio high schools! THS also ranked number 1151 in the U.S. out of more than 17,245 high schools. That is the top 7 percent nationally.** The Board of Education and Administration are constantly looking at the data searching for areas to enhance educational results. In addition, the School District has received nineteen straight Certificates of Achievement for Excellence in Financial Reporting since 2000 and numerous Awards with Distinction given by Auditor of State's Office for obtaining a clean audit. While attaining these ratings and awards, the School District closely monitors expenditures looking for ways to contain costs. As a result, Twinsburg School District's current per-pupil expenditures are well below the State's average and neighboring districts.

LEVY: The Twinsburg School District has long appreciated the support of our local communities. On May 7, 2019 voters renewed a \$4 million Emergency levy. Previously, on May 2, 2017 voters approved a 6.9 mill levy generating approximately \$5.6 million.

LEGISLATION: There are two important state statutes that have capped the amount of tax dollars a school district receive, or have completely eliminated it. In 1976, House Bill 920 (HB 920) was signed into law capping the amount of property tax collected. Property taxes cannot increase as a home's appraised value increases due to inflation. Secondly and very importantly is House Bill 66 (HB66) enacted July 1, 2005. HB66 eliminated the taxation of *Tangible Personal Property* (TPP). The TPP tax was a local source of revenue collected from local businesses. For Schools statewide, TPP collections in 2004 were estimated to be \$1.6 billion annually. For Twinsburg School District this lost revenue accounted for \$9.8 million annually or approximately 28% of revenues at the time this legislation was passed. High performing school districts with a large commercial/industrial base like Twinsburg, Solon, Bedford, Berea and Cuyahoga Heights are grappling with the loss of a significant amount of revenue.

STATE OF THE STATE: Former Governor Strickland in 2009 proposed a comprehensive reform of the then current school funding model with the intent of increasing the State's share of educational funding via targeted assistance. The Strickland model was discarded and redesigned by the following Governor John Kasich. At the same time bureaucrats have embraced legislation under the guise of educational choice to siphon away approximately 1 billion in tax dollars to charter schools, electronic schools, and for-profit corporate educational enterprises. Charter Schools lack the transparency and accountability of traditional public schools. Charter schools attract the likes of Michael Milken, the "Junk Bond King", who according to an April 26, 1990 New York Times article "in U.S. District Court Tuesday he (Michael Milken) pleaded guilty to six felonies and agreed to put up \$600 million, \$200 million of that in fines, to settle the biggest fraud case in the history of the securities industry".

FINANCIAL UNCERTAINTY: The federal government’s efforts to stem the financial meltdown of the 2008 mortgage crisis and the current COVID-19 Pandemic has added trillions of dollars to an already staggering national debt. As a consequence, the nation’s is shifting from an economic crisis to a debt crisis! The national debt is over \$27 Trillion. Nearly fifteen percent of federal revenues are used to pay interest, second only to spending for the social programs of Health and Human Services, HUD and food stamps. As debt levels continue to grow in support of economic vitality a larger and larger portion of the nation’s budget will go to make debt payments. Unfortunately, the US economy is plodding along on borrowed money and borrowed time. An ill wind is brewing.

THE FORECAST should be thought of as a Barometer showing the rise and fall in financial pressure. It is not an unwavering course with exacting routes and distances. If you think of it more as a GPS Navigation device the Forecast will show you your destination and “Recalculates” when obstacles and detours are encountered.



ODE’s FORECAST PURPOSE AND OBJECTIVES:

1. To engage the local board of education and community in the long range planning and discussion of financial issues facing the school district.
2. To serve as a basis for determining the school district’s ability to sign the “412 certificate”,
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

The current fiscal year’s forecasted expenditures include appropriations and carry-over encumbrances. Estimates of expenditures for the next four years are developed using the current year’s data and trend analysis of past results. The School District’s two 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 ODE. As part of the administrations fiduciary duties, continual efforts are made to reduce expenditures and source additional revenues. *It is important to note that future forecasts will differ.* Decisions made at the State and Federal level, fluctuating energy costs, health care premiums, the number of sick days used, and unfunded state mandates for student sub-groups will impact the future years as presented in the forecast.

The School District has made substantial efforts to contain and reduce costs. In 2013 the School District trimmed \$2.6 million dollars from the budget. Negotiating labor contracts, upgrading equipment, consortium buying, grant opportunities, and conservative hiring practices will help contain overall costs. To offset a small percentage of costs the School District collects Pay-to Participate fees, extracurricular fees and academic course fees, similar to a substantial number of districts throughout the State of Ohio.

REVENUES:

Line 1.010 - Real Estate Taxes

After decades of increases, Real Estate Valuations decreased following the Housing Market/Home Mortgage fiasco 2008/2009. The Chrysler facility, at one time the City’s largest employer closed March 2010. It was subsequently demolished reducing taxable values from \$33 million and an associated loss of property taxes. To attract new business, the City negotiates property tax abatements on redevelopment projects thus suppressing tax collections. A slight uptick in valuations has resulted from new construction and reappraisals. Monitoring of real property tax collections is crucial as it represents over 70% of FY20 revenues.



Line 1.020 – Tangible Personal Taxes (TPP)

HB 66 legislation enacted in 2005 eliminated the tax on substantially all business owned Tangible Personal Property, a tax under local control. HB 66 set forth the State for five years would fully reimburse districts the amount of lost revenues (\$1.6 billion annually). Then starting in tax year 2011 would incrementally eliminate the reimbursement of the State controlled Commercial Activity Tax (CAT). As the State eliminates the TPP/CAT reimbursements these dollars are used to fill the State's coffers at the expense of Local Governments. For Twinsburg Schools the TPP tax collection in the base year 2004 was \$9.8 million and on line 1.020. For FY 20, the TPP reimbursement on line 1.050 was \$2.3 million – a reduction of \$7.5 million, equivalent to 8.1 mills. Twinsburg School District is permanently losing this revenue and is potentially facing **FISCAL EMERGENCY**.

Line 1.035 – Foundation Program

The Foundation Program is the State's flawed aid program for funding school district operations. Since 2009, the State has renamed and redesigned the calculations four times. These redesigns have cost Twinsburg Schools a significant amount of money. The September 2019 #2 SFPR indicates that Twinsburg School District should receive over \$9.2 million in State aid. However, this funding is "Capped" at \$5.9 million due to the redesigns. The result is a loss of \$3.2 million due to the "Cap".

Due to the COVID-19 Pandemic, the Governor of Ohio cut the State's budget \$775 million and slashed \$355 million from education. The Twinsburg School District was reduced \$874,259 or 15% of state funding. For fiscal year 2021, foundation aid from the State will mirror the cuts made in fiscal year 2020. Furthermore, this Five Year Forecast covers a time frame that includes two State Biennium Budget Cycles clearly decreasing forecasting confidence. School Districts have neither control nor insight into future state legislated budgets.

Legislatively authorized Charter schools, EdChoice and various "scholarships" and vouchers further syphon local resources. For a student attending a charter school, the Per Pupil State Aid is deducted at an amount Five Times higher than the Twinsburg School District actually receives from the State. Moreover, charter schools don't pass levies, do not provide bussing, are exempt from many legal requirements and unfunded mandates while typically underperform per the Ohio Department of Education's Report Card. Instances of the misuse of funds have been uncovered by the State of Ohio Auditor. In 2016, ECOT, an online charter school, overcharged the State \$80 million.

Casino Money: Ohioans approved four Casinos in Ohio. Typically, Ohio Schools receive approximately \$50 per pupil from casino revenues. Twinsburg Schools received \$217,296 in FY19 and \$220,843 in FY20.

Line 1.050 – Homestead and Rollback including Direct TPP payments

Homestead and Rollback payments represent the reimbursement of a 10% discount given property owners and an additional 2.5% discount is given to owner occupied parcels. Taxpayers were promised Real Estate tax relief when the State proposed the income tax in 1972. In 2013 HB59 ended this promise by denying the discount and reimbursement on all new levies. In addition, TPP direct reimbursement payments from the State's CAT Tax flows through line 1.050 as required by the Auditor of State. TPP Reimbursement was \$1,979,417 in FY19, \$1,476,909 in FY18, and will be reduced annually by half-a-million until it is gone/zero. A cumulative cash flow loss of \$7,534,933 over five years

Line 1.060 – All Other Sources

All other revenues include investment interest, tuition, student fees, rental charges, and miscellaneous receipts.

EXPENDITURES:Line 3.010 – Personal Services

Salaries for fiscal year 2021 are based upon the current contracts for teachers and staff. The Operational Change Plan cut approximately \$2.6 million in salaries and benefits from the FY13 budget. Regrettably as part of the Operational Change Plan, teachers and staff were laid-off to reduce expenditures. In light of economic pressures and with salaries and benefits accounting for over 85 cents of every dollar spent the School District may fall short of future staffing expectations as economic pressures grow.



Increasing pressure on staffing as a result of OTES, Third Grade Reading Guarantee, Next Generation Testing has necessitated the addition of specialized staffing. FY 14 saw the addition at the elementary level of two reading specialists to support struggling readers transcend the third grade reading guarantee and three-and-a-half administrative staff to facilitate the ever-increasing state directed mandates. Currently, efforts to support student achievement throughout the district have resulted in bringing additional staff on board. Five teachers were hired as academic coaches. The increasing demands for on-line testing resulted in the addition of three technology staff members. Increased FY 19 Staffing levels of Intervention Specialists, Preschool Staff, Reading and Math Supports, School Counselors, and Maker Space Staff have put markedly upward pressure on salaries and benefits. FY 20 welcomed the Director of Student Wellness, an Administrative Intern, Blended Learning Coach, Success Teacher, Music Teacher and additional staff to address the increasing special needs of students.

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) and 1.45% for Medicare. Health Care (HC) costs increase annually and have tripled since 1999 and continue to out-pace inflation. The School District is a member of a HC Consortium that covers over 13,000 lives (shared services). It is self-funded and has a statutory cash reserve they are required to maintain. When the Consortium has a favorable claims experience for a year, the reserve will exceed the required amount. The Consortium then rebates the excess reserves to the member districts via “Premium Holiday”. Recently there has been two premium holidays per year. FY19 had three.

Line 3.030 – Purchased Services

Purchase Services represent items from utility costs to liability insurance, to copier leases, to legal fees, to health/nursing related services, to behavioral health services, to tuition costs for students educated by other districts. The costs for services for special needs students, test scoring, and professional development are ever increasing. Tuition encompasses State deductions for charter and electronic schools, Peterson deductions, Autism deductions and direct payments for outplaced special needs students. These expenditures have increased from approximately \$500,000 in FY10 to approximately \$1.3 million in FY19.

The School District utilizes the buying power of the Ohio School Council Consortium for electricity and natural gas. The energy conservation project in FY 12 at the high school, mild winters and stable natural gas pricing have favorably impacted energy expenditures. The School District and the City’s fitness center have a utility sharing agreement. We budget and pay the entire utility cost and subsequently are reimbursed by the City for their portion of the cost. As technology is becoming a greater partner of learning, there has been an increase in costs for software licenses. Additionally, technology supports many administrative functions.

Line 3.040 – Supplies and Materials

Includes educational supplies, classroom consumables, as well as paper and cleaning supplies. Fuel, tires and repair parts for the School District’s fleet of 40 plus 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. Current capital outlay expenditures are for the School District’s one-to-one technology project to supply students with a Chromebook.

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 or altered by the School District. Also in this category are audit costs, ESC costs, membership fees, etc.

Lines 4.020 to 4.060 – Repayment of Debt Service

The House Bill 264 Energy Conservation Project at the Twinsburg High School replaced lighting, boilers and HVAC controls. The \$2.6 million project is financed via reductions in utility costs line 3.030. A Federal Government program rebates a large portion of the interest expense back to the School District. A House Bill 264 project was completed at RB Chamberlin. There were lighting upgrades and an old boiler was replaced with a high efficiency machine to help reduce heating costs. Debt Service payments are made from this line utilizing a utility cost off-set.

WHERE HAS ALL THE MONEY GONE?

A 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..." These issues are still the same today.

At the national level, Federal spending has inflated the national debt to over \$27 trillion. At some point will the Federal Government reach the limits of deficit spending? At the local level voter fatigue manifests itself in increased push back as districts attempt to obtain additional funding to offset State reductions and education segment demands. Ultimately, the local communities will determine the quality of the Twinsburg City School District.

Twinsburg School District currently has a significant fund balance. It will be gone in a very short time as it will be used to balance the budget over the next several years. **THEN IT WILL BE GONE!!!** The Fund Balance precipitously falls masking the structural operating deficit left by the Phase out of the TPP/CAT and fiscal pressures created COVID-19 pandemic expenditures.

CONCLUSION:

Future revenue streams are very soft numbers in light of the State's reluctance to fully fund its share of education in Ohio. The State's budget is for two years and the State does not provide any budget data beyond June 2021. Furthermore, HB66 demonstrates the State's ability and willingness to significantly alter the collection of Local Tax Revenues upon which Twinsburg Schools depend. The State Budget Bill HB66 enacted July 1, 2005, is still causing uncertainty and increasing the level of forecasting difficulty as legislators and the governor keep changing due to term limits.

Twinsburg City School District continues to face significant challenges. The challenges are to provide an ever increasing level of services to children with diverse abilities, needs, backgrounds, cultures, and requirements. This must be accomplished with a level of funding that is neither stable nor predictable. Numerous funding models, Charter Schools, voucher programs and the like are perniciously nibbling away at public education funding and negatively impacting our prognostication. Oftentimes factions and legislators are more concerned with their own special interests than what is best for the education of all students. Are the wants of the few are becoming more important than the needs of the many?

The State is shifting the tax burden from the State to the local level by cutting the State's funding obligation. Locally, Boards of Education must make decisions that could require major budget cuts and staff reductions while deciding if replacement revenues will be supported.

If corporate sponsored action groups are permitted to continue to influence educational policies via campaign contributions, someday there may be communities in Ohio where public schools as we know them do not exist as corporate carpet baggers syphon precious dollars for their own enrichment.

Respectfully Submitted
Martin Aho, Treasurer/CFO

Education costs money, but so does ignorance: Sir Claus Moser

Twinsburg City School District 2021-2022



August 2021						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
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29	★	31				

September 2021						
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October 2021						
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November 2021						
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December 2021						
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February 2022						
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June 2022						
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July 2022						
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24	25	26	27	28	29	30
31						

- Teacher Work/Records Day
No School for Students
- Staff Report
No School for Students
- No School
- School Begins/Ends
- Soft Reopening for Students
- End of Quarter

August 2021
 16 - 1/2 Teacher Work/Records Day
 1/2 Professional Meeting Day
 17 - Data Day - No Students
 23-26 - Soft Reopening
 for Students
 27 - Data Day - No Students
 30 - All Students Report

October 2021
 8 - NEOEA Day - No School
 22 - End of 1st Quarter

November 2021
 2 - Election Day/Professional
 Meeting Day
 24-26 - Thanksgiving Holiday
 28-Dec 6 - Chanukah

January 2022
 3 - School Resumes
 14 - End of 2nd Quarter
 17 - MLK Day - No School
 18 - 1/2 Teacher Work/Records Day
 1/2 Professional Meeting Day
 19-21 - Mid-Winter Break
 for Students/Professional
 Development for Staff

April 2022
 4 - School Resumes
 15 - Good Friday - No School
 15-22 - Passover
 17 - Easter

May 2022
 27 - Last Day for Students
 30 - Memorial Day
 31 - Teacher Work/
 Records Day

September 2021
 6 - Labor Day - No School
 7 - Curriculum Day - No Students
 6-8 - Rosh Hashanah
 16 - Data Day - No School
 15-16 - Yom Kippur

December 2021
 20-31 - Winter Break - No School

February 2022
 18 - No School
 21 - President's Day - No School

1st Quarter - 43 days
2nd Quarter - 46 days
3rd Quarter - 38 days
4th Quarter - 44 days

March 2022
 18 - End of 3rd Quarter
 28-Apr 1 - Spring Break

Minutes of REGULAR Meeting

November 18, 2020
