



# FWCS 2008 Budget

August 13, 2007





# Property Tax Supported Funds

- General
- Racial Balance
- Capital Projects
- Transportation
  - Operations
  - Bus Replacement
- Debt Service
- Special Ed Pre-School
- Museum of Art





# Budget Adoption Calendar

**\* Board Meetings**

<b>*August 13</b>	<b>Public presentation</b>
<b>August 16 &amp; 23</b>	<b>Budgets advertised</b>
<b>*August 27</b>	<b>Budget hearing Bus Replacement Plan hearing Capital Projects Plan Hearing</b>
<b>*September 10</b>	<b>Budget adoption Bus Replacement Plan adoption Capital Projects Plan adoption</b>
<b>Fall 2007</b>	<b>Budget hearing</b>
<b>February 15, 2008</b>	<b>Budget order issued by Dept. of Local Government Finance</b>



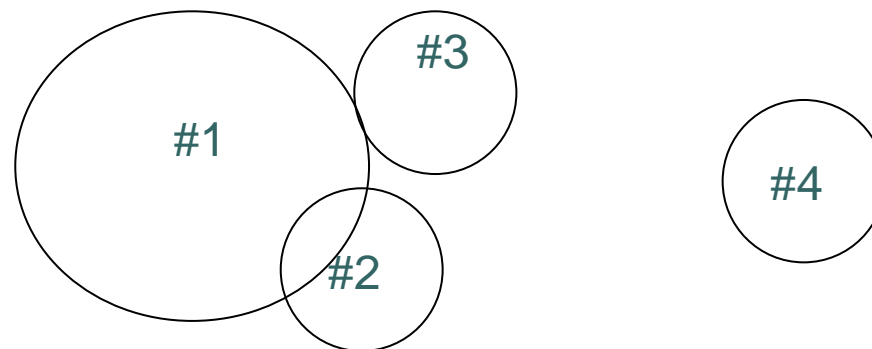
# Four Circle Model for Budget Priorities

**#1 In the classroom**

**#2 Touches classroom**

**#3 Outside classroom, but touches academics**

**#4 Outside the classroom**





# Tax Calculation

If tax rate fixed:

Tax rate

\*Assessed Value/100

=Levy

Example:

\$.0890

\*\$8,042,704,589/100

=\$7,158,007

If levy known:

Levy

÷ Assessed Value \*100

= Rate

Example:

\$7,158,007

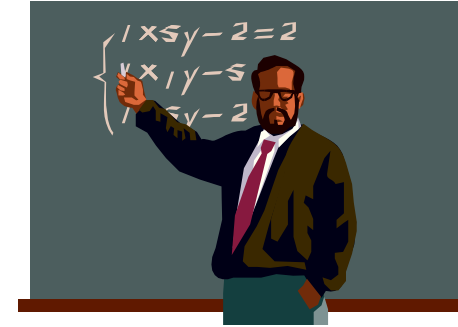
÷ \$8,042,704,589\*100

= \$.0890



# General Fund

## Budget \$210 million



- **Salaries & benefits**

- Teachers, administrators, custodial, clerical

- **Operating costs**

- Utilities, insurance, legal, printing, transfer tuition

- **Instruction**

- School materials & supplies
- Professional development & travel



# State Funding Formula

- Crafted by State legislature during biennial budget process
- Formula is 32 pages long
- Determines General Fund State revenue and local levy (property tax)
- School districts have no flexibility to change either



# Funding Formula – State Share

<b>Tuition Support</b>	<b>\$113,637,673</b>
<b>Academic Honors Diploma</b>	<b>545,000</b>
<b>Special Education</b>	<b>14,936,168</b>
<b>Vocational Education</b>	<b>1,650,450</b>
<b>Prime Time</b>	<b>5,025,624</b>
<b>Total</b>	<b>\$135,795,315</b>





# Tuition Support

## ○ Formula Factors

- State Base per pupil \$4,790
- Enrollment – past 5 years and next estimate
- Complexity Index – uses free & reduced lunch rate only
- Prior year revenue



# Tuition Support

Total calculated per formula =

FWCS per pupil revenue **\$5,560**

\* 29,647 students = \$164,837,000

–Reduced for allowed levy \$46,387,000

–Reduced for Excise & Financial  
Institutions Tax \$4,813,000

=State portion \$113,637,000



# Per Pupil Funding

State plans to transition school districts to this per pupil formula over time:

Base revenue \$4,790

\* FWCS complexity index 1.3190

= **\$6,318**

2007 FWCS per pupil funding \$5,307

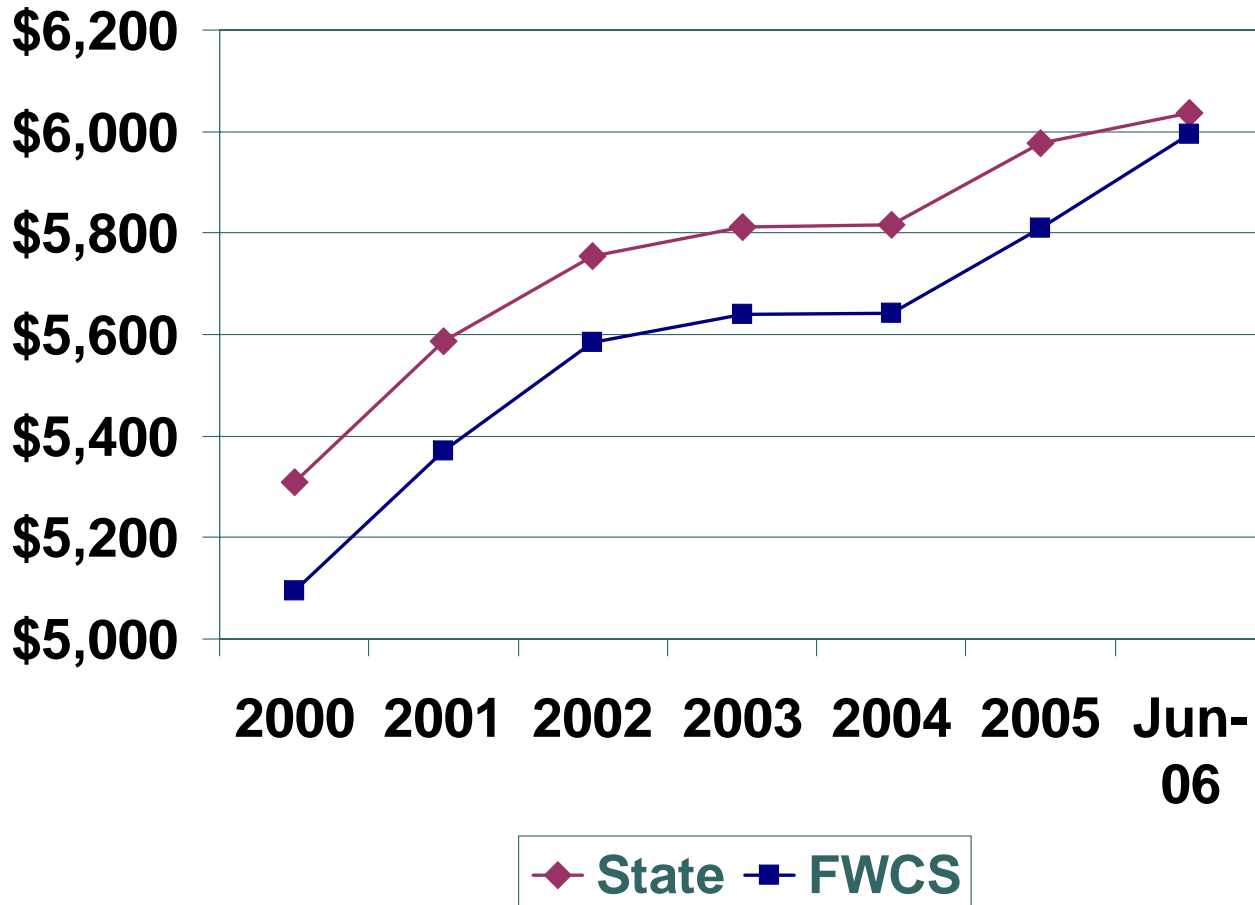
2008 FWCS per pupil funding **\$5,560**

**\$6,318** - **\$5,560** = **\$758** less than formula

**\$758** \* 29,647 students = \$22.5 million



# General Fund Per Pupil Expenditures





# Special Education

- State revenue based on exceptionality of students \$14,936,000
  - Severe \$8,300 \* 586 students
  - Mild or Moderate \$2,250 \* 4,057 students
  - Communication or Homebound \$531 \* 1,778 students



# General Fund Total Revenue

State revenue	\$135,795,315	68%
Property tax levy	46,387,000	23%
Excise tax, financial institutions tax	4,813,000	2%
Miscellaneous revenue (ie. kindergarten grant, other state grants, interest, indirect cost)	13,510,310	7%
<b>Total</b>	<b>\$200,505,625</b>	<b>100%</b>



# General Fund Total Sources

Total Revenue	\$200,505,625
Cash	9,494,375
Total Sources for Proposed 2008 Expenditure Budget	\$210,000,000



# General Fund Budget Overview

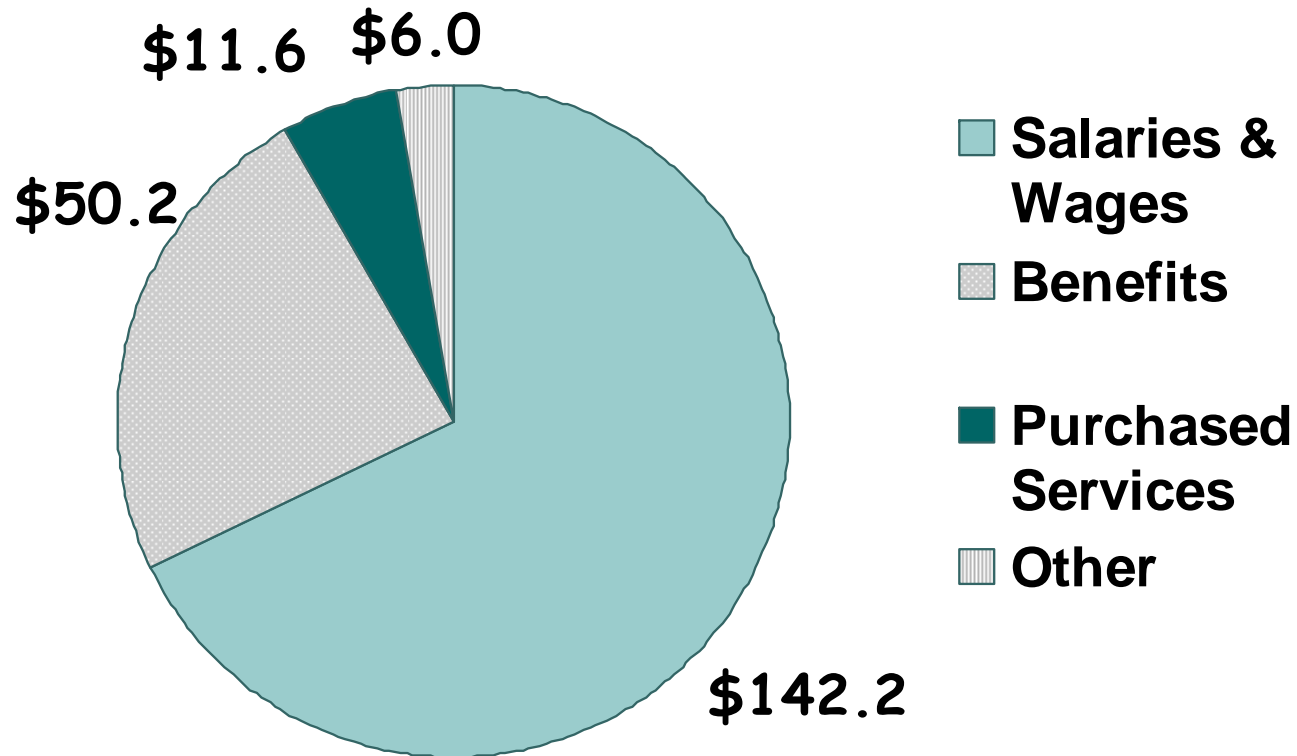
	<b>2007 Estimated</b>	<b>2008 Budget</b>
<b>Revenue</b>	<b>\$191,243,557</b>	<b>\$200,505,625</b>
<b>Expenditures</b>	<b>\$190,689,000</b>	<b>\$210,000,000</b>





# General Fund Expenditures

2008 Budget \$210.0 Million

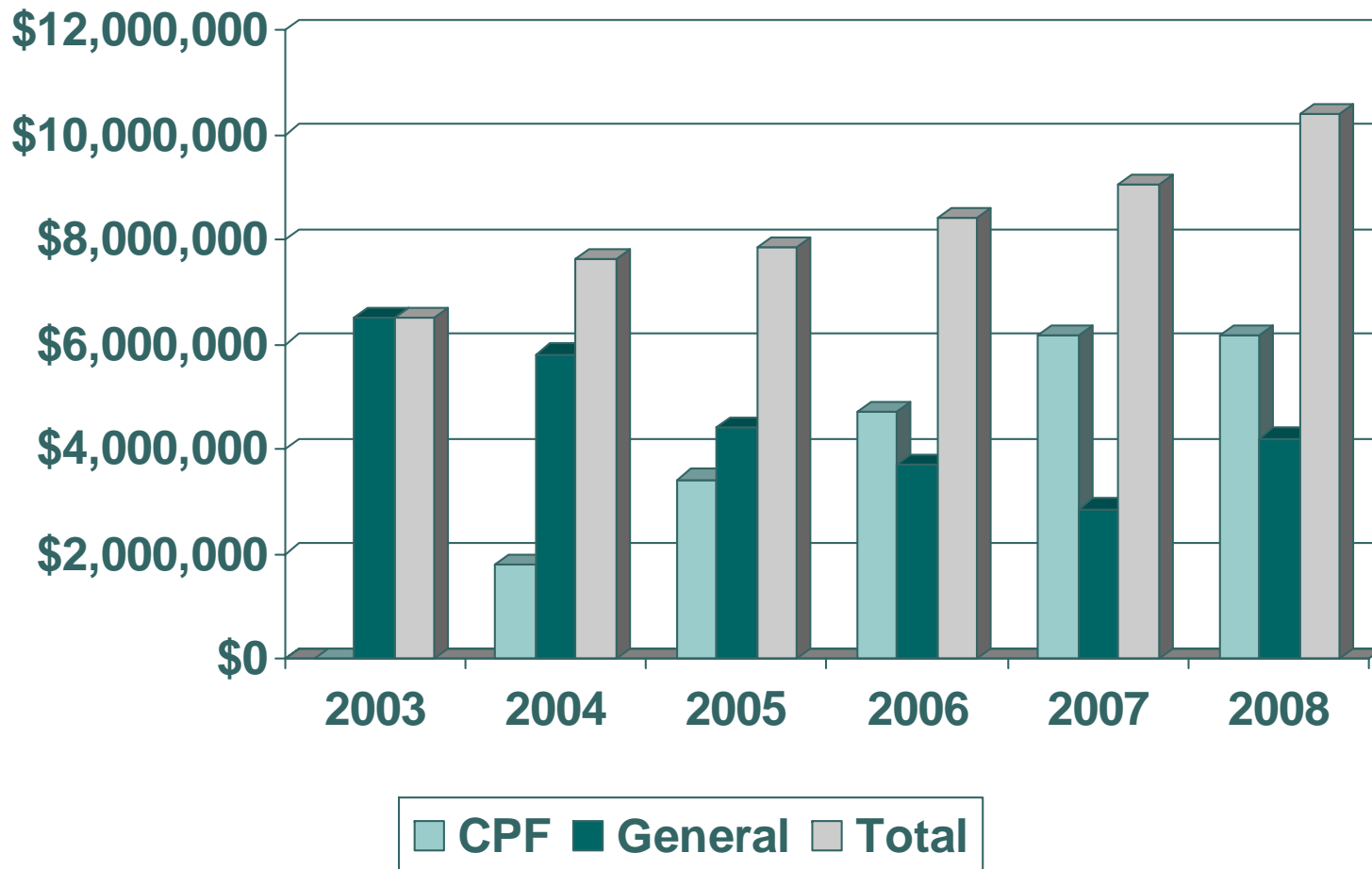


# Increase in General Fund Teachers

	<u>New</u>	<u>From Other Fund</u>	<u>Total Increase General Fund</u>
<b>Preschool</b>	2		2
<b>Full-Day Kindergarten</b>			0
<b>New Program</b>	28		28
<b>Transfer from Title I</b>		14	14
<b>Art, Music, PE</b>	6		6
<b>Grades 1-5</b>	3		3
<b>Art, Music, PE</b>	6		6
<b>Montessori</b>	4		4
<b>Middle School</b>	-3		-3
<b>High School</b>			0
<b>Classroom Teachers</b>	6.33		6.33
<b>Small Learning Communities</b>	2.67		2.67
<b>ESL</b>	2	4	6
<b>Other</b>	7		7
	<hr/> 64	18	82



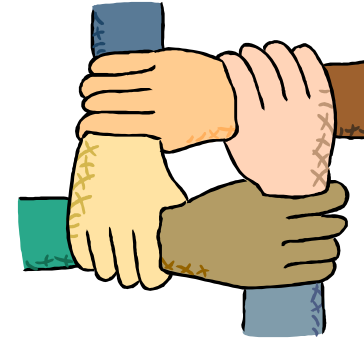
# Major Expenditure Utilities & Insurance





# Racial Balance

## Beginning 1989



- New fund to only FWCS after PQEI  
(Parents for Quality Education Through Integration)  
desegregation settlement
- Established tax rate to support racial balance in district
- Adding rate was tax neutral by reducing CPF rate
- 2007 revenue estimated \$7.8 million



# Racial Balance Purpose

- Provide funds for racial balance, to increase educational opportunities
  - Magnet programs
  - And moving services to follow the child at all schools as a result of expanding the choice program
    - Case managers, conflict mediators, resource teachers
- Cannot pay for transportation

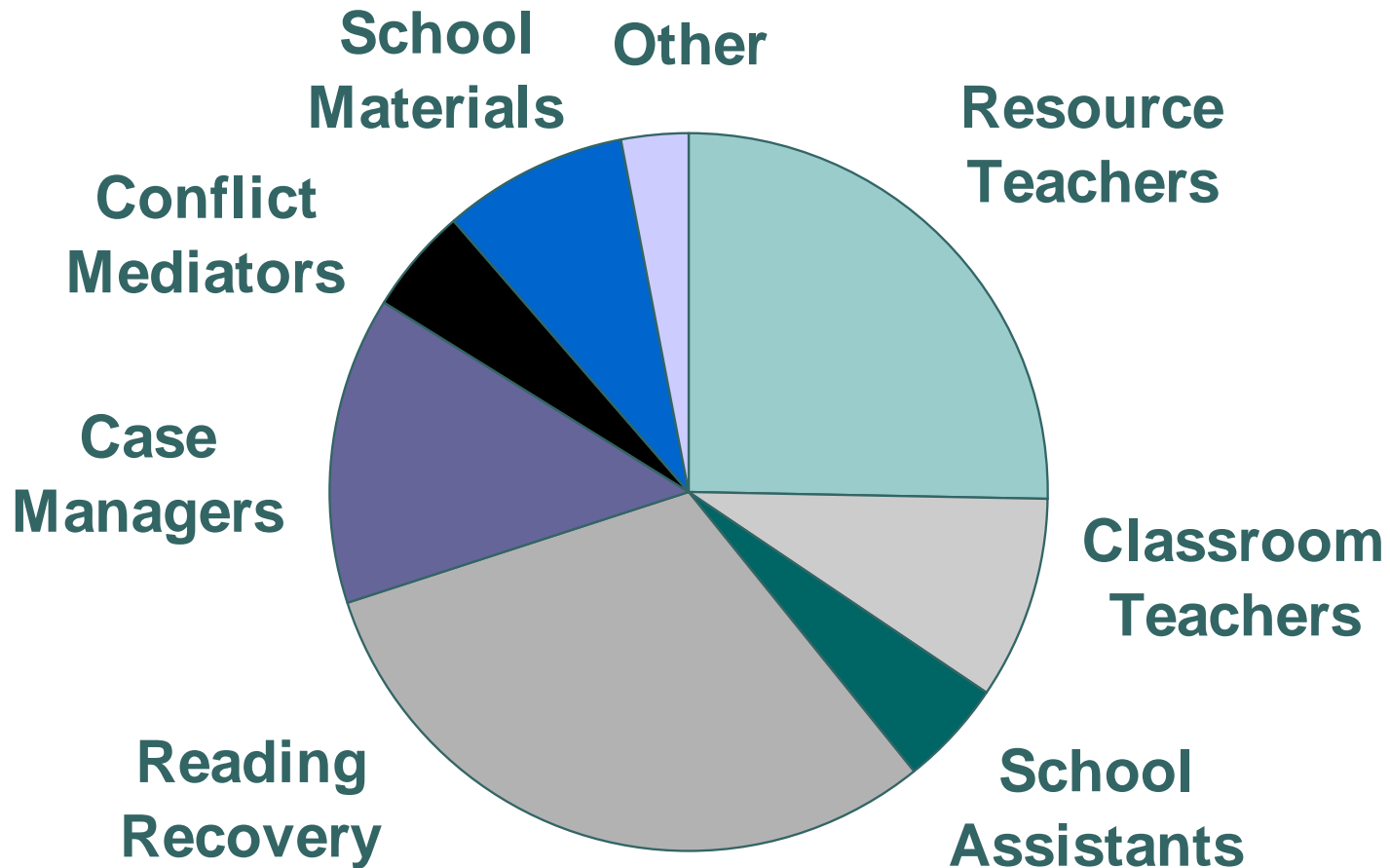


# Racial Balance Budget Overview

	<b>2007</b>	<b>2008</b>
<b>Revenue</b>	<b>\$7,836,834</b>	<b>\$7,836,834</b>
<b>Expenditure Budget</b>	<b>\$9,574,000</b>	<b>\$8,995,000</b>



# Racial Balance Expenses





# Capital Projects Fund (CPF)



- 3-year Plan Required
- Building construction, renovation, repair, maintenance
  - 63 buildings, average age 50 years
- Equipment & Technology purchases and repairs
- Lower than other districts due to Racial Balance Fund





# 2008 CPF Property Tax Levy

	<b>Tax Rate</b>	<b>Expected</b>	<b>Budget</b>
<b>Levy (State sets rate)</b>	<b>\$.2234</b>	<b>\$17,967,402</b>	<b>\$17,967,402</b>
<b>Allowance for assessed value growth</b>			<b>1,800,000</b>
<b>+Utilities &amp; ins. (State sets rate)</b>	<b>.0768</b>	<b>6,176,797</b>	<b>6,176,797</b>
<b>-Pension bond tax neutrality</b>	<b>(.0336)</b>	<b>(2,702,349)</b>	
<b>Total Property Tax Levy</b>	<b>\$.2666</b>	<b>\$21,441,850</b>	<b>\$25,944,199</b>



# 2008 CPF Sources

	Tax Rate	Expected	Budget
<b>Total Property Tax Levy</b>	<b>\$.2666</b>	<b>\$21,441,850</b>	<b>\$25,944,199</b>
<b>Miscellaneous revenue:</b>			
North Side Bond – land reimbursement		1,500,000	1,500,000
Auto excise, commercial vehicle excise tax, financial institutions tax		2,057,555	2,057,555
<b>Total Revenue</b>		<b>\$24,999,405</b>	<b>\$29,501,754</b>
<b>Est. Cash Balance 12/31/07</b>		1,129,595	1,129,595
<b>Total Sources</b>		<b>\$26,129,000</b>	<b>\$30,631,349</b>



# Capital Projects Fund Expenditure Budget Overview

	2007	2008
<b>Improvements &amp; Replacements</b>	<b>\$19,951,859</b>	<b>\$19,949,974</b>
<b>Utilities &amp; Insurance</b>	<b>6,179,026</b>	<b>6,179,026</b>
<b>Total expected budget</b>	<b>\$26,130,885</b>	<b>\$26,129,000</b>



## Proposed Capital Projects Detail

	2007	2008
<b>Improvements &amp; Replacements:</b>		
<b>Building Improvements</b>	<b>\$9,696,100</b>	<b>\$10,428,974</b>
<b>Equipment</b>	<b>2,800,759</b>	<b>1,750,000</b>
<b>Building &amp; Equipment Repair</b>	<b>3,299,000</b>	<b>3,307,600</b>
<b>Technology</b>	<b>2,656,000</b>	<b>2,783,400</b>
<b>Energy Savings Contracts</b>	<b>890,000</b>	<b>730,000</b>
<b>Emergency Allocation</b>	<b>240,000</b>	<b>600,000</b>
<b>Land</b>	<b>370,000</b>	<b>350,000</b>
	<b>\$19,951,859</b>	<b>\$19,949,974</b>



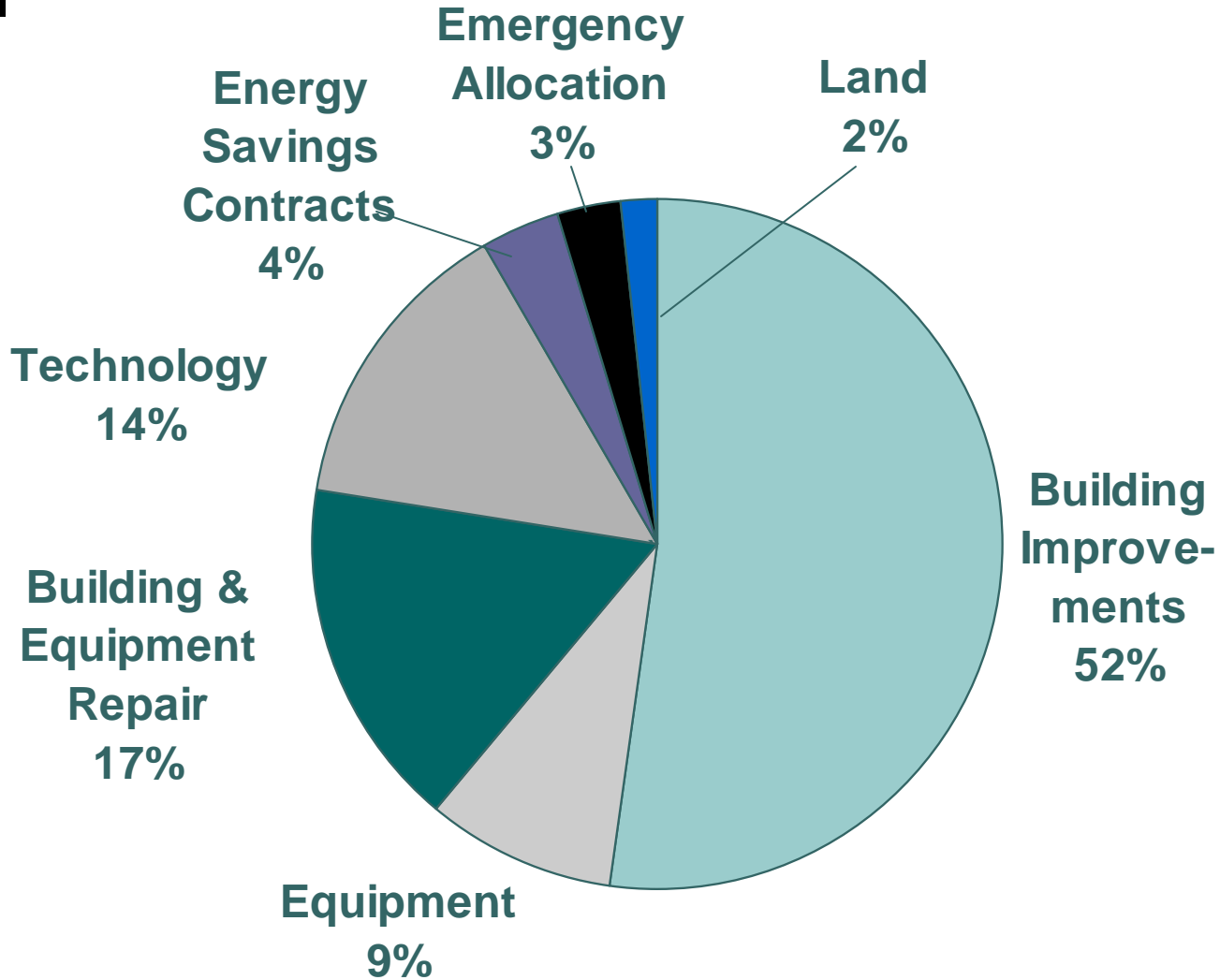
# 2008 Building Improvements

<b>Professional Services</b>	<b>\$ 125,000</b>
<b>Unidentified school future project</b>	<b>3,553,974</b>
<b>Roof Replacement</b>	<b>1,575,000</b>
<b>Site</b>	<b>355,000</b>
<b>General Building Systems</b>	<b>550,000</b>
<b>Mechanical/Electrical</b>	<b>845,000</b>
<b>HVAC Replacement</b>	<b>1,900,000</b>
<b>Traffic/Safety</b>	<b>500,000</b>
<b>School Programmatic Needs</b>	<b>140,000</b>
<b>Hazardous Materials</b>	<b>320,000</b>
<b>A.D.A. Projects</b>	<b>320,000</b>
<b>School Sports Facilities</b>	<b>245,000</b>
	<b>\$ 10,428,974</b>



# 2008 Capital Projects Plan

**\$19,949,974**





# Debt Service Fund



<b>South Side addition &amp; renovation</b>	<b>Through 2012</b>	<b>\$3,767,021</b>
<b>North Side addition &amp; renovation</b>	<b>Through 2018</b>	<b>3,725,000</b>
<b>Food Service Center</b>	<b>Through 2018</b>	<b>1,283,900</b>
<b>State Technology loans (CSF &amp; STAA)</b>		<b>3,149,591</b>
<b>Interest on tax anticipation warrants</b>		<b>500,000</b>
<b>Unfunded textbooks</b>		<b>565,418</b>
<b>Total</b>		<b>\$12,990,930</b>



## Pension Bond

- Required that school districts actuarially fund retirement benefits
- Allowed districts the ability to bond the obligation
- HOWEVER, any bond issue had to be tax neutral – cuts must be made to other budgets
  - Capital Projects Fund \$2.7 million  
(since 2005 \$11.2 million)
  - Bus Replacement \$887,525  
(since 2005 \$3.0 million)



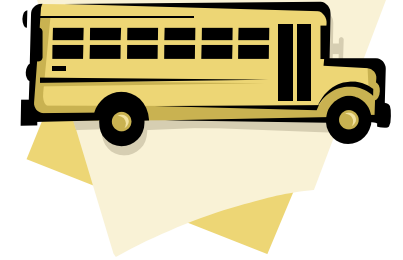


# Debt Service Funds Budget Overview

	<b>2007 Expenditure Budget</b>	<b>2008 Expenditure Budget</b>	<b>Change</b>
<b>Debt Service-Regular</b>	<b>\$12,371,927</b>	<b>\$12,990,930</b>	<b>\$619,003</b>
<b>Debt Service- Pension Bond (tax neutral with cuts to CPF &amp; Bus Replacement)</b>	<b>3,885,677</b>	<b>3,891,415</b>	<b>5,738</b>
<b>Total</b>	<b>\$16,257,604</b>	<b>\$16,882,345</b>	<b>\$624,741</b>



# Transportation Fund



- Operations
  - Annual budget determined by state formula, supported by property taxes
- Bus Replacement
  - Annual budget determined by 10 year replacement plan
  - Pension bond tax neutrality increases to 12 year replacement plan



# Transportation Operations Budget Overview

	<b>2007</b>	<b>2008</b>
<b>Revenue</b>	<b>\$16,482,353</b>	<b>\$17,229,515</b>
<b>Expenditure Budget</b>	<b>\$17,140,000</b>	<b>\$18,000,000</b>



# Bus Replacement Plan

	<b>Inventory 2007</b>	<b>Replace- ment Plan</b>	<b>Tax Neutrality</b>	<b>Total Budget 2008</b>
<b>14 Passenger HS &amp; MS</b>	<b>33</b>			
<b>24 Passenger With lifts</b>	<b>55</b>	<b>13</b>	<b>-5</b>	<b>8</b>
<b>48 Passenger Special Ed.</b>	<b>47</b>	<b>7</b>		<b>7</b>
<b>84 Passenger Regular Ed.</b>	<b>205</b>	<b>14</b>		<b>14</b>
<b>TOTAL</b>	<b>340</b>	<b>34</b>	<b>-5</b>	<b>29</b>



# Bus Replacement Budget Overview

	<b>2007 Expenditure Budget</b>	<b>2008 Expenditure Budget</b>	<b>Change</b>
<b>Bus Replacement to approve 10 yr. = 34 buses</b>	<b>\$3,300,720</b>	<b>\$3,403,223</b>	<b>\$102,503</b>
<b>As Reduced (for pension bond tax neutrality)</b>	<b>868,612</b>	<b>887,525</b>	<b>\$18,913</b>
<b>Total – As Reduced 29 buses</b>	<b>\$2,432,108</b>	<b>\$2,515,698</b>	<b>\$83,590</b>

# Special Education Preschool Fund



- Indiana mandate
  - State support fixed at \$2,750 per student since 1991
- General Fund support about \$276,000
- Serve about 478 students



# Special Education Preschool Fund Budget Overview

2007 amended	\$1,350,083
2008	\$1,332,000



# Museum of Art Fund



- Pass through to Fort Wayne Museum of Art
- To provide ongoing programs for our students





# Museum of Art Fund Budget Overview

2007 \$183,531

2008 \$185,500

Difference \$ 1,969

# 2008 Expected Budget

	2008 Budget <b>To Approve</b>	Reductions	2008 Budget <b>Expected</b>
<b>General</b>	\$210,000,000		\$210,000,000
<b>Racial Balance</b>	8,995,000		8,995,000
<b>Capital Projects</b>	30,629,000		26,124,422
<b>Tax neutrality</b>		2,704,578	
<b>Assessed Value</b>		1,800,000	
<b>Transportation</b>	21,403,223		20,515,698
<b>Tax neutrality</b>		887,525	
<b>Debt-Regular</b>	12,990,930		12,990,930
<b>Debt-Pension</b>	3,891,415		3,891,415
<b>Special Ed PS</b>	1,332,000		1,332,000
<b>Museum of Art</b>	185,500		185,500
<b>Total</b>	\$289,427,068	\$5,392,103	\$284,034,965

# 2008 Summary by Fund

	Expected Budget	Expected Levy	% of Levy
<b>General-Regular</b>	<b>\$210,000,000</b>	<b>\$47,456,170</b>	<b>42.4</b>
<b>General-Charter Schools</b>		<b>2,000,000</b>	<b>1.8</b>
<b>Racial Balance</b>	<b>8,995,000</b>	<b>7,158,007</b>	<b>6.4</b>
<b>Capital Projects</b>	<b>26,124,422</b>	<b>21,441,850</b>	<b>19.2</b>
<b>Transportation</b>	<b>20,515,698</b>	<b>18,193,258</b>	<b>16.3</b>
<b>Debt Service-Regular</b>	<b>12,990,930</b>	<b>11,717,779</b>	<b>10.4</b>
<b>Debt Service-Pension Bond</b>	<b>3,891,415</b>	<b>3,592,103</b>	<b>3.2</b>
<b>Special Education</b>	<b>1,332,000</b>	<b>183,944</b>	<b>.2</b>
<b>Preschool</b>			
<b>Museum of Art</b>	<b>185,500</b>	<b>167,226</b>	<b>.1</b>
<b>Total</b>	<b>\$284,034,965</b>	<b>\$111,910,337</b>	<b>100.0</b>



# Budget Comparison

	<b>2007 Budget</b>	<b>2008 Estimate</b>	<b>Difference</b>
<b>Total All Budgets</b>	<b>\$262,635,271</b>	<b>\$284,034,965</b>	<b>\$21,399,694 8.1%</b>
<b>Levy</b>	<b>\$111,085,835</b>	<b>\$111,910,337</b>	<b>\$824,502 .7%</b>
<b>Levy % of Budget</b>	<b>42%</b>	<b>39%</b>	



# 2007 & 2008 Budgets Summary

	2007 Budget	2008 Budget Expected	Percentage Change
<b>General</b>	<b>\$189,700,000</b>	<b>\$210,000,000</b>	<b>10.7%</b>
<b>Racial Balance</b>	<b>9,574,000</b>	<b>8,995,000</b>	<b>-6.0%</b>
<b>Capital Projects</b>	<b>26,130,885</b>	<b>26,124,422</b>	<b>0%</b>
<b>Transportation</b>	<b>19,572,108</b>	<b>20,515,698</b>	<b>4.8%</b>
<b>Debt Service</b>	<b>12,371,927</b>	<b>12,990,930</b>	<b>5.0%</b>
	<b>3,885,677</b>	<b>3,891,415</b>	<b>.1%</b>
<b>Special Ed PS</b>	<b>1,217,143</b>	<b>1,332,000</b>	<b>9.4%</b>
<b>Museum of Art</b>	<b>183,531</b>	<b>185,500</b>	<b>1.1%</b>
<b>Total</b>	<b>\$262,635,271</b>	<b>\$284,034,965</b>	<b>8.1%</b>



# 2008 Tax Rates

	2007 Tax Rate	Expected 2008 Tax Rate
General-Regular	\$.6278	\$.5900
General-Charter Schools	.0032	.0249
Racial Balance	.0890	.0890
Capital Projects	.2666	.2666
Transportation	.2094	.2262
Debt Service-Regular	.1364	.1457
Debt Service-Pension Bond	.0444	.0447
Special Education Preschool	.0023	.0023
Museum of Art	.0021	.0021
<b>Total (Advertise for 2008 \$1.8382)</b>	<b>\$1.3812</b>	<b>\$1.3915</b>
<b>Percentage change</b>		<b>.7%</b>



# Average Homeowner Impact

	<b>2006</b>	<b>2007</b>	<b>2008 Est.</b>
<b>Gross Tax</b>	<b>\$700</b>	<b>\$711</b>	<b>\$717</b>
Change		1.6%	.7%
<b>PTRC &amp; Homestead Credits</b>	<b>-318</b>	<b>-276</b>	<b>-310</b>
% of Gross Tax	45%	39%	43%
<b>Net Tax</b>	<b>\$382</b>	<b>\$435</b>	<b>\$407</b>
Change		+\$53 13.9%	-\$28 -6.6%



# School Expenditures – Category Percentages

		2006-07 Actual	2006-07 Without Debt	2008 Budget	2008 Without Debt
1	Academic Achievement	62.4	66.0	60.8	64.4
2	Instructional Support	6.5	6.8	8.1	8.6
	Subtotal – Instruction	<b>68.8</b> <b>State 62.0</b>	<b>72.8</b> <b>State 69.8</b>	<b>68.9</b>	<b>73.0</b>
3	Overhead & Operational	18.5	19.6	18.6	19.7
4	Non- Operational	12.7	7.6	12.5	7.3
	TOTAL	100.0	100.0	100.0	100.0





# State Oversight

- Annual review and approval of budget by Department of Local Government Finance
- Semi-annual financial reporting to Department of Education
- Biennial audit by State Board of Accounts