Recommended School Budget

Calendar Year
January 1, 2024 - December 31, 2024

Kareemah Fowler
Assistant Superintendent of Business and Finance

PRIMARY GOAL

To raise the maximum allowable revenue in each fund to support the educational programs in the district.

Agenda

- Commitment to Increasing Transparency
- Major Fund Groups
- State of the District
- Budget Overview
- Educational and Operational Fund and Deep Dive
- Referendum, Strategic Spending Fund, and Deep Dive
- Debt Service Deep Dive

A Commitment to Increasing Transparency

- Address Board and community questions about equity in spending and providing for greater transparency
- Evaluate budgets and spending in (near) real time
- Build thoroughly developed budget plans that link dollars to our district goals

Strategic Priorities

Academic Excellence

Ensure access to exceptional literacy instruction for all students.

Attract and retain high-quality instructional staff.

Continue focused turnaround efforts concentrated on our lowest-performing schools.

Financial Sustainability

Reduce capital footprint while revitalizing educational facilities.

Achieve long-term reductions in administrative and operational costs.

Improve efficiency and operations of transportation services.

Equity, Inclusion & Justice

Establish a tiered system of support to create positive classroom environments.

Expand coursework access and supports to marginalized student populations.

Ensure Corporation staff reflecting diversity of student population.

Community Partnerships

Engage industry and post-secondary partners in the creation of high-quality 6-12 pathways.

Collaborate with community organizations to establish extra-curricular and extended time supports for student learning.

Establish framework for continuous and meaningful community input into SBCSC strategic priorities

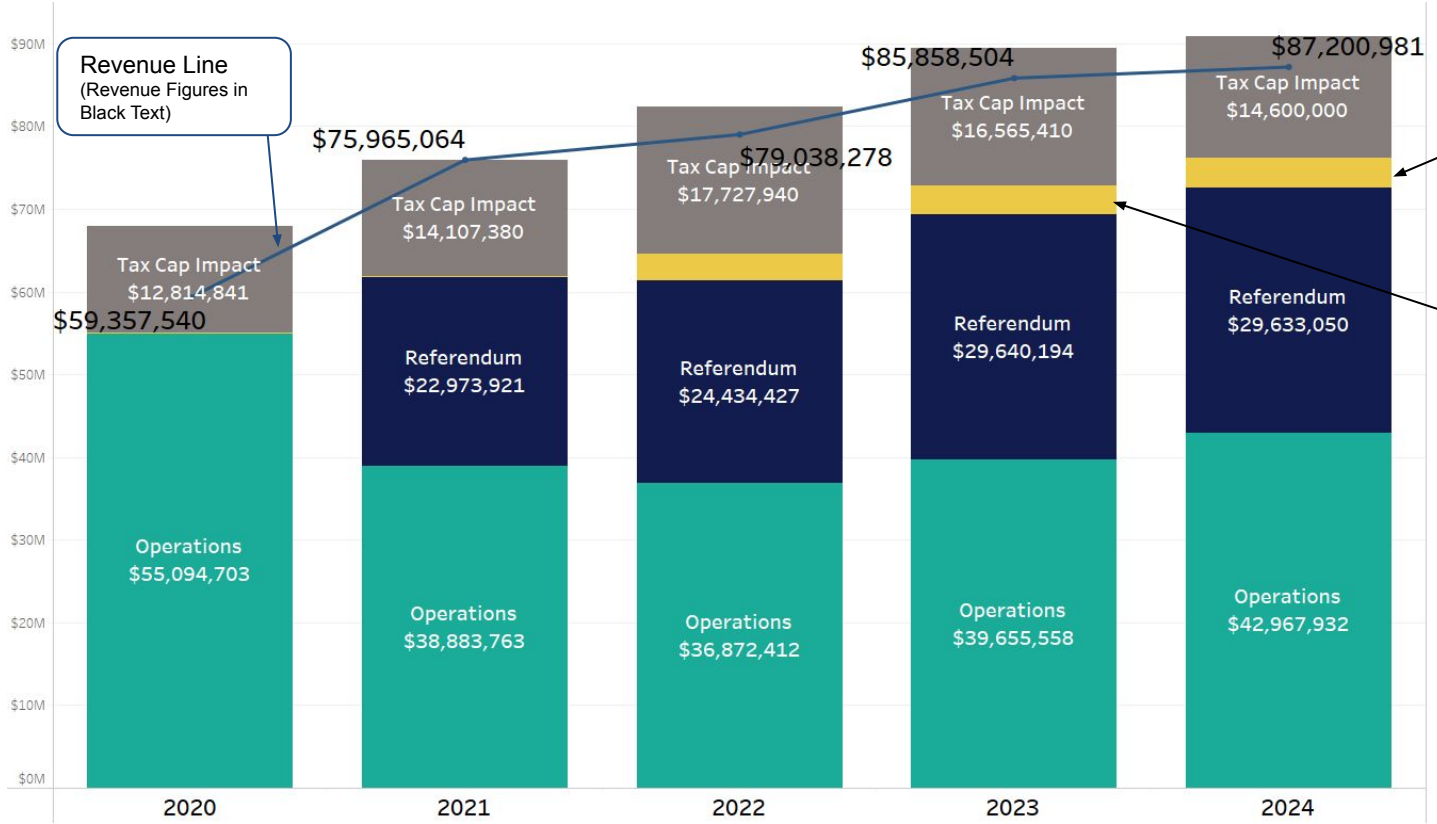
MAJOR FUNDS	FUND PURPOSE	FUND METHOD
EDUCATION	Salaries, benefits, professional services, supplies, instruction, technology for students, and educational support	Indiana state funds from ADM Count (student enrollment)
REFERENDUM - OPERATING	Social workers/literacy coaches, water utilities, facilities & grounds supplies, building maintenance, construction, improvements, equipment, repairs, nurses contracts, and SSC contract for operational facility costs	St. Joseph County property taxes
OPERATIONS	Transportation salaries, benefits, professional services, supplies, fuel, parts, maintenance, bus repairs, and VMF technology Funds for bus replacement on a 12-year cycle and contracted transportation services	1. St. Joseph County property taxes 2. Transfer from Education Fund
DEBT SERVICE	Unreimbursed textbooks, pension liability, G.O. bonds, loans, lease payments, Common School Fund Loan	St. Joseph County property taxes

Major Fund Groups

Fund Name	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Proposed Budget	Funding Method
Education	$96,418,793	$99,507,677	$101,804,093	$102,148,415	Enrollment Count
Operations	$38,883,763	$36,872,412	$39,652,903	$42,967,932	St. Joseph County Property Taxes
Referendum Operations	$22,973,921	$24,434,427	$29,640,191	$29,633,049	St. Joseph County Property Taxes
Pension Debt	$850,273	$0	$0	$0	St. Joseph County Property Taxes (Paid off in 2021)
Debt Service	$16,463,316	$17,413,171	$20,504,105	$17,947,011	St. Joseph County Property Taxes
Referendum Debt	$4,562,462	$4,555,675	$5,870,850	$5,659,327	St. Joseph County Property Taxes

Financial State of the District

Current State



Commitment to Zone 2024:
$3,645,102

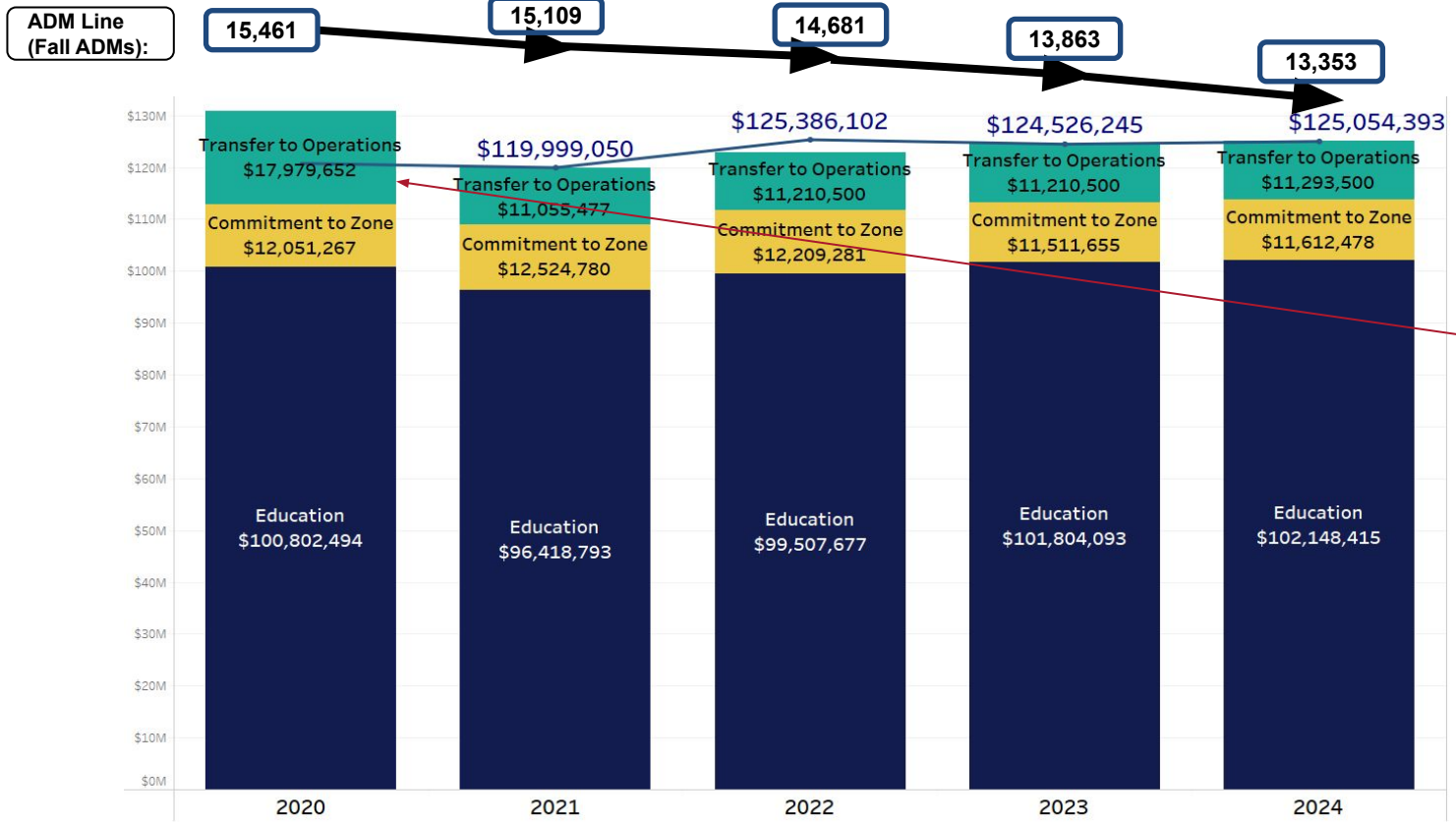
$2,223,866 to **Operations**

$1,421,236 to **Referendum**

Commitment to Zone 2023:
$3,586,236

***Assumes full collection of tax levies**

Education Overview:
Slight Increase in Budget, Significant Decrease in Enrollment



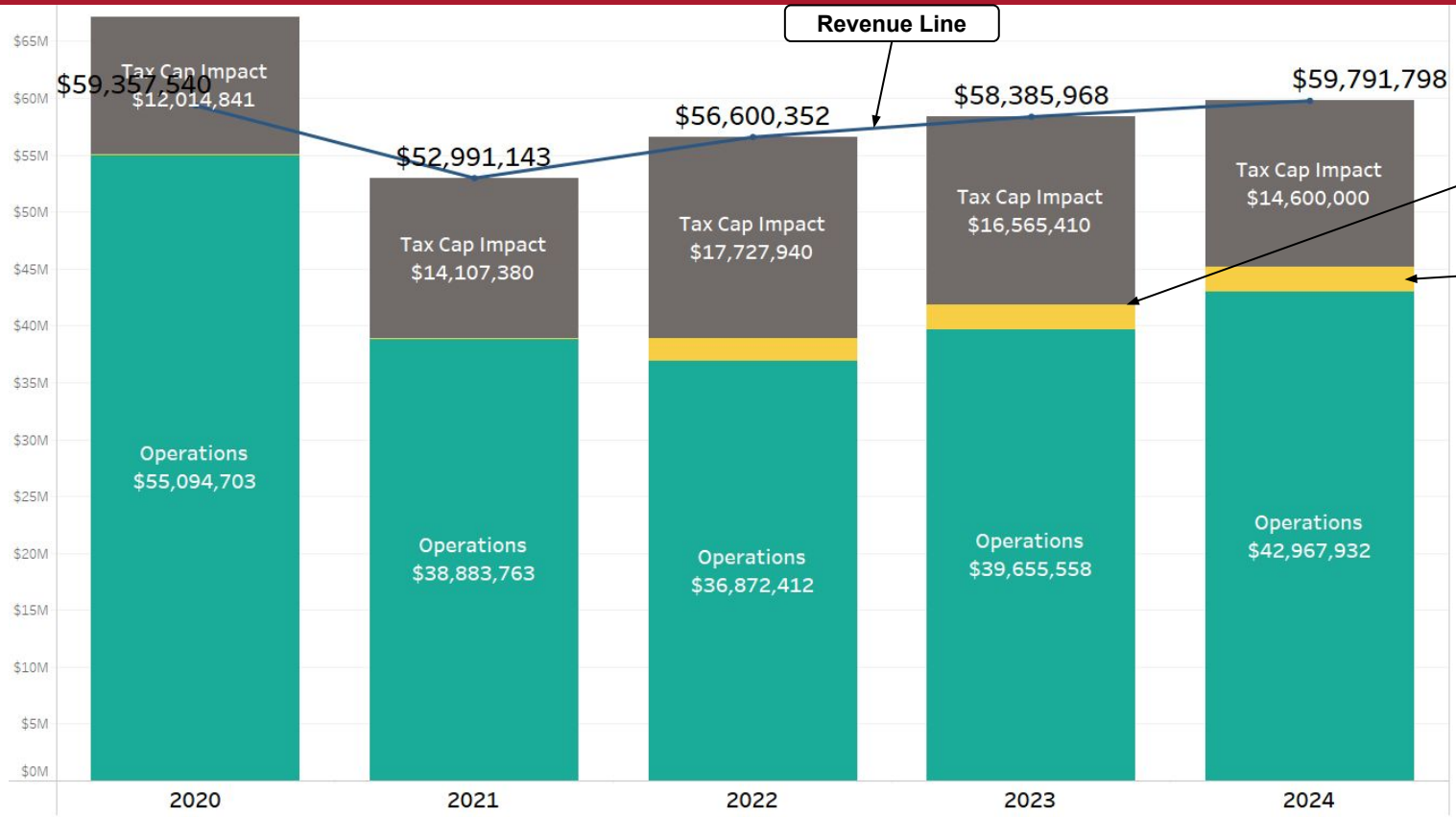
SBCSC Would have received $7.2 M dollars more in 2024 if student count remained the same as 2023 (with the 2024 funding formula)

Transfer Rate (to account for the Referendum): 9%
The rate at which funds are transferred from the Education Fund to the Operations Fund. This was lowered from the recommended allowable rate of 15% to 9% to account for teacher raises. This has remained consistent.

- **Virtual School Students Included in the ADM counts**

*Assumes full collection of tax levies

Budget Overview
Operation Fund Revenue Vs Expenses



***Assumes full collection of tax levies**

Budget Overview

Summary Projection by Budgetary Fund

2024 Budget

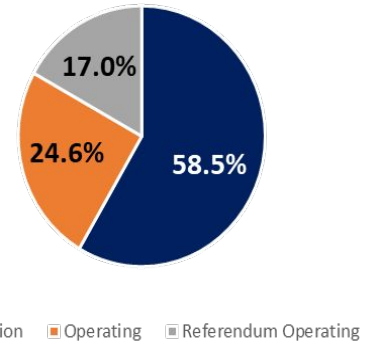
	Education Fund	Debt Service Fund	Referendum - Debt Service	Operation Fund	Referendum - Operating
Anticipated Fund Balance 01/01/24	**$ 17,623,555**	**$ 7,948,878**	**$ 881,288**	**$ 6,009,232**	**$ 4,577,938**
Anticipated Revenues					
From Local Sources and Misc Receipts	$ -	$ -	$ -	$ 12,198,500	$ -
From Local Excise and FIT Taxes	-	1,017,154	315,564	1,670,717	1,586,864
From Local Tax Levy	-	17,947,011	5,567,923	44,078,715	27,999,181
From State Sources	125,004,393	-	-	-	-
From Federal Sources	50,000	-	-	-	-
Total Revenues	**$ 125,054,393**	**$ 18,964,165**	**$ 5,883,487**	**$ 57,947,932**	**$ 29,586,045**
Property Tax Cap Impact	$ -	$ -	$ -	$ 14,600,000	$ -
Greene Township Inpact	-	-	-	380,000	-
Total Resources Available	**$142,677,948**	**$26,913,043**	**$6,764,775**	**$48,977,164**	**$34,163,983**
Appropriations					
Payroll Costs	$ 96,738,557	$ -	$ -	20,783,667	$ 4,895,611
Purchased & Contracted Services	3,370,373			8,877,413	21,674,084
Supplies and Materials	893,260			7,794,716	67,118
Capital Outlay	1,139,700			3,224,155	1,575,000
Other Objects	6,525	17,947,011	5,659,327	64,115	-
Tranfer to Transformation Zone	11,612,478			2,223,866	1,421,236
Transfer to Operations	11,293,500				
Total Appropriations	**$ 125,054,393**	**$ 17,947,011**	**$ 5,659,327**	**$ 42,967,932**	**$ 29,633,049**
Anticipated Fund Balance 12/31/24	**$ 17,623,555**	**$ 8,966,032**	**$ 1,105,448**	**$ 6,009,232**	**$ 4,530,934**

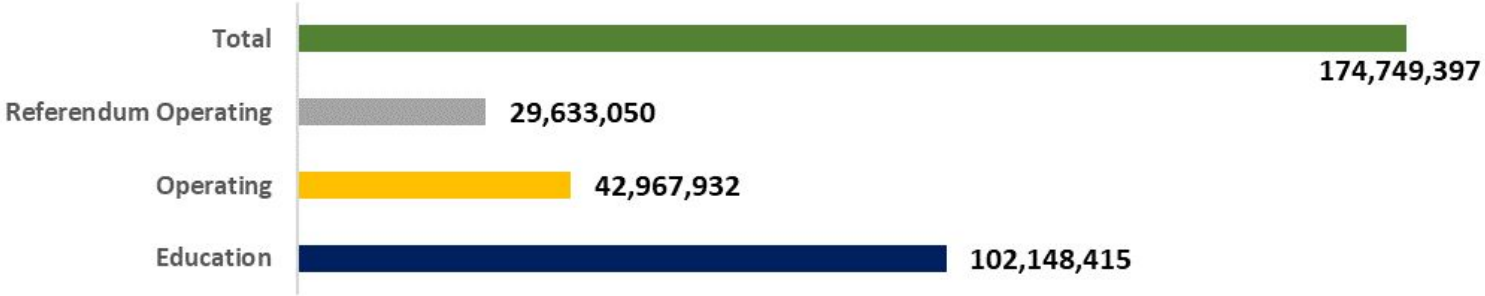
Five Year Fund Budget Allocation Snapshot

Funds	2020	2021	2022	2023	2024
Education Fund	$100,802,468	$96,418,793	$99,507,677	$101,804,093	$102,148,415
Operations Fund	$55,094,703	$38,883,763	$36,872,412	$39,655,558	$42,967,932
Debt Services	$16,175,766	$16,463,316	$17,413,171	$20,504,105	$17,947,011
Referendum	$0	$22,973,921	$24,434,427	$29,640,191	$29,633,049
Total	$172,072,963	$ 179,302,255	$182,783,362	$191,601,292	$192,696,407

2024 Fund Allocation

Fund Name	2023 Budget	2024 Budget	Increase	Increase %
Education	101,809,174	102,148,415	339,241	0.3%
Operating	39,655,558	42,967,932	3,312,374	8.4%
Referendum Operating	29,640,194	29,633,050	(7,144)	0.0%
Total	**171,104,926**	**174,749,397**	**3,644,471**	**2.1%**





2024 Key Budget Assumptions

Significant Changes in 2023 Budget (Other Considerations)

$1,300,000

Increase in Virtual School, Athletics, Extra Duty & Class Coverage, Substitute Teacher, Instructions Budget, New Safety & Security Department

5%

Increase in utilities

4.5%

Medical Insurance Premiums Increased; Approximately $600K Increase in Costs

$3.6 Million

Employee Raises, Provisioning for ESSER Employees, Increase in Workers Compensation

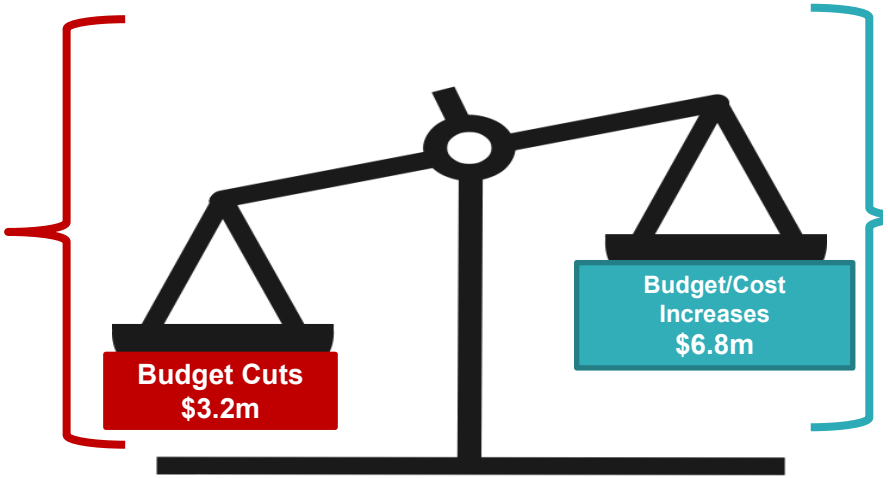
$3.2 Million

Budget Cuts Made Across District through Position Control, Department Cuts etc.

What Have We Done for 2024?
(Education, Operating & Referendum Funds)

Major Cuts We Made Amidst Inflation & Rising Needs:

- Positions & Vacancy Adjustments: **$1.6m**
- Contracts & Professional Services: **$1m**
- Travel, Mileage & Supplies: **$300k**
- Others: **$400k**
    - **Vacant Positions and Admin Budgets**



Budgets Increased by:
$3.6 million

Major Increases We Had to Make

- All Employee Salary Contract Increases and Benefit Adjustments: **$4.2m**
- Athletics & Virtual School Programming: **$600k**
- Utilities: **$350k (5% inflation)**
- Greene Township Revenue Loss: **$400k**
- Others (New Safety & Security Budgets): **$1.1m**

Budget Assumptions: Notable Cost Increases for 2024

Major Budget/Cost Increases for 2024			
Area of Budget/Cost Increase	**Building/Department**	**Fund**	**Financial Impact**
All Salary & Benefit Increases , Safety & Security Budget (Included Employee Raises, 4.5% Medical Insurance and other benefits increase, Transfer of ESSER Employees etc.)	Across District/SBCSC	All General Funds	$3,800,000
Worker's Compensation & Unemployment	HR Budget Across District	Operating Fund	$500,000
Greene Township (Reduction in Revenue)	Across District/SBCSC	Operating Fund	$400,000
Utilities (Electricity, Gas, Water & Sewage, Trash)	Across District/SBCSC	Operating Fund	$400,000
Athletics Budget	Athletics	Education Fund	$275,000
Contracts for Substitute Teachers	Across Schools	Education Fund	$300,000
Class Coverage & Extra Duty	Across Schools	Education Fund	$220,000
Virtual School Budget	Virtual School	Education Fund	$200,000
Summer School	Instruction	Education Fund	$200,000
Coaching Budget	Across Schools	Education Fund	$150,000
Property Insurance	Administration	Operating Fund	$140,000
Graduation & Other District Events	Communication	Operating Fund	$110,000
Musical Instrument Repair (Purchasing Budget)	Schools	Operating Fund	$55,000
Major Budget/Cost Increases Across District			**$ 6,750,000**

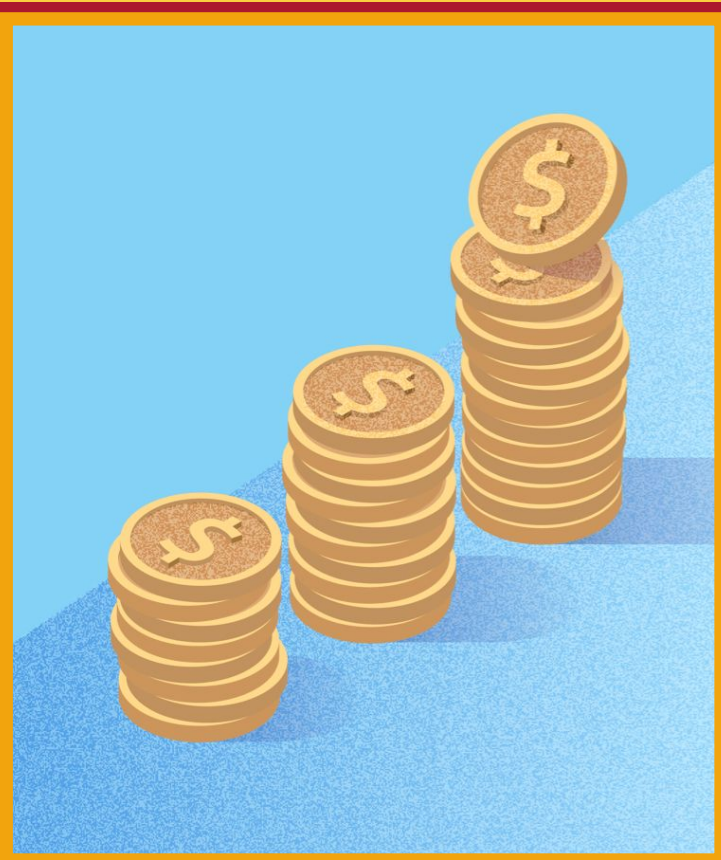
Budget Assumptions: Cuts/Savings Made in 2024 Budget

Budget Cuts/Savings Made for 2024			
Area of Budget Cuts/Savings	**Building/Department**	**Fund**	**Approximate Annual Savings**
Staffing/Position Adjustments	Across District/SBCSC	All General Funds	$1,200,000
Seven (7) Vacancies in Clay High	Clay High	Education Fund	$410,000
Purchased Professional Services	Across District/SBCSC	Operating Fund	$400,000
SSC Contract (from School Closures)	Clay & Warren	Referendum Fund	$250,000
Supplies & Postages	Across District/SBCSC	All General Funds	$225,000
Equipment CPF Plan & Other Emergency Allocations	Across District/SBCSC	Referendum Fund	$200,000
Cenergistic Contract (6 Months)	Across District/SBCSC	Referendum Fund	$140,000
Transportation Contracted Service	SBCSC Transportation	Operating Fund	$135,000
Software & Systems	Across District/SBCSC	Operating Fund	$100,000
Nurse's Contract (from School Closures)	Clay & Warren	Referendum Fund	70,000
Travel & Mileage	Across District/SBCSC	All General Funds	40,000

Approximate Total Major Savings/Cuts Made Across District	**$3,170,000**

How Are We Going to Cover This?
(ongoing savings & cost avoidance)

- Right Sizing of District Support Buildings: (Sale of Administration Building to the City of South Bend in 2022)
- Ongoing Contract Review (Canon Copier etc)
- Right Sizing of Schools/Programs: Closing of Hay, Tarkington, Clay and Warren Schools (Ongoing)
- Addition of HSA (Health Savings Account) option for employees (cost avoidance)
- New Prescription Drug program
- Operational Efficiency (Building & Grounds, Transportation, Energy Efficiency Program Review)
- Implementation of backend systems, (TimeClock System) and other strategic initiatives (still in progress)
- Ongoing Staffing Model Adjustment to meet District needs



Education Fund Deep Dive

Budget Projections: Education Fund

Fall 2023 ADM Count = 13,863 (estimated)

- 2024 funding formula – (non-virtual) student count February 2024 = 13,353
- 2024 funding formula – (non-virtual) student count September 2024 = 13,053
- Estimated Virtual School Student Count: 300
- Basic tuition support per student count - 23/24 = $6,590 24/25 = $6,681
- Complexity index per student count - 23/24 = $1,385 (AVG of Spring & Fall)
- Career and Technical Grant – $2,059,321
- Special Education Grant – $13,115,055
- Non English Speaking Program Funding - $786,317
- 4.5% increase in health insurance for 2024
- Commitment to Zone Schools – $11,612,478 (District Innovation)
- Transfer to Operations Fund – $11,293,500

Education Fund by Object Summary

	2021	2022	2023	2024
Salaries	$ 65,259,016	$ 66,975,296	$ 71,684,303	$ 71,485,033
Employee Benefits	$ 23,107,741	$ 24,810,943	$ 24,635,267	$ 25,253,525
Purchased Professional Services	$ 4,975,799	$ 4,667,410	$ 2,787,690	$ 3,011,599
Purchased Property Services	$ 31,250	$ 41,250	$ 41,250	$ 41,250
Supplies	$ 1,073,937	$ 1,046,342	$ 940,268	$ 893,260
Other Purchased Services	$ 385,733	$ 381,119	$ 352,074	$ 317,524
Other Objects	$ 1,585,317	$ 1,585,317	$ 1,363,241	$ 1,146,225
Grand Total (SBCSC Portion)	**$ 96,418,793**	**$ 99,507,677**	**$ 101,809,174**	**$ 102,148,415**

Teacher raises budgeted and a few groups of employees moved to referendum (Associate Deans, Social Workers, Literacy Specialists, DISs)

4.5% Increase in medical insurance benefits

Beacon contract for athletics, contract increases for substitute teachers

Equipment budget reduced by $200K

Education Fund: Expenditure Areas by the Numbers

Total Budget

- Last Year's (2023) SBCSC Budget = $101,809,174
- This Year's (2024) SBCSC Budget = $102,148,415
- **Net: Increase of approximately $340K***

Budget by School Levels

- Elementary Schools & Middle Schools : Increased by $1.7 mn
- High Schools: Decreased by $326K (New budget assumptions)
- **Net: Increase of approximately $1.4 mn in school level**

Budgets by Expenditure Areas

- All Schools & Instruction Programs: Increased $2.4 mn
- Support Services: Decreased $2.3 mn
- Community Services: Increased $260K
- **Net: Increase of $340K Approx***

***Some positions (Associate Deans, DIS, Admins on Assignment have been transferred to Referendum Fund, resulting in some reduction in some budget areas for 2024)**

Teacher Compensation Overview 2022-23

Teacher Compensation State Requirement Update: 2022-23 at Actual

Actual Payouts for 2022-23 SY	Total (all funds)
Base Salary/Contract Pay	56,828,571
Extended Day	803,439
Extra Duty & Coaching etc.	1,058,752
Class Coverage	787,161
Stipends	1,893,809
Insurance Benefits	10,135,913
FICA, Medicare	4,694,938
TRF/VEBA/401	5,682,857.10
Total Compensations Paid (2022-23)	**81,885,440**

Total State Tuition Support 2023	**124,388,735**

Considering All Compensations	**65.83%**
Considering only Base Salary & Benefits	**62.2%**
Considering only Base Salary	**45.7%**

SBCSC performed reasonably well in terms of 62% (salary, benefits and compensations) state requirements

Teacher Compensation State Requirement Update: 2023-24 Projected

Projected Payouts for 2023-24 SY	Total (all funds)
Base Salary/Contract Pay	52,894,102
Extended Day	867,965
Extra Duty & Coaching etc.	1,058,572
Class Coverage	787,161
Stipends	1,145,813
Insurance Benefits	9,290,426
FICA, Medicare	4,341,651
TRF/VEBA/401	5,289,410
Total Projected Compensations (2023-24)	**75,675,101**

Total State Tuition Support 2024	**124,104,393**

Considering All Compensations	**61.0%**
Considering Base Salary & Benefits	**57.9%**
Considering only Base Salary	**42.6%**

- Doesn't include teacher raises
- Considers the current staffing level and doesn't include any vacancies in the calculations
- **We are confident that we will meet the 62% minimum requirement by a very good margin in 2023-'24**

Operation Fund Deep Dive

Budget Assumptions: Operation Fund

- Presumes maximum allowable levy
- Assessed value = $6,706,293,024 (slight decrease from previous year)
- Assessed value and operating revenue reduced due to Greene Township ($400k impact for half the year)
- 2023 Circuit Breaker impact = $16,565,411
- 2024 Circuit Breaker impact = $14.6m
- 5% increase in utilities
- All utilities to Operating Fund (transferred back from other funds)
- Transportation/contract drivers increase
- Inflation increase across the board
- Increase in Workers compensation
- Increase in property insurance, graduation, & other events budget
- Moved IT software ($260k) from Education to Operating Fund

*Assumes full collection of tax levies in 2023 & 2024

https://www.youtube.com/watch?v=l3WkxQvWGg4

Operation Fund by Object Summary

	2021	2022	2023	2024
Salaries	$ 13,277,352	$ 13,104,881	$ 13,487,772	$14,146,506
Employee Benefits	$ 6,486,446	$ 6,389,819	$ 6,344,087	$6,637,160
Purchased Professional Services	$ 2,056,871	$ 1,453,304	$ 1,651,237	$1,482,129
Purchased Property Services	$ 910,050	$ 857,463	$ 751,050	$1,776,534
Supplies	$ 7,101,820	$ 5,762,828	$ 6,444,570	$7,794,716
Equipment and Other Objects	$ 3,804,525	$ 2,273,865	$ 3,132,115	$3,288,270
Other Purchased Services	$ 5,246,699	$ 5,030,252	$ 5,677,072	$5,618,750
Commitment to Zone		$ 2,000,000	$ 2,165,000	$2,223,866
Grand Total	$ 38,883,763	$ 36,872,412	$ 39,655,558	$42,967,932

Water & Sewage has been transferred here from Referendum

Includes: 5% Utility Increases

Natural Gas has been transferred from Referendum to here

Bus Replacement

SCHOOL BUS REPLACEMENT PLAN

FOR THE YEARS 2024 - 2028

Particulars	2024	2025	2026	2027	2028
Number of Buses to be Replaced	12	12	12	12	10
Total Replacement Cost	**1,500,000**	**1,560,000**	**1,622,400**	**1,687,296**	**1,462,320**
Year to YEAR Cost Increase		4%	4%	4%	-13%

- Pursuant to IC 20-40-18,South Bend Community School Corporation does hereby submit to the Department of Local Government Finance the following School Bus Replacement Plan for the five (5) year period 2024 through 2028.
- This plan is based upon the presumption that the minimum useful life of a school bus is not less than twelve (12) years.

Capital Projects

Pursant to IC 20-40-18-6, the **South Bend Community School Corporation** plan contains a listing of all proposed projects that are capital in nature that exceed $10,000 that are expected to begin within the three years immediately following the year the plan was adopted.

Capital Project Plan Adoption Date: **Oct. 16, 2024**

	Project Description*	Start Date	End Date	Estimated
1	Darden ES - Staff Parking Lot New Asphalt Paving (installation weather permitting or will move to Spring 2024)	11/10/2023	11/15/2023	$105,000
2	Swanson ES - Bus Lane New Asphalt Paving (installation weather permitting or will move to Spring 2024)	11/15/2023	11/20/2023	$130,000
3	Jackson MS - Painting / Flooring Refresh Common Areas Carpet, Tile, Wall Painting - Cafeteria Gyms Hallways (16 weeks lead time for carpet)	12/1/2023	4/30/2024	$62,500
4	Clay IA - Painting / Flooring Refresh Common Areas Carpet, Tile, Wall Painting - Cafeteria Gyms Hallways (16 weeks lead time for carpet)	12/1/2023	4/30/2024	$62,500
5	Coquillard ES - Continuing HVAC Upgrades New Valves, Actuators, & misc.Damper Parts for Classroom Unit Ventilators	12/1/2023	3/1/2024	$40,000

Total: $400,000

Note: Project Description may include a description of the project including physical location, scope of work, and/or internal project name or tracking; Additional sheets may be added if necessary

Referendum Operating Fund and Strategic Spending

Strategic Spending

Academic Excellence

The Referendum Fund Budget includes additional supports for schools, pre-K/early childhood, and increased teacher pay to ensure better retention.

Financial Sustainability

We have been right-sizing our district, investing in our buildings, and are focused on financial sustainability through responsible financial planning. Most recently we sold the Administration Building.

Equity, Inclusion & Justice

Shifted funding from central office to building level to increase resources for the unique needs of individual school populations, and monitored our building-level spending to ensure populations who need more are served more.

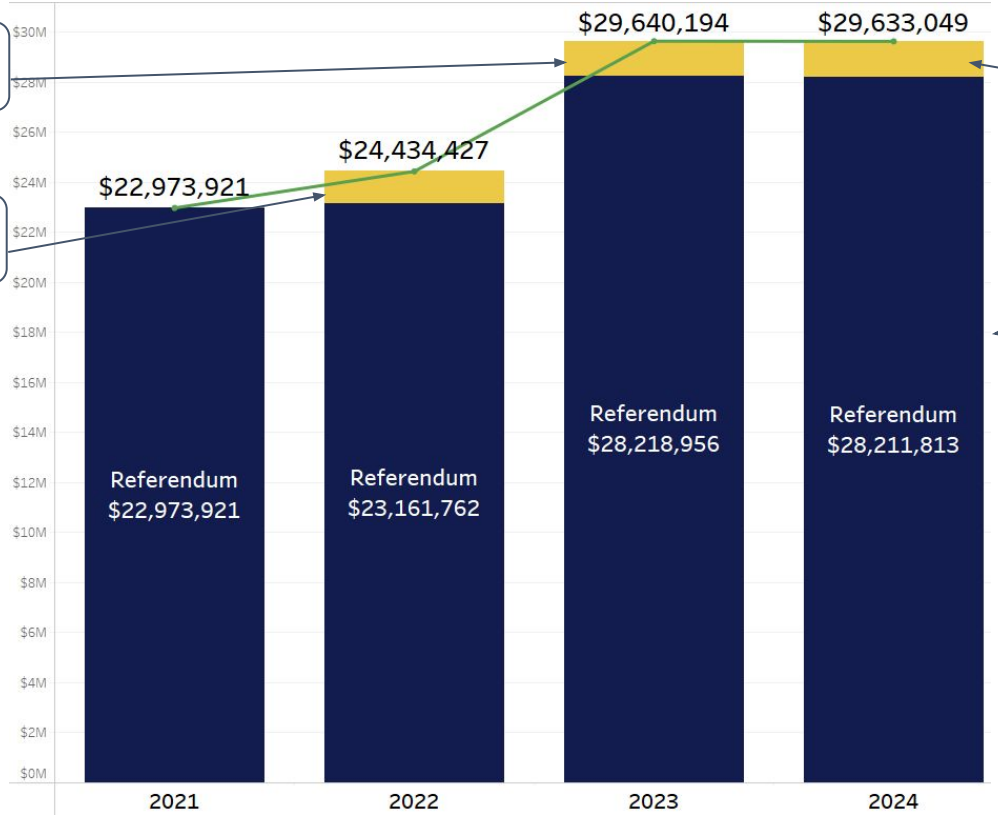
Community Partnerships

Utilized the efficiency study to develop strategic partnerships with higher ed. and the local businesses for benchmarking successes; which includes career pathways in collaboration with Ivy Tech, IUSB, as well as the Boys & Girls Club for additional academic support.

Budget Assumptions: Referendum Operation Fund

Zone Commitment: **$1,412,236**

Zone Commitment: **$1,272,665**



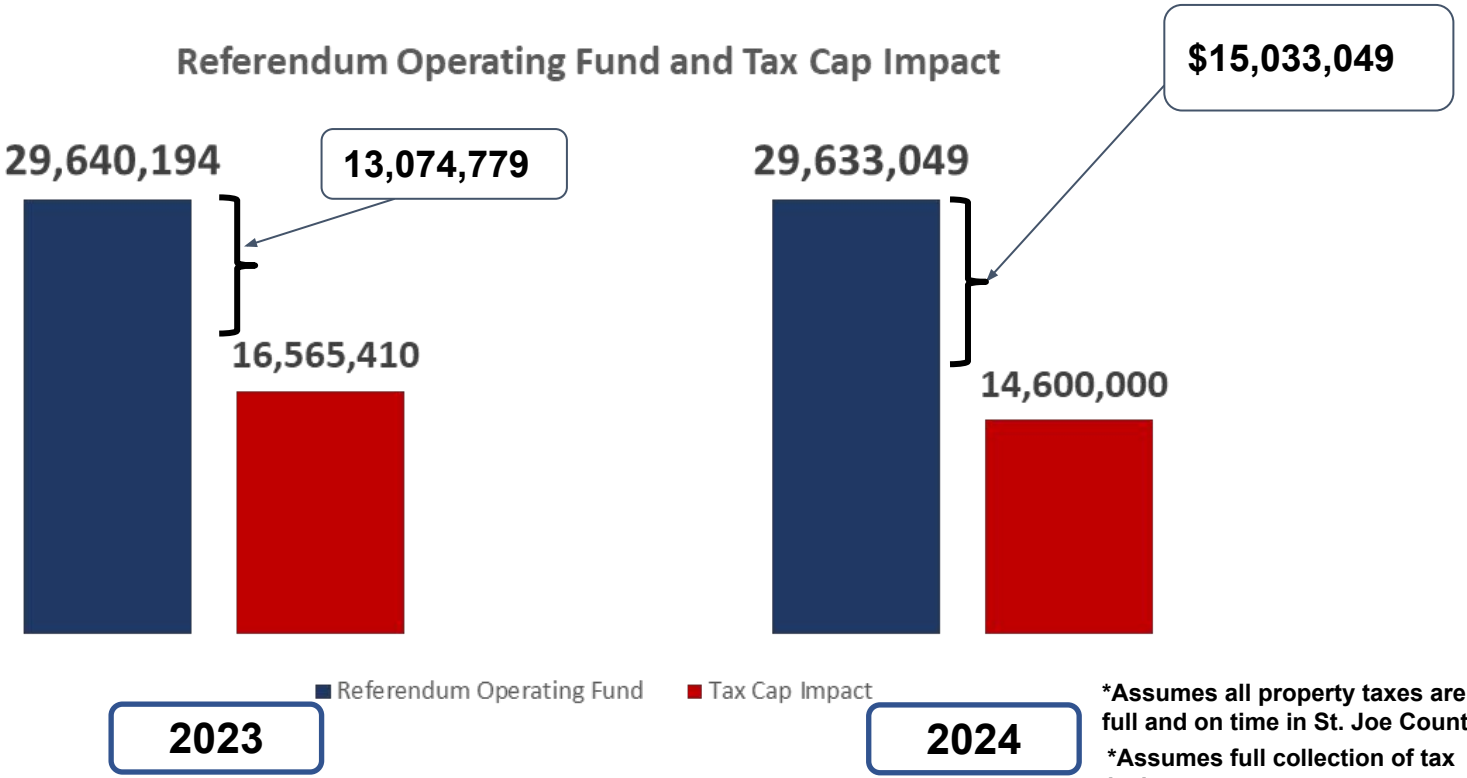
Zone Commitment: **$1,412,236**

Assessed value went down slightly, decreasing the revenue

***Assumes all property taxes are paid in full and on time in St. Joe County**

***Assumes full collection of tax levies**

Budget Assumptions: Referendum Operation Fund



*Assumes all property taxes are paid in full and on time in St. Joe County

*Assumes full collection of tax levies

Budget Assumptions: Referendum Operation Fund

- Assumes the maximum allowable levy
- Includes certain certified and other positions (Social workers, Literacy Specialists, Associate Deans, DIS etc.) from schools
    - transferred from Education Fund
- Includes nursing contract ($1.8 Million)
- Included natural gas, water, and sewage in 2023
    - transferred back to Operating Fund for 2024 (reducing Referendum budget for 2024)
- Includes SSC contract for operational facility costs
    - absorbed from 2020 circuit breaker loss ($18.25 Million)
- Includes other emergency & equipment allocations, buildings/grounds costs, maintenance budget, etc.
- Assumes that all property taxes have been paid

Referendum Operation Fund by Object Summary

	2022	2023	2024
Salaries	$ 8,607,042	$ 1,619,817	$3,453,511
Employee Benefits	$ 4,201,884	$ 578,165	$1,442,100
Purchased Professional Services	$ 489,467	$ 20,886,500	$20,438,663
Purchased Property Services	$ 3,923,020	$ 2,215,673	$1,233,621
Supplies	$ 1,913,128	$ 1,237,500	$67,118
Equipment and Other Objects	$ 4,020,921	$ 1,675,000	$1,575,000
Other Purchased Services	$ 6,300	$ 6,300	$1,800
Commitment to Zone	$ 1,272,665	$ 1,421,236	$1,421,236
Grand Total	$ 24,434,427	$ 29,640,191	$ 29,633,049

Transferred to Referendum in 2024: Literacy specialists, social workers from ESSER, associate deans, DIS's

Anticipated savings in SSC contract & nurse's contract from school closures

Water/sewage & natural gas moved back to Operating Fund

Referendum Ongoing Yearly Commitment / Allocation

Investment		Distribution	Cost
Teacher raises for school year 2020-21 (highest starting base salary in the region)	✓	December 4, 2020 Year 1: 2021 Year 2: 2022	**$2.9 million** **$3.24 million** **$2.68 million**
Social & emotional/academic & literacy support *(college coaches, counselors, social workers & literacy specialists)*	✓	September 15, 2020	**$2.2 million**
Cost for early childhood teacher salaries	✓	Began in Spring 2021	**$500,000**
Non-certified and support staff raises	✓	Began in Spring 2021	**$3 million**
Replacement schedule for equipment	✓	Began in 2022	**$1.1 million**
Total Ongoing Yearly Investments			**$15.62 million**

$15.62 million dollar yearly investment made

South Bend Vote Yes Referendum & GO Bond Capital Investments Made

A June 2020 referendum asked South Bend voters to approve:
A one-time capital investment of **$54 million** to update:

- Safety and security of our schools
- Realign career education
- Right-size the District.
- The District would secure GO Bonds to complete outstanding deferred maintenance projects (8 year financial plan)

Summary of Spending – Capital Investment *(one-time expense)*

INVESTMENT	COST
Install Secure Entryways to all Schools	$2 million
Installation of Security Cameras in all Secondary Schools	$6 million
Fire System Upgrade	$3.5 million
Revitalization and enhance existing school buildings (right-sizing the district), prioritized by efficiency study recommendations as a guide	$34 million
Consolidation of Career & Technical Education Programs into a Career Innovation Center	$8.5 million
TOTAL CAPITAL INVESTMENT	$54 million

**** Source: South Bend Vote Yes Campaign***

Particulars	Amounts
Total Capital Investment Voted on	**$54 Million**
Impromevent Capital Expenditures from Referrendum	$22 Million
Impromevent Capital Expenditures from GO Bonds	$11 Million
Total Approx. Capital Expenditures	**$33 Million**

Amount/Capital Investments Left with	**$32 Million**

Capital Project Example: Secure Entryways

Washington	COMPLETE	Hamilton	COMPLETE	Swanson	COMPLETE
Clay Intermediate	COMPLETE	Harrison	COMPLETE	Wilson	COMPLETE
Edison	COMPLETE	Kennedy	COMPLETE	Ed Center	COMPLETE
Jackson	COMPLETE	Lincoln	COMPLETE	Bendix	COMPLETE
Jefferson	COMPLETE	Madison	COMPLETE	Head Start @ Lafayette	COMPLETE
LaSalle	COMPLETE	Marquette	COMPLETE		
Marshall	COMPLETE	McKinley	COMPLETE		
Navarre	COMPLETE	Monroe	COMPLETE		
Coquillard	COMPLETE	Muessel	COMPLETE		
Darden	COMPLETE	Nuner	COMPLETE		

***92% of the Secure Entryways at Schools are Completed Currently**

Debt Service Fund Deep Dive

Budget Assumption: Debt Service

- Assessed value = $6,706,293,024
- Assessed value Referendum debt service = $8,398,074,650
- Raise required debt amount through 6/30/2025
- Raises $39,422 for unreimbursed textbooks
- New 2022/2023 general obligation bond = $5,780,000
- New 2022/2023 Referendum bond = $3,000,000
- New 2022/2023 common fund loan = $1,505,192

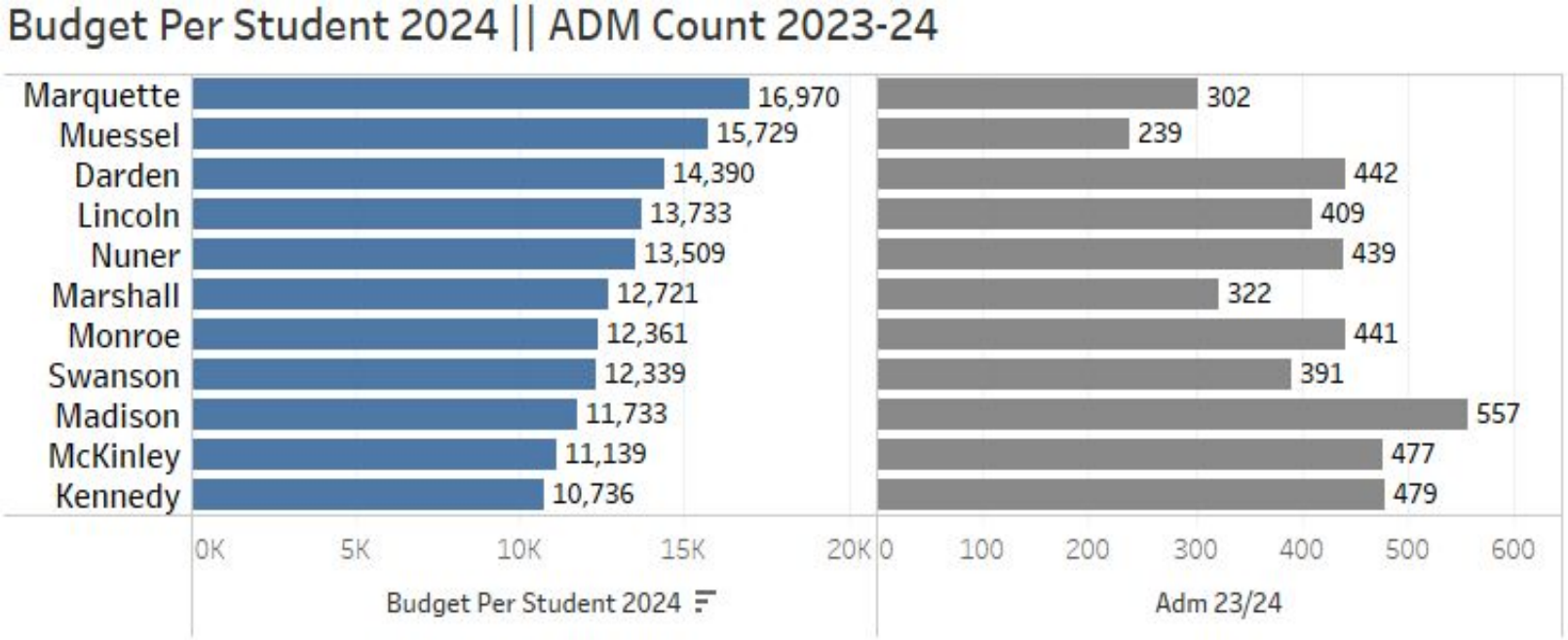
Debt Service Fund Summary

	2021	2022	2023	2024
Common School Fund Loans	$755,782	$1,002,988	$991,836	$1,589,508
General Obligation Bond	$1,349,650	$2,688,173	$14,337,119	$16,245,908
Lease Rental Payments	$13,427,000	$13,459,000	$10,996,000	$5,731,500
Temporary Loans	$400,000	$0	$0	$0
Unreimbursed Textbooks	$530,884	$263,010	$50,000	$39,422
Grand Total	**$16,463,316**	**$17,413,171**	**$26,374,955**	**$23,606,338**

District Level Spending

Building-level Equity

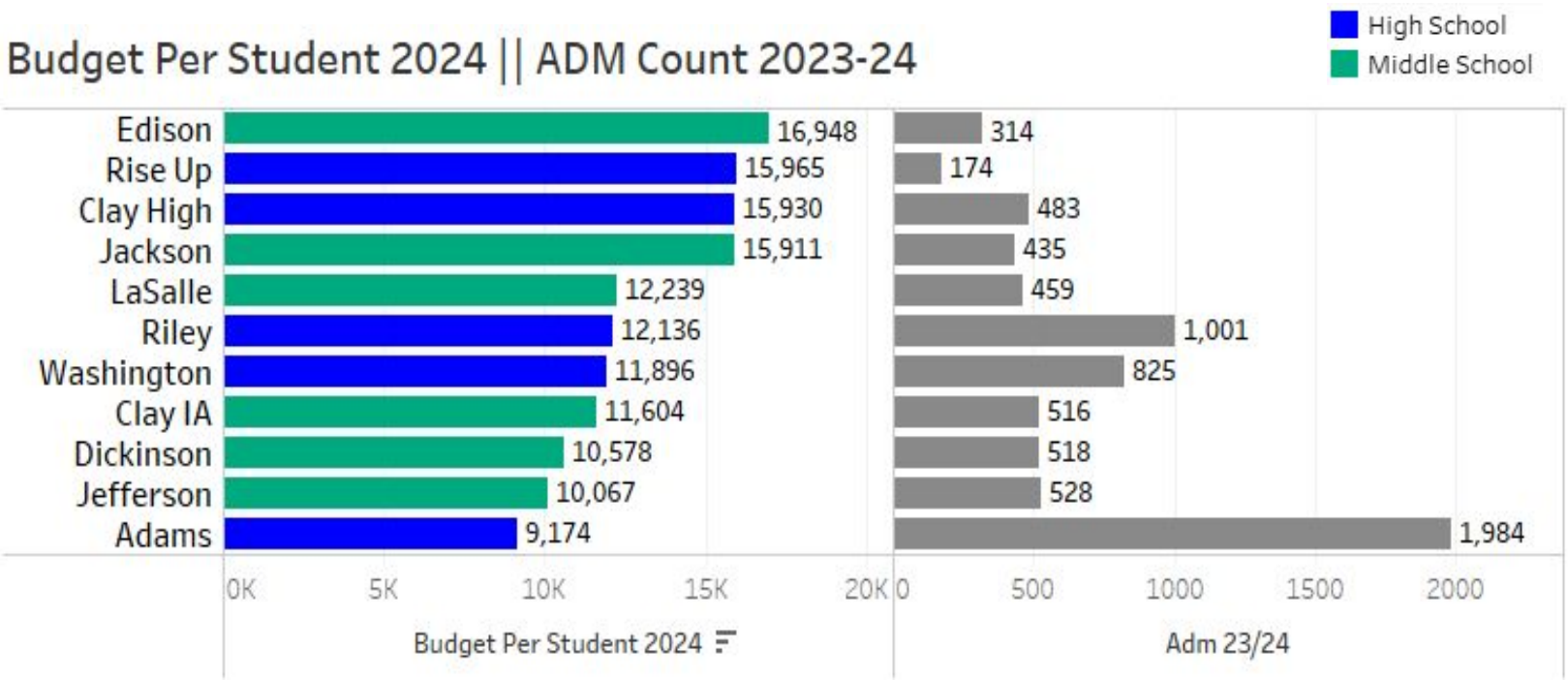
Spending Per Student: SBCSC Elementary Schools



* Method of Calculation: [Budget for 2024 (General Funds) + Annualized expenditures on other funds (federal etc.) for each schools]/ADM for 2023-24

Building-level Equity

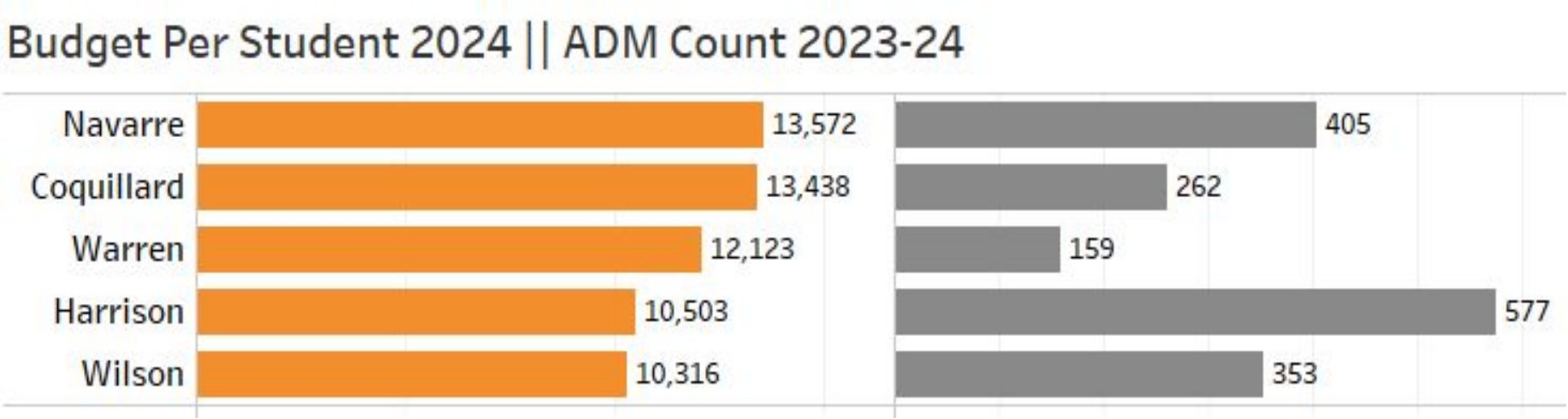
Spending Per Student: SBCSC Middle and High Schools



* *Method of Calculation: [Budget for 2023 (General Funds) + Annualized expenditures of funds (federal etc.) for each schools]/ADM for 2022-23*

Building-level Equity

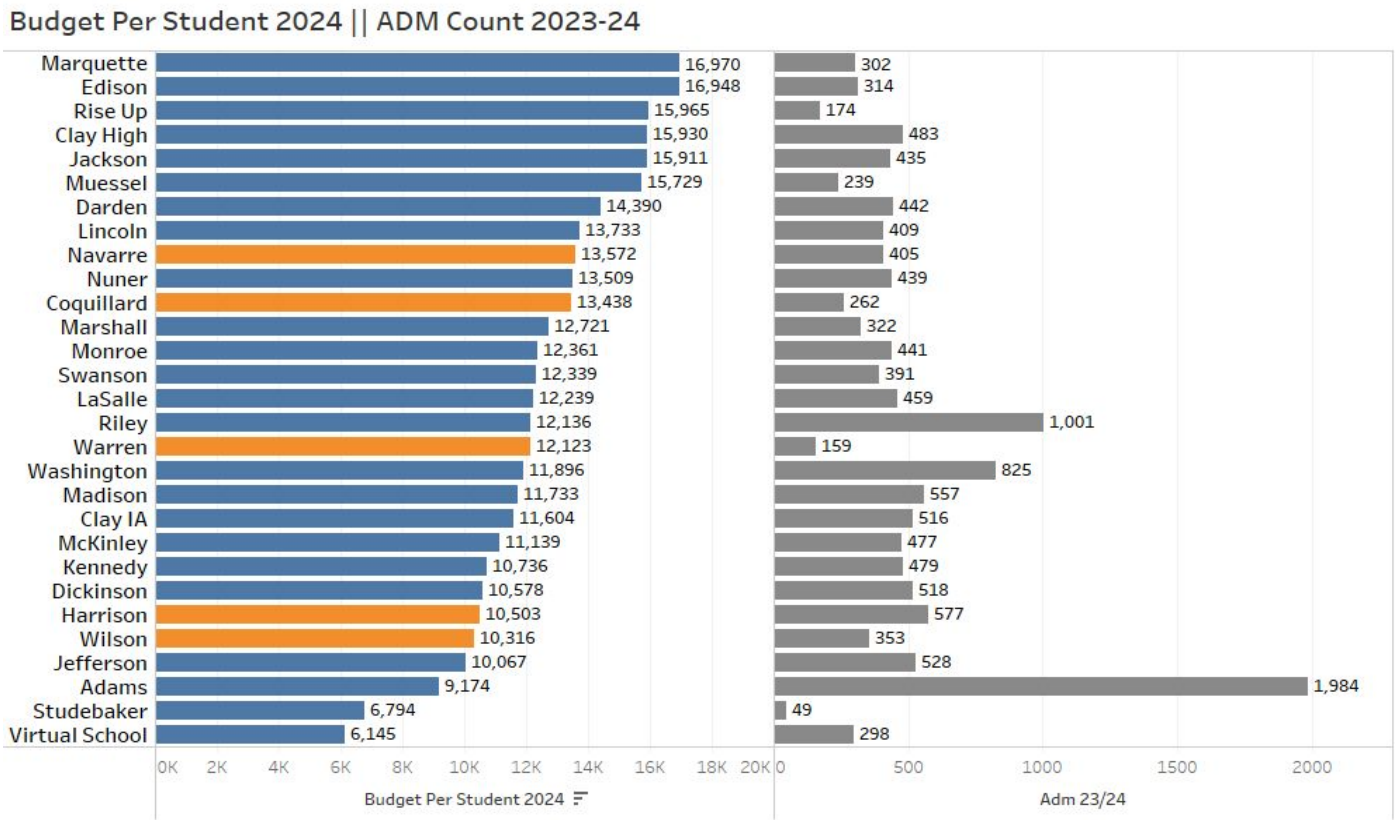
Spending Per Student: All Empowerment Zone Schools



* Method of Calculation: [Budget for 2023 (General Funds) + Annualized expenditures of funds (federal etc.) for each schools]/ADM for 2022-23

Building-level Equity

Spending Per Student – All Schools



***Zone schools marked in yellow**

** Method of Calculation: [Budget for 2024 (General Funds) + Annualized expenditures on other funds (federal etc.) for each schools]/ADM for 2023-24*

Building-level Equity
Spending Per Student – All Schools

Category of Schools	Statistical Correlation Between ADM & Per Student Cost	Statistical Interpretation	Method of Calculation: Per Student Budget
Elementary Schools	-0.74	For Elementary Schools, **ADM and Per Student Cost** is **highly correlated;** higher the ADM, lower will be the Per Student Cost. Statistically, the strength of this **correlation is 74%**	1. Budget for General Funds for 2024 were taken into account 2. Annualized expected expenditures for all other non-general funds (all grants etc.) were taken into account next 3. For Zone schools, the impact of Shared Services Model was considered to further enhance the calculations 4. The total was divided by 2023-24 ADM by schools 5. Certain expenditures were excluded from the calculations: Pre-K, Maintenance & Repair of Plants, Community Partnerships, Facilities Acquisition & Construction, Debt Services, Other Non-Programmed Costs etc. 6. Admin costs (general and instruction) related with instruction, students and operations have been included
Middle Schools	-0.90	For Middle Schools, **ADM and Per Student Cost** is **Very highly correlated;** higher the ADM, lower will be the Per Student Cost. Statistically, the strength of this **correlation is 90%**	
High Schools	-0.94	For Middle Schools, **ADM and Per Student Cost** is **Very highly correlated;** higher the ADM, lower will be the Per Student Cost. Statistically, the strength of this **correlation is 94%**	

Administration Personnel Expenses

Average Inflation Rate in USA	2020	2021	2022	2023	2024	5 Year AVG
AVG Annual Inflation Rate	1.2%	4.7%	8.0%	4.5%	3%	4.3%

Revenue from General Funds	2020	2021	2022	2023	2024	5 Year AVG
Total Revenue from Education, Operations & Referendum Operations	155,897,197	158,276,477	160,814,516	171,099,842	174,749,396	164,167,486
Growth in General Fund Revenue		1.5%	1.6%	6.4%	2.1%	2.9%

Expenditure Areas (from General Funds)	2020	2021	2022	2023	2024	5 Year AVG
General Administration & Central Services - Salary & Benefits	6,344,761	6,698,763	6,403,389	6,261,746	6,982,225	6,538,177
AS % OF General Funds Revenue	4.1%	4.2%	4.0%	3.7%	4.0%	4.0%
Instruction & School Administration - Salary & Benefits	14,927,398	13,975,255	14,759,264	15,389,037	15,054,041	14,820,999
Total Admin - Salary & Benefits	21,272,159	20,674,018	21,162,653	21,650,783	22,036,266	21,359,176
AS % OF General Funds Revenue	13.6%	13.1%	13.2%	12.7%	12.6%	13.0%
% Growth in General & School Admin - Salary & Benefits		-2.8%	2.4%	2.3%	1.8%	0.9%

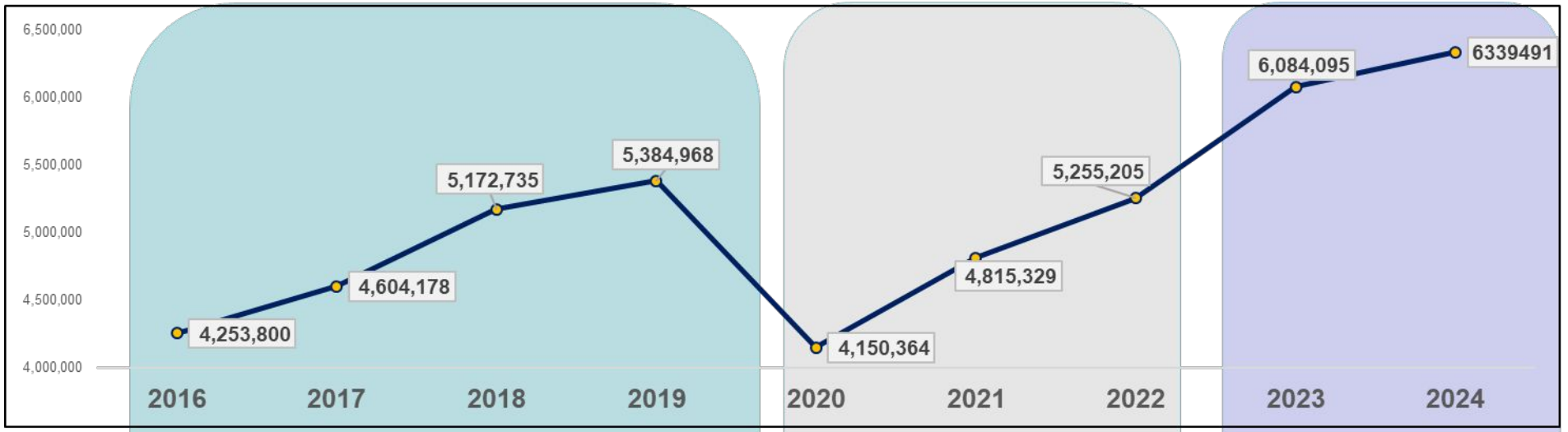
- **Inflation has been much higher than our general fund revenue growth**
- **And amidst rising inflation, we have managed to keep increase in admin salary & benefits much lower than both our revenue growth and inflation**

****According to data from National Center Education Statistics in the USA, the average admin salary cost (support services) is around 10-15% of total salaries for public schools districts.**

General Admin Salary is

- Only **4%** of General Fund Revenue
- And Only **4.37%** of All Salaries

Utility Expenses (Electricity & Natural Gas)



In the 4 years, 2016 to 2019, Utilities increased **8.2%** on AVG each year

During COVID, Utilities expenses decreased significantly by **23%.** It has been going back to previous normal in 2021-22

Due to rising inflations, Utility expenses has a **15%** inflationary adjustment in our 2023 budget.
Another **5% Inflation** is projected in **2024 Budget**

** For 2016-2021, all data ae actual expense data. 2023 & 2024 data are budgeted expense data*

Accountability

External Audits, Reporting, and Systems

Completed State Board of Account <u>External Audit</u> Reports:

- Financial Audits: 2 - FY 2017/2018 and 2018/2019 (Cash Basis)
- Financial Audits: 2 - FY 2019/2020, 2021/2022 GAAP Basis
- Federal Audits: 4 - FY 2017/2018 - FY 2021/2022 (Cash Basis)
- ADM Virtual Audits: 1
- Ongoing Audits:
  - Financial Audits: 1 - FY 2021/2022 (GAAP Basis)
  - Federal Audits: 1 - FY 2021/2022
  - Extra-curricular Audits 5

Department of Education <u>External Audits</u>:

- 1 indirect cost allocation plan for school allocation plan

Other <u>External Audits</u>:

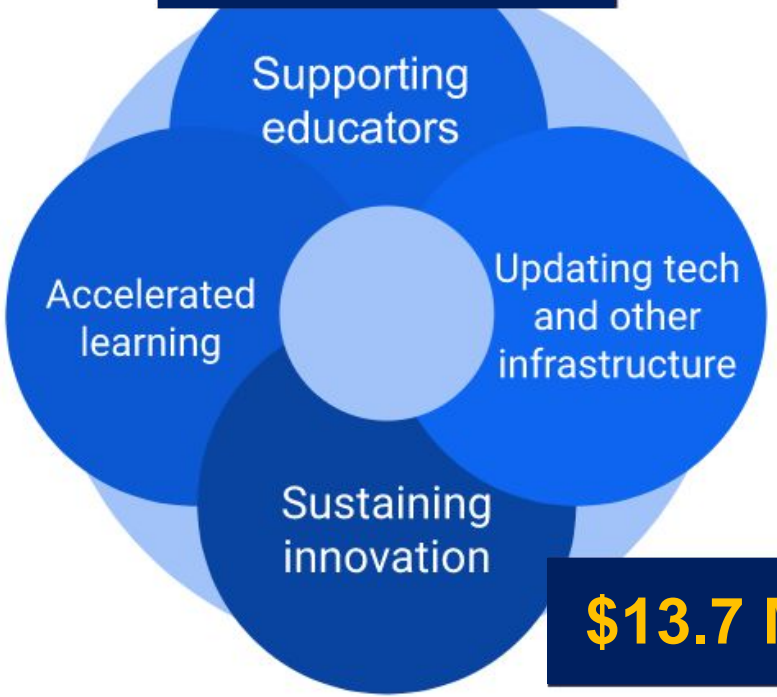
- Bank Reconciliation 3 years
- Transformation Zone 3
- Workman's Comp Audits 4
- Insurance Renewal Audits 4
- Shared Services Costs 3

33 external audit touch points in the last 36 months including:
- desktop monitoring
- GAAP conversion

Brief ESSER Update

Spending Strategy

$12.2 Million



$27.2 Million

$19.6 Million

$13.7 Million

ESSER Funds SBCSC – Remaining Balance Summary

SBCSC Summary

On Track Spending

Grant:	Allocated Portions for SBCSC:	Total Expenses (Inlcuding Encumberences, Pending Adjustments)	Remaining Balance	Budget Utilization
ESSER-CARES:	3,591,456	3,591,456	0	100.0%
GEER-CARES:	1,634,236	1,631,620	2,615	99.8%
ESSER II-CRRSA:	20,780,344	20,780,344	-	100.0%
ESSER III-ARP:	46,670,867	24,655,139	22,015,729	52.8%
Totals/Overall:	**72,676,903**	**50,658,559**	**22,018,344**	**69.7%**

**The expenses & remaining balance figures takes into consideration all pending amendments, interfund transfers, pending journal entries, purchases, salary & benefits expenditures, reimbursement for indirect costs etc.

ESSER Funds Empowerment Zone – Remaining Balance Summary

Empowerment Zone Summary

On Track Spending

Grant:	Allocated Portions for Zone:	Total Expenses (Inlcuding Encumberences, Pending Adjustments, Amendments)	Remaining Balance	Budget Utilization
ESSER-CARES:	1,833,366	1,833,327	39	100.0%
ESSER II-CRRSA:	5,639,852	5,639,852	0	100.0%
ESSER III-ARP:	12,666,624	9,737,893	2,928,731	76.9%
Totals/Overall:	**20,139,842**	**17,211,072**	**2,928,770**	**85.5%**

**The expenses & remaining balance figures takes into consideration all pending amendments, interfund transfers, pending journal entries, purchases, salary & benefits expenditures, reimbursement for indirect costs etc.

On the Horizon: Future Considerations

- Operations Fund cost sharing (with charter operators)
- Textbook reimbursements (new formula excluded from debt levy)
- 100% Impact of Greene Township next year ($1.4 million)
- Referendum and Operation Funds caps at 3 or 4%
- Full impact of three new local charter schools
- Short term impact of school consolidation
- Slight Decline in St. Joseph County assessed property valuation

2024 Budget Takeaways

- The SBCSC proposed 2024 budget sets up the Corporation for financial stability in the face of funding challenges now and in the future.

- The SBCSC proposed 2024 budget focuses on aligning with the Corporation's strategic plan through "baseline spending", driving efficiency, and moving the district forward.

- The SBCSC proposed 2024 budget focuses on strategic spending for the district through consistent, sustainable investment, which can be repeated year after year, to build the foundation for success for all staff and students.

2024 Budget Adoption Timeline

July 1, 2023	Budget Kickoff/District Interdepartmental Meetings
September 21, 2023	Advertisement of Budget
October 2, 2023	Board Meeting Budget Presentation
October 2, 2023	Public Hearing
October 16, 2023	Budget Adoption
November 1, 2023	Statutory deadline for the Indiana Department of Local Government Finance to approve 1782 notices (budgets).

Financial Sources

State Board of Accounts: Created by the legislature in 1909, the SBOA is dedicated to providing the citizens of the State of Indiana with confidence in the integrity and financial accountability of state and local government.

IDOE: The Indiana Department of Education sees as its guiding principles a student-centered, inclusive and collaborative approach, the championing of educators, data- and results-driven policymaking, transparency and trustworthiness, as well as an eye toward the future.

Baker Tilly: Formed in 1931 in Waterloo, Wisconsin, Baker Tilly is a top ten advisory, tax and assurance firm dedicated to enhancing and protecting their clients' value with a growth-oriented focus on their clients' specific needs, delivering transformation-enabling services, support, and advice to help each client thrive.

Forvis: Created by the merger of equals between BKD and DHG accounting and advisory firms, Forvis is a top ten professional services firm of 5,500 members providing assurance, tax, and advisory services.

Crowe LLP: A public accounting, consulting and technology firm that uses its deep industry expertise to provide audit services to public and private entities. The firm and its subsidiaries also help clients make smart decisions that lead to lasting value with its tax, advisory and consulting services.

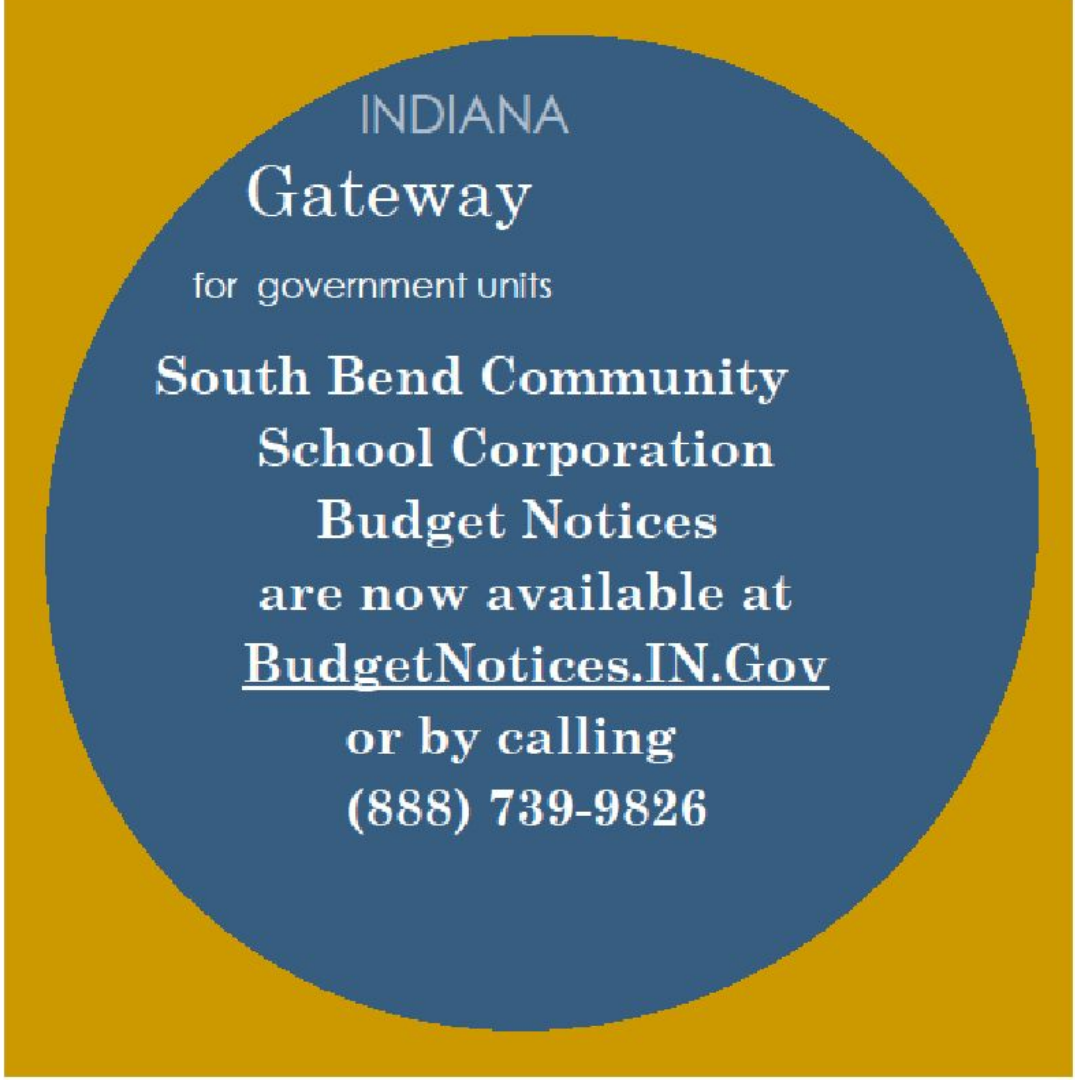
Kruggel Lawton: CPA firm founded in 1956, with office locations in South Bend, Elkhart and Goshen, Indiana; St. Joseph, Michigan; and Knoxville, Tennessee. With a team of more than 100 members, they provide four primary financial services: tax, assurance, business accounting, and advisory services.

Additional budget information is available at:

SBCSC BUDGET ONLINE

@ INDIANA Gateway

BudgetNotices.IN.Gov



Questions