

Worthington City School District



**General Fund
Five Year Forecast May Update
July 1, 2017 Through June 30, 2022
May 14, 2018
Presented By Jeff McCuen, CPA, Treasurer/CFO**

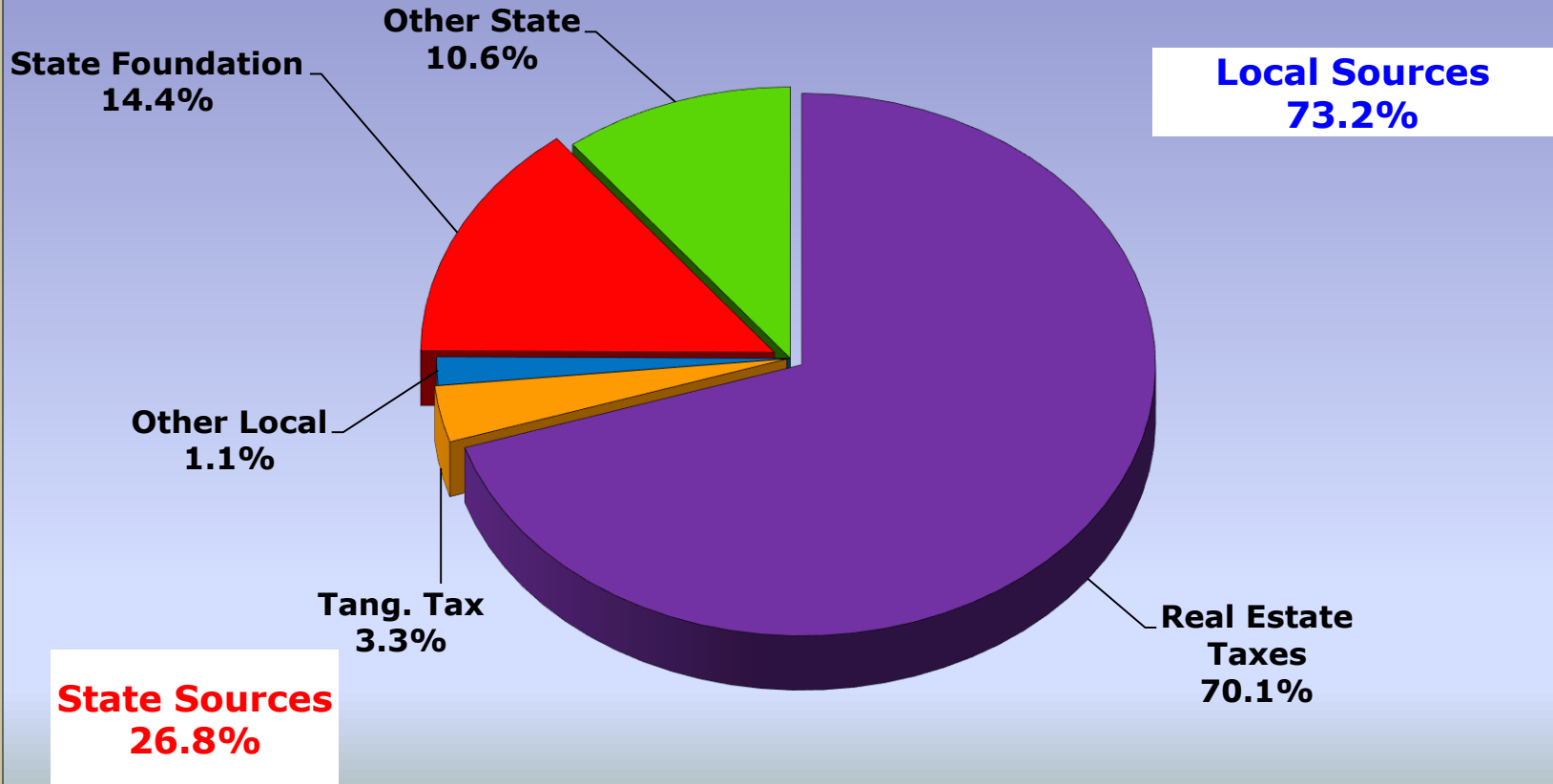
May Update

- The May forecast provides an update to the current year budget, as well as incorporates any changes to future assumptions
- Stable: The net effect of changes over the five year period is a positive \$4.1 million on over \$700 million of expenditures during that time

Revenue Updates

- **Total revenue increase of \$3.9 Million over the life of the forecast**
- **Current year tax revenue up \$2.8 million: \$1.3 million related to settlements of successful challenges of commercial valuation, and approximately \$1 million is a timing issue due to residents prepaying taxes as a result of federal tax law**
- **State revenue is up approximately half a million annually due to increase in preschool special needs students**
- **Increased interest income**

General Fund Revenues Estimated 2018 \$135,423,499



$\frac{3}{4}$'s of our total revenue comes from local sources

We are a “capped” District

- FY18-19 State budget reduces cap to 3.6% from 7.5%.
- FY20-22 State budget may reduce further.

	FY18	FY19	FY20	FY21	FY22
Calculated Aid	\$21.3	\$21.6	\$21.8	\$22.1	\$22.4
Capped Aid	\$16.5	\$17.1	\$17.6	\$18.1	\$18.5
Shortfall	\$4.8	\$4.5	\$4.2	\$4.0	\$3.9

Tuition

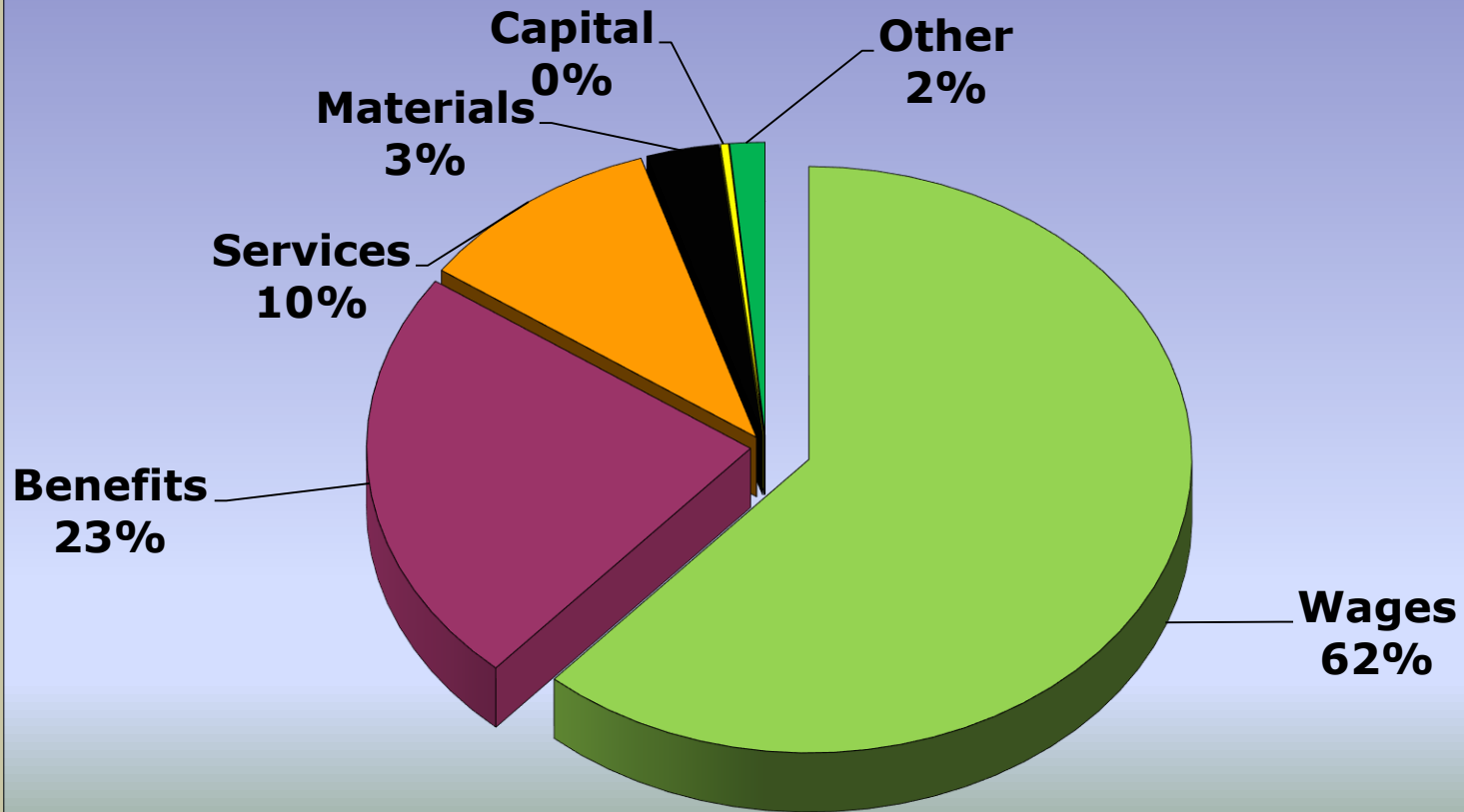
- Current funding formula includes all resident students to determine gross state aid, and applies indexes to determine net aid, but then deducts full gross amount for students attending community schools and other scholarship/choice programs

Source	FY18	FY19	FY20	FY21	FY22
Community & Stem School Deduction	\$1.3	1.3	1.3	1.3	1.4
Scholarship Deduction	<u>1.8</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.4</u>
Total Deduction	3.1	3.2	3.4	3.6	3.8

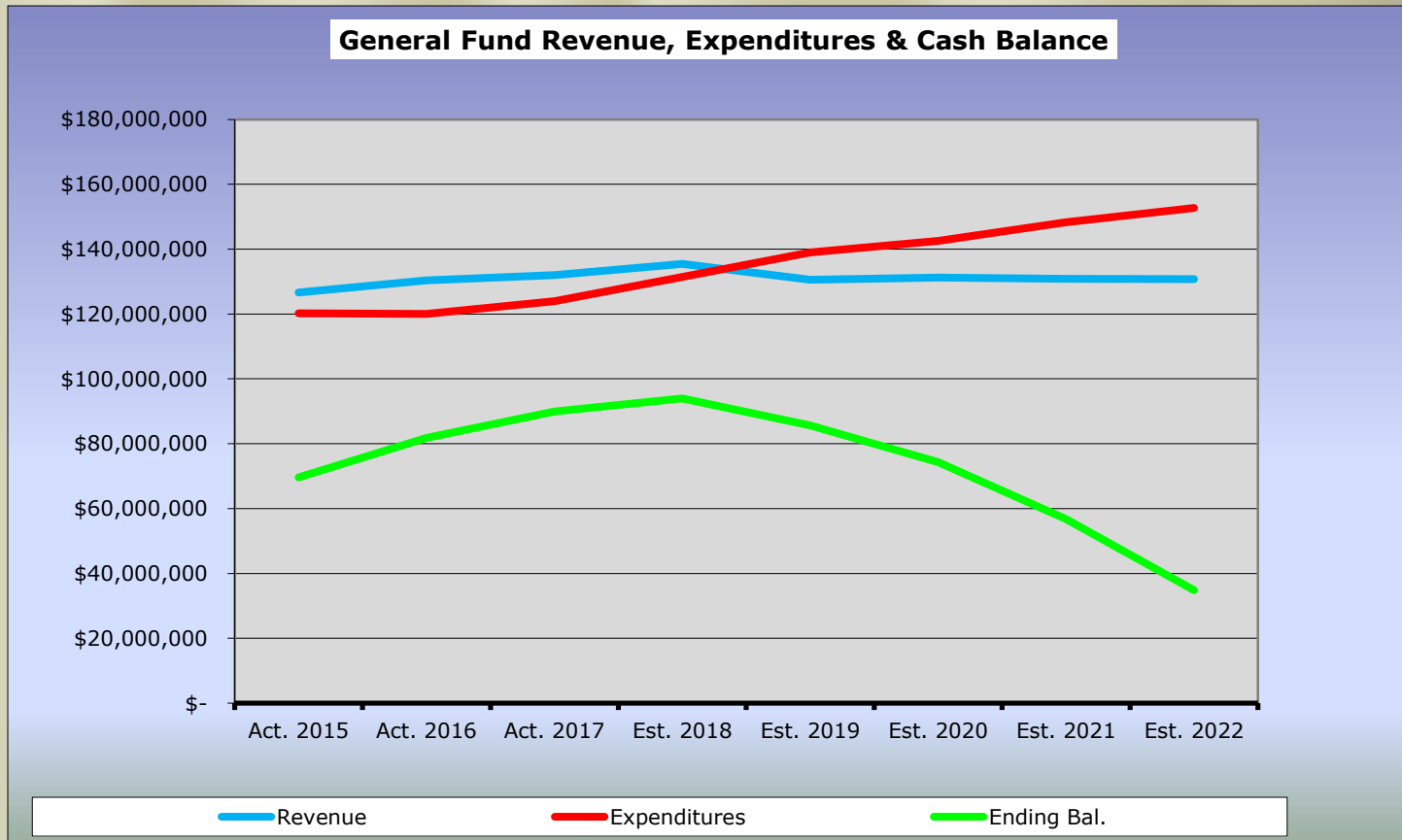
Expenditure Updates

- **Total decrease of \$0.2 Million over the life of the forecast**
- **Updated enrollment projections show slightly lower growth so estimated staff increases have been reduced**
- **Fringe benefits reduced to reflect workers compensation insurance decrease due to low claims history, saving \$125,000 annually**
- **Student technology device replacement has been added to the forecast of approximately \$1.5 million annually**

General Fund Operating Expenditures FY18
\$128,665,457



Revenue Vs. Expenditure



- **Deficit spending projected to begin next year and grow to \$11.3 million in FY20, creating the need to seek additional funds**

Current Issues

- **+1,000 students with +800 expected**
 - 46 FTE for new students
 - Capacity in unavailable at elementary
- **Revenues: State revenue does not provide significant resources**
- **Expenditures: Major wave of retirements in the past, health costs still a concern but should be more predictable, increase in enrollment is addressed in forecast and will require more staffing**

What is in our Future?

- **Operating Levy**
 - Incremental, 2.9, +2, +2, +2
 - Should allow us to maintain operations until 2022
- **Capital Bond Levy**
 - \$89 million
 - Should be around 2.56 mills, but with current bonds being paid off, should not have to collect more than 2.25

Questions?

