

Fremont City Schools



BUSINESS PLAN

Adopted: October 20, 2008

Board of Education

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District Goals:

- Increase Student Achievement
- Close Socio-Economic, Ethnic and Disability Gaps in Student Achievement
- Build Hope, Trust and Respect with our Community

Traci L. McCaudy, Ed.D.
Superintendent

David M. Chambers
Treasurer

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Acknowledgements

A commitment to excellence in any endeavor requires the willingness to engage the best and the brightest available contributors in that effort. Collectively, the perspectives of many can be instrumental in developing a unified vision for success.

The Fremont City School District has been fortunate, for the past year, to have the services of the Business Advisory Council, a group of individuals dedicated to exploring best business practices and recommending the application of those practices, where appropriate, to Fremont City Schools. Freely giving hours of volunteer time, the Business Advisory Council focused its expertise on the development of a plan that ensures that the operation of the school system has the support of Fremont's business community and its regular input regarding quality performance.

I extend my sincere gratitude to each of the individuals who made and kept a promise to assist us in our quest to become a model of an effective and efficient educational organization.

The Fremont Board of Education has given its strong support to and participation in all of the work of the Business Advisory Council. Thank you all.

Don Nalley is to be recognized as the "founder" of the Business Advisory Committee. His constant support and wisdom are greatly appreciated.

Tom Kern is to be commended for his work as Chairperson of the Business Advisory Committee. His knowledge and leadership have been instrumental in our achievement of the committee goals.

Jim Getz has my warmest regards for his assistance with the facilitation of the committee and for his assistance with writing the plan itself.

All other participants, of course, have my heartfelt appreciation for their time and effort.

I have always believed that educating children is not a job; it is a calling. It is an opportunity to make a difference in a child's life forever. Thank you, Business Advisory Council for answering the call.

Traci McCaudy, Ed.D.
Superintendent
October 2008

Business Plan for Fremont Schools

1.0 Executive Summary

With the recommendation of Superintendent McCaudy, the Fremont City Schools Board of Education approved the development of a Business Advisory Council in accordance with Board Policy 9141. The district's Business Advisory Council was organized in September 2007 with the assistance of chairperson, Tom Kern, CEO of Style Crest, Inc. The Fremont City School's Business Advisory Council is comprised of eleven business leaders from the Fremont community and two school officials. The Business Advisory Council was developed for the purpose of creating a business plan for the district. The Business Advisory Council met on a monthly basis throughout the 2007-2008 school year. During its first meetings, the Business Advisory Council completed a SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis. As a result of the SWOT Analysis, the council created three sub-committees (Finance, Facilities, Marketing/Public Relations). Each Business Advisory Council member joined a sub-committee and other school district personnel participated on the sub-committees as well. Each sub-committee developed an action plan that contains recommendations for improving specific areas within the district. The sub-committees' action plans are summarized later in this document.

1.1 General Information about Fremont City Schools

Fremont, Ohio, boasts a diverse population of nearly 40,000 residents. Located in Sandusky County, Fremont is fifteen minutes from the popular "North Coast" attractions, including the Lake Erie Islands. Proud of its traditions and rich history, Fremont is home to former President of the United States, Rutherford B. Hayes. Fremont is a community that also looks to the future, committing to change and growth. Valuing education, especially, The Fremont Area Foundation raised ten million dollars to construct seven classroom/computer labs, to build new athletic facilities, and to provide educational support materials. Such commitment has been instrumental in preparing Fremont's young people for professional careers in medicine, teaching, writing, athletics, politics, and business.

The Fremont City School District serves 4,200 students that come from a wide range of social and cultural backgrounds. The PK – 12 program is provided in seven elementary schools (Atkinson, Croghan, Hayes, Lutz, Otis, Stamm, and Washington), one middle school (Fremont Middle School), and one high school (Fremont Ross High School). The district employs 288 certified staff and 175 classified staff. Better than 56% of Fremont's teachers have Master's Degrees. All of the district's staff bring a dedication to quality to their positions each day.

Fremont's schools are guided by a carefully developed Comprehensive Continuous Improvement Plan, an educational plan that synthesizes the work of many into a focused plan of constant and consistent improvement goals for its entire operation. With its goals of *increasing student achievement, closing socioeconomic/ethnic/disability gaps in achievement, and building hope, trust, and respect with our community* squarely in mind, Fremont Schools invites all stakeholders in education to join the pursuit of district goals.

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The district's Business Advisory Council, for example, is comprised of Fremont's business leaders and this council actively collaborates with the district in the development of best practices for district operations. Involvement of this group and others like it (Fremont Area Foundation, PTOs, music boosters, athletic boosters, faith community, levy committees, and concerned citizens) have contributed to the district's successes, including attaining an Effective rating on the State of Ohio Report Card for two consecutive years.

Specific curriculum goals for the district's schools are contained in its Comprehensive Curriculum Management Plan. This ambitious plan establishes protocols and timelines for curriculum design and delivery, calendars for textbook adoptions, budgets and procedures for the purchase/use of supplemental materials. Fremont is proud of its comprehensive course offerings, including Advanced Placement (AP) and Post Secondary Education Options (PSEO) classes. Fremont's close partnership with Vanguard Career/Tech Center and with Terra Community College enhances the district's program offerings and the opportunities for a wide range of student interests. Gifted programs are available for elementary and middle school students, while tutoring programs are available for all students in grades 3-12. WSOS (Wood, Sandusky, Ottawa, Seneca) Community Action Commission offers after school and summer programs for elementary and middle school students.

Fremont also understands the value of and is committed to a wealth of co-curricular and extra-curricular opportunities. Fremont's athletic programs are respected state-wide and many of its athletic facilities, including a newly-constructed natatorium, are models of excellence. Its performing and visual arts programs (K-12) are recognized for their quality every year. A variety of activities and clubs open the doors to a number of options for students interested in meeting together in complementary educational activities outside the classroom.

1.2 Mission/Vision Statements

The district is in the process of updating its mission statement and vision/belief statements. The district will involve parents, community members, teachers, administrators, support staff members, and students with this project. The district's mission statement will clarify the district's purpose and the vision /belief statements will define its "beliefs" about teaching and learning. Additionally, it will provide Fremont stakeholders a "portrait" of a Fremont graduate.

1.3 Goals

After careful analysis of the district's student achievement and other relevant information the following three district goals were developed during the 2006-2007 school year:

1. Increase student achievement
2. Close the socio-economic, ethnic, and disability gaps in student achievement
3. Build hope, trust and respect within our community

Business Plan for Fremont Schools

1.4 Comprehensive Continuous Improvement Plan

In the beginning of the 2006-2007 school year, the district developed a long-term educational plan known as the district's Three-Year Improvement Plan (2006-2009). Each year the district aligns its long-term plan with the one-year Comprehensive Continuous Improvement Plan (CCIP). The district's CCIP identifies specific strategies to improve the entire educational program for students. Additional information such as costs, funding sources and evaluation components for each strategy are contained within the CCIP. The Superintendent provides the Board of Education a detailed status report regarding the progress made on the CCIP on a quarterly basis at Board of Education meetings.

2.0 Board of Education

Under the laws of the State of Ohio, the Boards of Education act as the governing bodies of public schools. The Board members are elected officials who each serve four year terms. The Boards of Education represent their communities and it is the Board members' primary responsibility to summarize the educational ideas, values and goals of the communities into written policies that are in turn implemented by school leadership. The following Board members have been elected to the Board of Education for Fremont City Schools:

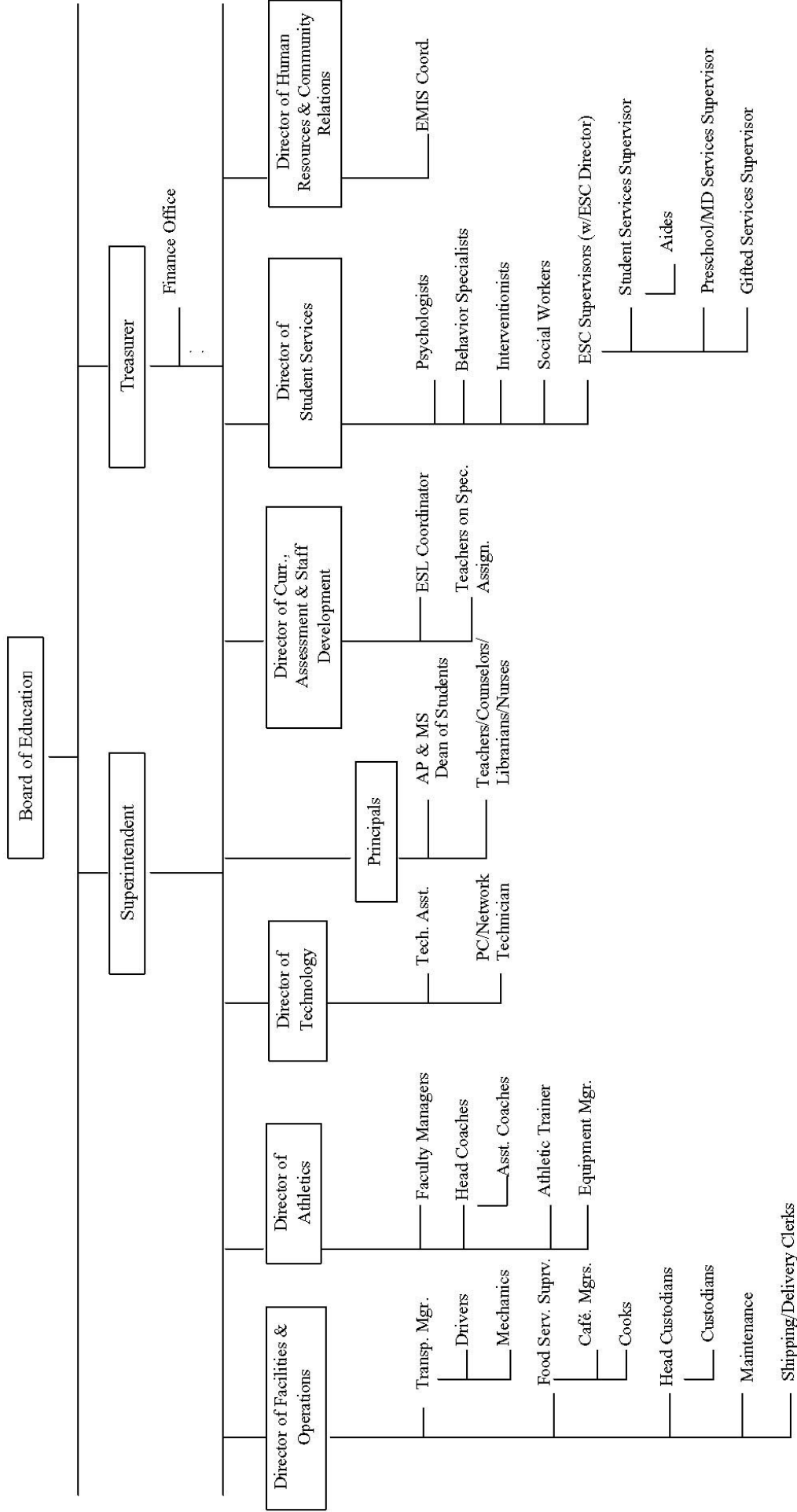
Tim Ellenberger
James Fails
Marc Glotzbecker
Linda Hershey
Cindy Young

2.1 District Leadership and Organizational Chart

Currently, the district has six directors that serve on the Superintendent's Cabinet. Additionally, the district's treasurer is also an active participant on the cabinet. The cabinet members provide the leadership necessary to efficiently and effectively operate each of their respective departments. The Superintendent's Cabinet members are:

Dr. Traci McCaudy	Superintendent
Dave Chambers	Treasurer
Chris Opelt	Director of Human Resources and Community Relations
Tim Cullen	Director of Student Services
Laurie Godfrey	Director of Curriculum, Assessment and Staff Development
Dr. Kim Theller	Director of Facilities and Operations
Rhonda Schmidt	Director of Technology
Art Bucci	Director of Athletics

**FREMONT CITY SCHOOLS
CENTRAL ADMINISTRATIVE FUNCTIONAL ORGANIZATION**



Business Plan for Fremont Schools

3.0 Business Advisory Council

The Business Advisory Council was established by Dr. McCaudy in the Fall 2007. The Business Advisory Council met on a monthly basis during the 2007-2008 school year. Additionally, the Business Advisory Members were active participants on the three sub-committees (Finance, Facilities, Marketing/Public Relations) The members of the Business Advisory Council are:

Kathy Boukissen	Development Director R.B. Hayes Presidential Center
Robert Carter	President/CEO RETRACT Consultants LLC and Journey's Family Amusement Center Inc.
Dave Chambers	Treasurer Fremont City Schools
Tim Ellenberger	Vice President Motion Controls Robotics, Inc.
Al Gorman	CEO Memorial Hospital
Hal Hawk	CEO Crown Battery Mfg.Co.
Bruce Heckman	Plant Manager Fremont H.J. Heinz Co.
Tom Kern	CEO Style Crest, Inc.
Royce Kohman, P.E.	President/CEO Mosser Construction, Inc.
John Lauer	Auditor of The City of Fremont
Dr. Traci McCaudy	Superintendent Fremont City Schools
Don Nalley	Director of Adult Services Sandco Industries
Terry Overmyer	Mayor of The City of Fremont

3.1 SWOT Analysis

The members of the Business Advisory Council completed a SWOT Analysis identifying district strengths, weaknesses, opportunities and threats. Listed below are results of this analysis:

Strengths:

- The development of the BAC
- Progress being made with academic achievement
- Improved community involvement
- Willingness to make difficult cuts and reductions
- Openness of the Leadership Team
- Collaboration with the parochial schools
- Improved communications about the entire school operation with the community

Weaknesses:

- Lack of finances
- Condition and age of buildings
- Poor community perception of district
- Lack of comprehensive marketing/PR plan
- Lack of communication with alumni and senior citizens
- Lack of updated technology

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Opportunities:

- Develop a marketing plan that includes the creation of an Alumni Foundation
- Use a variety of resources to help with plan
- Keep focusing on academics

Threats:

- Adequate funding
- Negative perception/image of district
- Aging facilities
- Transportation
- Low staff morale
- Athletic pay to play
- Potential loss of quality staff
- Communication/Marketing plan

3.2 Community Perception Survey

A community perception survey was conducted by *THE iMPACT GROUP* in January 2007. A total of 319* diverse community members from all precincts were surveyed on a variety of topics regarding the district. Academics, fiscal accountability, transportation, and hiring and supporting quality teachers were identified by the respondents as primary focus areas for the district.

**The iMPACT GROUP* noted the “confidence level” of this study to be 99.8% and only 319 participants were needed.

4.0 Recent Ballot Issues and Results

Listed below are the district’s ballot issues and results for the past 10 years:

May 1999	2 Mill (5 Year) Permanent Improvement	Passed
November 2002	3.9 Mill (5 Year) Emergency Operating	Failed
May 2003	1.25% (5 Year) Income Tax	Passed
March 2004	2 Mill (5 Year) Permanent Improvement Renewal	Passed
May 2006	6.9 Mill (5 Year) Emergency Operating	Failed
November 2006	6.9 Mill (5 Year) Emergency Operating	Failed
May 2007	½ % Income Tax (5 Year)	Failed
March 2008	1.25% Income Tax (5 Year) Renewal	Passed

4.1 Future Ballot Issues

November 2008	3.45 Mill PI/Bond Levy
May 2013	1.25 % Income Tax (Renewal)

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4.2 Past Finances

<u>School Year</u>	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Variance</u>
1999-2000	28,486,738	28,450,119	36,619
2000-2001	28,782,851	29,846,458	(1,063,607)
2001-2002	30,334,055	29,998,367	335,688
2002-2003	30,165,473	30,382,364	(216,891)
2003-2004	30,174,383	30,157,471	16,912
2004-2005	33,021,130	32,674,332	346,798
2005-2006	34,000,509	34,114,409	(113,900)
2006-2007	34,535,100	33,789,741	745,359
2007-2008	33,859,008	33,932,049	(73,041)

5.0 Business Advisory Council's Sub-Committees

The Business Advisory Council created three subcommittees. The three subcommittees are Finances, Facilities and Marketing/Public Relations. The recommendations from each subcommittee is summarized below.

5.1 Marketing/Public Relations Sub-Committee

The Marketing/Public Relations sub-committee's goal was to develop a marketing/PR plan that utilizes the district's available resources. The Business Advisory Council and the sub-committee members believed that the creation of an alumni association would be an excellent support group to market the positive characteristics and accomplishments of Fremont City Schools. Secondly, a Fremont Ross Alumni and Friends Association Board would be developed for the purpose of developing a mission statement, creating an alumni database and identifying strategies to keep alumni informed of district news and events. Lastly, the Marketing/Public Relations Sub-Committee worked with the district's Communications Committee and added the following strategy to the district's communications plan:

- Host special events for area banks, businesses, and realty agencies for the purpose of sharing information about the school district and establishing communication protocols with one another so that information is exchanged on a regular basis.

5.2 Finance Sub-Committee

The Finance sub-committee's goal was to develop a health plan that integrates wellness and in the long-term yields a financial savings for the district. The sub-committee worked with a representative from Corporate One Benefits Agency and the following strategies were developed:

- Minimize rate increases of health and dental insurance by taking quotes from all other insurance carriers on admission fees and stop loss plans (Savings: \$333,000).

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- Maintain or reduce Board of Education share of health and dental insurance (Savings: Health-TBD, Dental-\$22,000).
- Reduce drug insurance costs (Savings: TBD)
- Support the district's Wellness Committee with its wellness efforts.

5.3 Facilities Sub-Committee

The Facilities sub-committee's goal was to assist the district with the current OSFC project and to make recommendations to reduce building operational costs. The sub-committee worked with district personnel on the selection of the Design Firm and Construction Manager in preparation for the FMS new construction project. The Facilities Sub-Committee will continue to work with the district on the OSFC project. Additionally, the district recently completed a no cost energy management audit conducted by Brewer Garrett. Recommendations will be reviewed by the sub-committee in Fall 2008.

6.0 Revenue Sources

This section will provide the revenue sources for Fremont City Schools. The real estate tax, the district's income tax and the State foundation provide the major portion of the district's revenue.

6.1 Real Estate Taxes

Real estate taxes account for 34% of the projected revenue on the 4.20 mills of inside millage and the 29.90 mills of outside millage. The assessed valuation is the core component of the real estate taxes and an involved part of the State's Foundation Formula. For this fiscal year, the increase in assessed valuation will reflect the triennial update in 2006 and all new construction. A challenge with the State formula is when valuation grows, the millage is rolled back guaranteeing that homeowners pay the same amount on each voted levy as they did the year it was passed. The effective millage remains at the twenty-mill floor despite an average 10% increase in property taxes.

6.2 Income Tax

In March 2008, the income tax of 1.25% was renewed by the Fremont community. This revenue source has provided the district with a solid revenue foundation of 19% of the total revenue.

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6.3 State Foundation

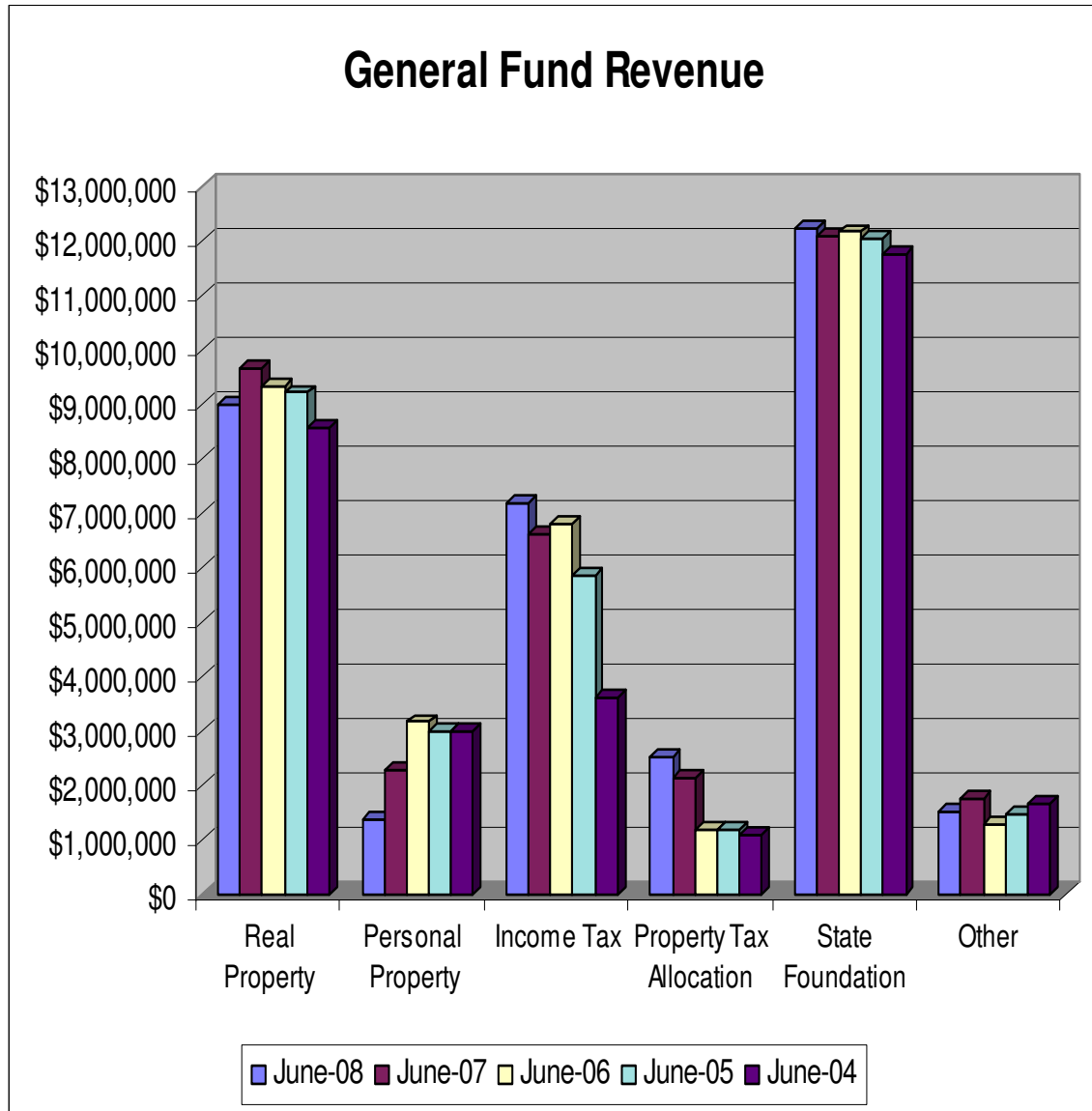
The State's first year biennium budget illustrates that Fremont City Schools has minimal or no increase in State aid due to stagnant enrollment projections and the elimination of the cost of doing business factor (CODR). The State budget increases basic aid by 3% to \$5,565 per student in 2008 and to \$5,732 in 2009. This funding increase helps many school districts but the new funding did not offset Fremont City Schools loss of poverty based assistance (\$264,000) and parity aid (\$1 million)

6.4 Other Revenue Sources

Parity aid was the Supreme Court's solution to the DeRolph court case. It was intended to provide additional revenue to "poorer" districts as determined by assessed valuation per pupil. Since its inception, 80% of the poorest districts in the State received parity aid. The biennial budget for fiscal year 2008 and fiscal year 2009 (HB 119) decreased the number of districts receiving parity aid and, as a result, Fremont City Schools lost approximately \$1 million in parity aid during the 2007-2008 school year.

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6.5 General Fund Revenue



	June-08	June-07	June-06	June-05	June-04
Real Property	\$8,993,257	\$9,650,079	\$9,346,426	\$9,207,082	\$8,582,679
Personal Property	\$1,397,306	\$2,278,023	\$3,177,882	\$2,997,097	\$3,011,644
Income Tax	\$7,187,876	\$6,599,872	\$6,808,655	\$5,870,475	\$3,642,022
Property Tax Allocation	\$2,548,609	\$2,144,318	\$1,212,656	\$1,184,116	\$1,120,999
State Foundation	\$12,212,315	\$12,099,395	\$12,154,029	\$12,034,305	\$11,741,891
Other	\$1,520,842	\$1,763,412	\$1,300,861	\$1,474,006	\$1,683,957
Total	\$33,860,205	\$34,535,099	\$34,000,509	\$32,767,080	\$29,783,193

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7.0 Expenditures

This section illustrates the expenditures needed to provide an adequate education for students in Fremont City Schools. The major expenditures include personnel services, employee benefits, purchased services, and supplies and materials.

7.1 Personnel Services

Like all public school districts, the major expenditure for Fremont City Schools is personnel services, which includes employee salaries. Personnel services totaled more than \$18 million during the 2007-2008 school year. It should be noted that employee salaries and benefits total 80.6% of the total general fund budget for 2007-2008, which is the average for all districts in the State of Ohio. Additional staff reductions took place for the 2008-2009 school year; therefore, this percentage is expected to be even lower.

7.2 Employee Benefits

The largest expense outside of the salaries and wages is the Board of Education's share for employee benefits. State law requires the Board to contribute 14% of the salaries and wages to the two retirement systems (STRS and SERS).

Additionally, the Board also pays a surcharge for all support staff employees whose annual income is less than \$35,800. For support staff employees making less than \$35,800 annually, the district must pay 14% on \$35,800, regardless of their income earned. The State has a surcharge cap of 2%; therefore, the district pays 16% of the total support staff payroll to SERS.

Effective January 1, 2006, concessions on the medical plan were made both in coverage and employee share. Medical and dental coverage rates increased 2% on July 1, 2007 based on medical expenses. Insurance is projected to increase 10%, as industry average is 12%.

As a member of the O.S.B.A.'s workers' compensation group rating program, the consortium has provided the district with substantial savings in past years. Due to high claims experience, the Fremont City District has been removed from group rating in fiscal year 2008. In addition to the discontinuing of discounted premiums, the BWC has estimated our annual premium to double to an estimated \$438,000.

The district is required to pay 1.45% Medicare tax on wages of employees hired after April 1, 1986.

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7.3 Purchased Services

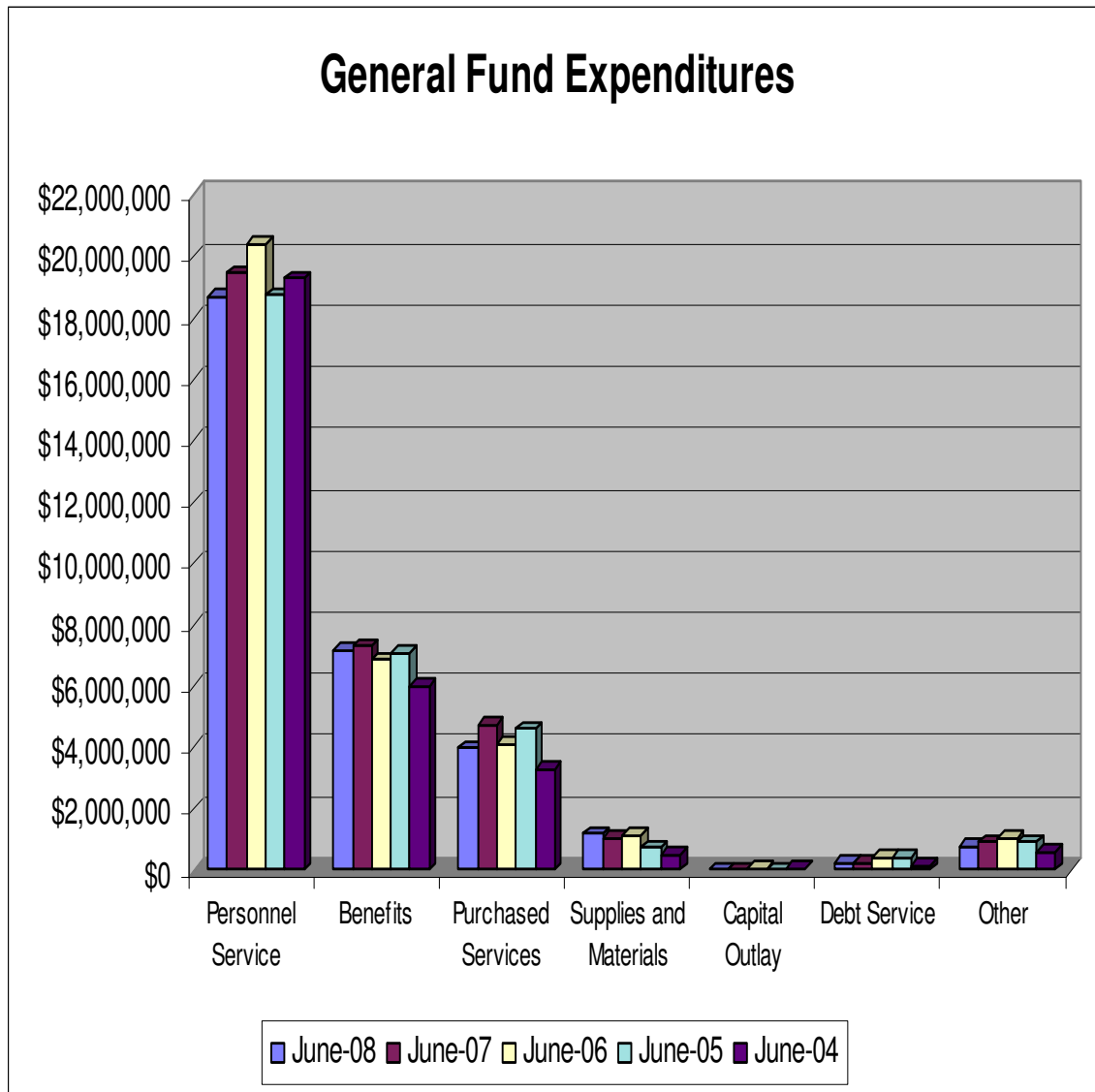
This category includes all of the district's contracted services including the North Central Ohio Educational Service Center, legal services, copier leases, property/fleet insurance, utilities and tuition to other districts. The district reviews these service contracts on an annual basis and new quotes are requested when needed.

7.4 Supplies and Materials

In order to achieve the district's goals, the purchasing of textbooks and instructional supplies has been a major focus of the district. During the 2007-2008 school year, the district spent \$499,668 on textbook purchases and an additional \$147,755 on instructional supplies. For the 2008-2009 school year the district budgeted \$806,634 for textbook purchases and instructional supplies. A textbook adoption cycle was approved by the Board of Education last school year. Although it may take the district some time to "catch up" with textbook purchases, the district is committed to providing its students and teachers with the necessary instructional materials in order to maximize student achievement.

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7.5 General Fund Expenditures



	June-08	June-07	June-06	June-05	June-04
Personnel Service	\$18,718,634	\$19,454,028	\$20,426,783	\$18,748,492	\$19,282,856
Benefits	\$7,164,432	\$7,307,927	\$6,858,806	\$7,071,135	\$6,009,111
Purchased Services	\$3,971,296	\$4,717,525	\$4,122,449	\$4,598,071	\$3,282,827
Supplies and Materials	\$1,182,684	\$1,061,939	\$1,125,899	\$720,320	\$516,279
Capital Outlay	\$8,607	\$6,497	\$58,514	\$6,238	\$42,586
Debt Service	\$241,618	\$252,472	\$411,983	\$427,091	\$138,684
Other	\$788,095	\$922,279	\$1,059,969	\$927,715	\$617,806
Transfers and Adv Other than Debt	\$32,213	\$67,073	\$49,920	\$21,672	\$9,415.57

Total	\$32,107,579	\$33,789,739	\$34,114,324	\$32,520,733	\$29,899,565
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Business Plan for Fremont Schools

8.0 Three-Year Projections

Major Categories	Fiscal year 2009	Fiscal Year 2010	Fiscal Year 2011
Revenues			
General Property Tax (Real Estate)	\$10,173,122	\$10,376,585	\$10,584,117
Tangible Personal Property Tax	\$920,032	\$325,134	
Income Tax	\$6,600,000	\$6,600,000	\$6,600,000
Unrestricted Grants-in-Aid	\$12,156,834	\$12,424,284	\$12,697,618
Restricted Grants-in-Aid	\$116,751	\$117,918	\$119,097
Property Tax Allocation	\$2,467,805	\$2,662,703	\$2,787,837
All Other Revenues	\$1,326,000	\$1,352,520	\$1,379,570
<i>Total Revenues</i>	33,760,544	33,859,144	34,168,240
Expenditures			
Personnel Services	\$19,298,945	\$19,684,924	\$20,078,623
Employees' Retirement/Insurance Benefits	\$7,705,236	\$7,674,393	\$7,904,625
Purchased Services	\$4,012,272	\$4,132,640	\$4,256,619
Supplies and Materials	\$1,291,740	\$1,317,575	\$1,343,927
Capital Outlay	\$7,650	\$7,803	\$7,959
<i>Total Expenditures</i>	33,580,038	33,860,873	34,519,649

The above projection lists only the major categories. A full financial picture and projections can be found on the district's website, www.fremontschools.net or by contacting the district's finance office.

9.0 Other Financial Information

For the past several years, the district has initiated many cost saving measures. Additionally, programs, staffs and services had to be reduced in order to balance the budget. The district is being fiscally responsible with taxpayers' monies and the district leadership evaluates its current budget on a regular basis, at all times making student needs the district's highest priority.

9.1 Cost Containment Efforts

Listed below are the district's major savings/reductions since fiscal year 2007:

Categories	06-07	07-08	08-09
Personnel	\$397,853	\$500,273	TBD
Transportation (Staff)	\$185,111	\$273,692	TBD
Educational Service Center Contracts	-----	\$142,946	\$500,000 (Estimated Savings)
Pay to Participate	\$128,085	\$154,440	TBD

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9.2 Personnel

As mentioned earlier in this document, personnel costs and fringe benefits are the district's major expenditures. Like Fremont City Schools, most districts reduce expenditures by reducing staff. Fremont City Schools has made significant staff reductions in the past two years. It should be noted that the district is being prudent with taxpayers' monies while attempting to improve its overall academic program. Additionally, the district has two bargaining unions and both the Fremont Education Association, OAPSE-Local #321 and administrative staff have taken a wage freeze for two of the past three years in order to assist the district with its overall financial picture. This past year both unions and the district leaders negotiated salary increases. The salary increases provided to all staffs came from additional savings by reducing staff and/or positions and by negotiating a new contract with the North Central Educational Service Center.

9.3 Fiscal Caution

On August 18, 2008, the Ohio Department of Education released the district from Fiscal Caution because it ended the fiscal year 2008 with a positive balance and the five-year forecast is also projecting a balanced budget each year. The district was placed into the Fiscal Caution category by the Ohio Department of Education in 2003 because it ended the year with a deficit and had to take a real estate tax advance in order to balance the budget. The district has had to take tax advances each year thereafter until 2008.

9.4 Financial Concerns

The lack of funding from the state of Ohio is a major concern. Even with the recent passage of the Income Tax Renewal Levy, the district is not receiving any additional monies from the Fremont community. During the 2007-2008 school year, the district lost \$264,000 in Poverty Based Assistance and almost \$1 million in parity aid. Additionally, health care costs and workers compensation costs continue to increase. Lastly, higher energy and fuel costs will increase and the district will be negotiating with its teaching staff in early 2009 with OASPE negotiations scheduled two years later.