



# **FWCS 2020 Budget**

September 9, 2019

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# Agenda

- State Budget Requirements
- Revenue
- Expenditure Budget
  - Education Fund
  - Operations Fund
  - Debt Funds
- Comparisons
- Key Take-Aways



# Budget Adoption Calendar

September 9	Public Budget Presentation
September 10	Budget advertised on Gateway
September 10	Capital Projects and Bus Replacement Plans notice advertised in Journal Gazette with detail on FWCS website
September 23	Public Hearings: <ul style="list-style-type: none"><li>- Budget</li><li>- Bus Replacement Plan</li><li>- Capital Projects Plan</li></ul>
October 14	Adoption of Budget and Plans
By Jan. 1, 2020	Budget Order issued by State





# Board Approval Required

- ✓ 2020 Appropriations (budget) and 2020 Maximum Levy (property tax)
- ✓ Bus Replacement Plan – 5 years of 12
- ✓ Capital Projects Plan – 3 years
  - ✓ Only capital assets over \$10,000
- ✓ ISTRF Employer Contribution Savings
  - ✓ Education Fund \$1,585,000
  - ✓ Completed September 9

# 2020 REVENUE



# Total Revenue

	<u>2019</u>	<u>Education Fund</u>	<u>Operations Fund</u>	<u>2020</u>	<u>Change</u>
State Tuition Support	\$208,961,762	\$212,364,907		\$212,364,907	1.6%
Net Property Taxes	44,088,176		\$45,867,015	45,867,015	4.0%
Excise and FIT	3,950,484		3,989,681	3,989,681	1.0%
Interest Income	3,375,000		3,300,000	3,300,000	-2.2%
Indirect Cost	2,500,000		2,200,000	2,200,000	-12.0%
Miscellaneous Revenue	2,449,876	1,706,750	584,911	2,291,661	-6.5%
<b>Total</b>	<b>\$265,325,298</b>	<b>\$214,071,657</b>	<b>\$55,941,607</b>	<b>\$270,013,264</b>	<b>1.8%</b>
<b>Estimated Transfer</b>		<b>(\$15,000,000)</b>	<b>\$15,000,000</b>	<b>&lt;&lt; 7% of State Support</b>	
<b>Available Revenue</b>		<b>\$199,071,657</b>	<b>\$70,941,607</b>		

## Tuition Support – Basic Grant

- **Foundation**

- All districts get the same per pupil
- To provide basic level of support to all students

- **Complexity**

- To provide additional support to students with additional needs
- Formula:
  - % of district's students that are direct certified by the State for benefits
  - X a standard factor
- Formula prior to 2015-16:
  - % of district's students that received free or reduced lunch
  - X 50% of foundation
  - + a second tier for high poverty districts.

# Education Fund Revenue

## Tuition Support – Basic Grant

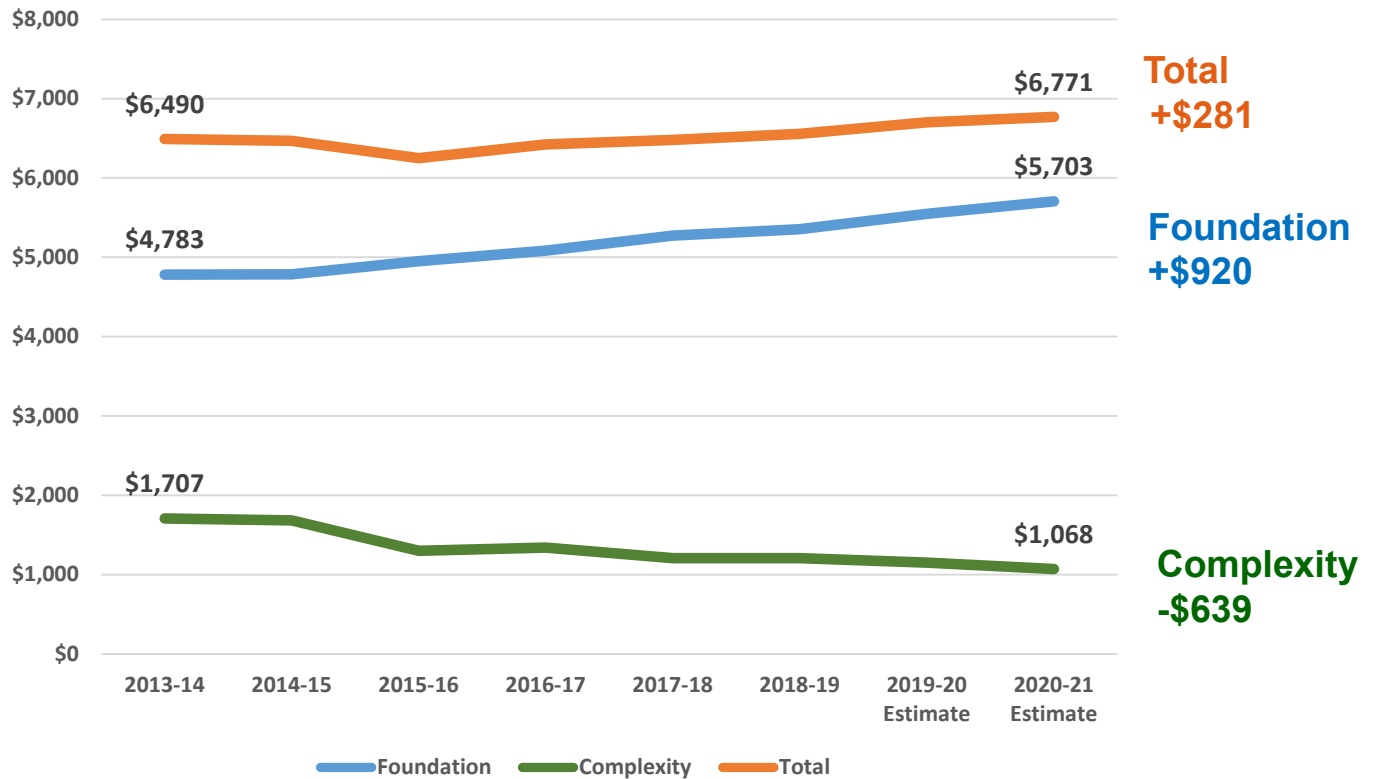
	<u>Foundation</u>		<u>Complexity Index</u>	<u>Mulptiplier Factor</u>	<u>Complexity</u>		<u>Total</u>	
2013-14	\$4,783		0.7138	\$2,392	\$1,707		\$6,490	
2014-15	\$4,785	0.0%	0.7030	\$2,393	\$1,682	-1.5%	\$6,467	-0.4%
2015-16	\$4,949	3.4%	0.3671	\$3,539	\$1,299	-22.8%	\$6,248	-3.4%
2016-17	\$5,082	2.7%	0.3789	\$3,539	\$1,341	3.2%	\$6,423	2.8%
2017-18	\$5,273	3.8%	0.3405	\$3,539	\$1,205	-10.1%	\$6,478	0.9%
2018-19	\$5,352	1.5%	0.3405	\$3,539	\$1,205	0.0%	\$6,557	1.2%
2019-20 Estimate	\$5,548	3.7%	0.3155	\$3,650	\$1,152	-4.4%	\$6,700	2.2%
2020-21 Estimate	\$5,703	2.8%	0.2905	\$3,675	\$1,068	-7.3%	\$6,771	1.1%
Change since 13-14	\$920				-\$639		\$281	

4% total  
increase  
over last 7  
years



# Education Fund Revenue

## Tuition Support – Basic Grant FWCS Amount Per Pupil



\*Foundation restated to include kindergarten

# Education Fund Revenue

## Based on Pupil Count

- Enrollment
  - 2018-19 Actual - 29,604
  - 2019-20
    - As of 9-6-19 - 29,649
    - Official count – 9-20-19
- ADM (Average Daily Membership) –  
Preschool not included or funded
  - 2018-19 Actual – 28,537
  - 2019-20 as of 9-6-19 – 28,665

# Education Fund Revenue

## Tuition Support – Other

- **Special Education – \$17.8 million**
  - Per Pupil
    - Severe \$9,156
    - Moderate \$2,300
    - Communication \$500
    - Preschool (18-19 \$2,750, 19-20 \$2,875, 20-21 \$3,000)
- **Career & Technical Education**
  - \$2.1 million
- **Honors Grant**
  - \$537,000



# Operations Fund Revenue

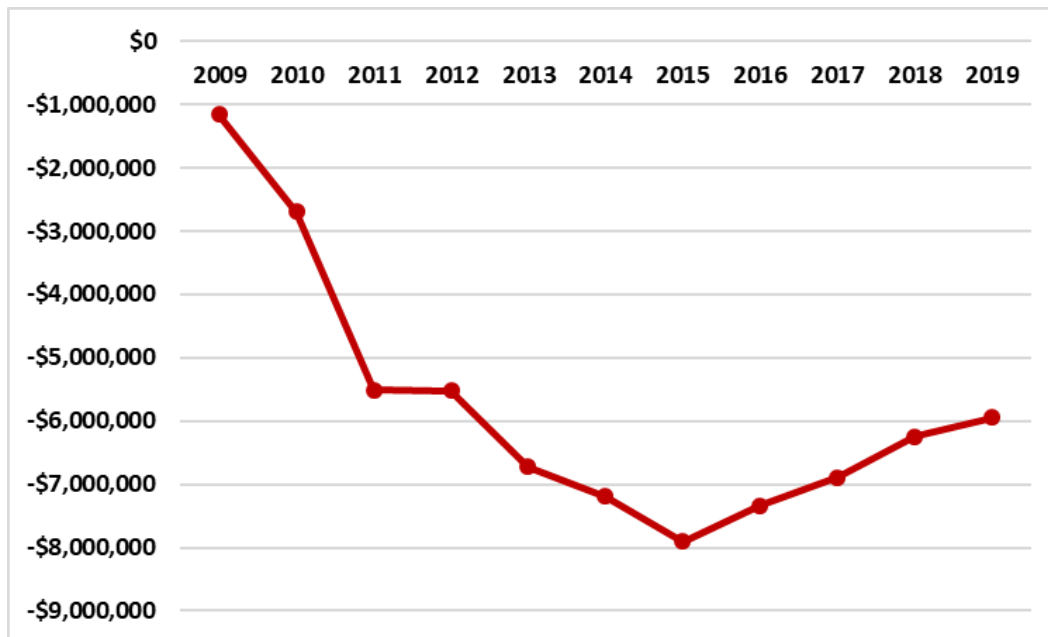
## Property Tax

	2019	2020
Maximum Allowed Levy (prior year)	\$51,548,805	\$53,301,464
Times Growth Factor	<u>1.034</u>	<u>1.035</u>
Maximum Allowed Levy	53,301,464	55,167,015
Less Pension Bond Neutrality	<u>(3,342,114)</u>	<u>(3,300,000)</u>
Allowed Levy	49,959,350	51,867,015
Less Tax Cap Loss	(5,871,174)	(6,000,000)
Net Property Taxes	<u>\$44,088,176</u>	<u>\$45,867,015</u>



# Operations Fund Revenue

## Tax Cap Loss (Circuit Breaker) Deducted from Property Tax



**Cumulative loss since 2009 about \$70 million**

# 2020 EXPENDITURE BUDGET

# Expenditure Categories

- Recorded in new funds based on Indiana Office of Management & Budget definitions
  - **Education Fund**
    - Academic Achievement
    - Student Support
  - **Operations Fund**
    - Overhead
    - Non-operations

# Expenditure Categories

## Academic Achievement

- Direct expenditures related to instruction. Includes teachers, teacher aides, media services, and instructional technology.

## Student Instructional Support

- Services that support student academic achievement within the school building. Includes attendance, social work, guidance, health, psychology, speech pathology, audiology, and school administration.

## Overhead and Operational

- Non-instructional operating costs. Includes corporation administration, fiscal services (budgeting, payroll, purchasing, accounting), operation and maintenance of facilities, security, pupil transportation, and administrative technology.

## Non-Operational

- Expenditures not related to the day-to-day operations. Includes construction and purchase of non-instructional equipment.

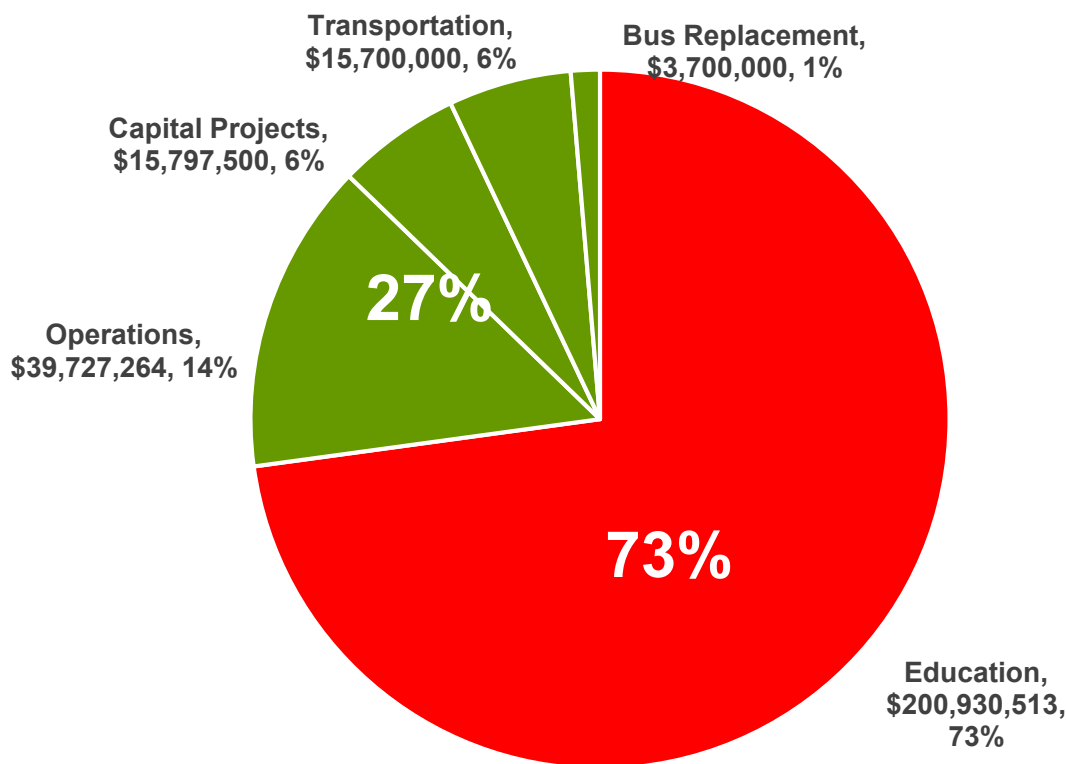




# Education and Operations

## Funds Budget

**\$275,855,278**



# EDUCATION FUND

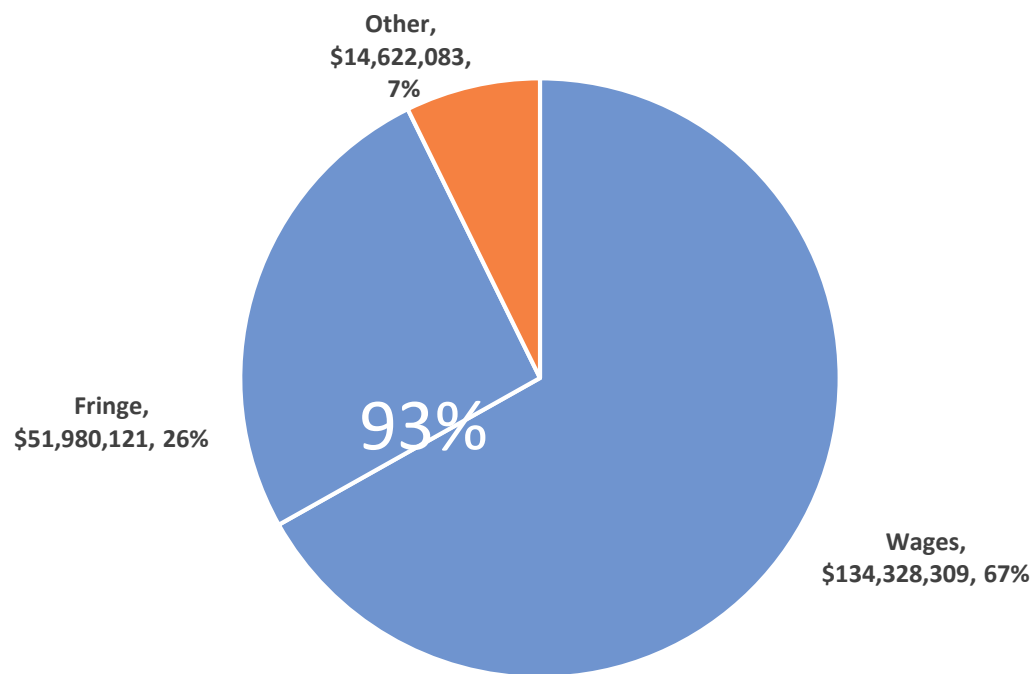
# Education Fund Components

- Teachers
- Classroom assistants
- School Administration
- Magnet programs
- Classroom materials and supplies



# Education Fund

## 2020 Budget \$200,930,513



# OPERATIONS FUND

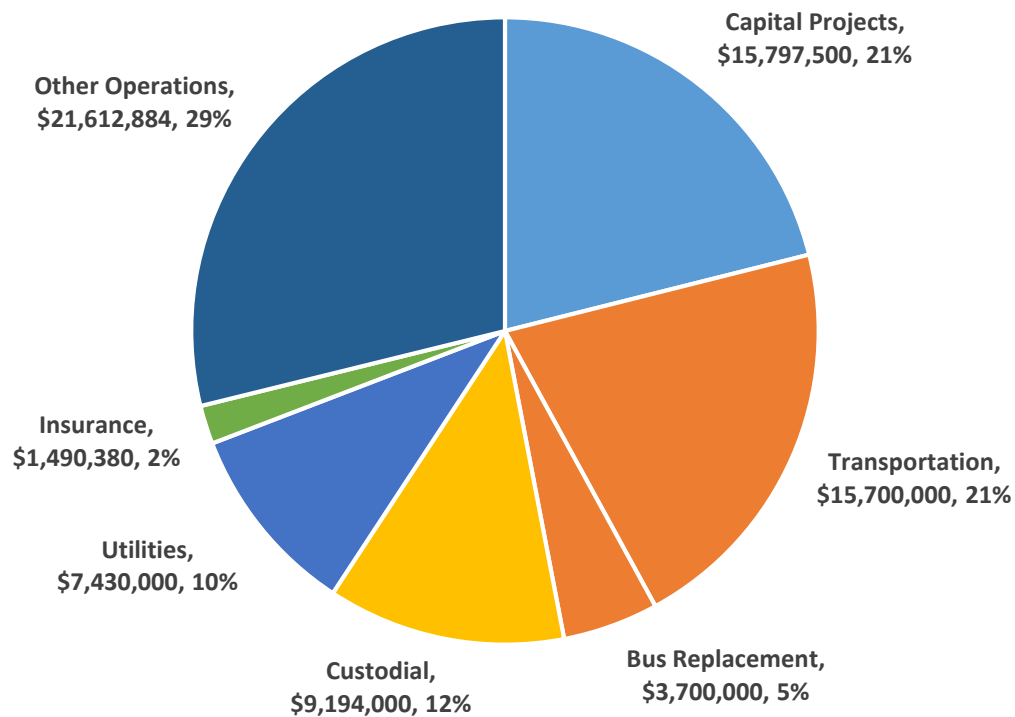
# Operations Fund Components

- District Operations
- Capital Projects
- Transportation
- Bus Replacement



# Operations Fund Total

## \$74,924,764



# Operations Fund Capital Projects Plan



- 62 buildings (50 schools); average age 60 years
- 3-year plan required by State
  - Only capital projects individually over \$10,000



# Operations Fund Required 3-Year Capital Projects Plan

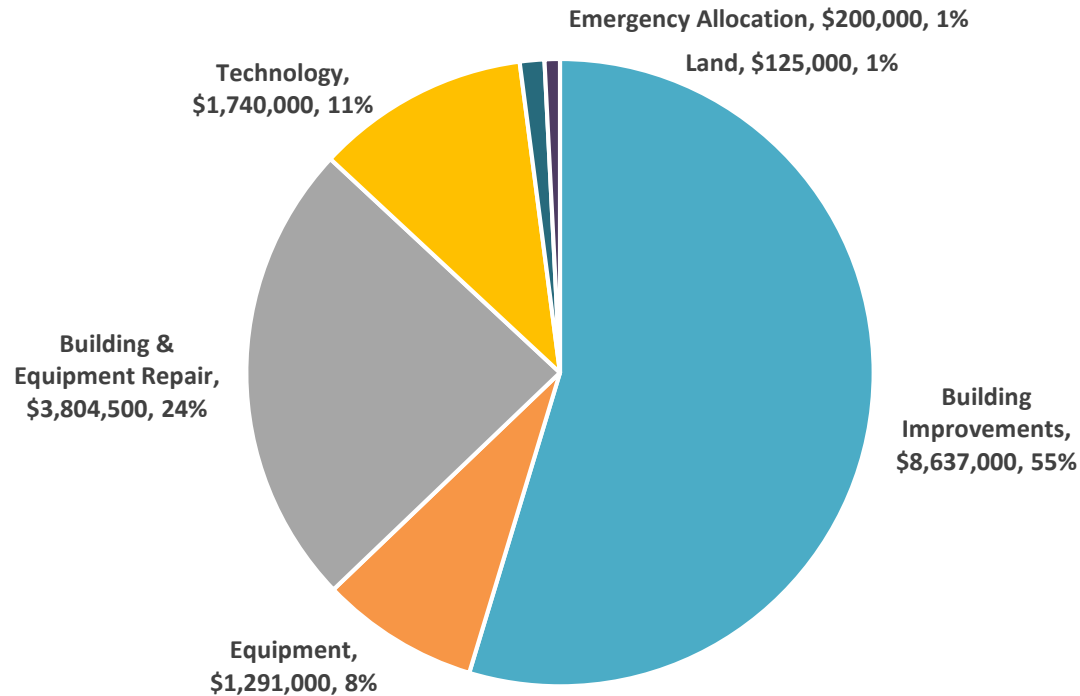
	<u>2020</u>	<u>2021</u>	<u>2022</u>
Projects Capital in Nature	\$ 7,637,162	\$ 7,531,500	\$ 8,501,000
Capital Acquisitions	<u>286,614</u>	<u>228,300</u>	<u>264,500</u>
	\$ 7,923,776	\$ 7,759,800	\$ 8,765,500



# Operations Fund

## All Capital Projects

### \$15,797,500



# Operations Fund Transportation

- 254 buses and 45 activity buses
- About 16,000 students eligible for service
- 1,124 routes (includes regular, Special Ed, midday, activity, Study Connection)
- 145 square miles
- Over 3 million miles traveled

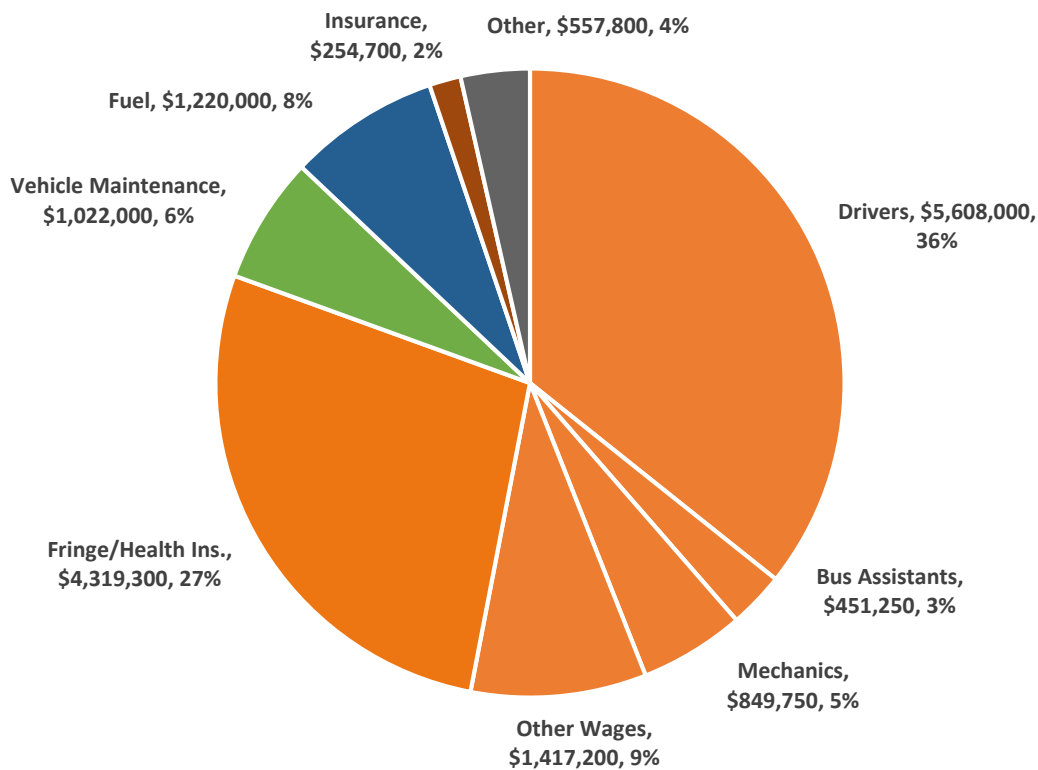




# Operations Fund

## Transportation

### \$15,700,000



# Operations Fund

## Required 5-Year Bus Replacement Plan

Replacement Year	Bus Inventory	Replacement Number	Replacement Cost	Funding Allocated
<b>5-Year State Required Plan</b>				<b>29 buses</b>
2020	299	39	\$4,907,128	<b>\$3,700,000</b>
2021	299	17	1,346,906	
2022	299	5	653,185	
2023	299	28	3,932,727	
2024	299	30	3,079,896	
		119	13,919,841	
<b>Remainder of 12-Year Replacement Plan</b>				
2025	299	33	4,914,300	
2026	299	8	1,298,400	
2027	299	16	2,571,283	
2028	299	23	3,656,023	
2029	299	37	5,286,133	
2030	299	29	5,020,138	
2031	299	34	6,330,912	
		299	\$42,997,029	

# DEBT FUNDS

# Debt Funds

- Board presentation July 22, 2019 -  
Future facility funding recommendations
  - Public hearing for \$8.15 million bond issue, repayment 2 years
  - Recommendation for \$125 million referendum May 2020, for future approval
- Public hearing and Board approval  
August 9, 2019
  - \$8.15 million bond issue approved, 2020 estimated payment \$3.5 million



# Debt Funds

	<u>Final</u>	<u>Budget</u>	<u>Budget</u>
	<u>Payment</u>	<u>2019</u>	<u>2020</u>
New Tech - 2009	2025	\$155,540	\$152,950
New Tech - 2010	2022	580,250	554,000
<b>General Obligation Bond - NEW 2019</b>	<b>2021</b>	<b>-</b>	<b>3,500,000</b>
State Technology Loans	Ongoing	4,545,502	4,552,199
Interest on tax anticipation warrants	if needed	50,000	50,000
Unfunded textbooks		267,604	152,619
<b>A Debt Service</b>		<b>\$5,598,896</b>	<b>\$8,961,768</b>
<b>Tax Rate</b>		<b>\$0.0653</b>	<b>\$0.1160</b>
<b>B Referendum Debt</b>	<b>2039</b>	<b>\$17,539,000</b>	<b>\$16,710,000</b>
<b>Tax Rate</b>		<b>\$0.1920</b>	<b>\$0.1868</b>
<b>A + B - Max rate promised \$ .3028</b>		<b>\$0.2573</b>	<b>\$0.3028</b>



# Debt Funds

	<b>Final</b>	<b>Budget</b>	<b>Budget</b>
	<b><u>Payment</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Pension Bond Fund (tax neutral)</b>	<b>2021</b>	<b>\$3,520,199</b>	<b>\$3,519,955</b>
<b><i>Tax Neutral - Operations Fund rate cut</i></b>		<b>\$0.0458</b>	<b>\$0.0458</b>

# BUDGET SUMMARY

# 2019 and 2020 Budget Comparison

	<u>2019</u>	<u>2020</u>	<u>Change</u>	
Education	\$ 203,744,479	\$ 200,930,513	\$ (2,813,966)	-1%
Operations	75,507,247	74,924,764	(582,483)	-1%
	<b>279,251,726</b>	<b>275,855,278</b>	<b>(3,396,448)</b>	<b>-1%</b>
Debt	26,658,095	29,191,723	2,533,628	10%
<b>Total</b>	<b>\$ 305,909,821</b>	<b>\$ 305,047,001</b>	<b>\$ (862,820)</b>	<b>0%</b>

Tax Rate 2019 \$0.9527

Tax Rate 2020 depends:

<<Estimated Range>>

\*if assessed value growth

3% (average last 5 years)

6% (same as 2019)

\*estimated tax rate increase

4%

1%

# Key Take-Aways

- Enrollment – expected to go up slightly from last year
- Total revenue increase less than 2%
  - State support increase only 4% over 7 years
- Education and Operations Fund – budget projected 1% below 2019 budget
  - State reduction in employer contribution to teacher pension \$1.6 million
- Debt Funds – added new \$8.15 million short term bond, at promised overall maximum rate of \$.3028
- Bus Replacement – projected to meet 12-year replacement schedule in 2021



# Next Steps – 2020 Budget

- |              |  |
|--------------|--|
| September 10 | Budget available at<br><a href="https://gateway.ifionline.org/">https://gateway.ifionline.org/</a>                                       |
| September 23 | Public Hearings: <ul style="list-style-type: none"><li>- Budget</li><li>- Bus Replacement Plan</li><li>- Capital Projects Plan</li></ul> |
| October 14   | Adoption of Budget and Plans   |