

EASTERN GREENE SCHOOLS



BUDGET YEAR–2025

HEARING: September 9, 2024 @ 6:30PM

ADOPTION: October 14, 2024 @ 6:30PM

Please review the following information that will serve as a guide and overview of our Fiscal Year 2025 Budget.

In preparing our annual budget preparation, we must make several “assumptions,” and we could see several changes from now until the end of the 2025 Financial Year that could impact our financial situation. These assumptions include, but are not limited to, that we will receive the revenues—for all funds—spelled out in the budget (we may not); that our expenditures will remain consistent and rise minimally or at the cost of inflation (unknown at this point), that student enrollment will remain steady, and that our assessed valuation of property will continue to increase. Each year we have to predict what our enrollment will be. As of now, I have conservatively set our enrollment at 1080. Currently, we are very close to that level (1073).

It is best practice to put together a “defensive” budget, one that is based on some very conservative assumptions to produce our budget estimate. As is done every year, we are building a budget that covers 18 months—July, 2024 through December, 2025—and has to be completed prior to us having some vital information that may heavily impact how the budget finalizes. The two PRIMARY VARIABLES THAT DETERMINE OUR REVIEW are “missing or unsure at the current time:” 1) our assessed valuation of property in the district, and 2) conclusive information of our student enrollment for the 2024-25 and 2025-26 school years. One of those numbers has been anticipated to increase by near 4% (AV). Thankfully, AV went up by 8%, which will help us. Remember, when the AV goes up, the tax rate goes down. This can be very helpful as we look to issue bonds this year.

Our district’s assessed valuation of property will determine what our actual levies could be and what actual revenue we can or will receive from these local sources. If that number changes significantly, that would most definitely impact our tax rate on individuals in our school district. Our AV has stabilized and has been increasing the past three years. Please remember that there are now many “safeguards” in place to protect the local taxpayer, so any adverse impact to the AV will most likely negatively impact our ability to raise revenue. The fact that we now know about the actual AV makes me rest a little easier, especially with the always possible (hopefully, not very probable) drop in enrollment.

Our final enrollment numbers and the actual dollar figure we will receive over the next twelve (12) months will not be officially determined until count day, which is October 1, 2024. If our student numbers change drastically, this could heavily impact our state revenue and our 2024-25 state revenue numbers.

When we build a budget, we are attempting to answer these primary questions:

- *How much revenue might we receive and from where?
- *How much will we spend and what will we spend it on?
- *What does our budget mean to our taxpayers?
- *What is our long-term fiscal outlook?
- *What happens to our budget with ESSER 2 and 3 funds now being fully exhausted?

2025 REVENUE

The primary sources of our 2025 budget revenue are state funding (Basic Grant) for our Education Fund and local property taxes for the other major budgeted funds. Those other funds also receive some additional monies from various miscellaneous sources, including, but not limited to interest income, rental of school facilities, etc. Most of this additional income will go into our Education Fund. Remember, our Operations Fund is a combination of the old transportation, capital projects, and bus replacement funds. EGS will estimate and transfer under the state identified limit of 15% from the Education Fund to the Operations Fund. This can be done monthly, quarterly, or annually. If we go over that 15% mark, then we will be identified as a distressed unit. The distressed unit list consists of up to fifty districts. We are under no danger of being on that list at the current time.

The basic grant is our revenue from the state and is based on the biennial state budget. The state budget estimate had us gaining 1.4% new money in the 2024-25 school year. Anything positive is good; however, Governor Holcomb touted this budget as record spending on education...but not necessarily public education. School choice and charters were expanded again and got most of the government surplus funding...even though 92% of students in Indiana are public school attendees. Additionally, we are taking a cut in Title One Federal funding (~\$13,000) for the fourth consecutive year, which finances most of our instructional assistants. That being said, we are in the solid position to absorb that change in the Education fund.

The Federal ESSER 2 and 3 programs have come to a close for the 2025 Budget: (ESSER 3 ends on September 30, 2024). Those funds have allowed us to add some positions that will help our students and teachers. A reminder, however, that as those funds go away that we must re-evaluate all positions. The financial burden of adding positions, while always aware of enrollment fluctuations, is always examined with great caution. We have done pretty well in building reserves; however, those reserves can be depleted quickly if not managed effectively. We have built this budget with that conservativeness in mind.

NOTE: We are currently carrying three pieces of debt: our First Mortgage Refunding (2014), a Common School Loan (0554), and a second Common School Loan (0506) that will be paid off in July 2025 and will come off the books. As you know, we are in the process of funding two projects through the sale of new bonds for significant improvements at our ES/MS campus and the HS campus. The exact amount of those bonds will be determined through our upcoming issuance and an estimate for them is reflected in the current debt service budget documentation.

REMEMBER, we underestimate revenue and overestimate expenditures to be able to maximize what we receive from the DLGF. They can cut our estimate, but they cannot add to our estimate.

2021 Advertised Rate:	\$2.0160	Based on 85% AV: \$170,000,000
2021 1782 Notice Rate:	\$1.4793	AV: \$207,450,130
2021 Debt Service Rate:	\$0.5045	

2022 Advertised Rate:	\$2.0411	Based on 85% AV: \$175,000,000
2022 1782 Notice Rate:	\$1.5616	AV: \$208,266,869
2022 Debt Service Rate:	\$0.5488	

2023 Advertised Rate:	\$1.9603	Based on 85% AV: \$177,000,000
2023 1782 Notice Rate:	\$1.3989	AV: \$235,853,257
2023 Debt Service Rate:	\$0.4599	

2024 Advertised Rate:	\$1.8391	Based on 85% AV: \$189,000,000
2024 1782 Notice Rate:	\$1.3406	AV: \$247,867,549
2024 Debt Service Rate:	\$0.4113	

2025 Advertised Rate:	\$2.1525	Based on 85% AV: \$210,000,000
2025 1782 Notice Rate:	_____	AV: \$268,175,972
2025 Debt Service Rate:	_____	

*The advertised rate for 2025 takes into consideration the new bond issuance for the Central Campus and HS projects.

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