Revenue Assumptions

**Line 1.010**

- Property Taxes – A 12% CAUV reduction for Ashland Co is assumed as mandated by HB49 however, residential values are expected to grow for an overall estimated 1.5% increase in property tax collection for the 2020 year. Similar growth is projected for the remainder of the forecasted years.

**Line 1.020**

- In the 2020 tax year, the district expects to receive an increase in revenue due to the Rover pipeline that began gas flow late in 2018. Valuations recently received from the Ohio Department of Taxation reflect a valuation increase of 122% over the 2019 year due to the installation of the second phase of the pipeline and full assessed valuation of a gas compressor station located in Wayne County. Valuations are provided by the Ohio Department of Taxation. The owner of the pipeline and has filed appeal on the valuation which could affect the forecasted revenue here. Forecasted figures include the reduced assessed value and provides the current revenue estimate in which Public Utility taxpayers are required to pay upon appeal. Once the appeal is resolved, revenue estimates will be adjusted at that time.

**Line 1.035**

- Unrestricted State Aid – In July, 2019 the state of Ohio passed H.B. 166 as the state's 2020 and 2021 state budget. In accordance with HB 166, the district has been placed on a funding freeze for fiscal years 2020 and 2021 and will realize no growth in funding although the district has grown in enrollment by 20 FTE’s over 2019. The funding freeze has been assumed for the life of the forecast due to uncertainty with legislative action for 2022 and beyond.

**Line 1.040**

* Restricted State Aid – This line item represents career-technical funding, associated service payments from member districts, and economical disadvantaged funding. These dollars are restricted by the State of Ohio and are required to be spent on career technical services, supplies and equipment as well as aid to economically disadvantaged students, respectively. In accordance with HB 166, the district has been placed on a funding freeze for fiscal years 2020 and 2021 and will realize no growth in funding although the district has grown in enrollment by 20 FTE’s over 2019. The funding freeze has been assumed for the life of the forecast due to uncertainty with legislative action for 2022 and beyond.

**Line 1.050**

* Property tax allocation – Homestead and rollback reimbursements are represented here and moderate increases in yearly receipts are assumed.

**Line 1.060**

* Other revenue – Open Enrollment revenues, property rentals, interest income, and donations to the district are accounted for here. Open enrollment funding accounts for most of the revenue stream and therefore could be volatile in year to year assumptions.
**Expenditure Assumptions**

**Line 3.010**
* Personnel services assume an annual allowance of 1.5% for salary steps and 1.25% base increases for the 2020 year, and 1% for the years 2021-2024. In each year of the forecast, assumptions are included for the reduction, replacement and addition in personnel to accommodate existing and new career technical programming.

**Line 3.020**
* Employee retirement and insurance benefits – Salary driven fringes such as Retirement and Medicare contributions are forecasted to increase in line with wages. Also included here is medical insurance expense and is the largest component of this line item. The increase in insurance rates is assumed at a 3% increase for 2020 and 5% increases annually, thereafter. As the district is self-insured, premium holidays may be utilized should claims come in better than expected. Should this occur, premium holidays will reduce this line item.

**Line 3.030**
* Purchased Services – This line item reflects the districts expense for professional services, professional development of its staff, utilities, property insurance, and maintenance expenses. College Credit Plus expenses as well as the utilization of purchased services in Satellite locations for instructional purposes are included here. Overall this line item is forecasted to remain stable with an expected inflation of 2% annually through FY2024.

**Line 3.040**
Supplies/Materials – This line item reflects district expenses for textbooks, instructional supplies, software and vocational program supplies. Spending is expected to remain level through FY2024 with moderate 2% inflation allowed annually. FY2020 realizes decreased expense over 2019 due to the implementation of one-to-one student Chromebooks in its second year and reduced chrome book needs.

**Line 3.050**
* Capital Outlay – This line item represents district expenses related to computer equipment, the addition or renovation of district facilities as well as the purchase of vocational program equipment. Moderate equipment expenses are assumed for 2020 for the implementation of a new career technical welding lab to open in 2021. Annual increases of 5% in this line item is assumed through 2024.

**Line 4.300**
* Other objects – Expenses for county auditor fees, liability insurance, professional dues and fees as well as student credentialing costs and awards are represented here. These expenses are assumed throughout the life of the forecast at 2% annually.

**Line 5.010**
* Transfers Out – The forecast anticipates transfer for severance payments to retiring employees and minimal internal transfers to other funds the districts holds.