Worthington City Schools
Overview of Forecast Assumptions
May 5, 2010

Revenue

Real Estate Tax Collections

We have received more than expected for Fiscal year 2010 due to the new operating levy. We have also received additional amounts above what we anticipated from the levy due to delinquent taxes from prior years being collected.

State Foundation

Guarantee is $12 million
Decrease of 1% in FY10 & 2% in FY11
Loss of federal stimulus in FY12 (Line 1.045)
Decrease of 10% in FY12 maintained for FY13 & FY14

Tangible Reimbursement

FY12 and FY13 have maintained the full reimbursement
FY14 has the reduction at $7.1 million per the original schedule.

Interest revenue

FY10 $500k, FY11 $450K
FY12 through FY14 $400k
Current overnight rate is .15%

Expenses

Wages

FY10 & FY11	2.85%
FY12	0.00%
FY13	1.00%
FY14	2.00%

The assumptions take all day kindergarten, middle school restructure and high school reductions into consideration.

Benefits - Insurance

FY10 has 1% decrease built in and changes to negotiated agreements
Future years have 13%
Added SERS catch-up for FY11 and beyond. (this will be for period of 6 years)

Purchased Services

Utilities are flat for FY11 and have 5% inflation increase thereafter (1% = $29,406)
Tuition has 8% inflation increase (1% = $39,651)
Department & building budget reductions provide slight reduction for FY11.
All other areas have 3% inflation increase for FY12 and beyond

Materials

Department & building budget reductions provide slight reduction for FY11.
3% inflation (1% = $24,275) for FY12 and beyond.

Equipment

Budget reductions and use of cost shifting provide reduction for FY11.
3% inflation for FY12 and beyond.

Other

Increases for new operating levy have been included.
3% inflation (1% = $16,205)

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Risks

The forecast assumes passage of a bond issue no later than 2012 to keep at least $4 million in annual expenditures from being added to the general fund due to the cost shifting funds depletion.

The recession has adversely effected the real estate market for both residential and commercial property. The information we have heard to date includes reduction in value of 10% or greater in some areas of Franklin County. While we have not assumed any increase in valuation at this time, the possibility of a reduction in our tax base does exist.

The State Budget is built on many one time revenue sources. The foundation is supported by Federal stimulus funds. The budget may see significant loss from revenue assumptions, which could result in decreases of up to 30% of foundation each year. The forecast assumes the state will not find resources to replace the stimulus funds and will also require a 10% reduction in current foundation funding.

The state budget has a tangible reimbursement hold harmless for FY12 & FY13, but no known means to pay for it. This has resulted in $8 million in additional revenue. The forecast also assumes continuation of the Electricity deregulation payments at this time.

There are many provisions in the new state budget using the Governor's evidence based model which will impact the District. We cannot ascertain all of the potential effects at this time.