

FORT WAYNE COMMUNITY SCHOOLS



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KATHY FRIEND
CHIEF FINANCIAL OFFICER

2023 BUDGET
SEPTEMBER 12, 2022

- Calendar
- State Budget Requirements
- Education & Operations Revenue
- Expenditure Categories
- Expenditure Budgets
- Budget Summary
- ESSER Update
- Key Take-Aways

BUDGET ADOPTION CALENDAR



September 12

Public Budget Presentation

Budget advertised on Gateway

*Capital Projects and Bus Replacement Plans notice
advertised on Gateway and FWCS website*

September 26

Public Hearings:

- Budget
- Bus Replacement Plan
- Capital Projects Plan

October 10

Adoption of Budget and Plans

By Jan. 1, 2023

Budget Order issued by State

BOARD APPROVAL REQUIRED

- ✓ 2023 Appropriations (budget) and
2023 Maximum Levy (property tax)
 - **Education Fund**
 - **Operations Fund**
 - **Debt Funds**
- ✓ Bus Replacement Plan – 5 years
- ✓ Capital Projects Plan – 3 years
 - ✓ Only capital assets over \$10,000
- ✓ Goals for Expenditure Categories

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TOTAL REVENUE

	Known	Unknown
Education Fund State Revenue	State budget approved effective 7-1-21 Per pupil revenue known through 6-30-23	Impact of enrollment changes in future years
Operations Fund Property Tax	Levy allowed 2023	Impact of State income growth factor applied to future years Impact of circuit breaker losses Impact of additional legislative changes



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TOTAL REVENUE (non-debt)

	<u>2022 Estimate</u>	<u>Education Fund</u>	<u>Operations Fund</u>	<u>2023</u>	<u>Change</u>	
State Tuition Support	\$222,508,692	\$227,912,034		\$227,912,034		
Net Property Taxes	54,374,419		\$57,023,577	57,023,577		
Excise and FIT	5,405,786		5,405,800	5,405,800		
Interest Income	1,200,000		1,200,000	1,200,000		
Indirect Cost	7,936,542		6,800,000	6,800,000		
Miscellaneous Revenue	2,076,430	325,000	870,000	1,195,000		
Total	\$293,501,869	\$228,237,034	\$71,299,377	\$299,536,411	\$6,034,543	2%
Estimated Transfer Available Revenue		(\$12,000,000)	\$12,000,000	<< 5.4% of State Support State limit 15%		
		\$216,237,034	\$83,299,377			

EDUCATION FUND REVENUE

Tuition Support - Basic Grant Formula

- **Foundation**

- To provide basic level of support to all students
- All districts get the same per pupil
 - 2021-22 = \$5,995, 2022-23 = \$6,235 (4% increase)
- Virtual students funded at 85%, \$935 less per student, about \$200,000 less

- **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



EDUCATION FUND REVENUE

Tuition Support Basic Grant - Complexity

FWCS Complexity funding about \$30 million

1. Helps meet the needs of funding gaps that are not fully funded and are non-foundational expenditures
 - English Language Learners, gap of about \$4.7 million
 - Special Education, gap about \$7 million
2. Balance is available to support other non-foundational expenditures
 - Classroom support (i.e. classroom assistants)
 - Student support (i.e. case managers, alternative programs)



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EDUCATION FUND REVENUE

Tuition Support Basic Grant - Complexity

	Free/Reduced Meals	Direct	State Poverty
Year	Free Textbooks (1)	Certified (2)	for Formula (3)
2015-16	64.7%	41.4%	38.5%
2016-17	65.1%	38.2%	38.5%
2017-18	67.9%	49.2%	34.1%
2018-19	65.7%	50.0%	34.1%
2019-20	64.5%	56.0%	28.6%
2020-21	63.2%	59.2%	28.6%
2021-22	66.9%	56.9%	29.1%

(1) All students receive free lunch but must use application for free textbooks

(2) Includes SNAP, TANF, Foster Care and Medicaid in household

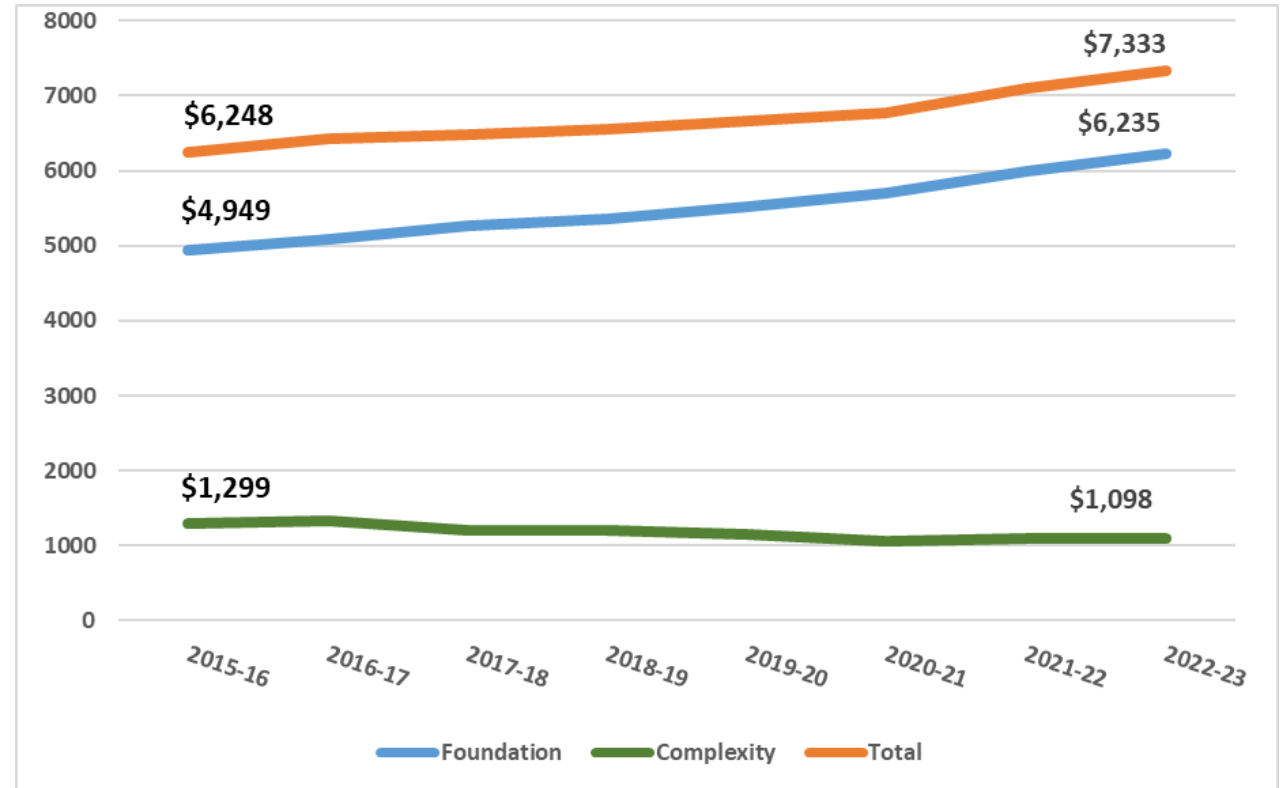
(3) Excludes Medicaid and may not match all students in systems

		Poverty		Complexity		Complexity		FWCS	
		Measurement		Index		Index		Amount	
State Fiscal Year		Basis*	Change	after adjustments	Change	Multiplier	Change	Per Pupil	Change
2015	2016	0.3849		0.3736		\$3,489		\$1,303	
2016	2017	0.3849	0.0000	0.3793	0.0057	\$3,539	\$50	\$1,342	\$39
2017	2018	0.3405	-0.0444	0.3405	-0.0388	\$3,539	\$0	\$1,205	-\$137
2018	2019	0.3405	0.0000	0.3405	0.0000	\$3,539	\$0	\$1,205	\$0
2019	2020	0.2857	-0.0548	0.3155	-0.0250	\$3,650	\$111	\$1,152	-\$53
2020	2021	0.2857	0.0000	0.2905	-0.0250	\$3,675	\$25	\$1,068	-\$84
2021	2022	0.2908	0.0051	0.2908	0.0003	\$3,775	\$100	\$1,098	\$30
2022	2023	0.2908	0.0000	0.2908	0.0000	\$3,775	\$0	\$1,098	\$0
			-0.0941		-0.0828		\$286		-\$206
Percent change since 15-16		-24%		-22%		8%		-16%	

EDUCATION FUND REVENUE

Per Pupil Foundation & Complexity

	<u>Foundation</u>	<u>Change</u>	<u>Complexity</u>	<u>Total</u>	<u>Change</u>
2015-16	\$4,949		\$1,299	\$6,248	
2016-17	\$5,082	2.7%	\$1,341	\$6,423	2.8%
2017-18	\$5,273	3.8%	\$1,205	\$6,478	0.9%
2018-19	\$5,352	1.5%	\$1,205	\$6,557	1.2%
2019-20	\$5,548	3.7%	\$1,152	\$6,700	2.2%
2020-21	\$5,703	<u>2.8%</u>	\$1,068	\$6,771	<u>1.1%</u>
Average Year		2.9%			1.6%
2021-22	\$5,995	5.1%	\$1,098	\$7,093	4.8%
2022-23	\$6,235	4.0%	\$1,098	\$7,333	3.4%
<i>Since 15-16</i>	26%		-15%	17%	



EDUCATION FUND REVENUE

Based On Pupil Count

- **Enrollment**

- 2021-22 Actual – 28,937
- 2022-23
 - As of 9-10-22 – 28,792 (down **145**, about .5%)
 - Official counts – September 16 and February 1


- **Funded = ADM (Average Daily Membership)** – Preschool not included or funded

- 2021-22 Actual – 27,995
- 2022-23 as of 9-10-22 – 27,674 (down **321**, about 1%)

EDUCATION FUND REVENUE

Other Tuition Support Components

- **Special Education - \$20.2 million**

- Increase 21-22 - 5%, increase 22-23 – 10% 
- 2023 \$2 million higher than 2021
- Per pupil amounts by exceptionality

	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>
Severe	\$ 9,156	\$ 9,614	\$ 10,575
Moderate	\$ 2,300	\$ 2,415	\$ 2,657
Communication	\$ 500	\$ 500	\$ 500
Preschool	\$ 3,000	\$ 3,150	\$ 3,465

- **Career & Technical Education - \$4 million**

- No change in per pupil funding, amount varies by job value of course, \$150 to \$1,020

- **Honors Diploma - \$530,700**

- No change, \$1,500 for students approved for free textbooks, \$1,100 for all others

OPERATIONS FUND REVENUE

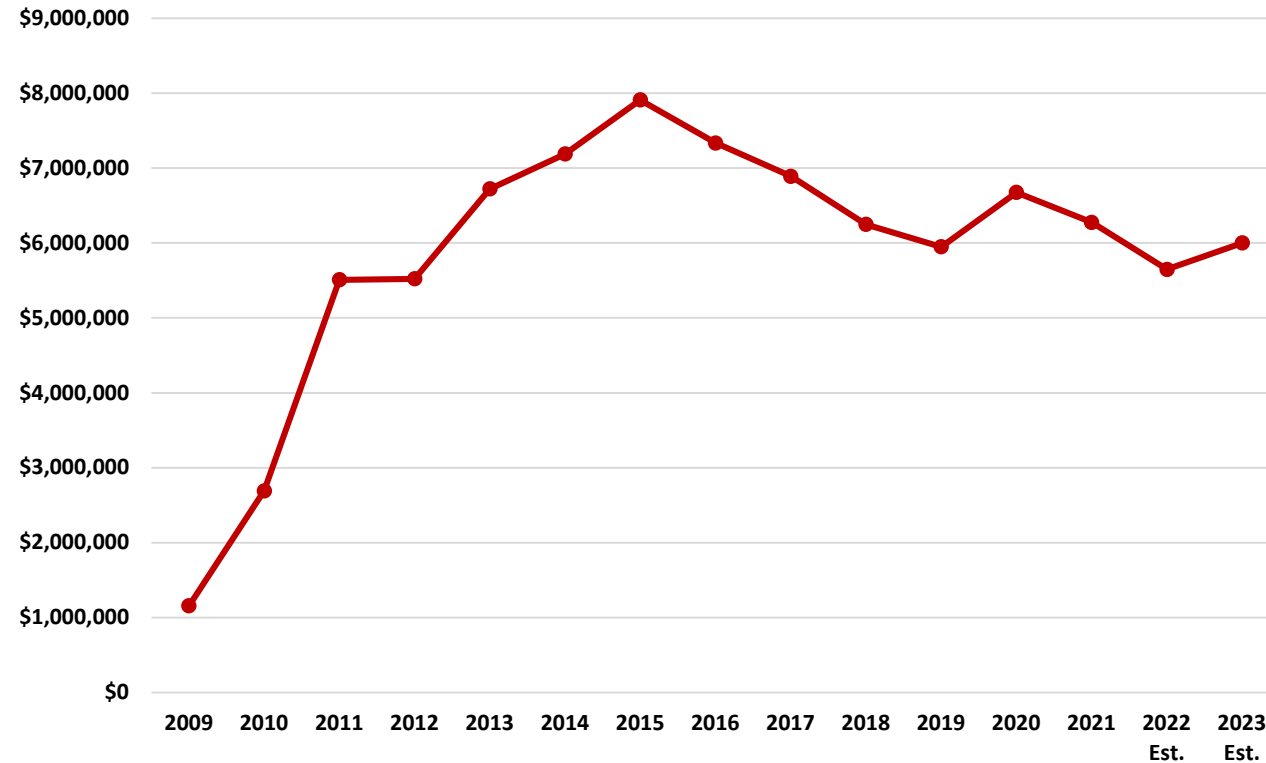
Property Tax

	2021 Budget	2022 Budget	2023 Budget
Maximum Allowed Levy (prior year)	\$55,167,015	\$57,484,030	\$60,022,454
Times Growth Factor (per State)	1.042	1.0442	1.05
Maximum Allowed Levy	57,484,030	60,022,454 per DLGF	63,023,577
Less Pension Bond Neutrality (ended 2021)	(2,463,860)	-	-
Allowed Levy	55,020,170	60,022,454	63,023,577
Less Tax Cap Loss (% of allowed levy)	(6,274,635) 12.7%	(5,648,035) 11.4%	(6,000,000)
Net Property Taxes	\$48,745,535	\$54,374,419	\$57,023,577

NOTE: Pension Bond payments ended in 2021. Operations Fund levy decreased by amount of Pension Bond payment. Net zero impact to taxpayers.

OPERATIONS FUND REVENUE

Tax Cap Loss (Circuit Breaker)



Cumulative loss since 2009 about \$88 million

- Based on Indiana Office of Management & Budget definitions
 - **Education Fund**
 - Academic Achievement
 - Student Support
 - **Operations Fund**
 - Overhead
 - Non-operations



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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.



EXPENDITURE CATEGORIES

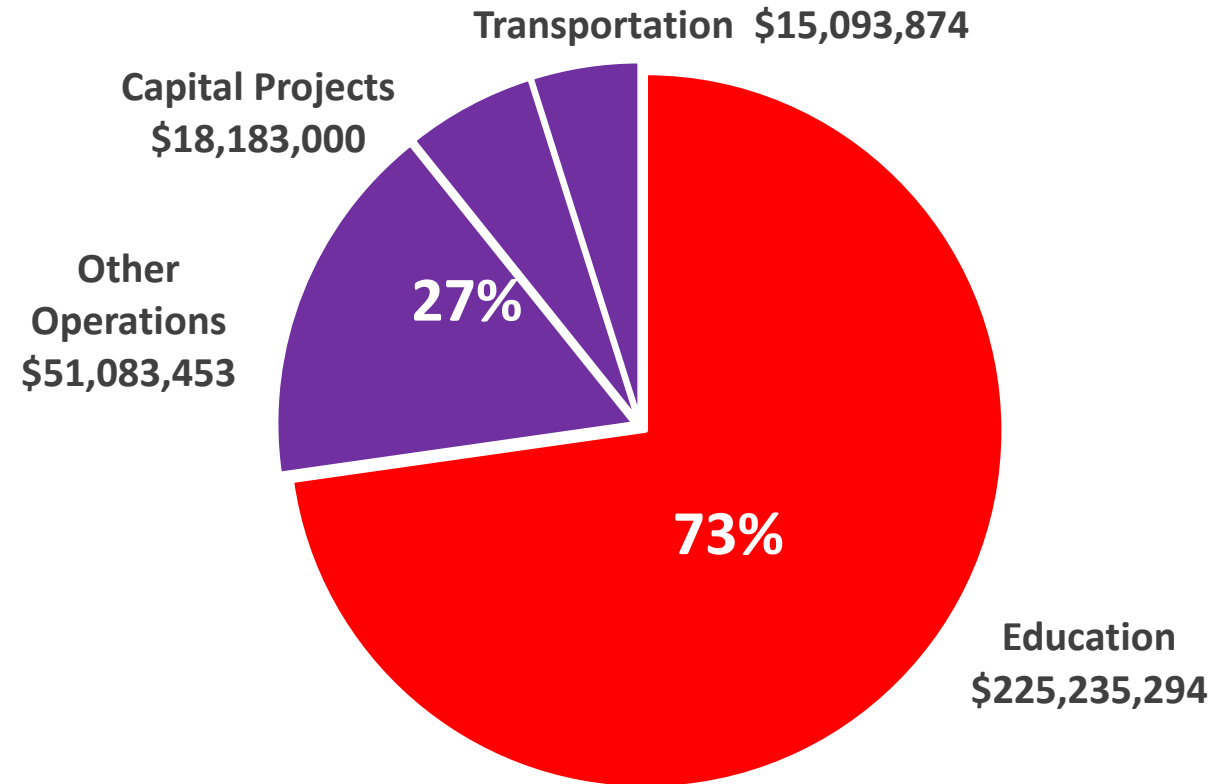
ALL EXPENDITURES 2019-20*

	State		FWCS	
	<u>All</u>	<u>Excl. Non-Oper.</u>	<u>All</u>	<u>Excl. Non-Oper.</u>
Student Instructional Expenditures	57.2%	72.1%	61.6%	75.4%
Overhead and Operational	22.2%	27.9%	20.1%	24.6%
Non-Operational	20.6%	excluded	18.3%	excluded

*State published December 2021

EDUCATION AND OPERATIONS FUNDS

Budget = \$309,595,621





EDUCATION FUND

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EDUCATION FUND COMPONENTS

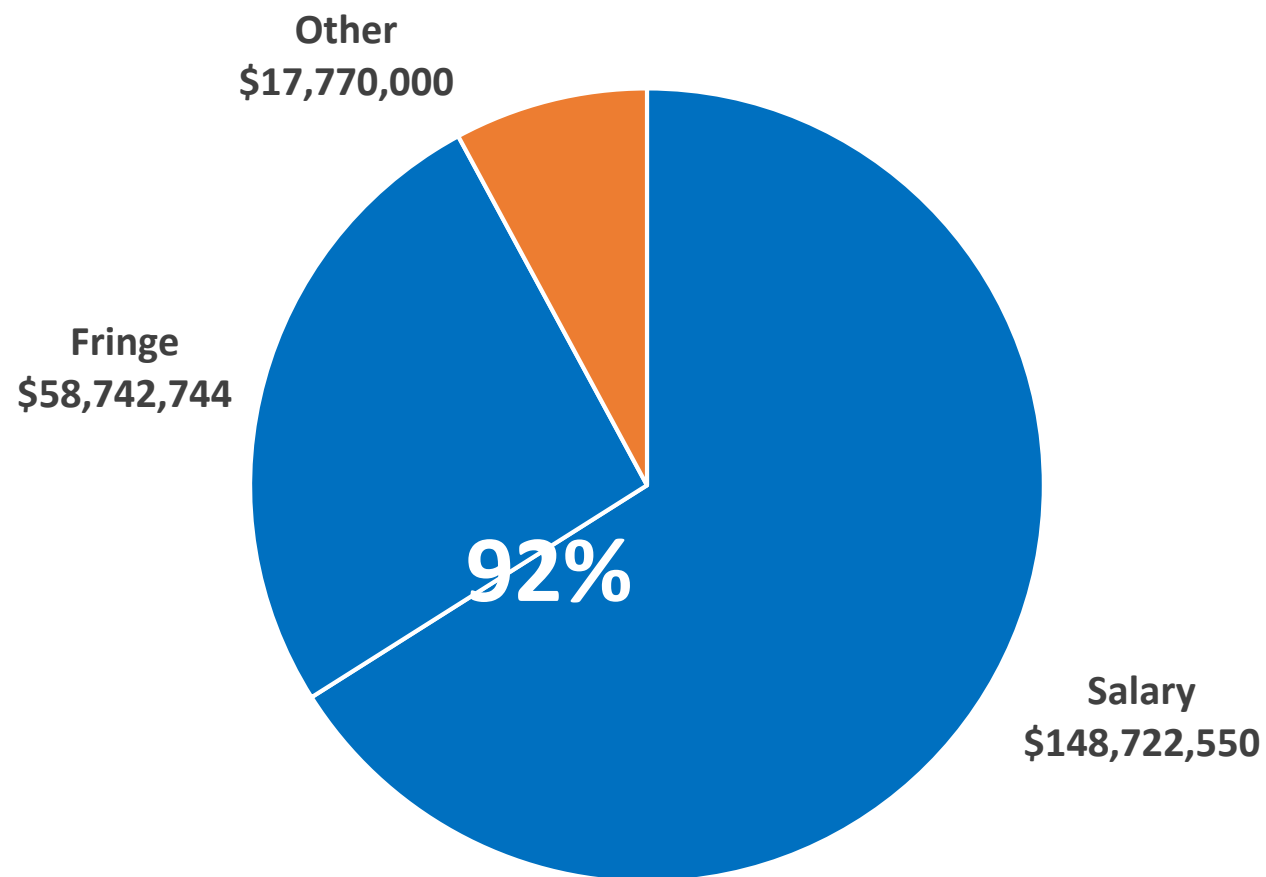
- Teachers
- Classroom assistants
- School administration
- Magnet programs
- Career Academy
- Classroom materials and supplies
- Curriculum and assessments



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EDUCATION FUND

Total = \$225,235,294





OPERATIONS FUND

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OPERATIONS FUND COMPONENTS

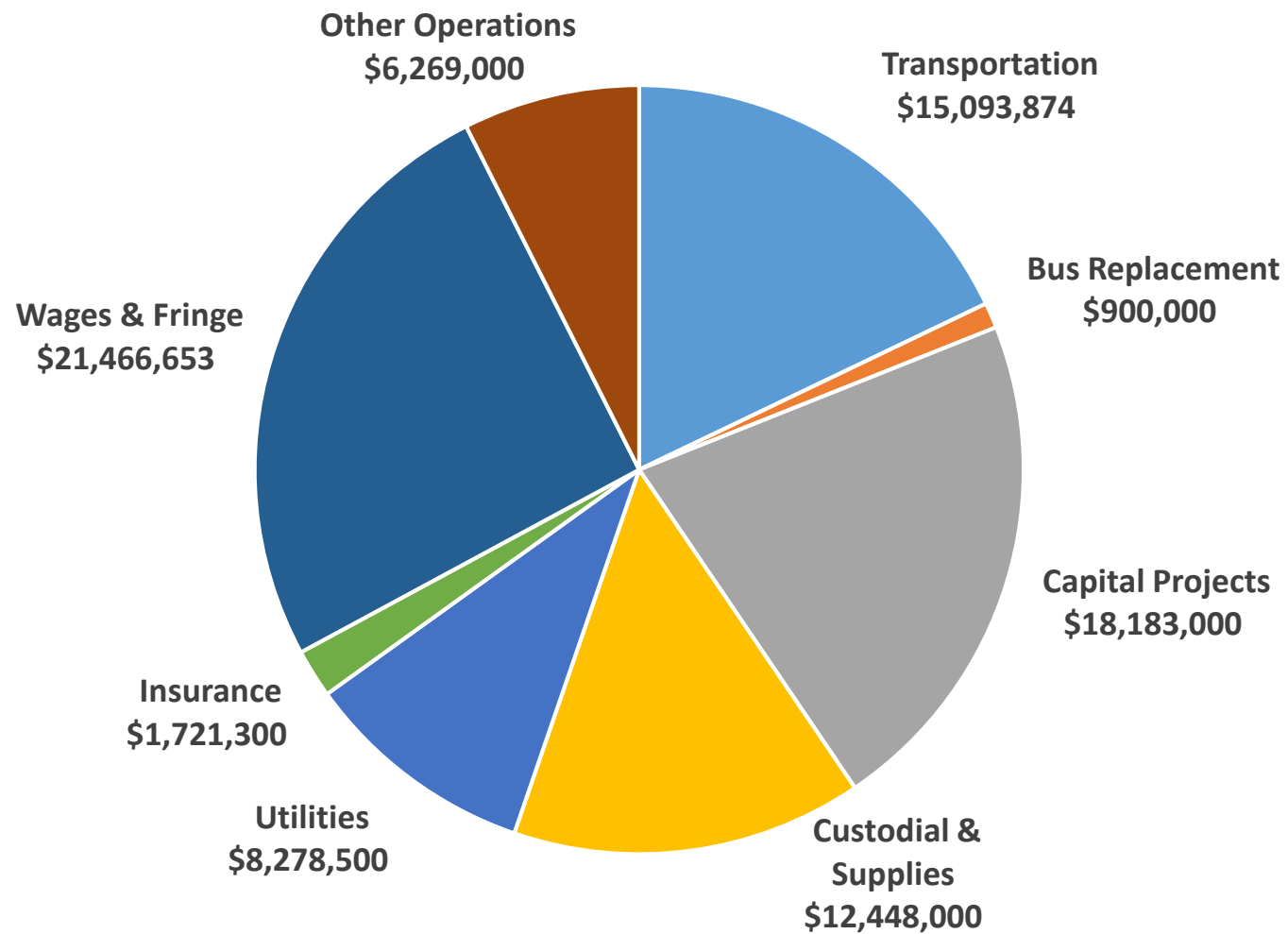
- District Operations
- Capital Projects
- Transportation
- Bus Replacement



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OPERATIONS FUND

Total = \$84,360,327



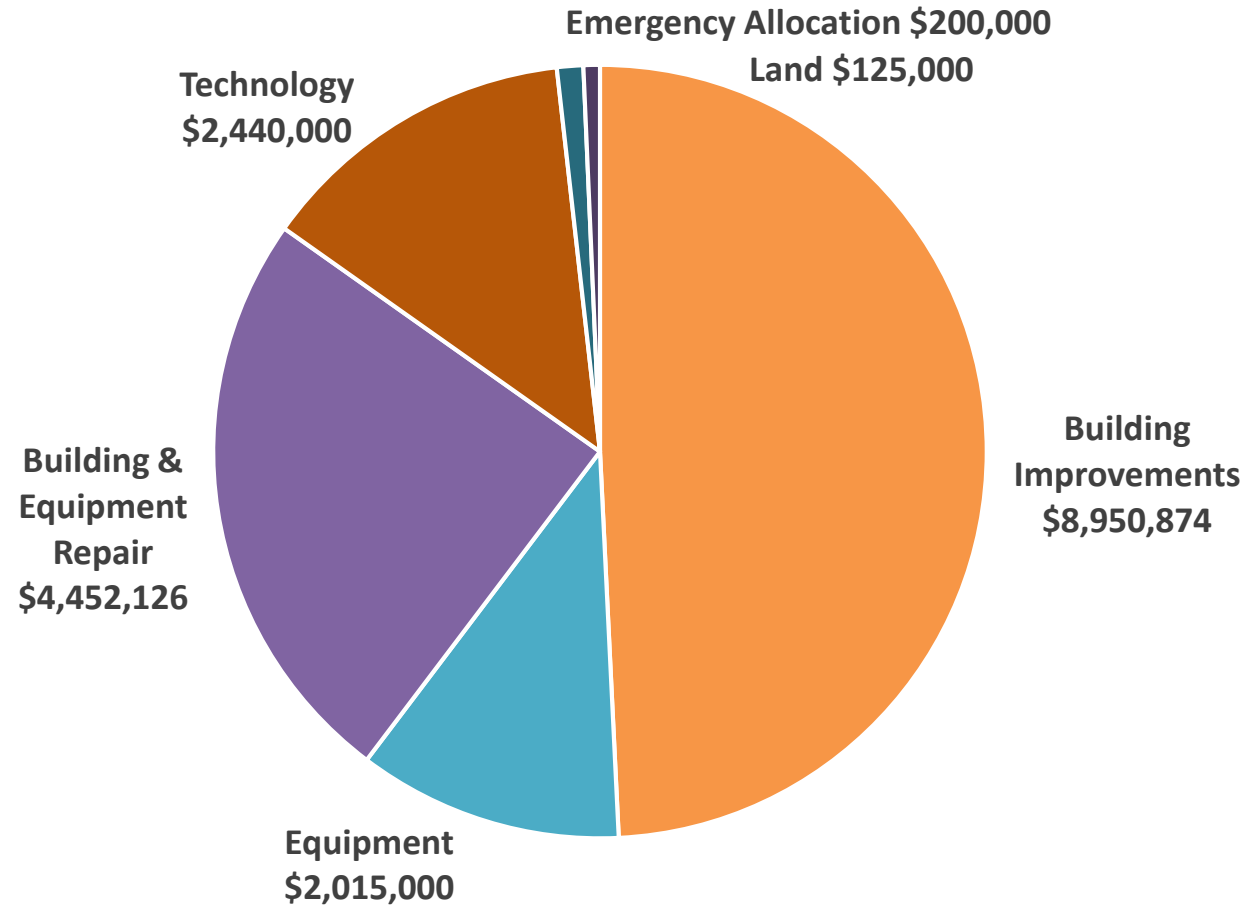


- 62 buildings (50 schools included in building count, 2 others not owned)
- Average age 61 years
- 3-year plan required by State
 - Only capital projects individually over \$10,000



OPERATIONS FUND

Capital Projects = \$18,183,000





Capital Projects: State 3-Year Plan

- **State requirement to identify and advertise items that exceed \$10,000**
- **Projects that are considered capital in nature**
 - Site acquisition and development
 - Building construction, replacement, renovation, remodeling, improvement
 - To repair and replace buildings and building fixtures
 - Construction, repair, replacement, remodeling or maintenance of a school sports facility
 - Budget limited to 2.7% of the Operations Fund property tax revenue
 - Plan includes adding turf at Wayne (2022), South Side (2023), North Side (2024)
- **Capital Assets**
 - Building acquisition
 - Purchase of playgrounds, equipment, maintenance vehicles to be used by the school corporation
 - Technology

OPERATIONS FUND

Required 3-Year Capital Projects Plan

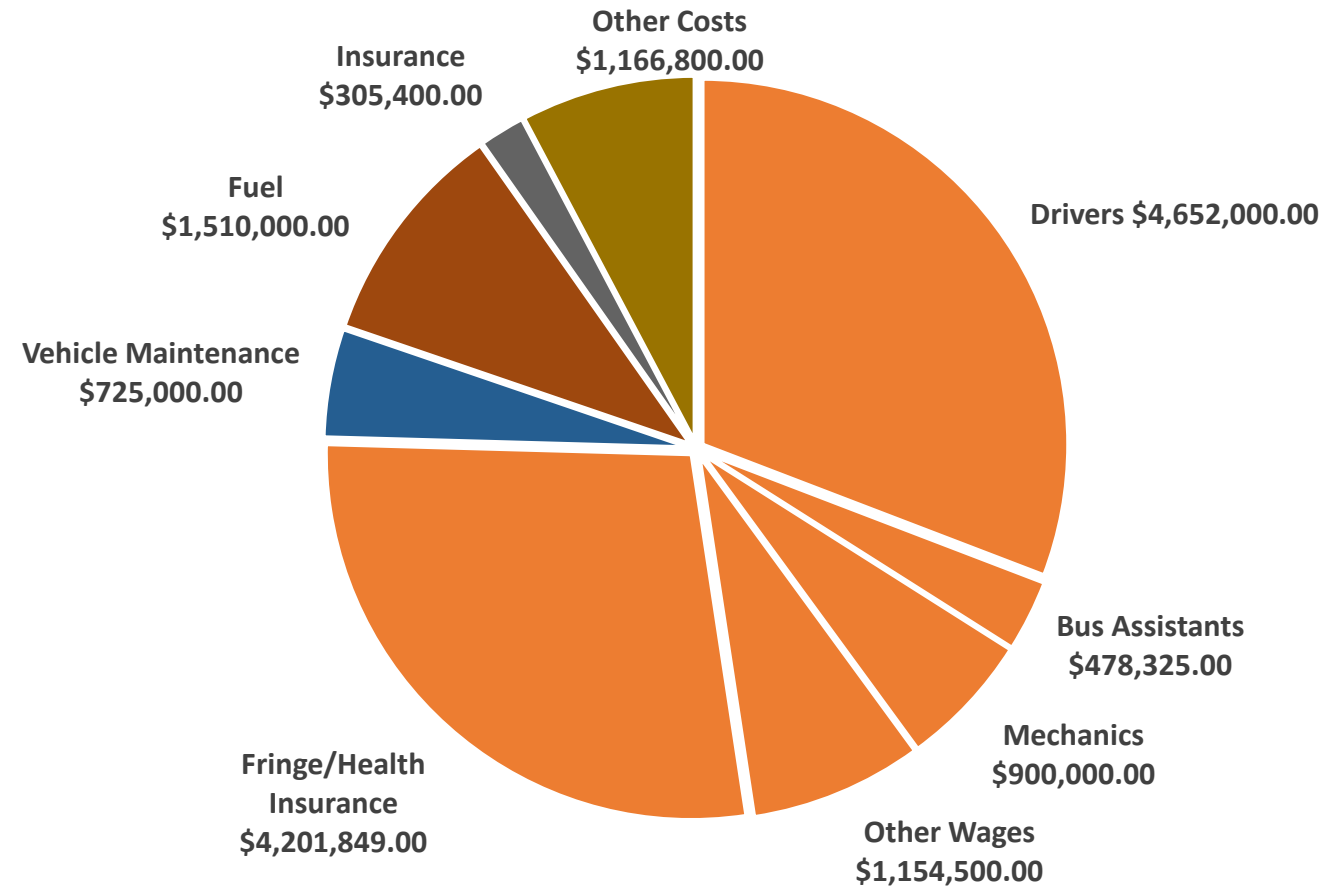
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Projects Capital in Nature	\$ 8,072,000	\$ 6,185,000	\$ 7,360,000
Capital Acquisitions	<u>745,000</u>	<u>298,926</u>	<u>205,000</u>
	\$ 8,817,000	\$ 6,483,926	\$ 7,565,000

* Only includes those items that exceed \$10,000



- Current fleet - 254 buses and 45 activity buses (evaluating inventory reduction during 2023)
- About 15,000 students eligible for service
 - Currently 12,000 using transportation
- 810 routes (includes regular, Special Ed, midday)
- Routes for activities and Study Connection TBD
- 145 square miles
- Over 3 million miles traveled

Transportation Budget = \$15,093,874



5-Year Bus Replacement Budget = \$900,000

Replacement Year	Bus Inventory	New Bus Model	Replacement Number	Reduction Number	Estimated Budget
2022	299				
2023	267	10		42	\$900,000
2024	267		16	0	1,582,078
2025	267		19	0	3,707,718
2026	267		19	0	3,894,002
2027	267		19	0	4,350,654
5- Year Plan		10	73	42	\$14,434,453

*Fleet is being reviewed and the plan is subject to reduction

DEBT FUNDS



DEBT FUNDS

Budgets = \$35,460,003

	<u>Final Payment</u>	<u>Budget 2022</u>	<u>Budget 2023</u>
New Tech - 2009	2025	\$147,770	\$145,180
State Technology Loans	Ongoing	4,581,953	4,650,823
Unfunded textbooks		79,297	-
A Debt Service		\$4,809,020	\$4,796,003
Tax Rate		\$0.0459	\$0.0412
B Referendum Debt to date	2040	\$25,956,000	\$30,664,000
Tax Rate		\$0.2397	\$0.2616
		\$30,765,020	\$35,460,003
A + B - Max rate promised \$.3028		\$0.2856	\$0.3028

Upcoming Debt Activity:

- 2020 referendum
 - Issues complete
 - First issue sold in 2021, first payment in 2022
 - Second issue sold in 2022, first payment in 2023
 - Issues 3 through 5 will be sold annually 2023 (first payment in 2024) through 2025
 - Last payment expected 2044
- 2013 Debt – will be refinanced in 2022 to reduce overall payments
- Continue to seek annual technology loans
 - About \$4.5 million per year

BUDGET SUMMARY



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2022 AND 2023 BUDGET COMPARISON

	<u>2022</u>	<u>2023</u>	<u>Change</u>	
Education	\$218,857,017	\$225,235,294	\$6,378,277	3%
Operations	77,903,274	84,360,327	6,457,053	8%
	296,760,291	309,595,621	12,835,330	4%
Debt	30,765,020	35,460,003	4,694,983	12%
Total	\$327,525,311	\$345,055,624	\$17,530,313	5%

PROPOSED 2023 APPROPRIATIONS, LEVY & TAX RATE

	Recommended <u>Appropriation</u>	Advertised & Adopted <u>Levy</u>	Expected <u>Levy</u>	Estimated Collected <u>Levy</u>	Adopted Tax <u>Rate</u>	Expected Tax <u>Rate</u>
Education Fund	\$225,235,294	\$0	\$0	\$0	\$0.0000	\$0.0000
Operatons Fund	84,360,327	69,325,935	63,023,577	57,023,577	0.6596	0.5993
Debt Service	4,796,003	4,681,001	4,255,455	4,255,455	0.0445	0.0405
Referendum Debt	30,664,000	32,992,062	29,992,784	29,992,784	0.2894	0.2623
	\$345,055,624	\$106,998,998	\$97,271,816	\$91,271,816	\$0.9936	\$0.9021

*2022 rate \$.9278
3% decrease*

COVID FEDERAL FUNDING SUPPORT

ESSER

**(Elementary and Secondary School
Emergency Relief Fund)**

GEER

(Governor's Emergency Relief Fund)



COVID FEDERAL FUNDING SUPPORT

- **Not for:**
 - Current expenditures
 - Temporarily stabilizing cash balance
- **Funds go to special programs outlined in grant requirements**
 - Student learning gaps
 - Technology
 - Facilities
 - Allowed indirect cost supports operational funds and additional school supports



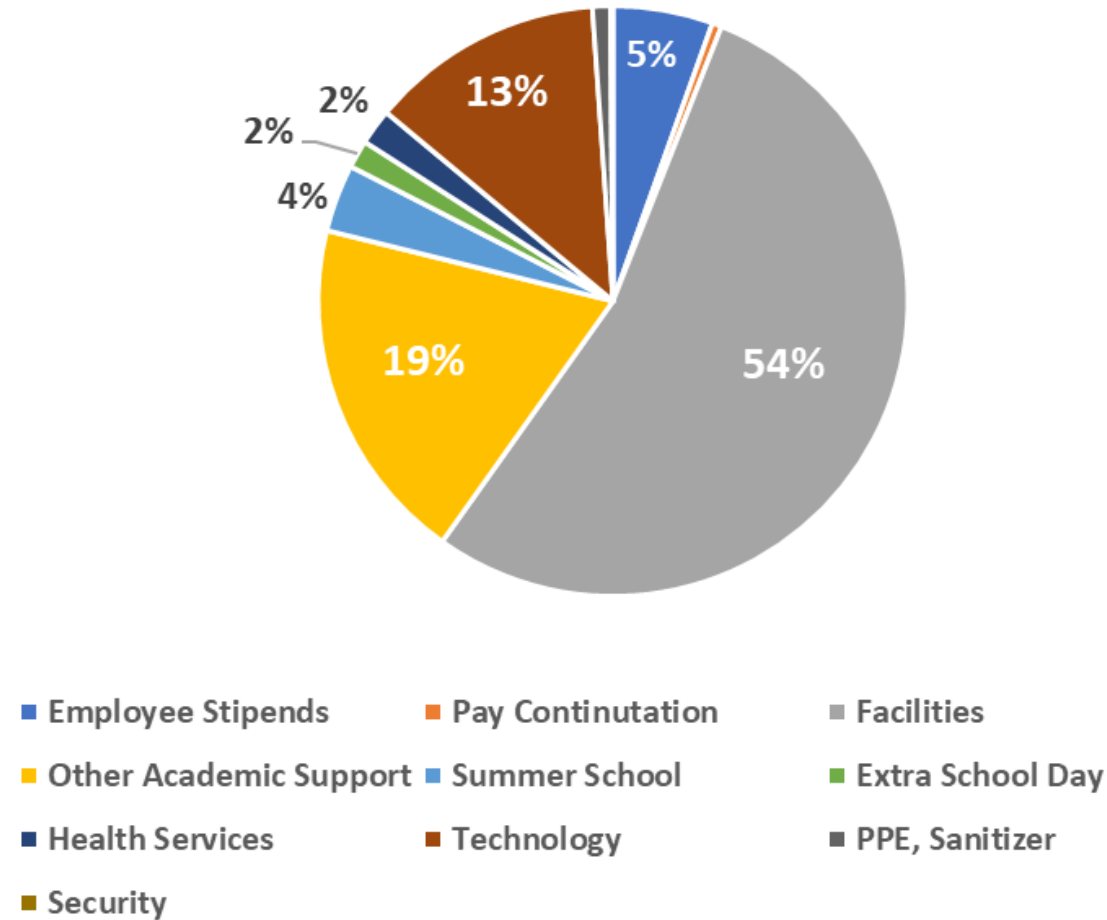
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COVID FEDERAL FUNDING SUPPORT

		FWCS Share	Non-Public Share	Total Administered by FWCS		FWCS Uses		
ESSER I (CARES)	to 9/22	8,994,493	1,300,000	10,294,493	Technology for remote learning, COVID cleaning, PPE, health services			
ESSER II	to 9/23	44,883,919	*	44,883,919	Stipends for COVID work, facilities, technology			
ESSER III	to 9/24	100,800,000	*	100,800,000	Summer school, class size reduction in elementary, additional academic support, facilities			
GEER	complete	1,710,523	539,477	2,250,000	Technology for remote learning			
		156,388,935	1,839,477	158,228,412				
*Emergency Assistance for Nonpublic Schools (EANS) provided separately								

COVID FEDERAL SPENDING PLAN

Excludes Indirect Cost and Non-Public Schools Allocation



- Revenue
 - Enrollment is maintaining
- Expenditure Budget
 - **Education** and **Operations** Fund Combined – budget increased 4%
- Bus Replacement – inventory under review for reduction in 2023
- Debt Funds
 - Will maintain promised overall rate of \$.3028
- Tax Rate expected to decrease 3%
- COVID Federal spending is on track



September 26

Public Hearings:

- Budget
- Bus Replacement Plan
- Capital Projects Plan

October 10

Adoption of Budget and Plans

By Jan. 1, 2023

Budget Order issued by State



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Thank you