

FWCS

2016 Budget

September 28, 2015

FORT WAYNE COMMUNITY SCHOOLS

Agenda

- State Budget Requirements
- General Fund
- Property Tax Supported Funds
- Total Expected Budget and Comparisons
- Future Budget Outlook

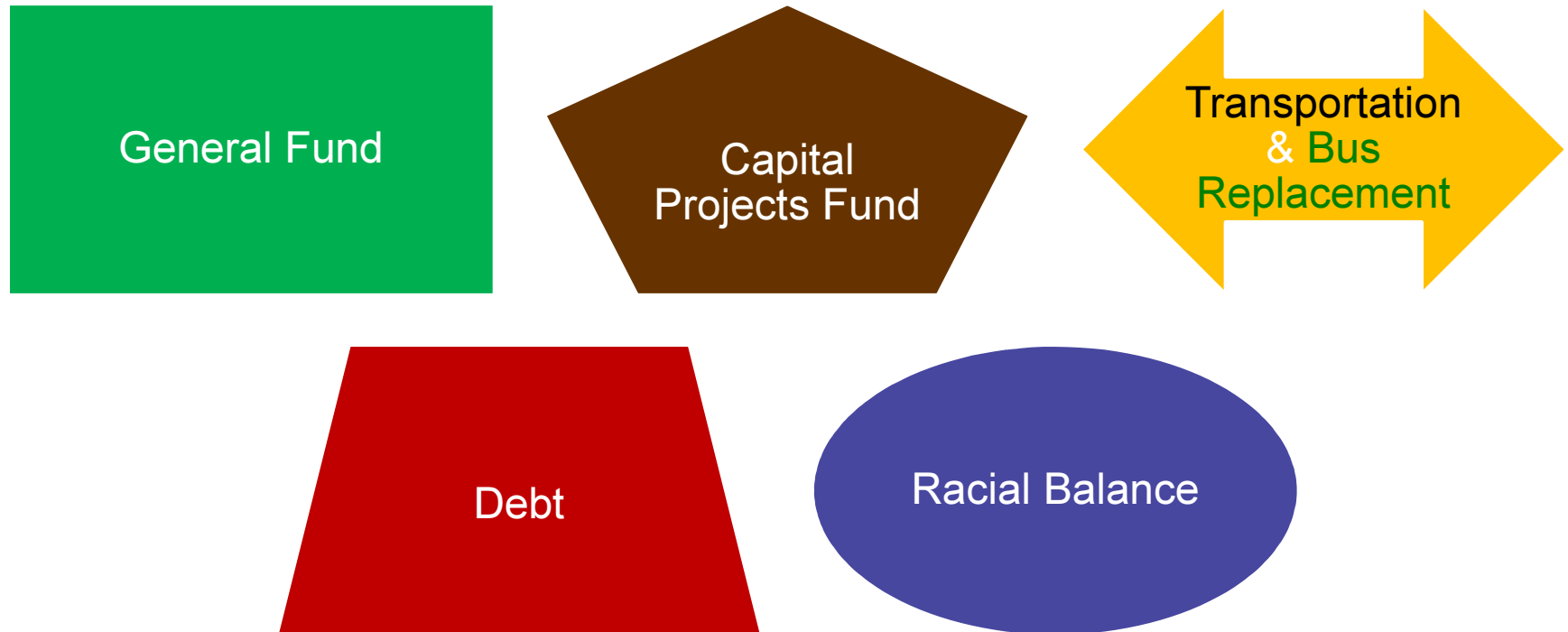
Budget Adoption Calendar

* Board Meetings

September 1	County Council Review documents due (done 8/27)
September 8	Budget and levy advertised via Gateway (done 8/27)
September 24	Bus Replacement Plan and Capital Projects Plan advertised via newspaper
September 28*	Public budget presentation
October 12*	Public Hearings: Budget Bus Replacement Plan Capital Projects Fund Plan
October 26*	Adoption of budget and plans
By Feb. 15, 2016	Budget order issued by State



Major Funds to Approve



Board Approval Required

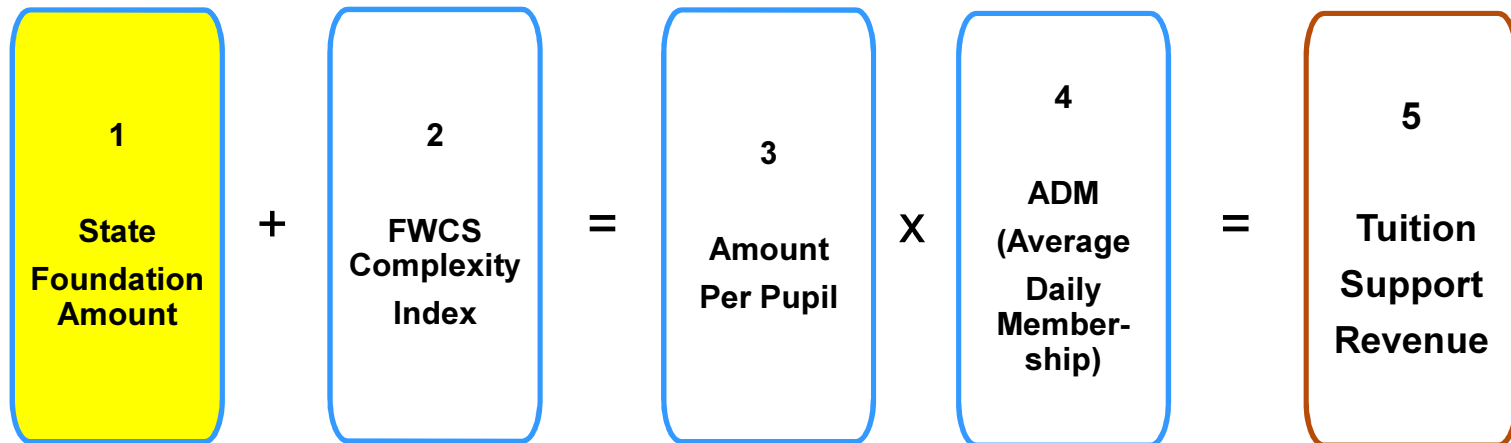
- ✓ 2016 Appropriations (budget) & 2016 Maximum Levy (property tax)
- ✓ Bus Replacement Fund Plan – 12 years
- ✓ Capital Projects Fund Plan – 3 years
 - ✓ Closing of budgets for completed projects
- ✓ 2016 Pension Bond tax neutrality
- ✓ 2015 Budget Reduction

General Fund

- Revenue funded primarily by State taxes
 - School Funding Formula
 - Kindergarten fully funded in formula
July 2015
 - Grants
- Expenditures:
 - Salaries & fringe benefits
 - Teachers, administrators, aides, clerical, maintenance
 - Operating costs
 - Custodial, utilities, insurance, legal
 - School materials & supplies



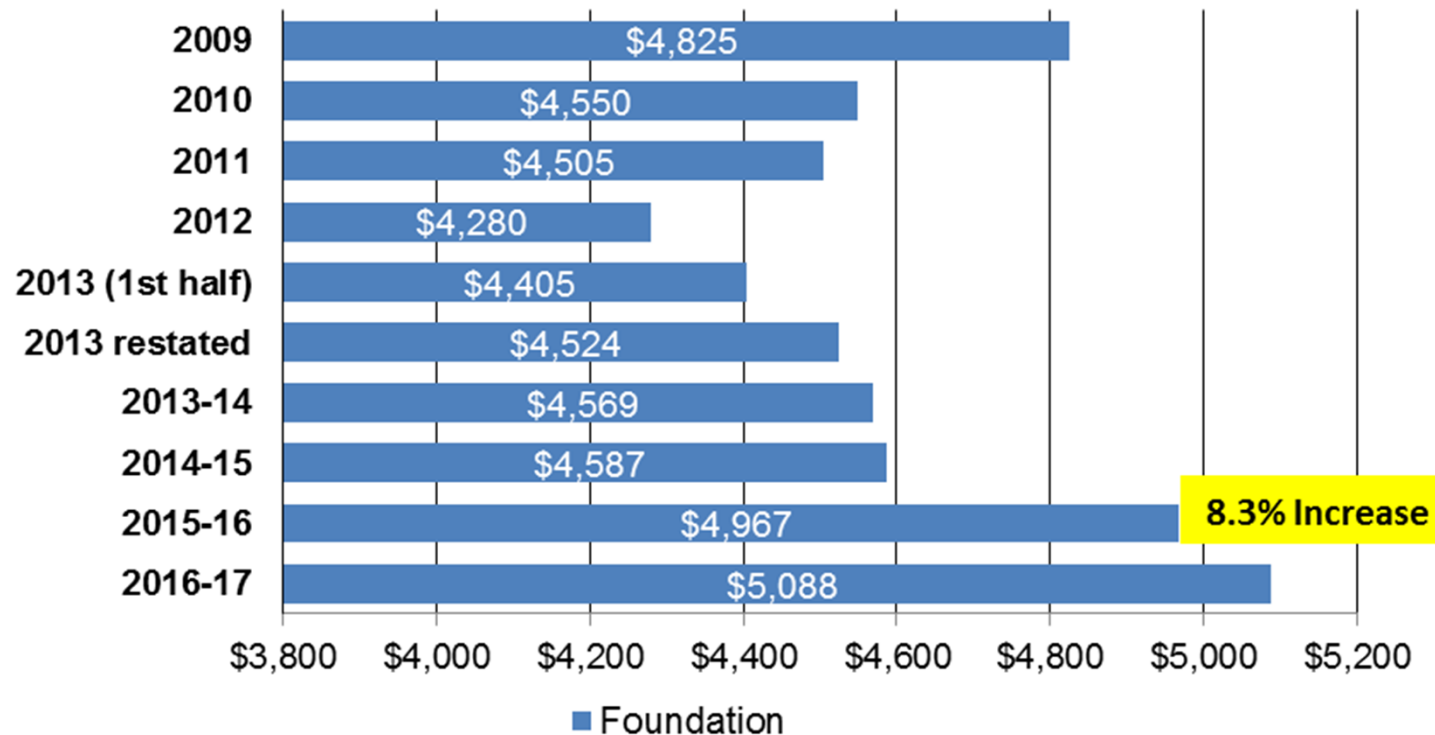
Funding Formula Factors



General Fund

Funding Formula Factors

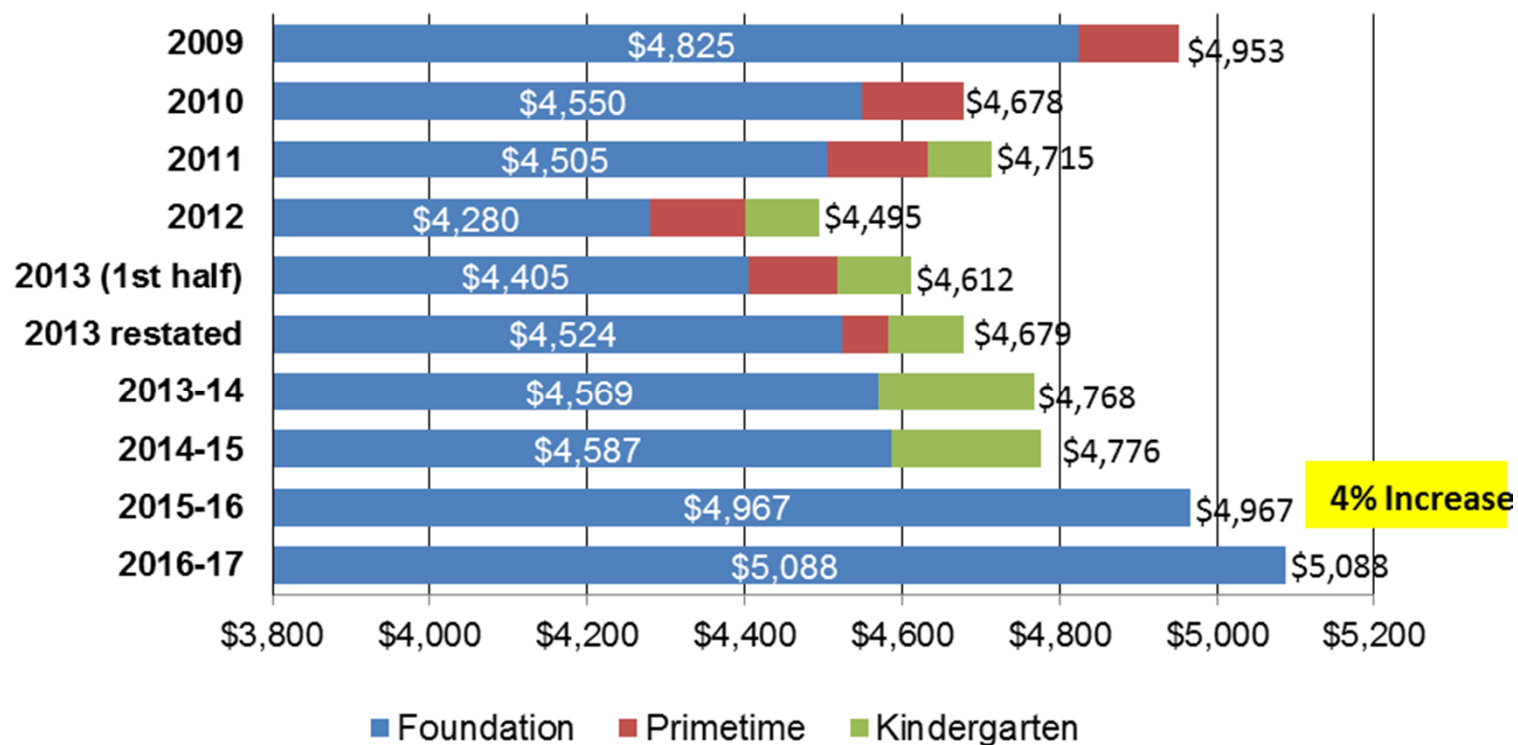
1. State Foundation Amount



General Fund

Funding Formula Factors

1. State Foundation Amount adjusted with average kindergarten & primetime



General Fund

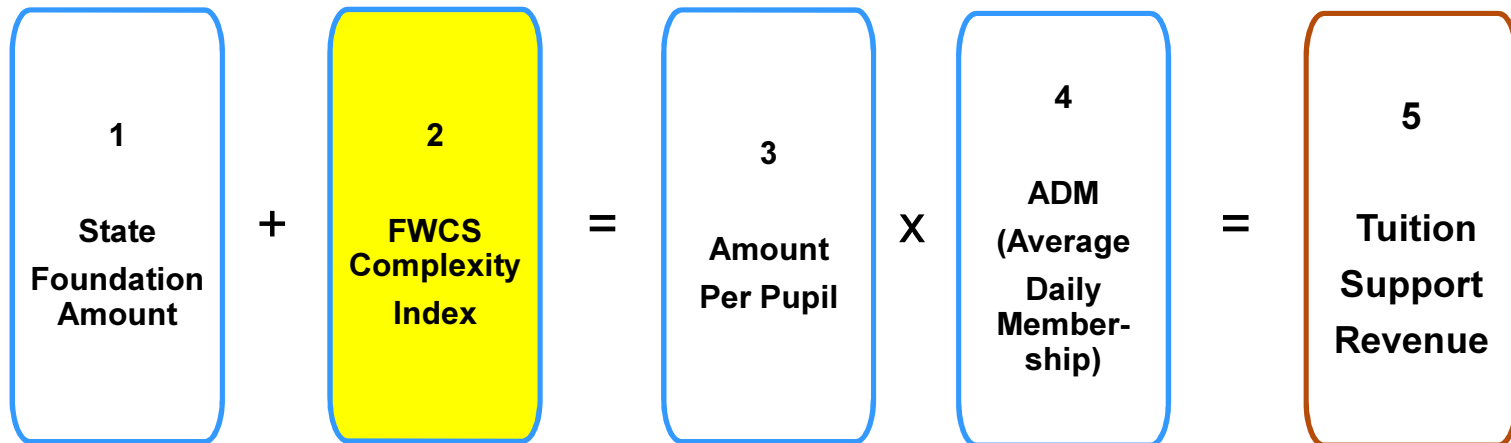
Funding Formula Factors

2. Foundation FWCS

	<u>Foundation</u>	
2014-15*	\$4,610	
2015-16	\$4,967	7.7%
2016-17	\$5,088	2.4%
* 2014-15 restated by state to include kindergarten grant		

General Fund

Funding Formula Factors



General Fund

Funding Formula Factors

2. Complexity Index

To provide additional resources to **all** districts based on percent of students with needs

2014-15	2015-16
<ul style="list-style-type: none">• Tier 1<ul style="list-style-type: none">– 50% of students Direct Certified (State assistance) + remaining students approved for free textbooks• Tier 2<ul style="list-style-type: none">– additional amount when Tier 1 > than 35%• Multiplier = \$4,396	<ul style="list-style-type: none">• Tier 1<ul style="list-style-type: none">– 100% Direct Certified• Tier 2<ul style="list-style-type: none">– ELL (English Language Learners) over 25% (Goshen, West Noble, Westview)• Multiplier = \$3,489

General Fund

Funding Formula Factors

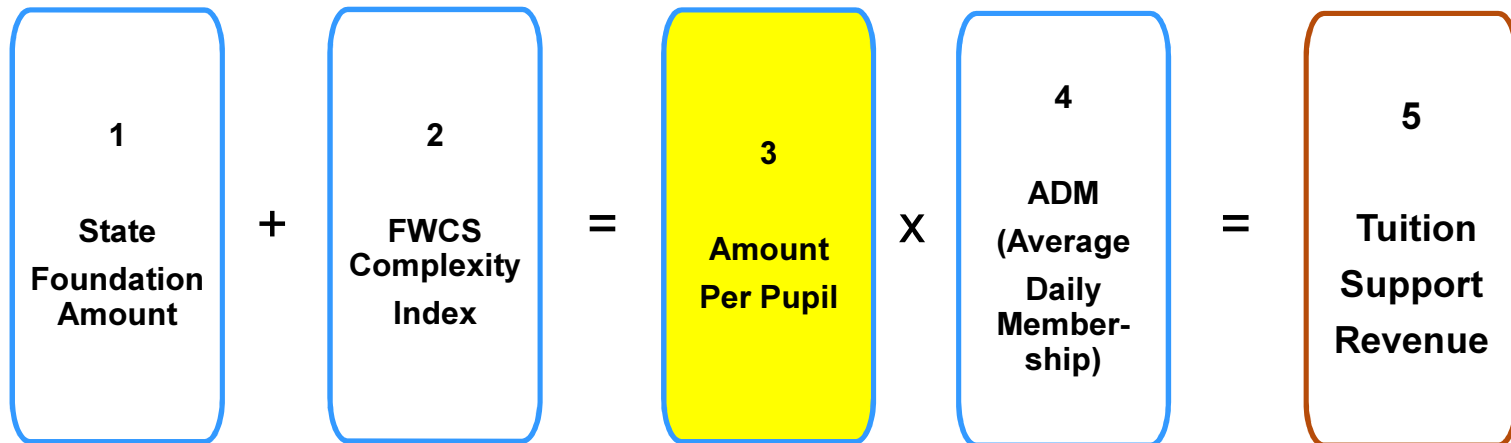
2. Complexity Index

FWCS

	<u>Rate</u>	<u>Multiplier</u>	<u>Complexity</u>	
2014-15	0.3680	\$4,396	\$1,610	
2015-16	0.3736	\$3,489	\$1,303	-19.0%
2016-17	0.3792	\$3,539	\$1,342	3.0%

General Fund

Funding Formula Factors



General Fund

FORT WAYNE COMMUNITY SCHOOLS

Funding Formula Factors

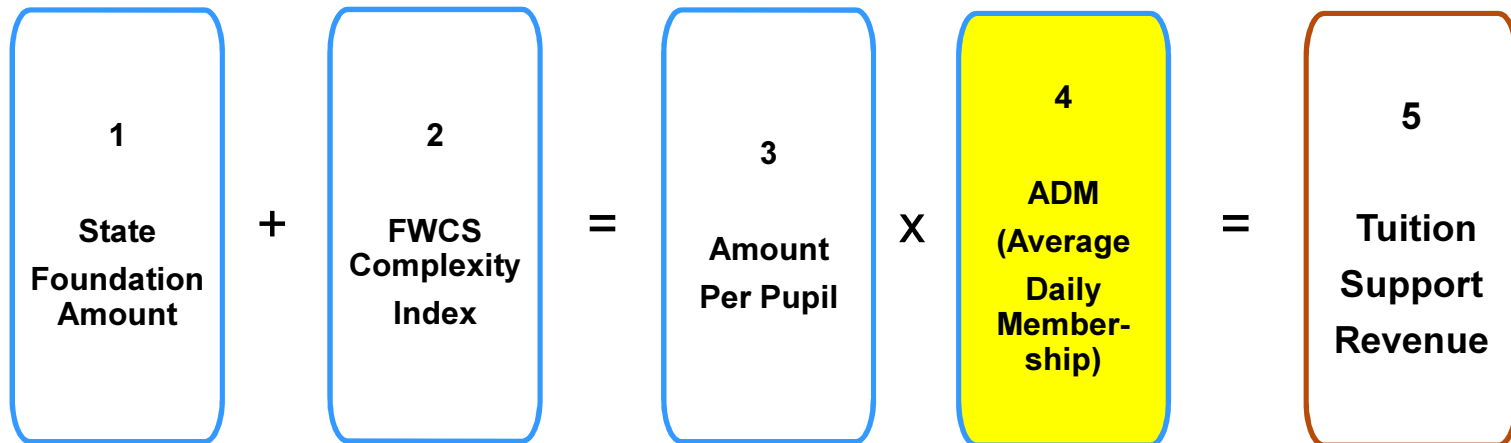
3. Amount Per Pupil

FWCS

	<u>Foundation</u>	<u>Complexity</u>	<u>Total</u>	
2014-15	\$4,610	\$1,610	\$6,220	
2015-16	\$4,967	\$1,303	\$6,270	0.8%
2016-17	\$5,088	\$1,342	\$6,430	2.5%

General Fund

Funding Formula Factors



General Fund

Funding Formula Factors

4. (ADM) Average Daily Membership

*The number of students funded
as of 9-18-15*

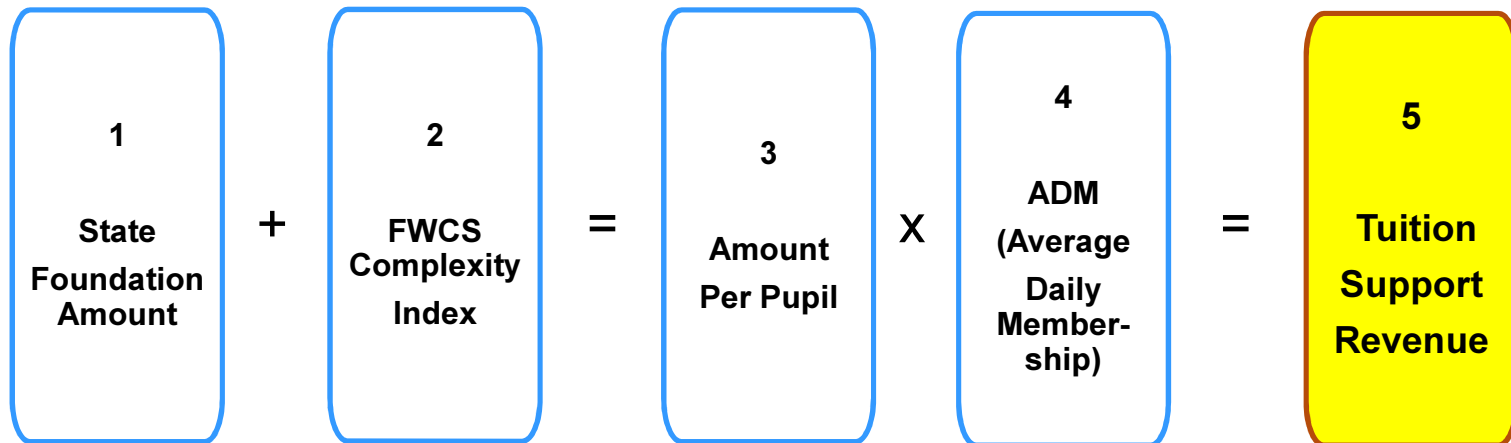
	<u>14-15 (A)</u>	<u>15-16 (B)</u>	<u>Change</u>
Total Count	30,607	29,643	(964)
<u>Funding based on:</u>			
ADM (preschool deducted)	29,514	28,646	(868)
(A) Restated to include all kindergarten			
(B) 15-16 count is unofficial			

Amount Per Pupil Compared to Enrollment (ADM) Change

	<u>Per Pupil Total</u>		<u>Enrollment Funded</u>	
2014-15	\$6,220		29,514	
2015-16	\$6,270	0.8%	28,646	-2.9%
2016-17	\$6,430	2.5%	28,363	-1.0%
2 -year change	\$210	3.4%	(1,151)	-3.9%

General Fund

Funding Formula Factors



General Fund

Funding Formula Factors

5. Tuition Support Calendar Year

	<u>2015</u>	<u>2016</u>	
Foundation	\$135,697,119	\$142,764,245	5.2%
Complexity	42,418,802	37,554,470	-11.5%
	178,115,921	180,318,716	1.2%
Full-Day Kindergarten	3,030,672	-	-100.0%
	\$181,146,593	\$180,318,716	-0.5%

General Fund

Other General Fund Revenue Details

- 6. Full-Day Kindergarten Grant –
eliminated, now fully counted**
- 7. Special Education Grant (State)**
- 8. Academic Honors Grant**
- 9. Career & Technical Education**

General Fund

Other General Fund Revenue Details

7. Special Education Grant (State)

	<u>Pupils</u>	<u>2014-15</u>		<u>2015-16</u>		<u>2016-17</u>	
Severe	697	\$8,350	5,819,950	\$8,800	6,133,600	\$8,800	6,133,600
Moderate	3396	\$2,265	7,691,940	\$2,300	7,810,800	\$2,300	7,810,800
Communication	1985	\$533	1,058,005	\$500	992,500	\$500	992,500
Preschool	318	\$2,750	874,500	\$2,750	874,500	\$2,750	874,500
			15,444,395		15,811,400		15,811,400

- **Non-public students included – will be reduced for voucher recipients**
- **Preschool funding same since 1992**

General Fund

Other General Fund Revenue Details

8. Academic Honors Diploma Grant

- 2014-15 - \$900 per diploma
- 2015-16 & 2016-17
 - \$1,000 per diploma
 - \$1,400 for those on free/reduced lunch

9. Career & Technical Education

- Based on market need, future wage

General Fund Revenue Summary

	<u>2015</u>	<u>2016</u>	
Foundation	\$135,697,119	\$142,764,245	5.2%
Complexity	42,418,802	37,554,470	-11.5%
	178,115,921	180,318,716	1.2%
Full-Day Kindergarten	3,030,672	-	-100.0%
	\$181,146,593	\$180,318,716	-0.5%
Special Ed	15,799,989	15,811,400	0.1%
Honors Diploma	553,998	600,000	8.3%
Voc Ed	1,772,376	1,756,500	-0.9%
Total Formula	\$199,272,956	\$198,486,616	-0.4%
Miscellaneous	5,094,053	5,473,410	7.4%
Total	\$204,367,009	\$203,960,026	-0.2%

Funding Formula Factors

Statewide Tuition Support

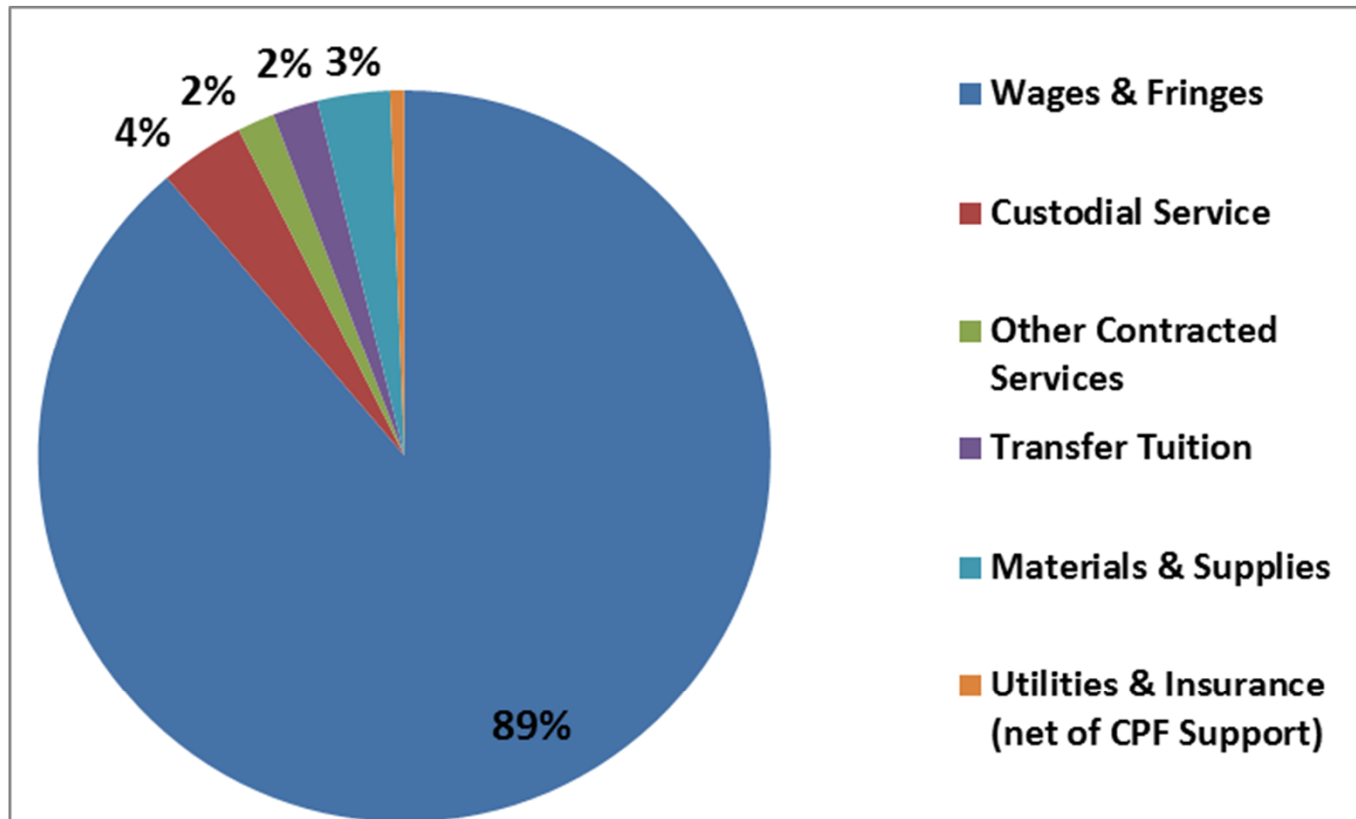
(per State budget simulation)

					2016-17
					Compared to
	2014-15	2015-16	2016-17		2014-15
<u>Total State Estimate</u>					
Traditional Public Schools	\$6,312,209,666	\$6,396,735,025	\$6,498,493,374		3.0%
Non-Traditional Options:					
Virtual Charter Schools	\$47,746,644	\$59,502,724	\$72,680,329		52.2%
Other Charter Schools	\$185,581,587	\$205,149,360	\$232,276,184		25.2%
Vouchers	\$116,691,189	\$156,420,000	\$173,800,000		48.9%
	\$350,019,420	\$421,072,084	\$478,756,513		36.8%
Total	\$6,662,229,086	\$6,817,807,109	\$6,977,249,887		4.7%

General Fund

Expenditure Budget

\$216,773,606



General Fund

Property Tax Supported Funds



Property Tax Supported Funds

Property Tax Reductions

1. Circuit Breaker
2. Pension Bond Neutrality

Property Tax Reductions

1. Circuit Breaker (Tax Cap) Loss

	2009- 2014		With Debt Waiver	With Debt Waiver	No Waiver	No Waiver
	6-year <u>Total</u>		2015 <u>Estimated</u>	2016 <u>Estimated</u>	2017 <u>Estimated</u>	2018 <u>Estimated</u>
General Fund	19,670					
Racial Balance Fund	3,159,500		901,490	991,639	1,265,707	1,265,707
Debt Funds	7,124,858		1,092,887	1,202,175	-	-
Transportation Funds	9,797,376		3,083,298	3,391,627	4,329,001	4,329,001
Capital Projects Fund	9,868,656		2,805,760	3,086,337	3,939,334	3,939,334
Museum of Art	90,070		25,322	27,855	35,554	35,554
	30,060,130		7,908,757	8,699,633	9,569,595	9,569,595
Estimated Levy before Circuit Breaker			68,010,013	68,029,034		
Est percent of levy uncollected			11.6%	12.8%		

State waiver allows circuit breaker to be allocated to debt funds in 2014-2016.
In 2017 debt circuit breaker will be shifted to other funds.

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 (\$36 million through 2014)
 - Ends in 2021

Property Tax Reductions

2. Pension Bond Tax Neutrality

Budget Reductions Required:

				Since
	Actual	Estimated		Inception
	<u>2015</u>	<u>2016</u>		<u>2005-2016</u>
Capital Projects	2,000,000	2,000,000		\$28,178,916
Bus Replacement	936,545	1,460,347		11,123,000
Transportation	-			2,750,851
	\$2,936,545	\$3,460,347		\$42,052,767

*Debt repayment and reductions end 2021

Property Tax Reductions

- What could we have done if funds not lost?
 - Racial Balance – more support for students
 - Capital Projects –replacement schedules up to date with pay-as-you-go projects
 - Transportation – more service for students
 - Bus Replacement – 12 year replacement schedules up to date

Debt

2016 Debt Schedule

		Final Payment	Budget 2015	Budget 2016	Change
North Side	2017		\$7,490,000	\$7,490,000	\$0
Nutrition Service Center	2017		1,281,700	1,280,400	(1,300)
New Tech - 2009	2025		165,900	163,310	(2,590)
New Tech - 2010	2022		106,500	106,500	-
State Technology Loans	2015		5,374,891	4,007,183	(1,367,708)
Interest on tax anticipation warrants	if needed		50,000	50,000	-
Unfunded textbooks			36,596	234,551	197,955
A Debt Service Fund			14,505,587	13,331,944	(1,173,643)
B Referendum Debt	2033		5,525,000	6,689,000	1,164,000
			\$20,030,587	\$20,020,944	(\$9,643)
C Pension Bond Fund (tax neutral)	2021		3,519,565	3,519,790	225
Total			\$23,550,152	\$23,540,734	(\$9,418)

Estimated Debt Tax Rate Compared to Maximum Planned

		2011	2012	2013	2014	2015	2016
							<u>Est.</u>
A	Debt Service Fund	0.1978	0.1640	0.1923	0.2191	0.2131	0.1809
B	Referendum Debt			0.0738	0.0799	0.0824	0.1009
		0.1978	0.1640	0.2661	0.2990	0.2955	0.2818
	Increase limit	0.1050					
	Maximum desired rate	0.3028	(0.3028)	(0.3028)	(0.3028)	(0.3028)	(0.3028)
	Under		(0.1388)	(0.0367)	(0.0038)	(0.0073)	(0.0210)

Debt

Racial Balance



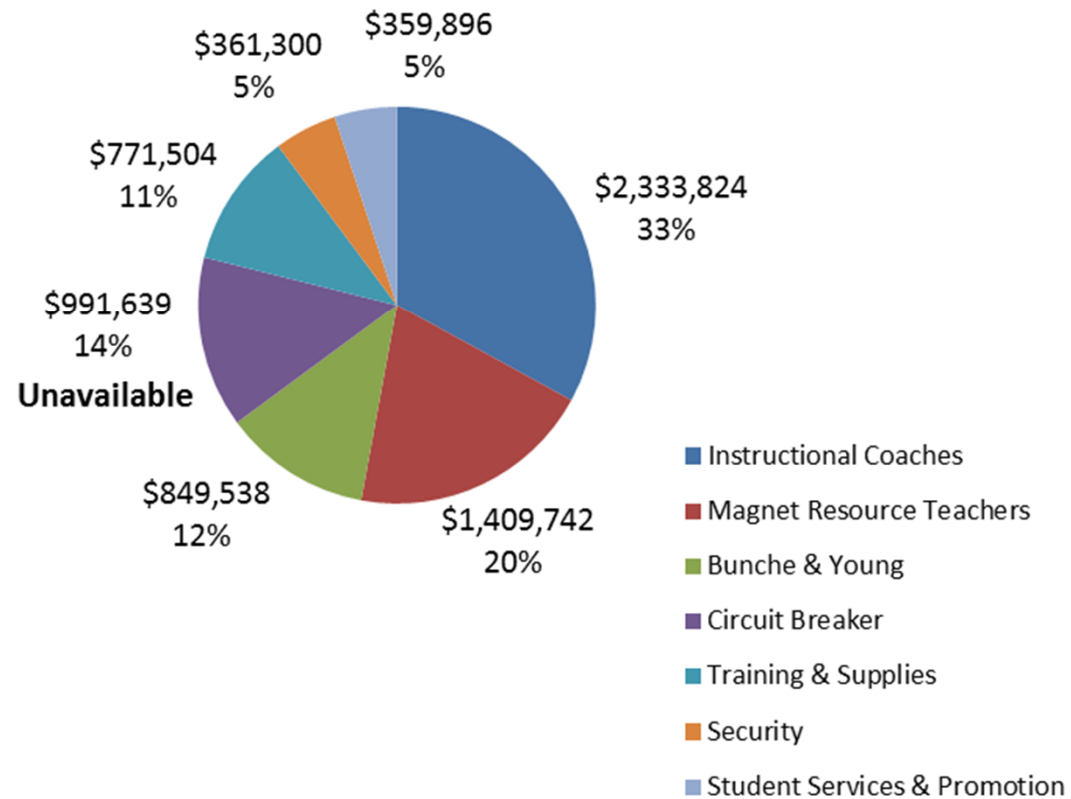
- Funding provided by a reduction in CPF
- Established in 1989
- Provides resources that encourage and sustain a diverse student environment
 - Magnet Schools
 - Family and Student Support
 - Teacher Coaches



	2016
Operating Budget	
Instructional Coaches	\$ 2,333,824
Magnet Resource Teachers	1,409,742
Bunche & Young	849,538
Training & Supplies	771,504
Security	361,300
Student Services & Promotion	359,896
	6,085,804
Circuit Breaker	991,639
	7,077,443
One Time Expenditure	
Family & Student Center	2,500,000
Budget for Board Approval	\$ 9,577,443

Racial
Balance

Racial Balance 2016 Operating Budget \$7,077,443



Racial
Balance

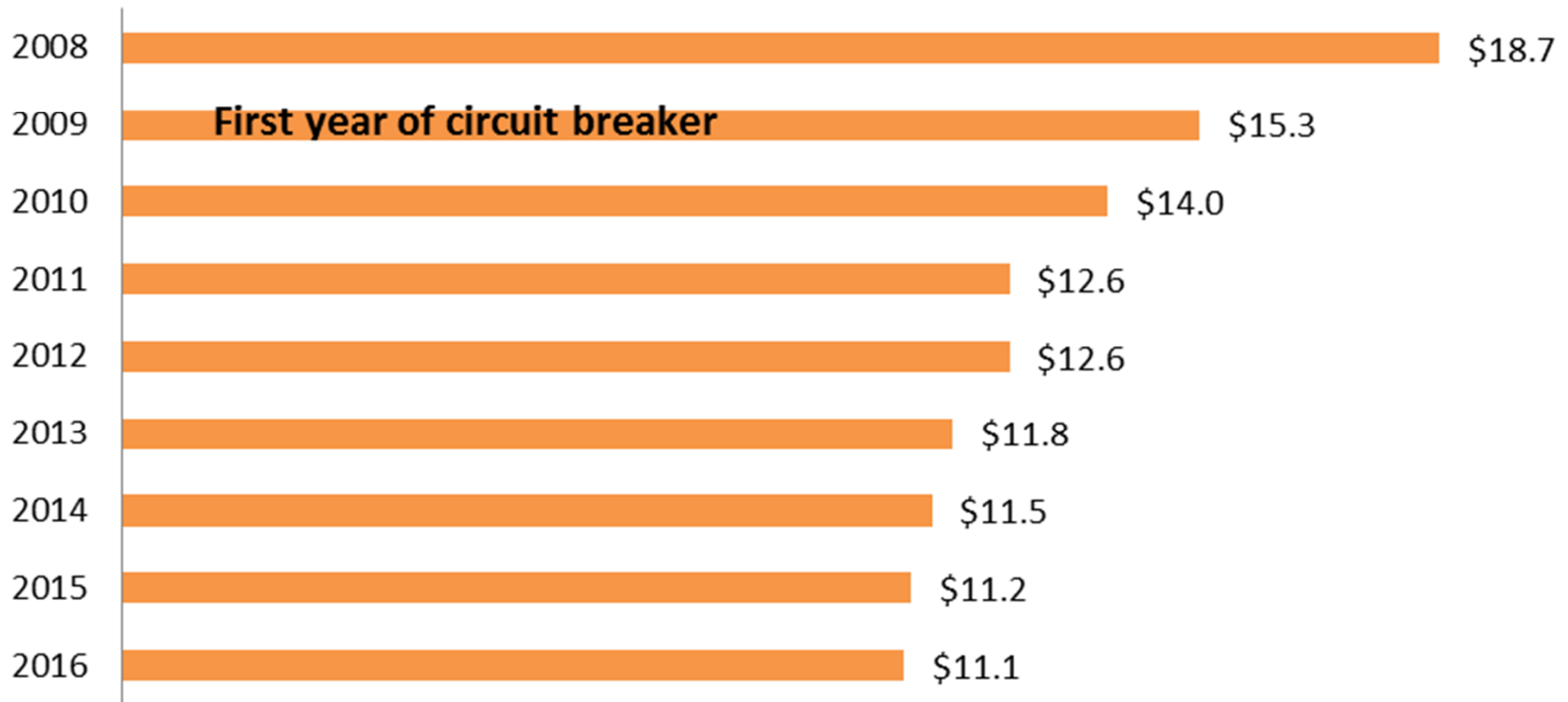
Capital Projects Fund



- 3-year plan required by State
- Lower than other districts due to Racial Balance Fund
- 63 buildings (51 schools), average age 58 years
- 15 schools still without complete air conditioning after Phase I Project

Capital Projects Fund Revenue

(in millions)



*Not including levy for utilities and insurance

Capital
Projects
Fund

Three Year Plan to Approve

	Three Year Capital Projects Plan		
	2016	2017	2018
Building Improvements	\$3,475,000	\$2,235,000	\$2,235,000
Equipment	1,150,268	1,127,271	1,127,271
Building & Equipment Repair	3,366,526	3,424,500	3,363,834
Technology	3,182,726	3,228,752	3,228,752
Emergency Allocation	200,000	200,000	200,000
Land	100,000	60,000	60,000
	11,474,520	10,275,523	10,214,857
Utilities & Insurance	6,179,026	6,179,026	6,179,026
Total Plan	\$17,653,546	\$16,454,549	\$16,393,883

Capital
Projects
Fund

2-Year Comparison

	Amended	Proposed	
	<u>2015</u>	<u>2016</u>	<u>Change</u>
Building Improvements	\$ 4,290,000	\$ 3,475,000	\$ (815,000)
Equipment	1,206,167	1,150,268	(55,899)
Building & Equipment Repair	3,311,500	3,366,526	55,026
Technology	3,123,652	3,182,726	59,074
Emergency Allocation	200,000	200,000	-
Land	135,000	100,000	(35,000)
	\$ 12,266,319	\$ 11,474,520	\$ (791,799)
Utilities & Insurance	6,179,026	6,179,026	-
Total expected budget	\$ 18,445,345	\$ 17,653,546	\$ (791,799)
Allowances in Approved Budget (likely all subtracted)			
Pension Bond neutrality		2,000,000	
Circuit Breaker		3,086,337	
Budget to Approve		\$ 22,739,883	

Capital
Projects
Fund

CPF Building Improvements

	Amended	Proposed	
	<u>2015</u>	<u>2016</u>	<u>Change</u>
Professional Services	\$ 175,000	\$ 75,000	\$ (100,000)
Multi-Building Project	-	-	-
Roof Replacement	1,100,000	910,000	(190,000)
Site Improvements	400,000	215,000	(185,000)
General Building Systems	450,000	345,000	(105,000)
Mechanical/Electrical	475,000	400,000	(75,000)
HVAC Replacement	925,000	900,000	(25,000)
Traffic/Safety	270,000	300,000	30,000
School Programmatic Needs	45,000	30,000	(15,000)
Hazardous Materials	150,000	150,000	-
A.D.A. Projects	50,000	50,000	-
School Sports Facilities	250,000	100,000	(150,000)
	\$ 4,290,000	\$ 3,475,000	\$ (815,000)

Capital
Projects
Fund



Transportation

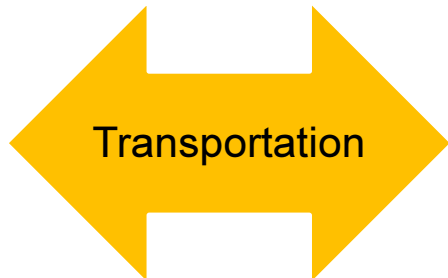
2015-16 Service

- 198 buses and 44 activity buses
- 1,109 Routes (includes regular, special ed, activity, Study Connection)
- 145 square miles
- 3 million miles traveled

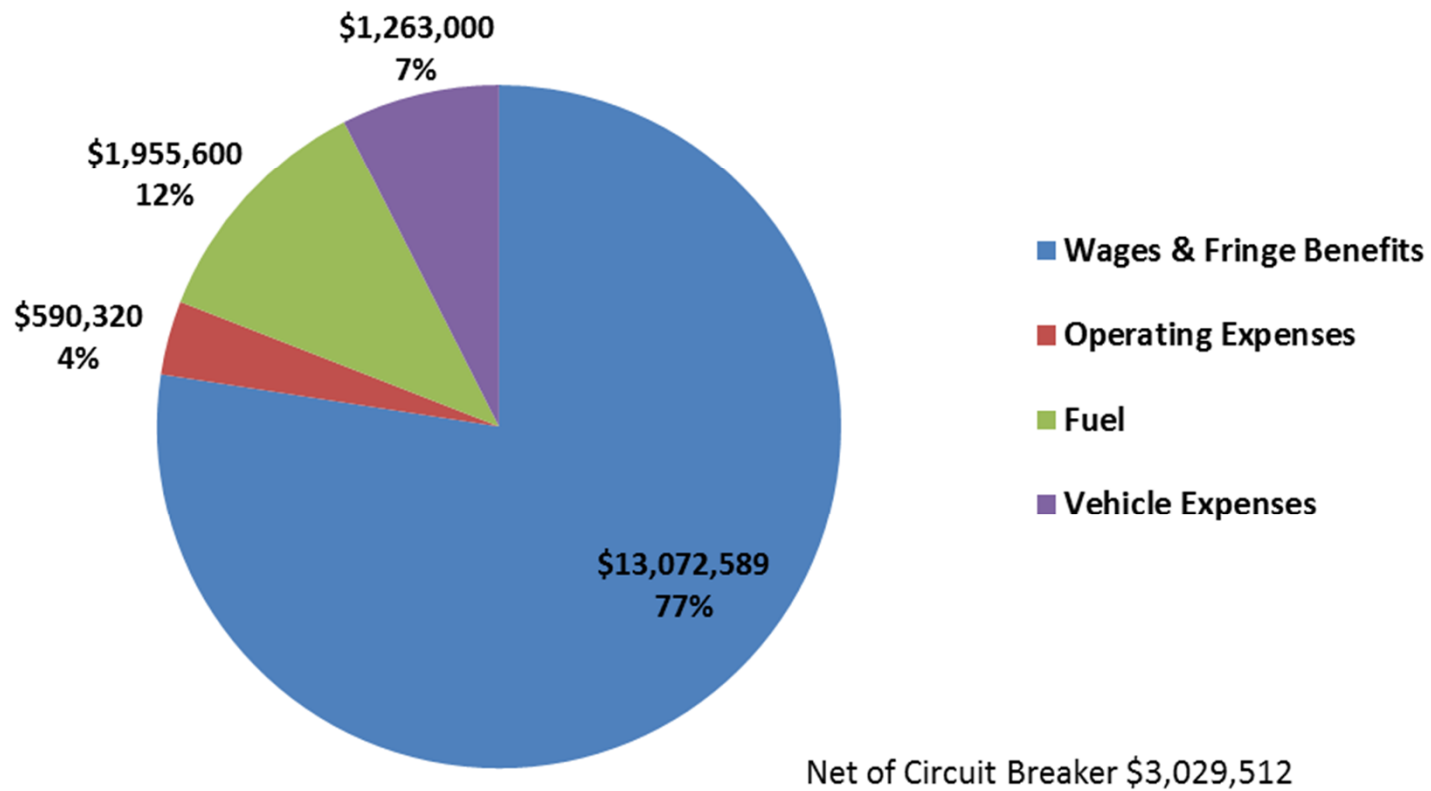


Budget Savings

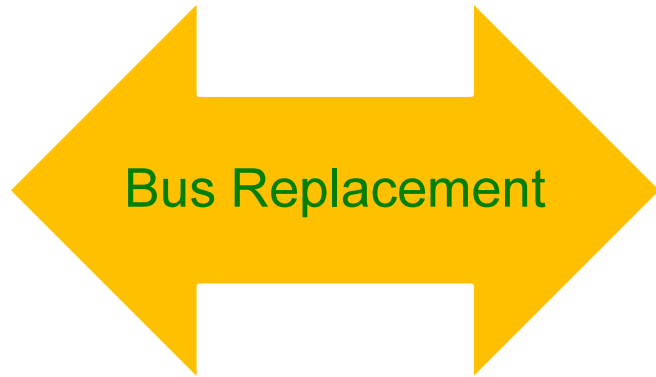
2015 Budget (net of circuit breaker allowance)	\$19,519,500
Projected Savings:	
Wages & Benefits	2,102,891
Bus Operating Expenses	535,100
	2,637,991
2016 Budget (net of circuit breaker allowance)	\$16,881,509



2016 Expected Transportation Budget \$16,881,510



Transportation



Bus Inventory Reduction

	<u>14/15</u>	<u>15/16</u>	<u>Change</u>
Drivers	250	198	-52
Small Buses	44	44	0
Maint. Buses	56	56	0
School Buses	250	198	-52
	350	298	-52



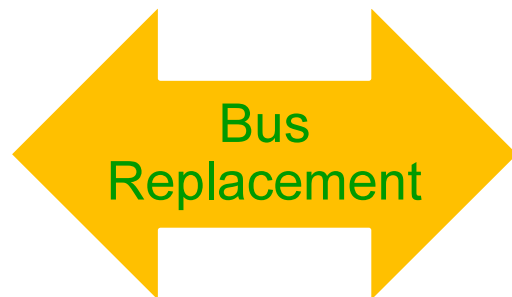
12-Year Bus Replacement Plan

<u>2016-2027 Bus Replacement Plan</u>			
Replacement Year	Bus Inventory	Number	Replacement Cost
2016	298	45	\$4,144,500
2017	298	28	\$3,425,100
2018	298	31	\$3,706,053
2019	298	29	\$3,755,908
2020	298	28	\$3,884,740
2021	298	17	\$1,550,018
2022	298	5	\$762,507
2023	298	28	\$4,497,048
2024	298	30	\$3,558,120
2025	298	33	\$5,790,240
2026	298	8	\$1,518,112
2027	298	16	\$3,109,336
		298	\$39,701,682



2016 Budget

	2015 Revised	Revised				Not
Passenger	Inventory	Repl. Schedule	Total Cost	Recommended Purchase		Purchased
15	44	13	\$630,500		\$0	13
24	45	12	\$1,344,000	3	\$336,000	9
48	44	14	\$1,498,000	10	\$1,070,000	4
84	165	6	\$672,000		\$0	6
Total	298	45	\$4,144,500	13	\$1,406,000	32





Museum of Art Fund

- Pass through to Fort Wayne Museum of Art
- To provide ongoing programs for our students
- Budget same at \$185,500

2016 Expected Budget

		Reductions		
			Est.	
	2016 Budget to Approve	Tax Neutrality	Circuit Breaker	2016 Budget Expected
General	\$ 216,773,606			\$ 216,773,606
Racial Balance	9,577,443		991,639	8,585,804
Capital Projects	22,739,883	2,000,000	3,086,337	17,653,546
Pension Debt	3,519,790		205,352	3,314,438
Debt Service	13,331,945		996,823	12,335,122
Referendum Debt	6,689,000			6,689,000
Museum of Art	185,500		27,855	157,645
Bus Replacement	3,423,400	1,460,347	362,115	1,600,938
Transportation	19,911,022		3,029,512	16,881,510
	\$ 296,151,589	\$ 3,460,347	\$ 8,699,633	\$ 283,991,609

2015 & 2016 Budget Comparison

	2015 <u>Budget*</u>	2016 Budget <u>Expected</u>	Budget <u>Change</u>
General	\$214,225,000	\$ 216,773,606	\$ 2,548,606
Racial Balance	6,071,510	8,585,804	2,514,294
Capital Projects	17,920,262	17,653,546	(266,716)
Pension Debt	3,332,881	3,314,438	(18,443)
Debt Service	13,574,719	12,335,122	(1,239,597)
Referendum Debt	5,525,000	6,689,000	1,164,000
Museum of Art	160,178	157,645	(2,533)
Bus Replacement	2,131,653	1,600,938	(530,715)
Transportation	19,064,898	16,881,510	(2,183,388)
	\$282,006,101	\$ 283,991,609	\$ 1,985,508
			0.7%
* net of circuit breaker			

2016 Budget & Levy by Fund

	2016 Budget <u>To Approve</u>	2016 Budget <u>Expected</u>	Estimated <u>Levy</u>	<u>Tax Rate</u>
General	\$ 216,773,606	\$ 216,773,606	\$ -	\$ -
Racial Balance	9,577,443	8,585,804	5,953,359	0.0890
Capital Projects	22,739,883	17,653,546	18,850,136	0.2818
Pension Debt	3,519,790	3,314,438	3,460,347	0.0517
Debt Service	13,331,945	12,335,122	12,099,972	0.1809
Referendum Debt	6,689,000	6,689,000	7,107,832	0.1009
Museum of Art	185,500	157,645	164,364	0.0025
Bus Replacement	3,423,400	1,600,938	1,732,292	0.0259
Transportation	19,911,022	16,881,510	18,660,731	0.2790
	\$ 296,151,589	\$ 283,991,609	\$ 68,029,034	\$ 1.0116

Estimated Impact for \$100,000 home (before tax credits)

	<u>2015</u>		<u>2016</u>		<u>Change</u>
Gross assessed value	\$100,000		\$100,000		
Deductions:					
Homestead standard	-45,000		-45,000		
Supplemental homestead	-19,250		-19,250		
Mortgage	-3,000		-3,000		
Net assessed value	32,750		32,750		
Gross tax - FWCS	\$1.0123	\$331.53	\$1.0116	\$331.30	(\$0.23)
					-0.1%



Key Take Aways

- General Fund – Enrollment decline will cause future cuts
- Debt Funds – tax rate lower than promised during the 2012 referendum
- Capital Projects Fund – revenue declines result in replacement plan delays, now planning for next referendum
- Transportation – reduced service and cuts stabilized the fund
- **Property tax change flat**

Next Steps – 2016 Budget

October 12

Public hearings:

Budget

Bus Replacement Fund Plan

Capital Projects Fund Plan

October 26

Adoption of budget and plans

FWCS 2016 Budget

September 28, 2015