



Clinton-Massie Local Schools

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Clinton-Massie Local School District Fiscal Precaution Written Plan Narrative February 21, 2024

Introduction

Clinton-Massie Local School District was formed in 1959 by consolidating 4 rural schools. We operate one campus with a middle/high school building and an elementary building. Our campus also houses a transportation facility and maintenance barn. We have 226 employees and 1782 students. We began accepting open enrollment students in 2010 and that number of students maxed out in 2021-2022 when we had 242 open enrollment students. That is the year the Fair School Funding Plan was implemented, and since we are on both guarantees, open enrollment was no longer profitable for us. Since then, we have no longer been taking new applications and will not be accepting any returning K-5 applications for the 2024-2025 school year in order to reduce staff members through attrition. Our district is mostly rural with no real industries to speak of.

The Board of Education and staff were aware that the passage of a 0.5% earned income tax in May of 2019 would not be enough to continue operations through its duration in 2024. At this time, we are seeking to renew the expiring 0.5% earned income tax levy (March 19, 2024 ballot).

The Board of Education is aware of the need to reign in our deficit spending so we do not continue to deplete our funds. To this end, we have already accounted for not replacing four retirees after FY24 in our November forecast as filed (\$459,761).

Changes in Assumptions

Our district has property in two counties, one of which went through a re-evaluation in 2023. We are well under the 20-mill floor. The forecast included increases for both counties (\$640,868). Shortly after the November filing, we received our property valuations from the Clinton County auditor which were significantly higher than what we had forecasted (\$185,709 increase due in FY24 and over \$300,000 increase expected in the following re-evaluation/update years). The impact of increases to Tangible Personal Property and State Share of Local Property Taxes are also reflected. Clinton County represents approximately two-thirds of our district and Warren County represents the other third. Warren County will go through re-evaluation in 2024.

After receiving our quarter one payment from the Department of Taxation, our income tax collections are down \$91,000. This decrease has been projected to future years as well.

When property values change, State Funding is recalculated for local capacity. The effect for the near future is virtually zero, but in 2026 when they use the newer property values, the change is more dramatic (approximately \$50,000).

We accounted for returning an advance for \$19,601 for this year and every year we transfer \$100k to our PI fund which was somehow left off the final forecast.

Encumbrances have been added under change in assumptions to reflect a reasonable estimate expected at year-end.

Expenditure Reductions

- We have a principal retiring (severance already included in forecast) which will not be replaced.
- An elementary teacher is taking a one-year unpaid leave of absence The teacher will be returning the following year, so the savings are accounted for in FY25 only, with their salary returning in FY26 and beyond.
- Reductions in force will be implemented for two retired/rehired teachers that will not be replaced. Since both previously retired, there are no severance costs associated with these savings.

Plan Management

The Board of Education currently receives a monthly financial report pulled from our forecasting software that details general fund cash balance, revenue & expenditure comparison to previous months and years, and an overall forecast comparison. They also receive a monthly check register, cash account summary by fund, investment report, and cafeteria report.

The Board of Education will continue to monitor the implementation of this plan through presentation/discussion at each Board meeting under the Financial Strategic Planning & Governance item on each agenda. It will also be on the agendas for the two scheduled work sessions each year per the District Strategic Plan. All Board of Education decisions will be made with the approved Written Plan in mind while keeping in focus the District Strategic Plan.

Closing Statement

This plan has been created based upon the information available at this time. Depending on the March 2024 ballot outcome, reductions may vary from those listed to yield the same or increased savings.

I certify that the Clinton-Massie Local School District Board of Education reviewed and approved the changes in assumptions, revenue enhancements, and expenditure reductions contained in the workbook and approved this written plan narrative during the February 21, 2024 regularly scheduled school board meeting.

Jeremy Lamb, President

Date

David Moss, Superintendent

Date

Carrie Bir, Treasurer

Date