



Massillon City Schools

**Board of Education
Five Year Forecast Notes
July 1, 2012 through June 30, 2017
May Submission
Fiscal Year 2013**

The Massillon City Schools serves 3,951 students within an approximate area of 13 square miles.

1.01, 1.02, 1.05 – Tax revenue data is entered from information that is certified by the Stark County Auditor’s Office as well as taking into consideration historical data. Massillon City Schools has approximately \$3 million in delinquent taxes which just over \$750,000 are current. The phase out of personal property taxes is also addressed.

With the State expediting the phase out of the reimbursement of the property tax allocation (line 1.05), the District has incurred approximately a \$3 million loss in revenue. This reduction along with the estimated local tax reductions will certainly impact the total overall budgeting of the Massillon City Schools as projected on the cover of the five year forecast.

1.03 - The income tax issue expired 12/31/01. The Massillon City Schools received again additional income tax revenue that was not expected for fiscal year 2013 in the amount of \$35,760. The Massillon City Schools has now received small amounts in income tax proceeds for numerous years that were not expected. The amounts are varied. No future estimates are being projected.

1.035, 1.04 – State Foundation funding estimates were based on the BRIDGE model; a more simplified approach to state funding for school districts until a new funding method is finalized in 2013. Current projections are to remain relatively constant, therefore the state foundation is “flat lined” until the new model is complete. The number of students who are entering and exiting the Massillon City Schools will need to be watched carefully so that the simulation estimates are kept current. EMIS (Educational Management Information System) student count data is critical to the estimates of state foundation funding as the October count week for students is used to determine the funding received.

1.04 – The Educational Jobs Grant funds were spent during FY12 for salaries and fringes of elementary staff; thus a decrease of these dollars is reflected in line 1.040. Career-Tech allocations of \$468,835 are the only Restricted Grants-In-Aid dollars being reported.

1.05 – Property tax assumptions are addressed in the five year forecast using the state’s spreadsheet model for estimates of the reimbursement of personal tangible tax replacement, which will be expiring, along with the estimates from the County Auditor’s Office.

1.06 – All other revenues are estimated based on historical collections which include open enrollment, rentals, e-rate discounts and abatements to name a few. The net effect of the District’s open enrollment has shifted to a negative \$656,979; with community schools at a \$1,509,660.57 deficit as well. Thus, the District is losing over \$2 million to other schools educating our students.

2.05 - Any “advances in” that occur are due to dollars that have been advanced to other funds to cover deficits at the end of the previous fiscal year. The vast majority of that amount depends on the timing of the collection of state and federal grant funds that are received from the state.

3.01 – Salaries are calculated on contract data and the staff that is employed at the time the five year is completed. Estimates are used in the areas of overtime, substitutes, etc. based on the previous years amounts. Included in FY13 is the retirement liability of \$865,000 which consists of contract payoff, STRS/SERS contributions, retirement enhancement, and severance payment according to the negotiated agreements. The FY14 increase includes savings from FY13 retirees and cost for retirement payouts due retirees in June, 2014. The contracts for the Massillon City Schools bargaining units expire as follows:

Massillon Education Association –

- Expires June 30, 2014
- No base increase
- No step increases for FY2013, 2014

Small Group Teachers –

- Expires June 30, 2014
- No base increase
- No step increases for FY2013, 2014

OAPSE 114 (custodians, bus drivers, aides, cafeteria) –

- Expires June 30, 2014
- No base increase
- No step increases for FY2013, 2014

OAPSE 148 (secretaries) –

- Expires June 30, 2014.

A salary and fringe benefit agreement for the administrative staff and the central office non-bargaining unit employees includes language that grants salary increases to mirror the professional staff contract (MEA).

3.02 – Medical costs have been set with a 5% increase for FY13 as per the Council of Governments, insurance consortium of the Stark County ESC. The insurance estimate is for a 10% increase for each fiscal year thereafter. Retirement, workers compensation and medicare are estimated for the staff employed at the time the five year is completed. Employee contributions to the medical premium will help offset some of the medical costs. Currently all staff contribute 10% of the hospitalization premium. It is estimated that the staff contribution will exceed \$500,000.

3.03, 3.04, and 3.05 – Purchased Services, Supplies and Materials and Capital Outlay are estimated again on historical costs with percentage increases to cover inflationary growth if needed. The District is estimated to realize an increase in the purchased service area due mainly to additional tuition/excess costs/open enrollment out expenses. The supplies and capital outlay are decreased since the District Administration used state fiscal stabilization funds to purchase educational supplies and equipment during FY10 and FY11.

4.30 – Other objects for expenditures include shipping charges, dues/fees, county educational service center affiliation charges and Massillon City Schools fleet insurance to name a few. This area is also increased/decreased for historical or known modifications.

5.0 – The estimate of \$125,000 advance from the general fund is for the purpose of covering any deficit spending that may arise in any state and/or federal programs due to the timing of revenue received in these programs for fiscal year end close out. Any general fund dollars advanced to state/federal programs will be paid back to the general fund from those same state/federal programs that were initially advanced the money.