

# FWCS 2018 Budget

September 25, 2017

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# Agenda

- State Budget Requirements
- General Fund
- Property Tax Supported Funds
- Total Expected Budget and Comparisons
- Key Take-Aways

# Budget Adoption Calendar

September 25

Public Budget Presentation  
Budget advertised on Gateway

September 26

Capital Projects and Bus Replacement  
advertised in newspapers

October 9

Public Hearings:  
Budget  
Bus Replacement Plan  
Capital Projects Fund Plan

October 23  
By Feb. 15, 2018

Adoption of Budget and Plans  
Budget Order issued by State



# Board Approval Required

- ✓ 2018 Appropriations (budget) and 2018 Maximum Levy (property tax)
- ✓ Bus Replacement Fund Plan – 12 years
- ✓ Capital Projects Fund Plan – 3 years
  - ✓ Closing of budgets for completed projects
- ✓ 2018 Pension Bond Tax Neutrality

# Major Funds to Approve 2018

General Fund

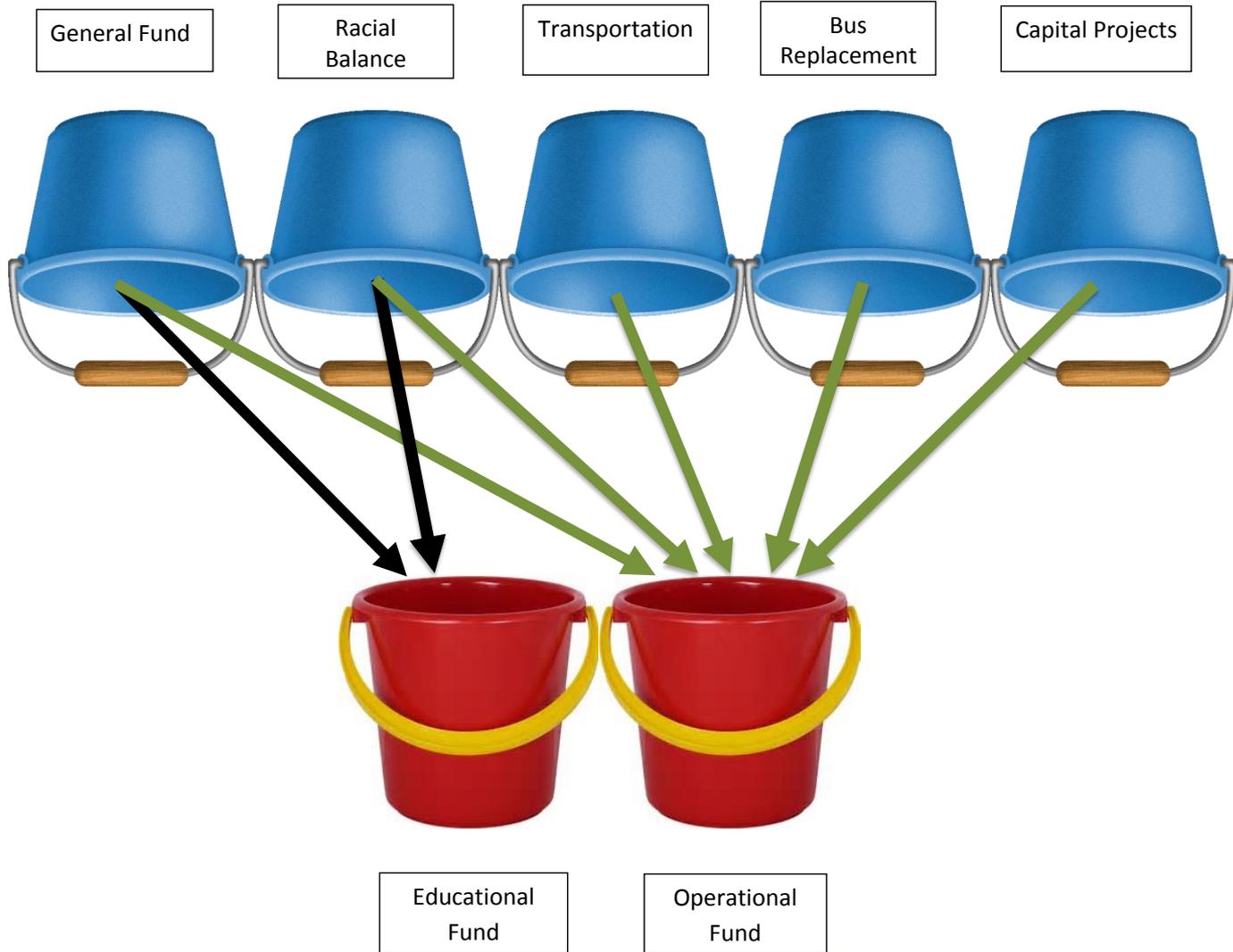
Capital  
Projects  
Fund

Transportation  
and Bus  
Replacement

Debt

Racial Balance

# 2019 Fund Changes



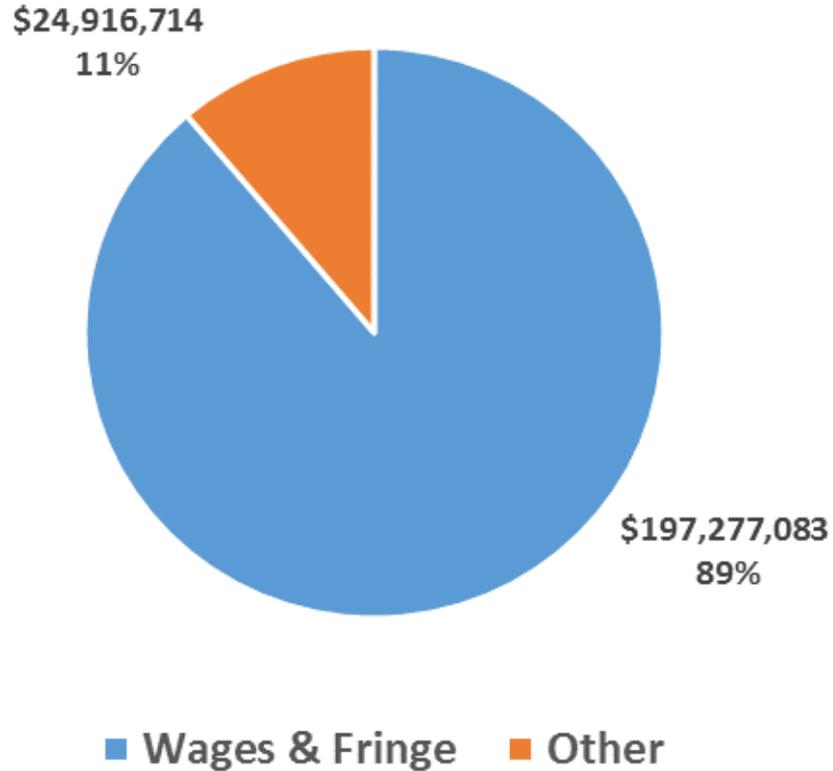
## General Fund

- Revenue funded primarily by State taxes
  - School Funding Formula
- Expenditures
  - Salaries and Fringe Benefits
    - Teachers, administrators, aides, clerical, maintenance
  - Operating Costs
    - Custodial, utilities, insurance, legal
  - School Materials and Supplies



# General Fund 2018 Budget

## \$222,193,797

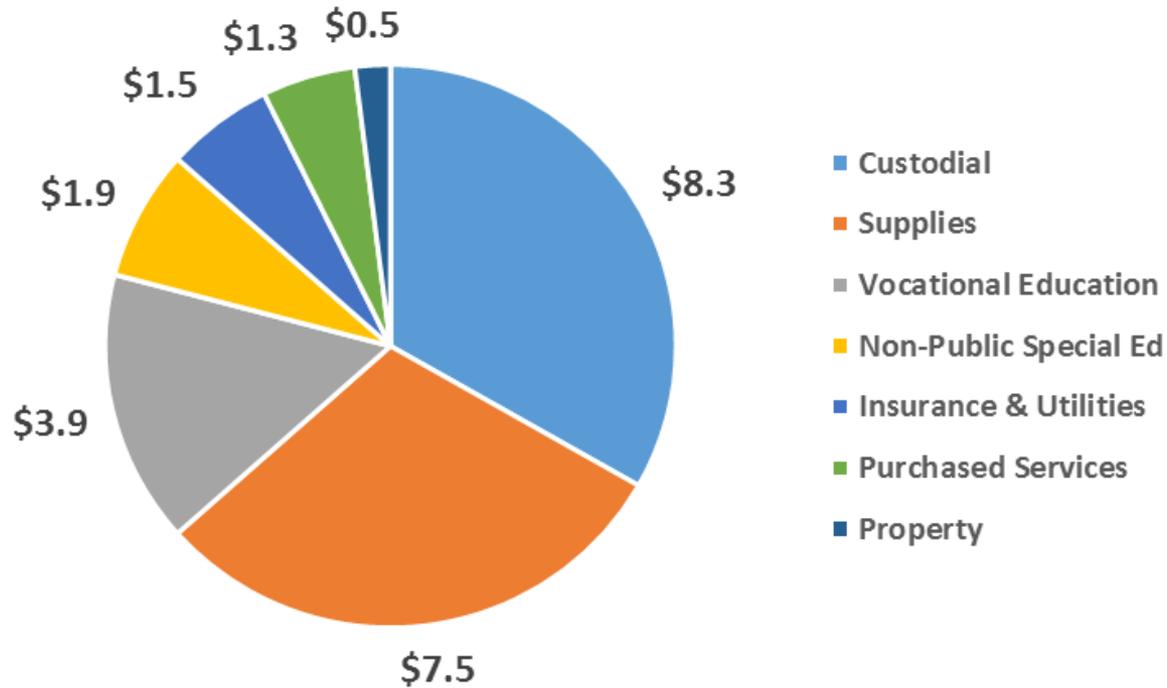


General Fund

# General Fund 2018 Budget

## Excluding Wages & Fringes (in millions)

### \$24.9 million



General Fund

# Funding Formula Factors

## Amount Per Pupil FWCS

**Foundation:** Provided per pupil to all school districts

**Complexity:** Provides additional resources to all districts based on percent of students with needs

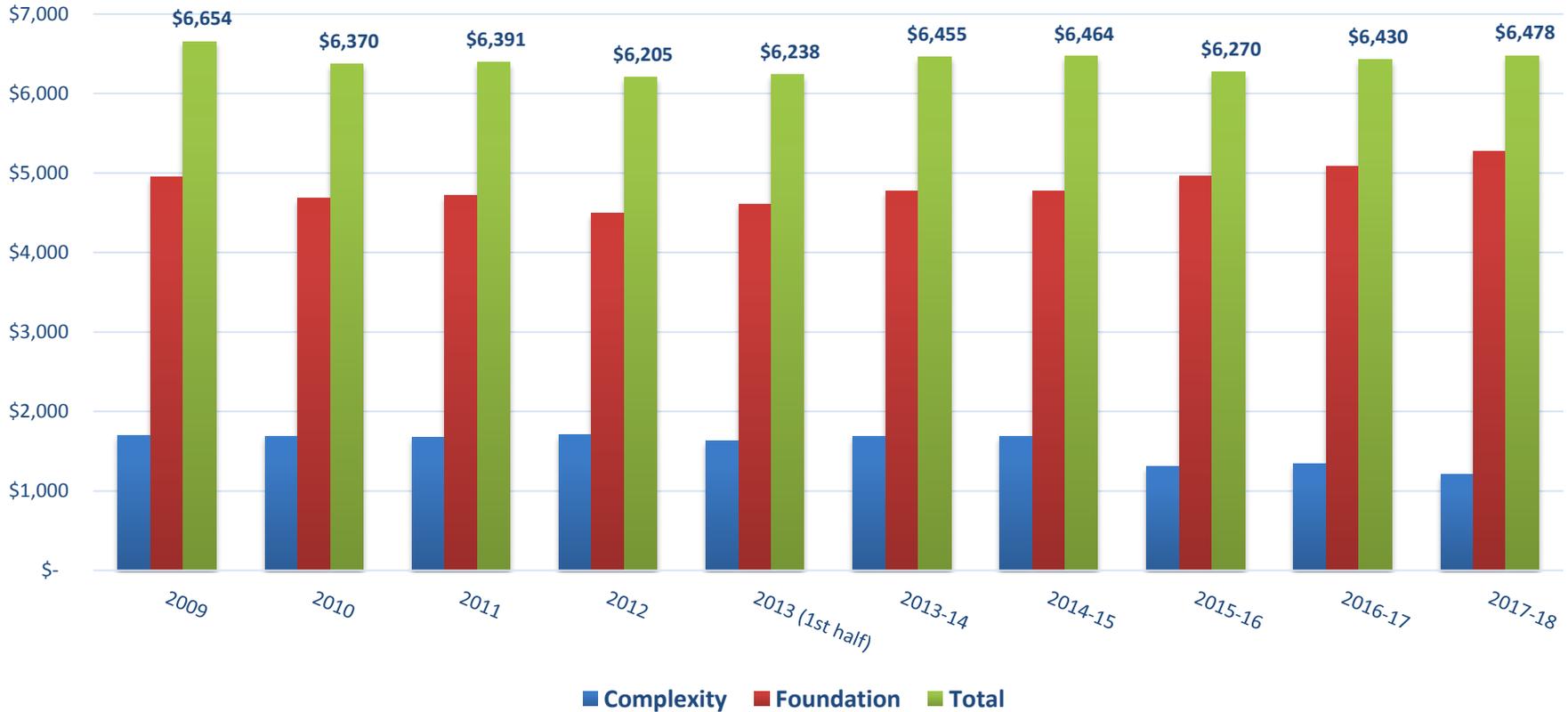
	<u>Foundation</u>	<u>Complexity</u>	<u>Total</u>	<u>Change</u>
<b>2015-16</b>	\$4,967	\$1,303	\$6,270	
<b>2016-17</b>	\$5,088	\$1,342	\$6,430	2.6%
<b>2017-18</b>	\$5,273	\$1,205	\$6,478	0.7%
<b>2018-19</b>	\$5,352	\$1,205	\$6,557	1.2%

General Fund

# Funding Formula Factors

## FWCS Per Pupil

### Adjusted Foundation and Complexity



Note: Foundation is adjusted to include Primetime (2009-2013) and Kindergarten Grant (2011-2014)

General Fund

# Funding Formula Factors

## (ADM) Average Daily Membership

	Unofficial		
	<u>16-17</u>	<u>17-18</u>	<u>Change</u>
Total Count	29,474	29,628	154
<b>Students Funded (ADM)</b> (excludes preschool)	28,523	28,726	203
As of 9-15-17			

General Fund

# General Fund Revenue

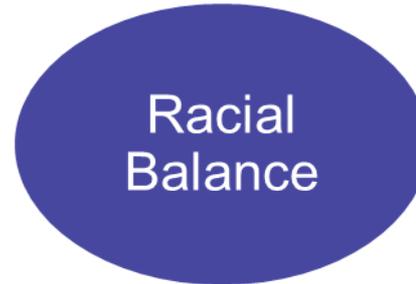
## Calendar Year Summary

	<u>2017</u>	<u>2018</u>	
Foundation	\$148,099,976	\$151,785,795	2.5%
Complexity	36,392,668	34,429,964	-5.4%
<b>Total Tuition Support</b>	<b>184,492,644</b>	<b>186,215,759</b>	<b>0.9%</b>
Special Ed	16,320,290	16,431,730	0.7%
Honors Diploma	496,200	519,200	4.6%
Voc Ed	2,079,750	2,079,750	0.0%
<b>Total State Formula</b>	<b>203,388,884</b>	<b>205,246,439</b>	<b>0.9%</b>
Miscellaneous	5,143,577	5,055,500	-1.7%
<b>Total Revenue</b>	<b>\$208,532,461</b>	<b>\$210,301,939</b>	<b>0.8%</b>

# Property Tax Supported Funds



Debt



Racial  
Balance



Capital  
Projects  
Fund



Transportation  
and Bus  
Replacement

# Property Tax Supported Funds

## Property Tax Reductions

1. Circuit Breaker
2. Pension Bond Tax Neutrality

# Property Tax Reductions

## 1. Circuit Breaker (Tax Cap) Loss

	2017	2018	Since
	<u>Estimate</u>	<u>Estimate</u>	<u>2009</u>
<b>General Fund</b>	\$ -	\$ -	\$ 19,670
<b>Racial Balance Fund</b>	908,125	848,500	6,272,660
<b>Pension Debt Fund</b>	-	-	2,562,950
<b>Debt Service Fund</b>	-	-	9,609,660
<b>State CPF Loan</b>	-	-	78,835
<b>Referendum Debt</b>	26,669	-	61,155
<b>Transportation Fund</b>	2,645,806	2,582,200	18,118,680
<b>Bus Replacement Fund</b>	484,673	471,200	2,453,693
<b>Capital Projects</b>	2,797,840	2,641,900	19,412,479
<b>Museum of Art Fund</b>	27,550	18,200	174,333
<b>Levy Decreased by Circuit Breaker</b>	\$ 6,890,663	\$ 6,562,000	\$58,764,115
<b>Percent of Property Tax Uncollected</b>	0.0%	9.0%	8.9%

*Circuit breaker not allowed to be allocated to debt funds after 2016.*

# Property Tax Reductions

## 2. Pension Bond Tax Neutrality

- Since 2005
  - FWCS, like most Indiana school districts, has been repaying a pension bond (required by the State to be in compliance)
  - Bond payments are tax neutral by cutting other property tax supported funds
  - Ends in 2021

# Property Tax Reductions

## 2. Pension Bond Tax Neutrality

### Budget Reductions Required:

	<b>Actual</b>	<b>Estimated</b>	<b>Since</b>
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2005-2018</u></b>
Capital Projects	\$2,000,000	\$2,000,000	\$32,178,916
Bus Replacement	-	-	11,084,824
Transportation	1,284,244	1,254,535	5,289,630
	<b>\$3,284,244</b>	<b>\$3,254,535</b>	<b>\$48,553,370</b>

Note: Debt repayment and reductions end 2021



Debt

## **A. Debt Service Fund**

- North Side and Nutrition Services Center end in 2017
- Remainder mostly technology loans

## **B. Referendum Debt Fund**

- Includes funding for next bond issues

## **C. Pension Debt Fund**

# Debt Service and Referendum Debt

	<u>Final Payment</u>	<u>Budget 2017</u>	<u>Budget 2018</u>	<u>Change</u>
North Side	2017	\$7,485,000	-	(\$7,485,000)
Nutrition Services Center	2017	1,284,300	-	(1,284,300)
New Tech - 2009	2025	160,720	158,130	(2,590)
New Tech - 2010	2022	106,500	606,500	500,000
State Technology Loans	Ongoing	3,254,509	3,232,259	(22,250)
Interest on tax anticipation warrants	if needed	50,000	50,000	-
Unfunded textbooks		248,543	273,648	25,105
<b>A Debt Service</b>		<b>12,589,572</b>	<b>4,320,537</b>	<b>(8,269,035)</b>
<b>B Referendum Debt</b>	<b>2039</b>	<b>13,031,000</b>	<b>17,565,000</b>	<b>4,534,000</b>
<b>Total Budget</b>		<b>\$25,620,572</b>	<b>\$21,885,537</b>	<b>(\$3,735,035)</b>
Change in Cash & Misc. Revenue		(4,478,564)	(693,493)	
Equals Estimated Allowed Levy		21,142,008	21,192,044	
<i>Max Rate Promised</i>		<i>0.3028</i>	<i>0.3028</i>	
<i>Estimated Tax Rate</i>		<i>0.2915</i>	<i>0.2898</i>	

Debt

# Pension Debt

	<u>Final Payment</u>	<u>Budget 2017</u>	<u>Budget 2018</u>	<u>Change</u>
<b>C Pension Bond Fund (tax neutral)</b>	<b>2021</b>	<b>3,522,121</b>	<b>3,520,847</b>	<b>(1,274)</b>
<u>Estimated Pension Bond Neutrality</u>				
Capital Projects Fund		2,000,000	2,000,000	
Transportation		1,284,244	1,254,535	



Debt

## Racial Balance

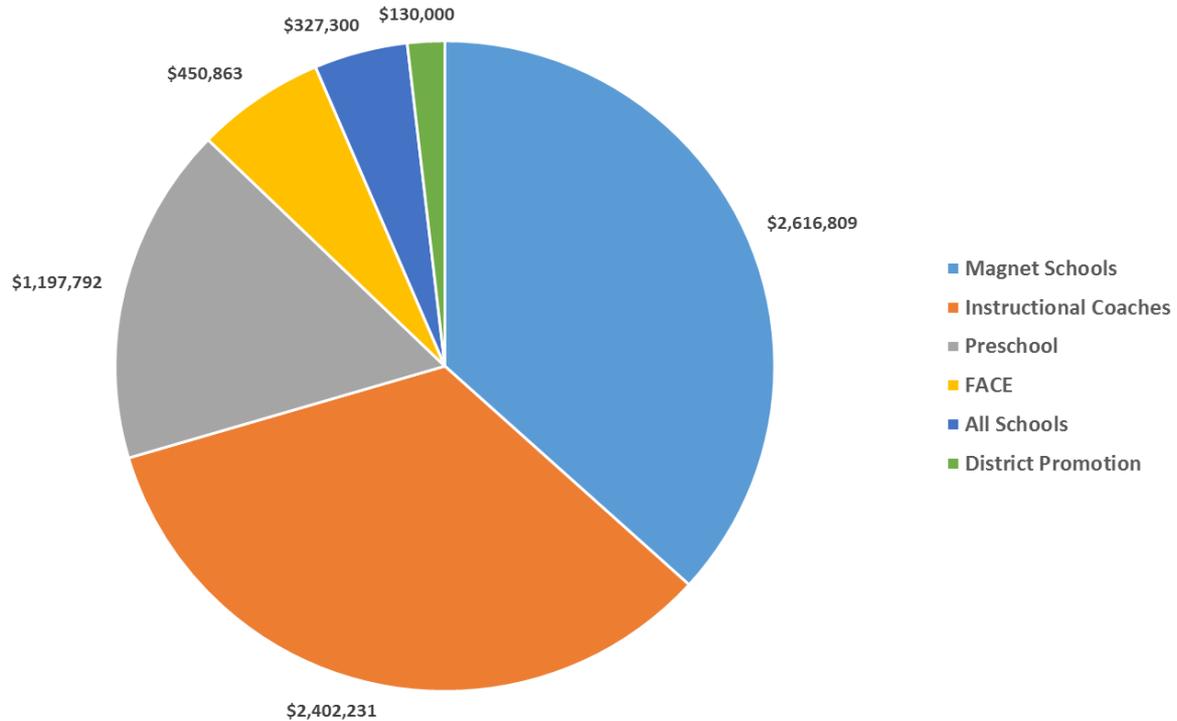


- Funding provided by a reduction in CPF
- Established in 1989
- Provides resources that encourage and sustain a diverse student environment
  - Magnet schools
  - Family and student support
  - Teacher Coaches



# Racial Balance Budget

## \$7,124,995



Racial  
Balance

## Capital Projects Fund



- 3-year plan required by State
- Lower than other districts due to Racial Balance Fund
- 62 buildings (50 schools); average age 59 years
- 11 schools without complete air conditioning (scheduled 2018-2022)

# Capital Projects Three-Year Plan

	2018	2019	2020
<b>Building Improvements</b>	<b>\$5,850,000</b>	<b>\$6,620,000</b>	<b>\$6,640,000</b>
<b>Equipment</b>	<b>1,696,550</b>	<b>1,110,483</b>	<b>1,041,139</b>
<b>Building &amp; Equipment Repair</b>	<b>3,688,424</b>	<b>3,610,941</b>	<b>3,660,285</b>
<b>Technology</b>	<b>1,736,000</b>	<b>1,654,550</b>	<b>1,654,550</b>
<b>Emergency Allocation</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Land</b>	<b>150,000</b>	<b>125,000</b>	<b>125,000</b>
	<b>13,320,974</b>	<b>13,320,974</b>	<b>13,320,974</b>
<b>Utilities &amp; Insurance</b>	<b>6,179,026</b>	<b>6,179,026</b>	<b>6,179,026</b>
<b>Total Plan</b>	<b>\$19,500,000</b>	<b>\$19,500,000</b>	<b>\$19,500,000</b>



Capital  
Projects  
Fund

# Two-Year Comparison

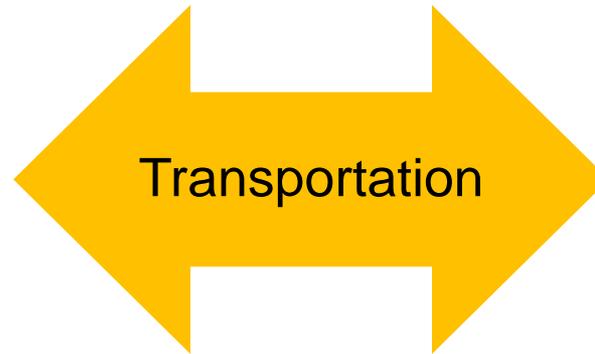
	Approved <u>2017</u>	Proposed <u>2018</u>	<u>Change</u>
Building Improvements	\$ 3,290,000	\$ 5,850,000	\$ 2,560,000
Equipment	1,314,665	1,696,550	381,885
Building & Equipment Repair	3,613,424	3,688,424	75,000
Technology	1,820,000	1,736,000	(84,000)
Emergency Allocation	200,000	200,000	-
Land	150,000	150,000	-
	<b>\$ 10,388,089</b>	<b>\$ 13,320,974</b>	<b>\$ 2,932,885</b>
Utilities & Insurance	6,179,026	6,179,026	-
<b>Total expected budget</b>	<b>\$ 16,567,115</b>	<b>\$ 19,500,000</b>	<b>\$ 2,932,885</b>
<b>Allowances in Approved Budget (likely all subtracted)</b>			
Pension Bond neutrality		2,000,000	
Circuit Breaker		3,675,000	
<b>Budget to Approve</b>		<b>\$ 25,175,000</b>	

Capital  
Projects  
Fund

# CPF Building Improvements

	Approved <u>2017</u>	Proposed <u>2018</u>	<u>Change</u>
<b>Professional Services</b>	\$ 24,000	\$ 75,000	\$ 51,000
<b>Multi-Building Project</b>	-	570,000	\$ 570,000
<b>Roof Replacement</b>	964,000	1,200,000	\$ 236,000
<b>Site Improvements</b>	150,000	300,000	\$ 150,000
<b>General Building Systems</b>	500,000	850,000	\$ 350,000
<b>Mechanical/Electrical</b>	495,000	800,000	\$ 305,000
<b>HVAC Replacement</b>	682,000	1,300,000	\$ 618,000
<b>Traffic/Safety</b>	200,000	400,000	\$ 200,000
<b>School Programmatic Needs</b>	30,000	30,000	\$ -
<b>Hazardous Materials</b>	150,000	150,000	\$ -
<b>A.D.A. Projects</b>	16,000	50,000	\$ 34,000
<b>School Sports Facilities</b>	79,000	125,000	\$ 46,000
	<b>\$ 3,290,000</b>	<b>\$ 5,850,000</b>	<b>\$ 2,560,000</b>

Capital  
Projects  
Fund

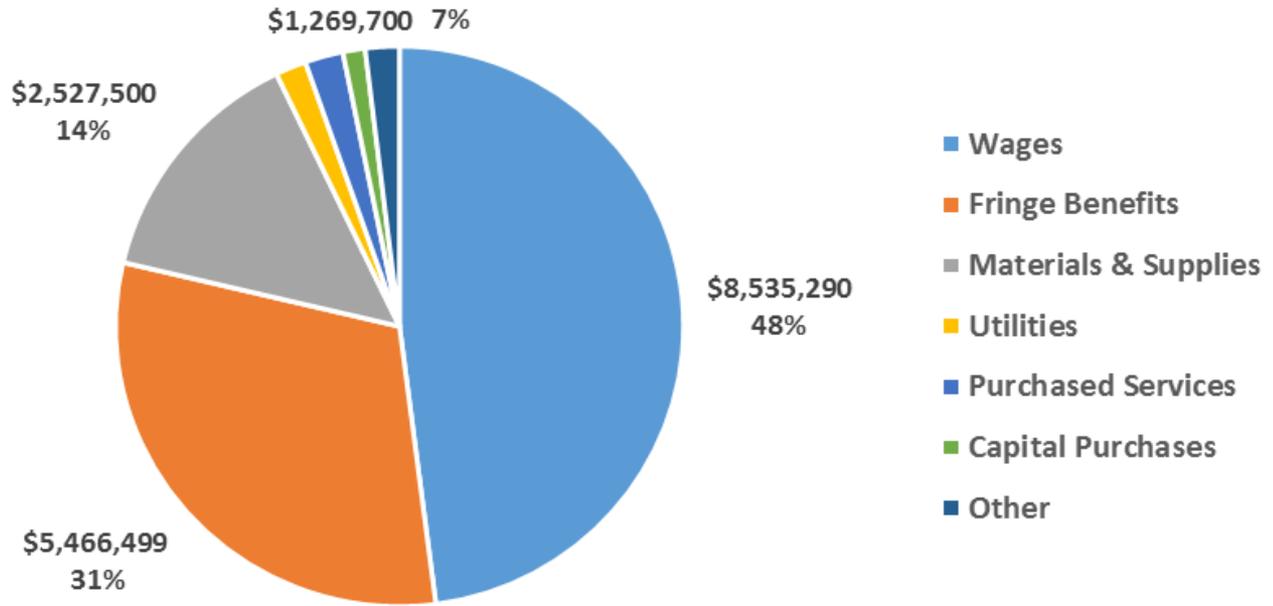


- 254 buses and 45 activity buses
- 1,145 routes (includes regular, Special Ed, midday, activity, Study Connection)
- 145 square miles
- Over 3 million miles traveled



# Transportation Budget

## \$17,798,989



# 12-Year Bus Replacement Plan

Passenger	Replacement Schedule					Total Cost
	14	24	48	84	Total	
2018	3	6	2	33	44	\$ 5,066,931
2019	2	2	6	20	30	\$ 3,572,414
2020		2	6	20	28	\$ 3,612,080
2021	11	4		2	17	\$ 1,380,791
2022		3		2	5	\$ 688,449
2023		2	6	20	28	\$ 4,063,388
2024	16			14	30	\$ 3,113,106
2025		8	8	17	33	\$ 5,126,065
2026				8	8	\$ 1,328,744
2027		6	2	8	16	\$ 2,690,060
2028		12	11		23	\$ 3,898,964
2029	13		3	21	37	\$ 5,552,210
	45	45	44	165	299	\$ 40,093,202



# Bus Replacement Budget

## \$3,368,000

<u>Passenger</u>	<u>Replacement Schedule</u>	<u>Cost per Bus</u>	<u>Total Cost</u>	<u>2018 Expected</u>		<u>Not Purchased</u>	<u>Funding Unavailable</u>
14	3	\$47,617	\$142,851	3	\$142,851	0	\$0
24	6	\$115,256	\$691,536	6	\$691,536	0	\$0
48	2	\$113,700	\$227,400	2	\$227,400	0	\$0
84	33	\$121,368	\$4,005,144	19	\$2,305,992	14	-\$1,699,152
<b>Total</b>	<b>44</b>		<b>\$5,066,931</b>	<b>30</b>	<b>\$3,367,779</b>	<b>14</b>	<b>-\$1,699,152</b>



# Museum of Art Budget

## \$167,300

- Pass through to Fort Wayne Museum of Art to provide ongoing programs for our students
- Budget same at last year



# 2018 Expected Budget

		Reductions		2018 Budget Expected
		Tax Neutrality	Est. Circuit Breaker	
	<u>2018 Budget to Approve</u>			
<b>General</b>	\$ 222,193,797			\$ 222,193,797
<b>Racial Balance</b>	7,973,495		848,500	7,124,995
<b>Capital Projects</b>	24,141,900	2,000,000	2,641,900	19,500,000
<b>Pension Debt</b>	3,520,847			3,520,847
<b>Debt Service</b>	4,320,537			4,320,537
<b>Referendum Debt</b>	17,565,000			17,565,000
<b>Museum of Art</b>	185,500		18,200	167,300
<b>Bus Replacement</b>	3,839,200		471,200	3,368,000
<b>Transportation</b>	21,635,724	1,254,535	2,582,200	17,798,989
	<b>\$ 305,376,000</b>	<b>\$ 3,254,535</b>	<b>\$ 6,562,000</b>	<b>\$ 295,559,465</b>

# 2017 and 2018 Budget Comparison

	2017 <u>Budget</u>	2018 Budget <u>Expected</u>	<u>Budget Change</u>
<b>General</b>	\$215,936,994	\$222,193,797	\$6,256,803
<b>Racial Balance</b>	\$7,176,444	\$7,124,995	<b>(\$51,449)</b>
<b>Capital Projects</b>	\$16,567,115	\$19,500,000	\$2,932,885
<b>Pension Debt</b>	\$3,522,121	\$3,520,847	<b>(\$1,274)</b>
<b>Debt Service</b>	\$12,589,572	\$4,320,537	<b>(\$8,269,035)</b>
<b>Referendum Debt</b>	\$13,031,000	\$17,565,000	\$4,534,000
<b>Museum of Art</b>	\$151,500	\$167,300	\$15,800
<b>Bus Replacement</b>	\$3,351,000	\$3,368,000	\$17,000
<b>Transportation</b>	\$17,587,311	\$17,798,989	\$211,678
	<b>\$289,913,057</b>	<b>\$295,559,465</b>	\$5,646,408
			1.9%

# 2018 Budget and Levy by Fund

	<u>2018 Budget to Approve</u>	<u>2018 Budget Expected</u>	<u>Estimated Levy</u>	<u>Estimated Tax Rate</u>
<b>General Fund</b>	<b>\$ 222,193,797</b>	<b>\$ 222,193,797</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Racial Balance</b>	<b>7,973,495</b>	<b>7,124,995</b>	<b>6,205,897</b>	<b>0.0890</b>
<b>Capital Projects</b>	<b>24,141,900</b>	<b>19,500,000</b>	<b>19,323,931</b>	<b>0.2771</b>
<b>Pension Debt</b>	<b>3,520,847</b>	<b>3,520,847</b>	<b>3,254,535</b>	<b>0.0467</b>
<b>Debt Service</b>	<b>4,320,537</b>	<b>4,320,537</b>	<b>5,195,209</b>	<b>0.0745</b>
<b>Referendum Debt</b>	<b>17,565,000</b>	<b>17,565,000</b>	<b>15,996,836</b>	<b>0.2153</b>
<b>Museum of Art</b>	<b>185,500</b>	<b>167,300</b>	<b>132,889</b>	<b>0.0019</b>
<b>Bus Replacement</b>	<b>3,839,200</b>	<b>3,368,000</b>	<b>3,446,517</b>	<b>0.0494</b>
<b>Transportation</b>	<b>21,635,724</b>	<b>17,798,989</b>	<b>18,887,139</b>	<b>0.2709</b>
	<b>\$305,376,000</b>	<b>\$295,559,465</b>	<b>\$72,442,952</b>	<b>\$1.0248</b>



# Key Take-Aways

- Enrollment – up from last year
- General Fund
  - New formula provides only .7% per pupil increase
- Debt Funds – below promised maximum rate of \$.3028
- Bus Replacement – projected to meet 12-year replacement schedule in approximately 2023
- Overall budget increase 1.9%
- 2019 – HB 1009 requires changes to budgeted funds

# Next Steps – 2018 Budget

October 9

Public Hearings:

- Budget
- Bus Replacement Fund Plan
- Capital Projects Fund Plan

October 23

Adoption of Budget and Plans