



# **FWCS**

# **2021 Budget**

September 14, 2020

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# Agenda

- Calendar
- State Budget Requirements
- Revenue
- Expenditure Budgets
- Comparisons
- Expenditure Categories
- Key Take-Aways

# Budget Adoption Calendar

**September 14**

**Public Budget Presentation**

*Budget advertised on Gateway*

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

**September 28**

**Public Hearings:**

- Budget
- Bus Replacement Plan
- Capital Projects Plan



**October 12**

**Adoption of Budget and Plans**

**By Jan. 1, 2021**

**Budget Order issued by State**

# Board Approval Required

- ✓ 2021 Appropriations (budget) and 2021 Maximum Levy (property tax)
- ✓ Bus Replacement Plan – 5 years of 12
- ✓ Capital Projects Plan – 3 years
  - ✓ Only capital assets over \$10,000
- ✓ Levy Neutrality
- ✓ Goals for Expenditure Categories

# 2021 REVENUE

# Total Revenue

## Not Included – CARES Act Funding

<b>Elementary &amp; Secondary Emergency Relief (ESSER)</b>	<b>Governor’s Emergency Education Relief (GEER)</b>
<p>\$10.3 million allocation less \$1.3 for non-public schools = \$9 million</p>	<p>\$2.25 million allocation less \$.53 million for non-public schools = \$1.72 million</p> <p>(total FWCS project \$5.7 million, about \$4 million balance in ESSER)</p>
<p>Using all on COVID related issues (PPE, technology, additional nurses, sanitizer, disinfectant, etc.)</p>	<p>For student connectivity</p>

# Total Revenue

	Known	Unknown
Education Fund State Revenue	Through 6-30-21	Beginning 7-1-21:  <b>Impact of State revenue losses</b>  <b>Impact of potential new funding formula</b>
Operations Fund Property Tax	Levy allowed 2021	Impact of growth factor in future years  Impact to circuit breaker losses

# Total Revenue (non-debt)

	<u>2020</u>	<u>Education Fund</u>	<u>Operations Fund</u>	<u>2021</u>	<u>Change</u>
State Tuition Support	\$211,446,711	\$210,782,741		\$210,782,741	-0.3%
Net Property Taxes	45,048,115		\$48,145,109	48,145,109	6.9%
Excise and FIT	5,913,197		6,451,499	6,451,499	9.1%
Interest Income	1,530,298		1,500,000	1,500,000	-2.0%
Indirect Cost	1,800,000		1,700,000	1,700,000	-5.6%
Miscellaneous Revenue	1,532,955	1,143,000	520,000	1,663,000	8.5%
<b>Total</b>	<b>\$267,271,275</b>	<b>\$211,925,741</b>	<b>\$58,316,608</b>	<b>\$270,242,349</b>	<b>1.1%</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>\$196,925,741</b>	<b>\$73,316,608</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

## 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
  - Special Education, about \$10 million
  - English Language Learners, about \$5 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)

# Education Fund Revenue

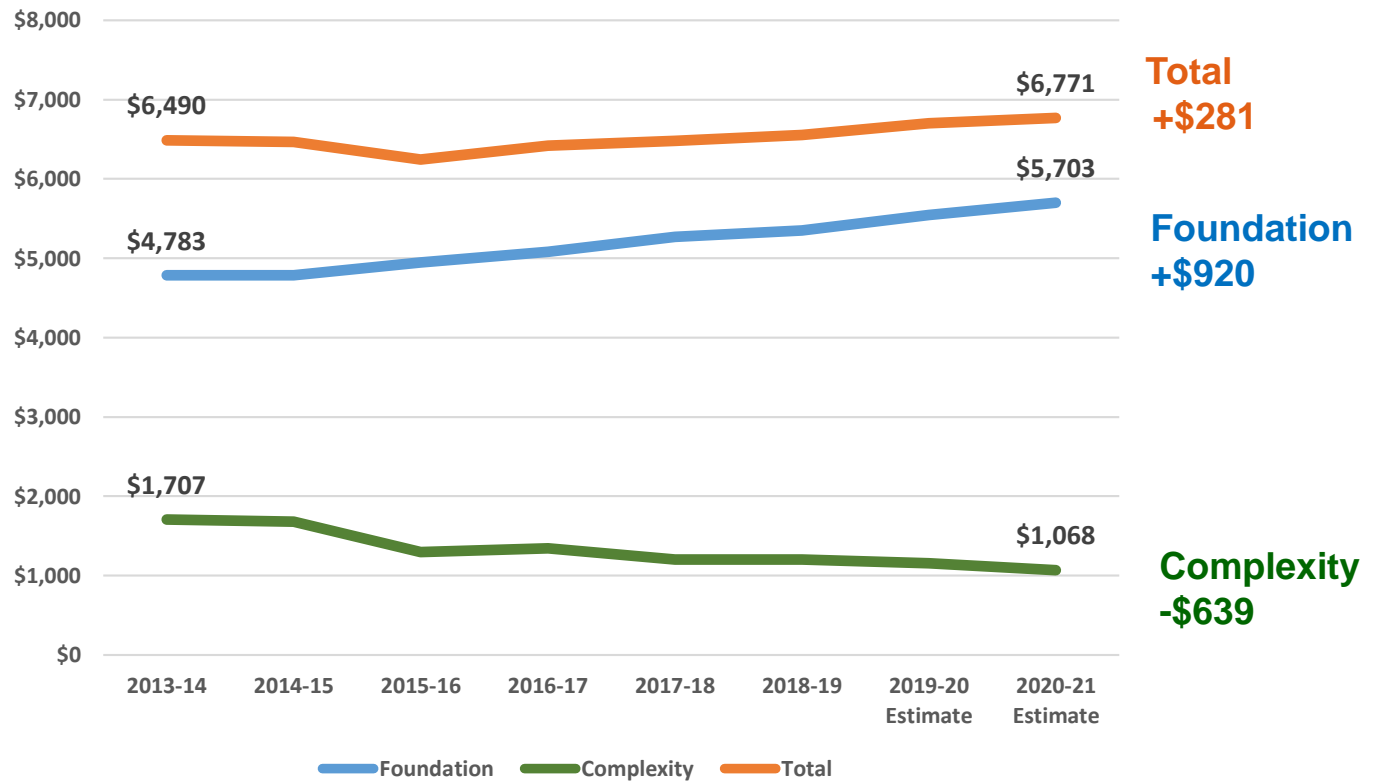
## Tuition Support – Basic Grant

	<u>Foundation</u>		<u>Complexity Index</u>	<u>Multiplier 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
  - 2019-20 Actual – 29,710
  - 2020-21
    - As of 9-14-20 – 28,728
    - Official count –Sept. 18 and Feb. 1
- ADM (Average Daily Membership) –  
Preschool not included or funded
  - 2019-20 Actual – 28,567
  - 2020-21 as of 9-14-20 – 27,906

# Education Fund Revenue

## Tuition Support – Other

- **Special Education – \$17.3 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**
  - \$3.2 million
- **Honors Grant**
  - \$602,600

# Operations Fund Revenue

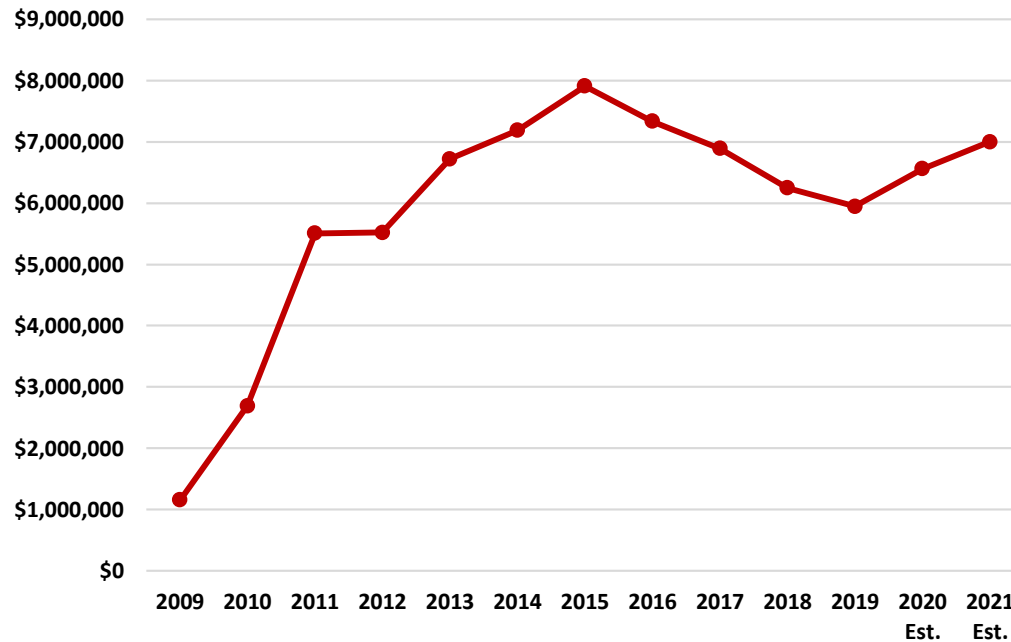
## Property Tax

	2020	2021
Maximum Allowed Levy (prior year)	\$53,301,464	\$55,167,015
Times Growth Factor (per State)	<u>1.035</u>	<u>1.042</u>
Maximum Allowed Levy	55,167,015	57,484,030
Less Pension Bond Neutrality	<u>(3,594,332)</u>	<u>(2,336,295)</u>
Allowed Levy	51,572,683	55,147,735
Less Tax Cap Loss	<u>(6,561,396)</u>	<u>(7,000,000)</u>
Net Property Taxes	\$45,011,287	\$48,147,735

# Operations Fund Revenue

## Tax Cap Loss (Circuit Breaker)

### Deducted from Property Tax



**Cumulative loss since 2009 about \$78 million**



# 2021 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.

# Expenditure Categories

## Includes All Expenditures

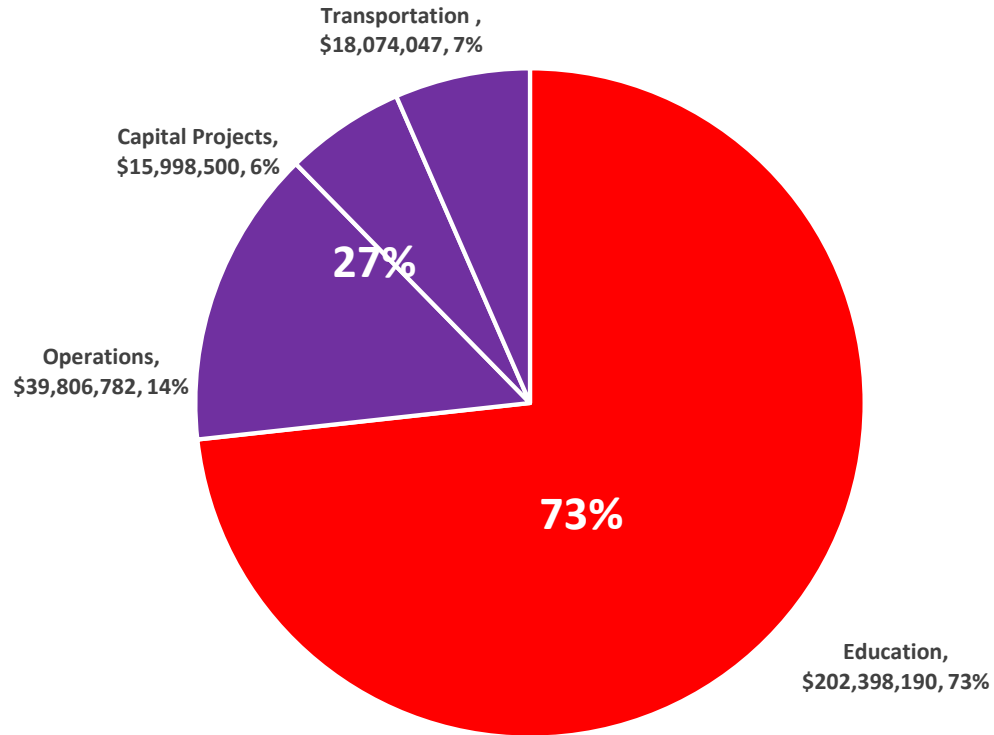
### 2017-18

(State published November 2019)

	<u>State</u>	<u>FWCS</u>
<b>Student Instructional Expenditures</b>	<b>58.1%</b>	<b>63.1%</b>
<b>Overhead and Operational</b>	<b>22.5%</b>	<b>19.2%</b>
<b>Non-Operational</b>	<b>19.4%</b>	<b>17.7%</b>

# Education and Operations

## Funds Budget \$276,277,519



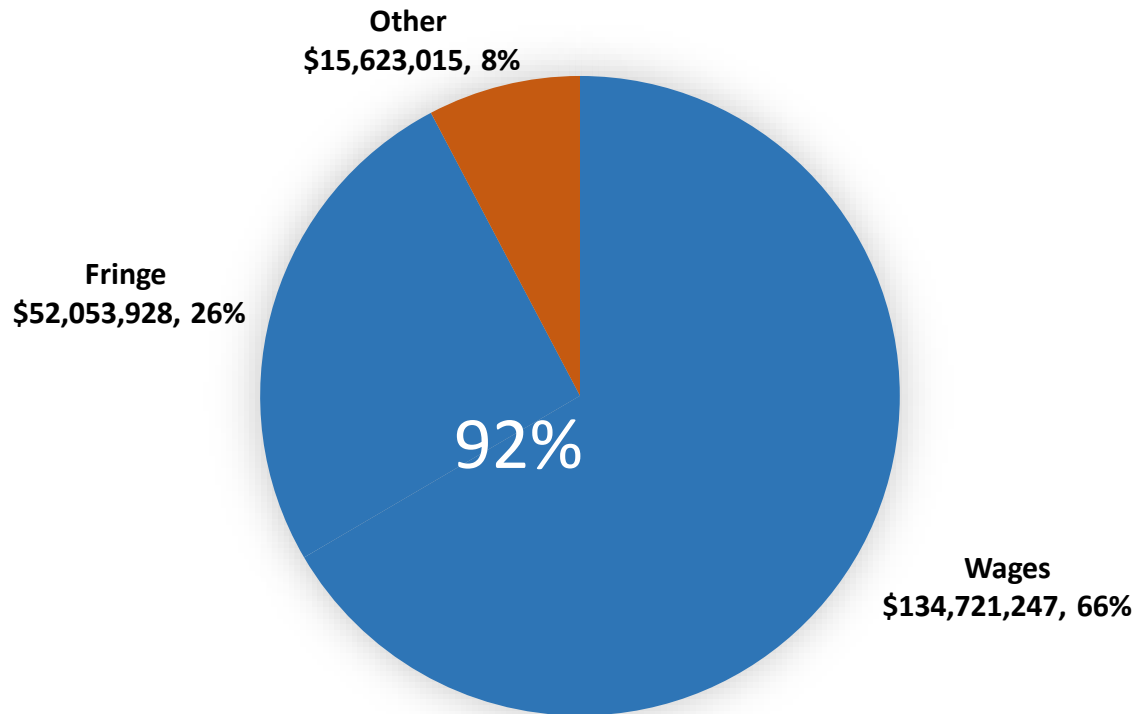
# EDUCATION FUND

# Education Fund Components

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

# Education Fund

## 2021 Budget \$202,398,190





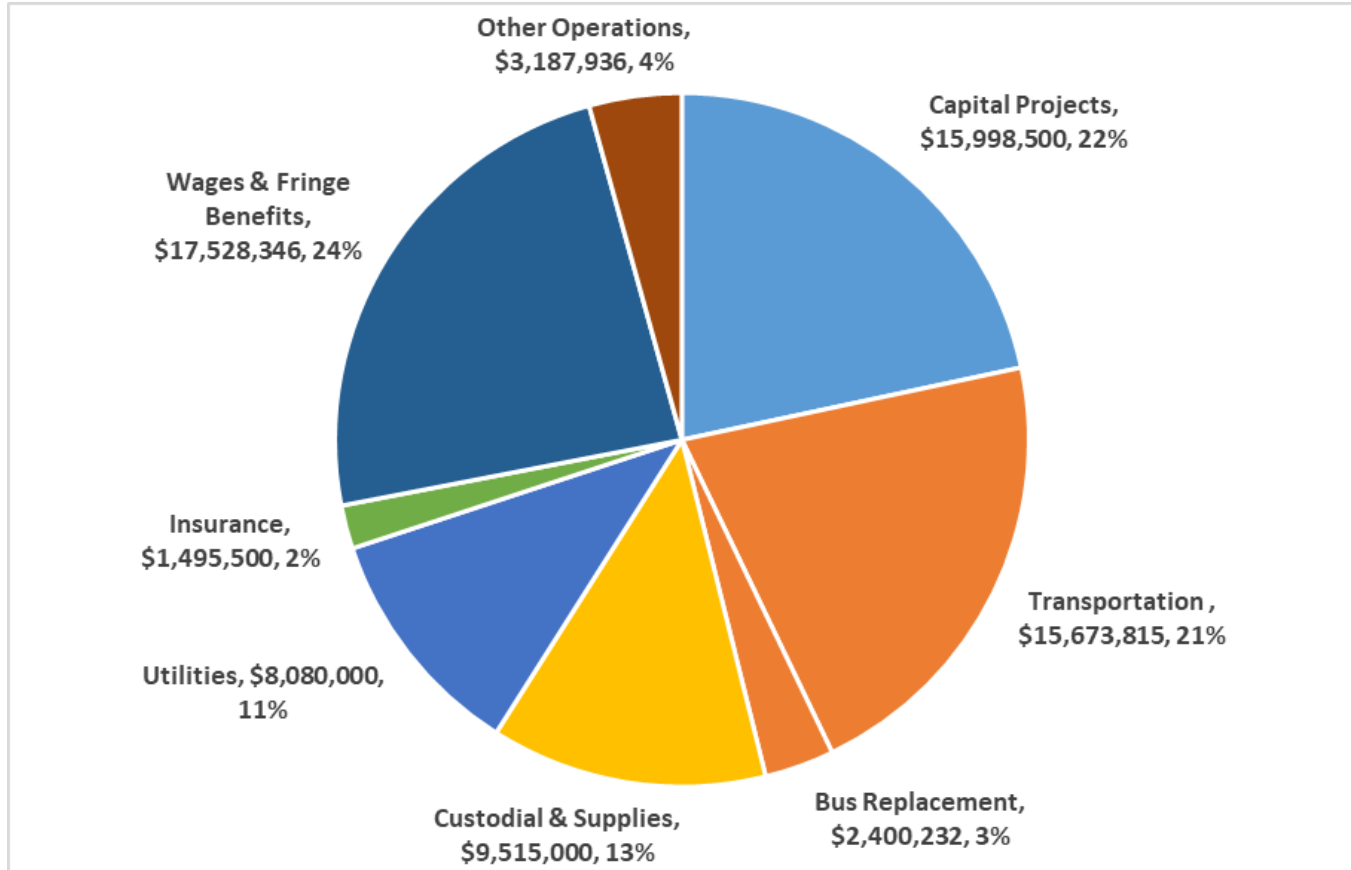
# OPERATIONS FUND

# Operations Fund Components

- District Operations
- Capital Projects
- Transportation
- Bus Replacement

# Operations Fund Total

## \$73,879,329



# Operations Fund Capital Projects Plan

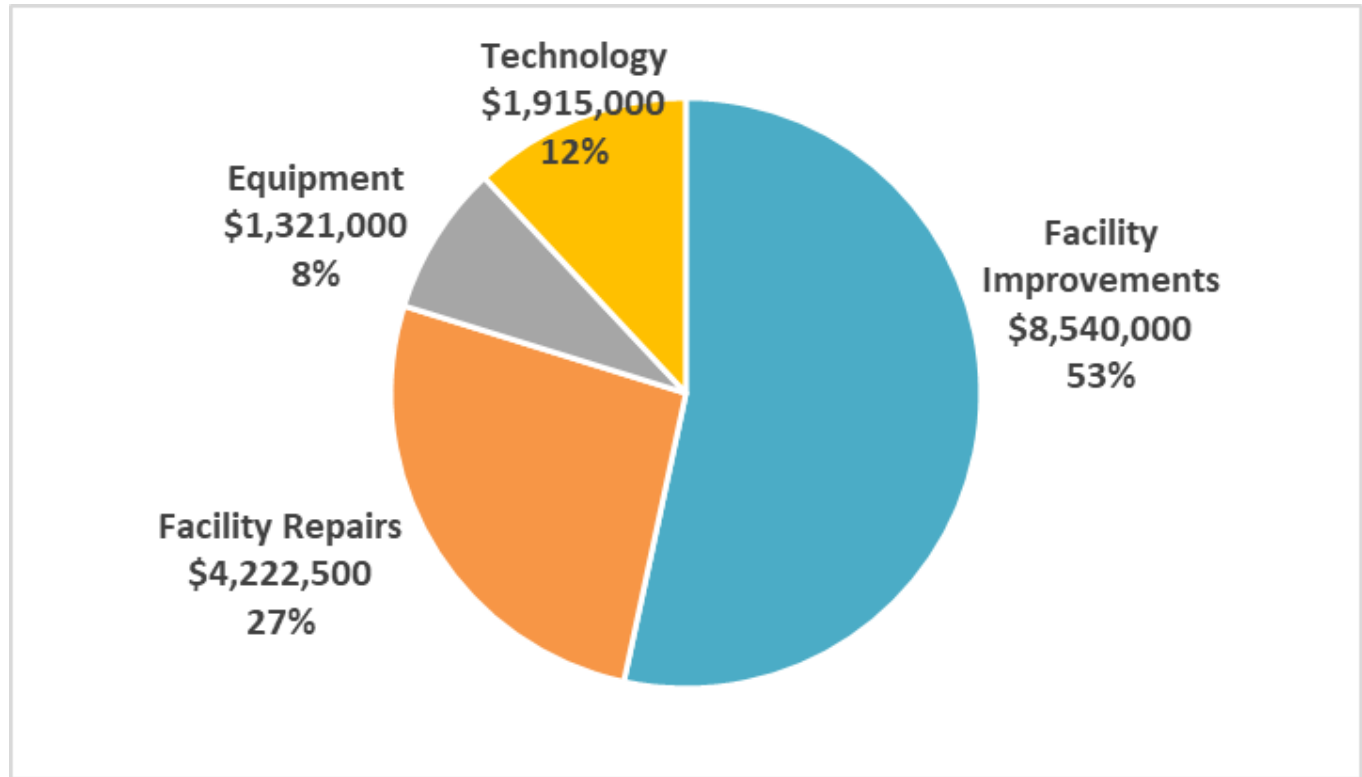


- 62 buildings (50 schools); average age 60 years
- 3-year plan required by State
  - Only capital projects individually over \$10,000

# Operations Fund

## All Capital Projects

### \$15,998,500



# Operations Fund Required 3-Year Capital Projects Plan

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Projects Capital in Nature</b>	<b>\$7,015,278</b>	<b>\$6,405,000</b>	<b>\$6,419,000</b>
<b>Capital Acquisitions</b>	<b>383,800</b>	<b>157,500</b>	<b>259,000</b>
<b>Total Plan</b>	<b>\$7,399,078</b>	<b>\$6,562,500</b>	<b>\$6,678,000</b>

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

# Operations Fund Transportation

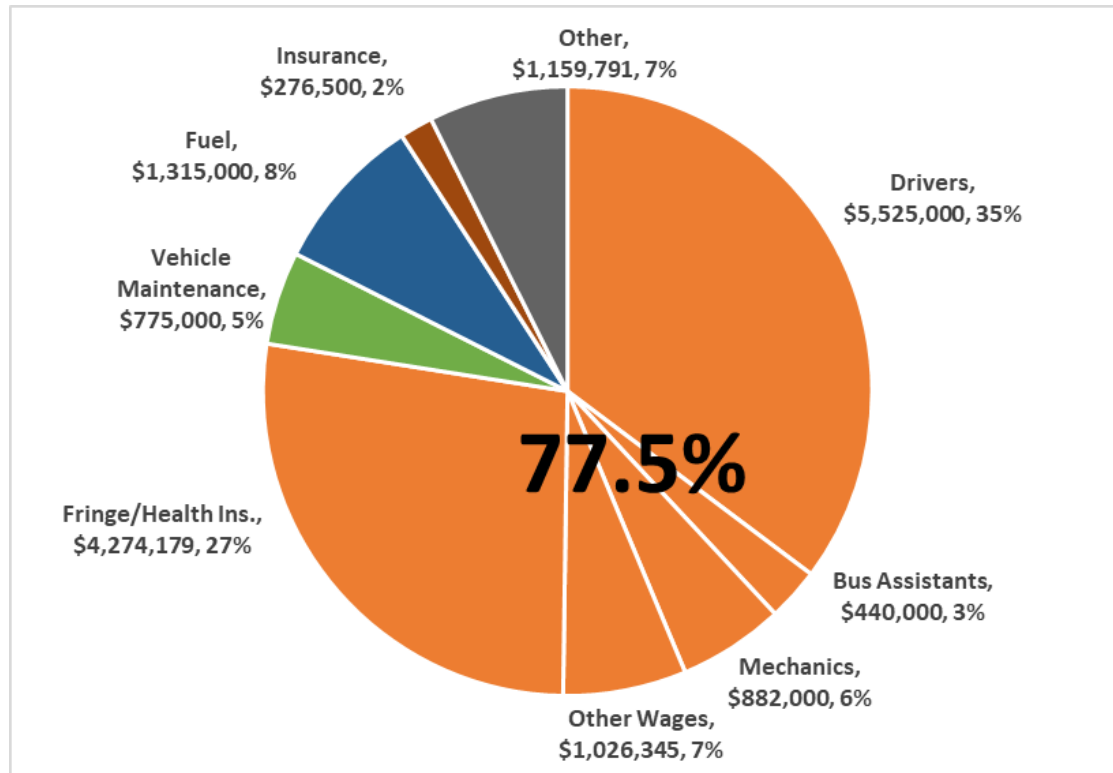
- 254 buses and 45 activity buses
- About 16,000 students eligible for service, but over 5,000 are virtual
- 1,090 routes (includes regular, Special Ed, midday)
- Routes for activities and Study Connection  
TBD
- 145 square miles
- Over 2.5 million miles traveled



# Operations Fund

## Transportation

### \$15,673,815





# Operations Fund

# Bus Replacement Plan

## 2021-2032 12-Year Bus Replacement Plan

<u>Replacement Year</u>	<u>Bus Inventory</u>	<u>Replacement Number</u>	<u>Replacement Cost</u>
<b>5-Year State Required Plan</b>			
2021	299	27	\$2,400,232
2022	299	5	583,207
2023	299	28	3,444,340
2024	299	30	2,759,087
2025	299	33	4,341,905
		123	\$13,528,771
2026	299	8	1,127,331
2027	299	16	2,278,898
2028	299	23	3,297,239
2029	299	37	4,696,948
2030	299	29	4,433,821
2031	299	34	5,553,417
2032	299	29	5,080,674
		299	\$39,997,099

# DEBT FUNDS

# Debt Funds

## Upcoming Changes:

- Final bond issue for 2016 referendum to be sold soon and included in 2021 budget
- First bond issue for 2020 referendum to be sold in 2021, first debt service in 2022
- Continue to seek annual technology loans
  - About \$4 million per year

# Debt Funds

	<u>Final</u> <u>Payment</u>	<u>Budget</u> <u>2020</u>	<u>Budget</u> <u>2021</u>
New Tech - 2009	2025	\$152,950	\$150,360
New Tech - 2010	2022	554,000	527,000
General Obligation Bond	2021	3,470,334	5,129,900
State Technology Loans	Ongoing	4,548,795	4,681,007
Interest on tax anticipation warrants	if needed	50,000	50,000
Unfunded textbooks		116,707	71,636
<b>A Debt Service</b>		<b>\$8,892,786</b>	<b>\$10,609,903</b>
<b>Tax Rate</b>		<b>\$0.1079</b>	<b>\$0.1054</b>
<b>B Referendum Debt</b>	<b>2039</b>	<b>\$16,710,000</b>	<b>\$19,063,000</b>
<b>Tax Rate</b>		<b>\$0.1776</b>	<b>\$0.1974</b>
<b>A + B - Max rate promised \$.3028</b>		<b>\$0.2855</b>	<b>\$0.3028</b>

# Debt Funds

	Final	Budget	Budget
	<u>Payment</u>	<u>2020</u>	<u>2021</u>
Pension Bond Fund (tax neutral)	2021	\$3,519,955	\$3,523,859
<i>Tax Neutral - Operations Fund rate cut</i>		<i>\$0.0443</i>	<i>\$0.0274</i>

**\*\*FINAL YEAR\*\***

# BUDGET SUMMARY

# 2020 and 2021 Budget Comparison

	<u>2020</u>	<u>2021</u>	<u>Change</u>	
Education	\$200,930,513	\$202,398,190	\$1,467,677	1%
Operations	74,924,764	73,879,329	-1,045,435	-1%
	<b>275,855,277</b>	<b>276,277,519</b>	<b>422,242</b>	<b>0%</b>
Debt	29,119,741	33,196,762	4,077,021	14%
Total	<u>\$304,975,018</u>	<u>\$309,474,281</u>	<u>\$4,499,263</u>	<u>1%</u>

Tax Rate 2021 depends:

<<Estimated Range>>

\*if assessed value growth

flat

5%

\*estimated tax rate increase

2%

to

1%

# Key Take-Aways

- CARES Act funding in 2020 critical to support COVID-19 needs
- Revenue
  - Enrollment funded – over 600 less than last year
  - Future revenue increases unknown
- Budget
  - Education and Operations Fund Combined – budget about same as last year, future could be affected by revenue decline
- Bus Replacement – projected to meet 12-year replacement schedule in 2021
- Debt Funds
  - Will maintain promised overall maximum rate of \$.3028



# Next Steps – 2021 Budget

September 28

Public Hearings:

- Budget
- Bus Replacement Plan
- Capital Projects Plan

October 12

Adoption of Budget and Plans