



Massillon City Schools

**Board of Education
Five Year Forecast Notes
July 1, 2013 through June 30, 2021
October Submission
Fiscal Year 2017**

The Massillon City Schools serves 3,985 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. The valuation has dropped from \$435,265,560 in Tax Year 2010 to \$395,322,330 in Tax Year 2015 which is up approximately 4% from 2014. Thus, I have flat-lined taxes from 2017-2020 in an anticipation of the valuation leveling out. Massillon City Schools has approximately \$3.5 million in delinquent taxes up \$300,000 from what was reported a year ago.

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 School District received again additional income tax revenue that was not expected for fiscal year 2016 in the amount of \$12,511. The District has received small amounts in income tax proceeds for numerous years that were not expected. With the varied amounts and minimal effects on the overall budget, no future estimates are being projected.

1.035 – State Foundation funding estimates were based on the October, 2016 Foundation Settlement Sheet which shows the District receiving \$24,142,234 in Unrestricted State Aid. However, if Massillon City School District received the calculated funding, it would get an additional \$2.7 million. EMIS (Educational Management Information System) student count data is now reported daily; thus the importance for information being recorded correctly.

1.04 – Restricted State Aid - Career-Tech and Economically Disadvantaged are reported on this line. The District has seen an increase in both these areas since last year.

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. Massillon City School District is expecting to saw a \$100,000 loss of TPP Reimbursement from the State in FY16 or a total of \$774,505.

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 dropped from a negative \$693,534.92 in FY16 to an estimated negative \$640,792.27 in FY17; with community schools at a \$1,241,753 deficit as well. Thus, the District is losing close to \$2 million to other schools educating our students. Using the Funding Amount of \$6,000 per student, this equates to over 300 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. The total for FY17 is up approximately 11% with 4% resulting from the wage and step increases for the staff; the remaining 7% accounting for new staff hired by the Board to expand instructional services for students, to be in compliance when serving our special needs population, and to add to the support services where needed.

The contracts for the Massillon City Schools bargaining units expire as follows:

Massillon Education Association –

- Expires June 30, 2017
- 2% increase on the base FY15; FY16; FY17
- Resume Steps

Small Group Teachers –

- Expires June 30, 2016
- 1% Increase on the base beginning January 1, 2015
- Resume Steps

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

- Expires June 30, 2016
- 2% increase on the base FY17, FY18, FY19

OAPSE 148 (secretaries) –

- Expires June 30, 2017.

3.02 – Medical costs have been set with a 5% increase for FY17 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 a percentage of the hospitalization premium according to their negotiated agreement. 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 on actual funds expended plus current encumbrances. The District is estimated to realize an increase in the purchased service area due mainly to additional tuition/excess costs/open enrollment out expenses. Supplies have increased due to the cost of testing materials, College Credit Plus Textbooks, and monies allocated for a Textbook Adoption. In the area of Capital Outlay, allocations were included for the purchase of two new buses with the possibility for an additional special needs bus.

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 – Advances and Transfers – The retirements have dropped mainly because those eligible to go went prior to the changes in the Retirement Systems. With those changes in effect, staff will need to work longer before eligibility to retire.